

115TH CONGRESS
2D SESSION

S. 3342

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 SENATE OF THE UNITED STATES

AUGUST 1, 2018

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 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 2018”.

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) include in the annual performance re-
18 port submitted under section 91.520 of title 24,
19 Code of Federal Regulations (or any successor
20 thereto), the progress and implementation of
21 the strategy described in subparagraph (A).

22 “(2) INCLUSIONS.—The strategy under para-
23 graph (1) shall—

24 “(A) demonstrate—

25 “(i) transformative activities in com-
26 munities that—

1 “(I) reduce barriers to housing
2 development, including affordable
3 housing; and

4 “(II) increase housing supply af-
5 fordability and elasticity; and

6 “(ii) strong connections between hous-
7 ing, transportation, and workforce plan-
8 ning;

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

11 “(i) for the purpose of adding afford-
12 able units, increasing both the percentage
13 and absolute number of affordable units—

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

16 “(II) eliminating off-street park-
17 ing requirements;

18 “(III) establishing density bo-
19 nuses;

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

22 “(V) removing height limitations;

23 “(VI) establishing by-right devel-
24 opment;

1 “(VII) using property tax abate-
2 ments; and

3 “(VIII) relaxing lot size restric-
4 tions;

5 “(ii) prohibiting source of income dis-
6 crimination;

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

9 “(iv) allowing accessory dwelling
10 units;

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

13 “(vi) prohibiting landlords from ask-
14 ing prospective tenants for their criminal
15 history; and

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

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

20 “(ii) comprise not less than 20 per-
21 cent of the new housing stock in the com-
22 munity; and

23 “(iii) be accessible to the population
24 served by the program established under
25 this title.”.

1 **SEC. 3. 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 mean fair market rental amount
14 with respect to the individual, or

15 “(B) the rent paid during the taxable year
16 by the individual (and, if married, the individ-
17 ual’s spouse) for the principal residence of the
18 individual, over

19 “(2) an amount equal to 30 percent of the ad-
20 justed gross income of the taxpayer for the taxable
21 year.

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

24 “(1) IN GENERAL.—The term ‘eligible indi-
25 vidual’ means any individual if the rent paid during
26 the taxable year by the individual (and, if married,

1 the individual's spouse) for the principal residence of
2 the individual exceeds 30 percent of the adjusted
3 gross income of the taxpayer for the taxable year.

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

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

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

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

17 “(4) SPECIAL RULES.—

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

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

23 “(c) MEAN FAIR MARKET RENTAL AMOUNT.—For
24 purposes of this section, with respect to an individual, the
25 mean fair market rental amount for a taxable year is the

1 fair market rent (including the utility allowance) published
2 by the Department of Housing and Urban Development
3 for purposes of the Housing Choice Voucher Program,
4 under the rule published in the Federal Register on No-
5 vember 16, 2016 (81 Fed. Reg. 80567), for the same area
6 and a comparable rental unit as the individual's principal
7 residence.

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

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

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

17 (c) CONFORMING AMENDMENT.—Section
18 6211(b)(4)(A) of the Internal Revenue Code of 1986 is
19 amended by inserting “, 36A” after “36”.

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

23 (e) REPORT.—Not later than 2 years after the date
24 of the enactment of this Act, the Secretary of the Treasury
25 shall submit to Congress a report on the credit allowed

1 under section 36A of the Internal Revenue Code of 1986
2 (as added by subsection (a)), including on whether tax-
3 payers are fraudulently claiming such credit.

4 **SEC. 4. REFUND TO RAINY DAY SAVINGS PROGRAM.**

5 (a) IN GENERAL.—Not later than December 31,
6 2018, the Secretary of the Treasury or the Secretary’s del-
7 egate (referred to in this section as the “Secretary”) shall
8 establish and implement a program (referred to in this
9 section as the “Refund to Rainy Day Savings Program”)
10 to allow a participating taxpayer, pursuant to the require-
11 ments established under this section, to defer payment on
12 20 percent of the amount which would otherwise be re-
13 funded to such taxpayer as an overpayment (as described
14 in section 6401 of the Internal Revenue Code of 1986).

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

20 (c) RAINY DAY FUND.—

21 (1) IN GENERAL.—The Secretary shall establish
22 a fund, in such manner as the Secretary determines
23 to be appropriate, to be known as the “Rainy Day
24 Fund”, consisting of any amounts described in sub-

1 section (a) on which payment has been deferred by
2 participating taxpayers.

3 (2) INVESTMENT.—Any amounts deposited in
4 the Rainy Day Fund shall be invested by the Sec-
5 retary, in coordination with the Bureau of the Fiscal
6 Service of the Department of the Treasury, in
7 United States Treasury bills issued under chapter
8 31 of title 31, United States Code, with maturities
9 suitable for the needs of the Fund and selected so
10 as to provide the highest return on investment for
11 participating taxpayers.

12 (3) DISBURSEMENTS FROM FUND.—

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

22 (B) DISTRIBUTED TO BANK ACCOUNT.—

23 The amounts described in subparagraph (A)
24 shall be distributed to the bank account identi-

1 fied by the participating taxpayer under sub-
2 section (d)(3).

3 (4) INTEREST ACCRUED.—The amount of inter-
4 est accrued on the amount deferred by a partici-
5 pating taxpayer under subsection (a) shall be deter-
6 mined by the Secretary, in coordination with the Bu-
7 reau of the Fiscal Service of the Department of the
8 Treasury, based upon the return on the investment
9 of such amounts under paragraph (2).

10 (5) EARLY WITHDRAWAL.—

11 (A) IN GENERAL.—On any date during the
12 period between the date which is 30 days after
13 receipt by the Secretary of the individual in-
14 come tax return of the participating taxpayer
15 and October 15 of the applicable year, such tax-
16 payer may elect to terminate the deferral of the
17 amount described under subsection (a) and re-
18 ceive a distribution from the Rainy Day Fund
19 equal to such amount and any interest which
20 has accrued on such amount up to that date.

21 (B) COMPLETE WITHDRAWAL.—A partici-
22 pating taxpayer making an election under sub-
23 paragraph (A) must terminate deferral of the
24 full amount described under subsection (a), and
25 such amount shall be distributed to the bank

1 account identified by the participating taxpayer
2 under subsection (d)(3).

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

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

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

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

17 (e) FORMS.—The Secretary shall ensure that the
18 election to defer payment of the amount described in sub-
19 section (a) may be claimed on Forms 1040, 1040A, and
20 1040EZ.

21 (f) IMPLEMENTATION.—

22 (1) EDUCATIONAL MATERIALS AND OUT-
23 REACH.—The Secretary shall—

1 (A) design educational materials for tax-
2 payers regarding financial savings and the Re-
3 fund to Rainy Day Savings Program;

4 (B) publicly disseminate and distribute
5 such materials during the first calendar quarter
6 of each calendar year and following disburse-
7 ment of amounts described in subsection (c)(3);
8 and

9 (C) engage in outreach regarding the Re-
10 fund to Rainy Day Savings Program to the Vol-
11 unteer Income Tax Assistance program and
12 paid tax preparers.

13 (2) INFORMATION FOR PARTICIPATING TAX-
14 PAYERS.—The Secretary shall ensure that a partici-
15 pating taxpayer is able to electronically verify the
16 status of the amount deferred by such taxpayer
17 under subsection (a), including any interest accrued
18 on such amount and the status of any distribution.

19 (3) FEDERALLY FUNDED BENEFITS.—Any
20 amounts described in subsection (a) which are dis-
21 tributed to a participating taxpayer, including any
22 interest accrued on such amount, shall be treated in
23 the same manner as any refund made to such tax-
24 payer under section 32 of the Internal Revenue Code
25 of 1986 for purposes of determining the eligibility of

1 such taxpayer for benefits or assistance, or the
2 amount or extent of benefits or assistance, under
3 any Federal program or under any State or local
4 program financed in whole or in part with Federal
5 funds.

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