



Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Secretary

February 5th, 2025

Notice of Funding Opportunity (NOFO)

FY25 Transit-Oriented Development (TOD) Capital Grant and Revolving Loan Fund

The Maryland Department of Transportation is pleased to announce the inaugural launch of the TOD Capital Grant and Revolving Loan Fund (“the Fund”), a Statewide competitive grant program to assist in the advancement of TOD. MDOT will be accepting applications for financial assistance from the Fund from February 5th until April 8th at 5 p.m. The application can be found at <https://todfundrequest.powerappsportals.us/>.

Questions, comments and applications can be emailed to TODprogram@mdot.maryland.gov.

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Program Summary

On May 8, 2023, Governor Wes Moore signed the Equitable and Inclusive TOD Enhancement Act ([Chapter 512 of 2023](#)) sponsored by Senator Malcolm Augustine and Delegate Jazz Lewis. The law establishes the TOD Capital Grant and Revolving Loan Fund to promote the equitable and inclusive development of transit-oriented development projects and authorizes the Maryland Department of Transportation (MDOT) to use the Fund to provide financial assistance to local jurisdictions and their development partners. It also establishes that the fund will have \$5 million allocated to it in its first year and must maintain that balance at minimum going forward. The funding for FY25 is allocated from the Transportation Trust Fund.

The Fund offers financial support in the form of reimbursement grants and/or loans for local jurisdictions and loans for eligible development partners. Projects that are eligible for funding must be within a State-designated TOD area and must reflect the advancement of the TOD goals established in that Designation. MDOT seeks to fund projects that are feasible and show the ability to truly advance a TOD project in alignment with the goals of the local jurisdiction and MDOT.

Eligible Activities and Award Limits

Local Jurisdictions	Non-profit or private developers (with a local jurisdiction as a co-applicant)
<ul style="list-style-type: none"> • Up to \$250,000 in grant funds for design planning for an eligible TOD <ul style="list-style-type: none"> ○ Requires 10% local match; <p>OR</p> <ul style="list-style-type: none"> • Up to \$1M in total funding for the construction of public infrastructure improvements at an eligible TOD <ol style="list-style-type: none"> 1. Up to \$750,000 in grant funds with 10% local match and an additional \$250,000 in loans; OR 2. For revenue-generating projects, up to \$1M in loans 	<ul style="list-style-type: none"> • Up to \$1M in loans for gap funding for development projects that advance the local jurisdiction’s goals for an eligible TOD

Program Timeline (FY25)

Exact dates will be updated on the program webpage and are subject to change.

- **Open Application Period:** February 5- April 8, 2025
 - Webinar #1: Friday, February 14th
 - Webinar #2: Tuesday, March 4th
- **Application Review, Award Preparation:** April-May 2025
- **Award Announcements:** June 2025
- **Grant and/or Loan Agreements Signed:** June-July 2025
- **Post-Award Project Management and Reimbursement:** Projects are generally expected to be completed within 3 years, but an awardee can request an extension by MDOT if necessary and justified. Awardees can submit for reimbursement quarterly or a modified schedule agreed to by MDOT as warranted.

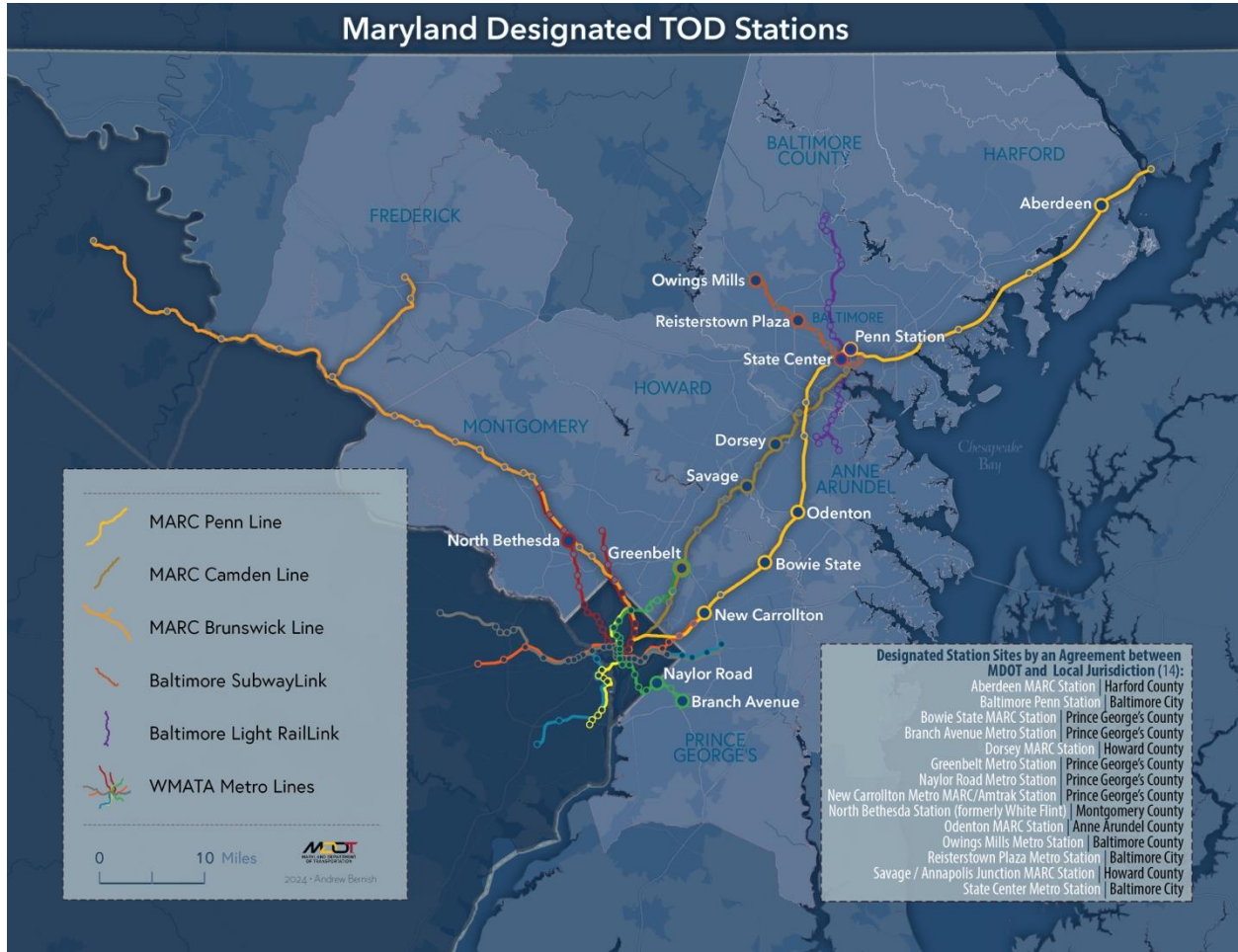
Eligibility Criteria

Transit-Oriented Development (TOD)

The Fund defines TOD as it is written in the Transportation Article of Maryland State Law (see Appendix A). Eligible projects must directly serve a State-designated TOD. Image 1 shows a complete map of existing State-designated TODs as of September 2024. The established TOD site boundaries can be viewed using the MD Designated TODs [GIS Tool](#).

If your jurisdiction is interested in applying for State TOD Designation at a site, you can find more information and apply [here](#). Jurisdictions may apply for TOD Designation year-round. Please note that applying for TOD Designation during the Open Application Period (February 4th – April 8th) does not guarantee a decision before the Open Application Period closes.

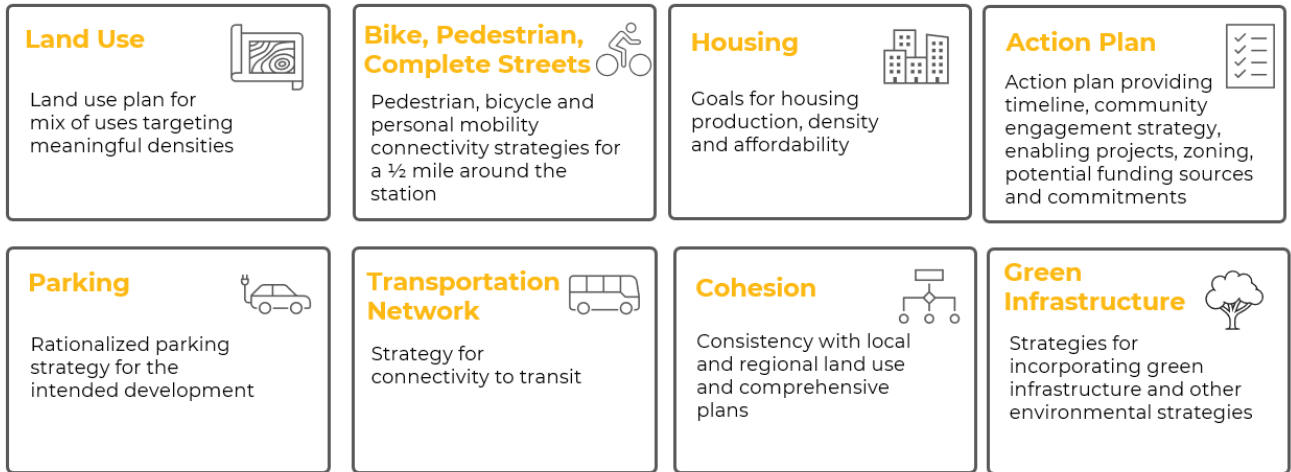
Image 1: State-designated TOD Stations as of January 2025



Local jurisdictions are expected to have a TOD Designation Plan for their State-designated TOD site that addresses the planning criteria in Image 2. Applicants will be asked to demonstrate how the financial assistance provided by the Fund will meaningfully advance the local jurisdiction's TOD Designation Plan.

Image 2: TOD Designation Plan Criteria

TOD Designation Plan



Eligible Applicants

Local jurisdictions in the State of Maryland may apply for funding for design plans or public infrastructure for a TOD. A private entity, including a nonprofit entity, participating in the development of a transit-oriented development may partner with a local jurisdiction to submit an application for gap funding. If a local jurisdiction is applying in partnership with a business, the business will need to have Good Standing¹ status with the State of Maryland. Candidates for loans must demonstrate the ability to repay in order for their application to be evaluated.

Local jurisdictions may submit applications for multiple eligible TOD Designated sites in their jurisdiction but may not submit more than one proposal per TOD Designation site. For example: A county may submit a proposal for financial assistance for a project in City A and a proposal for a project in City B, so long as both are within State-designated TOD sites.

¹ [Maintain Good Standing Status - Maryland Business Express \(MBE\)](#) Good Standing Status is issued by the State Department of Assessments and Taxation.

Eligible Proposals

There are three eligible categories for funding.

1) Design Plans (for local jurisdiction applicants)

A design plan for a TOD project is a planning and/or design task that provides a detailed vision or implementation framework to advance specific physical improvements or development within the boundaries of a State-designated TOD site (e.g., parcel or transportation right-of-way). Planning tasks must be accompanied by a design deliverable for a specific component of a TOD.

A design plan should include at least one of the following components:

- **Site-specific conceptual plans, drawings, and renderings** that convey the vision and layout for specific components of a TOD; and/or
- **Site-specific designs and engineering studies** that convey a more advanced stage (**construction or beyond**) of the design process for specific components of a TOD.

“Specific components of a TOD” can include residential structures (such as affordable, workforce, and market housing), retail structures, mixed-use structures, public spaces (such as green space or pedestrian plazas), transportation facilities (such as transit entrances, parking garages or pedestrian bridges), and supportive infrastructure (such as utilities, stormwater management, and other green infrastructure) that support the TOD.

Some examples of permissible design plans include, but are not limited to:

- TOD master plan accompanied by preliminary design plans for a specific component of a TOD project;
- Construction documents, schematic design or design development for a specific component of a TOD project;
- Station access plan with design drawings for a new station entrance and accessibility improvements;
- Streetscape improvement planning for Complete Street retrofits on station-adjacent roads;
- Design of a station area wayfinding plan;
- Parking plan with design drawings for converting surface parking to parking garage.

2) Public Infrastructure Improvements (for local jurisdiction applicants)

Local jurisdictions can apply for funding for the construction of public infrastructure improvements. Public infrastructure includes infrastructure systems, structures, and facilities, including but not limited to transportation, public utility systems, and capital projects that are defined as follows and help advance the goals of the TOD Designation plan:

1. Owned, occupied, developed, or operated/maintained by the public sector; or
2. Open to the public, support a public service, or serve a public purpose.

“Open to the public” is understood in this context to mean accessible and available to all without discrimination, restriction, or impediment. Examples may include streets, sidewalks, parks, plazas, or open spaces without regard to public vs. private ownership. “Support a public service” is understood in this context to mean the project provides space for a public agency to function, operate, or provide service to the public. “Serve a public purpose” is understood in this context to mean a project or activity that confers a public benefit.

More examples of public infrastructure improvements within a TOD include, but are not limited to:

- Transit station parking facilities;
- Station access improvements;
- Strategic parking improvements (eliminating surface parking, consolidated parking solutions);
- Station boarding area improvements;
- Bus loop construction;
- Pedestrian safety improvements; and
- Other public, transportation-related improvements supporting mixed-use development

3) Gap Funding (for development partner applicants)

A private entity, including a nonprofit entity, participating in the development of a transit-oriented development may partner with a local jurisdiction to submit an application for gap funding in the form of a loan. Gap funding is defined in this context as financing provided to compensate for a shortfall between the expected development costs of a project and the available funds for the project. Applicants for gap funding must demonstrate the need for financial assistance to help meet goals of the jurisdiction’s TOD Designation Plan, including affordable housing, public infrastructure or to meet or exceed density goals defined in the TOD Designation or underlying zoning.

Awards

Funding amount and type for successful applications will depend on several factors, including: the category of an applicant's proposal, the applicant's debt capacity, other funding sources secured, amount of funding sought and an application's score during the evaluation process.

- 1) Design Plans: Local jurisdictions are eligible to receive a grant of up to \$250,000 with a 10% match.
- 2) Public Infrastructure Improvements: For non-revenue producing infrastructure projects, local jurisdictions are eligible to receive a grant of up to \$750,000 with 10% match and an additional loan of up to \$250,000 at the Treasury interest rate for the maturity period. For example, a loan with a 5-year maturity would carry the 5-year Treasury rate. Revenue-generating infrastructure projects are eligible for a loan of up to \$1,000,000 at Treasury interest rate for the maturity period.
- 3) Gap Funding: Development partners applying for gap funding with a local jurisdiction are eligible to receive a loan of up to \$1,000,000 at Treasury interest rate for the maturity period. A loan with a 5-year maturity would carry the 5-year Treasury rate.

MDOT will offer flexible loan repayment terms of 3-5 years, depending on use and loan amount.

Post-Award Management

MDOT will notify all applicants via email once award decisions have been finalized.

Awarded applicants will receive any MDOT feedback on their Project Work Plan ("Work Plan") and awardees must update or confirm the work plan within 30 days of award date. Awardees will need to submit a scope or design plans before MDOT drafts the award agreement. Awardees may begin the procurement process upon acceptance of the submitted work plan, but reimbursable costs cannot begin until the award agreement is finalized.

MDOT and the project sponsor commit to the terms of the award when a grant or loan agreement is executed, typically within 2-3 months of the award date. In the event that an award agreement cannot be executed within 12 months of award, MDOT reserves the right to terminate an award.

After an award agreement is finalized, grantees can submit invoices for reimbursement quarterly. MDOT will determine the length of an applicant's grant agreement based on the scope of work and project type. Awardees with design deliverables must submit copies to MDOT and MDOT retains the right to use funded deliverables.

Awardees are required to submit quarterly status reports for the life of the grant award. (This requirement is stated and agreed to in the Grant or Loan Agreement). The quarterly report is the same document as the initial work plan, updated by the awardee with progress notes.

Awards from the Fund are not subject to any State procurement requirements. Local jurisdictions should follow any local procurement guidelines when using awarded funding.

Application Requirements

Eligible applicants will need to submit the following:

- Application form ([hyperlink](#))
- Complete Streets: Commitment from local jurisdiction to implement, where practicable, improvements to the TOD that promote the State's [Complete Streets Policy](#). An example of a commitment could include a letter of support from a local planning body.
- Land Use: Applicant must show that the project site has the appropriate local zoning policy in place by the close of the application period to support the advancement of the TOD Designation plan.
- Letters of Support: Applicants are encouraged to include at least one letter of support from community partners. If the local jurisdiction is applying in partnership with another organization, the letters of support should reflect support for that partnership as well.

Applicants who seek funding in the form of a loan will need to supplement the application form with additional documents to establish creditworthiness:

- If Applicant is a local jurisdiction, three (3) consecutive years of consolidated financial statements (balance sheet, income statement and statement of cash flow). If the applicant is an eligible business or non-profit organization, three (3) consecutive years of certified financial statements for the Applicant's organization are to be presented. Additionally, the applicant must provide the following details (irrespective of Applicant type):
 - If three years of certified financial statements are not available, the Applicant must provide a written explanation
 - If the applicant is a private entity establishing a special purpose entity or project company, the applicant must provide financial information clarifying (1) all shareholders in the special purpose vehicle and their financial contributions to the newly established entity (2) governance and cash management details for the newly established special purpose vehicle

- Where an applicant is a newly established entity, business, or non-profit organization, it is suggested that Applicant provide clarity on any project sponsors or guarantors that are anticipated to support the project (even if indirectly).
 - If the applicant is a private entity applying for gap funding, a letter of support from the local jurisdiction with which the private entity is partnering is required.
- Organization Foundational Document(s): Articles of Incorporation, Articles of Organization, or other official documentation establishing the Applicant as an organization with legal authority to transact business or operate within the State of Maryland.
- Organizational Structure Document(s): Bylaws, Operating Agreement, Stockholder Agreement(s), or other documents detailing the organizational structure of the Applicant organization.
- Board of Directors Roster (eligible businesses and nonprofit organizations ONLY): A roster of all members of the current Board of Directors.
- IRS Form W9: A complete, accurate, and signed IRS Form W9 for the Applicant organization.
- Documentation of Other Loans and Liens: Documents detailing all existing loans for which the Borrower is in repayment and/or default, and/or loans that the Borrower anticipates executing or will execute within the next year; as well as all existing liens placed on the Borrower's assets.
- Source of repayment: Brief explanation of the expected sources of revenues to repay the loan; if the applicant anticipates using project revenues (e.g., rents) to repay the loan, additional market information and/or feasibility studies may be required.

MDOT may require any or all of the following as a condition of the loan upon award:

- Personal guarantee(s) from individual stakeholder(s) or majority stakeholder(s);
- A copy of real property appraisal that reflects current market rate value of the property where the project will be installed;
- Legal counsel opinion letter assuring the borrower's legal capacity to enter into the loan and substantiating the legal premises stated in the financing documents;
- Other collateral that may be required depending on the credit profile of a prospective borrower.

- Pledge of project revenues;
- Letter of credit;
- Lien on real property where the project is located;
- MDOT having primacy on any liens on specific assets financed by the TOD Fund; or
- Additional collateral or security as determined by MDOT on a case-by-case basis.

Application Evaluation

Evaluation of the applications will be conducted in two steps. The first step of the process will be to confirm that applicants and their project proposals sufficiently meet prerequisite criteria:

- Applicant must not be convicted of or under investigation for any criminal activity.
- Applicants for gap funding must not be in default on any outstanding debt.
- Private applicants must have a local jurisdiction included as a co-applicant.
- Applicants for gap funding that are private entities, non-profits, and/or special purpose entities must provide evidence of sufficient backing and guarantees from creditworthy project sponsors.
- Applicants for gap funding must provide a concise motivation (with financial pro formas) on the expected source of revenues to repay the loan. These revenue sources should be supported with market information and cost analysis. Furthermore, this financial motivation should be supported by a risk analysis on revenues and anticipated mitigation strategies.

MDOT reserves the right to request further information or reject any application that fails to satisfy the prerequisites identified above.

The second stage of the evaluation will include a scoring of applications against the defined Evaluation Rubric. Applications will be scored by an interagency review group led by MDOT using the evaluation criteria in Table 1. Applicants will be evaluated on all three equity & inclusion goals but will be asked to choose one as their core focus for a weighted score. The application questions have been designed to directly address the evaluation criteria.

Table 1: TOD Fund Application Evaluation Rubric

Project Scoring	Max. Points Available
Project Plan and Readiness	35 Total Points

Preliminary Work Performed	10 points
Timeline for Project Execution	10 points
Project Advancement of TOD Designation Plan	10 points
Community Engagement Plan	5 points
Project Plan and Readiness	20 Total Points
Itemized project budget	5 points
Timeline of milestones for project funding	5 points
Other funding sources sought or secured	10 points
Equity & Inclusion Goal Attainment <i>Applicants will be asked to choose one of three equity & inclusion goals as their core focus and receive a weighted score in that category. Applicants will also be evaluated out of 10 points on each category that is not their core focus.</i>	45 Total Points
1) Access to transit for low-income and minority residents	25 points (core focus) 10 points (non-core)
2) Access to transit in areas with affordable housing and a diversity of job and educational opportunities	25 points (core focus) 10 points (secondary)
3) Encourage development around underdeveloped and underutilized transit stations	25 points (core focus) 10 points (secondary)
Total Score	100 Points

Appendix A: Definitions

Transit-Oriented Development (TOD) means a mix of private or public parking facilities, commercial and residential structures, and uses, improvements, and facilities customarily appurtenant to such facilities and uses, that:

- 1) Is part of a deliberate development plan or strategy involving:
 - i. Property that is adjacent to the passenger boarding and alighting location of a planned or existing transit station;
 - ii. Property, any part of which is located within one-half mile of the passenger boarding and alighting location of a planned or existing transit station; or
 - iii. Property that is adjacent to a planned or existing transit corridor.

- 2) Is planned to maximize the use of transit, walking, and bicycling by residents and employees; and

- 3) Is designated as a transit-oriented development by:
 - i. The Sustainable Growth Subcabinet²
 - ii. The local government or multicounty agency with land use and planning responsibility for the relevant area applying for designation.

² State TOD Designations awarded by MDOT prior to July 31st, 2023 will retain their designation status unless their designation agreement contains an expiration date.