



# RAAP Campaign

*Prevent homelessness by funding the  
Rent Arrearage Assistance Program*

## PLEASE ADVANCE HOUSE BILL 1264, REPRESENTATIVE DECKER'S BILL TO CODIFY THE UPSTREAM RENT ARREARAGE PROGRAM

The RAAP Campaign is a coalition of more than 130 organizations and agencies from across the Commonwealth, led by the **Massachusetts Coalition for the Homeless**, that has been working to restore a statewide rent arrearage assistance program and has pushed for the launch of the Upstream RAFT as part of the larger Residential Assistance for Families in Transition program (RAFT). Together, we believe Upstream RAFT (a.k.a. Rent Arrearage Assistance Program) can prevent homelessness by helping families and individuals remain stably housed when they are behind on rent, prior to experiencing an eviction.

**House Bill 1264:** An Act to further provide a rental arrearage program

**Lead Sponsor:** Representative Marjorie Decker (D-Cambridge)

**Bill Status:** Filed in the State House of Representatives and referred to the Joint Committee on Housing in January 2019; reported out favorably by the committee in February 2020; awaiting the next committee assignment

**What would this bill do?** This bill 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).

**Since the bill was filed, DHCD agreed to launch a pilot of the program under the Residential Assistance for Families in Transition program (RAFT) in July 2019. The Upstream RAFT pilot later was included and further funded in the December 2019 supplemental budget passed by the Legislature.** We are looking to codify the Upstream RAFT Program, and further clarify benefits, agency reporting requirements, and collaborations.

As described in the bill, 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. A household would become eligible for this resource once they can document that they are in arrears on rent or mortgage liabilities. **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 **Residential Assistance for Families in Transition (RAFT) program**.

DHCD currently is implementing most aspects of the program in alignment with the bill language. However, DHCD currently is limiting Upstream RAFT payments to \$4,000, which often is significantly less than the cost of four months back rent for otherwise eligible tenants in market-rate units. DHCD is meeting most, but not all, the data tracking elements of the bill, and could strengthen coordination with each of the ICHH member agencies.

**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 outside 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

## PLEASE ADVANCE HOUSE BILL 1264, REPRESENTATIVE DECKER'S BILL TO RESTORE THE RENT ARREARAGE PROGRAM (CONTINUED)

than half their 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 \$12.75 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 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. Preliminary data on this year's pilot program is being gathered and analyzed. The first quarter of Upstream RAFT data can be found here: [http://www.mahomeless.org/images/Q1\\_RAFT\\_Upstream\\_Pilot\\_Report.pdf](http://www.mahomeless.org/images/Q1_RAFT_Upstream_Pilot_Report.pdf)

**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 need crucial and reliable support for staying in their homes.**

**House Cosponsors:** Representatives Brian Ashe, Ruth Balsler, Christine Barber, Natalie Blais, Antonio Cabral, Daniel Cahill, Peter Capano, Daniel Carey, Gerard Cassidy, Mike Connolly, William Crocker, Daniel Cullinane, Mindy Domb, Daniel Donahue, Nika Elugardo, Dylan Fernandes, Sean Garballey, Carmine Gentile, Carlos Gonzalez, Kenneth Gordon, Tami Gouveia, James Hawkins, Jonathan Hecht, Natalie Higgins, Russell Holmes, Steven Howitt, Daniel Hunt, Randy Hunt, Mary Keefe, Kay Khan, John Lawn, Jack Lewis, Adrian Madaro, Elizabeth Malia, Paul Mark, Joseph McGonagle, Paul McMurtry, Christina Minicucci, Mathew Muratore, Brian Murray, Tram Nguyen, James O'Day, Sarah Peake, Elizabeth Poirier, Denise Provost, David Robertson, David Rogers, Lindsay Sabadosa, Jon Santiago, Thomas Stanley, José Tosado, Chynah Tyler, Steven Ultrino, Andres Vargas, David Vieira, Tommy Vitolo, and Bud Williams

**Senate Cosponsors:** Senators Michael Barrett, William Brownsberger, Sonia Chang-Diaz, Nick Collins, Joanne Comerford, Sal DiDomenico, James Eldridge, Anne Gobi, Patricia Jehlen, Jason Lewis, Rebecca Rausch, Michael Rush, Bruce Tarr, and James Welch

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