

July 23, 2019

A Proposed Demonstration of a Flat Rental Subsidy for Very-Low Income Households

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Background

- Co-authors Mary Cunningham and Pamela Lee
- Funder: What Works Collaborative (consortium of private funders)
- Publication date: January 2014
- Charge: Review literature on shallow subsidies and propose a shallow subsidy demonstration

What is a shallow subsidy?

- A type of rental assistance that falls between a housing choice voucher and emergency assistance
- Longer-term than rapid re-housing or transitional housing, but typically not permanent
- Not as expensive as an average housing choice voucher

What's the need for shallow subsidies?

- More equitably distribute limited resources
- Improve long-term housing stability for people exiting homelessness
- Avoid potential negative effects of deep subsidies

What do we know about shallow subsidies?

- Not a lot
 - Federal programs more supply-driven (e.g., tax credits)
 - State and local programs generally offer one-time assistance, not focused on very-low income renters
- Some promising models
 - Project Independence in Alameda County
 - Moving to Work demonstration sites
 - Chilean national rent subsidy program

Possible models worth testing

- Renters insurance
 - Premiums to landlord to reduce screenings and fees
- Cash transfers
 - Conditional or unconditional
- Shallow subsidies
 - Variations based on subsidy type (flat or percent of income) and payment structure (assistance goes to household or landlord)

Proposed demonstration

- Target population: Very-low income renters with children
- Intervention Groups:
 - Treatment 1: Flat, shallow subsidy payment to landlord
 - Treatment 2: Flat, shallow subsidy payment to household
 - Usual Care
- No case management or other services

Evaluation

- Randomized Controlled Trial from PHA waitlist
- Focus on housing stability, housing affordability, and future homeless episodes
- Other outcomes: material hardship, academic performance, self-reported well-being, savings, earned income, public costs