



# 10 Strategies to Reduce Homelessness With the American Rescue Plan

The American Rescue Plan (ARP) Act was signed by President Biden on March 11, 2021, in response to the economic crisis catalyzed by the COVID-19 pandemic. The \$1.9 trillion relief legislation includes an **unprecedented \$10 billion investment in ending homelessness** through the Department of Housing and Urban Development's (HUD) [Emergency Housing Voucher \(EHV\)](#) and [HOME Investment Partnerships \(HOME-ARP\)](#) programs. This provides a **once-in-a-generation opportunity** to significantly reduce homelessness in some communities and end it in others if we simultaneously strengthen the rehousing system and expand the supply of affordable housing, especially for the lowest-income renters.

HUD Secretary Marcia Fudge's [House America](#) initiative provides communities with the focus, resolve, and technical know-how needed to deploy these resources to maximize impact. Through *House America*, **HUD and USICH are inviting state, local, and tribal leaders to join a national partnership** to use this historic investment to address the homelessness crisis.

**The path forward must be guided by equity and evidence**, particularly the Housing First approach that's proven to lower not only returns to homelessness but also costs associated with emergency services. The pandemic amplified the systemic racism that's embedded in our housing and health institutions. People of color are overrepresented in the homeless population and more likely to contract and die from coronavirus. To reduce homelessness, we must address these deep-rooted inequities and ensure that everyone has access to housing.

USICH urges communities to **prioritize these resources for the most vulnerable**, including people living unsheltered. For the first time since this data collection began, more people are living on the streets than in shelters.

The following 10 strategies provide **practical guidance for leaders at all levels of government** to maximize the housing resources in the American Rescue Plan—as well as other federal, state, and local resources. At USICH, we work across the federal government to prevent homelessness when possible and ensure that it's a rare, brief, and one-time experience when it happens. *We know how to end homelessness in this country. Together, we can make it happen.*

## Lay the Groundwork

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For help implementing these strategies, contact [your local HUD Field Office](#). Eligible organizations may request HUD technical assistance through the [TA portal](#). Communities can also contact their [USICH Regional Coordinator](#).

### **About the HOME Investment Partnerships (HOME-ARP) Program:**

[HOME-ARP](#) provides \$5 billion until 2030 to help people who are experiencing or at risk of experiencing homelessness. The funds can be used for:

- Tenant-based rental assistance (TBRA);
- Production or preservation of affordable housing;
- Supportive or homeless prevention services, housing counseling; and
- Acquisition and development of non-congregate shelter (NCS) that can either remain as NCS or be converted to permanent affordable housing.

### **About the Emergency Housing Voucher (EHV) Program:**

The American Rescue Plan provides \$5 billion to fund approximately 70,000 [emergency housing vouchers](#) (EHVs) for individuals and families who are:

- Experiencing homelessness or at imminent risk of experiencing homelessness;
- Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
- Recently homeless and need rental assistance to prevent experiencing homelessness or housing instability again.

EHVs cannot be reissued after September 23, 2023, but households that have been issued a voucher before that date will continue to receive the subsidy.

Public Housing Authorities (PHAs) are required to partner with the local Continuum of Care (CoC) or other homeless or victim services providers to help qualifying families through a direct referral process. If a PHA fails to use the vouchers within a reasonable period of time, HUD may recapture and redistribute any unleased vouchers and associated funds to other PHAs.

**These are only two of the many ARP resources that can be used to prevent or end homelessness. To learn more about the others, read this [USICH document: “Making the Most of the American Rescue Plan: A Guide to the Funding That Impacts People Experiencing Homelessness.”](#)**

## **LAY THE GROUNDWORK**

### **1. Set Community-Specific Goals**

Through the *House America* initiative, Secretary Marcia Fudge is calling on state, tribal, and local leaders to partner with HUD and USICH to use American Rescue Plan resources—alongside other federal, tribal, state, and local resources—to collectively rehouse at least 100,000 households experiencing homelessness through a Housing First approach, and to add at least 20,000 new units of affordable housing into the development pipeline by December 31, 2022. To achieve these larger goals, tribal, state, and local leaders should set their own community-specific goals.

**Goals:**

- **Rehousing:** The number of households experiencing homelessness to be placed into stable housing.
- **Housing Creation:** The number of new units of affordable or supportive housing serving people experiencing homelessness to be added to the development pipeline.

**Resources:**

- [House America](#) (HUD)
- [House America: Setting and Tracking Goals](#) (HUD)

## 2. Cultivate Political Will and Partnerships

To join the *House America* initiative, mayors, city and county leaders, governors, and tribal nation leaders must issue a proclamation or other public communication; set their goals for rehousing and housing creation; build their team; and manage to the achievement of their goals. HUD, USICH, and other federal agencies will support them with tools, technical assistance, direct regular communication, data support, and peer-to-peer learning. Collectively, we'll troubleshoot challenges, track our progress, and recognize our achievements.

Rehousing people experiencing homelessness requires an expansion of both the affordable housing supply and access to the existing housing stock, especially for the lowest-income renters who may have poor credit and rental histories. While local leaders primarily govern affordable housing, state leaders can create statewide affordable housing visions that supplement and support local goals. State and local officials and elected bodies can fund the creation and preservation of affordable housing; pass policies that reduce the time and money it takes to develop it; align timing and access to resources; and provide accountability for affordable housing plans. To make housing more accessible, local leaders can implement programs that support the lowest-income renters, including landlord incentives and landlord mitigation funds.

It's important to establish strong partnerships between public, private, and nonprofit organizations—especially those that include people who have experienced homelessness.

**Key Partners to Include:**

- Elected officials
- Homeless housing and services programs
- Continuums of Care (CoCs)
- Public housing agencies (PHAs)
- Local health and human services departments
- Discharge and transition planners from institutional settings (e.g. hospitals, jails)
- State and local housing finance agencies (HFAs)
- State and local housing and community development departments and organizations
- For-profit and nonprofit affordable housing developers
- Private housing owners and operators
- Business and banking leaders
- Funders with reasons to invest in affordable housing (e.g. hospitals, community foundations, private and corporate philanthropists)
- Housing organizations focused on specific populations (e.g. veterans, people with disabilities)
- Cultural and BIPOC-led organizations

#### Resources:

- [Exploring Home, Together: Building Systems](#) (USICH)
- [Lessons Learned From Listening Sessions](#) (USICH)
- [Mayors Can End Homelessness](#) (USICH)
- [Collaborative Leadership](#) (USICH)

### 3. Ensure Racial Equity in All Decision-Making

Communities can't deliver more equitable outcomes for people of color without embedding racial equity into decision-making processes and understanding the inequities that exist. That means they must collect and examine quantitative data—using, for instance, a Homeless Management Information System—to understand *where* racial inequities exist; and qualitative data—especially from people who have experienced homelessness—to understand *why* they exist. People with lived expertise must have meaningful and purposeful opportunities to inform and shape all levels of planning and implementation of policy and program design. Many of our best and most equitable innovations, such as Housing First, were born from the lessons of people who have experienced homelessness.

#### Resources:

- [Data Guidance for Analyzing Racial and Ethnic Inequities in Homelessness Crisis Response Systems](#) (USICH)
- [Tools to Help Build Equity Into Homelessness Response Systems](#) (HUD)
- [Using GIS Mapping to Help Address Disparities in Homelessness Assistance](#) (USICH)
- [Racial Equity Resources: Toolkits and Training Materials, Data, and Graphics](#) (NAEH)
- [Equity-Based Decision-Making](#) (Housing Equity Framework)

### 4. Reduce Administrative and Regulatory Barriers

Complex permit processes and local zoning laws can increase the time and money it takes to develop affordable housing. Reducing regulatory barriers is especially important in areas where the cost of housing is significantly linked to the cost of housing construction. Driving down construction costs can also make it easier to recruit landlords because it increases the value of rental subsidies. HUD waivers under the CARES Act can be used to offer flexibility to spur faster and more efficient development. To streamline the permit process, local leaders can analyze their building planning procedures and adopt specific incentives, waivers, and fee reductions specifically for affordable housing projects.

In addition to reducing barriers to housing development, barriers to housing itself must come down. Local leaders must ensure that affordable units are available—without requirements like sobriety—to people exiting homelessness. The [Housing First approach](#) eliminates these screening hurdles and quickly rehouses people, removing an immediate obstacle to their health and recovery.

#### Regulation Reforms:

- Inclusionary zoning laws
- Rezone single-family areas to allow higher densities and multi-family housing
- Rezone commercial and industrial areas for residential use
- [One-stop permit shops](#)
- Develop city-owned properties for affordable housing

**Resources:**

- [Fact Sheet: Biden-Harris Administration Announces Immediate Steps to Increase Affordable Housing Supply](#) (White House)
- [Regulatory Barriers and Affordable Housing Quarterly Update](#) (HUD)
- [Evidence Matters: Regulatory Barriers and Affordable Housing](#) (HUD)
- [Opportunities to Increase Housing Production and Preservation](#) (HUD)
- [How Communities Are Rethinking Zoning to Improve Housing Affordability and Access to Opportunity](#) (Urban Institute)
- [Zoning Matters: How Land-Use Policies Shape Our Lives](#) (Urban Institute)
- [To Improve Housing Affordability, We Need Better Alignment of Zoning, Taxes, and Subsidies](#) (Brookings)
- [Tool: By-Right Development](#) (NMHC)
- [Aligning Affordable Housing Efforts With Actions to End Homelessness](#) (USICH)

## STRENGTHEN THE REHOUSING SYSTEM

### 5. Reduce Waiting Periods for Housing Placements

The success of a housing placement can be judged by the speed at which it happened. The goal is to secure housing for people experiencing homelessness as rapidly as possible. Bureaucracy can act as an obstacle, slowing the process and sometimes breaking connections before people are housed. The time people wait for housing can be reduced through the use of HUD waivers under ARP and the CARES Act; through local policies that improve access to housing and support services; and through coordination of services to reduce redundancy and keep people connected to support systems.

**Ways to Accelerate Rehousing:**

- Reduce original-document requirements (e.g. Social Security card, birth certificates) to the minimum mandated by law
- Streamline local rental application processes
- Reduce or remove barriers for applicants with a history of substance use, poor credit, or criminal justice involvement
- Incorporate data-driven decision-making to ensure investment of local, state, and federal funding in the most effective interventions
- Increase landlord engagement with housing search assistance programs, landlord liaison programs, and mitigation funds

**Resources:**

- [COVID-19 Waivers](#) (HUD)
- [Public and Indian Housing COVID-19 Resources/Waivers](#) (HUD)
- [Emergency Housing Vouchers Funding Briefs: CoC Rapid Rehousing](#) (HUD)
- [Emergency Housing Vouchers Funding Briefs: Permanent Supportive Housing \(PSH\) and Supportive Services](#) (HUD)
- [Universal Housing Application](#) (LAHSA)
- [STELLA Data Tool](#) (HUD)
- [Treasury Emergency Rental Assistance Programs in 2021](#) (NLIHC, Housing Initiative at Penn, NYU Furman Center)
- [Resource Roundup: Accelerating Your Re-Housing Strategy](#) (USICH)

- [Landlord Engagement](#) (USICH)
- [Engaging Landlords: Risk Mitigation Funds](#) (USICH)

## 6. Guarantee Paths to Housing From Unsheltered Homelessness

In 2020, for the first time since the U.S. government began collecting data, the number of unsheltered people experiencing homelessness exceeded the number of sheltered. During the pandemic, some cities have seen encampments grow to overwhelming sizes, with tents filling city blocks and moving onto sidewalks and into the streets. To mitigate the spread of coronavirus, some cities moved their most vulnerable people into non-congregate shelter settings, such as hotels, where many took more advantage of services. Whether communities are using this strategy or not, we must quickly engage people who are living unsheltered and provide them with safe and stable housing. No one should have to sleep outside.

### Ways to Address Unsheltered Homelessness:

- Work across systems and city and county departments to coordinate efforts, communication, and engagement with people living unsheltered and in encampments. This includes public health, human services, housing, outreach teams, parks, law enforcement, and mental health and substance use providers.
- Expand low-barrier shelter, including non-congregate shelters, and directly connect services and permanent housing resources to shelter residents.
- Use flexible funding and rapid rehousing resources to avoid shelter altogether, when possible.
- Reduce eligibility barriers to housing vouchers and prioritize affordable housing for people with the lowest incomes.
- Pair supportive services with housing resources to ensure a successful transition to permanent housing.

### Resources:

- [Case Studies: Ending Homelessness for People Living Unsheltered](#) (USICH)
- [Ending Homelessness for People Living in Encampments: Advancing the Dialogue](#) (USICH)
- [Tools, Policies, and Templates for Addressing Unsheltered Homelessness](#) (CSH)
- [Using Shelter Strategically to End Homelessness](#) (USICH)
- [Key Considerations for Implementing Emergency Shelter Within an Effective Crisis Response System](#) (USICH)
- [Core Elements of Effective Street Outreach to People Experiencing Homelessness](#) (USICH)
- [Searching Out Solutions: Constructive Alternatives to Criminalization of Homelessness](#) (USICH)
- [Caution Is Needed When Considering Sanctioned Encampments and Safe Zones](#) (USICH)
- [Resource Round-Up: Trauma-Informed Care](#) (USICH)
- [Rehousing Out of Non-Congregate Shelter: Maximizing Placements](#) (HUD)

## 7. Recruit, Support, and Retain Landlords

Strong partnerships with private landlords and property managers—especially in tight rental markets and areas with low vacancy rates—are critical for quick housing placements. These relationships should be cultivated and maintained through immediate access to provider assistance when concerns arise.

### What Local and State Governments Can Do:

- Offer public- and philanthropy-funded incentives (e.g. tax benefits, bonus payments, extra security deposits, risk mitigation funds, turnover payments for holding vacant units for people experiencing homelessness)

- Launch public messaging campaigns to encourage landlords to partner with local homeless and housing services providers
- Launch public messaging campaigns to combat “Not In My Backyard” (NIMBY) perspectives and other negative public opinions about people experiencing homelessness

**Resources:**

- [Risk Mitigation: Community Profiles](#) (USICH)
- [Landlord Engagement](#) (USICH)
- [Webinar: Engaging and Supporting Landlords Through Risk Mitigation Funds](#) (Community Solutions)
- [Landlord Outreach and Recruitment](#) (HUD)
- [Vets@Home Toolkit: Connecting to Permanent Housing](#) (HUD)
- [Landlord Outreach Strategies](#) (NAEH)

## **8. Leverage Support Services**

The ARP housing resources should be paired with services dollars, when needed, in order to help provide stability for people exiting homelessness. Packaging local, state, and federal funds that can pay for support services in permanent housing and directly linking those resources to the voucher or units will lead to more successful and timely utilization of the funds. A variety of public and philanthropic sources can be used to pay for the supportive services needed to access and maintain housing. By streamlining application processes, lining up the timing for the availability of funds, and bundling the dollars together, providers can more effectively access and link the resources to those households most in need. Once funding is aligned, social service entities and homeless service providers can work together to create a coordinated system that ensures access to necessary supports for those with the highest barriers to housing. To fill gaps in coverage, state and local governments often have resources that they can use in combination with federal funding, such as CoC, ESG, HOME, and CDBG through HUD and Medicaid, TANF, and SAMHSA grants through HHS.

**Examples of Support Services:**

- Rental housing navigation/search and landlord mitigation funds
- Medicaid-funded housing/tenancy support services
- Peer supports
- Health care and nursing services
- Case management
- Transportation
- Employment services
- Behavioral health and treatment supports

**Resources:**

- [Guide to American Rescue Plan Funding That Impacts People Experiencing Homelessness](#) (USICH)
- [Webinar Series on Pairing EHV and HHS Resources to Address Homelessness](#) (HUD)
- [Webinar: How to Help Stimulus Checks Reach People Experiencing Homelessness](#) (USICH)
- [A Quick Guide to Improving Medicaid Coverage for Supportive Housing Services](#) (USICH)
- [Primer on Using Medicaid for People Experiencing Chronic Homelessness](#) (USICH)
- [Medicaid Expansion: Your Guide for Engaging People Experiencing Homelessness](#) (USICH)

## EXPAND THE AFFORDABLE HOUSING SUPPLY

### 9. Support Innovation in Development

Innovative strategies should contain measurable outcomes that support ambitious and equitable unit creation as well as preservation goals that are tied to a local homelessness and housing plan. For innovations to be successful, they must have direct involvement from the people or governing bodies with decision-making authority, and they must have support from local governments, public-private partnerships, the community, and people with lived experience.

#### Examples of Local Innovations:

- **Hotel and motel conversions:** Use HOME-ARP to acquire and develop property for use as non-congregate shelters that can either remain as shelters or be converted to permanent affordable housing.
- **Affordable housing land banks:** Support the development of affordable housing land banks through the acquisition of tax-delinquent and/or city-owned properties.
- **Unit preservation:** Support the implementation of local- and state-level housing policies that preserve affordable units beyond the expiration of affordable housing covenants or affordability periods.
- **Rental subsidies and set-asides:** Use bond financing and other municipal and/or state resources to fund rental subsidies and/or lump-sum payments to housing developers in exchange for affordable set-asides.
- **Gentrification mitigation:** Develop local economic and housing development policies that mitigate the impact of gentrification and enable communities to maintain affordable levels of housing.
- **Commercial linkage fees:** Charge commercial developers fees based on the need for housing resulting from new or expanding businesses, and use the revenue to support the creation and preservation of affordable housing.
- **Tax abatements:** Encourage state-level housing finance agencies (HFAs) to adopt a supportive housing set-aside within their existing Low-Income Housing Tax Credit (LIHTC) program through the Qualified Allocation Plan process. Replicate models established in other states that ensure existing affordable housing addresses the needs of people experiencing homelessness.
- **Nonprofit incentives:** Work with local banks to develop funding strategies that provide no- or low-interest loans to nonprofit developers.
- **Local housing trust funds:** Dedicate all or a percentage of a local revenue source (e.g. real estate transfer fees) toward creating a housing trust fund to support the development and preservation of affordable housing.
- **Partnerships:** Examine promising models for public-private partnerships with hospitals, corrections, and sexual assault/domestic violence victim services providers.

#### Resources:

- [Hotel/Motel Acquisitions for Permanent Housing](#) (HUD)
- [Hotels to Housing Case Studies](#) (NAEH)
- [Fostering Housing Innovation to Improve Affordability and Resilience](#) (HUD)
- [Innovative Affordable Housing Strategies in High-Cost Markets](#) (LSA)
- [Bending the Cost Curve: Solutions to Expand the Supply of Affordable Rentals](#) (Urban Land Institute)
- [“Solving Affordable Housing: Creative Solution Around the U.S.”](#) (*Curbed*)
- [Housing and Health Partners Can Work Together to Close the Housing Affordability Gap](#) (CBPP)

### 10. Coordinate Federal, State, and Local Housing Resources

Land-use authority and housing development often fall to municipalities, but states still oversee many resources that are

vital to developing and preserving affordable housing (e.g. state affordable housing tax credits, housing trust funds), and they should be incorporated into local homelessness and housing plans. For places where a considerable level of regulatory authority still lies with the state, state housing policies should rely on local data; promote equitable development across the state; incentivize local development and preservation; and allow flexible implementation. State housing finance agencies (HFAs)—which function independently from states and are charged with the sole purpose of helping states meet their affordable housing needs—are a key source of funding and technical assistance. They're in a unique position to ensure that development and preservation are equitable in terms of physical and racial distribution.

#### **Opportunities for Coordination:**

- Create local homelessness and housing plans with unit creation goals tied to funding and programs administered by state HFAs.
- Coordinate funding from Continuums of Care, HOME-ARP, Community Development Block Grants (CDBG), and Low-Income Housing Tax Credits (LIHTC).
- Couple LIHTC with HOME-ARP financing.
- Use HOME-ARP to provide rental assistance, develop affordable rental housing, and acquire and develop property for use as non-congregate shelters that can later be converted into affordable housing.
- Use HOME-ARP to support the rehabilitation of rental units subsidized with an emergency housing voucher (EHV).

#### **Resources:**

- [States Reduce Regulatory Barriers for Affordable Housing](#) (HUD)
- ["In Shift, States Step in on Affordable Housing"](#) (*Stateline*)
- [State Tax Credits for Affordable Housing](#) (Local Housing Solutions)
- [State Policy Options for Promoting Affordable Housing](#) (Progressive States Network)
- [State Housing Finance Agencies: At the Center of the Affordable Housing System](#) (NCHSA)
- [Find a State Housing Finance Agency](#) (NCHSA)

#### **More Resources for Ending Homelessness:**

- [10 Strategies to End Chronic Homelessness](#)
- [10 Strategies to End Veteran Homelessness](#)