

116TH CONGRESS  
1ST SESSION

# H. R. 4984

To increase the supply of, and lower rents for, affordable housing and to adjust calculations of area median income for purposes of Federal low-income housing assistance, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 5, 2019

Ms. CLARKE of New York (for herself, Ms. MENG, Mr. DANNY K. DAVIS of Illinois, Mr. SERRANO, Ms. NORTON, Mr. NADLER, and Mr. ESPAILLAT) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Ways and Means, 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

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## A BILL

To increase the supply of, and lower rents for, affordable housing and to adjust calculations of area median income for purposes of Federal low-income housing assistance, 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 “Affordable Housing  
5 and Area Median Income Fairness Act of 2019”.

1 **SEC. 2. AREA MEDIAN INCOME FAIRNESS.**

2 Subparagraph (D) of section 3(b)(2) of the United  
3 States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)(D))  
4 is amended—

5 (1) in the second sentence, by inserting “(in  
6 this subparagraph referred to as the ‘covered juris-  
7 dictions’)” before the fifth comma;

8 (2) in the third sentence—

9 (A) by striking “Westchester or Rockland  
10 Counties” and inserting “the covered jurisdic-  
11 tions”; and

12 (B) by striking “included Westchester and  
13 Rockland Counties” and inserting “does not in-  
14 clude the covered jurisdictions”; and

15 (3) in the fourth sentence, by striking “include  
16 Westchester and Rockland Counties, New York, in”  
17 and inserting “exclude the covered jurisdictions  
18 from”.

19 **SEC. 3. HIGH HOUSING COST ADJUSTMENT FAIRNESS.**

20 Subparagraph (D) of section 3(b)(2) of the United  
21 States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)(D)),  
22 as amended by the preceding provisions of this Act, is fur-  
23 ther amended by adding at the end the following: “For  
24 purposes of the low-income housing tax credit program  
25 under section 42 of the Internal Revenue Code of 1986  
26 and the exempt facilities bond program under section 142

1 of such Code, the Secretary may not apply, for any city,  
2 county, and other such jurisdiction, for the purposes of  
3 calculating the area median income or any related metric,  
4 in the instances where it is used to derive the income limits  
5 or rent amounts for such programs for a given area, a  
6 high housing cost adjustment, unless such jurisdiction pe-  
7 titions the Secretary to apply such adjustment to such  
8 city, county, or other such jurisdiction. The Secretary  
9 shall review and grant such petitions made by any legal  
10 and proper authority within the relevant jurisdiction, in-  
11 cluding petitions enacted by popular referendum. The pre-  
12 ceding two sentences may not be construed to affect hous-  
13 ing vouchers under section 8 or to carry out any other  
14 purpose than those specifically stated in such sentences.”.

15 **SEC. 4. LOW-INCOME HOUSING TAX CREDIT DISCLOSURES.**

16 (a) IN GENERAL.—Section 42 of the Internal Rev-  
17 enue Code of 1986 is amended by adding at the end the  
18 following new subsection:

19 “(o) ANNUAL REPORTING.—No credit shall be al-  
20 lowed under subsection (a) with respect to a qualified low-  
21 income building for a taxable year unless the following in-  
22 formation is submitted (in such manner and at such time  
23 as the Secretary requires) to the relevant housing credit  
24 agency:

1 “(1) All expenditures after the date of the allo-  
2 cation under subsection (h) that substantially affect  
3 the basis of such building.

4 “(2) The projected rents of the affordable units  
5 in such building during the 5-year period following  
6 such submission.

7 “(3) The annual profits attributable to such  
8 building.

9 “(4) The annual expenditures attributable to  
10 tax credit syndication.

11 “(5) Any other information required by the Sec-  
12 retary that is reasonably necessary to determine pro-  
13 gram compliance.”.

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

17 **SEC. 5. URGENT SUPPORT FOR AFFORDABLE HOUSING IN-**  
18 **FRAStructure.**

19 (a) **HOME INVESTMENT PARTNERSHIPS PROGRAM.**—

20 (1) **AUTHORIZATION OF APPROPRIATIONS.**—

21 There is authorized to be appropriated to carry out  
22 title II of the Cranston-Gonzalez National Afford-  
23 able Housing Act (42 U.S.C. 1721 et seq.)  
24 \$2,500,000,000 for each of fiscal years 2020  
25 through 2029.

1           (2) LIMITATION.—Any amounts appropriated  
2 pursuant to paragraph (1) shall be used only for as-  
3 sistance for any area within a participating jurisdic-  
4 tion for which the Secretary has applied, or would  
5 have applied prior to the enactment of this Act, a  
6 high housing cost adjustment.

7           (b) COMMUNITY DEVELOPMENT BLOCK GRANTS.—

8           (1) AUTHORIZATION OF APPROPRIATIONS.—

9           There is authorized to be appropriated for commu-  
10 nity development block grant assistance under sec-  
11 tion 106 of the Housing and Community Develop-  
12 ment Act of 1974 (42 U.S.C. 5306) \$2,500,000,000  
13 for each of fiscal years 2020 through 2029.

14           (2) LIMITATION.—Any amounts appropriated  
15 pursuant to paragraph (1) shall be used only for as-  
16 sistance for any area within a metropolitan city or  
17 urban county for which the Secretary has applied, or  
18 would have applied prior to the enactment of this  
19 Act, a high housing cost adjustment.

20           (c) HOUSING TRUST FUND.—

21           (1) AUTHORIZATION OF APPROPRIATIONS.—

22           There is authorized to be appropriated to the Hous-  
23 ing Trust Fund established under section 1338(a) of  
24 the Federal Housing Enterprises Financial Safety  
25 and Soundness Act of 1992 (12 U.S.C. 4568(a))

1       \$2,500,000,000 for each of fiscal years 2020  
2       through 2029.

3           (2) LIMITATION.—Any amounts appropriated  
4       pursuant to paragraph (1) shall be used only for as-  
5       sistance to be used within any area within a unit of  
6       general local government for which the Secretary has  
7       applied, or would have applied prior to the enact-  
8       ment of this Act, a high housing cost adjustment.

9       **SEC. 6. ASSESSMENT REGARDING OPTIMIZING USE OF**  
10                           **AREA MEDIAN INCOME TO SUPPORT AFFORD-**  
11                           **ABLE HOUSING IN URBAN AREAS.**

12       (a) ASSESSMENT OF ALTERNATIVE CALCULATION  
13       METHODS.—Not later than 180 days after the date of the  
14       enactment of this Act, the Secretary shall commence an  
15       assessment of alternative methods for calculating area me-  
16       dian income, and the use of alternative metrics, for pro-  
17       grams administered by the Secretary that would make  
18       housing more affordable for low-income families residing  
19       in urban areas nationwide, which shall include analysis of  
20       the topics identified in subsection (b).

21       (b) REPORT.—Not later than two years after the date  
22       of the enactment of this Act, the Secretary shall submit  
23       to the Committee on Financial Services of the House of  
24       Representatives and the Committee on Banking, Housing,  
25       and Urban Affairs of the Senate, and make publicly avail-

1 able, a report setting forth the results of the assessment  
2 conducted pursuant to subsection (a), which shall in-  
3 clude—

4           (1) a review and summarization of significant  
5 findings and recommendations from any related pre-  
6 vious reports regarding area median income;

7           (2) an assessment of the extent and impacts of  
8 the affordable housing crisis in urban areas nation-  
9 wide, particularly within jurisdictions for which the  
10 Secretary has applied a high housing cost adjust-  
11 ment;

12           (3) an analysis and assessment of the effects  
13 that high housing cost adjustments have had on in-  
14 come limits and rent prices in jurisdictions for which  
15 the Secretary has applied such an adjustment;

16           (4) an assessment of the potential impacts to  
17 affordable housing, particularly on income limits and  
18 rent prices, of calculating area median income on a  
19 zip-code level basis and using other localized meth-  
20 odologies;

21           (5) assess and propose a process through which  
22 State housing authorities may designate area me-  
23 dian income jurisdictions within that State;

24           (6) an assessment of alternative metrics to area  
25 median income for the purposes of setting income

1 levels and related thresholds for affordable housing  
2 programs administered by the Secretary;

3 (7) recommendations for how the Secretary  
4 could reform or eliminate use of area median income  
5 for the purposes of making housing more affordable  
6 for low-income and middle class families in urban  
7 areas; and

8 (8) any further recommendations for how the  
9 Secretary could make housing more affordable for  
10 low-income and middle class families in urban areas.

11 (c) METHODOLOGY.—Not later than 90 days after  
12 the date of the enactment of this Act, the Secretary shall  
13 submit a report to the Committee on Financial Services  
14 of the House of Representatives and the Committee on  
15 Banking, Housing, and Urban Affairs of the Senate de-  
16 scribing the methodology that will be used to conduct the  
17 assessment under this section.

18 **SEC. 7. DEFINITIONS.**

19 For purposes of this Act, the following definitions  
20 shall apply:

21 (1) AREA MEDIAN INCOME.—The term “area  
22 median income” means median income for an area,  
23 as such term is used in section 3(b) of the United  
24 States Housing Act of 1937 (42 U.S.C. 1437a(b)),  
25 median family income, and any other substantively



1 similar metric that the Secretary uses to refer to the  
2 median income level for a given area or jurisdiction  
3 for purposes of any program administered by the  
4 Secretary.

5 (2) HIGH HOUSING COST ADJUSTMENT.—The  
6 term “high housing cost adjustment” means an ad-  
7 justment for high housing costs or high construction  
8 costs, or any substantively similar adjustment that  
9 the Secretary may use to increase income limits for  
10 areas where the cost of housing is abnormally high  
11 compared to the median income for such area, for  
12 purposes of any program administered by the Sec-  
13 retary.

14 (3) SECRETARY.—The term “Secretary” means  
15 the Secretary of Housing and Urban Development.

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