

December COVID Bill- Consolidated Appropriations Act of 2021

Eviction Moratorium & Rental Assistance

- Extends CDC eviction moratorium through January 31, 2021.
- Provides \$25b through September 30, 2022 for rental assistance. The monies will be allocated through the Coronavirus Relief Fund (CRF), administered by the Department of Treasury.
- States allocation will be based on population, no state will receive less than \$200 million.
- Funds are eligible for current or unpaid rent and utility payments (9 months of rent arrears, 3 months going forward) and other directly or indirectly incurred housing expenses because of the pandemic.
 - Eligible grantees may use up to 10 percent of allocated funding for housing stability services, including case management and other services intended to keep households stably housed.
- Eligible grantees are defined as:
 - A State; or
 - A unit of local government, such as a county, municipality, town, township, village, parish, borough, or other unit of general government below the State level with a population that exceeds 200,000; or
 - An Indian tribe or its tribally designated housing entity; or
 - The Department of Hawaiian Homelands.
- Eligible households are those:
 - With a household income below 80 percent of area median income (AMI);
 - With a demonstrable risk of experiencing homelessness or housing instability; and
 - Have one or more household members who qualify for unemployment benefits or experienced financial hardship due, directly or indirectly, to the pandemic.
- States should prioritize families with incomes below 50% of area median income (but no set percentage of funds distributed is required), as well as renter households who are currently unemployed and have been unemployed for 90 days.
 - Income Eligibility is based on time of application and must be recertified every three months.
- The application process requires renters to apply for assistance from their administrative agency managing the program. Payments are sent directly to the housing provider. Residents may receive payment directly from the administrative agency and pay their provider if that provider does not want to participate in the program.
 - Housing providers can also apply for rental assistance on behalf of the resident but must inform them and secure their consent.
- \$6,500,000 has been allocated to the Inspector General of the Department of Treasury to conduct monitoring and oversight of the receipt, disbursement, and use of funds.
- Rental assistance will not be included in recipient's income for federal tax purposes.

State and Local Funding

- Extend by one year (until Dec. 31, 2021) the availability of funds provided to states and localities by the Coronavirus Relief Fund in the CARES Act.

HUD Appropriations

Tenant-based Assistance

- \$21,777,439,000 for tenant-based rental assistance to remain available until expended, in addition to the \$4,000,000,000 previously appropriated.
- \$23,080,000,000 for expiring Section 8 tenant-based annual contributions contracts, including renewals of enhanced vouchers and other special purpose incremental vouchers.
- Up to \$110,000,000 to be available for:
 - Adjustments in the allocations for PHAs, after application for an adjustment by a PHA that experienced a significant increase in renewal costs of vouchers resulting from unforeseen circumstances; or
 - Vouchers that were not in use during the previous 12-month period; or
 - An adjustment for funding obligations not yet expended in the previous calendar year for a MTW-eligible activity to develop affordable housing for an agency added to the MTW demonstration; or
 - Adjustment costs associated with VASH vouchers; or
 - PHAs that despite taking reasonable cost saving measures would otherwise be required to terminate rental assistance for families as a result of insufficient funding; or
 - Adjustments in the allocations for PHAs that:
 - Are leasing a lower-than-average percentage of their authorized vouchers;
 - Have low amounts of budget authority in their net restricted accounts and HUD-held programmatic reserves; and
 - Are not participating in the MTW demonstration.
 - PHAs that have experienced increased costs or loss of units in an area for which the President declared a disaster.
- \$116,000,000 shall be for Section 8 rental assistance for:
 - Relocation and replacement of housing units that are demolished or disposed;
 - Conversion of section 23 projects to assistance under Section 8;
 - The family unification program;
 - Relocation of witnesses (including victims of violent crimes) in connection with efforts to combat crime in public and assisted housing;
 - Enhanced vouchers;
 - Choice Neighborhood vouchers;
 - Mandatory and voluntary conversions;
 - Tenant protection assistance including replacement and relocation assistance;
 - Project-based assistance to prevent the displacement of unassisted elderly tenants currently residing in Section 202.
- At least \$5,000,000 to be available to provide tenant protection assistance to residents residing in low vacancy areas and who may have to pay rents greater than 30% of household income, as a result of:

- The maturity of a HUD-insured, HUD-held or Section 202 loan that requires the permission of the Secretary prior to loan prepayment;
- The expiration of a rental assistance contract for which the tenants are not eligible for enhanced voucher or tenant protection assistance under existing law; or
- The expiration of affordability restrictions accompanying a mortgage or preservation program administered by the Secretary.
- \$2,158,000,000 shall be for administrative and other expenses of PHAs in administering the Section 8 tenant-based rental assistance program, of which \$30,000,000 shall be available for allocation to PHAs that need additional funds to administer their Section 8 programs.
 - This includes fees associated with Section 8 tenant protection rental assistance, administration of disaster related vouchers, VASH vouchers, and other special purpose incremental vouchers.
- No less than \$2,129,000,000 of the amount provided shall be allocated to PHAs for the 2021 calendar year funding cycle.
- \$314,000,000 for the renewal of tenant-based assistance contracts under Section 811 of the Cranston-Gonzalez National Affordable Housing Act.
- Up to \$5,000,000 for rental assistance and associated administrative fees for Tribal HUD-VASH.
- \$40,000,000 for incremental rental voucher assistance through a supported housing program administered in conjunction with the Department of Veteran Affairs, i.e. VASH.
- \$25,000,000 for the family unification program:
 - \$5,000,000 for new incremental voucher assistance;
 - \$20,000,000 for new incremental voucher assistance to assist eligible youth.
- \$43,439,000 for incremental rental voucher assistance for use by individuals and families who are homeless; at risk of homelessness; fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking; and veterans and families that include a veteran family member.

Public Housing Fund

- \$7,806,000,000 for the operation and management of public housing, to remain available until September 30, 2024. Of note:
 - \$4,839,000,000 for 2021 payments;
 - \$25,000,000 for need-based application process to PHAs that experience, or are at risk of, financial shortfalls;
 - \$2,765,000,000 allocated pursuant to the Capital Fund formula;
 - \$75,000,000 for grants to PHAs for emergency capital needs, of which:
 - \$45,000,000 for PHAs under administrative and judicial receivership or under the control of a Federal monitor;
 - No less than \$10,000,000 for safety and security measures.
 - \$35,000,000 for competitive grants to PHAs for activities authorized under the Healthy Homes Initiative, which includes research, studies, testing, and demonstration efforts, including education and outreach concerning mold, radon, carbon monoxide poisoning, and other housing-related diseases and hazards.
 - \$15,000,000 to support the costs of administrative and judicial receiverships.

Choice Neighborhood Initiative

- \$200,000,000 for competitive grants for the transformation, rehabilitation, and replacement of housing needs of both public and HUD-assisted housing and to transform neighborhoods of poverty into functioning, sustainable mixed income neighborhoods with appropriate services, schools, public assets, transportation and access to jobs. This funding is to remain available until September 30, 2023.
 - No less than \$100,000,000 shall be awarded to PHAs.

Self-Sufficiency Programs

- \$155,000,000 for activities and assistance related to Self-Sufficiency Programs, to remain available until September 30, 2024.

Native American Programs

- \$825,000,000 for activities and assistance authorized under title 1 of the Native American Housing Assistance and Self-Determination Act of 1996, to remain available until September 30, 2025.

Indian Housing Loan Guarantee Funding Program Account

- \$1,500,000 for the cost of guaranteed loans, until expended.

Native Hawaiian Housing Block Grant

- \$2,000,000 for the Native Hawaiian Housing Block Grant program, to remain available until September 30, 2025.

HOPWA

- \$430,000,000 for carrying out the HOPWA program, to remain available until September 30, 2022.

Community Development Fund

- \$3,475,000,000 for carrying out the CDBG program, to remain available until September 30, 2023.

HOME Investment Partnership Program

- \$1,350,000,000 to remain available until September 30, 2024.

Homeless Assistance Grants

- \$3,000,000,000 for assistance under title IV of the McKinney-Vento Homeless Assistance Act, to remain available until September 30, 2023.
 - No less than \$290,000,000 for the ESG Program.
 - No less than \$2,569,000,000 for the CoC Program.
 - Up to \$52,000,000 for grants for rapid re-housing projects and supportive service projects providing coordinated entry, and for eligible activities the

Secretary determines to be critical in order to assist survivors of domestic violence, dating violence, sexual violence, or stalking.

- Up to \$7,000,000 for the national homeless data analysis project.
- Up to \$82,000,000 to implement projects to demonstrate a competitive approach to servicing homes youth, age 24 and under.

Project-Based Rental Assistance

- \$13,065,000,000 for activities and assistance for provision of project-based subsidy contracts, to remain available until expended, in addition to the \$400,000,000 previously appropriated.
 - The amounts made available under this section shall be used for:
 - Expiring or terminating Section 8 project-based subsidy contracts;
 - Amendments to Section 8 project-based subsidy contracts;
 - Contracts entered into pursuant to the McKinney-Vento Homeless Assistance Act;
 - Renewal of Section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990;
 - Administrative and other expenses associated with project-based activities and assistance.
 - No more than \$350,000,000 shall be for performance-based contract administrators for Section 8 project-based assistance.

Housing for the Elderly

- \$855,000,000 for capital advances, including amendments to capital advance contracts, for housing for the elderly; project-rental assistance for the elderly; and for supportive services associated with the housing, to remain available until September 30, 2024.

Housing for Persons with Disabilities

- \$227,000,000 for capital advances, including amendments to capital advance contracts for supportive housing for persons with disabilities; for project rental assistance for supportive housing for persons with disabilities, including amendments to contracts for such assistance for up to a 1-year term; for project rental assistance to State housing finance agencies and other appropriate entities; and for supportive services. The funding will remain available until September 30, 2024.

Housing Counseling Assistance

- \$57,500,000 for contracts, grants, and other assistance excluding loans, to remain available until September 30, 2022.
 - Funds shall be used for providing counseling and advice to tenants and homeowners, with respect to property maintenance, financial management or literacy, and other matters to assist them in improving their housing conditions, meeting their financial needs, and fulfilling the responsibilities of tenancy or homeownership.

- \$20,000,000 to remain available until September 30, 2023 for competitive grants to nonprofits or governmental entities to provide legal assistance (including assistance related to pretrial activities, trial activities, post-trial activities and alternative dispute resolution) at no cost to eligible low-income tenants at risk or subject to eviction.
 - The Secretary shall give preference to applicants that include a marketing strategy for residents of areas with high rates of eviction; have experience providing no-cost legal assistance to low-income individuals, including those with limited English proficiency or disabilities; and have sufficient capacity to administer such assistance.
 - Eligible tenants living in rural areas who receive legal assistance with grant funds shall not be less than the overall proportion of eligible tenants who live in rural areas.

Policy Development and Research

- \$105,000,000 for contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, as well as technical assistance. This funding is to remain available until September 30, 2022.

Fair Housing Activities

- \$72,555,000 for contracts, grants, and other assistance, to remain available until September 30, 2022.
 - The Secretary may assess and collect fees to cover the costs of the Fair Housing Training Academy and may use the funds to develop online courses and provide training.
 - \$350,000 shall be available for the creation and promotion of translated materials and other programs that support the assistance of persons with limited English proficiency in utilizing the services provided by HUD.

Lead Hazard Reduction

- \$360,000,000 for the Lead Hazard Reduction Program, to remain available until September 30, 2023, of which \$60,000,000 shall be for the Healthy Homes Initiative. This shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related diseases and hazards.

Carbon Monoxide Alarms in Federally Assisted Housing

- Tenant-based assistance, project-based assistance, public housing, Section 811, Housing Opportunities for Persons with AIDS, and rural housing are required to install carbon monoxide alarms or detectors in the dwelling unit in a manner that:
 - Meets or exceeds the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code; or
 - Any other standards as may be adopted by the Secretary of HUD, including any relevant updates to the International Fire Code, through a notice published in the Federal Register.

Paycheck Protection Program

- Appropriates \$284.45 billion for PPP loans and \$20 billion for EIDL Grants.
 - Nearly \$1 trillion has been allocated to the PPP since April, assisting more than 5 million businesses.
- Creates a Second Draw PPP that allows businesses to apply for a second forgivable loan of up to \$2 million. Businesses must have 300 employees or fewer (or meets alternative SBA size standards) and experienced at least a 25% drop in gross receipts in 2020 as compared to 2019.
 - A business may receive a maximum loan (for both first- and second-draw PPP loans) of \$10 million within 90 days.
 - Multifamily family firms remain largely excluded from the PPP under 13 CFR § 120.110 of the Small Business Administration's lending statutes
- PPP borrowers who receive \$150,000 or less in PPP loan money may submit a one-page forgiveness form online certifying their compliance with the program requirements.
- Extends the deadline for PPP "covered periods" in which a borrower may use loan proceeds through September 30, 2021.
- Expands qualified expenses to include the purchasing of PPE for employees;
- 501(c)(6) organizations are granted access to PPP funds if they have 300 employees or fewer, do not receive more than 15% of their receipts from lobbying activities and lobbying activities do not comprise more than 15% of their activities, and the cost of the lobbying activities of the organization did not exceed \$1,000,000 during the most recent tax year.
 - PPP funds cannot be used for lobbying activities of any kind.
- Repeals the requirement that borrowers who receive both an EIDL advance grant and a PPP loan deduct the forgiven amount of the EIDL grant from the forgivable amount of their PPP loan.

PPP Tax Forgiveness

- Allows for deductibility of business expenses paid for with forgiven PPP loans.

Broadband Expansion

- Provides \$7 billion for broadband internet access: \$285 million for connecting minority communities.
 - \$3.2 Billion for an Emergency Broadband Benefit for Low-Income Americans.
 - \$300 Million to Promote Broadband Expansion to Unserved Americans.
 - \$65 Million for the development of new, more accurate, and more granular broadband maps Tax Provisions (related to COVID).

Tax Provisions

- Low-income Housing Tax Credit (LIHTC) is modified by the creation of a permanent, 4% floor for LIHTC that is generally used for the rehabilitation and renovation of affordable housing.
 - There are two credits available under the LIHTC program.
 - One is the 9% credit used for new construction.
 - The second is the 4% credit, which is typically used for rehabilitation of older rental housing and the preservation of subsidized rental developments (in conjunction with tax-exempt bond financing).

- An additional LIHTC allocation for disaster zones increases a State's LIHTC allocation in 2021 by \$3.50 per resident of a qualifying disaster zone. The allocation can carry over to 2022. Qualifying disasters are those designated by the President between 1/1/20 and 60 days after enactment, but do not include the nationwide COVID-19 disaster declaration.
- The Employee Retention Tax Credit is modified by:
 - Increasing the credit rate from 50% to 70% of qualified wages.
 - The eligibility is expanded by reducing the year-over-year gross receipts decline from 50% to 20%.
 - Increasing the limit on per-employee creditable wages from \$10K per year to \$10K per quarter.
 - Increasing the 100-employee delineation to 500 or fewer employees.
 - Allowing businesses with PPP loans to qualify.
 - Extending the credit through June 30, 2021.
- Extends payroll tax credits for paid sick and family leave enacted in the Families First Coronavirus Response Act through March 31, 2021.
- Provides for the tax deduction of 100% of business meals (up from 50%) for 2021 and 2022.
- Corrects a technical problem in depreciating residential rental housing – under certain circumstances, some real estate businesses were forced to depreciate residential rental housing over 40 years instead of 30 if they elected out of a limitation of interest deductibility under the Tax Cuts and Jobs Act. The recovery period is corrected to 30 years in the Act.

Tax Extender Provisions

- The exclusion from income for mortgage debt forgiveness is extended for five years (through 2025), but the maximum amount is reduced from \$2 million to \$750,000.
- The energy-efficient commercial buildings deduction is extended permanently, its efficiency standards are updated, and the deduction rates are indexed for inflation.
- The energy investment tax credit for solar and residential energy-efficient property tax credit is extended for two years (through 2023).
- The mortgage insurance premium deduction is extended for one year (through 2021).
- The energy efficient homes credit is extended for one year (through 2021).
- The nonbusiness energy tax credit (for qualified energy efficiency improvements) is extended for one year (through 2021).