



RAAP Campaign

Prevent homelessness by funding the Rent Arrearage Assistance Program

SUGGESTED TALKING POINTS

Background: The RAAP Campaign is a coalition of more than 110 organizations and agencies from across the Commonwealth, led by the Massachusetts Coalition for the Homeless (MCH), that seeks to restore a statewide rent arrearage assistance program. Together, we believe we can prevent homelessness by helping people remain stably housed when they are behind on rent, prior to experiencing an eviction.

Ask: To restore the rent arrearage program, we urge State Senators to:

- Cosponsor Senator Patricia Jehlen's Amendment #797 to the FY'20 Senate Ways and Means Budget, which would appropriate \$7 million for the rent arrearage assistance program, as proposed in House Bill 1264, and as a pilot within the existing Residential Assistance for Families in Transition (RAFT) line item (7004-9316).

What would the program do? Low-income households (both families and individuals, both renters and homeowners) that are at or below 50% Area Median Income (AMI), and that are behind on their housing costs, but have not yet received an eviction or foreclosure notice, would be eligible for cash assistance in the amount of up to four times their monthly rent or mortgage payment. At least 50% of the program's funding would need to be provided to households with incomes at or below 30% AMI. A household would become eligible for this resource once they can document that they are in arrears on rent or mortgage liabilities. The Department of Housing and Community Development (DHCD) would administer the program in coordination with the Department of Transitional Assistance (DTA), the 24 member agencies and secretariats of the Interagency Council on Housing and Homelessness (ICHH), and the agencies contracted by DHCD to administer the RAFT program.

Why does this matter?

- All people should have a place to call home, and access to a stable, affordable home is a requirement of human dignity. Without decent housing, economic opportunity and upward mobility become impossible. People that are unhoused or unstably housed often cannot build up savings, pursue education, maintain good health, or adequately feed themselves and their children. Those facing housing instability frequently find themselves on the brink of falling behind on rent or mortgage payments, which can then lead to eviction, and force a household into homelessness.
- The intersection of soaring housing costs, an inadequate supply of affordable homes, and stagnant wages for workers often leads to the experience of housing instability, which is felt most deeply in households with the fewest resources. Among individuals and families with the lowest incomes across Massachusetts, housing costs routinely consume an outsize portion of household income. Many pay far more in monthly housing costs than the 30% of household income that is typically considered to be affordable, meaning that they experience a cost burden.
- Individuals and families with the fewest resources are disproportionately likely to live in housing that they cannot truly afford, straining their already limited budgets.
- According to *State of the Nation's Housing 2018*, published by the Harvard Joint Center for Housing Studies:
 - 11.2% of all homeowners and 25.5% of all renters in Massachusetts experience a severe cost burden, meaning that they pay more than 50% of their income on housing costs.
- According to *The Gap: A Shortage of Affordable Homes 2018*, published by the National Low Income Housing Coalition (NLIHC):
 - 60% of Extremely Low Income (ELI) Massachusetts renters, or those earning less than 30% AMI, are severely cost burdened.
 - By comparison, just 2% of middle-income households earning between 81% and 100% of AMI are severely cost burdened.

SUGGESTED TALKING POINTS CONT.

- Massachusetts has only 46 rental homes affordable and available for every 100 of the state's ELI households.
- By comparison, there are 99 rental homes affordable and available for each of the state's 100 middle income households.
- For the state's low and moderate-wage earners, simply working full-time does not provide sufficient income to remain stably housed.
- According to NLIHC's *Out of Reach: the High Cost of Housing 2018*:
 - A single-income Massachusetts household needs to earn an hourly wage of \$28.64 in order to afford rent on a modest two-bedroom home.
 - This is equivalent to working 95 hours per week at the recently increased \$12 per hour minimum wage.
 - By this measure, Massachusetts is one of the least affordable states in the nation for housing.
- While a landlord may evict a household for reasons not directly tied to rent payments, such as damaging property, causing a disturbance, or breaking the law, most eviction cases begin when a renter cannot pay the rent.
- According to NLIHC's analysis of the U.S. Census Bureau's latest American Housing Survey data:
 - Households experiencing a severe housing cost burden were nearly 3 times as likely as those not experiencing a cost burden to have been unable to pay all or part of their rent in the previous 3 months.
 - Those experiencing a severe housing cost burden were 50% more likely than those not experiencing a cost burden to have been threatened with eviction due to nonpayment of rent in the previous 3 months.
- When households fall on hard times and have no way of avoiding an eviction due simply to being unable to pay their rent, the ensuing experiences can unleash a wave of consequences and trauma felt for years to come.
 - A forced relocation after an eviction can lead to a family being removed from its home community and to children being removed from their schools.
 - This act of removal can lead to both adults and children developing negative physical and mental health impacts long after the eviction takes place.
 - For children, the inherent instability of such an experience can stunt their psychological development and performance in school.
 - Eviction can lead to job loss, when removal from a home community complicates how a family travels to work, or when the stressful nature of an eviction proceeding causes workers to make mistakes on the job.
- For households at risk of eviction and homelessness due to nonpayment of rent, the clearest and most effective solution is an immediate infusion of cash assistance to help pay down their arrears and keep them in their home.
- Rent arrearage assistance is a policy solution proven to have worked in Massachusetts, and it can work again.
 - A 2003 DTA analysis of its previously administered rent arrearage program indicated that:
 - 96% of recipients maintained stable housing and did not require deeper assistance in the form of an emergency shelter stay during the 12 months following receipt of assistance.
 - 75% of families attained self-sufficiency, and did not need additional rent arrearage assistance payments during the following calendar year.
 - Rent arrearage assistance is a cost-efficient policy solution, when considered as an alternative to a household potentially losing its home due to an eviction or foreclosure, and needing to turn to the emergency shelter system for housing.
 - The average cost of an emergency shelter stay today is \$53,300 per household.
 - Up to 4 months of rent arrears for the lowest income households across Massachusetts is guaranteed to be a fraction of this cost.
 - By avoiding eviction proceedings, individuals and families who may benefit from rent arrearage assistance contribute toward freeing up the housing court dockets, and free up some resources that may otherwise be consumed by assistance from legal services attorneys and advocates.
- Massachusetts households with the lowest incomes are often one paycheck, accident, or emergency away from losing their housing and experiencing homelessness—these households with the fewest resources cannot wait any longer for the critical support of rent arrearage assistance for remaining in their homes and communities.

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