To amend title VI of the Social Security Act to allow State and Local Fiscal Recovery Funds to be loaned for low-income housing tax credit projects.

IN THE HOUSE OF REPRESENTATIVES

Ms. ADAMS introduced the following bill; which was referred to the Committee on ______________________

A BILL

To amend title VI of the Social Security Act to allow State and Local Fiscal Recovery Funds to be loaned for low-income housing tax credit projects.

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 “LIHTC Financing Enabling Long-term Investment in Neighborhood Excellence Act” or the “LIFELINE Act”.

(Original Signature of Member)
SEC. 2. AUTHORITY TO LOAN STATE AND LOCAL FISCAL RECOVERY FUNDS FOR LOW-INCOME HOUSING TAX CREDIT PROJECTS.

(a) In General.—Title VI of the Social Security Act (42 U.S.C. 801 et seq.) is amended—

(1) in section 602—

(A) in subsection (a)(1), by inserting “(except as provided in subsection (c)(5))” after “December 31, 2024”; and

(B) in subsection (c)—

(i) in paragraph (1), in the matter preceding subparagraph (A), by striking “paragraph (3)” and inserting “paragraphs (3), (4), and (5)”;

(ii) by adding at the end the following new paragraph:

“(5) USE OF FUNDS FOR LOW-INCOME HOUSING TAX CREDIT PROJECTS.—

“(A) In General.—A State, territory, or Tribal government may use funds provided under this section to finance ‘qualified low-income housing projects’ within the meaning of section 42(g) of the Internal Revenue Code of 1986 with loans having maturities of 30 or more years. Such loans must be obligated by December 31, 2024, and expended for eligible
costs by December 31, 2026. Any amount
loaned in accordance with this subparagraph
shall be considered incurred in accordance with
the requirements of this subsection.

“(B) RETURNED OR REPAYED FUNDS.—

Under regulations prescribed by the Secretary,
any funds used by a State, territory, or Tribal
government in accordance with subparagraph
(A) that are returned to the State, territory, or
Tribal government, including from loan repay-
ment, shall be used to finance affordable hous-
ing, including ‘qualified low-income housing
projects’ within the meaning of section 42(g) of
the Internal Revenue Code of 1986.”; and

(2) in section 603—

(A) in subsection (a), by inserting “(except
as provided in subsection (c)(6))” after “De-
cember 31, 2024”; and

(B) in subsection (c)—

(i) in paragraph (1), in the matter
preceding subparagraph (A), by striking
“paragraphs (3) and (4)” and inserting
“paragraphs (3), (4), (5), and (6)”; and

(ii) by adding at the end the following
new paragraph:
“(6) USE OF FUNDS FOR LOW-INCOME HOUSING TAX CREDIT PROJECTS.—

“(A) IN GENERAL.—A metropolitan city, nonentitlement unit of local government, or county may use funds provided under this section to finance ‘qualified low-income housing projects’ within the meaning of section 42(g) of the Internal Revenue Code of 1986 with loans having maturities of 30 or more years. Such loans must be obligated by December 31, 2024, and expended for eligible costs by December 31, 2026. Any amount loaned in accordance with this subparagraph shall be considered incurred in accordance with the requirements of this subsection.

“(B) RETURNED OR REPaid FUNDS.—

Under regulations prescribed by the Secretary, any funds used by a metropolitan city, nonentitlement unit of local government, or county in accordance with subparagraph (A) that are returned to the metropolitan city, nonentitlement unit of local government, or county, including from loan repayment, shall be used to finance affordable housing, including ‘qualified low-income housing projects’ within the mean-
ing of section 42(g) of the Internal Revenue
Code of 1986.”.

(b) TECHNICAL AMENDMENTS.—Sections 602(c)(3) and 603(c)(3) of title VI of the Social Security Act (42 U.S.C. 802(c)(3), 803(c)(3)) are each amended by striking “paragraph (17) of”.

March 15, 2022 (10:47 a.m.)