

AMERICAN RESCUE PLAN ACT SUMMARY



On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (ARPA) which provides additional relief for those who have been impacted by the COVID-19 pandemic. ARPA will allow the Housing and Community Development Department (HCDD) to continue responding to those who have an inability to make rental and utilities payments or are in danger of losing or have lost their home.

HCDD will receive the specific allocation of ARPA funds from the U.S. Treasury through two streams:

Emergency Rental Assistance (\$55,474,337.90 (determined allocation) + \$30,593,812.30 (high need))

ARPA is providing a total of \$21.6 billion for states, territories, and local governments to assist households that are unable to pay rent and utilities due to impacts from COVID-19, based on the consequence that household stability is not just a financial issue but a health concern. The ARPA funds will augment and expand the reach of the existing Emergency Rental Assistance Program (ERAP) - houstonharrishelp.org - to mitigate financial harm and public health crises.

The City of Houston is being allocated almost \$55.5 million in funds to assist households that are unable to pay rent and utilities, plus an additional \$30.5 million for being considered a “high need grantee” – locations with an urgent need for assistance when factoring conditions such as change in employment, concentration of very low-income renters, and rental market costs.

The ERAP funds that Houston is receiving are being combined with Harris County’s allocation to continue the Houston-Harris County ERAP without interruption. As funds are received, they become available under the current program. Through August 2021, the ERAP funds helped approximately 47,600 families and distributed more than \$181 million.

HOME-ARP (\$37,357,805)

The ARPA is providing a total of \$5 billion to assist vulnerable individuals and families by providing housing, rental assistance, supporting services, and non-congregate shelter to reduce homelessness and increase housing stability.

The U.S. Treasury funds will be administered via the U.S. Department of Housing and Urban Development (HUD) according to the same formula HUD uses to administer the HOME Investment Partnerships Program (HOME), and will be called HOME-ARP.

The four broad eligible activities are:

1. Production or Preservation of Affordable Housing
2. Tenant-Based Rental Assistance
3. Supportive Services, Homeless Prevention Services, and Housing Counseling
4. Purchase and Development of Non-Congregate Shelter

In the near future, HUD will publish official guidance (in the Federal Register) on how cities can use these funds. When the guidance becomes available, and the City prepares to receive the funding, HCDD will prepare a detailed budget for use of the funds.

HCDD will likely focus on 1 and 3 above to produce additional homes and aid in homeless prevention activities.



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The ERAP funds that Houston is receiving are being combined with Harris County’s allocation to continue the Houston-Harris County ERAP without interruption. As funds are received, they become available under the current program. Through June 2021, the ERAP funds helped approximately 40,000 families and distributed more than \$150 million.

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