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.
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
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

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

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

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

• Additional Benefits:
  – Finance up to 49% of costs
  – Fixed rate of ½ Treasury rate
  – No borrower fees

½ U.S. Treasury rate = 1.46% on 4/22/22

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
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, Intracity and Non-Metropolitan Planning

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

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)

- **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.
- **Open spaces** that include transit-plazas, small parks or regional open spaces.
- **High-quality walking environments and streetscape** that allow people to take care of some of their daily needs by walking or biking.
- **Includes moderate- to high-density mix** of residential, commercial, employment, and civic/cultural developments.
- **Includes residential buildings** that can vary from single family units to high-rise multifamily units, and can include affordable housing.
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— ...
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—

  – (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

<table>
<thead>
<tr>
<th>Project Type</th>
<th>TIFIA: Ch. 53 Joint Development</th>
<th>TIFIA: Public Infrastructure</th>
<th>RRIF: Economic Development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Private Investment</strong></td>
<td>Private investment or enhances economic development</td>
<td>n/a</td>
<td>Minimum 20% private investment</td>
</tr>
<tr>
<td><strong>Relationship to Qualifying Station</strong></td>
<td>related physically or functionally to public transportation</td>
<td>within walking distance of, and accessible to</td>
<td>physically connected to, or is within 1/2 mile of</td>
</tr>
<tr>
<td></td>
<td>n/a (any mode)</td>
<td></td>
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</tr>
<tr>
<td><strong>Other Criteria</strong></td>
<td>• Enhances the effectiveness of public transportation</td>
<td>• fixed guideway transit facility,</td>
<td>• Demonstrate can start construction contracting</td>
</tr>
<tr>
<td></td>
<td>• Fair share of revenue for public transportation</td>
<td>• passenger rail station,</td>
<td>• Demonstrate project generates revenues</td>
</tr>
<tr>
<td></td>
<td>• Provides fair share of costs</td>
<td>• intercity bus station</td>
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</tbody>
</table>

**Notes:**
- **capital project** described in section 5302(3)(G)(v) of title 49, and related infrastructure;
- **Fixed guideway transit facility** includes fixed guideway, intercity, commuter, and specialized fixed guideway facilities; **rail station** includes passenger, intercity, commuter, and specialized rail facilities; **public transportation** includes motor vehicles, intercity buses, commuter buses, and paratransit.
- **Economic development**, including commercial and residential development, and related infrastructure and activities, that—
## TOD Overview

<table>
<thead>
<tr>
<th>TIFIA</th>
<th>RRIF</th>
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<tbody>
<tr>
<td><strong>Credit instruments</strong>&lt;br&gt;Secured loans, loan guarantees, lines of credit</td>
<td><strong>Direct loans, loan guarantees</strong>&lt;br&gt;Economic development&lt;br&gt;Railroads, state and local government, joint ventures&lt;br&gt;Up to 75% RRIF&lt;br&gt;- 25% non-federal match&lt;br&gt;TBD</td>
</tr>
<tr>
<td><strong>Eligible projects</strong>&lt;br&gt;Ch. 53 Joint development&lt;br&gt;Public infrastructure&lt;br&gt;- Economic Development</td>
<td></td>
</tr>
<tr>
<td><strong>Minimum $10m; no maximum</strong></td>
<td><strong>No minimum; no maximum</strong>&lt;br&gt;Up to 75% RRIF&lt;br&gt;- 25% non-federal match&lt;br&gt;TBD</td>
</tr>
<tr>
<td><strong>Up to 33% TIFIA (49% in rural areas, JD</strong>)**&lt;br&gt;- Min. 20% non-federal match</td>
<td></td>
</tr>
</tbody>
</table>

*JD**: Joint Development
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
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**

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**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.

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

Build America Bureau:  
Email: BuildAmerica@dot.gov  
Phone: 202-366-2300

Website:  
[https://www.Transportation.gov/BuildAmerica](https://www.Transportation.gov/BuildAmerica)