



CALIFORNIA
High-Speed Rail Authority

Federal Grant Strategy
Current and Upcoming Grant Applications

June 16, 2022



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INTRODUCTION

- Due to the scale and national-significance of high-speed rail, the Authority has always planned for significant federal funding to complete the project. The 2008 Business Plan, for example, targeted from one-third to one-half of the project cost to be funded with federal dollars.
- The Authority received significant federal funds in 2009 and 2010; however federal funds have been more limited since then. The 2022 Business Plan identified approximately \$23.4 billion available or authorized for the project with \$3.5 billion or 15 percent of that being federal grants.
- The federal Bipartisan Infrastructure Law (BIL) re-engages the federal government in infrastructure funding at a level not seen since the American Recovery and Reinvestment Act of 2009.
- The 2022 Business Plan included the Authority's federal funding strategy that set a target of \$8 billion in new federal grants for the project. If funding is provided at this level, the federal share would increase to about 37 percent.
- Starting with grant applications submitted on May 23, 2022, the Authority will aggressively pursue funding from the BIL.

CURRENTLY-AWARDED FEDERAL GRANTS

To date, the Authority has been awarded the following four federal grants:

| Grant Awarded | Amount | Status |
|-----------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ARRA Grant | \$2.5B | ARRA Grant provided HSR with \$2.5 billion in federal funding which was fully expended by the statutory deadline (Oct-17). In January 2022, the Authority achieved its state match requirement (\$2.5 billion) one year ahead of schedule. |
| FY10 Grant | \$929M | FY10 Grant provides the Authority with \$929 million and has state match requirement of \$360 million. Period of performance under the grant is through 2026 with planned expenditures to start in the summer of 2024. |
| RAISE Grant | \$24M | RAISE Grant awarded in Nov-21 provided \$24 million in federal funding to be used for crucial safety, efficiency and construction projects in and around the City of Wasco. |
| EPA Brownfields | \$600K | The Brownfields EPA grant appropriation of \$600K is included in the ARRA Project Development appropriation (Los Angeles - Anaheim). About \$400K or 67% of the funds have been spent to date. |
| Total | \$3.5B | Total of around \$3.5 billion in federal grants has been awarded. |

PENDING FEDERAL GRANT APPLICATIONS

SUBMITTED PRIOR TO THE MULTIMODAL PROJECT DISCRETIONARY GRANT (MPDG)

The Authority has two grant applications currently under federal review which were submitted prior to the Multimodal Project Discretionary Grant (MPDG) applications. They include:

| Grant Application | Amount | Grant Program | Scope |
|---------------------------------|----------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fresno Historic Depot | \$8.5M | RAISE Grant | Will rehabilitate historic Depot in Fresno that will be a key multi-modal station on the future HSR corridor. The total cost of the project is estimated to be \$17 million. |
| Merced Extension Design Project | \$25M | RAISE Grant | Will be used to advance the design for the Merced extension. The total cost of the project is estimated to be \$41M. |
| Total | \$33.5M | | A total of around \$34 million in federal grants are currently under review. |

BIPARTISAN INFRASTRUCTURE LAW PROGRAMS

| Competitive Grants Program | Eligibility/Purpose | Appropriated | Additional Authorization* | Total |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------------------------------|--------|
| Federal-State Partnership for Intercity Passenger Rail Grants (F-S PIPR) (excluding the Northeast Corridor set-aside) | High-speed rail and all intercity rail expansion projects Multi-year commitments possible | \$12.0 | \$4.1 | \$16.1 |
| Consolidated Rail Infrastructure and Safety Improvements (CRISI) | Capital projects that will improve passenger and freight rail transportation systems in terms of safety, efficiency, or reliability | \$5.0 | \$5.0 | \$10.0 |
| National Infrastructure Project Assistance Program (NIPA) (Mega) | Broad eligibility for different types of infrastructure | \$5.0 | \$10.0 | \$15.0 |
| Local and Regional Project Assistance Program (L&R) (RAISE Grants) | Invest in roads, rail, transit and port projects to achieve national objectives | \$7.5 | \$7.5 | \$15.0 |
| Nationally Significant Multimodal Freight and Highway Projects (INFRA Grants) | Fund highway and freight projects of national and regional significance Available for rail/highway crossing projects | \$3.2 | \$6.0 (Authorization) and \$4.8 (Contract Authority) | \$14.0 |
| Federal Railroad Administration Railroad Crossing Elimination (XING) Program | Highway-rail grade crossing improvement projects that focus on improving the safety and mobility of people and goods | \$3.0 | \$2.5 | \$5.5 |

* Final FY22 federal appropriations fell below amounts authorized for FY22 in the Bipartisan Infrastructure Law (\$ in Billions)

AUTHORITY'S FEDERAL GRANT STRATEGY – PART 1

| Outcome | Federal Programs | Scope | Cost to Complete | Fed Grant Request |
|-------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------|
| 1st Operating HSR System: Merced to Bakersfield | F-S PIPR NIPA/Megaprojects RAISE FRA RR Crossings CRISI | Implement passenger service on HSR infrastructure at true high speeds (up to 220 mph) 171 miles, double-track system backbone All necessary engineering and design US-built HSR trainsets Five initial stations, including intermodal hubs at Merced and Bakersfield Fully electrified, renewable power for system operations Connectivity to existing Amtrak and regional rail services expected to more than double ridership 202,000 job-years of employment created from inception through completion | \$6.0 billion plus contingencies* | \$4.8 billion (Matched with HSR Cap-and-Trade Funds) |

AUTHORITY'S FEDERAL GRANT STRATEGY – PART 2

| Outcome | Federal Programs | Scope | Cost to Complete | Fed Grant Request |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------------------------------|
| System-Wide Advancement/ Start Bay Area Connection | F-S PIPR NIPA/Megaprojects RAISE | Silicon Valley - Central Valley connection Post Environmental Clearance, Advance Design SF to Merced ROW Acquisition – Targeted Priorities Shared Caltrain corridor investments that benefit both systems Phase I – Design Post Environmental Clearance, Advance Design on all Phase 1 Segments | \$2.0 billion + | \$1.6 billion + Matched with other State/Local Funds |
| Early Investments/ Benefits Around the State | F-S PIPR NIPA/Megaprojects RAISE FRA RR Crossings CRISI INFRA FTA Capital Programs where applicable | Partnerships/projects in Phase 1 HSR segments Grade Separations with early safety benefits Electric vehicle/bus charging facilities Key connections between transit and HSR stations Stations and multimodal enhancements at stations on Phase 1 route | \$2.0 billion + | \$1.6 billion + Matched with other State/Local Funds |

CONSIDERATIONS TO MAXIMIZE FEDERAL FUNDING

- The United States Department of Transportation (USDOT) understands larger projects may seek grants over multiple years and multiple funding programs. The Authority will therefore apply for all programs for which we are eligible over multiple years requesting project elements best suited to each grant program.
- USDOT may consider a “letter of intent” mechanism whereby an award in year 1 may come with the intent to award additional funds in years 2-5. Therefore, where applicable, the Authority will be submitting large dollar grant request that have distinct elements that can be funded over multiple years of federal appropriations.
- USDOT is looking at an applicant’s track record and funding commitment. The Authority is successfully working through the challenges of being the first true high-speed rail project in the country and is executing on the delivery of environmental clearances and construction. The successful appropriation of Proposition 1A funds will further demonstrate this commitment.
- USDOT is considering criteria such as addressing climate change, racial equity, and high-wage construction jobs, in addition to other transportation benefits. California’s priorities align with these criteria and we will speak to them in grant applications.

May 23, 2022, MULTIMODAL PROJECT DISCRETIONARY GRANT (MPDG) APPLICATION #1

The Authority's first application is to advance design, construction and equipment elements of the *State of California– Inaugural High-Speed Operating Service*, a two-track line connecting the cities of Merced, Fresno and Bakersfield. The requested federal grant funds of approximately \$1 billion (over multiple annual funding cycles) are proposed to be applied to capital costs of the following key elements:

- Procuring six high-speed trainsets, which will be sufficient for initial testing and future interim operating service between Merced, Fresno and Bakersfield;
- Constructing a second track for the current 119 miles of high-speed rail in the Central Valley;
- Completing design for two extensions beyond the current 119 miles of construction to reach 171 miles of true high-speed track and systems in the Central Valley: (1) from Madera to Merced; and (2) from Poplar Avenue to downtown Bakersfield; and
- Constructing two initial stations at Fresno and Kings/Tulare

May 23, 2022, MULTIMODAL PROJECT DISCRETIONARY GRANT (MPDG) APPLICATION #2

The Authority's second application is for *California High-Speed Rail – San Francisco to Los Angeles Configuration Design*, to fund the next phase of design on additional segments in Northern and Southern California that have achieved or are about to achieve environmental Records of Decision. The requested federal grant funds of approximately \$223 million (over multiple annual funding cycles) are proposed to be applied to the following segments:

- San Francisco to San Jose
- San Jose to Merced
- Bakersfield to Palmdale
- Burbank to Los Angeles

UPCOMING GRANT OPPORTUNITIES

The federal government releases Notices of Funding Opportunities (NOFOs) that announce grant program criteria and application due dates. NOFOs are expected to be released this calendar year as follows:

- **Railroad Crossing Elimination Program (XING) – NOFO in June**
- **Consolidated Rail Infrastructure and Safety Improvement (CRISI) – NOFO in August**
- **Federal-State Partnership (F-SPIPR) – NOFO in October**

Thank you.