Commonwealth of Massachusetts
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
Mitt Romney, Governor ◆ Kerry Healey, Lt. Governor ◆ Jane Wallis Gumble, Director

Public Housing Notice 2003-02

Memorandum

To: All Local Housing Authorities
From: Carole E. Collins, Director, Bureau of Housing Management
Subject: CHAPTER 689 CHANGES
Date: February 24, 2003

Due to the fiscal crisis, the Department of Housing and Community Development is waiving the 4.3% automatic annual rent increase factor, which is contained in DMR lease and management contracts at local housing authorities. We expect minimum rents for both Department of Mental Retardation (DMR) and the Department of Mental Health (DMH) 689/167 developments to continue to range between $181.00 and $239.00 per bed/per month as stated in DHCD's annual budget guidelines. Please remember that rent is to be paid per bedroom unit as listed on the Contract for Financial Assistance (CFA). If DMR, DMH or their vendors have reduced the number of occupants, they will still be paying for each unit as listed on the original CFA as outlined in DHCD's annual budget guidelines for local housing authorities.

DMH, DMR or their vendors should have a copy of the 689 budget(s) that reflects the operating expenses and the operating reserve level related to the properties they occupy. Even if the authority's 689 developments have common vendors, the operating reserves should be separate amounts attributable to each separate property.

As you prepare your annual operating budget for your 689 program, it is expected that DMR, DMH or their vendors will sit down with you or your staff and discuss both short-term and long-term capital expenditures for these properties.

DHCD will be working with DMR and DMH in the near future to make minor modifications to our model lease and management contracts. We will forward the new contracts to all local housing authorities as soon as they are available. If you have any question regarding correspondence, please contact Martin Robb, Asset Management Representative at (617) 727-7130 (x657).

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