



Presentation to Houston City Council, Transportation, Technology and Infrastructure Committee

# Overview of the Infrastructure Investment and Jobs Act (IIJA): Opportunities for Houston

December 2, 2021

---

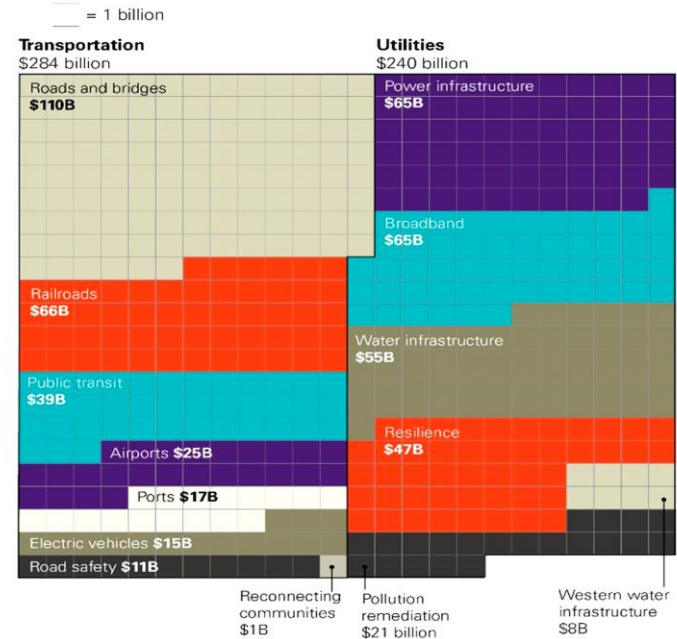
Susan Lent, Partner, Akin Gump Strauss Hauer & Feld LLP

# What is the Infrastructure Investment and Jobs Act?

- Appropriates \$1.2 trillion of which over \$550 billion is new federal spending.
- Takes expansive view of infrastructure
  - Transportation
  - Electric vehicles and charging infrastructure
  - Energy
  - Water
  - Broadband
  - Buildings
  - Research and Development
  - Manufacturing.

\$550 billion in new investments

Almost half of the \$1.2 trillion package is going toward new investments in transportation, utilities and pollution remediation.



An additional \$5 billion is made up of small provisions to aid different groups.  
Source: Congressional Budget Office.

# Transportation Programs

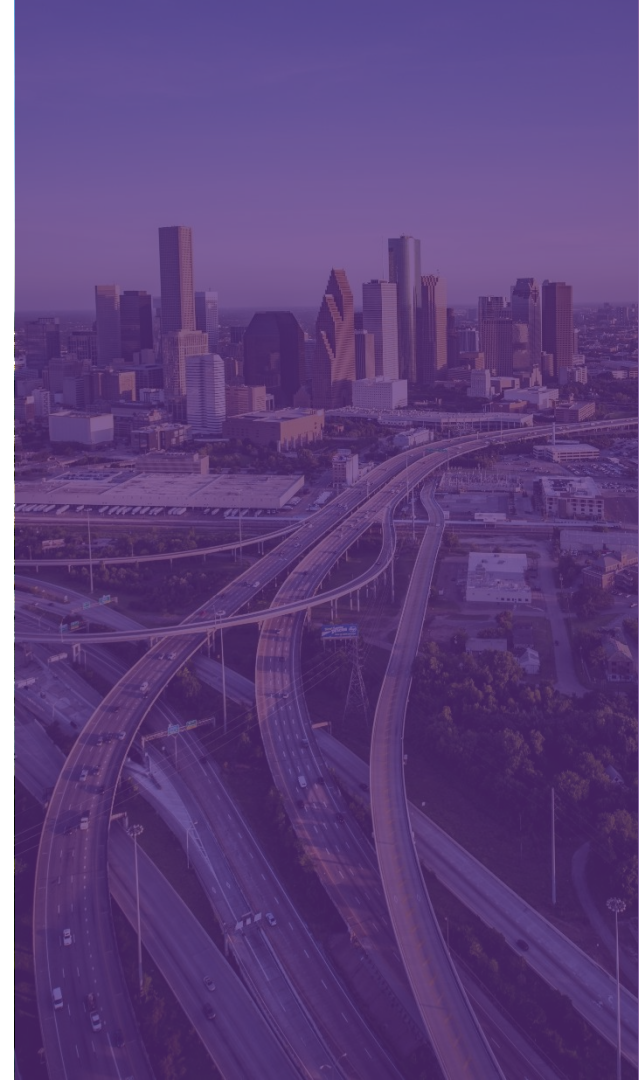
- \$567.5 billion for Department of Transportation (DOT) programs.
  - \$293.4 billion is baseline spending (i.e., authorized in prior transportation law).
  - \$274.1 billion is new spending.

Agency	Highway Trust Fund	Guaranteed Appropriations	General Fund (subject to appropriation)
FHWA	\$304.0B	\$47.3B	\$14.6B
FTA	\$69.9B	\$21.3B	\$15.8B
Multimodal			\$21.9B
FRA		\$66.0B	\$36.2B
FMCSA	\$4.5B	\$0.67B	
NHTSA	\$5.0B	\$1.61B	\$2.8B
Research/Innovation			\$0.6B
Hazmat*			\$0.6B
OST		\$19.0B	\$1.3B
FAA		\$25.0B	
MARAD		\$2.3B	
PHMSA		\$1.0B	
HTF – Highways	\$313.5B		
HTF – Transit	\$69.9B		
Totals	\$383.4B	\$184.2B	\$93.5B
		Total “Real” Funding: \$567.5B	

# Department of Transportation

---

- Funding distributed by formula and competitive grants and through low cost loans.
- State Departments of Transportation, transit agencies and airports will receive formula funds directly.
  - The City of Houston can pursue funding from the Texas Department of Transportation (TXDOT) and the Houston-Galveston Area Council (H-GAC).
- City also may apply for competitive grants.



# Department of Transportation Competitive Grants

---

- Over \$150 billion for competitive grants.
- Most grant programs require matching funds.

Program Name	Amount (over 5 years)	Description
Rebuilding American Infrastructure with Sustainability and Equity (“RAISE”) grants. This program was referred to by the acronyms “BUILD” during President Trump’s Administration and “TIGER” during President Obama’s Administration.	\$7.5 billion	Projects that will have a significant economic impact and improve transportation infrastructure, including road, bridge, public transit, passenger or freight rail, port, surface transportation components of airport projects and projects to replace culverts or prevent stormwater runoff.
Nationally Significant Freight and Highway Projects (known as “INFRA”).	\$8 billion	Highway and rail projects of regional and national significance. Projects must equal or exceed the lesser of \$100 million or 30 percent of the amount apportioned to the state. At least 10 percent of the funds are for small grants between \$5 million and \$25 million. Projects must be reasonably expected to begin construction within 18 months after the date of obligation. The federal share may not exceed 60 percent.

# Department of Transportation Competitive Grants

---

Program Name	Amount (over 5 years)	Description
Strengthening Mobility and Revolutionizing Transportation (“SMART”) Grants	\$500 million	New program will fund smart city projects that improve transportation efficiency and safety, including coordinated automation, connected vehicles, intelligent sensor-based infrastructure, systems integration, commerce delivery and logistics, leveraging innovative aviation technology such as unmanned aircraft systems, smart grids and smart technology traffic signals. Encourages private sector innovation and partnerships.
Reconnecting Communities	\$1 billion (\$250 million for planning and \$750 million for construction)	New program funds projects that remove, retrofit or mitigate previously constructed barriers to mobility, access or economic development to restore community connectivity.
Projects of National Significance	\$5 billion	New program funds large-scale projects that generate economic, mobility or safety benefits and are cost-effective. Funds highway, bridge, freight intermodal, railway-highway grade separation and elimination, intercity passenger rail and public transportation projects. Project must cost at least \$500 million. Secretary may enter into multiyear grant agreements.

# Department of Transportation Competitive Grants

---

Program Name	Amount (over 5 years)	Description
Promoting Resilient Operations for Transformative, Efficient and Cost-Saving Transportation ("PROTECT") Grants	\$1.4 billion	New program funds projects that improve resiliency and address vulnerabilities to current and future weather events, including sea level rise. Funds may be used for highways, transit and port infrastructure.
Congestion Relief Program	\$250 million	New program funds projects in cities with populations of more than 1 million that reduce congestion, including high-occupancy vehicle (HOV) lanes, toll lanes, cordon pricing, parking pricing and congestion pricing and implementation of mobility services and incentive programs that encourage nonhighway travel and travel during nonpeak times.
Safe Streets for All Grants	\$5 billion	New program funds projects to implement "vision zero" plans and other improvements to reduce crashes and fatalities and protect pedestrians and bicyclists.
Healthy Streets Grants	\$500 million	New program funds projects to install cool pavements and porous pavements and to expand tree cover.
Reduction of Truck Emissions at Port Facilities	\$250 million	New program funds projects that reduce port-related emissions from idling trucks, including through port electrification.

# Department of Transportation Competitive Grants

---

Program Name	Amount (over 5 years)	Description
Port Infrastructure Development Program	\$2.25 billion	Competitive grant program that funds infrastructure projects at public ports.
Bridge Discretionary Grants	\$12.5 billion	New program to rehabilitate and replace bridges.
Consolidated Rail Infrastructure and Safety Improvements (CRISI)	\$5 billion	Funds projects that improve safety, efficiency and reliability of intercity passenger and freight rail.
Railroad Grade Crossing Elimination Program	\$3 billion	New program that funds projects to eliminate at-grade railroad crossings, add gates or signals, relocate tracks and install bridges. Sets aside funding for planning and to carry out highway-rail grade crossing safety information and education programs.
Federal-State Partnership for Intercity Passenger Rail	\$36 billion	Expansion of existing program to funds projects that improve performance or expand/establish new intercity passenger rail. At least 45 percent of the funding must go to the Northeast Corridor. DOT can enter into multiyear phased funding agreements for projects.



# Department of Transportation Competitive Grants

---

Program Name	Amount (over 5 years)	Description
Airport Terminal Program	\$5 billion	New grant program for airport terminal development projects. Includes multimodal projects and projects for on-airport rail access. Secretary must give consideration to projects that increase capacity and passenger access, replace aging infrastructure, expand access for people with disabilities, improve airport access to historically disadvantaged persons and improve energy efficiency.
Public Transportation Competitive Grants (combined)	\$36.6 billion	Funds variety of competitive grant programs for public transportation.

# DOT Electric Vehicle Infrastructure Grants

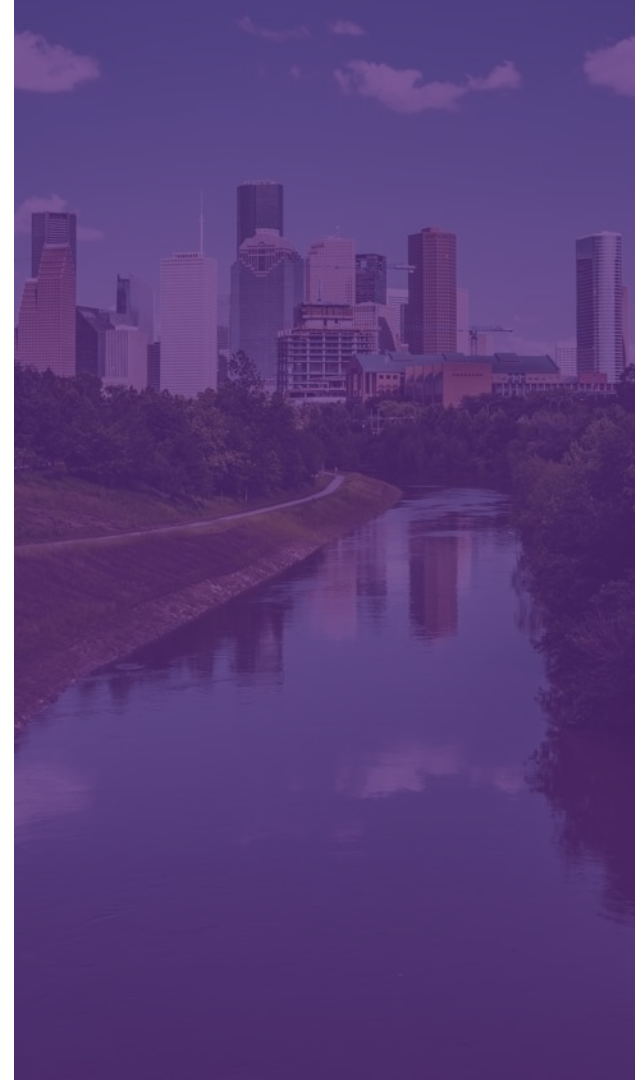
---

Program Name	Amount (over 5 years)	Description
Charging and Fueling Infrastructure Competitive Grants	\$2.5 billion	Funds publicly accessible electric vehicle charging infrastructure and hydrogen, propane and natural gas fueling infrastructure on designated alternative fuel corridors. Public entities may contract with private entities. 50 percent of funds prioritized for projects that expand access to charging and fueling infrastructure in low- and moderate-income neighborhoods, communities with a low ratio of private parking spaces to households or a high ratio of multiunit dwellings to single family homes and rural areas. Cities are eligible applicants.
National Electric Vehicle Formula Program	\$5 billion	Funds to be distributed by formula to states to deploy electric vehicle charging infrastructure. Charging infrastructure must be open to the public or for authorized commercial motor vehicle operators from more than one company. Public entities may contract with private entities.

# Water Programs

---

- \$55 billion for Environmental Protection Agency (EPA) programs.
- \$9.55 billion for Army Corps of Engineers programs for authorized projects.
- \$1 billion for Federal Emergency Management Agency (FEMA) state resiliency grant program (BRIC).
- \$83 billion for Bureau of Reclamation programs.



# EPA Grant Programs

---

- Act provides funds to capitalize State Drinking Water and Clean Water Revolving Loan Programs.
- Funds go to Texas Water Development Board in Texas. Houston can pursue funds.

Program Name	Amount (over 5 years)	Description
State Drinking Water Revolving Loan program	\$30 billion	<ul style="list-style-type: none"><li>• \$11.713 billion to capitalize program of which 49 percent is for grants or forgivable loans to disadvantaged communities.</li><li>• \$15 billion for lead service pipe replacement of which 49 percent is for grants or forgivable loans or grants.</li><li>• \$4 billion to address emerging contaminants for forgivable loans or grants.</li></ul>
State Clean Water Revolving Loan Program	\$5 billion	<ul style="list-style-type: none"><li>• \$11.713 billion to capitalize program of which 49 percent is for forgivable loans or grants.</li><li>• \$1 billion to address emerging contaminants for forgivable loans or grants.</li></ul>

# EPA Grants

---

Program Name	Amount (over 5 years)	Description
Brownfields Grants	\$1.5 billion	Competitive grants for remediation of contaminated properties.

# EPA Grants

---

- The following grants are authorized subject to funding being appropriated in annual appropriations legislation:
  - \$1.4 billion for Sewer Overflow and Stormwater Municipal Grants.
  - \$100 million for Wastewater Efficiency Grants.
  - \$500 million for pilot program for lead reduction projects.
  - \$250 million for a Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program.
  - \$125 million for a Pilot Program for Alternative Water Source Projects.
  - \$125 million for a Clean Water Resiliency and Sustainability Program.
  - \$50 million for a Stormwater Control Infrastructure competitive grant program to incorporate new and emerging but proven stormwater control technologies.

# Department of Energy Programs

---

- The Law authorizes and appropriates funding for competitive grants and low cost loans for grid reliability and security, renewable energy and ensuring critical supply chains for energy innovation.
  - \$27.65 billion for grid infrastructure, resiliency and reliability programs.
  - \$7.712 billion for research and development and manufacturing incentives to establish supply chains for clean energy technologies.
  - \$27.85 billion for fuels and technology infrastructure (e.g., carbon capture).
  - \$9.5 billion for programs related to research, development, demonstration and deployment of hydrogen from clean energy sources.
  - \$5.05 billion for grant and loan programs to encourage investment in energy-efficient infrastructure, vehicles and technology.
  - \$763 million for hydropower incentives.

# Department of Energy Programs

---

The following programs may be of interest to the City of Houston and Houston Businesses:

Program Name	Amount (over 5 years)	Description
Grid Infrastructure Reliability Competitive Grants	\$5 billion	New competitive grant program funds grid resiliency projects. Grid operators, electricity storage operators, electricity generators, transmission owners and operators, distribution providers, fuel suppliers and other entities determined by the Secretary are eligible. At least 30 percent of the funds must go to entities that sell four million megawatt hours or less of energy per year.
Energy Infrastructure Federal Financial Assistance Program	\$1 billion	New competitive grant funds innovative approaches to transmission, storage and distribution infrastructure to improve resilience and reliability. States, local governments and public utility commissions are eligible..
Transmission Facilitation Program	\$50 million	Authorizes Secretary of Energy to enter into capacity contracts, provide loans and participate in projects to construct electric power transmission lines. Recipients must repay loans, although the Secretary may forgive the loan at the end of the useful life of a project or termination of a capacity contract if there are funds owned to the Treasury, .



# Department of Energy Programs

---

The following programs may be of interest to the City of Houston and Houston Businesses:

Program Name	Amount (over 5 years)	Description
Energy Efficiency Revolving Loan Fund Capitalization Grants	\$250 million	Funds to capitalize state revolving loan program to make low interest loans to government and other entities for commercial energy audits and residential energy audits and to make energy upgrades or retrofits.
Grants for Energy Efficiency Improvements and Renewable Energy Improvements at Public Schools	\$500 million	Competitive grants to public schools for energy efficiency and renewable energy upgrades and to purchase alternative fuel vehicles and infrastructure.
Weatherization Assistance Program	\$3.5 billion	Funds to states to fund local community action agencies, nonprofit organizations, and local government programs to make homes of low-income persons more energy efficient.

# Department of Energy Programs

---

The following programs may be of interest to the City of Houston and Houston Businesses:

Program Name	Amount (over 5 years)	Description
Energy Efficiency and Conservation Block Grants	\$550 million	Block grants to governmental entities to develop, promote, implement and manage energy efficiency and conservation projects.
Smart Grid Matching Grants	\$3 billion	Funds 50% of the cost of smart grid technology that will enable performance improvements and cost savings. Includes technology improvements to buildings, facilities, appliances and equipment; advanced metering; electric distribution systems; electric transmission systems; and equipment manufacturing. Electric utilities and manufacturers of appliances and equipment are among eligible applicants.

# Timing of Funds and City of Houston Engagement

---

- Funding for programs that already are in existence should be distributed quickly.
- Some programs will require future appropriations.
- New programs will take time for federal departments and agencies to establish procedures, issue solicitations and award grants.
- City of Houston can identify programs of interest, develop partnerships with business, non-profits and Harris County as appropriate and communicate priorities to federal departments and agencies.



Questions?