

The Future of Rental Assistance: Lessons Learned from Implementing and Evaluating a Direct-to- Tenant Cash Assistance Program, PHLHousing+

Vincent J. Reina
Matthew Z. Fowle
Sara R. Jaffee
University of Pennsylvania

Rachel Mulbry
Miranda Fortenberry
Philadelphia Housing Development Corporation

Disclaimer: Any opinions, conclusions, or recommendations expressed in this article are those of the authors and do not necessarily reflect the view of any entities whom they represent or who provide financial support.

Abstract

This article examines a new rental assistance program in Philadelphia, called PHLHousing+, that disburses unconditional cash payments directly to tenants to eliminate their housing cost burden. The program is designed as a 2.5-year randomized controlled trial that aims to test the impact of direct-to-tenant cash assistance on household outcomes compared with traditional housing vouchers. The motivations for the program range from the need for more flexible tools that respond to the diverse needs of low-income renters to the desire for a robust evidence base on effective policies to improve household outcomes. The article also discusses the evolution of the idea behind PHLHousing+ before the COVID-19 pandemic through to its development, using knowledge obtained from upscaling local pandemic emergency rental assistance programs. Finally, the article describes the program's implementation, including participant enrollment, strategies to minimize benefits loss, and cash disbursement mechanisms. It reflects on the lessons learned throughout this process, such as the importance of flexible funding and a strong research-practice partnership. The goal is to provide guidance to those planning similar programs and inform local and national policy, especially on direct-to-tenant, cash-based housing assistance.

Introduction

More than 50 years ago, the Experimental Housing Allowance Program (EHAP) was launched to explore the effect of different forms of tenant-based (demand-side) assistance on housing outcomes. The experiment was meant to inform the development of a permanent demand-side housing assistance program, although Congress created the Section 8 program before the study was complete (Richardson, 2017). A lot has changed regarding housing markets and needs during the past half-century. Today, new demand-side assistance models are needed to complement existing tools, which is why this team launched PHLHousing+ in 2021, a randomized controlled trial testing direct-to-tenant, cash-based housing assistance.

The subsidy in PHLHousing+ operates like a traditional housing voucher in that the amount of the monthly subsidy is designed to eliminate household housing cost burdens so that the household pays no more than 30 percent of its income for housing. Unlike the Housing Choice Voucher program, the subsidy in PHLHousing+ is an unconditional cash payment flowing directly to the tenant rather than through a contract with a property owner. Participants for the program were randomly selected from the Philadelphia Housing Authority's waitlists to observe the impact on outcomes of providing cash-based assistance directly to tenants relative to a traditional housing voucher.

This article discusses the motivation for the program and offers reflections on lessons learned from its development, implementation, and evaluation. Given the unique nature of this program, the goal is to provide guidance to those planning similar programs and inform local and national policy, especially on direct-to-tenant, cash-based housing assistance.

Motivation for the PHLHousing+ Program

Four key factors motivated the development of PHLHousing+:

1. The need for more rental assistance.
2. The local desire for a broader set of supply- and demand-side tools that were more flexible than existing tools and were responsive to the dynamic needs of renters and owners.
3. The acknowledgment of key challenges households face when using a housing voucher.
4. An openness to building an evidence base for whether and how policies improve household outcomes.

Locally and nationally, rental assistance is a significant need. Nationally, four households qualify for rental assistance for every one household that accesses it (Aurand et al., 2023). In Philadelphia, specifically, five times as many households are in need relative to those assisted (Reina, Aiken, and Epstein, 2021). Before the Biden-Harris administration, there was little growth in the number of vouchers available, and although recent increases should be lauded, funding is still far below actual need. This scarcity means that public housing authorities generally offer a voucher to a household only when someone currently receiving the benefit stops using it. The undersupply of vouchers and reliance on reusing the same voucher led to many public housing authorities closing their

waitlists because more people have already applied than can be served in the foreseeable future. Acknowledging the lack of rental assistance, the city of Philadelphia saw an imperative to explore locally funded forms of rental support.

In addition to increased rental assistance, many cities, such as Philadelphia, need more policy tools that can adapt quickly to changing housing markets and needs. Since 2018, the city of Philadelphia has been committed to developing new tools to meet the needs of renters and homeowners. When the city of Philadelphia announced its first citywide housing plan in 2018, *Housing for Equity*, the city also committed to increase support for its Housing Trust Fund by at least \$70 million between fiscal years 2019 and 2023 (City of Philadelphia, 2018). This commitment meant the city was positioned, for the first time, to develop new housing programs that were not defined by the rules that govern federal funding streams. The plan and funding ushered in a period of innovation in the city of Philadelphia across its programs aimed at increasing housing supply and improving housing quality, such as with its Small Landlord Loan Program, and addressing housing demand, such as with PHLHousing+. These programs were administered through the Philadelphia Housing Development Corporation (PHDC), a quasi-public agency operating under the umbrella of the city of Philadelphia's Department of Planning and Development (DPD).

In thinking through what form local demand-side assistance could take in Philadelphia, it was clear that using flexible local dollars to replicate the Housing Choice Voucher program made little sense. Despite the long-standing success of the Housing Choice Voucher program, many voucher recipients face considerable barriers to using the benefit (McCabe, 2023; Rosen, 2020). A core feature of the Housing Choice Voucher program is that a tenant must find a unit where the owner agrees to accept the subsidy. This requirement means that if an owner refuses to accept a voucher, then a tenant cannot use their subsidy to rent that unit. If a tenant does not find another owner who will accept the voucher during the mandated time limit to use the benefit, they could have the voucher taken away from them. Unlike most forms of public assistance, the dual receipt and redemption process for using the subsidy affects both whether someone can even use the assistance they need and where they can choose to live with it (Barnes, 2021). This reality, coupled with a broader set of administrative burdens associated with traditional vouchers, led the city of Philadelphia to develop a more flexible model of housing assistance.

The final motivation for PHLHousing+ was a desire to expand the evidence base for if and how policies improve household outcomes. Even with new funding, the level of housing need in Philadelphia exceeded available resources, which created a premium for evidence-based housing solutions and the use of that evidence to guide policy development at the local, state, and federal levels. Although this context is true in most places, the city of Philadelphia was serious about leveraging its resources to establish new models of housing assistance and show whether they actually worked in improving the livelihood of vulnerable residents. The drive for evidence was the primary motivation for Philadelphia DPD including the Housing Initiative at Penn (HIP) research team in the development of its housing plan and evaluation of several long-standing housing programs. Sharing this desire for research to inform policy, a local funder supported a fellowship for HIP's faculty director to dedicate substantial time to partnering directly with Philadelphia DPD to develop innovative housing solutions. This flexible funding to support human capital was crucial to the cocreation of PHLHousing+.

Evolution of the PHLHousing+ Program

The idea behind the PHLHousing+ program was formed in 2019 when the Philadelphia DPD partnered with HIP, focusing on developing innovative policies that advance positive youth development. Together, they discussed potential concepts, including a cash assistance program to reduce poverty and housing insecurity in Philadelphia. During this period, several high-profile municipal cash assistance programs, such as the Stockton Economic Empowerment Demonstration launched by then-mayor Michael Tubbs, spurred an emerging guaranteed income movement (Baker et al., 2020); these programs were not specifically tied to housing, nor did payments vary on the basis of housing costs or household income. By early 2020, the Philadelphia DPD and HIP developed the concept with support from the Center for Guaranteed Income Research at the University of Pennsylvania for a cash assistance program to be administered by PHDC that would be designed to reduce poverty for 1,000 households in three streams: low-income renters with children, youth aging out of the foster care system, and people with disabilities. The proposed program was included in then-mayor Jim Kenney's budget proposal for the subsequent fiscal year.

The onset of the COVID-19 pandemic required the city of Philadelphia to eliminate the proposed investment from its budget. Instead, PHDC pivoted to launch the PHLRentAssist emergency rental assistance program, with support from HIP and the Mayor's GovLabPHL team.¹ With federal Emergency Rental Assistance funding, the program disbursed \$299 million to 46,500 households during the next 30 months (City of Philadelphia, 2022). To implement the program, the city, including GovLabPHL and PHDC, created robust information technology infrastructure, customer service systems, outreach and communication strategies, and data collection procedures. A crucial component of the program was a direct-to-tenant payment option, which served as a test case for a cash assistance pilot. Program staff quickly learned that direct-to-tenant payments were an important tool to support tenants renting from landlords who were difficult to reach or reluctant to accept the rental assistance payments. Despite diligent staff outreach, if owners were unresponsive, it was impossible to verify residency and rental arrears and, therefore, support tenants. As a result, over the course of the program, approximately 15 percent of all assistance was paid directly to tenants. Without a direct-to-tenant option, these tenants would have never received assistance.

By design, PHLRentAssist and its implementation were evaluated by HIP. The program evaluation found that those who received assistance had multiple positive outcomes, including lower rent arrears, a lower probability of rent-related debt, and a lower probability of experiencing frequent debilitating anxiety. For many tenants, however, rental challenges persisted, given the ongoing high levels of housing unaffordability in Philadelphia (Reina and Lee, 2023). Although PHLRentAssist was successful at keeping tens of thousands of Philadelphia families housed during the height of the COVID-19 pandemic, it also served as a stark reminder that many households affected by the health and economic impacts of the pandemic struggled with chronic rent burden and housing instability well before 2020. These households would need ongoing financial support, even after the end of the public health emergency. The experience of administering and evaluating PHLRentAssist furthered the case for implementing a direct-to-tenant, cash-based housing assistance program embedded in a broader research framework. As PHLRentAssist expended all available federal funding and would

¹ GovLabPHL is an initiative within the Mayor of Philadelphia's policy office focused on supporting and advancing data and evidence-based policymaking and solutions across city agencies.

down, Philadelphia DPD and PHDC leadership returned to the work of reimagining PHLHousing+ as a cash assistance program focused specifically on housing, which would leverage the perspectives, staffing, and infrastructure built during the pandemic.

Evaluation of the PHLHousing+ Program

PHLHousing+ is designed as a 2.5-year randomized controlled trial, with participant households selected from Philadelphia Housing Authority housing assistance waitlists. This research design enables causal inferences about the effects of cash assistance compared with housing vouchers to be made. The study compares three groups:

1. Households who receive monthly cash payments.
2. Households offered a housing voucher under the existing Housing Choice Voucher program.
3. Control households who remain on the housing assistance waitlists, receiving no intervention.

To recruit households, 1,503 and 6,000 households were selected randomly from the bottom one-half of Philadelphia Housing Authority waitlists for the cash and control groups, respectively, and were invited to participate in the study in three waves.² Participants were informed that enrollment in the study would not affect their position on any housing assistance waitlist. The cash group comprises the first 300 households who responded to invitations and were eligible for participation.³ The control group comprises the first 600 households who responded to invitations and some households who were eligible for the cash group but did not respond to requests for additional documentation when processing their application. In addition, 1,097 households randomly selected from the top one-half of the housing choice voucher waitlist and 1,137 additional households who received vouchers in the past 2 years were invited to the voucher group. The existence of the voucher group allows testing of whether direct-to-tenant payments are as effective (if not more so) as vouchers in promoting housing security, housing quality, and other measures of child, adult, and family well-being. The existence of the control group may be particularly informative if outcomes for the cash group are intermediate compared with those in the voucher and control groups because it allows an assessment of whether cash payments result in better outcomes than doing nothing at all.

The evaluation of PHLHousing+ includes three primary data collection methods. First, baseline surveys were conducted for all three study groups and then every 6 months thereafter to assess housing security, financial well-being, health, and child health and educational outcomes. Response rates for the third biannual survey were 80.3, 81.1, and 73.1 percent for the cash, voucher, and control groups, respectively. A monthly survey launched halfway through the study assessed daily activities related to health and well-being. Second, administrative data from the city of Philadelphia and electronic health records on public service usage, system involvement, child

² More households were invited to enroll in the control group compared with the cash group to obtain an adequate sample size to maximize statistical power.

³ Households were ineligible for the cash group if they were a homeowner, lived in public housing, received a housing voucher, earned more than 50 percent of Area Median Income, did not live in Philadelphia, or did not have a child younger than 15 years old living in the household.

and adolescent academic outcomes, and health metrics are being linked to study participants. Third, semi-structured interviews probed the mechanisms linking cash payments and vouchers to housing, health, and well-being outcomes, the effect of the programs on household decision-making, and participant experiences of the programs. Approximately 50 households receiving cash payments and 25 households receiving housing vouchers have been interviewed, with additional interviews planned for later in the study.

Rationale for Cash-Based Housing Assistance

Since the Experimental Housing Allowance Program 50 years ago, no study has compared cash assistance and vouchers. It is expected that direct cash assistance and housing vouchers differ with respect to their effect on tenant and landlord behavior and household outcomes. The following list includes three theoretical benefits of cash-based housing assistance over a traditional housing voucher tested in the PHLHousing+ evaluation.

1. Reduce Administrative Burdens

The Housing Choice Voucher program can introduce numerous administrative burdens for renters seeking assistance, property owners engaging in the program, and even the housing authority administering the program. One key premise of PHLHousing+, and any direct-to-tenant assistance program, is determining whether or how program design can reduce burdens while maintaining or improving effectiveness and efficiency compared with traditional housing vouchers.

Tenants in the Housing Choice Voucher program encounter substantial burdens to using a voucher: a household must find a landlord willing to accept their voucher, fill out the necessary paperwork, and undergo an initial and annual housing quality inspection. These processes create delays in signing a lease, especially if a landlord decides not to cooperate or a unit fails inspection. In theory, the requirement that units pass initial and ongoing Housing Quality Standards inspections ensures access to safe and decent housing for recipients. Although data about the quality of voucher units are limited, evidence shows housing vouchers lead to increases in unit size and reductions in overcrowding (Mills et al., 2006). By contrast, PHLHousing+ imposes no unit quality requirements. Although the absence of inspections may mean direct-to-tenant cash assistance yields less improvement in housing quality for recipients, it is important to note that vouchers do not induce improvements in the overall quality of housing stock available to low-income renters (Eriksen and Ross, 2015). In a city like Philadelphia, where the overall quality of housing stock is low, renters do not have a lot of higher-quality housing choices. Voucher inspections, therefore, are ineffective tools for improving overall housing quality but may allow some recipient households to obtain better-quality housing. PHLHousing+ will provide insight into whether the benefits of eliminating a key administrative burden outweigh the costs of a reduction in unit quality.

For landlords, administrative processes in the Housing Choice Voucher program can create costly delays, especially if their unit sits vacant while awaiting housing authority approval.

Many landlords perceive housing inspectors to be inconsistent in applying standards and the inspection process to be onerous in its demands, particularly in cities with older housing stock (Garboden et al., 2018). For example, some inspectors may require either arbitrary or unrelated upgrades to the quality of the unit, and other inspectors accept bribes to overlook minor issues (Garboden et al., 2018; Greenlee, 2014). Interviews with tenants revealed scenarios where a tenant was so desperate to keep their voucher or to avoid a forced move that they spent their own money on repairs to their unit so it would pass inspection (DeLuca, Garboden, and Rosenblatt, 2013). Cash assistance, by comparison, has very few strings attached. In PHLHousing+, households do not need to find a landlord willing to accept a voucher, undergo housing quality inspections, and sign an agreement with the housing authority. Landlords renting to cash recipients may avoid the administrative burdens associated with vouchers but lose the security of a guaranteed monthly payment from the government.

For public housing authorities, cash assistance may be a cost-efficient alternative to vouchers. Major costs related to housing vouchers include ongoing administration for voucher holders, participant intake and eligibility determination, negotiation of rents and contracts with landlords, and housing inspections. Each year, housing authorities spend an average of 13.8 hours on administrative tasks related to a single voucher (Turnham et al., 2015). In PHLHousing+, negotiations with landlords and housing inspections are eliminated. Tenants may use their purchasing power to determine if a rental unit meets their standards, as other renters do on the private market. Leases would be signed between the tenant and landlord only, avoiding the need for the housing authority to be involved in the agreement. Nevertheless, it is unclear what impact the elimination of these administrative processes might have on tenant housing quality and what the impact would be of shifting some administrative burdens from housing authorities and landlords to tenants.

2. *Increase Lease-Up Rates and Improve Residential Options*

Providing assistance directly to tenants improves the ability to obtain the subsidy and lease a unit using these funds and could increase housing options. The costs of participating in the Housing Choice Voucher program lead to landlords with higher-quality units in more desirable locations refusing to rent to voucher holders. As a result, landlords with lower-quality housing are more likely to specialize in renting to voucher holders and actively recruit them. This specialization limits the pool of available housing for voucher holders and skews it to disadvantaged neighborhoods where landlords have more to gain by securing a tenant with a steady stream of federal rental support (Rosen, 2020). Moreover, although housing vouchers are designed to be portable across jurisdictional lines, in practice, bureaucratic hurdles may limit voucher holders to a single locality (Greenlee, 2011). PHLHousing+ is testing whether direct-to-tenant assistance could improve benefit use rates and increase a tenant's housing options. Rates of landlord participation in voucher programs are low in many cities (Cunningham et al., 2018). Research suggests that voucher use rates are sometimes even lower for Black

households and those with children, such that discrimination against voucher holders disproportionately hurts these groups (Reina and Winter, 2019). Direct cash assistance has the potential to help renters bypass these barriers.

Advocates of direct cash assistance argue that it is not only less expensive to deliver than other kinds of assistance but that it also has a greater impact on outcomes (Kenny, 2015). As a potentially “invisible” benefit, direct cash assistance may reduce the stigma and discrimination associated with traditional housing vouchers. Although Philadelphia has a local source of income discrimination law barring owners from rejecting a tenant on the basis of their desire to use a voucher to rent a unit, 67 percent of local landlords refused to accept a voucher in 2018 (Cunningham et al., 2018). In low-poverty neighborhoods, an even higher 83 percent of landlords rejected voucher holders (Cunningham et al., 2018). PHLHousing+ will determine whether direct cash assistance provides greater flexibility in where households can live, enabling them to move, for example, from neighborhoods characterized by high rates of violent crime to safer neighborhoods.

3. *Greater Flexibility for Households That Improves Their Housing Outcomes*

Direct-to-tenant cash assistance offers the recipient more authority and agency in when and how to use the benefit. Housing vouchers are in-kind transfers; as such, they must be used for a particular good—in this case, rental housing. The Housing Choice Voucher program further restricts the use of vouchers to only certain rental costs. The voucher covers the difference between 30 percent of a household’s income and fair market rent, and the voucher may not be used toward security deposits, rental application fees, or other housing-related costs. These restrictions ensure that the assistance is used for the intended purpose, but they may also hamper voucher holders’ abilities to find and lease a unit within a housing authority’s search time limit or to pay other costs that may directly affect their housing stability. Peterson (2000) also notes that some voucher regulations restrict aspects of what might be seen as a household’s private choice, such as the number of persons per bedroom, which limits voucher households’ abilities to trade off unit size and location. In reality, low-income households residing in nontraditional living arrangements—such as renting a single room, doubling up with another household, or verbally agreeing to a lease—are unfairly excluded from the Housing Choice Voucher program. In PHLHousing+, households who receive cash assistance may decide to stay in place, downsize to save money, or build their credit while waiting for more suitable rental units to enter the market. When they find a suitable rental unit, households receiving cash assistance may also be more likely to have a landlord accept their source of income.

Direct assistance could maximize each family’s ability to achieve housing stability by having more control, access, and use of funds. Mounting evidence shows that housing insecurity coincides with other forms of insecurity, including food and healthcare insecurity, both of which are associated with poor academic and behavioral outcomes for children (Cutts et al., 2011; Ma, Gee, and Kushel, 2008; Shankar, Chung, and Frank, 2017). The U.S. Census Bureau Household Pulse Survey (2022) found that among adults in the Philadelphia region who were behind on rent or at risk of eviction, more

than one-third reported sometimes or often not having enough food to eat. Direct cash assistance recognizes these multiple, overlapping needs. It demonstrates trust in low-income families' abilities to strategize and prioritize, which may reduce the stress, trauma, and administrative burdens often associated with navigating welfare programs (see, for example, Raker and Woods, 2023). Fears that assisted households will squander direct cash payments or drop out of the workforce appear largely unfounded; instead, evidence from the United States and Canada shows that unconditional cash transfers improve nutrition, increase educational attainment, reduce alcohol and cannabis dependence, decrease criminal activity, and lead to more positive interactions between children and parents (Akee et al., 2010; Forget, 2011; Hum and Simpson, 1993; Jones and Marinescu 2022; Salkind and Haskins, 1982).

One concern, however, is that this greater flexibility can apply to owners in ways that reduce some renter protections. Without contracts with landlords, housing authorities cannot attach more stringent eviction protections to the subsidy, which could expose some tenants receiving cash assistance to greater risk of displacement (Preston and Reina, 2021).

Lessons Learned From Program Implementation

In early 2022, building off the infrastructure developed during the pandemic, PHDC and HIP launched the PHLHousing+ program, which delivers unconditional cash assistance to 300 low-income families with children. This launch process entailed randomizing waitlist data; replicating the Housing Choice Voucher program subsidy calculation methods; building an online intake process; reaching out to selected households on housing assistance waitlists; enrolling households using income, benefits, and housing cost information; and distributing debit cards used for payment disbursement.

Enrollment. PHLHousing+ was designed to mirror the Philadelphia Housing Authority's Housing Choice Voucher program, with the method of rental assistance payment being designated as the central difference. The eligible population for PHLHousing+ included low-income renter households in Philadelphia who have at least one child younger than the age of 16 and are not receiving a housing voucher or living in a public housing unit.

The team chose not to recruit households publicly and then randomly select from that group who would be enrolled in the program to prevent some households from applying but not receiving assistance. Instead, the team invited households from the bottom one-half of Philadelphia Housing Authority waitlists to apply for the PHLHousing+ program. By using the position households were randomly allocated on the waitlist by the housing authority, those at the bottom of the waitlist were unlikely to be offered a voucher soon and would maintain their waitlist position and access to long-term housing assistance, both during and after participation in PHLHousing+.⁴ In addition, given the difficulties people face using a voucher, the team did not want to choose what form of assistance people should receive through random assignment to a cash or voucher group. Doing so would effectively be asking people needing support to sign up for a program in which they

⁴ Before 2023, the Philadelphia Housing Authority voucher waitlist was last open to applications in 2010. It took more than 12 years to clear the 55,000 applications received.

could be guaranteed assistance in the direct-to-tenant cash assistance group for 2.5 years or be randomly assigned a voucher that could last a lifetime but comes with a greater number of known administrative burdens and the risk they may be unable to use.

Invitations were sent in multiple waves via postal mail, text message, and email, with followup phone calls made by PHDC staff. Phone calls were found to be the most effective mode of outreach. Sending invitations in waves allowed PHDC staff to monitor response rates closely so that all households who started the intake process and were found eligible were allowed to enroll in the 300-household cohort. The time from the completion of an intake form to enrollment varied greatly among households, depending on how difficult it was for them to produce the required documentation. To accommodate this variation and minimize the amount of time enrolled households were waiting to receive their first payment, PHDC began making monthly cash payments to households in three monthly cohorts from September through November 2022.

Simultaneously, using the same outreach methods, HIP researchers randomly invited households from the top one-half of Philadelphia Housing Authority's Housing Choice Voucher program waitlist to participate in the voucher group and households from the bottom one-half of housing assistance waitlists to participate in the control group.

It was necessary to invite a much larger number of randomly selected households to enroll in the program and the study than needed because contact information on the Philadelphia Housing Authority waitlists was often outdated. It was assumed that control group households, because of their location on the bottom one-half of waitlists, would not be offered any form of housing assistance in the 2.5 years participating in the study, but study participation did not (and could not) deny families the right to accept housing assistance if it was offered to them.

PHDC used an online-only application process, which proved to be both accessible and efficient, based on participant survey and interview results. Prospective participants completed an intake form and uploaded supporting documents via a dedicated online portal built by PHDC using the QuickBase platform. The intake form collected contact information, household composition and demographics, public benefits, housing expenses, and employment and income for each household member. Documentation proving a Philadelphia address, all income sources, and at least one child in the household was required. Each household was assigned a single point of contact through the intake process whom they could contact with questions. Application processes mirrored Philadelphia Housing Authority guidelines as closely as possible.

Benefits Loss Mitigation. PHDC employed a threefold strategy to proactively protect and minimize the effect of cash payments on households' existing public benefits. First, PHDC calculated the risk to each applicant's existing benefits using the Atlanta Federal Reserve Bank's Benefits Cliff Dashboard so households could consider the risk of benefits loss when choosing whether to enroll in PHLHousing+. Afterward, applicants with a high risk of benefits loss were required to attend an online group benefits counseling session led by the Benefits Access Unit of the city of Philadelphia's Office of Community Empowerment and Opportunity. Applicants with a low or medium risk were strongly encouraged to attend. Overall, 94 percent of enrolled

households attended a benefits counseling session, and many households noted that group sessions, rather than individual sessions, were especially helpful.

Second, waivers from the Pennsylvania Department of Human Services were obtained to protect Temporary Assistance for Needy Families, Medicaid, Low Income Home Energy Assistance Program, and Low Income Household Water Assistance Program benefits. The Benefits Unit at Community Legal Services, a local legal aid organization, also offered extensive guidance regarding the risk to public benefits for households receiving Supplemental Security Income (SSI) and Supplemental Nutrition Assistance Program (SNAP) benefits. PHDC recommended that households receiving SSI or Child Care and Development Fund subsidies not enroll in the program because the risk of benefits loss was high.

Third, PHDC established a *hold harmless fund* to reimburse participants for any financial impact of the cash payments on SNAP benefits. During the public health emergency, household SNAP benefits were only reduced if their PHLHousing+ income was high enough to make them completely ineligible for SNAP. When the public health emergency rules ended—and on the basis of new federal guidance—the Pennsylvania Department of Human Services expanded the original waiver to include SNAP benefits, after which the hold harmless fund was closed.

Disbursement of Cash Payments. The program was designed to make the delivery of assistance as easy as possible for participants. Households in the cash group received monthly cash payments to eliminate their rent burden, so they paid no more than 30 percent of their monthly income toward housing costs. The amount of the cash payment was calculated using the same methodology as housing vouchers, except housing costs at intake were based on the Small Area Fair Market Rent (SAFMR) for a household's current place of residence rather than the actual rent cost of their unit. Each year, the U.S. Department of Housing and Urban Development (HUD) establishes the maximum rent level for a unit leased with a voucher, adjusted for bedroom count. This maximum level was traditionally established for a metropolitan area, but HUD began allowing housing authorities to use estimates determined at the ZIP Code level to account for the variation in rents across neighborhoods in 2011. The Housing Choice Voucher (HCV) program then pays the lesser of the payment standard and the actual housing costs. By contrast, PHLHousing+ used SAFMR estimates to calculate a monthly payment amount to be paid immediately upon enrollment. When the program began, the median monthly payment was \$881.

PHDC contracted with Mobility Capital Finance, Inc. (MoCaFi), a social impact financial services company, to provide every household in the study with a reloadable debit card that could be used in person and online. Payments were loaded directly onto each household's card on the 20th of each month, and they could access their funds without restriction. The same debit cards processed survey compensation payments. Approximately 40 percent of funds were withdrawn as cash.

PHDC used an online form to recertify household addresses, income, expenses, members, and living arrangements after 12 months of participation in the PHLHousing+ program. Unlike during enrollment, households were required to submit rental leases or proof of three monthly rental payments during recertification. Households who paid rent in cash could provide paper receipts or, as a last resort, signed and dated letters from their landlord. Monthly cash payments

were recalculated on the basis of current income and actual housing costs, and standard utility allowances were used to mirror the Philadelphia Housing Authority's protocol. After recertification, the median monthly payment amount dropped slightly to \$850. This decrease was likely due to the use of actual housing costs in place of SAFMR because more than 80 percent of households reported rents below SAFMR. In addition, 6 percent of households were found not to be housing cost-burdened during recertification and received a \$0 monthly payment until their income or housing costs changed and an interim recertification showed no cost burden. After recertification, 3 percent of households had moved outside the city of Philadelphia, which is allowed under the program to mirror the ability to port a voucher.

Households could request an interim recertification up to once every 6 months for the duration of the program but were not otherwise required to complete another recertification. PHLHousing+ program recertification protocols followed the Philadelphia Housing Authority recertification protocol for housing choice vouchers as closely as possible.

Funding. This program was only possible due to multiple forms of flexible public and private funding. PHDC, the City of Philadelphia, and HIP secured \$4.4 million in funding for the project from philanthropic partners, including Spring Point Partners LLC, the William Penn Foundation, and additional support from the Stoneleigh Foundation. The flexible funding from the Stoneleigh Foundation allowed the HIP team to work with the City of Philadelphia through several years of program design and development and provided early research funding support. In addition, significant support for the research component from the William Penn Foundation ensured that the study was an essential part of the program's ongoing operations. Finally, substantial support from Spring Point Partners LLC for tenant cash assistance bridged a serious gap in funding to make the project feasible. Additional financial support for the program came from the Samuel S. Fels Fund, and financial support for staffing and research on additional health outcomes came from the Russell Sage Foundation and the National Institutes of Health.

This private support was paired with \$4.7 million in funding from the City of Philadelphia. Flexible public funding from the city's Housing Trust Fund and bond proceeds from the Neighborhood Preservation Initiative were keys to PHLHousing+ success. These relatively local, new funding sources support a wide range of housing and community development programs, including new programs like PHLHousing+ that address housing insecurity in innovative ways that would be difficult to fund with existing federal sources.

Research-Practice Partnership. A strong research-practice partnership from the program's inception enabled a comprehensive evaluation structure to be embedded throughout the PHLHousing+ program. The long-term collaboration between PHDC and HIP ensured that research was integral to the program design and that practitioners received timely, policy-relevant insight. Given the shifting policy and funding landscape and the complex research design, this close partnership was essential to the design, launch, and ongoing operation of the program. An interdisciplinary research team with expertise in housing, public health, and psychology continues to support research on a range of outcomes, including housing security, financial well-being, health, parent-child relationships, and child education.

Conclusion

The future of rental assistance should include programs that reflect the broad and complex needs of low-income renters and the housing realities they face. With that in mind, PHLHousing+ aims to provide insight into whether and how direct-to-tenant, cash-based housing assistance affects household incomes and to inform broader policy efforts to address housing unaffordability effectively. Compared with the Housing Choice Voucher program, PHLHousing+ has the potential to reduce administrative burdens for tenants, landlords, and housing authorities; increase tenant lease-up rates and improve residential options; and provide greater flexibility for households that improves their housing outcomes, including their housing stability. To test these outcomes, a randomized controlled trial sampling from tenants on the Philadelphia Housing Authority's housing assistance waitlists was designed. The study compares households receiving direct-to-tenant cash assistance with a comparison voucher group and a control group receiving no assistance.

The enrollment strategy reduced burdens and negative effects on households through a low-barrier online application system that minimized upfront administrative costs and ensured that study participation would not affect any household's ability to receive a housing voucher in the future. Potential benefits loss from receiving cash assistance was mitigated by providing benefits counseling sessions, obtaining waivers to protect key benefits, and creating a reserve fund to compensate households for a loss of benefits. To disburse cash payments to tenants as quickly as possible, housing quality inspections were eliminated, the housing authority's role in negotiating with landlords was removed, and payments were calculated using the SAFMR for the household's current place of residence. In addition, tenants received debit cards that could be used in-person or online, where funds would be deposited monthly.

Two key factors that enabled the development of this program were (1) an ongoing research partnership between the City of Philadelphia and HIP, leading to the cocreation of the program and its evaluation, and (2) flexible support from funders who provided upfront funding for the human capital costs needed to develop the program, cash assistance disbursed to tenants, and evaluation of the program. The authors hope that the insight shared here and in the findings planned for release in 2025 will inform the design of other rental assistance programs locally and nationally and show the way research and researchers can be a central component.

Acknowledgments

This work is supported by grants for program development and operations and for research design and implementation by the Stoneleigh Foundation, William Penn Foundation, Russell Sage Foundation, National Institutes of Health, Samuel S. Fels Fund, and Spring Point Partners LLC.

The authors gratefully acknowledge the contributions of the many staff involved in establishing, designing, and implementing PHLHousing+. Specifically, we thank Greg Heller and Jane Allen for their roles in conceptualizing and building support for the program. We also appreciate the support of leadership and staff at the City of Philadelphia and PHDC, including Ryan Ambrose, Alberta Benn, Anjali Chainani, Anne Fadullon, Ryan Harmon, Raissah Kouame, Mariele McGlazer,

Ali Mooney, Nathaniel Olin, Maari Porter, and Dave Thomas, and at the Philadelphia Housing Authority, Kelvin Jeremiah, Kyle Flood, and Bret Holden. Dr. Amy Castro, Dr. Stacia West, and Erin Coltrera at the University of Pennsylvania Center for Guaranteed Income Research provided guidance on program development, survey design, and qualitative data collection. J.J. Meyer at the Jaffee Lab provided important project management and research implementation support. We are grateful to Brian McCabe for his helpful feedback on the manuscript.

Authors

Vincent J. Reina is an associate professor in the Department of City and Regional Planning and Faculty Director of the Housing Initiative at Penn at the University of Pennsylvania. Matthew Z. Fowle is a postdoctoral fellow in the Housing Initiative at Penn at the Stuart Weitzman School of Design at the University of Pennsylvania. Rachel Mulbry is a housing programs manager at the Philadelphia Housing Development Corporation. Miranda Fortenberry is a program analyst at the Philadelphia Housing Development Corporation. Sara R. Jaffee is a professor and chair of the Department of Psychology at the University of Pennsylvania.

References

- Akee, Randall K.Q., William E. Copeland, Gordon Keeler, Adrian Angold, and E. Jane Costello. 2010. "Parents' Incomes and Children's Outcomes: A Quasi-Experiment Using Transfer Payments From Casino Profits," *American Economic Journal: Applied Economics* 2 (1): 86–115.
- Aurand, Andrew, Dan Emmanuel, Emma Foley, Matt Clarke, Ikra Rafi, and Diane Yentel. 2023. *The Gap: A Shortage of Affordable Homes*. National Low Income Housing Coalition. https://www.nlihc.org/sites/default/files/gap/Gap-Report_2023.pdf.
- Baker, Amy Castro, Stacia Martin-West, Sukhi Samra, and Meagan Cusack. 2020. "Mitigating Loss of Health Insurance and Means Tested Benefits in an Unconditional Cash Transfer Experiment: Implementation Lessons From Stockton's Guaranteed Income Pilot," *Social Science and Medicine (SSM) - Population Health* 11: 100578.
- Barnes, Carolyn Y. 2021. "'It Takes a While To Get Used to:' The Costs of Redeeming Public Benefits," *Journal of Public Administration Research and Theory* 31 (2): 295–310.
- City of Philadelphia. 2022. "Philadelphia COVID-19 Emergency Rental and Utility Assistance Dashboard." COVID-19 Emergency Rental Assistance Program. City of Philadelphia <https://phlrentassist.org/dashboard/>.
- . 2018. *Housing for Equity: An Action Plan for Philadelphia*. <https://www.housinginitiative.org/uploads/1/3/2/9/132946414/housing-action-plan-final-for-web.pdf>.
- Cunningham, Mary, Martha Galvez, Claudia L. Aranda, Rob Santos, Doug Wissoker, Alyse Oneto, Rob Pitingolo, and James Crawford. 2018. *A Pilot Study of Landlord Acceptance of Housing Choice Vouchers*. U.S. Department of Housing and Urban Development. <https://www.huduser.gov/portal/portal/sites/default/files/pdf/Landlord-Acceptance-of-Housing-Choice-Vouchers.pdf>.

- Cutts, Diana Becker, Alan F. Meyers, Maureen M. Black, Patrick H. Casey, Mariana Chilton, John T. Cook, Joni Geppert, Stephanie Ettinger de Cuba, Timothy Heeren, Sharon Coleman, Ruth Rose-Jacobs, and Deborah A. Frank. 2011. "US Housing Insecurity and the Health of Very Young Children," *American Journal of Public Health* 101 (8): 1508–1514.
- DeLuca, Stefanie, Philip M.E. Garboden, and Peter Rosenblatt. 2013. "Segregating Shelter: How Housing Policies Shape the Residential Locations of Low-Income Minority Families," *The Annals of the American Academy of Political and Social Science* 647 (1): 268–299.
- Eriksen, Michael D., and Amanda Ross. 2015. "Housing Vouchers and the Price of Rental Housing," *American Economic Journal: Economic Policy* 7 (3): 154–176.
- Forget, Evelyn L. 2011. "The Town With No Poverty: Using Health Administration Data To Revisit Outcomes of a Canadian Guaranteed Annual Income Field Experiment," *Canadian Public Policy* 37 (3): 283–305.
- Garboden, Philip M., Eva Rosen, Stefanie DeLuca, and Kathryn Edin. 2018. "Taking Stock: What Drives Landlord Participation in the Housing Choice Voucher Program," *Housing Policy Debate* 28 (6): 979–1003.
- Greenlee, Andrew J. 2014. "More Than Meets the Market? Landlord Agency in the Illinois Housing Choice Voucher Program," *Housing Policy Debate* 24 (3): 500–524.
- . 2011. "A Different Lens: Administrative Perspectives on Portability in Illinois' Housing Choice Voucher Program," *Housing Policy Debate* 21 (3): 377–403.
- Hum, Derek, and Wayne Simpson. 1993. "Economic Response to a Guaranteed Annual Income: Experience From Canada and the United States," *Journal of Labor Economics* 11 (1, Part 2): S263–S296.
- Jones, Damon, and Ioana Marinescu. 2022. "The Labor Market Impacts of Universal and Permanent Cash Transfers: Evidence From the Alaska Permanent Fund," *American Economic Journal: Economic Policy* 14 (2): 315–340.
- Kenny, Charles. 2015. "Give Poor People Cash," *The Atlantic*. <https://www.theatlantic.com/international/archive/2015/09/welfare-reform-direct-cash-poor/407236/>.
- Ma, Christine T., Lauren Gee, and Margot B. Kushel. 2008. "Associations Between Housing Instability and Food Insecurity With Health Care Access in Low-Income Children," *Ambulatory Pediatrics* 8 (1): 50–57.
- McCabe, Brian J. 2023. "Ready to Rent: Administrative Decisions and Poverty Governance in the Housing Choice Voucher Program," *American Sociological Review* 88 (1): 86–113.
- Mills, Gregory, Daniel Gubits, Larry Orr, David Long, Judie Feins, Bulbul Kaul, and Michelle Wood. 2006. *Effects of Housing Vouchers on Welfare Families*. Washington, DC: U.S. Department of Housing and Urban Development. https://www.huduser.gov/portal/Publications/pdf/hsgvouchers_1_2011.pdf.

Peterson, George. 2000. "Housing Vouchers: The U.S. Experience." In *Vouchers and the Provision of Public Services*, edited by C. Eugene Steuerle, Van Doorn Ooms, George Peterson, and Robert D. Reischauer. Washington, DC: Brookings Institution Press.

Preston, Gregory, and Vincent J. Reina. 2021. "Sheltered From Eviction? A Framework for Understanding the Relationship Between Subsidized Housing Programs and Eviction," *Housing Policy Debate* 31 (3–5): 785–817.

Raker, Ethan J., and Tyler Woods. 2023. "Disastrous Burdens: Hurricane Katrina, Federal Housing Assistance, and Well-Being," *RSF: The Russell Sage Foundation Journal of the Social Sciences* 9 (5): 122–143.

Reina, Vincent J., Claudia Aiken, and Jenna Epstein. 2021. *Exploring a Universal Housing Voucher*. Philadelphia: The Housing Initiative at Penn. <https://www.housinginitiative.org/universal-voucher.html>.

Reina, Vincent J., and Yeonhwa Lee. 2023. "COVID-19 and Emergency Rental Assistance: Impact on Rent Arrears, Debt, and the Well-Being of Renters in Philadelphia," *RSF: The Russell Sage Foundation Journal of the Social Sciences* 9 (3): 208–229.

Reina, Vincent J., and Ben Winter. 2019. "Safety Net? The Use of Vouchers When a Place-Based Rental Subsidy Ends," *Urban Studies* 56 (10): 2092–2111.

Richardson, Todd M. 2017. *Blast From the Past: How the Experimental Housing Allowance Program of the 1970s Can Inform the Moving to Work Expansion Today*. Washington, DC: U.S. Department of Housing and Urban Development, Office of Policy Development and Research. <https://www.huduser.gov/portal/pdredge/pdr-edge-frm-asst-sec-032017.html>.

Rosen, Eva. 2020. *The Voucher Promise: "Section 8" and the Fate of an American Neighborhood*. Princeton, NJ: Princeton University Press.

Salkind, Neil J., and Ron Haskins. 1982. "Negative Income Tax: The Impact on Children From Low-Income Families," *Journal of Family Issues* 3 (2): 165–180.

Shankar, Priya, Rainjade Chung, and Deborah A. Frank. 2017. "Association of Food Insecurity With Children's Behavioral, Emotional, and Academic Outcomes: A Systematic Review," *Journal of Developmental and Behavioral Pediatrics* 38 (2): 135–150.

Turnham, Jennifer, Meryl Finkel, Larry Buron, Melissa Vandawalker, Bulbul Kaul, Kevin Hathaway, and Chris Kubacki. 2015. *Housing Choice Voucher Program Administrative Fee Study: Final Report*. Washington, DC: U.S. Department of Housing and Urban Development. https://www.huduser.gov/portal/publications/pdf/adminfeestudy_2015.pdf.

U.S. Census Bureau. 2022. "Phase 3.4 PUF Releases." Household Pulse Survey Public Use File (PUF). Suitland, MD: U.S. Census Bureau. <https://www.census.gov/programs-surveys/household-pulse-survey/datasets.html>.