



## BACKGROUND

Households facing immense rent burden, the possibility of eviction, or other triggers that push residents into substandard housing, are increasingly likely to experience repeated homelessness and other barriers to wellbeing.<sup>1</sup> Unfortunately, many housing assistance programs still render households vulnerable. For example, up to 31% of families with children participating in Rapid Re-housing programs (RRH), which pays a portion of housing costs to move households quickly out of homelessness, will re-enter shelters within 18 months of exiting RRH.<sup>2</sup> Permanent subsidies, which do not expire so long as households meet certain criteria, are a promising means of ensuring housing stability, however, they are costly and inaccessible to most households. The relative success of permanent subsidies, the need to extend assistance post-RRH for some households, and the extreme number of household who need smaller, longer-term housing assistance suggest that shallow subsidies that are lesser in value than permanent subsidies but still long-term may effectively prevent homelessness among individuals exiting RRH or Prevention assistance programs.

## SHALLOW SUBSIDY PILOT

The Los Angeles Homeless Services Authority (LAHSA) is committed to expanding housing resources and supporting housing stability through a Shallow Subsidy pilot program. LAHSA's Shallow Subsidy pilot, administered by The Salvation Army, provides extended assistance to households exiting RRH

<sup>1</sup> Desmond, M., Gershenson, C., & Kiviat, B. (2015). Forced relocation and residential instability among urban renters. *Social Service Review*, 89(2), 227-262.

<sup>2</sup> Walton, D., Wood, M., Rodriguez, J., Khadduri, J., Gubits, D., Dunton, L., & Shinn, M. (2018). Understanding rapid re-housing: Supplemental analysis of data from the Family Options Study. Washington, D.C.: U.S. Department of Housing & Urban Development.

and Prevention who need time to build economic security but could do so with lower levels of assistance than permanent subsidies. Beginning in June 2019, qualifying individuals - those with an income at or below 50% Area Median Income (AMI); pay 60% or more of their total income toward rent; and have exited RRH within 120 days or are 62 years and older and currently receive Homeless Prevention assistance - have been referred to receive a monthly shallow subsidy of up to 35% of monthly rent for up to five years. Case managers work with subsidy recipients to provide additional support, including, drafting a Financial Independence Plan, resolving disputes between clients and landlords, connecting clients to community resources, and providing housing application and waitlist assistance. Eligibility for LAHSA's Shallow Subsidy Pilot was later expanded to include clients experiencing literal homelessness and all clients exiting Prevention regardless of age.

## IMPACT EVALUATION DESIGN

LAHSA commissioned an independent impact evaluation to understand the effect of its Shallow Subsidy pilot on housing status and long-term housing stability. The evaluation, conducted by The Cloudburst Group, focuses on the first three years of pilot implementation, applying a quasi-experimental design to provide causal inference evidence on whether the shallow subsidy improves housing stability by preventing returns to homelessness within 12 months after exiting RRH/Prevention into shallow subsidies. The evaluation also explores whether the subsidy improves health outcomes, impacts how individuals participate in other housing programs, or differs in impact for individuals of different races, ages, genders, ethnicities, disability status, and housing type. The study primarily draws upon administrative data, including LA HMIS Collaborative and the Enterprise Linkage Project integrated data warehouse, to answer these research questions. Focus group discussions with implementing staff and referring RRH and Prevention providers supplement this data.

## FINDINGS AND IMPLICATIONS

- LAHSA's shallow subsidy program is an effective intervention for long-term housing stability. Overall, the odds of returning to homelessness (shelter) for control households were nearly 2.5 times greater than those for households receiving the shallow subsidy intervention.
- Fifty-six percent of shallow subsidy clients showed increased incomes after the one-year follow-up period, and the median increase in annual household income was \$966, suggesting that given enough time in the program, more than half of households may be able to increase their incomes sufficiently to achieve financial independence. Additionally, the study took place during the COVID-19 pandemic when clients faced severe challenges with reduced work hours. Gains could be even larger in the current economy.
- There is far greater need for the shallow subsidy assistance than the program can currently meet. Expanding shallow subsidy can help meet LAHSA's goal of maximizing RRH resources to reach as many people as possible.

## FOR MORE INFORMATION CONTACT

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