

## U.S. DEPARTMENT OF THE TREASURY

# In Los Angeles, Deputy Secretary of the Treasury Wally Adeyemo Calls on State and Local Governments to Use American Rescue Plan Funds to Boost Affordable Housing Supply


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*Treasury Releases New Fact Sheet on SLFRF Housing Investments, Latest ERA Monthly Data through March, and State-Level Demographic Data on ERA Recipients*

LOS ANGELES — Today Deputy Secretary of the Treasury Wally Adeyemo visited an affordable housing services center in the City of Compton in Los Angeles County where he highlighted how California is using American Rescue Plan funds to keep families in their homes and build more affordable housing. The State of California has budgeted over \$7.4 billion of its State and Local Fiscal Recovery Funds (SLFRF) for housing, which includes over \$5 billion toward expanding affordable housing and meeting the needs of individuals experiencing homelessness. With communities nationwide facing longstanding affordable housing shortages that have been exacerbated by the pandemic and its effects – particularly for low-income renters and households of color, the Deputy Secretary encouraged state and local governments to dedicate more of their SLFRF funds toward boosting the supply of affordable housing.

“The pandemic dramatically underscored the severity and consequences of the shortage of affordable housing across the country – particularly for low-income renters and communities of color,” said Deputy Secretary Adeyemo. “Treasury is urging state, local, and Tribal governments to follow the lead of states like California in dedicating more of their American Rescue Plan funds to build additional affordable housing and lower costs for families.”

Over the course of the year since President Biden signed the American Rescue Plan into law, meeting housing needs has increasingly emerged as one of the most common priorities and largest uses of these funds for states, localities, and Tribes. In 2021, nearly 570 state, local, and Tribal governments committed \$11.7 billion in SLFRF funds to meet housing needs – including preventing evictions and foreclosures, helping individuals experiencing homelessness become stably housed, and expanding the supply of affordable housing to

address the root cause of housing insecurity. Such investments are critical to addressing what researchers estimate is a shortage of **3.8 million**  housing units in the United States.

Even before the pandemic, more than half of all California renters and over one-third of homeowners with mortgages faced high housing cost burdens with over 28 percent of renters and over 16 percent of homeowners spending more than half of their incomes on housing. According to **an estimate** from the National Low Income Housing Coalition, there is a shortage of over 1 million homes for extremely low-income residents of the state — those with incomes below 30% of the area median income.

The Deputy Secretary also highlighted California's Emergency Rental Assistance (ERA) programs – among the largest in the nation – and shared the latest national spending and demographic recipient data for the program. To date, California and its cities and counties have delivered over 500,000 emergency rental assistance payments to households totaling over \$4.1 billion. Given California's ability to effectively deliver ERA funds and its significant low-income renter population, the state has received more than \$211 million in additional funds through Treasury's reallocation process. As of March 31, State and local government grantees have spent or obligated well over \$30 billion in ERA assistance and made nearly 5.3 million payments to households. Treasury expects the vast majority of the remaining funds to be deployed to households or paid to grantees by the middle of 2022.

California was among the many states to make use of Treasury's administrative flexibilities to reduce burdensome documentation requirements – a key barrier to access. The state also developed an easy-to-navigate online application and partnered with multi-lingual nonprofits to boost applications in communities that had lower than expected participation rates. Based on the data reported to Treasury, 88% of the households served by grantees reporting 2021 demographic information in the state of California were very low income, 17% were Black, 38% Latino, and 63% female-headed. Nationally, over 80% of ERA assistance has gone to very low-income households with more than 40% self-identifying as Black, 20% as Latino, and nearly two thirds as female-headed. More details on actions taken by Treasury and the Biden Administration to ensure an equitable distribution of funds by state and local ERA grantees can be found [here](#).

[March 2022 ERA Monthly Data](#) 

[ERA1 Demographic Percentage by State CY 2021](#) 

[SLFRF Housing Investments Factsheet](#) 

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