

RAFT IN REVIEW II

Annual overview and analysis of MBHP's FY15
Residential Assistance for Families in Transition program

SEPTEMBER 2015



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I. INTRODUCTION

Residential Assistance for Families in Transition (RAFT) is a homelessness prevention program for families with very low incomes¹ who are experiencing a housing crisis. Through RAFT, eligible families can apply for up to \$4,000 that they can use to help retain their housing, obtain new housing, or otherwise avoid becoming homeless. RAFT is funded by the Massachusetts State Legislature through the Department of Housing and Community Development and is administered by ten regional administering agencies throughout the state. MBHP administers RAFT in Boston and 29 surrounding communities.

When RAFT funding was restored in FY13,² the program shifted from providing families with one-time assistance to move out of shelter or to maintain their housing stability, to a homelessness prevention program that can be accessed more than once subject to an annual cap. Further, in that same year, 90 percent of RAFT funds were required to go to families with incomes below 30 percent of the area median income (AMI), giving priority to families most likely to enter shelter. In February 2014, language was changed to allow up to 50 percent of funds to be used for families between 30 and 50 percent AMI, thereby increasing the usability of the program for families in high-cost areas.

RAFT ELIGIBILITY

To qualify, a family (defined as either two or more people living together, one of whom is a dependent child under the age of 21, or a pregnant woman) must have a household income that is not more than 50 percent of area median income (AMI). In the Boston region in fiscal year 2015, this amounts to \$42,650 for a family of three.

In total, 73 percent of MBHP's RAFT allocation was provided to families with extremely low incomes.

The income levels of families participating in the RAFT program are very low. In FY15, 389 families (39 percent) of all RAFT recipients in MBHP's region had income between 0-15 percent AMI (\$12,725), 341 families (34 percent) had income between 15–30 percent AMI (\$24,450), and 273 families (27 percent) had income between 30 and 50 percent AMI (\$42,650). In total, 73 percent of MBHP's RAFT allocation was provided to families with extremely low incomes.

With this report, MBHP shares data for the second consecutive year, highlighting major findings. Although much of the demographics and some of the other data are relatively unchanged, MBHP can report that:

- Only 15 families have received RAFT assistance for three consecutive years.
- The program in Metropolitan Boston alone likely saved the Commonwealth approximately \$20 million.
- Colocations with partner agencies represent a major success for serving families throughout the region.
- RAFT was a critical support for formerly homeless families who were rolling off the short-term rental subsidy program known as HomeBASE Rental Assistance.

II. OVERVIEW AND DEMOGRAPHICS

TABLE 1: MBHP's RAFT funding and clients served, FY13, FY14, FY15

	FY13	FY14	FY15	% change FY13–FY15
Amount spent	\$2,366,959	\$2,620,852	\$2,773,435.83	17%
Clients screened	1,308	1,375	1,471	12%
Clients assisted	919	986	1,001	9%
Avg. benefit received	\$2,569	\$2,702	\$2,771	8%

In FY15, the RAFT program at MBHP helped 1,001 families in Metropolitan Boston avoid entering shelter (Table 1). Massachusetts has steadily increased resources for families in need of financial assistance since FY13, allowing MBHP to increase the amount spent on RAFT in Greater Boston by \$400,000. With a slight increase in the average benefit per family since FY13, the MBHP RAFT team assisted almost 100 additional families.

The increase in the average benefit received was, no doubt, caused in part by the overall cost of living increases across the region, including the increase in rental costs. As numerous news reports and studies have demonstrated, incomes have not kept pace with increases in rent. Additionally, regional rents have risen every year since 2009 and in every quarter since 2012.³

The potential impact of the program on the state's budget in FY15 was positive and significant. Based on program guidelines, funds must be directed towards families most likely to enter shelter. Therefore, at an average cost of \$2,770 per family, and assuming that families at the lowest income levels that received RAFT would have otherwise entered shelter, the RAFT program in Metropolitan Boston alone saved Massachusetts approximately \$20 million.⁴

The household demographics for families receiving RAFT in FY15 are relatively consistent with the demographics for FY14, with the exception of income (Table 2). The average and median incomes increased between FY14 and FY15, but both remain well below the threshold for being considered extremely low income for a family of three (\$24,450).

The majority of RAFT participants (65 percent) in FY15 identified themselves as Black/African American (Table 3). Hispanic heads of household were the second-largest identified group at 26 percent, with non-Hispanic White reported by 14 percent of respondents. These statistics are very similar to FY14 results.

TABLE 2: Household Demographics, FY14, FY15

	FY14	FY15
Average age of head of household	36	38
% of head of household female	91	91
% of head of household male	9	9
Average household size	3	3
Average annual income	\$14,102	\$18,995
Median annual income	\$10,048	\$17,664

TABLE 3: Race and ethnicity, FY14, FY15

	FY14	FY15
Race		
White	35%	33%
Black/African American	62%	65%
Indian/Native Alaskan	1%	0%
Asian	2%	1%
Hawaiian/Pacific Islander	0%	0%
Ethnicity		
Hispanic	27%	26%
Non-Hispanic	73%	74%
Race and Ethnicity		
Non-Hispanic White	14%	14%

The RAFT program in Metropolitan Boston alone likely saved the Commonwealth approximately \$20 million.

Cities and towns receiving benefits

RAFT funds benefit families across MBHP’s region. Families from 28 cities and towns (93 percent of our region) received RAFT funding in FY15. The majority of RAFT funds—66 percent, or \$1.8 million—was utilized by 690 families in Boston, making it the largest eviction prevention program in the city.

MBHP’s colocations and outreach efforts can be credited toward this success. To increase access to the RAFT program, and with the support of the Bank of America Foundation, during FY15 MBHP added a new RAFT colocation site on the South Shore in Quincy at Interfaith Social Services. This colocation site, coupled with our sites at CONNECT in Chelsea and at the Somerville Homeless Coalition in Somerville, allow MBHP to provide RAFT services in eight of the 10 cities and towns outside of Boston that utilize RAFT the most. Fifty-eight families from the other cities and towns in MBHP’s region also utilized RAFT.

Families from 28 cities and towns (93 percent of our region) received RAFT funding in FY15.

TABLE 4: MBHP’s FY15 RAFT funding in select cities and towns

City/Town	Number of recipients	Value of assistance
Boston	690	\$1,838,620
CHELSEA COLOCATION		
Chelsea	67	\$208,984
Revere	29	\$72,318
SOMERVILLE COLOCATION		
Malden	43	\$129,750
Somerville	18	\$53,157
Cambridge	16	\$38,713
Medford	6	\$18,783
SOUTH SHORE COLOCATION		
Quincy	22	\$71,687
Braintree	12	\$27,511
OTHER		
Everett	33	\$107,916
Woburn	7	\$22,007

COLOCATIONS

Colocations are part of MBHP’s ongoing efforts to be more visible in the communities we serve and to be more responsive to our clients and their housing needs. Partnering with the local agencies and using their expertise in the community increases our ability to effectively serve those in need of housing assistance.

Several days each week, MBHP’s Outreach Team travels from our downtown Boston office to work out of local agency offices in our region. These partnerships, which we call “colocations,” help the residents of that area participate in our programs without the added hassle of securing transportation and spending time traveling far from home. MBHP offers RAFT application assistance at several colocations.

MBHP has colocations in Chelsea, Somerville, and Quincy, as well as Dorchester, Roxbury, and at Bunker Hill Community College. We recently added another colocation in Waltham. For more information, visit www.mbhp.org (Programs > Colocations: MBHP In Your Community).

III. FUNDING BY HOUSING CRISIS TYPE: 2013 TO 2015 COMPARISON

TABLE 5: Comparison of housing assistance provided, FY13, FY14, FY15

	FY13		FY14		FY15		change in total funds FY13 to FY15
	total	average	total	average	total	average	
Arrears	\$1,334,565	\$2,611	\$1,064,297	\$2,708	\$1,280,369	\$2,771	-4%
Stipends	\$93,585	\$577	\$631,951	\$936	\$473,907	\$682	406%
First/last month's rent	\$305,813	\$1,422	\$285,647	\$1,133	\$346,329	\$1,103	13%
Security deposits	\$231,759	\$1,176	\$226,760	\$1,168	\$331,454	\$1,337	43%
Utilities	\$150,150	\$754	\$174,770	\$828	\$183,290	\$833	22%
Furniture	\$147,529	\$1,272	\$119,375	\$1,020	\$92,295	\$776	-37%
Moving	\$48,057	\$874	\$39,547	\$989	\$34,899	\$872	-27%

In FY15, payment of rental arrears remained the largest assistance category as it was in both FY13 and FY14 (Table 5). Meanwhile, the amount spent on rental stipends increased dramatically in FY15 compared to FY13, but was down 25 percent from FY14. As described in greater detail in Section V, one likely cause for the significant increase is that RAFT was an option when HomeBASE Rental Assistance began to end during FY14. Again in FY15, stipends constitute the second largest use of RAFT funds. The 25 percent decrease in rental stipend assistance in FY15 reflects the final wave of HomeBASE rental assistance families accessing this benefit.

CHART 1: Housing assistance provided, totals, FY13, FY14, FY15

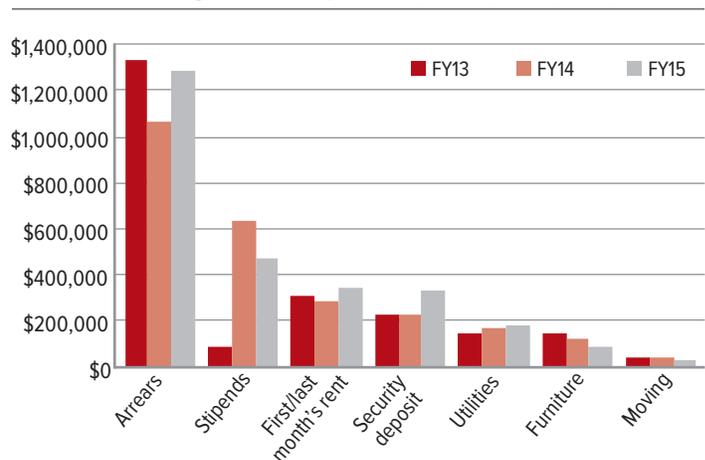
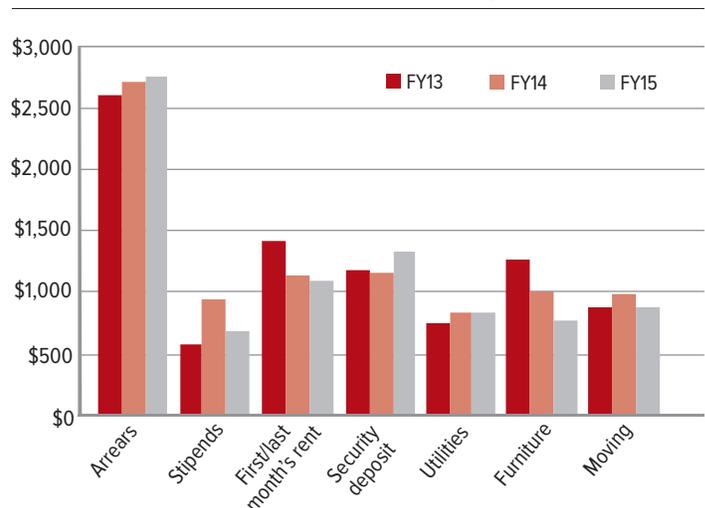


CHART 2: Housing assistance provided, averages, FY13, FY14, FY15



THE HomeBASE PROGRAM

HomeBASE is a program designed to reduce the need for motels and shelters. HomeBASE serves families who are currently homeless or at imminent risk of homelessness, have household income at or below 115 percent of the federal poverty level, and are determined eligible for Emergency Assistance by DHCD.

HomeBASE Household Assistance is a flexible benefit of up to \$8,000 to help families move into stable housing that is coupled with stabilization services provided by MBHP staff. HomeBASE Rental Assistance was a short-term rental subsidy for eligible families that ended in FY14.

IV. OVERVIEW OF FAMILIES THAT RECEIVED RAFT 2013–2015

Restored in FY13, RAFT in its “new” form has now been available to families for three years. With three years of data, MBHP has found that a very small number of families have received assistance multiple years. Of the 919 families that received RAFT funding from MBHP in FY13, only 72 (8 percent) returned for assistance in FY14. Of the 986 families that received RAFT in FY14, only 54 families (5 percent) received funding in FY15. Further, of the 919 families from FY13, 58 (6 percent) returned to the RAFT program a year later in FY15. RAFT may not resolve long-term lack of income issues, but it does appear to provide sufficient support to help families avoid having to enter shelter.

Between 2013 and 2015, out of the almost 3,000 families who received RAFT funds, only 15 families accessed RAFT all three years. In the two years following their initial receipt of assistance, these 15 returning families were in less need of rental arrears and/or stipends, and in greater need of security deposits and/or first and last months’ rent and furniture to seek new safe and stable housing. Only three families accessed rent arrears assistance each year, two families accessed both rent arrears and rental stipend

TABLE 6: Families receiving RAFT in multiple fiscal years

Received RAFT in FY13 and FY14	72	8%
Received RAFT in FY13 and FY15	58	6%
Received RAFT in FY13, FY14, and FY15	15	2%
Received RAFT in FY14 and FY15	54	5%

RAFT works: Out of 3,000 families, only 15 accessed RAFT for three consecutive years.

assistance, and only one family accessed utility arrears assistance all three years. These data suggest that the remaining nine families, after accessing RAFT in 2013, recognized that they were unable to continue paying their rent, thus used RAFT to move into a new home that fell within their household budget.

V. HOMEBASE FAMILIES ACCESSING RENTAL STIPEND ASSISTANCE

During the past three fiscal years, the majority of families accessed RAFT financial assistance for rent arrears assistance to prevent homelessness or for start-up costs to move into safe and stable housing (see Table 5, Page 4). However, there was also a subset of families that accessed RAFT to pay a portion of their ongoing monthly rent so that they could make ends meet and stay out of shelter. These payments are referred to as stipends.

The number of families accessing rental stipends increased dramatically, almost six-fold, in FY14 when families enrolled in the state’s HomeBASE program were allowed to access RAFT. Before they could access RAFT funds, these families were required to access HomeBASE Household Assistance, funds put in place to help families either avoid entering shelter or move out of shelter if they were already homeless.

MBHP saw a dramatic increase in the number of HomeBASE families accessing RAFT in November 2014, more than in any other month that year. This coincided with the largest number of families timing off their HomeBASE benefits, which included both the initial Rental Assistance phase and the subsequent Household Assistance phase. During both phases, the families were paying a portion of their rent based on their income. Once these families exhausted all available HomeBASE funds, they were allowed (and encouraged) to access RAFT in both FY14 and FY15. The additional RAFT funds were used to help keep them housed in their homes and out of shelter, most for up to an additional four months. MBHP staff presumes that families would have returned to the state’s Emergency Assistance system at a higher rate if they were not able to access continued rental assistance through the RAFT program.

This presumption was based on a report published by MBHP as the HomeBASE Rental Assistance was ending in FY14, which found that families receiving HomeBASE Rental Assistance could not afford private, market-rate rent in any community in Metropolitan Boston.⁵ The data indicated that up to 80 percent of the families might need to return to shelter when their subsidy ended. However, because of the availability of RAFT and expanded eligibility for the HomeBASE Household Assistance, DHCD reports that initially there

was a less than 10 percent return-to-shelter rate statewide among families receiving HomeBASE Rental Assistance at the end of that component of the program. The fact that the rate of return to shelter for MBHP families was much lower than anticipated in our report (around 20 percent) during the peak months of HomeBASE Rental Assistance ending supports the argument that the prevention safety net of RAFT is significant in preventing families who had previously been homeless from becoming homeless again.

VI. CONCLUSIONS

- **Very few families access RAFT over consecutive years, but it is critical for those who do need continued assistance.** Only 15 families utilized RAFT for three consecutive years between FY13 and FY15, with only three of those families accessing rent arrears assistance for all three years. It is clear that RAFT is not over-utilized by recipients. Rather, it is used by families who are in crisis and likely to enter shelter, exactly the families the program is intended to assist.
- **RAFT remains a flexible tool for families with very low incomes.** Despite the increase in median and average incomes in FY15, the typical family who benefited from RAFT remains well below both the standard poverty level (50 percent AMI) and the more stringent poverty level (30 percent AMI). The Commonwealth of Massachusetts is right to focus this tool on families with the lowest incomes. These data show that even in high-cost areas such as Metropolitan Boston, families below 30 percent AMI benefit the most from this program. RAFT is now—and should remain—a flexible tool for families at risk of homelessness.
- **RAFT costs less than emergency shelter.** RAFT remains a cost-effective tool in the effort to prevent family homelessness. The average stay for a family in shelter is ten months at a cost of \$3,000 per month. With up to \$4,000 in assistance through RAFT, but at an average cost of only \$2,770 in FY15, 730 families that met eligibility for Emergency Assistance may have avoided shelter thanks to RAFT funds, potentially saving Massachusetts an estimated \$20 million.
- **System-wide data collection will improve program design and outcomes.** Increased focus on data collection and tracking of families as they move from homelessness to housing stability will help partners better understand the impact of the programs they administer and, on the part of the Commonwealth of Massachusetts, for which they set rules and regulations. Better data will result in a more responsive program and better outcomes for the families they intend to help.

1. The U.S. Department of Housing and Urban Development defines very low income as income of less than 50 percent of the area median income and extremely low income as income of less than 30 percent of the area median income. In Metropolitan Boston very low income was \$42,650 and extremely low income was \$24,450 for a family of three during fiscal year 2015.
2. For history of RAFT before fiscal year 2013, please see *RAFT in Review*, Metropolitan Boston Housing Partnership, September 2014. Available at www.mbhp.org/policy-reports.
3. *Greater Boston Housing Report Card 2014–2015: Fixing an Out-of-Sync Housing Market*. The Boston Foundation, March 2015. Retrieved from www.tbf.org/reports.
4. This assumes that the 730 families with incomes of less than 30 percent of AMI would have entered the emergency shelter system and stayed for the average of ten months at a monthly cost of \$3,000, for a total cost of \$21,900,000.
5. *Two Years of HomeBASE: Following up with families after the end of HomeBASE Rental Assistance*. Metropolitan Boston Housing Partnership, October 2014. Retrieved from www.mbhp.org/policy-reports.

METROPOLITAN BOSTON HOUSING PARTNERSHIP

MBHP is a leading nonprofit dedicated to connecting the residents of Greater Boston with safe, decent homes they can afford. MBHP empowers families and individuals to move along the continuum from homelessness to housing stability. Serving more than 20,000 households annually, we work seamlessly to bridge the gaps among government, nonprofits, and corporations to continually increase our impact. With more than 30 years' experience piloting and implementing housing programs, we have solidified our position as an industry-leading expert on navigating the affordable housing field.

MBHP's mission is to ensure that the region's low- and moderate-income individuals and families have choice and mobility in finding and retaining decent affordable housing; all MBHP programs and initiatives are designed to encourage housing stability, increase economic self-sufficiency, and enhance the quality of the lives of those it serves. To achieve its mission and to promote efficient service delivery, MBHP works collaboratively with a broad array of service providers and neighborhood-based organizations.

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ACKNOWLEDGEMENTS

MBHP would like to express our thanks to members of the MBHP Program Committee for their advice and guidance and the entire Housing Supports team at MBHP for their dedication and vast knowledge.

