



Commonwealth of Massachusetts  
**DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lieutenant Governor ♦ Jennifer D. Maddox, Undersecretary

To: All Local Housing Authority (LHA) Executive Directors  
From: Ben Stone, Associate Director, Division of Public Housing  
Date: July 21, 2020  
Subject: PHN 2020-21A

**ADDENDUM #2: Guidance on End of Rent Cap Policy**

DHCD issued [PHN 2020-21A](#) in May, establishing a rent cap for tenants whose rent would have increased due to increased wages or Federal Pandemic Unemployment Compensation (FPUC) for the months of June and July 2020. For those two months, tenants with increased income due to work or unemployment insurance had rent capped at rent charged for March 2020. As stated in PHN 2020-21A, this policy will expire simultaneously with the enhanced FPUC benefits on July 31. DHCD Bureau of Housing Management wants to make sure that all LHAs are aware of their responsibility regarding tenant rents going forward after the expiration of the rent cap policy.

LHAs may not include FPUC (\$600/week enhanced benefit) in household income for rent calculations beginning August 1, 2020 as these benefits will no longer be available. Tenants do not need to report or verify the loss of this income in order to obtain a redetermination of their rent. For LHAs that have not already taken action, we advise the following steps to move toward normalizing rents after the expiration of the cap.

1. Identify tenants who had increased income due to work or unemployment insurance for the months of June and/or July 2020 and whose rent was subject to the cap.
2. Identify any of those tenants who since lost income and have had their rents decreased below March 1<sup>st</sup> rent due to an interim redetermination. No action needed for these tenants.
3. For those households subject to cap which were receiving FPUC:
  - If May or April rent excluded FPUC from income, August rent should be the most recently determined rent without FPUC.
  - If May or April rent included FPUC with income, recalculate rent for August 1 based on the most recently determined income minus the FPUC enhanced benefit.
  - For tenants whose rent will decrease because of the end of FPUC, the decrease will be effective August 1, regardless of when notification sent.
4. For those households subject to cap whose rent was capped due to increased work income:
  - If rent was completely was completely redetermined through an annual or interim redetermination prior to the imposition of the cap, increase rent to amount previously calculated.
    - LHA must notify the tenant of the increased rent amount at least 14 days prior to the increase.
    - If an LHA has not yet sent this notice, they will be unable to increase August rent and will have to wait until September rent.
    - LHAs that utilized the DHCD Notice of Temporary Adjustment to Rent Due to State COVID-19 Policy need not notify tenants of the increased amount of rent if it is the same as the August 1 amount that LHA set out in that notice.

- If rent was not completely calculated in an annual or interim redetermination prior to the implementation of the cap, the LHA must complete the redetermination and notify the tenant of the new amount of rent.
  - If the new amount of rent is an increase, LHA must give at least 14 calendar days notice of increased rent. If an LHA has not yet sent this notice, they will be unable to increase August rent and will have to wait until September rent.
- 5. Notices to tenants should set out the information upon which their rent was calculated, and state that if this information has changed since their last annual or interim redetermination, the tenant should report the change to the LHA as soon as possible.

If an LHA has already acted on the expiration of rent cap policy prior to receiving this notice, and the LHAs actions were consistent with this notice, they may disregard the above instruction.

Overall, LHAs should strive to treat all those in the same situation fairly. LHAs should increase rents for all tenants who were capped for reasons other than FPUC on the same date, whether August 1 or September 1.

While this notice explains how LHAs should normalize rent policy following expiration of federal enhanced unemployment DHCD may revisit rent policy if the federal government enacts further extraordinary support for individuals through unemployment benefits or other cash assistance.