

Housing Solutions Campaign

ABCD, Inc.

Action for Regional Equity

AIDS Housing Corporation

Asian Community Dev. Corporation

Boston Tenant Coalition

Central Mass. Housing Alliance

Citizens for Adequate Housing

Citizens' Housing and Planning Association

City Life/Vida Urbana

City of Springfield, Office of Hsg.

Community Teamwork Inc.

Crittenton Women's Union

Crossroads Family Shelter

Emmaus, Inc.

Family Economic Initiative

Fair Housing Center of Greater Boston

Franklin County Housing and Redevelopment Authority

Hearth

Home Funders Collaborative

Homes for Families

Housing Families Inc.

Just A Start

Massachusetts Alliance on Teen Pregnancy

Mass. Association of Community Development Corporations

Massachusetts Coalition for the Homeless

Massachusetts Housing and Shelter Alliance

Massachusetts Nonprofit Housing Association

Metropolitan Boston Housing Partnership

National Association of Social Workers MA

Neighbor to Neighbor

New England Farm Workers' Council

Pine Street Inn

Project Hope

Rosie's Place

Rural Development Inc.

Shelburne Housing Authority

Somerville Homeless Coalition

Travelers Aid Family Services

United Disability Housing Partnership

Wayside Youth & Family Support Network

Wellspring House

Women's Institute for Housing and

Massachusetts Rental Voucher Program

The MA Rental Voucher Program (MRVP) provides low income households with assistance in paying their rent and helps developers build housing that is affordable to this constituency.

FY09 BUDGET REQUEST \$50 million for MRVP, line item 7004-9024 will:

- Preserve the 4,930 existing homes currently leased with MRVP.
- Create an additional 2,000 housing opportunities for families, people with disabilities, seniors and others in need.

THE CHALLENGE:

- **Extremely low income households cannot afford the high cost of rent in Massachusetts.** Households currently enrolled in MRVP have an *average household income of \$958 per month.*¹ Yet, the fair market rent for a *two-bedroom apartment in Massachusetts can be as high as \$1,366.*² Rents are significantly higher than incomes, making housing unaffordable to many.
- **Too many people are forced to choose between keeping a roof over their heads and purchasing food, causing poor health outcomes for children and higher healthcare costs for individuals.** Children in low income families who lack housing stability are more likely to experience a variety of health problems.³ Further, a recently released study by the Annie E. Casey Foundation ranks Massachusetts *last* in the nation in the educational and emotional development of children in low income households.⁴ Also, data from the Boston Healthcare for the Homeless reports that the average annual healthcare cost for chronically homeless individuals was \$28,436, compared to \$6,056 for individuals who obtained stable housing.
- **Opportunities to build and maintain new housing for low income households are severely limited.** Section 8 is no longer a predictable source of assistance in meeting the Commonwealth's need for affordable housing. As of January, 2008, there were over 56,250 households waiting on the state housing agency's list for federal rental assistance. MRVP is a proven tool to meet this need by providing the assistance necessary to develop and preserve housing that is affordable to residents with low incomes.
- **The state's family shelter system is operating beyond capacity.** As a result of our state's high housing costs, nearly 1,900 families are residing in state-funded shelters, some of which are hotels and motels. The cost to the Commonwealth of sheltering these families averages \$3,000 per month, while the average MRVP voucher cost is \$532 per month.⁵ Furthermore, over 118,000 households in Massachusetts earn less than 30% AMI and pay more than 50% of their income towards rent and utilities which puts them at constant risk of homelessness.

THE SOLUTION:

Fund MRVP (7004-9024) at \$50 million to help low income working families, the disabled, seniors and others experiencing housing uncertainties to avoid entering shelter and to quickly move homeless households into stable housing, providing a cost-effective alternative to shelter that bridges the widening housing affordability gap for low income residents.

SUGGESTED ADJUSTMENTS TO THE PROGRAM:

- Base eligibility for MRVP on area median income (AMI) rather than the federal poverty level (FPL). This change will reflect the differences in rent across the Commonwealth. Ensure that 75% of new vouchers issued go to households earning 30% AMI or less and the remainder go to those at or below 50% AMI.
- Help stabilize households by allowing participants to keep subsidies until their income increases to the point where they are able to pay their full rent without a subsidy for six months.
- Increase the administrative fee to \$40 per voucher per month, so that administering agencies can pay for the costs of helping households obtain and maintain stable housing.
- Help households gain economic stability by limiting their portion of rent to no more than 35% of their income if utilities are included and 30% of their income if utilities are not included.

FOR MORE INFORMATION, PLEASE CONTACT:

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¹Massachusetts Department of Housing and Community Development, sample survey, 2005.

²*Out of Reach*, 2006. National Low Income Housing Coalition.

³Lauren A. Smith, MD, MPH, Child Health Impact Working Group et al. June 2005. *A Child Health Impact Assessment of the Massachusetts Rental Voucher Program*.

⁴Time Magazine, *Briefing: Low-income Children Left Behind*. December 10, 2007. Full report available at: <http://www.aecf.org/upload/PublicationFiles/lowincomewellbeing.pdf>

⁵Out of Reach, 2006.