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(Original Signature of Member)

116TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

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  
on \_\_\_\_\_  
\_\_\_\_\_

**A BILL**

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

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 “Opportunity Starts At  
5 Home Act”.

6 **SEC. 2. CREDIT FOR LOW-INCOME HOUSING SUPPORTIVE**  
7 **SERVICES.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-  
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 42 the fol-  
2 lowing new section:

3 **“SEC. 42A. CREDIT FOR CONTRIBUTIONS TO LOW-INCOME**  
4 **HOUSING SUPPORTIVE SERVICES.**

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

10 “(b) QUALIFIED SUPPORTIVE HOUSING CONTRIBU-  
11 TION.—For purposes of this section—

12 “(1) IN GENERAL.—The term ‘qualified sup-  
13 portive housing contribution’ means the total  
14 amount contributed in cash by the taxpayer to a  
15 qualified supportive housing reserve fund with re-  
16 spect to a qualified low-income building, determined  
17 as of the date the building is placed in service.

18 “(2) QUALIFIED SUPPORTIVE HOUSING RE-  
19 SERVE FUND.—The term ‘qualified supportive hous-  
20 ing reserve fund’ means, with respect to any quali-  
21 fied low-income building, a separate fund reserved  
22 exclusively for payment for qualified supportive serv-  
23 ices provided to tenants of the building pursuant to  
24 an extended supportive services commitment. The  
25 owner of such building shall designate an adminis-

1       trator to separately account for the amounts in the  
2       fund in such manner as the Secretary may prescribe.

3           “(3) LIMITATIONS.—

4               “(A) IN GENERAL.—No amount attrib-  
5               utable to any governmental grant, including  
6               grants provided by the government of any  
7               State, possession, tribe, or locality, shall be  
8               taken into account under paragraph (1).

9               “(B) DOLLAR LIMITATION.—The total  
10              qualified supportive housing contributions taken  
11              into account under this section with respect to  
12              any qualified low-income building shall not ex-  
13              ceed—

14                      “(i) \$120,000, multiplied by

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

18              “(c) APPLICABLE TAXABLE YEAR.—For purposes of  
19              this section, the term ‘applicable taxable year’ means the  
20              1st taxable year in the credit period with respect to the  
21              qualified low-income building described in subsection  
22              (b)(1).

23              “(d) QUALIFIED SUPPORTIVE SERVICES.—For pur-  
24              poses of this section, the term ‘qualified supportive serv-  
25              ices’ means services—

1           “(1) provided by the owner of a qualified low-  
2           income building (directly or through contracts with  
3           a third party service provider) to tenants of the  
4           building,

5           “(2) which include health services (including  
6           mental health services), coordination of tenant bene-  
7           fits, job training, financial counseling, resident en-  
8           gagement services, or services the principal purpose  
9           of which is to help tenants retain permanent hous-  
10          ing, or such other services as the Secretary may by  
11          regulation provide,

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

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

16          Such term includes reasonable and necessary measures for  
17          the provision of such services, including measures to en-  
18          gage tenants in and coordinate such services and measures  
19          required to obtain the certification described in subsection  
20          (e)(4).

21          “(e) EXTENDED SUPPORTIVE SERVICES COMMIT-  
22          MENT.—The term ‘extended supportive services commit-  
23          ment’ means any agreement between the owner of a quali-  
24          fied low-income building and the housing credit agency  
25          which—

1           “(1) requires that amounts in a qualified sup-  
2           portive housing reserve fund are spent exclusively on  
3           the provision of qualified supportive services to ten-  
4           ants of such building,

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

9           “(3) requires the designation of 1 or more indi-  
10          viduals to engage tenants regarding and coordinate  
11          delivery of qualified supportive services,

12          “(4) requires the maintenance of an appro-  
13          priate certification, as determined by the Secretary  
14          after consultation with housing credit agencies, for  
15          qualified supportive services, subject to recertifi-  
16          cation at least once every 5 years,

17          “(5) requires appropriate annual reporting to  
18          the housing credit agency on expenditures and out-  
19          comes, as determined by such agency, and

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

22          “(f) RECAPTURE OF QUALIFIED SUPPORTIVE HOUS-  
23          ING RESERVE AMOUNTS.—

24          “(1) IN GENERAL.—If the owner of a qualified  
25          low-income building is determined to be noncompli-

1 ant with the extended supportive services commit-  
2 ment or extended low-income housing commitment  
3 with respect to such building, any remaining  
4 amounts in the qualified supportive housing reserve  
5 fund with respect to such building shall be trans-  
6 ferred to the housing credit agency.

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

11 “(g) SPECIAL RULES.—

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

16 “(A) the building has received an alloca-  
17 tion of the low-income housing credit under sec-  
18 tion 42 by a housing credit agency which is ap-  
19 proved by the governmental unit (in accordance  
20 with rules similar to the rules of section  
21 147(f)(2) (other than subparagraph (B)(ii)  
22 thereof)) of which such agency is a part,

23 “(B) the housing credit agency sets forth  
24 selection criteria to determine appropriate, evi-  
25 dence-based supportive services and provides a

1 procedure that the agency (or an agent or other  
2 private contractor of such agency) will follow in  
3 monitoring for noncompliance with the provi-  
4 sions of this section and in reporting such non-  
5 compliance to the Secretary,

6 “(C) an extended low-income housing com-  
7 mitment is in effect with respect to such build-  
8 ing as of the end of such taxable year,

9 “(D) an extended supportive services com-  
10 mitment is in effect with respect to such build-  
11 ing as of the end of such taxable year, and

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

18 “(2) DENIAL OF DOUBLE BENEFIT.—The de-  
19 ductions otherwise allowed under this chapter for the  
20 taxable year shall be reduced by the amount of the  
21 credit allowed under this section for such taxable  
22 year.

23 “(h) DEFINITIONS.—Any term used in this section  
24 which is also used in section 42 shall have the same mean-  
25 ing as when used in such section.”.

1 (b) CREDIT TO BE PART OF GENERAL BUSINESS  
2 CREDIT.—

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

9 “(34) the low-income housing supportive serv-  
10 ices credit determined under section 42A(a).”.

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

15 (c) TREATMENT FOR PURPOSES OF TAX ON BASE  
16 EROSION PAYMENTS.—Paragraph (4) of section 59A(b)  
17 of the Internal Revenue Code of 1986 is amended by re-  
18 designating subparagraphs (B) and (C) as subparagraphs  
19 (C) and (D), respectively, and by inserting after subpara-  
20 graph (A) the following new subparagraph:

21 “(B) the low-income housing supportive  
22 services credit determined under section  
23 42A(a).”.

24 (d) PASSIVE ACTIVITY CREDITS.—



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

5           (2) CONFORMING AMENDMENTS.—The head-  
6 ings of subsections (i)(3)(C) and (i)(6)(B) of section  
7 469 of such Code are each amended by striking  
8 “CREDIT” and inserting “CREDITS”.

9           (e) CLERICAL AMENDMENT.—The table of sections  
10 for subpart D of part IV of subchapter A of chapter 1  
11 of the Internal Revenue Code of 1986 is amended by in-  
12 serting after the item relating to section 42 the following  
13 new item:

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

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