



ANALYSIS OF THE AMERICAN RESCUE PLAN:

Housing



The Council
of State
Governments

The American Rescue Plan (ARP) Act of 2021 includes approximately **\$37.5 billion in funding to support homeowners, renters, and individuals experiencing homelessness**. This funding is intended to help renters and homeowners with late or missed payments as well as assist individuals experiencing housing insecurity transition to and remain in secure housing.

\$21.6 Billion In Emergency Rental Assistance Provided to Low-Income Tenants

The ARP provides approximately \$21.6 billion in emergency rental assistance to low-income renters in all states, localities, and territories who have experienced economic hardship due to the pandemic. These funds are intended to address back rent owed by tenants, [estimated to range from](#) \$1,700 to \$6,000 nationally. Funding will be allocated as follows:

- \$2.5 billion for high-need communities
- \$305 million for U.S. territories
- \$152 million for states

Funds will be available through March 31, 2022.

- Data and Methodology for State, Local Government, and Territory Allocations is available [here](#).
- Data and Methodology for Allocations to Indian Tribes and Tribally Designated Housing Entities is available [here](#).

The ARP Provides Approximately \$10 Billion to the Homeowner Assistance Fund (HAF)

According to a [summary of the ARP](#) published by Senate Democrats, approximately 3.3 million homeowners are behind on their mortgage payments, or are in foreclosure. Funds allocated to the HAF are **intended to help homeowners make their mortgage payments, avoid foreclosure, and improve housing security**.

- The deadline for states and territories to file a Notice of Funds request was April 25, 2021. To be eligible for HAF funds, Tribes, Tribal entities, or the Department of Hawaiian Home Lands must submit a Notice of Funds request by September 30, 2021.
- Recipients of these funds will be able to use them for mortgage payments, principal reduction, interest rate reductions, reinstating a mortgage after forbearance, and “any other assistance to promote housing stability for homeowners.”

\$5 Billion Allocated to Assist Persons Experiencing Homelessness through the HOME Investment Partnerships Program (HOME)

Throughout the pandemic, approximately half a million people have continued to experience homelessness in the United States. States have reported [shortages in shelter capacities](#) due to social distancing requirements, thus reducing the number of persons able to find shelter. The ARP allocates \$5 billion in funding to communities for:

- Development of affordable and supportive housing
- Short-term rental assistance
- Development of non-congregate shelter
- Support services for people experiencing or at risk of experiencing homelessness

Funds have been allocated within 30 days following enactment of the ARP (April 10, 2021).

An Additional \$5 Billion Will Be Allocated to Renew and Issue New Housing Choice Vouchers

Housing Choice Vouchers are designed to provide long-term support for people recovering from homelessness and renters at risk of homelessness. Under the ARP, **\$5 billion will be made available for the issuance of new vouchers and the renewal of existing vouchers as well as to cover administrative costs.**

- Within 60 days of the ARP’s passage (May 10, 2021), the Secretary of Housing and Urban Development (HUD) will determine the number of vouchers allotted to each public housing agency and notify them of this number.
- Recipients are permitted to use these vouchers for as long as necessary with funds being available through Sept. 30, 2030. New vouchers using these funds will not be issued after 2023.

\$5 Billion Will Be Allocated for Programs Designed to Help Low-Income Individuals Pay Water and Utility Bills

Of the \$5 billion allotted, the **Low-Income Home Energy Assistance Program (LIHEAP) is slated to receive \$4.5 billion.**The remaining **\$500 million will be made available to states through water assistance grants.**

- Funds are intended to help low-income households who devote disproportionately high percentages of overall income to water and wastewater utility services.
- States will disburse funds to owners or operators of public water systems or treatment systems to reduce service rates.

\$750 million in Housing Assistance Will Be Provided to Tribal Nations and Native Hawaiians Through Competitive Block Grants

- **\$450 million will be allocated to the Native American Block Grant Program and \$5 million to the Native Hawaiian Housing Block Grant Program.** Funds are intended to address issues of overcrowded and substandard housing through supporting the operations of the block grant program and funding affordable housing activities. Funds will be distributed according to formulas established in Fiscal Year 2021.
- **\$280 million will be devoted to supporting Indian Community Development Block Grants.** Funds may be used for emergencies that “constitute imminent threats to health and safety and are designed to prevent, prepare for and respond to coronavirus.”
- **\$10 million will be made available for creating new awards or increasing prior awards to existing technical assistance providers.** Providers may use these funds to increase training and technical assistance to Native American tribes and housing authorities, tribally-designated housing entities, and recipients under Title VIII of the Native American Housing Assistance and Self-Determination Act.

Funds for these programs will be available through September 30, 2025.

Programs/Areas to Receive Funding Under ARP	Amount (in Millions USD)
Emergency Rental Assistance	\$21,550
Homeowner Assistance Fund	\$10,000
Homelessness Assistance - HOME Investment Partnerships Program	\$5,000
Housing Choice Vouchers	\$5,000
LIHEAP and Water Utility Bill Assistance	\$5,000
Housing Assistance to Tribal Nations and Native Hawaiians	\$750
Housing Counseling Services (NeighborWorks America)	\$100
Rural Housing Assistance	\$139
HUD Fair Housing Initiatives Program	\$20
Total	\$47,559

The ARP Will Allocate \$100 million to NeighborWorks America for Distribution to Organizations Providing Housing Counseling Services

Federal funds disbursed for housing counseling services will be the first of this nature since the start of the pandemic. Of the \$100 million provided, no less than 40% will be required to be provided to organizations that:

- Facilitate housing counseling services to minority and low-income populations facing housing instability; **or**
- Provide services in neighborhoods with high concentrations of minority and low-income populations.

An Additional \$139 Million Will Be Appropriated for Rural Housing

- **\$100 million is devoted to supporting rural households living in U.S. Department of Agriculture (USDA) -financed properties.** Funds will be available through Sept. 30, 2022 and may be used to pay back rent and provide ongoing rental assistance.
- **\$39 million** will be made available by the Secretary of Agriculture **to provide direct loans under the USDA's Section 502 and Section 504 loan programs.** Funds will be available through Sept. 30, 2023.

\$20 Million Will Be Set Aside for the Department of Housing and Urban Development Fair Housing Initiative Program (FHIP)

- The \$20 million allocated for FHIP is intended to ensure fair housing organizations are equipped with additional resources to cover service costs and address fair housing inquiries, complaints, and education, among other things, throughout the COVID-19 pandemic.

Sources and Additional Resources

- [The American Recovery Plan Act \(Full Bill\)](#)
- [Holland and Knight Law American Rescue Plan Act Summary](#)
- [Senate Democrats Title-By-Title Summary of the American Rescue Plan Act](#)
- [Center on Budget and Policy Priorities](#)
- [Emergency Rental Assistance Allocations – Senate Democrats](#)

For More Information

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