

Increase the Shallow Rent Subsidy Program

What is the Shallow Rent Subsidy Program?

- The shallow rent subsidy program was created by the City of Philadelphia in 2020 to assist households earning no more than 50% of Area Median Income (AMI) or \$53,570 for a family of three living in subsidized housing that are still cost burdened, meaning they're spending more than a third of their income on housing.
- Even though rents charged in units subsidized by government programs such as the Low Income Housing Tax Credit program are reduced, they are often still unaffordable to people on fixed incomes and working families.
- The Shallow Rent Subsidy Program works to make our affordable housing *truly affordable* to the tenants that live there by providing up to \$500 in rental assistance.

Why do we need to increase it?

- Evicting a tenant because they can't afford LIHTC rents is an unequivocal policy failure because it's the only subsidy available to affordable housing developers at scale.
- Philadelphia's Shallow Rent Program was created as a pilot limited to tenants in a handful of developments, but there are many more households in need that are unable to access the program.
- When families have to spend over 30% of their income on housing they end up making hard choices like between food and medicine or needed school supplies, or paying the rent on time. With more resources we can save more families from this predicament.
- It also helps to stabilize our existing affordable housing. When tenants can't make rent, it can put the operational stability of our affordable housing developments in jeopardy. This program prevents that, while bringing annual eviction rates among participating tenants down below 1%. It is a win win!

How?

Right now, the program expends about \$1.25 million per year, which serves about 300 households. By increasing this to \$5.25 million, we can expand the program to serve an additional 800 households for a total of 1,100 families/households. This is a smart way to ease the rent burden on vulnerable families while ensuring the longevity of our existing affordable housing.

For more information, visit www.pacdc.org/shallow-rent/

