



# Metro Housing<sup>TM</sup>

B O S T O N

## RAFT IN REVIEW

Annual overview and analysis of Metro Housing|Boston's  
FY17 Residential Assistance for Families in Transition program

December 2017



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## I. INTRODUCTION

Residential Assistance for Families in Transition (RAFT) is a homelessness prevention program for families with very low incomes<sup>1</sup> 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 nonprofit organizations throughout the state. Metro Housing|Boston administers RAFT in Boston and 29 surrounding communities.

RAFT provides families with an alternative to entering the Emergency Assistance (EA) shelter system. An added benefit of the program is that it also helps to stabilize families in need whose incomes, although very low, make them ineligible for shelter. More than one third of the families that Metro Housing served in FY17 would be over income for EA shelter if they became homeless.<sup>2</sup> Faced with few options, without RAFT, those families could have ended up on the street.

RAFT lets families stay in their homes, helps them move out of homelessness into new apartments, keeps utilities

**... a pilot program by the Commonwealth of Massachusetts allowed Metro Housing|Boston to use RAFT and provide critical homelessness prevention services to individuals for the first time.**

on, and stabilizes families. Boston is one of the top five most expensive cities to live in in the United States, making it extremely difficult for families to afford their rent and other living expenses.<sup>3</sup>

This is the fourth consecutive year that Metro Housing has shared RAFT data, highlighting major findings. Many of the demographics and other data points are consistent with prior years, and reinforce previous conclusions. RAFT in Metropolitan Boston alone likely saved the Commonwealth more than \$31 million; colocations with partner organizations continue to represent a major success for serving families throughout the region; and a pilot program by the Commonwealth of Massachusetts allowed Metro Housing to use RAFT and provide critical homelessness prevention services to individuals for the first time. The expansion of RAFT to individuals provided resources and opportunities to a group that often lacks this type of service. The expansion warrants further study to determine the outcomes that have been achieved after receiving assistance.

### 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 the area median income. In the Boston region in fiscal year 2017, this amount was \$46,550 for a family of three.

1. The U.S. Department of Housing and Urban Development defines "very low income" as less than 50% of the area median income and "extremely low income" as less than 30% of the area median income. For a family of three in metropolitan Boston during FY17, these were \$46,550 and \$27,900 respectfully.

2. In FY17, 945 of the 1,474 families that received RAFT had incomes at or below 30 percent of area median income and were therefore also potentially eligible for Emergency Assistance shelter. The remaining 529 (36 percent) had incomes between 31 and 50 percent of area median income.

3. <https://www.investopedia.com/articles/personal-finance/080916/top-10-most-expensive-cities-us.asp>

## II. COMMUNITY NEED

**TABLE 1:** Income demographics of select communities

| Community  | Poverty Level* | Median household income for Metro Housing Section 8 participant | Median household income* |
|------------|----------------|---|--------------------------|
| Boston     | 21.5%          | Range of \$10,491–\$15,219 across 13 neighborhoods              | \$55,777                 |
| Braintree  | 5.9%           | \$12,027  | \$84,776                 |
| Brookline  | 12.1%          | \$11,271  | \$95,518                 |
| Cambridge  | 14.0%          | \$13,296  | \$79,416                 |
| Chelsea    | 20.9%          | \$11,934  | \$47,733                 |
| Everett    | 14.9%          | \$13,420  | \$50,762                 |
| Malden     | 15.6%          | \$14,385  | \$54,896                 |
| Quincy     | 10.2%          | \$12,954  | \$64,155                 |
| Revere     | 15.6%          | \$11,790  | \$50,886                 |
| Somerville | 14.7%          | \$12,480  | \$73,106                 |

\*Source: 2016 American Community Survey

The need for assistance to people seeking homes in the region can be demonstrated in several ways. In looking at data from other Metro Housing programs broken down by select communities (Table 1), we see that participants in the Housing Choice Voucher program, who have income levels similar to RAFT recipients, have median household incomes well below the medians of their hometown peers. In reviewing just 10 communities in Metro Housing’s region, in only one city (Malden) and a few neighborhoods in Boston does the typical participant earn even one-quarter of the median household in that community.

**RAFT provides a safety net for families to have something to fall back on when they are in crisis and need support.**

**TABLE 2:** Housing wage in metro Boston

|   | Hourly  | Annually* |
|---|---------|-----------|
| Metro Boston wage to afford a 2-bedroom apartment at fair market rate (Out of Reach 2017) | \$32.52 | \$67,642  |
| Massachusetts minimum wage  | \$11.00 | \$22,880  |

\* Hourly rate X 8 hours per day X 260 workdays per year.

Additionally, using the concept of “housing wage” from the National Low Income Housing Coalition, the hourly wage required to afford a two bedroom apartment at fair market rent in metropolitan Boston is \$32.52, an annual income of more than \$67,000 (Table 2). A single parent earning the current minimum wage in Massachusetts would fall far short of the housing wage. In fact, a household with two workers earning the minimum wage would still not reach that threshold.

Many families are living paycheck to paycheck. An unplanned expense can put their housing in jeopardy. RAFT provides a safety net for families to have something to fall back on when they are in crisis and need support.

### III. OVERVIEW AND DEMOGRAPHICS

**TABLE 3A:** Metro Housing RAFT funding and clients served, FY16 and FY17

|                       | FY16        | FY17        | % change<br>FY16-FY17 |
|-----------------------|-------------|-------------|-----------------------|
| Amount spent          | \$3,552,911 | \$3,853,370 | 8%                    |
| Clients screened      | 1,671       | 1,903       | 14%                   |
| Clients assisted      | 1,319       | 1,474       | 12%                   |
| Avg. benefit received | \$2,694     | \$2,614     | -3%                   |

In FY17, the RAFT program at Metro Housing helped 1,474 families in greater Boston avoid entering shelter (Table 3A), representing a 12 percent increase in the number of families over FY16. Additionally, the number of clients screened in FY17 increased to 1,903, or 14 percent. Interestingly, with 8 percent more spent in FY17 over FY16 (\$3.85 million compared to \$3.55 million), the average benefit decreased from \$2,694 to \$2,614.

As highlighted in previous RAFT reports, in recent years the state has steadily increased resources for families in need of financial assistance (Table 3B). Because of the investment by the Commonwealth of Massachusetts, last year Metro Housing used RAFT to assist 60 percent more families than in FY13.

The potential impact of the program on the state's budget in FY17 was positive and significant. RAFT served a critical role in maintaining families' tenancies in their communities of choice and close to medical, educational and social networks. With a programmatic focus on helping families "upstream" and preventing entry in to shelter, RAFT also saved Massachusetts more than \$31 million that would have been spent had 945 families entered the Emergency Assistance shelter system.<sup>4</sup>

The household demographics for families receiving RAFT in FY17 are relatively consistent with the demographics since the first report in FY14. Since FY14, the average recipient age, the percentage of heads of households who are female, the household size, and median annual income have been within the same narrow range (Table 4). This consistent demographic profile of the RAFT recipient suggests that even in an economy as dynamic as Boston's the group in need of assistance remains constant.

**TABLE 3B:** Metro Housing RAFT funding and clients served, FY13 and FY17

|                  | FY13        | FY17        | % change<br>FY13-FY17 |
|------------------|-------------|-------------|-----------------------|
| Amount spent     | \$2,366,959 | \$3,853,370 | 63%                   |
| Clients assisted | 919         | 1,474       | 60%                   |

Similarly, the racial and ethnic demographics of RAFT participants have not varied much. The majority of RAFT participants (61 percent) in FY17 identified themselves as Black/African American (Table 5). Hispanic heads of household were the second-largest identified group at 23 percent, with non-Hispanic White reported by 14 percent of respondents.

**TABLE 4:** Household demographics, FY17

|                                  |          |
|----------------------------------|----------|
| Average age of head of household | 41       |
| % of head of household female    | 92%      |
| % of head of household male      | 8%       |
| Average household size           | 3        |
| Average annual income            | \$19,510 |
| Median annual income             | \$15,065 |

**TABLE 5:** Race and Ethnicity, FY17

| Race                      |        |
|---------------------------|--------|
| White                     | 26.12% |
| Black/African American    | 60.65% |
| Indian/Native Alaskan     | 1.7%   |
| Asian                     | .81%   |
| Hawaiian/Pacific Islander | .20%   |
| Ethnicity                 |        |
| Hispanic                  | 22.86% |
| Non-Hispanic              | 66.62% |
| Race and Ethnicity        |        |
| Non-Hispanic White        | 14%    |

4. This assumes that the 945 families with incomes of less than 30 percent of AMI would have entered the Emergency Assistance shelter system and stayed for an average of 351 days ("The Growing Challenge of Family Homelessness," prepared by Westat for The Boston Foundation, February 2017) at a monthly cost of \$3,000, for a total cost of \$34,020,000. The approximate value of the RAFT assistance to these 945 families at an average of \$2,614 is \$2,470,000. Other savings were likely realized for families above 30 percent of AMI.

## IV. CITIES AND TOWNS RECEIVING BENEFITS

RAFT funds benefit families across Metro Housing’s region. Families from 27 cities and towns received RAFT funding in FY17 (Table 6). The majority of RAFT funds—71%, or \$2.7 million—were utilized by 1,063 families in Boston, making RAFT the largest eviction prevention program in the city.

Three neighborhoods in Boston—Dorchester, Mattapan, and Roxbury—each had more than 100 families receive RAFT funds. Similar to other Metro Housing programs, Dorchester—the largest neighborhood in Boston—accounts for nearly one out of every three families assisted with 525 families receiving RAFT assistance.

**TABLE 6:** FY17 RAFT funding in all Metro Housing cities and towns

|                        | FY17 #       | FY17 \$            |                                  | FY17 #       | FY17 \$            |
|------------------------|--------------|--------------------|----------------------------------|--------------|--------------------|
| Allston                | 6            | \$18,081           | Everett                          | 32           | \$93,072           |
| Central Boston         | 122          | \$293,943          | Lexington                        | —            | —                  |
| Brighton               | 3            | \$6,731            | Malden                           | 47           | \$124,915          |
| Charlestown            | 29           | \$64,362           | Medford                          | 19           | \$53,908           |
| Dorchester             | 525          | \$1,316,394        | Melrose                          | 4            | \$14,271           |
| Hyde Park              | 73           | \$206,904          | Milton                           | 3            | \$7,509            |
| Jamaica Plain          | 26           | \$66,303           | Newton                           | 3            | \$3,953            |
| Mattapan               | 123          | \$337,845          | North Reading                    | 3            | \$7,881            |
| Roslindale             | 37           | \$92,573           | Quincy                           | 40           | \$106,218          |
| Roxbury                | 114          | \$289,100          | Reading                          | 4            | \$11,295           |
| South Boston           | 1            | \$4,000            | Revere                           | 38           | \$116,259          |
| West Roxbury           | 4            | \$12,886           | Somerville                       | 30           | \$77,201           |
| <i>Boston subtotal</i> | <i>1,063</i> | <i>\$2,709,122</i> | Stoneham                         | 1            | \$2,800            |
|                        |              |                    | Wakefield                        | 3            | \$10,152           |
| Arlington              | 7            | \$11,060           | Waltham                          | 11           | \$31,074           |
| Bedford                | 1            | \$3,374            | Watertown                        | 7            | \$23,711           |
| Belmont                | 4            | \$10,785           | Wilmington                       | 5            | \$19,716           |
| Braintree              | 23           | \$59,221           | Winchester                       | —            | —                  |
| Brookline              | 4            | \$11,735           | Winthrop                         | 3            | \$6,276            |
| Burlington             | 4            | \$12,808           | Woburn                           | 15           | \$48,193           |
| Cambridge              | 21           | \$48,855           | <i>All other cities subtotal</i> | <i>402</i>   | <i>\$1,106,866</i> |
| Chelsea                | 70           | \$190,623          | <b>TOTAL*</b>                    | <b>1,465</b> | <b>\$3,815,988</b> |

\*Nine RAFT recipients moved out of state and are not represented above.

## Colocations and outreach

Metro Housing’s colocations provided a significant source of the successful outreach to families in need outside the city of Boston (Table 7). Thanks to Bank of America’s generous support, Metro Housing had colocation sites in Chelsea, Somerville, Quincy, and Waltham. At these sites, hundreds of families were able to access this homelessness prevention program. Metro Housing had 430 referrals from those colocation sites during FY17, an increase from 299 in FY16.

**Metro Housing had 430 referrals from colocation sites during FY17, an increase from 299 in FY16.**

**TABLE 7:** FY17 RAFT funding in select cities and towns

| City/Town                    | Number of recipients | Value of assistance | City/Town                     | Number of recipients | Value of assistance |
|------------------------------|----------------------|---------------------|-------------------------------|----------------------|---------------------|
| Boston                       | 1,063                | \$2,709,122         | <b>SOUTH SHORE COLOCATION</b> |                      |                     |
| <b>CHELSEA COLOCATION</b>    |                      |                     | Quincy                        | 40                   | \$106,218           |
| Chelsea                      | 70                   | \$190,623           | Braintree                     | 23                   | \$59,221            |
| Revere                       | 38                   | \$116,259           | TOTAL                         | 63                   | \$165,439           |
| TOTAL                        | 108                  | \$306,882           | <b>WALTHAM COLOCATION</b>     |                      |                     |
| <b>SOMERVILLE COLOCATION</b> |                      |                     | Waltham                       | 11                   | \$31,074            |
| Malden                       | 47                   | \$124,914           | Watertown                     | 7                    | \$23,711            |
| Everett                      | 32                   | \$93,072            | Newton                        | 3                    | \$3,953             |
| Somerville                   | 30                   | \$77,201            | TOTAL                         | 21                   | \$58,738            |
| Cambridge                    | 21                   | \$48,855            |                               |                      |                     |
| Medford                      | 19                   | \$53,908            |                               |                      |                     |
| Woburn                       | 15                   | \$48,193            |                               |                      |                     |
| TOTAL                        | 164                  | \$446,143           |                               |                      |                     |

## V. FUNDING BY PAYMENT TYPE: 2016 TO 2017 COMPARISON

The high cost of acquiring or keeping housing again dominated the types of support for which RAFT was used in FY17. Consistent with each year previously reported, payment of rental arrears remained the largest assistance category in FY17, with a 4 percent increase over FY16, from \$1.77 million to \$1.85 million (Table 8). Assistance in the form of security deposits increased 30% from nearly \$571,000 to more than \$740,000. First and last month’s rent was the third largest payment type, with a 9 percent increase in FY17 to \$442,000. Utility payments and payments for furniture round out the top five payment types, each with double digit percentage increases compared to FY16.

### FAMILIES THAT RECEIVED RAFT MULTIPLE YEARS

Examining Metro Housing’s data for the last five years, very few families receive RAFT assistance for multiple years. In the most recent comparison a total of 107 families received RAFT in both FY16 and FY17, representing only 4 percent of families who received assistance both years. This percentage is consistent with other cross-year comparisons since FY13.

**TABLE 8:** Comparison of housing assistance provided, FY16, FY17

| Payments by type       | FY16        |            | FY17        |            | Change in total funds<br>FY16 to FY17 |
|------------------------|-------------|------------|-------------|------------|---------------------------------------|
|                        | Total       | Percentage | Total       | Percentage |                                       |
| Arrears                | \$1,767,869 | 49.76%     | \$1,845,906 | 47.90%     | 4.41%                                 |
| Child Care             | \$7,728     | 0.22%      | \$3,252     | 0.08%      | -57.92%                               |
| First/Last Months Rent | \$406,665   | 11.45%     | \$442,150   | 11.47%     | 8.73%                                 |
| Furniture              | \$236,455   | 6.66%      | \$273,273   | 7.09%      | 15.57%                                |
| Miscellaneous          | \$12,706    | 0.36%      | \$15,014    | 0.39%      | 18.16%                                |
| Mortgage Arrears       | \$34,175    | 0.96%      | \$26,045    | 0.68%      | -23.79%                               |
| Moving                 | \$79,172    | 2.23%      | \$64,954    | 1.69%      | -17.96%                               |
| Security Deposits      | \$570,978   | 16.07%     | \$741,345   | 19.24%     | 29.84%                                |
| Stipends               | \$130,792   | 3.68%      | \$76,195    | 1.98%      | -41.74%                               |
| Transportation         | \$939       | 0.03%      | \$4,276     | 0.11%      | 355.47%                               |
| Utilities              | \$305,434   | 8.60%      | \$360,959   | 9.37%      | 18.18%                                |
| TOTALS                 | \$3,552,911 | —          | \$3,853,370 | —          | 8.46%                                 |

## VI. PILOT PROGRAM: EXPANDED DEFINITION OF ELIGIBLE FAMILIES

During FY17, a pilot program expanded eligibility to families of all sizes and configurations. Metro Housing served 60 households, 31 of whom were individuals and 27 of whose head of household had a disability.

Some observations about the difference between the recipients include: (Tables 9A and 9B):

- **Older:** The average age of individuals assisted was 49, significantly older than the 41 years of the total participant base.
- **More male:** Almost one quarter (23 percent) of the heads of households for individuals were men, compared to 8 percent overall.
- **Poorer:** Median incomes (\$12,309 vs. \$15,065) were lower for those participants under the expanded definition, likely due to the high percentage of recipients whose head of household had a disability.
- **Whiter:** 33 percent white compared to 28 percent.
- **Needed more help with arrearages:** 62 percent of the funds from the expanded population subgroup was spent on arrearages, compared to 48 percent of the entire participant base, suggesting that participants in the expanded group were at greater risk of facing eviction due to being behind on rent.

- **Needed less help with security deposits and utilities:** Only 11 percent of the funds for the expanded definition group were directed toward security deposits (compared to 19 percent), and only 5 percent for utilities (compared to 9 percent.)

**TABLE 9A:** Comparison of standard RAFT and expanded definition

| Demographics             | Standard RAFT recipient | Expanded definition recipient |
|--------------------------|-------------------------|-------------------------------|
| Amount spent             | \$3,853,370             | \$128,616                     |
| Clients Assisted         | 1,474                   | 60                            |
| Average benefit received | \$2,614                 | \$2,143                       |
| Average age of HOH       | 41                      | 49                            |
| % Female HOH             | 92%                     | 77%                           |
| % Male HOH               | 8%                      | 23%                           |
| Average HH size          | 3                       | 1.3                           |
| Average annual income    | \$19,510                | \$16,623                      |
| Median Annual Income     | \$15,065                | \$12,309                      |

**TABLE 9B:** Comparison of standard RAFT and expanded definition

| Type of payments       | Standard RAFT recipient |              | Expanded definition recipient |            |
|------------------------|-------------------------|--------------|-------------------------------|------------|
|                        | Total                   | % of Total   | Total                         | % of Total |
| Arrears                | \$1,845,906             | 48%          | \$80,296                      | 62%        |
| Security Deposits      | \$741,345               | 19%          | \$14,729                      | 11%        |
| First/Last Months Rent | \$442,150               | 11%          | \$16,447                      | 13%        |
| Utilities              | \$360,959               | 9%           | \$6,439                       | 5%         |
| Furniture              | \$273,273               | 7%           | \$5,108                       | 4%         |
| Stipends               | \$76,195                | 2%           | \$3,546                       | 3%         |
| Moving                 | \$64,954                | 2%           | \$2,050                       | 2%         |
| Mortgage Arrears       | \$26,045                | 1%           | —                             | —          |
| Miscellaneous          | \$15,014                | less than 1% | —                             | —          |
| Child Care             | \$3,252                 | less than 1% | —                             | —          |
| Transportation         | \$4,276                 | less than 1% | —                             | —          |
| Totals                 | \$3,853,370             |              | \$128,616                     |            |

## VII. CONCLUSION

RAFT continues to be a flexible tool for families with low incomes, helps families avoid homelessness, and plays an important role in the Commonwealth's comprehensive approach to addressing the needs of families and individuals who have low incomes. With continued commitment from Massachusetts'

elected officials, with an eye toward developing additional pilot programs to make RAFT even more effective, and with ongoing partnerships with providers like Metro Housing|Boston, RAFT will continue to be a crucial and effective tool for families at risk of homelessness.



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