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

IN THE HOUSE OF REPRESENTATIVES

Mr. GOMEZ introduced the following bill; which was referred to the Committee

A BILL

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

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 “Opportunity Starts At Home Act”.

SEC. 2. CREDIT FOR LOW-INCOME HOUSING SUPPORTIVE SERVICES.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of
1986 is amended by inserting after section 42 the following new section:

```
“SEC. 42A. CREDIT FOR CONTRIBUTIONS TO LOW-INCOME HOUSING SUPPORTIVE SERVICES.

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

“(b) QUALIFIED SUPPORTIVE HOUSING CONTRIBUTION.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified supportive housing contribution’ means the total amount contributed in cash by the taxpayer to a qualified supportive housing reserve fund with respect to a qualified low-income building, determined as of the date the building is placed in service.

“(2) QUALIFIED SUPPORTIVE HOUSING RESERVE FUND.—The term ‘qualified supportive housing reserve fund’ means, with respect to any qualified low-income building, a separate fund reserved exclusively for payment for qualified supportive services provided to tenants of the building pursuant to an extended supportive services commitment. The owner of such building shall designate an adminis-
```
trator to separately account for the amounts in the fund in such manner as the Secretary may prescribe.

“(3) LIMITATIONS.—

“(A) IN GENERAL.—No amount attributable to any governmental grant, including grants provided by the government of any State, possession, tribe, or locality, shall be taken into account under paragraph (1).

“(B) DOLLAR LIMITATION.—The total qualified supportive housing contributions taken into account under this section with respect to any qualified low-income building shall not exceed—

“(i) $120,000, multiplied by

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

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

“(d) QUALIFIED SUPPORTIVE SERVICES.—For purposes of this section, the term ‘qualified supportive services’ means services—
“(1) provided by the owner of a qualified low-income building (directly or through contracts with a third party service provider) to tenants of the building,

“(2) which include health services (including mental health services), coordination of tenant benefits, job training, financial counseling, resident engagement services, or services the principal purpose of which is to help tenants retain permanent housing, or such other services as the Secretary may by regulation provide,

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

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

Such term includes reasonable and necessary measures for the provision of such services, including measures to engage tenants in and coordinate such services and measures required to obtain the certification described in subsection (e)(4).

“(e) EXTENDED SUPPORTIVE SERVICES COMMITMENT.—The term ‘extended supportive services commitment’ means any agreement between the owner of a qualified low-income building and the housing credit agency which—
“(1) requires that amounts in a qualified supportive housing reserve fund are spent exclusively on the provision of qualified supportive services to tenants of such building,

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

“(3) requires the designation of 1 or more individuals to engage tenants regarding and coordinate delivery of qualified supportive services,

“(4) requires the maintenance of an appropriate certification, as determined by the Secretary after consultation with housing credit agencies, for qualified supportive services, subject to recertification at least once every 5 years,

“(5) requires appropriate annual reporting to the housing credit agency on expenditures and outcomes, as determined by such agency, and

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

“(f) RECAPTURE OF QUALIFIED SUPPORTIVE HOUSING RESERVE AMOUNTS.—

“(1) IN GENERAL.—If the owner of a qualified low-income building is determined to be nonecompli-
ant with the extended supportive services commit-
ment or extended low-income housing commitment
with respect to such building, any remaining
amounts in the qualified supportive housing reserve
fund with respect to such building shall be trans-
ferred to the housing credit agency.

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

“(g) SPECIAL RULES.—

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

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

“(B) the housing credit agency sets forth
selection criteria to determine appropriate, evi-
dence-based supportive services and provides a
procedure that the agency (or an agent or other private contractor of such agency) will follow in monitoring for noncompliance with the provisions of this section and in reporting such noncompliance to the Secretary,

“(C) an extended low-income housing commitment is in effect with respect to such building as of the end of such taxable year,

“(D) an extended supportive services commitment is in effect with respect to such building as of the end of such taxable year, and

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

“(2) DENIAL OF DOUBLE BENEFIT.—The deductions otherwise allowed under this chapter for the taxable year shall be reduced by the amount of the credit allowed under this section for such taxable year.

“(h) DEFINITIONS.—Any term used in this section which is also used in section 42 shall have the same meaning as when used in such section.”.
(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—

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

“(34) the low-income housing supportive services credit determined under section 42A(a).”.

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

(c) TREATMENT FOR PURPOSES OF TAX ON BASE EROSION PAYMENTS.—Paragraph (4) of section 59A(b) of the Internal Revenue Code of 1986 is amended by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively, and by inserting after subparagraph (A) the following new subparagraph:

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

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

(2) **CONFORMING AMENDMENTS.**—The headings of subsections (i)(3)(C) and (i)(6)(B) of section 469 of such Code are each amended by striking “CREDIT” and inserting “CREDITS”.

(e) **CLERICAL AMENDMENT.**—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 42 the following new item:

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

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