

116TH CONGRESS
2D SESSION

H. R. 7351

To amend the Internal Revenue Code of 1986 to provide a credit for low-income housing supportive services.

IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 2020

Mr. GOMEZ (for himself, Mr. PANETTA, Ms. SÁNCHEZ, Mr. THOMPSON of California, and Ms. JUDY CHU of California) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide
a credit for low-income housing supportive services.

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 “Opportunity Starts At
5 Home Act”.

6 **SEC. 2. CREDIT FOR LOW-INCOME HOUSING SUPPORTIVE**
7 **SERVICES.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 42 the fol-
 2 lowing new section:

3 **“SEC. 42A. CREDIT FOR CONTRIBUTIONS TO LOW-INCOME**
 4 **HOUSING SUPPORTIVE SERVICES.**

5 “(a) IN GENERAL.—For purposes of section 38, the
 6 amount of the low-income housing supportive services
 7 credit determined under this section for the applicable tax-
 8 able year is an amount equal to 25 percent of the qualified
 9 supportive housing contribution made by the taxpayer.

10 “(b) QUALIFIED SUPPORTIVE HOUSING CONTRIBU-
 11 TION.—For purposes of this section—

12 “(1) IN GENERAL.—The term ‘qualified sup-
 13 portive housing contribution’ means the total
 14 amount contributed in cash by the taxpayer to a
 15 qualified supportive housing reserve fund with re-
 16 spect to a qualified low-income building, determined
 17 as of the date the building is placed in service.

18 “(2) QUALIFIED SUPPORTIVE HOUSING RE-
 19 SERVE FUND.—The term ‘qualified supportive hous-
 20 ing reserve fund’ means, with respect to any quali-
 21 fied low-income building, a separate fund reserved
 22 exclusively for payment for qualified supportive serv-
 23 ices provided to tenants of the building pursuant to
 24 an extended supportive services commitment. The
 25 owner of such building shall designate an adminis-

1 trator to separately account for the amounts in the
2 fund in such manner as the Secretary may prescribe.

3 “(3) LIMITATIONS.—

4 “(A) IN GENERAL.—No amount attrib-
5 utable to any governmental grant, including
6 grants provided by the government of any
7 State, possession, tribe, or locality, shall be
8 taken into account under paragraph (1).

9 “(B) DOLLAR LIMITATION.—The total
10 qualified supportive housing contributions taken
11 into account under this section with respect to
12 any qualified low-income building shall not ex-
13 ceed—

14 “(i) \$120,000, multiplied by

15 “(ii) the number of low-income units
16 in the building which are occupied at the
17 close of the applicable taxable year.

18 “(c) APPLICABLE TAXABLE YEAR.—For purposes of
19 this section, the term ‘applicable taxable year’ means the
20 1st taxable year in the credit period with respect to the
21 qualified low-income building described in subsection
22 (b)(1).

23 “(d) QUALIFIED SUPPORTIVE SERVICES.—For pur-
24 poses of this section, the term ‘qualified supportive serv-
25 ices’ means services—

1 “(1) provided by the owner of a qualified low-
2 income building (directly or through contracts with
3 a third-party service provider) to tenants of the
4 building,

5 “(2) which include health services (including
6 mental health services), coordination of tenant bene-
7 fits, job training, financial counseling, resident en-
8 gagement services, or services the principal purpose
9 of which is to help tenants retain permanent hous-
10 ing, or such other services as the Secretary may by
11 regulation provide,

12 “(3) which are provided at no cost to tenants,
13 and

14 “(4) usage of or participation in which is not
15 required for tenants.

16 Such term includes reasonable and necessary measures for
17 the provision of such services, including measures to en-
18 gage tenants in and coordinate such services and measures
19 required to obtain the certification described in subsection
20 (e)(4).

21 “(e) EXTENDED SUPPORTIVE SERVICES COMMIT-
22 MENT.—The term ‘extended supportive services commit-
23 ment’ means any agreement between the owner of a quali-
24 fied low-income building and the housing credit agency
25 which—

1 “(1) requires that amounts in a qualified sup-
2 portive housing reserve fund are spent exclusively on
3 the provision of qualified supportive services to ten-
4 ants of such building,

5 “(2) requires that the amounts in such fund be
6 spent entirely during the extended use period, and
7 provides for the manner in which such spending will
8 be distributed across such period,

9 “(3) requires the designation of 1 or more indi-
10 viduals to engage tenants regarding and coordinate
11 delivery of qualified supportive services,

12 “(4) requires the maintenance of an appro-
13 priate certification, as determined by the Secretary
14 after consultation with housing credit agencies, for
15 qualified supportive services, subject to recertifi-
16 cation at least once every 5 years,

17 “(5) requires appropriate annual reporting to
18 the housing credit agency on expenditures and out-
19 comes, as determined by such agency, and

20 “(6) is binding on all successors in ownership of
21 such building.

22 “(f) RECAPTURE OF QUALIFIED SUPPORTIVE HOUS-
23 ING RESERVE AMOUNTS.—

24 “(1) IN GENERAL.—If the owner of a qualified
25 low-income building is determined to be noncompli-

1 ant with the extended supportive services commit-
2 ment or extended low-income housing commitment
3 with respect to such building, any remaining
4 amounts in the qualified supportive housing reserve
5 fund with respect to such building shall be trans-
6 ferred to the housing credit agency.

7 “(2) USE OF REPAYMENTS.—A housing credit
8 agency shall use any amount received pursuant to
9 paragraph (1) only for purposes of qualified low-in-
10 come buildings.

11 “(g) SPECIAL RULES.—

12 “(1) IN GENERAL.—Notwithstanding any other
13 provision of this section, no credit shall be allowed
14 under this section for any taxable year with respect
15 to any qualified low-income building unless—

16 “(A) the building has received an alloca-
17 tion of the low-income housing credit under sec-
18 tion 42 by a housing credit agency which is ap-
19 proved by the governmental unit (in accordance
20 with rules similar to the rules of section
21 147(f)(2) (other than subparagraph (B)(ii)
22 thereof)) of which such agency is a part,

23 “(B) the housing credit agency sets forth
24 selection criteria to determine appropriate, evi-
25 dence-based supportive services and provides a

1 procedure that the agency (or an agent or other
2 private contractor of such agency) will follow in
3 monitoring for noncompliance with the provi-
4 sions of this section and in reporting such non-
5 compliance to the Secretary,

6 “(C) an extended low-income housing com-
7 mitment is in effect with respect to such build-
8 ing as of the end of such taxable year,

9 “(D) an extended supportive services com-
10 mitment is in effect with respect to such build-
11 ing as of the end of such taxable year, and

12 “(E) appropriate books and records for
13 itemized expenses and expenditures with respect
14 to the qualified supportive housing reserve fund
15 are maintained on an annual basis, and are
16 available for inspection upon request by the
17 housing credit agency.

18 “(2) DENIAL OF DOUBLE BENEFIT.—The de-
19 ductions otherwise allowed under this chapter for the
20 taxable year shall be reduced by the amount of the
21 credit allowed under this section for such taxable
22 year.

23 “(h) DEFINITIONS.—Any term used in this section
24 which is also used in section 42 shall have the same mean-
25 ing as when used in such section.”.

1 (b) CREDIT TO BE PART OF GENERAL BUSINESS
2 CREDIT.—

3 (1) IN GENERAL.—Section 38(b) of the Internal
4 Revenue Code of 1986 is amended by striking
5 “plus” at the end of paragraph (32), by striking the
6 period at the end of paragraph (33) and inserting “,
7 plus”, and by adding at the end the following new
8 paragraph:

9 “(34) the low-income housing supportive serv-
10 ices credit determined under section 42A(a).”.

11 (2) TREATMENT AS SPECIFIED CREDIT.—
12 Clause (iii) of section 38(c)(4)(B) of such Code is
13 amended by inserting “, and the credit determined
14 under section 42A” after “2007”.

15 (c) TREATMENT FOR PURPOSES OF TAX ON BASE
16 EROSION PAYMENTS.—Paragraph (4) of section 59A(b)
17 of the Internal Revenue Code of 1986 is amended by re-
18 designating subparagraphs (B) and (C) as subparagraphs
19 (C) and (D), respectively, and by inserting after subpara-
20 graph (A) the following new subparagraph:

21 “(B) the low-income housing supportive
22 services credit determined under section
23 42A(a),”.

24 (d) PASSIVE ACTIVITY CREDITS.—

1 (1) IN GENERAL.—Section 469 of the Internal
2 Revenue Code of 1986 is amended by striking “42”
3 each place it appears in subsections (i)(3)(C),
4 (i)(6)(B)(i), and (k)(1) and inserting “42 or 42A”.

5 (2) CONFORMING AMENDMENTS.—The head-
6 ings of subsections (i)(3)(C) and (i)(6)(B) of section
7 469 of such Code are each amended by striking
8 “CREDIT” and inserting “CREDITS”.

9 (e) CLERICAL AMENDMENT.—The table of sections
10 for subpart D of part IV of subchapter A of chapter 1
11 of the Internal Revenue Code of 1986 is amended by in-
12 serting after the item relating to section 42 the following
13 new item:

“Sec. 42A. Credit for contributions to low-income housing supportive services.”.

14 (f) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to buildings placed in service after
16 December 31, 2020.

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