

GUARANTEED INCOME AND THE HOUSING CRISIS

Housing is a human right. But, in America, [1 in every 500](#) people is without housing. California – and LA in particular – is the epicenter of this crisis. CA is 12% of the US population, 28% of the houseless population, and [50% of the unsheltered](#) population. The city of LA is 1.1% of the US population and 7.1% of the unsheltered population.

Nationally, [3 in 4](#) low-income renters pay over 50% of their income in rent. [56% of Black](#) renters, [53% of Latino](#) renters, and [44% of White](#) renters are housing cost-burdened. [Research has shown](#) that rental costs are the main barrier to housing in CA. As [HRW explains](#), “Over half a million renters in LA do not have access to affordable housing. The treatment of housing as a commodity, rather than as a right, results in this scarcity.”¹

Punishment and policing is a counterproductive response.

An August 2024 [Human Rights Watch](#) report exposes how pervasive – and counterproductive – it is to criminalize homelessness, finding unhoused people were both significantly more policed and vulnerable to violence. Nearly 40% of all arrests and citations combined by LAPD have been against unhoused people, including 99% percent of all citations for infraction violations. 15% of LA homicides are against unhoused people, primarily by housed strangers. For more, also see: [Housing Not Handcuffs | National Law Center on Homelessness and Poverty](#)

“The criminalization of homelessness means treating people who live on the streets as criminals and directing resources towards arresting and citing them, institutionalizing them... confiscating and destroying their property, and pressuring them into substandard shelter situations that share some characteristics with jails.”

– [HRW, The Cruel and Ineffective Criminalization of Unhoused People in Los Angeles](#)

There is a better way; a [comprehensive study in CA](#) found that 70% of unhoused respondents believed they could have stayed housed with an additional monthly income of \$300-\$500; 82% with a one-time \$5,000-\$1000.

The case for direct, recurring cash assistance.

The federal [Temporary Assistance for Needy Families \(TANF\)](#) cash support program is associated with reduced homelessness. States with greater TANF accessibility have lower rates of child homelessness, with Black and Indigenous children experiencing the largest decrease in homelessness.

The Housing Choice Voucher (HCV) program is HUD’s largest housing assistance program, lifting millions of families into stable housing and [out of poverty each year](#). Local Public Housing Authorities have bolstered their HCV programs by using conditional cash transfers in homeless initiative and incentive programs (HIP programs). Participants use cash towards expenses like paying housing application fees or security deposits, and were more successful in finding housing than the households using a HCV on its own.

As government agencies innovated their service delivery models in response to COVID-19, they discovered direct payments and support to be the most meaningful response for intractable issues like childhood poverty and housing. These initiatives in turn illustrated the case for cash in post-pandemic service delivery models.

¹ Housing affordability isn’t a workforce problem. In CA a minimum wage worker: 90 hrs/week for a [1-bedroom](#) apartment; [116 hrs a week](#) in LA

Emergency COVID-19 cash transfers pushed the case for cash even further.

	Participant	Transfer ²	Housing Impact	Policy Impact
Emergency COVID-19 cash transfer				
IRS Expanded Child Tax Credit	61 mill newly eligible children	\$365 monthly Mar '21 – Dec '21	Reduced parents' past-due rent/mortgages and need to move.	Expanded CTC helped drive child poverty to a record low in 2021 , illustrating that high childhood poverty rates is a national policy choice.
HUD Emergency Rental Assistance	3.7 mill renters at risk of evictions	\$Varies Dec '21 – Sep '25	Improved housing stability , rental payments, financial well-being & mental health.	The success of Emergency Rental inspired increased use of direct support and cash transfers in housing assistance programs and demonstrations.
Way Home Washington	220 people currently unhoused	\$113 monthly Aug '20 – Dec '21	93% of participating youth did not return to homelessness 1 year after.	Inspired Point Source Youth GI Program now in 8 cities. Served 2x as many people as emergency shelters and 6x as rapid rehouse programs of the same cost.
Philadelphia RentAssist	6,975 renters at risk of eviction	\$214 monthly Jul '20 – Jan '22	\$44.8 million directly to otherwise unassisted tenants	Direct-to-tenant payment option inspired PhilHousing+ GI for households on Philadelphia's HCV waitlist.

The case for guaranteed income

Promising results from the over 100 GI pilots being executed across the country only further explain the growing popularity of cash as a the most cost effective and impactful method to deliver services. Recently, researchers are exploring the housing impact, with initial studies finding that GI supports people to stay and become housed.³

	Participant	GI Transfer ⁴	Housing Impact
Guaranteed income pilot			
Philadelphia	300 people on HCV waitlist	\$881 monthly 2.5 yrs Jul '22 – Feb '25	Participants received housing assistance 2.5 years earlier
Canada	50 people currently unhoused	\$456 monthly 1 yr Mar '18-Jun '19	Spent 99 more days in temporary housing; 55 more days in stable housing compared to control. Reduced time in shelters represented societal net savings of \$777 per recipient.
Denver	807 people currently unhoused	\$1000 monthly 1 yr Jun '23 – May '24	Increase in housing rate (from 6% at baseline to 45%). Increase in full-time employment (which decreased in the control)
Los Angeles	55 people currently unhoused	\$750 monthly 1 yr Jun '23 – May '24	Exited homelessness 200% the rate of control.
Yolo County	54 people enrolled in housing support	\$1,244 monthly 2 yrs Apr '22 – Mar '24	54% increase in families renting or owning their home. 43.5% reduction in unmet material needs.

² Average monthly payment calculated by dividing total payments made by participants and # of months; actual payments amounts varied.

³ Evidence from cash transfer experiments and policies since at least the **1970s**—in contexts across the globe—show there is **no strong evidence** that cash transfers decrease the motivation to work. People dedicate more time to job training, education, and their families.

⁴ **Philadelphia:** Based on household income and housing costs. Median monthly payment for participants was \$881. **Canada:** Lump sum CAD 7500; **Denver:** One group received \$1000 monthly; a second received \$6500 lump sum and \$500 monthly.

California has five GI pilots with a focus on unhoused or housing insecure people. Results are pending for pilots in [Concord](#) (120 Housing insecure single parents, \$500 monthly for 1 year), [Fremont](#) (100 people At risk of homelessness, \$1208 monthly | 1 year), [San Francisco & Oakland](#) (90 people Age 18-25 experiencing homelessness, \$1500 monthly | 2 years). As the movement and use of cash transfers expands, direct support is increasingly understood as a more effective method for reducing homelessness than existing, often punitive, systems.

From pilot to policy

Inspired by the GI movement, the Department of Housing and Urban Development (HUD) is exploring cash transfers to improve their service delivery in the form of Direct Rental Assistance (DRA). DRA would function similarly to the existing Housing Choice Voucher program, but instead of sending assistance payments to landlords through bureaucratic three party agreements, money would be sent to tenants, who would then pay 100% of their rent to landlords. DRA has the potential, and is being demonstrated, to overcome many of the existing barriers that prevent 39% of households who receive a HCV from using it, while being budget neutral or cost effective.

“Providing cash assistance ‘could be really disruptive — in a good way,’ Preston Prince, executive director of the Santa Clara Housing Authority told Vox. ‘Cash could help us serve more families...It could challenge the overall system. That’s the unnerving part. But it takes a little bit of courage to say in the end it’s not about me.’”

– [Vox, The federal govt’s new plan to \(maybe\) give renters straight cash](#)

The public understands the power of cash; More than 60% of people supported direct cash payments to help families during the pandemic. Even prior to the CARES Act, more than 20 bills were introduced, supporting cash transfers to people in need. In CA, the [Senate Budget subcommittee](#) proposed a guaranteed income pilot program that gives direct cash assistance payments of [\\$1,000 monthly](#) to approximately 15,000 high school seniors who are facing homelessness.

To move from GI pilot to policy, additional Direct Rental Assistance pilots should focus on implementation: how direct cash can improve the administration of rental assistance, and beneficiaries' ability to access housing. Academic research on GI has focused on income and spending, labor and employment, education and health. There has been an important emphasis on how money impacts recipients but this continues a narrow focus on individual behavior.

Future programs would be strengthened by process evaluations that point to best practices. Researching how recipients use guaranteed income to find and support housing including communicating income to landlords, housing style, housing preferences, and space for improving the process.



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