



## CSH POLICY BRIEF

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# SLFRF and Supportive Housing: A Great Pairing

Coronavirus State and Local Fiscal Recovery Funds (SLFRF) is an American Rescue Plan program that delivers **\$350 billion** to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The [SLFRF rule from the US Department of Treasury](#) released on January 27, 2022, **includes the development of affordable housing and permanent supportive housing, costs for residence in supportive housing, and unreimbursed services not billable to insurance** among the list of eligible uses of funds. Government recipients must obligate SLFRF funds by December 31, 2024. SLFRF funds must be expended by December 31, 2026. Read on to learn about these exciting resources and how you can influence decisions about how your community uses the money.

### What is Supportive Housing?

Supportive housing pairs deeply affordable housing with tenancy support services that help people get housed and stay housed. It is an evidence-based intervention for people who experience chronic homelessness, unnecessary institutionalization and/or cycle between institutional settings and the streets. Supportive housing helps communities thrive by providing a foundation for households with complex needs to live with autonomy and dignity.

### Why is this so exciting?

SLFRF funds programs or services that support long-term housing security including affordable housing and permanent supportive housing development. The Treasury rule outlines many features that make SLFRF easy to use for supportive housing.

#### Key Features:

- 1. Planning and Pre-Development:** SLFRF can pay up to the total cost of supportive housing Project Design & Administration (i.e., planning supportive housing, involving tenants in planning, housing unit location, physical design, coordinating project partners, building community support, securing financing, capitalized operating reserves, etc.)
- 2. Capitalized Operating Reserves:** SLFRF can pay up to the total cost of operating expenses, which may include capitalized operating reserves, for eligible affordable supportive housing projects.
- 3. Capital Expenditure:** SLFRF can pay up to the total capital costs of developing new supportive housing or converting existing housing to supportive housing. The government SLFRF recipient must submit a written justification to Treasury for any proposed capital expenditure of \$1 million or more (see SLFRF [overview](#) for guidance).

4. **Supportive Services:** SLFRF can pay for supportive services and technology that facilitates the delivery of supportive services. SLFRF can pay for unreimbursed services not billable to insurance. SLFRF can pay for building the capacity of community-based organizations to deliver Medicaid reimbursable services to supportive housing residents. SLFRF can be used to extend direct benefits such as cash assistance to residents most severely impacted by the COVID-19 health emergency.
5. **Designed to Play Well with Others:** SLFRF can be braided with other sources of capital, operating, and services to create affordable and supportive housing. Treasury has deemed projects eligible for funding under the National Housing Trust Fund (HTF) or the Home Investment Partnerships Program (HOME) to be eligible for SLFRF.
6. **Eligibility is Flexible, but Focused:** SLFRF may be used to assist individuals and families who experienced increased housing insecurity during the COVID-19 pandemic. This allows communities to focus on supportive housing for people and systems who may not qualify under the chronic homelessness definition, such as people exiting prisons and jails, people in institutional settings, or youth and families who are unstably housed and identified through child welfare or educational system involvement.

### What is the process?

US Treasury allocates SLFRF to state, local, and tribal governments for use in addressing pandemic impact and recovery. Developers and service providers that are interested in accessing SLFRF for supportive housing projects must contact the appropriate local or state government agency.

All SLFRF recipients should: **1) address needs while ensuring equitable access** – offer supportive housing and services in a manner that would eliminate and prevent racial disparities; **2) consult with Continuums of Care, Public Housing Authorities, and Veteran Serving Organizations** – review needs, priorities and potential resources to leverage; **3) develop an allocation plan** – a new allocation plan specific to SLFRF that states how the fund will be spent by each activity type including supportive housing and the populations served; **4) notify community and provide 15-day public comment period** – give community an opportunity to provide input on plan, and **5) leverage limited-purpose funding sources** – use limited-purpose funds to the extent possible; use SLFRF to pay for project costs ineligible under other programs.

This is a monumental opportunity to ensure that your jurisdiction's housing strategy includes supportive housing, and to identify people with a high risk of homelessness in other institutional and crisis systems. The [CSH National Supportive Housing Needs Assessment](#) can provide valuable data to help you identify needs across your public systems. Also, the Assessment helps you set goals to address racial and other disparities and equitable allocation plans for the populations you serve. Finally, communities should consider strategies that promote access to capital for BIPOC and culturally-specific developers and service providers that represent the demographics from their statement of need. CSH's [Racial Disparities and Disproportionalities Index](#) is a free source of state-level systems data that can support planning.

**Do not miss this critical chance to ensure that supportive housing is a central part of your plan to ensure that all people in your community have a home and the support they need to thrive!**

For more information, read the Treasury's [overview](#) of SLFRF.

If you represent a jurisdiction that needs support in leveraging SLFRF to develop a supportive housing pipeline, inquire with [consulting@csh.org](mailto:consulting@csh.org).