

U.S. Department of Transportation
Amendment 1 to Notice of Funding Opportunity Number DTOS59-23-RA-RAISE
“FY 2023 National Infrastructure Investments”

Amendment 1 issued January 5, 2023

The purpose of this amendment is to edit the Notice of Funding Opportunity to reflect additional funding and associated requirements per the Consolidated Appropriations Act, 2023, and to make clerical amendments. Accordingly, the Notice of Funding Opportunity is hereby amended.

The application due date remains unchanged as February 28, 2023 at 11:59:59 pm Eastern Time through www.grants.gov

Except as provided herein, all terms and conditions remain unchanged and in full force and effect.

This amendment revises the text of the NOFO in the section identified below.

- Deleted text is shown in ~~striketrough~~.
- Added text is both **underlined and bolded**.

If a section or paragraph is not listed below, no text changes apply to that section or paragraph as a result of this amendment.

SECTION A.1 Overview, paragraphs 1 through 3

The Infrastructure Investment and Jobs Act (Pub. L. 117-58, November 15, 2021, “Bipartisan Infrastructure Law,” or “BIL”) authorized and appropriated \$1.5 billion to be awarded by the Department of Transportation (“DOT”) for FY 2023 for Local and Regional Project Assistance Program Grants under National Infrastructure Investments. **On December 29, 2022, the FY 2023 Appropriations Act appropriated an additional \$800 million for the FY 2023 RAISE Grant Program. However, per Section 109B of the FY 2023 Appropriations Act, not less than \$1 million (but no greater than \$25 million) of the \$800 million made available for RAISE from the FY 2023 Appropriations Act, will be set aside for port infrastructure projects that received an award from the BUILD 2019**

competition and rail infrastructure projects that received an award from the BUILD 2018 competition. Therefore, at least \$775 million (but no more than \$799 million) of the FY 2023 Appropriations Act is now available under this RAISE 2023 Notice of Funding Opportunity (NOFO). In total, the Department now has at least \$2.275 billion (but no more than \$2.299 billion) available for the FY 2023 RAISE Grant Program. Applicants should note that the two funding streams (BIL funding and FY 2023 Appropriations Act funding) have slightly different funding restrictions and requirements that may affect competitiveness. These differences are summarized below and further described in Section B of this Notice. This Notice of Funding Opportunity (NOFO) solicits applications for projects to be funded under the Local and Regional Project Assistance Program in BIL, known as the RAISE Grants program, ~~including any additional funding~~ and funding appropriated for the RAISE Grants program under the FY 2023 Appropriations Act.

RAISE Grants are for investments in surface transportation that will have a significant local or regional impact. Per the BIL, in addition to capital awards, DOT will award at least ~~\$75~~\$115 million for eligible planning, preparation or design of projects eligible for RAISE Grants that do not result in construction with FY2023 RAISE funding. At least \$75 million will be awarded from the BIL funding and at least \$40 million will be awarded from the FY 2023 Appropriations Act funding.

In addition, DOT will award at least ~~\$15~~\$35 million for projects located in areas of persistent poverty or historically disadvantaged communities. A minimum of \$15 million will be awarded from the BIL funding and a minimum of \$20 million will be awarded from the FY 2023 Appropriations Act funding. RAISE grants awarded with BIL funding may not be greater than \$25 million, and grants awarded with FY 2023 Appropriations Act funding may not be greater than \$45 million.

SECTION A.3, Changes from the FY 2021 NOFO, paragraph 8

This FY 2023 RAISE notice makes changes from FY 2022 RAISE to reflect the funding and provisions specified in the BIL for FY 2023 and the FY 2023 Appropriations Act. ~~If the FY 2023 Appropriations Act impacts requirements for the RAISE Grant program, including the amounts available~~

~~for any categories of awards, the Department will amend this Notice with guidance on those impacts. It is important to note that unlike the FY 2022 RAISE round, in FY 2023 there are minimum award amounts for planning grants (\$1 million minimum planning grant in rural areas and \$5 million minimum planning grant in urban areas). Those minimum planning grant amounts are mandated in the BIL.~~

SECTION B.1 Amount Available, full section

The BIL authorized and appropriated \$1.5 billion to be awarded by DOT for RAISE grants under the Local and Regional Project Assistance Program (49 U.S.C. 6702) for FY 2023. **On December 29, 2022, the FY 2023 Appropriations Act appropriated an additional \$800 million for the FY 2023 RAISE Grant Program. Therefore, a total of \$2.3 billion in funding is now available for the FY 2023 RAISE Grant Program. However, per Section 109B of the FY 2023 Appropriations Act, not less than \$1 million (but no greater than \$25 million) of the \$800 million made available for RAISE from the FY 2023 Appropriations Act, will be set aside for port infrastructure projects that received an award from the BUILD 2019 competition and rail infrastructure projects that received an award from the BUILD 2018 competition. Therefore, at least \$775 million (but no more than \$799 million) of the FY 2023 Appropriations Act is now available under this RAISE 2023 NOFO. In total, the Department now has at least \$2.275 billion (but no more than \$2.299 billion) available for the FY 2023 RAISE Grant Program. Applicants should note that the two funding streams (BIL funding and FY 2023 Appropriations Act funding) have slightly different funding restrictions and requirements that may affect competitiveness of certain request amounts.** The grants are to be awarded on a competitive basis for surface transportation projects that will have a significant local or regional impact and improve transportation infrastructure. DOT will award at least \$75 ~~\$115~~ million for the planning, preparation or design of eligible projects; **this amount includes 5 percent from each of the two available funding sources, (\$75 million (of the \$1.5 billion) from BIL funds and \$40 million (of the \$800 million) from the FY 2023 Appropriations Act).** DOT refers to awards for the planning, preparation or design of eligible projects that do not result in construction with FY 2023 RAISE funding

as planning grants. DOT will award at least ~~\$15~~ **\$35** million for projects located in historically disadvantaged communities or areas of persistent poverty; **this amount includes \$15 million from available BIL funds and \$20 million from available FY 2023 Appropriations Act funds.** The DOT may retain up to \$30 million **from BIL funds and up to \$16 million from FY 2023 Appropriations Act funds** for oversight and administration of grants and credit assistance made under the program. The Department does not anticipate awarding additional funding from prior rounds; however, if unobligated program funds are made available from prior rounds, they may be awarded under this solicitation to projects that can be obligated before the obligation deadline associated with the respective prior year funds. If this solicitation does not result in the award and obligation of all available funds, DOT may publish additional solicitations.

DOT may use up to 20 percent of available ~~BIL~~ funds (or ~~\$300~~ **\$460** million) to be used by DOT to pay the subsidy and administrative costs of a project receiving credit assistance under the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) or Railroad Rehabilitation and Improvement Financing (RRIF) programs, particularly transit and transit-oriented development (TOD) projects. In October 2022, the Secretary approved the “TIFIA 49 Initiative” which authorizes transit and transit-oriented development (TOD) projects to borrow up to 49 percent of eligible project costs for projects that meet eligibility requirements. TIFIA loans have historically been capped at 33 percent of eligible project costs.¹

SECTION B.2 Award Size, full section

For capital grants, ~~the~~ BIL specifies that the minimum RAISE grant award is \$5 million in urban areas and \$1 million in rural areas (as defined in Section C.3.ii). **There is no minimum award amount for planning grants for BIL funds or FY2023 Appropriations Act Funds.**

Grants **awarded under BIL funding** may not be greater than \$25 million. **Grants awarded under**

¹ Contact the Build America Bureau for more information on TIFIA and RRIF financing.
<https://www.transportation.gov/buildamerica/>

FY 2023 Appropriations Act funding may not be greater than \$45 million. Therefore, grant requests greater than \$25 million will be considered only for FY 2023 Appropriations Act funding; they will not be eligible to compete for BIL funding. In order to be considered under the full funding amount available of \$2.3 billion, the grant request may not exceed \$25 million.

SECTION B.3 Restrictions on Funding, full section

No more than 15 percent of the **BIL** funds made available for RAISE grants (or \$225 million) may be awarded to projects in a single State. **No more than 15 percent of the FY 2023 Appropriations Act funding made available for RAISE grants (or \$120 million) may be awarded to projects in a single State. Therefore, the maximum amount that can be awarded to any single state is \$345 million.**

Not more than 50 percent of the respective funding provided for RAISE grants shall be awarded to rural projects (as defined in section C.3.ii,) and not more than 50 percent of the respective funding provided for RAISE grants shall be awarded to urban projects (as defined in section C.3.ii).~~Therefore, not more than \$750 million will be awarded to projects located in urban and rural areas, respectively.~~

Therefore, not more than \$1.15 billion will be awarded to urban and rural areas respectively; not more than \$750 million from the BIL funding and not more than \$400 million from the FY 2023 Appropriations Act funding will be awarded to urban and rural areas respectively.

Federal funds awarded under this program may not be used to support or oppose union organizing, whether directly or as an offset for other funds.

SECTION B.4 Availability of Funds, full section

FY 2023 RAISE grant funds are available for obligation only through September 30, 2027. **The FY 2023 Appropriations Act funding does not have this statutory requirement; however, to ensure that projects are started and completed in an efficient manner, the Department expects projects awarded with FY 2023 Appropriations Act funding to be obligated by the same date of September 30, 2027. Therefore, it shall be referred to in this Notice as the “obligation deadline” for all projects.**

Obligation occurs when a selected applicant and DOT enter into a written grant agreement after the applicant has satisfied applicable administrative requirements, such as transportation planning and environmental review requirements for capital construction projects. Unless authorized by DOT in writing after DOT's announcement of FY 2023 RAISE awards, any costs incurred prior to DOT's obligation of funds for a project ("pre-award costs") are ineligible for reimbursement.² **BIL requires that** FY 2023 RAISE funds must be expended (the grant obligation must be liquidated or paid out to the grant recipient) by September 30, 2032. After this date, unliquidated funds are no longer available to the project. **The FY 2023 Appropriations Act funding does not have this statutory requirement; however, to ensure that projects are started and completed in an efficient manner, the Department expects projects awarded with FY 2023 Appropriations Act funding to be liquidated by the same date of September 30, 2032.** As part of the review and selection process described in Section E.2., DOT will consider a project's likelihood of being ready to proceed with an obligation of RAISE grant funds within the timeline described above. DOT does not have the authority to extend the **BIL** deadlines.

SECTION C.3.ii. Rural/Urban Definition, third paragraph

This definition affects four aspects of the program: (1) not more than 50 percent (or ~~\$750 million~~ **\$1.15 billion**) of the funds provided for RAISE grants are to be used for projects in rural areas; (2) not more than 50 percent (or ~~\$750 million~~ **\$1.15 billion**) of the funds provided for RAISE grants are to be used for projects in urban areas; (3) for a **capital** project in a rural area, the minimum award is \$1 million, while the minimum **capital** award for urban areas is \$5 million; and (4) the Secretary may increase the Federal share above 80 percent to pay for the eligible costs of a project in a rural area.

SECTION C.3.iii. Areas of Persistent Poverty and Historically Disadvantaged

² Pre-award costs are only costs incurred directly pursuant to the negotiation and anticipation of the RAISE award where such costs are necessary for efficient and timely performance of the scope of work, as determined by DOT. Costs incurred under an advance construction (23 U.S.C. 115) authorization before the DOT announces that a project is selected for a FY 2023 RAISE award cannot be charged to FY 2023 RAISE funds. Likewise, costs incurred under an FTA Letter of No Prejudice under Chapter 53 of title 49 U.S.C. before the DOT announces that a project is selected for a FY 2023 RAISE award, cannot be charged to FY 2023 RAISE funds.

Communities, first, second, and third paragraph

The Secretary may increase the Federal cost share above 80 percent for projects located in an Area of Persistent Poverty or a Historically Disadvantaged Community. Additionally, DOT must award at least ~~\$15~~ **\$35** million for projects located in historically disadvantaged communities or areas of persistent poverty.

A project located in both (1) APP or HDC areas and (2) areas that are neither APP nor HDC areas will be designated as APP or HDC if the majority of the project's costs will be spent in the area that qualifies as APP or HDC. For RAISE planning grants, the location of the project being planned, prepared, or designed will be used for the APP and HDC designations.

(a) Areas of Persistent Poverty means: (1) any county that has consistently had greater than or equal to 20 percent of the population living in poverty during the 30-year period preceding November 15, 2021, as measured by the 1990 and 2000³ decennial census and the most recent annual Small Area Income Poverty Estimates as estimated by the Bureau of the census;⁴ (2) any census tract with a poverty rate of at least 20 percent as measured by the 2014-2018 5-year data series available from the American Community Survey of the Bureau of the Census;⁵ or (3) any territory or possession of the United States. A county satisfies this definition only if 20 percent of its population was living in poverty in all three of the listed datasets: (a) the 1990 decennial census; (b) the 2000 decennial census; and (c) the 2020¹ Small Area Income Poverty Estimates.⁶ DOT will list all counties and census tracts that meet this definition for Areas of Persistent Poverty on the RAISE website at www.transportation.gov/RAISEgrants/raise-app-hdc.

³ See <https://www.census.gov/data/tables/time-series/dec/census-poverty.html> for county dataset.

⁴ See <https://www.census.gov/data/datasets/2020/demo/saipa/2020-state-and-county.html> for December 2020 Small Area Income Poverty Dataset

⁵ See <https://data.census.gov/cedsci/table?q=ACSST1Y2018.S1701&tid=ACSST5Y2018.S1701&hidePreview=false> for 2014-2018 five year data series from the American Community Survey

⁶ The Department is required by the BIL to use the most recent published Small Area Income Poverty Estimates. At the time of publication of the NOFO, the most recently published Small Area Income Poverty Estimates were the 2020 dataset, and therefore this is what will be used for the RAISE 2023 evaluation. **On December 15, 2022, the 2021 Small Area Income Poverty Estimates (SAIPE) Dataset was published at <https://www.census.gov/data/datasets/2021/demo/saipa/2021-state-and-county.html>. The Department is updating its APP resources based on the 2021 SAIPE data.**

SECTION D.2.iii, Project Budget, first paragraph

This file should describe the budget for the RAISE project (i.e., the project scope that includes RAISE funding and matching funding if required), including information about the degree of design completion (e.g., 30 percent design) for which the cost was estimated. **Applicants should carefully consider the differing funding restrictions for the BIL funding and the FY 2023 Appropriations Act funding, which could affect competitiveness and are further described in Section B. If the budget presented in the application shows a grant request greater than \$25 million, the application will be competing for only the FY 2023 Appropriations Act funding.** This budget should not include any previously incurred expenses. The budget should show how each source of funds will be spent. The budget should also show how each funding source will share in each major construction activity, and present that data in dollars and percentages. If applicable, the budget should identify Federal funds that have been previously authorized by a Federal agency. The budget should clearly identify any expenses expected to be incurred between time of award and obligation because these expenses are not eligible for reimbursement, as described in Section B.4, or for non-Federal funds, as described in Section C.2. The budget details should sufficiently demonstrate that the project satisfies the statutory cost-sharing/matching funds requirements described in Section C.2. At a minimum, the project budget should include:

- (a) Total Project Costs for the FY 2023 RAISE project (see Section C.2 for definition of Total Project Cost);
- (b) FY 2023 RAISE grant funding request;
- (c) Specific source, amount, and type (grant, loan, etc.), of funds to be used for eligible project costs;
- (d) Specific sources and amounts of non-Federal funds, if included, to be used for eligible project costs;
- (e) Documentation of funding commitments for those non-Federal and other Federal funds; and
- (f) If the project is located in two or more census tracts or is located only partially within an urbanized area, the budget needs to separate the costs between the various census tracts or areas designated as urban and rural.

SECTION D.2.iv.h. Innovation, full section

This section of the merit criteria application file should describe how the project aligns with the ~~partnership and collaboration~~ **innovation** criterion described in Section E.1.i.(h) of this notice.

[end of Amendment]