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 GOVERNOR’S BUDGET REQUEST** an increase of about $2 million which would bring the FY09 funding level to $31.9 million

Advocate for **FY09 BUDGET REQUEST** of $50 million for MRVP, line item 7004-9024, which 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, the statewide waitlist for Section 8 alone is 56,250 households long. 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.

**Worcester Area Needs**

The 2006 “Out of Reach” study conducted by the National Low Income Housing Coalition which compares fair market housing costs to median wages for every municipality in the country found that:

- Median hourly wage of a Worcester enter was $11.41, equal to an annual full-time salary of $23,733
Yet, the average modest two-bedroom apartment was renting for $890 which would require a wage of $16.45 per hour.

An hourly wage of $11.41 supports a monthly rental burden of $593 per month illustrating the gap between wage and housing costs to be $347 per month.

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 goes 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:

Diane Sullivan, Policy Advocate
Homes for Families
14 Beacon Street, Suite 615
Boston, MA 02108
617.227.4188
dsullivan@homesforfamilies.org

1 Massachusetts Department of Housing and Community Development, sample survey, 2005.
2 Out of Reach, 2006. National Low Income Housing Coalition.
5 Out of Reach, 2006.