Remarks by the Treasury Department's Counselor for Racial Equity Janis Bowdler at the National Fair Housing Alliance's 2023 National Conference

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As Prepared for Delivery

Good afternoon, my name is Janis Bowdler, and I am thrilled to be here with all of you today. I want to start by thanking Lisa Rice and the NFHA family for inviting me here today. Our partnership stretches back decades and your work is as important as ever.

From day one, racial equity has been a priority for the Biden-Harris Administration and the Treasury Department – and for good reason. The failure to invest in communities that have been harmed by the legacy of structural racism and policies with disparate impacts is money left on the table; it is a drag on our national economy.

Our goal is to foster an economy where everyone can achieve financial security and reach their full economic potential. For Treasury to realize this goal, it must consider how to create opportunity for all Americans – in particular, those at the greatest risk of being left behind.

Secretary Yellen's vision for our economy calls for directing investments into people, places, and infrastructure that have been underserved, under-resourced, and – too often – under-estimated. This is where we will see the biggest returns economically.

The Department wasted no time in applying this philosophy in the implementation of the American Rescue Plan.

At the height of the pandemic, unemployment had peaked at nearly 15 percent, millions of Americans were out of work, and millions of small businesses were temporarily or permanently shuttered. Experts worried that up to 40 million people could face eviction as incomes disappeared while rent expenses remained.

These burdens fell most heavily on people and communities of color. Hispanic and Black unemployment peaked during the early days of the pandemic at nearly 19 percent and 17 percent respectively, well above the national level.

We know that economic shocks like job loss or eviction too often result in economic scarring – long-term, permanent economic damage that prevents people and households from fully getting back on their feet. After the Great Recession, economic scarring held back the U.S. economy for nearly a decade, especially many communities of color that had yet to make up for their wages and wealth lost during that time.

President Biden and Secretary Yellen understand this. Thanks to their leadership and the American Rescue Plan, we've had a historically strong and equitable economic recovery.

Today, I want to talk about three Treasury programs that helped us overcome the unprecedented housing challenge fueled by the pandemic – the Emergency Rental Assistance program, the Homeowner Assistance Fund, and the State and Local Fiscal Recovery Funds – and the decisions we made to ensure these programs contributed to the most equitable economic recovery in recent history.

The pandemic resulted in families across the country falling behind on rent – many of whom already struggled with the cost of housing. At the end of 2020, nearly a fifth of renting households reported being behind on rent. One in six reported that eviction within two months was very likely.

The more than $46 billion Emergency Rental Assistance (ERA) program created the first nationwide infrastructure for eviction prevention. We delivered federal relief to millions of households across the country through close partnerships with states, territories, Tribes, and localities.

Treasury encouraged key flexibilities in the ERA program, including the use of fact-specific proxies, like residence in a low-income zip code, for program eligibility; and direct-to-tenant payments. We also encouraged investment in culturally relevant partners, worked with Black and Hispanic media, and convened unions and faith leaders.

The effort paid off. The latest data shows that the ERA program made possible nearly 10.8 million household payments to support housing stability throughout the pandemic. Over 85 percent of those payments went to very low-income families, and funds reached a diverse range of households.

Researchers have found that ERA benefits were more than financial. Participants reported other positive effects on their well-being, such as improved mental health outcomes. Further, while ERA addressed immediate financial distress, it also served as a catalyst to pilot solutions for existing gaps in the housing ecosystem and support long-term housing stability for renters.

ERA grantees across the country have successfully used housing stability services, such as outreach support to various communities, funds for eviction prevention and diversion efforts, and to support relocation and rehousing efforts.

Today, roughly 180 jurisdictions have developed or strengthened eviction diversion programs, nearly 60 cities have used federal funds to expand access to counsel for tenants facing eviction, and since January 2021, 31 states and 81 localities have passed or implemented more than 180 tenant protections.

The Homeowner Assistance Fund (HAF) was designed to support homeowners experiencing financial hardship. This month, the Treasury Department released new HAF data which demonstrates that as of March 31, 2023, HAF programs made roughly $3.7 billion in payments to assist more than 318,000 homeowners facing financial hardship. But what's also important is the program's equitable reach.

In implementing HAF, the Treasury Department made it a priority to help states, territories and Tribes find new ways to connect to historically underserved populations. We've done so by listening to the needs of homeowners in historically underserved communities, setting up programs that include culturally and linguistically relevant outreach, and implementing flexibilities that meet local needs and take unnecessary burdens off vulnerable homeowners – among other strategies.

As a result of these efforts, the data shows that as of March 2023, 49 percent of HAF assistance was delivered to very low-income homeowners – that means homeowners earning less than 50 percent of the area median income. Demographically, 35 percent of homeowners assisted self-identified as Black, 23 percent self-identified as Hispanic or Latino, and 59 percent self-identified as female.

The State and Local Fiscal Recovery Funds (SLFRF) program, authorized by the American Rescue Plan Act, delivers $350 billion to state, territorial, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.

Through the SLFRF program, over 30,000 recipient governments across the country are investing these funds to address the unique needs of their local communities. As with ERA and HAF, the Treasury Department recognized that centering the needs of the most vulnerable was essential to drive a strong and equitable economic recovery.

That's why we provided for especially broad eligible uses for SLFRF funds when being used in disproportionately impacted communities. We put in place reporting requirements for large recipients to describe how projects prioritize economic and racial equity and how their planning incorporates feedback from constituents and community-based organizations. Treasury's flexible design empowered local leaders who were closest to the problem to identify the solutions most meaningful for their communities.

Last summer, as part of the Administration's Housing Supply Action Plan, we announced a series of steps to make it easier for our recipients to use SLFRF funds for affordable housing construction and preservation. This includes permitting governments to use these funds to fully finance long-term affordable housing loans. Since then, spending on affordable housing has accelerated.

New data for the SLFRF program shows that, through March 2023, participating governments have budgeted $17 billion for nearly 2,500 projects to meet housing needs and combat homelessness. This is a 29% increase compared to data from July 2022.

The SLFRF program is driving investments at every level of government and across a wide array of jurisdictions to create new and improve existing affordable housing stock.

The strong economic rebound we've experienced over the past two years means that more Americans have the resources they need to access affordable housing. But this didn't happen overnight. The Administration took meaningful steps to direct resources to communities, renters, and homeowners most in need.

I want to underscore that phrase – "most in need" – because being intentional about targeting economic recovery programs towards those that need them most has not always happened in the past. We did this through data-driven efforts to understand unique barriers and tailor programs to meet people, businesses, and communities where they are struggling most.

An important aspect of my role is to ensure we sustain this progress beyond a single Administration. We are taking steps to weave racial equity into the fabric of Treasury.

We established the Office of Diversity, Equity, Inclusion, and Accessibility, which will serve as a center of excellence to develop and drive a cohesive DEIA strategy across Treasury's Departmental Offices and Bureaus. The office will be led by a senior career leader within Treasury, which will be essential to the Department continuing DEIA work over the long term.

We also established the Treasury Advisory Committee on Racial Equity to provide advice and recommendations to the Department on strategies to advance racial equity in the economy and address acute disparities for communities of color.

The office and advisory committee will continue to help inform our equity work, including when it comes to increasing access to stable, affordable housing.

I will close with this: When we talk about the risks to communities of color, rural communities, those impacted by pollution and climate change – we need to understand we're talking about today's workforce, home purchasers, and consumers.

Our economy cannot operate at full strength if we are leaving large segments of our nation behind. And, access to affordable housing and homeownership is an important determinant of financial health, physical and mental well-being, and overall economic growth.

The Biden-Harris Administration's housing investments are critical to building an economy that works for all Americans. But the successes of these investments would not have been possible without the remarkable efforts of state, local, Tribal, and territorial governments, non-profit and community-based organizations, industry partners, and advocates – including many in this room – to drive achievements on the ground.

We are enormously grateful for your partnership.

Thank you so much for having me.