



RAAP Campaign

Prevent homelessness by funding the Rent Arrearage Assistance Program

PLEASE COSPONSOR REP. DECKER'S FY'20 BUDGET AMENDMENT TO FUND THE RENT ARREARAGE PROGRAM

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, 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. **Please join us by cosponsoring Rep. Decker's rent arrearage amendment to the FY'20 House Ways and Means Budget.**

FY'20 budget amendment fund the rent arrearage assistance program at \$7 million

Lead Sponsor: Representative Marjorie Decker (D-Cambridge)

Amendment Status: To be filed in the House of Representatives, April 2019

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What would this amendment do? This amendment would direct the **Department of Housing and Community Development (DHCD)** to administer a **rent arrearage assistance program as a homelessness prevention resource**, based on the **successful program** previously administered for **more than two decades** by the **Department of Transitional Assistance (DTA)**. The new program would operate in FY'20 as a **pilot within the existing Residential Assistance for Families in Transition** program (RAFT, line item 7004-9316), and would be funded at \$7 million in the upcoming fiscal year. **DHCD would administer the program in coordination with DTA** and the 24 other member agencies and secretariats of the **Interagency Council on Housing and Homelessness (ICHH)**, and the agencies contracted by DHCD to **administer the RAFT program**. The program would provide **cash assistance for up to four months of back rent or mortgage payments** for families, individuals, and unaccompanied youth with incomes up to 50% of Area Median Income (AMI). At least **50% of funding** for the program would need to be provided to households with incomes **at or below 30% AMI**. Cash assistance would be payable directly to the landlord or mortgage lender, and **applicants would not need to be in eviction proceedings in order to be eligible for assistance**. Otherwise eligible households would qualify for this resource once they can document that they are in arrears on rent or mortgage liabilities.

This budget amendment borrows its language from **House Bill 1264**, which was **filed by Representative Decker** and **cosponsored by 71 members of the State Legislature**, and which is **currently pending before Joint Committee on Housing**.

Why does this matter? **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 the Commonwealth, 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. In fact, according to *The Gap: A Shortage of Affordable Homes 2018*, published by the National Low Income Housing Coalition (NLIHC), 60% of Massachusetts renters earning less than 30% AMI are severely cost burdened, paying more than half their

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income on rent. This compares with just 2% of middle income households earning between 81% and 100% of AMI.

Further, The Gap reports that the Commonwealth has only 46 rental homes affordable and available for every 100 of the state's households earning less than 30% AMI, compared with 99 homes for each of the state's 100 middle income households. This leads to those individuals and families with the fewest resources being disproportionately likely to live in housing that they cannot truly afford, straining their already limited budgets.

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 would need to earn an hourly wage of \$28.64 per hour in order to afford rent on a modest two-bedroom home. This is equivalent to working 95 hours per week at the state's recently increased \$12 per hour minimum wage, making Massachusetts one of the costliest states in the nation for housing.

For people experiencing housing instability and limited financial resources, a single emergency can drive the household into a downward spiral of missed rent or mortgage payments, eviction, and homelessness. 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 three 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 three months. Further, 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 three 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. The best solution to the problems that arise from an eviction is to prevent that eviction from ever taking place at all. **For households at risk of eviction and homelessness due to nonpayment of rent, the clearest and most effective resource is an immediate infusion of cash assistance to help pay down their arrears and keep them in their home.**

Rental arrearage assistance is a policy solution already proven to work in the Commonwealth. A 2003 DTA analysis of its previously administered rent arrearage assistance 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 following 12 months. Further, 75% of families attained self-sufficiency, and did not need additional arrearage payment assistance during the following calendar year.

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.

PLEASE JOIN US BY COSPONSORING REPRESENTATIVE DECKER'S RENT ARREARAGE AMENDMENT TO LINE ITEM 7004-9316 IN THE FY'20 HOUSE WAYS AND MEANS BUDGET.

For more information, contact James Saucedo at james@mahomeless.org / 781-595-7570 x 33 or Kelly Turley at kelly@mahomeless.org / 781-595-7570 x17. The RAAP Campaign is a campaign of the Massachusetts Coalition for the Homeless. Learn more at www.mahomeless.org/advocacy.

