



Commonwealth of Massachusetts

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

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

Memorandum

To: DMHRSP Administering Agencies & Service Providers
From: Cecilia Woodworth, Assistant Director of State Programs
Subject: **DMHRSP Rent Increase Policy**
Date: May 19, 2022
cc: Tara O'Neill-Rosales, Director, Division of Rental Assistance
Maryssa Schneider McLean, Deputy Director
Stephanie Kan, AHVP & DMHRSP Coordinator
Thomas Timms, State Rental Assistance Programs Assistant
DMH Central Office & Area Offices

Due to Administering Agencies' and Service Provider's efforts, we have seen good compliance with the updated Department of Mental Health Rental Subsidy Program (DMHRSP) leasing policies and procedures implemented in FY19. This has significantly reduced the prior difficulties with failure to renew and retroactive rent increases. In addition, we would like to reduce administrative burdens for the AAs, SPs, and Property Owners by further simplifying the rent increase process.

Therefore, **DHCD is now formally revising the Rent Increase Policy within the DMHRSP Guidance to remove the criterion requiring all rent increases to be effective on the lease renewal date (p52, Section VII. I. 1. 3) for all rent increases effective on or after 8/1/2022.** All other rent increase criteria (notices, 110% FMR, rent reasonableness, etc.) and procedures continue to strictly apply. Please see enclosed the revised Rent Increase Review form (which should be used on all rent increase requests effective 8/1/2022 or later) and leasing documents (which should be used on all new lease-ups going forward).

Please note that we are not requiring any lease amendment or formal notification to the POs or Clients, but ask that Service Providers reach out to their Property Owners to notify them of this change in case they wish to submit a rent increase prior to their next renewal date. We also encourage the Administering Agencies to share this information with Property Owners whenever they happen to receive an inquiry.

We anticipate that the discontinuation of the renewal date criteria in conjunction with the recent discontinuation of the 5% maximum increase criterion will allow DMHRSP to remain flexible and competitive in the tight housing market.

Please contact Stephanie Kan, AHVP & DMHRSP Coordinator, at Stephanie.Kan@mass.gov or 617-573-1222, or Thomas Timms, State Programs Assistant, at Thomas.Timms@mass.gov or 617-573-1212, with any questions or concerns.