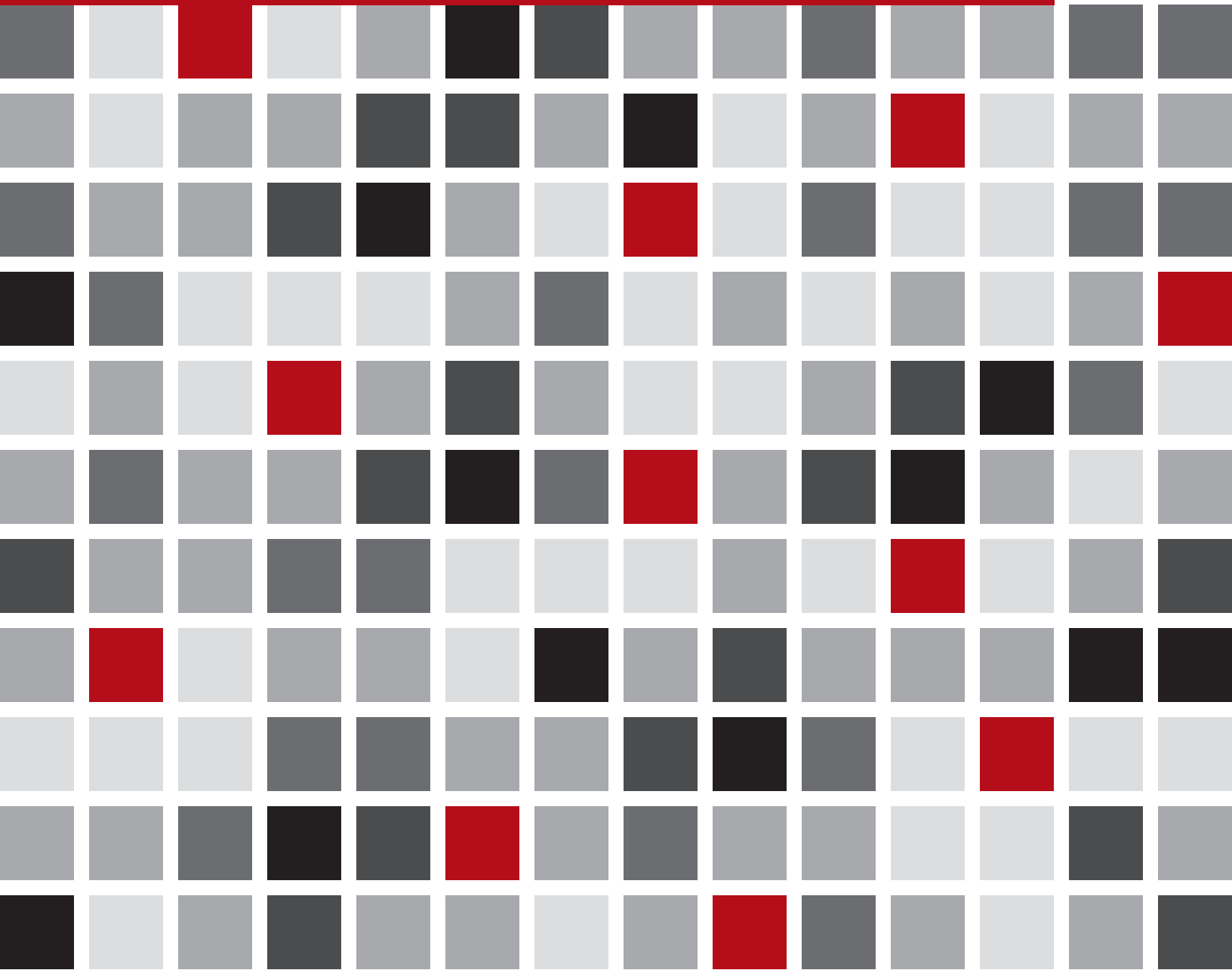


RAFT IN REVIEW

An Overview and Analysis of MBHP's Residential Assistance for Families in Transition Program

SEPTEMBER 2014



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I. INTRODUCTION

Residential Assistance for Families in Transition, or RAFT, is a homelessness prevention program for families with very low incomes who are experiencing a housing crisis. Through RAFT, families apply for funds they can use to help retain their housing, obtain new housing, or otherwise avoid becoming homeless. RAFT is funded by the Massachusetts Legislature through the Department of Housing and Community Development and is administered by 10 regional administering agencies throughout the state. Metropolitan Boston Housing Partnership (MBHP) administers RAFT in Boston and 29 surrounding communities.

PROGRAM HISTORY

Started as a pilot program in FY05, RAFT received between \$2.5 million and \$5 million per year through FY10 to serve families across the state. During this time, RAFT was one-time aid of between \$2,000 and \$3,000 per family to be used for security deposit, first and last month's rent, moving expenses, and the cost to cover past utility arrears in order to place these accounts into good standing.

In FY11 and FY12, state support for RAFT decreased dramatically. Massachusetts allotted only \$260,000 for the program in each of these two years. Those funds were directed to specific regional programs and did not include metropolitan Boston.

RAFT TODAY

When RAFT was reintroduced in FY13, the program shifted from a one-time financial assistance program to an ongoing program focused on preventing homelessness among currently-housed

families and resources were targeted to families at the lowest income levels. Additionally, the legislature permitted families to receive RAFT funding more than once, a shift that acknowledged that families with extremely low incomes who are most likely to enter emergency shelter cannot necessarily be expected to remain stably housed with only the minimal assistance provided by the RAFT program. Since the reintroduction of the program in FY13 (\$8.8 million), RAFT has received increased resources each year with \$10 million in FY14 and \$11 million in the recently-passed FY15 budget.

With RAFT resources available again to families within MBHP's region after a two-year hiatus, MBHP staff thought this was the appropriate time to review and reflect on the program in a thoughtful, deliberate manner. With continued funding of the RAFT program, MBHP intends to engage in similar research to inform future policy and programming decisions.

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), \$42,500 in FY14 for a family of three in the Boston region.

II. OVERVIEW AND DEMOGRAPHICS

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

	FY13	FY14	% change
Total funding	\$2,366,959	\$2,620,852	+11%
Clients screened	1,308	1,375	+5%
Clients assisted	919	986	+7%
Avg. benefit received	\$2,580	\$2,692	+4%

In FY14, the RAFT program at MBHP helped 986 families in metropolitan Boston avoid entering shelter (Table 1). At an average cost of \$2,692 per family, the program in the metropolitan Boston region alone saved Massachusetts approximately \$21 million.¹ By keeping people housed, the program also assisted municipalities—because families who received RAFT were not placed in shelter, municipalities avoided the need to spend even more dollars to transport students from motels and shelters to schools.

MBHP staff members believe that, based on discussions with clients and data received, the increase in the average benefit from \$2,580 to \$2,692 is due to an increase in the cost of living as well as the roll-off of HomeBASE Rental Assistance families during FY14. The HomeBASE Rental Assistance program was a two-year program to help formerly-homeless families leave shelter and, with the help of supportive services, move into subsidized or market rate housing. Families ending the rental assistance component of HomeBASE had the opportunity first to access HomeBASE supportive services, using Household Assistance funds, also in the amount of \$4,000. After the Household Assistance funds were depleted, 173 of the 1,400 formerly homeless families who had HomeBASE Rental Assistance also qualified for RAFT, making them eligible for an additional \$4,000. The Massachusetts Department of Housing and Community Development (DHCD) approved RAFT funds to be used for HomeBASE families—after Household Assistance resources were depleted—in order to keep families from returning to shelter, and help alleviate an already overwhelmed shelter system.

The 2014 area median income for a family of three in the Boston region is \$85,000. The median income of RAFT families participating in FY14 at MBHP was \$10,048 (Table 2), well below the 50 percent AMI eligibility level for a family of three (\$42,500).

TABLE 2: FY14 Household Demographics

Average age of head of household	36.5
% of head of household female	91
% of head of household male	9
Average household size	3
Average annual income	\$14,102
Median annual income	\$10,048

The majority of RAFT participants at MBHP (62 percent) in FY14 identified themselves as Black/African American (Table 3). Hispanic heads of household were the second-largest identified group at 27 percent, with non-Hispanic Whites reported by 14 percent of respondents.

TABLE 3: FY14 Race and Ethnicity

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

1. This assumes that but for receiving RAFT, each family would have entered the emergency shelter system and stayed for an average of eight months at a monthly cost of \$3,000, for a total cost of \$23,664,000.

CITIES AND TOWNS RECEIVING BENEFIT

MBHP's RAFT program has had widespread benefits. Families from 26 cities and towns within MBHP's region benefitted from RAFT funding in FY14. The majority of RAFT funds—68 percent, or \$1.8 million—was utilized by families in Boston, making it the largest eviction prevention program in the city. Only four communities in MBHP's region did not have any RAFT recipients.

To increase access to the RAFT program, during FY14, MBHP expanded one RAFT colocation site in Chelsea and launched another in Somerville. The colocation at Chelsea CONNECT offers RAFT services to families in Chelsea, East Boston, and Revere. CONNECT is a partnership of six community organizations including Bunker Hill Community College, Career Source, Centro Latino, Metro Credit Union, MBHP,

and the Neighborhood Developers. MBHP's Outreach Specialist offers RAFT, housing search resources, and workshops to families living in the greater Chelsea area.

The new colocation at Somerville Homeless Coalition likewise provides RAFT, housing search resources, and workshops to families in Cambridge, Malden, Medford, and Somerville. The Somerville Homeless Coalition offers homeless and near-homeless families and individuals with supportive services and housing solutions. The Somerville Community Corporation is also a major partner in the Somerville colocation project.

MBHP will launch a South Shore colocation site in FY15. With this expansion, MBHP will have RAFT services in or neighboring eight of the 10 cities and towns outside of Boston that utilize RAFT the most.

TABLE 4: MBHP's FY14 RAFT funding and household characteristics of select cities and towns

City/Town	Number of recipients	Value of assistance	Poverty level*	Average 2BR rent†
Boston‡	681	\$1,816,012	19.5%	\$2,917
CHELSEA COLOCATION				
Chelsea	69	\$207,359	23.3%	\$1,557
Revere	35	\$97,804	14.6%	\$1,535
SOMERVILLE COLOCATION				
Malden	30	\$89,892	9.2%	\$1,724
Medford	17	\$58,148	6.4%	\$1,666
Somerville	13	\$36,665	12.5%	\$2,112
Cambridge	12	\$21,841	12.9%	\$2,763
SOUTH SHORE COLOCATION (planned for FY15)				
Quincy	23	\$65,543	7.3%	\$1,932
Braintree	13	\$23,042	3.8%	\$1,840
OTHER				
Everett	43	\$137,187	11.8%	\$1,320
Woburn	10	\$29,990	6.1%	\$1,688

* Poverty level of each city/town—From 2012 American Community Survey, US Census Bureau

† Average 2BR rent—From Rental Beast, for available two bedroom units, between August 2013 and August 2014

‡ Boston neighborhood rents ranged from \$1,372 in Mattapan to \$4,904 in the Theater District

III. FUNDING BY HOUSING CRISIS TYPE: FY13 AND FY14 COMPARISON

As outlined in Table 1 (see Page 3), MBHP’s RAFT funding for clients in FY14 increased 11 percent over FY13, from \$2,366,959 to \$2,620,852. While rental arrears remained the largest assistance category in FY14, the total spent decreased by 20 percent (Table 5). Meanwhile, the amount spent on rental stipends increased dramatically, almost six-fold, in FY14, due primarily to families rolling off HomeBASE Rental Assistance. As mentioned previously, RAFT can be used by HomeBASE families only after using

stabilization funds—called Household Assistance—which is one component of the HomeBASE program to help keep families out of the emergency shelter system for homeless families.

These families, at the very lowest income levels, became eligible for RAFT when they rolled off HomeBASE Rental Assistance, and RAFT resources, specifically rental stipends, were used to help these families retain stable housing.

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

	FY13 \$2,366,959			FY14 \$2,620,852			change between FY13 and FY14
	\$	%	average	\$	%	average	
Rental arrears	\$1,334,565	57%	\$2,611	\$1,064,297	41%	\$2,708	-20%
Rental stipends	\$93,585	4%	\$577	\$631,951	25%	\$936	575%
First/last month’s rent	\$305,813	13%	\$1,422	\$285,647	11%	\$1,133	-7%
Security deposit	\$231,759	10%	\$1,176	\$226,760	9%	\$1,168	-2%
Utility arrears	\$150,150	6%	\$754	\$174,770	7%	\$828	16%
Furniture	\$147,529	6%	\$1,272	\$119,375	5%	\$1,020	-19%
Moving costs	\$48,057	2%	\$874	\$39,547	2%	\$989	-18%

Other housing crisis categories (travel costs, child care costs, and miscellaneous) each accounted for less than 1% each year

IV. OVERVIEW OF FAMILIES THAT RECEIVED RAFT IN FY13 AND FY14

FY14 was the first time families were eligible to use RAFT funds in consecutive years. Of all the families that received RAFT funding from MBHP in FY13 and FY14, 73 received funding both years. These 73 families represent 7 percent of all families who received assistance in FY14. For families returning for additional support, similar to those receiving RAFT assistance the first time, no more than \$4,000 was available within any 12-month period. All families had to wait a full 12 months before they accessed additional funds exceeding \$4,000.

Suggesting that these families are those most in need, families who returned in FY14 after receiving RAFT funds in FY13 had lower median and average incomes than all FY14 participants (Table 6). In their second year of receiving RAFT, these returning families were in less need of rental stipends and security deposits, but needed more assistance with first and last month's rent and furniture (Table 7).

Further, the returning families' need for rental stipends was counter to the needs of the overall population. While rental stipends for all recipients accounted for 25 percent of all RAFT payments, they made up only 4 percent of payments for returning recipients (Table 8). Most of the other housing crisis payment categories were consistent between both groups. Further analysis of these data is complicated by the fact that the second year of RAFT payments for rental arrears was restricted to families living in market-rate housing.

TABLE 6: Comparison of average and median income of FY14 participants and FY13/FY14 returning participants

INCOME	FY14 Participants	FY13/FY14 Returning Participants
Average	\$14,102	\$13,562
Median	\$10,048	\$8,640

TABLE 7: Funds benefitting families that received RAFT in FY13 and FY14, by housing crisis category

	FY13	FY14	% change
Rental arrears	\$102,430	\$83,500	-18%
Rental stipends	\$7,384	\$6,223	-16%
First/last month's rent	\$17,142	\$22,218	+30%
Security deposit	\$15,606	\$11,894	-24%
Utility arrears	\$19,097	\$20,254	+6%
Furniture	\$8,425	\$12,638	+50%
Moving costs	\$4,571	0	-100%

TABLE 8: Comparison of percentage of funds benefitting FY14 participants and FY13/FY14 returning participants, by housing crisis category

	FY14 Participants (as % of all RAFT payments)	FY13/FY14 Returning Participants (as % of RAFT payments to multiple-year families)
Rental arrears	41%	53%*
Rental stipends	25%	4%
First/last month's rent	11%	14%
Security deposit	9%	8%
Utility arrears	7%	13%
Furniture	5%	8%
Moving costs	2%	0%

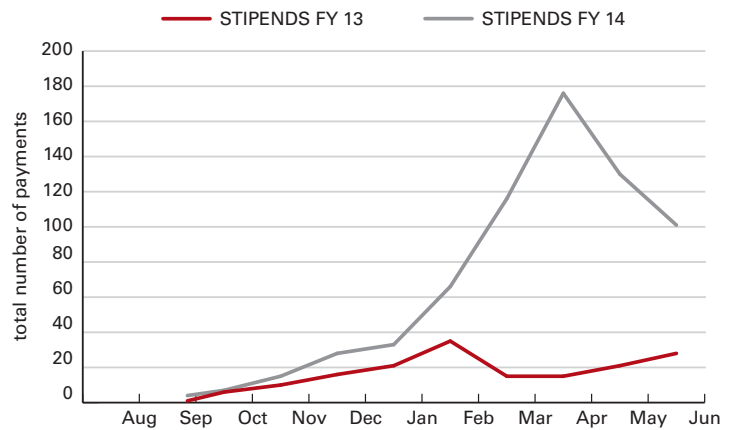
*eligible only to families living in market-rate housing

V. TIMING OF ASSISTANCE, FY13 AND FY14

The timing of payments by housing crisis varied each year. For example, since FY13 was the first year in several that RAFT funds were available to families in the MBHP region, it took some time for MBHP to ramp up capacity to process applications. Additionally, as described earlier, families were rolling off HomeBASE Rental Assistance during FY14, which contributed to the significant increase of rental stipends in February, March, and April 2014 (Chart 1).

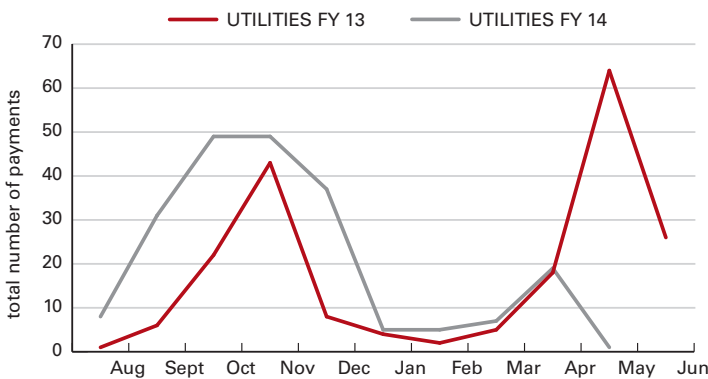
Finally, payments for utility arrearage (Chart 2) and rent arrearage (Chart 3) followed similar patterns in both FY13 and FY14, with one notable exception: Utility arrearages peaked in May 2013, whereas in FY14 other housing crisis payments depleted available funds just before May 2014.

CHART 1: Stipend payments, FY13 and FY14



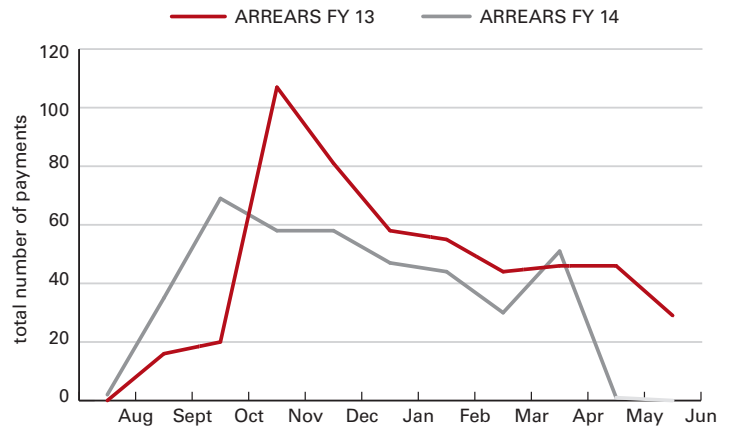
	FY13	FY14
Total number of payments	168	676
Total value of payments	\$93,585	\$631,951

CHART 2: Utility arrears payments, FY13 and FY14



	FY13	FY14
Total number of payments	199	211
Total value of payments	\$150,150	\$174,770

CHART 3: Rent arrears payments, FY13 and FY14



	FY13	FY14
Total number of payments	502	395
Total value of payments	\$1,334,565	\$1,064,297

VI. CONCLUSION

- **RAFT keeps families out of emergency shelter.**

With the shift in the program in FY13, RAFT's focus turned to families at risk of entering emergency shelter. The deepening homeless crisis led state policy makers to dedicate many additional resources—including RAFT—to help alleviate the problem. For many of the families helped by MBHP, it worked.

- **RAFT costs less than emergency shelter.** RAFT is a cost-effective tool in the effort to prevent family homelessness. The average stay for a family in shelter is eight 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 \$2,692 in FY14, the almost 1,000 families helped with RAFT by MBHP in FY14 saved Massachusetts approximately \$21 million.

- **RAFT families may be stabilized with one year of assistance.** For most families, one year of RAFT assistance was enough to keep them stable. Ninety-three percent of the families who received RAFT funding in FY13 did not seek a second year of assistance in FY14. While this suggests that one year of RAFT funds may have been sufficient to stabilize their housing situation, additional research is warranted to support this conclusion.

- **RAFT is critical for families who need assistance over consecutive years.** Families who received RAFT assistance in both FY13 and FY14 had lower incomes compared to all families who received RAFT in FY14. These families also needed less help with rental stipends and security deposits, but needed more help with first and last month's rent and furniture. MBHP is committed to doing more research to determine how best to address the needs of these families.

- **RAFT is used to address the unique needs of individual clients.** Because of the flexibility currently allowed within the regulations and guidance, RAFT can be helpful to families who have low incomes and very specific challenges. RAFT is now—and should remain—a flexible tool for families below 50 percent area median income at risk of homelessness.

- **RAFT needs consistent funding.** Consistency in funding allows for predictability at the program administration level, and allows the regional administering agencies to be more effective at getting resources to families in need on a timely basis. Consistent funding also helps set expectations among partners, service providers, and other organizations that provide referrals. Finally, it helps the regional administering agencies maintain staffing levels without having to layoff—and potentially rehire—staff thereby delaying service to clients.

METROPOLITAN BOSTON HOUSING PARTNERSHIP

MBHP is the state's largest regional provider of rental housing voucher assistance, serving 8,800 tenant households and working with 4,300 property owners. MBHP serves individuals and families who are homeless, elderly, disabled, and/or of low and moderate incomes in Boston and surrounding communities. MBHP's region spans Boston and surrounding communities.

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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