RHN
regional housing network
of Massachusetts

RAFT IN MASSACHUSETTS

2015 - 2016

A survey of the Residential Assistance for Families in Transition program

November 2016

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INTRODUCTION

The Residential Assistance for Families in Transition program is one of the largest homelessness and eviction prevention programs in the commonwealth, stabilizing at-risk families before they enter the emergency shelter system[1].

In Massachusetts, it costs $36,855[2] to house a family in emergency shelter for 10 and a half months, the average length of stay; meanwhile, with flexible RAFT payments – annual disbursements of up to $4,000[3] – families can stabilize their current housing or move to a new location. RAFT payments can be used for rental arrears and apartment start-up costs as well as utility bills, child care or furniture for a new unit. During Fiscal Year 2016, the state authorized $10.4 million[4] in RAFT aid payments[5]. It helped about 4,065 families avoid homelessness and saved the commonwealth approximately $137,315,575[6].

The program has proved to be effective, with a client return rate of 5 percent from 2015 and 2016: Of the 4,065 RAFT clients in FY 2016, 219 had sought RAFT aid in the prior fiscal year. This shows that the majority of clients use the aid to better their living situation without the need for more aid in the subsequent year[7].

Because Massachusetts has the distinction of being the 7th most expensive place in the nation to rent an apartment[8], the RAFT program is needed now more than ever.

REAL SAVINGS IN FY 2016

By investing

$10.4 million

in statewide RAFT aid, the commonwealth saved

$137 million

and kept 4,065 families out of emergency shelter.

Source: Massachusetts Department of Housing and Community Development and statewide RAFT data.

THE REGIONAL HOUSING NETWORK OF MASSACHUSETTS

For more than 38 years, the Regional Housing Network of Massachusetts has worked on a regional level to address the needs of constituents. Network members cover the commonwealth and are available to all 351 cities and towns for assistance with housing development, management and policy setting. All of this is in addition to the network's core work of implementing and managing innovative and traditional housing programs designed to assist people of all income levels.

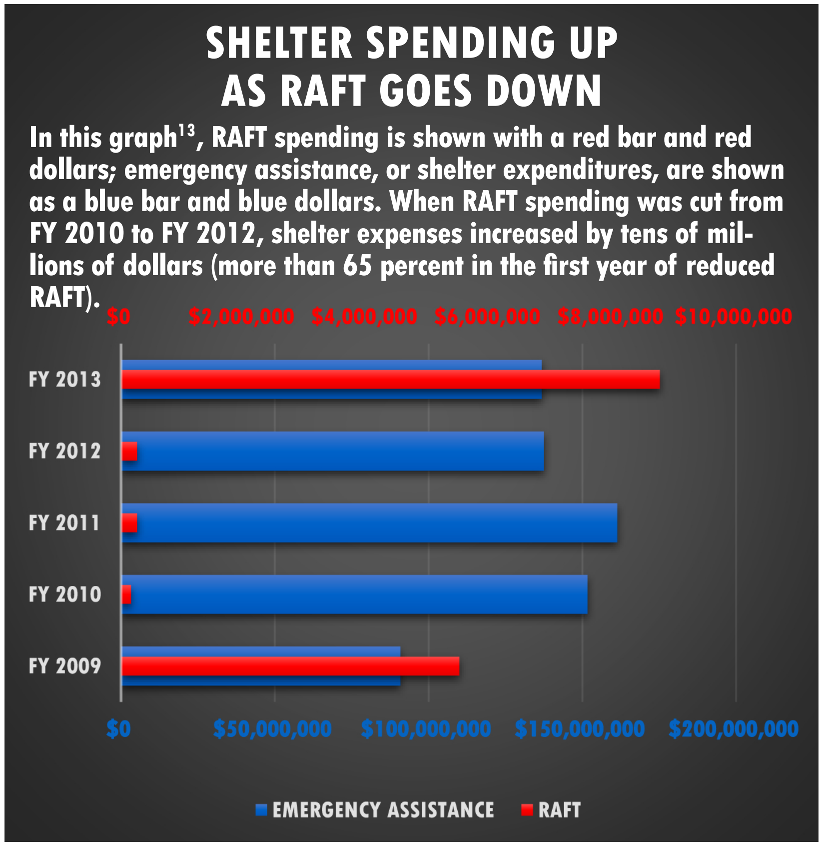
REPORT CONTRIBUTORS

Data for this report was provided by the members of the Regional Housing Network – Berkshire Housing Development Corporation, Community Teamwork Inc., Franklin County Housing and Redevelopment Authority, HAPHousing, Housing Assistance Corporation, Housing Solutions for Southeastern Massachusetts, Metropolitan Boston Housing Partnership Inc., RCAP Solutions Inc., South Middlesex Opportunity Council Inc. – as well as the Central Massachusetts Housing Alliance, and Lynn Housing and Neighborhood Development. HAP Housing contributed photographs. Data was also provided by Tracker Systems, of Marlboro.

RAFT: A BRIEF HISTORY

Begun as a pilot program in 2005, the RAFT program has grown from modest funding of $2 million in its first year to $13 million planned for FY 2017[9]. The program has seen its share of cuts during its 11 years, including in 2010-2012, when the program dropped to an all-time low of $160,000 in annual funding. When the homelessness prevention aid all but evaporated during those three years, the costs for state emergency aid ballooned (see CHART A), from $91 million in 2009 to then-high of $161 million[10] in 2011.

RAFT aid originally came in a one-time payment of $1,500 to $3,000. The pilot program became part of the state's regular social aid regimen in 2006, and eventually the payments increased to a $4,000 maximum, with the potential for annual renewal to support Bay State residents who need more than one year to get back on their feet[11].



Source: Massachusetts Budget and Policy Center

CHART A

NEED FOR RAFT IS UP STATEWIDE IN FY 2016

	2016	2015
Clients	4,065	3,678
Average Earnings	$17,074	$16,406
Payments	$10,413,804	$9,152,848
Average Benefit	$2,536	$2,530

Source: Statewide RAFT program[12]

CHART B

"Sheltering is necessary, but it's not the solution to housing instability. Preventing homelessness is the solution, and RAFT is the foundation for prevention in Massachusetts."

KRISTIN ROSS-SITCAWICH,
COMMUNITY TEAMWORK INC. DIRECTOR OF HOMELESSNESS
PREVENTION AND HOMEOWNERSHIP

> **“If RAFT lost funding it would have a very detrimental affect on the North Shore. The loss of this benefit would cause many families to become homeless, which in turn affects many of the already over-burdened assistance agencies. This would increase family numbers in emergency assistance-funded homeless shelters, as well as (effect) the physical and emotional health of all of the impacted family members. Approximately 375 more people would be homeless each fiscal year.”**
>
> **AMANDA MCFARLANE,**
> **LYNN HOUSING AUTHORITY AND NEIGHBORHOOD DEVELOPMENT**
> **RAFT PROGRAM DIRECTOR**

Since being restored in FY 2013, RAFT funding has been growing by about $1.5 million a year, matching the demand from residents in the state.

In FY 2015, the RAFT program allocated $9,154,848[14] in payments to clients, for expenses such as utility bills, security deposits and rent; in FY 2016, the RAFT program distributed $10,413,813 to clients, a $1,258,965 (14 percent) increase from the year prior. The increase in funding was accompanied by an increase in client numbers, with 3,678 families receiving aid in 2015 and 4,065 in 2016, 387 more families (11 percent). See a comparison in Chart B.

The average benefit in 2015 was $2,530; in 2016, it was $2,536, a less than 1 percent increase.

AN OVERVIEW OF RAFT CLIENTS

RAFT helps people with very low and extremely low incomes: Clients had median earnings of $14,496[15] a year in FY 2015 and $16,969 in FY 2016, a 6 percent increase. Average income increased year over year, from $16,406 in FY 2015 to $17,074 in FY 2016, a 4 percent increase.

From FY 2015 to FY 2016, the average age of a RAFT head of household dipped slightly, from 36 to 35, and most of the households in both years were headed by women (87 and 88 percent of the time respectively). Over the two years, the numbers of households with women in charge rose, as did the numbers of men, albeit slightly: In FY 2016, 3,562 RAFT clients were women, while 352 were men (3 percent clients went unidentified), and in FY 2015, 3,182 were women, and 353 were men (3 percent did not identify).

The average number of family members aided by the program held steady at three, which means in the vast majority of cases, RAFT families are single mothers with two children.

By race, whites were the largest users of RAFT aid in FY 2015 and FY 2016, followed next in share by blacks/African Americans, as Charts C illustrates. The numbers of blacks/African Americans increased year over year by 36 percent, while whites decreased by less than 1 percent.

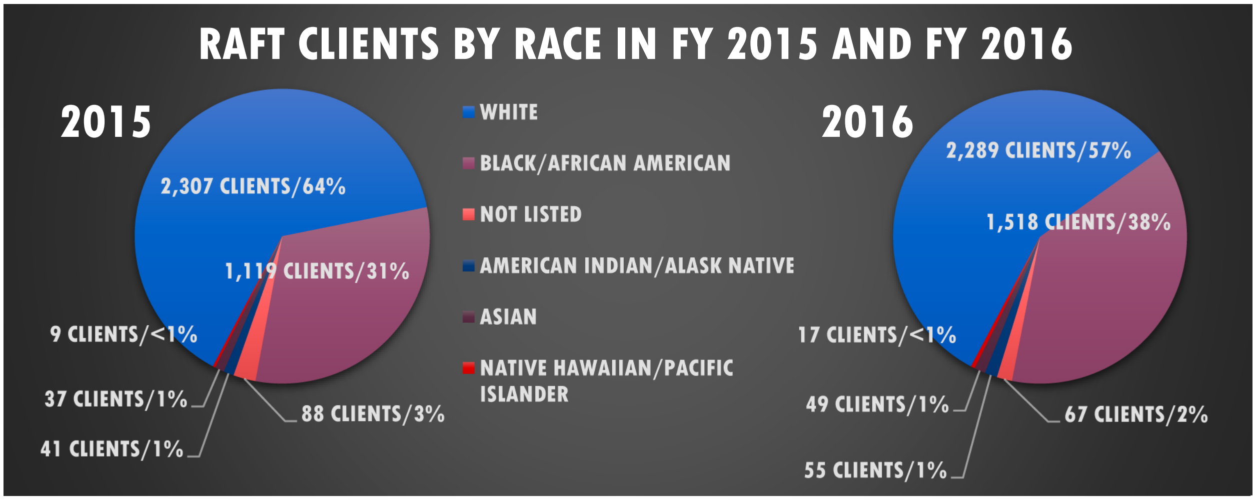


CHART C

The numbers of Latinos also increased year over year by 19 percent, or 226 clients, as chart C illustrates.

The state Department of Housing and Community Development (DHCD) also followed some families after they received RAFT aid. Of 5,006 families that received aid prior to July 2014, 89 percent (4,455 families) stayed successfully housed. Eleven percent entered an emergency shelter or were placed in a hotel, and the average time between their last RAFT check and shelter entry was 361 days. That means RAFT kept them out of shelter for nearly a year, saving Massachusetts about $19 million. Two-thirds had never been in a shelter before, according to DHCD figures.

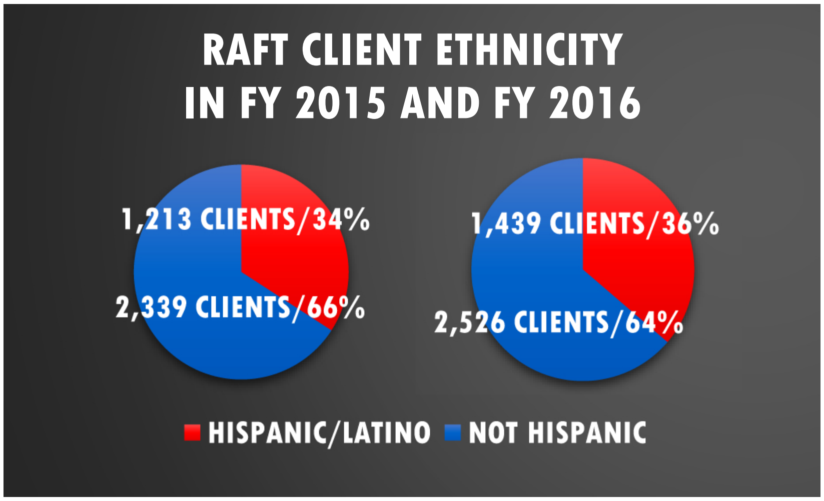
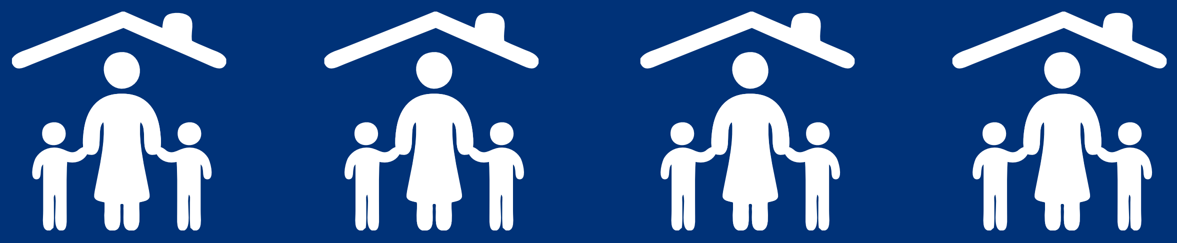


CHART D



In the vast majority of cases, RAFT families are single mothers with two children.

A SUMMARY OF RAFT PAYMENTS

In FY 2016, the RAFT program continued to see increases in total aid payments in all categories except for travel and rental stipends. Rental stipends were about $1.4 million in 2015 and dropped to $615,704 in 2016, a $790,974 difference (56 percent). Travel dipped from $18,402 in 2015 to $10,718, a $7,684 decrease (42 percent).

Rental arrears still make up the largest share of RAFT payments (See Chart E), at $4,462,703 in 2016 and $3,745,352 in 2015, a $717,351 increase (19 percent).

Making up the next largest share of payments in 2016, first and last months' rent aid saw an increase as well, from $1,959,415 in 2015 to $2,210,723 in 2016, a $251,308 increase (13 percent).

Security deposit payments, which were the fourth largest RAFT expense in FY 2015, moved into the third most used category of payment in FY 2016. Security deposits increased from $1,182,884 in 2015 to $1,582,973 in 2016, a $400,089 increase (34 percent).

The majority of RAFT clients -95 percent- use the aid to better their living situation without the need for more aid in the subsequent year.

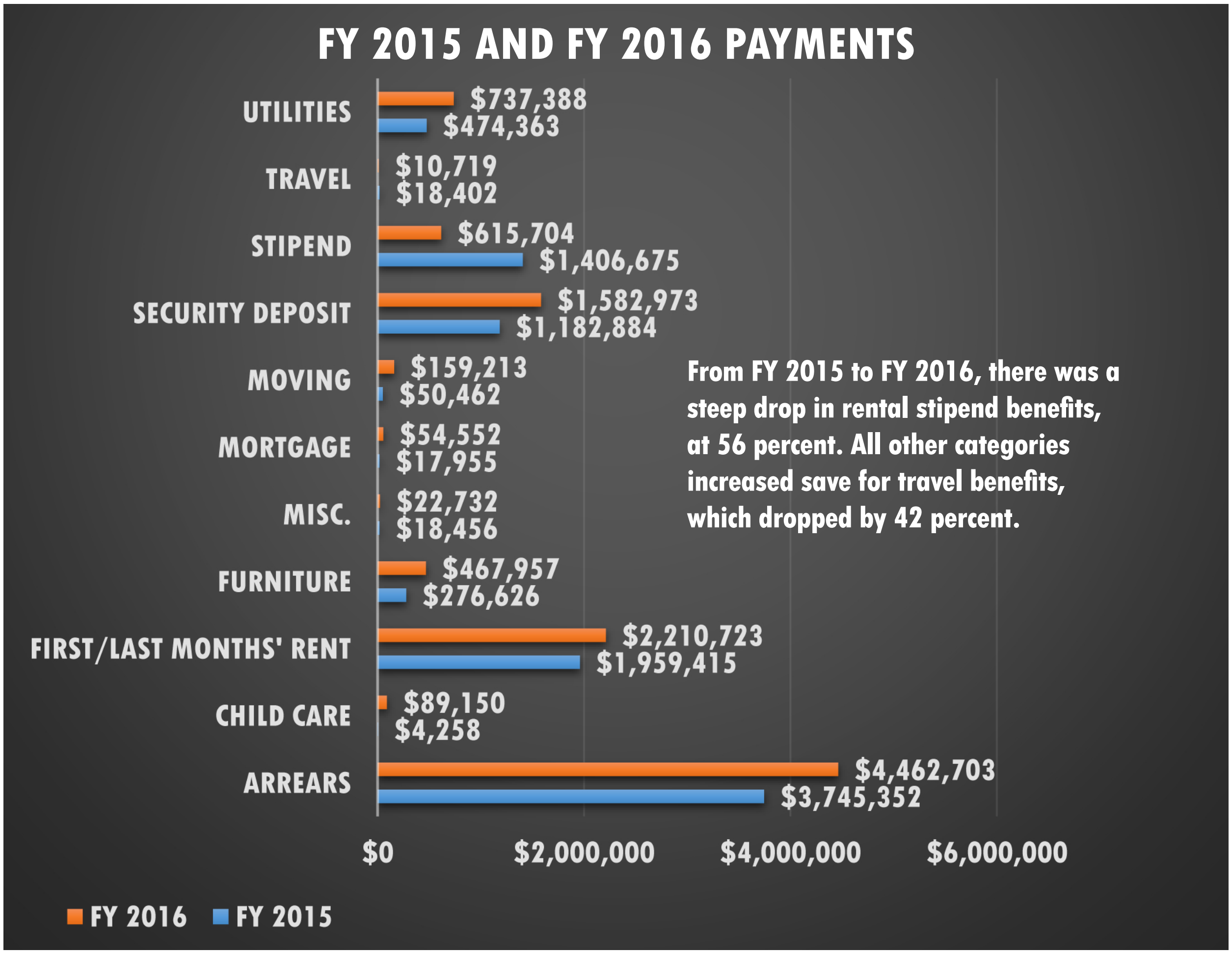


CHART E

HOUSING CRISES IN 2015-2016

From FY 2015 to FY 2016, cases of RAFT clients being asked to leave or asked to leave a “doubled-up” living situation or unit where they were not the primary tenant shot up by 92 percent, from 656 cases to 1,261 cases. Meanwhile, private and public evictions increased by 24 percent (See Chart F), from 1,723 cases to 2,142.

Domestic violence cases decreased year over year, from 285 incidents precipitating a housing crisis in 2015 to 92 in 2016, a 68 percent drop.

As a housing crisis, utility shutoffs increased by about 43 percent, from 351 in 2015 to 503 in 2016.

RAFT in 2015 also saw the pass-through of most of the remaining HomeBASE rental assistance clients, beneficiaries of a former program that transitioned over to RAFT[16]. There were 376 such clients in FY 2015, and only 6 in FY 2016.

Keeping up with utility bills was an even bigger problem for clients in FY 2016, causing 43 percent more housing crises.

▲ **In public housing, 2016 had 77% more evictions than the year prior.**

▲ **In 2016, 92% more clients were asked to leave by a co-tenant, family, primary renter or homeowner**

▼ **Domestic violence cases as a cause for homelessness was down 68% for RAFT clients.**

CRISIS	FY 2015	FY 2016
Asked to leave	196	817
Domestic violence	285	92
Doubled up and asked to leave	460	444
Eviction (private)	1,213	1,237
Eviction (public/subsidized housing)	510	905
Fire/flood/natural disaster	34	36
Foreclosure	31	43
Health and safety	131	123
HomeBASE rental assistance	376	6
No crisis	3	2
Other crisis	161	226
Severe overcrowding	59	72
Utility shut-off	351	503
Total	3,810	4,506

CHART F

MOST RAFT DOLLARS BY CITY AND TOWN

2015 and 2016

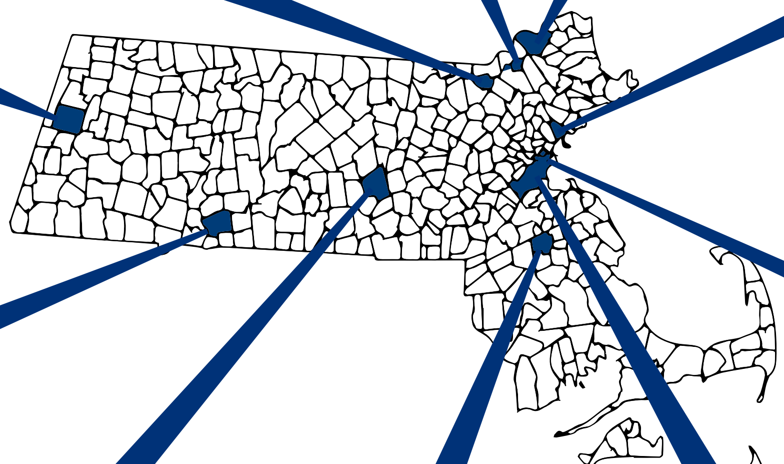
PITTSFIELD
2015 clients: 149
2015 RAFT aid: $280,839
Percent of aid in 2015: 3%
2016 clients: 127
2016 aid: $264,864
Percent of aid in 2016: 3%

LOWELL
2015 clients: 328
2015 RAFT aid: $676,956
Percent of aid in 2015: 7%
2016 clients: 265
2016 aid: $583,903
Percent of aid in 2016: 6%

LAWRENCE
2015 clients: 154
2015 RAFT aid: $351,446
Percent of aid in 2015: 4%
2016 clients: 132
2016 aid: $255,856
Percent of aid in 2016: 2%

HAVERHILL
2015 clients: 89
2015 RAFT aid: $195,759
Percent of aid in 2015: 2%
2016 clients: 147
2016 aid: $358,717
Percent of aid in 2016: 3%

LYNN
2015 clients: 151
2015 RAFT aid: $330,888
Percent of aid in 2015: 5%
2016 clients: 117
2016 aid: $320,427
Percent of aid in 2016: 3%



SPRINGFIELD
2015 clients: 314
2015 RAFT aid: $731,242
Percent of aid in 2015: 8%
2016 clients: 388
2016 aid: $966,087
Percent of aid in 2016: 9%

WORCESTER
2015 clients: 121
2015 RAFT aid: $295,872
Percent of aid in 2015: 6%
2016 clients: 161
2016 aid: $503,928
Percent of aid in 2016: 5%

BROCKTON
2015 clients: 88
2015 RAFT aid: $286,101
Percent of aid in 2015: 3%
2016 clients: 85
2016 aid: $280,996
Percent of aid in 2016: 3%

BOSTON
2015 clients: 688
2015 RAFT aid: $1,857,422
Percent of aid in 2015: 20%
2016 clients: 970
2016 aid: $2,598,409
Percent of aid in 2016: 25%

CHELSEA
2015 clients: 67
2015 RAFT aid: $203,200
Percent of aid in 2015: 2%
2016 clients: 106
2016 aid: $290,256
Percent of aid in 2016: 2%

CHART G

Families living across the commonwealth received $10,413,813 in RAFT aid in 2016; it was delivered to about 227 communities, (see where the most RAFT dollars went in Chart G). The areas with the greatest number of RAFT recipients had poverty levels that most often were double or triple the state average of 11.5 percent. Rents varied widely between metropolitan Boston and Western Massachusetts.

2015 RAFT CLIENTS WHO RETURNED IN 2016 FOR HELP

REPEAT VS. ONE-TIME CLIENTS IN FY 2016

Of the 4,065 clients in FY 2016, only 5 percent, or 219 clients, had received RAFT aid in the year prior.

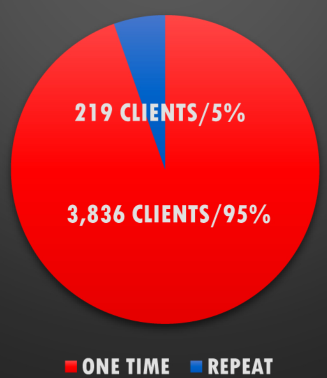


CHART H

> **"Without this program, my family and I would be still going from place to place, not being able to give my children the safety of a place to call home."**
>
> **NATASHA, CENTRAL MASSACHUSETTS HOUSING ALLIANCE RAFT CLIENT**

RAFT is not an overused program: Only 5 percent of all 2016 RAFT clients had received RAFT aid in 2015 (See Chart H). Rather, RAFT is being used as it should: to pull families back from the brink of homelessness by stabilizing their existing housing or helping them find a new home.

In addition to avoiding homelessness, the return rate also shows that a certain number of client-families need some sustained help to maintain their housing; in FY 2013, the regulations were changed to allow the aid to be accessed again by those families who were most at risk of entering shelter[17].

For all 4,065 RAFT clients in 2016, there was an average benefit of $2,536. For the subgroup of 219 repeat users, they needed slightly less money annually to maintain their housing stability, at an average of $2,206 per RAFT family, about 13 percent less.

Returning clients' needs differed from those of one-time RAFT recipients as well (See Chart I). Both groups accessed RAFT primarily for rental arrears; however, repeat users of RAFT needed it about 18 percent more than all RAFT users in 2016, indicating that repeat

Eviction from private and public housing was the main reason for housing instability for 62 percent of 2016's second-year RAFT clients, about 15 percent more than all RAFT clients.

users were more likely to try to stay where they live rather than move. Needs for first and last months' rent, security deposits and utility payments were higher for one-time users (36 percent versus 21 percent of payment shares), who more often required start-up costs associated with a move.

Eviction from private and public housing was the main reason for housing instability for 62 percent of 2016's second-year RAFT clients, about 15 percent more than all RAFT clients. Being "doubled-up" and asked to leave a friend's or relative's home tended to pose a greater problem for the all-client group, as more than a quarter of all clients faced that housing crisis, while repeat users experienced it far less, at 10 percent[18].

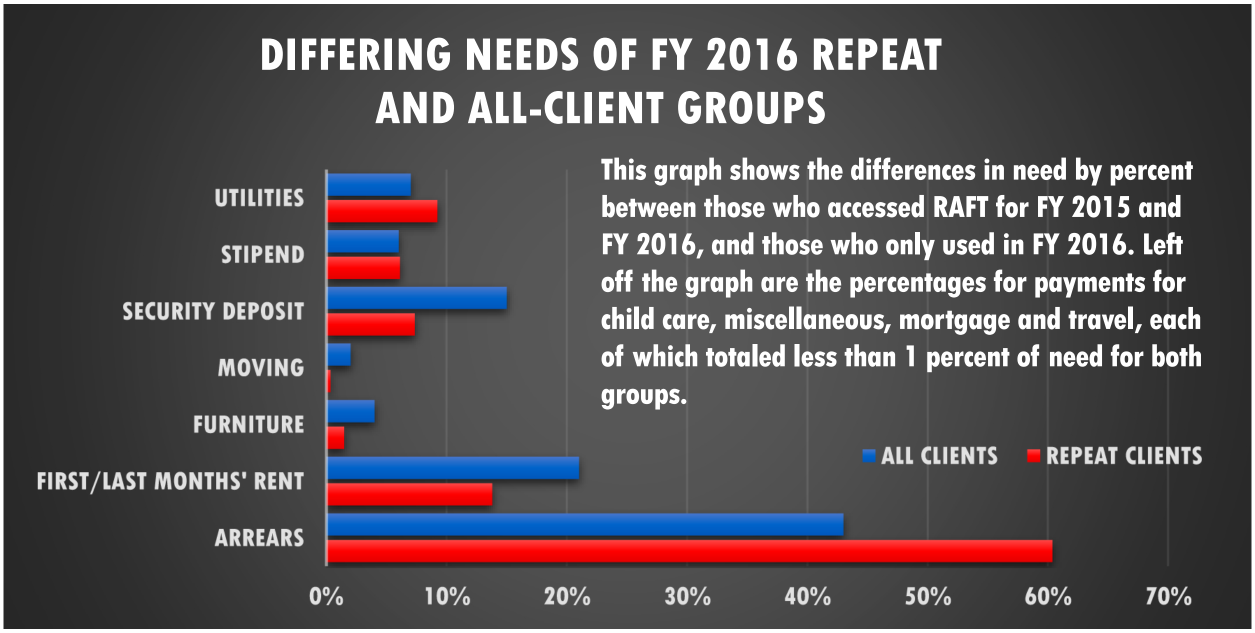


CHART I

> "My life was in an absolute chaos. I had lost a job and had no money left over to take care of a wife and a newborn child. My (landlord) took me straight to court after missing only one payment, and I was just about to be thrown to the streets after receiving a 48-hour eviction notice. It was something that I had never experienced in life before. At that moment I was like a wild beast just ready to do anything just to keep my family home safe. I found out about (RAFT) and they quickly realized the urgency of my situation. … They were able to cover almost three months of my rent until I was able to get a job and start over again."
>
> MOHAMMAD, RECENT SMOC RAFT CLIENT

Alma lives in Chelsea with her family. She received RAFT in FY 2016 through Metropolitan Boston Housing Partnership. MBHP photo

CONCLUSIONS

As RAFT heads into its 12th year, the program has resulted in keeping thousands of at-risk families stably housed and out of shelter. It has been a responsive effort by the state to the problem of homelessness, but will require ongoing annual funding approved by both the legislative and executive branches of Massachusetts government. Consider these factors when thinking about the future of RAFT:

• **HIGH-PRESSURE MARKET:** The cost of housing in the commonwealth exceeds the reach of renters with very low and extremely low incomes. Outside of metropolitan areas, Massachusetts leads the nation in rental housing costs, and is 7th in the nation overall. There is also a statewide housing shortage that drives the cost of renting or owning out of reach for many. Wages for most residents have been stagnant for decades, with many residents actually losing ground with earnings[19]. Approximately one-half of renters with very low incomes experience severe housing cost burdens[20]. The buying power of the dollar is weak for the majority of renters[21], and RAFT is needed now more than ever to catch these residents as they fall.

• **ONE-TIME USE:** RAFT is used most often as one-time help to avoid family homelessness. Only 5 percent of RAFT clients from FY 2016 had received aid the year prior. In a separate study by the Metropolitan Boston Housing Partnership, the agency found that repeat use winnows even further year over year, down to less than 2 percent for clients who use the benefit for three or four years. This demonstrates that for the vast majority of households, RAFT is an effective tool to keep people out of emergency shelter.

• **SAVINGS**: RAFT means real savings over the cost of emergency shelter. Families who qualify for emergency shelter cost the state about $36,855 a year. Using RAFT to keep families housed and out of the shelter system is cost-effective, saving the taxpayers of the commonwealth about $137 million annually.

• **FLEXIBILITY:** RAFT clients can use the assistance where they need it most. Some housing assistance can only be used to pay the rent. But with RAFT, whether it is an overdue utility bill, back rent, moving costs or a day-care payment so a single mother can get to work, the program helps at-risk families remain stably housed.

• **WOMEN AND CHILDREN:** On average, single mothers and their two children received the majority of RAFT payments in both FY 2015 and FY 2016. Women were heads of household for 88 percent of families in FY 2016, most often leading families of three. With such a high percentage of women and children enrolled in the program, continued RAFT aid is needed to ensure that this vulnerable demographic stays housed.

• **CONTINUITY:** Ongoing RAFT funding is needed to help thousands of families on the edge. From FY 2015 to FY 2016, the numbers of RAFT clients increased by 10 percent, while their overall housing-related financial needs grew by 14 percent. As assistance needs increase for a larger pool of clients, we must make sure the RAFT budget matches demand, to support residents when the housing and job marketplace will not.

NOTES

[1] The Residential Assistance for Families in Transition program is aimed at families on the brink of homelessness. These families generally have a household income not greater than 30 percent of area median income, although 50 percent of the funding is allowed to be used for families who have a household income greater than 30 percent but not more than 50 percent of area median income and are at risk because of a significant decrease in income or increase in expenses. The reasons for which a family is at risk of homelessness will be considered through the state's assessment targeting tool. While families who are already homeless may be eligible, they are generally referred to another type of flexible assistance. Eligibility is determined at one of 11 offices managed by contract agencies that work for the state. Fifty percent of AMI for a family of three in Boston is $38,250; 30 percent of AMI is $22,950. In the Berkshires, 50 percent of AMI is $37,450; 30 percent is $22,500.

[2] Based on Massachusetts Department of Housing and Community Development estimates of Nov. 3, 2016: the average length of stay for homeless families is 10.5 months, and the average daily rate is $117 statewide.

[3] Average expenditures totaled $2,536 in FY 2016, up nominally from $2,530 in FY 2015. Average payments ranged from a high of $3,278 at HSSM to $1,639 at Berkshire Housing.

[4] Dollars written throughout the report have been rounded to the nearest whole dollar.

[5] The total RAFT budget for FY 2016 was $12.5 million, with $1,982,579.32 going toward housing agency administrative fees and $55,000 to Tracker Systems Inc., which was chosen by the state Department of Housing and Community Development to manage RAFT data.

[6] Assuming each family stayed in shelter for an average period of 10.5 months at a cost of $36,855, that figure multiplied by 2016's 4,065 RAFT families totals $149,815,575; by funding RAFT at $12.5 million in FY 2016, the commonwealth saved an estimated $137,815,575 annually.

[7] Metropolitan Boston Housing Partnership closely tracks its year-over-year RAFT usage. Data from the agency show that aid use for repeat clients dropped to less than 2 percent for people who sought it out for three or more years:

Fiscal Year	Repeat families	Percent
FY 13/14	72	8%
FY 13/15	58	6%
FY 13/16	82	9%
FY 14/15	54	5%
FY 14/16	103	10%
FY 15/16	101	10%
FY 13/14 /15	15	2%
FY 13/14/15/16	6	1%
FY 14/15/16	14	1.4%

[8] Massachusetts is the nation's most expensive market outside of its metro areas. The National Low Income Housing Coalition, "Out of Reach 2016." http://nlihc.org/sites/default/files/oor/OOR_2016.pdf

[9] Massachusetts Budget and Policy Center, www.massbudget.org

[10] Ibid

[11] Steven Farrell, "RAFT in Review," Metropolitan Boston Housing Partnership," September 2014.

[12] Data for this report was provided by the following RAFT program contractors: Berkshire Housing Development Corporation, Community Teamwork Inc., Franklin County Housing and Redevelopment Authority, HAPHousing, Housing Assistance Corporation, Housing Solutions for Southeastern Massachusetts, Metropolitan Boston Housing Partnership Inc., RCAP Solutions Inc., South Middlesex Opportunity Council Inc. – as well as the Central Massachusetts Housing Alliance, and Lynn Housing and Neighborhood Development. Data was also provided by Tracker Systems.

[13] Massachusetts Budget and Policy Center, www.massbudget.org

[14] The benefits also cover other expenses such as child care, furniture, mortgages, travel, moving costs and other miscellaneous housing needs.

[15] Median earnings were available from the following agencies: CMHA, HAP, MBHP, SMOC and CTI.

[16] The state authorized clients of HomeBASE to move over to RAFT when the former ended.

[17] Steven Farrell, "RAFT in Review," Metropolitan Boston Housing Partnership," September 2014.

[18] Ibid. A similar survey of 73 returning RAFT families in Boston in 2014 showed that they had lower annual median earnings than single-year RAFT clients ($14,102 for first-year clients and $13,562 for second-year clients), demonstrating an increased financial need for those returning to RAFT for another year.

[19] Massachusetts Budget and Policy Center, "The State of Working Massachusetts 2014," www.massbudget.org/reports/swma14/wages-income.php

[20] Joint Center for Housing Studies of Harvard University, "State of the Nation's Housing 2016," www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs_2016_state_of_the_nations_housing_lowres.pdf. These renters pay more than 50 percent of their income on rent and utilities, and they and their family members sacrifice other essentials, such as clothing, medical care, transportation, food, savings and education expenses.

[21] Ibid. Between 2000 and 2014, real income – income with inflation's effect on buying power taken into account – has dropped 18 percent drop for 25-34 year olds and 9 percent for 35-44 year olds.

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