

National Capital Region Transportation Planning Board

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MEMORANDUM

TO: TPB Scenario Study Task Force

FROM: Monica Bansal
Department of Transportation Planning

SUBJECT: Overview of U.S. DOT ARRA Discretionary Grant Criteria

DATE: May 20, 2009

The American Recovery and Reinvestment Act of 2009 provided over \$48 billion for transportation, mostly through formula funding. However, within this transportation funding is a competitive discretionary grant program, which provides \$1.5 billion for a variety of multimodal transportation uses, including roads, bridges, transit, and freight, and is intended to fund transportation projects with national or regional significance. The TPB Scenario Study Task Force recognized this opportunity to plan and fund a project that is truly regional in scope and impact and has been working since enactment of the bill to create a regional package of bus priority corridors, based on current initiatives, that remove obstacles to high quality bus transit.

The federal legislation itself provided general criteria for projects to compete under the discretionary program, however detailed guidance was published by the U.S. DOT Office of the Secretary on May 15th, 2009. This memo will provide an overview of this criteria.

Prior to the release of the detailed guidance, several overarching criteria were already known. Projects were expected to:

1. Have “significant impact on the Nation, a metropolitan area, or a region”
2. Be completed by February 17th, 2012
3. Have an overall financing package within which federal funds are needed to fill a gap
4. Cost between \$20 million and \$300 million
5. Maximize job creation and economic benefit

The application guidance provides significant new information regarding eligible applicants, application deadlines, project selection criteria, and application requirements.

Eligible applicants:

State and local governments, transit agencies, port authorities, other political subdivisions of State or local governments, and multi-State or multi-jurisdictional applicants are eligible. Multiple states or jurisdictions may submit a joint application and designate a primary point of contact.

Application deadline:

Although a deadline of mid-November was expected based on language in the federal legislation, the published grant application deadline is September 15, 2009.

Program selection criteria:

The criteria are split into primary and secondary selection criteria, with primary criteria receiving more weight in the selection process. The primary criteria give priority to projects that can achieve:

1. One or more of these *long-term outcomes*:
 - a. State of good repair: Improvement of the facility or system's condition, performance and/or long-term cost structure
 - b. Economic competitiveness: Improve long term efficiency, reliability, or cost-competitiveness in the movement of workers or goods.
 - i. "Economic competitiveness may be demonstrated by the project's ability to increase the efficiency and effectiveness of the transportation system through integration or better use of all existing transportation infrastructure (which may be evidenced by the project's involvement with or benefits to more than one mode and/or its compatibility with and preferably augmentation of the capacities of connecting modes and facilities)"
 - c. Livability: Enhance mobility through more transportation options, improving current choices through modal connectivity or congestion reduction, improving accessibility for low income populations, non-drivers, senior citizens, and persons with disabilities, and/or through coordinated transportation and land use planning.
 - d. Environmental sustainability: Quantified expected reduction in GHG emissions, reduction in fuel consumption, use of clean alternative energy, and/or positive impacts related to air quality, wetlands, and endangered species.
 - e. Safety: Ability to reduce the number of crashes, injuries and fatalities, or other safety improvements, such as protection of pipelines.
2. *Immediate economic benefit* through job creation and increases in economic activity, particularly in economically distressed areas. Documentation includes funds to be expended on construction and the number of type of jobs to be created or preserved.

Projects aligned with multiple long-term outcomes will be more competitive. Projects do not need to receive the highest rating in the second criterion to be recommended for funding.

The two secondary criteria will be rated equally and prioritize projects that:

1. Use *innovative strategies* to pursue long-term outcomes, including technology, financing, project delivery, congestion management, among others.
2. Demonstrate strong collaboration and/or integration of transportation with other public service efforts. Priority will be given to projects that:
 - a. Receive *financial commitment* from state and local governments, other public entities, or private and nonprofit entities.
 - b. Use *community organizations* to connect disadvantaged populations with economic opportunities.
 - c. Exhibit *collaboration among neighboring or regional jurisdictions*

- d. Are supported by relevant public housing agencies, energy or environment agencies, and other *non-transportation public agencies*.

Application requirements:

Applications will also be judged based on several application requirements:

1. Completion of *cost-benefit analysis (CBA)*, where if it is found that costs outweigh the benefits of the project, DOT will not award the grant.
 - a. For grants over \$20 million, the CBA must include estimates of expected benefits in the five long-term outcomes identified in the primary criteria.
 - b. For grants over \$100 million, applicants must submit a significantly more developed CBA.
2. It is encouraged to provide a *plan for continued evaluation* of the project's success and measurement of the project's short and long term performance.
3. Demonstrated ability to *proceed rapidly* through detailed project schedule, environmental approvals, legislative approvals, inclusion of the project in state, regional and local planning documents prior to receiving the award, and evidence of technical and financial feasibility (through substantial preliminary engineering and a financing package).

Other relevant information:

The grant will be administered by the modal administration with the most experience in the relevant project area.