

Executive Summary

The Division of Housing Stabilization (DHS), within the Executive Office of Housing and Livable Communities (EOHLC), provides prevention, diversion, shelter, and stabilization services to families and individuals experiencing housing instability across the Commonwealth. DHS' mission is to ensure that homelessness in Massachusetts is rare, brief, and non-recurring by supporting residents through crisis response and long-term housing stabilization strategies. DHS works to ensure everyone has a place to call home by preventing homelessness, providing emergency shelter through the Emergency Assistance (EA) Family Shelter program (EA shelter) when needed, and helping people maintain safe, stable housing.

This report was developed pursuant to Chapter 9 of the Acts of 2025 and incorporates input from legislative partners, service providers, advocates, families, and DHS staff. Between June and September 2025, DHS convened legislative briefings, five regional listening sessions, virtual focus groups, and conducted a statewide survey to inform improvements to the Diversion Program (Diversion). Additionally, DHS conducted a review of Diversion programs across the United States to identify lessons learned and opportunities for Massachusetts.

This report confirms that prevention and diversion are the most cost-effective strategies to reduce reliance on the EA shelter system. DHS administers the following prevention and diversion programs:

- Residential Assistance for Families in Transition (RAFT) is a program designed to help individuals and families in emergency situations maintain their current housing by providing short-term emergency funding to prevent eviction and foreclosure, address loss of utilities, and other housing emergencies. RAFT served more than 47,000 households in fiscal year (FY) 2025 with an average benefit of \$4,350, making it the Commonwealth's most efficient tool to prevent shelter entry.
- Diversion assists families experiencing homelessness to rapidly rehouse and find suitable alternative housing. It is often paired with HomeBASE, a tool that provides EA-eligible families with funding to avoid shelter stays altogether or to rapidly rehouse them to exit from shelter. Diversion served over 1,200 families in FY25 at an average cost of \$4,950. When analyzed together, Diversion and HomeBASE stabilize families for up to \$30,000 over two years, or approximately up to \$288 weekly.¹ By comparison, one week in the EA Family Shelter program costs approximately \$1,182.²

While expanding eligibility or benefit levels for RAFT and HomeBASE at scale would create unsustainable fiscal and operational impacts, the data and stakeholder engagement reviewed for this report reveal that the expansion of Diversion would offer a better opportunity to reduce shelter reliance, improve outcomes for families, and use state resources most efficiently and effectively.

¹ The weekly cost of HomeBASE will vary for each individual family, given the flexibility of the distribution of the benefit. Some families use more of the \$30,000 earlier in their two years, to cover up front move-in costs.

² The \$1,182 weekly EA Shelter cost refers to the data on "Weekly average per family cost of EA shelter program" cited in the September 22, 2025 Bi-Weekly EA report filed with the Legislature pursuant to Chapter 88 of the Acts of 2024 and Chapter 1 Section 10 of the Acts of 2025, <https://malegislature.gov/Reports>.

Background

The DHS system prioritizes homelessness prevention, diversion, and rapid rehousing. The last two years of reforms have moved us towards our goal of making homelessness brief, rare, and non-recurring. In May 2023, Governor Healey implemented an interagency Incident Command Team, utilizing resources from across the Commonwealth, in response to unprecedented daily demand for family shelter and the subsequent increase in overall caseload. In August 2023, with nearly 5,600 families or over 20,000 individuals in state shelters, Governor Healey declared a State of Emergency, capping the EA shelter system at 7,500 families. In November 2024, the Special Commission on Emergency Housing Assistance Programs published a report, which included the recommendation to “emphasize prevention, diversion, and exit tools.”

Over the past two years, and with support from the Legislature, DHS has implemented various EA shelter system reforms to lower caseload, reduce taxpayer costs, and improve safety. As a result of these and other changes implemented by Governor Healey, the number of families in EA shelter has fallen below 3,000 for the first time since January 2022. Consequently, the EA program fully eliminated the use of hotels by the end of summer 2025. Approximately 85-90 percent of families seeking shelter are now longtime Massachusetts families.

These milestones represent significant progress toward establishing a system for families where stays are rare, brief, and non-recurring, and costs are financially sustainable to the Commonwealth. On August 1, 2025, Governor Healey lifted the State of Emergency.

The results of this interagency undertaking are evident in the most recent point in time count (PIT)³, taken on January 29, 2025. The number of homeless households decreased by 54.1 percent from 7,531 in 2024 to 3,457 in 2025. The number of homeless people in families decreased by 48.9 percent from 22,485 in 2024 to 11,480 in 2025. To continue reducing family homelessness, the Commonwealth has increased its focus and investment in Diversion over the last two years.

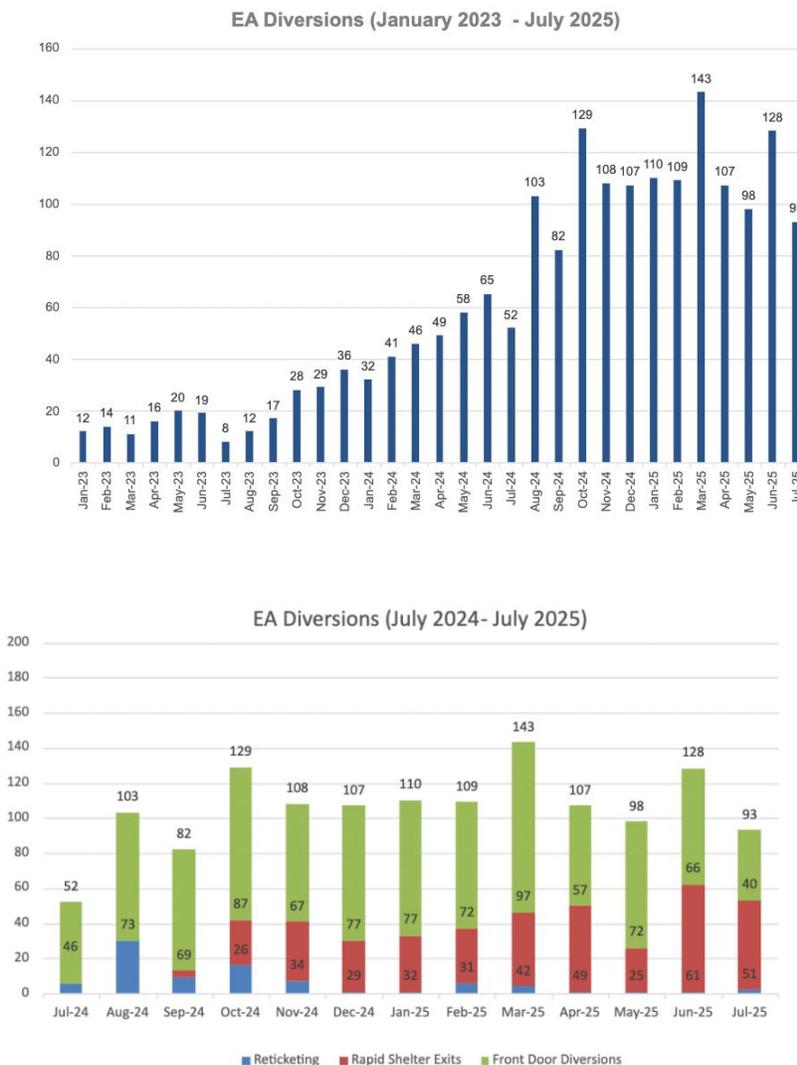
Diversion

The Diversion Program’s mission is to assist families experiencing homelessness to rapidly rehouse and find suitable alternative housing, with the goals of reducing family homelessness and promoting long-term family stability across the Commonwealth. Today, EOHLC’s first interaction with a family is at the “front-door,” when they first apply for the EA Family Shelter program.

In FY24, the program was funded at \$3.7 million. In FY25, the investment in statewide diversion services was doubled to \$7.4 million. In FY26, the budget was level-funded at \$7.4 million. Diversions have grown ten times since January 2023, demonstrating the impact of the FY25 investment in “upstream” intervention earlier in the continuum of services and before families reach the crisis point of requiring EA shelter. Most families were front door diversions, accessing the program as soon as they became eligible for EA shelter. These are families who choose to work with Diversion, rather than being placed into an

³ The Point-in-Time (PIT) Count is a count of sheltered and unsheltered people experiencing homelessness on a single night in January. The U.S. Department of Housing and Urban Development requires that Continuums of Care conduct an annual count of people experiencing homelessness who are sheltered in emergency shelter, transitional housing, and Safe Havens on a single night.

EA shelter. Recently, DHS has seen an increase in exits from the Rapid Shelter track, which was created as a rapid-rehousing model that emphasizes shorter-term stays. Families who need to be sheltered immediately after becoming EA-eligible enter the Rapid Shelter track⁴ and work directly with Diversion provider staff to find stable housing quickly. Below please find tables demonstrating the number of families who utilized Diversion:



Diversion is frequently paired with the HomeBASE program. HomeBASE is a tool that provides EA-eligible families with up to \$15,000 a year for up to two years (\$30,000 total) to avoid shelter stays altogether or to rapidly rehouse them to exit from shelter. In addition to being a critical upstream, cost

⁴ There are two tracks within the EA Family Shelter system – the Rapid Shelter Track and the Bridge Shelter Track. The Rapid Shelter Track provides 30 business days of shelter, absent specific waivers, serving families who have strengths and needs that allow them to find self-sufficient permanent housing more quickly with high intensity support. The Bridge Shelter Track is for families who have higher risks and more complex needs, and a family can stay at a shelter for up to six months, absent specific extensions or waivers. In either track, families are connected to shelter provider staff to help with case management, housing search, finding job placements and classes, and using stabilization services like HomeBASE.

effective program, HomeBASE emphasizes DHS' belief in a stabilization system focused on housing, rather than shelter, as the preferable destination for families. Families benefit from this stability as it often can keep them in their community, allowing children to stay in the same schools. Additionally, Enhanced Diversion (ED) funds, accessible through Diversion, can be used to cover expenses in excess of the HomeBASE allowance. For example, households who expect to need the full \$30,000 in HomeBASE to make their rent affordable may use ED funds to pay for other costs traditionally covered by HomeBASE, such as first month's rent, last month's rent, security deposit, or furniture.

Homelessness Diversion Programs in the United States

EOHLC conducted research on other diversion programs across the United States. Below please find a summary of our findings:

- The Stable Families Pilot Program in Columbus, Ohio, helps families with children avoid shelter by providing case management, financial assistance, and other supports. This program found that between 2008 and 2010, 91 percent of enrolled families (523 of 575) did not become homeless, 90 percent of families (409 of 454) that exited the program were exiting to permanent housing, and 95 percent of successfully exited families (389 of 409) did not return to emergency shelter in the year that followed. Additionally, the Stable Families Pilot Program costs only 50 percent of what emergency shelter costs, per household and per day.⁵
- The Dudley Diversion Pilot Project in Boston conducted a two-month pilot in 2008, where they successfully diverted 42 percent of families (29 of 69 enrolled families). The pilot spent \$50,000 in flexible funding for nine families. Six families received one-year subsidies with an average cost of \$7,5647 and the three families who used the money for rental and utility arrearages averaged a cost of \$1,538. This project found that linking workforce training programs to individuals receiving housing subsidies is beneficial, as most participants (88 percent) were unemployed.⁶
- The Family Homelessness Systems Initiative, a study in Washington State that launched in 2009 and was evaluated in 2010 - 2016, found that 74 percent of families (72 of 98) in the cohort studied successfully diverted in King, Pierce, and Snohomish Counties, within an average of 105 days.⁷
- New York City's Homebase Program, which provides residents experiencing housing instability with prevention services and aftercare services after shelter exit, is most similar to Massachusetts' Diversion and HomeBASE programs. Multiple studies of Homebase in New York City have indicated its success. One study showed that shelter entries decreased by 5 to 11 percent in neighborhoods where Homebase operated.⁸ Another study found that families who were offered Homebase were less likely to apply for shelter, and for those that did apply, families spent less time in shelters than families who were not offered the program.⁹

⁵ [Stable Families Interim Report 2](#)

⁶ https://www.westernmasshousingfirst.org/wp-content/uploads/2009/02/of_diversionbrochure-final.pdf

⁷ [examining-the-effects-of-systems-reform-on-18-month-outcomes_3.22.2020.pdf](#)

⁸ [Homelessness prevention in New York City: On average, it works - ScienceDirect](#)

⁹ [DHS_2013_HomebaseEvaluation.pdf](#)

DHS also evaluated diversion programs that are less similar to the Massachusetts’ Diversion Program to gain a rounded perspective of diversion solutions.

The Homelessness Prevention & Diversion Fund in Washington state is a centralized fund for youth that provides one-time financial assistance. This fund has shown success – 93 percent of youth were stably housed one year later, and the average request is only \$2,659 per household.¹⁰ A similar program that served youth across seven different states (Arizona, California, Georgia, Michigan, New York, Oregon and Texas) found that 90 percent of youth that received one-time funding were stably housed in the following month.¹¹ Focusing on families more broadly, a program in Chicago that gave one-time payments of up to \$1,500 resulted in families being 76 percent less likely to enter a shelter.¹² These programs more closely resemble the Massachusetts’ RAFT program than its Diversion Program.

Despite the limited available research, many municipalities in the United States have some form of diversion programs. These programs vary widely in how they are implemented, as seen in the evaluations cited above. Most states have funding opportunities for municipalities and non-profits that may include funding for diversion, but they are not necessarily earmarked or operating state-wide diversion programs. However, states such as Washington¹³ and Michigan¹⁴ have diversion-specific funding opportunities. Additionally, many states mention diversion in their best practices or procedures manuals, including Maryland¹⁵ and Rhode Island.¹⁶ Connecticut also explicitly mentions diversion as part of its Coordinated Access Networks assessments.¹⁷

The National Alliance to End Homelessness lays out some best practices for diversion programs. Diversion programs should include screening tools, system entry points (ideally a coordinated process for intake), cooperation from providers (both diversion providers and other providers), flexible funding, and resourceful staff members.¹⁸ Additionally, they highlight that identifying upstream partners, streamlined communication across partners, and system-wide training are essential for a successful diversion program.¹⁹ The prevailing theme from the research is that diversion is both a pathway for families to achieve lasting housing stability and a fiscally responsible strategy for the Commonwealth.

Diversion Listening Sessions

Between June and July 2025, DHS hosted five regional listening sessions across the state, two virtual focus groups, and an internal staff session. The sessions are summarized in the table below. See Appendix A for details on the organizations that attended the sessions.

Session	# of participants	Stakeholder groups
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¹⁰ [Scaling Equitable Solutions For Youth Homelessness Prevention in Washington State | Schultz Family Foundation](#)

¹¹ [Targeted Housing Assistance Program — Point Source Youth](#)

¹² [The impact of homelessness prevention programs on homelessness | Science](#)

¹³ [Homelessness Diversion Program – Washington State Department of Commerce](#)

¹⁴ [Shelter Diversion Program \(SDP\)](#)

¹⁵ [Homelessness-Prevention-Toolkit.pdf](#)

¹⁶ [Rhode-Island-Statewide-CES-procedure_adopted-7.1.2021-1.pdf](#)

¹⁷ [Emergency Shelters](#)

¹⁸ [Creating a Successful Diversion Program for Homeless Families](#)

¹⁹ [Improving Homeless Response Systems Through Diversion and Problem-Solving](#)

Listening Sessions		
Northeast MA Hosted by Emmaus	9	Diversion providers, HomeBASE providers, advocates
Southeast MA Hosted by FBMS	14	Diversion providers, HomeBASE providers, Community Action Agencies (CAAs), people with lived experience
Central MA Hosted by CMHA	11	Diversion providers, HomeBASE providers, CAAs, shelters, people with lived experience
Western MA Hosted by CHD	13	Diversion providers, HomeBASE providers, advocates, housing consumer education centers (HCECs), shelters, people with lived experience
Metro Boston Hosted by EOHLIC & La Colaborativa	16	Diversion providers, Family Welcome Centers, CAAs, Regional Housing Network (RHN), community-based organizations (CBOs), people with lived experience
Other Sessions		
Virtual Focus Group 1	2	People with lived experience in the Northeast Region
Virtual Focus Group 2	4	Advocates (statewide)
Internal Field Operations	70+	EOHLC Homeless Coordinators

In total, there were 69 listening session participants representing 30 different organizations. In collaboration with diversion providers, 11 families with lived experience attended and were compensated for their participation and expertise. Spanish and Haitian Creole interpreters were also provided during the Boston session to ensure communication access and a diverse sample from which to solicit feedback and information.

Listening Session Findings

The listening sessions resulted in recommendations that fell into five categories: communication and training, eligibility and implementation, housing search and landlords, technology and data, and relationship with HomeBASE. Many of the participants' recommendations already existed in current policies, are underway in policy development, or some that can be implemented in the near-term. For example, the translation services already exist, but Diversion can promote it better, so all stakeholders are aware of the resource. Additionally, a Diversion 101 training for internal staff and providers was developed in August and conducted in September, providing a vehicle to share more about the program and available services.

Category	Opportunity
Communication and Training	Develop cross-training for EOHLIC staff
Communication and Training	Develop diversion training for providers and other external stakeholders
Communication and Training	Offer standardized translation services line (this exists)

Communication and Training	Implement Diversion Office Hours
Eligibility and Implementation	Revisit diversion goals with providers
Technology and Data	Improve internal data collection and reporting
Relationship with HomeBASE	Develop guidelines on standard distribution of HomeBASE funds
Communication and Training	Develop standard operating procedures, scripts, and other resources to clarify workflow
Relationship with HomeBASE	Update public-facing materials to define distinction between Diversion and HomeBASE
Eligibility and Implementation	Develop lists of other supportive services by region

In addition to these immediate actions, listening session participants also surfaced medium-term recommendations that can be accomplished over the next year, as well as two more transformative opportunities that require further analysis of feasibility and cost. Those two highlighted below will be discussed later in this legislative report, under the section *Evaluation of Alternative Criteria*.

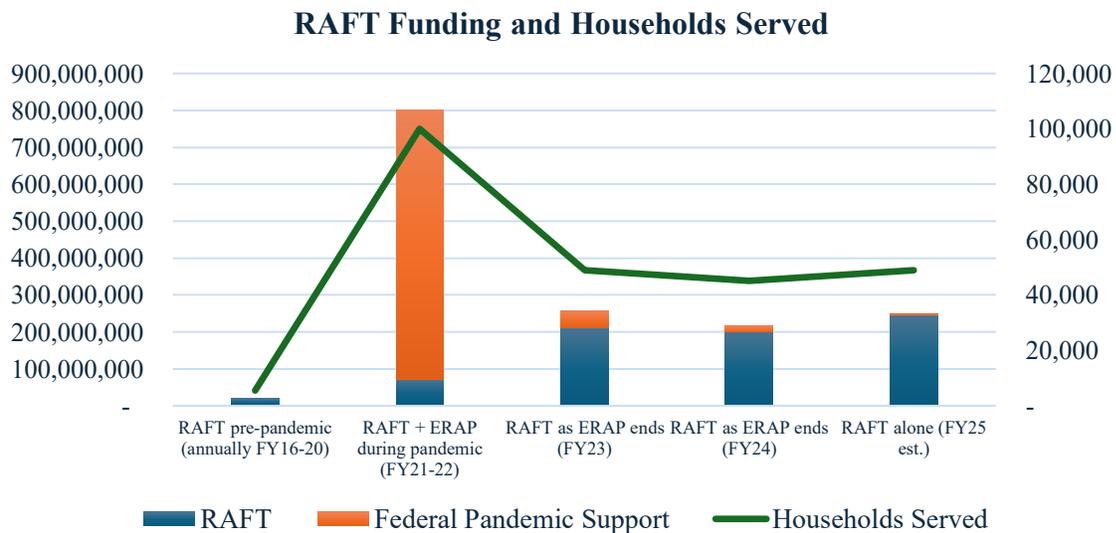
Category	Opportunity
Eligibility and Implementation	Create a more upstream track/program in addition to maintaining diversion services for those entering EA system
Funding	Make a distinct appropriation for diversion, separate from EA line item
Communication and Training	Clearer and timely updates around changes, including official memos
Communication and Training	Develop participant orientation materials for families, to be shared upon Diversion acceptance
Housing Search and Landlords	Develop materials and plan events to educate landlords about diversion
Communication and Training	Regular meetings between Homeless Coordinators and Providers
Communication and Training	Develop a feedback mechanism for families in the Diversion Program i.e. hotline, surveys, etc.
Housing Search and Landlords	Develop database of landlords that have worked with diversion or HomeBASE

Prevention

The RAFT program is designed to help families in emergency situations maintain their current housing by providing short-term emergency funding to prevent eviction and foreclosure, address loss of utilities, and other housing emergencies. Tenants can apply for the programs or landlords can apply on behalf of their tenants. RAFT, piloted in 2005 and fully implemented in 2006, provides up to \$7,000 to families or individuals at risk of homelessness or losing their housing. Additionally, the Strategic Prevention Initiative (SPI) provides flexible funds through the Diversion contracts to families who are not eligible for EA that may experience homelessness within 30 days and is specifically aimed at covering expenses that may exceed the \$7,000 RAFT limit. In FY25, the average RAFT household received \$4,350.

Below are a chart and graph showing the amount of funding received for the RAFT program and the number of families served since FY16. The federal Emergency Rental Assistance Program (ERAP), created by Congress and administered through the U.S. Department of the Treasury to states and municipalities, provided another critical source of financial support to households struggling to pay rent and utilities due to hardships incurred during the COVID-19 pandemic. While ERAP was a significant supplement to RAFT over two fiscal years, the program closed to new applicants in 2022 and is no longer an option for households.

Timeframe	Household Benefit Level	Spend	Households Served
RAFT pre-pandemic (FY16-20)	\$4,000 per 12 months	\$20M annually	5,000 – 6,000
RAFT & ERAP during pandemic (FY21-22)	RAFT until 1/1/22: \$10,000 per 12 months RAFT on 1/1/22: \$7,000 per 12 months ERAP: 18 months of rent	\$872M (~\$436M/per year) (\$800M ERAP)	100,000 across two years
RAFT as ERAP ends (FY23)	\$10,000 per 12 months	\$257M (\$45M ERAP)	49,000
RAFT as ERAP ends (FY24)	\$7,000 per 12 months	\$215.4M (\$16M ERAP)	45,000
RAFT alone (FY25)	\$7,000 per 12 months	\$230M (\$1.1M ERAP)	47,000



Program Eligibility Criteria

Families are eligible for RAFT if they are at risk of homelessness or losing their housing (e.g. they received a Notice to Quit or an eviction notice, they are behind on their mortgage, they received a utility shutoff notice, or they cannot stay in their home due to health, safety, or other reasons). Their incomes must be less than 50 percent of their city/town's Area Median Income (AMI), or below 60 percent AMI if they are at risk of domestic violence. RAFT currently requires households to demonstrate an eligible

“housing crisis” to be found eligible for assistance. There are thirteen defined housing crises, established administratively by EOHLC:

1. *Notice to quit*: household has received a notice to quit within the last 90 days
2. *Eviction*: household has either been to court or has a court date scheduled for eviction
3. *Doubled up and must leave/overcrowding*: household is couch-surfing or doubled up with family or friends and cannot stay anymore, or is living in an overcrowded housing situation
4. *Health and safety*: household is unsafe in current housing
5. *Domestic violence*: household is unsafe in current housing due to domestic violence
6. *Fire/flood/natural disaster*: household has lost housing due to a fire, flood, or natural disaster
7. *Utility shutoff*: household has received a shutoff notice, service has already been shut off, or a heating oil or heating gas tank is empty and the household cannot pay to refill it
8. *Behind on mortgage*: homeowner household is three or more months behind on their mortgage
9. *Right to cure*: homeowner household has received a 90 day right to cure notice from their mortgage servicer
10. *Foreclosure*: homeowner household has received a notice of intent to foreclose or foreclosure notice of sale
11. *Behind on property taxes*: homeowner household is behind on property taxes, putting the property at risk of foreclosure
12. *Behind on other homeownership payments*: homeowner household is behind on other payments, such as condo fees, putting the property at risk of foreclosure
13. *Other crisis that will result in imminent housing loss*: household is currently homeless or experiencing other emergency that does not fit in one of the above categories but which puts them at imminent risk of losing their housing

For Diversion and HomeBASE programs, families are only eligible if they are first determined EA eligible, pursuant to 760 CMR 67.02. [To be EA eligible](#), families must have at least one child (or pregnancy), make less than 115 percent of the Federal Poverty Limit, and be homeless for a qualifying reason, which are typically unforeseen circumstances such as no-fault fire, flood, natural disaster, condemnation, or foreclosure. Other qualifying circumstances include cases of domestic violence, no-fault evictions or substantial health and safety risks. Other minimum eligibility criteria include lawful immigration status, a \$5,000 asset limit, a Criminal Offender Record Information (CORI) check, and Massachusetts residency.

Evaluation of Alternative Criteria

This section evaluates potential changes to the eligibility criteria and benefit structure of RAFT and HomeBASE. It reviews the following options: 1) removing the Notice to Quit requirement; 2) resuming stipends; 3) increasing the RAFT benefit; 4) expanding HomeBASE eligibility; and/or 5) expanding diversion services. Based on DHS’ analyses, we conclude that the first four alternatives are not fiscally feasible or operationally sustainable. DHS strongly recommends further exploring additional diversion services that can be offered to families prior to being eligible for EA shelter. Further information on each alternate option may be found below.

Remove Notice to Quit

“Notice to Quit” is the most common reason that renter households apply and represents 54 percent of all RAFT applications. Households who are behind on rent and are seeking assistance to pay rent arrears must have at least a Notice to Quit before they can be found eligible for RAFT. This policy represents a “middle ground” between the pre-COVID requirement of a court summons and the requirement during the pandemic, when DHS operated the federal Emergency Rental Assistance Program (ERAP), of simply being behind on rent or expecting to fall behind on rent.

Removing the Notice to Quit requirement for payment of rent arrears would bring RAFT spending closer to what DHS saw during ERAP, which was **\$872 million** in rental assistance spending across FY21 and FY22. This funding served 100,000 households, which is approximately double what RAFT served in FY25 (47,000 households) with a much smaller \$231 million program. Notably, ERAP funded a higher benefit level (\$10,000) than the current RAFT benefit of \$7,000.

Allowing RAFT benefits to pay for rent arrears without a notice to quit would require legislative appropriation to double the program’s budget in order to service all eligible applicants.

Resume Paying Stipends

RAFT currently does not pay future rent (“stipends”) like past versions of the program did during the COVID-19 pandemic. DHS’ analysis indicates that if RAFT resumed paying stipends up to the \$7,000 benefit limit for rental households who receive RAFT, the program would cost an additional **\$77 million annually**.

Increase RAFT benefit

While the RAFT benefit has been as high as \$10,000 per 12 months in the past, DHS’ data does not suggest that increasing the benefit again would have a significant impact in preventing family homelessness. The FY25 average benefit was \$4,350 and the percentage of families for whom the maximum benefit was not enough is significantly small.

In calendar year 2024, 22,598 RAFT applications²⁰ were denied. Of those, 43 families (0.1 percent of denied applications) entered EA shelter within six months of being denied RAFT. Of these, only nine had been denied RAFT due to already receiving the maximum benefit. For calendar year 2025, as of September 2, 2025, 19,543 RAFT cases were denied. Of those, 17 families (0.08 percent of denied applications) entered shelter within six months of being denied RAFT. Of these, only five were denied due to already receiving the maximum benefit.

Remove EA Eligibility for HomeBASE

DHS conducted a sensitivity analysis to examine the impacts of three different changes to HomeBASE eligibility criteria. The high-end scenario assumes that HomeBASE eligibility criteria are broadened to mirror RAFT eligibility criteria. The medium-case scenario assumes that HomeBASE eligibility criteria is broadened to RAFT eligibility criteria, along with the requirement that the household includes a child

²⁰ 2,598 cases represent denied *applications* for RAFT, and it is common for someone to apply multiple times. The number of *households* denied would be slightly fewer than 22,598.

under the age of 21 years old. The low-end scenario assumes that HomeBASE eligibility criteria is broadened to the extent that roughly all EA applicants currently applying for EA – but not getting approved for EA – would be eligible for HomeBASE.²¹ In each scenario, the anticipated increase in program costs would be substantial, with the lowest case scenario requiring a **\$330 million** increase in spending based on current HomeBASE projections over a two-year time horizon.

Scenario 1 Assumptions: RAFT Households served per year

- Broaden eligibility criteria to a level on par with RAFT
- Anticipated increase in annual HomeBASE enrollments: 49,000
- Assumes 5 percent of HomeBASE enrollments would otherwise eventually apply for EA shelter

Scenario 2 Assumptions: RAFT Families with a child under 21 years of age

- Broaden eligibility criteria to a level on par with RAFT so long as the household includes a child under the age of 21 years
- Anticipated increase in annual HomeBASE enrollments: 24,500
- Assumes 12 percent of HomeBASE enrollments would otherwise eventually apply for EA shelter

Scenario 3 Assumptions: EA applicants currently not found to be EA eligible

- Assumes all people applying for EA but getting denied are both determined eligible and apply for HomeBASE
- Anticipated increase in annual HomeBASE enrollments: 18,615
- Assumes 15 percent of HomeBASE enrollments would otherwise eventually apply for EA shelter

HomeBASE Spend Rate	Baseline (Year 0)	Year 1	Year 2
Scenario 1- High end	\$145,000,000	\$882,450,000	\$1,619,450,000
Scenario 2- Middle	\$145,000,000	\$385,100,000	\$681,100,000
Scenario 3- Low end	\$145,000,000	\$285,543,250	\$475,613,250

Expected cost of HomeBASE eligibility criteria changes

In each scenario, after accounting for anticipated cost savings for some portion of HomeBASE families who would have ended up in shelter, we see costs for HomeBASE ballooning to upwards of \$450 million per year by year two. While we can assume that a portion of families in each scenario would have otherwise eventually been determined EA eligible and placed in shelter, the associated cost savings pale in comparison to the anticipated uptick in HomeBASE costs resulting from loosening eligibility criteria. This is by far the costliest intervention, and thus DHS does not recommend considering removing EA eligibility for HomeBASE.

²¹ Under the HomeBASE regulations, 760 CMR 65.00, eligibility for HomeBASE hinges on eligibility for the EA Family Shelter program, 760 CMR 67.00. Specifically, 760 CMR 65.03(2) states that “a family shall not be eligible for STHT assistance,” which refers to HomeBASE, “if the family is receiving Emergency Assistance temporary emergency shelter benefits pursuant to 760 CMR 67.06: *Temporary Emergency Shelter*. A family who is ineligible under 760 CMR 65.03(2)(b) may become eligible for STHT if it: has not been served with a Notice of Termination pursuant to 760 CMR 67.06(6)...”. 760 CMR 65.03(2)(b)2.

Expand Diversion Services

While the four alternatives listed above are not fiscally feasible or operationally sustainable, DHS recommends further exploring diversion as a more upstream intervention in the service continuum. Currently, families are only able to access Diversion at the point of EA eligibility, at the “front door” when they are applying for the EA Family Shelter program. Based on listening session feedback from all stakeholder groups, this is considered too late of an intervention point. There are families who are no longer eligible for RAFT but do not meet the EA eligibility criteria who would benefit from some level of service to prevent them from reaching the front door of EA shelter. By expanding the program to focus on more timely engagement with at-risk families, DHS can begin to address root causes of housing instability before they escalate into crisis and attempt to enter the EA shelter system. Upstream interventions might include intensive case management to connect households with RAFT or other resources, referrals to mediation or other services to preserve tenancies, or flexible financial assistance for a subset of households for whom the RAFT benefit is not enough to prevent homelessness. This shift would allow for the opportunity to intervene before a family is EA-eligible to receive diversion services, as well as maintain existing services for those who are EA-eligible.

Another opportunity for consideration is to separately appropriate for diversion to allow for more flexibility. Funding for diversion is currently under the EA Line Item, 7004-0101. Shifting the funds into its own diversion line item would reinforce the Healey-Driscoll Administration’s commitment to moving away from a primary focus on shelter to a system that prioritizes prevention, diversion, and rapid rehousing. Listening session participants also indicated an increase in diversion funding would give them more flexibility to work with families. Providers across all five regions shared that having access to Enhanced Diversion (ED)²² funds have proven to be an effective and successful tool for families.

To understand the volume of families that would be better served more upstream from the EA Shelter System, DHS released a Request for Information (RFI) in October 2025 and a Request for Response (RFR) for FY27 Upstream Diversion Pilots in January 2026. Implementing FY27 pilots will allow for opportunities to further collaborate with external stakeholders, providers, and advocates, collect data, and evaluate impact, all with a focus on regional equity and the potential for scale across the Commonwealth in FY28.

Looking Ahead

This report should be seen as a starting point, not an endpoint. The national review of diversion programs reinforces that targeted, flexible interventions can achieve both stronger family outcomes and significant cost savings when compared to shelter. Programs that intervene earlier in the housing crisis, provide adaptable funding, and pair financial assistance with case management consistently demonstrate higher rates of housing stability and lower rates of shelter entry.

Massachusetts has made measurable progress in reducing family homelessness through strategic investments in prevention and diversion. In FY25, RAFT served over 47,000 families, with an average benefit of \$4,350. In FY25, Diversion served over 1,200 families, with an average cost of \$4,950 between staffing and Enhanced Diversion funds to supplement HomeBASE. Most families divert through using

²² Enhanced Diversion (ED) funds, accessible through Diversion, can be used to cover expenses in excess of the HomeBASE allowance.

HomeBASE – the average award is \$24,000 per family over a 24-month period, at less than half the per-family annual EA shelter cost. Together, families diverted supplemented by HomeBASE on average cost around \$30,000 to be rehoused and stabilized over two years, or approximately up to \$288 weekly.²³ By comparison, one week in the EA Family Shelter program is approximately \$1,182.²⁴

Although expansions to RAFT and HomeBASE may create untenable fiscal and operational burden, the findings of this report highlight Diversion as a more strategic and cost-effective pathway - one that can reduce shelter reliance and maximize the impact of state resources. Investments in Diversion should move further upstream, paired with stronger landlord engagement and community partnerships. To achieve this, DHS offers two recommendations:

1. **Expand Diversion upstream.** Families should be able to access Diversion services prior to reaching EA eligibility, while maintaining existing services for those who are EA eligible. Earlier engagement would allow more time to leverage other support services and conduct housing searches, thereby preventing shelter entry.
2. **Consider a separate appropriation for Diversion.** Creating a distinct line item would reinforce the Administration’s commitment to prioritize prevention and stabilization, while providing greater flexibility to invest in Diversion strategies beyond the EA line item.

DHS looks forward to reviewing the RFI responses due at the end of October and will provide an update to the legislature soon thereafter regarding the themes, types of interventions, cost estimates, and number of people to be served by pilots.

By implementing these recommendations through targeted pilot programs, continued stakeholder engagement, and increased funding, the Commonwealth can continue to build a sustainable housing stabilization system. This approach reflects a commitment to ensuring that homelessness in Massachusetts is rare, brief, and non-recurring, and that every family has access to a safe and dignified place to live.

²³ The weekly cost of HomeBASE will vary for each individual family, given the flexibility of the distribution of the benefit. Some families use more of the \$30,000 earlier in their two years, to cover up front move-in costs.

²⁴ The \$1,182 weekly EA Shelter Cost refers to the data on “Weekly average per family cost of EA shelter program” cited in the September 22, 2025 Bi-Weekly EA report.

Appendix A

Region	Organization
Western MA	Center for Human Development
	Hearthway
	Way Finders
	Upside413
	Valley Opportunity Council
	Western MA Network to End Homelessness
	Louison House
Central MA	Central Massachusetts Housing Alliance
	South Middlesex Opportunity Council
	Making Opportunity Count
	Family Promise Network
Northeast MA	Emmaus
	Community Teamwork, Inc.
	Wellspring
	Lynn Housing Authority & Neighborhood Development
	MA Coalition for the Homeless
Metro Boston	La Colaborativa
	Heading Home
	Quincy Community Action Programs, Inc.
	Bay State Community Services
	Action for Boston Community Development, Inc.
	Regional Housing Network
Southeast MA	Father Bill's and MainSpring
	Justice Resource Institute
	Housing Assistance Corporation
	People Acting in Community Endeavors
Advocates Focus Group	Mass Law Reform Institute
	Central West Justice Center
	Greater Boston Legal Services
	Northeast Justice Center