

116TH CONGRESS  
1ST SESSION

# H. R. 4808

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.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 2019

Mr. CLYBURN introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Financial Services, and Transportation and Infrastructure, 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 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 such 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 such 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; and

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 paragraph (2)(A)—

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

8 “(ii) a proportion of the new housing  
9 stock in the community that equals or ex-  
10 ceeds the percentage of the population of  
11 the community requiring such units in  
12 order to not be an eligible individual under  
13 section 36A of the Internal Revenue Code  
14 of 1986 (as added by section 4 of the  
15 Housing, Opportunity, Mobility, and Eq-  
16 uity Act of 2019); and

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

20 “(D) where applicable, specify how the  
21 strategy will increase affordable housing options  
22 for individuals living in rural areas, persistent  
23 poverty counties (defined as any county with a  
24 poverty rate of at least 20 percent, as deter-  
25 mined in each of the 1990 and 2000 decennial

1 censuses, and in the Bureau of the Census’s  
 2 Small Area Income and Poverty Estimates for  
 3 the most recent year for which the estimates  
 4 are available), and high-poverty areas (defined  
 5 as any census tract with a poverty rate of at  
 6 least 20 percent as measured by the 5-year data  
 7 series available from the American Community  
 8 Survey of the Census Bureau for 2013 to  
 9 2017).”.

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

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

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

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

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

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

24 “(ii) in the case of a household com-  
 25 prised of more than one individual, for a

1 residence in which the number of bedrooms  
2 would not require—

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

5 “(II) children of different gen-  
6 ders to share a bedroom with one an-  
7 other, or

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

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

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

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

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



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

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

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

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

14          “(4) SPECIAL RULES.—

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

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

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

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

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

10 (b) ADVANCE PAYMENT OF RENTAL COSTS TAX  
11 CREDIT.—

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

15 **“SEC. 7527A. ADVANCE PAYMENT OF RENTAL COSTS TAX**  
16 **CREDIT.**

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

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

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

5           “(b) AMOUNT OF ADVANCE PAYMENT.—

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

10           “(A) an amount equal to—

11           “(i) the amount of the credit which  
12           the Secretary has estimated, in the manner  
13           provided in subsection (c), will be allowed  
14           to such taxpayer under section 36A for the  
15           taxable year ending in such applicable pe-  
16           riod, divided by

17           “(ii) 12, or

18           “(B) such other amount as is elected by  
19           the taxpayer.

20           “(2) APPLICABLE PERIOD.—For purposes of  
21           this section, the term ‘applicable period’ means the  
22           12-month period from the month of July of the tax-  
23           able year through the month of June of the subse-  
24           quent taxable year.

1       “(c) MANNER OF DETERMINING ELIGIBILITY.—The  
2 Secretary shall determine eligibility for the credit under  
3 section 36A, and the estimated amount of such credit,  
4 based on the taxpayer’s adjusted gross income for the pre-  
5 ceding taxable year, the mean fair market rental amount  
6 with respect to the individual for such preceding year, and  
7 the rent paid during such preceding year by the individual  
8 (and, if married, the individual’s spouse) for the principal  
9 residence of the individual. Any terms used in this sub-  
10 section which are also used in section 36A shall have the  
11 same meaning as when used in such section.

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

17       “(e) INTERNAL REVENUE SERVICE NOTIFICATION.—  
18 The Internal Revenue Service shall take such steps as may  
19 be appropriate to ensure that taxpayers who are eligible  
20 to receive the credit under section 36A are aware of the  
21 availability of the advance payment of such credit under  
22 this section.

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

1 (c) CLERICAL AMENDMENTS.—

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

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

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

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

9 (d) CONFORMING AMENDMENT.—Section  
10 6211(b)(4)(A) of the Internal Revenue Code of 1986 is  
11 amended by inserting “, 36A” after “36”.

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

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

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

2 (a) IN GENERAL.—Not later than December 31,  
3 2018, the Secretary of the Treasury or the Secretary’s del-  
4 egate (referred to in this section as the “Secretary”) shall  
5 establish and implement a program (referred to in this  
6 section as the “Refund to Rainy Day Savings Program”)  
7 to allow a participating taxpayer, pursuant to the require-  
8 ments established under this section, to defer payment on  
9 20 percent of the amount which would otherwise be re-  
10 funded to such taxpayer as an overpayment (as described  
11 in section 6401 of the Internal Revenue Code of 1986).

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

17 (c) RAINY DAY FUND.—

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

24 (2) INVESTMENT.—Any amounts deposited in  
25 the Rainy Day Fund shall be invested by the Sec-  
26 retary, in coordination with the Bureau of the Fiscal

1 Service of the Department of the Treasury, in  
2 United States Treasury bills issued under chapter  
3 31 of title 31, United States Code, with maturities  
4 suitable for the needs of the Fund and selected so  
5 as to provide the highest return on investment for  
6 participating taxpayers.

7 (3) DISBURSEMENTS FROM FUND.—

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

17 (B) DISTRIBUTED TO BANK ACCOUNT.—

18 The amounts described in subparagraph (A)  
19 shall be distributed to the bank account identi-  
20 fied by the participating taxpayer under sub-  
21 section (d)(3).

22 (4) INTEREST ACCRUED.—The amount of inter-  
23 est accrued on the amount deferred by a partici-  
24 pating taxpayer under subsection (a) shall be deter-  
25 mined by the Secretary, in coordination with the Bu-

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

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

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

12          (e) FORMS.—The Secretary shall ensure that the  
13          election to defer payment of the amount described in sub-  
14          section (a) may be claimed on Forms 1040, 1040A, and  
15          1040EZ.

16          (f) IMPLEMENTATION.—

17                (1) EDUCATIONAL MATERIALS AND OUT-  
18          REACH.—The Secretary shall—

19                    (A) design educational materials for tax-  
20                    payers regarding financial savings and the Re-  
21                    fund to Rainy Day Savings Program;

22                    (B) publicly disseminate and distribute  
23                    such materials during the first calendar quarter  
24                    of each calendar year and following disburse-

1           ment of amounts described in subsection (c)(3);  
2           and

3           (C) engage in outreach regarding the Re-  
4           fund to Rainy Day Savings Program to the Vol-  
5           unteer Income Tax Assistance program and  
6           paid tax preparers.

7           (2) INFORMATION FOR PARTICIPATING TAX-  
8           PAYERS.—The Secretary shall ensure that a partici-  
9           pating taxpayer is able to electronically verify the  
10          status of the amount deferred by such taxpayer  
11          under subsection (a), including any interest accrued  
12          on such amount and the status of any distribution.

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

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