H. R. 1

To establish an Office of Equitable Transit-Oriented Development and Mobility to carry out an equitable transit-oriented development and mobility grant program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. García of Illinois introduced the following bill; which was referred to the Committee on __________________________

A BILL

To establish an Office of Equitable Transit-Oriented Development and Mobility to carry out an equitable transit-oriented development and mobility grant program, and for other purposes.

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 “Promoting Equitable Transit-Oriented Development and Mobility Corridors Act”.

(Original Signature of Member)
SEC. 2. DEFINITIONS.

(a) In General.—In this Act, the following definitions apply:

(1) Equitable Transit-Oriented Development.—The term “equitable transit-oriented development” means—

(A) the creation and support of communities of opportunity, especially disadvantaged or low-income communities where residents of all incomes, ages, races, and ethnicities participate in, and benefit from, living in connected, healthy, vibrant places connected by public transportation; and

(B) including, in communities of opportunity, a mixture of housing (including a significant level of affordable housing), office, retail, and other amenities as part of a walkable neighborhood generally located within a half mile of quality public transportation.

(2) ETOD and Mobility Plan.—The term “eTOD and Mobility Plan” means a plan for equitable transit-oriented development and mobility corridors developed under section 4.

(3) Mobility Corridor.—The term “mobility corridor” means a major economic corridor that integrates safety, mobility, and access for freight, ac-
tive transportation, and public transportation along
the corridor while promoting quality of life, economic
development, and greenhouse gas reduction, including, at a minimum—

(A) at least 125 acres with centrality to
employment and amenities;

(B) meets a location affordability as defined by a household spending no more than 45
percent or more of their income on housing and
transportation as determined by the Location
Affordability Index published by the Department of Transportation and the Department of
Urban Development;

(C) mixed commercial use or community-based facility and residential use; and

(D) mobility options to reduce personal vehicle miles used or greenhouse gas emissions.

(4) PRIORITY INVESTMENT AREA.—The term “priority investment area” means an area certified
as a priority investment area in an eTOD and Mobility Plan.

(5) SECRETARY.—The term “Secretary” means the Secretary of Transportation.

(6) STATE TRANSPORTATION AUTHORITY.—The term “State transportation authority” means the
State agency or official responsible under the direction of the Governor of the State or a State law for preparation, maintenance, coordination, and administration of the State transportation, rail, and public transportation plan.

(b) **Applicability of Chapter 53 Definitions.**—

In this Act, any term defined in chapter 53 of title 49, United States Code, has the meaning given that term in that chapter.

**SEC. 3. OFFICE OF EQUITABLE TRANSIT-ORIENTED DEVELOPMENT.**

(a) **Establishment.**—The Secretary shall establish within the Department of Transportation an Office of Equitable Transit-Oriented Development and Mobility.

(b) **Responsibilities.**—The responsibilities of the Office of Equitable Transit-Oriented Development and Mobility are—

1. to establish and manage the eTOD and mobility grant program established under section 5;
2. to certify eTOD and Mobility Plans;
3. to certify priority investment areas included in such Plans; and
4. to coordinate Federal resources for eligible projects in certified priority investment areas.
SEC. 4. STATE PLANS.

(a) Establishment.—To be eligible for assistance under section 5 or any of sections 7 through 11, a State shall, in coordination with metropolitan planning organizations, transit agencies and local governments, including tribal governments, within the State, develop a plan for equitable transit-oriented development and mobility corridors that proposes priority investment areas and projects proposed to be carried out in those areas.

(b) Purposes.—The purposes of the eTOD and Mobility Plan shall be the following:

(1) To identify priority investment areas in the State with a need for a comprehensive investment strategy to keep and revitalize existing neighborhoods and corridors while maintaining and enhancing housing and transportation affordability and creating equal opportunity for existing residents and businesses.

(2) Support implementation of local and community transportation and land use plans consistent with sustainable State, regional, and local growth plans, policies, and strategies to achieve quality of life, economic vitality, and greenhouse gas reduction goals.

(3) Encourage and create convenient, safe multi-modal access to the public transportation sys-
tem, with an emphasis on non-motorized access and neighborhood walkability and mobility.

(4) To establish the period covered by the eTOD and Mobility Plan.

(5) To serve as the basis for Federal and State investments within the State.

(c) CRITERIA FOR STATE PLANS.—The eTOD and Mobility Plan shall contain the following:

(1) Clearly integrate State and regional housing and transportation improvement plans and implement an accountability mechanism that ensures an individual’s average combined housing and transportation cost does not exceed 40 percent of total household spending for such individual.

(2) Create a shared vision and implementation plan for priority investment areas for infrastructure, climate mitigation, and development.

(3) Increase the value and effectiveness of public transportation by increasing ridership with a focus on people of color and middle to low income individuals.

(4) Promote mutually beneficial partnerships between public, private, and community-based non-profit organizations and disadvantaged business enterprises.
(5) Make equitable transit-oriented development an integral component of, and supportive of, public transportation, land use, climate resiliency, and economic development project planning and delivery, especially in supporting the retention of existing residents in developing communities.

(6) Reduce and mitigate social and economic impacts on existing residents and businesses vulnerable to displacement caused by economic pressures in stronger markets as well as depopulations caused by disinvestment.

(7) Promote an increase in State, local, and private investment in both public transportation and mobility options, specifically through a value capture mechanism.

(8) Increase State, local, and private investment in economic development especially in disadvantaged or low-income communities and communities of color.

(9) Engage a broad cross-section of the community most affected by future investments in an inclusive, effective, transparent process.

(10) Create affordable housing and commercial options as well as community facilities near public transportation with priority given to affordability,
and to community-based ownership and entrepreneurship, with a focus on participation of disadvantaged business enterprises.

(d) PRIORITY INVESTMENT AREA.—Each eTOD and Mobility Plan shall propose priority investment areas that will serve as the eligible locations for projects described under subsection (d) in the State. A priority investment area shall be—

(1) within a half mile of a public transportation facility that includes a fixed-guideway public transportation station, designated high-speed rail or existing intercity rail station, or a major local transit hub connecting more than 3 local transit lines; or

(2) a mobility corridor designated by a state transportation authority or metropolitan planning organization in consultation with local governments that consists of walkable rural main streets or a suburban economic center.

(e) REQUIRED FINANCE PLAN.—A strategy created under this subsection shall include an implementation plan that identifies a 5-year financing plan for proposed improvements, including any financial gap, and a timeline for adoption of the strategy by relevant local governments.

(f) PUBLIC COMMENT.—In developing and reviewing an eTOD and Mobility Plan, a State shall provide ade-
quate and reasonable notice and opportunity for comment and other input to—

(1) the public;

(2) community organizations, affordable housing agencies and public transportation agencies;

(3) units of local government; and

(4) other interested parties.

(g) COORDINATION WITH OTHER STATE PLANS.— In developing an eTOD and Mobility Plan, a State shall ensure that such plan is coordinated with—

(1) other State, regional planning agencies, metropolitan planning organizations, and local transportation planning goals and programs;

(2) economic and community development plans; and

(3) comprehensive State or regional housing plans.

(h) INTERGOVERNMENTAL COORDINATION.—In developing an eTOD and Mobility Plan, a State shall—

(1) review the freight and passenger rail service activities and initiatives of regional planning agencies, regional transportation authorities, and municipalities within the State or in the region in which the State is located; and
(2) include any recommendations made by such agencies, authorities, and municipalities as considered appropriate by the State.

(i) Certification of ETOD and Mobility Plans.—Upon submission of an eTOD and Mobility Plan to the Office of Equitable Transit-Oriented Development and Mobility, such Office shall—

(1) review the proposed priority investment areas and projects in the eTOD and Mobility Plan;

(2) certify the eTOD and Mobility Plan if each priority investment area meets the requirements of this section; and

(3) for each eTOD and Mobility Plan, determine whether each proposed project included in such Plan meets the requirements of this section and certify each such project for eligibility for funding under this Act and the amendments made by this Act.

(j) Waiver.—The Secretary may grant certification waiver for States with equitable development policies enacted prior to the enactment of this Act that substantially meet the requirements set forth this section.
SEC. 5. EQUITABLE TRANSIT-ORIENTED DEVELOPMENT AND MOBILITY GRANT AND TECHNICAL ASSISTANCE PROGRAM.

(a) Establishment.—The Secretary shall establish a competitive grant program to be administered by the Office of Equitable Transit-Oriented Development and Mobility to provide technical assistance grants for States carrying out equitable transit-oriented development and mobility projects.

(b) Eligible Applicants.—The Secretary shall provide grants under the program to eligible activities carried out by a State with regional planning agencies, metropolitan planning organizations, local governments, including tribal governments, and at least 1 community-based nonprofit organization.

(c) Technical Assistance Grants.—

(1) In general.—A technical assistance grant provided under this section shall be used to create a strategy for a priority investment area to increase equitable economic development (including mixed income and mixed use development), including locally determined activities necessary to create the conditions that will lead to successful equitable transit-oriented development or a mobility corridor.
(2) ELIGIBLE ACTIVITIES.—The following activities may be included in the strategy developed under paragraph (1):

(A) Reducing regulatory or procedural barriers to private investment in areas near transit or in areas with high walkability by revising local zoning ordinances or completing area-wide environmental review to increase the speed of development.

(B) Identifying public infrastructure needs.

(C) Community engagement efforts.

(d) ELIGIBLE USES.—A grant provided under this section may be used to—

(1) increase transit ridership from development within the planning area;

(2) create an appropriate mix of uses for the station area, determined by reference to local growth and development plans;

(3) promote community stability, especially for existing residents and businesses during and after the development;

(4) increase transit accessible attainable housing within the planning area;
(5) increase State, local, or private investment in public infrastructure, including public transportation;

(6) coordinate with all relevant stakeholders, including real-estate, retail, housing, commercial and economic development, non-profit participants, public health, and anchor institutions; or

(7) coordinate with relevant housing, economic development, land use, and transportation plans.

(c) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—

There is authorized to be appropriated $15,000,000 to carry out this section.

(2) ADMINISTRATION OF GRANTS.—Of the amounts provided to a State under this section, a State may use up to 2 percent of any such amounts to provide capacity building and training for public transportation personnel, private developers, or community groups regarding planning and implementation of equitable transit-oriented development and mobility corridors.

SEC. 6. ANNUAL REPORT.

Not later than 12 months after the date of enactment of this Act, and annually thereafter, the Secretary shall submit to Congress a report containing—
(1) the eTOD and Mobility Plans certified under section 4(i)(2);

(2) the certified priority investment areas contained in eDOT and Mobility Plans; and

(3) a report tracking the outcomes of prior certified plans.

SEC. 7. MODIFICATION OF REHABILITATION CREDIT.

(a) REINSTATEMENT OF CREDIT FOR QUALIFIED REHABILITATED BUILDINGS.—

(1) IN GENERAL.—Subsection (a) of section 47 of the Internal Revenue Code of 1986 is amended to read as follows:

“(a) DETERMINATION OF CREDIT.—

“(1) IN GENERAL.—For purposes of section 46, the rehabilitation credit for any taxable year is the sum of—

“(A) in the case of any qualified rehabilitated building other than a certified historic structure which is placed in service during such taxable year, 10 percent of the qualified rehabilitation expenditures with respect to such building, and

“(B) in the case of any qualified rehabilitated building which is a certified historic structure which is placed in service during such tax-
able year or any of the 4 immediately preceding
taxable years, the ratable share for such taxable
year.

“(2) RATABLE SHARE.—For purposes of para-
graph (1)(B), the ratable share for any taxable year
is an amount equal to 20 percent of the qualified re-
habilitation expenditures with respect to the certified
historic structure, as allocated ratably to each of the
5 years to which paragraph (1)(B) applies.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 47(c) of such Code is amend-
ed—

(i) in paragraph (1)—

(I) in subparagraph (A), by
amending clause (iii) to read as fol-
lows:

“(iii) in the case of any building other
than a certified historic structure, in the
rehabilitation process—

“(I) 50 percent or more of the
existing external walls of such build-
ing are retained in place as external
walls,

“(II) 75 percent or more of the
existing external walls of such build-
ing are retained in place as internal or external walls, and

“(III) 75 percent or more of the existing internal structural framework of such building is retained in place, and”, and

(II) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively, and by inserting after subparagraph (A) the following new subparagraph:

“(B) BUILDING MUST BE FIRST PLACED IN SERVICE BEFORE 1936.—In the case of a building other than a certified historic structure, a building shall not be a qualified rehabilitated building unless the building was first placed in service before 1936.”, and

(ii) in paragraph (2)(B), by amending clause (iv) to read as follows:

“(iv) CERTIFIED HISTORIC STRUCTURE, ETC.—Any expenditure attributable to the rehabilitation of a certified historic structure or a building in a registered historic district, unless the rehabilitation is a certified rehabilitation (within the meaning...
of subparagraph (C)). The preceding sentence shall not apply to a building in a registered historic district if—

“(I) such building was not a certified historic structure,

“(II) the Secretary of the Interior certified to the Secretary that such building is not of historic significance to the district, and

“(III) if the certification referred to in subclause (II) occurs after the beginning of the rehabilitation of such building, the taxpayer certifies to the Secretary that, at the beginning of such rehabilitation, he in good faith was not aware of the requirements of subclause (II).”.

(B) Paragraph (4) of section 145(d) of such Code is amended—

(i) by striking “of section 47(c)(1)(B)” each place it appears and inserting “of section 47(c)(1)(C)”, and

(ii) by striking “section 47(c)(1)(B)(i)” and inserting “section 47(c)(1)(C)(i)”. 
(b) Increase in Credit Rate for Qualified Rehabilitated Buildings Other Than Certified Historic Structures.—Section 47(a)(1) of such Code, as amended by subsection (a), is amended by striking “10 percent” and inserting “15 percent”.

c) Modification of Date Before Which Buildings Other Than Certified Historic Structures Must Be Placed in Service.—Section 47(c)(1)(B) of such Code, as amended by subsection (a), is amended by striking “1936” and inserting “the calendar year which is 50 years prior to the calendar year in which the building is placed in service (within the meaning of subsection (b)(1))”.

d) Requirement that Buildings Other Certified Historic Structures Must Be Close to Public Transportation Centers or Mobility Corridors.—Section 47(c)(1) of such Code, as amended by subsection (a), is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following new subparagraph:

“(C) Building must be close to public transportation center.—

“(i) In general.—In the case of a building other than a certified historic
structure, a building shall not be a qualified rehabilitated building unless the building is in a priority investment area of an eTOD and Mobility Plan, as such terms are defined in section 2 of the Promoting Equitable Transit-Oriented Development and Mobility Corridors Act, or not further than one-half mile from at least one of the following:

“(I) A location which provides passenger boarding on a fixed guideway (as defined in section 5302(7) of title 49, United States Code), commuter rail passenger transportation (as defined in section 24102(3) of title 49, United States Code), or intercity rail passenger transportation (as defined in section 24102(4) of title 49, United States Code).

“(II) A planned site for a location described in subclause (I) if the Secretary of Transportation has issued a full funding grant agreement with respect to such location under
section 5309(k)(2) of title 49, United States Code.

“(ii) IDENTIFICATION OF QUALIFIED AREAS.—The Secretary, in consultation with the Secretary of Transportation, shall identify areas which are described in clause (i).”.

(c) ELIMINATION OF CERTAIN LODGING RESTRICTIONS ON BUILDINGS OTHER THAN CERTIFIED HISTORIC STRUCTURES.—Section 50(b)(2)(C) of such Code is amended by striking “certified historic structure” and inserting “qualified rehabilitated building”.

(f) REQUIREMENT THAT BUILDINGS THAT ARE NOT CERTIFIED HISTORIC STRUCTURES AND NOT IN A REGISTERED HISTORIC DISTRICT RECEIVE CERTIFICATION OF STATUS.—Section 47(c)(1) of such Code, as amended by subsections (a) and (d), is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (C) the following new subparagraph:

“(D) BUILDINGS THAT ARE NOT CERTIFIED HISTORIC STRUCTURES AND NOT IN REGISTERED HISTORIC DISTRICT MUST RECEIVE CERTIFICATION OF STATUS.—
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“(i) IN GENERAL.—In the case of a building which is neither a certified historic structure nor located in a registered historic district, such building shall not be a qualified rehabilitated building unless the Secretary of the Interior certifies to the Secretary that such building is—

“(I) not a certified historic structure, and

“(II) not in a registered historic district.

“(ii) DETERMINATIONS BY NATIONAL PARK SERVICE.—To the maximum extent practicable, the Secretary of the Interior shall make certifications under clause (i) within 30 days of the receipt of an application for such certification.”.

(g) CREDIT FOR CERTAIN RELATED EXPENDITURES.—

(1) CREDIT FOR CERTAIN EXPENDITURES FOR PUBLIC INFRASTRUCTURE.—Section 47(c)(2) of such Code is amended by adding at the end the following new subparagraph:

“(E) TREATMENT OF CERTAIN EXPENDITURES FOR PUBLIC INFRASTRUCTURE.—
“(i) IN GENERAL.—In the case of any qualified rehabilitated building, expenditures for qualified public infrastructure (or improvements thereto) shall be treated for purposes of this section as qualified rehabilitation expenditures with respect to such building if providing such qualified public infrastructure is related to such building and is required by any State or local government.

“(ii) LIMITATION.—The amount treated as qualified rehabilitation expenditures with respect to any building under clause (i) shall not exceed 25 percent of the qualified rehabilitation expenditures with respect to such building (determined after the application of clause (i) and subparagraph (F)).

“(iii) BONUS CREDIT AMOUNT.—In the case of any amount treated as qualified rehabilitation expenditures under clause (i), subsection (a)(1) shall be applied by substituting ‘25 percent’ for ‘15 percent’.

“(iv) QUALIFIED PUBLIC INFRASTRUCTURE.—For purposes of this sub-
paragraph, the term ‘qualified public infra-
structure’ means water and sewer lines,
electrical lines and equipment, tele-
communications lines and equipment, and
road and sidewalks, which are located in
the public right of way and are not owned
by the taxpayer.”.

(2) Credit for expansion and adjacent
buildings with respect to qualified rehabili-
tated buildings other than certified his-
toric structures.—Section 47(c)(2) of such
Code, as amended by paragraph (1), is amended by
adding at the end the following new subparagraph:

“(F) Treatment of building expan-
sions and certain adjacent buildings
with respect to qualified rehabilitated
buildings other than certified historic
structures.—

“(i) In general.—In the case any
qualified rehabilitated building other than
a certified historic structure—

“(I) clause (iii) of subparagraph
(B) shall not apply, and

“(II) amounts described in sub-
paragraph (A)(i) which are in connec-

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tion with the rehabilitation or construc-

tion of a qualified adjacent building shall be treated as qualified rehabili-
tation expenditures with respect to such qualified rehabilitated building.

“(ii) LIMITATION.—The amount treated as qualified rehabilitation expenditures with respect to any qualified rehabilitated building under clause (i) shall not exceed 100 percent of the qualified rehabilitation expenditures with respect to such building (determined without regard to clause (i) and subparagraph (E)).

“(iii) QUALIFIED ADJACENT BUILDING.—For purposes of this subparagraph, the term ‘qualified adjacent building’ means, with respect to any qualified rehabilitated building, any building if such building and such qualified rehabilitated building are both on the same block.”.

(3) RELATED EXPENDITURES DISREGARDED IN DETERMINING IF REHABILITATION IS SUBSTAN-
TIAL.—Section 47(c)(1)(E), as redesignated by subsections (a), (d), and (f), is amended by adding at the end the following new clause:
“(iv) Certain expenditures disregarded.—Amounts which are otherwise treated as qualified rehabilitation expenditures by reason of subparagraph (E) or (F) of paragraph (2) shall not be treated as qualified rehabilitation expenditures for purposes of this subparagraph.”.

(h) Bonus Credit for Rent-restricted Housing Units.—Section 47 of such Code is amended by adding at the end the following new subsection:

““(e) Bonus Credit for Rent-restricted Housing Units.—

“(1) In general.—Subsection (a)(1) shall be applied by substituting ‘25 percent’ for ‘15 percent’ with respect to so much of the qualified rehabilitation expenditures (determined without regard to subsection (c)(2)(E)) with respect to any qualified rehabilitated building as are properly allocable to residential units which are—

“(A) rent-restricted (within the meaning of section 42(g)(2)), and

“(B) occupied by individuals whose income is 100 percent or less of area median gross income (within the meaning of section 42(g)(1)).
“(2) Failure to maintain rent-restriction subject to recapture.—In the case of any failure to maintain any residential unit taken into account under paragraph (1) as a residential unit described in such paragraph during the recapture period, section 50(a) shall apply as though the qualified rehabilitated building ceased to be investment credit property except that the recapture period and recapture percentage shall be determined under paragraph (3) and in determining the increase in tax under such section in lieu of reducing the credit determined under this section to zero such credit shall be determined without regard to paragraph (1). The application of section 50(a) with respect to a building as described in this paragraph shall not prevent the reapplication of such section to such building if such building is disposed of or otherwise ceases to be investment credit property and the tax imposed under such section by reason of such reapplication shall be reduced by the tax previously imposed as described in this paragraph.

“(3) Recapture period; recapture percentage.—For purposes of this subsection—

“(A) Recapture period.—The term ‘recapture period’ means the 10-year period begin-
ning on the date the building is placed in service.

“(B) Recapture percentage.—The term ‘recapture percentage’ means—

“(i) in the case of a failure described in paragraph (2) that occurs during the first year of the recapture period, 100 percent, and

“(ii) in the case of such a failure which occurs during any subsequent year of the recapture period, the percentage which is 10 percentage points less than the percentage which applied for the previous year (as determined under this subparagraph).”.

(i) Public Reporting.—Section 47 of such Code, as amended by subsection (h), is amended by adding at the end the following new subsection:

“(f) Public Reporting With Respect to Qualified Rehabilitated Buildings Other Than Certified Historic Structures.—

“(1) In General.—No credit shall be allowed under this section with respect to any qualified rehabilitated building other than a certified historic structure unless the taxpayer submits to the Sec-
(1) The Secretary shall, within 6 months after the date of the enactment of this section, and at such time and in such manner as the Secretary may provide, submit to Congress a report (at such time and in such manner as the Secretary may provide) which includes the information described in paragraph (2).

(2) Information.—The report described in paragraph (1) shall include the following:

(A) The name of the building and, if applicable, the name of the project of which such building is a part.

(B) Each of the following with respect to the location of the building: city, State, zip code, 2010 census tract (and whether such tract is metropolitan statistical area).

(C) The total cost of the building and, if applicable, the total cost of the project of which such building is a part.

(D) The total amount of credit allowed under this section with respect to such building and, if applicable, with respect to the project of which such building is a part.

(E) The year the building is placed in service.

(F) The number of housing units in the building and number of such housing units which are rent-restricted (within the meaning of section 42(g)(2)).
“(G) The primary purpose of the building.

“(3) Reports made publicly available.—

The Secretary shall ensure that reports made under paragraph (1) are made available to the public.”.

(j) Effective Date.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 8. CREDIT FACILITY TO SUPPORT EQUITABLE TRANSIT-ORIENTED DEVELOPMENT AND MOBILITY.

(a) Definitions.—In this section:

(1) Eligible applicant.—The term “eligible applicant” means—

(A) a State;

(B) a unit of local government;

(C) a corporation, partnership, or joint venture;

(D) a regional planning agency;

(E) a tribal government; or

(F) a transit agency.

(2) Eligible borrower.—The term “eligible borrower” means—

(A) a governmental entity, authority, agency, or instrumentality;
(B) a corporation, partnership, joint venture, or trust on behalf of which an eligible applicant has submitted an application under subsection (c); or

(C) any other legal entity undertaking an eligible project on behalf of which an eligible applicant has submitted an application under subsection (c).

(3) **Eligible Project.**—The term “eligible project” means an eligible equitable transit-oriented development or mobility project, including—

(A) property enhancement, including conducting environmental remediation, park development, and open space acquisition;

(B) improvement of mobility and parking, including rehabilitating, or providing for additional, streets, transit stations, structured parking, walkways, and bikeways;

(C) utility development, including rehabilitating existing, or providing for new drinking water, wastewater, electric, and gas utilities;

(D) economic development, including commercial and residential development, located in a priority investment area; or
(E) commercial and residential projects that includes—

(i) a project for residential or mixed-use development in which—

(I) not less than 30 percent of the residential units in the project are, or in the case of new construction, are designated to be, rent-restricted;

(II) the average of the designated income limitations under clause (ii) of all rent-restricted units does not exceed 80 percent of the median gross income in the area; and

(ii) a project for mixed-use development for—

(I) affordable commercial space dedicated to local businesses owned by women or people of color;

(II) local businesses primarily owned by individuals who are members of historically underserved populations; and

(III) non-profit organizations which serve historically underserved
32 communities, including communities of color.

(4) **Essential Community Facility.**—The term “essential community facility” means a facility that provides an essential service to the local community for the beneficial and orderly development of the community, including—

(A) a facility that provides health services;

and

(B) a facility that provides community, social, or cultural services.

(b) **Establishment.**—The Secretary may make or guarantee loans under this section to eligible borrowers for eligible projects.

(c) **Application.**—An eligible applicant may submit to the Secretary an application for a loan or loan guarantee under this section—

(1) to fund an eligible project carried out by the eligible applicant; or

(2) on behalf of an eligible borrower, to fund an eligible project carried out by the eligible borrower.

(d) **Minimum Project Costs.**—An eligible project shall have project costs that are reasonably anticipated to equal or exceed $2,500,000.
(e) **Maximum Amount of Loan.**—Federal assistance provided for a project under this section may not exceed 75 percent of total project costs. The Secretary may increase the maximum amount of a secured loan from the amount described in the preceding sentence if the secured loan is for an eligible project for residential or mixed-use development for which—

(1) not more than 30 percent of the total square footage is used for commercial development; or

(2)(A) not more than 50 percent of the total square footage is used for commercial development; and

(B) not less than 50 percent of the square footage described in subparagraph (A) is reserved for essential community facilities.

(f) **Eligible Sources of Repayment.**—A loan made or guaranteed under this section shall be repayable, in whole or in part, from dedicated revenue sources, which may include—

(1) user fees;

(2) property tax revenues;

(3) sales tax revenues; or

(4) other revenue sources dedicated to the project by property owners and businesses.
(g) INTEREST RATE.—The Secretary shall establish an interest rate for loans made or guaranteed under this section with reference to a benchmark interest rate yield on marketable Treasury securities with a maturity that is similar to the loans made or guaranteed under this section.

(h) MAXIMUM MATURITY.—The maturity of a loan made or guaranteed under this section may not exceed the lesser of—

   (1) 35 years; or

   (2) 90 percent of the useful life of the project to be financed by the loan or loan guarantee, as determined by the Secretary.

(i) MAXIMUM LOAN GUARANTEE RATE.—

   (1) IN GENERAL.—The guarantee rate on a loan guaranteed under this section may not exceed 75 percent of the amount of the loan.

   (2) LOWER GUARANTEE RATE FOR LOW-RISK BORROWERS.—The Secretary shall establish a guarantee rate for loans to eligible borrowers that the Secretary determines pose a lower risk of default that is lower than the guarantee rate for loans to other eligible borrowers.

(j) FEES.—The Secretary shall establish fees for loans made or guaranteed under this section in amounts
up to, but not exceeding, the costs to the Federal Government of making or guaranteeing a loan under this section.

(k) NONSUBORDINATION.—A loan made or guaranteed under this section for a project may not be subordinated to the claims of any holder of an obligation relating to the project in the event of bankruptcy, insolvency, or liquidation.

(l) COMMENCEMENT OF REPAYMENT.—The scheduled repayment of principal or interest on a loan made or guaranteed under this section for a project shall commence not later than 5 years after the date of substantial completion of the project.

(m) REPAYMENT DEFERRAL FOR LOANS.—

(1) IN GENERAL.—

(A) LOAN MADE BY SECRETARY.—If, at any time after the date of substantial completion of a project under the program, the Secretary determines that dedicated revenue sources of an eligible borrower are insufficient to make the scheduled loan repayments of principal and interest on a loan made or guaranteed under this section, the Secretary may, subject to criteria established by the Secretary, allow the eligible borrower to defer payments and add
unpaid principal and interest to the outstanding balance of the loan.

(B) LOAN GUARANTEED BY SECRETARY.—

If, at any time after the date of substantial completion of a project, the Secretary determines that dedicated revenue sources of an eligible borrower are insufficient to make the scheduled loan repayments of principal and interest on a loan guaranteed by the Secretary under this section, the Secretary may, subject to criteria established by the Secretary—

(i) add unpaid principal and interest to the outstanding balance of the loan; and

(ii) modify the terms of the loan guarantee to reflect a modification made under clause (i).

(2) TREATMENT OF DEFERRED PAYMENTS.—

Any payment deferred under this section shall—

(A) continue to accrue interest until fully repaid; and

(B) be scheduled to be amortized over the remaining term of the loan.

(n) CONSULTATION.—In carrying out this section, the Secretary shall consult with the Secretary of Housing and Urban Development, as appropriate.
(o) REQUIREMENT.—Of the funds made available to carry out this section for each fiscal year, not less than 5 percent shall be used for eligible projects in rural and disadvantage communities.

(p) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the cost of loans and loan guarantees under this section—

(1) $300,000,000 for each of fiscal years 2021 and 2022; and

(2) $500,000,000 for each of fiscal years 2023 and 2024.

SEC. 9. AMENDMENTS TO TIFIA AND RRIF.

(a) DETERMINATION OF ELIGIBILITY AND PROJECT SELECTION.—Section 602(a)(5)(B)(ii) of title 23, United States Code, is amended by inserting “or section 5302(3)(G)” after “601(a)(12)(E)”.

(b) SECURED LOANS.—Section 603(b)(2) of title 23, United States Code, is amended—

(1) in subparagraph (A) by striking “subparagraph (A)” and inserting “subparagraphs (A) and (B)”;

and

(2) by adding at the end the following:

“(C) ETOD AND MOBILITY PROJECTS.—

“(i) IN GENERAL.—Notwithstanding subsection (A), in the case of a project
described in clause (ii), the maximum amount of a secured loan under this section shall be 49 percent of the reasonably anticipated eligible project costs.

“(ii) Project Description.—For purposes of clause (i), a project eligible for the loan described in clause (i) shall be a project certified under section 4(i)(3) of the Promoting Equitable Transit-Oriented Development and Mobility Corridors Act.”.

(c) Creditworthiness.—Section 602(a)(2) of title 23, United States Code, is amended by adding at the end the following:

“(C) Additional Creditworthiness Factors.—Notwithstanding subparagraph (A), an applicant may demonstrate creditworthiness under this paragraph by providing—

“(i) collateral;

“(ii) the applicant’s audited financial data, including balance sheet, income statement, and cash flow statements;

“(iii) or cash flow projections from a project.”.
(d) **DIRECT LOANS AND LOAN GUARANTEES.**—Section 502(b) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 822(b)) is amended—

(1) in paragraph (1)(E)—

(A) in clause (ii) by striking the semicolon and inserting “; and”;

(B) in clause (iii) by striking “; and” and inserting a period; and

(C) by striking clause (iv); and

(2) by striking paragraph (3).

(e) **CONDITIONS OF ASSISTANCE.**—Section 502(h)(4) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 822(h)(4)) is amended by inserting “, except that a Federal match shall not be required for any project certified under section 4(i)(3) of the Promoting Equitable Transit-Oriented Development and Mobility Corridors Act or for a project that has dedicated revenues for affordable housing or public transportation.”

**SEC. 10. LOCAL INFRASTRUCTURE BANK PROGRAM.**

Section 610 of title 23, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting “or regional infrastructure bank” after “State infrastructure bank” each place that it appears; and
(B) by adding at the end the following:

“(13) LOCAL INFRASTRUCTURE BANK.—The term ‘local infrastructure bank’ means an infrastructure bank of a city, town, borough, county, parish, district, or other public body created by, or pursuant to, State or Federal law.”;

(2) in subsection (b) by inserting “or local infrastructure banks” after “State infrastructure banks”; 

(3) in subsection (d) by inserting “or local infrastructure bank” after “State infrastructure bank” each place that it appears; and

(4) in subsection (e) by inserting “or local infrastructure bank” after “State infrastructure bank” each place that it appears.

SEC. 11. FIXED GUIDEWAY CAPITAL INVESTMENT GRANTS.

Section 5309(a)(5) of title 49, United States Code, is amended—

(1) in subparagraph (A) by striking “; or” and inserting a semicolon;

(2) in subparagraph (B) by striking the period and inserting “; or”; and

(3) by adding at the end the following:

“(C) a new affordable housing trust fund to promote affordable housing.”.
SEC. 12. DEFINITIONS.

(a) CAPITAL PROJECT.—Section 5302(3)(G)(iii) of title 49, United States Code, is amended by inserting “or affordable housing” after “public transportation”.

(b) AFFORDABLE HOUSING.—Section 5302 of title 49, United States Code, is amended by adding at the end the following:

“(25) AFFORDABLE HOUSING.—The term ‘affordable housing’ means—

“(A) housing for which the household spends less than 30 percent of income on housing costs; or

“(B) housing for which the household spends 45 percent or more of the income of the household on housing and transportation combined as determined by the Location Affordability Index published by the Department of Transportation and the Department of Housing and Urban Development.”.