



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

Charles D. Baker, Governor ♦ Karyn Polito, Lieutenant Governor ♦ Janelle L. Chan, Undersecretary

Memorandum

To: DMHRSP Administering Agencies & Service Providers
From: Brendan Goodwin, Director, Bureau of Rental Assistance 
Subject: **DMHRSP Holding Payment Temporary Policy**
Date: September 26, 2018
cc: Stephanie Kan, AHVP & DMHRSP Coordinator, Bureau of Rental Assistance
DMH Central Office & Area Offices

As you have heard, the Department of Mental Health Rental Subsidy Program (DMHRSP) has received \$2M in additional funding for FY19. DHCD and DMH are focusing on using these funds to expand the DMHRSP program by adding new Sponsor based vouchers. In an effort to utilize these new vouchers in an expedient manner, we are implementing a **temporary Holding Payment amendment to our Vacancy Payment policy¹ for Sponsor based units effective 11/1/2018-6/30/2019** to allow Service Providers who find a unit to request a holding payment for the first month of a new lease, in order to “hold” the units while they match and approve client(s) to move into the unit.

When do we use the Holding Payment?

DHCD expects that Service Providers and AAs will expedite approval of clients and will only use this policy sparingly. This is only for new Sponsor based units where the unit would not remain available unless secured immediately, and where the potential client is still in the eligibility review process with the SP and/or AA. The current Vacancy Payment policy is temporarily amended to allow the SP to request and the AA to pay up to 1 month of full or prorated contract rent for the first month of a new lease to “hold” the unit while the Client is being approved and moved in.

Tenant based units and existing Sponsor based units are not eligible. This should not be used if the lease up can be delayed to match the timing of approval of a client.

How does it work?

1. The DMH Area Housing Coordinator notifies DHCD and the AA of approval for a new Sponsor based unit as usual.
2. After the AA approves the unit as usual, the DMH Coordinator and SP can request that the AA lease up immediately even though the Client(s) is not yet fully approved and ready to move in. At the same time or within 7 business days, the SP must request and the DMH Coordinator must approve in writing (email) the holding payment, clearly indicating that the PO will withdraw the unit otherwise and specifying the dates and amounts.
3. The AA pays up to 1 full month of full or prorated contract rent as a holding payment. A new unit is no longer considered “held” once it is fully or partially occupied.
4. The holding payment is only for the first full or pro-rated month. Should a client move in during the first month, the Occupancy Charge is waived for the first month and the Occupancy Charge and Subsidy Payment will be paid as usual beginning the following month. There are absolutely no

extensions of a holding payment. If the unit is still (fully or partially) vacant after the first month, the SP must pay the full (or prorated if partially occupied) contract rent until the unit is fully occupied.

Unless otherwise notified in writing by DHCD, this temporary amendment expires on 6/30/2019 and will revert to the Vacancy Payment policy as outlined in DHCD's DMHRSP Guidance.

As always, you can contact Stephanie Kan, AHVP & DMHRSP Coordinator, at 617-573-1222 or Stephanie.Kan@mass.gov with any questions or concerns.