

RAFT PROGRAM

PREVENTING HOMELESSNESS, PROVIDING FAMILY STABILITY

A Report on the Residential Assistance
for Families in Transition Program,
Way Finders, Fiscal Year 2017



SUMMARY

Way Finders provided assistance to 679 households through the RAFT program in FY 2017. The average RAFT payment was \$2,213. The average household that received RAFT assistance from Way Finders had three family members; most were female-headed households with children. Twenty-five households that received RAFT in FY 2017 also received assistance from the program in FY 2016, accounting for less than four percent of the families that received RAFT from Way Finders in FY 2017.¹

NEED FOR RAFT: HOUSING COSTS AND DEMOGRAPHICS IN HAMPDEN AND HAMPSHIRE COUNTIES

Approximately 37 percent of Hampden County residents and 30 percent of the population of Hampshire County live in rental units, but the percentage of renters in the region's cities is much higher. Nearly 54 percent of the residents of Springfield are tenants. Fifty-eight percent of housing units in Holyoke are rentals, and the vacancy rate is just three percent.² A 2013 study found that the Springfield metro area was the most segregated urban area in the county for whites and Hispanics, as well as being in the top 25 most segregated cities for whites and African-Americans.³

The HUD Fair Market Rent for a two-bedroom apartment in the Springfield Metropolitan Area is \$1,057.⁴ To afford a two-bedroom apartment at the Fair Market Rent, a household would need an annual income of \$42,280.⁵ The average income of the households that received RAFT from Way Finders in FY 2017 was \$22,092. Fair Market Rent for a two-bedroom apartment in Springfield represents 57 percent household income for the average RAFT recipient in the region. The households that received RAFT from Way Finders in FY 2017 are a very small percentage of the region's residents who struggle to pay for housing. **Forty-six percent of renters in Hampshire County and 45 percent of renters in Hampden**

County, representing a total of 37,485 households, pay more than 35 percent of their income toward housing costs. The families that received RAFT from Way Finders in FY 2017 represent less than two percent of rent-burdened households in the two counties. There are nearly 15,000 families with children living in poverty in the region; three quarters of these households are single mothers with children.⁶ 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 located in segregated neighborhoods.

HAMPDEN AND HAMPSHIRE COUNTIES BY THE NUMBERS

Families with Children Living in Poverty	14,753
Poverty Level for Family of Three	\$ 20,420
Affordable Rent at Poverty Level	\$ 511
Fair Market Rent for Two Bedroom Apartment	\$ 1,057
Rental Housing Vacancy Rate	4.3 %

WAY FINDERS' RAFT PROGRAM

Way Finders administers the RAFT program in Hampden and Hampshire Counties.⁷ In FY 2017, the agency provided a total of \$1,502,837 in RAFT assistance to 679 households.

A total of 673 households received \$1,494,414 in RAFT assistance from Way Finders in 18 communities in Hampden and Hampshire counties.⁸

TABLE 1: WAY FINDERS RAFT ASSISTANCE BY COMMUNITY, 2017

Town	Assistance	% of Assistance	Households	% of Households
Agawam	\$ 14,923	1.0 %	7	1.0 %
Amherst	\$ 5,960	0.4 %	3	0.4 %
Belchertown	\$ 6,623	0.4 %	3	0.4 %
Chicopee	\$ 160,549	10.7 %	68	10.0 %
Hadley	\$ 3,990	0.3 %	1	0.1 %
Holyoke	\$ 219,379	14.6 %	121	17.8 %
Ludlow	\$ 8,574	0.6 %	4	0.6 %
Monson	\$ 4,900	0.3 %	2	0.3 %
Northampton	\$ 11,809	0.8 %	7	1.0 %
Palmer	\$ 6,850	0.5 %	3	0.4 %
Russell	\$ 4,000	0.3 %	1	0.1 %
South Hadley	\$ 8,488	0.6 %	4	0.6 %
Springfield	\$ 958,825	63.8 %	413	60.8 %
Ware	\$ 10,481	0.7 %	5	0.7 %
West Springfield	\$ 30,469	2.0 %	13	1.9 %
Westfield	\$ 35,508	2.4 %	15	2.2 %
Wilbraham	\$ 1,632	0.1 %	2	0.3 %
Williamsburg	\$ 1,454	0.1 %	1	0.1 %

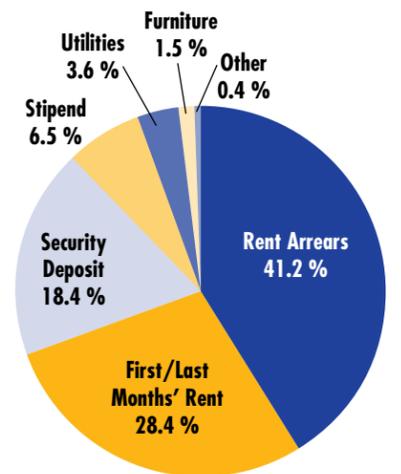
More than 60 percent of these households were in Springfield. Holyoke accounted for almost 18 percent of the total, and residents of Chicopee were ten percent of Way Finders' RAFT clients.

Eight-nine percent of RAFT households that received assistance from Way Finders were headed by women. More than 70 percent of RAFT households identified as white, 27 percent as black/African American, and less than one percent as Asian, American Indian/Native Alaskan and Native Hawaiian/Pacific Islander respectively. More than 61 percent of Way Finders households that received RAFT in FY 2017 identified as Hispanic/Latino. The Hispanic population of Hampden County is 23 percent, and Springfield is 43 percent Hispanic; Latinos are significantly over-represented among Way Finders' RAFT clients.⁹ The average age for heads of household that received RAFT from Way Finders in FY 2017 was 35.

Thirty households received RAFT from Way Finders under new eligibility criteria in FY 2017. A majority of these households consisted of a single person. Their average income was \$17,699, which was about 80 percent of the average income of Way Finders' RAFT households on the whole. Way Finders' staff note that some of these households were elders caring for adult children with disabilities, and others were homeless individuals living on the streets.

Approximately 49 percent of the households that received RAFT from Way Finders in FY 2017 were facing eviction, and 41 percent of households were living with other families and were asked to leave. Twenty Way Finders' RAFT clients sought assistance due to domestic violence, and 41 families experienced utility shut-offs. Uses of RAFT funds are shown in Figure 1.

FIGURE 1: USES OF WAY FINDERS' 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 2017.¹⁰ The income eligibility threshold for a family of three to receive Emergency Assistance was \$23,483 in 2017. Three hundred sixty-eight families, representing 67 percent of the households that received RAFT from Way Finders in FY 2017, had incomes at or below this threshold.¹¹ 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.¹²

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 LaTonya (not her real name) and her children.

TABLE 2: ESTIMATED EA SAVINGS FROM WAY FINDERS' 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 %	37	\$ 1,545,232	\$ 113,499	\$ 1,431,733
25 %	92	\$ 3,863,080	\$ 283,749	\$ 3,579,331
50 %	184	\$ 7,726,160	\$ 567,497	\$ 7,158,663
75 %	276	\$ 11,589,240	\$ 851,246	\$ 10,737,994
100 %	368	\$ 15,452,320	\$ 1,134,994	\$ 14,317,326

LaTonya is a single mother with four children. She had difficulty finding affordable child care, which resulted in the loss of her employment and eviction. LaTonya then rented a room at a local Howard Johnson Hotel. She reported that the situation was devastating to both her and her children. Feeding, clothing and getting the kids off to school with the knowledge that they had to return to a hotel room was a depressing daily ordeal. The children were unfocused and distracted in their classes. When LaTonya could no longer afford to pay for the hotel room, another family put them up for a very short period of time. Way Finders used RAFT funds to pay for a security deposit and first and last months' rent for a new affordable apartment for LaTonya and her children, providing them with a stable home and avoiding the need for the family to enter the shelter system.

ABOUT WAY FINDERS

Way Finders, formerly known as HAPHousing, provides a broad range of housing services in Hampden and Hampshire counties. The agency's programs including affordable housing development and rentals, rental assistance, homelessness prevention and emergency housing assistance, housing and homebuyer education and counseling, and foreclosure prevention. For more information, please contact Ashley Brehm, (413)233-1741, abrehm@wayfindersma.org.

REPORT FOOTNOTES

- ¹ All data on RAFT provided by Way Finders and Tracker Systems, the Commonwealth's software vendor for the program.
- ² U.S. Census, American Community Survey, 2012-2016, 5-year estimates.
- ³ William H. Frey, Brookings Institution and University of Michigan Social Science Data Analysis Network's analysis of 1990, 2000, and 2010 Census Decennial Census tract data.
- ⁴ 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.
- ⁵ National Low Income Housing Coalition, Out of Reach 2017. Housing costs, including rent and utilities, are considered affordable if they are no more than 30 percent of household income.
- ⁶ U.S. Census, American Community Survey, 2012-2016, 5-year estimates.
- ⁷ Way Finders offers RAFT assistance in the all cities and towns in Hampden and Hampshire counties.
- ⁸ This total does not include \$8,423 in RAFT assistance provided to five households with addresses outside of Hampden and Hampshire counties.
- ⁹ U.S. Census, American Community Survey, 2012-2016, 5-year estimates.
- ¹⁰ Commonwealth of Massachusetts, Department of Housing and Community Development, Emergency Assistance Program Fiscal Year 2017, Fourth Quarterly Report.
- ¹¹ 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 Way Finders 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.
- ¹² For the purpose of this calculation, the average cost of the RAFT program is a statewide figure that includes all administrative expenses.

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