# CHAPA LOCAL ARPA FISCAL RECOVERY FUNDS FOR HOUSING

August 2021









#### ARPA State and Local Fiscal Recovery Funds: Overview

- Provides close to **\$3.4 billion** to Massachusetts county, city, and town governments to help them meet pandemic response needs and rebuild a stronger, and more equitable economy
- Local governments will receive funds in two tranches (50% provided in May 2021 and the remaining delivered approximately one year later).
- Funds must be obligated by December 31, 2024 and expended by December 31, 2026.
- Local governments have broad flexibility to decide how best to use this funding to meet the needs of their communities.



## ARPA State and Local Fiscal Recovery Funds: Payments to State and Local Governments

Level of Government	Funding Allocation	Links
Non-Entitlement Communities	\$385,056,772.00	<u>Treasury Allocation Chart (Non-Entitlement Communities)</u>
Counties	\$1,338,787,907.00	<u>Treasury Allocation Chart (Counties)</u>
Cities	\$1,664,510,656.00	Treasury Allocation Chart (Cities)
Total	\$3,388,355,335.00	



#### ARPA State and Local Fiscal Recovery Funds: Allowable Uses

- **Support public health expenditures**, by, for example, funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic



#### ARPA State and Local Fiscal Recovery Funds: Allowable Uses

- **Provide premium pay for essential workers**, offering additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors.
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and storm water infrastructure, and to expand access to broadband internet.



### ARPA State and Local Fiscal Recovery Funds: Housing Uses (Assistance to Households)

- Assistance to households is listed as an eligible expense to respond to the negative impacts of the pandemic. Assistance to households may include:
  - Rent, mortgage, or utility assistance;
  - Counseling and legal aid to prevent eviction or homelessness; and
  - Cash and food assistance.



## ARPA State and Local Fiscal Recovery Funds: Housing Uses (COVID-19 Prevention)

- Support COVID-19 prevention, mitigation, or other services in congregate living facilities, such as homeless shelters and group living facilities;
- Ventilation improvements in congregate settings and other key locations;
- Support for vulnerable populations to access medical or public health services; and
- Support for isolation or quarantine.



#### ARPA State and Local Fiscal Recovery Funds: Housing Uses (Equity-Focused Investments)

- **Services to address homelessness**, such as supportive housing, and to improve access to stable affordable housing among individuals experiencing homelessness;
- Affordable housing development to increase the supply of affordable and high-quality living units; and
- Housing vouchers, residential counseling, or housing navigation assistance.



#### ARPA State and Local Fiscal Recovery Funds: Housing Uses (Equity-Focused Investments)

- Investments must be focused on **Qualified Census Tracts** as designated by HUD <u>or</u> other disproportionately impacted populations, households or geographic areas.
- In identifying these disproportionately-impacted communities, recipients should be able to support their determination for how the pandemic disproportionately impacted the populations, households, or geographic areas to be served.
- Using Fiscal Recovery Funds to build affordable housing in a QCT would be an allowable use of funds since it would address a specific negative economic impact of the pandemic.



#### Resources for Local Municipalities

- Treasury's Coronavirus State and Local Fiscal Recover Funds Page
- Treasury's FAQ on Coronavirus Local Fiscal Recovery Funds
- Treasury's Interim Final Rule
- NLIHC Fact Sheet on Fiscal Recovery Funds
- NLIHC Fiscal Recovery Funds Affordable Housing Investments Chart
- Mass. Municipal Assoc. Presentation on ARPA Fiscal Recovery Funds
- Mass. Municipal Assoc. Federal Funds Resources Page



#### State Affordable Housing Priorities

• Governor proposed **\$1 billion** for rental production and homeownership (~18% of \$5.3 billion total state allocation)



- CHAPA requesting **\$1.683 billion** for affordable housing, including:
  - Affordable Rental Housing Production and Preservation: \$200 million
  - Housing Rehabilitation Projects: \$100 million
  - **Homeownership:** \$500 million
  - Public Housing: \$450 million
  - Acquisition: \$50 million
  - Supportive Housing: \$300 million
  - Housing Stability: \$83 million