

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 2018



SUMMARY

Lynn Housing Authority & Neighborhood Development (LHAND) provided assistance to 250 households through the RAFT program in FY 2018. The average RAFT payment was \$2,914. Eighteen households that received RAFT in FY 2018 also received assistance from the program in FY 2017, accounting for approximately nine 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 2018 Fair Market Rent for a two-bedroom apartment in Lynn is \$1,740. To afford a two-bedroom apartment at the Fair Market Rent in Lynn, a household would need an annual income of \$69,600.³ The median income of the households that received RAFT from LHAND in FY 2018 was \$24,585. Fair Market Rent for a two-bedroom apartment in Lynn represents 85 percent of household income for the typical family that received RAFT from LHAND. The city has an extremely low rental vacancy rate of less than two percent.

The households that received RAFT from LHAND in FY 2018 are a very small percentage of the region's residents who struggle to pay for housing. In Essex County, 53 percent of renters, representing a total of 53,118 households, pay more than 30 percent of their income toward housing costs. In Lynn, the households that received RAFT in FY 2018 represent just 1.6 percent of all

households that pay more than 30 percent of their income in rent. There are an estimated 2,743 families with children living in poverty in Lynn; 64 percent are single mothers with children.⁴

LYNN BY THE NUMBERS

Families with Children Living in Poverty	2,743
Poverty Level for Family of Three	\$ 20,780
Affordable Rent at Poverty Level	\$ 519
Fair Market Rent for Two Bedroom Apartment	\$ 1,740
Rental Housing Vacancy Rate	1.8 %

LHAND'S RAFT PROGRAM

LHAND is one of two agencies that administer the RAFT program in Essex County.⁵ In FY 2018, LHAND provided a total of \$728,492 in RAFT assistance to 250 households. Households received RAFT from LHAND in thirteen communities.⁶

TABLE 1: LHAND RAFT ASSISTANCE BY COMMUNITY, FY 2018

Town	Assistance	% of Assistance	Households	% of Households
BEVERLY	\$ 45,384	6.2 %	14	5.6 %
DANVERS	\$ 5,348	0.7 %	2	0.8 %
GLOUCESTER	\$ 15,730	2.2 %	8	3.2 %
IPSWICH	\$ 5,941	0.8 %	2	0.8 %
LYNN	\$ 458,200	62.9 %	159	63.6 %
LYNNFIELD	\$ 2,808	0.4 %	1	0.4 %
MARBLEHEAD	\$ 5,919	0.8 %	2	0.8 %
NAHANT	\$ 4,000	0.5 %	1	0.4 %
NEWBURY	\$ 3,000	0.4 %	1	0.4 %
PEABODY	\$ 61,858	8.5 %	20	8.0 %
SALEM	\$ 101,953	14.0 %	32	12.8 %
SAUGUS	\$ 8,250	1.1 %	3	1.2 %
SWAMPSCOTT	\$ 4,316	0.6 %	2	0.8 %

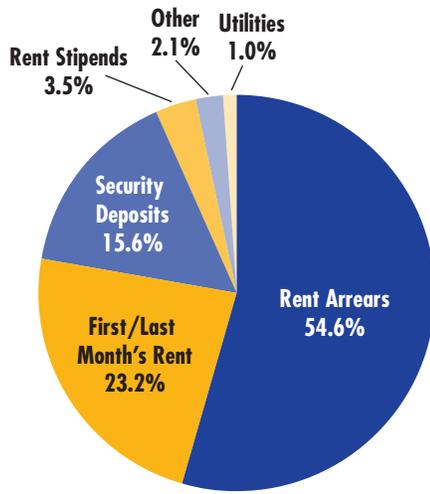
Ninety percent of RAFT households that received assistance from LHAND were headed by women. The typical household that received RAFT was a woman with two children. Sixty-two percent of heads of household identified as white, 28 percent as Black/African-American, three percent as Native Hawaiian/Pacific Islander, two percent as American Indian/Native Alaskan and two percent as Asian. Forty-seven percent identified as Hispanic/Latino. The average age of heads of household that received RAFT in FY 2018 was 38.

For the second consecutive year, households that received RAFT from LHAND had the highest incomes of RAFT recipients statewide. The median income for recipients of RAFT from LHAND was \$24,585, which is a nine percent increase from FY 2017, and 33 percent higher than the statewide median income for RAFT recipients in FY 2018.

Forty-one households without children under the age of 21 received RAFT from LHAND in FY 2018. Most of these households consisted of a single person, and their median household income was \$15,622. The average age of these heads of household was 50.

Sixty-four percent of the households that received RAFT from LHAND in FY 2018 were facing eviction. Twenty-five percent of households were living with other families and were asked to leave. Thirty-five percent of LHAND RAFT recipients had subsidized housing. Uses of RAFT funds are shown in Figure 1.

FIGURE 1: USES OF RAFT FUNDS BY LHAND, FY 2018



Joe, a disabled individual, fell behind on his rent despite living in a subsidized apartment. A series of financial hardships beyond his control jeopardized his ability to keep his housing. Working with an advocate, he was able to establish an automatic rent payment plan but indicated that a huge strain of his resources was due to the fact that he did not have a refrigerator, so was not able to go grocery shopping and keep food at home, resulting in him eating out often. RAFT funds were used to get him caught up with his rent, but to also pay for a refrigerator so that he could start eating at home. He also started taking advantage of the Healthy Incentives Program, which enables him to maximize SNAP benefits at local farmers' markets.

ESTIMATED SAVINGS FROM LHAND'S 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 family that used the Emergency Assistance Program in FY 2018.⁷ The income eligibility threshold for a family of three to receive Emergency Assistance was \$23,892. Approximately 63 percent of the families that received RAFT from LHAND in FY 2018, 132 households, had incomes below this threshold.⁸

TABLE 2: ESTIMATED EA SAVINGS FROM 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 %	13	\$ 481,090	\$ 45,305	\$ 435,784
25 %	33	\$ 1,202,724	\$ 113,263	\$ 1,089,461
50 %	66	\$ 2,405,448	\$ 226,526	\$ 2,178,922
75 %	99	\$ 3,608,172	\$ 339,790	\$ 3,268,383
100 %	132	\$ 4,810,897	\$ 453,053	\$ 4,357,844

Table 2 shows estimated savings from the LHAND 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.⁹

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 Sonia and her children.

Sonia is a single mother living in a studio apartment with her two sons. After being laid off at her job as a receptionist, she was able to make ends meet by working as a substitute teacher. Unfortunately, she slipped on ice and broke her leg. Now on crutches and without reliable transportation, she was not able to continue working while her leg healed. LHAND used RAFT to pay Sonia's rent arrears, as well as two months of stipends to supplement the rent until she was able to return to work.

ABOUT LHAND

Lynn Housing Authority and 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 Housing costs, including rent and utilities, are considered to be affordable if they are no more than 30 percent of household income.
- ⁴ U.S. Census, American Community Survey 2013-2017, 5-year estimates.
- ⁵ 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, and Wenham. Community Teamwork, Inc. offers RAFT assistance in the remainder of towns in Essex County.
- ⁶ LHAND also provided \$5,785 in RAFT to three families that moved out of Massachusetts.
- ⁷ Commonwealth of Massachusetts, Department of Housing and Community Development, DHCD EA Monthly Report, Statewide Summary, June 2018.
- ⁸ 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.
- ⁹ 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.