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HOUSING CRISIS RESEARCH COLLABORATIVE

Using ARPA Funds to Address Affordable Housing Needs

Lessons from Six Cities and Counties

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Lack of access to affordable housing is a familiar and growing challenge to communities across the United States. Compounded by a series of recent economic trends, the national affordable housing shortage has taken a new form since the COVID-19 pandemic. Supply chain issues and rising interest rates are exacerbating the effects of long-term underproduction of housing for both rent and owner-occupancy. Communities with low incomes and communities of color, who were already struggling with housing instability[1] and severe housing cost burdens[2] prior to the pandemic, continue to bear the brunt of the long history of structural racism[3] that pervades the US housing system and drives disparities in housing outcomes.[4] No state or major metropolitan area in the US currently has enough affordable housing for extremely low-income renters,[5] who are disproportionately Black, Latine, Asian, and American Indian or Alaska Native.[6]

Overcoming these systemic barriers requires intentional investments in equity-based housing solutions. In response to the immense toll of the pandemic, the federal government delivered unprecedented amounts of aid to states and localities to spur their economic recoveries. Specifically, through the 2021 American Rescue Plan Act (ARPA), Congress allocated $350 billion in flexible Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to state and local governments.[7] Both the legislation and subsequent guidance from the US Department of the Treasury made clear that several housing-related uses were permissible with the funds—providing a unique opportunity to launch large-scale and innovative housing solutions. Early research showed that many localities used a portion of these funds to increase their supply of affordable housing.[8] These findings indicated that the SLFRF program enabled cities to fund a variety of creative solutions to meet their residents' housing needs, although at the time, Treasury had not clarified several long-term spending uses that would later become eligible.

About the Housing Crisis Research Collaborative

The Housing Crisis Research Collaborative aims to address the long-standing inequities in access to safe, stable, and affordable rental housing that have been laid bare by the COVID-19 pandemic. We provide policymakers at all levels of government with the data and analysis they need to design, implement, and evaluate more equitable and effective rental housing and community development responses to the pandemic and the ongoing rental housing affordability crisis. More information is available at https://housingcrisisresearch.org/.

In this study, we expand on earlier research—using data reported by SLFRF recipients and qualitative interviews with local program administrators—to gain a deeper understanding of how localities are directing the funds to affordable housing development and preservation efforts and what challenges and opportunities they have encountered in using the funds for this purpose. Based on our findings, we highlight several implications for federal policymakers and provide recommendations for how future federal funding can be structured to reduce barriers for localities attempting to address affordable housing needs.

Methodology

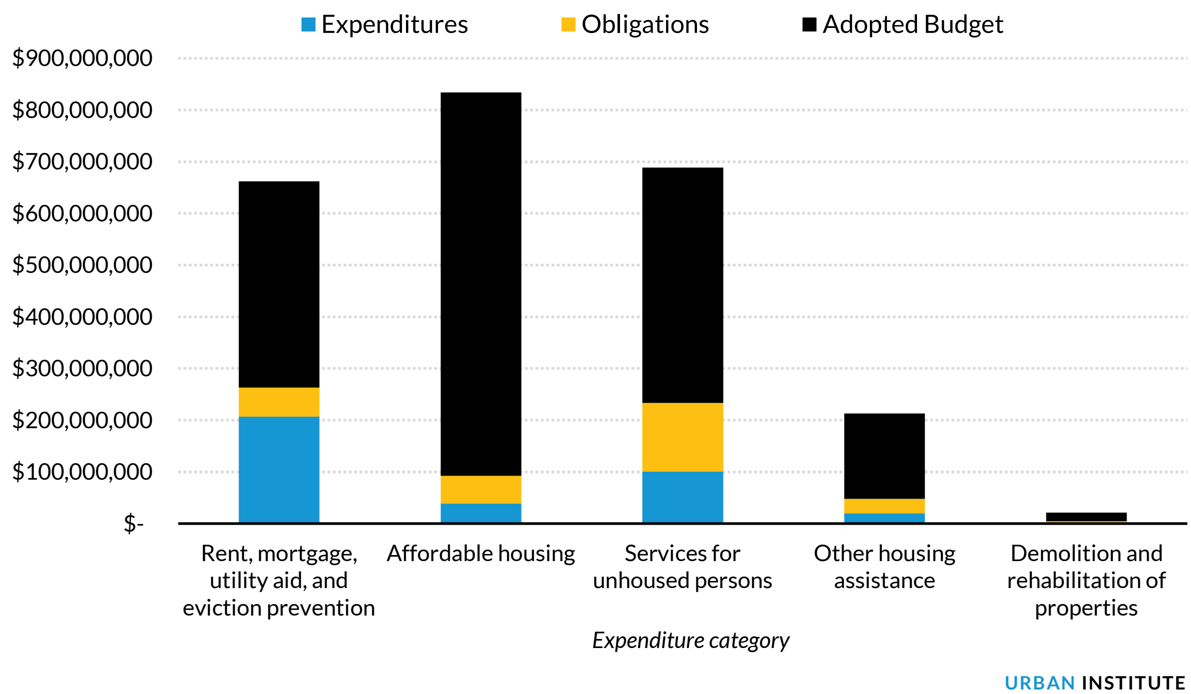
To understand how cities and counties are using their allocations of SLFRF, we analyzed program reporting data released by Treasury covering obligations and expenditures through March 31, 2022. These data include both larger recipients (those with populations of 250,000 or more) who are required to report quarterly, as well as smaller recipients (those with populations less than 250,000) who are required to report annually. They do not include tribal governments, for which Treasury does not release data due to small sample sizes and privacy concerns, nor do they include state governments, which are excluded from this analysis. Recipients are required to report their obligations and expenditures at the project level and select one of 82 expenditure categories for each project.

As of March 31, 2022, local government recipients had collectively obligated $35 billion across all eligible expenditure categories, which ranged from pandemic-related expenses, such as the purchase of personal protective equipment, to service provision and assistance to families, businesses, and industries. Of this, $946 million was allocated to housing-related uses and $175 million to the development and preservation of affordable housing, specifically.[9] However, obligations fail to reflect the full extent of planned spending on affordable housing. As figure 1 shows, cities and counties with populations of 250,000 or more ("Tier 1 recipients") had obligated only 11 percent of the total funding that they intended to allocate toward affordable housing as of March 31, 2022. When planned spending—which is only available for Tier 1 recipients—is taken into account, allocations for affordable housing rise to $833 million, comprising 34 percent of Tier 1 recipients' planned spending on all housing-related uses.

While planned spending on affordable housing remains a small proportion of overall SLFRF spending—comprising less than 1 percent of the $110 billion that cities and counties collectively received—it is nonetheless a significant influx of investment. As a point of comparison, planned spending of SLFRF on affordable housing is similar in size to annual funding for the US Department of Housing and Urban Development's (HUD's) HOME Investment Partnerships program (HOME), which is the largest source of federal funding for affordable housing development other than the Low-Income Housing Tax Credit: HOME allocations have fluctuated between $900 million and $1.5 billion over the past few years.[10]

FIGURE 1

Spending of State and Local Fiscal Recovery Funds for Tier 1 Cities and Counties



Source: US Department of the Treasury, April 2022 quarterly and annual reporting data through March 31, 2022.
Notes: Tier 1 recipients include states, US territories, and metropolitan cities and counties with a population that exceeds 250,000. This chart includes spending for the 335 Tier 1 recipients classified as local governments. It does not include data for states or territories. The "adopted budget" field is only required for Tier 1 recipients and is defined by Treasury as "the budget adopted by a recipient for each project associated with SLFRF funds." Obligations represent cumulative obligations as of the date of reporting, and expenditures similarly represent cumulative expenditures as of the date of reporting. "Rent, mortgage, utility aid, and eviction prevention" is the sum of Treasury expenditure categories 2.2 and 2.5; "affordable housing" corresponds to category 2.15; "services for unhoused persons" corresponds to category 2.16; other housing assistance corresponds to category 2.18; and "demolition and rehabilitation of properties" corresponds to category 2.23.

Given the scale of this spending, we were interested in learning how cities and counties were using SLFRF to address their housing needs, particularly concerning the supply of affordable housing. We reviewed the descriptions of the more than 200 projects classified under the affordable housing expenditure category in the Treasury data and identified projects involving housing production, preservation, and rehabilitation for both rent and owner-occupancy. We selected twelve localities engaged in developing or preserving affordable housing, attempting to capture a mix of geographic diversity, local government type (city or county), population size, and project type.

We conducted outreach to contacts at the 12 localities and heard back from program administrators in 6 of these. We then interviewed respondents across these 6 localities—3 counties and 3 cities or consolidated city-counties. Our interviewees were primarily city and county staff, either local program administrators or executive staff, although a few represented nongovernmental organizations partnering with local governments on affordable housing projects. Three of the localities we interviewed have populations larger than 500,000 (in some cases, significantly larger), two have populations between 250,000 and 500,000, and one is a small county with a population of less than 250,000. The six localities are geographically dispersed across the country—one on each coast, two in the Midwest, and the remaining two in the South or South-Central US. We do not identify the cities and counties we interviewed to preserve confidentiality.

Our semi-structured interviews were conducted from July 2022 to September 2022 and lasted approximately one hour each. Through the interviews, we sought to answer the following questions:

1. How did cities and counties use SLFRF for affordable housing development or preservation?
2. What types of households will be served by the planned developments, and what additional subsidy sources (if any) are being used to support rents and/or services for developments that serve the lowest-income households?
3. Were community members engaged in these decisions and were racial equity goals considered?
4. What barriers, if any, have cities and counties encountered in using recovery funds for this purpose?
5. How can future federal funding be structured to reduce these barriers?

Key Findings

Unencumbered, flexible funds helped meet important local housing needs, including those of households with very low incomes.

Many of the cities and counties we interviewed noted that the flexibility of the SLFRF program—in particular, its expansive set of eligible uses and its streamlined reporting requirements—allowed them to creatively deploy the funding to meet specific local needs. Some localities initially encountered challenges using SLFRF for affordable housing development. For example, the initial restriction on using SLFRF for long-term loans meant that program staff had to come up with novel ways to infuse capital support. In one case, the local housing development agency had to calculate the net present value of the costs incurred by the county in providing a loan to a development project and use SLFRF funds to cover these costs. This resulted in operational and programmatic complexities and hurdles, making the funds cumbersome to use for housing development projects.

However, these hurdles were mostly mitigated by updated Treasury guidelines issued in July 2022, which allowed states and localities to use SLFRF to finance long-term affordable housing loans and expanded presumptive eligibility for HUD's Housing Trust Fund, the HOME program, the Low-Income Housing Tax Credit program, and other federal housing and rental assistance programs.[11] This meant that projects qualifying for any of these federal programs were automatically assumed to be eligible for funding. None of the localities we interviewed after this update had plans to change their affordable housing work as a result of the new guidance, but all acknowledged that it would make their work easier.

Many of the localities we interviewed cited increasing the supply of deeply affordable housing to extremely low-income residents as an important recovery goal following the pandemic, as unhoused persons are especially vulnerable to the risks of contracting and dying from COVID-19. In the localities we interviewed, all housing projects except one prioritized the lowest-income households and those with special needs. Many of these projects had specific targets to benefit people whose household income was at or below 30 percent of the area median income or who were experiencing conditions such as homelessness, mental illness, HIV/AIDS, or domestic violence. Several of the localities aimed to develop housing with long-term commitments of deep affordability. For example, one locality required projects to maintain affordability for a minimum of 55 years, while another supported a project on land owned by a community land trust.

Because many sources of funding are typically needed to create and maintain housing with deep affordability, most localities had to blend SLFRF with other sources of development funding, including state infrastructure bonds, philanthropic funding, funding from local sales taxes, and housing choice vouchers. While some localities utilized additional federal funding sources, such as HOME or Community Development Block Grant dollars from HUD, to fill the financing gap, many noted their reluctance to pair SLFRF with other federal sources due to their complex restrictions and reporting requirements. Most of our interviewees were HUD grantees with extensive experience managing HUD funds, and many drew comparisons of the SLFRF program with HUD funding, noting that they appreciated the greater flexibility that the SLFRF provided. They felt that the ease of using SLFRF allowed them to move more quickly, support a variety of projects, and work with developers who may have less experience with HUD restrictions.

Localities used a range of strategies to increase affordable housing supply, including development, preservation, and investing in housing trust funds.

The localities we interviewed were pursuing a variety of strategies to increase the supply of affordable housing in their communities, from funding the development of new housing to preserving their existing housing stock. They also varied widely in terms of the types of housing they intended to create and the groups they intended to serve. Some chose to focus on transitional and permanent supportive housing for homeless people or those with special needs, while others focused on more traditional rental or owner-occupied housing for people with low incomes. Some localities were also pursuing non-traditional strategies, including setting up revolving loan funds and directing funding to new or existing housing trust funds. One locality, for instance, created a revolving loan fund to support nonprofit developers of affordable housing with site acquisition and predevelopment costs, while another planned to use SLFRF to invest in a housing production trust fund that had been in operation for over twenty years. Yet another chose to leverage SLFRF as one of the first tranches of investment for a housing trust fund established shortly before the pandemic.

Housing trust funds provide an ongoing source of public funding—generally from a dedicated revenue source, such as developer or linkage fees—that can be used to address a variety of local housing conditions over time. By creating and replenishing these funds, governments bypass the need to fight for affordable housing budget allocations each year and can instead rely on a dedicated source of revenue.[12] Financing these funds through the SLFRF program enabled local housing departments to invest short-term federal recovery dollars toward long-term sources of funding for the production, preservation, and acquisition of affordable housing. As one interviewee stated, "…just the environment of having funds available has made it possible for new things like [the housing trust fund] to also become funded."

Another interviewee noted that "a big focus for us getting the housing trust off the ground with these resources is using this as a chance to prove to everybody that this is something that can be done, that [it can provide] real results for the community." However, many interviewees also acknowledged that standing up housing trust funds would not solve the challenge of procuring ongoing funding for those funds. The need for a long-term source of funding for increasing the supply of affordable housing—not just a one-time infusion—was a theme that emerged repeatedly in our conversations with local housing staff.

Planning and local capacity were important for meeting short obligation timelines.

Treasury's final rule for the SLFRF program specified that all funds had to be obligated by December 31, 2024, and expended by December 31, 2026 (Treasury 2022). Many interview respondents regarded this to be a short timeline for housing development. The median time to completion for housing projects in San Francisco, for example, is 3.8 years, with the timeline for some projects stretching into decades (Goggin 2018).

While all six of the cities and counties that we interviewed had budgeted some portion of SLFRF funding for affordable housing needs, only three had obligated any of these funds to specific projects as of the time of our engagement. One respondent representing a locality that had not yet allocated any funds noted that "we spent a good year and a half getting to where we're at, and we're still not ready to spend." They cited the need to develop a decision-making process and a system of review, approval, and monitoring before executing any programs, and noted that while the "ramping up time" may be significant, it is also crucial to ensure that the funds are used in ways that achieve the program's and locality's goals.

Of the localities we interviewed who *had* selected projects to fund, many described prioritizing "shovel-ready" projects. These included projects with plans already in place, projects led by developers or organizations with whom the locality had existing relationships, and projects further along in the development process—in some cases, with other sources of funding already secured. One respondent noted that "one of the reasons we focus so much on projects that were ready to go this year was because we get a good chunk of money spent that we know is going to get spent. And then we can have a little bit less of a conservative take with the rest of the dollars going forward." Another respondent expressed that the timeline constraints on obligations and expenditures made allocating funds "in a thoughtful way" very difficult.

Many of the localities further along in the process credited existing local capacity for enabling them to deploy funds relatively quickly. In one locality, established relationships between the local government, a foundation, and several nonprofit organizations resulted in matched funding from the foundation, which the nonprofits were then able to put toward affordable housing initiatives. A respondent from that locality noted that the SLFRF program is a "good example of how local communities can use federal funding in a way that partners with nonprofit organizations [and] existing partners" and rely on both these established partnerships and existing plans to maximize the impact of federal funding.

However, we heard from both localities that had already obligated funds and localities that had not yet done so that additional staff capacity was often a necessity to enable the city or county to successfully absorb and deploy emergency funds. One respondent pointed out that "when you think about adding [hundreds of millions of] dollars to a department and not fortify it with the necessary human resource infrastructure, you're really not setting the department up for success." The respondent added that even if most of the development or preservation work is subcontracted out, additional capacity is still required for back-office functions, such as accounting, finance, and monitoring and compliance efforts. The need for additional capacity and expertise was compounded by the initial lack of clarity around blended and long-term loans—Treasury's initial guidance did not allow for SLFRF to be used for long-term loans, and because for-profit developers cannot receive grant funding directly, many localities were initially uncertain how to provide these developers with the funding needed to carry out affordable housing projects.

Most localities used competitive processes to award funding to developers and community organizations, and some incorporated a strong focus on equity and community engagement in the project selection process.

Of the localities we engaged with, many solicited both nonprofit and for-profit developers through competitive processes that allowed them to identify projects that could target their specific housing needs. These competitive processes generally favored projects that had the potential to further local equity goals, were committed to maintaining long-term affordability, and would allow localities to meet the short obligation timelines of the SLFRF program.

While many localities we spoke with described considering the equity implications of the projects they selected, some also noted a tension between embedding equitable practices and deploying SLFRF quickly. Local housing departments addressed this tension in a few different ways. One locality staggered the release of two requests for proposals (RFPs) for the construction of multi-family rental projects with units affordable to families earning 30 percent of the area medium income (AMI). In the first RFP, the locality prioritized “easy win” applications that demonstrated they could close on their financing in 2022 and likely would not be adding 30 percent AMI units without additional support through the SLFRF program. Experienced developers already familiar with the locality’s processes were also given preference in this first solicitation.

In the second RFP, the department sought to respond to community needs expressed during its resident outreach process by incorporating additional scoring criteria for projects that addressed a housing need identified by the locality’s affordable housing engagement report or by those most affected by current inequities. Proposals also received additional points for: (1) including members in their project teams who were underrepresented in the community or region, (2) conducting independent and ongoing community engagement, and (3) serving people with higher barriers to housing stability. With the security of a certain number of projects guaranteed to close in 2022 from the first solicitation, the locality felt comfortable providing longer time horizons for the remaining dollars to support underrepresented developers and projects with equity-based goals.

Several of the localities we engaged with used ground-up, neighborhood-driven competitions to solicit ideas directly from community members. To promote inclusive growth goals through the SLFRF program, one locality launched a regional economic development initiative that made a broad call to residents for neighborhood-based projects. This flexible program accepted applications for funding that spanned everything from minor home repairs to fencing in vacant lots to multi-million-dollar crime prevention strategies. Some localities also made efforts to encourage emergent or underrepresented developers to apply for solicitations funded by SLFRF. One locality, for instance, collaborated with a department focused on economic opportunities to identify strategies to inform underrepresented developers about its application process.

Although most localities identified racial equity as a key focus in deploying SLFRF for housing needs, their approaches to embedding racial equity into projects and processes were quite different. Some felt compelled to move quickly to get the resources obligated and spent, and thus relied on previously conducted community engagement to inform their work. For example, one interviewee noted that “[our plan] was driven by … conversations at our mayor’s office level around prioritization and what was needed … based on a lot of engagement work we’ve been doing the last years and our comprehensive planning.” An interviewee from another locality stated that their SLFRF housing work was “reflective of long-time policy work and a shift toward how we bring investment to these areas that have been disinvested in for so long.”

Other localities chose to conduct new community engagement on previously developed housing plans to understand needs, and yet others embarked on new processes to center equity. In one instance, the locality hired a new staff person specifically to review opportunities to embed racial equity in the disbursement of new, major federal funding, such as ARPA and the Infrastructure Investment and Jobs Act. Interestingly, a new practice seemed to emerge from our interviews: two of the counties we spoke with described leveraging new racial equity review processes that were instituted post-2020 to bring an equity lens to their work. In these cases, the localities had standing governing bodies in place (both in their executive offices) to review new programs. These bodies were mandated to review and approve local plans for spending ARPA funds, including the disbursement process and goals of each program, with an eye toward equity impacts.

In the first county, the locality's housing development authority "worked with [the county's racial equity review] staff to make sure [they were] prioritizing areas of the county that were most impacted by the COVID pandemic." As part of this process, the department used a COVID-19 vulnerability and recovery index map that had been developed by the equity review office and overlaid indices on tenant vulnerability and concentrated disadvantage to identify areas of the county highly impacted by COVID-19, housing affordability, and instability challenges. In the resulting RFP selection process, developers who located their projects in more highly impacted areas received higher proposal scores. The equity review office conducted similar work with each county department deploying ARPA funding to advise on their approaches, policies, and program designs. In the second county, all ARPA-funded programs were required to undergo an equity analysis prior to receiving approval, in which independent evaluators gauged the project against equity scorecard criteria.

Our interviewees thought this was an efficient way to infuse an equity review into a process that required quick expenditure. One program administrator put it this way: "It's not something that's automatic that people understand how to take in what equity means and how does it translate to some level of action … So, I think this process has allowed people to kind of dip their toes a bit more [into] understanding what equity means from an operational perspective."

Policy Implications and Recommendations

Our findings from interviews with local government representatives using Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act to address affordable housing needs highlight several implications for federal policymakers. A multitude of research has demonstrated that affordable housing is key to economic stability, physical and mental welfare, and a range of better outcomes for children and adults alike (for example, see USICH 2019). By including eligibility for uses such as affordable housing development and preservation, Congress seemed to acknowledge that some emergency response measures must not only meet the needs of the moment but also build the capacity of communities to respond to future emergencies. In the future, Congress may want to be more explicit about which emergency relief funds are intended to be deployed quickly and which funds should be used to support longer-term projects that build future resiliency. Such a distinction would help agencies design appropriate guidance. While Treasury's SLFRF guidance consistently indicated that affordable housing was an accepted and desirable use of the fiscal recovery funds, this guidance conflicted with some of the practical guidelines of the program, including the short timeframes provided for recipients to obligate the funds and the initial restrictions on using the funds for long-term loans.

Another result of the short obligation timeline was that many of our interviewees found it difficult to create thoughtful plans that incorporated meaningful community input. Of the localities we interviewed, most resorted to relying on the results of engagements that had been previously conducted; only one was able to conduct community engagement specifically to inform their use of SLFRF for affordable housing needs. Interviewees also expressed that the short timelines made it hard to support newer, less established developers and community organizations, as well as projects that were earlier along in the process, both of which have important equity implications. If the federal government wishes to encourage the use of emergency funds to address local issues in equity-forward ways, it could better align program specifics with the stated guidance, such as by providing more time for recipients to engage in comprehensive planning processes that meaningfully incorporate community input and expertise. To balance addressing immediate needs with building longer-term resilience, the federal government could consider staggered obligation and expenditure timelines that take into account the varied uses of emergency funding.

Additional modifications to program guidance, including making it easier for funding recipients to braid other sources of funding with federal dollars, could also better support the use of federal emergency funds for affordable housing. We found that because of the large upfront capital investments required in building housing at any scale, many localities had to combine fiscal recovery funds with additional sources of development funding, including Low-Income Housing Tax Credits, Community Development Block Grants, and HOME funds, as well as other state, local, and even philanthropic sources. Many interviewees expressed difficulties in understanding and complying with the varied regulations across different federal funding sources, with a few noting the necessity of involving legal teams and even consultants. The complexity of blending multiple funding sources for affordable housing places lesser-resourced localities at a disadvantage; they may not have the in-house expertise or the capacity to hire lawyers or consultants to decipher federal program guidelines. The federal government could simplify the process of using emergency funding to address affordable housing needs, such as providing clearer guidance on the eligible uses of funds and how they might be combined with other sources of federal funding, as well as by streamlining program requirements across the various sources of federal funding available for affordable housing uses.

In combination with simplifying program rules and guidance, the federal government could also invest in building the capacity of lesser-resourced localities to create housing plans as well as apply for and absorb federal funds. Many of the localities we interviewed noted the importance of existing local capacity and partnerships in their ability to quickly deploy funds and launch new projects. Localities without such capacities may struggle to use federal funds to address affordable housing needs, which research has shown are increasing across the country and are no longer constrained to large, high-growth cities (Up for Growth 2022). The federal government should not only provide technical assistance to localities interested in using federal funding for affordable housing, but it should also conduct proactive outreach to localities that may be most resource-constrained and aim to build the capacity of these localities to independently undertake projects. One way to do this could be to provide funding for pre-development, which would provide localities with the resources needed to create comprehensive housing plans and hire the staff necessary to execute those plans.

In our research, we also heard the need for greater state and local cooperation in affordable housing investments. The state of Colorado provides an example of how a state can accelerate spending for new housing by complementing local efforts: Colorado's General Assembly passed legislation in 2021 to create an affordable housing and home ownership fund at the state level using $550 million in ARPA funding.[13] The legislation created a statewide Affordable Housing Transformational Task Force comprising state legislators from various districts, as well as a subpanel of state and local housing providers, advocates, interest groups, and local leaders, to issue policy recommendations on the use of the funds, resulting in a report in January 2022.[14] This type of cooperation between state and local actors and the use of a fund to enable federal dollars to meet local needs can create capacity even in the most disadvantaged places to tackle the housing crisis and complement efforts happening in other parts of the state.

Finally, the localities we interviewed that were focusing on affordable housing for people with very low incomes or special needs noted the need to rely on additional sources of funding for ongoing operational and maintenance needs, such as rental subsidies and the provision of supportive services. In many cases, these sources of funding were provided by the state or funded through local taxes or other measures. This highlights the difficulty of providing housing for those with very low incomes without ongoing, long-term sources of subsidies, and thus the need for more robust federal funding for housing programs, including rental assistance programs. Despite the proven effectiveness of housing vouchers in reducing housing instability and improving outcomes for families and children, HUD's Housing Choice Voucher program has been consistently underfunded; even before the pandemic, only one in four voucher-eligible families received any type of federal rental assistance (Fischer 2021). To ensure that those with the lowest incomes can be stably housed now and in the future, the federal government should fully fund its existing rental assistance programs. In the longer term, there is also a need for more consistent federal funding—not just one-time infusions—to build and preserve affordable housing at the scale required to alleviate the current crisis. The Low-Income Housing Tax Credit program, currently the largest source of subsidies for affordable housing development, is often stretched to meet national affordable housing needs due to insufficient funding, and is also not designed to meet the needs of the lowest-income renters (Fischer 2018).

By including affordable housing and development as a use for recovery dollars, Congress signaled the importance of stable and affordable housing in economic recovery. The fact that so many localities allocated a portion of their recovery dollars for this use shows the urgency of the need for increasing the housing supply in every community. Housing stability for households of all income levels is not only a driver of economic growth but also a necessary precondition of ongoing resilience to effectively meet the needs of the next crisis. A long-term increase in federal funding for housing programs can ensure that all residents—no matter their incomes—have a safe, affordable, and resilient place to call home.

Notes

[1] Mary K. Cunningham and Abby Boshart, “When People Can’t Pay Their Rent, What Comes Next?” Urban Wire (blog), Urban Institute, May 5, 2020, https://www.urban.org/urban-wire/when-people-cant-pay-their-rent-what-comes-next.

[2] “American Families Face a Growing Rent Burden,” PEW, April 19, 2018, https://www.pewtrusts.org/en/research-and-analysis/reports/2018/04/american-families-face-a-growing-rent-burden.

[3] Solomon Greene, Martha M. Galvez, Kriti Ramakrishnan, and Madeline Brown, “HUD Ignores Evidence on Discrimination, Segregation and Concentrated Poverty in Fair Housing Proposal,” Urban Institute, March 13, 2020, https://www.urban.org/research/publication/hud-ignores-evidence-discrimination-segregation-and-concentrated-poverty-fair-housing-proposal.

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[8] Kathryn Reynolds, Katharine Elder, and Mikaela Tajo, “How Are Cities Planning to Use State and Local Fiscal Recovery Funds for Their Housing Needs?” Urban Wire (blog), Urban Institute, November 15, 2021, https://www.urban.org/urban-wire/how-are-cities-planning-use-state-and-local-fiscal-recovery-funds-their-housing-needs.

[9] We define housing-related uses to include rent, mortgage, and utility aid (U.S. Treasury expenditure category 2.2), eviction prevention (expenditure category 2.5), affordable housing (expenditure category 2.15), services for unhoused persons (expenditure category 2.16), demolition and rehabilitation of properties (expenditure category 2.23), and other housing assistance (expenditure category 2.18). The $946 million does not include allocations made by state or tribal governments. When these are taken into account, the figure rises to approximately $4.74 billion in total allocations to housing-related uses as of March 31, 2022.

[10] “An Overview of the HOME Investment Partnerships Program,” Congressional Research Service, January 4, 2021, https://sgp.fas.org/crs/misc/R40118.pdf.

[11] “Treasury Releases Updated Guidance to Facilitate the Use of SLFRF for Affordable Housing,” National Low Income Housing Coalition, August 1, 2022, https://nlihc.org/resource/treasury-releases-updated-guidance-facilitate-use-slfrf-affordable-housing.

[12] “Housing Trust Funds,” Local Housing Solutions, accessed October 20th, 2022, https://localhousingsolutions.org/housing-policy-library/housing-trust-funds/.

[13] “American Rescue Plan Act Money To Invest Affordable Housing,” Colorado General Assembly, accessed November 11, 2022, https://leg.colorado.gov/bills/hb21-1329.

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Errata

This brief was updated August 22, 2023. In the first paragraph of the methodology section on page 2, we revised the third sentence to clarify that the analysis applies only to local governments and does not include state or tribal government expenditures. We added two sentences to endnote 9 to further clarify this point.

About the Authors

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