Housing & Community Development

The measure would provide:

- $65 billion for formula and needs-based public housing programs.
- $25 billion for the HOME Investment Partnerships Program to construct and rehabilitate affordable homes for low-income families, and $750 million for a new Housing Investment Fund to leverage private-sector investments to create and preserve affordable homes.
- $24 billion for Housing Choice Vouchers and support services, including for individuals at risk of homelessness and for survivors of domestic violence and sexual assault.
- $10 billion to offer down payment assistance to first-generation homebuyers, and $5 billion for the Home Loan Program to subsidize 20-year mortgages for first-generation homebuyers.
- $5 billion to address lead paint and other health hazards in housing for low-income families.
- $3.05 billion for the Community Development Block Grant program.
- $3 billion for a new Community Restoration and Revitalization Fund offering competitive grants to local partnerships led by nonprofits for accessible housing and neighborhood revitalization initiatives.
- $2 billion for rural rental housing to support new construction, the removal of safety hazards, and energy efficiency improvements.
- $2 billion for a new grant program to make energy efficiency upgrades to affordable housing.

Housing Tax Credit: The measure would increase Low-Income Housing Tax Credit (LIHTC) state allocations, with set amounts through 2025 and inflationary increases in future years.

It would temporarily allow the credit to cover a project without affecting state caps if at least 25% of the building and land are financed by tax-exempt bonds, instead of 50%.

Projects intended to serve extremely low-income individuals could receive a 50% increase in the basis used for the LIHTC. States would get a separate allocation for those projects.

The measure also would establish a neighborhood homes credit for developers to rehabilitate residences in certain lower-income areas. The credit could cover as much as 35% of either the development cost or 80% of the national median sales price for new homes, whichever is less. States would be subject to ceilings on the amount of available credit based on a formula taking population into account, and state agencies would allocate credit amounts on a competitive basis.

Tribal Communities: The measure would temporarily establish a $175 million New Markets Tax Credit allocation for low-income communities in tribal areas, which would be used for projects that serve or employ tribe members.

Tribal areas could also qualify as “difficult development areas,” which are eligible for a 30% basis increase for the LIHTC.

Flood Insurance: The measure would wipe out $20.5 billion in debt owed by the Federal Emergency Management Agency for money it borrowed to pay claims through the National Flood Insurance Program. It also would provide $600 million for flood mapping and $600 million for FEMA to offer flood insurance discounts to policyholders with household incomes that aren’t more than 120% of area median income.

U.S. Territories: The measure would create a new economic activity credit for businesses in U.S. territories, set at 20% of qualified wages and allocable benefits expenses paid to employees and capped at $50,000 in wages per employee. The credit would be 50% for certain small businesses with a wage maximum of $142,800 per worker. It would sunset after 2031.

Income Exclusions: The measure would exclude the following from gross income for tax purposes:

- Payments made to socially disadvantaged farmers and ranchers under Public Law 117-2.
- Amounts paid to homeowners under state programs to mitigate losses from natural disasters.