



Getting to Equitable Transformation

Applying Lessons from the American Rescue Plan to Future Investments through the Bipartisan Infrastructure Package

R

INTRODUCTION

Recovery from the Great Recession was uneven and painfully slow for lower-income areas and people of color burdened by decades of structural racism. Some neighborhoods never regained housing values or homeownership levels. One thing we know: **when parts of our communities are not healthy and thriving, we all pay a price.**¹

The multiple stressors of the past two years – a global pandemic, economic devastation, racial injustice, and partisan divides – have added **enormous complexity** to the challenge of a just and equitable recovery.

This brief distills what we are learning from how cities, counties, and states have prioritized the deployment of \$350 billion in State and Local Fiscal Recovery Funds. That was a pivotal part of the unprecedented \$1.9 trillion American Rescue Plan (ARP) passed by the U.S. Congress in March 2021. There is enormous **variability** in how local governments consulted with those most affected, prioritized uses and geographies, and deployed ARP dollars.

That range of experiences yields **important lessons that public officials, community leaders, philanthropy, and issue experts can put to work** as federal infrastructure and other resources become available in 2022 and beyond. Our collective choices will fundamentally impact the health of all residents, transportation options, future workforce opportunities, wealth-building, and the viability of our planet.

¹ Cost of Segregation study, Metropolitan Planning Council and Urban Institute, 2017
<https://www.metroplanning.org/uploads/cms/documents/cost-of-segregation.pdf>

Learnings from the American Rescue Plan (ARP)

INFORMATION IS POWER

Across the six regions that are active in the SPARCC initiative (Atlanta, Bay Area, Chicago, Denver, Los Angeles, and Memphis), both local governments and external partners struggle with a lack of clarity on how to access and deploy federal funds. Those with direct relationships with federal and local officials have an advantage over many more who are left out or unclear about how the process works.

The way to disrupt traditional power paradigms is to **secure up-front commitments** to simplify the process and ensure transparency and accountability. Enlightened public officials and advocates can broker an agreement on simple steps. These should include listing funding allocations, application deadlines, and point people (with contact information). Power-sharing also requires pushing information out through **multiple communication channels** that connect to diverse audiences.

Long-established financial accounting and federal compliance practices prompt a fundamental question: what public interest is being served if existing systems limit access to information and stymie progress on more equitable investments? These **systems must be examined, interrupted, and transformed.**

Due to the urgency of human suffering, many regions had neither a clear set of targets nor a defined process for dissemination of early CARES funding authorized by Congress in 2020. SPARCC partners reported a “hurry up and wait” dynamic -- rushed deadlines followed by delayed and opaque decision-making. At times, communities experienced outright fabrication of information as decision-makers distributed resources absent a transparent process.

As regions received ARP dollars in 2021, some moved toward a Request for Proposal (RFP) system that introduced more transparency. Through trial and error, communities have affirmed that advancing health equity, economic opportunity, and racial justice requires an uncompromising commitment to transparency. And that starts with **universal access to information.**

As Dr. Martin Luther King, Jr. stated, **“Lamentably, it is an historical fact that privileged groups seldom give up their privileges voluntarily.”**

GREATER CHICAGO TOGETHER



In February 4, 2022, the City of Chicago, Cook County, and the State of Illinois co-convened a “Joint Readiness Summit.” Over 1,000 local leaders attended, dramatically demonstrating the hunger for information and resources. In response, these three governments built an online American Rescue Plan (ARP) Grant Hub to try to democratize access to competitive grant processes.

<https://greaterchicagotogether.org/>

SET THE TABLE FOR MORE (OR BUILD A BIGGER TABLE)

A related way to ensure that future investments deliver more equitable outcomes for people and communities is to **design for inclusion**. Listening to all voices will surface new solutions. It will build the next generation of community change-makers. And it will act as an insurance policy in the face of future crises.

When the table of advisors expands, intentional **mechanisms to build trust** become more critical. For example, lobbyists for local governments on Capitol Hill will be more effective in securing competitively awarded funds if they are familiar with neighborhood leaders and community concerns, from undocumented street vendors to recipients of direct cash transfers and fee waivers.

Another example: the overlap area in the Venn diagram of social justice proponents and environmental justice advocates may initially appear small. Identifying common ground can unleash meaningful connections on culturally-attuned healing from trauma. And it can strengthen mutually beneficial links to federal officials, access to research resources, and opportunities for cross-learning.

Tactics that can create space to forge bonds:

- Structure working groups co-chaired by Black, Indigenous, and People of Color (BIPOC) individuals from affected communities, not just the usual suspects
- Where feasible, conduct site visits via transit so participants understand what lower-income residents navigate daily
- Structure tours to other locations that have experienced breakthroughs on equitable investments, tapping artists, faith leaders, and other critical voices

While imperfect, there is a long history of community consultation on housing and community development. This raises concerns about future infrastructure funding flows.

On transportation, water, energy, and other infrastructure decisions, some places have no existing table for collaboration. In those cases, tapping and connecting existing diverse networks can jumpstart engagement efforts by state transportation departments, environmental agencies, and others lacking a track record of effective engagement.

Many local and regional governments have recently crafted **racial equity blueprints**. Those involved in their creation have much to contribute to funding prioritization. In Sonoma County in the Bay Area, the County's Chief Equity Officer consulted with Latino leaders and farmworkers to redirect ARP resources to community-informed priorities.

Concurrently, the Biden Administration adopted the **Justice40** initiative during its first month in office. Both local blueprints and the federal Executive Order include key guidance that should be utilized as regions map investments. Equally important, local racial equity impact plans are a resource for federal officials grappling with how to operationalize their values.²

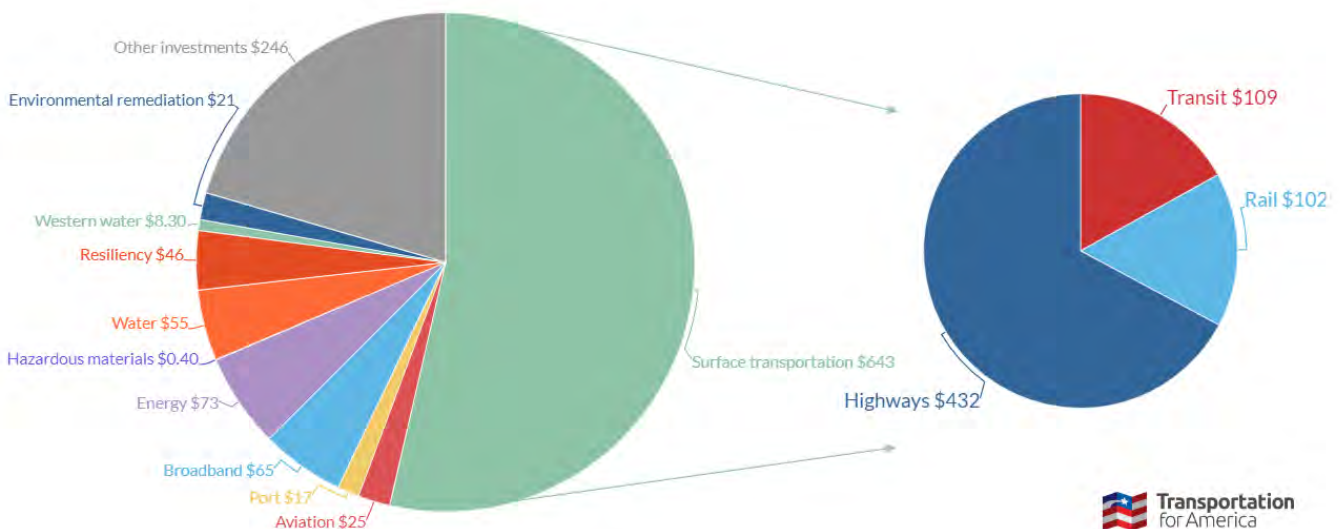
² The Path to Achieving Justice40, The White House blog, July 20, 2021
<https://www.whitehouse.gov/omb/briefing-room/2021/07/20/the-path-to-achieving-justice40/>

There's a saying that 90% of success is showing up. In this context, that means that even if the process is flawed, community leaders have to prioritize attending meetings, speaking up, and mobilizing around the changes that are needed. Money moves fast. A clear, coordinated "ask" will significantly impact where that money lands. That proved true in the Bay Area where the Black HAT (Black Housing Advisory Task Force) coalition prodded governments to move beyond patching near-term budget holes and instead make equitable, multi-year commitments that transform the built environment.

The Bipartisan Infrastructure package (Infrastructure Investment and Jobs Act or IIJA) presents a once-in-a-generation opportunity. If we set inclusive community tables, the expanded infrastructure resources will be deployed in more just, bold, and creative ways, unlocking pathways to innovative solutions. Initiatives like the newly formed Communities First Infrastructure Alliance will act on this opportunity by advancing the equitable implementation of infrastructure dollars, centering the needs of grassroots and community-based partners, projects, and plans.



Where is the infrastructure bill money going? (in billions)



BAY AREA REGIONAL HEALTH INEQUITIES INITIATIVE

In the San Francisco Bay Area, Black communities have suffered record-setting displacement. Bay Area Regional Health Inequities Initiative (BARHII) has been working closely with community members, Black housing developers, advocates, and community-based organizations (CBOs) to create housing affordability and health solutions. In mid-2020, they formed the Black Housing Advisory Taskforce, or Black HAT. The coalition designed a strategy to harness once-in-a-generation federal infrastructure investments and large California state surplus to create a housing solution that can meet the scale of displacement in the region. The \$500MM Black HAT Black housing fund is now a top five legislative priority of the California State Bay Area Caucus and the California Black Legislative Caucus. If passed, this first of its kind in the nation Black anti-displacement fund will

secure the next generation of Black-led community development, planning, and housing affordability solutions.



San Francisco, Oakland, and Berkeley have each lost between 40 and 50 percent of their Black residents between 1990 and 2018.

Support the Bay Area Regional Black Housing Fund to end displacement and invest in Black communities!

#BlackHousingFund

LA MEASURE J

Following the horrific murder of George Floyd and others at the hands of police, Los Angeles County adopted Measure J, dedicating 10% of the County budget to the health, housing, and education needs of disadvantaged communities. Derek Steele of LA's Social Justice Learning Institute described his biggest learning "none of this should be taking place without community voices at the table." In its first year, the County's Care First Community Initiative is utilizing an advisory committee that includes Black-led and youth-driven organizations. They expect to target \$187MM toward local investments and alternatives to incarceration.

<https://ceo.lacounty.gov/2021/08/10/ati-newsroom/care-first-community-investment-spending-plan-invests-in-equity-and-community/#:~:text=The%20Board%20of%20Supervisors%20today,just%20and%20equitable%20Los%20Angeles>

GO SLOW TO GO FAST

No one could have anticipated the stressors of the past two years. Communities will continue to navigate uncharted territory. That makes this the ideal moment to commit to deep consultation, new rules of engagement, scenario planning, and dashboards to track results.

Planning delivers outsized dividends. The inverse is also true: rushing to obligate funds early on – absent expansive and thoughtful consultation – often proves wasteful and inefficient later. This has been true in some deployments of disaster relief dollars.

Since **smart strategy has a price tag**, both federal agencies and philanthropies should prioritize investments in planning, accountability, and metrics. Forms of assistance may range from a pool of grant writers, to loaned staff expertise, to inclusive leadership development, to explicit federal expectations for authentic community consultation and coordination.

Many communities are doing Racial Equity Impact Assessments for the first time. Others are learning how to execute a participatory budgeting process. There is a danger of wasting precious time and seeding cynicism if these frameworks are introduced and then not used.

In Atlanta and Chicago, public sector leaders participating in a Justice, Equity, Diversity, and Inclusion (JEDI) cohort have had the opportunity to practice DEI strategies, build stronger internal mechanisms, and engage in candid conversations. They have grappled with the everyday challenges of applying equity principles to top priorities. In Atlanta, one deliverable is a parks equity dashboard for the Parks & Recreation Department. In Chicago, an Equitable Transit-Oriented Development (ETOD) policy plan is in the pilot phase. The proud “JEDI” warriors can be tapped by their peers who are at an earlier stage of their equity journey, learning to practice healing modalities that prevent replicating harm.

Inclusive planning also helps anticipate and avoid unintended consequences. For example, when some places moved quickly, they discovered that all of the early funding was distributed to white-led organizations. These organizations may lack conduits to local community knowledge or maybe at an early stage of becoming anti-racist.

Other unintended consequences: Some places, in their efforts to ensure high ethical standards, set the bar so high that many smaller organizations were ineligible to apply. Amidst multiple crises, local governments often prioritized their own revenue requirements over other needs. And federal officials experience intense pressure to get the money out the door. These realities inform a suggestion to **reserve a sizable portion of funds for the kind of bold experimentation that requires more groundwork.**

Measuring what matters – such as closing the racial wealth gap and death gap – focuses the public dialogue on needed long-term structural changes at both the local and federal levels. These overdue dialogues are best facilitated by skillful individuals attuned to cultural and historical exclusion.

Fortunately, the five-year timetable for the Infrastructure Investment and Jobs Act (IIJA) is somewhat more accommodating of smart planning. In comparison, the calendar for ARP requires the obligation of funds by the end of 2024 and expenditure by the end of 2026.

Modest investments in the capacity of implementing organizations can have a ripple effect. BLDG Memphis secured \$1MM in federal ARP resources through the Small Business Administration (SBA) Community Navigator Program to design a curriculum that supports the growth of CDCs and businesses within their communities.

<https://www.sba.gov/article/2021/oct/28/sba-administrator-guzman-biden-harris-administration-announce-community-navigator-pilot-program>

MAPPING PATTERNS OF INEQUALITY



Chicago philanthropies and research organizations suspected they didn't fully understand past patterns of investment. Spearheaded by the Field Foundation of Illinois, they collected, standardized, and mapped pre-pandemic investments. That revealed painfully familiar patterns of racial inequities in the distribution of resources. These powerful maps altered the deployment of CARES, ARP, and COVID emergency funds.

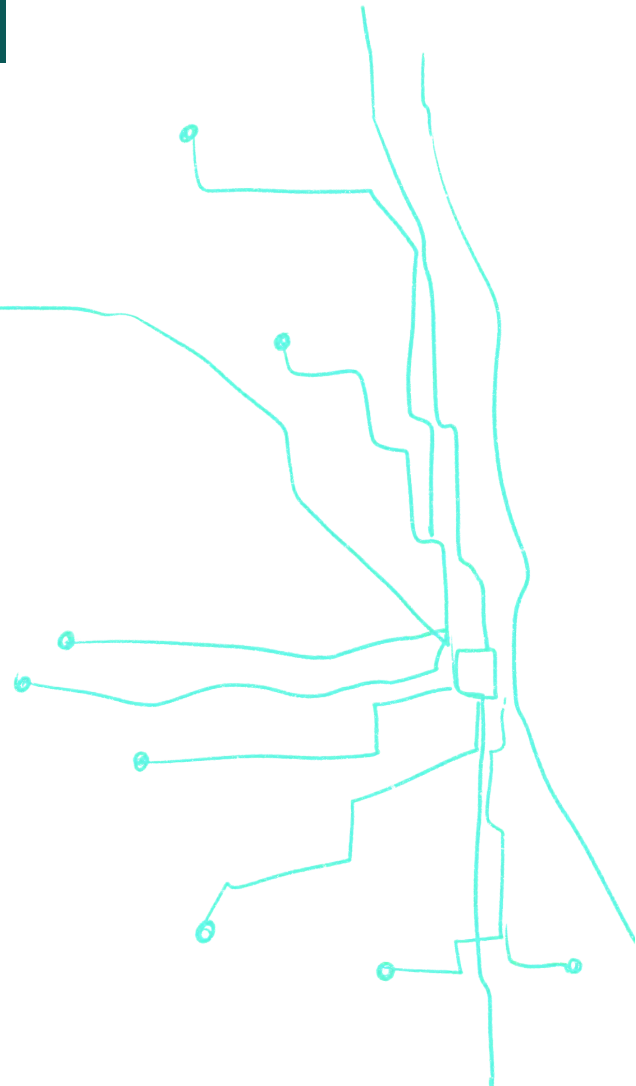
<https://www.mappingcovid19equity.org/>

FOCUS FUNDS AND REWARD RISK-TAKING

As the six SPARCC regions collected examples of investments, few big bets were revealed. "Big" here refers both to the scale of investment and to the boldness of the vision. Most counties and municipalities were understandably preoccupied with replacing lost revenues. As a result, local governments did little to encourage planning for transformational investments.

In the midst of this void, **proactive local advocates -- those who are ready with specific proposals, who take the initiative to meet with elected officials, who model the impacts of targeted investment -- see their efforts yield results.** And they provide the political will to avoid the ineffective spreading of a thin layer of resources everywhere.

One powerful example is the LA Community Land Trust Coalition. Initially, 80 organizations came together across the issues of immigration, education, economic development, housing, and more. They uncovered their collective power by highlighting urgent housing needs. Their voices attracted allies on the LA County Board of Supervisors. Aided by a capital recoverable grant from SPARCC, the Coalition secured \$14MM in ARP dollars to acquire buildings at-risk of becoming unaffordable.



Chicago's multi-year momentum on equitable transit-oriented development (ETOD) proves that big commitments don't happen overnight. Through coordinated advocacy bridging two mayoral administrations, Chicago now has updated zoning ordinances, a citywide ETOD plan, \$10MM in City funding for 11 pilots, and a new \$166MM fund for attacking vacant land and buildings, and seeding wealth and vibrancy near transit hubs.

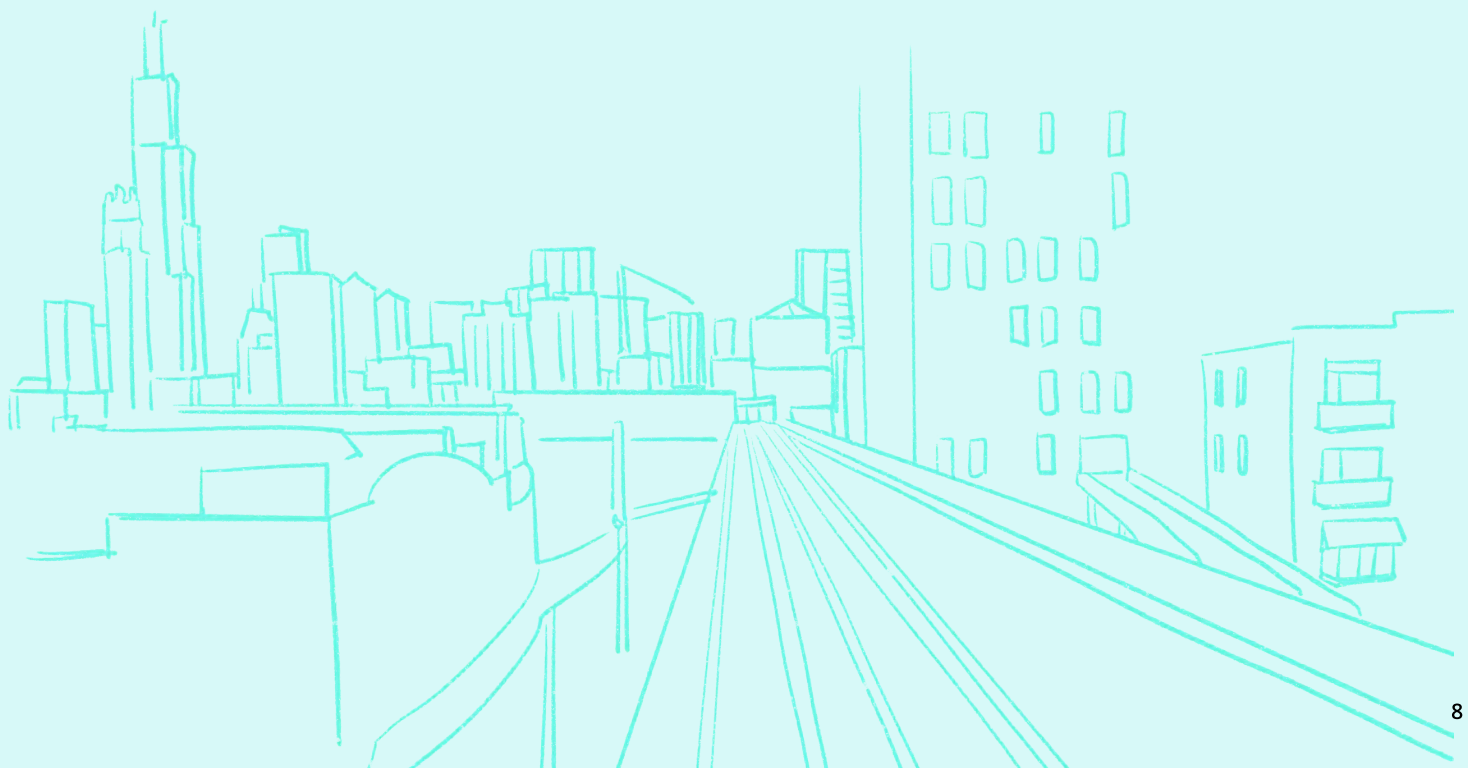
The intertwined challenges facing our hardest-hit communities requires **busting through silos**. That itself involves risk. And opportunity. If federal and state agencies can retool rules for discretionary grants, offer collaboration incentives, and inject more flexibility into eligible uses, creativity will blossom. Pooling funding could occur across geographies and sources, such as transportation mobility, lead pipe replacement, and digital access. The leverage potential is unlimited.

This is not the moment to let fear of failure stymie our success. As Brene Brown wisely said, **"We can be afraid and brave at the same time. Armor suffocates courage and cages our hearts. The goal is to create spaces where armor is neither necessary nor rewarded."**

SHARE IMPACT STORIES

Relatable stories about the impacts of federal investments on families and neighborhoods are the stories we will remember. Numerous experiments have documented that stories are more than 10 times "stickier" than data. **Collecting and thoughtfully disseminating** such stories requires intentionality. In message framing, just as in organizing, information is power.

Our youth have so much to teach us. In LA, students showed up at the school board and other hearings to voice their concerns about troubling trend lines in Black student achievement. They shared their personal experiences and hopes for the future. Those stories contributed to the redirection of \$25MM from the Los Angeles Unified School District (LAUSD) police budget toward a \$36.5MM Black Student Achievement Plan in 2021.



CONCLUSION

By putting communities and people first, we can make different choices in how, where, and with whom we invest in community capacity and coordinated infrastructure. The goal is transformation, not recovery. Just as nutritious eating and an exercise regimen contribute to long-term health, the investments we make in frontline workers, lower-income families, and communities of color will yield a more equitable and vibrant future for everyone.

As the Infrastructure Investment and Jobs Act (IIJA) funding flows to states from 2022-2026, these **five guideposts** will ensure a more inclusive process, smarter investments, and more vibrant and equitable neighborhoods:

- 1 Use information to empower and learn what works
- 2 Consult broadly and engage inclusively
- 3 Invest in leadership development and up-front planning
- 4 Target investments on big bets
- 5 Share success stories

We invite leaders across sectors to put this guide to work, deploying unprecedented recovery and infrastructure resources to reshape the built environment and boldly advance inclusive health, climate, and racial equity strategies.



“Our Power: Pathways to Community Prosperity” (released by SPARCC in February 2021) brings together creative race, climate, and health policy solutions from national and community-based partners across Atlanta, Chicago, Denver, Los Angeles, Memphis, and the San Francisco Bay Area.

To deliver on the promise of opportunity for all, decision-makers need to **simultaneously pay attention to resource allocation and to the rules of the game**. The Pathways to Community Prosperity document is organized into four focus areas, all building blocks of healthy communities:

- Restorative and Regenerative Economy
- Housing as a Human Right
- Equitable Transit-Oriented Development (ETOD)
- Parks and Open Space Equity

One illustrative recommendation from the ETOD focus area is that future infrastructure investments should set aside 10% of project budgets for community-based organizations to have an ownership seat in the project development and implementation.

<https://www.sparcchub.org/wp-content/uploads/2021/02/Pathways-to-Community-Prosperity.pdf>

ABOUT SPARCC

The Strong, Prosperous and Resilient Communities Challenge (SPARCC) is a multiyear initiative¹ investing in and amplifying local efforts in six regions to ensure that public investments in the built environment reduce racial disparities, build a culture of health, and respond to the climate crisis. The initiative's long-term goal is to change the way metropolitan regions grow, invest, and build through integrated, cross-sector approaches that benefit low-income people and communities of color. SPARCC offers flexible grant funding, technical assistance, and a community of practice to support innovative solutions that advance racial equity, health, and climate resilience.

SPARCC Policy Report: "Elevating the Role of Community Based Organizations in Federal Funding"

<https://www.sparcchub.org/2022/03/24/elevating-the-role-of-community-based-organizations-in-federal-funding/>

MORE RESOURCES

In addition to leveraging these learnings to guide the future deployment of resources, there are several excellent **ARP hubs** that share lessons and technical guidance:

- **Brookings Metro Local Government ARPA Investment Tracker**

<https://www.brookings.edu/interactives/arpa-investment-tracker/>

- **National Association of Counties (NACO) State and Local Fiscal Recovery Fund Resource Hub**

<https://www.naco.org/resources/featured/arpa-fiscal-recovery-fund>

- **U.S. Conference of Mayors American Rescue Plan Resources for Cities**

<https://www.usmayors.org/issues/covid-19/american-rescue-plan/>

More recently, there are sites that decision-makers should bookmark to track down emerging information about the **Infrastructure Investment and Jobs Act (IIJA)**. Unlike ARP which interfaced primarily with cities and counties, the bipartisan infrastructure package directs dollars primarily through states:

- **White House's Building A Better America website**

https://www.whitehouse.gov/build/?utm_source=build.gov

- **Brookings Metro Federal Infrastructure Hub**

<https://www.brookings.edu/interactives/brookings-federal-infrastructure-hub/>

Additionally, these resources are geared to frontline and community-based organizations:

- **Elevating the Role of Community-Based Organizations in Federal Funding, SPARCC**

<https://www.sparcchub.org/2022/03/24/elevating-the-role-of-community-based-organizations-in-federal-funding/>

- **The People's Justice 40+ Community Benefits Playbook, Emerald Cities Collaborative**

https://emeraldcities.org/j40playbook/?mc_cid=f2a922083f&mc_eid=3577b66889

- **Demystifying Federal Funding Webinar Series, SPARCC**

https://community.sparcchub.org/view_only/track/3256/

ENDNOTES

1 Cost of Segregation study, Metropolitan Planning Council and Urban Institute, 2017

<https://www.metroplanning.org/uploads/cms/documents/cost-of-segregation.pdf>

2 The Path to Achieving Justice40, The White House blog, July 20, 2021

<https://www.whitehouse.gov/omb/briefing-room/2021/07/20/the-path-to-achieving-justice40/>

3 About the vision that grounds SPARCC: the Strong, Prosperous, And Resilient Communities Challenge

<https://www.sparcchub.org/about/>

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