

THE BENEFITS OF RENTAL ASSISTANCE AS A RIGHT

MAY 2022

The Senate Committee on Reimagining Massachusetts endorsed a unique and promising new approach: making rental vouchers available to all eligible residents.

Stable, affordable housing is vital for the health and welfare of Massachusetts families; it improves health outcomes, enriches community ties, boosts economic security, reduces the risk of poverty, and expands opportunities for kids.

Ensuring that all Massachusetts families have access to such housing must be a top legislative priority. And last year the Senate Committee on Reimagining Massachusetts endorsed a unique and promising new approach: making rental vouchers available to all eligible residents.

The Massachusetts Rental Voucher Program (MRVP) provides extremely valuable support to a small share of eligible folks, but participation is capped by budgetary limits rather than a clear assessment of need.

Making MRVP available to all families who meet income and other eligibility requirements would dramatically expand the benefits of this proven approach.

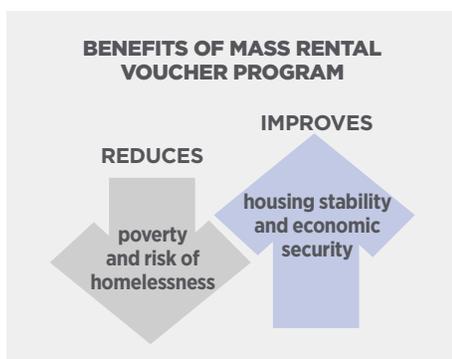
BENEFITS OF MRVP

Massachusetts created the first rental voucher system in the United States, a model for the federal government's own program.

Again today, we are well-positioned to lead the nation on this issue, making our MRVP mobile voucher program a more efficient, more expansive, more effective way to help residents obtain and afford housing.

Decades of research on voucher-based rental assistance have proved its durable value. In particular, we know that it:

- Greatly reduces poverty.
- Dramatically cuts the risk of homelessness.
- Improves housing stability.
- Increases economic security and relieves pressure on family budgets (enabling spending on other priorities like higher-quality food).



MRVP AND FEDERAL VOUCHER PROGRAM SHORTFALL

400,000
FAMILIES
IN NEED

44%

175,000
FAMILIES
SERVED

HUNDREDS OF THOUSANDS OF FAMILIES

Spend more than
of income on rent

30%

Earn less than
of the median
income in their region

80%

The most important, most impactful change we can make to MRVP is to open it to all who are eligible.

TODAYS NEEDS

The majority of people who qualify for housing assistance do not get it — and are therefore cut off from these benefits.

Together, MRVP and the federal voucher program serve about 100,000 families in Massachusetts, with another 75,000 living in federal and state public housing. But this is a mere fraction of the need. Consider that there are around 400,000 cost-burdened renters in Massachusetts with earnings that could make them MRVP-eligible. That means right now our best housing support programs are excluding hundreds of thousands of families who are: a) spending more than 30 percent of their income on rent; while b) earning less than 80 percent of the median income in their region.

The result is a program that exists in a permanent state of scarcity, where families with urgent needs end up on long wait lists and current recipients eager to increase their earnings risk losing their vouchers and being frozen out for years.

What is more, the combination of long wait lists and constrained access means that many potentially eligible families do not bother to apply; this makes it impossible to identify and serve the most vulnerable — and tricky even to gauge the scale of underuse.

THE BIG OPPORTUNITY

The most important, most impactful change we can make to MRVP is to open it to all who are eligible. Doing so would:

- **Bring the known benefits of MRVP** to a broader population of residents and families with low incomes.
- **Eliminate the distortions that come with the current lottery and wait list approach** — including the lack of prioritization and the unfairness for families facing full or closed wait lists.
- **Reduce landlord discrimination against MRVP holders**, as landlords couldn't afford to turn away this many families without affecting their bottom line.
- **Incentivize new construction.** Part of this would involve apartments expressly targeted to MRVP recipients through project-based vouchers; but market-based approaches to affordable housing will also get more attractive thanks to the greatly expanded number of people with mobile vouchers.

There are intermediate steps that can be taken as part of the FY'23 budget process and before the end of this legislative session.

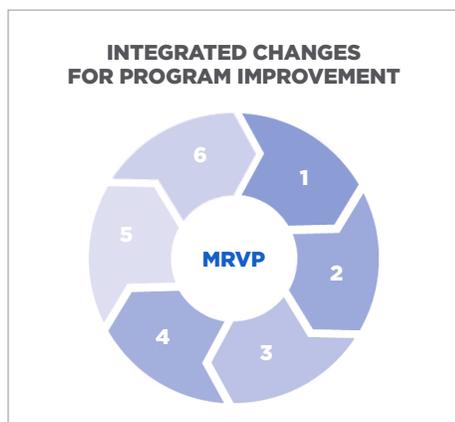
GETTING FROM HERE TO THERE

A shift of this scale — from a program built on scarcity to one with universal coverage — will take time, but there are intermediate steps that can be taken as part of the FY'23 budget process and before the end of this legislative session.

1. **The core rules of MRVP should be incorporated into the general laws** — rather than being governed via the budget. This will give the program more stability, allow for better long-term planning, and make it easier to implement improvements called for by participants, owners, and advocates.
2. **Data-collection needs to be improved**, so that we can track the effect of legislative adjustments and ensure a positive feedback loop of reform and results.
3. **Greater centralization** could help with both data collection and program efficiency, relieving the administrative burden local agencies face when managing a small number of MRVP mobile vouchers.

Along with these backbone improvements, we can start moving toward a reimagined MRVP. For example:

4. **A \$200 million appropriation** as called for by the sponsors of this memo and the members of the Building Blocks Coalition for FY'23 would build on recent momentum. With this funding, more families would receive mobile vouchers along with the attendant benefits, like improved economic prospects and more housing stability.
5. **Providing guaranteed access among select subgroups**, such as families who earn less than 50% of the area median income, families with young children, or families with limited labor-market options (because of age, disability, or otherwise.)
6. **Making racial equity an explicit objective**, with the goal of achieving universal access for groups that have been subject to long-term housing discrimination.



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CHALLENGES WE'LL FACE TOGETHER

Real policy innovation means facing and overcoming uncharted obstacles. As we travel the path to guaranteed rental assistance, we will need to work together to address some difficult issues. Among them:

- **Inadequate housing supply**, a statewide challenge that has left Massachusetts with the fifth-lowest rental vacancy rate in the country. Efforts to expand housing subsidies will work best if they are paired with the ongoing push to address zoning bottlenecks and increase construction of apartments whose rents qualify for voucher use.
- **State budget constraints** that could trigger program cuts in the midst of a downturn, effectively pushing families out of their housing at times of high unemployment.
- **Potential interactions with the federal voucher system**, as a revamped Massachusetts program could reduce the appeal of national programs, limit the ability to leverage federal funding, and cost the state much-needed federal dollars.

START MAKING CHANGE NOW

To better appreciate the possibilities, and challenges, of making MRVP's mobile rental vouchers available to all eligible families, we are pursuing additional research with the Center for State Policy Analysis. In the months ahead, we expect to have cost estimates for a number of different approaches, along with strategies for effective implementation.

But we don't need new research to see the window for immediate action. MRVP provides massive benefits to recipients, and right now many eligible and deserving families can't even apply. A first step toward dramatic change could be made with an expanded \$200 million appropriation in this year's budget.



This memo was prepared by the Center for State Policy Analysis on behalf of Metro Housing|Boston, Citizens' Housing and Planning Association, Massachusetts Housing Partnership, Regional Housing Network of Massachusetts, and The Boston Foundation.