

THE MASSACHUSETTS RAFT PROGRAM

PREVENTING HOMELESSNESS, PROVIDING FAMILY STABILITY

A Report on the Residential Assistance
for Families in Transition Program,
Central Massachusetts Housing Alliance, Inc.,
Fiscal Year 2017



SUMMARY

Central Massachusetts Housing Alliance, Inc. (CMHA) provided assistance to 120 households through the RAFT program in FY 2017. The average RAFT payment was \$2,743. The average household that received RAFT assistance from CMHA had three family members; most were female-headed households with children. Three households that received RAFT in FY 2017 also received assistance from the program in FY 2016, accounting for two and a half percent of the families that received RAFT from CMHA in FY 2017.¹

NEED FOR RAFT: HOUSING COSTS AND INCOME IN WORCESTER

The city of Worcester has a high percentage of renters. Statewide, approximately 38 percent of housing units are rentals, and 34 percent of Massachusetts residents are tenants. In Worcester, rentals make up nearly 58 percent of housing units, and 54 percent of the city's residents are tenants.²

The HUD Fair Market Rent for a two-bedroom apartment in Worcester is \$1,060.³ To afford a two-bedroom apartment at the Fair Market Rent, a household would need an annual income of \$42,400.⁴ The average income of the households that received RAFT from CMHA in FY 2017 was \$17,607. Fair Market Rent for a two-bedroom apartment in Worcester represents more than 72 percent of household income for the average CMHA recipient of RAFT.

The households that received RAFT from CMHA in FY 2017 are a very small percentage of the area's residents who struggle to pay for housing. **In the City of Worcester, nearly 44 percent of renters, representing a total of 16,425 households, pay more than 35 percent of their income toward housing costs.** The families that received RAFT from CMHA in Worcester in FY 2017 represent approximately one half of one percent of rent-burdened households in the city. There are nearly 4,900 families with children living in poverty in Worcester; nearly two thirds are single women with children.⁵ A tight rental market results in families spending more than they can afford to rent apartments that are often too small and in poor repair.

CITY OF WORCESTER BY THE NUMBERS

Families with Children Living in Poverty	4,896
Poverty Level for Family of Three	\$ 20,420
Affordable Rent at Poverty Level	\$ 511
Fair Market Rent for Two Bedroom Apartment	\$ 1,060
Rental Housing Vacancy Rate	4.7 %

CMHA'S RAFT PROGRAM

CMHA is one of two agencies that administers the RAFT program in Worcester County.⁶ In FY 2017, CMHA provided a total of \$329,147 in RAFT assistance to 120 households.

TABLE 1: CMHA RAFT ASSISTANCE BY COMMUNITY, FY 2017

Town	Assistance	% of Assistance	Households	% of Households
Athol	\$ 3,825	1.2 %	1	0.8 %
Clinton	\$ 7,865	2.4 %	2	1.7 %
Fitchburg	\$ 22,000	6.7 %	7	5.9 %
Gardner	\$ 6,550	2.0 %	2	1.7 %
Leicester	\$ 3,425	1.0 %	1	0.8 %
Leominster	\$ 3,600	1.1 %	1	0.8 %
Milford	\$ 3,987	1.2 %	1	0.8 %
Millbury	\$ 3,225	1.0 %	1	0.8 %
Northbridge	\$ 7,715	2.4 %	2	1.7 %
Rutland	\$ 3,622	1.1 %	1	0.8 %
Southbridge	\$ 8,110	2.5 %	3	2.5 %
Spencer	\$ 7,571	2.3 %	2	1.7 %
Webster	\$ 4,950	1.5 %	2	1.7 %
Worcester	\$ 239,851	73.5 %	93	78.2 %

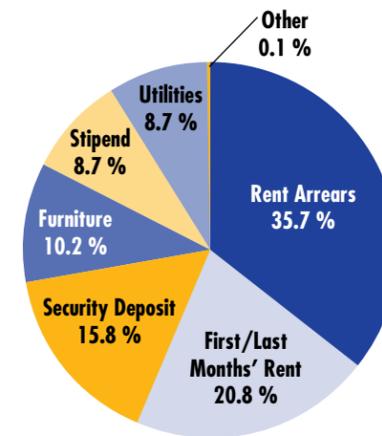
Households received RAFT from CMHA in 14 communities in Worcester County in FY 2017.⁷ Approximately 78 percent of these households were in the City of Worcester.

Eighty-nine percent of households that received RAFT from CMHA were headed by women. Sixty-four percent of households identified as white, 34 percent as black/African American, and two percent as American Indian/Native Alaskan. Forty-two percent identified as Hispanic/Latino. The average age for heads of household that received RAFT in FY 2017 was 34.

Eight households received RAFT from CMHA under new eligibility criteria in FY 2017. On average, members of these households were older, and their incomes were lower than CMHA's RAFT recipients as a whole. With new flexibility, CMHA was able to use RAFT to help families that included disabled adults.

Forty-seven percent of the households that received RAFT in FY 2017 were facing eviction. Another 37 percent of households were living with other families and were asked to leave. Fifteen CMHA RAFT clients sought assistance due to utility shut-offs. Uses of RAFT funds are shown in Figure 1.

FIGURE 1: USES OF CMHA RAFT FUNDS



ESTIMATED SAVINGS FROM THE RAFT PROGRAM

Families with children and single pregnant women earning up to 115 percent of the Federal Poverty Level may be eligible for Emergency Assistance, the state's family shelter program. On average, the Commonwealth spent \$41,990 on each family that used the Emergency Assistance Program in FY 2017.⁸ The income eligibility threshold for a family of three to receive Emergency Assistance was \$23,483 in FY 2017. Eighty-seven households, representing more than 72 percent of the families that received RAFT from CMHA in FY 2017 had incomes at or below this threshold.⁹ Table 2 shows estimated savings from the RAFT program based on different assumptions about the percentage of RAFT recipients that might have become homeless and eligible for shelter without assistance from RAFT.¹⁰

In addition to representing savings from the avoided cost of the Emergency Assistance Program, RAFT also provides critical stability for families facing challenging circumstances, like Danny (not his real name) and his son.

“RAFT has been an essential part of our prevention efforts in avoiding homelessness in the Worcester County area. RAFT in fact diverted all of the families from entering the shelter systems or community beds in the area.”

— Miurka Torres, CMHA

TABLE 2: ESTIMATED EA SAVINGS FROM RAFT PROGRAM

Assumed % of EA Eligible RAFT Clients That Could Have Needed Shelter	Number of EA Eligible RAFT Clients That Could Have Needed Shelter Based on Assumed %	Cost of EA	Cost of RAFT	Estimated Savings
10 %	9	\$ 365,313	\$ 26,833	\$ 338,480
25 %	22	\$ 913,283	\$ 67,082	\$ 846,201
50 %	44	\$ 1,826,565	\$ 134,164	\$ 1,692,401
75 %	65	\$ 2,739,848	\$ 201,246	\$ 2,538,602
100 %	87	\$ 3,653,130	\$ 268,327	\$ 3,384,803

Danny is disabled and recently went through a divorce. He has primary custody of his child. While the divorce was in process, Danny did not have sufficient income to pay rent. His landlord started the eviction process, but indicated willingness to preserve Danny's tenancy if he could pay back rent and secure enough income to afford the apartment on an ongoing basis. CMHA used RAFT funds to pay Danny's rent arrears, and provided a shallow rent subsidy until the divorce was final and child support and alimony payments were established. While these issues were being resolved, Danny also secured a part-time job to supplement his income. Six months after the last subsidy payment, Danny and his son are still stable and happily housed.

ABOUT CMHA

Central Massachusetts Housing Alliance, Inc. provides a comprehensive set of homelessness prevention and rehousing services in Worcester County. Its programs include housing counseling, emergency shelter and assistance, education and workforce development for homeless families, and elder home repair and maintenance. For more information, please contact Miurka Torres, (774)243-3831, mtorres@cmhaonline.org. or Grace Carmark, (508)791-7265 ext. 104, gcarmark@cmhaonline.org.

REPORT FOOTNOTES

- ¹ All data on RAFT provided by CMHA and Tracker Systems, the Commonwealth's software vendor for the program. In preparing this report, RHN encountered inaccuracies in the data provided by Tracker Systems. All reasonable efforts were made to correct any apparent errors using data provided by CMHA. This resulted in discrepancies with Tracker data.
- ² U.S. Census, American Community Survey, 2012-2016, 5-year estimates.
- ³ HUD Fair Market Rent (FMR) is used to determine payment standards for the federal Housing Choice Voucher (Section 8) program. FMRs reflect the cost of rent and utilities paid by tenants, and are determined regionally. FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The standard represents the 40th percentile rent, i.e., the dollar amount below which 40 percent of the standard-quality private market housing units are rented.
- ⁴ National Low Income Housing Coalition, Out of Reach 2017. Housing costs, including rent and utilities, are considered to be affordable if they are no more than 30 percent of household income.
- ⁵ U.S. Census, American Community Survey, 2012-2016, 5-year estimates.
- ⁶ Both CMHA and RCAP Solutions offer RAFT assistance in all towns in Worcester County. Families may apply for the program at either agency.
- ⁷ CMHA also provided \$2,850 in assistance to one family that moved outside the region.
- ⁸ Commonwealth of Massachusetts, Department of Housing and Community Development, Emergency Assistance Program Fiscal Year 2017, Fourth Quarterly Report.
- ⁹ This is a rough estimate of the number of EA-eligible households, assuming average family size of 3. Some of the families that received RAFT from had more than three members, and some had fewer. The income threshold for EA is adjusted based on family size, so it is possible that more or fewer of these households that received RAFT would have been eligible for the family shelter program.
- ¹⁰ For the purpose of this table, the average cost of the RAFT program is a statewide figure that includes all administrative expenses for the program.

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