

Innovative Finance and Asset Concession Grant Program

Frequently Asked Questions

April 22, 2024

These FAQs are in response to questions received regarding the [Innovative Finance and Asset Concession grant program Notice of Funding Opportunity](#).

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Eligibility

1. Who is eligible to apply? Is Amtrak an eligible applicant?

Eligible applicants for the Program are States; Tribal governments; units of local government; agencies or instrumentalities of a State, Tribal government, or unit of local government, or special purpose districts or public authorities. Amtrak is not an eligible entity under this program.

2. Since most metropolitan planning organizations (MPOs) do not directly own, operate, or maintain assets, are MPOs eligible to be the lead applicant?

If an MPO is an instrumentality of a state or local government (i.e., established by state or local government) and owns, controls, or maintains the asset, it would be eligible. If an MPO does not own, control, or maintain the asset, the MPO might consider partnering with local roadway or transit operators to pursue a grant.

3. Are U.S. territories (for example Puerto Rico) eligible for this NOFO?

Yes.

4. Are rural and disadvantaged communities eligible to apply?

Yes, rural and disadvantaged communities are eligible for funding under this program and are strongly encouraged to apply.

5. Could an entity that is unable to transfer ownership of the asset but is able to provide the right to operate the asset under a long-term lease qualify for this program?

Yes.

- 6. Can an eligible applicant such as a State (which does not have legal authority for the relevant asset) submit an application in partnership with another entity (ineligible to submit on their own) which does have legal authority for the relevant asset?**

No. The applicant must be an eligible entity that owns, controls, or maintains an existing asset.

- 7. Will joint public-private applications be accepted? How would I prove this?**

Applications must be submitted by a public entity. Private partners may be part of the application narrative, but private partners cannot submit the application.

Eligible Activities

- 8. What is another way to say the terms “asset concession” and “concessionaire”?**

A concessionaire is a private entity that enters into a long-term agreement with a public entity to design, finance, build, and/or operate/maintain the asset under a long-term contract to meet the public sectors goals for the asset. Another term for “asset concession” is “asset monetization.” Examples of asset monetization may include: a transit authority leasing a surface parking lot that it owns next to its train station to a private developer who builds mixed-use development and pays annual lease payments or makes enhancements to the station; a municipality that owns excess land in a downtown area entering an agreement with a private developer for mixed-use development that includes significant affordable housing; an airport authority hiring a third party to enhance and manage its terminal; or a state department of transportation contracting a toll road development company to design/build/finance/operate/maintain (DBFOM) a tolled managed lane project.

- 9. What is an asset scan?**

An asset scan is defined as is an evaluation or inventory of existing assets. The purpose of the asset scan is to identify those assets that possess potential for alternative utilization through asset concession. This asset scan will generally include market studies, cost estimates, revenue projections, development authorities, zoning restrictions, and options for project delivery. In the event the asset scan reveals an asset is not suitable for delivery utilizing asset concessions, the asset scan may evaluate other delivery methods for TIFIA-eligible projects.

- 10. Can this program funding be used to conduct pre-development/pre-construction activities for a RRIF-eligible project or for PABs?**

No. This program is only for Transportation Infrastructure Finance and Innovation Act (TIFIA-) eligible projects only and not for pre-development/pre-construction tasks to advance projects that are exploring Private Activity Bonds (PABs) or Railroad Rehabilitation & Improvement Financing (RRIF).

- 11. I’ve seen it mentioned that existing assets that could be improved using TIFIA credit assistance. Please clarify, are you just saying that it has to be a project that would be approved under the TIFIA loan program?**

Correct. The test is whether the proposed improvements to the existing asset could be financed with a TIFIA loan. You are not required to fund the project using TIFIA.

12. Can the grant be used to pay for TIFIA program activities (i.e. the upfront advisors of legal, finance, etc.) to be paid by TIFIA applicant to the U.S. DOT to commence the loan process?

The grant is not related to the loan process. It cannot be used for advisor fees, etc. The grant is focused on earlier stage development projects.

13. Does the activity have to be an existing facility or can it be a study for the potential for a new asset? Example: Toll authority has a \$1B project (fully budgeted) to extend the toll road south (already completed preliminary design) can the grant funds be used to do a toll analysis and outreach and transit-oriented development (TOD)?

Potentially, the proposed grant activities can include the study for a potential new asset if the eligible entity owns, controls, or maintains the right-of-way or land where the potential new asset will be located, and if the proposed grant activities have not yet commenced. The funding cannot be used to reimburse expenses from tasks completed before the cooperative agreement is signed.

14. Are public engagement activities eligible?

Yes.

15. Can we use grant funds to pay for right-of-way (ROW) acquisition expenses?

No. These funds are directed to technical assistance.

16. Can the result of an asset scan result in delivery methods other than public-private partnerships (P3)?

Yes. There must first be an evaluation whether the project can be delivered under an asset concession. Then, other delivery methods can be evaluated.

17. Could you provide additional clarification of what a P3 is?

A public private partnership (P3) is a project where the private sector assumes some or all of the financial and delivery risk. For more background on P3s, please visit the FHWA P3 resource page: <https://www.fhwa.dot.gov/ipd/p3/default.aspx>

18. Our city has signed a P3 agreement and is doing Feasibility studies now. Can we use the grant for project development (preliminary design and/or environmental review)?

The entity can use the grant to perform project development activities that have not yet commenced or have not been contracted. Grants are not able to reimburse for work that has already been completed.

19. Am I required to apply for a TIFIA loan to apply for this grant program? No, applicants are not required to apply for a TIFIA loan to be eligible for this project, and receiving project funds does not obligate you to apply for TIFIA funding in the future.

If the recipient decides to take out a loan later, it is a separate application process. Securing a grant under this program does not provide an advantage in applying for TIFIA loans in the future.

20. If you have 50 real estate assets (not sure if they are all TIFIA-eligible) we would have to then filter them down to just the TIFIA-eligible ones?

Correct. The eligible entity would need to make sure that the existing assets could be redeveloped using TIFIA financing. Please see the NOFO for examples of TIFIA-eligible projects.

21. It's not the asset but the planned use of the asset that must be TIFIA-eligible?

Correct. It's not the existing use of the asset that must be TIFIA-eligible, but rather the potential future use of the asset that must be TIFIA-eligible. For example, a horse-race facility owned by an eligible entity is in the countryside far from fixed-guideway transit. Improvements to the horse-race facility to continue its use as a horse-racing facility is not an TIFIA-eligible project. But if the eligible entity wants to utilize grant funds to explore redeveloping the horse-race facility into a bus maintenance facility for a public bus company, then the pre-development and pre-construction activities associated with exploring the development of the bus maintenance facility would be eligible grant activities under this program because bus maintenance facilities are TIFIA-eligible projects.

22. Can you define fixed route transit; for example, are city bus routes and stops included? Does it need to be within 1/2 mile of a route or of a stop?

Please see the [TIFIA TOD frequently asked questions](#) page.

Application Requirements

23. Can an entity apply for and receive multiple awards?

No. Only one submission will be accepted per applicant.

24. Can an entity apply for both Technical Assistance and Expert Services grants?

No. Only one application is allowed and applicants must choose either Technical Assistance or Expert Services.

25. Can an entity apply for an IFACGP grant at the same time that they are applying for other grant funding opportunities?

Generally, yes. We encourage applicants to leverage all available U.S. DOT grant programs. However, if you receive multiple sources of funding for the same project, you will need to clearly delineate which sources fund which components or phases. Additionally, required local match requirements must be met individually for each source of federal funds; local match cannot be double-counted across multiple federal awards.

26. Can I include letters of support, letters of commitment, and other pertinent information in the appendix?

No. Additional information beyond what is listed as application requirements in the NOFO will not be reviewed and taken into consideration. Section D.2 (Content and Form of Application Submission) of the NOFO details the application requirements.

27. Is the page limit for the Asset Information Form 2 pages (per p.22 of the NOFO) or 4 pages (as listed on p.15 of the NOFO)?

The page limit for the Asset information Form is 2 pages per asset.

28. Can I use our own method to determine whether a Census tract is an underserved community?

Applicants are strongly encouraged to use the [U.S. DOT Equitable Transportation Community Explorer](#) to understand how their community or area is experiencing disadvantage related to lack of transportation investments or opportunities, but able to use their own methods to determine whether a Census tract is an underserved community.

29. What if our agency doesn't own the asset yet, but will own the asset a year in the future?

The existing asset or group of existing assets must be owned, controlled, or maintained by an eligible public entity.

30. How does the applicant show that they own, control, or maintain the existing asset?

The applicant should self-certify on the application in the Key Information Template that they own, control, or maintain the existing asset(s)

31. Can I include an indirect rate in my application?

Yes. Applicants may include an indirect cost rate in the project application. If indirect costs are included in the budget, the applicant must include documentation to support the indirect cost rate they are using (unless claiming the 10 percent de minimis indirect cost rate). See the FY24 IFACGP NOFO for more details on the supporting documentation required.

Program Requirements

32. When do the Conditions on Asset Concession (described in Section A.4 of the NOFO) apply?

The conditions on asset concession will be added to the Cooperative Agreement only if the proposed activities include direct assistance for an asset concession, such as negotiating a concession agreement.

33. What procurement guidelines must be followed when hiring advisors?

All guidance from 2 C.F.R. 200 applies to this program when hiring advisors.

34. If a project is in development, advisors have been selected, but an agency has insufficient funds to continue development in furtherance to a P3 agreement - can the grant funding be used by the agency to compensate consultant advisors already selected? Or would a competitive procurement be required?

Please refer to 2 C.F.R. 200 for any questions around procuring advisors.

35. If a contractor writes a grant application on behalf of the applicant, can the same contractor be hired to complete the proposed activities?

Yes. The same contractor can be hired if a contractor is hired in alignment with 2 C.F.R.200.

36. How are federal third-party contracting requirements addressed where a concessionaire is a partner on an Agency's application?

A contractor may be part of the application process and then hired on to provide services on the contract, if this is done in alignment with 2 C.F.R.200.

37. If a contractor writes a grant application on behalf of the applicant, can the contractor be reimbursed for their work writing the grant?

No. U.S. DOT will not reimburse cooperative agreement recipients for costs incurred prior to the period of performance start date.

Cost-share/local match

38. Is there a federal share match requirement?

It depends on the request. There is no match requirement for applicants requesting \$1,000,000 or less. Applicants requesting an excess of \$1 million are offered at 50 percent federal share

(50 percent required non-federal match). For example, a request of \$2 million in federal aid would be matched by \$500,000 of non-federal funds, supporting a \$2.5 million effort. A request of \$1.3 million in federal aid would be matched by \$150,000 in non-federal funds, supporting a \$1.45 million effort. The equation applicants should use is: $\text{Federal Request} + [(\text{Federal Request} - 1,000,000) * 50\%] = \text{Total Cost}$

39. Is cost-share proportion a consideration in selection?

U.S. DOT does not use an applicant's cost share when evaluating applications on merit. The Department considers an applicant's cost share to confirm eligibility (i.e., confirm that if an applicant is requesting more than \$1 million in aid, they are committing the appropriate match).

40. What kind of funds can make up the local match?

Local match may include both cash as well as in-kind contributions. Details on cost-sharing and match can be found in 2 C.F.R. 200.306.

41. Does the organization need to have funding committed to the project in their current or future year budget?

No, the organization does not need to have funding committed to the project.

42. There's no funding at all required for projects up to \$1 million (i.e. upfront funding)? So, essentially, it's free money?

Correct. There is no match required for the first \$1 million.

43. Can we use community development block grant (CDBG) funds to serve as local match?

No. Funds that originate at the federal level are not eligible to be included as part of local match.

44. Can a federally recognized Tribal government use Tribal Transportation Program funds as non-federal match?

Yes. Tribal Transportation Program (TTP) funds can be used as a non-federal match for this grant program because these funds are made available in accordance with the Indian Self-Determination and Education Assistance Act.

Funding and Awards

45. Was no consideration given per state based on population or some other factor?

The state cap is mandated by statute whereby the aggregate amount made available under this section to eligible entities within a State shall not exceed \$4 million on a cumulative basis for all eligible entities within the State during any 3-year period.

46. How does the \$4M limit apply to a bistate transportation authority?

The limit would be applied proportionately to each state cap depending on how much of the existing asset is in each state. For example, if a bistate transportation authority requests \$1 million in federal funds and 75% of the existing asset is located in State A and 25% is located in State B, then \$750,000 would be counted toward State A's cap and \$250,000 would be counted toward State B's cap.

47. If I'm awarded a grant, when will I receive the funding?

Funding will be available to reimburse eligible approved program activities after the cooperative agreement is fully executed.

48. Does the TIFIA-eligible project that is the focus of the proposed grant activities have to be of above a certain dollar amount?

A TIFIA-eligible project must have a total project cost of at least \$10 million for TOD projects and at least \$50 million for all other TIFIA-eligible projects.

49. What is the period of obligation for the funding?

36 months or less.

50. If a grant is awarded, does pre-award authority apply?

Funds may not be used to pay for services provided before a signed grant agreement is executed unless you are provided authorization expressly in writing.

51. On page 9 of the NOFO, it shows this cycle is for FYs 2022-2024. Does that mean funds can be used for services prior to being awarded?

No. Funds may only be used after the cooperative agreement is fully executed and may not be used to reimburse activities completed prior to the full execution of the cooperative agreement.

Evaluation and Selection

52. Are some evaluation criteria more important than others?

The policy alignment consideration must be rated high for an application to be highly rated overall.

53. If a project is fully outside of "Justice40" communities could it still score above a "Low" for equity? If so, how?

This program is not a Justice40 program, so those requirements do not apply. Any application could achieve a high or low rating in the policy considerations section, depending on how well it addresses the goals of the department and addresses equity.

54. Is there a list of awarded grants?

This is a new program so there is not a list of past recipients. After awards are announced, there will be updates on [Innovative Finance and Asset Concession Grant Program website](#).

55. What is the anticipated timeframe for selection and award?

There is no anticipated timeline for awards, however it is likely that awards will be announced this calendar year.