

American Rescue Plan Act (ARPA) Relief Provisions Overview

Updated May 18, 2021

This document describes CMAP staff interpretations of the legislation and is meant to be used by local governments for informational purposes only – it is NOT a formal or official record of how the funding will be administered, or a call for projects.

On March 11, 2021, the American Rescue Plan Act ([H.R. 1319](#)) was signed into law. The \$1.9 trillion bill provides direct relief to state and local units of government and continued support to public transit agencies. The bill also provides additional relief in the form of grant and loan assistance for environmental justice, household utilities, housing, economic development, and small businesses. CMAP will update provisions within this overview as these programs are implemented in the coming months.

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Direct state and local assistance

NEW Coronavirus State Fiscal Recovery Fund

Total: \$195.3 billion

Direct recipients/administrator: U.S. Department of the Treasury administers payments directly to states.

Purpose: To mitigate the fiscal effects stemming from the public health emergency with respect to COVID-19. States are not allowed to use the funds to either directly or indirectly offset a reduction in the net tax revenue that results from a change in law, regulation, or administrative interpretation during the covered period, which begins March 3, 2021. The deadline to spend funds is December 31, 2024.

Funds allocated from the State Fiscal Recovery Fund may be used to:

- Respond to the COVID-19 emergency and address its economic effects, including through aid to households, small businesses, nonprofits, and impacted industries such as tourism and hospitality.
- Provide premium pay to essential employees of state or local governments or make grants to the employers of essential employees. Premium pay may not exceed \$13 per hour or \$25,000 per worker.
- Provide government services to the extent of any revenue reduction resulting from COVID-19.
- Make investments in water, sewer, and broadband infrastructure.

***Funding from the Coronavirus State and Local Fiscal Recovery Funds is subject to the requirements specified in the [Interim Final Rule](#) adopted by Treasury on May 10, 2021.**

Looking forward: On May 10, 2021, the Treasury released [guidance](#) on the upcoming distribution of \$350 billion in American Rescue Plan aid to state and local governments. According to the Treasury, local governments will receive funds in two tranches, with 50 percent provided beginning in May 2021 and the balance delivered approximately 12 months later.

Eligible state, county, and metropolitan cities (population over 50,000), may now request their allocation of Coronavirus State and Local Fiscal Recovery Funds through the Treasury's website [here](#). Eligible non-entitlement units of governments, or governments under a population of 50,000, should expect to receive this funding from the state of Illinois.

The state of Illinois is set to receive \$8 billion in relief allocations. Full Illinois allocations can be found [here](#).



NEW Coronavirus Local Fiscal Recovery Fund

Total: \$130.2 billion

Direct recipients/administrator: U.S. Department of the Treasury to metropolitan cities, non-entitlement units of local government, and counties.

Purpose: To mitigate the fiscal effects stemming from the public health emergency with respect to COVID-19.

Allocations to eligible units of government include:

- \$65.1 billion to counties (per National Association of Counties - \$2.630 billion to Counties in northeastern Illinois).
- Of the \$65.1 billion total for municipalities, \$45.57 billion, or 70 percent of funds, will be allocated to metro cities with more than 50,000 residents using a modified Community Development Block Grant formula calculation.
- The remaining \$19.53 billion, or 30 percent of funds, will be allocated non-metro cities with less than 50,000 residents using a simple per-capita calculation, with total grant size for non-metro cities capped at 75 percent of the locality's most recent budget as of January 27, 2020. Funding may not exceed the amount equal to 75 percent of the most recent budget for the non-entitlement unit of local government as of January 27, 2020.

Funds allocated from the Local Fiscal Recovery Fund may be used to:

- Respond to the COVID-19 emergency and address its economic effects, including through aid to households, small businesses, nonprofits, and impacted industries such as tourism and hospitality.
- Provide premium pay to essential employees of state or local governments or make grants to the employers of essential employees. Premium pay may not exceed \$13 per hour or \$25,000 per worker.
- Provide government services to the extent of any revenue reduction resulting from COVID-19.
- Make investments in water, sewer, and broadband infrastructure.

Looking forward: Funds allocated from the State Fiscal Recovery Fund may be used to:

- Respond to the COVID-19 emergency and address its economic effects, including through aid to households, small businesses, nonprofits, and impacted industries such as tourism and hospitality.
- Provide premium pay to essential employees of state or local governments or make grants to the employers of essential employees. Premium pay may not exceed \$13 per hour or \$25,000 per worker.
- Provide government services to the extent of any revenue reduction resulting from COVID-19.
- Make investments in water, sewer, and broadband infrastructure.



***Funding from the Coronavirus State and Local Fiscal Recovery Funds is subject to the requirements specified in the [Interim Final Rule](#) adopted by Treasury on May 10, 2021. An FAQ from the National League of Cities (NLC) on this fund can be found [here](#).**

Looking forward: On May 10, 2021, the Treasury released [guidance](#) on the upcoming distribution of \$350 billion in American Rescue Plan aid to state and local governments. According to the Treasury, local governments will receive funds in two tranches, with 50 percent provided beginning in May 2021 and the balance delivered approximately 12 months later.

Eligible state, county, metropolitan city (population over 50,000), county may now request their allocation of Coronavirus State and Local Fiscal Recovery Funds through the Treasury's website [here](#). Eligible non-entitlement units of governments, or governments with a population under 50,000, should expect to receive this funding from the state of Illinois.

Full Illinois allocations can be found [here](#).

- Metro cities in northeastern Illinois set to receive \$2.275 billion.
- Counties in northeastern Illinois set to receive \$1.6 billion.
- Non-entitlement communities (via Illinois) set to receive \$742 million.

NEW Coronavirus Capital Projects Fund

Total: \$10 billion

Direct recipients/administrator: U.S. Department of the Treasury administers grants to states.

Purpose: To carry out critical capital projects directly enabling work, education, and health monitoring, including remote options (specifically broadband infrastructure), in response to the COVID-19 public health emergency. Each state will receive at least \$100 million. 50 percent of remaining \$5 billion in funds will be distributed based on population, 25 percent based on rural population, and 25 percent based on household income below 150 percent of federal poverty line.

Looking forward: Potential applicants will have to submit a grant application, the details of which have yet to be announced, before obtaining any amounts from this project fund. On May 10, the Treasury released a "Statement on Purpose and Process" on the fund, which can be found [here](#). Treasury will begin to accept applications for review in the summer of 2021 and will issue guidance before that date. Eligible applicants will be required to provide a plan describing how they intend to use allocated funds under the Capital Projects Fund consistent with the American Rescue Plan and guidance to be issued by the Treasury.

Per the [House Oversight Committee](#), Illinois is estimated to receive an allocation of \$254 million in Capital Projects Funding.



Public transportation assistance

Federal Transit Administration (FTA) Grants for Public Transit Assistance

Total: \$30.5 billion

Recipient: U.S. Department of Transportation through existing formulas (5307, 5309, 5310, 5311).

Purpose: Critical COVID-19 emergency funding to help public transit agencies continue to provide a lifeline to essential workers, ensure Americans can get to vaccine distribution sites, and advance communities' efforts across the country to rebuild our nation's economy. Funding must be obligated by September 30, 2024 and disbursed by September 30, 2029.

The relief funds will be distributed as follows, at 100percent federal share:

- \$26.6 billion to be allocated by statutory formulas to [urbanized](#) and [rural](#) areas and [tribal governments](#).
- \$2.2 billion to FTA grant recipients in communities that demonstrate additional pandemic-associated needs.
- \$1.675 billion for projects in the [Capital Investment Grants \(CIG\) Program](#).
- \$50 million under the [Enhanced Mobility of Seniors and Individuals with Disabilities formula program](#).
- \$25 million for competitive planning grants.

Funding is available for:

- Payroll and operations, unless the recipient certifies that it has not furloughed any employees;
- Payroll for public transit providers, including private providers of public transportation;
- Operating costs of public transit during the public health emergency, including the purchase of personal protective equipment (PPE);
- Administrative leave for operations or contractor personnel due to reductions in service.

Looking forward: For more information on FTA Assistance, please see a fact sheet [here](#) and estimated allocations from FTA [here](#). Per the FTA, the Chicago region is set to receive:

- Chicago, IL-IN is set to receive \$1.495 billion in Urbanized Area Formula Funding (Section 5307).
- Round Lake Beach-McHenry-Grayslake, IL-WI is set to receive \$4.9 million in Urbanized Area Formula Funding (Section 5307).
- Chicago, IL-IN is set to receive \$1.190 million in Enhanced Mobility Formula Funding (Section 5310).
- Round Lake Beach-McHenry-Grayslake, IL-WI is set to receive \$37,000 in Enhanced Mobility Formula Funding (Section 5310).
- Illinois is set to receive \$2.6 million in Intercity Bus Formula Funding (Section 5311).



- The CTA's Chicago, Red and Purple Modernization Phase 1 is set to receive \$30.650million in Capital Investment Grant funding.
- The South Shore Line's Double Track Northwest Indiana Project (Gary, IN) is set to receive \$24.5 million in Capital Investment Grant funding.
- The NICTD's West Lake Corridor Project (Lake County, IN) is set to receive \$44 million in Capital Investment Grant funding.

Environmental assistance

NEW Environmental Justice Grants

Total: \$50 million

Direct recipients/administrator: U.S. Environmental Protection Agency (EPA) administers grants. Still unclear who will be eligible for this funding as it is tied to various EPA programs. Grants will be targeted to applicants supporting minority and low-income populations.

Purpose: For grants, contracts, and other agency activities that identify and address disproportionate environmental or public health harms and risks in minority populations or low-income populations under various EPA programs, including the retrofit or replacement of diesel engines or equipment, the cleanup and redevelopment of brownfields sites, and technical assistance for small community water systems. Funds remain available until expended.

Looking forward: The deadline for these grants is June 1, 2021. Available environmental justice grant information can be found [here](#).

- \$7.3 million of this funding was recently released and open for applications.
- This funding is primarily geared toward community-based organizations with half the funding (\$3.6 million) set-aside for small non-profit organizations defined as organizations with 10 or fewer full-time employees as of the time of application submission and award.
- Proposed projects should include activities designed to engage, educate, and empower communities to understand the local environmental and public health issues and to identify ways to address these issues at the local level.
- EPA anticipates awarding approximately 100 grants nationwide (approximately 10 per EPA region) in amounts of up to \$75,000 per award.

Air Quality Monitoring Grants

Total: \$50 million

Direct recipients/administrator: U.S. Environmental Protection Agency (EPA) administers grants to air pollution control agencies.

Purpose: Fund grants and activities authorized under the Clean Air Act (42 U.S. Code § 7405) related to air quality monitoring and the prevention and control of air pollution.



The term "air pollution control agency" means any of the following:

- A single state agency designated by the governor of that state as the official state air pollution control agency for purposes of this chapter.
- An agency established by two or more states and having substantial powers or duties pertaining to the prevention and control of air pollution.
- A city, county, or other local government health authority, or, in the case of any city, county, or other local government in which there is an agency other than the health authority charged with responsibility for enforcing ordinances or laws relating to the prevention and control of air pollution, such other agency.
- An agency of two or more municipalities located in the same state or in different states and having substantial powers or duties pertaining to the prevention and control of air pollution.

Looking forward: Still unclear when or how this program will be implemented. As of April 13, not yet mentioned on EPA's website. Available EPA grant information can be found [here](#).

Economic development assistance

Economic Adjustment Assistance (EAA) Grants

Total: \$3 billion

Direct recipients/administrator: Economic Development Administration (EDA) administers EAA grants to state and local governmental entities, institutions of higher education, and not for-profit entities.

Purpose: The EAA program provides a wide range of technical, planning, and public works and infrastructure assistance in regions experiencing adverse economic changes that may occur suddenly or over time. To remain available until September 30, 2022.

Under EAA, grants provide a wide range of financial assistance to eligible communities and regions as they respond to and recover from the impacts of the coronavirus pandemic. Under the Coronavirus Aid, Relief, and Economic Security Act, and likely continued under ARPA, the EAA program supports planning and technical assistance, (re) capitalization of revolving loan funds, construction of infrastructure and other economic development projects, and innovation grants.

Twenty-five percent or \$750 million shall be for assistance to states and communities that have suffered economic injury as a result of job and gross domestic product losses in the travel, tourism, or outdoor recreation sectors.

Looking forward: As of April 13, still unclear on how ARPA funding will roll out. No information has been included on the EDA website. EDA will have funding opportunities on its website [here](#).



Small business assistance

NEW Restaurant Revitalization Fund (RRF)

Total: \$28.6 billion

Direct recipients/administrator: Administered by the Small Business Administration (SBA) directly to small business applicants.

Purpose: To provide grants for restaurants sustaining financial losses due to the COVID-19 pandemic. Open to entities that own a place of business where the public or patrons assemble for the primary purpose of being served food or drink. The covered period for what expenses can be paid by the grant must be incurred between February 15, 2020, to December 31, 2021.

ARPA explicitly names the following types of establishments that should be eligible: “restaurant, food stand, food truck, food cart, caterer, saloon, inn, tavern, bar, lounge, brewpub, tasting room, taproom, licensed facility or premise of a beverage alcohol producer where the public may taste, sample, or purchase products.”

Any restaurant or bar that is part of a publicly-traded company or owned by a state or local government is not eligible to apply. Also, owners that operate more than 20 restaurants are ineligible. If you are the owner of a franchise and you do not control more than 20 locations, you are likely eligible to apply.

For businesses in operation for all of 2019 and 2020, the maximum grant size will be \$5 million for restaurants and \$10 million for restaurant groups. Grant funds will not be taxed like income. The RRF grants are only able to be used on specific expenses, which include: payroll costs; payments of principal or interest on any mortgage obligation; rent payments, including rent under a lease agreement; utilities; maintenance, including new outdoor seating construction; supplies, including PPE and cleaning materials; food and beverage inventory; covered supplier costs; operational expenses; paid sick leave; and any other expense SBA says is essential to maintain operations.

Looking forward: The Restaurant Revitalization Fund is currently open to applicants [here](#). More information on the program from the National Restaurant Association can be found [here](#).

NEW Shuttered Venue Operators Grant (SVOG) Assistance

Total: \$1.25 billion in new ARPA funding, but the program includes over \$16 billion in grants to shuttered venues.

Direct recipients/administrator: Administered by the Small Business Administration (SBA) directly to small business applicants.

Purpose: SVOG assistance is for venues that were severely impacted by the COVID-19 pandemic.



Eligible entities may be live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators, and talent representatives, per the Economic Aid Act. Additionally, entities of these types owned by state or local governments (for example, museums or historic homes) are eligible to apply if the governmental-owned entity also acts solely as a venue operator, museum, etc. and does not also include other types of entities. Finally, each subsidiary business owned by an eligible entity that also meets the eligibility requirements on its own rights will qualify as an eligible entity.

Eligible applicants may qualify for grants equal to 45 percent of their gross earned revenue, with the maximum amount available for a single grant award of \$10 million. \$2 billion is reserved for eligible applications with up to 50 full-time employees.

Allowable use of funds for SVOG are payroll costs; rent payments; utility payments; scheduled mortgage payments (not including prepayment of principal); scheduled debt payments (not including prepayment of principal on any indebtedness incurred in the ordinary course of business prior to February 15, 2020); worker protection expenditures; payments to independent contractors (not to exceed \$100,000 in annual compensation per contractor); other ordinary and necessary business expenses, including maintenance costs; administrative costs (including fees and licensing); state and local taxes and fees; operating leases in effect as of February 15, 2020; insurance payments and advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production (may not be primary use of funds).

The business must have been in operation as of February 29, 2020. While entities originally were prohibited from receiving both forms of SBA assistance, the American Rescue Plan Act, which became law on March 11, 2021, removed this restriction. Venue or promoter who received a paycheck protection program (PPP) loan on or after December 27, 2020, will have the SVOG reduced by the PPP loan amount. However, under the law, entities will be ineligible for a PPP loan AFTER they receive an SVOG.

Looking forward: The SVOG program is currently open to applicants [here](#).

There is a priority system in place for how grants will be distributed:

- First priority (First 14 days of grant awards): Entities that suffered a 90 percent or greater revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.
- Second priority (Next 14 days of grant awards): Entities that suffered a 70 percent or greater revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.
- Third priority (beginning 28 days after first and second priority awards are made): Entities that suffered a 25 percent or greater earned revenue loss between one quarter of 2019 and the corresponding quarter of 2020.



- Supplemental funding (available after all priority periods have passed): Recipients of first, second, and third priority round awards who suffered a 70 percent or greater revenue loss for the most recent calendar quarter (as of April 1, 2021, or later).

NEW Community Navigator Pilot Program

Total: \$100 million

Direct recipients/administrator: Small Business Administration (SBA) will make grants to, or enter into contracts or cooperative agreements with, private nonprofit organizations, resource partners, states, and units of local government to ensure the delivery of free community navigator services to current or prospective owners of eligible businesses in order to improve access to assistance programs and resources made available because of the COVID-19 pandemic by federal, state, and local entities.

Purpose: To leverage existing community partners to enhance outreach to underserved communities across the country.

Grants will be targeted to women-owned businesses and businesses owned by Native Americans and other under-served communities. Funding will remain available through Sept. 30, 2022.

Looking forward: More information on Community Navigators can be found [here](#).

State Small Business Credit Initiative (SSBCI)

Total: \$10 billion

Direct recipients/administrator: U.S. Department of the Treasury will fund state small business credit support and investment programs. Illinois is estimated to receive \$282 million.

Purpose: For state governments to leverage private capital to support recovering and emerging businesses after the pandemic.

The Treasury secretary will set aside \$1 billion for an incentive program under which the secretary shall increase the second 1/3 and last 1/3 allocations for states that demonstrate robust support for business concerns owned and controlled by socially and economically disadvantaged individuals in the deployment of prior allocation amounts.

Looking forward: Applications due for states, territories, and tribal governments on December 11, 2021. More information on the program can be found [here](#). The funding for this program would likely flow through Illinois' Advantage Illinois [program](#).



Housing assistance

NEW Homeowner Assistance Fund (HAF)

Total: \$9.961 billion

Direct recipients/administrator: States, territories, and tribes must request funds, and the Treasury Department must start making payments, by 45 days after (April 25) the law was enacted on March 11, 2021. Illinois (each state) will receive a minimum of \$50 million.

Purpose: The purpose of the HAF is to prevent homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and homeowner displacement.

The HAF can be applied for qualified expenses, including mortgage payment assistance; funds to help a homeowner reinstate a mortgage or to pay other housing related costs from a period of forbearance, delinquency, or default; principal reduction; interest rate reductions; and payment assistance for utilities, internet service, property, flood or mortgage insurance, and homeowner association fees, condominium association fees, or common charges.

The funds must be used by September 30, 2025. Payments also can be used to reimburse states or local governments for funds spent starting on January 21, 2020 and prior to receipt of any monies from the HAF, for providing housing or utility payment assistance to homeowners or other support to prevent foreclosure or post-foreclosure eviction, mortgage delinquency, or loss of housing or utilities due to COVID-19.

Looking forward: On April 14, the Treasury released [guidance](#) stating that the state of Illinois was set to receive an allocation of \$386.9 million. More information on the fund from the Treasury can be found [here](#). An FAQ with more information on this new fund can be found [here](#). As of May 18, the fund has not been posted by the state of Illinois. More information on COVID-19 housing assistance in Illinois can be found [here](#).

Emergency Rental Assistance Program (ERAP)

Total: \$21.550 billion

Direct recipients/administrator: U.S. Department of the Treasury payments to states.

Purpose: To assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. Renters and landlords seeking access to rental assistance should apply directly to the local program in their area.

\$18.712 billion is reserved for funding to states and eligible units of local governments over 200,000 in population, and \$2.5 billion is reserved for high-need grantees. High-need grantees are low-income renter households paying more than 50 percent of income on rent or living in substandard or overcrowded conditions, rental market costs, and change in employment since February 2020.



Looking forward: More information on ERAP from the U.S. Treasury can be [found here](#) and from Illinois can be found [here](#). An FAQ on the Illinois program can be found [here](#).

Emergency Housing Vouchers

Total: \$5 billion

Direct recipients/administrator: U.S. Housing and Urban Development (HUD) will notify public housing agencies the number of emergency vouchers provided under ARPA by early May. Funding remains available until September 30, 2030.

Purpose: Vouchers are targeted at individuals and households that are either experiencing or at risk of homelessness, as well as survivors of domestic violence or human trafficking.

Looking forward: As of April 13, housing voucher information has not been released and will be announced in “the coming weeks.”

Homelessness Assistance via the HOME Investment Partnerships Program

Total: \$10 billion

Direct recipients/administrator: U.S. Housing and Urban Development (HUD) provides formula grants to states and localities that use HOME - often in partnership with local nonprofit groups.

Purpose: To help create housing and services for people experiencing or at risk of homelessness.

Funds a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. Funding remains available until September 30, 2025.

Looking forward: Allocation of these funds was announced on April 8 [here](#) and list of allocations can be found by state [here](#).

Utility assistance

NEW Low Income Household Water Assistance Program (LIHWAP)

Total: \$500 million

Direct recipients/administrator: U.S. Health and Human Services grants to states.

Purpose: To assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services, by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services.

Funding allotments determined by the percentage of households in states with income equal or less than 150 percent of the federal poverty line, and the percentage of households in the states that spend more than 30 percent of monthly income on housing.



Looking forward: It is unclear when this funding will be distributed and how much Illinois will receive. States are required to submit their intent to create a state plan for the new program by April 15, 2021. Information regarding LIHWAP can be found on the HHS website [here](#).

Additional Funding for the Low-Income Home Energy Assistance Program (LIHEAP)

Total: \$4.5 billion

Direct recipients/administrator: U.S. Department of the Treasury sends funds to the state LIHEAP program, then administered by local county agencies and the city of Chicago.

Purpose: LIHEAP helps eligible low-income households pay for home energy services (primarily heating during winter months).

Illinois residents with a household income that does not exceed an amount determined annually by the Department of Commerce are eligible. Annual eligibility levels are determined based on available funding and may not exceed 200 percent of the federal poverty level. Funding is available through September 30, 2022.

Looking forward: Eligible recipients can find more information on where to apply for LIHEAP [here](#).

General assistance

UPDATED Funeral Assistance

Total: The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 appropriated \$2 billion dollars for this program and the ARPA made changes to increase eligibility flexibility.

Direct recipients/administrator: Federal Emergency Management Agency (FEMA) directly to applicants by calling the COVID-19 Funeral Assistance Line at 844-684-6333.

Purpose: Financial assistance to an individual or household to meet disaster-related funeral expenses for a death that occurred after January 20, 2020 due to COVID-19. Death certificate must indicate COVID-19. FEMA began accepting applications on April 12.

Looking forward: If eligible for funeral assistance applicants will receive a check by mail or funds by direct deposit. More information can be found via this [website](#).

