

THE MASSACHUSETTS RAFT PROGRAM

PREVENTING HOMELESSNESS, PROVIDING FAMILY STABILITY

A Report on the Residential Assistance
for Families in Transition Program,
Community Teamwork, Inc.,
Fiscal Year 2017



SUMMARY

Community Teamwork, Inc. provided assistance to 716 households through the RAFT program in FY 2017. The average RAFT payment was \$2,414. The average household that received RAFT assistance from CTI had three family members; most were female-headed households with children. Sixty-eight households that received RAFT in FY 2017 also received assistance from the program in FY 2016, accounting for slightly more than eight percent of the families that received RAFT from CTI in FY 2017.¹

NEED FOR RAFT: HOUSING COSTS & INCOME IN MIDDLESEX AND ESSEX COUNTIES

Rental units account for approximately 37 percent of all housing in Middlesex and Essex counties, but renters far outnumber homeowners in the largest communities that CTI serves. Sixty-nine percent of Lawrence residents live in rental units; nearly 55 percent of Lowell residents are renters.²

The HUD Fair Market Rent for a two-bedroom apartment is \$1,203 in Lowell and \$1,305 in Lawrence and Haverhill.³ To afford a two-bedroom apartment at the Fair Market Rent, a household would need an annual income of \$36,520.⁴ The average income of the households that received RAFT from CTI in FY 2017 was \$22,009; median income was \$21,072. The Fair Market Rent for a two-bedroom apartment in Lowell represents two-thirds of the household income of the average recipient of RAFT in the area.

The households that received RAFT from CTI in FY 2017 are a very small percentage of the county residents struggling to pay for housing. In Haverhill, Lawrence and Lowell, **more than 40 percent of renters pay more than 35 percent of their income toward housing costs.** In total, there are 22,777 households in these three cities alone that pay more than 35 percent of their income towards housing. The families that received RAFT in these three communities in FY 2017 represent less than three percent of rent-burdened households. There are an estimated 7,554 households with children in Haverhill, Lawrence and Lowell living in poverty; nearly three quarters of these families are single mothers with children.⁵ A tight rental market results in families spending more than they can afford to rent apartments that are often too small, in poor repair, and in neighborhoods that do not offer the best education and opportunities.

CTI'S REGION BY THE NUMBERS

Families with Children Living in Poverty - Essex and Middlesex Counties	26,856
Poverty Level for Family of Three	\$ 20,420
Affordable Rent at Poverty Level	\$ 511
Fair Market Rent for Two Bedroom Apartment in Lowell	\$ 1,203
Rental Housing Vacancy Rate in Lowell	5.1 %

CTI'S RAFT PROGRAM

CTI administers the RAFT program in Essex County and parts of Middlesex County.⁶ In FY 2017, CTI provided a total of \$1,728,582 in RAFT assistance to 716 households.

TABLE 1: CTI RAFT ASSISTANCE BY COMMUNITY, FY 2017

Town	Assistance	% of Assistance	Households	% of Households
Amesbury	\$ 22,829	1.3 %	8	1.1 %
Andover	\$ 528	0.0 %	1	0.1 %
Billerica	\$ 24,010	1.4 %	9	1.3 %
Chelmsford	\$ 27,325	1.6 %	9	1.3 %
Dracut	\$ 47,560	2.8 %	18	2.5 %
Georgetown	\$ 3,000	0.2 %	1	0.1 %
Groveland	\$ 2,300	0.1 %	1	0.1 %
Haverhill	\$ 300,188	17.4 %	106	14.8 %
Lawrence	\$ 367,396	21.3 %	163	22.8 %
Lowell	\$ 770,449	44.6 %	340	47.5 %
Manchester	\$ 4,150	0.2 %	2	0.3 %
Merrimac	\$ 2,300	0.1 %	1	0.1 %
Methuen	\$ 63,871	3.7 %	20	2.8 %
North Andover	\$ 19,584	1.1 %	8	1.1 %
Salisbury	\$ 15,363	0.9 %	5	0.7 %
Tewksbury	\$ 30,073	1.7 %	12	1.7 %
Tyngsboro	\$ 4,713	0.3 %	3	0.4 %
Westford	\$ 12,539	0.7 %	4	0.6 %

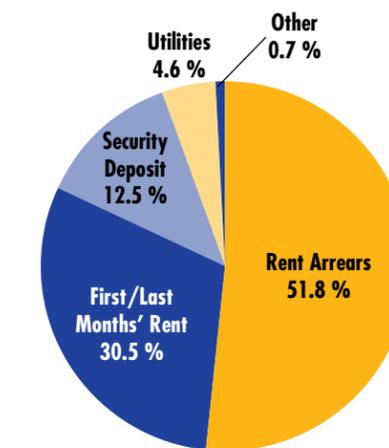
Households received RAFT from CTI in 18 communities in Essex and Middlesex counties.⁷ Eighty-five percent of households that received RAFT lived in Haverhill, Lawrence and Lowell, accounting for 83 percent of total assistance provided by CTI. Lowell alone accounted for more than 47 percent of RAFT households and about 45 percent of RAFT funds in the region.

Eighty-eight percent of RAFT households that received assistance from CTI were headed by women. Eighty-seven percent of households identified as white, nine percent as black/African American, and a little less than four percent as Asian. Forty-nine percent identified as Hispanic/Latino. The average age for heads of household that received RAFT from CTI in FY 2017 was 36.5.

Forty-one households received RAFT from CTI under new eligibility criteria in FY 2017.

More than 57 percent of the households that received RAFT from CTI in FY 2017 were facing eviction. Almost twenty-three percent of households were living with other families and were asked to leave, and seven percent experienced utility shut-offs. Uses of RAFT funds are shown in Figure 1.

FIGURE 1: USES OF CTI 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. Approximately 59 percent of the households that received RAFT from CTI in FY 2017, or 421 families, 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 Gail and Stephen (not their real names) and their children.

“Of the 5,000 individuals and families that came to CTI seeking financial assistance, 2,261 of those households did not meet the definition of “family” under the previous RAFT language. These are households with no dependents under the age of 21. They are elders, persons with disabilities and young adults. The expanded RAFT language in FY17 allowed us to rehouse an 82-year-old grandmother from North Andover who had been living in her car for more than a year and in another instance, allowed a gentleman from Lowell who had to have a double knee replacement in order to be able to continue to work to remain in his home, by paying his rent arrears and furnishing a one-month stipend so he could recover properly and return to work as a roofer. For the 41 households we were able to serve in FY17 with expanded RAFT, 75 percent were homeless, and RAFT was used to rehouse them.”

— Kristin Ross-Sitcawich, CTI

TABLE 2: ESTIMATED EA SAVINGS FROM CTI'S 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 %	42	\$ 1,767,779	\$ 129,846	\$ 1,367,933
25 %	105	\$ 4,419,448	\$ 324,614	\$ 4,094,833
50 %	211	\$ 8,838,895	\$ 649,229	\$ 8,189,666
75 %	316	\$ 13,258,343	\$ 973,843	\$ 12,284,499
100 %	421	\$ 17,677,790	\$ 1,298,458	\$ 16,379,332

Gail and Stephen have two children of their own. They were awarded custody of their two nieces who had been in foster care, on the condition that they move into a larger housing unit to accommodate their expanding family. They could afford to pay the additional rent, but did not have the funds for move-in costs. CTI used RAFT to pay for a security deposit on this family's behalf. RAFT was a crucial tool that allowed two foster children to find a new home with family members.

ABOUT COMMUNITY TEAMWORK, INC.

CTI is a nonprofit Community Action Agency, regional nonprofit housing agency, and a community development corporation serving 63 cities and towns in Middlesex and Essex Counties. CTI provides a wide range of housing and other services, including but not limited to rental assistance and rental housing, housing and homebuyer education and information, emergency housing assistance, fuel assistance, and home modification loans. For more information, please contact Kristin Ross-Sitcawich, (978)654-5617, or Kross@commteam.org.

REPORT FOOTNOTES

- ¹ All data on RAFT provided by CTI and Tracker Systems, the Commonwealth's software vendor for the program.
- 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. In some parts of the region served by CTI, Fair Market Rent is \$1,691, but most of the households that received RAFT were in Haverhill, Lawrence, and Lowell.
- 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 CTI offers RAFT assistance in the following towns: Amesbury, Andover, Billerica, Chelmsford, Dracut, Dunstable, Groveland, Haverhill, Lawrence, Lowell, Merrimac, Methuen, Newburyport, North Andover, Salisbury, Tewksbury, Tyngsborough, Westford and West Newbury.
- ⁷ This figure does not include \$10,404 in RAFT assistance for four households with out of state addresses. These households may have relocated out of state with RAFT funds, or it is possible that they were homeless and provided a last address that was out of state.
- 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 CTI 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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