

Overview of Fiscal Recovery Funds included in the American Rescue Plan

The American Rescue Plan provided \$350 billion in Fiscal Recovery Funds to eligible state, local, territorial, and Tribal governments to respond to the COVID-19 emergency. The funding objectives are to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control
- Replace lost public security revenue to strengthen support for vital public services and help retain jobs
- Support immediate economic stabilization for households and businesses
- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic

Local communities will determine how they will utilize their direct allocation. This document provides a high-level summary of potential uses of funds related to housing and homeless services and resources on where to learn more about local Fiscal Recovery Funds. For specific uses for the funds, it is best to consult the U.S. Department of Treasury guidance.

Where to learn more:

- [U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds](#): Main website that links to fact sheets, FAQs, funding objectives, and allocation information.
- [Interim Final Rule](#) released on May 10, 2021 by the U.S. Department of Treasury. The Interim Final Rule details the requirements for and eligible uses of the Fiscal Recovery Funds.
- [League of Minnesota Cities 'What Cities Need to Know About Coronavirus State and Local Fiscal Recovery Fund Guidance'](#)
- [Review a breakdown of Minnesota local allocations here](#)

Potential Funding Opportunities to Support People Experiencing Homelessness or At-Risk

The Interim Final Rule describes four broad categories of eligible uses. Those are broken out here with a few examples of potential uses of the funds.

A. Public health and economic impacts

- Purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings, homeless shelters, group living facilities) (U.S. Department of Treasury FAQs document p.4).
- Funds can be used for eviction prevention efforts and housing stability services including rent, mortgage, or utility assistance [and] counseling and legal aid to prevent eviction or homelessness. This includes housing stability services that enable eligible households to maintain or obtain housing (U.S. Department of Treasury FAQs document p.12-13).
- Assistance programs to households or populations facing negative economic impacts of the public health emergency, including: Assistance to support economic security, including for the victims of crime; Housing assistance, including rent, utilities, and relocation assistance; Assistance with food, including Summer EBT and nutrition programs; and Employment or job training services to address negative economic or public health impacts experienced due to a worker's occupation or level of training. (U.S. Department of Treasury FAQs document p.22-23).

- Mental health services and substance use disorder services, including for individuals experiencing trauma exacerbated by the pandemic, such as: Community-based mental health and substance use disorder programs that deliver evidence-based psychotherapy, crisis support services, medications for opioid use disorder, and/or recovery support. (U.S. Department of Treasury FAQs document p.22)
- The Interim Final Rule outlines a scope of eligible activities is related to addressing disparities in public health outcomes, in Qualified Census Tracts (QCTs) or to people living in QCTs, by Tribal governments, or as otherwise justified based on the disproportionate impact of the pandemic. The eligibility for these kinds of activities would likely cover many homeless response activities that are specifically pandemic related. Eligible services in these areas include:
 - Addressing health disparities and the social determinants of health, including: community health workers, public benefits navigators, remediation of lead paint or other lead hazards, and community violence intervention programs;
 - Building stronger neighborhoods and communities, including: supportive housing and other services for individuals experiencing homelessness, development of affordable housing, and housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity;
 - Addressing educational disparities exacerbated by COVID-19, including: early learning services, increasing resources for high-poverty school districts, educational services like tutoring or afterschool programs, and supports for students' social, emotional, and mental health needs; and
 - Promoting healthy childhood environments, including: child care, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth. (FAQ document page 7).

B. Premium pay

- Funds could support hazard pay and other staffing costs for outreach, shelter, and affordable housing staff.

C. Revenue loss

D. Investments in infrastructure (specifically water, sewer, and broadband)

- Other infrastructure projects must respond to a specific pandemic-related public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact of the pandemic (e.g., affordable housing in a Qualified Census Tract). (U.S. Department of Treasury FAQs document p.22)