

118TH CONGRESS  
1ST SESSION

# H. R. 3963

To amend the Internal Revenue Code of 1986 to improve the low-income housing credit.

---

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2023

Mr. EVANS (for himself and Mr. FITZPATRICK) introduced the following bill;  
which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to improve  
the low-income housing credit.

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 “Visitable Inclusive Tax  
5 Credits for Accessible Living (VITAL) Act”.

6 **SEC. 2. PURPOSE.**

7 The purposes of this Act are to—

8 (1) increase low-income housing tax credits to  
9 increase the stock of disability-accessible and afford-  
10 able housing;

1           (2) ensure that States are using the Federal  
2 tax credits to construct housing that will meet the  
3 needs of an aging population and currently under-  
4 served populations such as households with people  
5 with disabilities;

6           (3) encourage States to make sure older adults  
7 and underserved populations are integrated into  
8 their community and can fully participate in society;  
9 and

10          (4) increase technical assistance, awareness,  
11 knowledge, and understanding of the low-income  
12 housing credit program and the housing needs of  
13 older adults and people with disabilities.

14 **SEC. 3. FINDINGS.**

15 Congress makes the following findings:

16          (1) By 2030, 1 in every 5 Americans will be  
17 over age 65, and currently, 2 in 5 adults over age  
18 65 have a disability. As people age, they need struc-  
19 turally safe and functional housing that accommo-  
20 dates people with disabilities.

21          (2) Approximately 26 percent of people in the  
22 United States have a disability, yet less than 6 per-  
23 cent of the national housing supply is designed to be  
24 even rudimentarily accessible.

1           (3) An accessible home offers specific features  
2 or technologies such as lowered kitchen counters and  
3 sinks, widened doorways, and zero-step showers.

4           (4) A lack of affordable and accessible housing  
5 can relegate people with disabilities to living in insti-  
6 tutional settings when they would prefer to live in a  
7 community setting.

8           (5) Older adults and people with disabilities  
9 prefer to remain in their homes for as long as pos-  
10 sible. More than 89 percent of adults age 65 and  
11 over hope to stay in their homes as they age.

12           (6) Older adults and people with disabilities  
13 must be able to run errands, work, visit family and  
14 friends, and keep doctor appointments, while not al-  
15 ways being able to drive. Accessible and affordable  
16 public transit options and walkable and roll-able  
17 neighborhoods allow older adults to remain inde-  
18 pendent and active in their communities.

19           (7) Many older adults and people with disabil-  
20 ities are experiencing an affordability crisis. Ap-  
21 proximately 4,800,000 non-institutionalized people  
22 with disabilities who depend on Federal monthly  
23 Supplemental Security Income have incomes aver-  
24 aging only about \$9,156 per year, low enough to be

1       priced out of every rental housing market in the na-  
2       tion.

3       **SEC. 4. INCREASES IN STATE ALLOCATIONS.**

4       (a) IN GENERAL.—Clause (ii) of section 42(h)(3)(C)  
5 of the Internal Revenue Code of 1986 is amended—

6           (1) by striking “\$1.75” in subclause (I) and in-  
7       serting “\$4.47”, and

8           (2) by striking “\$2,000,000” in subclause (II)  
9       and inserting “\$5,154,965”.

10       (b) COST-OF-LIVING ADJUSTMENT.—Subparagraph  
11 (H) of section 42(h)(3) of the Internal Revenue Code of  
12 1986 is amended—

13           (1) by striking “2002” in clause (i) and insert-  
14       ing “2023”,

15           (2) by striking “the \$2,000,000 and \$1.75  
16       amounts in subparagraph (C)” in clause (i) and in-  
17       serting “the \$5,154,965 and \$4.47 amounts in sub-  
18       paragraph (C)”,

19           (3) by striking “2001” in clause (i)(II) and in-  
20       serting “2022”,

21           (4) by striking “\$2,000,000 amount” in clause  
22       (ii)(I) and inserting “\$5,154,965”, and

23           (5) by striking “\$1.75 amount” in clause  
24       (ii)(II) and inserting “\$4.47”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to calendar years beginning after  
3 December 31, 2023.

4 **SEC. 5. TAX-EXEMPT BOND FINANCING REQUIREMENT.**

5 (a) IN GENERAL.—Subparagraph (B) of section  
6 42(h)(4) of the Internal Revenue Code of 1986 is amended  
7 by adding at the end the following: “In the case of build-  
8 ings financed by an obligation first taken into account  
9 under section 146 in calendar years beginning after 2023,  
10 the preceding sentence shall be applied by substituting ‘25  
11 percent’ for ‘50 percent.’”.

12 (b) EFFECTIVE DATE.—The amendment made by  
13 this section shall apply to buildings placed in service in  
14 taxable years beginning after December 31, 2023.

15 **SEC. 6. INCREASE IN CREDIT FOR PROJECTS DESIGNATED**  
16 **TO SERVE HOUSEHOLDS WITH PEOPLE WITH**  
17 **DISABILITIES.**

18 (a) IN GENERAL.—Paragraph (5) of section 42(d) of  
19 the Internal Revenue Code of 1986 is amended by adding  
20 at the end the following new subparagraph:

21 “(C) INCREASE IN CREDIT FOR PROJECTS  
22 DESIGNATED TO SERVE HOUSEHOLDS WITH  
23 PEOPLE WITH DISABILITIES.—

24 “(i) IN GENERAL.—In the case of any  
25 building—

1           “(I) 50 percent or more of the  
2           low-income units in the building are  
3           units designated by the taxpayer to  
4           meet the applicable design standards  
5           for occupancy by persons with mental,  
6           physical, sensory, or developmental  
7           disabilities,

8           “(II) which is located in a census  
9           block group designated by the Envi-  
10          ronmental Protection Agency as  
11          being—

12                   “(aa) above average or bet-  
13                   ter in terms of walkability, or

14                   “(bb) adjacent to 2 or more  
15                   census tracts described in item  
16                   (aa), and

17           “(III) which is designated by the  
18           housing credit agency as requiring the  
19           increase in credit under this subpara-  
20           graph in order for such building to be  
21           financially feasible as part of a quali-  
22           fied low-income housing project,  
23           subparagraph (B) shall not apply to the  
24           portion of such building which is comprised  
25           of such units, and the eligible basis of such

1           portion of the building shall be 130 per-  
2           cent of such basis determined without re-  
3           gard to this subparagraph.

4           “(ii) DESIGN STANDARDS.—For pur-  
5           poses of clause (i)(I), the term ‘applicable  
6           design standards’ means the principles and  
7           standards of adaptable design as detailed  
8           in the Uniform Federal Accessibility  
9           Standards, or any successor standard des-  
10          ignated by the Secretary.”.

11          (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to buildings which receive alloca-  
13 tions of housing credit dollar amount or, in the case of  
14 projects financed by tax-exempt obligations as described  
15 in section 42(h)(4) of the Internal Revenue Code of 1986,  
16 which are first taken into account under section 146 of  
17 such Code, after the date of the enactment of this Act.

18 **SEC. 7. REQUIREMENT FOR PROJECTS DESIGNATED TO**  
19                   **SERVE HOUSEHOLDS WITH PEOPLE WITH**  
20                   **DISABILITIES.**

21          (a) IN GENERAL.—Paragraph (1) of section 42(m)  
22 of the Internal Revenue Code of 1986 is amended by add-  
23 ing at the end the following new subparagraph:

1           “(E) PROJECTS DESIGNATED TO SERVE  
2           HOUSEHOLDS WITH PEOPLE WITH DISABIL-  
3           ITIES.—

4           “(i) IN GENERAL.—The qualified allo-  
5           cation plan shall ensure that, with respect  
6           to any 3-year period, the applicable per-  
7           centage is not less than 40 percent.

8           “(ii) APPLICABLE PERCENTAGE.—For  
9           purposes of this subparagraph, the applica-  
10          ble percentage is the ratio (expressed as a  
11          percentage) of—

12           “(I) the number of low-income  
13           units in all projects receiving an allo-  
14           cation of the housing credit dollar  
15           amount during such period which  
16           meet the requirements of subclause  
17           (I) of subsection (d)(5)(C)(i), to

18           “(II) the aggregate number of all  
19           low-income units in all projects receiv-  
20           ing an allocation of the housing credit  
21           dollar amount during such period.

22           “(iii) SPECIAL RULE.—For purposes  
23           of clause (ii)(I), any low-income unit which  
24           is part of a project which meets the re-  
25           quirements of both subclause (I) and sub-



1 clause (II) of subsection (d)(5)(C)(i) shall  
2 be counted twice.”.

3 (b) EFFECTIVE DATE.—The amendment made by  
4 this section shall apply to buildings which receive alloca-  
5 tions of housing credit dollar amount or, in the case of  
6 projects financed by tax-exempt obligations as described  
7 in section 42(h)(4) of the Internal Revenue Code of 1986,  
8 which are first taken into account under section 146 of  
9 such Code, after the date of the enactment of this Act.

10 **SEC. 8. RESOURCE CENTERS FOR THE LOW-INCOME HOUS-**  
11 **ING TAX CREDIT PROGRAM.**

12 (a) DEFINITIONS.—In this section:

13 (1) CENTER.—The term “Center” means a Re-  
14 source Center established under subsection (b).

15 (2) PROGRAM.—The term “Program” means a  
16 program established for allocating amount under  
17 section 42(h) of the Internal Revenue Code of 1986.

18 (b) ESTABLISHMENT.—Each State housing finance  
19 agency shall establish and operate a Resource Center for  
20 the Low-Income Housing Tax Credit Program to support  
21 new applicants and recipients for the Program in the State  
22 by—

23 (1) providing potential applicants and recipients  
24 with information and technical assistance to effec-  
25 tively prepare and submit a Program application;



1           (1) COUNCIL.—The term “Council” means the  
2 National Low-Income Housing Tax Credit Advisory  
3 Council established under subsection (b).

4           (2) COVERED PROPERTY.—The term “covered  
5 property” means a building receiving an allocation of  
6 credit under section 42 of the Internal Revenue  
7 Code of 1986.

8           (b) ESTABLISHMENT.—There is established a Na-  
9 tional Low-Income Housing Tax Credit Advisory Council.

10          (c) MEMBERSHIP.—

11           (1) SELECTION; CHAIR.—The Council shall be  
12 comprised of members selected by a designee jointly  
13 selected by the Secretary of Housing and Urban De-  
14 velopment and the Secretary of the Treasury, who  
15 shall serve as chair of the Council.

16           (2) MEMBERS.—The Council shall be composed  
17 of not less than 1 representative from each of the  
18 following groups:

19           (A) Community-based organizations that  
20 support individuals with disabilities living in  
21 covered properties.

22           (B) Community-based organizations that  
23 support older adults living in covered prop-  
24 erties.

1 (C) Community-based organizations that  
2 support veterans living in covered properties.

3 (D) Community-based organizations that  
4 support families and children living in covered  
5 properties.

6 (E) A multi-State not-for-profit housing  
7 developer.

8 (F) A multi-State for-profit housing devel-  
9 oper.

10 (G) Investors or syndicators of funds to  
11 which credits allocated under section 42 of the  
12 Internal Revenue Code of 1986 are sold.

13 (H) The research community.

14 (I) State housing finance agencies.

15 (3) QUALIFICATIONS.—The members of the  
16 Council shall—

17 (A) have a lived experience as part of the  
18 group they represent; and

19 (B) represent a diversity of—

20 (i) educational and professional back-  
21 grounds;

22 (ii) racial, ethnic, gender, and lin-  
23 guistic identities;

24 (iii) disabilities, including intellectual  
25 disabilities;

1 (iv) ages; and

2 (v) geographic locations.

3 (4) DURATION.—Each member of the Council  
4 shall be appointed for a period of 3 years and may  
5 be re-appointed for an additional term.

6 (d) DUTIES.—The Council shall provide best practice  
7 recommendations and resources to State housing finance  
8 agencies, developers, investors, and consumers related to  
9 national trends in the development of affordable housing  
10 under section 42 of the Internal Revenue Code of 1986.

11 (e) REPORT.—

12 (1) IN GENERAL.—The Council shall submit to  
13 each State housing finance agency and the Secretary  
14 of Housing and Urban Development a report, which  
15 shall be submitted not less frequently than once  
16 every 3 years, with final recommendations on best  
17 practices to—

18 (A) fulfill the mission of the credits allo-  
19 cated under section 42 of the Internal Revenue  
20 Code of 1986;

21 (B) serve the needs of individuals with dis-  
22 abilities and older adults; and

23 (C) study the effects of factors such as  
24 zoning, land use requirements, location, and  
25 cost of affordable housing developments.

1           (2) PUBLIC AVAILABILITY.—Upon receiving a  
2           report submitted under paragraph (1), the Secretary  
3           of Housing and Urban Development shall make the  
4           report available to the public.

5           (f) AUTHORIZATION OF APPROPRIATIONS.—There is  
6           authorized to be appropriated \$15,000,000 for fiscal year  
7           2024 and each fiscal year thereafter to carry out this sec-  
8           tion, which amounts shall be provided to the Council to  
9           cover the costs of travel and the necessary operations of  
10          the Council.

○