

**U.S. Department of Transportation Provides Guidance to Help Potential Borrowers Access Transit-Oriented Development Financing to Build more Housing Supply and Increase Housing Security and Affordability for Nation**

**August 13, 2024**

On April 30, the U.S. Department of Transportation (USDOT) Build America Bureau closed its first transit-oriented development (TOD) financing, a direct loan for the [Mount Vernon Library Commons](#) project in rural Washington State which will also feature the nation's largest public electric vehicle charging center. Additional projects are undergoing creditworthiness review and dozens of projects are under development, with most proposing new housing supply. USDOT continues to learn from and collaborate with prospective borrowers, federal agency counterparts, and industry stakeholders to leverage available lending capacity to accelerate financing for TOD projects. USDOT also continues to advance TOD policy initiatives and improve access to resources for TOD sponsors.

- USDOT is publishing new guidance—Frequently-Asked-Questions—to clarify TOD project and borrower eligibility, market study qualifications, federal requirements, credit agency rating requirements, and underwriting parameters.
- USDOT is coordinating with the U.S. Department of Housing and Urban Development and ratings agencies to evaluate different financing models and underwriting standards.
- USDOT recently issued a final rulemaking on interest rate setting for long maturity loans, credit risk premiums, and applicable planning requirements.
- The new Frequently-Asked-Questions highlight that certain commercial-to-residential conversion projects seeking USDOT loans might qualify for a categorical exclusion under the National Environmental Policy Act (NEPA)—potentially streamlining environmental analysis— when the projects do not expand a building footprint or improve other facilities. USDOT recently delivered a NEPA Introduction webinar series for TOD sponsors.

These efforts clarify the financing programs, identify potential opportunities to streamline the environmental process, and better prepare sponsors to access federal assistance. USDOT encourages prospective borrowers to review the Build America Bureau's [TOD guidance and resources at <https://www.transportation.gov/buildamerica/TOD>](#).

###