

THE MASSACHUSETTS  
**RAFT**  
**PROGRAM**

PREVENTING  
HOMELESSNESS,  
PROVIDING  
FAMILY STABILITY

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



FEBRUARY 2018



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## ABOUT THE REGIONAL HOUSING NETWORK OF MASSACHUSETTS

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RHN is a statewide network of regional agencies that have worked together to address the housing needs of Massachusetts residents for more than 38 years. RHN's member agencies serve residents in all 351 cities and towns in the Commonwealth. These services include development and management of affordable housing and housing education and assistance.

RHN member agencies include Berkshire County Regional Housing Authority, Berkshire Housing Development Corporation, Community Teamwork, Inc., Franklin County Regional Housing & Redevelopment Authority, Housing Assistance Corporation, Housing Solutions for Southeastern Massachusetts, Metro Housing Boston, RCAP Solutions Inc., South Middlesex Opportunity Council, and Way Finders.<sup>1</sup>

## ABOUT THIS REPORT

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This report was developed and produced by the Regional Housing Network of Massachusetts. Robin Sherman analyzed the data and wrote the report.

The report was designed by Six-Point Creative of Springfield, Massachusetts.

This report includes supplements that summarize operation of the RAFT program on a regional basis. Regional supplements are available upon request from RHN or from individual agencies that administer the RAFT program.

## ABOUT THE DATA

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Data on operation of the RAFT program in 2017 used in this report was provided by the member agencies of the Regional Housing Network, Central Massachusetts Housing Alliance, Lynn Housing Authority & Neighborhood Development, and Tracker Systems, the Commonwealth's software vendor for the RAFT program. In the course of preparing this report, RHN found that the data elements collected from different sources did not always agree with one another. All reasonable efforts were made to correct any apparent errors using data provided by individual agencies. Discrepancies are in the range of less than one percent and are therefore considered to be insignificant.

Unless otherwise noted, all general information on Massachusetts households is from the U.S. Census American Community Survey 5-year estimates from 2012 – 2016.

## SUMMARY

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Residential Assistance for Families in Transition (RAFT) is a homelessness prevention program for families with very low incomes experiencing a housing crisis. Eligible families may receive up to \$4,000 each fiscal year to help retain their housing, obtain new housing, or otherwise avoid becoming homeless. RAFT receives an annual funding allocation through the state budget. It is a program of the Massachusetts Department of Housing and Community Development and is administered by eleven regional agencies.

The RAFT program assists families with incomes at or below 50 percent of the Area Median Income, which is defined regionally based on household size. Until FY 2017, eligible families were defined as households with at least two persons including a dependent child under age 21, and single pregnant heads of household. In FY 2017, eligibility for the program was expanded to include families of all sizes, including households without minors comprised of elders, persons with disabilities, and unaccompanied youth, with limited funding available for households eligible under the new definition.

RAFT is targeted to families most at risk of becoming homeless to avoid the need for emergency shelter. RAFT administrators must determine that the assistance will allow families to retain current housing, obtain new housing, or otherwise avoid homelessness. Assistance is flexible and may be used for a variety of purposes, including but not limited to payment of rent, utility, and mortgage arrears, rent stipends, security deposits, first and last months' rent, childcare, transportation, basic furniture, and moving expenses.

RAFT continues to be extremely cost-effective in helping Massachusetts families avoid homelessness. In FY 2017, the Commonwealth spent an average of \$3,084 in RAFT to ensure continued housing for 4,215 households.<sup>2</sup> By contrast, the state spent an average of \$41,990 for each household that entered the state's family shelter program.<sup>3</sup> **This represents an average savings of \$38,906 for each family that avoided homelessness through the RAFT program in terms of shelter costs alone.** Actual savings are much higher, because adults that enter the family shelter system often lose employment and require public assistance, school systems incur additional costs for busing children from shelters to their regular school, and families in shelter experience high stress that may result in increased medical costs.

Households may apply for and receive RAFT every fiscal year, but historical data shows that very few families receive RAFT in consecutive years. In FY 2017, just 5.4 percent of RAFT clients also received assistance from the program in FY 2016.

## THE NEED FOR RAFT: HOUSING COSTS IN MASSACHUSETTS

Massachusetts has some of the least affordable housing in the nation. Housing affordability is generally measured in terms of the percentage of household income required to pay for housing and utilities. Housing is considered to be affordable as long as it costs no more than 30 percent of household income. According to the National Low Income Housing Coalition, Massachusetts was the sixth most-expensive state in terms of the income required to afford a two-bedroom apartment in 2017.<sup>4</sup>

The HUD Fair Market Rent for a two-bedroom apartment in Massachusetts, including utilities, was \$1,474 in 2017.<sup>5</sup> Statewide, a single person working full time would need to earn \$27.39 an hour to afford a two-bedroom apartment at the Fair Market Rent for their housing to be considered affordable. Using the same housing costs and standard of affordability, it would take 2.5 household members working full time at minimum wage to afford the two-bedroom Fair Market Rent. The average household that received RAFT in FY 2017 earns the full-time equivalent of approximately \$9.76 an hour, or less than 36 percent of what is required to be able to afford a 2-bedroom apartment without paying more than 30 percent of their income for housing.

There is a severe shortage of rental housing that is available and affordable to families with very low incomes in all areas of the Commonwealth. Rental housing accounts for 37.9 percent of all housing in Massachusetts, and 33.8 percent of Massachusetts residents live in rental units. More than 40 percent of these households, representing 367,574 individuals and families, pay more than 35 percent of their household income for rent and utilities. Households that received RAFT in FY 2017 represent approximately one percent of all Massachusetts renters that struggle to pay for housing.<sup>6</sup>

### RAFT IN 2017

The FY 2017 state appropriation for RAFT was \$13,000,000, an increase of four percent from FY 2016. The RAFT program provided a total of \$10,902,566 in assistance to 4,215 households in 2017; the remainder of the appropriation paid for administrative costs.

### RAFT Assistance by Region

Households received RAFT in all regions of the Commonwealth in FY 2017. Figure 1 shows RAFT assistance by county.<sup>7</sup>

Households received RAFT in 199 Massachusetts communities in FY 2017. Ten cities accounted for two thirds of RAFT clients and 64.3 percent of RAFT assistance.

FIGURE 1: RAFT ASSISTANCE BY COUNTY, FY 2017

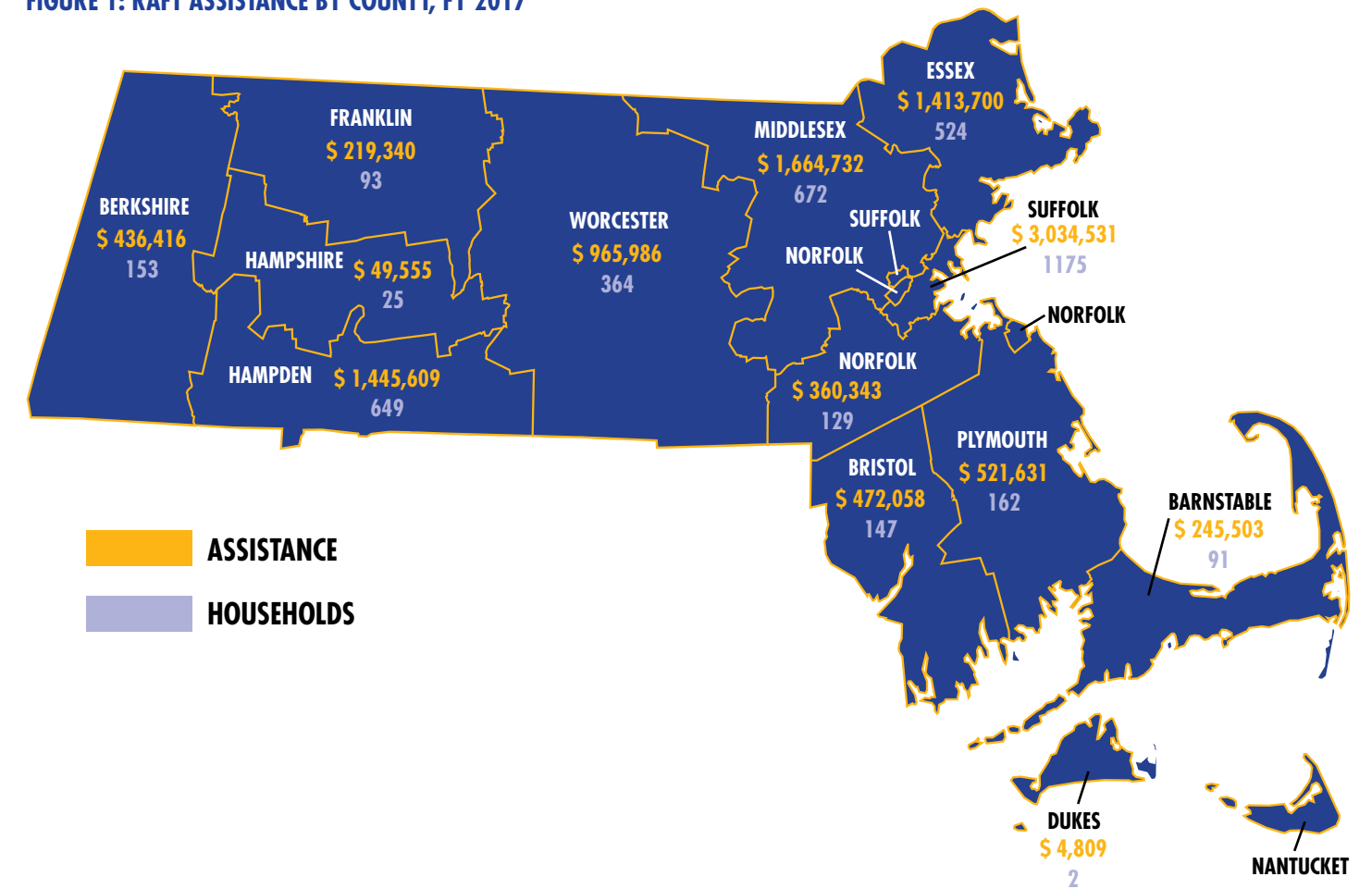


TABLE 1: CITIES WITH THE MOST RAFT ASSISTANCE AND HOUSEHOLDS

City	Assistance	Household
Boston	\$ 2,721,373	1064
Springfield	\$ 958,825	413
Lowell	\$ 770,449	340
Worcester	\$ 644,504	251
Lawrence	\$ 367,396	163
Lynn	\$ 358,239	126
Pittsfield	\$ 333,995	116
Brockton	\$ 332,456	101
Haverhill	\$ 300,188	106
Holyoke	\$ 219,379	121



### RAFT Households by Income, Age, and Sex

RAFT eligibility is limited to families earning up to 50 percent of Area Median Income. At least one half of the annual funding available for assistance is allocated to families earning incomes at or below 30 percent of Area Median Income. Statewide, the average RAFT household has three family members, typically, a mother with children. Average family size was two members for three of the agencies that administer the RAFT program: Berkshire Housing Development Corporation, Housing Solutions, and Lynn Housing Authority & Neighborhood Development.

The Median Household Income for all Massachusetts households was \$70,954 in 2016. Median income for three-person households was \$93,516. In FY 2017, the average income for RAFT recipients statewide was \$20,303; median income was \$19,754. Nearly 400 RAFT households reported having no cash income, representing 9.2 percent of total households that received RAFT.

The average age for heads of households that received RAFT in 2017 was 36.7.<sup>8</sup> Approximately 90 percent of families that received RAFT in FY 2017 had a female head of household. Statewide, more than 35 percent of female-headed families with children earn incomes below the federal poverty limit, which is calculated annually based on family size. There are an estimated 69,081 female-headed families with children living in poverty in the Commonwealth. The female-headed households that received RAFT in FY 2017 represent approximately 5.5 percent of this population.

### RAFT Households by Race & Ethnicity

A majority of FY 2017 RAFT households were non-Hispanic whites, but African Americans and Latinos were over-represented in the group of households that received RAFT in proportion to the general population of the state.

FIGURE 2: FY 2017 RAFT HOUSEHOLDS BY RACE

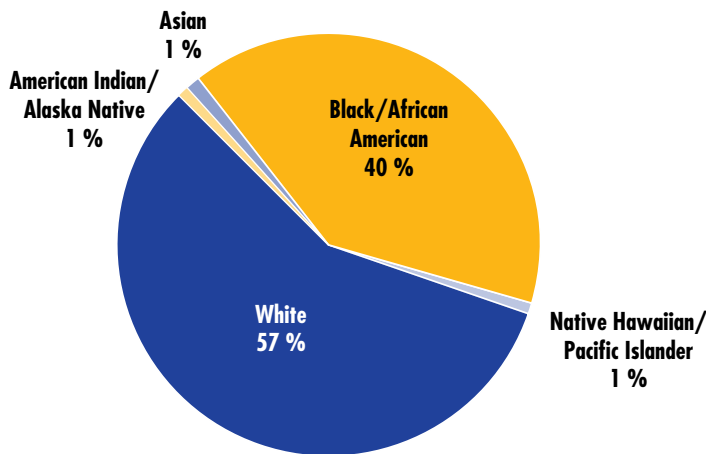
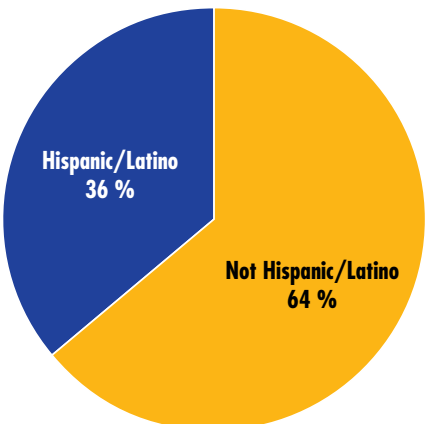


FIGURE 3: FY 2017 RAFT HOUSEHOLDS BY ETHNICITY



“ This program can offer temporary relief for families like mine at times when we have no control over a difficult situation; it is very uncomfortable to have to live in a violent/scary situation because you don't have the means to move out, or to have to stay with someone who hurts you verbally on a daily basis because you can't afford the rent on your own. A program like RAFT gives a way out, hope and peace of mind, at a time when your head is everywhere. I pray to God that I don't ever have to go through this again. In my 32 years, I have tried to plan for events like this with a plan A and a plan B, so that I don't rely on anyone... But what happens when both plans fail? ”

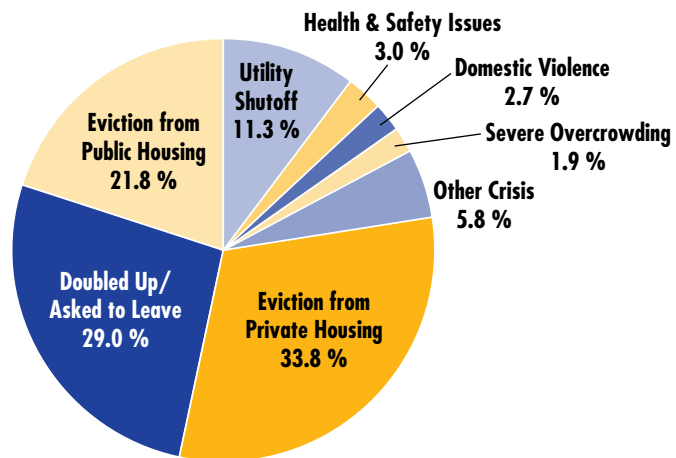
– M.P., RAFT recipient, Lynn Housing Authority & Neighborhood Development

## RAFT Households by Housing Crisis

Eviction is the leading issue causing households to seek assistance from RAFT. More than 55 percent of RAFT recipients reported facing eviction in FY 2017. This is not surprising given that the **average** income of RAFT households is slightly more than a third of what is required to afford rent and utilities in Massachusetts. Median income of RAFT recipients was even lower; more than 2,000 households that received RAFT in FY 2017 earn **less** than a third of the income considered adequate to rent a two-bedroom apartment.

Twenty-nine percent of RAFT recipients reported that they were asked to leave a home that they were sharing with others, again underscoring the instability of housing for women with low incomes raising children on their own. Another 11 percent of RAFT households faced utility shut-off notices; many families with low incomes cannot afford to keep up with payment for both rent and utilities.

**FIGURE 4: TYPE OF HOUSING CRISIS FOR HOUSEHOLDS RECEIVING RAFT**



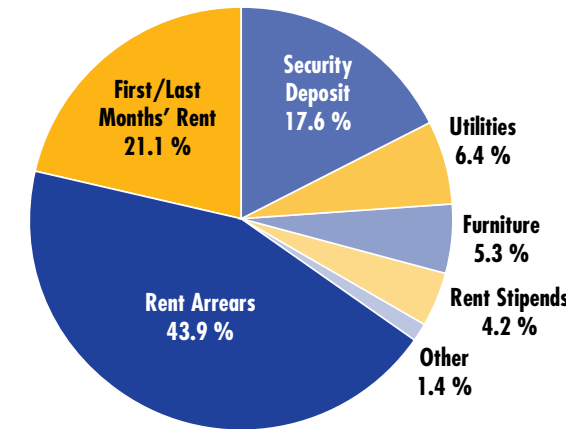
Note: Figures add to more than 100 percent; households may report more than one type of crisis resulting in the need for RAFT

## Uses of RAFT Funds

Eligible households may receive up to \$4,000 in RAFT funds that can be used in a variety and combination of ways to help families avoid homelessness. The most common use of funds is for rent arrears, accounting for approximately 44 percent of FY 2017 RAFT payments. Costs associated with establishing new homes, including payment of first and last months' rent, security deposits, moving costs, and basic furniture accounted for approximately the same percentage of RAFT funds in FY 2017. Other uses of RAFT included but were not limited to mortgage payments, transportation, and child care costs.

Statewide, average assistance per household that received RAFT in FY 2017 was \$2,587, not including administrative costs. There were regional variations in both average income and average assistance for the families that received RAFT in FY 2017, as shown in Table 2 below.

**FIGURE 5: USES OF RAFT FUNDS**



**TABLE 2: AVERAGE HOUSEHOLD INCOME AND AVERAGE RAFT ASSISTANCE BY REGION**

Agency	Service Territory by County	Average Income for RAFT Households	Average RAFT Assistance/ Household
BHDC	Berkshire	\$ 10,453	\$ 2,852
CMHA	Worcester	\$ 17,607	\$ 2,743
CTI	Essex, Middlesex	\$ 22,009	\$ 2,414
HAC	Barnstable, Dukes, Nantucket	\$ 20,443	\$ 2,633
HRA	Franklin	\$ 15,882	\$ 2,348
HSSM	Bristol, Norfolk, Plymouth	\$ 22,376	\$ 3,218
LHAND	Essex	\$ 23,109	\$ 2,954
MHB	Middlesex, Suffolk, Norfolk	\$ 19,672	\$ 2,614
RCAP	Worcester	\$ 17,620	\$ 2,620
SMOC	Middlesex, Norfolk	\$ 22,063	\$ 2,550
WF	Hampden, Hampshire	\$ 22,092	\$ 2,213
<b>Statewide</b>		<b>\$ 20,303</b>	<b>\$ 2,587</b>

## Households Receiving RAFT under Expanded Eligibility Criteria

In FY 2017, RAFT eligibility expanded to provide homelessness prevention resources to an expanded population by broadening the definition of families. This population includes families of all sizes, including children under the age of 21, elders, persons with disabilities, and unaccompanied youth. A limited amount of funding was allocated to provide assistance to families under the new definition.

The Commonwealth spent \$413,010 in RAFT funds in FY 2017 to serve 198 households that would not have been eligible for RAFT in previous years.

**TABLE 3: AGE, HOUSEHOLD SIZE AND INCOME FOR HOUSEHOLDS RECEIVING RAFT UNDER EXPANDED ELIGIBILITY**

Agency	Average Age of Head of Household	Average Household Size	Average Household Income
BHDC	48	1.14	\$ 6,591
CMHA	47	1.4	\$ 11,427
CTI	37	1.59	\$ 11,658
HAC	53	1.25	\$ 25,450
HRA	53	1	\$ 12,264
HSSM	47	1	\$ 16,444
LHAND	49	1.14	\$ 13,188
MHB	49	1.3	\$ 16,624
RCAP	N/A	1	\$ 16,412
SMOC	46	3	\$ 23,571
WF	43	1.3	\$ 17,699

These households differed from the overall group of RAFT recipients in a variety of ways. While only 10 percent of all RAFT households had a male head of household, 30 percent of households that received RAFT under the expanded definition were headed by men. Sixty-four percent of these households identified their race as white and 34 percent as black/African American, compared to 57 and 40 percent respectively for all recipients. The average age for heads of households was much older. Most of the households that received assistance under expanded eligibility consisted of a single person, and in general, their average income was significantly lower than the average recipient of RAFT overall.

## Use of RAFT in Consecutive Years

While eligible households may receive up to \$4,000 in assistance from RAFT every year, assistance in consecutive years is the exception rather than the rule. In FY 2017, just 231 out of 4,215 households that received RAFT also used the program in FY 2016. This is a good indicator of the effectiveness of the program in preventing homelessness. Of the RAFT households that received assistance in both years, a combined total of 78 percent faced either eviction or shut-off of utilities. While data is not available on the incomes of these repeat participants, one possibility is that they represent households with extremely low incomes that simply do not have adequate resources to afford housing without regular assistance.

## ESTIMATING SAVINGS FROM RAFT PROGRAM

In FY 2017, 3,867 families entered the state's Emergency Assistance shelter system for homeless families. Their average stay was 323 days, and the total cost of the program was \$179,557,075, nearly \$42,000 per family. In contrast, RAFT assisted 4,215 families at a total cost of \$13,000,000, at an average of \$2,587 per household in housing assistance, or \$3,084 per household in total, including administrative costs.

Families with children and pregnant women who earn less than 115 percent of the federal poverty level may be eligible for Emergency Assistance. As of January 24, 2017, the income limit for a family of three to be eligible for Emergency Assistance was \$23,483. In FY 2017, 2,590 RAFT recipients, accounting for approximately 61 percent of all RAFT households, had incomes at or below the three-person household threshold for EA eligibility. It is reasonable to assume that a percentage of these households would have become homeless and eligible for family shelter without assistance from RAFT. Using the average RAFT recipient family size of three household members, Table 4 shows estimated savings from the RAFT program based on a range of assumptions about the percentage of EA-eligible families who would have needed Emergency Assistance without the RAFT program.<sup>9</sup>

**TABLE 4: ESTIMATED EMERGENCY ASSISTANCE SAVINGS FROM RAFT ASSISTANCE**

Assumed % of EA Eligible RAFT Clients That Could Have Needed Shelter	Number of EA Eligible Clients That Could Have Needed Shelter Based on Assumed %	EA Cost	RAFT Cost	Estimated Savings
10%	259	\$ 10,875,410	\$ 798,814	\$ 10,076,596
25%	648	\$ 27,188,525	\$ 1,997,034	\$ 25,191,491
50%	1295	\$ 54,377,050	\$ 3,994,069	\$ 50,382,981
75%	1943	\$ 81,565,575	\$ 5,991,103	\$ 75,574,472
100%	2590	\$ 108,754,100	\$ 7,988,138	\$ 100,765,962

“ Being a single mom, and a college student, the RAFT program gave me another chance to move from the low place I was to a higher place so that I could better take care of my life and my child. I have my apartment, so I don't have anxiety where I will be staying. It means that I could think about other things to better my life and continue my education. It means that my child can have her bed to sleep in every night without stress. RAFT was so much more than money. It was a life saver. ”

– 2017 RAFT recipient, South Middlesex Opportunity Council

The benefits of the RAFT Program far exceed the monetary value of avoided costs in the family shelter system. Other savings to the Commonwealth and its municipalities include avoided costs for public assistance and school transportation that are incurred when families are displaced from their homes into shelter. When RAFT assistance allows a family to avoid eviction, housing authorities and private landlords also benefit.

## CONCLUSION

The RAFT program is a cost-effective strategy to prevent homelessness. On average, RAFT can provide housing stability at a cost of \$3,084 per family, including all program administrative costs. This represents the equivalent of just 24 days in the family shelter system, when the average stay is 323 days. Given the very low incomes of households that received RAFT, it is remarkable that almost 95 percent of families that use the program do not return for assistance the following year.

More importantly, however, every \$3,084 spent on the RAFT program represents a family – most often a mother and two children – who did not have to select a few treasured belongings to fit into two plastic trash bags per person and move into a single room in a shelter, often in a new neighborhood or community, for close to a year. While it is impossible to put a monetary value on the avoided cost of homelessness for individual families, it is clear that RAFT provides stability, dignity, and independence for thousands of Massachusetts parents and children living on incomes that are insufficient to pay for housing in the Commonwealth.

## REPORT FOOTNOTES

<sup>1</sup>Central Massachusetts Housing Alliance and Lynn Housing Authority & Neighborhood Development also administer the RAFT program.

<sup>2</sup>This figure represents the average cost of the RAFT program per household including all administrative costs for the purposes of comparison to the Emergency Assistance program.

<sup>3</sup>Commonwealth of Massachusetts, Department of Housing and Community Development, Emergency Assistance Program Fiscal Year FY 2017, Fourth Quarterly Report.

<sup>4</sup>National Low Income Housing Coalition, Out of Reach 2017: The High Cost of Housing.

<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; \$1,474 is a statewide figure. 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. Statewide, the 2016 median monthly housing cost calculated by the U.S. Census is slightly lower than Fair Market Rent at \$1,370. FMRs are calculated to exclude subsidized public housing, which does not represent market rent.

<sup>6</sup>RAFT may be used to assist income-eligible homeowners experiencing a housing crisis, but the vast majority of households that receive RAFT are renters.

<sup>7</sup>This figure does not include \$65,503 in assistance provided to 24 households that had out-of-state addresses. These households probably represent a combination of families that used RAFT funds to move out of state and families that were homeless and provided a last known address that was outside the Commonwealth for the purposes of data intake.

<sup>8</sup>Data on average age of head of household includes some households that applied for the program but did not receive RAFT.

<sup>9</sup>This is a rough estimate of the number of EA-eligible households, assuming average family size of three. Some of the families that received RAFT 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. 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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