

# Creative Affordable Solutions for the Working Low-Income Family



**Philadelphia Interfaith  
Hospitality Network**  
*An Affiliate of Family Promise*

# Compounding the Problem of Managing Housing Costs for the Low-Income Working Family

- Silos of social services conflict with resolving problems.
- Eviction or intent to file required before getting assistance.
- Bedroom # and Gender specific requirements for all government subsidized spaces drives up cost of housing.
- It is sometimes difficult for working low income tenants to utilize low income tax credits for rent

# **We Need to and Can Help Working Low Income Families- The cost of no change.....**

## **For a Family of 3**

- **Cost of Nightly Shelter \$43,800**
- **Cost of Transitional Housing per Family per year \$32,200 (annual cost)**

**Vs**

- **Shallow Rent Assistance: \$1,200-\$3,600 per year plus admin**
- **Master Lease: 0-\$3600 plus admin**

# Shallow Rent Assistance

- Subsidy of \$200- 400 per month from private or public source for a market rate apartment

Assume that the family is able to pay at least \$400 per month (even if it is half of monthly income. It may be a stretch but it is manageable with other supports.

Cost: \$2,400 to \$4,800 + Admin

# Master Lease - part 1

- Social Service Agency partners with responsible property managers
- Agency leases the apartment and sub-leases to tenant
- Agency guides tenant on managing budget , rent and utilities

# Master Lease – Part 2

- Master Lease Advantages
  - Removes significant barriers ( poor credit, income restrictions, previous eviction) to renting a decent unit in neighborhood of choice.
  - Takes risk away from landlord.
  - Possible discounted rent because landlord is assured of getting paid and not having to deal with evictions.
  - Allows for Flexible Payment Schedules
    - Weekly, Semi Monthly, Prepay with Tax Credit \$

# Earned Income Tax Credits can help with housing. We just have to find a way to make it happen!

- Low Income Workers with children get back sizable amounts of money .
- State Public Assistance rules (Medical Assistance) consider assets in determining amount of benefit, forcing some families to spend their credited income rapidly.
- Why can't we consider an allowable Rent Reserve ? The landlord would be assured of getting \$200- 500 monthly and the tenant would have a much more manageable rent.