

Summary: Promoting Affordable Housing Near Transit Act

Endorsements: BRIDGE Housing Corporation, Enterprise Community Partners, Grounded Solutions Network, Local Initiatives Support Corporation (LISC), Low Income Investment Fund (LIIF), Mercy Housing, Mercy Housing Northwest, National Apartment Association, National Association of REALTORS®, National Leased Housing Association, National Low Income Housing Coalition, National NeighborWorks Association, Prosperity Now, Sound Transit, Up for Growth Action, Washington State Mortgage Bankers Association

The **Promoting Affordable Housing Near Transit Act** will help non-governmental organizations receive unused land from federal transit projects for the purposes of developing affordable housing.

The National Low Income Housing Coalition (NLIHC) estimates that **the U.S. has a shortage of about 6.8 million affordable rental homes**, and no state has an adequate supply of affordable and available homes for extremely low-income renters.¹

Many local non-profit organizations and other private entities are looking for creative ways to develop new affordable units, especially units in city centers or located along accessible transit lines. With more and more federal transit administration projects breaking ground across the country, there is a unique opportunity to give back unused land procured through that process to community-driven organizations for the purposes of developing affordable transit-accessible housing.

Background: Under current law, at the conclusion of a federal transit project, recipients of federal transit funding may choose to transfer property no longer needed for a transit project to a local government for a public purpose use at zero cost. This provision allows local government entities to receive valuable transit-adjacent property that can be put to public use. Unfortunately, current law does not allow transit entities to transfer land in the same manner to non-profit or other non-governmental entities. Therefore, if a local government is unable or uninterested in providing affordable housing on the federal land, the land remains undeveloped and is returned to the federal government.

Bill Overview: The Promoting Affordable Housing Near Transit Act establishes a process by which a non-profit organization or other third party entity can receive a land transfer from a federal transit grant recipient at zero cost. The process requires the Secretary of Transportation to determine that:

- The receiving non-profit or other non-governmental organization has a demonstrated track record of developing affordable housing.
- The land is a necessary component of a proposed transit-oriented development project.
- The transit-oriented development project will increase transit ridership.
- At least 40% of the housing units offered in the development, including housing owned by nongovernmental entities, are legally binding affordability restricted to tenants

¹ https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2021.pdf

and/or owners with incomes at or below 60% of the area median income (AMI). Within this, at least 20% of such housing units must be restricted to tenants and/or owners at or below 30% of AMI.

- The land will remain in use under these affordability terms for at least 30 years
- If a third-party entity (not a local government or non-profit) is seeking the transfer, the Secretary must determine that:
 - Neither a local government or non-profit is able to receive the property
 - The overall benefit of the transfer is greater than the federal interest in the property
 - The third party has demonstrated a satisfactory history of construction or operating an affordable housing development

Similar language was included in the House-passed infrastructure bill in the last Congress (Sec. 2702 of [H.R. 2](#)).