

THE MASSACHUSETTS RAFT PROGRAM

PREVENTING HOMELESSNESS, PROVIDING FAMILY STABILITY

A Report on the Residential Assistance
for Families in Transition Program,
Lynn Housing Authority &
Neighborhood Development,
Fiscal Year 2017



SUMMARY

Lynn Housing Authority & Neighborhood Development (LHAND) provided assistance to 207 households through the RAFT program in FY 2017. The average RAFT payment was \$2,954. The average household that received RAFT assistance from LHAND had two family members; most were female-headed households with a child. Fourteen households that received RAFT in FY 2017 also received assistance from the program in FY 2016, accounting for less than seven percent of the families that received RAFT from LHAND in FY 2017.¹

NEED FOR RAFT: HOUSING COSTS AND INCOME IN LYNN AND ESSEX COUNTY

Lynn is located in Essex County, which is included in the Boston-Cambridge-Quincy metropolitan area for the purposes of determining HUD Fair Market Rent.² Fair Market Rent for a two-bedroom apartment in Lynn is \$1,691. Because this figure reflects rent in Boston and Cambridge, it may not be representative of the rental market in Lynn. According to the U.S. Census American Community Survey, the median gross rent for a two-bedroom apartment in Lynn is \$1,119.³

To afford a two-bedroom apartment at median gross rent in Lynn, a household would need an annual income of 44,760.⁴ The average income of the households that received RAFT from LHAND in FY 2017 was \$23,109. Median gross rent for a two-bedroom apartment in Lynn represents 58 percent of household income for the average family that received RAFT from LHAND.

The households that received RAFT from LHAND in FY 2017 are a very small percentage of the region's residents who struggle to pay for housing. In Essex County, **nearly 43 percent of renters, representing a total of 43,083 households, pay more than 35 percent of their income toward housing costs.** The families that received RAFT from LHAND in FY 2017 represent less than one half of one percent of rent-burdened households in Essex County. There are an estimated 12,277 families with children living in poverty in Essex County; approximately 72 percent 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 and in poor repair.

LYNN BY THE NUMBERS

Families with Children Living in Poverty	3,088
Poverty Level for Family of Three	\$ 20,420
Affordable Rent at Poverty Level	\$ 511
Median Gross Rent for Two Bedroom Apartment	\$ 1,119
Rental Housing Vacancy Rate	3.1 %

LHAND'S RAFT PROGRAM

LHAND is one of two agencies that administer the RAFT program in Essex County.⁶ In FY 2017, LHAND provided a total of \$611,418 in RAFT assistance to 207 households.

Households received RAFT from LHAND in fourteen communities.⁷ Approximately 61 percent of these households were in Lynn.

TABLE 1: LHAND RAFT ASSISTANCE BY COMMUNITY, FY 2017

Town	Assistance	% of Assistance	Households	% of Households
Beverly	\$ 30,770	5.0 %	9	4.3 %
Danvers	\$ 21,782	3.6 %	8	3.9 %
Gloucester	\$ 12,995	2.1 %	5	2.4 %
Ipswich	\$ 9,641	1.6 %	3	1.4 %
Lynn	\$ 358,239	58.6 %	126	60.9%
Lynnfield	\$ 8,000	1.3 %	2	1.0 %
Marblehead	\$ 11,598	1.9 %	5	2.4 %
Middleton	\$ 3,920	0.6 %	1	0.5 %
Nahant	\$ 1,668	0.3 %	1	0.5 %
Peabody	\$ 60,323	9.9 %	18	8.7 %
Rockport	\$ 7,650	1.3 %	2	1.0 %
Salem	\$ 67,745	11.1 %	22	10.6 %
Saugus	\$ 8,000	1.3 %	2	1.0 %
Swampscott	\$ 7,284	1.2 %	3	1.4 %

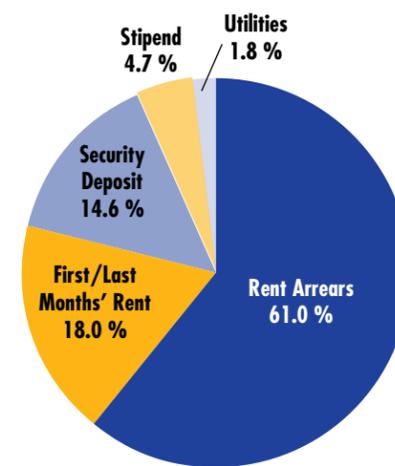
Ninety-one percent of RAFT households that received assistance from LHAND were headed by women. Sixty-six percent of households identified as white, 25 percent as black/African American, four percent as Native

Hawaiian/Pacific Islander, two percent as American Indian/Native Alaskan and two percent as Asian. Forty-one percent identified as Hispanic/Latino. The average age for heads of household that received RAFT in FY 2017 was 37.2.

Seven households received RAFT from LHAND under new eligibility criteria in FY 2017. Most of these households consisted of a single person, and their average household income was \$13,188, approximately 57 percent of income for the average household that received RAFT.

Approximately 73 percent of the households that received RAFT from LHAND in FY 2017 were facing eviction. Twenty two percent of households were living with other families and were asked to leave. Uses of RAFT funds are shown in Figure 1.

FIGURE 1: USES OF RAFT FUNDS BY LHAND



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 two to receive Emergency Assistance was \$18,676 in FY 2017. Seventy-four families, representing approximately 36 percent of the households that received RAFT from LHAND 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 Nora (not her real name) and her children.

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 %	7	\$ 310,726	\$ 22,823	\$ 287,903
25 %	19	\$ 776,815	\$ 57,058	\$ 719,757
50 %	37	\$ 1,553,630	\$ 114,116	\$ 1,439,514
75 %	56	\$ 2,330,445	\$ 171,174	\$ 2,159,271
100 %	74	\$ 3,107,260	\$ 228,233	\$ 2,879,027

Financial independence is important to Nora. She returned to work, graduated from the Family Self-Sufficiency Program, and became fully responsible for her housing after years of rent support through the federal Housing Choice Voucher program. Then she encountered some challenges. Her landlord raised the rent by \$500 per month, the property needed extensive repairs, and Nora lost income from disability payments and child support. When she fell behind on rent and her landlord decided to sell the property rather than repair it, Nora received an eviction notice. LHAND used RAFT funds to pay Nora’s security deposit and first month’s rent for a new apartment in the same community. The move allowed Nora to maintain her employment, and her son and daughter were able to stay in their respective schools. Since moving, Nora has enrolled in a first-time homebuyer workshop and is focused on the goal of purchasing a home of her own.

ABOUT LHAND

Lynn Housing Authority & Neighborhood Development is a public agency that helps families and individuals with low and moderate incomes secure safe and affordable housing. Its programs include rental housing and rental assistance, homelessness prevention, homeownership counseling and assistance, housing rehabilitation loans and information for landlords and tenants. For more information, please contact Sara Johnson, (339)883-2336, SJohnson@lhand.org.

REPORT FOOTNOTES

- ¹ All data on RAFT provided by LHAND and Tracker Systems, the Commonwealth’s software vendor for the program.
- ² 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.
- ³ U.S. Census, American Community Survey, 2012-2016, 5-year estimates. Median gross rent, which also includes the cost of rent and utilities, is calculated differently than HUD Fair Market Rent, which specifically excludes public housing and other subsidized rents that do not represent market conditions.
- ⁴ 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 LHAND offers RAFT assistance in the following towns: Beverly, Boxford, Danvers, Essex, Georgetown, Gloucester, Hamilton, Ipswich, Lynn, Lynnfield, Manchester, Marblehead, Middleton, Nahant, Newbury, Peabody, Rockport, Rowley, Salem, Saugus, Swampscott, Topsfield, Wenham. Community Teamwork, Inc. offers RAFT assistance in the remainder of towns in Essex County.
- ⁷ The total does not include \$1,800 in assistance provided to a family with an address outside the region served by LHAND.
- 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 two. Some of the families that received RAFT from had more than two members. The income threshold for EA is adjusted based on family size, so it is possible that more of these households that received RAFT from LHAND 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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