

**TO: The Honorable Deval Patrick, Governor of Massachusetts
Members of the Massachusetts Legislature**

FROM: Elisabeth D. Babcock, President/CEO

RE: Proposed Changes to the EA Family Shelter program in the FY 12 House 1 proposal

DATE: March 29, 2011

Crittenton Women's Union (CWU), a non-profit organization dedicated to helping low-income women achieve economic self-sufficiency and a provider of DHCD-funded family shelter services, supports the Commonwealth's transition from providing temporary shelter to permanent housing as a solution to homelessness. We laud the Governor's goal to see as many homeless families as possible housed rather than sheltered. At the same time, we must express serious concerns about the FY 12 House 1 proposal as it stands and offer alternative ideas in several areas.

We generally support the Short-Term Housing Transition program introduced in the House 1 proposal. We believe that these additional housing resources for families who are homeless or at risk of homelessness will help many families avoid emergency shelter. Our specific concerns and suggestions are enumerated below:

Safety Net Eligibility—We are extremely concerned that this proposal would bar from shelter more than 60% of homeless families who are now eligible for assistance and have no safe place to stay with their children while they wait for a short-term housing placement. House 1 provides that emergency shelter would be available only to families currently at risk of domestic abuse, families who have been made homeless as a result of a fire or natural disaster, and families headed by a parent under age 21.

We believe the current rules governing shelter should be maintained to ensure that a safety net for children remains in place. We also believe that, in order to successfully place homeless families in housing within a rapid timeframe, the state must be responsible for identifying and cultivating willing landlords to ensure the necessary housing stock, particularly in the Boston area, is available. Further, any entity expected to process leases and payment (including inspections and other paperwork) with landlords should be reimbursed a reasonable administrative fee. Finally, it is critical that the state, not its provider vendors, be responsible for assessing families' eligibility for the various EA programs (including the Short-Term Housing Transition program), as well as for any income verification processes.

Maximum Yearly Allowance—The House 1 proposal, which includes an \$8,000 per family per year maximum allowance and caps rent at 80% of Fair Market Rents, **is untenable** in the greater Boston housing market where the gap between the median homeless families' income of \$762 per month and rents far exceed \$8,000 per year. *CWU joins with many other providers and advocacy groups to propose raising the assistance voucher to a statewide average of \$9,000 per year and instituting a cap of 30-35% of income for a homeless family's contribution to rent and utilities in any temporary subsidized housing.*

Avoiding Cliff Effects (abrupt or disproportionate loss of means-tested benefits leading to financial instability)—The House 1 language would cut off housing assistance six months after a family reaches 115% of federal poverty level, i.e., \$21,056 year income for a family of three, resulting in a serious cliff effect for working families. CWU’s family budget tool, the Massachusetts Economic Independence Index (see www.liveworkthrive.org), illustrates that a family of three (assuming one preschooler and one school age child) requires \$61,618 per year (Massachusetts average) to pay for all basic expenses (including housing) without any public support. A family earning above 115% FPL would thus be terminated from the program long before they could cover their expenses through earnings alone. Parents experiencing this cliff effect would be forced into choosing between paying the rent, feeding their children, and affording safe child care.

Instead, *CWU recommends that the state support family economic mobility by allowing families who are meeting their stabilization requirement to continue receiving housing assistance as long as their earnings do not exceed 50% of area median income.*

Incentivizing Self-Sufficiency – The state has a tremendous opportunity with the creation of the Short-Term Housing Transition program to use our public resources as a catalyst for economic mobility. *CWU recommends creating a voluntary program within the general Short-Term Housing Transition program that would provide extensions beyond three years to those families who set education, training and/or asset development goals, and meet their agreed upon annual milestones. Assistance should continue up to 60 months or until families reach an income of at least 50 % area median income.*

At completion of the program families will:

- Consistently pay rent and utility bills on time;
- Afford a rent contribution equivalent to 35% of income;
- Demonstrate knowledge of good tenancy habits including fire safety, home maintenance, working with landlords, and conflict resolution with neighbors; and
- Progress towards self-sufficiency as evidenced by:
 - Completion of high school diploma or GED
 - Admission, and /or completion of college or certificate program or secured employment with income that allows for 35% contribution to rent and maintenance of a balanced spending plan
 - Savings account with a balance equivalent to 6 months of their portion of rent

Key elements of this voluntary program should include:

- One-on-one advising
- Aggressive goal-setting and tracking for length of the program
- Consistent peer support
- Allowing families to retain a portion of earned income which would be deposited into IDAs or another form of matched savings and
- Rigorous outcomes measurement

Together these tools help participants facilitate concurrent improvements in the five areas CWU has identified as critical to economic mobility and necessary for achieving independence from public or private supports:

- **Family stability** (especially housing and dependents’ care)
- **Well-being** (including physical health, mental health, and social supports)
- **Financial management** (including financial literacy and asset/debt management)
- **Education** (including two-year and four-year colleges)
- **Career management** (including knowledge of self-sufficiency careers and job readiness).

Support Services—As the state transitions to a new era of time-limited shelter and housing assistance, it is critical to build a reliable and effective network of supportive services to help more families become economically self-sufficient. *We urge the state to clarify what services will be offered and how they will be delivered. At a minimum, the Short-Term Housing Assistance program should include the following:*

- *Assignment of a stabilization worker to each family;*
- *Assignment of responsibility to the stabilization worker for assisting in securing long-term affordable housing;*
- *Promulgation of program standards and caseloads based on best practices and consumer input;*
- *Formal self-sufficiency assessment and goal-setting administered at program entry and at least annually by a non-state entity;*
- *Guarantee of service delivery to all families (whether in shelter, motels or short-term housing) to be delivered within 14 days.*

Young Parents—Based on CWU’s experience with the DHCD-funded Abbot House, a supportive housing program for young parents, we *encourage the state to expand the definition of young parent to age 24 and to consider other risk factors, such as parent’s education level and work experience as criteria for placing families in supportive housing models.*

Bar on Future Assistance—House 1 proposes to bar families who have left the EA system from receiving any further assistance for 24 months, regardless of whether they have complied with program requirements or urgency of need. We fear that this will leave children who experience repeat homelessness without a safe place to go.

We recommend that the state replace this with language that only bars families who have violated rules governing the assistance programs for a period of 12 months, similar to the provision contained in new DHCD policies for the current EA short-term housing assistance program (“flex funds”).

We thank you for your consideration of our comments and also for your long-term vision, which we share, of providing all Massachusetts families with safe and affordable housing options as well as other supports to help them reach economic independence.

For further information, please contact Ruthie Liberman at RLiberman@liveworkthrive.org