

THE MASSACHUSETTS RAFT PROGRAM

PREVENTING HOMELESSNESS, PROVIDING FAMILY STABILITY

A Report on the Residential Assistance
for Families in Transition Program,
RCAP Solutions, Fiscal Year 2017



SUMMARY

RCAP Solutions (RCAP) provided assistance to 260 households through the RAFT program in FY 2017. The average RAFT payment was \$2,620. The average household that received RAFT assistance from RCAP had three family members; most were female-headed households with children. Only one household that received RAFT in FY 2017 also received assistance from the program in FY 2016, accounting for less than one percent of the families that received RAFT from RCAP 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 RCAP in FY 2017 was \$17,620. Fair Market Rent for a two-bedroom apartment in Worcester represents more than 72 percent of household income for the average RCAP recipient of RAFT. The households that received RAFT from RCAP in FY 2017 are a very small percentage of the area's residents who struggle to pay for housing. **In Worcester County, nearly 39 percent of renters, representing a total of 39,131 households, pay more than 35 percent of their income toward housing costs.** The families that received RAFT from RCAP in

Worcester in FY 2017 represent less than one percent of rent-burdened households in the county. There are 11,866 families with children living in poverty in Worcester County; 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.

WORCESTER COUNTY BY THE NUMBERS

Families with Children Living in Poverty	11,866
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	5.4 %

RCAP'S RAFT PROGRAM

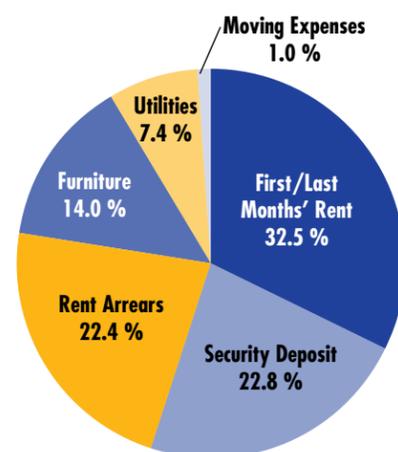
RCAP is one of two agencies that administers the RAFT program in Worcester County.⁶ In FY 2017, RCAP provided a total of \$681,287 in RAFT assistance to 260 households.

Households from 25 communities received RAFT from RCAP in FY 2017. Nearly 61 percent of these households were in the City of Worcester. Table 1 shows RCAP RAFT assistance by community in Worcester County.⁷

Eighty-six percent of households that received RAFT from RCAP were headed by women. Eighty-five percent of households identified as white, 14 percent as black/African American, and one percent as American Indian/Native Alaskan. Fifty-four percent identified as Hispanic/Latino. The average age for heads of household that received RAFT from RCAP in FY 2017 was 36.2.

Eighteen households received RAFT from RCAP under new eligibility criteria in FY 2017.⁸ Most of these households represented adults with disabilities, including elders. Some were individuals who were literally homeless.

FIGURE 1: USES OF RCAP RAFT FUNDS



More than 60 percent of the households that received RAFT from RCAP in FY 2017 were facing eviction. Nearly 45 percent of households, including some of those that were facing eviction, were living with other families and were asked to leave. Eighteen RCAP RAFT clients sought assistance due to utility shut-offs, and 18 households reported a crisis due to domestic violence. Uses of RAFT funds are shown in Figure 1.

TABLE 1: RCAP RAFT ASSISTANCE BY COMMUNITY, FY 2017

Town	Assistance	% of Assistance	Households	% of Households
Auburn	\$ 3,055	0.4 %	2	0.8 %
Barre	\$ 1,524	0.2 %	1	0.4 %
Boylston	\$ 1,211	0.2 %	1	0.4 %
Clinton	\$ 3,055	0.4 %	1	0.4 %
Douglas	\$ 1,504	0.2 %	1	0.4 %
Dudley	\$ 3,000	0.4 %	1	0.4 %
Fitchburg	\$ 51,821	7.6 %	19	7.3 %
Gardner	\$ 5,948	0.9 %	3	1.2 %
Leicester	\$ 1,350	0.2 %	1	0.4 %
Leominster	\$ 15,107	2.2 %	9	3.5 %
Lunenburg	\$ 1,150	0.2 %	1	0.4 %
Mendon	\$ 3,461	0.5 %	1	0.4 %
Oxford	\$ 6,200	0.9 %	2	0.8 %
Shrewsbury	\$ 11,104	1.6 %	3	1.2 %
Southbridge	\$ 80,771	11.9 %	26	10.0 %
Spencer	\$ 2,326	0.3 %	1	0.4 %
Sturbridge	\$ 1,490	0.2 %	1	0.4 %
Sutton	\$ 3,400	0.5 %	1	0.4 %
Upton	\$ 3,700	0.5 %	1	0.4 %
Warren	\$ 3,885	0.6 %	1	0.4 %
Webster	\$ 20,056	2.9 %	6	2.3 %
West Boylston	\$ 4,000	0.6 %	1	0.4 %
Westborough	\$ 3,989	0.6 %	1	0.4 %
Winchendon	\$ 1,930	0.3 %	2	0.8 %
Worcester	\$ 404,653	59.4 %	158	60.8 %

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 2017.⁹ The income eligibility threshold for a family of three to receive Emergency Assistance was \$23,483 in FY 2017. One hundred eighty-four families, representing 71 percent of the households that received RAFT from RCAP in FY 2017, had incomes at or below this threshold.¹⁰ 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.¹¹

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 Julio and Carmen (not their real names).

TABLE 2: ESTIMATED EA SAVINGS FROM RCAP 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 %	18	\$ 772,616	\$ 56,750	\$ 715,866
25 %	46	\$ 1,931,540	\$ 141,874	\$ 1,789,666
50 %	92	\$ 3,863,080	\$ 283,749	\$ 3,579,331
75 %	138	\$ 5,794,620	\$ 425,623	\$ 5,368,997
100 %	184	\$ 7,726,160	\$ 567,497	\$ 7,158,663

Julio is a single dad who has custody of his three-year-old daughter Carmen. After he was laid off from work in 2016, he could no longer afford his rent. Even when he was re-hired, he did not have enough cash to afford an apartment. "The days I couldn't afford a hotel, we stayed with a friend, but being there was a violation of her lease so we couldn't stay long," explains Julio. RCAP used RAFT to help Julio pay for a security deposit and first and last months' rent for a new apartment. "Without RAFT, we would still be homeless," say Julio. "It would take me a long time to save enough money for an apartment because of the money that I had to spend on hotels and gas to get to work. More people should know about RAFT."

ABOUT RCAP

RCAP Solutions provides a range of services to communities, individual and families, primarily but not exclusively in central Massachusetts. RCAP's housing programs include affordable housing development, affordable rental units, rental assistance, homelessness prevention, housing education, and counseling for homebuyers, homeowners and tenants. For more information, please contact Tracey Weeden, (978)630-6741, tweed@rcapsolutions.org.

REPORT FOOTNOTES

- ¹ Data on RAFT provided by RCAP and Tracker Systems, the Commonwealth's software vendor for the program. In the course of preparing this report, RHN discovered significant inaccuracies in the data provided by Tracker. All reasonable efforts were made to correct errors using data from RCAP. Minor inaccuracies remain, resulting in some discrepancies.
- 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 RCAP Solutions and Central Massachusetts Housing Alliance, Inc., offer RAFT assistance in all towns in Worcester County. Families may apply for the program at either agency.
- ⁷ RCAP also provided a total of \$41,597 in assistance to 15 households that had addresses outside of Worcester County at the time they applied for RAFT. In some cases, these individuals may have been homeless and their community may represent their last stable address.
- ⁸ RCAP used some of its RAFT administrative funding to assist additional households under the expanded definition of eligibility in FY 2017.
- ⁹ Commonwealth of Massachusetts, Department of Housing and Community Development, Emergency Assistance Program Fiscal Year FY 2017, Fourth Quarterly Report.
- ¹⁰ 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 RCAP 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.
- ¹¹ 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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