NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Lumber Co.,* 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

CISNEROS, SECRETARY OF HOUSING AND URBAN DEVELOPMENT, ET AL. *v.* ALPINE RIDGE GROUP ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

No. 92–551. Argued March 30, 1993—Decided May 3, 1993

The so-called Section 8 housing program under the United States Housing Act of 1937 (Housing Act) authorizes private landlords who rent to low-income tenants to receive ``assistance payments'' from the Department of Housing and Urban Development (HUD) in an amount calculated to make up the difference between the tenants' rent payments and a ``contract rent'' agreed upon by the landlords and HUD. Section 1.9b of the latter parties' ``assistance contracts'' provides that contract rents are to be adjusted annually by applying the latest automatic adjustment factors developed by HUD on the basis of particular formulas, while §1.9d specifies that, ``[n]otwithstanding any other provisions of this Contract, adjustments as provided in this Section shall not result in material differences between the rents charged for assisted and comparable unassisted units, as determined by the Government . . . .'' In the early 1980's, HUD began to conduct independent ``comparability studies'' in certain real estate markets where it believed that contract rents, adjusted upward by the automatic adjustment factors, were materially higher than prevailing market rates for comparable housing, and to use the private market rents as an independent cap limiting assistance payments. In this litigation, respondent Section 8 landlords allege that §801 of the Department of Housing and Urban Development Reform Act of 1989 (Reform Act)—which, *inter alia,* authorizes HUD to limit future automatic rent adjustments through the use of comparability studies—violates the Due Process Clause of the Fifth Amendment by stripping them of their vested rights under the assistance contracts to annual rent increases based on the automatic adjustment factors alone. In separate lawsuits, the District Courts each

granted summary judgment for respondents. The Court of Appeals affirmed the judgments in a consolidated appeal.

CISNEROS *v.* ALPINE RIDGE GROUP

Syllabus

Held: This Court need not consider whether §801 of the Reform Act unconstitutionally abrogated a contract right to unobstructed formula-based rent adjustments, since respondents have no such right. The assistance contracts do not prohibit the use of comparability studies to impose an independent cap on such adjustments. Indeed, §1.9d's plain language clearly mandates that contract rents ``shall not'' be adjusted so as to exceed materially the rents charged for ``comparable unassisted units'' on the private rental market, ``[n]otwithstanding'' that §1.9b might seem to require such a result. This limitation is consistent with the Housing Act itself, 42 U. S. C. §1437f(c)(2)(C). Moreover, it is clear that §1.9d—which by its own terms clearly envisions some comparison of assisted and unassisted rents—affords HUD sufficient discretion to design and implement comparability studies as a reasonable means of effectuating its mandate, since the section expressly assigns to ``the Government'' the determination of whether material rent differences exist. Respondents' contention that HUD's comparability studies have been poorly conceived and executed, resulting in faulty and misleading comparisons, is irrelevant to the question whether HUD had contractual authority to employ such studies at all. If respondents have been denied formula-based rent increases based on shoddy comparisons, their remedy is to challenge the particular study, not to deny HUD's authority to make comparisons. Pp. 7–11.

955 F. 2d 1382, reversed.

WHITE, J., delivered the opinion for a unanimous Court.