

# Bloomberg Federal Assistance e311 Session: Using SLFRF for Affordable Housing

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July 16, 2024

# Agenda

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1. SLFRF overview and uses
2. City Perspective: Fort Wayne, IN
3. SLFRF strategies
4. Q&A

# SLFRF overview and uses



**Vero Soto, U.S. Department of Treasury**  
*Director, State and Local Fiscal Recovery Funds  
Program/Local Assistance and Tribal Consistency Fund*



**Mira Patel, U.S. Department of Treasury**  
*Director of Strategic Partnerships*



**James Bond, U.S. Department of Treasury**  
*Policy Advisor*



**Joel Michaels, U.S. Department of Treasury**  
*Senior Advisor*

U.S. DEPARTMENT OF THE TREASURY

## Educational Resource Presentation

July 16, 2024

# State and Local Fiscal Recovery Funds: Obligation Deadline

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July 2024



# Today's agenda

- Background on SLFRF
- Recently Released April 2024 Reporting Data
- Role in ensuring Obligation deadline met
- High level overview of Obligation guidance updates



# State and Local Fiscal Recovery Funds (SLFRF) Program Background

- The State and Local Fiscal Recovery Funds (SLFRF) program, authorized by the historic American Rescue Plan, allocated \$350 billion to states, territories, localities, and Tribal governments to respond to the COVID-19 pandemic and build a strong, resilient, and equitable recovery. Metropolitan cities were allocated \$45.6 billion and non-entitlement units of local government were allocated \$19.5 billion.
- Treasury has disbursed 99.99% of SLFRF funds to more than 30,000 recipients.
- Funds used for pandemic recovery, fiscal management and future-looking initiatives
  - Localities prioritized responses to acute needs to respond to the pandemic
  - Also opportunity for high-level priorities—often visionary—around issues like affordable housing, homelessness, workforce investments, and community safety
- Local governments choose how to spend the funds on eligible uses
  - Additional information—including on the 7 eligible uses—at [Treasury.gov/SLFRF](https://www.treasury.gov/SLFRF)



# Q1 2024 SLFRF Data Preview

## 1. Investing in Housing



**\$19.6 billion** budgeted for over **3,300** fiscal recovery projects focused on housing, a **3%** increase since the last reporting period.

## 2. Supporting Workers



Over **4,400** individual projects and **\$13.1 billion** dedicated to worker support and premium pay to nearly **1.5 million** workers.

## 3. Stimulating Economic Growth Through Small Businesses



Over **1,700** small business projects with over **\$5 billion** budgeted.

## 4. Making Transformative Investments in Key Infrastructure



Over **3,500** governments pursuing **16,000** infrastructure projects, budgeting over **\$34.6 billion**. An increase of **4%** since the last reporting period.

## State and Local Fiscal Recovery Funds (SLFRF)

provided under President Biden's American Rescue Plan Act continue to play a crucial role in allowing state, local, Tribal, and territorial governments to stabilize their budgets, respond to the pandemic, and invest in their communities.

View this page for key highlights, which are also available through the summary blog and the two year ARP anniversary report.

[April 2024 Summary Blog](#)

[ARP 2-Year Anniversary Report](#)

[Download April 2024 Dataset](#)

[Download Previous Datasets](#)

## 5. Responding to Public Health Needs

More than **1,700** governments are undertaking over **6,700** individual projects in this area, budgeting more than **\$11.8 billion**.



# Topline Findings: Q1 Reporting Cycle

- **As of March 31, 2024:**
  - States and the largest cities and counties have reported budgeting **94%** of their total SLFRF funds to specific projects, with the total number of reported projects growing **23%** since the previous reporting period.
  - SLFRF recipients reported **\$320 billion** in lost revenue resulting from the pandemic.
  - More than **21,000 participating governments** reported that they are budgeting nearly **\$131 billion in SLFRF funds** to help replace this lost revenue, funding more than **80,000 projects** to provide fiscal stability in their jurisdictions.





# What is an obligation?

- Statutory requirement that SLFRF funds may only be used to cover costs incurred by December 31, 2024; a cost is considered incurred if a recipient has incurred an obligation by that date.
- Recipients must expend SLFRF funds obligated for all eligible uses, except Surface Transportation projects and Title I projects, by December 31, 2026 (by September 30, 2026 for Surface Transportation projects and Title I projects only).

## An obligation is:

- 1. An order placed for property and services and entry into contracts, subawards, and similar transactions that require payment, which may include:**
  - o An order placed for property or services
  - o Contract
  - o Subaward
  - o Similar transactions that require payment, which may include:
    - Certain interagency agreements (including MOUs) (see **FAQ 17.6**)
    - Under certain circumstances, payroll expenses for recipients' employees (see **FAQ 17.7**)
- 2. A requirement under federal law or regulation or a provision of the SLFRF award terms and conditions to which the recipient becomes subject as a result of receiving or expending SLFRF funds.**

Treasury released FAQs to provide additional clarifications on these items in

FAQs Section 17: <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>



# An obligation is NOT:

- An adopted budget or budget amendment
- An appropriation of SLFRF funds
- An executive order
- A resolution
- A written or oral intention to enter into a contract
- A grant of legal authority to enter into a contract
- Claiming funds under the revenue loss category
- Moving SLFRF funds to a general fund as revenue loss but not further establishing an obligation with those funds by 12/31/24

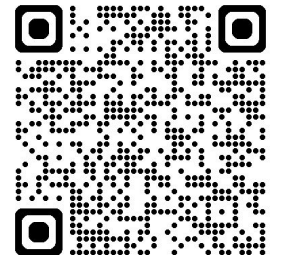


# Does an interagency agreement (IAA) count as an obligation?

- **Yes**, if it meets certain conditions.
- An interagency agreement finalized by 12/31/2024 can be used to obligate funds that a government agency will expend in 2025 and 2026.
- Eligible agreements include memoranda of understanding (MOU) or agreement (MOA). The agreement must meet these conditions:

<u>ONE</u> requirement from Column A:	<u>ALL</u> requirements from Column B:
Imposes conditions on the use of funds by recipient agency, department, or part of government	Has specific requirements (e.g., scope of work)
Governs provision of funds from one agency, department, or part of government to another	Is signed by the parties or evidences assent of parties
Governs the procurement of goods or services	Does not disclaim binding effect or state that it doesn't create rights or obligations

- See **FAQ 17.6** for more information.



# Check out the Affordable Housing How-To Guide

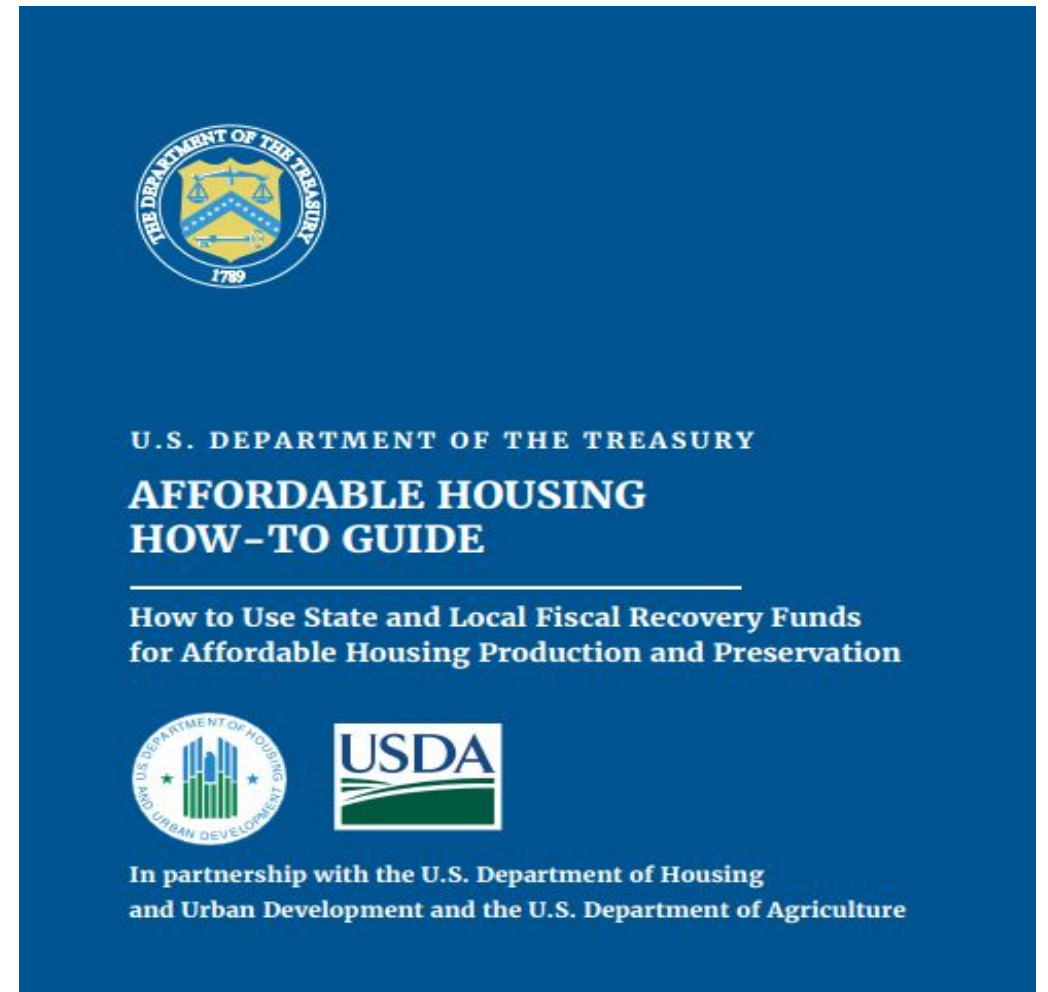
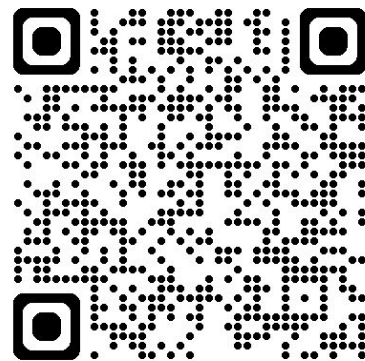
Find it on our website at [www.Treasury.gov/SLFRF](http://www.Treasury.gov/SLFRF)

Scroll to the “News & Program Updates” column, then look under “June 2024” header

Or visit:

<https://home.treasury.gov/system/files/136/Affordable-Housing-How-To-Guide.pdf>

Or scan the QR code located on this slide:



Updated June 2024

# Presumptively Eligible Affordable Housing Uses

- **Option 1:** SLFRF funds are used for a project that meets certain core requirements of a list of federal housing programs, including:
  - The Low-Income Housing Tax Credit (administered by Treasury)
  - Project Based Vouchers (PBVs, administered by HUD)
  - The HOME Investment Partnerships Program (HOME, administered by HUD)
  - Choice Neighborhoods (administered by HUD) *(only if the funds are used for the development of affordable housing as defined for purposes of the Choice Neighborhoods program)*
- **Option 2:** SLFRF funds used for the development, repair, or operation of any affordable rental housing unit that has a limited maximum income of 120% area median income (AMI).
  - The income restrict must be imposed through a covenant, land use restriction agreement, or other enforceable legal requirement for a period of at least 20 years.
  - Recipients may use SLFRF funds as part of the financing for a mixed-income housing project under certain conditions.
- Refer to SLFRF FAQ 2.14 for complete information on how to take advantage of these presumptions.



## Additional Eligible Uses

- A broader range of affordable housing investments may also be eligible uses of SLFRF funds under the final rule if they are related and are reasonably proportional to addressing the negative economic impacts of the pandemic and otherwise meet the final rule's requirements. These may include:
  - Funding the construction, rehabilitation, or operation of units even above 120% AMI, depending on the needs of the local rental market.
  - Down payment assistance, such as contributions to a homeowner's equity at origination



## Opportunities to Use Limited Funds

- Even if a recipient only has a small amount of funds remaining unobligated, there are a variety of eligible housing related uses that do not require significant capital investment. These include:
  - Funding pre-development activities to enable future housing projects, such as subgrant funds to a Community Development Corporation or similar entity for uses under the CDBG program;
  - Providing bill credits to homeowners to offset rising utility or insurance costs;
  - Conducting home energy audits to support weatherization improvements of affordable housing; or
  - Forgiving fines and fees that would otherwise result in eviction or foreclosure.



# Q&A





# Thank you.



## **For More Information about SLFRF:**

Please visit Treasury's State & Local website at [www.treasury.gov/SLFRF](http://www.treasury.gov/SLFRF)

## **For Media Inquiries:**

Please contact the U.S. Treasury Press Office at (202) 622-2960

## **For General Inquiries:**

Please email [SLFRF@treasury.gov](mailto:SLFRF@treasury.gov)



# City Perspective



**Megan Butler, Fort Wayne, IN**  
*Grant Administrator, City of Fort Wayne*

# Addressing Affordable Housing Needs

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## Targeted projects

- ❖ Innovative Housing Showcase
- ❖ Everyone Home plan
- ❖ Village Premiere
- ❖ Neighborhood Planning and Activation Team

## Complete neighborhoods approach using SLFRF

- ❖ Complete neighborhoods approach using SLFRF
- ❖ City-led projects
  - Neighborhood infrastructure
  - Grocery store
- ❖ Supporting non-profit projects
  - Direct affordable housing
  - Services to neighborhoods

# SLFRF Strategy and Outcomes

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## SLFRF Strategy

- ❖ Strengths-based approach
- ❖ Balancing equity and compliance
- ❖ Robust technical assistance and reporting requirements

## Outcomes

- ❖ Outcomes for City administration
- ❖ Outcomes for non-profits
- ❖ Future outcomes

# SLFRF Strategies



**Matthew Hanson, Witt O'Brien's**  
*Associate Managing Director*  
*Former Statewide Grant Administrator, State of Arizona*

# Affordable Housing Obligation Strategies

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- ❖ Maximize time remaining
- ❖ Leverage partnerships
- ❖ Don't reinvent the plan
- ❖ Utilize administrative and programmatic flexibility provided by Treasury
- ❖ Address gaps
- ❖ Leverage additional funding and look for braiding opportunities
- ❖ Revolving loan programs are not for every community

# Key Obligation Reminders

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- ❖ Follow existing policies and procedures
- ❖ Update policies and procedures as necessary
- ❖ Document deviations
- ❖ Be consistent
- ❖ Partnerships are key
- ❖ Plan for the future

# Questions?

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**REGISTER  
TODAY: Using  
SLFRF for  
Workforce & Small  
Business Webinar**

On **August 6, 2:00pm EST**, the federal reimbursement program, a partnership between Bloomberg Philanthropies and the United States Conference of Mayors, will host a session with U.S. Treasury officials to highlight strategies for using SLFRF funds for workforce development and small businesses.

**Register:**

<https://usmayors.zoom.us/meeting/register/tZctce-oqzltEtNOkyojt6Y9iRlvTKpeFoJr#/registration> (link in chat)