115th Congress
2d Session
H. R. 7050

To require Community Development 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 HOUSE OF REPRESENTATIVES
October 9, 2018

Mr. CLYBURN introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL

To require Community Development 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Housing, Opportunity, Mobility, and Equity Act of 2018”.
SEC. 2. REQUIREMENT FOR CDBG GRANTEES.

Section 104 of the Housing and Community Development Act of 1974 (42 U.S.C. 5304) is amended by adding at the end the following:

“(n) Strategy To Increase the Affordable Housing Stock.—

“(1) In general.—Each grantee receiving assistance under this title shall—

“(A) include in the consolidated plan required under part 91 of title 24, Code of Federal Regulations (or any successor thereto) a strategy to support new inclusive zoning policies, programs, or regulatory initiatives that create a more affordable, elastic, and diverse housing supply and thereby increase economic growth and access to jobs and housing; and

“(B) include in the annual performance report submitted under section 91.520 of title 24, Code of Federal Regulations (or any successor thereto) the progress and implementation of the strategy described in subparagraph (A).

“(2) Inclusions.—The strategy under paragraph (1) shall—

“(A) demonstrate—

“(i) transformative activities in communities that—
“(I) reduce barriers to housing development, including affordable housing; and

“(II) increase housing supply affordability and elasticity; and

“(ii) strong connections between housing, transportation, and workforce planning;

“(B) include, as appropriate, policies relating to inclusive land use, such as—

“(i) for the purpose of adding affordable units, increasing both the percentage and absolute number of affordable units—

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

“(II) eliminating off-street parking requirements;

“(III) establishing density bonuses;

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

“(V) removing height limitations;

“(VI) establishing by-right development;
“(VII) using property tax abatements; and

“(VIII) relaxing lot size restrictions;

“(ii) prohibiting source of income discrimination;

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

“(iv) allowing accessory dwelling units;

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

“(vi) prohibiting landlords from asking prospective tenants for their criminal history; and

“(C) provide that affordable housing units should, to the maximum extent practicable—

“(i) be designated as affordable for not less than 30 years;

“(ii) comprise not less than 20 percent of the new housing stock in the community; and

“(iii) be accessible to the population served by the program established under this title.”.
SEC. 3. REFUNDABLE CREDIT FOR RENT COSTS OF ELIGIBLE INDIVIDUALS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 36 the following new section:

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

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

“(1) the lesser of—

“(A) the mean fair market rental amount with respect to the individual, or

“(B) the rent paid during the taxable year by the individual (and, if married, the individual’s spouse) for the principal residence of the individual, over

“(2) an amount equal to 30 percent of the adjusted gross income of the taxpayer for the taxable year.

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

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

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

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

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

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

“(4) SPECIAL RULES.—

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

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

“(e) MEAN FAIR MARKET RENTAL AMOUNT.—For
purposes of this section, with respect to an individual, the
mean fair market rental amount for a taxable year is the
fair market rent (including the utility allowance) published
by the Department of Housing and Urban Development
for purposes of the Housing Choice Voucher Program,
der under the rule published in the Federal Register on No-
vember 16, 2016 (81 Fed. Reg. 80567), for the same area
and a comparable rental unit as the individual’s principal
residence.

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

(b) CLERICAL AMENDMENT.—The table of sections
for subpart C of part IV of subchapter A of chapter 1
of the Internal Revenue Code of 1986 is amended by in-
serting after the item relating to section 36 the following
new item:

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

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

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

(e) REPORT.—Not later than 2 years after the date
of the enactment of this Act, the Secretary of the Treasury
shall submit to Congress a report on the credit allowed
under section 36A of the Internal Revenue Code of 1986 (as added by subsection (a)), including on whether taxpayers are fraudulently claiming such credit.

SEC. 4. REFUND TO RAINY DAY SAVINGS PROGRAM.

(a) IN GENERAL.—Not later than December 31, 2018, the Secretary of the Treasury or the Secretary’s delegate (referred to in this section as the “Secretary”) shall establish and implement a program (referred to in this section as the “Refund to Rainy Day Savings Program”) to allow a participating taxpayer, pursuant to the requirements established under this section, to defer payment on 20 percent of the amount which would otherwise be refunded to such taxpayer as an overpayment (as described in section 6401 of the Internal Revenue Code of 1986).

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

(c) RAINY DAY FUND.—

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

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

(3) DISBURSEMENTS FROM FUND.—

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

(B) DISTRIBUTED TO BANK ACCOUNT.—The amounts described in subparagraph (A) shall be distributed to the bank account identi-
fied by the participating taxpayer under subsection (d)(3).

(4) INTEREST ACCRUED.—The amount of interest accrued on the amount deferred by a participating taxpayer under subsection (a) shall be determined by the Secretary, in coordination with the Bureau of the Fiscal Service of the Department of the Treasury, based upon the return on the investment of such amounts under paragraph (2).

(5) EARLY WITHDRAWAL.—

(A) IN GENERAL.—On any date during the period between the date which is 30 days after receipt by the Secretary of the individual income tax return of the participating taxpayer and October 15 of the applicable year, such taxpayer may elect to terminate the deferral of the amount described under subsection (a) and receive a distribution from the Rainy Day Fund equal to such amount and any interest which has accrued on such amount up to that date.

(B) COMPLETE WITHDRAWAL.—A participating taxpayer making an election under subparagraph (A) must terminate deferral of the full amount described under subsection (a), and such amount shall be distributed to the bank
account identified by the participating taxpayer under subsection (d)(3).

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

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

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

(3) provides the Secretary with a bank account number and any other financial information deemed necessary by the Secretary for purposes of paragraphs (3)(B) and (5)(B) of subsection (c).

(e) FORMS.—The Secretary shall ensure that the election to defer payment of the amount described in subsection (a) may be claimed on Forms 1040, 1040A, and 1040EZ.

(f) IMPLEMENTATION.—

(1) EDUCATIONAL MATERIALS AND OUT-REACH.—The Secretary shall—
(A) design educational materials for taxpayers regarding financial savings and the Refund to Rainy Day Savings Program;

(B) publicly disseminate and distribute such materials during the first calendar quarter of each calendar year and following disbursement of amounts described in subsection (c)(3); and

(C) engage in outreach regarding the Refund to Rainy Day Savings Program to the Volunteer Income Tax Assistance program and paid tax preparers.

(2) Information for participating taxpayers.—The Secretary shall ensure that a participating taxpayer is able to electronically verify the status of the amount deferred by such taxpayer under subsection (a), including any interest accrued on such amount and the status of any distribution.

(3) Federally funded benefits.—Any amounts described in subsection (a) which are distributed to a participating taxpayer, including any interest accrued on such amount, shall be treated in the same manner as any refund made to such taxpayer under section 32 of the Internal Revenue Code of 1986 for purposes of determining the eligibility of
such taxpayer for benefits or assistance, or the
amount or extent of benefits or assistance, under
any Federal program or under any State or local
program financed in whole or in part with Federal
funds.