



PUBLIC HOUSING

Overview

MetroWest has seen increased demand for public shelters which has forced state government to impose new regulations on eligible families, much to the dismay of homeless advocates. This report outlines the cuts made in state budgets related to rental vouchers, residential assistance to families and subsidies for public housing authorities.

Recession Causes Increase in Homelessness, Decrease in Public Housing, Denis Cummings, February 18, 2009

- **Geography:** State
- **Year:** 2009
- **Website:** www.findingdulcinea.com/news/Americas/2009/feb/Recession-Causes-Increase-in-Homelessness-Decrease-in-Public-Housing.html

Key Findings:

- In Massachusetts, the increase in demand for public shelters has forced the state to house more than 630 families in motels at an average of \$85 a night. In response, Gov. Deval Patrick's administration is imposing new regulations that will reduce the number of families eligible to live in public shelters.
- Effective April 1, those living in public shelters must work at least 30 hours per week and save 30 percent of their income. Once a family's income exceeds the maximum limit, the family will have three months to find independent housing—down from the previous limit of six months. The new regulations will save Massachusetts an estimated \$520,000 in 2009 and over \$11 million in fiscal year 2010, according to Julia E. Kehoe, commissioner of the state's Department of Transitional Assistance.
- The new rules have caused an uproar among advocates for the homeless. "This is not the time to change the safety net," said Robyn Frost, executive director of the Massachusetts Coalition for the Homeless, to The Boston Globe. "The number of people in need of shelter is like nothing we've ever seen. There's never been such a desperate need for housing, and these changes could be devastating. They couldn't come at a worse time."

FISCAL FALLOUT: The Great Recession, Policy Choices, and State Budget Cuts, Massachusetts Budget and Policy Center

- **Geography:** State
- **Year:** 2009
- **Website:** www.massbudget.org/documentsearch/findDocument?doc_id=614&dse_id=1298

Key Findings:

- **Cuts to Housing:** Between FY 2009 and FY 2011, housing programs have experienced an increase in costs due to rising demand for services. As the fiscal crisis persisted, and unemployment continued to rise, an increasing number of people became at risk for homelessness. To address these rising costs, the state implemented cuts, both by directly cutting funding for some programs, and by restricting eligibility to reduce cost growth in others. **The FY 2011 budget provides \$274.5 million.** This funding level reflects significant cuts as described below. This analysis takes into account approximately \$2.1 million in funding that was shifted between line items in an effort to consolidate information technology costs.

- **Massachusetts Rental Voucher Program (MRVP): \$791,000 cut:** MRVP provides over 5,200 housing vouchers to low-income renters who earn on average \$11,000 per year. The FY 2009 GAA provided \$33 million for MRVP, from which the Governor made \$2.5 million in 9C cuts. The FY 2011 budget provides MRVP with \$33.2 million. This may not be enough money to fund current voucher holders through the full fiscal year and will prevent DHCD from issuing any new vouchers. After adjusting for inflation, funding for MRVP has fallen by \$791,000 or 2 percent, below the FY 2009 GAA.
- **Residential Assistance for Families in Transition (RAFT): \$5.4 million cut:** RAFT provides one-time housing assistance to families who are homeless or are at risk of becoming homeless. The FY 2009 GAA provided RAFT with \$5.5 million. The Federal Recovery Act provided \$44.8 million in temporary funds for services similar to those provided by RAFT. Because these recovery dollars were used to fill some of the gap in services (though it was outside the RAFT program itself), the Governor shifted funding from RAFT to MRVP. The FY 2011 budget provides \$260,000 for RAFT. When the federal recovery money is spent by February of 2011, the state will have to determine how it will fund RAFT in the future. After adjusting for inflation, funding for RAFT has fallen \$5.4 million, or 95 percent, below the FY 2009 GAA.
- **Subsidies for Public Housing Authorities: \$5.9 million cut:** The FY 2009 GAA provided \$66.5 million for the state's 234 housing authorities. This funding subsidizes the rent of low-income tenants and provides money for maintenance of public housing. The FY 2011 budget provides \$62.5 million for these subsidies. After adjusting for inflation, state assistance to public housing authorities has fallen \$5.9 million, or 9 percent, below the FY 2009 GAA.