

WSP Washington Update - April 17, 2019 - Interim Report - FY'19 BUILD NOFO

Today, US DOT released the Notice of Funding Opportunity (NOFO) for the \$900M FY'19 BUILD (formerly TIGER) competitive grant program. You can also find the NOFO online [here](#). Applications are due July 15, 2019. Per the FY'19 omnibus appropriations bill, US DOT is required to make the grant awards no later than 270 days after the passage of the omnibus which occurred on February 15, 2019 - which would be on or about November 12, 2019.

Here is a brief analysis of the FY'19 BUILD NOFO:

Significant changes

The FY'19 omnibus appropriations bill, signed into law on February 15, 2019, mandated that the FY'19 round of BUILD awards feature a 50-50 split between urban and rural awards and this NOFO follows that direction, indicating that "not more than 50 percent of funds will be awarded to projects located in urban and rural areas, respectively." Last year's FY'18 NOFO mandated that at least 30% of funds go to rural areas. Additionally, recent NOFOs from US DOT have included the cost share of a project as well as the project's ability to generate non-federal revenue as selection criteria. The FY'19 omnibus mandated US DOT not use these as criteria in this round and as such, those criteria have been removed from the NOFO. Finally, the FY'19 omnibus made up to \$15M of the awards available for planning grants. However, the NOFO indicates such grants will be evaluated against the same criteria as capital grant applications and that US DOT "will prioritize FY 2019 BUILD Transportation grant program funding for projects that propose to move into the construction phase within the period of obligation." Because of this, US DOT reports that "applications for BUILD Transportation planning grants will be less competitive than capital grants."

Funding

- \$900M is available to be awarded for investments in surface transportation infrastructure.
- There should be a 50-50 split between rural and urban grants.
- No more than 10% of funding may be awarded for projects in a single state.
- The maximum grant size is \$25M. For a project in a rural area, the minimum grant award is \$1M; in non-rural areas the minimum grant award is \$5M. There is no minimum award size for planning grants.
- The definitions of rural and urban differ from previous rounds:
 - Urban: a project is designated as urban if located within/on the boundary of a Census-designated urbanized area with a population greater than 200,000.
 - Rural: a project located outside a Census-designated urbanized area with a population greater than 200,000.
 - A project that is in both an urban and rural area will be designated as urban if the majority of costs will be spent in urban areas and will be designated as rural if the majority of costs will be spent in rural areas.
- For a project located in a rural area, the Federal share may be increased above 80%.
- Previously incurred costs or previously expended or encumbered funds will not be considered toward the matching requirement.
- While last year's FY'18 NOFO indicated that toll credits are a non-federal source, this NOFO indicates that they are only a non-federal source if "repaid from non-federal sources."

Applicants

- Eligible applicants include State, local, and tribal governments, including U.S. territories, transit agencies, port authorities, metropolitan planning organizations (MPOs), and other political subdivisions of State or local governments.
- Lead applicants may submit up to three applications; unrelated projects cannot be bundled into a single application.

Criteria

Per the FY'19 omnibus appropriations bill, the selection criteria for awards under this round must remain the same as the FY'17 NOFO which was developed by the Obama Administration. US DOT has met this requirement by maintaining the same criteria but has updated their descriptions – with some changes being minor and others more substantial.

- Primary Selection Criteria:
 - Safety: this remains the same as the FY'17 NOFO and focuses on how the project will improve safety outcomes within the project area or wider transportation network;
 - State of Good Repair: in addition to improving the condition or resilience of existing transportation facilities and systems as was considered under the FY'17 NOFO, this NOFO also takes into consideration “if the project will contribute to a state of good repair of transportation infrastructure that supports border security”;
 - Economic Competitiveness: this remains largely the same as the FY'17 NOFO, focusing on the project's expected impacts on the movement of goods and people as well as connectivity to the national and global economy. Differing from the FY'17 NOFO, this round asks applicants to describe the extent to which the project “promotes the expansion of private economic developing including in Opportunity Zones.” Opportunity Zones were created by the Tax Cuts and Jobs Act in 2017 and are defined as “an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment.” More information on these Zones can be found [here](#);
 - Environmental Sustainability: this is the same as the FY'17 NOFO and focuses on how the project will provide environmental improvements;
 - Quality of Life: this is largely the same as the FY'17 NOFO but adds in a request that the applicant provide information on if the project will allow for concurrent installation of fiber or other broadband deployment.
- Secondary Selection Criteria
 - Innovation: this criterion differs substantially from the FY'17 NOFO and instead closely resembles the description used in the FY'18 NOFO, focusing on the use of innovative strategies such as innovative technology, innovative project delivery, and innovative financing. Additionally, this NOFO includes more specific guidance for projects proposing to deploy autonomous vehicles.
 - Partnership: similar to the FY'17 NOFO and focuses on if the project demonstrates strong collaboration among a broad range of stakeholders in both project development and funding, including other Federal entities as well as private entities.

Review and Selection Process

While the FY'17 process was broken into three steps (Technical Review, Tier Two Analysis, and Senior Review), the FY'19 process only has two: Technical Review and Senior Review. Projects designated as “Highly Rated” after these reviews will be sent to the Secretary for final selection.

Also differing from previous rounds, this NOFO includes a section discussing the sharing of application information, noting that US DOT plans to publish a list of all applications along with the names of the application organizations and funding request. Additionally, US DOT indicates that, except for designated confidential information, it may make application narratives publicly available.

The NOFO indicates that US DOT staff will answer application questions through the email address BUILDGrants@dot.gov and will “make reasonable efforts to schedule meetings on projects through May 31, 2019.”

BUILD Webinars:

USDOT will host five webinars on the BUILD program:

1. How to Compete for BUILD Transportation Grants – All Applicants
 - a. Tuesday, April 30, 3-5pm Eastern
 - b. Register here:
https://connectdotcqpub1.connectsolutions.com/content/connect/c1/7/en/events/event/private/1111229023/1135024841/event_landing.html?scoid=1221628593& charset =utf-8
2. How to Compete for BUILD Transportation Grants – Tribal and Rural Applicants
 - a. Thursday, May 2, 2-4pm Eastern
 - b. Register here:
https://connectdotcqpub1.connectsolutions.com/content/connect/c1/7/en/events/event/private/1111229023/1135024841/event_landing.html?scoid=1221599637& charset =utf-8
3. Preparing a Benefit Cost Analysis (BCA) for a BUILD Application
 - a. Tuesday, May 7, 2-4pm Eastern
 - b. Register here:
https://connectdotcqpub1.connectsolutions.com/content/connect/c1/7/en/events/event/private/1111229023/1135024841/event_landing.html?scoid=1221619491& charset =utf-8
4. How to Compete for BUILD Transportation Grants – All Applicants
 - a. Thursday, May 9, 2-4pm Eastern
 - b. Register here:
https://connectdotcqpub1.connectsolutions.com/content/connect/c1/7/en/events/event/private/1111229023/1135024841/event_landing.html?scoid=1221629189& charset =utf-8
5. Preparing a Benefit Cost Analysis (BCA) for a BUILD Application
 - a. Tuesday, May 14, 3:05pm Eastern
 - b. Register here: h
https://connectdotcqpub1.connectsolutions.com/content/connect/c1/7/en/events/event/private/1111229023/1135024841/event_landing.html?scoid=1221635893& charset =utf-8

More details about these webinars can be found online here:

<https://www.transportation.gov/BUILDgrants/outreach>