

116TH CONGRESS
1ST SESSION

S. 2684

To require Community Development Block Grant and Surface Transportation Block Grant recipients to develop a strategy to support inclusive zoning policies, to allow for a credit to support housing affordability, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 23, 2019

Mr. BOOKER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To require Community Development Block Grant and Surface Transportation Block Grant recipients to develop a strategy to support inclusive zoning policies, to allow for a credit to support housing affordability, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Housing, Opportunity,
5 Mobility, and Equity Act of 2019”.

1 **SEC. 2. REQUIREMENT FOR CDBG GRANTEES.**

2 Section 104 of the Housing and Community Develop-
3 ment Act of 1974 (42 U.S.C. 5304) is amended by adding
4 at the end the following:

5 “(n) STRATEGY TO INCREASE THE AFFORDABLE
6 HOUSING STOCK.—

7 “(1) IN GENERAL.—Each grantee receiving as-
8 sistance under this title shall—

9 “(A) include in the consolidated plan re-
10 quired under part 91 of title 24, Code of Fed-
11 eral Regulations (or any successor thereto), a
12 strategy to support new inclusive zoning poli-
13 cies, programs, or regulatory initiatives that
14 create a more affordable, elastic, and diverse
15 housing supply and thereby increase economic
16 growth and access to jobs and housing; and

17 “(B) implement the strategy described in
18 subparagraph (A) and demonstrate continuous
19 progress in advancing the goals described in
20 section (2)(A), and include that implementation
21 and progress in the annual performance report
22 submitted under section 91.520 of title 24,
23 Code of Federal Regulations (or any successor
24 thereto).

25 “(2) INCLUSIONS.—The strategy under para-
26 graph (1) shall—

1 “(A) demonstrate—

2 “(i) transformative activities in com-
3 munities that—

4 “(I) reduce barriers to housing
5 development, including affordable
6 housing; and

7 “(II) increase housing supply af-
8 fordability and elasticity; and

9 “(ii) strong connections between hous-
10 ing, transportation, and workforce plan-
11 ning;

12 “(B) include, as appropriate, policies relat-
13 ing to inclusive land use, such as—

14 “(i) for the purpose of adding afford-
15 able units, increasing both the percentage
16 and absolute number of affordable units—

17 “(I) authorizing high-density and
18 multifamily zoning;

19 “(II) eliminating off-street park-
20 ing requirements;

21 “(III) establishing density bo-
22 nuses, defined as increases in per-
23 mitted density of a housing develop-
24 ment conditioned upon the inclusion

1 of affordable housing in the develop-
2 ment;

3 “(IV) streamlining or shortening
4 permitting processes and timelines;

5 “(V) removing height limitations;

6 “(VI) establishing by-right devel-
7 opment, defined as the elimination of
8 discretionary review processes when
9 zoning standards are met;

10 “(VII) using property tax abate-
11 ments; and

12 “(VIII) relaxing lot size restric-
13 tions;

14 “(ii) prohibiting source of income dis-
15 crimination;

16 “(iii) taxing vacant land or donating
17 vacant land to nonprofit developers;

18 “(iv) allowing accessory dwelling
19 units;

20 “(v) establishing development tax or
21 value capture incentives; and

22 “(vi) prohibiting landlords from ask-
23 ing prospective tenants for their criminal
24 history;

1 “(C) provide that affordable housing units
2 should, to the maximum extent practicable, and
3 unless alternate policies would result in more
4 rapid progress toward and achievement of the
5 goals described in subparagraph (A)—

6 “(i) be designated as affordable for
7 the useful life of the units;

8 “(ii) require that a proportion of the
9 new housing stock in the community is at
10 least as great as the percentage of the pop-
11 ulation of the community requiring such
12 units in order to not be an eligible indi-
13 vidual under section 36A of the Internal
14 Revenue Code; and

15 “(iii) be accessible to the population
16 served by the program established under
17 this title; and

18 “(D) where applicable, specify how the
19 strategy will increase affordable housing options
20 for individuals living in—

21 “(i) rural areas;

22 “(ii) persistent poverty counties, de-
23 fined as any county with a poverty rate of
24 not less than 20 percent, as determined in
25 each of the 1990 and 2000 decennial cen-

1 suses, and in the Small Area Income and
2 Poverty Estimates by the Bureau of the
3 Census for the most recent year for which
4 the estimates are available; and

5 “(iii) high-poverty areas, defined as
6 any census tract with a poverty rate of not
7 less than 20 percent as measured by the
8 2013–2017 5-year data series available
9 from the American Community Survey of
10 the Bureau of the Census.”.

11 **SEC. 3. REQUIREMENT FOR SURFACE TRANSPORTATION**
12 **BLOCK GRANT PROGRAM.**

13 Section 133 of title 23, United States Code, is
14 amended—

15 (1) by redesignating subsection (i) as subsection
16 (j); and

17 (2) by inserting after subsection (h) the fol-
18 lowing:

19 “(i) IMPLEMENTATION OF AFFORDABLE HOUSING
20 STRATEGY.—A project under this section may not be car-
21 ried out unless the community in which the project is lo-
22 cated has implemented a strategy to increase affordable
23 housing stock as described in subsection (n) of section 104
24 of the Housing and Community Development Act of 1974
25 (42 U.S.C. 5304).”.

1 **SEC. 4. REFUNDABLE CREDIT FOR RENT COSTS OF ELIGI-**
 2 **BLE INDIVIDUALS.**

3 (a) IN GENERAL.—Subpart C of part IV of sub-
 4 chapter A of chapter 1 of the Internal Revenue Code of
 5 1986 is amended by inserting after section 36 the fol-
 6 lowing new section:

7 **“SEC. 36A. RENT COSTS OF ELIGIBLE INDIVIDUALS.**

8 “(a) IN GENERAL.—In the case of an eligible indi-
 9 vidual, there shall be allowed as a credit against the tax
 10 imposed by this subtitle for the taxable year an amount
 11 equal to the excess of—

12 “(1) the lesser of—

13 “(A) the small area fair market rent (or,
 14 if the small area fair market rent is not avail-
 15 able, the fair market rent), including the utility
 16 allowance, published by the Department of
 17 Housing and Urban Development for purposes
 18 of the housing choice voucher program under
 19 section 8(o) of the United States Housing Act
 20 of 1938 (42 U.S.C. 1437f(o))—

21 “(i) in the case of a one-individual
 22 household, for an efficiency, and

23 “(ii) in the case of a household com-
 24 prised of more than one individual, for a
 25 residence the number of bedrooms in which
 26 would not require—

1 “(I) more than two members of
2 the household of the individual to
3 share a bedroom,

4 “(II) children of different gen-
5 ders to share a bedroom, or

6 “(III) a household member with
7 a disability requiring medical equip-
8 ment to share a bedroom, or

9 “(B) the rent paid during the taxable year
10 by the individual (and, if married, the individ-
11 ual’s spouse) for the principal residence of the
12 individual, over

13 “(2) an amount equal to 30 percent of the ad-
14 justed gross income of the taxpayer for the taxable
15 year.

16 “(b) ELIGIBLE INDIVIDUAL.—For purposes of this
17 section—

18 “(1) IN GENERAL.—The term ‘eligible indi-
19 vidual’ means any individual if the rent paid during
20 the taxable year by the individual (and, if married,
21 the individual’s spouse) for the principal residence of
22 the individual exceeds 30 percent of the adjusted
23 gross income of the taxpayer for the taxable year.

24 “(2) EXCEPTIONS.—Such term shall not in-
25 clude any individual if—

1 “(A) the individual does not include on the
2 return of tax for the taxable year such individ-
3 ual’s taxpayer identification number and, if
4 married, the taxpayer identification number of
5 such individual’s spouse, or

6 “(B) a deduction under section 151 with
7 respect to such individual is allowable to an-
8 other taxpayer for the taxable year.

9 “(3) MARRIED INDIVIDUALS.—Such term shall
10 include an individual who is married only if a joint
11 return is filed for the taxable year.

12 “(4) SPECIAL RULES.—

13 “(A) PRINCIPAL RESIDENCE.—The term
14 ‘principal residence’ has the same meaning as
15 when used in section 121.

16 “(B) MARRIED.—Marital status shall be
17 determined under section 7703.

18 “(c) RENT.—For purposes of this section, rent paid
19 includes any amount paid for utilities of a type taken into
20 account for purposes of determining the utility allowance
21 under section 42(g)(2)(B)(ii).

22 “(d) COORDINATION WITH CERTAIN MEANS-TESTED
23 PROGRAMS.—Rules similar to the rules of section 32(l)
24 shall apply to refunds made by reason of this section.

1 “(e) RECONCILIATION OF CREDIT AND ADVANCE
 2 PAYMENTS.—The amount of the credit allowed under this
 3 section for any taxable year shall be reduced (but not
 4 below zero) by the aggregate amount of any advance pay-
 5 ments of such credit under section 7527A for such taxable
 6 year.”.

7 (b) ADVANCE PAYMENT OF RENTAL COSTS TAX
 8 CREDIT.—

9 (1) IN GENERAL.—Chapter 77 of the Internal
 10 Revenue Code of 1986 is amended by inserting after
 11 section 7527 the following new section:

12 **“SEC. 7527A. ADVANCE PAYMENT OF RENTAL COSTS TAX**
 13 **CREDIT.**

14 “(a) IN GENERAL.—Not later than 6 months after
 15 the date of the enactment of the Housing, Opportunity,
 16 Mobility, and Equity Act of 2019, the Secretary shall es-
 17 tablish a program for making advance payments of the
 18 credit allowed under section 36A on a monthly basis (de-
 19 termined without regard to subsection (e) of such section)
 20 to any taxpayer who—

21 “(1) the Secretary has determined, in the man-
 22 ner provided in subsection (c), will be allowed such
 23 credit for the taxable year, and

24 “(2) has made an election under subsection (d).

25 “(b) AMOUNT OF ADVANCE PAYMENT.—

1 “(1) IN GENERAL.—For purposes of subsection
2 (a), the amount of the monthly advance payment of
3 the credit provided to a taxpayer during the applica-
4 ble period shall be equal to the lesser of—

5 “(A) an amount equal to—

6 “(i) the amount of the credit which
7 the Secretary has estimated, in the manner
8 provided in subsection (c), will be allowed
9 to such taxpayer under section 36A for the
10 taxable year ending in such applicable pe-
11 riod, divided by

12 “(ii) 12, or

13 “(B) such other amount as is elected by
14 the taxpayer.

15 “(2) APPLICABLE PERIOD.—For purposes of
16 this section, the term ‘applicable period’ means the
17 12-month period from the month of July of the tax-
18 able year through the month of June of the subse-
19 quent taxable year.

20 “(c) MANNER OF DETERMINING ELIGIBILITY.—The
21 Secretary shall determine eligibility for the credit under
22 section 36A, and the estimated amount of such credit,
23 based on the taxpayer’s adjusted gross income for the pre-
24 ceding taxable year, the mean fair market rental amount
25 with respect to the individual for such preceding year, and

1 the rent paid during such preceding year by the individual
2 (and, if married, the individual's spouse) for the principal
3 residence of the individual. Any terms used in this sub-
4 section which are also used in section 36A shall have the
5 same meaning as when used in such section.

6 “(d) ELECTION OF ADVANCE PAYMENT.—A taxpayer
7 may elect to receive an advance payment of the credit al-
8 lowed under section 36A for any taxable year by including
9 such election on a timely filed return for the preceding
10 taxable year.

11 “(e) INTERNAL REVENUE SERVICE NOTIFICATION.—
12 The Internal Revenue Service shall take such steps as may
13 be appropriate to ensure that taxpayers who are eligible
14 to receive the credit under section 36A are aware of the
15 availability of the advance payment of such credit under
16 this section.

17 “(f) AUTHORITY.—The Secretary may prescribe such
18 regulations or other guidance as may be appropriate or
19 necessary for the purposes of carrying out this section.”.

20 (c) CLERICAL AMENDMENTS.—

21 (1) The table of sections for subpart C of part
22 IV of subchapter A of chapter 1 of the Internal Rev-
23 enue Code of 1986 is amended by inserting after the
24 item relating to section 36 the following new item:

“Sec. 36A. Rent costs of eligible individuals.”.

1 (2) The table of sections for chapter 77 of such
2 Code is amended by inserting after the item relating
3 to section 7527 the following new item:

“Sec. 7527A. Advance payment of rental costs tax credit.”.

4 (d) CONFORMING AMENDMENT.—Section
5 6211(b)(4)(A) of the Internal Revenue Code of 1986 is
6 amended by inserting “, 36A” after “36”.

7 (e) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 the date of the enactment of this Act.

10 (f) REPORT.—Not later than 2 years after the date
11 of the enactment of this Act, the Secretary of the Treasury
12 shall submit to Congress a report on the credit allowed
13 under section 36A of the Internal Revenue Code of 1986
14 (as added by subsection (a)) and the advance payment of
15 such credit under section 7527A of such Code (as added
16 by subsection (b)), including on whether taxpayers are
17 fraudulently claiming such credit or advance payments.

18 **SEC. 5. REFUND TO RAINY DAY SAVINGS PROGRAM.**

19 (a) IN GENERAL.—Not later than December 31,
20 2019, the Secretary of the Treasury or the Secretary’s del-
21 egate (referred to in this section as the “Secretary”) shall
22 establish and implement a program (referred to in this
23 section as the “Refund to Rainy Day Savings Program”)
24 to allow a participating taxpayer, pursuant to the require-
25 ments established under this section, to defer payment on

1 20 percent of the amount which would otherwise be re-
2 funded to such taxpayer as an overpayment (as described
3 in section 6401 of the Internal Revenue Code of 1986).

4 (b) PERIOD OF DEFERRAL.—Except as provided
5 under subsection (c)(5), a participating taxpayer may elect
6 to defer payment of the amount described in subsection
7 (a) and have such amount deposited in the Rainy Day
8 Fund (as described in subsection (c)).

9 (c) RAINY DAY FUND.—

10 (1) IN GENERAL.—The Secretary shall establish
11 a fund, in such manner as the Secretary determines
12 to be appropriate, to be known as the “Rainy Day
13 Fund”, consisting of any amounts described in sub-
14 section (a) on which payment has been deferred by
15 participating taxpayers.

16 (2) INVESTMENT.—Any amounts deposited in
17 the Rainy Day Fund shall be invested by the Sec-
18 retary, in coordination with the Bureau of the Fiscal
19 Service of the Department of the Treasury, in
20 United States Treasury bills issued under chapter
21 31 of title 31, United States Code, with maturities
22 suitable for the needs of the Fund and selected so
23 as to provide the highest return on investment for
24 participating taxpayers.

25 (3) DISBURSEMENTS FROM FUND.—

1 (A) IN GENERAL.—On the date that is 180
2 days after receipt of the individual income tax
3 return of a participating taxpayer, the amounts
4 in the Rainy Day Fund shall be made available
5 to the Secretary to distribute to such taxpayer
6 in an amount equal to the amount deferred by
7 such taxpayer under subsection (a) and any in-
8 terest accrued on such amount (as determined
9 under paragraph (4)).

10 (B) DISTRIBUTED TO BANK ACCOUNT.—
11 The amounts described in subparagraph (A)
12 shall be distributed to the bank account identi-
13 fied by the participating taxpayer under sub-
14 section (d)(3).

15 (4) INTEREST ACCRUED.—The amount of inter-
16 est accrued on the amount deferred by a partici-
17 pating taxpayer under subsection (a) shall be deter-
18 mined by the Secretary, in coordination with the Bu-
19 reau of the Fiscal Service of the Department of the
20 Treasury, based upon the return on the investment
21 of such amounts under paragraph (2).

22 (5) EARLY WITHDRAWAL.—

23 (A) IN GENERAL.—On any date during the
24 period between the date which is 30 days after
25 receipt by the Secretary of the individual in-

1 come tax return of the participating taxpayer
2 and October 15 of the applicable year, such tax-
3 payer may elect to terminate the deferral of the
4 amount described under subsection (a) and re-
5 ceive a distribution from the Rainy Day Fund
6 equal to such amount and any interest which
7 has accrued on such amount up to that date.

8 (B) COMPLETE WITHDRAWAL.—A partici-
9 pating taxpayer making an election under sub-
10 paragraph (A) must terminate deferral of the
11 full amount described under subsection (a), and
12 such amount shall be distributed to the bank
13 account identified by the participating taxpayer
14 under subsection (d)(3).

15 (d) PARTICIPATING TAXPAYER.—For purposes of
16 this section, the term “participating taxpayer” means a
17 taxpayer who—

18 (1) has not requested or received an extension
19 of the time for payment of taxes for such taxable
20 year under section 6161 of the Internal Revenue
21 Code of 1986;

22 (2) prior to the due date for filing the return
23 of tax for such taxable year, elects to participate in
24 the Refund to Rainy Day Savings Program; and

1 (3) provides the Secretary with a bank account
2 number and any other financial information deemed
3 necessary by the Secretary for purposes of para-
4 graphs (3)(B) and (5)(B) of subsection (c).

5 (e) FORMS.—The Secretary shall ensure that the
6 election to defer payment of the amount described in sub-
7 section (a) may be claimed on Forms 1040, 1040A, and
8 1040EZ.

9 (f) IMPLEMENTATION.—

10 (1) EDUCATIONAL MATERIALS AND OUT-
11 REACH.—The Secretary shall—

12 (A) design educational materials for tax-
13 payers regarding financial savings and the Re-
14 fund to Rainy Day Savings Program;

15 (B) publicly disseminate and distribute
16 such materials during the first calendar quarter
17 of each calendar year and following disburse-
18 ment of amounts described in subsection (c)(3);
19 and

20 (C) engage in outreach regarding the Re-
21 fund to Rainy Day Savings Program to the Vol-
22 unteer Income Tax Assistance program and
23 paid tax preparers.

24 (2) INFORMATION FOR PARTICIPATING TAX-
25 PAYERS.—The Secretary shall ensure that a partici-

1 participating taxpayer is able to electronically verify the
2 status of the amount deferred by such taxpayer
3 under subsection (a), including any interest accrued
4 on such amount and the status of any distribution.

5 (3) **FEDERALLY FUNDED BENEFITS.**—Any
6 amounts described in subsection (a) which are dis-
7 tributed to a participating taxpayer, including any
8 interest accrued on such amount, shall be treated in
9 the same manner as any refund made to such tax-
10 payer under section 32 of the Internal Revenue Code
11 of 1986 for purposes of determining the eligibility of
12 such taxpayer for benefits or assistance, or the
13 amount or extent of benefits or assistance, under
14 any Federal program or under any State or local
15 program financed in whole or in part with Federal
16 funds.

○