



POLICY BRIEF

Supporting Access to Opportunity with a Tiered-Evidence Grantmaking Approach

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Introduction

America's limited economic mobility affects the life prospects of millions of children. Research demonstrates that living in neighborhoods that are safe, healthy, and connected to high-quality services, schools, and jobs can improve outcomes and economic mobility for children—if their families can afford to live in them. Although precise definitions and criteria vary, these places are often referred to as “opportunity neighborhoods.” Finding more and better ways to help families and children access such opportunity neighborhoods can move the needle on economic mobility in the United States.

How can we better understand which interventions most effectively support access to high-opportunity neighborhoods? And how can the Department of Housing and Urban Development (HUD) target resources to those interventions? As one approach, this paper proposes adopting a tiered-evidence framework, which encourages grantees to explicitly incorporate evidence building into their work by requiring evaluation and providing greater levels of funding for interventions with stronger evidence (Feldman and Haskins 2016b). Tiered-evidence grantmaking has been used by several other federal agencies to address knowledge gaps, test promising practices, and build a pipeline of more evidence-based interventions.

In the most rigorous study to date, a retrospective analysis of the Moving to Opportunity (MTO) demonstration highlights the positive long-term effects for children whose parents accessed low-poverty neighborhoods through location-restricted Housing Choice Vouchers.¹ Children who moved from high-poverty areas to opportunity areas before their teenage years attended college at a higher rate, earned more, and were more likely to live in lower-poverty neighborhoods as adults than peers who received unrestricted vouchers or remained in public housing in high-poverty neighborhoods (Chetty, Hendren, and Katz 2016). The study also found that growing up in areas of opportunity increased the potential for positive economic and intergenerational mobility (see page 10 of this report for more details on this research).

Although these and other research findings (Galster 2010; Massey 2013; Santiago et al. 2014) underscore the important benefits that accrue when children live in high-opportunity areas, helping low-income families move to or stay in such neighborhoods remains a significant public policy challenge. Efforts to address this challenge have included policy changes, programmatic or administrative changes, and individual-level interventions. But despite strong evidence about the benefits of living in opportunity neighborhoods for economic mobility, researchers and practitioners have relatively limited evidence about the precise mix of policies and program features that consistently help families access and stay in opportunity neighborhoods.

By applying evaluative rigor to innovative approaches, this demonstration builds evidence about a broad portfolio of strategies and expands knowledge about what works to improve economic mobility for families and children, and it promotes the replication of interventions that produce significant, positive impacts. It does not limit eligibility to a subset of interventions; rather, it encourages applicants to pilot and test a range of innovative strategies that foster access to opportunity neighborhoods. A better understanding of the most effective mix of mechanisms to increase access to opportunity is an

important step toward making the case for additional local, state, federal, and philanthropic investment and will allow HUD and others to tailor funding to the most promising evidence-based interventions that support children’s economic mobility.

We begin by discussing the state of research on opportunity and giving an overview of tiered-evidence grantmaking, citing examples of similar programs from other federal agencies. We then propose a HUD “opportunity demonstration,” discussing evidence standards, criteria for grantees, examples from existing research, and other key aspects of the demonstration.

State of the Field

The findings from Chetty, Hendren, and Katz’s (2016) research underscore the power of HUD’s Section 8 Housing Choice Voucher program to help families access areas of opportunity. But a range of strategies can help families move to or stay in low-poverty neighborhoods, increase the supply of units in high-opportunity neighborhoods, or transform high-poverty neighborhoods into places of opportunity.

- **Tenant-based** interventions, such as Housing Choice Vouchers that subsidize affordable housing in the private market, provide resources and services directly to families and have been the subject of frequent, rigorous testing. For example, findings from Gautreaux, a court-ordered public housing desegregation effort that used vouchers, showed that mothers who moved to “racially mixed or predominantly white neighborhoods with higher levels of socioeconomic resources” (e.g. access to education and jobs, safety, and income) were more likely to be employed, and their children had higher educational attainment and levels of employment (DeLuca and Rosenbaum 2008). Other tenant-based interventions include premove counseling and workshops, housing search assistance, financial assistance with security deposits and other moving costs, postmove assistance, and other mobility services.
- **Supply-side** strategies, which focus on securing units in high-opportunity neighborhoods, include interventions such as project-based rental assistance, affordable housing preservation, inclusionary zoning, and low-income housing tax credits. These interventions have fewer (and less rigorous) studies. For example, surveys of inclusionary zoning across multiple jurisdictions show positive locational outcomes, with the majority of units created located in low-poverty census block groups (Schwartz et al. 2012).
- **Place-based** approaches, which include community-based revitalization, housing rehabilitation, economic development, human capital investments, crime reduction strategies, and other interventions (Tach and Wimer 2017), seek to make every neighborhood into an opportunity neighborhood. In general, these interventions have not been as widely evaluated as the other strategies.

Part of the reason for the disparity in the rigor of available evidence is the degree to which these interventions lend themselves to evaluation and experimental design. Interventions such as tenant-based and project-based rental assistance and inclusionary zoning require applications from individuals or target populations, allowing researchers to more easily test the effect of receiving one of these housing units on a set of targeted outcomes as compared with not receiving the interventions. Interventions such as housing preservation, tax credits, and revitalization strategies are comparatively more difficult to evaluate because it is challenging to isolate the effects of the intervention itself (the “but for” test) from any broader social or economic changes that occurred in the neighborhood over the same period.

Tiered-Evidence Grantmaking

Tiered-evidence grantmaking is an innovative approach that has been employed by several federal agencies over the past decade. Applying a tiered-evidence framework to an opportunity demonstration will advance knowledge about what helps families access and stay in areas of opportunity. This approach addresses several limitations of traditional grant designs, including a lack of incentives to use evidence-based approaches, a lack of funding to evaluate ongoing programs, and an aversion to risking public funds to experiment with new approaches. Tiered-evidence grantmaking recognizes that it takes time and rigorous research to build evidence and supports this process by funding tests of innovative, less-proven interventions and by scaling and replicating more rigorously evaluated models.

Although no two tiered-evidence grant programs are structured exactly alike, they generally include several tiers, each designated for interventions with a certain level of evidence and each receiving a scaled level of funding based on the strength of that evidence. Tiered-evidence grants require evaluation at all stages, which builds the evidence base for interventions and scales effective approaches (Feldman and Haskins 2016b). According to a Government Accountability Office report, tiered-evidence grants also help build grantee capacity for evaluation, and their evidence and evaluation requirements can be used to strengthen other grant programs (GAO 2016).

Many federal agencies already use tiered-evidence grantmaking. A 2015 assessment (the most recent available) found five federal agencies administering a total of nine tiered-evidence grants with combined funding of over \$800 million annually. Tiered-evidence grants have supported dozens of evaluations, currently including evaluations of 41 teen pregnancy prevention programs, 38 Social Innovation Fund programs as of September 2016, and 67 Investing in Innovation Fund programs as of 2017 (CNCS 2016; Haskins and Joo 2017; US Department of Education 2018). Within tiered-evidence frameworks, the emphasis on testing innovative ideas means not all programs evaluated will be found effective. For example, only 12 of the 41 teen pregnancy prevention programs evaluated had at least one significant impact (Haskins and Joo 2017). Although the goal is to identify and scale successful programs, tiered-evidence grantmaking is a useful way to find out what works and improve or divert resources from interventions that are not backed by positive results.

TABLE 1

Overview of Selected Tiered-Evidence Grant Programs

| Program | Program description | Evidence tiers | Characteristics | Grantees |
|--|---|--|--|--|
| Department of Education Investing in Innovation Fund | Supports high-impact education interventions that address K-12 education challenges. | <ul style="list-style-type: none"> ■ <i>Development</i>: evidence of promise or strong theory (\$3-5 million) ■ <i>Validation</i>: moderate evidence (up to \$12 million) ■ <i>Scale-up</i>: strong evidence (\$20-50 million) | <ul style="list-style-type: none"> ■ Grant funding period: 3-5 years ■ Total funding (fiscal year 2010-15): \$1.3 billion ■ Matching requirement: 5-15% | <ul style="list-style-type: none"> ■ Local education agencies ■ Nonprofits |
| Department of Health and Human Services Maternal, Infant, and Early Childhood Home Visiting Program | Provides women and families the resources necessary to raise children who are healthy and ready to learn. | <ul style="list-style-type: none"> ■ <i>Formula grants</i>: support development of home visiting models^a ■ <i>Competitive grants</i>: allow scaling of successful models | <ul style="list-style-type: none"> ■ Grant funding period: 2-3 years ■ Total funding (fiscal year 2010-15): \$1.7 billion ■ Matching requirement: none | <ul style="list-style-type: none"> ■ States ■ Territories ■ Tribal entities |
| Department of Health and Human Services Teen Pregnancy Prevention Program | Seeks to reduce teen pregnancy rates in high-risk communities. | <ul style="list-style-type: none"> ■ <i>Tier 2</i>: promising programs that have not been evaluated (25% of total funding; individual grants up to \$1.5 million) ■ <i>Tier 1</i>: replicate evidence-based models (75% of total funding, individual grants up to \$2 million) | <ul style="list-style-type: none"> ■ Grant funding period: 5 years ■ Total funding (fiscal year 2010-15): \$619.5 million ■ Matching requirement: none | <ul style="list-style-type: none"> ■ States ■ Territories ■ Tribal entities |
| Corporation for National and Community Service Social Innovation Fund | Grows the impact of programs that address economic opportunity, health, and youth development. | <ul style="list-style-type: none"> ■ <i>Tier 1</i>: preliminary evidence^b ■ <i>Tier 2</i>: moderate evidence ■ <i>Tier 3</i>: strong evidence | <ul style="list-style-type: none"> ■ Grant funding period: 5 years ■ Total funding (fiscal year 2010-15): \$281 million ■ Matching requirement: federal dollars matched 1:1 by intermediaries and subgrantees | <ul style="list-style-type: none"> ■ Grantmaking intermediaries |

Source: US Government Accountability Office, *Tiered Evidence Grants: Opportunities Exist to Share Lessons from Early Implementation and Inform Future Federal Efforts* (Washington, DC: US Government Accountability Office, 2016); Andrew Feldman and Ron Haskins, "Tiered-Evidence Grantmaking" (Washington, DC: Evidence-Based Policymaking Collaborative, 2016); Results for America, "Invest in What Works Policy Fact Sheet: Federal Evidence-Based Innovation Programs" (Washington, DC: Results for America, 2015).

^a Information on specific ranges for each tier was unavailable. Grants range from \$1 million to \$13 million.

^b Average grant amount is \$3-4 million, regardless of tier. See "FY 2015 Social Innovation Fund Cooperative Agreements," Corporation for National and Community Service, accessed November 20, 2017.

Table 1 provides a sample of select federal tiered-evidence grantmaking programs. These early adopters provide examples and design options for other agencies that might be considering the model.

Each tiered-evidence model strictly defines the level of research evidence required for each tier. For example, the Investing in Innovation Fund has three tiers:

- *Development grants* must be supported by a strong theory or evidence of promise that shows a link between program components and a target outcome.
- *Validation grants* must show “moderate evidence of effectiveness,” meaning at least one rigorous study using an experimental or quasi-experimental design shows statistically significant favorable impacts or has high-quality correlational research that controls for confounding variables (Klein and Sparks 2016).
- *Scale-up grants* must cite multiple experimental or quasi-experimental studies or at least one study using a randomized controlled trial that shows “strong evidence of effectiveness” and significant positive impacts. The main difference between moderate and strong evidence of effectiveness is that studies with strong evidence had larger samples across multiple sites.²

As these examples show, a tiered-evidence approach can be applied to a range of grantmaking programs. These programs share a common belief that evaluation helps create a continuum of evidence that allows programs to learn from each other and build on promising results. The stronger a program’s evidence base, the more confidence grantmakers will have that it will deliver positive impacts for the people it serves (Milner and Walsh 2016). To achieve the depth of evidence present in other fields, interventions to enhance access to opportunity would benefit from more evidence building and testing.

Building an Opportunity Demonstration with a Tiered-Evidence Framework

This proposal builds from a concept already familiar to housing policy stakeholders. In fact, HUD’s proposed fiscal year 2017 budget included a mobility demonstration that was not enacted by Congress. The proposal sought to “facilitate collaboration, encourage housing choice voucher program participants to move to lower-poverty areas, and expand access to opportunity areas.” The demonstration proposed to deliver mobility services to families (such as offering pre- and postmove counseling, helping coordinate moves between public housing authority jurisdictions, and providing landlord outreach and financial assistance) while also identifying cost-effective mobility strategies and evaluating the impact of these mobility services to see what helped families move to and stay in lower-poverty areas (HUD 2016a). Similar proposals have passed the House and have been introduced in the Senate in the 115th Congress. The proposal has also gained the support of the House Appropriations committee and is included in their proposed FY2019 Transportation, Housing and Urban Development, and Related Agencies Appropriations bill.³

This opportunity demonstration builds and expands on that approach by considering interventions beyond mobility programs (to include the tenant-based, supply-side, and place-based strategies outlined on page 3) and applying a tiered-evidence grantmaking approach. A relatively small amount of HUD funding is allocated for competitive grants, which has implications for how the agency might implement and incorporate lessons from the demonstration into policy and practice. For example, HUD may consider the tiered-evidence grantmaking demonstration program an innovative, laboratory-like vehicle to test and evaluate a small number of locally initiated ideas. The agency could then incorporate the evidence generated into the design of its primary funding streams.

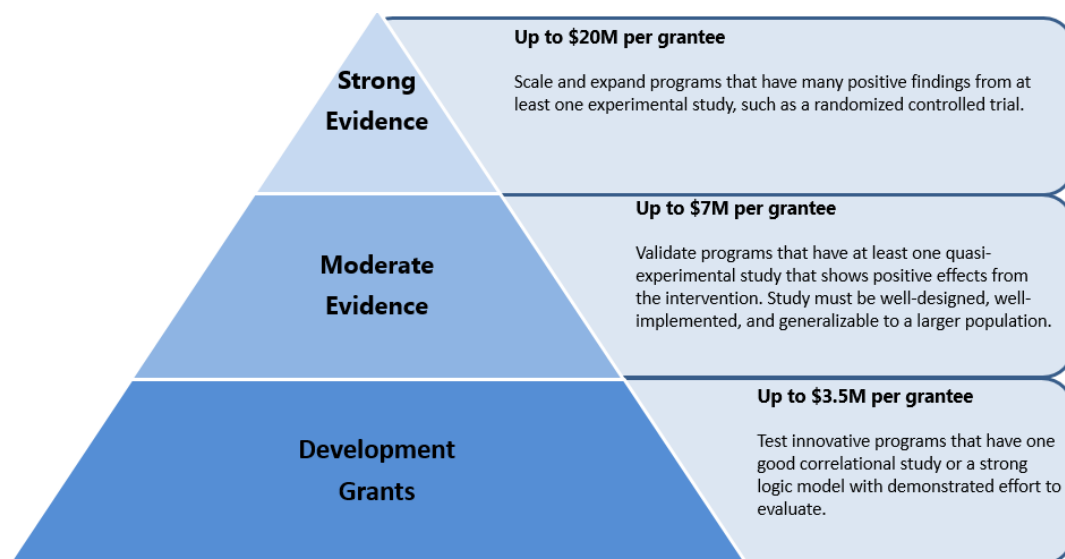
This demonstration would also allow HUD to offer resources to evaluate local innovations, fostering a bottom-up approach that supports evidence building for locally initiated and funded ideas. A strong opportunity demonstration should apply evidence in a way that promotes innovation and evidence building; allow for a range of intervention types; attract state, local, and philanthropic support; leverage other research in progress; and focus on families with young children, given the demonstrated benefits for this population. Next, we outline key considerations for HUD in applying a tiered-evidence approach.

Tier Structure

Tiered structures classify interventions based on two distinguishing characteristics: an evaluation history demonstrating positive results and the type of research design. In figure 1, we propose an opportunity demonstration tier structure based on the evidence provisions for the Education Innovation and Research Program (the successor to the Investing in Innovation Fund), which was enacted into law in the Every Student Succeeds Act (US Department of Education 2015).³

FIGURE 1

Proposed Tiered-Evidence Structure



Source: Authors' proposal.

DEVELOPMENT GRANTS

Funding in this tier provides programmatic and evaluation support for interventions that have not been rigorously evaluated but have high potential because of their strong logic model and research design. The broader purpose of development grants is to provide modest awards to seed and explore the feasibility and effectiveness of new locally generated ideas. Most of the existing interventions focused on access to opportunity fit into this tier. Although some interventions have positive observational findings, they need more rigorous evaluation before they can advance into higher tiers. These grants also provide flexibility to modify and improve existing programs. By piloting and refining these new ideas, the housing field can start building a pipeline of interventions that demonstrate early evidence of impact. Some examples of interventions at this stage of evidence building could include the following:

- **Baltimore Housing Mobility Program.** Implemented by the Housing Authority of Baltimore City, this program provides intensive counseling and other services to encourage participants to leverage their Housing Choice Vouchers to access low-poverty areas. Nonexperimental data from a survey of participants show that voucher holders moved from majority-minority, high-poverty neighborhoods to neighborhoods with lower poverty rates. The survey also showed that these voucher holders remained in their new neighborhoods for years after their initial placement (Darrah and DeLuca 2014). A more detailed analysis of the first 1,800 families to use this program found that they moved to more integrated and lower-poverty neighborhoods, and their children attended schools with better teachers and lower poverty rates (DeLuca and Rosenblatt 2017).
- **Milwaukee Security Deposit Assistance Program.** The Milwaukee County Housing Division provides families who use Housing Choice Vouchers with up to \$1,000 to pay for a security deposit on rental units in suburbs within Milwaukee County. Survey data show that families who leased under the program found housing in lower-poverty neighborhoods than those who did not lease through the program (Rosenblatt and Cossyleon 2015).

Given the state of the evidence and evaluation of interventions in the field, most opportunity demonstration applicants would likely fall into the development grant tier. As new ideas and interventions enter this policy domain, they could also be eligible for this tier to assess their effectiveness. For example, applicants might propose interventions that apply the growing field of behavioral insights (such as “nudges”) to encourage making moves to opportunity at a higher frequency. To better support the field in advancing and implementing new and innovative ideas, HUD could create a two-phase application process (see the Implementation and Evaluation section of this brief on page 15 for more details) to help applicants formulate their idea and create a plan to implement and evaluate it.

One potential use of the funding in this tier, modeled off the Institute of Education Sciences’s evaluation of Special Education Interventions, could be to support rigorous, low-cost, short-duration evaluations of smaller interventions related to access to opportunity that have data available but an unestablished evidence base (IES 2018). Within the Institute for Education Sciences, for example, these evaluations are limited to \$250,000 and use several experimental designs linked to administrative data to

determine the impact of interventions. Where applicable, these evaluations can provide important insight into interventions on a much shorter time frame (Feldman and Haskins 2016a).

MODERATE EVIDENCE

Grantees in this tier already have some evidence that their model is effective, generally because it is a well-designed quasi-experimental study with positive effects. Funding in this tier allows these interventions to be tested more rigorously (when feasible, through a randomized controlled trial). It focuses on providers who have already completed early developmental work and allows grantees to expand the populations they serve or adjust their service models to test effectiveness on their initial target populations (GAO 2016).

An example of an intervention that would warrant placement into the moderate evidence tier is Montgomery County's Inclusionary Zoning program:

- **Montgomery County, Maryland, Inclusionary Zoning.** This study used a natural experiment to track the performance of elementary school students in public housing, including students who lived in public housing developed through the county's inclusionary zoning program. The program is unique because it gave the public housing authority the opportunity to purchase up to one-third of the affordable rental units in buildings created through inclusionary zoning and randomly assign public housing applicants into those units, thereby enabling the program to reach families living in deeper poverty better than most inclusionary zoning programs. Children in public housing who lived in more affluent, high-opportunity districts performed better in reading and math after completing elementary school than their peers who lived in public housing and attended schools where over 20 percent of students qualified for free or reduced meals (Schwartz 2010). These gains occurred even though the county invested more resources in the schools in higher-poverty areas, highlighting the role of economic integration in improving academic achievement. The program also helped families with young children living in public housing stay in these units for eight years on average, providing stable housing and long-term exposure to both low-poverty neighborhoods and low-poverty schools. This demonstration could help expand the population served, test an adjusted service model, or serve as the basis for another county to test Montgomery County's approach to reaching families in deep poverty.

Several projects are building initial evidence about interventions that might later become good fits for this tier. The public housing authorities implementing and evaluating promising ideas as a part of the expansion of HUD's Moving to Work demonstration are a possible source of new strategies. The interventions being adopted feature comprehensive mobility services, including counseling and case management during housing searches; incentives and supports for landlord participation; tenant supports, such as higher rent subsidies in high-opportunity neighborhoods and administrative reforms; and an increased number of project-based vouchers in high-opportunity neighborhoods (Galvez, Simington, and Treskon 2017). Further, Chetty and his colleagues are collaborating with a set of public housing authorities through the Council of Large Public Housing Authorities to pilot and evaluate

mobility interventions.⁵ If some of those efforts demonstrate positive results, they could move into the moderate or strong tier of this demonstration depending on the rigor of the evaluation. In this way, tiered-evidence frameworks incentivize new, promising strategies by creating a market for evidence-based innovation.

STRONG EVIDENCE

Interventions that qualify for this tier already demonstrate strong evidence based on one or more rigorous evaluations. This tier is important because it promotes the replication of interventions found to work in at least one site and builds evidence for impact in other locations. When models are tested in other geographical areas, a strong experimental design that includes technical assistance will ensure consistency in implementation and evaluation across locations. To the extent possible, this tier also helps identify implementation questions about how to scale an intervention effectively, such as how to design appropriate fidelity measures, identify evaluation needs, or provide technical assistance (Patrick Lester, phone call with the author, March 16, 2018). When possible, interventions in this tier should also incorporate cost-effectiveness measures into their evaluations. Interventions at this level in the Investing in Innovation Fund, such as Teach for America and Knowledge Is Power Program schools, have been able to expand significantly into new places and test whether they work as well in new contexts. Randomized controlled trials such as the Moving to Opportunity demonstration are strong examples of the research design and results that warrant an intervention's placement in the strong evidence tier.

- **Retrospective Analysis of the Moving to Opportunity Demonstration.** Moving to Opportunity was a demonstration implemented by HUD in the 1990s that randomly assigned 4,600 families in five cities into three groups: one group received housing vouchers for use in low-poverty areas and received counseling; another group received vouchers without location stipulations; and a third did not receive vouchers. Original findings from this demonstration were improved perceptions of safety and housing satisfaction for voucher holders and improved mental and physical health for adults but no effects on adults' earnings and employment or children's academic performance. Chetty, Hendren, and Katz (2016) conducted a retrospective analysis of Moving to Opportunity that used tax return data to assess long-term outcomes for the children who were a part of this demonstration. They find that children who were under age 13 when their families received a voucher to live in low-poverty neighborhoods saw dramatic increases in their college attendance rates and earnings as adults.

Given the evidence that the MTO demonstration improved economic mobility for children, funding within this tier could go toward testing and scaling interventions in new locations that build on the key component of the intervention—providing location-restricted vouchers for families to access opportunity.

FUNDING

To implement this demonstration, we recommend \$100 million in annual program funding to test multiple approaches and to support technical assistance and evaluation. As table 2 shows, this would be comparable to funding levels for other federal tiered-evidence grant programs.

TABLE 2
Historic Funding Levels for Selected Tiered-Evidence Grants

Millions of dollars

| Program | Agency | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|--|------|------|------|------|------|------|------|
| Investing in Innovation Fund <i>Grants over 3–5 years</i> | Department of Education | 0 | 150 | 149 | 142 | 142 | 120 | 120 |
| Home Visiting <i>Grants over 2–3 years</i> | Department of Health and Human Services | 100 | 250 | 350 | 380 | 371 | 400 | 400 |
| Teen Pregnancy Prevention Program <i>Grants over 5 years</i> | Department of Health and Human Services | 110 | 105 | 105 | 98 | 101 | 101 | 101 |
| Social Innovation Fund <i>Grants over 5 years</i> | Corporation for National and Community Service | 50 | 50 | 45 | 42 | 70 | 70 | 50 |

Source: Andrew Feldman and Ron Haskins, “Tiered-Evidence Grantmaking” (Washington, DC: Evidence-Based Policymaking Collaborative, 2016).

To extend the impact of federal investment, these grants should leverage matched funding. Previous tiered-evidence programs have shown both important benefits and drawbacks to matching requirements (Lester 2017), so the degree of required match must be carefully considered. Sources of matching funds could include philanthropic, private, and public dollars—determining which local, state, and federal funding streams count as a match would be a key consideration for HUD. To avoid high barriers to entry for new, innovative programs, we recommend a low matching requirement of 10 percent for development grants. As interventions demonstrate effectiveness and scale, a greater percentage of their funding should come from matched sources. The strong evidence tier is not intended as a substitute for additional funding from formula or competitive grants that would expand and sustain proven interventions. As a result, we recommend 15 percent matching for moderate-evidence grants and 20 percent for strong-evidence grants. We anticipate that much of the match for these higher tiers would be composed of other flexible state or federal funding streams. By leveraging other federally appropriated dollars, this demonstration creates an incentive for state and local entities to align funding to support evidence-based interventions.

Applicants would be selected on a competitive basis and would receive funding for use over a five-year period, with the amount varying based on their tier. These proposed funding levels for each tier and the total recommended funding amount are based on comparisons to average grant sizes of other tiered-

evidence grant programs and the history of HUD appropriations. Potential funding amounts for applicants in each tier would be as follows:

- **Development grants:** up to \$3.5 million (10 percent matching requirement)
- **Moderate-evidence grants:** up to \$7 million (15 percent matching requirement)
- **Strong-evidence grants:** up to \$20 million (20 percent matching requirement)

Given the state of evidence of the field, most interventions will likely be concentrated within the development tier. Therefore, should there be any decrease in overall funding or lack of interventions eligible for higher tiers, HUD could exercise flexibility in allocating funds by tier. If the overall funding level for the demonstration is less than the proposed \$100 million, then the funding for each tier could decrease proportionately. For example, the per applicant funding levels for a \$50 million demonstration could be \$2 million, \$4 million, and \$10 million, respectively. This modest funding, however, could affect the scale of each intervention. Because interventions within this demonstration need to serve a sufficient number of people for an evaluation to find statistically significant effects, HUD might consider focusing limited resources on the cheaper development tier instead of reducing the size of individual awards.

Similarly, if few interventions qualify for awards from the higher tiers, that funding should be reallocated to fund more interventions in the lower tiers. Applicants would be required to submit all previous evaluations of their intervention and of substantially similar interventions; if the intervention proposed has previously been evaluated to show no positive effects, the applicant would have to detail how their intervention is sufficiently different to justify new testing.

BOX 1

How Could a Tiered-Evidence Framework Apply to a Single Funding Stream within HUD?

Some federal tiered-evidence programs have focused on a particular funding stream or set of interventions. If HUD wanted this demonstration to more closely align with an existing funding stream, HUD could similarly apply the tiered-evidence strategy more narrowly to one or more specific HUD programs or populations served, tailoring evidence requirements and award levels accordingly.

Creating separate tiered-evidence grant programs for individual HUD programs would allow interventions to be evaluated against the body of evidence specific to that program rather than setting standards across the wide range of interventions that promote opportunity. One funding stream that could potentially adopt a tiered-evidence model is the allocation of supplemental administrative fees for the Section 8 Housing Choice Voucher program.

HUD's Housing Choice Voucher program funds more than 2,300 public housing agencies (PHAs) to administer approximately 2 million vouchers. Congress appropriates resources to HUD to compensate PHAs for this work. Congress directs most of the funds to be allocated to PHAs through

a formula largely based on rent levels in the PHA’s jurisdiction. Congress also specifies an amount of funding available as a “set-aside” that HUD can provide as supplemental fees for “extraordinary costs.”^a

HUD is currently exploring (through a 2015 study and 2016 proposed rule) revisions to the administrative fee formula so that it captures a more nuanced picture of what it costs to run an effective voucher program. Both the study and the proposed rule discuss the potential for using supplemental administrative fees to incentivize and support PHAs’ efforts to help households access opportunity areas.^b

Others have noted that these supplemental administrative fees could be a promising vehicle to address and incentivize locational outcomes in areas of opportunity (Sard and Rice 2014). HUD has in the past allocated those resources on a first-come, first-served basis, or to fund specific activities such as homeownership, homeownership promotion, lead paint risk assessment, and so on. Rather than a first-come, first-served model, HUD could potentially allocate them through a tiered-evidence approach.

HUD has a precedent of allocating supplemental administrative fees to assist PHAs with practices that improve locational outcomes. From 2011 to 2014, for example, HUD used the administrative fee set-aside to fund the Regional Housing Initiative in Chicago—a pilot aimed to test a replicable policy that HUD and PHAs could use to align Housing Choice Voucher locational goals with local and regional planning. The funding supported several promising mechanisms to promote access to opportunity, such as creating a pooled, regional waiting list; developing a regional definition of an “opportunity area”; creating new marketing materials; providing more extensive one-on-one assistance to households; and designing and executing a new regional strategy to facilitate moves to areas of opportunity (HUD 2016b). Aspects of this pilot were evaluated through a grant from the MacArthur Foundation, building the evidence base about the efficacy of interventions for facilitating access to opportunity (Schwartz, Mihaly, and Gala 2016).

Building upon this foundation, HUD could allocate supplemental fees through a tiered-evidence model to identify and build evidence about successful practices and incentivize broader adoption of them. Doing so would incentivize PHAs to test and adopt successful and promising practices because HUD would allocate resources according to the strength of evidence of the models suggested. The pool of resources for supplemental administrative fees has been approximately \$10M per year over the past five fiscal years, so the size of the demonstration would need to be scaled proportionately.

^a “Administrative fee,” 24 C.F.R. 982.152.

^b Jennifer Turnham, Meryl Finkel, Larry Buron, Melissa Vandawalker, Bulbul Kaul, Kevin Hathaway, and Chris Kubacki, *Housing Choice Voucher Program Administrative Fee Study: Final Report* (Washington, DC: US Department of Housing and Urban Development, 2015); and “FR-5874-P-03 Housing Choice Voucher Program: New Administrative Fee Formula,” regulations.gov, posted July 6, 2016, <https://www.regulations.gov/document?D=HUD-2016-0072-0001>.

We recommend flexibility in applicant types as well. Depending on the intervention, applicants could be public housing agencies, local governments, state governments, nonprofit organizations, affordable housing developers (nonprofit and for profit), or state housing finance agencies.

These funding levels, once matched, are inclusive of both programmatic costs (including technical assistance) and evaluation costs. Applicants would submit budgets that detail their research design, target population, data collection approach, technical assistance needs, and plans for evaluation.

Implementation and Evaluation

For a tiered-evidence opportunity demonstration to succeed, HUD would need to thoughtfully establish parameters for the program and dedicate sufficient resources for implementation, technical assistance, and evaluation. The following sections raise key considerations for the agency.

IMPLEMENTATION

Because this demonstration would represent a significant change to HUD's grantmaking approach, HUD would need to provide resources and guidance to applicants at all stages of the process. One way to lessen the burden on applicants would be to create a two-phase application process for applicants in the development tier. In the first phase, practitioners would propose and sketch the basic concept of their idea. If their idea is promising, HUD could then provide technical assistance resources to help them develop a quality proposal that includes plans for oversight and pairs implementers with experienced evaluators. (This would need to be done in accordance with the HUD Reform Act.) This two-phase approach to vet their proposal could also help applicants secure a philanthropic funding match. Once the intervention is underway, HUD would work with grantees to ensure that they have the capacity to implement the intervention and conduct oversight and monitoring. To ease the regulatory burden, HUD could consider engaging in cooperative agreements that would remove certain regulatory requirements. For example, MTW used regulatory relief to provide PHAs more flexibility to design and test housing assistance approaches (SAHA 2011). Examples include raising the maximums that PHAs can charge for a minimum rent, waiving initial inspections for high-performing units that have passed inspection in the past, and establishing a Housing Choice Voucher preference for those without housing assistance (Webb, Frescoln, and Rohe 2015).

In addition to providing resources to applicants, HUD must ensure that its own staff have the capacity to implement the competition and assist grantees. Past programs have identified key factors that greatly affected the success of their tiered-evidence efforts, including agency oversight of grantees, ongoing technical assistance to build grantee capacity, collaboration between evaluation and program offices, and support and commitment among top leadership (GAO 2016). All of this requires significant agency investment and technical expertise, especially for reviewing applications and assessing the quality of evidence underpinning them. Depending on HUD's capacity, it could also contract application review to external reviewers as was done for the IES program (GAO 2016).

Based on past experiences, HUD should fund and prioritize technical assistance to help grantees establish successful evaluation designs and shepherd them through regulations and the grant management process (Lester 2015).⁶ As such, capacity and need for technical assistance should be part of the criteria for selecting applicants. Applicants should indicate whether they will use funding to hire administrative staff to increase internal capacity to operate and evaluate the intervention. Further, the applicants must have a community engagement plan to ensure that participants and community organizations are engaged in the design and implementation of the proposed interventions.

TARGET POPULATION

Given limited resources and lessons from existing research, the opportunity demonstration should establish eligibility criteria for both participants and programs. Based on the results of Chetty, Hendren, and Katz's (2016) study, which found several long-term economic and social benefits for children whose families moved to areas of opportunity, we recommend that the demonstration establishes a preference for applications with interventions focused on supporting families with children under age 13. Other than this preference, the demonstration is designed to be intentionally open ended to encourage a variety of evidence-based approaches.

EVALUATION

Applicants should have a clear evaluation plan that considers factors such as sample size and target outcomes. As with many studies, the full effects of opportunity interventions may take years to assess. For instance, the outcomes Chetty, Hendren, and Katz (2016) found in their reanalysis of the Moving to Opportunity study took nearly two decades to manifest; the study itself focused on near-term measures with mixed results. Applicants should demonstrate a clear sense of key short-term outcomes and how to track them.

Assuming a time frame of five years from implementation to evaluation, measures of success and impact will be limited to short-term or intermediate-term outcomes such as lease-up rates, the percentage of participants who move to or remain in opportunity neighborhoods, and the percentage of children attending high-performing schools. Applicants will need to precisely describe outcomes that can be measured in the given time frame. Short-term outcomes should be supported by research and strongly correlate with long-term outcomes of interest. The table below lists examples of neighborhood attributes that support family well-being and children's long-term success as well as indicators that could be used to track those attributes in the short term. These metrics are examples of indicators that could be used to track neighborhood-level differences in the environments families are exposed to over time.

Applicants could deploy several strategies to allow their interventions to be evaluated in a shorter time frame. Applicants could explore the use of predictive analytics, where appropriate, as a source of proximate outcomes. Applicants could also seek other available datasets they could use to evaluate outcomes. For example, applicants could use the waiting list from local PHA programs as a control group

for their intervention. These and other administrative data, could be particularly useful for tracking the effectiveness of interventions that often do not have a testable counterfactual.

TABLE 3

Examples of Short-Term, Neighborhood-Level Indicators

| Attribute | Example indicators |
|--|--|
| Safety | <ul style="list-style-type: none"> ■ Violent crimes per 1,000 residents |
| Quality schools and early learning programs | <ul style="list-style-type: none"> ■ Student poverty rates in local schools ■ Neighborhood schools' student proficiency in reading and math ■ Proximity to licensed and quality early childhood education centers ■ Early childhood education participation rate ■ Adult educational attainment |
| Affordable and stable housing | <ul style="list-style-type: none"> ■ Median renter housing cost burden ■ Percent of households receiving rental assistance ■ Percent of all low-income households that are severely cost-burdened |
| Environment | <ul style="list-style-type: none"> ■ Vacancy rate ■ Traffic exposure score ■ Proximity to toxic waste and release sites |
| Access to financial services | <ul style="list-style-type: none"> ■ Distance to nearest bank branch ■ Percentage unbanked |
| Access to jobs | <ul style="list-style-type: none"> ■ Jobs accessible within 45-minute auto or transit commute ■ Average travel time to work |
| Access to recreational and cultural facilities | <ul style="list-style-type: none"> ■ Distance to nearest library ■ Proximity to parks and open spaces |

Sources: Mary Bogle, Gregory Acs, Pamela J. Loprest, Kelly S. Mikelson, and Susan J. Popkin, “Building Blocks and Strategies for Helping Americans Move Out of Poverty” (Washington, DC: US Partnership on Mobility from Poverty, 2016); Dolores Acevedo-Garcia, Erin F. Hardy, Nancy McArdle, Unda Ioana Crisan, Bethany Romano, David Norris, Mikyung Baek, and Jason Reece, “Child Opportunity Index” (Columbus, OH: Kirwan Institute, 2016); and “Opportunity 360” Enterprise Community Partners, accessed July 20, 2018; <https://www.enterprisecommunity.org/opportunity360>.

Whenever possible, data collection for evidence building should continue beyond the term of the project. HUD should require that agreements be established among grantees, data intermediaries, and others, and it should consider additional funding to ensure that data collected from this demonstration can be updated in the future. Similarly, applicants should develop plans for a potential evaluation continuation contingent on future additional funding (whether through HUD or other sources). This follow-up could lay the groundwork for additional research, especially related to interventions with outcomes that might take longer to manifest (as illustrated by the MTO demonstration, where long-

term tracking of participant addresses facilitated follow-up surveys by researchers many years later). At the end of the demonstration, HUD would have the opportunity to discuss the results of the evaluation and determine how resulting evidence could inform its programs.

DATA SHARING AND INFRASTRUCTURE

This demonstration presents an opportunity for researchers to contribute to and benefit from the body of research and data in the larger housing field. HUD and the US Census Bureau have a data-sharing agreement to make selected randomized evaluation datasets (Moving to Opportunity and the Family Options study, which examined the impact of various housing interventions on homeless families) from HUD-sponsored evaluations available to researchers through the Center for Administrative Records Research and Applications (CARRA).⁷ Through CARRA, the US Census Bureau offers access to surveys and other administrative records, including data from the Internal Revenue Service, unemployment insurance, Social Security, and the Supplemental Nutrition Assistance Program (Chui 2016). The opportunity demonstration should consider how to use CARRA in its implementation, such as encouraging interventions that utilize existing datasets through CARRA or making demonstration data available through CARRA for other researchers to use.

As mentioned, this demonstration is also an opportunity for HUD to build a data infrastructure that could serve both this effort and other HUD programs. Data that will inform this demonstration and its outcomes will sit within local, state, and federal government agencies. Rather than requiring every applicant to navigate their way through individual data-sharing agreements, HUD could create a data infrastructure to link these data sources. Although this would be contingent on available resources and capacity at HUD, it could decrease some of the more burdensome barriers that could prevent smaller entities from applying while also providing more data that could be used to track outcomes over longer periods.

Conclusion

Although recent studies show that living in high-opportunity neighborhoods significantly improves outcomes and economic mobility for youth, evidence is lacking about which interventions best promote access to high-opportunity areas for families with children. By using a tiered-evidence approach, the proposed opportunity demonstration would address this knowledge gap by building a pipeline of promising interventions with evidence of effectiveness. Adapting tiered-evidence grantmaking to this context will require a thoughtful approach, but the opportunity demonstration's framework would produce an incentive to develop and advance evidence-based approaches to promoting opportunity with potential to greatly increase economic mobility.

Notes

1. The Moving to Opportunity for Fair Housing (Moving to Opportunity or MTO) demonstration defined opportunity neighborhoods as having a poverty rate below 10 percent. Other definitions of opportunity can include economic, environmental, educational, and accessibility indicators. To date, the housing research field does not have a settled definition of opportunity. To promote access to opportunity, HUD should define it in a way that establishes benchmarks or metrics that can be used to evaluate programs and interventions over time.
2. Direct Grant Programs and Definitions That Apply to Department Regulations, 78 Fed. Reg. 49338 (August 13, 2013).
3. See Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2019, H.R. 6072, 115th Cong. (2018); Housing Choice Voucher Mobility Demonstration Act of 2018, S.2945, 115th Cong. (2018); and Housing Choice Voucher Mobility Demonstration Act of 2018, H.R. 5793, 115th Cong. (2018).
4. Implementing the demonstration requires expertise in assessing and making judgments about the quality of research evidence that determines the tier for which applicants qualify. This work could be streamlined by developing a research clearinghouse at HUD. Clearinghouses compile, evaluate, and standardize programmatic research to help government agencies distill and interpret research on a given topic. For example, the What Works Clearinghouse within the Department of Education produces summaries on several topics based on evidence from high-quality research (Davies and Silloway 2016). By categorizing research on the effectiveness of programs that have been evaluated, a research clearinghouse would not only facilitate tiered-evidence grantmaking and other evidence-based funding strategies but could also be a major step toward growing the field's understanding of the evidence base for all forms of interventions meant to increase access to opportunity.
5. "PHAs Initiate Partnership with Researchers to Connect Kids to Better Neighborhoods," Council of Large Public Housing Authorities, October 19, 2017, http://www.clpha.org/mobility_panel_summer_2016.
6. "About the Social Innovation Fund," Corporation for National and Community Service, accessed October 12, 2017, <https://www.nationalservice.gov/programs/social-innovation-fund>.
7. "Data Democratization and Evidence-Based Policy," US Department of Housing and Urban Development, accessed June 5, 2017, <https://www.huduser.gov/portal/pdredge/pdr-edge-frm-asst-sec-010917.html>.

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BROOKINGS



With support from the Laura and John Arnold Foundation, researchers from the Urban Institute, Brookings Institution, American Enterprise Institute, and the Pew-MacArthur Results First Initiative have formed the Evidence-Based Policymaking Collaborative. The Collaborative brings together researchers from organizations across the ideological spectrum to create tools to support evidence-based policymaking at the federal level. The Collaborative's work is assisted by an Advisory Group consisting of stakeholders throughout the evidence-based policymaking field. The opinions expressed in this brief do not necessarily reflect the views of all members of the Evidence-Based Policymaking Collaborative or its funder.