

# MASSACHUSETTS COALITION FOR THE HOMELESS

## Protect Access to and Funding for Housing Programs Serving Extremely Low-income Households

### Massachusetts Rental Voucher Program (MRVP - Line item 7004-9024):

**Final FY'10 Appropriation:** \$35.4 million (including \$2.5 million from MassHousing and \$2.9 million transferred from the RAFT program into MRVP)

**Governor's FY11 Request:** \$35.4 million (including \$2.7 million from MassHousing)

**MCH's FY'11 Request:** \$35.4 million to fully fund the program, maintaining the existing number of vouchers at the same level of benefits.

- ◆ The Massachusetts Rental Voucher Program provides low-income households with assistance in paying their rent.
- ◆ Over 5,200 families and individuals rely on this assistance to remain housed.
- ◆ \$35.4 million is needed in order to ensure that all the households currently served by the program can continue to receive this help with the same level of benefits and assistance.
- ◆ Households currently enrolled in MRVP have an average household income of less than \$11,000 per year (\$917 per month). Yet, the fair market rent for a two-bedroom apartment in Massachusetts is as high as \$1,345. Rents are significantly higher than their incomes.
- ◆ Given their level of poverty, these families and individuals will not be able to afford fair market rents without this assistance.
- ◆ With the state's family and individual shelter systems operating beyond capacity due to the impact of the continuing recession, the state can ill afford cuts to this critical safety net program that keeps thousands for people stably housed and healthy.

### Residential Assistance for Families in Transition (RAFT - Line Item 7004-9316)

**Final FY'10 Appropriation:** \$160,000

**Governor's FY'11 Request:** \$60,000

**MCH's FY'11 Request:** \$2.5 million

- ◆ RAFT is a homelessness prevention initiative that currently allows very low-income families to access flexible funds (e.g. help with back rent, back utility bills, and security deposits) to enable them to remain housed or obtain housing when faced with a financial crisis. For FY'10, the maximum grant is \$2,000/family.
- ◆ The Legislature initially funded RAFT at \$5 million in FY'10, but the Governor vetoed almost \$2 million from the final FY'10 budget reducing the appropriation to \$3.06 million in response to revenue concerns. The Governor further reduced funding to \$160,000 mid-year in order to divert money into the MRVP program to prevent cuts to households receiving MRVP assistance.
- ◆ As a result of this funding cut, 2,450 families that could have avoided further instability will not be able to be served this year.
- ◆ Some have justified the cut in RAFT funding based on the availability of federal Homelessness Prevention and Rapid Rehousing Program (HPRP) money. However, there are many areas of the state which are not covered by HPRP funds and communities have targeted HPRP funding so tightly that many deserving families cannot qualify for prevention assistance. In addition, federal funding of HPRP will be drastically reduced during the state's FY'11 budget year.
- ◆ \$2.5 million in FY'11 funding for RAFT will enable up to 1,250 families to avoid housing instability and possibly lengthy shelter stays.

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## **Public Housing Operating Subsidies – Funding & Language (Line Item 7004-9005)**

**Final FY'10 Appropriation:** \$62.5 million

**Governor's FY'11 Request:** \$62.5 million

**MCH's FY'11 Request:** \$66.5 million in funding and new language within the line item to preserve priority for public housing for those with temporary housing subsidies.

### ◆ Funding Request:

- ✓ Funding for public housing operating subsidies is significantly below the \$115 million annual appropriation necessary to adequately maintain this housing resource.
- ✓ As a result, housing authorities are taking units off line because they cannot afford rehabilitation costs when a unit turns over.
- ✓ \$66.5 million would help keep units online, and offset loss of rent revenue due to the lower incomes of residents who have been laid off or experienced other economic disruptions.

### ◆ Line Item Language:

- ✓ We are asking that language be inserted into this line item stating that homeless or at-risk households who are otherwise eligible for a priority for longer term subsidized housing do not lose that priority simply because of receipt of a temporary subsidy.
- ✓ As part of the effort to end homelessness and reduce demand for state-funded shelter, more homeless households are being provided very short-term, temporary subsidies, some for a period as short as 1 year.
- ✓ When these subsidies expire, most households are still in need of housing that is affordable for the longer term and are at risk for needing shelter again.
- ✓ It is therefore important that recipients of these short-term subsidies retain any priority they might otherwise have for longer term, affordable housing, including the limited admissions priorities in state public housing for certain households that are homeless or at risk of homelessness.
- ✓ These priorities are a critical to ensuring that homelessness families and individuals find permanent housing.
- ✓ Nothing in this language would require housing authorities to create any new homeless priority. All it would do is clarify that a priority that already exists is not lost due to receipt of a temporary subsidy.