



Massachusetts Coalition for the Homeless

A statewide membership organization dedicated to ending homelessness

Satellite Office:
8 Winter Street, Suite 402
Boston, MA 02108

Main office:
15 Bubier Street,
Lynn, MA 01901
Phone: 781.595.7570
Fax: 781.595.7574

Ending Homelessness in Massachusetts: A historical perspective and recommendations

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The Magnitude of the Problem

Over the past decade, increasing numbers of families and individuals have been entering through the front doors of emergency shelter. The number of families and individuals in state funded emergency shelter has more than doubled since 1990. In June 2006, over 1,400 families a night were staying in the state's Emergency Assistance (EA) family shelter system. The Coalition estimates that over 4,000 families consisting of 12,000 parents and children will stay in the state's emergency shelter system in FY'07. On the individual side, the University of Massachusetts' Center for Social Policy has estimated that approximately 28,000 individuals enter the individual shelter system during the course of a year. The extent of homelessness in this state, however, is far greater than just those families and individuals in emergency shelter. Many families that are presently without housing are unable to access emergency shelter due to rules and regulations, and are denied access because of reasons such as income ineligibility or a previous eviction from subsidized housing. Many homeless households are staying in temporary situations or in inappropriate or substandard housing. A recent report by the Massachusetts Department of Education based on the MA DOE/National Centers for Disease Control and Prevention's 2005 Youth Risk Behavior survey estimates that at least 40,800 pre-school through high school aged children experience homelessness each year in Massachusetts... more than 5 times the number of children in the state's emergency shelter system. This is a staggering statistic even for those of us who have been working on this issue for many years.

The Commonwealth's Past Homelessness Prevention Efforts

Some of us are old enough to remember a time when the Commonwealth was a national leader in homelessness prevention. In the late 1980s, the Commonwealth offered a range of prevention and housing programs that allowed low-income households to maintain and secure housing without ever entering through the front doors of emergency shelter. These prevention programs were extensive and effective. Run through the state's Emergency Assistance Program administered by the Department of Transitional Assistance, these prevention resources included assistance with:

- mortgage and rent arrearages payments to help low-income households weather economic storms (payments covered up to 4 months to prevent eviction and foreclosure)
- utility assistance to help households to maintain their heat and non-heat related utilities
- first month's rent, last month's rent and security deposits to enable households to secure and move into new housing.

All of these programs were run as entitlement programs, providing assistance to all qualifying households, not just to the selected few.

Over the past fourteen years, however, this safety net has been eroded. During the recession of the early 1990s, the Weld administration and the Legislature eliminated all but one of the prevention benefits under the Emergency Assistance program. These entitlement programs helped tens of thousands of low-income families with first month's rent and security deposits to secure new housing or with funds to reduce mortgage and utility arrearages so as to maintain their existing housing. After the first attack (the elimination of first month's rent and security deposit assistance), the number of families entering through the front door of emergency shelter increased by 74% in just 2 years. The last of these prevention benefits, the Emergency Assistance Rent Arrearage program, was eliminated during the recession of 2002. This program alone assisted over 800 low-income households per month to retain their housing.

The Commonwealth's Past Re-housing Efforts

In addition to these cash assistance programs, the Commonwealth also had a range of rapid re-housing initiatives targeted to homeless and at-risk households. In the late 1980s, the state witnessed a dramatic increase in family homelessness and the number of families in emergency shelter exceeded 1,200 families/night. The state responded with an influx of resources, using housing subsidies to reduce family homelessness. Concerned about the effects of motel stays on families, DTA "bought" 250 subsidies through the 707 Program to distribute to families experiencing homelessness to help them relocate into new housing. For a brief time, the Commonwealth also ran a prevention subsidy program for families at imminent risk of homelessness. The 707 Program's budget grew to \$100 million. The program, which later became the Massachusetts Rental Voucher Program (MRVP), had its budget reduced when the fiscal crises of the 1990s and 2001 hit. . The "set aside" program for homeless families and turnover subsidies were eliminated in July 1990. By FY'07, funding for the MRVP program had dropped to \$27.4 million. With these deep cuts in state subsidized housing, the average length of stay for families in emergency shelter increased dramatically from only 3 weeks to 7 months.

Similarly, when the number of families in shelter began to steadily rise again in the mid 1990s, the Executive Office of Communities and Development (EOCD, now the Department of Housing and Community Development DHCD) initiated a creative program called the Transitional Bridge Rental Allowance (TBRA) program, to move families out of shelter by providing families with a time-limited transitional housing program. Funded through the use of federal HOME money, this 24-month, tenant-based rental assistance program served as a bridge to permanent housing for families in shelter. These subsidies helped families to move out of shelter and into more stable living environments while searching for affordable permanent housing. The shelter spaces vacated by program participants were then filled with families staying at that time in motels and new families in need of shelter. Families receiving these transitional funds still were considered homeless and maintained their priority for federal Section 8 and other subsidy programs while receiving the bridge subsidies. A total of 143 households were enrolled in the program. Of the 119 families whose housing outcomes are known, 84% exited the program into permanent housing (78% into subsidized housing and 6% into market-rate housing). This transitional housing program worked well because federal subsidies were available and most families were able to obtain a permanent subsidy before their TBRA ended.

EOCD made MRVP subsidies available to those who were too poor to secure private housing when their TBRA ended.

Prevention and Rapid Re-housing Under Governor Romney & Lessons Learned

There are important lessons to be learned from the Commonwealth's previous prevention and housing programs as we move forward with efforts to create a true solution for ending homelessness. Most recently, the Department of Transitional Assistance (DTA), along with DHCD, has refocused its energies and resources on ending homelessness. They have initiated new pilots to help families and individuals transition quickly out of shelter into housing and re-introduced some limited prevention programs. (These programs are outlined in an attachment.) While the Coalition has welcomed these renewed efforts to end homelessness, the new prevention programs fall far short of the comprehensive prevention package previously in place in this state.

The Coalition and its membership have always believed that the solution to this epidemic is more affordable and sustainable housing. However, with one exception, these new pilot initiatives have not included long-term subsidies. While the Housing First Strategies for individuals that focus on re-housing those deemed "chronically homeless" do provide long-term affordable housing, the initiatives proposed for families rely on limited cash assistance or short-term subsidies of one year or less. As such, many of these efforts have been targeted to families with fewer barriers to accessing housing (working families and others likely to be self sufficient within a year's time). This targeting has left those families with very low incomes or with other housing barriers stranded in shelter.

A "housing first strategy" without long-term housing subsidies ignores the needs of the majority of families within the emergency shelter system. Of the families in the Emergency Assistance shelter program, 69% receive income assistance from the Department of Transitional Assistance (Transitional Aid to Families with Dependent Children and/or Emergency Aid to the Elderly, Disabled and Children), with 53% of the shelter families relying on cash assistance programs as their sole source of income. The families relying on DTA assistance as their only income receive an average of \$371 per month. Seven percent of the families in shelter have no income at all. Clearly, if family homelessness is going to be solved, the majority of the families in shelter will require a long-term rental subsidy in order to obtain stable, permanent housing.

On the individual side, the opposite problem exists. Virtually all state and federal resources have been targeted to households needing a great deal of assistance and support. Thousands of individuals who are facing homelessness because of job loss or other economic reasons cannot obtain the financial help they need to overcome a short-term problem. The only state prevention program available to individuals experiencing homelessness, the Individual Self-Sufficiency Initiative, was eliminated during the last recession.

Recommendations for the Future

Drawing from the lessons learned through the Commonwealth's past and present prevention and housing initiatives, the Coalition has put together a four-pronged approach to creating a realistic and long-term solution to ending homelessness in the Commonwealth. These include:

1) Improving and Expanding Homelessness Prevention Programs through DTA, 2) Establishing a New Homelessness Prevention Housing Voucher Program, 3) Expanding and Improving

Existing Housing Programs Targeted to the Lowest Income Households, and 4) Maintaining and Improving the State's Safety Net for Low-income Households.

1) **Improve and expand homeless prevention programs**

- **Implement an Early Warning/Housing Stability Screening Program through the Department of Transitional Assistance.** Cost: TBD

Much can be done to stabilize the housing situations of households in crisis if we can get to them early. While court-based intervention programs provide vital intervention services and can successfully prevent evictions in some cases, it is difficult to mediate a successful outcome once a housing crisis reaches the courts. Clearly, getting to households before things have spiraled out of control is critical to effective prevention. Given that nearly 70% of family shelter consumers and a significant number homeless individuals rely on DTA-funded cash assistance programs for their income, DTA should incorporate a proactive, annual housing stability screening into its work with all participants in the Transitional Aid to Families with Dependent Children program (TAFDC) and the Emergency Aid to the Elderly, Disabled and Children program (EAEDC). Under this program, DTA workers would assess and link households experiencing a housing crisis to resources that can stabilize their housing, including an expanded emergency cash assistance program, utility hardship discounts, fuel assistance, federal SSI benefits, increased food stamp benefits and affordable housing programs. Through these actions, households starting down the road to homelessness would be helped to maximize their incomes, stabilize their current housing and increase their chances of obtaining affordable housing by expanding the number of affordable housing waiting lists they are on.

Anticipated Outcome: Although only 3.8% of the 45,000 TAFDC recipients in FY'05 ended up in emergency shelter, households on DTA income support programs represented approximately 70% of the households in the state's family's shelter system. Early screening and connection to services will reduce the number of the families who ultimately fall out of housing and into shelter. Similarly, screening with EAEDC recipients will help them to maximize their income through better use of the food stamp and utility assistance programs and help them to qualify for SSI which will save the state money while improving cash benefits for recipients.

- **Create an emergency flexible fund program based at DTA, similar to the previous Emergency Assistance program run by the Commonwealth in the early 1990s, to help households avoid or alleviate homelessness.** Cost: \$20 million

A new emergency cash assistance program should be created to provide flexible funds specifically targeted to DTA consumers at-risk of homelessness to maintain their housing or secure new housing. While the Residential Assistance Program to Families in Transition program (RAFT) has been useful and should be maintained, it is difficult for DTA consumers to access and use the program. For DTA families, barriers include program restrictions, limited funding, and new targeting that makes it easier for higher income families to access the funds (households that earn up to 50% of area median income versus the previous limit of 130% of the federal poverty line). A more targeted assistance program, implemented by DTA, is essential in order to preserve the housing of very low-income people who are on the verge of homelessness.

Anticipated Outcome: Approximately 15,000 households could be assisted with an average payment of \$1300 (based on average RAFT grant).

2) **Establish a new homelessness prevention housing voucher program**

Cost: \$3.8 million (annualized cost of assisting 500 households for one year).

As previously noted, a disproportionate number of shelter consumers are living in extreme poverty. Solving and preventing homelessness among these households necessitates long-term rental subsidies. A new pool of 500 prevention subsidies should be established to address the needs of extremely low-income households on the verge of entering shelter, as well as households in shelter who have barriers to securing new housing such as bad credit, CORI histories and limited housing histories. Households at imminent risk of homelessness or otherwise in need of a targeted housing voucher to successfully relocate out of shelter would be identified and referred to this housing program by DTA's workers conducting the annual housing stability screenings and the DTA homeless coordinators. During the first year, a proportion of these vouchers should be targeted to families backlogged in Emergency Assistance shelters to help them relocate into safe and permanent housing. In subsequent years, vouchers primarily should be used to prevent new households from entering the shelter system.

Anticipated Outcome: 500 at-risk households and households in shelter will be able to relocate into permanent, affordable housing.

3) **Expand and improve existing housing programs targeted to the lowest income households.**

Over past few years, more and more housing resources have been targeted to higher income households. The lowest income households, those with incomes at 30% or below of area median income, are streaming into our shelter system and are scrambling for fewer and fewer affordable housing resources. This trend needs to be reversed if we are to address homelessness in any meaningful way. Additionally, improvements need to be made in housing programs targeted to this low-income population to make sure the programs remain viable.

- **Reverse the 9C cuts to the Massachusetts Rental Voucher Program and Expand Funding for FY'08 to Allow for Reissuing of All Turnover Vouchers and Issuing of New Vouchers:** Cost: Restoration of the 9C cut = \$3.2 million. FY'08 = TBD

Targeted to households at or below 200% of the federal poverty line, the Massachusetts Rental Voucher Program has been an important housing resource for homeless and at-risk households. For the past two years, the Legislature has increased funding for this program. In FY'07, funding for the program was increased by \$1.2 million to enable previously recaptured MRVP vouchers to be reissued to new households. DHCD was just about to send out a letter to local housing authorities announcing its intention to send out and lease up an additional 350 vouchers, when the Governor slashed \$3.2 million from the MRVP account. Many of these re-issued MRVP vouchers were going to be targeted to homeless families in shelter to help them secure new housing and to at-risk households applying for help through the regional Housing Consumer Education Centers.

Anticipated Outcome: Restoration of the funds eliminated by the 9C cut will enable 350 households to move out of emergency shelter or avoid homelessness all together in FY'07. The impact of increased funding for MRVP in FY'08 will depend upon the amount of funding appropriated.

- **Protect and Expand State Public Housing**

Public housing is one of the few resources targeted to extremely low-income households. We need to dramatically increase the supply of public housing by supporting the development of new units and rehabbing existing units that have been taken off-line due to the need for repairs. Raising the bond cap to \$100 million per year would provide needed funds for this rehab and development. The Coalition also urges the Patrick administration to provide adequate funding for state public housing operating subsidies so these vital housing resources can be adequately maintained and preserved.

Anticipated Outcomes: Based on the allocation, an increased number of families and individuals will be able to secure new safe, permanent housing, moving their way out of homelessness and off the waiting lists.

4) **Maintain and improve the state's safety net for the low-income households**

- **Improve state income support programs that help low-income households to remain housed.** Cost: TBD. Specifically, the grants under the Emergency Aid to the Elderly, Disabled and Children program should be, at a minimum, brought into alignment with the payment standards under the Transitional Aid to Families with Dependent Children program. This would increase the basic grant for EAEDC recipients from \$304/month to \$428/month. The Coalition also supports the recommendations regarding TAFDC and other benefit programs contained in the Massachusetts Law Reform Institute's submission to the Human Services Work Group.

Anticipated Outcomes: These program improvements will lead to enhanced housing stability for approximately 17,000 EAEDC and 45,000 TAFDC recipients.

- **Maintain the safety net of emergency shelter for families and individuals left with no safe place to stay.**

The number of families and individuals entering the shelter system has always fluctuated with a range of factors including the state economy and changes in federal and state programs. As indicated by the Mass DOE's report on homeless school age children, the extent of homelessness in this state is far greater than just those families and individuals in emergency shelter. Many families that are presently without housing are unable to access emergency shelter due to rules and regulations. (See issues and recommendations contained in the Massachusetts Law Reform Institute's submission to the Human Services Working Group). The number of individuals with the single adult shelter system is constrained by the number of available beds. We can expect that the number of families and individuals in need of shelter will continue to increase until real inroads are made in targeting homelessness prevention and long-term housing assistance programs to extremely low-income households. It is critical that the state maintain a sufficient amount of emergency shelter to ensure that all children and adults are provided with a safe haven if they need one until the impact of the outlined prevention and housing efforts is fully realized. New homelessness prevention or Housing First initiatives should be funded with new money rather than redirecting shelter money into these programs in anticipation of their impact. It would be our hope that the initiatives outlined above will lead to a lessening of the need for shelter. However, it is critical that money for emergency shelter is preserved, and redirected to other programs only when it is no longer needed to ensure a safe place for those in need.