



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

RESOLUTION NO. 180776

Introduced September 13, 2018

Councilmembers Parker, Greenlee and Blackwell

RESOLUTION

Calling on the United States Congress to support the passage of the *Rent Relief Act*.

WHEREAS, U.S. Senator Kamala Harris (D-California) introduced the *Rent Relief Act* in July 2018. The legislation provides rent relief for working families struggling to pay their bills and supports cost-burdened renters. Senator Harris was joined in the introduction by Senators Dianne Feinstein (D-CA), Richard Blumenthal (D-CT), and Maggie Hassan (D-NH); and

WHEREAS, Homeownership remains increasingly out of reach for more and more Americans, yet homeowners reap most of the country's tax savings and benefits, which do not apply to renters. That could change under this new bill which would extend tax credits to renters – the first major response from federal legislators to address a growing housing affordability crisis; and

WHEREAS, The *Rent Relief Act* would make a tax credit available to renters who make less than \$100,000 a year and spend more than 30 percent of their gross income on rent and utilities. The income cap would be \$125,000 in more expensive metropolitan areas; and

WHEREAS, Depending on income, the credit would allow renters to receive between 25 and 100 percent of the amount they paid to rent and utilities that is over 30 percent of their income; and

WHEREAS, Eligible individuals would qualify for the tax benefit by determining the total amount spent yearly on rent, taking into account the family's annual income, and a rate of the federal government's established fair market rent controls; and

WHEREAS, Individuals who live in government-subsidized rental housing could claim the value of one month's rent as a refundable tax credit. Subsidized rent is normally

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capped at 30 percent of a person's income, making them eligible for the tax benefit for rent-burdened residents; and

WHEREAS, According to the Joint Center for Housing Studies at Harvard University, nearly half of American renters are cost-burdened, meaning they spend over 30 percent of their income on rent; and

WHEREAS, A report by the National Low Income Housing Coalition found that nearly 9.7 million extremely low-income, 5 million very low-income, 4.1 million low-income, and 923,726 middle-income renter households are cost-burdened; and

WHEREAS, While renters of all income levels can face cost-burdens, low-income renters are disproportionately impacted, and overpriced markets often hit the poorest renters the hardest. The National Low Income Housing Coalition found that there is a shortage of 7.2 million affordable rental units for America's 11.2 million extremely low-income families, defined as households with incomes at or below the Federal Poverty Guideline or 30% of area median income, whichever is higher; and

WHEREAS, The National Low Income Housing Coalition found that statewide, for every 100 extremely low-income renter households, there is a range of 15 affordable and available rental units (Nevada) to 59 units (Maine), with an average of 35 affordable and available units for every 100 extremely low-income renter households nationwide; and

WHEREAS, In metropolitan areas, the availability of affordable units is even more scarce. Of the 50 largest metropolitan areas, for every 100 extremely low-income renter households, there are between 10 (Las Vegas, NV) and 47 (Providence, RI) available units. Even in the best case, there are fewer than half the necessary number of affordable units; and

WHEREAS, Renters, particular low-income renters, are facing additional threats to their financial security. For example, in April 2018, Housing and Urban Development (HUD) Secretary Ben Carson proposed far-reaching changes to federal housing subsidies, such as tripling the minimum rent cost for individuals in public housing, eliminating deductions for medical and childcare costs, and allowing public housing agencies and property owners to impose work requirements, impacting 4.7 million families relying on federal housing assistance; and

WHEREAS, According to the Pew Research Center, more U.S. households are renting than at any point in 50 years, a trend that does not seem to be slowing any time soon. Congress currently has an opportunity to protect the stability and success of cost-burdened renters by providing financial assistance through tax credits; now, therefore, be it

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RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby calls on the United States Congress to support the passage of the *Rent Relief Act*.

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