

SPEAKER BIO

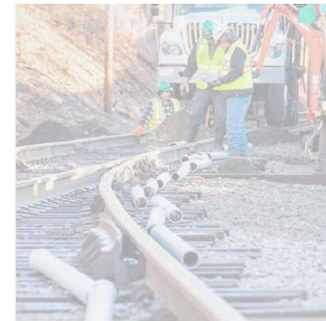
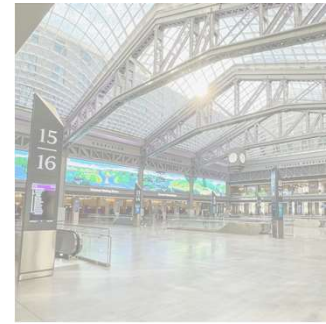


Robert Hanifin, AICP

Project Development Lead

Build America Bureau,
U.S. Department of
Transportation

Robert Hanifin is a project development lead for transit and transit-oriented development (TOD) projects at the U.S. Department of Transportation's Build America Bureau. In this role, he works with prospective TIFIA and RRIF borrowers to explore innovative project financing, partnerships, and delivery strategies to encourage public and private investment in infrastructure and community development.



Build America Bureau

U.S. Department of Transportation

Hawai'i TOD Council Presentation
April 22, 2022



Bureau 101

Mission

Finance transportation projects

- Provide long-term, low-interest loans (TIFIA & RRIF)
- Allocate Private Activity Bonds (PAB)

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

Organization

U.S. DOT

Office of Secretary

Build America Bureau

Outreach & Project Development

- Project Development
- Outreach
- Technical Assistance

Credit Office

- Underwriters
- Portfolio Managers

Modes

FTA +

FHWA MARAD
FAA FRA

Regions

Grant Programs

HQ TPE SMEs

LENDING CAPACITY

TIFIA: ~\$70 billion

RRIF: ~\$30 billion



Regional Infrastructure Accelerators

Program Goals

Demonstrate most effective, expedient and transparent way to build and deliver program and projects.

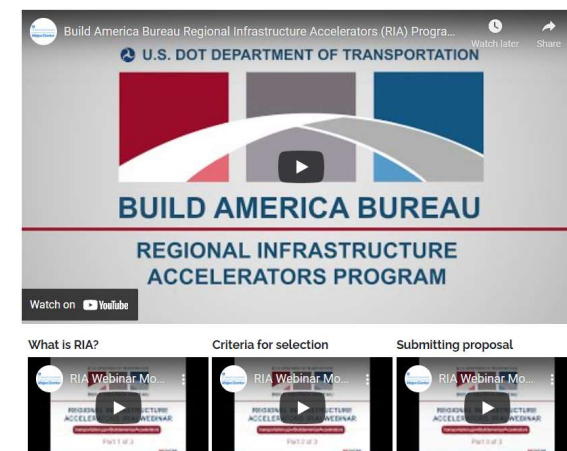
Objectives

- Regional Approach - Geographic diversity, emphasis on rural priorities; underserved, unskilled, inexperienced communities
- Capability - Existing or acquired skills and competencies
- Capacity - Long term, Stand-alone, self-funded and sustainable model
- Measures of Success - Establishing key indicators/measures

NOFO

- First round issued NOFO \$5m Dec-20; selections in Sept-21
- Second round of NOFO (\$5m) released Jan-22

E-learning videos:



New Technical Assistance Grant Programs

Rural & Tribal Assistance Pilot Program

- A \$12 million, five-year pilot program to provide rural state, local and tribal governments with:
 - Technical, legal, and financial advisory assistance
 - Evaluate potential projects to be delivered through alternative delivery methods
 - Pay for early development activities such as:
 - Feasibility studies
 - Revenue forecasting
 - Preliminary engineering
 - Environmental review

Technical Assistance Grants for Asset Monetization Projects

- Total of \$100 million over five years
- Fund state and local government technical, financial, and legal advisory service costs for alternative project delivery
- Covers pre-implementation costs, including:
 - Identifying appropriate assets or projects for concessions
 - Developing and issuing requests for proposals
 - Risk analysis

Bureau Financing Programs

TIFIA

Transportation Infrastructure Finance & Innovation Act

- Surface transportation, TOD/JD, and public infrastructure
- Finance up to 33%* of eligible project costs

RRIF

Railroad Rehabilitation & Improvement Financing

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

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***
 - 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

2.91% for a 35-year loan
(on 4/22/21)

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



$\frac{1}{2}$ U.S. Treasury rate =
1.46% on 4/22/22

- **Additional Benefits:**

- Finance up to **49% of costs**
- Fixed rate of $\frac{1}{2}$ Treasury rate
- **No borrower fees**



MST O&M Facility
Monterey, CA



RTA O&M Facility
San Luis Obispo, CA



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
- 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



TIFIA – Eligible Activities

- **Development phase activities**, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other pre-construction activities;
- Construction, reconstruction, rehabilitation, replacement, and acquisition of real property (including land related to the project and improvements to land), environmental mitigation, construction contingencies, and acquisition of equipment
- Capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction;

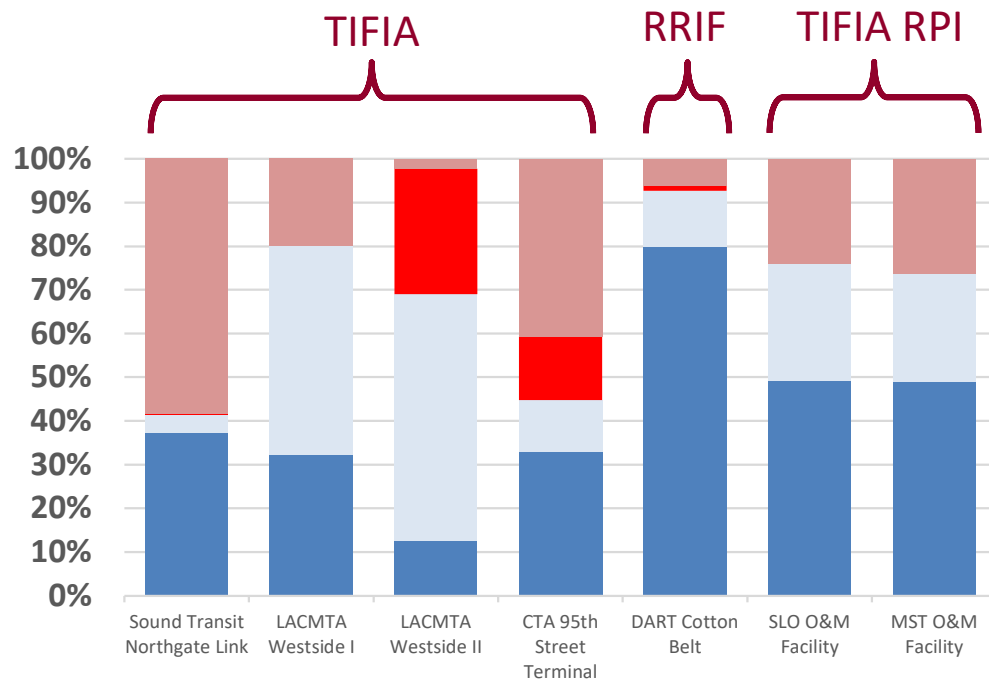


Example Loans & Grants

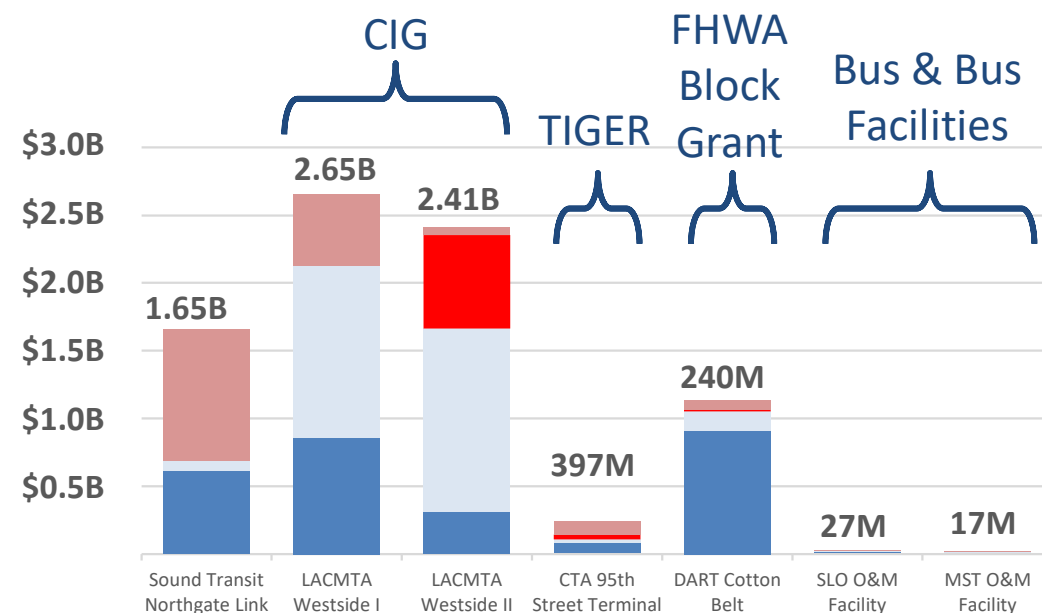
Bureau loans:

- provide a key financing gap for projects of all sizes
- are often leveraged alongside federal grants to deliver capital projects
- offer a strategic role and benefit to a wide spectrum of projects and borrowers

Loan Program



Federal Grants



■ TIFIA/RRIF
 ■ Federal Grants
 ■ Bond Proceeds
 ■ State/Local Funds



FTA & DOT Grants

- TOD Planning Pilot Program
- Capital infrastructure grants
- Joint Development
- Rural on-demand transit (RST)

FTA Program Fact Sheets under the Bipartisan Infrastructure Law

View or download fact sheets to learn more about how the [Bipartisan Infrastructure Law](#) supports federal transit programs.

- [All Stations Accessibility Program](#)
- [Buses and Bus Facilities Program](#)
- [Bus Testing Program](#)
- [Capital Investment Grants Program](#)
- [Electric or Low Emitting Ferry Pilot Program](#)
- [Emergency Relief Program](#)
- [Enhanced Mobility of Seniors and Individuals with Disabilities Program](#)
- [Expedited Project Delivery Program](#)
- [Ferry Service For Rural Communities Program](#)
- [Innovative Coordinated Access & Mobility Pilot Program](#)
- [Joint Development Program](#)
- [Metropolitan, Statewide and Non-Metropolitan Planning](#)

<https://www.transit.dot.gov/funding/grants/fta-program-fact-sheets-under-bipartisan-infrastructure-law>

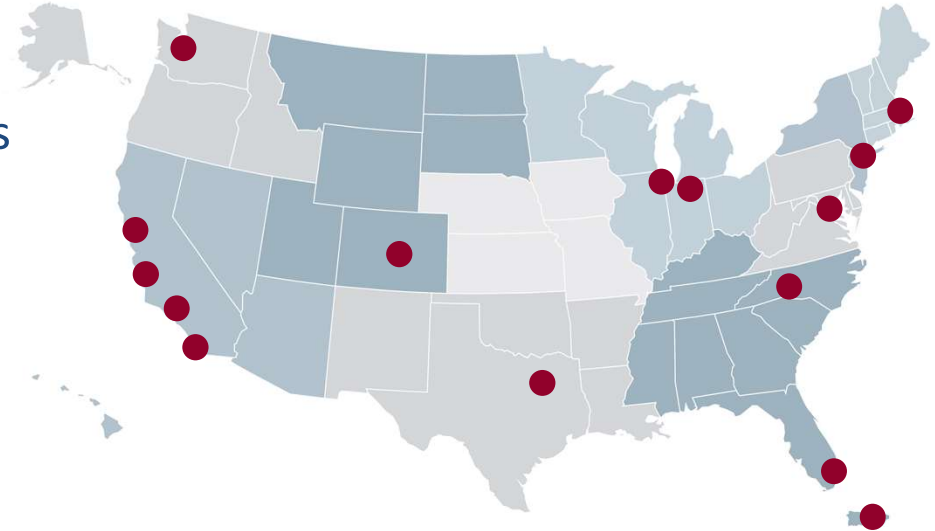


Transit Portfolio

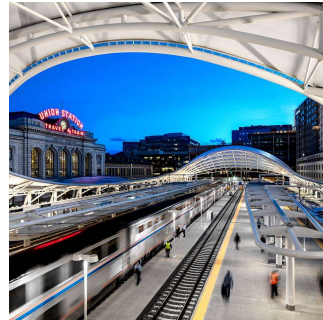
The Bureau's growing transit portfolio features projects across the U.S., including:

- 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



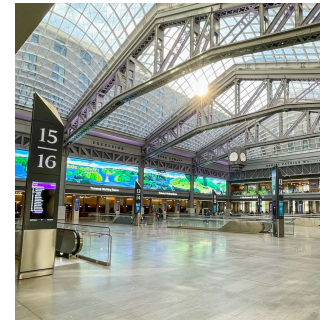
LYNX Blue Line
Charlotte, NC



Union Station
Denver, CO



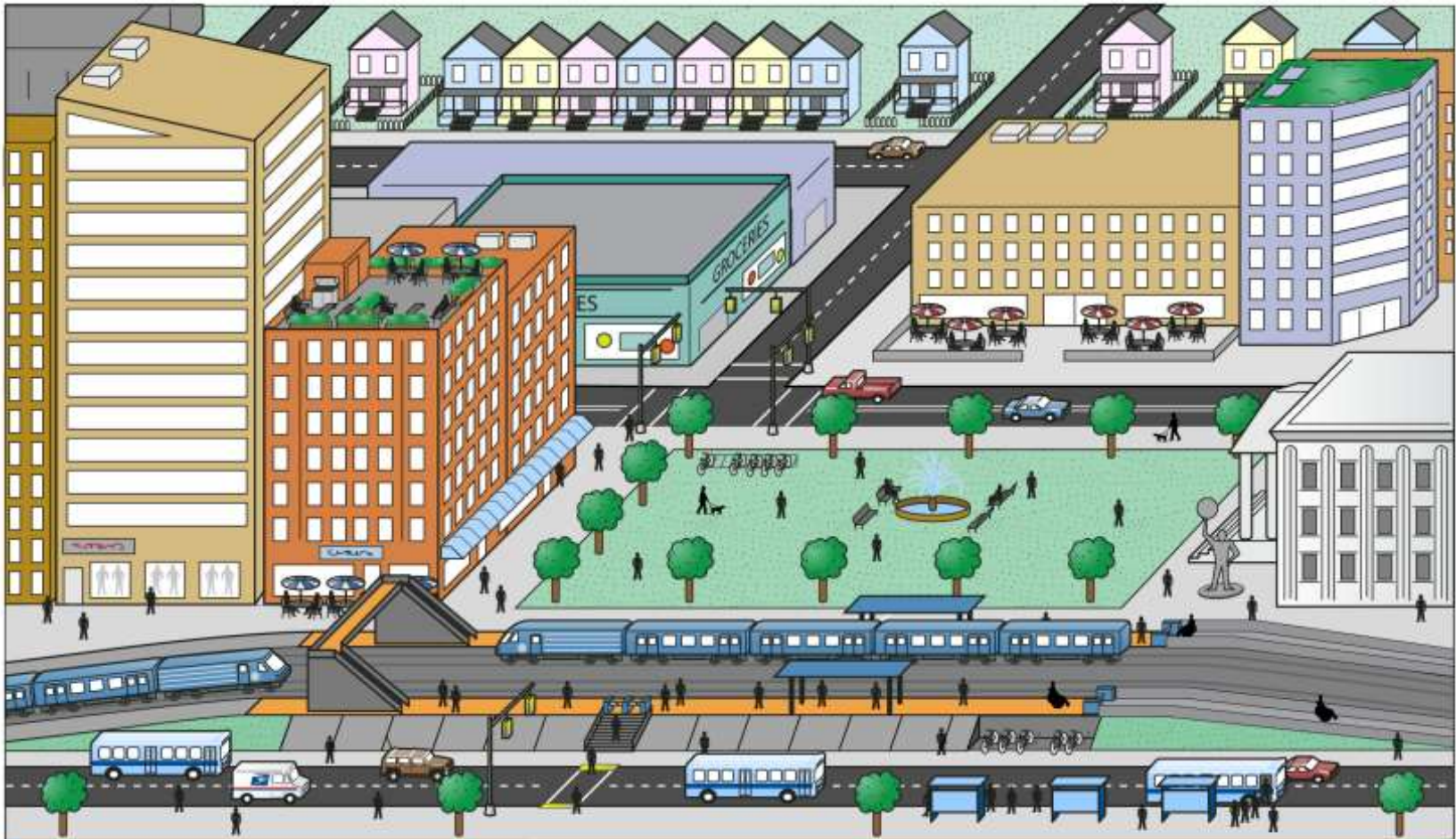
MST O&M Facility
Monterey, CA



Moynihan Hall
New York, NY

Sound Transit LINK System
Seattle, WA





Features (generally encompasses multiple city blocks up to a half-mile from a transit station)

<p>Transit station, such as a light rail station, that is part of a transportation network allows residents to access the region's neighborhoods, destinations, and centers, thereby promoting transit use</p>	<p>Open spaces that include transit-plazas, small parks or regional open spaces</p>	<p>High-quality walking environments and streetscape that allow people to take care of some of their daily needs by walking or biking</p>	<p>Includes moderate- to high-density mix of residential, commercial, employment, and civic/ cultural developments</p>	<p>Includes residential buildings that can vary from single family units to high-rise multifamily units, and can include affordable housing</p>



TIFIA: Ch. 53 Joint Development

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

- §601. Generally applicable provisions ...

- (a) Definitions.— ...

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

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

- (3) Capital project.—The term "capital project" means a project for—

- (A) **acquiring, constructing, supervising, or inspecting equipment or a facility for use in public transportation**, expenses incidental to the acquisition or construction (including designing, engineering, location surveying, mapping, and acquiring rights-of-way), **payments for the capital portions** of rail trackage rights agreements, transit-related intelligent transportation systems, **relocation assistance**, acquiring replacement housing sites, and acquiring, constructing, relocating, and rehabilitating replacement housing;
- (B) rehabilitating a bus;
- (C) remanufacturing a bus;
- (D) overhauling rail rolling stock;
- (E) preventive maintenance;
- (F) **leasing equipment or a facility** for use in public transportation;
- (G) a **joint development improvement** that— ...

TIFIA can finance capital projects FTA can fund

Joint Development

49 U.S.C. 53 – PUBLIC TRANSPORTATION

• §5302. Definitions ...

(3) Capital project.—The term "capital project" means a project for—

(G) a **joint development improvement** that— ...

Requirements

- (i) enhances economic development or incorporates private investment, such as commercial and residential development;
- (ii) enhances the effectiveness of public transportation and is related physically or functionally to public transportation; or establishes new or enhanced coordination between public transportation and other transportation;
- (iii) provides a fair share of revenue that will be used for public transportation;
- (iv) provides that a person making an agreement to occupy space in a facility constructed under this paragraph shall pay a fair share of the costs of the facility through rental payments and other means; and
- (v) may include—

Example Projects & Costs

- property acquisition;
- demolition of existing structures;
- site preparation;
- utilities;
- building foundations;
- walkways;
- open space;
- pedestrian and bicycle access to a public transportation facility;
- construction, renovation, and improvement of intercity bus and intercity rail stations and terminals
- renovation and improvement of historic transportation facilities;
- safety and security equipment and facilities (including lighting, surveillance, and related intelligent transportation system applications);
- facilities that incorporate community services such as daycare or health care;
- a capital project for, and improving, equipment or a facility for an intermodal transfer facility or transportation mall; and
- construction of space for commercial uses;



TIFIA Public Infrastructure

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

- §601. Generally applicable provisions ...
 - (a) Definitions.— ...
 - (12) Project.—The term "project" means—

TOD “public infrastructure”
are eligible projects

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

– (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;



“Economic Development”

FAST Act expanded RRIF program by making TOD projects eligible: *economic development including commercial and residential development, and related infrastructure that:*



that incorporates **private investment of greater than 20 percent of total project costs**



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



demonstrates the ability of the applicant to **commence 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: non-federal match of at least 20% required




TOD Statutory Criteria

	TIFIA: Ch. 53 Joint Development	TIFIA: Public Infrastructure		RRIF: Economic Development
Project Type	Shared transportation and building infrastructure, open space, childcare and healthcare	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--	economic development , including commercial and residential development, and related infrastructure and activities, that--
Private Investment	Private investment or enhances economic development	n/a	Private investment	Minimum 20% private investment
Relationship to Qualifying Station	related physically or functionally to public transportation	within walking distance of, and accessible to	physically or functionally related	physically connected to, or is within 1/2 mile of
	n/a (any mode)	<ul style="list-style-type: none"> fixed guideway transit facility, passenger rail station, intercity bus station 	Rail stations**	Rail stations**
Other Criteria	<ul style="list-style-type: none"> Enhances the effectiveness of public transportation Fair share of revenue for public transportation Provides fair share of costs 		<ul style="list-style-type: none"> Demonstrate can start construction contracting Demonstrate project generates revenues 	<ul style="list-style-type: none"> Demonstrate can start construction contracting Demonstrate project generates revenues



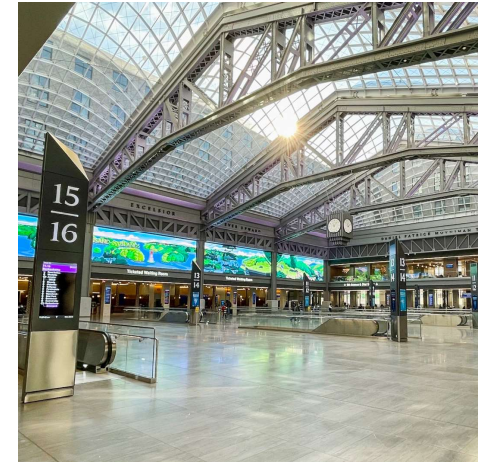
TOD Overview

TIFIA	RRIF
Secured loans, loan guarantees, lines of credit	Direct loans, loan guarantees
Ch. 53 Joint development Public infrastructure - Economic Development	Economic development
Public and private entities	Railroads, state and local government, joint ventures
Minimum \$10m; no maximum	No minimum; no maximum
Up to 33% TIFIA (49% in rural areas, JD**) - Min. 20% non-federal match	Up to 75% RRIF - 25% non-federal match
Max 15% of annual allocation	TBD 

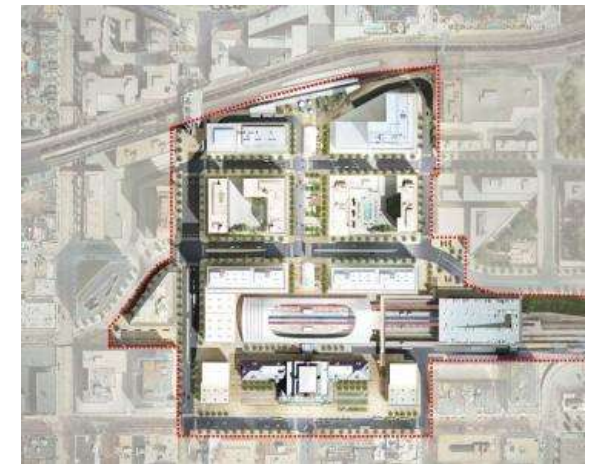


TOD Portfolio & Pipeline

- Existing portfolio limited to commercial space in transit centers
- Current pipeline has urban and rural projects, including standalone private development and joint development
 - Rural projects include a combined mobility hub + library and a transit center with office space and health clinic
- Bureau can underwrite various repayment sources
 - Sales taxes, property taxes, lease revenues, tax increment financing revenues, state transportation funds, farebox revenues, advertising revenues



Moynihan Hall
New York, NY



Union Station
Denver, CO



Sustainability – Transit & Land Use

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

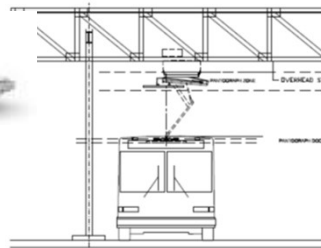


Batteries & Fuel Cells



Vehicles

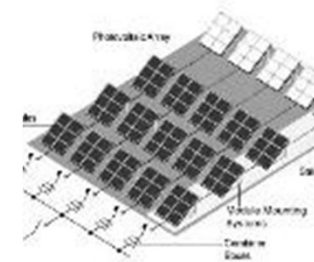
Capital Leases



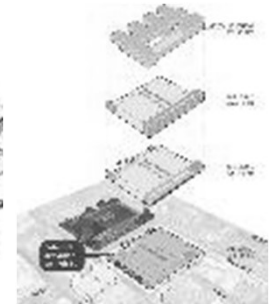
Charging Infrastructure



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



Power Generation



TOD



Bureau Example

CTA Rail Rolling Stock Replacement



Bureau Example

Monterey-Salinas Transit O&M Facility



Bureau Opportunity

Potrero Bus Yard Joint Development

Image Sources: CTA, SFMTA, Monterey-Salinas Transit



Bureau TOD Resources

Future Guidance

- Eligibility (Bipartisan Infrastructure Law Updates)
- Application of federal requirements

Transit Oriented Development - Guidance FAQs

The FAST Act made TOD projects eligible under RRIF and TIFIA. The guidance shown in the FAQs listed below provides additional clarity on the definitions used by the Bureau to determine a project's eligibility for RRIF and TIFIA loans under existing TOD authority. Projects not eligible under the TOD authority may be eligible under other existing RRIF and TIFIA authorities.

Please contact the Build America Bureau with any questions about the guidance, RRIF, TIFIA, or other innovative finance concerns.

Please note: The contents of this guidance document do not have the force and effect of law and are not meant to bind the public in any way. It is only intended to provide clarity to the public regarding existing requirements under the law.

Expand All

Collapse All

RRIF TOD Guidance FAQs

1) What types of projects are eligible for RRIF TOD loans? ▾

1.1) How does the Bureau define "economic" ▾

<https://www.transportation.gov/buildamerica/TOD>



Application Process

- Project Development Phase
 - Letter of Interest, financial model, indicative rating(s)
- Creditworthiness Review Phase
 - Application, develop loan agreement
- Portfolio Management
 - Disbursements, repayment, reporting



Contact Information



Dan Schned

Head of Project Development

Email: Daniel.Schned@dot.gov

Phone: 202-366-2897



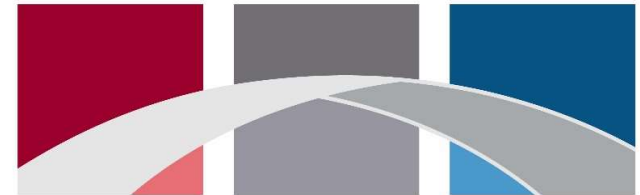
Robert Hanifin

Project Development Lead, Transit-TOD

Email: Robert.Hanifin@dot.gov

Phone: 202-573-5429

 U.S. DEPARTMENT OF TRANSPORTATION



BUILD AMERICA BUREAU

Build America Bureau:

Email: BuildAmerica@dot.gov

Phone: 202-366-2300

Website:

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

