119TH CONGRESS
2D SESSION

S. ______

To amend the Internal Revenue Code of 1986 to provide for an increase in housing bonds and housing credit allocation for transit oriented developments, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. BOOKER introduced the following bill; which was read twice and referred to the Committee on ____________________

A BILL

To amend the Internal Revenue Code of 1986 to provide for an increase in housing bonds and housing credit allocation for transit oriented developments, 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 ''Transit-Oriented Housing Development Act of 2026''.

SEC. 2. INCREASE AND SET ASIDE FOR HOUSING BONDS FOR TRANSIT ORIENTED DEVELOPMENTS.

(a) IN GENERAL.—Paragraph (5) of section 146(d) of the Internal Revenue Code of 1986 is amended to read as follows:

"(5) INCREASE AND SET ASIDE FOR CERTAIN HOUSING BONDS.—

"(A) IN GENERAL.—In the case of calendar years beginning after 2025, the State ceiling for each State shall be increased by 30 percent.

"(B) SET ASIDE.—

"(i) IN GENERAL.—Any amount of the State ceiling for any State which is attributable to an increase under this paragraph shall be allocated solely for one or more qualified housing issues.

"(ii) QUALIFIED HOUSING ISSUE.—

"(I) IN GENERAL.—For purposes of this paragraph, the term 'qualified housing issue' means an issue 95 percent or more of the net proceeds of which are to be used to provide projects for residential rental property (within the meaning of section 142(d)(1)), if each qualified residential rental project with respect to such issue—

"(aa) is located within a transit hub,

"(bb) is occupied solely by individuals whose income is 120 percent or less of area median gross income (as determined under section 142(d)(2)(B)(i)), and

"(cc) meets the requirements of subclause (II).

"(II) ADDITIONAL REQUIREMENTS.—A qualified residential rental project meets the requirements of this subclause if—

"(aa) 20 percent or more of the residential units in such project are both rent-restricted (as determined pursuant to rules similar to the rules under section 42(g)(2)) and occupied by individuals whose income is 50 percent or less of area median gross income (as determined under section 142(d)(2)(B)(i)), and

"(bb) 10 percent or more of the residential units in such project are both rent-restricted (as determined pursuant to rules similar to the rules under section 42(g)(2)) and occupied by individuals whose income does not exceed the higher of—

"(AA) the poverty guidelines updated periodically by the Department of Health and Human Services under the authority of section 673(2) of the Community Services Block Grant Act applicable to a family of the size involved (except that this clause shall not apply in the case of public housing agencies or projects located in Puerto Rico or any other territory or possession of the United States), or

"(BB) an amount equal to 30 percent or less of area median gross income (as determined under section 142(d)(2)(B)(i)).

"(iii) TRANSIT HUB.—For purposes of clause (ii)(I)(aa), the term 'transit hub' means an area such that any point in such area is not more than ½ mile from a fixed guideway public transportation station, intercity bus station, intercity bus stop, or intercity passenger rail station.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2025.

SEC. 3. INCREASE IN CREDIT FOR TRANSIT ORIENTED DEVELOPMENTS.

(a) IN GENERAL.—Paragraph (5) of section 42(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(C) INCREASE IN CREDIT FOR TRANSIT ORIENTED DEVELOPMENTS.—

"(i) IN GENERAL.—In the case of any building described in clause (iii)—

"(I) in the case of a new building, the eligible basis of such building shall be 150 percent of such basis determined without regard to this subparagraph, and

"(II) in the case of an existing building, the rehabilitation expenditures taken into account under subsection (e) shall be 150 percent of such expenditures determined without regard to this subparagraph.

"(ii) INCREASE FOR PROJECTS MEETING PREVAILING WAGE STANDARDS.—In the case of any building described in clause (iii) which pays workers employed in the construction of such building a wage not less than the prevailing wage for employment of a similar character in the locality in which such building is located, as most recently determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code, clause (i) shall be applied by substituting '200 percent' for '150 percent'.

"(iii) BUILDINGS DESCRIBED.—For purposes of this subparagraph, a building is described in this clause if 25 percent or more of the aggregate basis of such building and the land on which the building is located is financed by an obligation described in subsection (h)(4)(A) which is a qualified housing issue as defined in section 146(d)(5)(B)(ii).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to buildings financed by bonds issued after December 31, 2025.

SEC. 4. HOUSING TRUST FUND.

Section 1338(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568(a)) is amended by adding at the end the following:

"(3) APPROPRIATIONS FOR PROJECTS WITHIN TRANSIT HUB.—

"(A) IN GENERAL.—There is appropriated to the Housing Trust Fund, out of amounts in the Treasury not otherwise appropriated, $30,000,000,000 for each of fiscal years 2026 through 2035.

"(B) PRIORITY TO PROJECTS LOCATED WITHIN TRANSIT HUB.—Amounts allocated to a

State pursuant to this section shall be distributed in a manner which gives priority to projects located within a transit hub (as defined in section 146(d)(5)(B)(iii) of the Internal Revenue Code of 1986).

"(C) WAIVER.—The deadline under subsection (c)(10)(B) shall not apply to funds appropriated under subparagraph (A).".