

# THE MASSACHUSETTS RAFT PROGRAM

## PREVENTING HOMELESSNESS, PROVIDING FAMILY STABILITY

A Report on the Residential Assistance  
for Families in Transition Program,  
Housing Assistance Corporation,  
Fiscal Year 2018



## SUMMARY

Housing Assistance Corporation provided assistance to 87 households through the RAFT program in FY 2018. The average RAFT payment was \$3,075. Four households that received RAFT in FY 2018 also received assistance from the program in FY 2017, accounting for approximately four percent of the families that received RAFT from HAC in FY 2017.<sup>1</sup>

## NEED FOR RAFT: HOUSING COSTS AND INCOME ON CAPE COD

The Cape and Islands region is a seasonal resort community. Nearly 38 percent of housing units in Barnstable County are vacant for seasonal use.<sup>2</sup> A recent survey of second home owners on the Cape found that 71 percent of the owners of seasonal homes did not rent to others during the last five years.<sup>3</sup> Twenty percent of Barnstable County residents are renters,<sup>4</sup> who compete for scarce year-round dwellings in a market that is driven by the value of vacation homes. The shortage of affordable rental housing is particularly severe in the summer, when seasonal workers are added to the mix of tenants. Many year-round residents in the region work multiple seasonal and part-time jobs, and still lack sufficient income to afford market rent.

The 2018 HUD Fair Market Rent for a two-bedroom apartment in Barnstable County is \$1,441, which represents an increase of \$200, or 16.2 percent compared to 2017.<sup>5</sup> To afford a two-bedroom apartment at the Fair Market Rent, a household would need an annual income of \$57,640.<sup>6</sup> The median

income of the households that received RAFT from HAC in FY 2018 was \$19,500, which represents an eight percent *decrease* from FY 2017. Fair Market Rent for a two-bedroom apartment in Hyannis represents 89 percent of household income for the typical recipient of RAFT on the Cape.

The households that received RAFT from HAC in FY 2018 are a very small percentage of the region’s residents who struggle to pay for housing. In Barnstable County, nearly 56 percent of renters, a total of 10,174 households, pay more than 30 percent of their income toward housing costs. The families that received RAFT on the Cape in FY 2018 represent less than one percent of these households. There are more than 1,700 families with children on the Cape living in poverty; two-thirds are single mothers.<sup>7</sup>

### BARNSTABLE COUNTY BY THE NUMBERS

Families with Children Living in Poverty	1,743
Poverty Level for Family of Three	\$ 20,780
Affordable Rent at Poverty Level	\$ 519
Fair Market Rent for Two Bedroom Apartment	\$ 1,441
Rental Housing Vacancy Rate in Town of Barnstable	3.4 %

## HAC’S RAFT PROGRAM

HAC administers the RAFT program on the Cape and Islands.<sup>8</sup> In FY 2018, HAC provided a total of \$267,552 in RAFT assistance to 87 households. Households received RAFT in 15 communities in Barnstable and Dukes counties.<sup>9</sup> More than a third of the households that received RAFT from HAC lived in the city of Barnstable, mostly in the village of Hyannis.

**TABLE 1: HAC RAFT ASSISTANCE BY COMMUNITY, FY 2018**

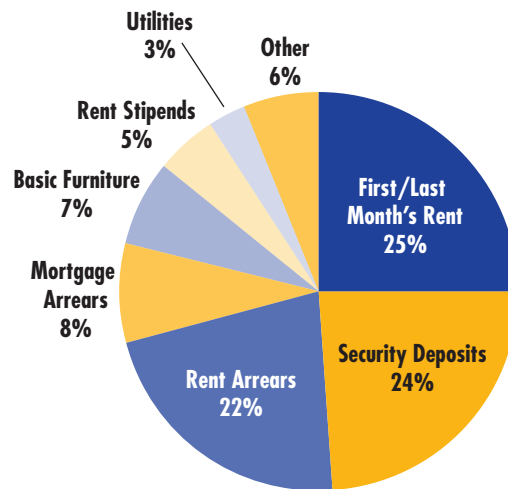
Town	Assistance	% of Assistance	Households	% of Households
BARNSTABLE	\$ 98,266	36.7 %	31	35.6 %
BOURNE	\$ 16,664	6.2 %	5	5.7 %
BREWSTER	\$ 12,980	4.9 %	4	4.6 %
DENNIS	\$ 31,466	11.8 %	10	11.5 %
EASTHAM	\$ 1,768	0.7 %	1	1.1 %
EDGARTOWN	\$ 1,725	0.6 %	1	1.1 %
FALMOUTH	\$ 33,541	12.5 %	10	11.5 %
HARWICH	\$ 9,633	3.6 %	3	3.4 %
MASHPEE	\$ 15,160	5.7 %	5	5.7 %
ORLEANS	\$ 3,180	1.2 %	1	1.1 %
PROVINCETOWN	\$ 2,756	1.0 %	1	1.1 %
SANDWICH	\$ 5,519	2.1 %	2	2.3 %
TRURO	\$ 3,641	1.4 %	1	1.1 %
WELLFLEET	\$ 1,474	0.6 %	1	1.1 %
YARMOUTH	\$ 25,668	9.6 %	9	10.3 %

Eighty-nine percent of households that received RAFT from HAC were headed by women. The typical household that received RAFT was a woman with two children. Seventy-three percent of heads of household identified as white, 21 percent as Black/African-American. Seven percent identified as Hispanic/Latino. The average age for heads of household that received RAFT in FY 2018 was 39. This belies the reality that some of these households are grandparents raising grandchildren as a direct result of the opioid epidemic.

Seventeen Cape and Islands households that did not include children under age 21 received RAFT in FY 2018, representing almost 20 percent of the region’s RAFT recipients and 19 percent of RAFT funds. These were all single-person households. The average age of these recipients was 47. HAC staff report that funds were used to assist one disabled individual who had become homeless. He was able to secure housing with move-in funds from RAFT after being out on the street for a significant period of time, and reported that once he moved in, he felt like RAFT had saved his life.

Approximately 38 percent of the households that received RAFT from HAC in FY 2018 were facing eviction and eight percent were facing foreclosure. Twenty-one percent of households were living with other families and were asked to leave. Eight percent were living in homes with severe health and safety hazards. Forty-one percent of households that received RAFT from HAC in FY 2018 lived in subsidized housing. Uses of RAFT funds are shown in Figure 1.

**FIGURE 1: USES OF RAFT FUNDS BY HAC, FY 2018**



*The seasonal economy and second home market on the Cape create unique challenges in using the RAFT program to assist renters with low incomes. Affordable year-round rentals on the Cape are extremely scarce. Leases that run from October to May are common, leaving many households to scramble for places to live during the summer, when seasonal work is available. RAFT, however, cannot be used to provide assistance to tenants without year-round leases. According to HAC staff, there are many households with low incomes on the Cape that would qualify for RAFT if only they could secure year-round housing.*

## ESTIMATED SAVINGS FROM THE HAC 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 \$46,450 on each

**TABLE 2: ESTIMATED EA SAVINGS FROM HAC RAFT PROGRAM, FY 2018**

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 @ \$46,450/ Household	Cost of RAFT @ \$3,130/ Household	Estimated Savings
10 %	4	\$ 149,415	\$ 14,071	\$ 135,344
25 %	10	\$ 373,537	\$ 35,177	\$ 338,360
50 %	21	\$ 747,074	\$ 70,354	\$ 676,720
75 %	31	\$ 1,120,611	\$ 105,530	\$ 1,015,080
100 %	41	\$ 1,494,148	\$ 140,707	\$ 1,353,440

family that used the Emergency Assistance Program in FY 2018.<sup>10</sup> The income eligibility threshold for a family of three to receive Emergency Assistance was \$23,892. Approximately 59 percent of the families that received RAFT from HAC in FY 2018, 41 households, had incomes below this threshold.<sup>11</sup> Table 2 shows estimated savings from the HAC 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.<sup>12</sup>

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 Paula and her children.

*"I have been working full time and raising three amazing children. Working poor is what I have been, struggling to pay huge rents. My children and I have moved 14 times in the past 10 years. In March 2018, the Department of Health came to inspect our rental that we had just moved into and wanted to condemn it. There was a rat infestation, and sewage in the basement. We were showering at local beaches because of the sewage in our bathtub. Now, we have a safe home that my kids and I can be a family in. Without RAFT we would not have this. I am hard working, educated, and truly doing the very best I can to survive and live on the Cape where I was born and raised. RAFT saved us."*

## ABOUT HAC

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HAC is a nonprofit agency that provides a variety of housing programs and other services, including but not limited to rental assistance, affordable housing development and rentals, emergency shelter and homelessness prevention, housing and homebuyer information, and counseling. For more information on HAC's services, contact Cassi Danzl, (508) 771-5400 ext. 253, [cdanzl@haconcapecod.org](mailto:cdanzl@haconcapecod.org).

## REPORT FOOTNOTES

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- <sup>1</sup> All data on RAFT provided by HAC and Tracker Systems, the Commonwealth's software vendor for the program.
- <sup>2</sup> U.S. Census, American Community Survey, 2013-2017, 5-year data. Figure represents the percentage of homes reported vacant for seasonal use divided by all housing units.
- <sup>3</sup> UMass Donahue Institute, Cape Cod Second Homeowners: Technical Report of FY 2017 Survey Findings, Cape Cod Commission, FY 2017.
- <sup>4</sup> U.S. Census, American Community Survey, 2013-2017, 5-year data.
- <sup>5</sup> 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. The FMR of \$1,441 per month is for the Barnstable Town Metropolitan Statistical Area.
- <sup>6</sup> National Low Income Housing Coalition, Out of Reach FY 2018. Housing costs, including rent and utilities, are considered to be affordable if they are no more than 30 percent of household income.
- <sup>7</sup> U.S. Census, American Community Survey, 2013-2017, 5-year data.
- <sup>8</sup> HAC offers RAFT assistance in the following towns: Aquinnah, Barnstable, Bourne, Brewster, Chatham, Chilmark, Dennis, Eastham, Edgartown, Falmouth, Gosnold, Harwich, Mashpee, Nantucket, Oak Bluffs, Orleans, Provincetown, Sandwich, Tisbury, Truro, Wellfleet, West Tisbury, and Yarmouth.
- <sup>9</sup> HAC also provided \$4,110 in assistance to two families who moved out of Massachusetts.
- <sup>10</sup> Commonwealth of Massachusetts, Department of Housing and Community Development, DHCD EA Monthly Report, Statewide Summary, June 2018.
- <sup>11</sup> This is a rough estimate of the number of EA-eligible households, assuming average family size of 3 and subtracting the number of households that would be categorically ineligible for Emergency Assistance.
- <sup>12</sup> 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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