BUILD AMERICA BUREAU

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Financial and Technical Assistance Opportunities
June 27, 2023
About the Build America Bureau

Advancing investment in America’s transportation infrastructure by providing **financial** and **technical** assistance

**Financial Assistance**
Flexible, low-cost, long-term credit assistance (loans, loan guarantees, and lines of credit) – $100 B available – for a wide range of eligible projects; and tax-exempt bonds – $15 B available – for public-private partnerships.

**Technical Assistance**
Grants for project planning and development, community solutions, and advisory services; and opportunities for training and education on the use of innovative project planning, financing, and delivery techniques.
### Office of the Secretary
- Office of the Under Secretary for Transportation Policy
  - **Build America Bureau**

### Outreach & Project Development
- Outreach
- Project Development

### Credit Programs
- Underwriting
- Portfolio Management
- Risk Management

### Technical Assistance
- Community Solutions
- Innovative Finance

### DOT Operating Administrations
- Federal Highway Administration (FHWA)
- Federal Transit Administration (FTA)
- Federal Railroad Administration (FRA)
- Federal Aviation Administration (FAA)
- Maritime Administration (MARAD)

- Experience with, and knowledge of, specific projects, sponsors, sectors, communities, and stakeholders
- Conduct oversight of projects – ensure compliance with all applicable federal requirements
- Administer DOT formula and discretionary grant programs
- Provide technical assistance
Current Lending Capacity

- **TIFIA**: $70 billion
- **RRIF**: $30 billion
- **PABs**: $15 billion
# Bureau Financing Programs

<table>
<thead>
<tr>
<th><strong>TIFIA</strong></th>
<th><strong>RRIF</strong></th>
<th><strong>PAB</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Type</strong></td>
<td>Federal credit assistance</td>
<td>Federal credit assistance</td>
</tr>
<tr>
<td><strong>Credit Products</strong></td>
<td>Direct loans; loan guarantees; lines of credit</td>
<td>Direct loans; loan guarantees</td>
</tr>
<tr>
<td><strong>Eligible Projects</strong></td>
<td>Surface transportation and public infrastructure projects</td>
<td>Railroad, seaport (with rail service), and economic development projects</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>U.S. Treasury rates</td>
<td>U.S. Treasury rates</td>
</tr>
<tr>
<td><strong>Cost Parameters</strong></td>
<td>Min. project cost: &gt; $50 M; &gt; $15 M for ITS; &gt; $10 M for TOD and local</td>
<td>Min. project cost: none</td>
</tr>
<tr>
<td></td>
<td>Max. project cost: none</td>
<td>Max. project cost: none</td>
</tr>
<tr>
<td></td>
<td>Max. loan to value: 33-49%</td>
<td>Max. loan to value: 75-100%</td>
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<tr>
<td></td>
<td>Max federal assistance (grants + loans): 80%</td>
<td></td>
</tr>
<tr>
<td><strong>Credit Rating</strong></td>
<td>Senior debt and TIFIA must be rated investment grade (BBB- or higher)</td>
<td>No credit rating requirement</td>
</tr>
<tr>
<td><strong>Credit Subsidy</strong></td>
<td>Appropriated by Congress</td>
<td>Limited appropriations; credit risk premium paid by borrower, refunded after loan is repaid</td>
</tr>
</tbody>
</table>
Bureau Credit Programs

Key Features of TIFIA & RRIF

• Long-term repayment options
  ◦ Up to 35 years (some up to 75 years)
  ◦ 5-year repayment deferral following construction completion
• Highly customizable to meet borrower cash flows / needs
• Interest accrues as funds are drawn
• No penalty for pre-payment
• Non-federal match for grants

LOW, FIXED INTEREST RATES

3.77%

for 35-year loan as of 6/26/23

Note: TIFIA & RRIF do NOT finance OPERATIONS!
TIFIA Rural Project Initiative (RPI)

Rural: Outside urbanized area of population > 150,000

Project costs between $10 million and $100 million

TIFIA can finance up to 49 percent of eligible project costs

Fixed rate at one-half Treasury rate

DOT can cover borrower fees

ONE-HALF THE U.S. TREASURY RATE

1.89%

as of 6/26/23
### Eligible Projects and Borrowers

**TIFIA**

**Projects**
- Roadways, highways, vehicular bridges and tunnels, land ports of entry, complete streets
- Public transportation infrastructure and rolling stock (including joint development)
- Intercity rail/bus infrastructure and rolling stock
- Bicycle and pedestrian infrastructure
- Intelligent transportation systems
- Intermodal facilities (e.g., rail-truck, air-truck)
- Seaports, including access roads
- Airports (airside, landside)

**Borrowers**
- Government entities
- Government-sponsored authorities
- Corporations, private entities, developers
- Business or transportation improvement districts
- State Infrastructure Banks (SIB)

**RRIF**

**Projects**
- Railroad (freight and intercity or commuter passenger rail) infrastructure, facilities, rolling stock, and equipment
- Seaports with railroad service infrastructure and facilities
- Refinancing debt incurred for eligible project costs
- Planning and design expenses related to eligible projects
- Intermodal infrastructure and facilities
- Economic development

**Borrowers**
- Railroads (Class I, II, III)
- Government entities
- Government-sponsored authorities
- Interstate compacts
- Joint ventures*
Major Federal Requirements

**National Environmental Policy Act (NEPA)**
- Federal environmental review and final determination (i.e., CE, FONSI, or ROD)

**Uniform Relocation Assistance and Real Property Acquisition Act (URA)**
- Just relocation assistance and compensation to persons displaced by Federally assisted projects

**Planning & Programming**
- All TIFIA projects consistent with RTP and/or STP, and included in TIP and/or STIP
- RRIF rail projects consistent with state rail plans

**Buy America**
- Domestic sourcing of steel, iron, manufactured goods, and construction materials

**Davis-Bacon**
- Prevailing wages and labor standards for contractors and subs performing on federally assisted contracts

**Other Modal Requirements**
- Project oversight regime of modal grant programs
- e.g., a transit project receiving a RRIF loans must comply with all FTA (Ch. 53) grant requirements
New policy initiative announced by U.S. Transportation Secretary Pete Buttigieg on October 4 that maximizes TIFIA’s lending authority up to 49% (vs. historical 33%) of total eligible project costs for:

- **PUBLIC TRANSPORTATION**
- **TRANSIT-ORIENTED DEVELOPMENT**

Until now, the only projects eligible for financing of up to 49% were rural and “Extra” projects.
Transit-Oriented Development (TOD) Eligibilities

Surface Transportation

Joint Development (TIFIA)

Public Infrastructure (TIFIA)

Economic Development (RRIF)
Surface Transportation – Putting the “T” in TOD

• Projects eligible under U.S. Code: Title 23 (FHWA grant programs) or Title 49, Chapter 53 (FTA grant programs), including but not limited to stations or facilities for *fixed guideway transit*

• Stations or facilities for *intercity bus*

• Stations or facilities for *intercity passenger rail*

• Intermodal stations or facilities including one of the above modes
Joint Development

• Joint development is an eligible “capital project” under all FTA (Title 49, Chapter 53) grant programs

• Joint development projects must satisfy certain eligibility criteria:
  – Create an economic benefit
  – Create a transit benefit
  – Provide a fair share of revenue for transit
  – Occupants pay a fair share of the costs to operate/maintain
  – Sponsor collects fees for use of ZEV fueling equipment, if installed

• Joint development projects that satisfy these criteria are eligible for TIFIA credit assistance, per 23 U.S.C. § 601(a)(12)(E)
TIFIA Public Infrastructure

“Public” means:
– owned, occupied, developed, or operated/maintained by the public sector; or
– open to the public, support a public service, or serve a public purpose

“Infrastructure” means:
– “Horizontal” elements of projects, such as land acquisition, demolition of existing structures, site preparation, environmental mitigation, utilities, foundations, parks and open space, roads, pedestrian and bicycle facilities, or transit access improvements
– “Vertical” development of public buildings and facilities, such as government buildings, civic centers, or facilities that include community services such as daycare, health care, education, job training, etc.

Must be located within walking distance of, and accessible to, a fixed guideway transit, intercity passenger rail, intercity bus, or intermodal station or facility
RRIF Economic Development

RRIF eligibility includes projects for “economic development, including commercial and residential development, and related infrastructure that”

- Incorporate private investment of greater than 20% of project costs
- Are physically connected to, or within ½-mile of, a transit station with rail service
- Can begin the construction contracting process within 90 days after loan closing
- Generate new revenue by increasing ridership, tenant lease payments, etc.
- Incorporate a non-Federal match of at least 25%
Working with the Bureau

TIFIA & RRIF Application Process

1. Initial Consult
   - Provide program information
   - Help define the project and address key questions:
     - Project + borrower eligibility
     - Scheduling
     - Repayment sources
     - Plan of finance (other sources)

2. Draft LOI
   - Form Project Development Team
   - Preliminary eligibility analysis
   - Identify applicable federal requirements
   - Coordinate with field offices on project review
   - Submit draft and final Letter of Interest (LOI)

3. Final LOI, financial model, indicative rating(s)
   - Advisor procurement
   - Financial due diligence
   - Negotiate terms and conditions of loans
   - Loan approval process; OMB and congressional notification; Secretarial approval

4. Application
   - Financial oversight: monitor disbursement & loan repayment
   - Final rating(s) prior to loan close
   - Field visits

5. Loan Close

6. Closeout

**Sponsor submission**

*Does not represent complete list of sponsor submissions, steps, or requirements*

Technical Assistance

- Bureau staff always available to provide guidance and feedback, connect subject matter experts, and explore innovative funding-financing options
- Technical assistance grant funding opportunities available
Technical Assistance Programs/Resources

**Build America Center**
- $5 M FHWA/Bureau partnership
- University of Maryland and four other universities provide TA
- Web - BAC.UMD.EDU

**Regional Infrastructure Accelerators**
- $10 M awarded to 10 RIAs in the first two rounds
- $24 M available in third round
- 21 Applications under review

**Thriving Communities**
- $25 M through end of 2024
- Grants to build the capacity of disadvantaged communities

**Rural & Tribal Assistance**
- 5-year pilot program ($10 M total)
- $3.4 M available in the first round
- Applications accepted mid-August

**DOT Navigator**
- New resource to help communities identify grant and TA opportunities
- Web - transportation.gov/grants/dot-navigator/

**Innovative Finance**
- 5-year program ($100 M total)
- $40 M will be available in the first round - NOFO coming soon!

https://www.transportation.gov/buildamerica/technicalassistance
Build America Center

Innovative delivery, P3 and finance training
Best practices and peer to peer exchange
Improved environmental review and permitting processes

Collaboration between FHWA, Build America Bureau and Five Prominent Universities – BAC.UMD.EDU
REGIONAL INFRASTRUCTURE ACCELERATORS

• Funds pre-planning resources and capacity
• Expedites regional transportation projects
• Improves access to billions in Bureau financing
• $10M awarded to 10 accelerators in 2 rounds
• 2nd round included a TOD project and regional transit planning
• Additional $24 M for 3rd NOFO – applications under review

FY2021
• San Diego Association of Governments - $1.47 million
• Pacific Northwest Economic Region - $1.235 million
• Fresno Council of Governments - $1 million
• Chicago Metropolitan Agency for Planning - $1 million
• Northeast Ohio Areawide Coordinating Agency - $295,000

FY2022
• Metropolitan Transportation Commission, CA - $1.5 million
• Dona Ana County, NM - $1.1 million
• Suffolk County, NY - $1 million
• Central Ohio Transit Authority - $750,000
• Panhandle Regional Planning Commission - $454,842
DOT Navigator

Coordinating and Improving Access to the range of DOT Technical Assistance Resources

https://www.transportation.gov/dot-navigator

Sample Grant Application Resources
- Overview of DOT Funding and Financing
- FY23 USDOT Discretionary Preparation Check List
- Understanding Federal Match Requirements
- Workforce Development and Climate Checklists
- Use of DOT Funds for Public Involvement
- Is Federal Funding the Right Fit for My Organization?
# DOT Discretionary Grants Dashboard

The DOT Discretionary Grants Dashboard provides communities with an overview of discretionary grant opportunities that can help meet their transportation infrastructure needs. Designed with all communities in mind, the Dashboard identifies grant programs with rural and Tribal set-asides or match waivers available. The Dashboard also includes Federal grant programs outside of DOT that may be of particular interest to rural communities. An updated Rural Grant Applicant Toolkit will soon be published to help rural communities harness the Dashboard. The Dashboard is updated weekly.

The DOT Navigator is a resource to help communities understand the best ways to apply for grants, and to plan for and deliver transformative infrastructure projects and services.

## Download CSV

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<th>Keywords</th>
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<td>Eligible Activities</td>
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<tr>
<td>Agency/Office</td>
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<tr>
<td>Match Waiver</td>
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<tr>
<td>Rural Set-Aside</td>
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https://www.transportation.gov/grants/dashboard

Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation Program (PROTECT)

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<th>General Grant Program Information</th>
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<td>Grant Period</td>
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<td>Estimated Available Funds</td>
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<tr>
<td>Use of Funds</td>
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<tr>
<td>Eligible Applicants</td>
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### Funding Information

The PROTECT program provides funding for six years subject to annual appropriations. The program is designed to encourage innovative approaches to infrastructure planning, construction, rehabilitation, and maintenance that spur economic development, job creation, and public safety. The program is intended to support projects that are consistent with the national transportation goals and objectives and that address the needs and priorities of communities, including underserved communities, rural areas, and Tribal areas.

### Contact Information

Contact: DOT-12-19@transportation.gov for more information.
Build America Bureau

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