

AMENDMENT

OFFERED BY MR. DESAULNIER OF CALIFORNIA

At the end of title II, insert the following:

1 **SEC. 2___ . INFRASTRUCTURE FINANCE.**

2 (a) **GENERALLY APPLICABLE PROVISIONS.**—Section
3 601(a) of title 23, United States Code, is amended—

4 (1) by inserting “and section 611” after “609”;

5 (2) in paragraph (2)—

6 (A) in subparagraph (C) by striking “;
7 and” and inserting a semicolon;

8 (B) in subparagraph (D) by striking the
9 period and inserting “; and”; and

10 (C) by adding at the end the following:

11 “(E) capitalizing a CDFI TOD account.”;

12 (3) in paragraph (12)—

13 (A) in subparagraph (E) by striking “;
14 and” and inserting a semicolon;

15 (B) in subparagraph (H) by striking the
16 period and inserting “; and”; and

17 (C) by adding at the end the following:

18 “(I) the capitalization of a CDFI TOD ac-
19 count.”; and

20 (4) by adding at the end the following:

1 “(25) CDFI.—The term ‘CDFI’ has the mean-
2 ing given the term ‘community development financial
3 institution’ under section 103 of the Riegle Commu-
4 nity Development and Regulatory Improvement Act
5 of 1994 (12 U.S.C. 4702).

6 “(26) CDFI TOD ACCOUNT.—The term ‘CDFI
7 TOD account’ means an account—

8 “(A) established within a CDFI under sec-
9 tion 611(e);

10 “(B) capitalized with the proceeds of a se-
11 cured loan made to a CDFI in accordance with
12 sections 602 and 603;

13 “(C) for the purpose of making loans to
14 sponsors of transit-oriented development
15 projects in accordance with section 611.”.

16 (b) DETERMINATION OF ELIGIBILITY AND PROJECT
17 SELECTION.—Section 602 of title 23, United States Code,
18 is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (2) by adding at the end
21 the following:

22 “(D) CDFI.—Notwithstanding subpara-
23 graphs (A) and (B), in a case in which the Fed-
24 eral credit instrument is provided to a CDFI,
25 the Secretary may rely upon a credit assess-

1 ment of the CDFI by the Secretary of Treasury
2 in lieu of investment grade ratings and credit
3 opinions from rating agencies.”;

4 (B) in paragraph (4) by inserting “CDFI,”
5 after “partnership,”;

6 (C) in paragraph (5)(B) by inserting at
7 the end the following:

8 “(v) CDFI TOD ACCOUNTS.—In the
9 case of a project capitalizing a CDFI TOD
10 account, eligible project costs shall not ex-
11 ceed \$100,000,000.”;

12 (D) in paragraph (6)—

13 (i) in subparagraph (C) by striking
14 “or”;

15 (ii) in subparagraph (D) by striking
16 the period and inserting “; or”; and

17 (iii) by adding at the end the fol-
18 lowing:

19 “(E) in the case of a CDFI TOD account,
20 the unconditional promissory obligation of a
21 CDFI.”;

22 (E) in paragraph (7)—

23 (i) by striking “State or local govern-
24 ment or” and inserting “State or local gov-
25 ernment,”; and

1 (ii) by inserting “or a CDFI,” before
2 “the project”;

3 (F) in paragraph (9)—

4 (i) by striking “The Secretary” and
5 inserting “(A) IN GENERAL—The Sec-
6 retary”;

7 (ii) by redesignating subparagraphs
8 (A), (B), and (C) as clauses (i), (ii), and
9 (iii); and

10 (iii) by adding at the end the fol-
11 lowing:

12 “(B) CDFI TOD ACCOUNTS.—With respect
13 to financial assistance provided to a CDFI
14 under the TIFIA program, the Secretary shall
15 deem that the project generates beneficial ef-
16 fects.”; and

17 (G) in paragraph (10)—

18 (i) in subparagraph (A) by striking
19 “subparagraph (B)” and inserting “sub-
20 paragraphs (B) and (C)”; and

21 (ii) by adding at the end the fol-
22 lowing:

23 “(C) CDFI TOD ACCOUNT.—In the case of
24 a project capitalizing a CDFI TOD account,
25 the CDFI shall demonstrate to the Secretary,

1 not later than two years after the date on which
2 a secured loan is obligated for the project under
3 the TIFIA program, that the CDFI has exe-
4 cuted a loan agreement with a project sponsor
5 in accordance with section 611. After the dem-
6 onstration is made, the CDFI may draw upon
7 the secured loan. At the end of the 2-year pe-
8 riod, to the extent the CDFI has not used the
9 loan commitment, the Secretary may extend the
10 time period for using the loan commitment or
11 withdraw the loan commitment.”; and

12 (2) in subsection (b)(3)—

13 (A) by striking “The Secretary” and in-
14 serting “(A) IN GENERAL—The Secretary”;

15 (B) by redesignating subparagraphs (A)
16 and (B) as clauses (i) and (ii), respectively; and

17 (C) by adding at the end the following:

18 “(B) CDFI TOD ACCOUNT.—Notwith-
19 standing subparagraph (A), in the case of an
20 applicant that is a CDFI, in lieu of a prelimi-
21 nary rating opinion letter, the Secretary may
22 rely upon a letter from the Secretary of the
23 Treasury that verifies the applicant is a CDFI
24 certified by the Community Development Fi-

1 nancial Institutions Fund of the Department of
2 the Treasury.”.

3 (c) SECURED LOANS.—Section 603 of title 23,
4 United States Code, is amended—

5 (1) in subsection (a)(3) by striking “section
6 602(b)(3)(B)” and inserting “section
7 603(b)(3)(A)(ii) or, with respect to a CDFI, the let-
8 ter of the Secretary of Treasury under section
9 602(b)(3)(B)”;

10 (2) in subsection (b)—

11 (A) in paragraph (2)—

12 (i) in subparagraph (A) by striking
13 “subparagraph (B)” and inserting “sub-
14 paragraphs (B) and (C)”;

15 (ii) by adding at the end the fol-
16 lowing:

17 “(C) CDFI TOD ACCOUNT.—In the case of
18 a project capitalizing a CDFI TOD account,
19 the maximum amount of a secured loan made
20 to a CDFI shall be determined in accordance
21 with section 602(a)(5)(B)(v).”;

22 (B) in paragraph (3)(A)(i)—

23 (i) in subclause (IV) by striking “; or”
24 and inserting “;”;

1 (ii) in subclause (V) by striking “;
2 and” and inserting “; or”; and

3 (iii) by adding at the end the fol-
4 lowing:

5 “(VI) in the case of a secured
6 loan for a project capitalizing a CDFI
7 TOD account, any other revenue
8 sources available to a CDFI, including
9 repayments from loans made for
10 projects in accordance with section
11 611; and”;

12 (C) in paragraph (4)(B)—

13 (i) in the header by inserting “and
14 CDFI TOD accounts” after “infrastruc-
15 ture projects”;

16 (ii) in clause (i) by striking “or a
17 rural projects fund” and inserting “, a
18 rural projects fund, or a CDFI TOD ac-
19 count”; and

20 (iii) in clause (ii) by striking “and
21 rural project funds” and inserting “, rural
22 projects funds, and CDFI TOD accounts”;

23 (D) in paragraph (5)(B)—

1 (i) in the header by inserting “and
2 CDFI TOD account” after “Rural projects
3 fund”; and

4 (ii) by inserting “or CDFI TOD ac-
5 count” after “rural projects fund”; and

6 (E) in paragraph (9) by adding at the end
7 the following:

8 “(C) CDFI TOD ACCOUNT.—A project cap-
9 italizing a CDFI TOD account shall satisfy
10 subparagraph (A) through compliance with the
11 Federal share requirement described in section
12 611(c)(3)(A).”.

13 (d) PROGRAM ADMINISTRATION.—Section 605 of
14 title 23, United States Code, is amended—

15 (1) in subsection (d) by inserting “, community
16 development,” after “field of municipal”;

17 (2) by redesignating subsections (e) and (f) as
18 subsections (g) and (h), respectively;

19 (3) by inserting after subsection (d) the fol-
20 lowing:

21 “(e) ASSISTANCE FROM THE SECRETARY OF TREAS-
22 URY.—The Secretary shall consult with the Secretary of
23 the Treasury in assessing the creditworthiness of CDFI
24 applicants and shall enter into a memorandum of under-
25 standing pursuant to section 611(b) of this chapter

1 through which the Secretary of the Treasury provides as-
2 sistance in the credit underwriting, servicing, and moni-
3 toring of Federal credit instruments provided to CDFI
4 TOD accounts.

5 “(f) IMPLEMENTATION.—Not later than 180 days
6 after enactment of Section 611, the Secretary shall imple-
7 ment this section by releasing program guidance and solie-
8 iting applications.”; and

9 (4) in subsection (h) (as so redesignated)—

10 (A) in the heading by inserting “and CDFI
11 TOD accounts” after “small projects”; and

12 (B) in paragraph (1)—

13 (i) by striking “608(a)(5)” and insert-
14 ing “608(a)(6)”;

15 (ii) by striking “\$2,000,000” and in-
16 serting “\$4,000,000”; and

17 (iii) by striking “\$75,000,000” and
18 inserting “\$100,000,000”.

19 (e) FUNDING.—Section 608(a) of title 23, United
20 States Code, is amended—

21 (1) by redesignating paragraphs (4) and (5) as
22 paragraphs (5) and (6), respectively;

23 (2) by inserting after paragraph (3) the fol-
24 lowing:

25 “(4) CDFI SET ASIDE.—

1 “(A) IN GENERAL.—Of the total amount
2 of funds made available to carry out the TIFLA
3 program for each fiscal year, not more than 10
4 percent shall be set aside for CDFI TOD ac-
5 counts.

6 “(B) REOBLIGATION.—Any amounts set
7 aside under subparagraph (A) that remain un-
8 obligated by June 1 of the fiscal year for which
9 the amounts were set aside shall be available
10 for obligation by the Secretary on projects other
11 than CDFI TOD accounts.”; and

12 (3) by adding at the end the following:

13 “(7) REIMBURSEMENTS TO THE SECRETARY OF
14 THE TREASURY.—Of the amounts authorized for the
15 administration of the TIFLA program under para-
16 graph (6), the Secretary may use not more than 10
17 percent for each fiscal year to reimburse the Sec-
18 retary of the Treasury for assistance provided pur-
19 suant to a memorandum of understanding under
20 section 611(b).”.

21 (f) COMMUNITY DEVELOPMENT FINANCIAL INSTITU-
22 TION TRANSIT-ORIENTED DEVELOPMENT.—Chapter 6 of
23 title 23, United States Code, is further amended by adding
24 at the end the following:

1 **“§ 612. Community development financial institution**
2 **transit-oriented development**

3 “(a) DEFINITIONS.—In this section:

4 “(1) CDFI TOD PROJECT.—The term ‘CDFI
5 TOD project’ means a project located within one-
6 half mile in an urban area or three-fourths of a mile
7 in a rural area of a fixed guideway transit facility,
8 passenger rail station, intercity bus station or inter-
9 modal facility that supports—

10 “(A) commercial facilities or businesses
11 that are located in low-income communities and
12 are—

13 “(i) owned by low-income persons;

14 “(ii) principally serve low-income per-
15 sons or low-income community residents;

16 or

17 “(iii) principally employ low-income
18 persons;

19 “(B) community facilities that are located
20 in low-income communities or principally serve
21 low-income persons; or

22 “(C) housing that is principally affordable
23 to low-income persons.

24 “(2) INVESTMENT AREA.—The term ‘Invest-
25 ment Area’ has the meaning given the term in sec-
26 tion 1805.201(b)(3)(B)(ii) of title 12, Code of Fed-

1 eral Regulations (as in effect on the date of enact-
2 ment of this section).

3 “(3) LOAN.—The term ‘loan’ means any form
4 of direct financial assistance that is required to be
5 repaid over a period of time provided by a CDFI to
6 a project sponsor for all or part of the costs of a
7 CDFI TOD project.

8 “(4) LOW-INCOME COMMUNITY.—The term
9 ‘low-income community’ means a community that is
10 located in an Investment Area.

11 “(5) LOW-INCOME PERSON.—The term ‘low-in-
12 come person’ means a person whose income does not
13 exceed the level established for low-income (as such
14 term is defined in section 1805.104 of title 12, Code
15 of Federal Regulations, as in effect on the date of
16 enactment of this section).

17 “(6) PROJECT SPONSOR.—The term ‘project
18 sponsor’ means a public or private entity approved
19 by a CDFI and developing a CDFI TOD project in
20 accordance with this section.

21 “(b) MEMORANDUM OF UNDERSTANDING.—The Sec-
22 retary shall enter into a memorandum of understanding
23 with the Secretary of Treasury to support consultation
24 with the Community Development Financial Institutions
25 Fund to provide the necessary credit underwriting, serv-

1 icing, and monitoring of CDFI applicants and participants
2 in the TIFIA program.

3 “(c) CDFI TOD ACCOUNTS.—

4 “(1) IN GENERAL.—The Secretary shall require
5 any CDFI participating in the program authorized
6 in this section to establish a CDFI TOD account
7 into which the proceeds of a secured loan made to
8 the CDFI in accordance with sections 602 and 603
9 and any loan repayments from public or private enti-
10 ties receiving loans made to fund CDFI TOD
11 projects will be deposited.

12 “(2) AMOUNTS IN ACCOUNT.—Any principal
13 loan repayments and any investment income derived
14 from funds deposited to a CDFI TOD account shall
15 be—

16 “(A) credited to the account;

17 “(B) available for providing loans to
18 project sponsors;

19 “(C) available for repaying the secured
20 loan made to the CDFI in accordance with sec-
21 tions 602 and 603; and

22 “(D) invested in such financing instru-
23 ments as the Secretary may approve to earn in-
24 terest to augment the lending capacity of the
25 account.

1 “(3) LOANS.—Any loan to a project sponsor
2 funded from the account shall—

3 “(A) be in an amount determined by the
4 CDFI, but in any case not exceed 80 percent of
5 eligible project costs;

6 “(B) commence repayment not later than
7 5 years after the project has been completed;

8 “(C) have a final maturity not later than
9 30 years after the date of the first payment on
10 the loan;

11 “(D) be set at a rate not greater than the
12 level needed to fully reimburse the CDFI’s ad-
13 ministrative, monitoring, servicing, and capital
14 charges associated with the loan; and

15 “(E) be secured and have a priority of pay-
16 ment as determined by the CDFI.

17 “(4) REVOLVING LOAN STRUCTURE.—The
18 CDFI may apply loan repayments to fund additional
19 loans provided such relending does not impair the
20 ability of the CDFI to repay its secured loan in full
21 and timely fashion.

22 “(5) DELEGATED LENDING MODEL.—The
23 CDFI is authorized to provide loans for CDFI TOD
24 projects under a delegated lending model. No provi-
25 sion of this section shall restrict the ability of the

1 CDFI to establish the terms and conditions of loans
2 to project sponsors under this section.

3 “(d) DISCONTINUANCE OF FUNDING.—If the Sec-
4 retary determines that a CDFI is not implementing the
5 CDFI TOD account in accordance with the application of
6 such account, the Secretary may prohibit the CDFI from
7 drawing down any additional proceeds from a secured loan
8 commitment.

9 “(e) FORMS OF ASSISTANCE FROM A CDFI.—

10 “(1) IN GENERAL.—A CDFI may, using funds
11 deposited into the CDFI TOD account, make loans
12 to a public or private entity to carry out a CDFI
13 TOD project.

14 “(2) SUBORDINATION OF LOAN.—The amount
15 of a loan or other form of credit assistance provided
16 for a project described in subsection (c)(3) may be
17 subordinated to any other debt financing for the
18 project.

19 “(f) ANNUAL REPORT TO THE SECRETARY.—Any
20 CDFI participating in this program shall make an annual
21 report to the Secretary not later than September 30 of
22 each year and such other reports as the Secretary may
23 require under guidelines issued to carry out this section.

24 “(g) APPLICABILITY OF FEDERAL LAW.—The re-
25 quirements of this title and title 49 that would otherwise

1 apply to funds made available under this chapter or such
2 title and projects assisted with those funds shall apply to
3 CDFI TOD projects assisted by the CDFI under this
4 chapter, except to the extent the Secretary determines that
5 any requirement of such title is not applicable or is not
6 consistent with the objectives of this section.

7 “(h) UNITED STATES NOT OBLIGATED.—The de-
8 posit of Federal funds into a CDFI under this section
9 shall not be construed as a commitment, guarantee, or ob-
10 ligation on the part of the United States to any third
11 party, nor shall any third party have any right against
12 the United States for payment solely by virtue of the con-
13 tribution. Any security or debt financing instrument
14 issued by the CDFI shall expressly state that the security
15 or instrument does not constitute a commitment, guar-
16 antee, or obligation of the United States.

17 “(i) PROGRAM ADMINISTRATION.—For each fiscal
18 year, a CDFI may not expend more than 2 percent of the
19 Federal assistance received under this chapter to pay the
20 reasonable costs of administering a CDFI TOD account
21 pursuant to this section.”.

