



Commonwealth of Massachusetts
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

Deval L. Patrick, Governor ◆ Aaron Gornstein, Undersecretary

MRVP NOTICE: 2014-02

To: All Local Housing Agencies and Regional Non-Profits
Administering the Massachusetts Rental Voucher Program (MRVP)

From: Brendan Goodwin, Director, State Rental Assistance Programs

Subject: Project-Based Voucher Rent Increases

Date: December 29, 2014

I am pleased to inform you that, as part of our commitment to preserving affordable housing units under the MRVP, DHCD is implementing rent increases to the Project-Based Voucher (PBV) portfolio.

Note: These rent increases do not apply to units funded under the 13A program with Mass Housing. DHCD is working with Owners of 13A units under a separate initiative.

DHCD is able to offer contract rent increases on project-based (PB) units up to HUD's FY15 Fair Market Rent (FMR). For current FMR information, please visit <http://www.huduser.org/portal/datasets/fmr.html>. If, for any reason, an approved contract rent is already higher than the current FMR, the rent will not be affected for that unit.

Rent increases require a 30-day advance notice to both the Owner and Tenant. As this is a priority for DHCD, we are requesting that LHAs and RAAs work quickly to send notifications no later than January 29, so that the rent increases will be **effective March 1, 2015**.

DHCD is also revising policies and procedures for future rent increase requests in the project-based portfolio. Guidance will be issued to LHAs and RAAs shortly. Please see below for additional implementation guidance related to the current, across-the-board rent increases.

Notice from Housing Agencies

The housing agency that administers the MRVP subsidy for a specific property will notify the owner and tenant at least 30 days in advance of the contract rent increase. Rent increases implemented under this initiative are exempt from the regulation that no owner may receive more than one rent increase in any twelve month period. Rent increases must be effective with notice, no retroactive increases can be paid.

The owner and tenant will be informed of the change in contract rent through an updated tenant rent share letter. Please see Attachment A for a sample letter. This letter must be sent on your agency's letter head. You are welcome to adapt the letter to your agency's needs as long as the substantial information remains and notes that, with the notice, an amendment is being made to the lease, voucher payment contract and project-based voucher.

Again, it is important that notices are mailed early enough to allow for 30 days' notice and in order that the contract rent can become effective March 1, 2015.

Tenant Rent Share Changes

Since tenant rent shares are based on income, in most cases an increase in contract rent will have no effect on the tenant rent share. However, there may be individual cases in which the calculated tenant share is already higher than the current contract rent and the tenant is paying the entire contract rent. In these cases, no MRVP subsidy is currently being paid on behalf of the tenants. If this contract rent increase is higher than the tenant share, the tenant may experience a slight increase in their share. This is allowable with 30 days' notice to the tenant of the new tenant share.

Owner Rejection or Adjustment of Contract Rents

While not anticipated widely, an owner may reject or request a smaller contract rent increase. This would likely be in cases in which an owner has project-wide rent restrictions due to other funding sources in the project. The 30 days' notice should provide ample time to work with any affected owners to adjust automatic increases.

Owners are responsible for their own compliance with other funding agencies or sources related to disclosure and reporting of approved rent increases.

Special Situations

For units that are vacant at the time of the rent increase (March 1), the rent increase still applies. However, the MRVP does not pay for vacancy payments, therefore it should be implemented at the time the unit returns online.

For units in which housing assistance payments are being withheld due to sanitary code violations, the rent share increase should be made effective once payments resume and 30 days' advance notice is given. If the unit becomes vacant before payments resume, the contract rent increase will be applied when the unit becomes occupied again.

If payments are being withheld for any other reason, 30 days' advance notice should be sent notifying the owner and tenant that the contract rent is being increased on March 1, 2015. There should be a note on the rent share letter stating that housing assistance payments are being withheld, but the contract rent increase will be implemented retroactively (no earlier than March 1) once payments resume. If the unit becomes vacant before payments resume, the contract rent increase will be implemented when the unit becomes occupied again.

Reporting

DHCD does not intend to overly burden administering agencies with reporting on the rent increases. However, we do need to ensure that they are completed by March 1. To that end, DHCD will reach out in April to request a listing of each agency's new PBV contract rents by development.

Additional Questions

Additional questions may be addressed to Cecilia Woodworth, MRVP Program Specialist, at 617-573-1141 or cecilia.woodworth@state.ma.us.

DHCD has scheduled a webinar, open to MRVP administering agencies to address any questions related to these rent increases. Registration information is below.

MRVP Project-Based Rent Increases

Join us for a webinar on Jan 08, 2015 at 2:00 PM EST.

Register now!

<https://attendee.gotowebinar.com/register/5596336427850308610>

This webinar is open to MRVP administering agencies to discuss any questions related to the rent increases in the Project-Based portfolio, effective March 1, 2015.

After registering, you will receive a confirmation email containing information about joining the webinar.

[View System Requirements](#)

Attachment A

AMENDMENT TO THE LEASE, CONTRACT, AND VOUCHER
INTERIM RENT SHARE CHANGE NOTICE

[Date]

Owner Name
Owner Address
Owner City, State Zip

Tenant Name
Tenant Address
Tenant City, State Zip

[Your agency's name] has received notice from the Department of Housing and Community Development (DHCD) that the contract rent for the above listed unit will be raised to FY15 Department of Housing and Urban Development (HUD) Fair Market Rent (FMR) effective **March 1, 2015**. The letter serves as notification of a:

Contract Rent Change Effective March 1, 2015

Therefore, the Contract Rent and tenant rent share for the above referenced unit will change as follows:

Contract Rent:	\$ _____
Housing Assistance Payment:	\$ _____
Tenant Rent Share:	\$ _____

NOTE TO THE OWNER: If increased contract rents need approval by a funding source, it is your responsibility to seek that approval. If you cannot accept the rent increase outlined above due to affordability restrictions, please notify our agency as soon as possible.

NOTE TO THE TENANT: As your rent share is based on your income, in most cases, this rent increase will not affect your rent share. If you disagree with your NEW tenant rent share, you may request a meeting with [your agency's name] to review and discuss the information used in the calculation. Your request must be made, in writing, within fourteen (14) days of the date of this letter and should be addressed to [name] at [your agency].

Please feel free to contact [someone from your agency] at [phone #] with any questions.

Sincerely,

[Name of someone from your agency]
[Phone # and/or email]