


**MASSACHUSETTS
RENTAL VOUCHER
PROGRAM
(MRVP)**

**ADMINISTRATIVE
PLAN TRAINING**

Module #5:

The Voucher Payment Contract (VPC)
&
Rent Reasonableness & Rent Increases



May 2023

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Welcome

- Welcome to the MRVP Administrative Plan training.
- Over the course of the next several months, we will conduct training sessions on commonly applied MRVP policies.
- Each session will cover a section/chapter or grouping of sections/chapters from the MRVP Administrative Plan.
- Each session and training module focuses on the application of MRVP program policies for specific program elements.

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Training Curriculum & Schedule

#	Topics	Admin Plan Chapter(s)	Date
✓ 1.	• Training Introduction, MRVP Regulations & Governance • Eligibility, Issuance Briefing & Voucher	Chapters 1, 4, 6	March 2023
✓ 2.	• Verification	Chapters 7-8	March 2023
✓ 3.	• Calculation of Income & Voucher Payments	Chapter 7	April 2023
✓ 4.	• General Leasing Procedures & MRVP Lease Addendum	Chapters 9-10	April 2023
➔ 5.	• Voucher Payment Contract • Rent Reasonableness & Rent Increases	Chapters 11 & 12	May 2023
6.	• Relocation & Project Based Voucher Transfers	Chapters 13 & 14	May 2023
7.	• Redetermination of Tenant Rent Share	Chapter 16	June 2023
8.	• Terminations & Grievances	Chapter 17	June 2023
9.	• Program Administration & Program Integrity	Chapters 18-19	July 2023

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Today's Session

- Today's session will cover the following areas:
 - Voucher Payment Contract (VPC)
 - Voucher payments to the owner
 - AA responsibilities and rights
 - Rent reasonableness
 - Rent levels and increase amounts

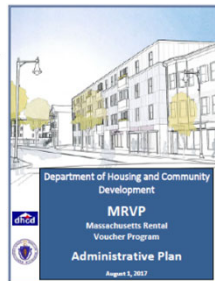
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Resource Materials

- Use DHCD's MRVP Administrative Plan to ensure consistent application of policies and procedures.
- The policies we are reviewing today are found in Chapters 11 & 12 of the Administrative Plan.
- The goal is to know where to find the information you need and to correctly apply policies.



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Voucher Payment Contract (VPC)

WHAT IS THE VPC?
MOBILE VS. PROJECT BASED VPC
APPENDIX A
APPENDIX B

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Revised 2016

MEMORANDUM FOR REVIEW, REVISION OR DISAPPROVAL (RMDR)
DISCUSSABLE REVISION REQUEST

The undersigned Participant (Contractor) is submitting herewith a _____
 _____ (Contract) _____

1. PURPOSE

The purpose of this Contract, the Design agrees to provide detailed, safe, and verifiable engineering for the proposed engineering project. The Contractor and the AA agree to have the Design's authority on the project limited to the design of the project.

2. CONTRACT OBJECTS AND TERMS OF CONTRACT

The undersigned Participant (Contractor) agrees to have the components, Models and Project Report. The Contract applies to the following (check appropriate box and insert appropriate abbreviation):

a. ☐ Model Development

Applicant's Address: _____

AA: _____

The undersigned Participant (Contractor) agrees to have the components, Models and Project Report. The Contract applies to the following (check appropriate box and insert appropriate abbreviation):

b. ☐ Project Development

The undersigned Participant (Contractor) agrees to have the components, Models and Project Report. The Contract applies to the following (check appropriate box and insert appropriate abbreviation):

c. ☐ Project Development

The undersigned Participant (Contractor) agrees to have the components, Models and Project Report. The Contract applies to the following (check appropriate box and insert appropriate abbreviation):

d. ☐ Project Development

The undersigned Participant (Contractor) agrees to have the components, Models and Project Report. The Contract applies to the following (check appropriate box and insert appropriate abbreviation):

e. ☐ Project Development

The undersigned Participant (Contractor) agrees to have the components, Models and Project Report. The Contract applies to the following (check appropriate box and insert appropriate abbreviation):

f. ☐ Project Development

The undersigned Participant (Contractor) agrees to have the components, Models and Project Report. The Contract applies to the following (check appropriate box and insert appropriate abbreviation):

g. ☐ Project Development

The undersigned Participant (Contractor) agrees to have the components, Models and Project Report. The Contract applies to the following (check appropriate box and insert appropriate abbreviation):

Section 1: General Information and Project Description

Owner's Records

- The owner shall provide any information that the AA or DHCD reasonably requires in regard to the VPC.
- The owner shall allow the AA, DHCD, or any representatives to have access to any of the owner's books, documents, papers, and records to the extent necessary to determine compliance with the VPC.
- The owner shall inform the AA of any changes to affordability restrictions under programs other than MRVP that affect the contract unit and/or property.

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Transfer of VPC

- If there is a change in ownership, the new owner is obligated to comply with the VPC.
- The new owner may want to sign a new VPC with the AA but is not required to do so.
- The new owner may want to sign a new lease with the participant(s).
- The AA must notify DHCD when there is a change in ownership of a PBV property.

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File Protocol

- All participant files must contain the VPC; however, for project-based vouchers, you can maintain the VPC in one central owner file for each project.

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VPC and Lease

- Mobile and PBV owners must enter into a lease for the contract unit(s) listed in the VPC (or Appendix A), typically for a minimum of one year.
- However, a shorter lease term may be approved on a case-by-case basis.

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VPC Legal Clauses

- There are 3 important legal clauses in the VPC. To enforce these clauses legal counsel will likely be involved.
 1. Injury liability
 2. Owner is not an agent of the AA
 3. Rights to enforce the VPC

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VPC Legal Clauses – Injury Liability

- The AA is not responsible for or liable to any person who is injured as a result of the owner's action or failure to act in connection with the implementation of the VPC, or as a result of any action or failure to act by the owner.
- Example: The AA is making voucher payments to the owner and the contract unit is not compliant with the State Sanitary Code. The participant's belongings are damaged. The AA is not liable for any of the damages.

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VPC Legal Clauses – Owner is Not an Agent of the AA

- The VPC does not create any relationship between the AA and any lender to the owner, or any suppliers, employees, contractors or subcontractors used by the owner in connection with implementation of the VPC.
- This means that if the owner collects voucher payments, but does not pay the mortgage, contractors, subcontractors, or property management agents, none of the parties can seek payment from the AA.

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VPC Legal Clauses – Rights to Enforce the VPC

- Except as specifically provided, nothing in the VPC creates any right of a tenant or third party (other than DHCD) to enforce the terms of the VPC.
- Especially in cases of non-compliance with the State Sanitary Code, a participant may try to terminate the VPC or stop voucher payments; however, only the AA or DHCD may enforce the VPC.

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Mobile vs. PB VPC

- The body of the VPC is largely the same for mobile and PBV units; however:
 - A VPC for a mobile unit covers only that unit.
 - A project-based VPC covers all of the PBV units in the project or property and must include Appendix A.

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VPC

- The **voucher payment contract (VPC)** informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, gender identity, marital status, veteran status, receipt of public assistance, genetic information, or disability in connection with the contract.
- All vouchers: withhold voucher payments to the owner if the owner fails to comply with the voucher payment contract.

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Appendix A (PBV only)

- Must be attached to any VPC for contract units with project-based vouchers.
- Must be signed by the owner and AA.
- Revise whenever there are changes. If revised, the revised version supersedes all previous versions.
- DHCD must be notified whenever individual units change, especially if the units are not comparable (i.e., different bedroom sizes).

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Appendix A (PBV only)

Lists all details about the project, including:

- Project name and address
- Type of MRVP PBV(s)
- Unit mix
- Individual unit information (# of bedrooms, # of bathrooms, square feet, mobile and sensory accessibility)
- % of income participants pay in tenant rent share
- Contract rents by bedroom size
- Utility responsibilities for heat and electricity
- Preferences, income restrictions and waivers

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Supportive Services

- MRVP supportive service dollars are awarded by DHCD and can only be applied to units receiving specific awards for services.
- If used, the AA is responsible for paying the subsidy for supportive services to the owner.
- The subsidy varies from \$1,500 to \$2,500 per unit per year.
- If applicable, the AA will receive a copy of the award letter sent to the owner, which includes the amount of the service dollars.

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Payment for Supportive Services

- Made monthly from \$125 to \$208.33.
- Will not be prorated based on occupancy; full monthly rate applies if the unit is occupied for at least one day during the calendar month. However, payment will not be made if a unit is vacant for the entire calendar month.
- AAs are responsible for ensuring that payment for supportive services is made accurately.
- AAs are **not** responsible for monitoring supportive services.
- No payments are made if a valid VPC, including Appendix A and B, is not in place.

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Contract Unit(s) & Term of Contract

MOBILE VOUCHERS
PROJECT BASED

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Mobile vs. PBV VPC Contract Units

Mobile VPC	Project-Based VPC
<ul style="list-style-type: none"> Lists address of the contract unit and participant's name. 	<ul style="list-style-type: none"> Lists only the name of the project. Individual contract units are listed in Appendix A.
<ul style="list-style-type: none"> Only valid if the unit is occupied by the specific participant listed. 	<ul style="list-style-type: none"> Since the voucher is assigned to the unit and not the participant, assistance remains available as long as the owner is in compliance with the VPC.

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Mobile vs. PBV VPC Term

Mobile VPC	Project-Based VPC
<ul style="list-style-type: none"> Term begins on the same date that the lease for the unit begins. 	<ul style="list-style-type: none"> Term begins on the date written in the VPC. For new projects, this date is the effective date of the first lease for a contract unit. Voucher payments may begin on the effective date of the VPC and once the contract unit is occupied by a participant.
<ul style="list-style-type: none"> Term is the same as the lease term. 	<ul style="list-style-type: none"> The owner and AA, in consultation with DHCD, may set the length of the VPC from 1 to 15 years.

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Mobile vs. PBV VPC Term

Mobile VPC	Project-Based VPC
<ul style="list-style-type: none"> Term automatically renews with the lease unless terminated with 30 days advance written notice. 	<ul style="list-style-type: none"> At the end of the term, the owner and AA may choose to renew the VPC for 1- to 5-year terms. An AA must receive DHCD approval prior to notifying a PB owner that the AA does not intend to renew the VPC.
<ul style="list-style-type: none"> VPC terminates if the lease is terminated. 	<ul style="list-style-type: none"> AAs must contact DHCD if a PB owner wants to terminate, transfer, or reduce the VPC.

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Brain Teaser #1

Does the statement apply to mobile or PBV VPCs?

No.	Description	Mobile or PBV VPC?
a.	VPC renews with the lease unless terminated with 30 days prior notice.	
b.	VPC does not list individual participants.	
c.	VPC can be renewed for 1- to 5-year terms.	
d.	VPC is valid only if the contract unit is occupied by the participant listed on the VPC.	
e.	VPC term automatically renews with the lease unless terminated with 30 days advance written notice.	
f.	If the participant moves out, assistance remains available for the contract unit.	

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Voucher Payments

VOUCHER PAYMENTS DURING OCCUPANCY
WHEN VOUCHER PAYMENTS ARE NOT MADE
ACCEPTANCE OF THE VOUCHER PAYMENT BY THE OWNER

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Voucher Payments

- AAs make voucher payments directly to the owner.
- AAs may allow the owner to designate another party (i.e., property manager) to whom payments will be made; however, the designation must be in writing.
- The amount of the voucher payment may change. If possible, give the owner and participant at least 30 days advance written notice of any changes in the voucher payment, tenant rent share or contract rent.

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Voucher Payments

- Generally, voucher payments are only made during the actual period of occupancy.
- Participants should move into the unit on or as close to the lease effective date as possible. Differences of more than a few days may lead to the participant being responsible for the entire contract rent for that time period.

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Voucher Payments

- If the entire household is out of the contract unit for up to 30 days consecutively or collectively, the owner may receive voucher payments for that time.
- If the participant vacates mid-month without notice, the AA may choose to recoup voucher payments made for the part of the month the participant was not in the unit.

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Voucher Payments After Lease/VPC Effective Date

- Only make voucher payments for the period of occupancy after the effective date of the lease and/or VPC.
- If the participant moves in before the date of the lease and/or VPC, they may be responsible for payment of the contract rent for the period before the effective date of the lease and/or VPC, whichever is later.

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Do Not Make Voucher Payments for...

- Vacancy losses
- Damage claims
- Participant's share of any outstanding rent
- Any other fee or charge owed by the participant

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Voucher Payments after Termination

- If a participant is terminated from MRVP, make no voucher payments past the termination effective date, whether or not the participant continues to live in the contract unit.

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Brain Teaser #2

Jeanette signed a lease for her PBV unit on April 29 and the lease began on May 1. Jeanette went on vacation and does not return until May 9 at which time she picked up the keys to the unit and moved in.

When will voucher payments for the unit begin?

- a. April 29
- b. May 1
- c. May 9

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Brain Teaser #3

Amanda is issued a PB voucher and signs a lease for a contract unit. The lease is effective October 1; however, on September 13 the owner lets her move in early. The owner requests voucher payment for September 13 – 30.

When will voucher payments for the unit begin?

- a. October 1
- b. September 1
- c. September 13

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Brain Teaser #4

Jack signed a lease for his mobile unit on November 1 and received the keys for the unit. The lease began on November 1 and Jack moved into the unit on November 2.

When will voucher payments for the unit begin?

- a. November 1
- b. November 2
- c. December 1

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Acceptance of the Voucher Payment

- By accepting the voucher payment, the owner is verifying:
 - Owner has received the full voucher payment on behalf of the participant.
 - Unit is in compliance with the State Sanitary Code.
 - Unit is leased to the participant named in the lease.
 - Voucher payment amount is **not** more than the contract rent.
 - Owner is not charging more than the contract rent in the lease.

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Acceptance of the Voucher Payment

- By accepting the voucher payment, the owner is verifying:
 - Participant and AA do not own or have any financial interest in the contract unit.
 - Owner is not receiving additional rental assistance for the same participant for the unit during the month for which the voucher payment was made.
 - To the best of the owner's knowledge, the participant's household occupies the unit as their sole residence.

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Acceptance of the Voucher Payment

- If the owner accepts the voucher payment and one of the conditions is not true, it is a breach of the VPC, and the AA shall have cause to terminate the VPC.

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What Happens When the VPC is Terminated?

- AA cannot make any payments to the owner on behalf of a participant.
- No effect on the participant voucher; however, the participant may be required to relocate, and the participant voucher may need to be re-issued.
- Does not terminate the lease; however, without MRVP assistance, the participant may be unable to pay the entire contract rent.

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Decision to Terminate a VPC

- Decision to terminate a VPC for a mobile voucher is the AA's and is **not** subject to DHCD approval.
- Consultation with DHCD is **required** before terminating or reducing the number of contract units covered by a VPC for PBV units.

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Decision to Terminate a VPC

- Make decisions on a fair and consistent basis.
- Carefully consider the disruption to the participant since the decision may force a participant to move because they cannot afford the entire contract rent without assistance.
- Alert the participant if voucher payments are being withheld and/or the VPC is terminated.
- Provide housing search assistance to the participants to the extent possible.

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Brain Teaser #5

The lease and VPC list Markita Jones as the sole participant of the mobile unit; however, Markita moved out of the unit and her daughter Daria is living in the unit.

Is this a violation of the VPC?

- Yes
- No

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Brain Teaser #6

Marcia lives with her 12-year-old son and 5-year-old daughter in a unit that contains lead paint.

Is this a violation of the VPC?

- a. Yes
- b. No

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Condition of the Contract Unit

MAINTENANCE
OPERATION
INSPECTION

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Owner Responsibilities

- Unless otherwise specified in the lease, the owner must:
 - Provide all utilities,
 - Supply and maintain all appliances, and
 - Ensure that the unit is in compliance with the State Sanitary Code.

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Owner Responsibilities

- Prior to move-in, the owner must provide verification that the unit is:
 - In compliance with the State Sanitary Code,
 - Lead safe if a child under the age of 6 will live in it.
- Do not enter into a VPC or begin making voucher payments until verification is received.

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Owner Responsibilities

- The owner is responsible for:
 - Making emergency repairs to all conditions which create an immediate and serious threat to life, health, or safety. Such repairs shall be made forthwith after the tenant's notification to the owner or after the owner otherwise learns of such condition.
 - Making all other non-emergency repairs within 30 days after being notified or learning of the need for such repair.

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Audit Inspections

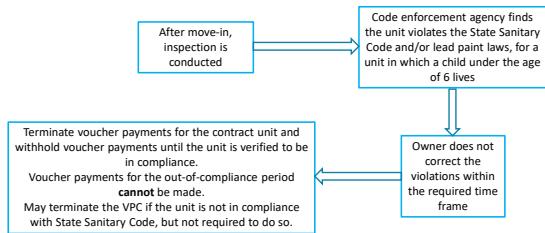
- DHCD/AA has the right to conduct audit inspections of the property to ensure compliance with the State Sanitary Code and that the owner is providing all utilities and services specified in the lease and/or VPC.

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Violations Not Corrected



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Violations Not Corrected

- When determining whether to terminate the VPC due to non-compliance with the State Sanitary Code, consider:
 - Extent and severity of the violations
 - Wishes of the participant
 - Corrective action taken by the owner
 - Threat to the health and safety of the participant
- Make decisions on a case-by-case basis in a consistent manner.

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Brain Teaser #7 – Part 1

Amanda lives in a unit with her mobile voucher. The roof leaked in her unit and water dripped into the bathroom, causing damage to the ceiling and floor. Amanda complained to her landlord, but nothing was done.

In November, Amanda called the Board of Health when mold developed on the bathroom ceiling. The owner was cited and given one month to stop the leak, repair the damage and remove the mold.

The owner made some repairs, but the leak began again. Amanda called the Board of Health in January for a reinspection. The owner was cited again for the same issues and given one month to bring the unit into compliance. Amanda forwarded both inspection reports to the AA and indicated that she did not want to move.

What action, if any, should be taken by the AA? (select one)

- a. Note the violations
- b. Terminate the VPC
- c. Stop the voucher payment effective February 1 but do **not** terminate the VPC
- d. Stop the voucher payment effective February 1 and terminate the VPC.

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Brain Teaser #7 – Part 2

In March, the owner replaced the roof and sent verification dated March 15 from the Board of Health that the unit was in compliance with the State Sanitary Code.

What action, if any, is taken by the AA?

- a. No action is taken
- b. Resume voucher payments effective April 1
- c. Resume voucher payments effective March 15
- d. Resume voucher payments retroactively to February 1

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Brain Teaser #7 – Part 3

In March, the owner replaced the roof and sent verification dated March 15 from the Board of Health that the unit was in compliance with the State Sanitary Code.

The owner requested the withheld voucher payment. Can the AA pay the portion that was withheld?

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AA Responsibilities and Rights

ELIGIBILITY
VOUCHER PAYMENTS
BREACH OF CONTRACT
TERMINATION OF THE VPC

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AA Responsibilities

- Verify that the participant is eligible for MRVP as often as needed.
- Make voucher payments to the owner on behalf of MRVP-eligible participants on or about the 1st of the month.
- Terminate the participant's participation in MRVP if they are no longer eligible.
- Terminate voucher payments to the owner if the participant vacates the unit, becomes ineligible, or is terminated from MRVP.
- Suspend or terminate voucher payments if the owner has failed to fulfill any obligation in the VPC.

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What Constitutes Owner Contract Breach?

- Violation of any obligation under the VPC.
- Owner certifications in Section 4(d) of the VPC are false when made.
- Owner has committed any fraud or made any materially false statement to the AA or DHCD in connection with the VPC or has committed fraud in connection with any other rental assistance programs.

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Notification of Owner Breach

- Written notification to the owner, including:
 - Clause of the VPC breached by the owner;
 - Owner's breach of the VPC explained in plain language;
 - Any corrective action the AA deems necessary;
 - Timeline by which corrective action must be taken, if applicable;
 - Any reduction or termination of voucher payments;
 - Date of termination of the VPC, if applicable.

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AA Corrective Actions for Owner Breach of Contract

- Recover overpayments
- Terminate voucher payments
- Reduce voucher payments
- Terminate the VPC
- Appropriate legal relief
- Damages
- All other legally available relief

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Corrective Actions

- If the AA exercises or chooses not to exercise any corrective actions, it does not waive the right to exercise any other corrective action, right, or remedy at any time.

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Brain Teaser #8

In February the AA terminated the VPC with the ABC Property Company for Jan's mobile unit due to failure to maintain the unit in compliance with the State Sanitary Code. At that time, the AA did not seek to recover overpayments from the owner. The AA has 6 months following termination of the VPC to take action to recover the overpayments.

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Brain Teaser #9

When a participant is terminated from MRVP, the AA can make payments for damage claims.

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Brain Teaser #10

The owner may not charge MRVP participants more than non-subsidized, market-rate tenant in the same building.

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Rent Reasonableness

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Rent Reasonableness

- All rents charged for units paid for in part by MRVP subsidies must be reasonable.
- Rent reasonableness is determined at different times based on the Voucher type and plays an important role in determining contract rent increases for mobile and project-based vouchers.

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Rent Reasonableness

- Regardless of the maximum allowable contract rent, contract rents must be reasonable.
- The owner may **not** charge MRVP participants more rent than non-subsidized, market-rate tenants in the same building.
- Rent reasonableness is determined by comparing the unit to other non-assisted units in the area, including:
 - Amenities
 - Accessibility features
 - Unit size
 - Unit quality
 - Included utilities

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Rent Reasonableness

- Rent reasonableness must be determined by the AA in a fair and consistent manner through the Rent Reasonableness Checklist and Certification Form or use a similar method equally stringent.
- An owner may request documentation of why a rent was not approved.

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Rent Reasonableness Checklist & Certification

- The owner completes the owner section of the form.
- For question #1, the owner completes the 2nd column, Proposed Unit.
- If the project has more than 4 units, the owner must complete question #3 and provide information for the most recently leased *unassisted* units within the premises.

AA001-11 RENT REASONABLENESS CHECKLIST AND CERTIFICATION

FOR OWNERS/PROPERTY MANAGERS

1. Please provide the following information for the proposed unit. Please do not complete this section for units already leased or that are to be leased within the next 12 months. (Section 202 of the Act)

UNIT	PROPOSED UNIT	UNIT 1	UNIT 2	UNIT 3	UNIT 4
1. Unit Address					
2. Unit Type					
3. Unit Size (sq. ft.)					
4. Unit Status					
5. Unit Description					
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AA001-11 RENT REASONABLENESS CHECKLIST AND CERTIFICATION

FOR OWNERS/PROPERTY MANAGERS

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AA001-11 RENT REASONABLENESS CHECKLIST AND CERTIFICATION

FOR OWNERS/PROPERTY MANAGERS

3. Please provide the following information for the proposed unit. Please do not complete this section for units already leased or that are to be leased within the next 12 months. (Section 202 of the Act)

UNIT	PROPOSED UNIT	UNIT 1	UNIT 2	UNIT 3	UNIT 4
1. Unit Address					
2. Unit Type					
3. Unit Size (sq. ft.)					
4. Unit Status					
5. Unit Description					
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Funding Availability

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Funding Availability

- MRVP funds are subject to appropriation by the Massachusetts Legislature and the release of such funds to DHCD and the AA by the Executive Office of Administration and Finance.

Training Module #5

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Funding Availability

- DHCD can require AAs to take steps to align voucher expenditures with available funds based on appropriation.
- If DHCD receives insufficient funds to honor all VPCs, DHCD may direct the AA to terminate the household's participation in MRVP.
- DHCD could also take other actions consistent with the MRVP Budget Line Item language or other applicable law. For example, DHCD could direct the AA to reduce MRVP Contract Rent levels to preserve the same number of vouchers based on the reduction in appropriation.

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Rent Levels and Rent Increases

PROJECT BASED VOUCHERS
MOBILE VOUCHERS

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Rent Increase Requests

- All contract rent increases must be requested from the AA by the owner.
- The request must include the DHCD Rent Reasonableness Checklist and Certification Form or a similar form.

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Rent Levels & Rent Increases - PBV

- Contract rents must be reasonable.
- Increases:
 - Must be rent reasonable
 - Limited to 100% area-wide FMR
 - Do not need DHCD's approval
- Increases may only be approved:
 - After the first year of the initial VPC
 - Once in any 12-month period

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Rent Increases - PBV

- Initial contract rents for PBVs are set at the time the VPC is signed.
- DHCD controls the timing and amount of rent increases for projects;
- Contract rents cannot exceed levels set by DHCD.
 - Right now, that is 100% area-wide FMR.

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Rent Increases - PBV

- Contract rents increases are applied to an entire project at one time.
- The contract rent for PBV units can be raised during the first year of a specific participant's lease because the contract rents for an entire property are normally increased at one time, regardless of when participants move out and into the property.

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Rent Increases - PBV

- The request for a rent increase must include the DHCD Rent Reasonableness Checklist and Certification Form or a similar form.
- For projects with numerous kinds of units (i.e., different bedroom sizes, differences in accessibility), the Checklist and Certification Form must be completed for each type of unit.

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Rent Increases - PBV

- The maximum allowable rent increase for project-based vouchers is limited to HUD's area-wide Fair Market Rent (FMR), with limited exceptions, and must be rent reasonable. FMRs are determined annually by HUD.
- If the FMR decreases below the current contract rent, the rent increase will not be approved, and the contract rent does not need to be lowered.

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Rent Reasonableness – Mobile Vouchers

- Contract rents for mobile vouchers are set when the lease is signed with the participant.
- At initial occupancy, a household's contribution to gross rent cannot exceed 40% of net household income, as discussed in Training Module #3.
- Contract rents for mobile vouchers may be increased no more than once in any 12-month period and not within the first year of the Lease.

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Rent Levels & Rent Increases - Mobile

- **All** rents must be rent reasonable.
- Increases may only be approved:
 - After the first year of the lease, and
 - Once in any 12-month period.
- An MRVP family may terminate the lease for good cause if:
 - A contract rent is approved resulting in the household contributing more than 40% of net income to gross rent, and
 - The household deems the increased household contribution unaffordable.

The family must have AA approval and provide the owner with at least 30 days' written notice to terminate the lease for good cause.

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Rent Increases

- The property and units must be maintained and in good condition prior to any contract rent increase.
- AAs and DHCD reserve the right to conduct annual inspections.

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Rent Increase Approved - PBV & Mobile Vouchers

- Updated tenant rent share sent to owner and participant
- Participant must receive at least 30 days' notice of increase
- Rent increases may never be retroactive

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Brain Teaser #11 – Part 1

On April 25, an owner asks for a rent increase to \$2,000 for an MRVP family's unit, effective June 1. Staff review and approve the rent on May 10, and notify the owner and tenant that the rent will be effective July 1, in order for the family to have 30 days' notice.

Is the AA required to cap the rent increase using 40% of the family's net monthly income?

- Yes
- No

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Brain Teaser #11 – Part 2

On April 25, an owner asks for a rent increase to \$2,000 for an MRVP family's unit, effective June 1. Staff review and approve the rent on May 10, and notify the owner and tenant that the rent will be effective July 1, in order for the family to have 30 days' notice.

If the family cannot afford the rent increase because it exceeds 40% of their net monthly income, can the family terminate their lease, and if so, when?

- a. No, the family cannot terminate their lease due to the rent increase.
- b. Yes, the family can terminate the lease for cause with AA approval and at least a 30-day notice to the owner.
- c. Yes, but the family must wait until their lease renewal date.

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Brain Teaser #11 – Part 3

On April 25, an owner asks for a rent increase to \$2,000 for an MRVP family's unit, effective June 1. Staff review and approve the rent on May 10, and notify the owner and tenant that the rent will be effective July 1, in order for the family to have 30 days' notice.

If the AA had delayed approving the increase in rent until June 2, when could the increase be effective?

- a. June 1
- b. July 1
- c. August 1

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Brain Teaser #12 – Part 1

On May 3, an owner requested an increase in a contract rent for an MRVP unit retroactive to May 1.

If the AA determines the rent is reasonable on May 24, can they approve the request?

- a. Yes
- b. No

Training Module #5

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Brain Teaser #12 – Part 2

On May 3, an owner requested an increase in a contract rent for an MRVP unit retroactive to May 1.

If the AA determines the rent is reasonable on May 24 and they send notices to the owner and participant about it on the same day, on what date could the rent be effective?

- a. June 1
- b. July 1
- c. August 1

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Questions?

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Key Takeaways

- The Voucher Payment Contract (VPC) is the contract between an owner and an AA. The VPC:
 - Must be signed by the owner and AA;
 - Names the unit or units under contract;
 - Outlines the responsibilities of each party;
 - Can only be changed if the AA is instructed to by DHCD;
 - Prohibit discrimination by owners.
- The owner must provide any information that the AA or DHCD reasonably requires in regard to the VPC.

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Key Takeaways

- VPCs for mobile and PBV units are essentially the same, except that:
 - A VPC for a mobile unit covers only that unit.
 - A project-based VPC covers all of the PBV units in the project or property and must include Appendix A.
 - An Appendix B for a PBV property is required only when the property has supportive services.
- A VPC for a mobile voucher is valid only when the unit is occupied, and the term must match the lease for the MRVP family.

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Key Takeaways

- Units within a PBV development may be switched if certain requirements are met.
- All participant files must contain the VPC; however, for PBVs, AAs can maintain the VPC in one central owner file for each project.
- All MRVP participants, whether mobile or project-based, must have a lease; generally, these should be for at least one year (but shorter leases may be approved on a case-by-case basis).

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Key Takeaways

- AAs make voucher payments directly to the owner or the owner's designated party (i.e., property manager).
- Generally, voucher payments are only made during the actual period of occupancy.
- Do not make voucher payments for:
 - Vacancy losses
 - Damage claims
 - Participant's share of any outstanding rent
 - Any other fee or charge owed by the participant

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Key Takeaways

- By accepting the voucher payment, the owner is verifying compliance with applicable requirements of the MRVP program.
- If the owner accepts the voucher payment and is not in compliance with each applicable requirement of MRVP, the AA may terminate the VPC.

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Key Takeaways

- When a VPC is terminated:
 - Do not make any payments to the owner on behalf of a participant.
 - There is no effect on the participant voucher (but the participant may need to be re-issued a voucher if they must move).
 - The lease is not terminated, but the participant may be unable to pay the entire contract rent.
- Decision to terminate a VPC for a mobile voucher is the AA's and is **not** subject to DHCD approval.
- Consultation with DHCD is **required** before terminating or reducing the number of contract units covered by a VPC for PBV units.

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Key Takeaways

- Owners have a variety of responsibilities under MRVP.
- Unless otherwise specified in the lease, the owner must:
 - Provide all utilities,
 - Supply and maintain all appliances, and
 - Ensure that the unit is in compliance with the State Sanitary Code.

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Key Takeaways

- Prior to move-in and prior to entering into a VPC, the owner must provide verification that the unit is:
 - In compliance with the State Sanitary Code,
 - Lead safe if a child under the age of 6 will live in it.
- DHCD/AA has the right to conduct audit inspections of the property to ensure compliance with the State Sanitary Code and that the owner is providing all utilities and services specified in the lease and/or VPC.

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Key Takeaways

- The AA has a variety of responsibilities under MRVP, including (but not limited to):
 - Verifying that the participant is eligible for MRVP as often as needed.
 - Making voucher payments to the owner on behalf of MRVP-eligible participants on or about the 1st of the month.
 - Terminating the participant's participation in MRVP if they are no longer eligible.
 - Terminating or suspending voucher payments to the owner when required.

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Key Takeaways

- AA corrections for owner breach of contract may include:
 - Recovering overpayments
 - Terminating voucher payments
 - Reducing voucher payments
 - Terminating the VPC
 - Appropriate legal relief
 - Damages
 - Other legally available relief

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Key Takeaways

- All rents charged for units paid for in part by MRVP subsidies **must be reasonable**, whether they are for mobile vouchers or PBVs.
- Rent reasonableness must be determined by the AA in a fair and consistent manner.
 - An owner may request documentation of why a rent was not approved.
- The owner may **not** charge MRVP participants more rent than non-subsidized, market-rate tenants in the same building.

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Key Takeaways

- All contract rent increases must be requested from the AA by the owner.
- Rent increases for PBV units:
 - Are limited to 100% area-wide FMR
 - Do not need DHCD's approval
- Rent increases for mobile and PBV units may only be approved:
 - After the first year of the lease, and
 - Once in any 12-month period.

Training Module #5

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Key Takeaways

- MRVP funds are subject to appropriation by the Massachusetts Legislature and the release of such funds to DHCD and the AA by the Executive Office of Administration and Finance.
- DHCD can require AAs to take steps to align voucher expenditures with available funds based on appropriation.

Training Module #5

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Upcoming Sessions

#	Topics	Admin Plan Chapter(s)	Date
✓ 1.	• Training Introduction, MRVP Regulations & Governance • Eligibility, Issuance Briefing & Voucher	Chapters 1, 4, 6	March 2023
✓ 2.	• Verification	Chapters 7-8	March 2023
✓ 3.	• Calculation of Income & Voucher Payments	Chapter 7	April 2023
✓ 4.	• General Leasing Procedures & MRVP Lease Addendum	Chapters 9-10	April 2023
✓ 5.	• Voucher Payment Contract • Rent Reasonableness & Rent Increases	Chapters 11 & 12	May 2023
→ 6.	• Relocation & Project Based Voucher Transfers	Chapters 13 & 14	May 2023
7.	• Redetermination of Tenant Rent Share	Chapter 16	June 2023
8.	• Terminations & Grievances	Chapter 17	June 2023
9.	• Program Administration & Program Integrity	Chapters 18-19	July 2023

Training Module #5

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thank you!

Thank you for your participation!

TRAINING MODULE #5

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