

Affordable Rent for All: Massachusetts is on a Slow Road to Universal Housing Vouchers

By La-Brina Almeida, Policy Analyst

The Commonwealth of Massachusetts has long been a national leader on housing voucher policy. Massachusetts created the nation's first state-funded rental assistance program. Created in 1966, the program eventually became what is now known as the Massachusetts Rental Voucher Program (MRVP), beginning as an alternative to public housing.¹ The Massachusetts program was also a precursor to the federal Housing Choice Voucher Program (Section 8).

Massachusetts offers two primary state-funded rental voucher programs: the Massachusetts Rental Voucher Program and the Alternative Housing Voucher Program.² Two other critical programs provide temporary cash assistance for paying rent or otherwise avoiding or exiting homelessness: the Residential Assistance for Families in Transition (RAFT) program and HomeBASE. These programs exist separate and apart from federally funded public housing and voucher programs.

Rental voucher programs have become a core component of Massachusetts' approach in addressing housing affordability. Research has proven that housing voucher programs provide a myriad of benefits to increase housing stability by:³

- Reducing poverty
- Helping ensure that workers who earn low wages are able to better meet needs beyond housing costs
- Reducing costs of other public goods, such as the healthcare and emergency shelter systems
- Enabling families to remain in their chosen neighborhoods
- Reducing crowding, housing precarity, and homelessness

State Program Funding in Massachusetts

State funding for these four programs totals \$493 million – including supplementary budget funds provided after the start of the fiscal year. The majority of those funds (66 percent) are going toward emergency rental assistance.

Rental Voucher Programs

Key Takeaways

- Programs which help people afford their rent are a critical tool in addressing the housing affordability crisis.
- Rental voucher programs in Massachusetts were funded at only \$168 million in Fiscal Year 2023. When combined with funding for short-term rental assistance programs (RAFT and HomeBASE), rental assistance funding stood at **\$493 million**.
- Achieving adequate funding for a state-level universal housing voucher program has been estimated to cost \$3.2 billion and would require an additional **\$2.7 billion** in additional funding.
- A multi-year approach could gradually grow the remaining \$2.7 billion.

In the Massachusetts annual budgeting process funds for rental vouchers are allocated across two primary programs. As of the most current Fiscal Year (FY 2023), voucher funding between the Massachusetts Rental Voucher Program (MRVP) and the Alternative Housing Voucher Program (AHVP) was \$168 million.

Massachusetts Rental Voucher Program (MRVP)

MRVP offers both tenant-based (assigned to eligible applicants for use in privately-owned rental housing and moves with the program participant) and project-based (assigned to a housing development and remains with that development when the occupant leaves) voucher supports to supplement the costs of renting for those with low incomes.⁴ Due to prioritization of limited funding to those with greater need, the vast majority of program participants have extremely low incomes. As the state's primary rental voucher program, **MRVP received \$154 million.**

Alternative Housing Voucher Program (AHVP)

AHVP provides non-elderly individuals with disabilities and low incomes with housing vouchers that can adequately meet their needs based on disability status.⁵ Just five years after the Americans with Disabilities Act passed in 1990 on a federal level, the AHVP was created in 1995.⁵ **Last year, the AHVP received \$14 million.**

Short-Term Rental Assistance

While the programs above provide ongoing rental assistance to families in the Commonwealth to help them meet the gap between their income and the cost of renting, other brief-service rental assistance programs such as Residential Assistance for Families in Transition (RAFT) and HomeBASE provide critical emergency services in a similar vein to either get people housed, or help them remain stably housed. The large number of individuals and families who fall into sudden moments of housing insecurity and turn to these programs is in part the result of limited state funding for rental voucher programs.

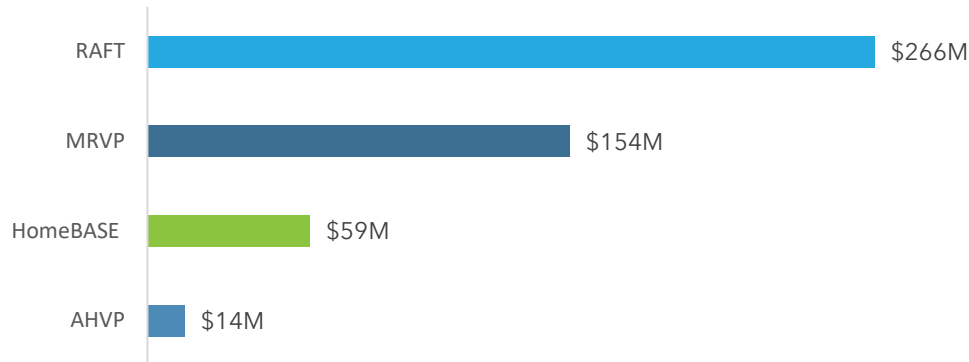
Residential Assistance for Families in Transition (RAFT)

Provides rental assistance to families at risk of experiencing homelessness.⁶ First funded in 2005,⁷ **the RAFT program was funded at \$266 million for the year.**⁸ The RAFT program does not provide long-term rent support, it provides critical emergency services to aid in moments of crisis when families were previously able to afford rent but can no longer do so due to various circumstances such as job loss.

HomeBASE

Provides those who have entered the family shelter system with a myriad of rental assistance services with the goal of helping families to exit the emergency shelter system or allowing them an alternative to entering the system in the first place.⁹ HomeBASE, which was established in 2012¹⁰ and was **funded at \$59 million** for the year, can provide people with assistance paying their first and last month of rent, security deposit, furniture, and more.

Rental Assistance Funding in Massachusetts (FY23)



Rental voucher and short-term rental assistance programs serve as primary ways in which Massachusetts helps to subsidize the exorbitant costs of renting for those who qualify. Rental voucher programs on their own do not sufficiently remedy the housing crisis and, indeed, face challenges when rents exceed the maximum levels permitted by the program. However, along with other strategic housing initiatives (such as increasing the production of housing that is affordable to households with the lowest incomes, anti-displacement policy, etc.) assistance with paying rent plays a critical role in ensuring that housing costs are manageable for individuals and families in the Commonwealth that otherwise could not afford reliable shelter.

Despite the effectiveness of rental voucher programs in creating family stability and reducing poverty, the state is not investing adequate resources to serve all who are eligible for these benefits. **In Massachusetts, the need for rental assistance is much greater than what is available.** In 2021, Massachusetts had 2.3 extremely low-income households for each affordable and available unit in the state.¹¹ This gap has caused many housing agencies to create waitlists. In some cases, housing waitlists have grown so long they've been temporarily closed, subject to further prioritization measures or randomized lottery systems to foster a greater sense of fairness.¹² The need for such drastic measures is an indication of **how underfunded rental voucher programs are in the Commonwealth.**

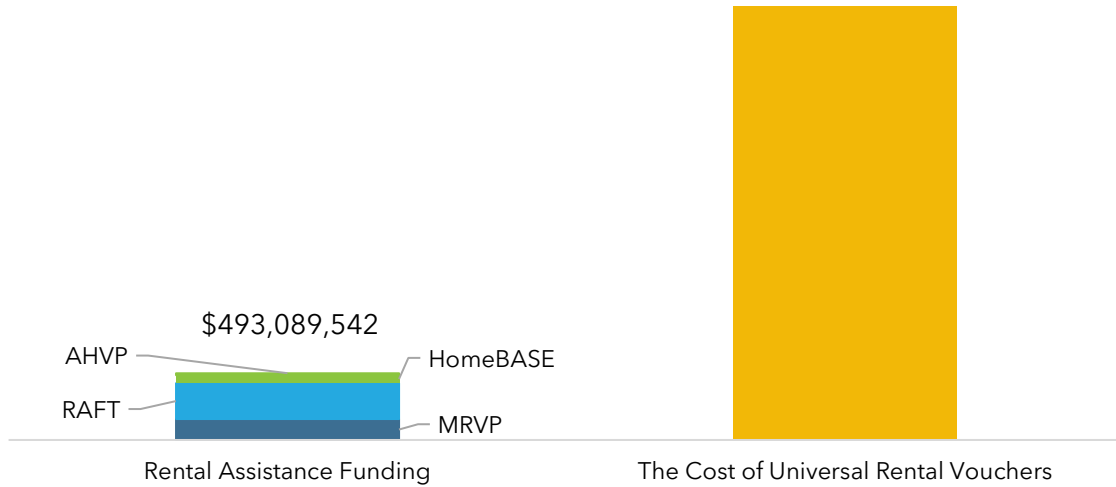
Finding a Path to Housing Affordability for All

Current levels of funding for housing voucher programs have not come close to meeting the scale of Massachusetts' rental affordability crisis. A 2022 report conducted by the Center for State Fiscal Policy estimated the cost to expand the MRVP program sufficiently enough to provide rental vouchers for all eligible households who cannot afford housing in the Commonwealth but are unserved by the limited supply of current voucher and public housing programs.¹³ According to the report, a "universal rental assistance program" to adequately cover all eligible applicants across the Commonwealth would cost \$3.2 billion per year, enabling 240,000 additional households to afford their rent.

Current Funding Is Far Below Need

(FY23)

\$3,200,000,000



The combined total of state rental assistance programs covers only 15 percent of the necessary funding to aid all eligible families and individuals. Understanding the disparity between what it would cost to provide universal rental vouchers compared to current allocations provides an opportunity to assess whether incremental funding increases year-to-year are too modest or aptly move the needle.

While the gap between the cost of universal housing vouchers and current funding is great, it does not have to be closed all at once. A multi-year approach could gradually grow voucher funding by \$2.7 billion over time, increasing voucher accessibility year-after-year. The chart below shows the annual funding increases needed to achieve a \$3.2 billion housing voucher budget within a 5, 10, 15, or 20 year time period. The road to universal housing vouchers would require a significant investment in housing voucher programs, but it is not unattainable. State elected officials have the opportunity to make funding decisions that could help families keep a roof over their heads when their wages are not keeping up with the cost of living.

From Underfunded to Universal: Filling The Housing Voucher Gap	
Number of Implementation Years	Growth Required Per Year ¹⁴
5 Year Plan	\$541 million
10 Year Plan	\$271 million
15 Year Plan	\$180 million
20 Year Plan	\$135 million

Massachusetts has led the country once before by creating the first rental voucher program in the nation. With strategic investment and a commitment to advancing housing justice, the Commonwealth could also create the first statewide universal housing voucher program as well. Recognizing and addressing the need for a more adequately funded rental voucher system could allow Massachusetts to bolster an approach to the housing crisis that supports both renters and landlords, and additionally alleviates stress on other overutilized services such as the emergency shelter system, the healthcare system, and more – potentially offsetting some of the cost.

-
- ¹ Citizens Housing & Planning Association. [The Massachusetts Rental Voucher Program: Maintaining the State's Homelessness Prevention Program](#). June 2009, page 11.
- ² Other population-specific rental voucher programs exist, such as the [Department of Mental Health \(DMH\) rental subsidy program](#).
- ³ Center on Budget and Policy Priorities. [Five Proven Benefits of Housing Vouchers](#). March 2014.
- ⁴ Commonwealth of Massachusetts. Executive Office of Housing and Economic Development. [Massachusetts Rental Voucher Program](#).
- ⁵ Commonwealth of Massachusetts. Executive Office of Housing and Economic Development. [Alternative Housing Voucher Program](#).
- ⁶ Commonwealth of Massachusetts. Executive Office of Housing and Economic Development. [Residential Assistance for Families in Transition Program](#).
- ⁷ Commonwealth of Massachusetts. Department of Transitional Assistance. [Field Operations Memo](#). September 2005.
- ⁸ The RAFT program initially received a general appropriations allocation of \$150 million for Fiscal Year 2023. Two subsequent supplemental budgets then added additional funding (\$100 million and \$15.7 million), bringing the total allocations to approximately \$266 million.
- ⁹ Commonwealth of Massachusetts. Executive Office of Housing and Economic Development. [HomeBASE](#).
- ¹⁰ Massachusetts Legal Services. [Emergency Assistance, HomeBASE \(Short Term Assistance\) & Emergency Shelter](#).
- ¹¹ National Low Income Housing Coalition (NLIHC). [The Gap: A Shortage of Available Rental Homes](#), Massachusetts.
- ¹² Massachusetts Legal Help. Massachusetts Law Reform Institute. [How Waiting Lists Work](#). December 2009.
- ¹³ United States Department of Housing and Urban Development. [Section 8 Program Background Information](#).
- ¹⁴ Growth per year is calculated using nominal (not inflation-adjusted) dollars.