

Puget Sound Regional Council (PSRC) Executive Board Meeting Federal Update – February 2026

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Recap of DC Meetings – February 2026

- **While in DC for the National Association of Regional Councils (NARC) Legislative Conference, PSRC met with Puget Sound congressional delegation members, Administration officials, and the National League of Cities to discuss PSRC’s surface transportation, economic development and housing priorities.**

- **Puget Sound Congressional Meetings:**
 - Sen. Maria Cantwell (Senate Commerce, Science and Transportation Ranking Member) / Senate Commerce, Science, and Transportation Committee
 - Sen. Patty Murray (Senate Appropriations Ranking Member) / Senate Transportation-HUD Appropriations Subcommittee
 - Rep. Rick Larsen (WA-02) (House T&I Committee Ranking Member)
 - Rep. Suzan DelBene (WA-01)
 - Rep. Adam Smith (WA-09)
 - Rep. Emily Randall (WA-06)
 - Rep. Kim Schrier (WA-08)

- **Additional Meetings:**
 - Department of Transportation (DOT): Melissa Newton, Deputy Assistant Secretary for Intergovernmental Affairs
 - National League of Cities (NLC): Brittany Kohler, Legislative Director of Transportation and Infrastructure

FY 26 Appropriations Update

- On February 3, President Trump signed into law [the Consolidated Appropriations Act of 2026, \(H.R. 7148\)](#), which included three of the four remaining FY26 appropriations bills: Transportation-HUD, Defense, and Labor-HHS-Education.
 - The final Transportation-HUD bill includes PSRC’s Congressionally Directed Spending (CDS) request for the Regional Mobility Forecast Study (\$500,000).
- H.R. 7148 includes \$25.14 billion in funding for the Department of Transportation (DOT) (*\$111 million decrease compared to FY25 levels*) and \$77.32 billion in total funding for the Department of Housing and Urban Development (HUD) (*\$8.63 billion increase compared to FY25 levels*).
- **At this point, Congress and the White House have enacted all FY26 appropriations bills except for the Homeland Security measure.** Negotiations have stalled due to disagreements over federal immigration policy following shootings involving ICE in Minneapolis. While discussions between Democratic and Republican lawmakers are ongoing, an agreement has not been reached.

FY26 Appropriations Update - DOT

DOT Program	FY25 Enacted	FY26 House	FY26 Senate	FY26 Final
BUILD (previously known as RAISE) <i>(In addition to IJA Advanced Appropriations)</i>	\$345 million	\$0	\$250 million	\$145 million
Federal Aviation Administration (FAA)	\$20.081 billion	\$23.296 billion	\$22 billion	\$22.2 billion
FAA Contract Tower Program	\$205.37 million	\$279 million	\$279.2 million	\$279.2 million
Federal Highway Administration (FHWA)	\$62.991 billion	\$64.366 billion	\$63.3 billion	\$64.3 billion
FHWA Highway Formula Funding (authorized by IJA)	\$60.095 billion	\$62.657 billion	\$62.657 billion	\$62.657 billion
FHWA Highway Infrastructure Grants	\$340.5 million	\$1.369 billion	\$1.136 billion	\$2.395 billion
Federal Transit Administration (FTA)	\$16.603 billion	\$14.91 billion	\$16.89 billion	\$16.5 billion
FTA Transit Infrastructure Grants	\$45.568 million	\$97.266 million	\$140.857 million	\$211.4 million
FTA Capital Investment Grants Program	\$2.205 billion	\$53.74 million	\$1.95 billion	\$1.7 billion
FTA Transit Infrastructure Formula Funding (authorized by IJA)	\$14.279 billion	\$14.642 billion	\$14.642 billion	\$14.642 billion

FY26 Appropriations Update - DOT

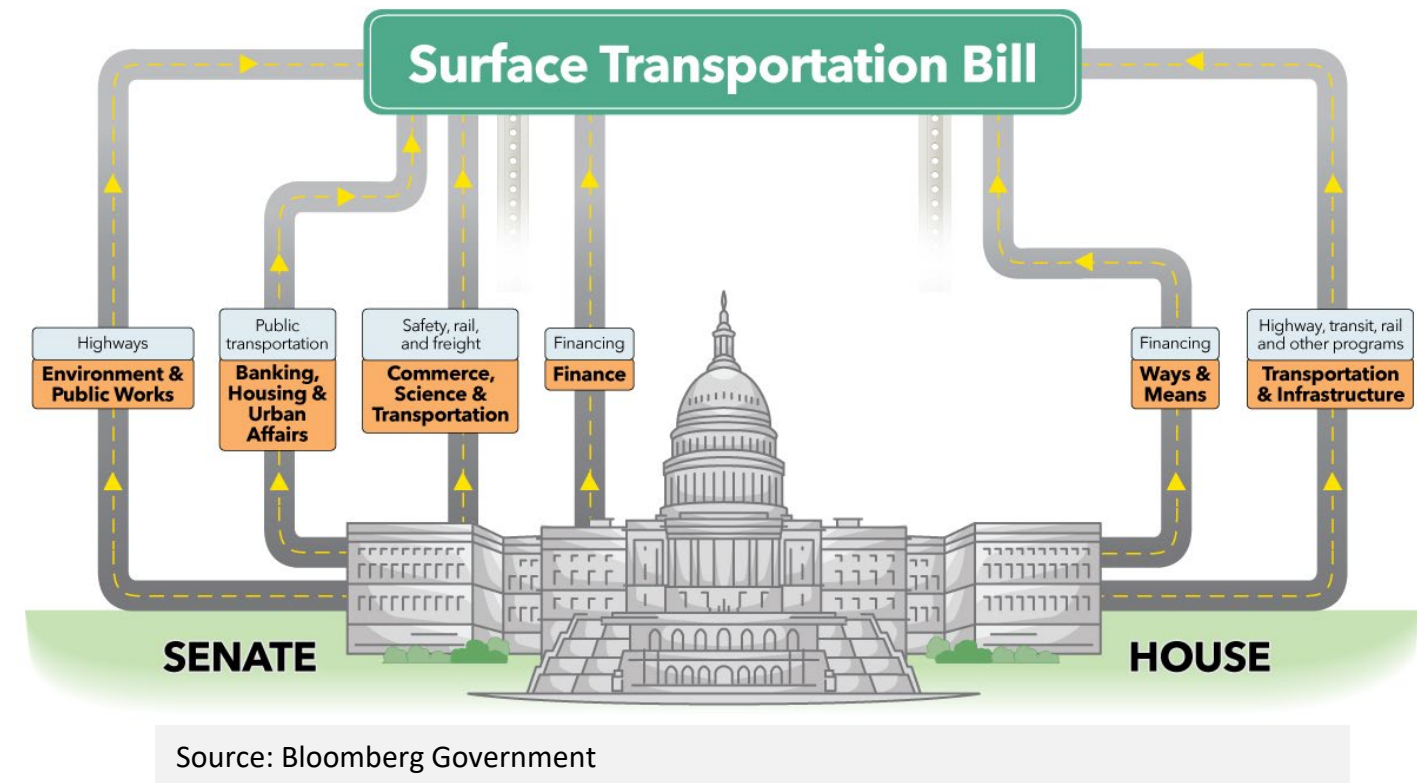
DOT Program	FY25 Enacted	FY26 House	FY26 Senate	FY26 Final
Passenger Ferry Grant Program <i>(in addition to IJA Advanced Appropriations)</i>	\$20 million	\$0	\$30 million	\$25 million
Rural Ferry Grant Program <i>(in addition to IJA Advanced Appropriations)</i>	\$20 million	\$0	\$25 million	\$20 million
Federal Railroad Administration (FRA)	\$2.925 billion	\$3.123 billion	\$2.9 billion	\$3.637 billion
Fed-State Partnership for Intercity Passenger Rail	\$75 million	\$0	\$75 million	\$65 million
Consolidated Rail Infrastructure and Safety Improvements (CRISI)	\$100 million	\$538.4 million	\$151.52 million	\$137.42 million
Maritime Administration (MARAD)	\$900 million	\$828 million	\$874 million	\$917 million
Port Infrastructure Development Program (PIDP)	\$50 million	\$123.47 million	\$75 million	\$103.3 million

FY26 Appropriations Update - HUD

HUD Program	FY 2025 Enacted	FY 2026 House	FY 2026 Senate	FY 2026 Final
Tenant-Based Rental Assistance	\$32.1 billion	\$31.26 billion	\$33.7 billion	\$34 billion
Public Housing Fund - Capital Fund	\$3.2 billion	\$2.286 billion	\$3.2 billion	\$3.2 billion
Public Housing Fund - Operating Fund	\$5.475 billion	\$4.975 billion	\$4.87 billion	\$4.67 billion
Choice Neighborhoods Initiative	\$75 million	\$0	\$40 million	\$25 million
Manufactured Housing Improvement and Financing Program	\$10 million	\$0	\$10 million	\$0
Homelessness Assistance Grants	\$4.051 billion	\$4.158 billion	\$4.5 billion	\$4.4 billion
Housing Opportunities for Persons with AIDS	\$505 million	\$505 million	\$529 million	\$529 million
Project Based Rental Assistance	\$16.9 billion	\$16.726 billion	\$17.8 billion	\$18.543 billion
Community Development Block Grants (CDBG)	\$3.4 billion	\$3.3 billion	\$3.1 billion	\$3.3 billion
HOME Investment Program	\$1.25 billion	\$0	\$1.25 billion	\$1.25 billion
PRO Housing Grant Program	\$100 million	\$0	\$60 million	\$50 million

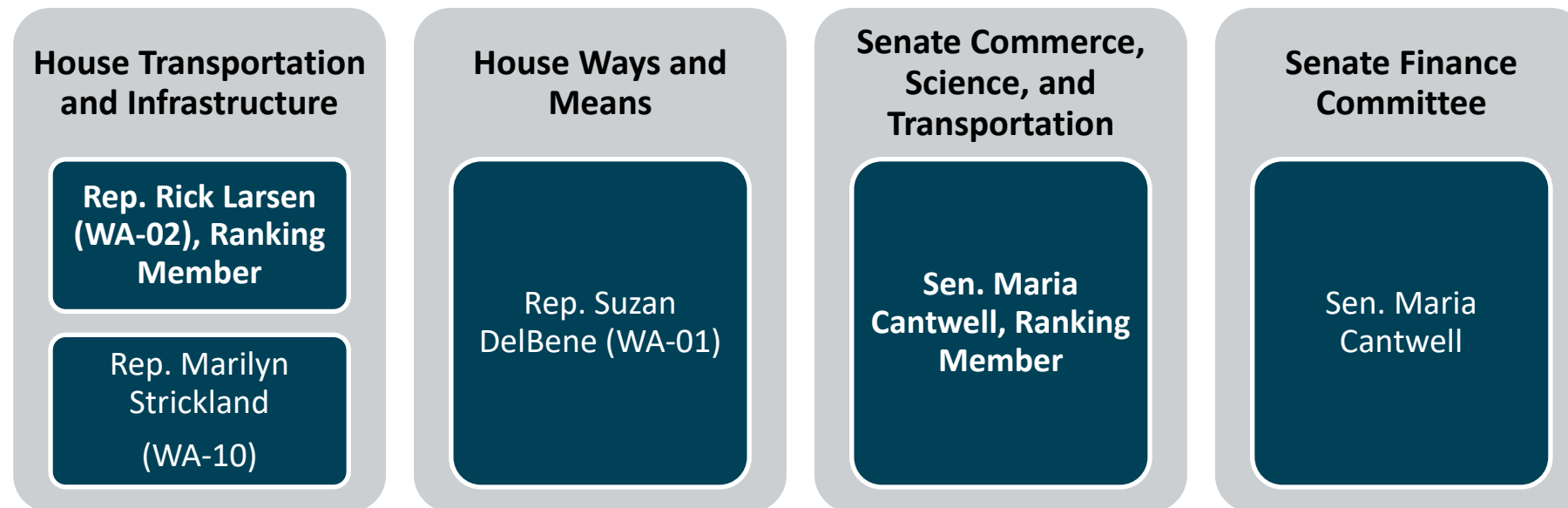
Surface Transportation Reauthorization Update

- Congress continues to draft and advance the next surface transportation reauthorization bill as the current authorization, Infrastructure Investment & Jobs Act (IIJA) expires on September 30, 2026.
- Many transportation/infrastructure programs are also issuing their last funding opportunity rounds with mandatory funds in 2026 (i.e. BUILD, SS4A, etc.).
- While the House T&I and Senate EPW Committees were aiming to hold mark-ups of their provisions in Q1, timelines have been pushed back to Q2 2026.
- Contrary to the IIJA – which provided numerous new and expanded investments in infrastructure with mandatory spending – Chair Graves has made it clear that this next surface transportation bill will **focus on funding more “traditional” forms of infrastructure** – such as roads, bridges, and highways – rather than bike/pedestrian paths and leave funding up to the appropriators.



Surface Transportation Reauthorization Update

- PSRC has shared the following priorities with Congressional committees and lawmakers for the next surface transportation reauthorization bill:
 - **Metropolitan Planning (PL):** Increase Metropolitan Planning (PL) funding;
 - **Ferry Programs:** Increase funding and policies to restore, improve, and modernize the Washington State Ferries system;
 - **Safe Streets and Roads for All (SSFA):** Reauthorize and increase funding for the Safe Streets and Roads for All Program.
- **PSRC Members of Congress on Committees of Jurisdiction:**



Surface Transportation Reauthorization Update – BASICS Act

- **BASICS Act:** Reps. McDonald Rivet (D-MI) and Bresnahan (R-PA) have introduced the Bridges And Safety Infrastructure for Community Success (BASICS) Act (H.R. 7437), which aims to strengthen federal transportation funding that is responsive to local government priorities, particularly as it pertains to improving road safety and bridges. Key elements of the proposed legislation include, but are not limited to:
 - Increases Metropolitan Planning (PL) and Surface Transportation Block Grant (STBG) program funding;
 - Prohibits states from transferring Highway Safety Improvement Program (HSIP) funds away from safety priorities and requires states to suballocate 25 percent of HSIP funds based on population;
 - Strengthens the Bridge Formula Program by requiring states to suballocate 25 percent of funding to areas based on population.
- **The BASICS Act is being conveyed as the key, local government priorities being encouraged for the next surface transportation reauthorization bill.**
- National organizations supporting the BASICS Act include: National Association of Regional Councils (NARC), Association of Metropolitan Planning Organizations (AMPO), National League of Cities (NLC), National Association of Counties (NACo), the U.S. Conference of Mayors (USCM), National Association of Development Organizations (NADO), American Public Works Association and the National Association of County Engineers.

- **Senate Actions:** Last year, Senate Banking, Housing, and Urban Affairs Committee Chair Tim Scott (R-SC) and Ranking Member Elizabeth Warren (D-MA), introduced the **ROAD to Housing Act** as the first comprehensive, bipartisan housing package introduced in over a decade.
 - The Senate included the ROAD to Housing Act as part of their version of the FY26 National Defense Authorization Act (NDAA). However, it was not included in the final version of the FY26 NDAA signed into law last month ([S.1071](#)).
 - **The Senate is also expected to hold another vote on the ROAD to Housing Act as early as next week before both chambers begin negotiating a final package.**
- **House Actions:** Following this, the, House Financial Services Committee leadership released the **Housing for the 21st Century Act ([H.R. 6644](#))** on December 11, 2025. Much like the ROAD to Housing Act, the Housing for the 21st Century Act is a package of bills previously introduced by committee members in the 119th and prior Congresses.
 - **On February 9, the House passed the Housing for the 21st Century Act with an overwhelmingly bipartisan, 390-9 vote.**
- **The Path Forward:** Given the differences in housing legislation between the House and Senate, there are multiple paths for both chambers to reach agreement on a final package:
 - **Rapid Reconciliation:** House and Senate quickly reconcile and reach a final agreement.
 - **Formal Conference Process:** Both chambers commence a conference committee to reconcile the bills, extending the timeline.

Housing for the 21st Century Act / ROAD to Housing Act – Comparison of Provisions

Section	Heading	Summary	Difference from ROAD to Housing Act
102	Accelerating home building grant program (H.R. 5907)	Establishes a new grant program for local governments to fund the creation of pattern books with a focus on missing middle and infill construction; and designs of Funding may not be used for construction, alteration, or repair work.	Included in both bills.
201	HOME Reform (H.R. 5798)	Includes Rep. Mike Flood (R-NE) and Rep. Emanuel Cleaver’s (D-MO) HOME Reform Act. Key elements of Chair Flood and Ranking Member Cleaver’s proposal include: <ul style="list-style-type: none"> • Reduces federal restrictions on how jurisdictions can use HOME funds for construction and rehabilitation. • Expanded eligible use of HOME funds to include infrastructure improvements (i.e. water/sewer lines, sidewalks, roads, etc.) for any jurisdiction that does not receive CDBG funding. • Expands eligibility for HOME funds to cover housing occupied by families earning up to 100% of area median income (AMI), rather than strictly “low-income families”. 	HOME Reauthorization and reform, as included in ROAD, does not contain many of the reforms aimed at streamlining program requirements and instead provides a more standard reauthorization.
202	Community Development Fund Amendments (H.R. 4659) (H.R. 5077)	Requires CDBG grantees to report on their adoption of policies that impact housing supply and affordability, specifically regarding land use.	Not included in ROAD.
405	Reforms to housing counseling and financial literacy programs	Requires organizations receiving federal funding to provide housing counseling and advice to tenants.	Not included in ROAD.

Housing for the 21st Century Act / ROAD to Housing Act – Comparison of Provisions

Section	Heading	Summary	Difference from ROAD to Housing Act
203	Planning and implementation grants for affordable housing	<ul style="list-style-type: none"> • Authorizes the HUD Secretary to award competitive grants to regional planning agencies or consortia to assist planning activities, such as: <ul style="list-style-type: none"> • Support development of housing plans and strategies. • Update regulatory processes & reform zoning. • Build capacity to reduce barriers to housing supply and affordability • Authorizes the HUD Secretary to award implementation grants to local governments to: <ul style="list-style-type: none"> • Carry out housing plans and strategies. • Fund aligned community investments. • Implement reformed zoning and regulatory processes. 	Some parallels to ROAD’s Innovation Fund, which authorizes a new grant program to support infrastructure improvements.
205	Choice in Affordable Housing (H.R. 1981)	Allows housing units that are financed through certain existing federal housing programs (such as LIHTC, HOME, Rural Housing Service,) to automatically satisfy the inspection requirements of HUD’s Section 8 Tenant Based Voucher program if they have been inspected within the prior year.	Included in both bills.

- **FEMA Review Council Extension:** On January 23, President Trump extended the FEMA Review Council through March 25 via EO 14378 (*Continuance of the Federal Emergency Management Agency Review Council*), which was originally set to be terminated on January 24, 2026. **The Council is planning to hold its final meeting and release final recommendations to President Trump on March 17.**

- **FEMA Act:** Addressing reforms to the Federal Emergency Management Agency (FEMA) is also expected to remain a key priority for Congress in 2026. Following the introduction of the **FEMA Act (H.R. 4669)**, the House Transportation & Infrastructure (T&I) Committee advanced the FEMA Act last September with a bipartisan, 57-3 committee vote. It is now pending House consideration. Key provisions to reform FEMA programs and procedures include, but are not limited to:
 - Restoration of FEMA as a cabinet-level agency;
 - Creation of project-based grants to support repair, restoration, reconstruction, or replacement activities for facilities post-disaster in communities;
 - Creation of a universal application for individual disaster assistance requests; and
 - Streamlining of permitting processes for FEMA-supported projects.

Questions?