

**Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee**

January 14, 2022

Agenda Item 4a

Build Back Better Update

Subject:

Update on the Build Back Better social and climate spending bill.

Summary:

The U.S. House of Representatives in November 2021 approved a nearly \$2 trillion Build Back Better spending bill, sending it to the Senate. The House bill would make investments in housing, climate-related transportation and infrastructure, childcare, healthcare, and other social programs. The Senate and White House spent much of December negotiating amendments with the aim of securing Senate passage before the end of the year. However, just before the Senate adjourned for the December holidays Senator Manchin (D-West Virginia) declared he opposed the wide-ranging legislation, effectively shelving the House Build Back Better bill. Despite this significant setback, Democrats in 2022 are expected to renew efforts to pass a scaled-back package.

While it is encouraging that MTC and ABAG's housing and transportation priorities from the House-passed bill – described below – haven't been identified as top targets for elimination, any package is far from final. We will continue to monitor negotiations and provide an update at your committee meeting.

House Build Back Better Housing, Transportation, and Climate Infrastructure Provisions

The House-passed bill would directly invest \$151 billion in Department of Housing and Urban Development grant programs and spur affordable housing production and preservation through historic investments in housing tax credits. Importantly, the bill includes MTC and ABAG's top housing-related request—low-income housing tax credits—that would unlock financing for tens of thousands of affordable homes across the state. The bill would also create a new tax credit to incentivize rehabilitation of affordable homes in low-income communities, expand rental assistance, and provide \$13 billion in grants to states and local governments. Regarding transportation, the House Build Back Better bill would supplement the approximately \$634 billion in surface transportation resources in the recently-enacted Bipartisan Infrastructure Law.

The chart below outlines the housing, transportation and other climate infrastructure-related spending proposed in the House-passed bill.

| House Build Back Better Spending Category | Funding Amount/Type |
|---|-------------------------|
| Housing | |
| Low Income Housing Tax Credits | Tax credit |
| Neighborhood Tax Credits | Tax credit |
| Housing Production and Rehab | \$97 billion |
| Rental Assistance | \$25 billion |
| Other Housing Investments | \$29 billion |
| Low Income Housing Tax Credits | Tax credit |
| Transportation | |
| Affordable Housing Access (Transit) | \$10 billion |
| High-Speed Rail | \$10 billion |
| Community Climate Incentive | \$4 billion |
| Neighborhood Access & Equity | \$4 billion |
| Port Investments | \$4 billion |
| Zero Emission Vehicle and Infrastructure | Tax Credits |
| Other Climate & Resilience | |
| State & Local Zero Emission Technology Deployment | \$29 billion |
| Wildfire management | Grants & tax incentives |

Attachments:

- None



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