

## U.S. DEPARTMENT OF THE TREASURY

# Remarks by Deputy Secretary of the Treasury Wally Adeyemo at the Community Change and Urban Institute's "A Community Forum: How the American Rescue Plan is Helping Advance Equity"

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### *As Prepared for Delivery*

Good morning and thank you for joining us today. We appreciate the work you do everyday to advance equity within communities all over this country. We are happy to be your partners in this important work.

When the Biden Administration started, we were fighting an uphill battle. COVID was spreading unchecked and nearly ten million Americans had lost their jobs. But for those of us who are deeply involved in racial equity work, we know that the topline numbers don't paint the full picture.

That the effects of the pandemic were not evenly distributed. The numbers we saw early on made clear that unless we took bold and intentional action, this crisis would play out in the predictable pattern we've seen before, with the most vulnerable bearing the brunt of the crisis and pre-existing inequalities worse than where they started. The Biden Administration took preventing that outcome as one of our core objectives in designing and implementing our response to the COVID-19 pandemic.

It was with this context in mind that President Biden signed the American Rescue Plan, not just to deliver critical support to Americans across the country, but to build a more equitable system for the future—to leave the country better off than where it started. The Treasury Department immediately got to work, standing up a dedicated Office of Recovery Programs and managing ARP programs across the Department totaling more than \$1 trillion.

We knew that it was of vital importance to get this aid out quickly. But we were also acutely aware that for this assistance to truly advance our equity goals, we needed to be intentional in our implementation. And that is what I want to focus on with you all today. While I can't overstate the value in building equity into statute, at the end of the day, those of us tasked

with implementing legislation are directly responsible for the outcomes we produce. The details matter. So the question that my colleagues at Treasury and the White House were focused on from day one was: “how can deliver real gains when it comes to equity and turn intentions into outcomes?”

The Emergency Rental Assistance Program is a great case study for how we thought about this at Treasury.

The Emergency Rental Assistance Program makes funding available to assist struggling households that are unable to pay rent or utilities, and we wanted to make sure this assistance would have the highest impact possible.

One of the ways we did this was through our program guidance to state and local ERA programs. Because as with many ARP programs, implementation is a partnership between the federal government and state and local governments on the ground, and the community groups that help with implementation. Program guidance often functions like a blueprint for state and local program administrators. We invested time and energy into providing guidance – including revising rules that were put out during the closing days of the previous administration – to help ensure programs were implemented with equity at the center.

As examples, we encouraged grantees to reduce unduly burdensome documentation requirements, to invest in culturally and linguistically relevant housing stability services, and to make program applications multi-lingual and mobile-friendly. And throughout all of this, we’ve made sure that our guidance process has remained flexible enough to respond to real-time challenges – making changes in response to the data we saw and the feedback we received.

We also knew that we needed to reach potential recipients where they were. We realized that the leaders in these communities were often the most trusted sources and had the reach to find people who needed our help the most. In these instances, we believed that we could have the most impact as a convener. That is why, among other outreach efforts, we brought together some of the nation’s leading faith organizations to encourage sign-up drives within their congregations.

And the result of this work was that in 2021, over 80 percent of ERA assistance was delivered to very low-income households—defined as those earning 50 percent of area median income and below. Not only that, but more than 60 percent of those who received assistance identified as Black or Latino. And single-mothers and other female-headed households make

up close to two thirds of ERA beneficiaries. Because of our commitment to equity, the vast majority of rental assistance has gone to keeping the lowest-income families in their homes.

And we are continuing to build and launch programs with a focus on equity infused into their design. We recently launched the Capital Projects Fund, which provides \$10 billion for state and local governments for critical projects such as broadband infrastructure, among others.

One decision we made in implementation of the Capital Projects Fund that we expect will have a significant impact on equity is requiring service providers for projects funded by the Capital Projects Fund to participate in a program called the Affordable Connectivity Program. This program helps ensure that households can afford broadband access by providing a discount of up to \$30 per month. An estimated 48 million families are eligible for this program, or nearly 40 percent of U.S. households.

As we continue to address ongoing challenges regarding housing affordability—and building on lessons learned from both the implementation of ERA and our earlier experience responding to the financial crisis through the Hardest Hit Fund—we've set up the Homeowner Assistance Fund to help keep people in their homes if they face challenges paying their mortgages, especially low-income households. This funding is a crucial safeguard in preserving homeownership and wealth among families who have been historically disadvantaged in access to homeownership by stabilizing and in many cases reducing their housing costs. As a result, these families will maintain a crucial financial asset, increasing opportunities for economic advancement, such as education and intergenerational wealth building. These systemic changes also make our economy more resilient in the face of future economic challenges.

Finally, we are continuing to work with state and local governments to deploy their State and Local Fiscal Recovery Funds, encouraging them to invest in high need areas like workforce development and building affordable housing that we know are critical to building a more equitable economy. We've also provided a framework for state and local recipients to prioritize equity, community engagement and performance management in their use of funds. But while the State and Local funds have enormous long-term potential to improve equity, Treasury faces a shortfall for funds to administer this program – which is why we have urged Congress to take action that would address this issue and support the continued success of these programs.

With all of that, I want to call on the program implementers around the room to work with us to center equity and put in the groundwork to ensure that equity is an outcome, not just an

intention. And in particular, we value your feedback. We're grateful to those of you who have provided us feedback, and we encourage grantees to continue to share what more we can do to make these programs work for you and the American people.

We know that this is hard work. But we cannot do it without you. Ultimately, the impact of these billions of dollars rests on state and local program administrators who get them dollar by dollar into the hands of those who need them most.

I want to thank you for taking the time to be here today and for engaging on this issue.