

To amend title 49, United States Code, with respect to property disposition for affordable housing, and for other purposes.

JUNE 1, 2021

Mr. SMITH of Washington introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

To amend title 49, United States Code, with respect to property disposition for affordable housing, and for other purposes.

3 SECTION 1. SHORT TITLE.

6 SEC. 2. PROPERTY DISPOSITION FOR AFFORDABLE HOUS-
7 ING.

8 Section 5334(h)(1) of title 49, United States Code,
9 is amended to read as follows:

1 “(1) IN GENERAL.—If a recipient of assistance
2 under this chapter decides an asset acquired under
3 this chapter at least in part with that assistance is
4 no longer needed for the purpose for which such
5 asset was acquired, the Secretary may authorize the
6 recipient to transfer such asset to—

7 “(A) a local governmental authority to be
8 used for a public purpose with no further obli-
9 gation to the Government if the Secretary de-
10 cides—

11 “(i) the asset will remain in public use
12 for at least 5 years after the date the asset
13 is transferred;

14 “(ii) there is no purpose eligible for
15 assistance under this chapter for which the
16 asset should be used;

17 “(iii) the overall benefit of allowing
18 the transfer is greater than the interest of
19 the Government in liquidation and return
20 of the financial interest of the Government
21 in the asset, after considering fair market
22 value and other factors; and

23 “(iv) through an appropriate screen-
24 ing or survey process, that there is no in-
25 terest in acquiring the asset for Govern-

1 ment use if the asset is a facility or land;
2 or

3 “(B) a local governmental authority, non-
4 profit organization, or other third-party entity
5 to be used for the purpose of transit-oriented
6 development with no further obligation to the
7 Government if the Secretary decides—

8 “(i) the asset is a necessary compo-
9 nent of a proposed transit-oriented devel-
10 opment project;

11 “(ii) the transit-oriented development
12 project will increase transit ridership;

13 “(iii) at least 40 percent of the hous-
14 ing units offered in the transit-oriented de-
15 velopment, including housing units owned
16 by nongovernmental entities, are legally
17 binding affordability restricted to tenants
18 with incomes at or below 60 percent of the
19 area median income and owners with in-
20 comes at or below 60 percent the area me-
21 dian income, which shall include at least
22 20 percent of such housing units offered
23 restricted to tenants with incomes at or
24 below 30 percent of the area median in-

1 come and owners with incomes at or below
2 30 percent the area median income;

3 “(iv) the asset will remain in use as
4 described in this section for at least 30
5 years after the date the asset is trans-
6 ferred; and

7 “(v) with respect to a transfer to a
8 third-party entity—

9 “(I) a local government authority
10 or nonprofit organization is unable to
11 receive the property;

12 “(II) the overall benefit of allow-
13 ing the transfer is greater than the in-
14 terest of the Government in liquida-
15 tion and return of the financial inter-
16 est of the Government in the asset,
17 after considering fair market value
18 and other factors; and

19 “(III) the third party has dem-
20 onstrated a satisfactory history of
21 construction or operating an afford-
22 able housing development.”.

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