

**RAFT in Review:**  
**Annual overview and analysis of Metro Housing|Boston's**  
**Residential Assistance for Families in Transition program for fiscal year 2020**

**I. Key Findings<sup>1</sup>**

- Number of households assisted: 1,805
- Number of communities with residents assisted: All 29 communities in Metro Housing's region
- Total value of assistance to Metro Housing communities: \$5.1 million
- Average amount of assistance: \$2,832
- Savings to Emergency Assistance shelter system: At least \$14.7 million
- Median income for all households that received RAFT: \$14,196
- Most common use of funds: rent arrears, accounting for 60 percent of all RAFT funds expended, compared to 46 percent of total payments in FY2019.
- Repeat clients: only four percent of FY20 recipients also received support in FY19. Seventeen percent of FY20 recipients received RAFT at least once between FY16 and FY20.
- Households with subsidized housing: 61 percent households that received RAFT had subsidized housing, accounting for 53 percent of RAFT funds distributed in Metro Housing's region, compared to 77 percent of RAFT households and 70 percent of RAFT funding in FY19.
- Impact of the pandemic on need for RAFT: Households assisted increased by six percent and total payments increased by 15 percent. All of the increase in households assisted and payments was accounted for by households that did not have any other type of housing subsidy. These households needed more 39 percent more assistance on average to stabilize their housing.
- Most notable trend: The households *without* subsidized housing that received RAFT after the beginning of the pandemic experienced precipitous losses of income. A majority of these households had no income in May and June of 2020.<sup>2</sup> RAFT participant households with subsidized housing did not experience losses of income on the same scale due to the pandemic.

**RAFT eligibility**

To qualify, a household of any size and any composition experiencing a housing crisis must have a household income that is not more than 50 percent of the area median income. In the Boston region during fiscal year 2020, this was \$51,000 for a family of three.

<sup>1</sup> Although the Department of Housing and Community Development permitted the use of its data for this report, the conclusions and recommendations in this paper are those solely of Metro Housing|Boston and represent findings for its service area, which includes the City of Boston and 28 surrounding municipalities.

<sup>2</sup> In accordance with administrative guidelines for the RAFT program, household income does not include pandemic-related federal stimulus payments or the additional unemployment assistance provided to qualifying households in 2020 due to the pandemic. Regular unemployment payments are included in household income calculations.

## II. Introduction and Summary

Residential Assistance for Families in Transition (RAFT) is a homelessness prevention program for households with very low incomes experiencing a housing crisis.<sup>3</sup> Eligible households may apply for up to \$4,000 in emergency assistance over 12 months to retain existing housing, obtain new housing, or otherwise avoid becoming homeless. RAFT is funded through the Department of Housing and Community Development (DHCD) and is distributed by 11 regional administering agencies. Metro Housing|Boston administers RAFT in Boston and 28 surrounding communities.

Metro Housing has documented the effectiveness of RAFT in providing housing stability and preventing homelessness in annual reports dating back to FY2013. Over that time, funding for the program has more than doubled as policy makers have recognized the value of RAFT in providing housing stability for households with extremely low incomes. The evidence from previous reports is clear: RAFT has served as a cost-effective intervention to assist households that would otherwise likely be eligible for placement in emergency shelter. It is useful as a tool to assist households that are over-income for the state's Emergency Assistance program, but at risk of losing their housing and becoming eligible for EA. RAFT has been particularly effective in helping families with other housing subsidies – typically residents of public housing and holders of housing vouchers – avoid loss of their permanent housing supports as a result of short-term financial emergencies.

There were two significant changes in the design of the RAFT program in FY20. First, the Commonwealth created a new category of “upstream” RAFT funding designed to assist households with rent and mortgage arrears incurred due to financial hardship earlier in the process of housing crises. Then, with the advent of the coronavirus pandemic in March, the Commonwealth allocated additional RAFT funding for households facing instability as a result of COVID-19, and made it easier for households to apply for RAFT and receive assistance.

Our analysis of the households that received RAFT in FY20 illustrates the extent to which the pandemic has exacerbated a preexisting crisis in housing affordability in the metro Boston area. It confirms previous findings about the effectiveness and efficiency of RAFT as a tool to stabilize housing for households with subsidized housing in the Boston metro region. The data also illustrates the urgent need for additional income and housing supports to prevent an increase in homelessness as a result of pandemic-related losses in employment.

According to the National Low Income Housing Coalition, a household needed an annual income of \$92,240 to afford to rent a two-bedroom apartment in 2020 without spending in

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<sup>3</sup> Very low income is defined by the U.S. Department of Housing and Urban Development as income of less than 50 percent of the area median income, and extremely low income is income of less than 30 percent of the area median income. In metropolitan Boston, very low income was \$51,000 and extremely low income was \$30,600 for a family of three during FY20.

excess of 30 percent of household income on rent.<sup>4</sup> The median income of all households that received RAFT in FY20 *prior* to the pandemic was \$19,559 – just over 20 percent of the income required to afford market-rate housing in the region. Most of these households – 71 percent – had subsidized housing.

Once the pandemic began, however, applications for RAFT from households *without* subsidized housing increased dramatically, accounting for 50 percent of all households that received RAFT between March and June of 2020. These households experienced a catastrophic loss of income due to the pandemic. Median income of RAFT recipient households *without* subsidized housing fell from nearly \$29,000 in March 2020 to zero in May and June 2020. Households with subsidized housing – public housing, federal Section 8 vouchers and state rental vouchers – experienced a much smaller drop in median income due to the pandemic.

RAFT program participation increased by more than 75 percent in the fourth quarter of FY20 compared to the third quarter. All of the increase was accounted for by households without subsidized housing. Analysis of data for the entire fiscal year shows that a majority of households without subsidized housing relied on earned income prior to the pandemic. Households with subsidized housing were much more likely to have income from transfer payments – social security, disability, TAFDC, etc., providing relative stability compared to households with income from employment.

Increased need for RAFT accelerated at an even higher pace at the beginning of FY21. Overall, data on RAFT program participation in FY20 and early FY21 indicates an immediate need for more RAFT funding overall, and higher limits on RAFT funding for households without subsidized housing to prevent an epidemic of pandemic-related homelessness. It also illustrates the urgent need for a more sustainable solution to the critical shortage of affordable housing in the Metro Boston region.

### **III. The Housing Affordability Gap in Metro Boston**

Massachusetts has a severe shortage of affordable housing, and the metro Boston region is one of the least affordable regions of the Commonwealth. According to the National Low Income Housing Coalition, there are only two states in the U.S. with a bigger gap between the average wages of renters and the cost of rental housing. Households that spend more than 30 percent of income on housing costs are considered to be housing cost-burdened. More than 460,000 Massachusetts renter households were cost-burdened in 2018, including more than half of all renters in the City of Boston.<sup>5</sup>

The shortage of affordable rental housing is most severe for households with the lowest incomes. The U.S. Department of Housing and Urban Development defines low income households as those earning less than 80 percent of Area Median Income (AMI), adjusted for

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<sup>4</sup> National Low Income Housing Coalition, *Out of Reach 2020*, Washington, DC, June 2020

<sup>5</sup> U.S. Census, American Community Survey, 5-year data, 2018.

household size. Households that earn less than 50 percent of AMI are considered to be very low income (VLI); households that earn less than 30 percent of AMI are considered to be extremely low income (ELI). VLI and ELI households are eligible for the RAFT program.

Nearly 300,000 renters in Massachusetts have extremely low incomes.<sup>6</sup> Seventy-nine percent of these households are rent-burdened, with almost 60 percent classified as severely rent-burdened (spending over 50 percent of household income for housing). Research indicates that ELI households with severe rent burdens have difficulty paying for other necessities such as food and medical care.<sup>7</sup>

A 2019 study by the Federal Reserve Bank of Boston found that 30 percent of all renter households in Boston in 2016 had extremely low incomes. Nearly three-quarters of these ELI households were rent-burdened, and more than half were paying in excess of 50 percent of their income toward housing. The same study found that there were 62 affordable housing units for every 100 ELI households in Boston. Nearly all of these affordable units were either public housing or other publicly-subsidized units, including federal and state project-based housing vouchers. There were fewer than three units of *unsubsidized* rental housing for every 100 ELI households in Boston in 2016.<sup>8</sup> Recent research published by Massachusetts Housing Partnership<sup>9</sup>, the National Low Income Housing Coalition<sup>10</sup>, and the City of Boston 2030 study<sup>11</sup> echo these findings.

The “housing wage” is a concept used by the National Low Income Housing Coalition to calculate the hourly compensation required to afford a two bedroom home at Fair Market Rent.<sup>12</sup> The 2020 housing wage in metropolitan Boston is \$44.44. A single parent working at minimum wage in Massachusetts has earnings that are far short of the housing wage. She or he would have to work 3.5 full-time jobs at the 2020 minimum wage of \$12.75 an hour to comfortably afford a two bedroom apartment at Fair Market Rent. Table 1 shows the housing wage for the region in the context of the median income of households that received RAFT from Metro Housing in FY20.

**TABLE 1: HOUSING WAGE AND RAFT PARTICIPANT INCOME, FY20**

Sources: National Low Income Housing Coalition *Out of Reach 2020*, Metro Housing Boston data

<sup>6</sup> Chiumenti, *The Growing Shortage of Affordable Housing for the Extremely Low Income in Massachusetts*.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid, web-based version of chart, <https://www.bostonfed.org/publications/new-england-public-policy-center-policy-report/2019/growing-shortage-affordable-housing-extremely-low-income-massachusetts.aspx>

<sup>9</sup> Clark Ziegler, Presentation: *The Four Big Housing Challenges in Metro Boston*, Massachusetts Housing Partnership, May 2019

<sup>10</sup> National Low Income Housing Coalition, *Out of Reach 2020*, Washington, DC, June 2020

<sup>11</sup> Office of Mayor Marty Walsh. *Housing a Changing City: Boston 2030*, Boston, MA, September 2018

<sup>12</sup> Fair Market Rent (FMR) is typically the 40th percentile of gross rents for standard rental units. FMRs are determined by HUD on an annual basis, and reflect the cost of shelter and utilities. FMRs are used to determine payment standards for federal rental vouchers.

	Hourly	Annually
Metro Boston wage to afford a 2-bedroom apartment at fair market rate (Out of Reach 2020)	\$ 44.44	\$ 92,440
Massachusetts minimum wage	\$ 12.75	\$ 26,520
Median household wage of RAFT recipient household	n/a	\$ 14,196

The federal poverty level for a family of three was \$21,720 in 2020. Table 2 shows poverty rates and income statistics for select communities in the metro Boston region. There were nearly 20,000 families that had incomes below the poverty line in Boston alone in 2018.<sup>13</sup> A majority of households that received RAFT from Metro Housing in 2020 had incomes that were lower than the poverty level and 30 percent of median income. Prior to the pandemic, most of the households that received RAFT in the region had subsidized housing. The last column of the table shows typical incomes for these households. This data is another illustration of the gap between the incomes of households served by the RAFT program and the income needed to afford housing in the region.

**TABLE 2: INCOME DEMOGRAPHICS OF SELECT COMMUNITIES, 2020**

Sources: 2018 American Community Survey Five-Year Estimates Data Profiles, Metro Housing Boston data

Community	Poverty Rate	Median Household income, US Census	30% of Median Income/Extremely Low Income	Median HH income for Metro Housing Section 8 participant
Boston	20.2%	\$ 65,883	\$ 19,764.90	\$ 15,923
Braintree	4.7%	\$ 94,945	\$ 28,483.50	\$ 13,536
Brookline	11.9%	\$ 113,515	\$ 34,054.50	\$ 14,952
Cambridge	13.2%	\$ 95,404	\$ 28,621.20	\$ 14,865
Chelsea	18.8%	\$ 53,280	\$ 15,984.00	\$ 14,095
Everett	13.3%	\$ 60,482	\$ 18,144.60	\$ 15,684
Malden	16.4%	\$ 64,178	\$ 19,253.40	\$ 14,919
Quincy	10.8%	\$ 74,180	\$ 22,254.00	\$ 14,154
Revere	13.1%	\$ 55,020	\$ 16,506.00	\$ 16,472
Somerville	11.9%	\$ 91,168	\$ 27,350.40	\$ 13,296

#### IV. Overview of Metro Housing RAFT Program in FY20

<sup>13</sup> 2018 American Community Survey Five-Year Estimates Data Profiles

**Number of households, total funding and average payments**

Table 3A shows the number of households that received RAFT, total funding and average payments in FY20 compared to FY19. Table 3B shows household served and RAFT funds distributed in FY20 compared to FY 2013.

**TABLE 3A: METRO HOUSING RAFT FUNDING AND HOUSEHOLDS SERVED, FY20 AND FY19**

	FY 2019	FY 2020	% change, FY 19 - FY 20
Amount spent	\$ 4,444,781	\$ 5,112,200	15%
Households Assisted	1710	1805	6%
Average benefit received	\$ 2,599	\$ 2,832	9%

**TABLE 3B: METRO HOUSING RAFT FUNDING AND CLIENTS SERVED, FY20 AND FY13**

	FY 13	FY 20	% change, FY 13 - FY 20
Amount Spent	\$2,366,959	\$ 5,112,200	116%
Clients Served	919	1805	96%
Average benefit received	\$2,576	\$ 2,832	10%

The 10 percent increase in the average RAFT payment over seven years is below the rate of inflation. According to the Bureau of Labor Statistics, consumer prices in Boston increased by 13.2 percent over the seven year period. The fact that the average cost of RAFT has *decreased* in real dollars over seven years is even more remarkable given the change in the cost of rent over the same time frame. Between 2013 and 2020, the Fair Market Rent for a two-bedroom apartment in metro Boston increased by 60 percent, from \$1,444 to \$2,311.

**Geographic distribution of RAFT households and funding**

Metro Housing provided RAFT in all 29 cities and in its service area in FY20. Table 4 shows RAFT funding and households by neighborhood and community. Households in Boston accounted for 67 percent of Metro's RAFT clients and 65 percent of its RAFT funds.

**TABLE 4: RAFT HOUSEHOLDS AND FUNDING BY CITY AND NEIGHBORHOOD, FY20<sup>14</sup>**

<sup>14</sup> Eleven "Boston" neighborhoods include Aquarium, Back Bay, Battery Wharf, Beacon Hill, Chinatown, Common and Government Center, Fenway, North End, and Seaport.

	FY20 #	FY20 \$
Allston	17	\$ 49,666
Brighton	22	\$ 55,373
Boston	138	\$ 324,134
Charlestown	24	\$ 74,992
Dorchester	533	\$ 1,462,824
East Boston	37	\$ 122,032
Hyde Park	82	\$ 224,551
Jamaica Plain	27	\$ 78,515
Mattapan	110	\$ 318,750
Roslindale	38	\$ 112,075
Roxbury	148	\$ 420,011
South Boston	28	\$ 72,581
West Roxbury	9	\$ 22,734
<b>BOSTON SUBTOTAL</b>	<b>1,213</b>	<b>\$ 3,338,238</b>
	FY20 #	FY20 \$
Arlington	12	\$ 30,152
Bedford	2	\$ 5,394
Belmont	5	\$ 15,546
Braintree	32	\$ 91,720
Brookline	8	\$ 25,469
Burlington	6	\$ 21,400
Cambridge	47	\$ 111,621
Chelsea	85	\$ 247,084
Everett	36	\$ 106,196
Lexington	4	\$ 16,000
Malden	34	\$ 98,043
Medford	11	\$ 35,171
Melrose	4	\$ 13,660
Milton	4	\$ 13,728
Newton	9	\$ 28,198
North Reading	1	\$ 2,410
Quincy	82	\$ 245,949
Reading	4	\$ 14,650
Revere	54	\$ 166,435
Somerville	56	\$ 187,017
Stoneham	3	\$ 5,550
Wakefield	5	\$ 15,102
Waltham	35	\$ 115,194
Watertown	7	\$ 23,158
Wilmington	6	\$ 16,441
Winchester	5	\$ 13,887
Winthrop	10	\$ 30,375
Woburn	18	\$ 56,176
<b>OTHER COMMUNITIES SUBTOTAL</b>	<b>585</b>	<b>\$ 1,751,727</b>
Out of State	7	\$ 22,235
<b>TOTAL</b>	<b>1805</b>	<b>\$ 5,112,200</b>

### ***Race and ethnicity of RAFT households***

Table 5 shows race and ethnicity of households that received RAFT from Metro Housing in FY20.

**TABLE 5: RACE AND ETHNICITY OF RAFT HEADS OF HOUSEHOLD, FY20**

<b>RACE</b>		
White	549	30%
Black/African American	1117	62%
Indian/Native Alaskan	20	1%
Asian	21	1%
Hawaiian/Pacific Islander	13	1%
Multiracial	85	5%
<b>ETHNICITY (can be any race)</b>		
Hispanic	554	31%
Non-Hispanic	1251	69%
<b>RACE and ETHNICITY</b>		
Non-Hispanic White	281	16%

Black and Hispanic residents of the region are over-represented in the households that received RAFT from Metro Housing . More than 70 percent of the households that received RAFT in the City of Boston in FY20 had a Black head of household. According to U.S. Census American Community Survey 5-year data from 2018, 29 percent of Boston residents are Black. Almost 32 percent of heads of households that received RAFT in Boston were Hispanic; approximately 20 percent of Boston residents are Hispanic.

While Black and Hispanic residents of the region have much higher rates of poverty than residents of other races, it is not clear that this explains the racial demographics of households that received RAFT in the region. Asian residents of Boston have rates of poverty that are higher than Black Boston residents, yet Asians are under-represented in the households that received RAFT. More research could shed light on the association between the race of RAFT recipients and persistent patterns of racial segregation in greater Boston.

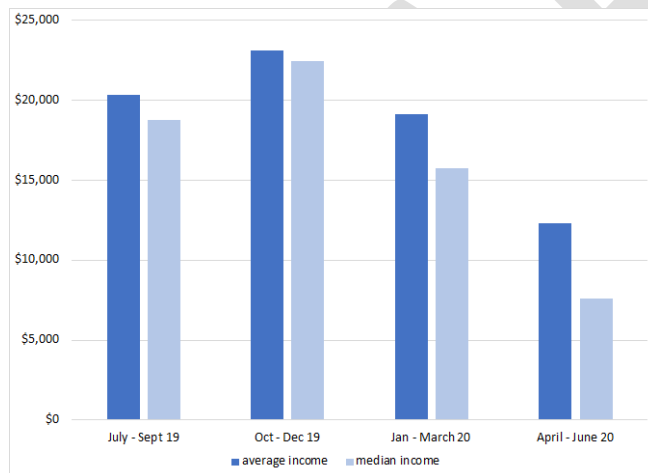
Table 6 shows additional demographic information for the households that received RAFT in FY20.



**TABLE 5: RAFT HOUSEHOLD DEMOGRAPHICS, FY20**

Average age of head of household	41
% of head of household female	82%
% of head of household male	18%
Average Household Size	3
Average Annual Income	\$ 17,725
Median Annual Income	\$ 14,196

The average income for households that received RAFT fell by six percent and the median income fell by 16 percent compared to FY19. However, the figures for RAFT household income for the fiscal year obscure the economic impact of the pandemic. Figure 1 shows average and median income for all RAFT households by quarter, clearly documenting a significant drop in median income beginning in early 2020, and accelerating in the spring. Impact of the pandemic on households that received RAFT in FY20 is discussed at greater length below.

**FIGURE 1: RAFT HOUSEHOLD INCOME BY QUARTER, FY20**

## V. Uses of RAFT funds

RAFT funds may be used for a variety of purposes to help eligible households secure or maintain stable housing. Table 7 shows how RAFT funds were used in FY20 compared to FY19.

**TABLE 6: RAFT PAYMENTS BY USE OF FUNDS, FY19 AND FY20**

	FY 2019			FY 2020		Change in total funds spent
	Total	Percentage		Total	Percentage	
Rent Arrears	\$ 2,030,948	46%		\$ 3,056,293	60%	50%
Security Deposits	\$ 918,111	21%		\$ 926,351	18%	1%
First/Last Months' Rent	\$ 532,240	12%		\$ 443,653	9%	-17%
Utilities	\$ 480,620	11%		\$ 242,529	5%	-50%
Basic furniture	\$ 207,960	5%		\$ 113,268	2%	-46%
Rent stipends	\$ 121,463	3%		\$ 176,841	3%	46%
Moving	\$ 103,320	2%		\$ 72,403	1%	-30%
Other (Mortgage Arrears, Childcare, Transportation)	\$ 50,119	1%		\$ 80,863	2%	61%
<b>TOTAL</b>	<b>\$ 4,444,781</b>			<b>\$ 5,112,200</b>		<b>15%</b>

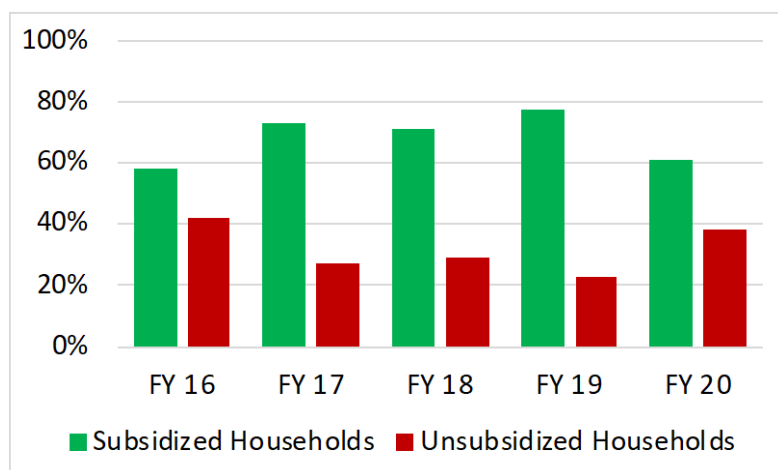
A pilot initiative in FY20 allowed households to use RAFT for rent or mortgage arrears earlier in the process of a housing crisis if they could demonstrate (1) a financial hardship that caused the non-payment, and (2) that funding for arrears would allow them to retain their housing. The \$3,056,293 in RAFT payments for rent arrears in FY20 includes \$1,055,578 in funding for 401 households that used this pilot program, accounting for all of the increase in use of RAFT for rent arrears compared to FY2019. Seven households received RAFT payments totaling \$23,693 for mortgage payments under the pilot program.

Use of RAFT for rent stipends increased by 46 percent in FY20 compared to FY19. This was solely a function of the pandemic – 84 percent of the RAFT payments for rent stipends were made between March and June of 2020.

#### **VI. Comparing households with and without subsidized housing**

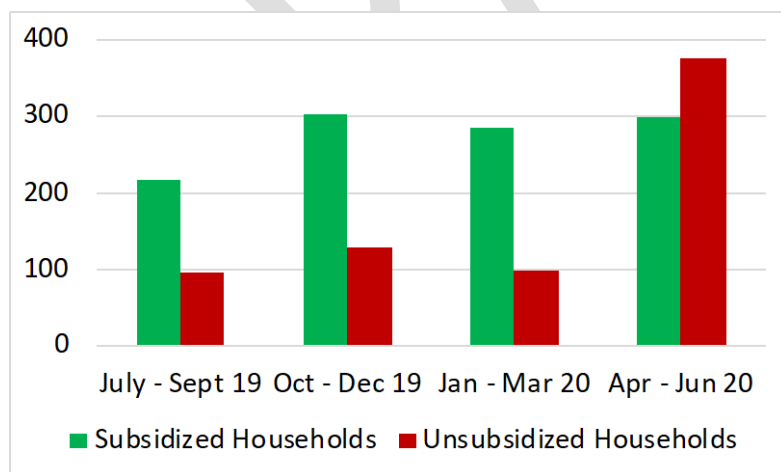
For the past several years, Metro Housing documented an increase in the percentage of households with other housing subsidies – public housing or a federal or state rental voucher – that have received RAFT. That trend changed in FY20, as illustrated in Figure 2.

**FIGURE 2: PERCENTAGE OF RAFT HOUSEHOLDS WITH AND WITHOUT SUBSIDIZED HOUSING, FY16 – FY20**



A closer look at the data illustrates that the change in percentage of households with and without subsidized housing is clearly a function of the pandemic. Figure 3 shows the number of households that received RAFT by quarter in FY20.

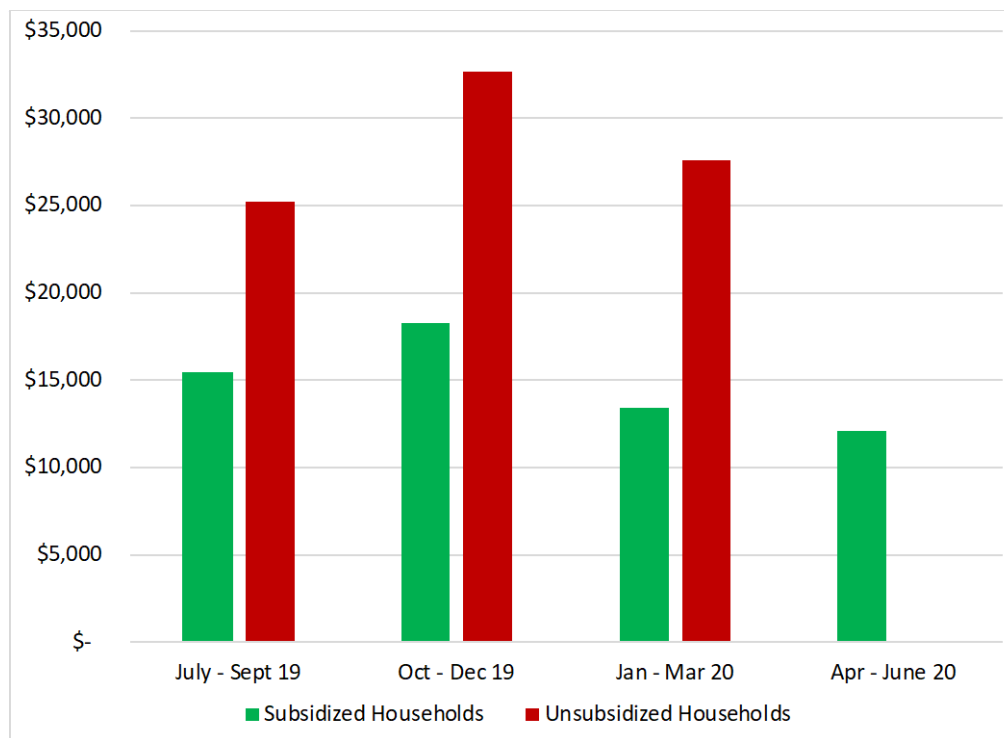
**FIGURE 3: NUMBER OF SUBSIDIZED AND UNSUBSIDIZED HOUSEHOLDS THAT RECEIVED RAFT BY QUARTER, FY20**



For the first three quarters of FY20, a majority of households that received RAFT from Metro Housing had subsidized housing. The pandemic resulted in a significant increase in the number of households with unsubsidized housing that received RAFT. Moreover, these households

have fared very differently as a result of the pandemic. Figure 4 shows median income by quarter for the households that received RAFT.

**FIGURE 4: MEDIAN INCOME FOR RAFT HOUSEHOLDS BY QUARTER, FY20**



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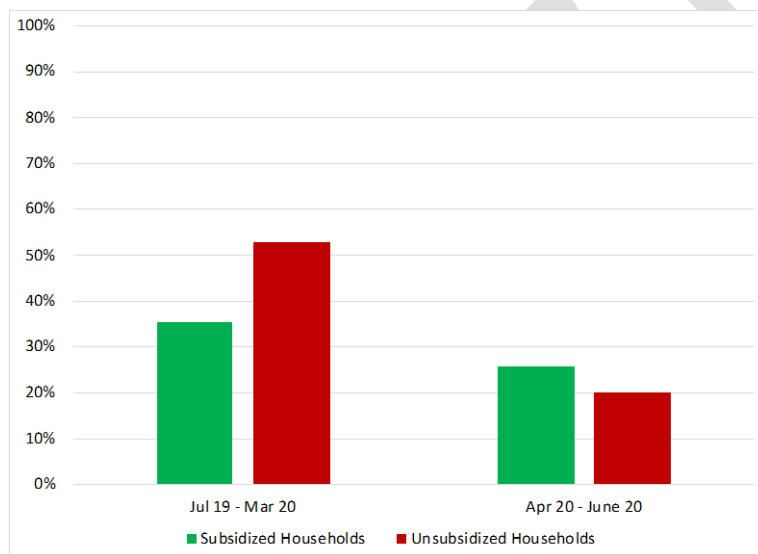
For the three quarters of FY20 prior to the pandemic, median income of the unsubsidized households significantly exceeded median income for the households with subsidized housing. Between July 2019 and March 2020, the median income of the unsubsidized households was \$28,520. In the fourth quarter, however, the median income of the unsubsidized households was zero – more than half of these households had no income. In contrast, the median income for the households with subsidized housing was \$15,512 for the first three quarters of the year. During the pandemic, it fell by 22 percent, to \$12,129.

These discrepancies in income require some explanation. First, in accordance with administrative guidelines for the RAFT program, household income does *not* include pandemic-related federal stimulus payments, or the additional temporary \$600 in weekly unemployment assistance provided to eligible households prior to August 2020 due to the pandemic. The figures for median household income are therefore somewhat understated for the period of April – June 2020. More significantly, however, Metro Housing believes that income for the RAFT

households with and without housing subsidies changed so dramatically during the pandemic because these households rely on different sources of income.

Figure 5A shows the percentage of RAFT households with income from employment. Prior to the pandemic, 53 percent of the RAFT households without housing subsidies had earned income, compared to 36 percent of the RAFT households with subsidized housing. In other words, a majority of the unsubsidized households had income from a job prior to the pandemic. Between April and June 2020, the percentage of RAFT households without subsidized housing that have income from a job fell by more than half, while the smaller percentage of RAFT households with subsidized housing have not experienced such dramatic losses in income from employment.

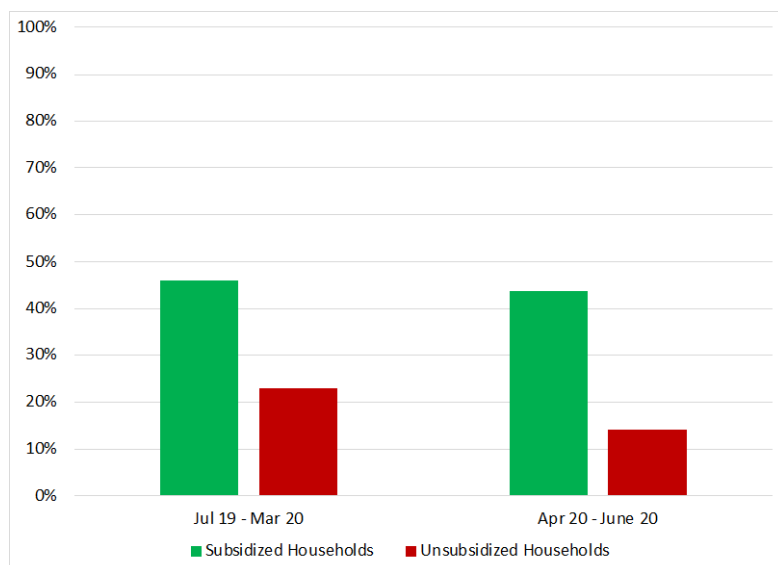
**FIGURE 5A: PERCENTAGE OF RAFT HOUSEHOLDS WITH EARNED INCOME, FY20**



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Figure 5B shows the percentage of RAFT households with income from transfer payments – social security, disability, TANF, etc. Prior to the pandemic, 46 percent of the RAFT households with subsidized housing had income from transfer payments — prior to the pandemic, compared to only 23 percent of RAFT households without subsidized housing. Between April and June, the percentage of unsubsidized RAFT households with income from transfer payments fell to only 14 percent, while income from transfer payments remained relatively stable for the households with subsidized housing during the same time frame.

**FIGURE 5B: PERCENTAGE OF RAFT HOUSEHOLDS WITH FIXED INCOME, FY20**



As noted in Table 3A, the average RAFT payment in FY20 was \$2,832, but this obscures a significant difference in payments for subsidized and unsubsidized households. The average payment for households with subsidized housing was \$2,459, while the average payment for households without subsidized housing was \$3,422.

## **VII. Overview of families that received RAFT multiple years**

Over the years that Metro Housing has administered the RAFT program, one of the most consistent and surprising findings has been the fact that few households receive assistance more than once. Table 8 shows data on repeat participation in the RAFT program. Of the households that received RAFT in FY20, only four percent received RAFT in FY19, and just 17 percent participated in the program in any of the previous four fiscal years. Between FY16 and FY20, Metro Housing made RAFT payments to 7,695 households. Fewer than 17 percent of these households received assistance from the organization more than once. During this period, the median income of households that received RAFT ranged from \$14,000 - \$16,000, well below 30 percent of median for all households in the region and below the federal poverty level.

**TABLE 7: REPEAT PARTICIPATION IN RAFT PROGRAM, FY16 - FY20**

	# Households	% of FY 20 participants
Repeat Participants, FY 19 & FY 20	74	4.1%
Repeat Participants, FY 18 & FY 20	108	6.0%
Repeat Participants, FY 17 & FY 20	107	5.9%
Repeat Participants, FY 16 & FY 20	76	4.2%
Repeat Participants, FY 20 and any other year	312	17.3%
Repeat participants, FY 16 - FY 20	1280	
Repeat participants as % of all participants, FY 16 - FY 20	16.6%	

### VIII. Savings from the RAFT program

Homeless families with children under the age of 21 and pregnant individuals with incomes under 115 percent of federal poverty level may be eligible for Emergency Assistance, the state's family shelter program. According to the most recent information available from the Commonwealth, as of June 2019, the average stay in the EA shelter system was 409 days, at an average cost of \$61,350, not including administrative expenses.<sup>15</sup>

Table 9 shows estimated savings from the RAFT program by calculating the avoided cost of Emergency Assistance for eligible households. Only households with children and pregnant individuals are eligible for EA, and in general, households that lose their subsidized housing are ineligible. For this reason, the table includes only households *without* subsidized housing that have children, and the calculation uses the higher average RAFT payment for these households.

**TABLE 8: ESTIMATED SAVINGS FROM RAFT PROGRAM, FY20**

	Households	Average cost of RAFT	Cost of RAFT	Average cost of EA	Cost of EA	Estimated savings
RAFT households with children, no subsidy, income eligible for EA at time of RAFT application	254	\$ 3,422	\$ 869,250	\$ 61,350	\$15,582,900	\$ 14,713,650
RAFT households with children, no subsidy, over income for EA at time of RAFT application	190	\$ 3,422	\$ 650,226	\$ 61,350	\$11,656,500	\$ 11,006,274
<b>Total</b>	<b>444</b>		<b>\$ 1,519,476</b>		<b>\$27,239,400</b>	<b>\$ 25,719,924</b>

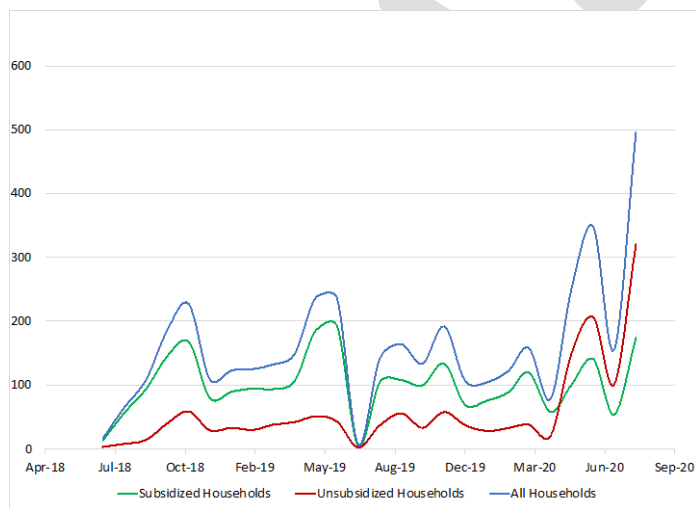
<sup>15</sup> *Emergency Assistance, HomeBASE, and RAFT Programs, Fiscal Year 2019, Fourth Quarterly Report*, Commonwealth of Massachusetts Department of Housing and Community Development. Metro HousingBoston was unable to obtain estimates of the average cost of the Emergency Assistance Program in FY20.

There were 254 RAFT participants with children, without housing subsidies, that were income-eligible for Emergency Assistance at the time that they received RAFT. At an average cost of \$3,422 in RAFT for these families, the Commonwealth avoided an estimated \$14.7 million in costs for shelter through the EA system. There were an additional 190 families that might have become eligible for EA without assistance from RAFT, representing total estimated savings of more than \$25.7 million.

#### IX. Pandemic trends and leading indicators: Insights into FY21

The trends observed in the fourth quarter of FY20 have continued into FY21. Figure 6 shows the number of RAFT recipients by month for the 25 month period from July 2018 through August 2020. Typically, applications to the program fall in July due to administrative issues associated with the beginning of a new state fiscal year. The most notable data point in this figure is the sharp uptick in households assisted in August 2020. Metro Housing Boston continues to assist more households with subsidized housing. The average RAFT payment in August 2020 was \$3,430, representing a 21 percent increase from the average RAFT payment in FY20.

**FIGURE 6: HOUSEHOLDS THAT RECEIVED RAFT, JULY 2018 - AUGUST 2020**



Metro Housing believes that the changes in the number and type of households that have received RAFT during the first six months of the pandemic are a leading indicator of an impending housing crisis in the region. There are tens of thousands of renters with extremely low incomes in the Boston metro region that do not have subsidized housing, or any realistic chance of securing permanent housing subsidies in the near future. Metro Housing manages 7,400 federal Section 8 housing vouchers and 2,300 Massachusetts rental vouchers. It has 11,662 and 5,000 households on its waiting list for these housing subsidies respectively.



Households that received a federal Section 8 housing voucher from Metro Housing in 2020 had been on the organization's waiting list for more than ten years.

The past six months of data from the RAFT program strongly suggests that households that were able to avoid homelessness in the strong economy prior to the pandemic by working multiple jobs, living in overcrowded and dilapidated housing, and spending more than 50 percent of their limited incomes on rent are no longer able to do so. With pre-pandemic median income in the range of \$25,000, these households do not have savings to rely on. If pandemic-related unemployment continues, we believe that thousands, perhaps tens of thousands of ELI households with unsubsidized housing will need far more than \$4,000 in RAFT assistance over 12 months to avoid homelessness.

The data from RAFT participation in the greater Boston region prior to and during the pandemic also contain good news. The pandemic appears to have had little to no impact on the need for RAFT among residents of the region with subsidized housing. This is strong evidence that income supports and subsidized housing, combined with modest emergency housing assistance through RAFT, are highly effective in ensuring housing stability for households with extremely low incomes. This finding reinforces our recent reports documenting the effectiveness of the RAFT program.

## **X. Conclusion**

Based on the findings documented in this report, Metro Housing makes the following policy recommendations:

In the short term, the Commonwealth needs to either increase the availability of income supports for extremely low income households, or significantly increase the \$4,000 limit on RAFT assistance over a 12-month period for income-eligible households that do not have subsidized housing. In the longer term, ELI households need long-term housing subsidies for housing stability, as well as for public health. The Commonwealth should increase funding for the Massachusetts Rental Voucher program and step up its efforts to add to the supply of rental units affordable to ELI households.