



U.S. Department
of Transportation

**Office of the Under Secretary
Build America Bureau**

1200 New Jersey Avenue, SE
Washington, DC 20590

November 12, 2024

The Honorable Maria Cantwell
Chair
Committee on Commerce, Science, and Transportation
United States Senate
Washington, DC 20510

Dear Chair Cantwell:

This is the semiannual Report to Congress on Transit-Oriented Development (TOD) Eligibility under the Railroad Rehabilitation and Improvement Financing Program, in accordance with Section 21303 of the Infrastructure Investment and Jobs Act (Public Law 117- 58). This report covers the semiannual period ending on June 30, 2024. During that period, no applications for financing TOD projects were received, and consequently, no loans or loan guarantees were provided.

We are working with project sponsors to address the challenges they have identified, a topic the Bureau's Executive Director, Dr. Morteza Farajian, discussed in detail on June 18, 2024, before the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies. Some of those challenges include compliance with federal requirements, which are new for many TOD project sponsors (such as the National Environmental Policy Act, domestic content, and prevailing wage rates), and longer loan processing times compared to commercial short-term construction loans. We are reviewing our authorities and processes to help mitigate these challenges and educating potential borrowers about federal requirements. To help customers and the public, on our website, www.transportation.gov/buildamerica/TOD, we have published guidance including frequently asked questions and webinar recordings, and we have met with individual potential borrowers virtually and in person to discuss federal requirements. We have communicated with members of Congress on this matter in general and as follow up per our response to their requests for outreach to their constituents.

A similar letter has been sent to the Ranking Member of the Senate Committee on Commerce, Science, and Transportation and the Chairman and Ranking Member of the House Committee on Transportation and Infrastructure.

Sincerely,

A handwritten signature in black ink, appearing to read "Duane Callender".

Duane Callender
Director of Credit Programs