



The Affordable Housing Imperative:

KODY GLAZER

“It is clear that the ongoing pandemic and resulting economic crisis are having a profound, long-term negative effect on the pre-existing affordable housing crisis facing low-income households. The combination of a large number of higher-income households who have weathered the pandemic without significant income losses, low interest rates, and housing supply constraints exacerbated by the pandemic, have driven a sharp increase in the sale price of homes. Meanwhile, many low income renters and homeowners are struggling with lost employment and income and are behind on their housing payments.”¹

This is a direct quote from Treasury’s final rule implementing the Coronavirus State and Local Fiscal Recovery Fund program and a reality that Floridians experience every day. Tenants’ rights groups, housing champions with lived experience, and news articles punctuate daily the human toll that rising rents and home prices have wrought on our state. Fortunately, there is a funding source that can make a substantial positive impact for Floridians who are unable to find an affordable place to live. And this positive impact also benefits employers and the local economy in general.

Use ARPA Funds for Housing Now



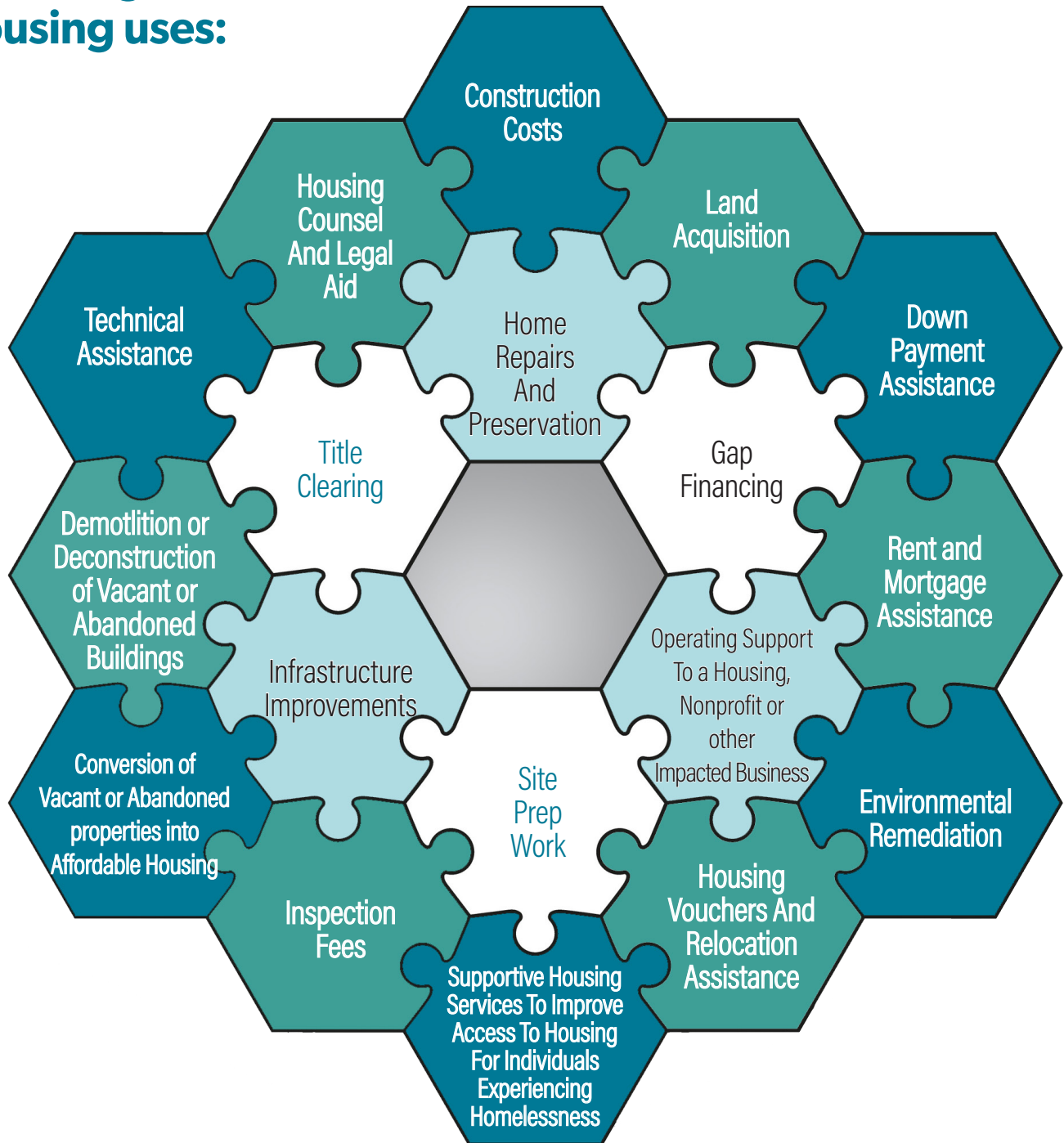
The American Rescue Plan (ARP), created the **Coronavirus State and Local Fiscal Recovery Fund (SLFRF)** program. The U.S. Treasury Department distributes this Fund to cities, counties, and other eligible entities to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. The SLFRF statute² provides substantial flexibility to grantees to choose from a broad variety of eligible uses to meet local needs - including support to households, small businesses, impacted industries, essential workers, and the communities hardest hit by the pandemic.

On January 27, 2022, Treasury published its **Final Rule** implementing the SLFRF program which went into full effect on April 1, 2022. This final rule provides much needed clarity on how state and local governments can use these funds for affordable housing initiatives. **With this final rule, local governments in Florida can feel confident using this once-in-a-generation influx of federal dollars for its affordable housing goals.**

Now is the time for local governments to dedicate a substantial portion of their SLFRF dollars to address affordable housing. Although the SLFRF statute and rule allows grantees to use their funds on a broad variety of activities, there are few as pressing as the ones that address the affordable housing crisis.

This article breaks down how local governments can use their SLFRF funds for affordable housing activities based on the clarity provided in Treasury's Final Rule and is intended for educational purposes. With this graphic you can see the enormous breadth of non exhaustive affordable housing activities that are allowable.

Here is a non-exhaustive list of eligible affordable housing uses:



Local Government	Estimated State and Federal Housing Funding 22/23*	SLFRF Allocations	Difference
Flagler County	\$258,926	\$22.3 million	86x
Broward County	\$11.8 million	\$379.3 million	32x
Charlotte County	\$1.6 million	\$36.3 million	22.5x
Miami-Dade County	\$30 million	\$527.7 million	17x
St. Johns County	\$3.7 million	\$51.4 million	14x
Hillsborough County	\$21.4 million	\$285.9 million	13x
Panama City	\$737,967	\$10.0 million	13x
Fort Pierce	\$1.0 million	\$13.5 million	13x
Gainesville	\$3.1 million	\$32.4 million	10x
Orlando	\$6.9 million	\$58.0 million	8x

* includes SHIP, CDBG, HOME and ESG funding

The Opportunity

It is not overly dramatic or hyperbolic to say that these SLFRF dollars create a once-in-a-generation opportunity for local governments to address the affordable housing crisis. If you compare the amount of funds a local government has right now in SLFRF with the amount of state and federal funds that local government can expect to receive per year in affordable housing funding, it is night and day. It is hard to imagine another time in the foreseeable future where local governments across Florida have this much money at one time that can be used to address the housing crisis.

For some communities, a local government's SLFRF allocation can be **8 to 86 times** what they could expect from the state or federal government for housing in a given year. For example, it could take 13 years for a city such as Fort Pierce to receive the same amount of housing funding from the state and federal government that they have right now in SLFRF dollars.

Payments to Local Governments in Florida

All **67 counties** and **77 municipalities** received SLFRF dollars directly from the U.S. Treasury Department. Allocations are population-based as Florida county payments range from

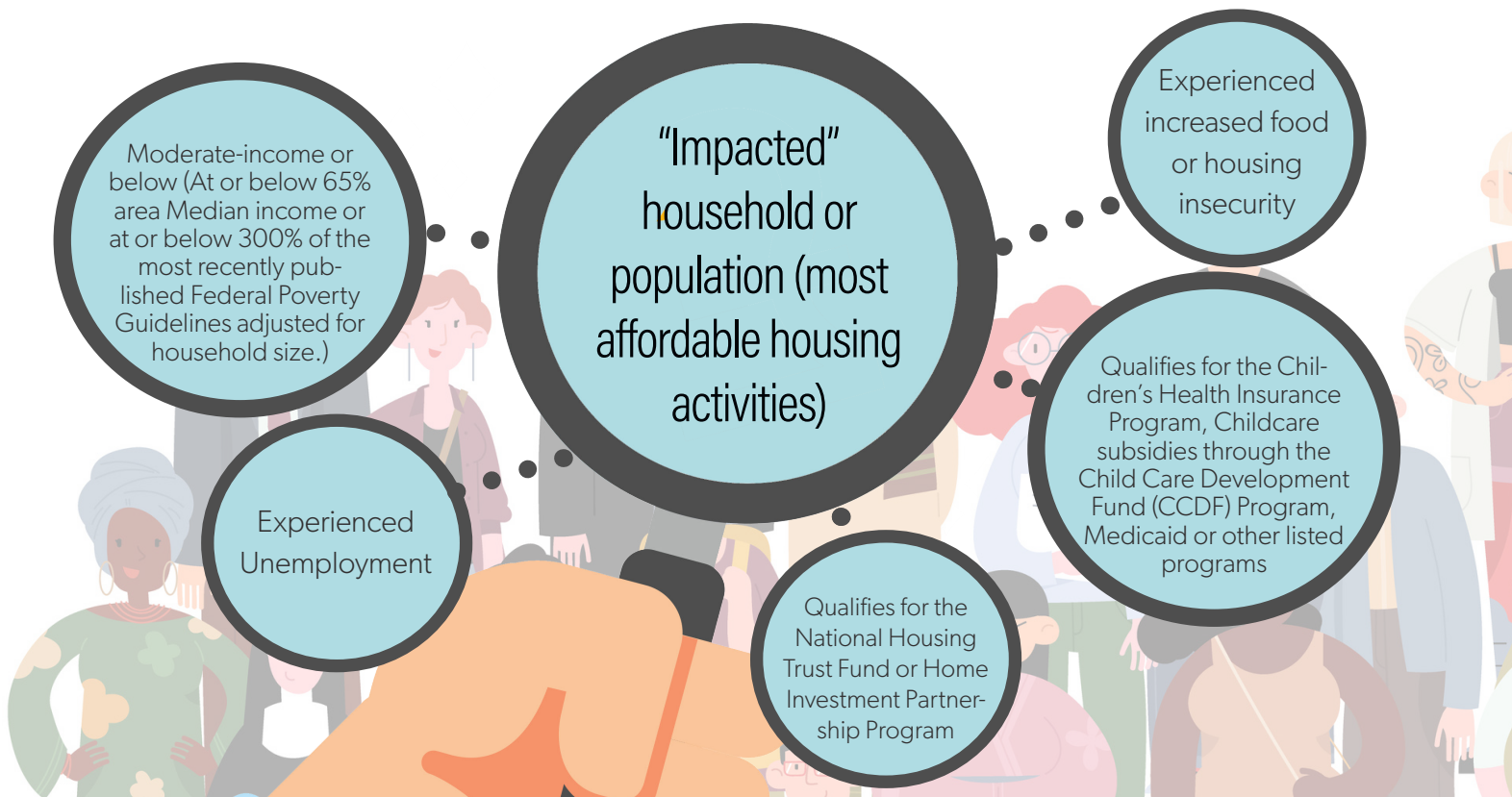
\$1.6 million to \$527 million and municipality payments range from \$1.5 million to \$157 million. These local governments will receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later. The 335 smaller cities and towns that do not receive funds directly can apply to the **Florida Division of Emergency Management** for these funds. SLFRF dollars must be obligated by December 31, 2024, and expended by December 31, 2026. Local governments are currently deciding how to use their SLFRF dollars so education and advocacy on how to use these funds for affordable housing activities is key.

Eligible Affordable Housing Uses

In its final rule, the U.S. Treasury makes clear that SLFRF dollars can be used for a number of affordable housing purposes to respond to COVID-19's negative economic

For questions or more information on how to use your local government's SLFRF dollars for affordable housing, please contact Kody Glazer at glazer@flhousing.org.

How to presume whether a household was



impacts.⁴ Assistance can be structured as a grant or a loan, but if structured as a loan, there are certain Treasury requirements the grantee must be aware of which may require a non-SLFRF match.

Even if a use is not listed in the Rule, Treasury has made it clear that grantees have "broad flexibility to identify and respond to other pandemic impacts and serve other populations that experienced pandemic impacts, beyond those enumerated uses and presumed eligible populations."⁵ If your affordable housing idea is not expressly listed, your community can still justify that the idea addresses a COVID-19 economic impact by using Treasury's "Framework for Eligible Uses Beyond Those Enumerated" that can be found here at page 32: <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>.

Eligible Households and Populations

In the Final Rule, Treasury made eligibility for SLFRF affordable housing programs clear by:

(1) presuming certain households and affordable housing

developments that qualify for other federal benefits programs are eligible; and

(2) releasing accompanying guidance for how to identify eligibility if a household or development is *not presumed* to be eligible.

A SLFRF use eligibility is dependent upon whether it serves a household or population that was either "impacted" or "disproportionately impacted" by COVID-19. Treasury provides ways for a local government to presume whether a household was either "impacted" or "disproportionately impacted" by COVID-19. Whether a household has to be "disproportionately impacted" or merely "impacted" depends on the use. For most affordable housing activities, a household or population only has to be "impacted" by the negative economic effects of COVID-19. For housing vouchers, relocation services, and improvements to vacant and abandoned properties, the household or population being served has to be "disproportionately impacted".

So for example, if using SLFRF funds to provide rental assistance or development subsidies, a local government

“impacted” or “disproportionately impacted”

Low-income or below
(At or below 40% Area
Median Income or at or
below 185% of the most
recently published
Federal Poverty
Guidelines, adjusted for
household size)

“Disproportionately
impacted” household
or population (only
for housing vouchers,
relocation assistance, and
improvements to vacant and
abandoned properties)

Qualifies for Temporary
Assistance for Needy
Families (TANF),
Supplemental Nutrition
Assistance Program
(SNAP), Free and
Reduced-Price Lunch, and
other programs identified
by Treasury that presume
eligibility

Resides in a
Qualified
Census Tract

If a household or population does not meet one of the above criteria, the grantee may use additional information to justify the household or population was impacted by the pandemic pursuant to Treasury guidance

can presume that households that are below 300% of the Federal Poverty Guidelines, adjusted for household size, qualify for Section 8 vouchers, TANF, or have experienced unemployment are all eligible for assistance.

Even if a household or population is not presumed eligible for SLFRF-assistance, grantees have broad flexibility to justify an impact or disproportionate impact due to COVID. To help grantees justify serving non-presumed populations, Treasury has released a “Framework for Eligible Uses Beyond Those Enumerated” that can be found here at page 32: <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>.

SLFRF Highlights in Florida

Local governments are still in the planning process regarding how to use their SLFRF dollars. Fortunately, there are several good examples in Florida of local governments dedicating a substantial proportion of their funds towards affordable housing initiatives, with the City of St. Petersburg in the lead. A SLFRF leaderboard can be found at www.flhousing.org/ARPA. The Final Rule implementing the SLFRF program and the examples from across the state should provide comfort to local governments looking to address the affordable housing crisis with these dollars.



Kody Glazer is the Legal Director with the Florida Housing Coalition, specializing in local and state governmental affairs, fair housing, land use, and environmental law, and helped lead the Coalition’s technical assistance on CRF administration. He graduated Magna Cum Laude from the Florida State University College of Law, where he served concurrently on the Law Review and the Journal of Land Use & Environmental Law. For questions or more information on how to use your local government’s SLFRF dollars for affordable housing, please contact Kody Glazer at glazer@flhousing.org.

¹ 87 Fed. Reg. 4338 4365-66.

² 42 U.S.C. § 803(a).

³ Coronavirus State and Local Fiscal Recovery Funds, 87 Fed. Reg. 4338 (January 27, 2022).

⁴ 87 Reg. Fed. 4338, 4449.

⁵ <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>.



Using Coronavirus State & Local Fiscal Recovery Funds (SLFRF) for Affordable Housing

The American Rescue Plan (ARP) created the Coronavirus State and Local Fiscal Recovery Fund (SLFRF), which can be used on a number of activities to address the public health and economic effects of the pandemic. This program provides a once-in-a-generation opportunity for local governments to address the affordable housing crisis. Now is the time for advocates, housing professionals, and local governments to devote a substantial amount of SLFRF dollars to address the housing crisis.

How can this money be spent on affordable housing?

Local governments have the flexibility to spend their SLFRF funds on a broad variety of affordable housing activities. The following list describes the activities that Treasury has confirmed are eligible. Even if a use is not stated here or in the Treasury Final Rule, a use may be eligible if the local government can show that the use is addressing the economic effects of COVID-19.

Construction costs	Rent and mortgage assistance	Demolition or deconstruction of vacant or abandoned buildings
Land acquisition and title clearing	Environmental remediation	Conversion of vacant or abandoned properties into affordable housing
Down payment assistance	Housing vouchers and relocation assistance	Inspection fees
Gap Financing	Supportive housing services	Site prep work and infrastructure
Operating support, housing counseling, and legal aid	Home repair and preservation	Housing counseling and legal aid

This program provides a **once-in-a-generation opportunity for local governments to address the affordable housing crisis.**

Who is eligible?

Income eligibility depends on the affordable housing use. Any housing activity that would be eligible under the HOME Investment Partnerships Program (HOME) or the National Housing Trust Fund (HTF) is presumed eligible for SLFRF funding. The following households and communities are also presumed to be eligible depending on the activity. Even if a household or population is not presumed eligible, a local government may still serve them if it can show the household or population was impacted or disproportionately impacted economically by the pandemic.

Low- or moderate-income households or communities as defined by Treasury	Households that qualify for LIHEAP	Households and developments in a Qualified Census Tract (QCT)
Households that qualify for Section 8 vouchers	Households that experienced unemployment or housing insecurity	Households that qualify for Medicaid, TANF, SNAP, SSI, and other listed programs.

For questions on advocacy or implementation of SLFRF-funded affordable housing programs, contact Kody Glazer at glazer@flhousing

What are the main messages for advocates?

- Even though local governments are allowed to use these federal funds for a broad range of programs, there are few as pressing as the ones that address the affordable housing crisis.
- This is a once-in-a-generation opportunity to address the affordable housing shortage.
- The amount in ARPA funds that a local government receives drastically exceeds what a local government receives in SHIP funds annually.