

COMMERCIAL TO RESIDENTIAL CONVERSIONS:

A GUIDEBOOK TO AVAILABLE FEDERAL
RESOURCES

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Introduction

The unprecedented level of commercial vacancies across the United States has negatively impacted the wellbeing of urban and regional economies nationwide. The conversion of these properties to residential use presents an opportunity to increase housing supply, improve affordability, ultimately create efficient, zero-emissions housing, reduce long term energy costs and volatility, and thereby contribute to local, state, and federal climate goals. Commercial conversions are by no means a panacea for our housing supply, affordability, or emissions-related challenges, but if only a small percentage of underutilized commercial buildings were converted to housing, it could create thousands of units of much-needed housing while also reducing the carbon footprint of existing buildings.

Recognizing this opportunity, the Biden-Harris Administration is releasing this guidebook to provide an overview of the wide array of federal programs, loans, grants, guarantees, and tax incentives available to support commercial to residential conversions. For example, resources from the Department of Transportation (DOT) can provide new low-cost financing opportunities for conversions and affordable housing that increase housing supply near transportation, and new climate-focused financial resources from the Inflation Reduction Act (IRA) can make commercial to residential conversions more financially viable and bring these buildings to zero emissions. Some of these programs have been used in conversion projects already; case studies in this guide illustrate how funding from the Department of Housing and Urban Development (HUD) is being combined with Rehabilitation (Historic Preservation) Credits as well as state and local funding to convert and rehabilitate commercial buildings from downtown Detroit to Springfield, Massachusetts.

This initiative builds on extensive and coordinated work across the Biden-Harris Administration to increase housing supply and affordability through the [Housing Supply Action Plan](#), and implement energy-saving renovations and greenhouse gas emission reductions. The guide begins by highlighting key new resources that increase affordability and the emission reduction potential of conversions. Next, the guide features case studies that illustrate how federal resources are already in action to make conversions work, followed by detailed overviews of all federal programs that can support conversions. Finally, the guide provides a list of federal programs that can be used for conversions, followed by detailed program descriptions of each.

Disclaimer:

This guidebook is designed to help users familiarize themselves with federal resources for commercial to residential conversions. Nothing contained in this document constitutes formal guidance from the U.S. government on any law, program, policy, application process, or funding eligibility. Applicants for funding should consult official agency or program specific guidance for additional information. Information in this guidebook is current as of publication.



New Opportunities to Increase Affordability

Federal tools have already been used in a variety of ways to develop new affordable housing units when converting commercial properties to residential use. However, there are multiple federal programs that have yet to be used in this context, many of which can be combined with existing federal and local tools to ensure properties are both affordable and energy efficient. These federal tools either directly finance, or reduce the cost of financing conversions, which in turn allows those properties to offer units at below market rents. New opportunities include:

- ***Grants to cover pre-development, acquisition, construction, and other costs:***
 - HUD’s Community Development Block Grant Program – \$10 billion of which have been allocated during this Administration – provides grant funding that can be used to support acquisition and rehabilitation associated with the conversion of commercial properties to residential uses. States and localities can also access up to five times their annual CDBG allocation in low-cost loan guarantees to fund projects such as the conversion of properties to housing or mixed-use development.
 - HUD’s new \$85 million [Pathways to Removing Obstacles to Housing program](#) will provide grants to states, local governments and multijurisdictional entities to remove barriers to affordable housing production, and includes the development of adaptive reuse strategies and the financing of conversions as eligible activities.
- ***Below-market loans that make the numbers work:***
 - The Department of Transportation’s (DOT) Transportation Infrastructure Finance and Innovation Act (TIFIA) and Railroad Rehabilitation & Improvement Financing (RRIF) programs offer over \$35 billion in lending capacity, which provide large-scale below-market loans that can be used to finance conversions near transportation.
- ***Land dispositions that make deals possible and can reduce development costs:***
 - DOT is permitting transit agencies to transfer properties to local governments, non-profit, and for-profit developers of affordable housing at no cost, some of which could have existing commercial uses that can be converted to affordable housing.
 - The General Services Administration (GSA) is working with the Office of Management and Budget (OMB) to identify current and upcoming sale opportunities, maintain a public list of current opportunities, and affirmatively market resources available to support housing development in all targeted materials for applicable properties.



New Opportunities for Zero Emission Buildings

The 2022 Inflation Reduction Act unlocks a suite of climate-focused financial resources that can be used for commercial to residential conversions. This funding can make commercial to residential conversions more financially viable and help bring these buildings to zero emissions. Achieving zero emissions at time of conversion can be a way for communities to meet their climate goals by cutting climate pollution from existing buildings. Investing in existing buildings also means lower embodied carbon than constructing housing from scratch, and homes that contribute to reductions in transportation-related emissions.

When commercial buildings, such as offices, are converted to housing they often need all-new plumbing, new heating and cooling systems, and new windows, doors, and walls. This is an ideal time in a building's life to invest in improvements that cut energy waste and emissions, such as highly insulated walls and windows, heat pumps, and clean energy. The most innovative zero-emissions housing conversions can be virtual power plants where connected smart thermostats, electric vehicles, heat pumps, solar arrays, and storage within these buildings work together to make the grid more reliable and resilient to extreme weather, lower energy costs, enable economy-wide electrification, and help integrate more clean energy all while financially compensating households for voluntary participation. The DOE-funded Advanced Energy Design Guide – Achieving Zero Energy series and DOE's [Pathways to Commercial Liftoff: Virtual Power Plants](#) provide more technical details on how to achieve these goals. New opportunities include:

- ***Tax incentives that fund energy efficiency improvements:***
 - The section 45L New Energy Efficient Home Credit provides up to \$2,500 for multifamily dwelling units certified to an [eligible version](#) of the EPA's Energy Star Multifamily New Construction Program and up to \$5,000 for units certified to the [applicable](#) DOE Zero Energy Ready Homes program.
 - The section 179D Energy Efficient Commercial Buildings Deduction provides up to \$5.00 per square foot for energy efficiency improvements to commercial buildings and multifamily buildings greater than three stories.
- ***Tax credits that fund the use and creation of clean energy for and by buildings:***
 - The section 48 Investment Credit provides a up to a 30% tax credit for investment in renewable energy projects including fuel cells, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, and combined heat and power properties – with additional bonus credit amounts potentially available as well.
- ***Below market loans and guarantees that can improve financing:***
 - The Department of Energy's Loan Programs Office has below-market interest rate loans and guarantees that could support innovative zero emissions buildings that are part of virtual power plants



Federal Programs in Action

Federal resources are already being used to support the conversion of commercial properties to residential use. The below examples are just a few of the many conversions that federal programs have financed. Additional examples can be found in a recent [HUD report](#) focused on conversions.

HUD Mortgage Insurance Transforms Vacant Building into Vibrant Residential Structure

The Residences at 150 Bagley in Detroit was originally constructed in 1935. The building functioned continuously as an office building, including a bank, on the ground floors until largely vacated in 1983. After several failed attempt to restore the building, in 2022, HUD provided critical financing to convert the building into mixed-use housing including apartments and commercial space. When the rehabilitation is completed, the project will have 100 one-bedroom and 48 two-bedroom units, 10,535 square feet of commercial space on the first floor and basement, and 183 parking spaces through an additional rider to the ground lease. The units will be market-rate with 30 units set aside for households earning up to 80% of the area median family income. The rehabilitation will make the building eligible for HUD’s Green and Energy Efficient Housing mortgage insurance premium standards. Total development costs are estimated at \$80 million, with the HUD 221d4 mortgage making up \$42 million and rehabilitation (historic preservation) credits make up another \$12 million.

Final Capital Stack

HUD 221d4 mortgage	\$42,312,400
Federal Rehabilitation Credits	\$12,008,680
Detroit Economic Growth Corporation	\$7,100,000
Michigan Economic Development Corporation	\$12,300,000 *
The City of Detroit Housing and Revitalization	
Department CDBG Funds	\$3,000,000
Developer Cash	\$4,118,244
Total Development	\$80,839,324

*Includes \$5,300,000 that was added in the last 30 days and restructures the TIF. The property will enjoy two 12-year real estate tax abatements for this project; one piece is tied to the residential portion and the other to the small commercial piece of the building.



HOME Funds Supporting Conversions Across Massachusetts

The Fitchburg Art Museum and NewVue Communities, a regional community development corporation, are working together turn three former municipal buildings into approximately 60 units of affordable rental artist living and working space. The Fitchburg Arts Community, as it will be called, will be located adjacent to the Art Museum in downtown Fitchburg. It will include a variety of one, two, and three-bedroom apartments, along with studio and workspaces, and other artist amenities currently under design. Most units will be affordable, available to artists with annual family incomes between approximately \$25,000 – \$55,000, and approximately 30% of the apartments will be market-rate units. The project was jointly funded through State and local HOME funding using \$650,000 of Commonwealth of Massachusetts' HUD HOME funds and \$850,000 of Fitchburg's HUD HOME funds.

Located in the McKnight National Historic District of Springfield, Massachusetts, Mason Square Apartments II at Indian Motorcycle is the historic adaptive reuse of an existing 55,000 square foot factory building and adjacent 15,000 square foot firehouse into a mixed-use office and multifamily housing community including approximately 60 units of affordable housing. The total rehabilitation costs of Mason Square Apartment II were funded through a combination of public and private financing, Low-Income Housing Credits, and federal and state historic preservation tax credits. The City of Springfield awarded \$400,000 of HUD HOME funds and Commonwealth of Massachusetts awarded \$550,000 of HUD HOME funds to phase II of this project.

Using large-scale HUD Section 108 Loans to unlock conversion opportunities in Memphis

The Crosstown Concourse project in Memphis transformed a former ten-story Sears warehouse and associated structure into a multi-use facility providing employment, medical services, education, and housing. Crosstown is described historically as a working-class neighborhood, with the former Sears Distribution Center the dominant feature and economic engine from the 1940s to the mid-1980s. The original building was constructed in 1927. The retail store closed in the early 1980s and the building was abandoned entirely in 1993. The building was transformed from a beloved symbol of commerce, interaction, and economic mobility into one of the most prominent and pernicious examples of blight in Memphis.

Crosstown Arts, a non-profit created to facilitate the redevelopment of the property, led this effort to reimagine the historic Sears Crosstown building as a mixed-use, "vertical urban village." In 2012, Crosstown Arts provided the City of Memphis with the opportunity to change decades of abandonment by assembling eight founding partners – local well-known healthcare, education, and arts organizations – who indicated their collective commitment to inhabit nearly 600,000 square feet of the historic building. As a result, Memphis granted \$4 million in HUD Section 108 Community Development Loan Guarantee loan proceeds to the project as part of a larger \$15 million contribution, which included a HUD Brownfields Economic Development Initiative grant, Capital Improvement Program financing, and energy credits. The total project



costs were \$205 million. The property includes 260 apartments on floors seven through ten that are home to young leaders in arts, education, and healthcare.

Artists, teachers, doctors, and scientists in the various residency programs of the founding partners are living in studio, one-, two-, and three-bedroom apartments. A minimum of 20% of the units are restricted for affordable housing. The site also includes a high school and a YMCA. An estimated 426 full-time jobs have been created by this project, with over half of them thus far being filled by individuals in low and moderate-income communities.

Historic Preservation Resources Accelerating Historic Conversions

Over the past five years, the National Park Service has certified nearly 1,500 projects that involved conversions of non-residential buildings to rental residential use, including an estimated 12,000 units coming online due to office and commercial building conversions alone. About 30% of these conversion projects involved low-income housing units.

For example, the Executive Plaza Office Building in downtown Kansas City, Missouri, is a 200,000-square-foot office building built in 1974. Locally known as the “Flashcube” because of its distinctive reflective glass exterior and cubic shape, the building was vacant for over eleven years before being turned into 184 market-rate apartments in 2020. Over 2,300 panes of reflective glass had to be replaced to make the building more energy efficient and preserve its iconic, uniform historic appearance. The \$63-million project utilized federal and state historic tax credits and a local property tax abatement. The rehabilitated building also includes a co-working facility and amenity spaces for tenants. It sits at a stop of Kansas City’s streetcar line.

The Great Plains Life Insurance Company Building, Lubbock, Texas, is a 20-story office building constructed in 1955. Nearly 70 years later it remains the tallest building in downtown Lubbock. The building was severely damaged by a tornado in 1970, rendering much of it unoccupiable due to modern fire code and life safety requirements. In 2023, the building, now called Metro Tower Lofts was rehabilitated and turned into 99 apartments, with 24 market-rate units and the remaining 75 units affordable. The \$26-million project utilized Federal and State rehabilitation tax credits and the Low-Income Housing Credit.

State and Local Fiscal Recovery Funds (SLFRF) Filling the Gap

Many localities are [using State and Local Fiscal Recovery Funds to increase the supply of affordable housing](#), including through commercial to residential conversions. For example, [Polk County, Iowa](#), is using SLFRF funds to convert an underutilized hotel into 40 units of affordable housing. [Raleigh, North Carolina](#), is purchasing an extended-stay 113-room hotel occupied by long standing guests, with a long-term vision to support mixed occupancy, combining the existing extended-stay model with permanent supportive housing and other types of affordable housing. Reno, Nevada, is converting a hotel into one-bedroom and studio units. The location of this project is adjacent to public transit.



Program List

Below is a list of federal loan, grant, tax credit and technical assistance programs across seven agencies that can be used to convert commercial properties to residential use. Full descriptions of each of these programs, along with who can apply for them and links to additional information about each program can be found beginning on page 11.

Agency	Program Type	Program Name	Summary
DOE	Loans, loan guarantees	Title 17 Clean Energy Financing Program	Loans and loan guarantees for clean energy projects
DOI/UST	Tax credits	Rehabilitation Tax Credit	Tax credit for rehabilitation of historic buildings
DOT	Loans, loan guarantees	Transportation Infrastructure Finance and Innovation Act	Below-market interest rate loans and guarantees for transit-oriented development
DOT	Loans, loan guarantees	Railroad Rehabilitation & Improvement Financing	Below-market interest rates loans and guarantees for transit-oriented development
DOT	Technical assistance	Thriving Communities Program	Technical assistance to advance transportation activities, including housing
DOT	Grants	Neighborhood Access and Equity Program	Grants for projects that improve transportation and associated land use
EPA	Grants, loans*	GGRF: Solar for All	Grants and loans for solar for low-income communities
EPA	Grants, loans*	GGRF: National Clean Investment Fund	Grants and loans for projects including energy-saving retrofits and clean energy
EPA	Grants, loans*	GGRF: Clean Communities Investment Accelerator	Grants and loans for projects including energy-saving retrofits and clean energy
HUD	Loan guarantees	Section 221(d)(4): Mortgage Insurance for Rental Housing	Loan guarantee for projects involving substantial rehabilitation or construction
HUD	Loan guarantees	Section 220: Mortgage Insurance for Rental Housing for Urban Renewal and Concentrated Development Areas	Loan guarantee for new construction or rehabilitation of multifamily housing located in urban renewal and concentrated development areas.
HUD	Grants^	HOME Investment Partnerships	Formula grants for buying, building, and rehabilitating affordable housing
HUD	Grants^	Housing Trust Fund	Grants for states for the construction or rehabilitation of extremely low-income housing
HUD	Grants^	Community Development Block Grants	Formula grants for community development activities



HUD	Loan guarantees	Section 108 Community Development Loan Guarantee	Low-cost long-term financing for community development activities
HUD	Technical assistance	Thriving Communities Technical Assistance Program	Technical assistance, including for conversions and housing supply efforts
USDA	Loans	Business & Industry Guaranteed Loan Program	Loans supporting various uses, including temporary or workforce housing
UST	Grants*	State and Local Fiscal Recovery Funds	Formula grants for various uses, including development of affordable housing
UST	Tax credits	New Energy Efficient Home Credit (45L)	Tax credit for energy efficient homes, including multifamily housing
UST	Tax deductions	Energy Efficient Commercial Buildings Deduction (179D)	Tax deduction for energy efficiency improvements to commercial buildings, including multifamily buildings greater than three stories.
UST	Tax credits	Investment Credit (48, 48E)	Tax credit for investment in eligible renewable energy projects (48); technology-neutral tax credit for facilities that generate clean electricity and energy storage (48E)

**Federal funding is awarded to third parties (e.g., city, state, lender, etc.) that then award grants, loans, or other financial products to other entities.*

^Federal formula grant funding is awarded to State and/or localities that then may award funding in the form of grants, loans, or other instruments to other entities such as nonprofits, developers, and smaller units of governments.



DOE Loan Program Office: Title 17 Clean Energy Financing Program

Federal Agency and Bureau: Department of Energy, Loan Programs Office

Program Description:

Under the Title 17 Clean Energy Financing Program, the Loan Program Office (LPO) can finance projects in the United States that support eligible categories of clean energy deployment and energy infrastructure reinvestment to reduce greenhouse gas emissions and air pollution.

[Section 1703](#) authorizes loan guarantees for projects that: (1) avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases; and (2) unless the project partners with a State Energy Financing Institution, employ new or significantly improved technologies as compared to commercial technologies in service in the United States at the time the guarantee is issued. [Section 1706](#) guarantees loans to projects that retool, repower, repurpose, or replace energy infrastructure that has ceased operations, or enables operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases.

Funding Type:

Loan or loan guarantee

Applicability to Commercial to Residential Conversions:

Energy-related components of commercial to residential conversion projects may be eligible for LPO loans or loan guarantees. For example, a portfolio of heating, ventilation, and air conditioning systems in multiple buildings that are centrally managed and aggregated to provide grid services as a [virtual power plant](#) may be eligible. Projects would need to be evaluated on a case-by-case basis for eligibility.

1703 is the most likely path forward for commercial to residential conversions, especially those projects with a State Energy Financing Institution partner. Section 1703(b) provides 13 statutorily defined technologies ("[1703 Eligible Technologies](#)") as eligible for LPO loan guarantees. Projects must avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases.

Eligible technologies most relevant for commercial to residential projects include:

- Renewable energy systems
- Efficient electrical generation, transmission, and distribution
- Efficient end-use energy technologies
- Energy storage technologies

Total Program Funding:

Title 1703: \$55 billion in Loan Authority as of October 2023

Title 1706: Up to \$250 billion in Loan Authority as of October 2023



Funding Cap Per Project	Interest Rate	Loan-to-Value Ratio	Debt Coverage Ratio
A maximum of 80% of total project costs can be supported by this program. No cap or restrictions on amount.	UST + up to 200bps	Maximum 80% Loan to Eligible Cost	Varies depending on project

Application Process

Lead Applicant:

Lead applicants could include building developers, investors, municipalities, states and lenders. Although applicants can apply for a loan for a project at an individual building, this program is most appropriate for applicants that pool together multiple interrelated projects across a portfolio of buildings under one application.

Public Private Partnerships:

Although this funding can be awarded directly to private entities, states are also eligible to apply to the program. Projects applying for a Section 1703 loan or loan guarantee that have a State Energy Financing Institution partner are not required to deploy innovative technologies.

Application Deadline:

Rolling (eligibility-based lending program).

Typical Time from Application Submission to Start of Construction:

2-3 years on average; 1 year minimum.

Additional Program Goals

Affordability Requirement:

Each project must include a Community Benefits Plan.

Climate Requirement:

Project must reduce greenhouse gas emissions and support clean energy deployment and energy infrastructure reinvestment in the United States. If the project qualifies as an "energy-related" project, most costs would be eligible, including the acquisition, labor, architectural, equipment, and other costs. More details about eligible activities can be found [here](#).

Stackability with other Federal Programs:

LPO funds can be combined with federal tax credits, but projects are ineligible for federal grant money, U.S. government rental payments, or other federal support. Most state and local subsidies, including but not limited to grants, loans, and rebates, are stackable and encouraged.

Funding Requirements:

Funding requirements include Davis-Bacon, Buy American (for certain borrowers), CPA and National Environmental Policy Act.

Technical Assistance:

Applicants are encouraged to meet with the DOE Loan Program Office to discuss their project before [initiating an application](#).



DOI/UST: Rehabilitation Tax Credit

Federal Agency and Bureau: Department of Interior, Department of the Treasury

Program Description:

The Rehabilitation Tax Credit provides a 20% federal income tax credit to taxpayers who undertake a substantial rehabilitation of a historic building while maintaining its historic character. The building must be in a use considered depreciable under the Internal Revenue Code, such as rental housing, and be listed in the National Register of Historic Places or be certified as contributing to the significance of a registered historic district. The National Park Service (NPS) certifies that the building is historic, and therefore eligible for the credit, and that the rehabilitation meets the Standards.

Funding Type:

Tax credit

Applicability to Commercial to Residential Conversions:

The Historic Rehabilitation Tax Credit can be used to convert office, commercial, and other types of buildings into new rental housing as well as to rehabilitate existing rental housing.

Total Program Funding:

20% of the Qualified Rehabilitated Expenditures (QREs), which include construction costs, construction interest and taxes, architectural and engineering fees, legal costs, developer's fees, and other construction-related expenditures if such costs are added to the basis of the property and are determined to be reasonable and related to the services performed. QREs do not include any new construction or enlargements (additions), acquisition costs, furnishings, realtor's fees, and any site work/landscaping.

Application Process

Lead Applicant:

Property owners and long-term lessees with qualified leases; tax-exempt entities may be eligible in certain circumstances (e.g., in conjunction with the Low-Income Housing Credit).

Public Private Partnerships:

This is not required, but participation of governmental and other tax-exempt entities may be possible as long as the building is depreciable, such as rental housing; tax-exempt ownership entities may also be eligible in certain situations.

Application deadline:

Rolling.

Typical Time from Application Submission to Start of Construction:

The certification program is administered by the National Park Service (NPS) in partnership with the State Historic Preservation Offices (SHPOs). Rehabilitation projects are certified in a three-part application process, submitted to the SHPOs who forward the application with their



recommendations to NPS for a final determination. Applications for each application part are typically reviewed by SHPOs and NPS in a combined 60 days, as long as the applications are complete and meet the program historic rehabilitation standards and requirements. The NPS strongly encourages applicants to receive approval from NPS prior to starting construction.

Additional Considerations

Stackability with other Federal Programs:

The tax credit can be combined with other Federal and state credits, grants, and other programs, including state historic tax credits, Low-Income Housing Credits, New Market Tax Credits, CDBG grants, and other programs.

Aggregation:

Groups of buildings that are considered by NPS to be functionally related historically (e.g., an apartment complex) are treated as one project for the purposes of certification; multiple rehabilitation projects can also be bundled by the property owner, developer, or equity investor for equity investment purposes.

Technical Assistance Available:

The certification program is administered by NPS and SHPOs who answer questions and provide technical assistance in completing applications and program requirements. The Internal Revenue Service (IRS) administers the tax code aspects of the program.

Process:

For general program information, contact the [National Park Service](#). For eligibility and application questions about a specific building/project, contact your state's [State Historic Preservation Office](#). For questions concerning the Internal Revenue Code requirements, contact the [Internal Revenue Service](#).



DOT Transportation Infrastructure Finance and Innovation Act (TIFIA)

Federal Agency and Bureau: Department of Transportation

Program Description:

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for qualified surface transportation as well as Transit-Oriented Development (TOD) projects. There are two paths to eligibility for TOD projects, including:

- TOD projects that improve or construct public infrastructure that (1) is located within walking distance of, and accessible to, a fixed guideway transit, passenger rail, or intercity bus station, or that (2) is economic development, including commercial and residential development, and (a) incorporates private investment; (b) is physically or functionally related to a transit station that includes rail service; (c) is shovel-ready; and (d) generates revenue exceeding costs for the related transit station or service.
- TOD projects that both qualify as Joint Development – meaning coordinated development of transit facilities with non-transit private development, including residential, commercial, and mixed-use development – and also meet the following eligibility criteria:
 - (1) create an economic benefit,
 - (2) create a transit benefit,
 - (3) provide a fair share of the revenue for transit,
 - (4) occupants pay a fair share of the costs to operate/maintain, and
 - (5) sponsor collects fees for use of ZEV fueling equipment, if installed.

These projects involve a public transit agency directly participating in and benefitting, often by leasing land to a private developer.

Funding Type:

Loan; Loan guarantee

Applicability to Commercial to Residential Conversions:

TIFIA can finance vertical construction of buildings that are (1) owned, occupied, developed, or operated and maintained by the public sector; or else (2) are open to the public, support a public service, or serve a public purpose, including increasing the availability of residential housing, and are located within walking distance of, and accessible to, a fixed guideway transit facility, passenger rail station, intercity bus station, or intermodal facility. TIFIA can also finance economic development including residential projects that (a) meet the Economic Development eligibility criteria and include a project to improve or construct Public Infrastructure, or (b) qualify as Joint Development, per [49 U.S.C. 5302](#).

Eligible costs include (A) development phase activities, such as planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design, and other preconstruction activities; (B) construction, reconstruction, rehabilitation, replacement, and acquisition of real property, environmental mitigation, construction contingencies, and acquisition of equipment; and (C) capitalized interest necessary to meet market requirements,



reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction.

Total Program Funding:

\$70 billion in lending capacity (based on available credit subsidy appropriated by Congress)

Funding Available Per Project	Minimum project cost is \$10 million (total eligible costs). No maximum loan size or project cost.
Percentage of Project Costs Supported	Up to 49% of total eligible costs for TOD projects can be financed by a TIFIA loan.
Interest Rate	The interest rate on a TIFIA loan is fixed and roughly equal to the yield on U.S. Treasury securities of comparable maturity on the date of execution of the credit agreement. Interest on TIFIA loans does not accrue until proceeds are drawn, borrowers have up to a 35-year repayment period, and can defer principal repayment up to 5 years after substantial project completion.
Loan Limits	No maximum project cost; Minimum TOD project cost is \$10 million (total eligible costs). Total federal assistance (loans + grants) cannot exceed 80% of project cost.
Debt Coverage Ratio	To be established/negotiated during the Bureau’s creditworthiness review of a project.
Advance Reserve/Predevelopment Funds	No, to the extent some of these costs are eligible, they can be included and reimbursed by the loan proceeds, but funds cannot be provided upfront or prior to loan closing.

Application Process

Lead Applicant:

Public or private entities – examples of such entities include state departments of transportation; local governments; transit agencies; special authorities; special districts; railroads; and private firms or consortia that may include companies specializing in engineering, construction, materials, and/or the operation of transportation facilities.

Public Private Partnerships:

TIFIA allows for public private partnerships and encourages them under the right circumstances but does not require them. TIFIA can lend directly to private entities, but private entities must have a public sponsor. However, public sponsors are not obligated to repay nor provide guarantees for TIFIA loans provided to private entities.

Application deadline:

Letters of Interest are accepted on a rolling basis.

Typical Time from Application Submission to Start of Construction:

This varies significantly based on the complexity of the project and negotiation of the terms and conditions of TIFIA credit assistance, but the average length of time from submission of a final Letter of Interest to financial close is 12 months.



Additional Considerations

Affordability and Climate Requirements:

TIFIA TOD loans may be used to finance projects within walking distance of, and accessible to, a fixed guideway transit facility, passenger rail station, intercity bus station, or intermodal facility.

Stackability with other Federal Programs:

Projects can be stacked with other federal and state resources. The total federal share (grants and loans) is capped at 80% of total project cost. TIFIA loans count as non-federal match for federal grants as the loans are repaid with non-federal funds.

Aggregation:

Disparate projects can be bundled under a single loan if they all can be secured by the same pledge and the Build America Bureau can underwrite them concurrently.

Funding Requirements:

Funding requirements include National Environmental Policy Act; Build America, Buy America; Uniform Relocation Assistance and Real Property Acquisition Policy Act; and Davis-Bacon and Related Acts.

Other Requirements:

TIFIA loans and any senior debt must be rated investment-grade (BBB minus, Baa3, bbb minus, BBB low, or higher) by a credit rating agency.

Recommend reaching out to the Build America Bureau to discuss other restrictions. Further information is provided in the Bureau's [TOD Guidance/FAQs](#).

Technical Assistance Available: Project sponsors are strongly encouraged to contact the Bureau early in the early stages of project development at buildamerica@dot.gov.



DOT: Railroad Rehabilitation & Improvement Financing (RRIF)

Federal Agency and Bureau: Department of Transportation

Program Description:

The Railroad Rehabilitation & Improvement Financing (RRIF) program provides credit assistance in the form of direct loans and loan guarantees. Eligible purposes include developing, improving, or acquiring railroad infrastructure or facilities; establishing or improving intermodal freight transfer facilities; developing landside infrastructure for seaports serviced by rail; and economic development, including commercial and residential development and related infrastructure and activities.

Funding Type:

Loan; loan guarantee

Applicability to Commercial to Residential Conversions:

RRIF can finance economic development, including commercial and residential development, and related infrastructure and activities. Eligibility criteria include: (i) incorporates private investment of greater than 20 percent of total project costs; (ii) is physically connected to, or is within ½ mile of, a fixed guideway transit station, an intercity bus station, a passenger rail station, or a multimodal station, provided that the location includes service by a railroad; (iii) demonstrates the ability of the applicant to commence the contracting process for construction not later than 90 days after the date on which the direct loan or loan guarantee is obligated for the project under this chapter; and (iv) demonstrates the ability to generate new revenue for the relevant passenger rail station or service by increasing ridership, increasing tenant lease payments, or carrying out other activities that generate revenue exceeding costs.

Eligible costs include (A) construction, reconstruction, rehabilitation, replacement, and acquisition of real property, environmental mitigation, construction contingencies, and acquisition of equipment; and (B) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction.

Total Program Funding:

\$35 billion revolving loan authority (~\$2-3 billion in outstanding loans).



Funding Available Per Project	No maximum or minimum project cost.
Percentage of Project Costs Supported	Up to 75% of total eligible costs for a RRIF TOD project can be financed by a RRIF loan.
Interest Rate	The interest rate on a TIFIA direct loan will be equal to or greater than the yield on U.S. Treasury securities of comparable maturity on the date of execution of the credit agreement. Interest on RRIF loans do not accrue until proceeds are drawn, have up to a 35-year repayment period, and a deferrable for 5 years after substantial project completion.
Loan Limits	No maximum or minimum project cost. Authorized to have, at any one time, up to \$30 billion in unpaid principal amounts of obligations under direct loans and loan guarantees through the RRIF program.
Loan-to-Value Ratio	To be established/negotiated during the Build America Bureau’s creditworthiness review of a project. The Build America Bureau can finance up to 75% of total eligible costs for a RRIF TOD project.
Debt Coverage Ratio	To be established/negotiated during the Build America Bureau’s creditworthiness review of a project.
Advance Reserve/Predevelopment Funds	No, to the extent some of these costs are eligible, they can be included and reimbursed by the loan proceeds, but funds cannot be provided upfront or prior to loan closing.

Application Process

Lead Applicant:

Entities eligible to receive RRIF Credit Assistance include state and local governments; Interstate compacts consented to by Congress under Section 410(a) of the Amtrak Reform and Accountability Act of 1997; Government sponsored authorities and corporations; Railroads; Limited option freight shippers that own or operate a plant or other facility (solely for the purpose of constructing a rail connection between a plant or facility and a railroad); and Joint ventures that include at least one of the above entities.

Public Private Partnerships:

RRIF allows for public private partnerships and encourages them under the right circumstances but does not require them. A private borrower is required to be in an eligible joint venture that includes any of the other categories of eligible applicants indicated above with the shared goal of accomplishing the project receiving the RRIF loan. The agreement between the parties can be memorialized in a contract, a memorandum of understanding, or other arrangement that describes the mutual consideration exchanged in order to accomplish the project. The parties to the joint venture must be able to demonstrate (i) that all parties have made (or will make) a meaningful contribution to (or for) the project and (ii) the benefit to all parties of the project.

Application deadline:

Letters of Interest are accepted on a rolling basis. For additional details, see [the Build America website](#).

Typical Time from Application Submission to Start of Construction:

This varies significantly based on the complexity of the project, but the average length of time from submission of a final Letter of Interest to financial close is 12-18 months.



Additional Considerations

Affordability and Climate Requirements:

RRIF TOD loans may be used to finance projects within walking distance of a fixed guideway transit station, an intercity bus station, a passenger rail station, or a multimodal station, provided that the location includes service by a railroad. Projects must also generate new revenue for the relevant passenger rail station or service by increasing ridership, increasing tenant lease payments, or carrying out other activities that generate revenue exceeding costs.

Stackability with other Federal Programs:

RRIF projects can be stacked with certain other federal and state resources. A RRIF loan may count as non-federal match for certain federal grant programs because the loans must be repaid with non-federal funds.

Aggregation:

Disparate projects can be bundled under a single loan if they all can be secured by the same pledge and the Build America Bureau can underwrite them concurrently.

Funding Requirements:

Funding requirements depend on which DOT Operating Administration (OA) is providing project oversight. Some of the key federal requirements that apply to projects receiving DOT credit assistance include National Environmental Policy Act, Buy America, Uniform Relocation Assistance and Real Property Acquisition Policy Act (URA), Davis-Bacon Prevailing Wage and Employee Protection Requirements, and modal requirements (depending on the OA providing oversight).

Other Requirements:

Projects must comply with the relevant federal requirements. Projects may need to provide a Credit Risk Premium. Reach out to the Build America Bureau to discuss other restrictions. Further information is provided in the Bureau's TOD Guidance/[FAQs](#).

Technical Assistance Available: Project sponsors are strongly encouraged to contact the Bureau early in the early stages of project development at buildamerica@dot.gov.



DOT: Thriving Communities Program

Federal Agency and Bureau: Department of Transportation

Program Description:

The Thriving Communities Program (TCP) provides technical assistance, planning and capacity building support to advance transportation and community revitalization activities that benefit disadvantaged populations and communities. The TCP also supports and builds local capacity to improve project acceleration, expand affordable transportation options, improve housing conditions, access to and management of federal funding, and deployment of local hiring, workforce development, and inclusive community engagement practices (including persons with disabilities and limited English proficient individuals). TCP will provide two years of deep-dive assistance and three years of facilitated peer learning support to selected communities to help them plan and develop a pipeline of comprehensive transportation, housing, and community revitalization activities.

HUD and DOT jointly administer TCP. HUD will provide funding to technical assistance providers and capacity builders to help jurisdictions consider housing and community development needs as part of transportation infrastructure plans (for example, identifying land that is near planned transportation projects and suitable for housing development).

Funding Type:

Technical assistance

Applicability to Commercial to Residential Conversions:

Selected communities are grouped into “Communities of Practice” based on their technical assistance needs; (1) Main Streets, (2) Complete Neighborhoods and Complete Transit-Oriented Neighborhoods, and (4) Networked Communities. Specifically, the Complete Transit-Oriented Neighborhoods cohort focuses on urban and suburban communities located within Metropolitan Planning Organization planning areas working to better coordinate transportation with land use, housing, and economic development. DOT has identified 14 communities that are working to address challenges with integrating access to transportation hubs, affordable housing and filling vacant housing.

Total Program Funding:

\$21 million in cooperative agreements

Funding Available Per Project	Percentage of Project Costs Supported	Advance Reserve/Predevelopment Funds
\$3,500,000 to \$6,000,000 for each cooperative agreement.	At least 60% of the total project budget should be for activities that provide direct support to communities.	No



Application Process

Lead Applicant:

Eligible applicants who are interested in providing technical assistance or building capacity are non-profit organizations, state or local governments and their agencies (such as transit agencies or metropolitan planning organizations), Tribes, philanthropic entities, and other technical assistance providers with a demonstrated capacity to develop and provide technical assistance, planning, and capacity building. Priority is given to applicants that demonstrate experience working with state, local, or Tribal governments, United States territories, or other political subdivisions of state or local governments.

Public Private Partnerships:

Yes. As a prerequisite to eligibility, TCP applicants are required to form coalitions, referred to as Community Partnerships, with organizations from within and outside the government that may also serve as local capacity-building and technical assistance implementation partners and generate deeper community engagement, particularly from historically underrepresented populations and environmental justice stakeholders.

Application deadline:

Interested applicants must identify community partners and together submit a Letter of Interest (LOI) via [DOT webform](#) during each round of funding to be considered for selection. Applications must be submitted for the current round by 4:59 p.m. (ET) November 15, 2023.

Additional Considerations

Funding Requirements:

This program is funded under the Consolidated Appropriations Act, 2022 (Pub. L. No. 117-103). Selected TCP Capacity Builders should demonstrate compliance with civil rights obligations and nondiscrimination laws, including Titles VI of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), and Section 504 of the Rehabilitation Act, and accompanying regulations. Recipients of federal transportation funding will also be required to comply fully with regulations and guidance for the ADA, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and all other civil rights requirements.

Technical Assistance Available:

The TCP is a program itself designed to provide technical assistance to disadvantaged and under-resourced communities who are in need of support in areas of climate and decarbonization strategies; equitable development to coordinate transportation and housing infrastructure; workforce development and community wealth building; grant and financial management; and transportation planning and project delivery. DOT will not reimburse costs incurred before the cooperative agreement has been signed by DOT and the lead applicant.

Links and Resources:

Questions can be directed to ThrivingCommunities@dot.org.



DOT FHWA: Neighborhood Access and Equity (NAE) Program

Federal Agency and Bureau: Department of Transportation, Federal Highway Administration

Program Description:

The Neighborhood Access and Equity Grant (NAE) Program provides funds for projects that improve walkability, safety, and affordable transportation access and address existing transportation facilities that create barriers to community connectivity or negative impacts on the human or natural environment, especially in disadvantaged or underserved communities. The program also provides funding for planning and capacity building activities in disadvantaged or underserved communities, as well as funding for technical assistance to units of local government to facilitate efficient and effective contracting, design, and project delivery, and to build capacity for delivering surface transportation projects.

Funding Type:

Grant

Applicability to Commercial to Residential Conversions:

The NAE program can provide funding to support changes in land use through transportation planning and infrastructure. Transportation infrastructure can be retrofitted to more appropriately accommodate and access housing, including by facilitating local and shorter residential trips. DOT intends to further the goals of the [White House Supply Action Plan](#) by evaluating community policies that encourage an increase in housing supply via zoning reform to reduce regional displacement pressures.

Total Program Funding:

\$3.205 billion

Funding Available Per Project	Percentage of Project Costs Supported	Advance Reserve/Predevelopment Funds
No maximum or minimum.	The federal share of the cost of an activity carried out with a grant under the program may not exceed 80% except that the federal share of the cost of an eligible project may be up to 100% for projects in a disadvantaged or underserved community.	It is a reimbursable program for the grantee to bill the grant for after services are rendered. Some of the funds are used for planning transportation improvements.

Application Process

Lead Applicant:

A state, unit of local government, political subdivision of a state, entity described in [23 U.S.C. 207\(m\)\(1\)\(E\)](#) (Federally recognized Indian Tribe), U.S. territory, special purpose district or



public authority with a transportation function, Metropolitan Planning Organization (as defined in [23 U.S.C. 134\(b\)\(2\)](#)), or for grants for planning and capacity building activities in disadvantaged or underserved communities, in addition to the eligible entities described above, a non-profit organization or institution of higher education that has partnered with an eligible entity. [§ 60501; [23 U.S.C. 177\(b\)](#)]

Public Private Partnerships:

A public sponsor is required for non-profits.

Additional Considerations

Stackability with other Federal Programs:

The federal share of the cost of an activity carried out with a grant under the program may not exceed 80% except that the federal share of the cost of an eligible project may be up to 100% for projects in a disadvantaged or underserved community. Other federal sources may be used, but not as a non-federal match. State funds may be used as a non-federal match.

Funding Requirements:

Funding requirements include Davis-Bacon, Buy America and National Environmental Policy Act requirements apply.

Other Requirements:

Funds cannot be used for a project for additional through travel lanes for single-occupant passenger vehicles

Technical Assistance Available:

\$50 million for technical assistance activities and capacity building subgrants to units of local government, as well as FHWA operations and administration.

Process:

Questions can be directed to ReconnectingCommunities@dot.gov.



EPA Greenhouse Gas Reduction Fund: Solar for All

Federal Agency and Bureau: Environmental Protection Agency

Program Description:

Solar for All will award up to 60 grants to states, territories, Tribal governments, municipalities, and nonprofits to expand the number of low-income and disadvantaged communities primed for residential solar investment—enabling millions of low-income households to access affordable, resilient, and clean solar energy. Grantees will use funds to expand existing low-income solar programs or design and deploy new Solar for All programs nationwide.

Funding Type:

Grants to the intermediary grantees, funding types to end users to be determined by selected grantees.

Applicability to Commercial to Residential Conversions:

Solar for All funding will be deployed by each individual awardee to fund or finance solar (including rooftop, pole- or ground-mounted), community solar, associated storage, and enabling upgrades in a given region. Eligible residential rooftop solar includes behind-the-meter solar facilities serving multifamily buildings, including rented or owned units, so long as the solar facility benefits individual households either directly or indirectly such as through tenant benefit agreements. Infrastructure to store solar-generated power is also an eligible use, delivering demand response needs, aggregating assets into virtual power plants, or delivering residential power during grid outages. Enabling upgrades can include electrical system upgrades, structural building repairs and energy efficiency. Whether funding is available through Solar for All for a specific commercial to residential conversion will depend on (1) that the property provides housing to low-income households, and (2) how an awardee that serves a given region chooses to administer the Solar for All Program. For example, some awardees may offer specific solar programs that fund rooftop solar on multifamily housing, while other awardees may focus on community solar with household subscriptions.

Total Program Funding:

\$7 billion

Application Process

Lead Applicant:

Eligible applicants include: (1) states and territories, (2) municipalities, (3) Tribal governments, or (4) eligible nonprofit recipients. Selected entities will then deploy funds into communities to fund or finance solar projects.

Public Private Partnerships:

No

**Application deadline:**

For primary program recipients who have applied to administer the program, the application period closed October 12, 2023. Once recipients are selected in early 2024, each recipient will establish application processes and deadlines for their respective program and jurisdiction.

*Additional Considerations***Affordability Requirement:**

100% of the benefit of the program funds must go to low-income and disadvantaged communities, including affordable housing properties, low-income households, and communities identified through the [Climate and Economic Justice Screening Tool \(CEJST\)](#), as further defined in the [Notice of Funding Opportunity](#). This program is covered under the [Justice40 Initiative](#).

Climate Requirement:

Deployment of solar, community solar, associated storage, or enabling upgrades.

Stackability with other Federal Programs:

Solar for All is stackable with other public or private funds.

Funding Requirements:

Funding requirements include Build America, Buy America, as well as Davis-Bacon Act requirements. Further guidance to be issued.

Technical Assistance Available:

Technical assistance is available, and may include project-deployment technical assistance such as services and tools provided to communities and energy stakeholders to overcome non-financial barriers to solar deployment. Examples include workforce training, customer outreach and education, project deployment assistance such as siting, permitting, and interconnection support, and coordination with utilities for the purposes of project, to be determined by selected grantees.



EPA Greenhouse Gas Reduction Fund: National Clean Investment Fund

Federal Agency and Bureau: Environmental Protection Agency

Program Description:

The National Clean Investment Fund will provide grants to 2–3 national nonprofit clean financing institutions capable of partnering with the private sector to provide accessible, affordable financing for tens of thousands of clean technology projects across the country.

Funding Type:

Grants to the intermediary grantees, funding types to end users to be determined by selected grantees.

Applicability to Commercial to Residential Conversions:

Deep energy retrofits of existing buildings and new construction of net zero buildings are included in a priority project category for the program. Applicants are asked to address this sector in their proposals, or justify why they have not done so. Funding will directly support building retrofits or construction, or pass from the awardee to lending institutions and implementors who will then fund or loan to net zero building projects. Commercial to residential conversions would be eligible to apply for this capital.

Total Program Funding:

\$14 billion

Application Process

Lead Applicant:

The National Clean Investment Fund will provide grants to 2–3 national nonprofit clean financing institutions. “Eligible recipients,” include an organization that:

- (a) is a nonprofit;
- (b) is designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services;
- (c) does not take deposits other than deposits from repayments and other revenue received from financial assistance provided using grant funds under this program;
- (d) is funded by public or charitable contributions; and
- (e) invests in or finances projects alone or in conjunction with other investors.

Once selected, these entities will fund or finance families, businesses, communities, and building owners to deploy greenhouse gas reducing projects, which could include commercial to net zero residential conversions, such as the adaptive reuse of existing buildings to create housing while decarbonizing the buildings through deep energy and water efficiency, geothermal heating and cooling, and grid-interactive appliance electrification, and other clean technologies.

Public Private Partnerships:

No

**Application deadline:**

For primary program recipients who have applied to administer the program, the application period closed October 12, 2023. Once recipients are selected in early 2024, each recipient may have its own process for disbursing funds.

*Additional Considerations***Affordability Requirement:**

At least 40% of the program funding must go to low income and disadvantaged communities.

Climate Requirement:

To be eligible the property must either be (1) a retrofit of an existing building that makes a substantial contribution to the building achieving net-zero emissions or a retrofit that contributes to the implementation of a building's zero-over-time strategy, or (2) the construction of a new net-zero emissions building in a low-income and disadvantaged community.

[Qualified projects](#) must deliver benefits within one or more of the following seven categories: climate change; clean energy and energy efficiency; clean transportation; affordable and sustainable housing; training and workforce development; remediation and reduction of legacy pollution; and development of critical clean water infrastructure.

Stackability with other Federal Programs:

NCIF is stackable with other public or private funds.

Funding Requirements:

Funding requirements include Build America, Buy America, as well as Davis-Bacon Act requirements. Further guidance to be issued.



EPA Greenhouse Gas Reduction Fund: Clean Communities Investment Accelerator

Federal Agency and Bureau: Environmental Protection Agency

Program Description:

The Clean Communities Investment Accelerator competition will provide grants to 2–7 hub nonprofits that will, in turn, deliver funding and technical assistance to build the clean financing capacity of local community lenders working in low-income and disadvantaged communities—so that underinvested communities have the capital they need to deploy clean technology projects.

Funding Type:

Grants to the intermediary grantees with funding types to end users to be determined by selected grantees.

Applicability to Commercial to Residential Conversions:

Deep energy retrofits of existing buildings and new construction of net zero building are included in priority project category for the program. Applicants are asked to address this sector in their proposals. Funding will pass from the awardee to lending institutions and implementors who will then fund or loan to net zero building projects. Commercial to residential conversions that serve low-income households would be eligible to apply for this capital.

Total Program Funding:

\$6 billion

Application Process

Lead Applicant:

The Clean Communities Investment Accelerator will provide grants to 2–7 hub nonprofits. An “eligible recipient” is an organization that: (a) is a nonprofit; (b) is designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services; (c) does not take deposits other than deposits from repayments and other revenue received from financial assistance provided using grant funds under this program; (d) is funded by public or charitable contributions; and (e) invests in or finances projects alone or in conjunction with other investors.

Once selected, these 2-7 hub entities will fund community lending institutions, which may include community development financial institutions (including Certified Native CDFIs), credit unions, green banks, housing finance agencies, minority depository institutions, and other types of lenders. These community finance institutions will then fund or finance families, businesses, communities, and building owners to deploy greenhouse gas reducing projects, which could include commercial-to-net zero housing.

Public Private Partnerships:

No

**Application deadline:**

For primary program recipients who have applied to administer the program, the application period closed October 12, 2023. Once recipients are selected in early 2024, each recipient may have its own process for disbursing funds.

*Additional Considerations***Affordability Requirement:**

100% of this funding has to go to low-income and disadvantaged communities.

Climate Requirement:

To be eligible the property must either be (1) a retrofit of an existing building that makes a substantial contribution to the building achieving net-zero emissions or a retrofit that contributes to the implementation of a building's zero-over-time strategy, or (2) the construction of a new net-zero emissions building in a low-income and disadvantaged community.

Stackability with other Federal Programs:

Yes, stackable with other public or private funds.

Funding Requirements:

Funding requirements include Build America, Buy America, as well as Davis-Bacon Act. Further guidance to be issued.

Other Requirements:

Eligible projects, eligible financial assistance as defined in the [Notice of Funding Opportunity](#).

Technical Assistance Available:

Technical assistance is available in multiple forms and at multiple levels within the program. Additional details can be found in the [Clean Communities Investment Accelerator Notice of Funding Opportunity](#).



HUD: FHA Section 221(d)(4): Mortgage Insurance for Rental and Cooperative Housing

Federal Agency and Bureau: Department of Housing and Urban Development

Program Description:

Section 221(d)(4) insures lenders against loss on mortgage defaults and assists private industry in the construction or substantial rehabilitation of rental and cooperative housing for moderate-income and displaced families by making capital more readily available. The program allows for long-term mortgages (up to 40 years).

Funding Type:

Loan guarantee

Applicability to Commercial to Residential Conversions:

This program can be used to finance a commercial to residential conversion involving substantial rehabilitation.

Funding Available Per Project	Interest Rate	Advance Reserve/Predevelopment Funds
The program has statutory mortgage limits which vary according to the size of the unit, the type of structure, and the location of the project. For substantial rehabilitation projects, the maximum mortgage amount is 90% of the estimated cost of repair and rehabilitation and the estimated value of the property before the repair and rehabilitation project.	Fixed interest rate based on market rates <ul style="list-style-type: none"> • Construction phase + 40-year permanent amortization • Interest only during construction • Fully amortizing • Conversion to permanent phase at construction completion (no DSCR test for conversion) 	No

Lead Applicant:

Eligible mortgagors include public entities, profit-motivated sponsors, limited distribution entities, nonprofit cooperatives, builder-sellers, investor-sponsors, and general mortgagors.

Public Private Partnerships:

Yes, the program allows public private partnerships.

Application deadline:

Rolling.

Typical Time from Application Submission to Start of Construction:

The typical HUD review time is 60 - 110 days depending on the complexity of the deal.

**Affordability Requirement:**

All families are eligible to occupy dwellings in a structure whose mortgage is insured under this program, subject to normal resident selection. There are no income limits. Projects may be designed specifically for elderly or handicapped residents.

Climate Requirement:

There are [minimum energy standards or requirements](#) for new construction such as the 2009 International Energy Conservation Code for low-rise multifamily projects and 2007's American Society of Heating, Refrigerating and Air-Conditioning Engineers 90.1 for mid-rise or high-rise buildings.

Eligibility for Green Mortgage Insurance Premium (MIP) Program:

Through this voluntary program, multifamily property owners utilizing FHA-insured financing may receive a reduced MIP of 25 bps (0.25%) for properties that commit to industry-recognized green building standards and achieve and maintain an ENERGY STAR benchmarking score of 75 or higher as evidenced by a report from ENERGY STAR Portfolio Manager. This incentive is intended to encourage multifamily property owners to adopt higher standards for construction, rehabilitation, repairs, maintenance, and property operations. The lower rate incentivizes owners to implement measures that result in housing with greater energy and water performance, reduced operating costs, improved indoor air quality that contributes to resident comfort and health, and reduced overall impact on the environment. A borrower may use the savings generated to cover costs associated with achieving these standards.

Stackability with other Federal Programs:

Low-Income Housing Credits and other government assistance may be used in accordance with HUD administrative guidelines.

Aggregation:

The project site may consist of two or more noncontiguous parcels of land when HUD finds that the parcels physically comprise a readily marketable real estate entity and are within an area limited enough to allow convenient and efficient management.

Funding Requirements:

Funding requirements include National Environmental Policy Act, prevailing wage requirements, requirements of [24 CFR Part 50](#), Protection and Enhancement of Environmental Quality, and Chapter 9 of the Multifamily Accelerated Processing (MAP) Guide – Environmental Review and Requirements.

Other Requirements:

Projects must consist of five or more dwelling units. Projects must be designed primarily for residential use. Any commercial activity must be compatible with the use of the project and primarily for the benefit of the residents. Commercial space should not exceed 25% of the gross floor area of the project nor should more than 15% of the total gross project income come from commercial sources.

Technical Assistance Available: Program staff are available to provide technical assistance.



HUD: FHA Section 220: Mortgage Insurance for Rental Housing for Urban Renewal and Concentrated Development Areas

Federal Agency and Bureau: Department of Housing and Urban Development

Program Description:

Section 220 insures loans for new construction or rehabilitation of multifamily housing projects in urban renewal areas, code enforcement areas, and other areas (including Opportunity Zones) where local governments have undertaken designated revitalization activities.

Funding Type:

Loan guarantee

Applicability to Commercial to Residential Conversions:

This program can be used to finance a commercial to residential conversion involving substantial rehabilitation, such as when either the required repairs, replacements, and improvements involve the replacement of two or more major building components, or when the cost of the repairs exceeds certain other thresholds.

Funding Available Per Project	Interest Rate
The program has statutory mortgage limits , which may vary according to the size of the unit, the type of structure, and the location of the project. For substantial rehabilitation projects, the maximum mortgage amount is 90% of the estimated cost of repair and rehabilitation and the estimated value of the property before the repair and rehabilitation project.	<ul style="list-style-type: none"> • Fixed interest rate based on market rates • Construction phase + 40-year permanent amortization • Interest only during construction • Fully amortizing • Conversion to permanent phase at construction completion (no DSCR test for conversion)

Application Process

Lead Applicant:

Eligible mortgagors include private profit motivated entities, public bodies, and others who meet HUD requirements for mortgagors.

Public Private Partnerships:

Yes, the program allows public private partnerships.

Application deadline:

Rolling.

Typical Time from Application Submission to Start of Construction:

The typical HUD review time is 60 - 110 days depending on the complexity of the deal.

Additional Considerations

**Affordability Requirement:**

All families are eligible to occupy a dwelling in a structure where the mortgage is insured under the program, subject to normal tenant selection absent other restrictions from other sources.

Climate Requirement:

There are [minimum energy standards or requirements](#) for new construction such as the 2009 International Energy Conservation Code for low-rise multifamily projects and 2007's American Society of Heating, Refrigerating and Air-Conditioning Engineers 90.1 for mid-rise or high-rise buildings.

Eligibility for Green Mortgage Insurance Premium (MIP) Program:

Through this voluntary program, multifamily property owners utilizing FHA-insured financing may receive a reduced MIP of 25 bps (0.25%) for properties that commit to industry-recognized green building standards and achieve and maintain an ENERGY STAR benchmarking score of 75 or higher as evidenced by a report from ENERGY STAR Portfolio Manager. This incentive is intended to encourage multifamily property owners to adopt higher standards for construction, rehabilitation, repairs, maintenance, and property operations. The lower rate incentivizes owners to implement measures that result in housing with greater energy and water performance, reduced operating costs, improved indoor air quality that contributes to resident comfort and health, and reduced overall impact on the environment. A borrower may use the savings generated to cover costs associated with achieving these standards.

Stackability with other Federal Programs:

Low-Income Housing Credits and other government assistance may be used in accordance with HUD administrative guidelines.

Aggregation:

The project site may consist of two or more noncontiguous parcels of land when HUD finds that the parcels physically comprise a readily marketable real estate entity and are within an area limited enough to allow convenient and efficient management.

Funding Requirements:

Funding requirements include National Environmental Policy Act, prevailing wage requirements, requirements of [24 CFR Part 50](#), Protection and Enhancement of Environmental Quality, and Chapter 9 of the Multifamily Accelerated Processing (MAP) Guide – Environmental Review and Requirements .

Other Requirements:

Properties must consist of five or more units and must be located in an urban renewal area, in an urban development project, code enforcement program area, urban area receiving rehabilitation assistance as a result of natural disaster, or area where concentrated housing, physical development, or public service activities are being carried out in a coordinated manner. Commercial space must be limited to 25% of total net rentable area and commercial income must be limited to 30% of effective gross project income.

Technical Assistance Available: Program staff are available to provide technical assistance.



HUD: HOME Investment Partnerships

Federal Agency and Bureau: Department of Housing and Urban Development

Program Description:

The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. It is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

Funding Type:

Grant

Applicability to Commercial to Residential Conversions:

This program can be used for site acquisition, development costs related to the conversion of commercial properties to affordable housing (rental or homeownership units), and tenant based rental assistance to residents. HOME units must meet income eligibility and affordability requirements.

Total Program Funding:

\$1.5 billion for FY23. States and participating jurisdictions have flexibility to choose which eligible activities and projects to fund.

Application Process

Lead Applicant:

States, metropolitan cities, urban counties, insular areas, and consortia (contiguous units of local governments with a binding joint agreement) are eligible to become HOME Participating Jurisdictions, who are responsible for designing and administering projects and determining which activities to fund. Participating Jurisdictions may also partner with subrecipients, owners, and developers.

Public Private Partnerships:

HOME has a match requirement for non-federal resources (state/local/private). All Participating Jurisdictions must make or match contributions of no less than 25 cents for each dollar of HOME funds spent on affordable housing. This requirement is not assessed on a project-by-project basis, but on all dollars expended each federal fiscal year.

Application Process:

Allocations are published 60 days after appropriation. Grantees submit an Annual Action Plan by August 16th each year. The period of performance of HOME funding is 9 years.

Participating Jurisdictions determine the methods, process, and timeline for applications and distribution of funds.



Additional Considerations

Climate Requirement:

There are energy requirements as part of property standards. Current energy standard for HOME is ASHRAE 2007 or IECC 2009.

Stackability with other Federal Programs:

Yes, HOME can be used alongside many federal or state resources. It is often used alongside Low-Income Housing Credits, rehabilitation tax credits, Community Development Block Grants, the national Housing Trust Fund, and other resources.

Aggregation:

There are aggregation opportunities. For the HOME program, a project is defined as: “a site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME funds as a single undertaking under this part. The project includes all the activities associated with the site and building. For tenant-based rental assistance, project means assistance to one or more families.”

Funding Requirements:

Funding requirements include the Davis-Bacon Act at 12 or more HOME-assisted units; National Environmental Policy Act [24 CFR Part 58](#), Section 3; Build America, Buy America will apply August 2024; Affirmatively Furthering Fair Housing; Architectural Barriers Act; Uniform Relocation Assistance and Real Property Acquisition Policies Act. One to one replacement of residential units is required if units will be removed in the conversion process.

Other Requirements:

The HOME program has specific eligible activities ([24 CFR 92.205](#)), eligible costs ([92.206](#)), affordability restrictions ([92.252](#) or [92.254](#)), and income restrictions on occupants ([92.252](#) or [92.254](#)).

Technical Assistance Available:

Technical assistance is available. HUD has both resources available online and direct technical assistance available.

Process:

Find your state or local HOME grantee agency at: www.hudexchange.info/grantees/.

Links and Resources:

www.hud.gov/program_offices/comm_planning/home
www.hudexchange.info/programs/home/



HUD: Housing Trust Fund (HTF)

Federal Agency and Bureau: Department of Housing and Urban Development

Program Description:

The Housing Trust Fund (HTF) provides grants to states to produce and preserve affordable housing for extremely low- and very low-income households. This can be done through acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities.

Funding Type:

Grant

Applicability to Commercial to Residential Conversions:

HTF funding can be used to reconstruct and/or rehabilitate commercial to residential conversions to produce affordable housing for extremely low- and very low-income households.

Total Program Funding:

\$382 million for FY23. States have the flexibility to design their own program for distribution of funds. Each State determines the maximum per unit subsidy permissible for its HTF program, and the amount that will be awarded to any project based upon total costs, other available financing, and underwriting.

Application Process

Lead Applicant:

Funds are allocated to 50 states, D.C., Puerto Rico, and 4 insular areas as well as State-Designated Entities, which are responsible for designing and administering projects and determining which activities to fund. States may also partner with subrecipients, owners, developers, and units of general local government.

Public Private Partnerships:

There is no requirement, but public private partnerships are allowed.

Application Process: Allocations are published 60 days after HUD determines the formula. Grantees submit an Annual Allocation Plan by August 16th each year. Each grantee designs its own application process once it receives formula funds.

Additional Considerations

Affordability Requirement:

All HTF-assisted rental housing must meet a 30-year affordability period. HTF-assisted homeownership housing must meet the minimum affordability period of 10, 20 or 30 years based on the amount of HTF investment in the unit.

**Climate Requirement:**

The current energy standard for HTF is ASHRAE 2007 or IECC 2009.

Stackability with other Federal Programs:

This funding is stackable, as it is meant to complement existing federal, state, and local housing programs.

Aggregation:

Yes, if there is common ownership, management, and financing.

Funding Requirements:

Funding requirements include Build America Buy America, which will apply to projects to which HTF funds are committed beginning in August 2024. The National Environmental Policy Act applies as part of applicable environmental provisions in the HTF property standards ([24 CFR § 93.301\(f\)\(1\) and \(2\)](#)).

Other Requirements:

Grantees are required to use at least 80% of each annual grant for rental housing; may use up to 10% for homeownership housing; and may use up to 10% for the grantee's reasonable administrative and planning costs.

Technical Assistance Available:

Yes, there is technical assistance available.

Process:

Find your State HTF grantee at: www.hudexchange.info/grantees/

Links and Resources:

www.hud.gov/program_offices/comm_planning/htf

www.hudexchange.info/programs/htf/



HUD: Community Development Block Grant (CDBG) Program

Federal Agency and Bureau: Department of Housing and Urban Development

Program Description:

CDBG supports community development activities that create stronger, more equitable, and more resilient communities. Eligible uses include infrastructure and economic development projects, public facilities installation, community centers, housing rehabilitation, homeowner assistance, and more.

Funding Type:

HUD allocates funds through formula grant allocations to the city, county state or insular area. The grantee may then use its formula funds to provide grants, loans, or other financing mechanisms to assist projects.

Applicability to Commercial to Residential Conversions:

CDBG can be used to support eligible activities like acquisition, rehabilitation, reconstruction, supporting infrastructure, etc. A CDBG national objective must be met: low-moderate income benefit, slum/blight, or qualified urgent need.

Total Program Funding:

\$3.3 billion in FY23. In addition, a CDBG grantee may borrow up to five times its allocation using the companion loan guarantee program (Section 108 Community Development Loan Guarantee – see section below)

Funding Available Per Project	Percentage of Project Costs Supported	Advance Reserve/Predevelopment Funds
Grantees have the flexibility to determine which projects they fund and at what funding level. HUD requires that costs be necessary and reasonable.	There are no restrictions on the project costs; the costs must be necessary and reasonable.	Predevelopment funds and advances may be eligible. Program design is largely determined by the grantee. There are a range of eligible financing mechanisms.

Application Process

Lead Applicant:

States, Insular Areas, metropolitan cities with populations of at least 50,000; Qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities). States distribute funding to local governments (that don't receive direct CDBG allocations directly from HUD) to carry out projects. CDBG grantees then determine which activities to fund and how to distribute funding to other entities such as nonprofits, developers, and smaller units of government.

**Application deadline:**

Allocations are published 60 days after HUD determines the formula. Each grantee must submit an Annual Action Plan by August 16th each year. Grantees determine how to distribute funding.

Typical Time from Application Submission to Start of Construction:

Allocations are published 60 days after appropriation. Grantees submit an Annual Action Plan by August 16th each year. The period of performance of CDBG funding is 8 years.

*Additional Considerations***Affordability Requirement:**

Grantees must comply with all applicable laws including state and local requirements. If a grantee is creating rental units, grantees must publish affordable rents. If the unit is sold for purchase, the purchase price must be a reasonable cost for a low to moderate income household.

Climate Requirement:

HUD encourage grantees to utilize resilient and energy efficient construction methods when possible.

Stackability with other Federal Programs:

CDBG can be used alongside most federal/state resources. It is often used alongside Low-Income Housing Credits and rehabilitation tax credits.

Aggregation:

Yes, generally, if they are under common management/ownership. HUD can provide technical assistance if needed to explore this further, as there are other considerations.

Funding Requirements:

Funding requirements include the Davis-Bacon Act applies at \$2,000 and 8 or more units; National Environmental Policy Act compliance is delegated to the grantee who is the responsible entity under [24 CFR Part 58](#), Section 3 applies; Build America, Buy America; Affirmatively Furthering Fair Housing; Architectural Barriers Act, Uniform Relocation Assistance and Real Property Acquisition Policies Act. One to one replacement of residential units is required if units will be removed in the conversion process.

Other Requirements:

All CDBG activities must be eligible and meet one of three national objectives—benefit low- and moderate-income persons, eliminate slums/blight, or meet urgent need; may not assist buildings used for the general conduct of government, government expenses, political activities, purchase of equipment (generally), operating and maintenance expenses, new housing construction, income payments. There are some limitations if a conversion involves increasing the existing building envelope. HUD can provide technical assistance if needed for a particular project.

Process: Find your CDBG grantee at: www.hudexchange.info/grantees/

Links and Resources: [CDBG Notice on Funds in Support of Housing](#)



HUD: Section 108 Loan Guarantee Program

Federal Agency and Bureau: Department of Housing and Urban Development

Program Description:

The Section 108 Community Development Loan Guarantee program, which is part of the Community Development Block Grant program, provides communities with a source of low-cost, long-term financing for economic and community development projects. Section 108 financing provides an avenue for communities to undertake larger, more costly projects, where they may have limited resources to invest in upfront. Section 108 can finance economic development, housing, public facilities, infrastructure, and other physical development projects, including improvements to increase their resilience against natural disasters.

Funding Type:

Loan to the CDBG grantee, which may then select the appropriate project financing mechanism.

Applicability to Commercial to Residential Conversions:

Section 108 loans can be used to support commercial to residential conversions.

Total Program Funding:

\$300 Million in Loan Guarantee Commitment Authority in FY 2023.

Funding Available Per Project	Percentage of Project Costs Supported	Interest Rate	Loan Limits
Grantees may request five times their annual CDBG grant allocation.	N/A. Every application goes through an unwriting process.	Interest rates, variable and fixed, can vary. More information can be found here .	5 times Annual CDBG.

Application Process

Lead Applicant:

States, metropolitan cities and urban counties (i.e., CDBG entitlement recipients), non-entitlement communities that are assisted in the submission of applications by states that administer the CDBG Program, Non-entitlement communities eligible to receive CDBG funds under the HUD-Administered Small Cities CDBG Program (Hawaii), and certain U.S. territories.

Application deadline:

There is no submission deadline (rolling process).

Typical Time from Application Submission to Start of Construction:

Allocations are published 60 days after appropriation. Grantees submit an Annual Action Plan by August 16th each year. The period of performance of CDBG funding is 8 years. An eligible



applicant develops and submits an application for a project (or a loan fund), and the local HUD field office and Section 108 Office at HUD Headquarters concurrently review the application and make a recommendation to the Deputy Assistant Secretary for Grant Programs, typically under 45 days. The Community (or its designated public entity) and the Section 108 Office, as well as its Program Counsel, prepare the financing documents necessary to for the project (or the first project under a loan fund) to be guaranteed by HUD. The timeline varies, depending primarily on the complexity of the project.

The maximum repayment period for a Section 108 loan is 20 years. HUD has the ability to structure the principal amortization to match the needs of the project and borrower including periods of interest-only payments.

Additional Considerations

Affordability Requirement:

CDBG grantees must comply with all applicable laws including state and local requirements. If a grantee is creating rental units, grantees must publish affordable rents. If the unit is sold for purchase, the purchase price must be a reasonable cost for a low to moderate income household.

Climate Requirement:

HUD encourages grantees to use resilient and energy efficient construction methods when possible.

Stackability with other Federal Programs:

CDBG funds, including Section 108, can be used alongside most federal and state resources. It is often used alongside Low-Income Housing Credits, New Market Tax Credits, rehabilitation tax credits, Opportunity Zones, etc.

Aggregation:

Yes, generally, if they are under common management or ownership. HUD provides one-on-one technical assistance to potential borrowers, particularly on how to layer Section 108 with other sources of funding and on other key considerations.

Funding Requirements:

Funding requirements include Davis-Bacon Act applies at \$2,000 or 8 units, National Environmental Policy Act compliance is delegated to the grantee who is the responsible entity under [24 CFR Part 58](#), Section 3 applies; Build America, Buy America; Affirmatively Furthering Fair Housing; Architectural Barriers Act, Uniform Relocation Assistance and Real Property Acquisition Policies Act. One to one replacement of residential units is required if units will be removed in the conversion process.

Other Requirements:

Projects funded with Section 108 loans must meet basic CDBG Program criteria, including meeting a national objective and public benefits standards. Projects are also subject to compliance with all other local, state, or federal regulations including crosscutting regulations. There are some activities eligible under CDBG that are not eligible for Section 108, such as public services.



To access Section 108 funding, grantees are asked to comply with pre-submission and Citizen Participation Requirements:

- Describe proposed project/activities in sufficient detail;
- Define the national objective that will be met by the project/activities;
- Indicate which activities are expected to generate program income;
- Explain citizen participation opportunities;
- Publish the proposed application community wide and solicit comments; and,
- Amend the consolidated plan or annual action plan to include Section 108 if it does not include it already.

Technical Assistance Available:

HUD Section 108 staff provide in-depth, tailored technical assistance in the form of extended communication or long-term assistance to CPD grantees and partner agencies. Potential or current borrowers may contact the Section 108 office to request assistance with any project cycle stage, including: proposed projects, layered financing, application process, program requirements, and more. After contacting the Section 108 office, the community will be matched with a Section 108 expert to provide general or specific Section 108 technical assistance.

Process:

Details about the application process can be found [here](#).

Links and Resources:

Learn more about CDBG’s Section 108 Loan Guarantee Program [here](#).



HUD: Thriving Communities Technical Assistance Program

Federal Agency and Bureau: Department of Housing and Urban Development

Program Description:

HUD's Thriving Communities Technical Assistance (TCTA) program is designed to support local governments receiving federal infrastructure funds in creating thriving communities and ensuring housing needs are addressed when designing and implementing infrastructure investments. HUD's technical assistance providers will assist local governments with ensuring housing needs are considered as part of their larger infrastructure investment plans, while also supporting equitable development and local economic development ecosystems in disadvantaged communities.

Local governments can receive technical assistance that focuses on one or more of the following areas:

- Identifying and using vacant, abandoned, or underutilized land located on or near transportation projects that is suitable for housing development (including land owned by governmental entities as well as private sector) to create location-efficient housing.
- Preserving affordable housing and protecting residents and businesses from displacement as new infrastructure is deployed.
- Identifying and implementing regulatory and procedural reforms to reduce unnecessary barriers to location-efficient housing that impede housing production and increase development costs.
- Improving coordination among public entities (for example, local housing, transportation, planning, and community development departments) and between public entities and state recipients of infrastructure funding; transit authorities and other quasi-public entities; the private sector; and locally based organizations, to support a holistic and regional approach to housing and transportation.

Funding Type:

Technical assistance.

Applicability to Commercial to Residential Conversions:

Participating local governments could receive technical assistance to identify and implement regulatory and procedural reforms that could facilitate more commercial to residential conversions (bullet three above).

Total Program Funding:

\$5 million

Application Process

Lead Applicant:

Funds are awarded to technical assistance providers. Units of local government submit technical assistance requests to HUD, which then matches funded technical assistance providers with local



governments that meet criteria and will benefit from the technical assistance available under the program.

Application deadline:

Requests for technical assistance are accepted on an ongoing basis. Requests can be submitted via [HUD's website](#).



USDA RBCS: Business & Industry Guaranteed Loan Program

Federal Agency and Bureau: Department of Agriculture, Rural Business-Cooperative Service

Program Description:

Funding in this program can be used to support rural businesses in business development, growth, modernization, or repair. Eligible activities include business and industrial acquisitions, construction, conversion, expansion, repair, and modernization. Additionally, the program can be used to buy and develop land, buildings, and associated infrastructure for commercial or industrial use.

Funding Type:

Loan

Applicability to Commercial to Residential Conversions:

Commercial to residential conversions may be eligible in the context of business-related housing and mixed-use developments. For example, there are opportunities for temporary workforce housing in the B&I Program for businesses that want to provide temporary housing for their employees. The housing quarters would be considered a part of the business and would be eligible for B&I guarantees. In addition, financing for mixed-use properties involving both commercial business and residential space is authorized, provided that not less than 50% of the business's projected revenue will be generated from business use.

Total Program Funding:

\$1.8 billion

Funding Available Per Project	Percentage of Project Costs Supported	Interest Rate	Loan Limits	Loan-to-Value Ratio	Debt Coverage Ratio	Advance Reserve/P redevelopment Funds
\$25 million	100%	Determined by the lender.	Maximum 40 years but determined by the lender.	Minimum 10% equity requirement for existing businesses; 20% for new businesses.	Determined by the lender.	No

Application Process

Lead Applicant:

Federal- and state-regulated lending institutions or Agency-approved non-regulated lending institutions. Federal- and state-regulated lending institutions (banks and credit unions) and non-regulated lending institutions can apply to rd.usda.gov/onerdguarantee. [Lists of lenders](#) are available from the Rural Development state offices. Housing entities would apply to the lender.

**Public Private Partnerships:**

These partnerships are permitted.

Application deadline:

Rolling.

Typical Time from Application Submission to Start of Construction:

80 days.

*Additional Considerations***Stackability with other Federal Programs:**

Funding is stackable, with no restrictions on the use of other government funding. Tax credits, rebates, grants can be used to meet equity requirements.

Funding Requirements:

Funding requirements include compliance with the National Environmental Policy Act. Build America Buy America Act requirements apply for non-profit entities. State offices will share any other requirements that may be specific to the project.

Other Requirements:

Ineligible uses of funds can be found in [7 CFR 5001.122](#). Projects must be located in rural areas; eligible rural areas can be determined at: [eligible addresses for Business Programs](#).

Technical Assistance Available:

Lenders are encouraged to work closely with program staff in the Rural Development state offices on their applications.

Process:

Contact the [Rural Development State Office](#) serving the area where the project is/will be located.

Links and Resources:

- [Program website](#)
- [One RD Loan Guarantees](#)
- [List of state offices](#)



UST: State and Local Fiscal Recovery Funds (SLFRF)

Federal Agency and Bureau: Department of the Treasury

Program Description:

The SLFRF program, established in the American Rescue Plan, delivered \$350 billion directly to state, local, Tribal, and territorial governments to support their response to and recovery from the COVID-19 public health emergency. Through the SLFRF program, over 30,000 recipient governments across the country are investing these funds to address the unique needs of their local communities and create a stronger national economy, fight the pandemic, maintain vital public services, and build a resilient and equitable economic recovery.

Funding Type:

Grant

Applicability to Commercial to Residential Conversions:

In communities impacted by the pandemic, recipients may use SLFRF funds for the “development, repair, and operation of affordable housing and services or programs to increase long-term housing security,” as described in Treasury’s 2022 final rule and summarized in Treasury’s [Affordable Housing How-To Guide](#). As such, “recipients may use SLFRF to acquire properties that will be transitioned into affordable housing for households that experienced the negative economic impacts of the pandemic. This could include acquisition of market rate rental properties, motels, or commercial properties that will be converted to affordable housing, or acquisition and preservation of publicly supported affordable housing. SLFRF may finance retrofits and weatherization of properties to improve energy efficiency, potentially by leveraging new federal funding such as the Department of Energy’s Weatherization Assistance Program, or infrastructure resources.”

In communities disproportionately impacted by the pandemic, recipients may also use SLFRF funds “to convert office buildings to condominiums for homeownership,” “to finance the conversion of industrial or commercial properties to housing,” and “to acquire vacant lots for affordable housing development.” Recipients should review Treasury’s 2022 final rule, the Overview of the 2022 Final Rule, and the Affordable Housing How-To Guide for more information.

Total Program Funding:

\$350 billion

Funding Available Per Project	Percentage of Project Costs Supported	Advance Reserve/Predevelopment Funds
Recipients may choose how to spend their SLFRF allocation, in accordance with program rules.	Up to 100% (though there are requirements for long-term loans, i.e., LIHTC projects)	This is an allocation. Following program guidelines, recipients may use funds for predevelopment purposes.



Application Process

Lead Applicant:

SLFRF funds have been pre-allocated to recipient governments, and prospective sub-applicants should connect with the recipients.

Public Private Partnerships:

No

Typical Time from Application Submission to Start of Construction:

Variable by governmental entity.

Additional Considerations

Stackability with other Federal Programs:

Yes, the funds can be blended and braided with other sources of funds (outlined in the Affordable Housing [How-To Guide](#)). Under the revenue loss eligible use category described in Treasury's 2022 final rule, recipients generally may use SLFRF funds to satisfy non-federal match requirements of other federal programs. Apart from the revenue loss eligible use category, SLFRF funds may not be used to meet non-federal match requirements, other than as sepficially authorized by statute (see [Program FAQs](#)).

Technical Assistance Available:

Program staff can provide limited technical assistance as part of the grant administration process.

Process:

More information is available on the [program's website](#).



UST: New Energy Efficient Home Credit (45L)

Federal Agency and Bureau: Department of the Treasury

Program Description: The section 45L tax credit provides a tax credit for construction of new and substantial reconstruction and rehabilitation of existing energy efficient homes that meet either EPA’s Energy Star certification or DOE’s Zero Energy Ready Homes certification.

Funding Type:

Tax credit

Tax Code Location:

26 U.S. Code § 45L

Applicability to Commercial to Residential Conversions:

Commercial to residential conversions that are eligible to participate in the Energy Star Multifamily New Construction program may be eligible for this tax credit. See [EPA guidance](#) for buildings undergoing gut rehabilitation for more information.

Tax Credit Amount

Project Type	EPA Energy Star Certified	DOE Zero Energy Ready Homes Certified
Single Family dwelling unit	\$2,500	\$5,000
Multifamily dwelling unit– no prevailing wage	\$500	\$1,000
Multifamily dwelling unit – prevailing wage	\$2,500	\$5,000

Eligible Taxpayer:

The tax credit is available to the “eligible contractor.” An eligible contractor is the individual or entity that constructed or substantially reconstructed and rehabilitated the qualified home and owned and had a basis in the qualified home during its construction or substantial reconstruction and rehabilitation, or, in the case of a qualified home that is a manufactured home, the person that produced such home and owned and had a basis in such home during its production. For example, if a person that owns and has a basis in a qualified home during its construction or substantial reconstruction and rehabilitation hires a third-party contractor to construct the home, the person that hires the third-party contractor is the eligible contractor and the third-party contractor is not an eligible contractor. The eligible contractor must sell or lease the home to a person for use as a residence in order to qualify for the tax credit.

Additional Considerations



Climate Requirement:

Certification is required through either EPA’s Energy Star program or DOE’s Zero Energy Ready Homes.

Stackability with other Federal Programs:

Taxpayers claiming the Low-Income Housing Tax Credit do not have to reduce basis for section 45L credits claimed.

Prevailing wage Requirement:

Multifamily projects must meet prevailing wage requirements to receive the higher tax credit.



UST: Energy Efficient Commercial Buildings Deduction (179D)

Federal Agency and Bureau: Department of the Treasury

Program Description: Section 179D provides a tax deduction for energy efficiency improvements to commercial buildings and multifamily buildings greater than three stories, such as improvements to interior lighting; heating, cooling, ventilation, and hot water; and building envelope.

Funding Type:

Tax deduction

Tax Code Location:

26 U.S. Code § 179D

Applicability to Commercial to Residential Conversions:

Commercial to residential conversions that meet the energy requirements of this tax deduction may be eligible.

Tax Deduction Amount

Project Type	Prevailing Wage and Apprenticeship Requirements Not Met	Prevailing Wage and Apprenticeship Requirements Met
Retrofits of buildings that are at least 5 years old, or new construction.	\$.50 - \$1.00 per square foot, depending on increase in efficiency, with deduction over four-year period capped at \$1 per square foot inflation adjusted. Alternatively, taxpayers can deduct adjusted basis in “qualified retrofit plans” that reduce a building’s energy use intensity by at least 25%.	5 times the base amount if the project meets prevailing wage and registered apprenticeship requirements. Initial and proposed guidance on the labor provisions is available here .

Lead Applicant:

This deduction is available to owners and long-term lessees of commercial buildings and multifamily buildings greater than three stories. Certain tax-exempt and governmental building owners may allocate the deduction to designers of energy efficient building property (architects, engineers).

Additional Considerations

Climate Requirement:

Renovations and new construction must meet energy efficiency targets.

Prevailing Wage and Apprenticeship Requirements:

Taxpayers must meet prevailing wage and registered apprenticeship requirements to receive the higher tax deduction.



UST: Investment Tax Credit for Energy Property (48 and 48E)

Federal Agency and Bureau: Department of the Treasury

Program Description:

Section 48 provides a tax credit for investment in renewable energy projects that begin construction before January 1, 2025, including fuel cell, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, and combined heat and power properties.

Section 48E provides a tax credit for investment in a qualified facility or energy storage technology which is used for the generation of electricity and for which the anticipated greenhouse gas emissions rate is not greater than zero. These projects must be placed in service after December 31, 2024.

For both the sections 48 and 48E credits, a bonus credit amount is available for meeting domestic content or energy community requirements. Additionally, a taxpayer may apply for an additional allocated section 48 or 48E credit amount if the project is located in or benefits certain low-income communities.

Funding Type:

Tax credit

Tax Code Location:

26 U.S. Code § 48 (Investment Tax Credit) and 26 U.S. Code § 48E (Clean Electricity Investment Tax Credit)

Applicability to Commercial to Residential Conversions:

This tax credit is available for commercial to residential conversions that include one or more of the eligible investments in energy property.

Tax Credit Amount

Credit amounts depend on whether the project has fulfilled prevailing wage and apprenticeship requirements or qualifies for the domestic content, energy communities, or low-income communities bonus. For detailed information, see irs.gov/cleanenergy. Additional helpful information can be found on the [Department of Energy's website](#).

Direct Pay Eligibility:

Yes, for tax-exempt organizations; states; political subdivisions; the Tennessee Valley Authority; Indian Tribal governments; Alaska Native Corporations; and rural electricity co-ops.

Transferability:

Yes

Stackability:

Credit reduced for tax-exempt bonds with rules similar to the rules provided in section 45(b)(3).



Application deadline:

Applications for the low-income communities bonus credit program, an additional allocated credit amount, opened October 19, 2023, and will be considered on a rolling basis. Additional helpful information can be found on the [Department of Energy’s website](#).

Additional Considerations

Funding Requirements:

Projects must meet prevailing wage and apprenticeship requirements for higher incentive levels.