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Berett Wilber, KUCB, Unalaska

Winning IIJA / IRA Funding Northwest Managers Conference

March 30, 2023



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Presenter



**Aurah Landau, Juneau
Senior Transportation Planner,
Alaska Grant Program Lead**

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Today we'll cover...

- 01 Overview of Federal Grant Programs
- 02 Success Factors
- 03 Strategic Efforts
- 04 Financial Planning

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Generational Investment

Infrastructure Investment and Jobs Act (IIJA)

AKA, *Bipartisan Infrastructure Law (BIL)*

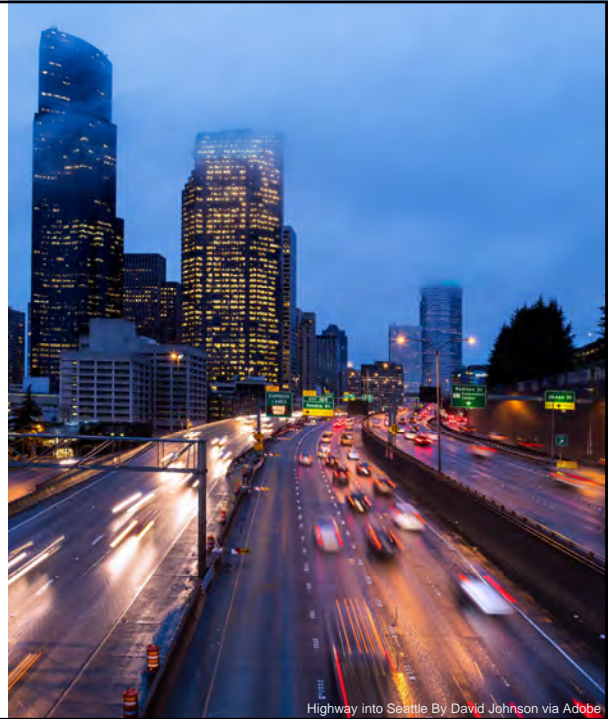
Proportion of New Funding by Sector



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Summary of Transportation Investments

- \$257 Billion
- 5 Year Program
- Formula Funds: \$\$\$ apportioned to tribal transportation programs, states, and MPOs
- Discretionary Grants: Competitive Process
- NOFO: Notice of Funding Opportunity

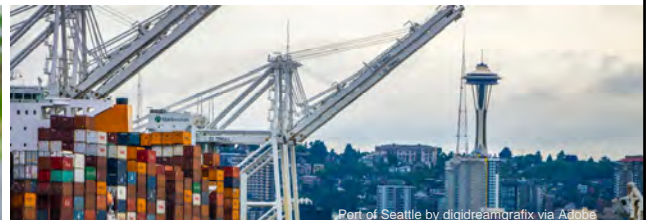


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Transportation Discretionary Grants

FHWA

- PROTECT Program
- Safe Streets & Roads for All
- Bridge Investment Program
- Healthy Streets Program
- Active Transportation Infrastructure Investment Program
- Reconnecting Communities Pilot Program
- Reduction of Truck Emissions at Port Facilities
- National Culvert Removal Program
- Charging & Fueling Infrastructure



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Transportation Discretionary Grants

Office of Multimodal Freight Infrastructure Policy

- Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program
- Multimodal Discretionary Grant Program
 - Mega
 - INFRA
 - Rural
- Strengthening Mobility and Revolutionizing Transportation (SMART) Program

Federal Transit Administration

- Bus & Bus Facilities Competitive Grants
- Low/No Emissions Vehicle Grants

Other

- Nationally Significant Federal Lands & Tribal Projects
- NOAA Habitat and Coastal programs



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Water / Wastewater Programs

EPA

- State Revolving Funds (*state-administered*)
- Clean Water (CW) – wastewater infrastructure projects
- Drinking Water (DW) – infrastructure
- Small/ Disadvantaged Community Emerging Contaminants (< 10,000 population & affordability criteria)
- Clean Water & Drinking Water Emerging Contaminants (PFAS)
- Lead Service Line Replacement

Department of Interior

- Water & Groundwater Storage and Conveyance

USDA

- Emergency Watershed Protection Programs
- RD Water & Waste Disposal Loan & Grant (*rural communities under 10,000 population*)
- Natural Resources Conservation Service

Review state Intended Use Plan (IUP) and guidelines for project submittal process. Projects prioritized for funding each year. Low interest loan program with some opportunities for forgivable loans (grants).

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Welder by ianasan via Adobe



By srinrat wuttichakicharoen/EyeEm via Adobe

Economic / Business Development

Economic Development Administration

- Public Works Program
 - Infrastructure to facilitate new or expanding business/industry (job creation or retention)
- Economic Adjustment Program
 - Technical, planning, public works assistance to communities experiencing severe economic adversity (manufacturing plant, military base closure, etc.)

USDA Business & Cooperative Programs

(Areas with less than 50,000 population)

- Business & Industry Loan Guarantees
 - Loan guarantees to lenders for rural business development
- Rural Business Development Grants
 - Small grants for facilitating rural business development (infrastructure, revolving loan funds, job training, etc.)

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Climate, Environment, and Energy Grants

FEMA

- Building Resilient Infrastructure and Communities Program (BRIC) – projects reduce risk from disasters
- Flood Mitigation Assistance – reduce repetitive flood damage
- Hazard Mitigation Grant Program (HMGP) – mitigate impacts of natural disasters



EPA

- Energy Efficiency and Conservation Block Grants
- Grants for Energy Efficiency and Renewable Energy Improvements in Schools
- Energy Improvements in Rural or Remote Areas
- Grants for Energy Efficiency and Resilience Code Adoption



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Climate, Environment, and Energy Grants

Community Development Block Grants

(HUD - State Administered)

- Can address lots of needs: public facilities (water/sewer), community facilities (non-general govt.), housing rehab, economic development, emergency relief
- Majority benefit to low-to-moderate income defined populations or emergency need

Recreational Trails Program

(FHWA – State Administered)

- Grants for recreational trails

USDA Rural Development

(Federal Program / State Office)

- Community Facilities Loans & Grants – essential community facilities (rural communities under 20,000 population)
- Housing – single family direct loans, home repair loans, multi-family housing development loans

Land & Water Conservation Fund

(Department of Interior – State Administered)

- Matching grants for parks & outdoor recreation facilities

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Inflation Reduction Act Programs

Key Provisions

Energy Efficiency

- State rebates for high-efficiency homes
- Local grants for net-zero building codes

Water

- Water supply for disadvantaged communities

Transportation

- Neighborhood Access & Equity Grant Pgm.

Environment

- Green banks for climate investment
- State planning to reduce GHG emissions
- USFS Urban/Community Forest Assistance
- NOAA Coastal & Climate Resistance Pgm.

Other Programs

- Renewable energy production and transmission
- Energy investments and advanced industrial technology
- Renewable energy generation
- Methane emissions reduction
- Biofuels investment
- Replace heavy-duty vehicles with zero-emissions vehicles
- Climate-related funding for federal agencies: USPS, USFS, BLM, NPS, DHS, NOAA, FERC

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Energy Programs

IIJA - DOE

Distribution & Small Transmission

- Traditional Grid Resiliency Projects
- Innovation Reliability & Resiliency
- Deployment of Technologies
- DOE's recent GRIP program underway

Transmission Facilitation Program – New Bulk Electricity Systems (large transmission)

Hydropower – Grants for dam safety, environmental protection, grid resiliency

Clean Hydrogen – Regional hubs and other programs to facilitate advancements

IRA - DOE

Generation & Storage – Production and/or Incentive Tax Credits (PTCs and ITCs)

- Solar
- Battery Energy Storage
- Wind
- Hydrogen
- New nuclear
- Hydropower

Bonus tax credits available if certain criteria are met

Significant change is direct payment for entities that don't pay taxes

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Upcoming Grant Opportunities

Open Now

- Bus and Bus Facilities – Closes 4/13/2023
- Low or No Emissions Vehicles – Closes 4/13/2023
- PIDP – Closes 4/28/23
- Charging and Fueling Infrastructure – Closes 5/30/2023

Upcoming

- PROTECT – Winter/Spring 2023
- Mega/INFRA/Rural – Spring 2023
- Reconnecting Communities – Spring 2023
- Safe Streets and Roads for All – April 2023
- NSFLTP – Summer 2023
- Bridge Investment Program – Summer 2023
- SMART, Culvert, Thriving Communities – Fall 2023
- RAISE, BRIC, HMGP, CDBG – Winter 23/24



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02 Success Factors

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Aligning to Federal Priorities: Merit Criteria

- **Safety**
- **State of Good Repair**
- Economic Competitiveness
- **Job Creation**
- **Equity**
- Environment
- **Climate/Sustainability**
- **Innovation**
- **Partnerships**
- Freight Movement
- Multi-Modal/Mobility
- Quality of Life
- **BCA**
- **Readiness and Risk**

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Tips & Tricks for Grants Success

- | | | | |
|---|--|---|---|
|  | Clear branding and statement of benefits |  | Engage Congressional delegation and funders |
|  | Good presentation, themes |  | Strong political and stakeholder support |
|  | Easy to read text, maps & graphics |  | NEPA is appropriately scheduled |
|  | BCA in alignment with latest guidance |  | Project is scoped to fit the grant criteria |



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HDR's Industry-Leading Grant Success Track Record

2022

- Secured **OVER \$700 MILLION** in new federal discretionary funding for 19 states, including **OVER \$100 MILLION FOR ALASKA**

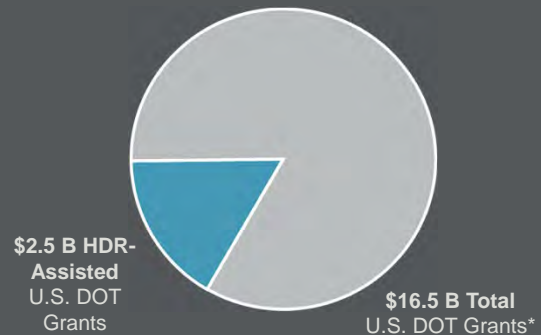
2009-2021

- HDR supported more than 200 grant applications
- 100 PROJECTS'** requests for funding were successful
- HDR-supported transportation applications received **\$2.5B IN FEDERAL FUNDS**

250+ ADVISORY SERVICES AND 40+ GRANT APPLICATION EXPERTS, supported by hundreds of transportation, energy, water, and resiliency professionals

Over \$700 million in
FY 2022 grant awards

Assisted clients
in successfully competing for
15.4% of total funds available 2009-2021



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Best Practices for Maximizing Application Success

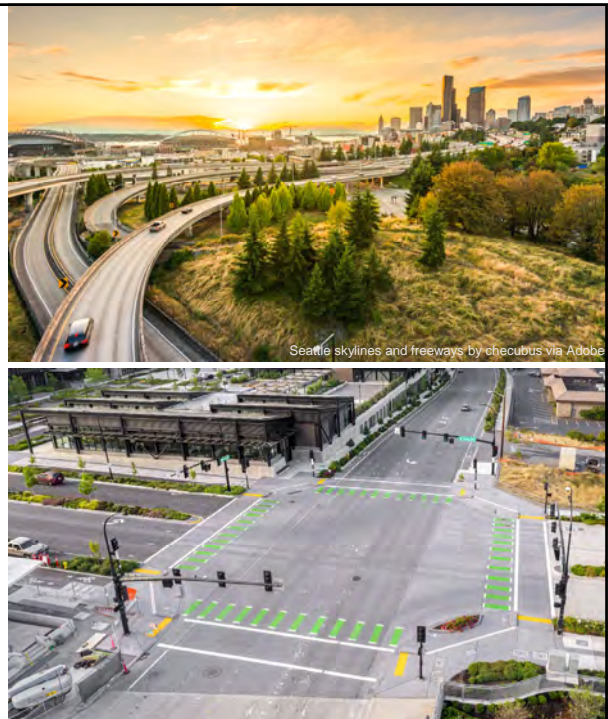
- Prioritize community capital needs and develop a project pipeline
- Develop grant program strategy
- Submit few applications per program
- Show commitment through match
- Ensure alignment of project with grant program criteria
- Demonstrate partnerships
- Address readiness criteria
- Include complete and realistic schedule and budget
- Address merit criteria by section
- Explain how funding will solve the problem
- Write data-rich narrative
- Leverage subject matter experts
- Submit engineering products
- Hone BCAs
- Address policy priorities
- Ensure readability and quality visuals

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Project Readiness is Developed

These are federal projects and must follow a federal development path:

- NEPA decision
- ROW certification
- Procurement
- Planning documents



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03 Strategic Efforts

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Prepositioning Improves Funding Success and Reduces Risk

- Budget – project and grant-related
- Right-of-Way
- Procurement
- Environmental
- Phasing mishaps
- Political
- Staff burnout

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Grants, Funding & Financing

Ways HDR can assist

- Develop strategic funding approach
- Identify priorities and needs
- Evaluate grant funding opportunities
- Develop financial planning models
- Estimate funding gaps
- Examine state/regional/local funding options to match federal funds
- Prepare grant applications
- Benefit-Cost Analysis (BCA)
- Grants management & compliance
- Construction administration

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Federal Grants Benefits and Challenges

Benefits

- Provides additional funding
- Can fill project funding gap
- Frees money for other projects

Challenges

- Federalizes project (federal regulations, etc.)
- May require NEPA, Davis-Bacon, Single Audit
- Additional reporting requirements
- Sets a delivery deadline



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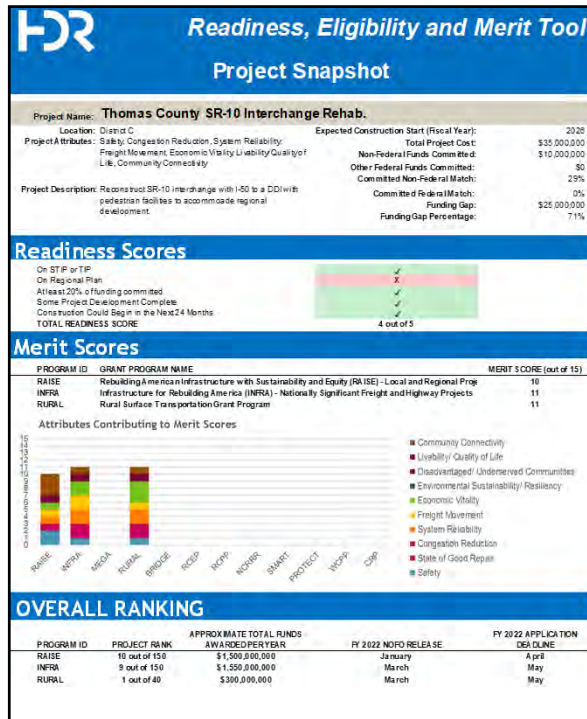
Pedestrian walkway with crosswalk sign by David Johnson via Adobe

Project Selection Strategy

Approach programmatically

Match priority projects to programs

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Matching Projects to Grants

- Data-driven tool to screen capital projects for grant alignment and prioritization
 - Data-based approach for screening and prioritizing projects
 - Scores/ranks projects based on readiness, eligibility, merit
- Apples-to-apples comparison of competitive grant opportunities across portfolio of projects
- Guides multi-year grant application strategy

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Homer, Alaska via Adobe

Grant Application Components

- Narrative
- Data and analysis
- Scope
- Schedule
- Budget
- Environmental
- Engineering and design
- Visuals
- Letters of support
- BCA and Technical Appendix
- Grant management ability

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Critical Roles in Grant Preparedness and Application

** Previous federal grants experience important for aligning project with grant standards*

Local Champion – client-side or contracted project manager to coordinate activities supported by:

- Project Description – Program development, planners, engineers (cost estimates, schedules, plans), environmental analysts, financial analysts
- BCA – economists*
- Application – Grant manager*, grant writers*, graphic designer*, technical editor, engineers and subject matter experts, data researchers, political liaisons, economists*



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Start Work Ahead of NOFO

Prior to NOFO

- Evaluate projects
- Select projects
- Conduct engineering, environmental, and economic analyses
- Engage political support
- Develop application team, workflow

During NOFO Response Time

- Gather letters of support
- Write grant narrative
- Adjust BCA
- Create graphic design

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Expertise Required

- Modal / Sector – often engineering
- Grant – policy and program, writing, BCA
- Local

By jakkaje8082 via Adobe

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Southeast Alaska via Adobe

Program Resourcing

Sustainable & Successful

- Staff increase or reallocation
- On-call contract
 - Strategy + Program Management
 - Application, BCA
 - Grant and Construction Administration

Challenging

- Adding to current workloads
- Piecework

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Why Preposition?

- Increase grant award successes
- Identify needs and define projects with agreed scope and budget
- Help identify potential funding streams
- Match projects to grants or other funding sources
- Develop actionable strategic plan to leverage funding
- Recognize funding constraints
- Focus on cost-effectiveness
- Greater emphasis on performance measurement
- Do more with less



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04 Financial Planning

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Multi-Year Financial Plan Aligned with Project Development and Grant Plan

- Cost Risk
 - Bid prices / procurement
 - Inflation
 - Project unknowns (contingency)
- Budgeting for all grant phases
- Earnings
- Year of expenditure and earnings calculations

Summary of Grant-Related Expenditures and Funding				
<i>Does not include costs of project development activities</i>				
	FY 23	FY 24	FY 25	
Total Funds Requested	\$ 47,975,000	\$ 100,975,280	\$ 2,900,000	\$
Total Estimated Grant Cost to City	\$ 18,634,500	\$ 43,149,150	\$ 2,030,000	\$
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Total Estimated Match	\$ 15,137,000	\$ 39,931,320	\$ 1,885,000	\$
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Total Costs of Grant Applications	\$ 430,000	\$ 330,000	\$ -	\$
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Number of Grants Applied Per Year	11	6	0	
Cost of Grant Applications	\$ 330,000	\$ 180,000	\$ -	\$
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Number of BCAs per Year	2	6	0	
Cost of BCAs	\$ 100,000	\$ 150,000	\$ -	\$
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Successful Grant Applications				
<hr/>				
Estimated Costs of Grant Management	\$ 3,027,500	\$ 2,737,850	\$ 145,000	\$
<hr/>				
Annualized Loan Repayment Costs	\$ 9,155,598	\$ 9,155,598	\$ 9,284,115	\$

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Funding Considerations

- Most grants have a maximum and a minimum for request
- Timeframes exist for obligation and construction
- Most grants are reimbursement programs
- Match requirements vary by NOFO
- Fed funds usually can't match fed funds
- Previous expenditure will be discussed but are not usually reimbursable



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Typical Grant Outlays

- Funding request
 - May be total project cost or %
 - Match 0-50% of funding request depending on program and project
- Average application costs
 - BCA: \$25-80K depending on scope of analysis
 - Application: \$10-50K depending on complexity
- Grant negotiation – non-reimbursable
- Grant administration – at least 10%, can be higher

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Beluga Lake in Homer, Alaska via Adobe

Match Strategies

- Analyze grant for match specifics
- Winning strategies for some programs may require higher than minimum match
- Review previous award amounts & talk with agency

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Bridge at Salem Riverfront park to Minto Island, Oregon by Bob via Adobe

Potential Match Sources

- State or Congressionally-designated spending authorization
- Local sales tax or bonds
- Fish shares, CDFQ
- Loans – i.e. State revolving loan fund, federal loans
- Business investment
- In-kind contribution – personnel, goods, services, space, and utilities contributed by applicant or a non-Federal third party
- Atypical options
 - Environmental mitigation credits
 - Donated ROW
 - Value of equipment necessary for project
 - Pre-award activities funded through non-federal sources
 - Philanthropic or individual donations

Homer, Alaska via Adobe

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Outcomes of Prepositioning for Grant Success

- Increased funding successes
- Sustainable grant effort
 - Prioritized projects for competitive applications
 - Clear and focused multi-year application strategy based on:
 - Modal/sector project development experience
 - Grant experience
 - Local needs and priorities
 - Assembled application team
 - Adequate time to develop applications
 - Ready to manage award and deliver project
 - Responsible financial planning
 - Clear stakeholder communications



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Where to Start

- Communicate with regional, state, federal agency partners and staff
- Watch for program announcements and award announcements
- Participate in forums, webinars, and conferences to know latest
- Talk to successful applicants – people love to talk about their wins
- Speak with advisors



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Contact




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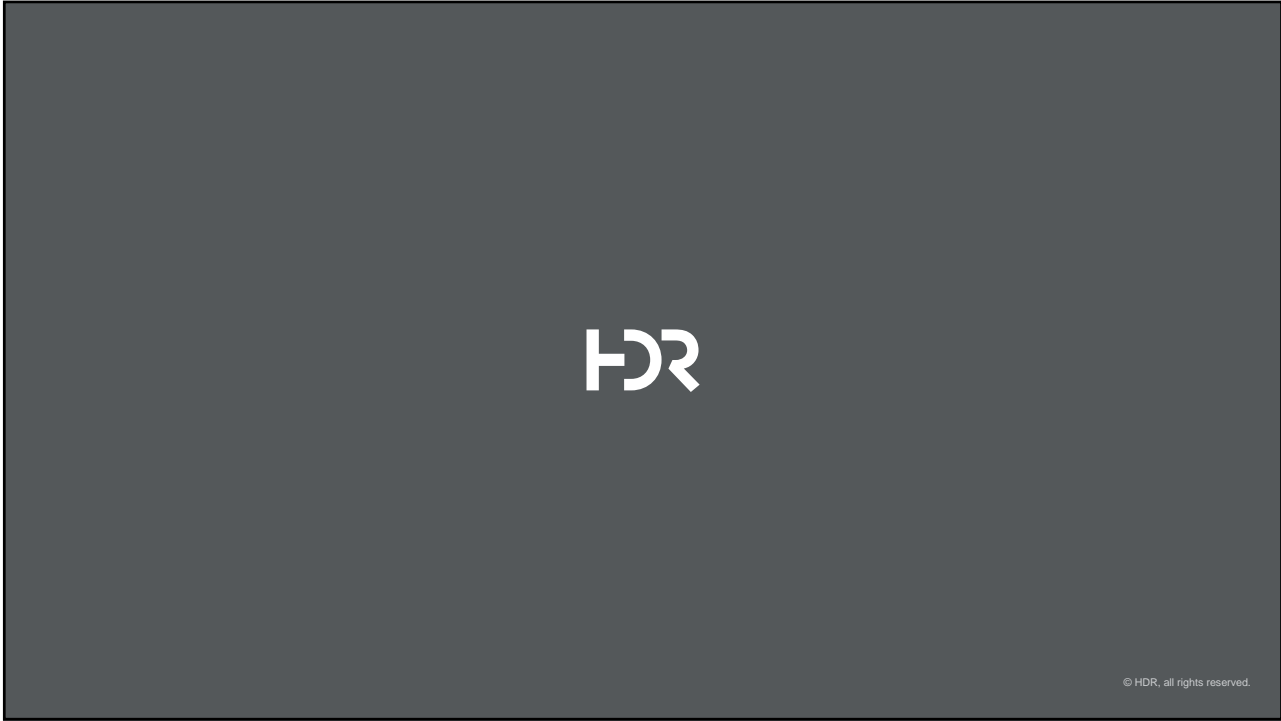
IIJA Resources

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Questions?

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