

# USDOT TIGER II Grants / HUD Community Challenge Grants

## Guidance for Potential Project Applicants in the Atlanta Region

### Background

As transportation funding has become more scarce over the past few years, ARC has actively supported sponsors throughout our 18 county MPO area seeking non-traditional revenue sources to implement projects. The USDOT TIGER II and HUD Community Challenge programs are excellent opportunities to secure much-needed supplemental funds and should be pursued.

However, the Atlanta region has been placed at a significant disadvantage when competing at the national level for funds in the past due to a perception that our efforts are not coordinated. When applications are submitted for projects which clearly do not match the goals of the grant program and little or no effort has been made to establish priorities among competing applications, it fosters an unfavorable perception of our region and lessens the likelihood that **any** project from our area will be selected. This viewpoint has been reinforced by numerous webinars and other outreach activities ARC has participated in over the past several months related to the “lessons learned” under the original TIGER program and the issues being emphasized for the TIGER II program.

### Purpose and Intent for this Guidance

To position the Atlanta region to compete as strongly as possible at the national level, only those projects which match well with the goals of the TIGER II and HUD grant programs will receive official support by ARC. While any sponsor remains free to prepare and submit an application for any project, only the strongest candidates will receive a recommendation letter from ARC. For projects not officially recommended, a letter confirming that the project meets the basic eligibility requirements of the program will be provided for inclusion in the application.

### Relationship of TIGER II and HUD Community Challenge Programs

Total funding availability under the TIGER II Discretionary Grant program is \$600 million, of which up to \$35 million of these may be used for planning activities. Under a broader \$150 million HUD Sustainable Communities Initiative, \$40 million is being made available for Community Challenge Planning Grants. USDOT is conducting a joint multi-agency evaluation and selection process for planning grants to be awarded under the two programs, making a total of \$75 million available for such purposes. This process is independent of the capital projects being solicited under the TIGER II Discretionary Grant program.

For purposes of clarity, the remainder of this document uses the terms “TIGER II Discretionary Capital” and “TIGER II Planning” to differentiate between the two distinct, but related, programs. References to the planning program should be construed to also refer to the HUD Community Challenge grant program.

#### Key USDOT Milestones

- April 26, 2010 - Interim Notice of Funding Availability (NOFA) for TIGER II released (covered both capital and planning)
- May 7, 2010 - Comments on interim NOFA due
- May 28, 2010 - Final TIGER II Capital NOFA released
- June 21, 2010 - Final TIGER II Planning / HUD Community Challenge NOFA released
- July 16, 2010 - Pre-applications due (capital)
- July 21, 2010 - Pre-applications due (planning)
- August 23, 2010 - Final applications due (both capital and planning)
- September 15, 2010 - Announcement of awards no later than this date
- September 30, 2012 - Funds must be obligated no later than this date

#### **TIGER II Discretionary Capital Grants**

##### Requirements to Receive “Letter of Eligibility”

- Applicant must be a state or local government (or a political subdivision of a state or local government), tribal government, transit agency, port authority, or metropolitan planning organization. Interagency and multi-jurisdictional groups may apply only if all members are also eligible applicants.
- Project must be either: 1) highway or bridge projects eligible under U.S. Code Title 23; 2) public transportation projects eligible under Chapter 53 or U.S. Code Title 49; 3) passenger and freight rail transportation projects; or 4) port infrastructure investments.
- Minimum \$10 million and maximum \$200 million requested for projects within the urbanized area, as defined by the 2000 U.S. Census.
- Minimum \$1 million requested for projects outside the urbanized area, as defined by the 2000 U.S. Census.
- Minimum 20% match commitment for projects within the urbanized area. No match is required for projects outside the urbanized area, although 100% funding is unlikely.
- Demonstration that funds being requested would complete an overall financial package that will result in a completed project with independent utility. Completion of the project must not be contingent on other funding sources which have not yet been formally secured.

- The NEPA process, if required by the nature of the project, must already be underway at the time the application is submitted and be no more than 60 to 90 days away from completion when funding awards are made.

#### Requirements to Receive “Letter of Recommendation”

- The NOFA states that although the maximum award amount is \$200 million, it is unlikely that any award will be that sizeable. The largest award under the original TIGER program, which was funded at 2.5 times the level of this program, was only \$105 million. And of the \$600 million available under TIGER II, numerous potential setasides for a TIFIA program, rural areas, planning activities and administration could potentially reduce the amount available for projects in urban areas to as little as \$250 million. For this reason, ARC will not recommend any project requesting more than \$75 million, an amount we believe will be at the absolute upper limit of what can reasonably be expected.
- Projects must demonstrate that they will produce a tangible benefit to a broad spectrum of geography, from the metropolitan level all the way to the national level. Only projects which can demonstrate that a significant portion of benefits will accrue beyond the residents and employers of the particular activity center, corridor, municipality or county in which the project is physically located will be recommended.
- Increased emphasis is being placed on ensuring that funds are expended in a manner that directly benefits the most economically depressed areas. For a project to receive a recommendation from ARC, the applicant must provide evidence that the investment will significantly benefit sizeable concentrations of low income and/or unemployed individuals. As an alternative, proactive steps which the sponsor intends to undertake to ensure that those same population groups will be afforded maximum opportunity to take advantage of short-term construction jobs and long-term employment opportunities in the area will also be a consideration for recommending a project.
- Requirements for the benefit/cost analysis expected under this program are outlined in great detail. Satisfying this requirement will require a significant investment of time and energy by the applicant. To receive a recommendation, ARC expects an applicant to explain how they intend to proceed in addressing the lengthy list of considerations defined in the draft NOFA in order to produce a benefit/cost analysis. While the details of the precise methodology to be used will not be required, the applicant must demonstrate a clear and thorough understanding of the requirements and the ability to address all of them appropriately. In accordance with the draft NOFA, any proposed analysis methodology which is actually a localized economic impact analysis will not be sufficient to receive a recommendation.
- Any major investment in the Atlanta region should advance the draft Plan 2040 sustainability goals, policies and guiding principles. To receive a recommendation, applicants must justify that the project is consistent with these.

## **TIGER II Planning Grants**

### Requirements to Receive “Letter of Eligibility”

- Applicant must be a state or local government (or a political subdivision of a state or local government), tribal government, transit agency, port authority, or metropolitan planning organization. Interagency and multi-jurisdictional groups may apply only if all members are also eligible applicants.
- Includes one or more of the activities defined in the NOFA.
- Grant size must be less than \$3 million.
- Minimum 20% match commitment for planning efforts within the urbanized area. No match is required for planning efforts in rural areas. Leveraged resources, such as in-kind contributions, are permissible under the HUD program, but not the TIGER II program.

### Requirements to Receive “Letter of Recommendation”

- The relationship to regional programs such as the Livable Centers Initiative, Lifelong Communities and Green Communities must be clearly demonstrated by the sponsor. For activities within a geography previously addressed by one or more of these regional programs, the sponsor must explain how it complements other efforts already underway and advances the principles of the regional program. For planning efforts not within one of these pre-existing areas, consistency with the most directly relevant regional program(s), as determined by the nature of the proposal, will be necessary in order to receive a recommendation.

## **Regional Coordination Milestones**

In considering whether your agency will pursue a grant, please be aware of the following milestones being established by ARC. Adherence to these dates will ensure that ARC is able to provide the maximum level of support to your efforts.

- June 29, 2010 – ARC releases guidance for potential sponsors.
- July 9, 2010 – Sponsor must officially notify ARC of their intent to submit a pre-application no later than this date. Notification can be made by email or letter and should be directed to Jane Hayse (see contact information in the resources section at the end of this document). A single paragraph description of the proposed project or planning activity must be provided, along with the total cost and the amount being requested under the TIGER II program.
- July 14, 2010 – ARC will release a compilation of all known projects in the region for which a pre-application is likely to be submitted. Inclusion on this list will be a requirement to receive either a “Letter of Eligibility” or a “Letter of Recommendation”.

- July 15, 2010 – Should the need exist for a forum to share information among applicants, ARC is willing to host a meeting in the Loudermilk Center amphitheatre, immediately following the regular meeting of the Transportation and Air Quality Committee (likely start time around 11:15 a.m.). Such a meeting will be called **only** if specifically requested by one or more sponsors. Notification that a meeting will be held will occur no later than July 9, 2010.
- July 30, 2010 – No later than this date, sponsors who had indicated their intention to submit a pre-application must confirm that the pre-application was actually submitted and that efforts are underway to submit the full application. This notification can be made by either email or letter to Jane Hayse. Any supplemental information required for ARC to fully understand the scope of the proposed project or planning effort must be provided at this time. If the sponsor desires to receive a “Letter of Recommendation”, responses to each of the issues identified in this guidance must be provided. Failure to provide this information will be assumed to mean that only a “Letter of Eligibility” is being sought. The format and length of the information is left solely to the discretion of the sponsor, but responses should be brief and focused on the specific issues raised by ARC.
- August 13, 2010 – No later than this date, ARC will forward “Letters of Eligibility” and “Letters of Recommendation” via email to sponsors. Advance coordination will occur between ARC staff and applicants to ensure that the type of letter to be provided is known prior to being sent. ARC will release a compilation of all known projects in the region for which a full application is likely to be submitted.
- August 27, 2010 – No later than this date, sponsors must confirm that a full application was submitted and that the scope, budget and schedule are consistent with preliminary information provided to ARC.
- September 3, 2010 – ARC releases final list of all known projects in the region for which a TIGER II application was submitted.

## Resources

TIGER II Discretionary Capital Grants – Final NOFA

[http://www.dot.gov/docs/TIGER\\_II\\_Discretionary\\_Grant\\_Program\\_Final\\_Notice\\_1\\_June\\_2010.pdf](http://www.dot.gov/docs/TIGER_II_Discretionary_Grant_Program_Final_Notice_1_June_2010.pdf)

TIGER II Planning Grants / HUD Community Challenge Grants – Final NOFA

<http://www.dot.gov/recovery/ost/tigerii/dotHUDjointplanningnotice.pdf>

Plan 2040 Goals, Policies and Guiding Principles

<http://www.atlantaregional.com/transportation/plan-2040/get-involved/online-public-meeting/plan-2040-online-public-meeting-policies>

Livable Centers Initiative

<http://www.atlantaregional.com/land-use/livable-centers-initiative>

Lifelong Communities Program

<http://www.atlantaregional.com/aging-resources/lifelong-communities>

Green Communities Program

<http://www.atlantaregional.com/environment/green-communities>

Official Notifications from Sponsor to ARC

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