



U.S. Department of Transportation

## Federal Tools to Advance TOD

Thursday, April 14, 2022







# Participants

## Federal Transit Administration

- **April McLean-McCoy**  
Community Planner | TOD Planning Discretionary Grant Program
- **Margaretta “Mia” Veltri**  
Policy Analyst | FTA Joint Development Program

## Build America Bureau

- **Robert Hanifin**  
Project Development Lead | Transit & TOD Portfolio

**Transit-Oriented  
Development Planning  
Discretionary Grant Program**



# Introduction - Pilot Program for TOD Planning

- Grants for comprehensive or site-specific planning in new fixed guideway and core capacity improvement transit project corridors
- Six previous rounds = 110 projects for \$90 million
- Previous NOFO released April 21, 2021
- Applications were due on June 21, 2021
- Project Selection Announcements: January 2022
- FY22 Federal Register NOFO occurring this Spring

# Goals for the Program

- Encourage comprehensive or site-specific TOD planning at transit station areas in corridors containing eligible projects
- Support TOD planning work that goes beyond what local agencies would usually fund themselves
- Encourage partnerships to maximize chances for successful TOD implementations



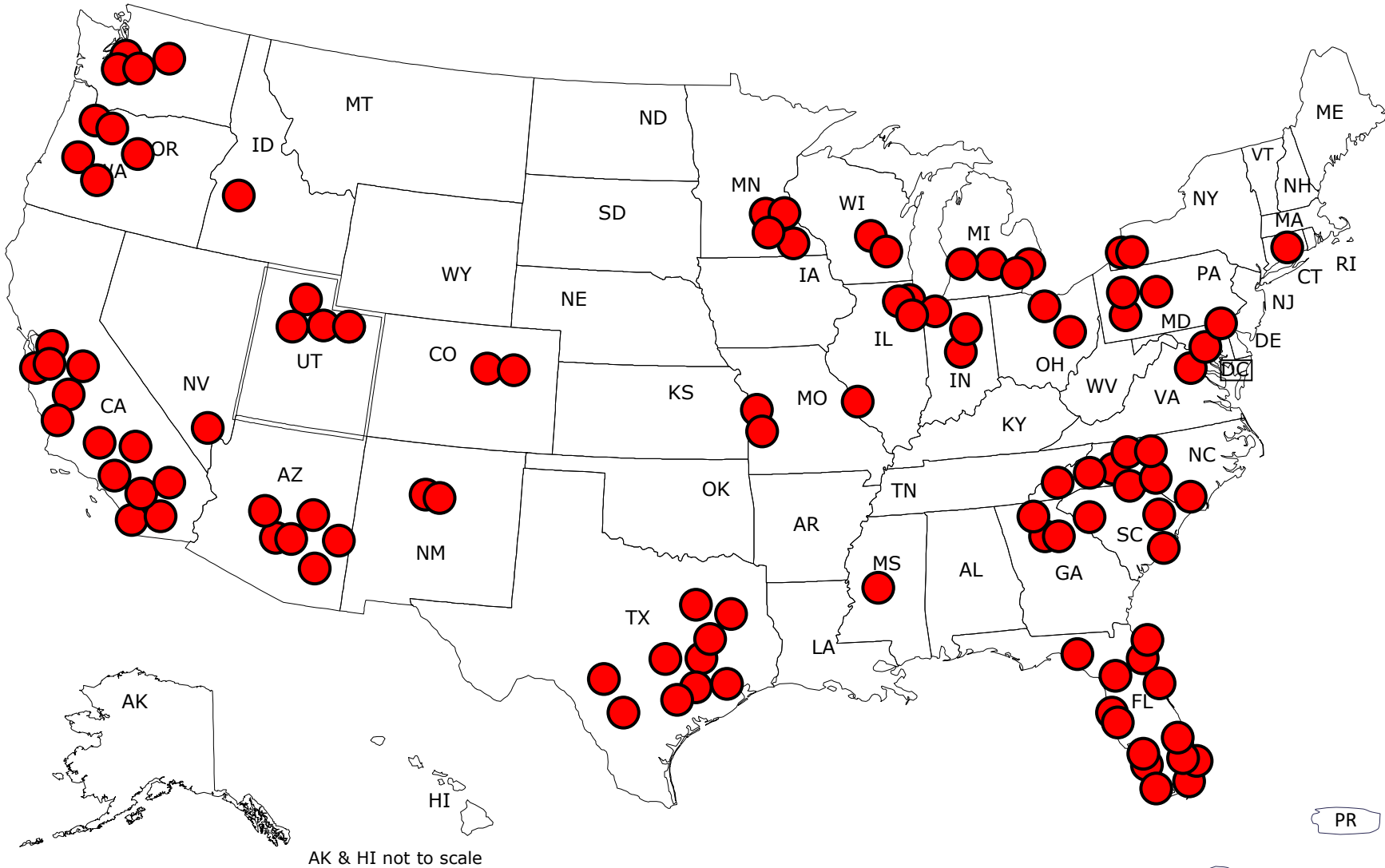
# Grant Conditions

- Maximum 80 percent Federal funding share
- In-kind contributions permitted; transportation development credits (toll revenue credits) do not count towards the local match requirement
- Pre-award authority guidance with notice of award selections
- Section 5303 Metropolitan Planning Program requirements apply





# Awards, 2015-2022: 110 Projects, \$90M



AK & HI not to scale

7 VI

# Transit-Oriented Development Planning Map

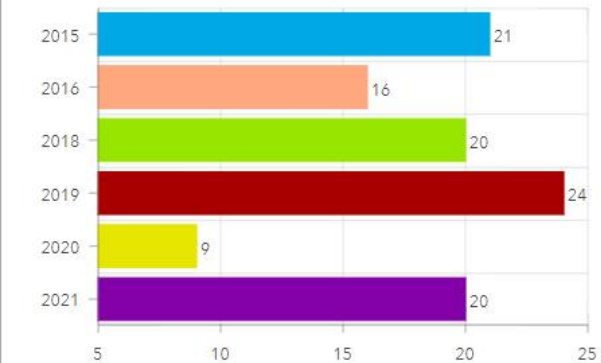
## List of Projects

(Sorted by Award Year then State)

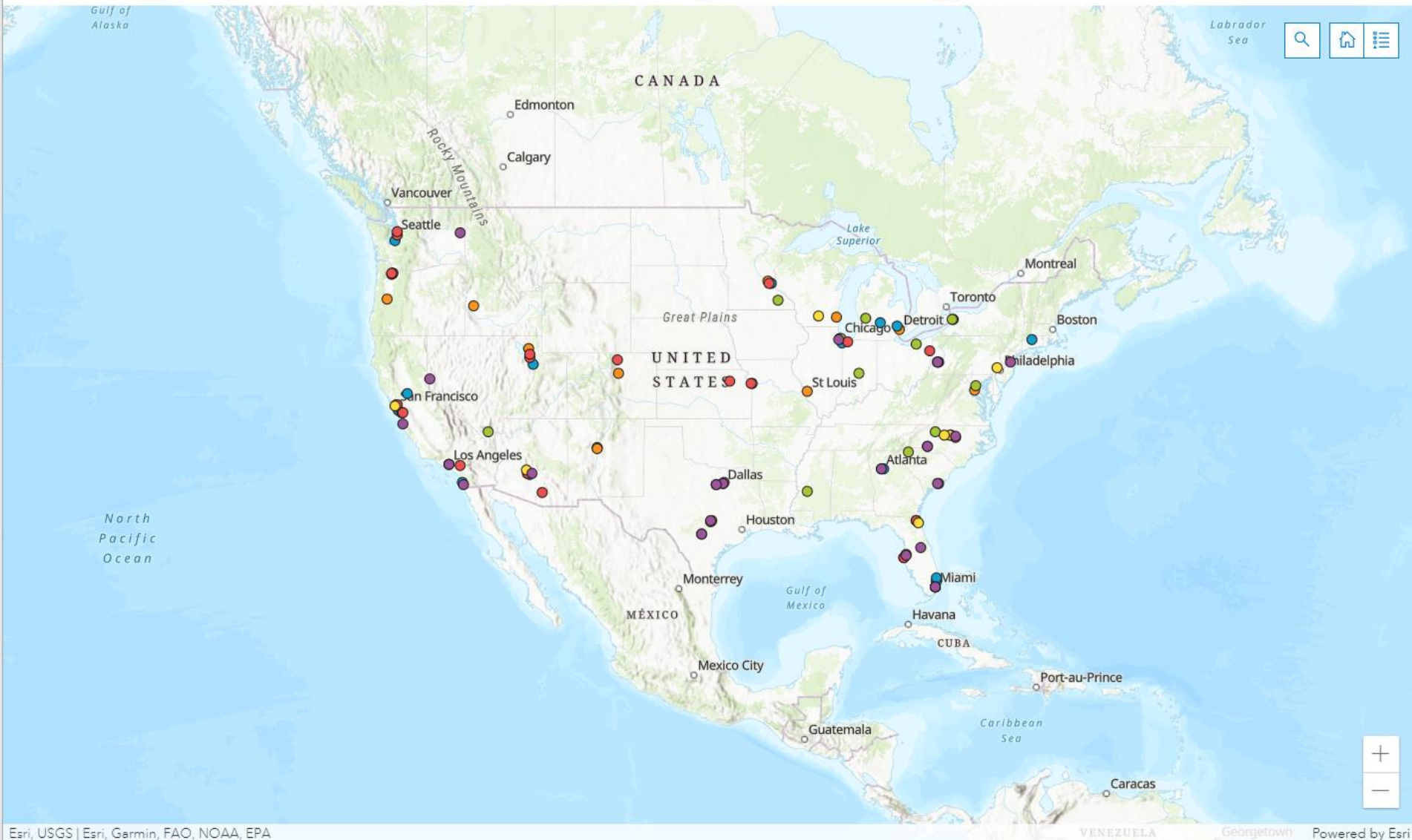
- Tempe Streetcar, Tempe, AZ (2015)
- Mid-Coast Corridor, San Diego, CA (2015)
- Peninsula Corridor Electrification Project, San Francisco to San Jose, CA (2015)
- Downtown Riverfront Streetcar, Sacramento and West Sacramento, CA (2015)
- BART Transbay Corridor Core Capacity, Oakland and San Francisco, CA (2015)
- New Haven-Hartford-Springfield Line, New Haven to Springfield, CT (2015)
- Wave Streetcar, Fort Lauderdale, FL (2015)
- Tri-Rail Coastal Link, Miami to Jupiter, FL (2015)
- Atlanta BeltLine, Atlanta, GA (2015)
- MARTA I-20 East Rail Extension, DeKalb County, GA (2015)
- Red and Purple Line Modernization Phase One, Chicago, IL (2015)

## Projects by Award Year

(Click on a bar to select/unselect)



## Pilot Program for Transit-Oriented Development Planning

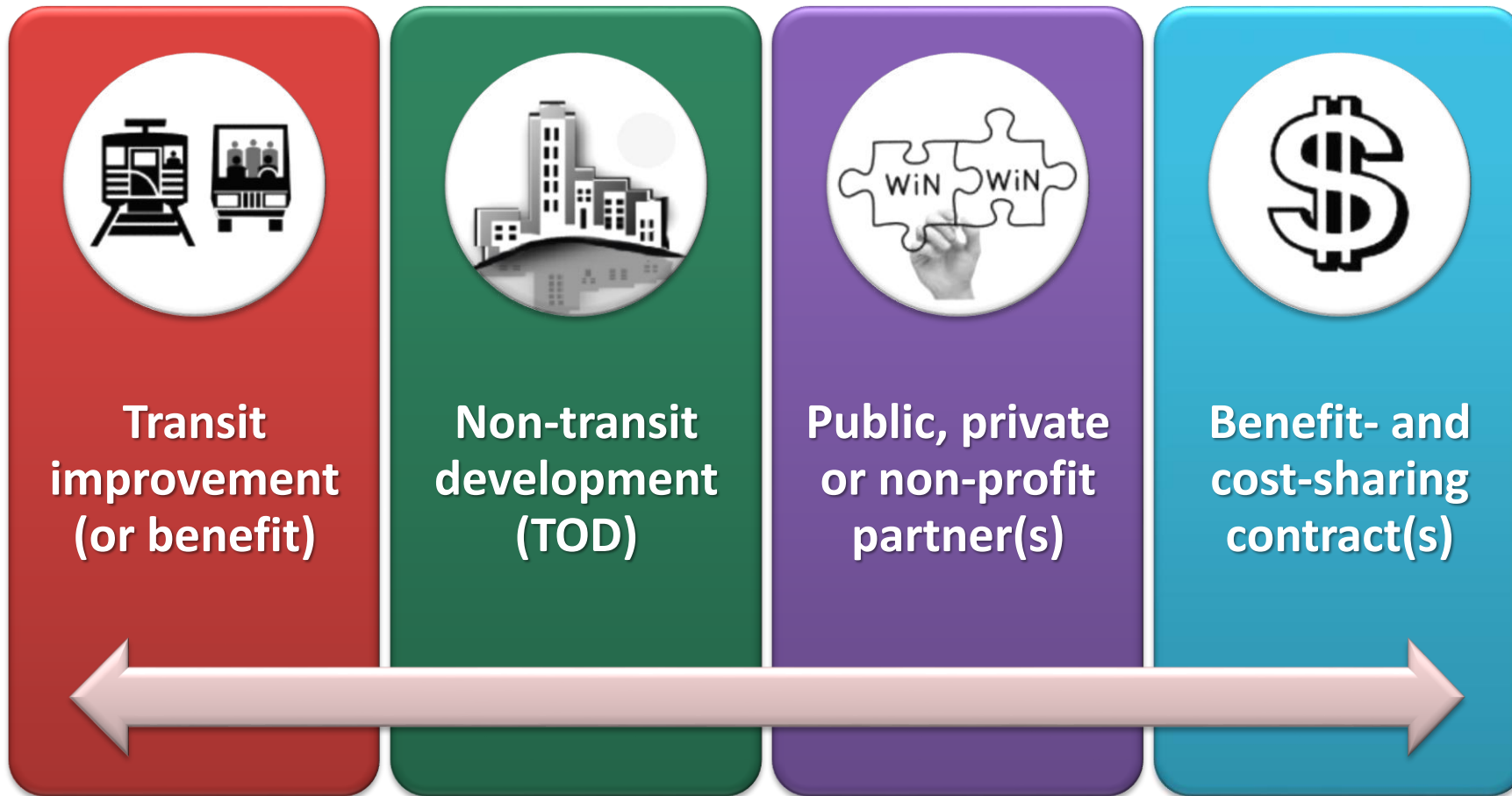




# FTA Joint Development Program



# Introduction – What is Joint Development?



# FTA Assisted Joint Development

## FTA interest in the JD project, either:

- New FTA funding, or
- Property previously acquired with FTA funds

## No FTA funding programs specifically for JD

- JD is eligible under all FTA's capital grants programs

## FTA-assisted property and funds used for JD are subject to:

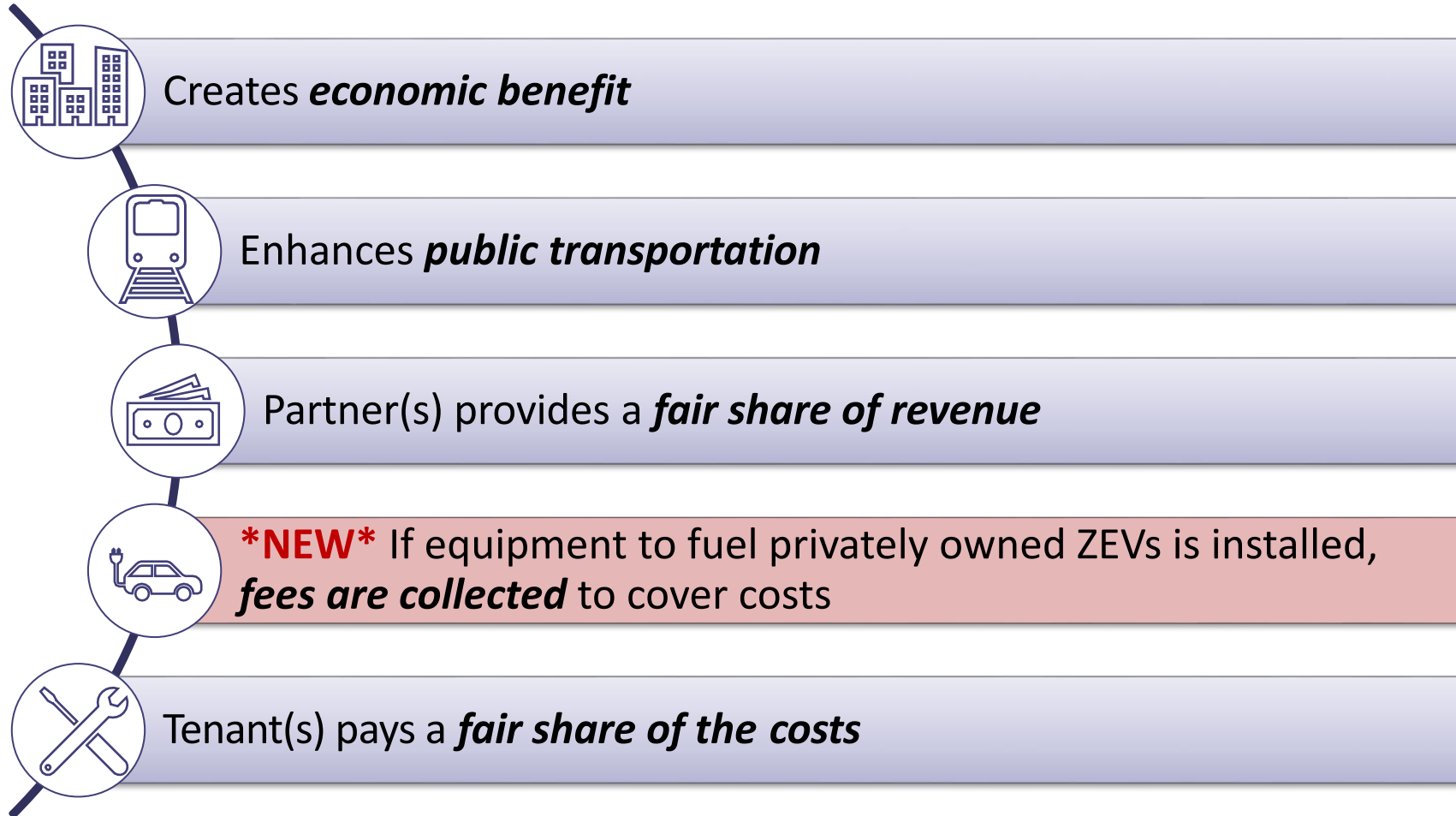
- Statutory eligibility criteria
- Use of real property considerations
- Other cross-cutting federal requirements

## FTA policy established in Circular 7050.1B





# FTA Assisted Joint Development Eligibility Criteria

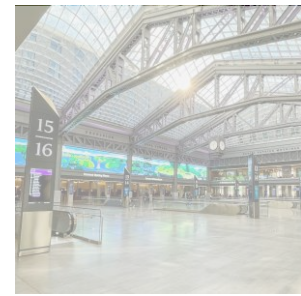


# FTA Assisted JD Eligible Activities

## May include:

- (I) property acquisition;
- (II) demolition of existing structures;
- (III) site preparation;
- (IV) utilities;
- (V) building foundations;
- (VI) walkways;
- (VII) pedestrian and bicycle access to a public transportation facility;
- (VIII) construction, renovation, and improvement of intercity bus and intercity rail stations and terminals;
- (IX) renovation and improvement of historic transportation facilities;
- (X) open space;
- (XI) safety and security equipment and facilities (including lighting, surveillance, and related intelligent transportation system applications);
- (XII) facilities that incorporate community services such as daycare or health care;
- (XIII) a capital project for, and improving, equipment or a facility for an intermodal transfer facility or transportation mall;
- (XIV) construction of space for commercial uses; and
- (XV) technology to fuel a zero-emission vehicle;





# Build America Bureau

## U.S. Department of Transportation





# Bureau 101

## Mission

### Finance transportation projects

- Provide long-term, low-interest loans (TIFIA & RRIF)
- Allocate Private Activity Bonds (PAB)
  - Authorized to allocate \$15B **BIL**

## LENDING CAPACITY



~\$70 billion

TIFIA



~\$30 billion

RRIF

### Provide technical assistance

- Explore and optimize funding/financing options
- Assess the viability of public-private partnerships (P3)
- Cultivate and share best practices in project planning, finance, delivery, operations, and maintenance, etc.
- Navigate the regulatory compliance process

### *Technical Assistance Grant Programs*

- Regional Infrastructure Accelerators
- **BIL** Rural & Tribal Technical Assistant Grant
- **BIL** Technical Assistance Grant for Asset Monetization



# Bureau Programs

## TIFIA

### Transportation Infrastructure Finance & Innovation Act

- Surface transportation, public infrastructure, and economic development
- Finance up to 33%\* of eligible project costs

 **~\$70 billion**

## RRIF

### Railroad Rehabilitation & Improvement Financing

- Passenger rail, freight rail, commuter rail, and transit-oriented development (TOD)
- Finance up to 75%\* of eligible project costs

 **~\$30 billion**

## Private Activity Bonds

- State+local governments issue tax-exempt bonds
- Private entity responsible for debt service
- Can be used in combination with TIFIA & RRIF

## Key Loan Features

- Long-term repayment period
  - **Up to 75 years\*** **BIL**
  - Can be deferred for five years following substantial completion
  - No pre-payment penalty
- Highly customizable to meet borrower needs
- Also offer loan guarantees and lines of credit

## Low Interest Rate

**2.82%** for a 35-year loan  
(on 4/14/22)

**Note: TIFIA & RRIF do not finance OPERATIONS!**



# Eligible Projects & Borrowers

## TIFIA

### Eligible Projects

- Roadways & bridges
- **Transit vehicles & facilities**
- **Bicycle & pedestrian infrastructure**
- **Intelligent transportation systems**
- **Transit-oriented development**
- Intermodal connectors
- **Intercity rail and bus vehicles & facilities**
- Refinance of above

### Eligible Borrowers

- State, tribal, county, municipal governments
- State Infrastructure Banks
- Private entities/developers
- Special authorities
- Transportation improvement districts

## RRIF

### Eligible Projects

- Design/planning
- Freight rail facilities
- Freight transfer facilities
- **Passenger rail vehicles, facilities, and equipment**
- **Transit-oriented development**
- Intermodal rail equipment or facilities
- Refinance of above

### Eligible Borrowers

- Railroads
- State and local governments
- Government-sponsored authorities & corporations
- Interstate compacts (410(a)) Amtrak Reform & Acc. Act of 1997
- Limited option freight shippers
- Joint ventures





# TIFIA Rural Project Initiative (RPI)

- **Additional Requirements:**

- **Rural Project:** Located outside of a Census-defined urbanized area with population greater than 150,000
- **Maximum Project Cost:** \$100 million or less

- **Additional Benefits:**

- Finance up to **49% of costs**
- Fixed rate of **½ Treasury rate**
- **No borrower fees**



**½ U.S. Treasury rate =  
1.41% on 4/14/22**



# Key Program Requirements

## TIFIA and RRIF:

- Project must meet Federal requirements (NEPA, Buy America, etc.)

## TIFIA:

- Minimum project costs must exceed \$10 million
- Maximum loan value 33% of eligible project costs (49% for rural projects)
- Bureau pays Credit Subsidy
- Senior debt must receive investment grade ratings (BBB-/Baa3) from nationally recognized credit rating agencies
- Project must be included in State's transportation planning and programming cycle
- Project must have a dedicated revenue source that is pledged to secure debt service

## RRIF:

- No minimum project cost. No maximum loan value
- Borrower pays Credit Risk Premium
- Borrower can often reduce costs by offering collateral
- Maximum loan value 75% of eligible project costs

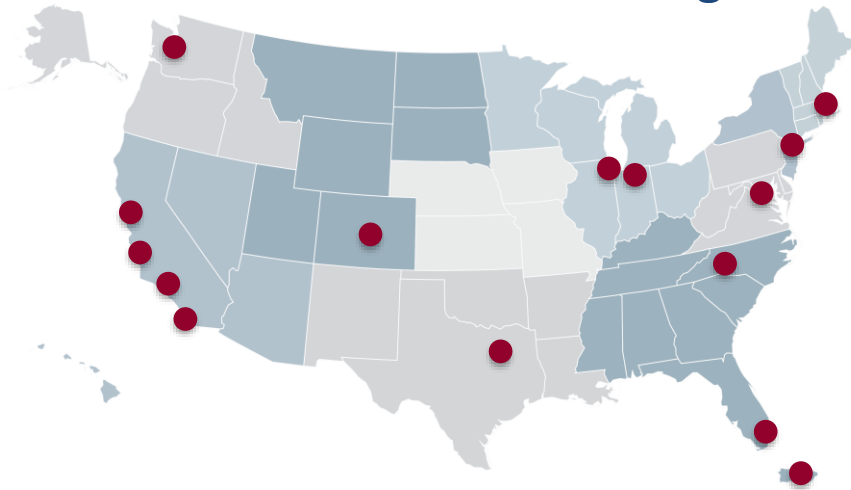


# Transit Portfolio

The Bureau's growing transit portfolio features projects across the U.S., including:

- Urban & rural areas
- Multiple modes and asset classes (bus, heavy rail, light rail, intermodal, fixed guideway, stations, O&M facilities, etc.)
- Range of project sizes (\$17m to \$1+b)
- Most FTA regions
- Different types of borrowers (transit agencies, MPOs, etc.)
- Awardees from most FTA grant programs

## Transit Loans in FTA Regions



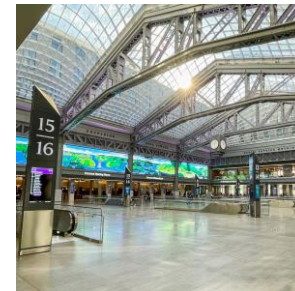
**LYNX Blue Line**  
Charlotte, NC



**Union Station**  
Denver, CO



**MST O&M Facility**  
Monterey, CA



**Moynihan Hall**  
New York, NY

**Sound Transit LINK System**  
Seattle, WA



# TIFIA “Public Infrastructure”

## 23 U.S.C. Ch. 6: INFRASTRUCTURE FINANCE

- §601. Generally applicable provisions ...

- (a) Definitions.— ...

- (12) Project.—The term "project" means—

TIFIA can finance capital projects  
FTA can fund

- (A) any **surface transportation project** eligible for Federal assistance under this title or **chapter 53 of title 49**;

TOD “public infrastructure”  
are eligible projects

- (E) a project to improve or construct **public infrastructure** that is located within walking distance of, and accessible to, a fixed guideway transit facility, passenger rail station, intercity bus station, or intermodal facility, including a transportation, public utility, or **capital project** described in **section 5302(3)(G)(v) of title 49**, and related infrastructure;

Joint development may be eligible under (12)(a) and/or (12)(e)





# “Economic Development”

Congress expanded eligibility of RRIF and TIFIA programs under FAST Act and Bipartisan Infrastructure Law, respectively, to include TOD projects: ***economic development including commercial and residential development, and related infrastructure that:***



incorporate **private investment of greater than 20 percent of total project costs**



are **physically , or is within ½-mile of**, a station with rail service



have a high probability of the Applicant **commencing the construction contracting process** not later than **ninety (90) days** after the date on which the loan or loan guarantee is obligated, and



demonstrates the ability to **generate new revenue** by increasing ridership, tenant lease payments, or other activities that **generate revenue exceeding costs**



\*RRIF\* non-Federal match of at least 25% required; TIFIA: 20% non-federal match



# TOD Statutory Criteria

	TIFIA: Public Infrastructure	RRIF: Economic Development
<b>Project Type</b>	public infrastructure including a transportation, public utility, or capital project described in section 5302(3)(G)(v) of title 49, and related infrastructure;	economic development, including commercial and residential development, and related infrastructure and activities, that--
<b>Private Investment</b>	--	Private investment
<b>Relationship to Qualifying Station</b>	within walking distance of, and accessible to	physically or functionally related
	<ul style="list-style-type: none"> <li>• fixed guideway transit facility,</li> <li>• passenger rail station,</li> <li>• intercity bus station,</li> <li>• or intermodal facility</li> </ul>	Rail stations**
	Demonstrate can start construction contracting	Demonstrate can start construction contracting
	Demonstrate project generates revenues	Demonstrate project generates revenues



# Sustainable Infrastructure Investment

*TIFIA's eligibility enables Bureau to finance anything that FTA can fund* including capital infrastructure associated with fleet conversion, including leasing of capital (batteries, vehicles, etc.)

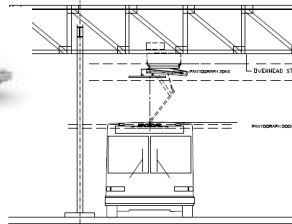


**Batteries & Fuel Cells**



**Vehicles**

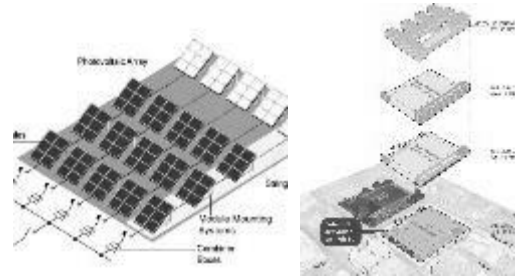
**Capital Leases**



**Charging Infrastructure**



**Bus Facilities (stations, O&M, storage, etc.)**



**Power Generation**

**TOD**



**Bureau Example**  
CTA Rail Rolling Stock



**Bureau Example**  
Monterey-Salinas Transit O&M Facility



**Bureau Opportunity**  
Potrero Bus Yard Joint Development

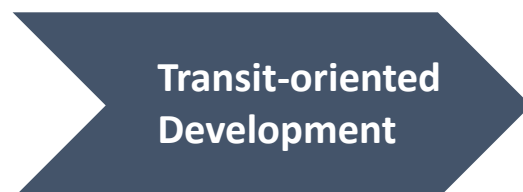
Image Sources: CTA, SFMTA, Monterey-Salinas Transit





# Example: TOD Corridor Planning

*TOD corridor planning for new or improved fixed guideway transit*



- *TOD Planning grant*

- *FTA & DOT capital grants*
- *Bureau loans*

- *Joint Development*
- *Bureau loans*



# Q&A



# Contact Information



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## Websites:

**TOD Pilot Planning Program**

<http://www.transit.dot.gov/TODPilot>

**Joint Development**

<https://www.transit.dot.gov/JointDevelopment>

**Build America Bureau**

<https://www.Transportation.gov/BuildAmerica>