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U.S. DOT Announces Latest Round of INFRA Grants: Nossaman

The U.S. Department of Transportation (“DOT”) has announced it is making \$889 million available through its latest round of Infrastructure For Rebuilding America (INFRA) grants. In its February 17 announcement, the DOT noted that the INFRA grants “will fund transportation projects of national and regional significance that are in line with the Biden Administration’s priorities, including creating good-paying jobs, improving safety, and applying transformative technology, and explicitly addressing climate change and racial equity.”

For the selection process, the DOT has made clear that it will be evaluating INFRA projects on whether they aim to address climate change and environmental justice. According to the DOT, “projects should include components that reduce emissions, promote energy efficiency, incorporate electrification or zero-emission vehicle infrastructure, increase resilience, and recycle or redevelop existing infrastructure.”

Racial equity will also be considered as a selection criterion, looking at the extent to which the project sponsors have completed equity-focused community outreach, and whether projects are designed to improve connections to underserved communities in order to reduce barriers to opportunity. The DOT will also consider whether projects are located in federally-designated community development zones, such as Opportunity Zones. The DOT defines Opportunity Zones as “economically distressed” communities designated by the state’s governor and certified by the U.S. Secretary of the Treasury.

Secretary of Transportation Pete Buttigieg emphasized, “We are committed to not just rebuilding our crumbling infrastructure, but building back in a way that positions American communities for success in the future — creating good-paying jobs, boosting the economy, ensuring equity and tackling our climate crisis.”

INFRA projects will also be rated on the extent that they use innovative technology, delivery, and financing methods to deliver projects in a cost-effective manner.

DOT will make awards under the INFRA program in amounts of at least \$25 million for large projects and at least \$5 million for small projects. The authorizing statute, the Fixing America’s Surface Transportation Act, requires 10 percent of available funds to be reserved for small projects and 25 percent of funding allocated to rural projects.

INFRA grants may be used to fund a variety of components of an infrastructure project; however, the DOT is specifically focused on projects in which the project owner is significantly invested and positioned to proceed rapidly to construction. Eligible INFRA project costs may include: costs for reconstruction, rehabilitation, acquisition of property (including land related to the project and improvements to the land), environmental mitigation, construction contingencies, equipment acquisition, and operational improvements directly related to system performance.

The DOT’s Notice of Funding Opportunity also announces the creation of the INFRA Extra initiative,

which will identify competitive applicants who do not receive an INFRA grant and authorize them to seek a loan through the Transportation Infrastructure Finance and Innovation Act.

Applicants will have to move swiftly: the DOT has set a deadline of **March 19** to submit proposals. Applications are available [here](#).

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By Alexander Bulkin on 03.04.2021

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