



OUR MISSION:

To foster personal and public self-reliance and improve the quality of life for individuals, families and the communities in which they live.

Established in 1969 (as Rural Housing Improvement), RCAP Solutions has been helping individuals, families, communities and small business owners with a wide range of housing and other beneficial services for almost a half a century.

RCAP Solutions is a comprehensive and complex 501(c)(3) non-profit corporation. With its headquarters in Worcester, a corporate office in Gardner, and additional offices and staff located throughout the northeast and Puerto Rico, RCAP offers many diverse and supportive programs and services, which are divided into four key areas.

Creating the World We Want for Individuals, Families, Communities, and Small Businesses

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HUD Section 202 Supportive Housing For the Elderly Program

The HUD 202 Program is the nation's most successful program at keeping seniors independently housed. Without 202's, many elderly individuals would be forced into Medicaid-funded nursing homes which costs 4 to 6 times more than subsidized housing. This is because 202's incorporate resident services that target elder needs such as tenant monitoring, meals, transportation, housekeeping, health care visits and recreation and social activities.

While the President's FY15 budget of \$440 million for the HUD 202 Program represents a \$56 million increase over the FY14 budget, this still represents a cut of \$385 million from the FY 2010 budget. This is at a time where more elders are living in poverty than ever. The elder population is also growing faster than other age groups, making the need for affordable elderly housing a critical and growing need that will take years to develop. From 1990 to 2000, the population over 60 in Massachusetts increased by only 1.5%. In 2010, there were 1,273,271 people over the age of 60 in Massachusetts (19% of the population and an increase of 16% from 2000). According to MA Executive Office of Elder Affairs, the population over 60 is expected to jump up to over 1.6 million (an increase of over 28%) by 2020 in the State.

In Massachusetts, 65,435 elderly households currently receive some form of rental assistance. An additional 87,953 unassisted elderly households are paying over 30% of their income on rent and of these, 42,156 are paying over 50% of their income on rent. The average cost of living in Massachusetts for a single elder renting a one bedroom apartment is \$23,333. This compares to an average Social Security benefit of \$14,114 for an individual.

Nationally, the number of adults over the age of 65 is expected to exceed 70 million in 2030 resulting in a population that is comprised of approximately 20% seniors. Based on current projections, it is estimated that 39% of households between 65-74 will spend over 30% of their income on rent and 20% of senior households will spend over 50% of their income on rent. Given the support services and mobility issues that many seniors face, the nation faces a serious issue in the need to develop appropriate affordable housing for this demographic. The number of adults over the age of 65 is expected to double to over 70 million in 2030 resulting in a population that is comprised of approximately 20% seniors.

In response to the domestic spending and sequestration cuts since 2010, HUD has also introduced changes to how the 202 budgets are developed and approved which has the potential to threaten the financial sustainability of existing 202 developments across the country. Historically, 202's worked from an approved 'cost-plus' operating budget that supported the additional needs of the elderly residents. With the cuts, HUD has shifted to a FMR-based budgeting model which calculates allowable rent based on Fair Market Rents in a region without consideration of the specialized housing needs of the elderly. The result of the policy change will be reduced financial sustainability of the developments and reduced quality of life for our senior citizens.



Federal Affordable Rental Housing Assistance

Given that shelter is a basic human need, RCAP Solutions supports all forms of Federal Housing Assistance the advocates for protecting and expanding the Housing Choice Voucher Program (HCVP) with the goal of assisting as many extremely low income families and individuals as possible. We believe that HCVP is a cost-effective approach to affordable housing that is efficient, provides economic stimulus, and helps address the most grievous effects of severe rent burden and family homelessness.

Scale of the Problem: Federal Rental Assistance generally assists households with incomes less than 50% of the AMI. Between 2007 and 2011, the number of eligible families soared by 3.3 million while the number able to obtain assistance expanded by a meager 225,000. As a result, the number of very low income renters with worst case housing needs (either severely rent burdened or living in severely inadequate housing conditions) jumped by 2.6 million up to 8.5 million. Over the past 10 years, the number of renters paying more than 30% of their income on rent rose 12 percentage points reaching 50% by 2010. Much of this increase was among renters facing extreme rent burdens (paying more than half their income on rent) went up 8 percentage points to 27%. Combined, this brings the number of rent burdened families to 20.6 million families, including 11.3 million that pay more than half of their income on rent. Despite this increase, Federal funding for new vouchers has remained flat, increasing just 9% over the past 10 years which does not even cover the annual rent and utility cost increases for the current number of vouchers.

Housing Choice Voucher Program (HCVP): Housing Choice Vouchers help low income Americans find affordable housing in the private housing market by reimbursing the landlord for the difference between what a household can afford to pay in rent and the rent itself. Also called tenant-based Section 8, the Housing Choice Voucher program is HUD's largest rental assistance program; it also serves the lowest income people because of deep income targeting guidelines.

HCVP as a Platform for Homelessness Prevention and Family Stability: . In addition to alleviating rent burden, HCVP is the most cost-effective federally funded homeless prevention program. For example, in our Central Mass Service Region, Hap payments per family average approximately \$9,200/year (\$766/month). In Massachusetts, on average, there are over 2,000 families in homeless shelters, another 1,500 sheltered in motels, and hundreds more on the streets or other unsuitable locations. Recent data also suggests that the average homeless person in the U.S. is eight years old. By addressing homelessness and rent burden, HCVP indirectly alleviates hunger, improves physical and mental health conditions, reduces exposures to crime and abuses, increases learning and educational performance, and helps families maintain steady employment. These, in turn, result in significant decreases in the social and economic impacts first responders, on local schools and health care providers.

HCVP as Economic Stimulus: HCVP is also an extremely effective form of economic stimulus: During FY13, RCAP made \$19.6 million in Housing Assistance Payments to local landlords in our service area which they then used to pay local taxes, pay their workers, hire contractors, and purchase supplies and materials required to maintain their property at or above State and Federal housing standards. When State HAP funds are included, this jumps to \$23.1 million that has passed through, providing local economic stimulus.

Project Based Housing Preservation: Of the nation's 1.4 million project-based affordable family housing units, 450,000 units are at risk of leaving the affordable inventory because of owners opting out or failing to meet HUD property standards. According to the National Housing Trust, it costs approximately 40% less to preserve existing housing than to construct a new one. Preserving this housing is a cost effective way to invest in our communities.

Affordable Rental Housing Needs in Massachusetts

Approximately 38% of households (910,100 households) in Massachusetts are renters. Of these, approximately 178,200 receive some form of Federal Rental Assistance (72,652 from HCVP with the balance being housed in public housing, elderly/disabled housing, project based housing or through other HUD or USDA programs). Approximately 66% of these households are headed by people who are elderly or disabled; 26% are families with children. There are an additional 200,750 families in the state without subsidies that pay more than half of their income on housing costs. Of these, 43% are elderly or disabled and an additional 25% are families with children.

While the Commonwealth of Massachusetts has arguably done more to house its low-income population and address homelessness than most any other state in the nation, Federal spending cuts put a growing number of Massachusetts' families into housing instability and at risk of homelessness. In 2011, of the 960,100 renter households, 422,215 (43%) spent more than 30% of their income on rent. Of these:

- 229,692 (30%) households are spending more than 50% of their income on rent.
- 24% are elderly, 20% are non-elderly disabled, and 25% are families with children headed by a non-elderly/disabled person.
- 135,000 are low-income working families.
- Approximately 103,000 households are on the Section 8 Waiting List. This represents a 10 year wait before a family can receive a voucher.
- An estimated 16,600 people in Massachusetts are homeless.

In Worcester County:

- In 2012, there were 36,764 extremely low income (ELI) families, in Worcester County.
- For every 100 extremely low income families without rental assistance, there are only 13 affordable and available rental housing units (a gap of 32,011 housing units). When Federal housing assistance is factored in, there are still only 43 affordable and available rental housing units for every 100 extremely low income families (a gap of 21,137 housing units). (the Urban Institute).
- Of the 96,505 renter households in the county, 61,575 (63.8%) were rent burdened. 41,135 renter households were paying between 30-50% of their income on rent and an additional 20,440 household were paying over 50% of their income on rent. (HUD).