

Legislative Update **American Rescue Plan**

CalHFA Board of Directors Meeting, March 25, 2021

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Phase 1 IMMEDIATE RESPONSE

H.R.6074- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020

- No housing provisions.
- \$8.3 billion in emergency funding to federal agencies for immediate COVID-19 response.
- Majority (\$6.2 billion) is for HHS, including CDC.
- State Dept., USAID, FDA and SBA also funded.

March 6th, 2020

Bill Signed

Phase 2 PAID LEAVE

H.R.6201 - Families First Coronavirus Response Act

- No housing provisions.
- 80 hours of Emergency Paid Sick Leave.
- 12 weeks of Paid Family Leave.
- Funding for States to expand unemployment benefits.
- Expands medical coverage to COVID-19 testing.

March 18th, 2020

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Phase 3 CARES ACT

H.R. 748 - Coronavirus Aid, Relief, and Economic Security Act (CARES) anti-poverty impacts

- \$2.2 trillion price tag.
- Direct stimulus checks to households; expands UI by \$600/week.
- \$500 billion for Fed to stabilize economy, including muni market.
- \$349 billion in Small Business Loans.
- \$150 billion to States & Localities (Coronavirus Relief Fund)
- \$45 billion in FEMA disaster relief.
- **Single- and Multifamily Forbearance and Evictions protections.**
- **\$12.4 billion for HUD.**

March 27th, 2020

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Phase 3.5 SMALL BUSINESS LOANS

H.R. 266 - Paycheck Protection Program and Health Care Enhancement Act Summary

- No housing provisions.
- \$320 billion additionally for small businesses loans.
- \$75 billion for hospitals.
- \$25 billion to expand testing.

April 24th, 2020

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Phase 4 OMNIBUS

H.R. 133 - Consolidated Approps Act, 2021

- \$900 billion price tag.
- Part of annual spending package.
- \$600 Stimulus Checks
- \$300/week in Enhanced UI until 3/14/21
- \$325 billion in Small Biz Assistance
- \$12 billion for CDFIs and MDIs.
- CARES Coronavirus Relief Fund extended until 12/31/2021

Dec 27th, 2020

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Phase 5 AMERICAN RESCUE PLAN

H.R. 1319 - The American Rescue Plan Act , 2021

- \$1.9 trillion price tag.
- Enhanced Unemployment benefits - \$300 weekly
- \$1,400 direct payments to individuals.
- Emergency Paid Leave tax credit to employers
- \$350 billion in State and Local Aid
- Expansion of Earned Income Tax Credit, Child Care Tax Credit and Child and Dependent Care Tax Credit,
- Extends Food Stamp Increase
- \$170 billion for K-12 Education & Universities.

March 11th, 2021

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Critical Housing Provisions:

- \$27 billion in Rental Assistance
- \$10 billion in Mortgage Assistance
- \$5 billion for Homelessness
- \$5 billion in Housing Vouchers
- \$5 billion in Utility Assistance

Critical Housing Provisions:

- \$25 billion in Rental Assistance
- 4% Min Rate in LIHTC
- Supplemental Disaster 9% LIHTC
- Extends CDC Eviction Moratorium to 1.31.2021
- New Markets Tax Credit extended for five years.

American Rescue Plan **Overview**

- Signed into law by President Biden on March 11, 2021.
- Designed to facilitate the US recovery from the economic effects of the COVID-19 pandemic.
- \$1.9 trillion price tag, slightly smaller than CARES Act.
- Significant anti-poverty impacts.

American Rescue Plan

Main Elements

Enhanced Unemployment benefits \$300 weekly through Labor Day

Stimulus Checks \$1,400 direct payments to individuals.

Emergency Paid Leave tax credit to employers who offer paid sick leave/ paid family leave benefits.

State and Local Aid \$219.8 billion for States and \$130.2 billion for locals.

Earned Income Tax Credit (EITC), nearly triples the maximum EITC for childless workers.

Extends Food Stamp Increase 15% increase in Supplemental Nutrition Assistance Program (SNAP) benefits

American Rescue Plan

Main Elements (continued)

Child Tax Credits Expands Child Tax Credit expansion of the Child and Dependent Care Tax Credit,

Education \$130 billion for K-12 education. \$40 billion to colleges and universities to provide emergency financial aid grants for students.

Restaurants \$28.6 billion in relief for small and mid-sized restaurants.

Small Business Assistance \$15 billion for Emergency Injury Disaster Loans

PPP \$7 billion for the Paycheck Protection Program,

American Rescue Plan **Housing Provisions**

\$50 billion in housing and homelessness assistance

Main Provisions:

- Emergency rental assistance: \$27 billion
- Homeowner Assistance Fund: \$9.961 billion
- HOME for Homelessness Assistance and Supportive Services: \$5 billion

American Rescue Plan **Housing Provisions (continued)**

- \$5 billion for emergency housing vouchers
- \$5 billion in Utility Assistance
- \$750 million for the Native American housing programs
- \$100 million for emergency rental assistance for households living in USDA-subsidized properties
- \$100 million for housing counseling to be administered by NeighborWorks
- \$39 million for relief measures for Section 502 and Section 504 direct loan borrowers
- \$20 million for the Fair Housing Initiatives Program.

American Rescue Plan **Mortgage Assistance**

\$9.961 billion Homeowner Assistance Fund

Funding to States; Treasury to design a formula using:

- Unemployment
- Distressed mortgages

Statutory Timeline

- States must request funds no later than 45 days after enactment (4/25/21)
- Treasury must begin to make State allocations by 45 days after enactment.
- Funds not requested can be reallocated by UST 180 days after enactment.
- Funding authorized until September 30, 2025.

American Rescue Plan

Mortgage Assistance (continued)

Eligibility

- Homeowners
- Mortgage cannot be more than Fannie Mae and Freddie Mac limit at time of origination

Targeting

- At least 60% of funds targeted at 100% Area Median Income (AMI)
- 40% of funds have to prioritize “socially disadvantaged individuals”

Uses

- Mortgage assistance
- Utilities, including electric, gas, water, internet; homeowner issuance, HOA fees
- Broad language for homeowner housing stability services

Thank you