

Philadelphia: Supporting Tenants & Landlords



In May 2020 Philadelphia began providing support to tenants and landlords affected by the COVID-19 pandemic. Since then **Philadelphia has provided more than \$64 million in support to more than 14,000 households. Nearly 45% of the landlords who received payments are small landlords with five or fewer units.**

How did Philadelphia successfully create a new program that – in ten months – spent the equivalent of its combined CDBG, HOME, ESG and HOPWA annual allocations?

First Philadelphia built a strong IT infrastructure. The Department of Planning and Development (DPD) created a customer-friendly website in both English and Spanish. DPD staff also created a custom application and back-end database. The application worked from both a desktop and a smart phone. The database pulled information from external datasets where possible to reduce applicant input.

Philadelphia focused on customer service. Every aspect of the process began with the applicant in mind. The application was user-friendly. A well-staffed help desk responded to applicant questions. The City's 3-1-1 system helped applicants without internet access. A network of housing counseling agencies completed applications for residents without internet. Applicants could check the status of their applications online.

Philadelphia limited its administrative burden. Keeping the application simple not only helped residents, it helped the City. Limiting the information required enabled program staff to thoroughly document each tenant's eligibility. In Phase 3 Philadelphia made direct payments to tenants, further simplifying and speeding up the process.

Philadelphia collaborated with its partners. Philadelphia built on existing relationships with government and nonprofit partners. PHDC, a City-sponsored housing nonprofit, led the effort. DPD's IT team created the application and supporting database. The City's 3-1-1 system directed residents with no internet access to DPD-funded housing counselors who assisted them to complete the application. Volunteers from other City agencies supported data collection and review. Third party payment vendors provided capacity to process payments that PHDC did not have. Philadelphia did not create a new program support system. It relied on an existing system that had been built over many years.

Philadelphia collected data and evaluated. The City reviewed applicant data in real time to adjust its outreach strategies as needed. It provided data to Philadelphia's smart-government office, GovLabPHL, and outside evaluators at the Housing Initiative at Penn. Analysis of the data helped Philadelphia refine its program delivery and marketing strategies to ensure that underserved populations were accessing the program.

Philadelphia used a multifaceted approach. The City offered other assistance to support tenants and landlords. Philadelphia's eviction diversion program provides mediation for tenants and landlords to resolve rent-related issues. In that process the landlord may apply for rental assistance before filing to evict. This helps keep an eviction filing off of the tenant's credit record. The Landlord Working Capital Loan program provides short-term capital for small landlords to address cash flow issues. The Working Capital program also assists landlords whose tenant do not qualify for rental assistance.

With these steps Philadelphia created a nimble and effective program that adapted to changing circumstances in real time.

It also created a program that distributed funding equitably:

97%

of ERA recipients
have household
incomes <50% of AMI

86%

of ERA recipients
have household
incomes <30% of AMI

78%

of ERA recipients
are BIPOC

70%

of ERA recipients
are women

45%

of landlords w/
tenants receiving
assistance own
≤5 units

Philadelphia: Lessons Learned and Positioned for the Future

Philadelphia offers these recommendations based on its experience:

- **Decouple aid to tenants and landlords.** Requiring both landlords and tenants to apply is time-consuming and complex. Direct support to the tenant proceeds more quickly and efficiently. Municipalities should be allowed to design the approach that best fits their needs. On the other hand, landlords should be eligible for traditional small business assistance without participation from their tenants.
- **Provide long-term assistance to tenants.** The American Rescue Plan's 18-month duration for rental assistance funds is on the right track. However, many tenants in cities like Philadelphia will remain cost-burdened after those 18 months. The best policy approach is a guaranteed income that lasts as long as a household is cost-burdened and where cash payments go directly to the tenant. Research shows that tenants will make the best financial decisions for their household.
- **Prevent evictions. Link eviction diversion efforts with rent assistance.** Evictions can have long-lasting, devastating consequences, even if a tenant prevails in court. Just having a filing on their record will prevent many landlords from renting to them in the future.

Philadelphia and other cities are well-positioned to implement new affordable housing strategies. Initially a temporary operation, Philadelphia has scaled up its program delivery with permanent staff and investments in technology to support thousands of applicants.

Summary of Philadelphia's Rental Assistance Programs

PHASE 1	PHASE 2	PHASE 3
Accepted applications from May 12, 2020- May 16, 2020	Accepted applications from July 6, 2020- November 4, 2020	Applicants were tenants who applied in a prior phase (35% of landlords in Phase 2 either refused the funds or were nonresponsive)
Received 12,983 applications	Received 15,985 applications	Received 6,324 applications
Distributed \$10,071,689 funded with CDBG-CV allocated by the CARES Act	Distributed \$31,739,593 funded with \$23,219,838 of CRF funds received through the State, and \$8,519,755 of the City's CRF funds received from Treasury	Distributed \$22,487,950 of the City's CRF funds received from Treasury
Served 4,257 households (33% of applications received)	Served 6,596 households (41% of applications received)	Served 4,843 households (77% of applications received)
Provided up to \$2,500 of assistance to cover up to three months of rent	Provided up to \$9,000 per household (\$1,500/month for up to 6 months)	Average assistance requested was \$4,643 per household
Payments were made to landlords	Payments were made to landlords	Payments were direct assistance to tenants