

# **FTA Capital Investment Grants (CIG) Policy Guidance Proposed Changes**

**Office of Planning and Environment**

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May 2, 2024



U.S. Department of Transportation  
Federal Transit Administration

# Agenda

- Introductions
- Purpose of Webinar
- Goals of proposed changes
- Timeline
- Summary of proposed changes
  - Guidance & questions in Federal Register Notice
- How to comment



# Goals

- Increase emphasis on priorities
  - Update environmental benefits
  - Additional equity considerations
  - Increase emphasis on affordable housing plans and policies and zoning
- Acknowledge post-COVID changes to transit industry
  - Ridership trends
  - Inflationary impacts
  - Transit agency finances
- Implement new “Bundles of CIG projects” provisions in IIJA

# Timeline

July 2021 - FTA published Request for Information (RFI)

Oct 2021 - Public comment period for RFI ended

Nov 2021 - IIJA enacted

Mar 2022 - Initial Proposals published for public comment

Jan 2023 - Final Initial Guidance published

April 2024 - Proposed Guidance published for public comment

June 2024 - Public comment period ends

# Project Justification Criteria – Proposals Summarized

- **Mobility Improvements** – greater emphasis on transit dependent trips, revise ratings thresholds
- **Environmental Benefits** – update standard factors used to calculate, revise ratings thresholds
- **Cost Effectiveness** – expand “enrichments”, revise ratings thresholds
- **Economic Development** – increase weight given to zoning and affordable housing, streamline process
- **Land Use** – add two measures – Community Risk and Access to Essential Services
- **Congestion Relief/Capacity Needs** – no changes proposed
- **Project Justification Warrants** – expand thresholds to qualify for warrants

# Mobility Improvements

## What We Do Today

- Total linked trips using the proposed project, with a **weight of two** given to trips made by transit dependent persons (locally defined as lowest income category or zero car households)

## Proposal

- Total linked trips using the proposed project, with a **weight of five** given to trips made by transit dependent persons (locally defined as lowest income category or zero car households)
- Revised ratings thresholds

# Environmental Benefits – What we do today

## New Starts

Dollar value of environmental benefits compared to annualized capital and operating cost of the proposed project

## Small Starts

Dollar value of environmental benefits compared to annualized Federal share of the proposed project

## Core Capacity

Automatic Medium Rating

- Benefits and their monetary value are calculated automatically on the FTA templates using the changes in Vehicle Miles Traveled (VMT) multiplied by a series of standard factors. The benefits include:
  - Change in safety
  - Change in energy use
  - Change in emissions (CO, NOx, PM2.5, VOC, and GHG)
- Annualized Capital cost and Annualized Federal Share is calculated automatically based on the useful life of the various project scope items and a discount rate. Annual operating cost is calculated by the project sponsor.

# Environmental Benefits Proposals

1. Update the standard factors used to calculate the environmental benefits and their monetary value based on latest research
  - Change in emissions calculations/cost of ton reduced GHG
  - Change in safety factors/value of statistical life
  - Change in energy use/cost of fuel
  
2. Update ratings thresholds

Examples of data sources used to develop standard factors and their proposed updates	
Existing	Proposed
EPA MOVES 2010a	EPA MOVES3
Argonne National Laboratory GREET v 1.8d.1 (2010)	Argonne National Laboratory GREET 2021
NHTSA - Fatal Accident Reporting System, 2000–2009	NHTSA - Fatal Accident Reporting System, 2011–2019
FTA National Transit Database 2000–2011	FTA National Transit Database 2011–2020
Bureau of Transportation Statistics Data 2000 – 2010	Bureau of Transportation Statistics Data 2011 - 2019
Energy Information Administration AEO 2012	Energy Information Administration AEO 2021



# Cost Effectiveness

## New Starts

Annualized capital and operating cost of the proposed project minus any allowable “enrichments” divided by annual trips on the project

## Small Starts

Annualized Federal share divided by annual trips on the project

## Core Capacity

Annualized Core Capacity share of the project cost divided by the annual number of trips in the project corridor

## Proposals

For New Starts expand the allowable “enrichments” that can be subtracted from cost/trip calculation

- Expanded amount of sustainable building design costs (from 2.5% allowed today to a proposed 7%)

- Allow entire cost of electric vehicle charging stations (this is newly added)

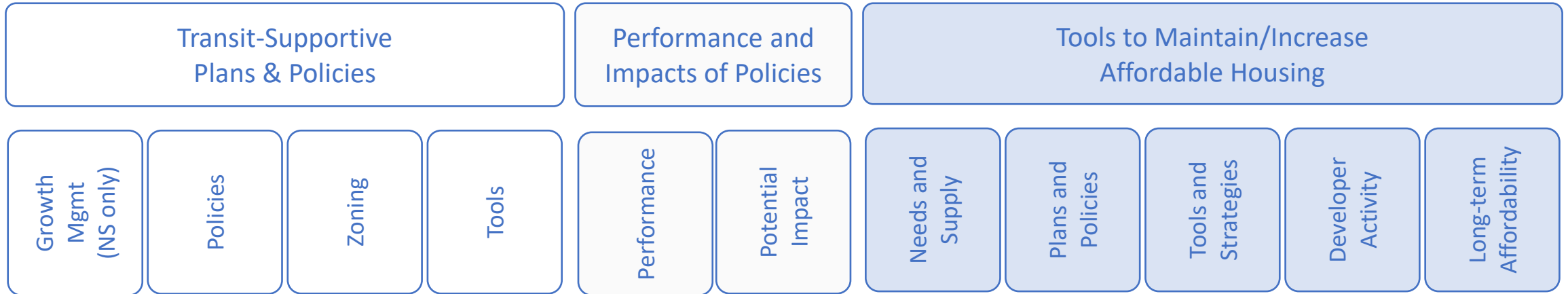
- Continue to allow 50% of cost of alternative fueled vehicles

- Continue to allow 100% cost of joint development and bike/ped improvements

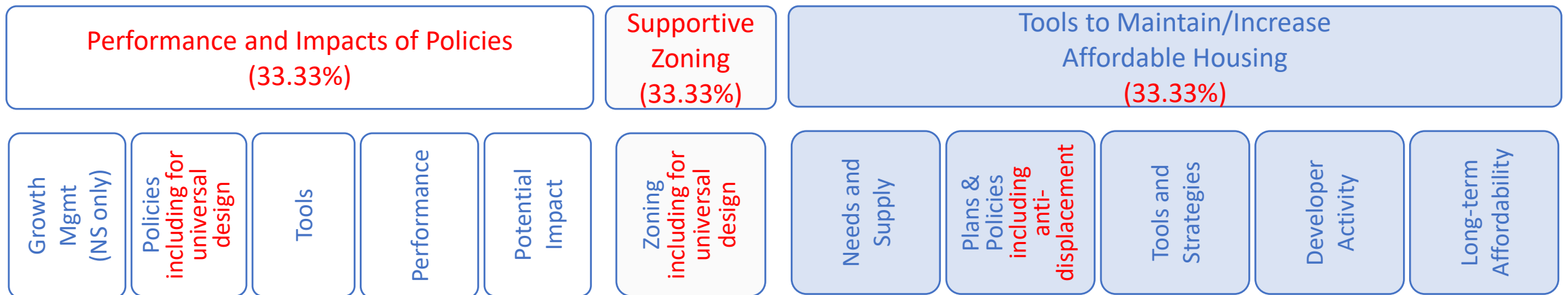
For New Starts, Small Starts, and Core Capacity revise the ratings thresholds to account for inflation and ridership changes that have occurred

# Economic Development (qualitative examination of plans and policies)

## Current Measures



## Proposed Measures and Weights



Remove these items

~~FTA uses more stringent rating thresholds for NS projects in Engineering than those in PD~~

~~FTA allows sponsors to undertake an optional additional quantitative analysis~~

# Economic Development – Additional Feedback Sought

Should FTA do more to increase the relative weight of zoning as part of the Economic Development rating? For example, should FTA:

- a) Maintain its proposal to include three subfactors within Economic Development but assign the zoning subfactor more weight than the other two?
- b) Eliminate some of the non-zoning Economic Development subfactors or measures and if so, which ones?
- c) Make any other changes to the Economic Development subfactors or measures, and if so, which ones and how?

Red text shows proposed revisions to current process

# Land Use

(existing corridor conditions within 1/2 miles of station areas)

Population  
Density

Employment

% LBAR\*  
housing in  
corridor  
compared to  
surrounding  
counties

Community  
Risk

Essential  
Services

LBAR = “legally binding affordability restricted” housing

# Proposed new Community Risk Subfactor Under Land Use

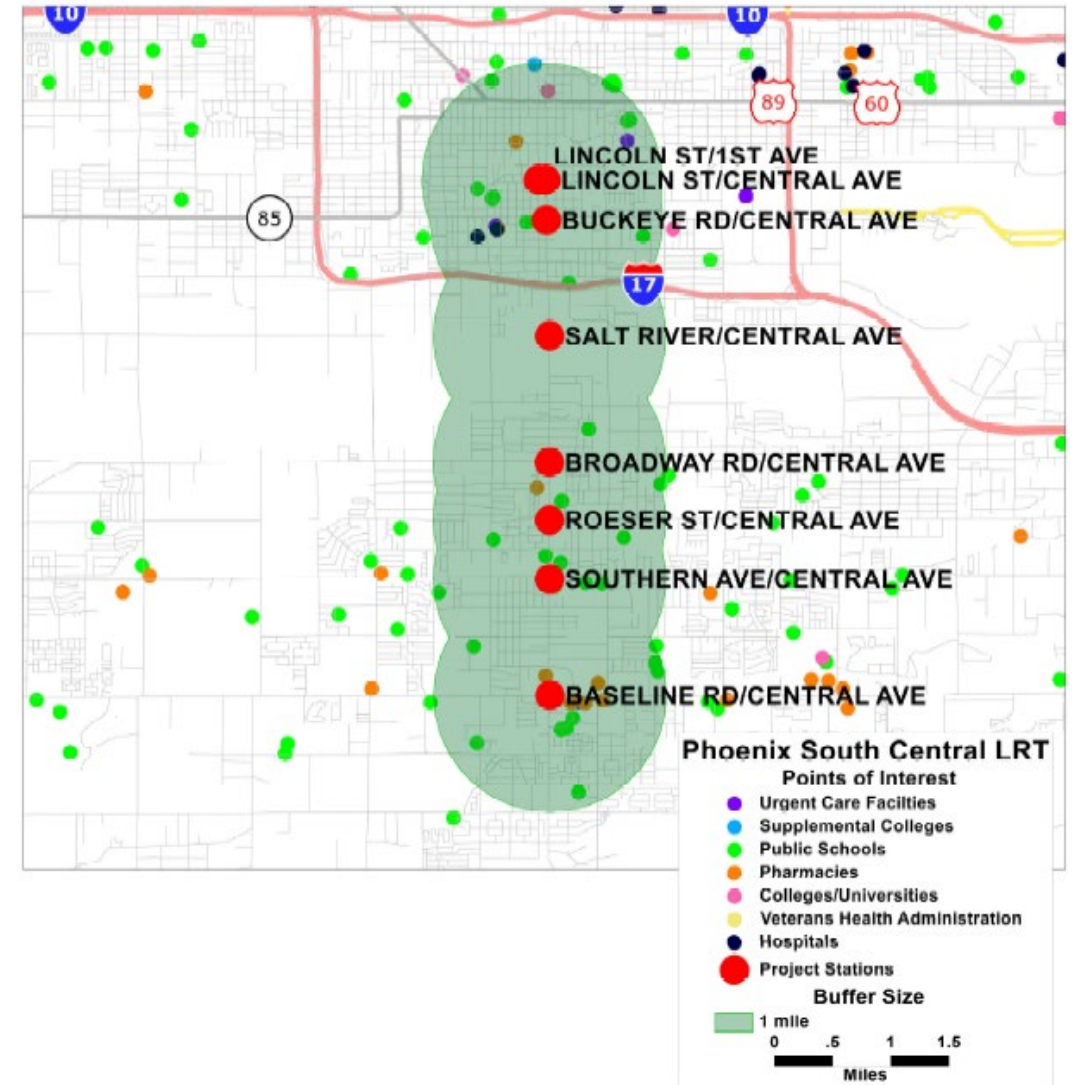
- Uses Census Bureau Community Resiliency Estimates (CRE) Tool
- Tool examines 10 characteristics of the population in each census tract to determine how vulnerable they are to disasters
- High risk populations are those with 3 or more of the 10 characteristics
- FTA will evaluate the percent of the total population within ½-mile of station areas that is deemed high risk

## Risk Factors (RF) for Households (HH) and Individuals (I)

- RF 1: Income-to-Poverty Ratio (IPR) < 130 percent (HH).
- RF 2: Single or zero caregiver household - only one or no individuals living in the household who are 18-64 (HH).
- RF 3: Unit-level crowding defined as > 0.75 persons per room (HH)
- RF 4: Communication barrier defined as either
  - Limited English-speaking households<sup>1</sup> (HH) or
  - No one in the household over the age of 16 with a high school diploma (HH)
- RF 5: No one in the household is employed full-time, year-round. The flag is not applied if all residents of the household are aged 65 years or older (HH).
- RF 6: Disability posing constraint to significant life activity
  - Persons who report having any one of the six disability types (I): hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty.
- RF 7: No health insurance coverage (I)
- RF 8: Being aged 65 years or older (I)
- RF 9: Households without a vehicle (HH)
- RF 10: Households without broadband Internet access (HH)

# Proposed new Essential Services Subfactor Under Land Use

- DHS Homeland Infrastructure Foundation Level Data (HIFLD) provides nation-wide GIS information on essential services including medical and educational facilities
- CIG project sponsors use the data to determine essential services within 1-mile radius of each station
- FTA evaluates the average number of essential services per station
- FTA also seeking feedback from the industry on potential national data sets with consistent definitions that could provide information on other essential services like groceries



# Land Use – Additional Feedback Sought

- Should FTA also add a measure of walkability to the New Starts and Small Starts Land Use Criteria?
- For New Starts and Small Starts projects, should FTA use the US DOT Equitable Transportation Community (ETC) Explorer (<https://www.transportation.gov/priorities/equity/justice40/etc-explorer>), an interactive web application that uses census tracts and data to explore the cumulative burden communities experience as a result of underinvestment in transportation, as a measure for Land Use?
  - If so, should this be in addition to the five measures FTA is proposing in the Policy Guidance, or as a substitute for the proposed community risk measure?

# Proposed Revised Project Justification Warrant Thresholds (How NS and SS projects can qualify for automatic ratings on some criteria)

## What We Allow Today

### Project Cost and Existing Transit Ridership Thresholds

- < \$50M and 3,000 Transit Riders Today in Corridor
- \$50M - \$100M and 6,000 Transit Riders Today
- \$100M - \$175M and 9,000 Transit Riders Today
- \$175M - \$250M and 12,000 Transit Riders Today
- \$250M - \$500M and 15,000 Transit Riders Today
- > \$500M not eligible for warrants

## Proposal – Inflate Cost Thresholds and Reduce Ridership Requirements

### Project Cost and Existing Transit Ridership Thresholds

- < \$60M and 2,100 Transit Riders Today in Corridor
- \$60M - \$120M and 4,200 Transit Riders Today
- \$120M - \$210M and 6,300 Transit Riders Today
- \$210M - \$300M and 8,400 Transit Riders Today
- \$300M - \$600M and 10,500 Transit Riders Today
- > \$600M not eligible for warrants



# Financial Evaluation Proposals

Allow New Starts to qualify for financial warrants (automatic ratings) if they meet the thresholds similar to what is allowed today for Small Starts and Core Capacity

For all projects that need to be evaluated (those that do not qualify for warrants)

1. Allow sponsors to submit a 10-year financial plan (instead of a 20-year plan as currently required) under certain circumstances:
  - If the construction period plus five years of operation < 10 years
  - If the sponsor is not submitting 20-year ridership forecasts
2. Revise some of the items examined under the financial subfactors
  - No longer consider whether there have been recent service cuts
  - Slightly reduce the amount of funding required to demonstrate ability to cover unanticipated cost overruns/funding shortfalls

# Bundle Proposals

- Multiple phases of a single corridor (each must have independent utility and be a MOS) or multiple project corridors can qualify
- Per statute -- projects within a bundle are rated individually based on the applicable criteria (NS, SS, or CC)
- Project justification warrants can apply to individual projects in the bundle
- Financial warrants can apply if collectively the bundle's O&M cost does not exceed 10% of existing system-wide O&M budget
- Per statutory direction -- FTA will seek public comment on ways to streamline the evaluation process for projects in a bundle including changes to enable simultaneous evaluation of multiple projects under one or more criteria

# Proposal - Advancing Bundles through the CIG Process

**Entry into Project Development** – outlined in Initial CIG Guidance Published Jan 2023

## **Entry into Engineering**

- Individual project in a bundle advances when it meets requirements
- Sponsor must submit with the request an updated narrative demonstrating the bundle's continued eligibility (streamlined procurement or cost or time savings required per statute)

## **Award of Construction grant**

- If multiple projects in the bundle are ready, a combined grant agreement can be done
- If all the projects are not yet ready for a construction grant when the first project is ready, the sponsor can request a LOI for one or more of the other projects if they are:
  - Already in PD
  - NEPA is complete
  - The project has received a Medium or higher rating

# Other Steps in the Process Proposals

- Limit New Starts and Core Capacity PD extensions to no more than 1 year
- Text added on joint intercity rail and public transportation projects (current guidance has nothing on this topic)
- Expand text on Letters of Intent

# How to Comment

- Must provide written comments through Federal Register
- Comments due June 4, 2024



# Links

- FR Notice

[Federal Register :: Notice of Availability of Proposed Policy Guidance for the Capital Investment Grants Program](#)

- FR Docket

[Federal Register docket](#)

- Proposals on FTA CIG Website

[policy guidance for the Capital Investment Grants \(CIG\) program](#)

- CIG Webpage

[CIG program](#)

# FTA Mission, Vision, Values



## Mission

Improve America's Communities through Public Transportation



## Vision

A Better Quality of Life for All Built on Public Transportation Excellence

## Values

*Service*

Provide reliable, transparent, responsive, and anticipatory services to meet stakeholder needs

*Integrity*

Commitment to the highest professional and ethical standards

*Innovation*

Foster new ideas, concepts, and solutions for improved outcomes

*Sustainability*

Optimize decisions, resources, and systems to make long-term positive impacts on the environment, infrastructure, and safety

*Equity*

Remove barriers for systemically underserved communities to access all aspects of economic, social, and civic life