

**NYC Department of Transportation Testimony on Assessing New York City's Infrastructure and Laying the Foundation for Federal Infrastructure Funding before the City Council Committees on Transportation and Infrastructure and Resiliency and Waterfronts
April 19, 2022**

Good morning Chair Brooks-Powers, Chair Kagan, and members of the Committees on Transportation and Infrastructure and Resiliency and Waterfronts. I am Will Carry, Assistant Commissioner for Policy at the New York City Department of Transportation and I am joined by Yogesh Sanghvi, Associate Commissioner for Grants and Fiscal Management, Leslie Wolf, Executive Director of Capital Program Planning, and Rebecca Zack, Assistant Commissioner for Intergovernmental and Community Affairs. We are happy to testify today with our colleagues from the Mayor's Office of Climate and Environmental Justice (MOCEJ) and the Department of Environmental Protection (DEP). It is an honor for us to be here, on behalf of Commissioner Rodriguez, to discuss the topic of Assessing New York City's Infrastructure and Laying the Foundation for Federal Infrastructure Funding.

NYC DOT is committed to maintaining our streets, bridges, and the Staten Island Ferry in a state of good repair, while ensuring that our infrastructure is protected from the impacts of the climate crisis. We seek to improve safety and expand transportation choices for all New Yorkers, especially those who live in historically under-served communities. I will speak to how we, working closely with our partner agencies, are going after every dollar available from the Bipartisan Infrastructure Law or "BIL" to advance projects that will benefit New Yorkers for decades to come. And I will also discuss how we incorporate resiliency into our work and the role we play in large multi-agency resiliency projects.

I will start with a little context on the role that federal funding plays in our capital budget.

Federal Transportation Funding Overview

Of NYC DOT's \$20.3 billion in capital expenditures over the past 20 years, \$14.9 billion, or 73 percent, were funded by the city; \$1.2 billion, or six percent, were funded by the state; and \$4.2 billion, or 21 percent, were funded by the federal government. Most of these funds have come through a succession of five-year federal surface transportation bills, the latest of which is the BIL. While state and federal funding sources play an important

role, the large majority of our capital plan will continue to be funded by city dollars.

Federal funds for transportation typically flow to NYC DOT in three ways: first, as “formula” funds. These are block grants to New York State, which the State in turn distributes to us and other local governments. Second, NYC DOT can secure funding through “discretionary” funds, which are competitive grants. While the selection criteria for discretionary funds are outlined in the authorizing statute, the transportation priorities of the President and Transportation Secretary at the time typically influence which applications are funded. Third, New York State may choose to distribute some formula funding to local governments through its own competitive grant programs.

In addition to the regular surface transportation bill, over the years we have received federal funds from special sources, such as 9/11 recovery, Hurricane Sandy recovery, and COVID-19 relief. And in the past we have also received member designated funding or “earmarks.” Although transportation earmarks were not included in the BIL, earmarks returned for the first time in more than a decade in the FY22 omnibus spending bill enacted last month.

Bipartisan Infrastructure Law—What It Means for NYC DOT

Now, turning to the BIL. The BIL is a five-year surface transportation reauthorization, which increased the funding levels for many existing programs as well as created several new programs. The BIL is also a multi-year appropriations act. It’s important to note that the BIL funded much, although not all, of the spending levels and programs it authorized.

At the outset, I want to say how eager we are to work closely with the State to make the most of this once-in-a-generation funding opportunity. New York City and New York State have a long history of working together to invest in the city’s multi-modal transportation network. New York State has given NYC DOT information on its share of *existing* formula programs under the BIL, and we are awaiting further details on how the state plans to distribute the *new* funding programs. These new programs could help NYC DOT address critical funding needs that are essential to building a stronger economy and a resilient future for the city, state, and region.

Sharing these new funding programs widely with local governments is also consistent with the Federal Highway Administration (FHWA)’s direction to

state governments. In a public memo in December 2021, Stephanie Pollack, the FHWA Administrator, wrote:

“FHWA staff shall emphasize to our planning and project selection and project delivery stakeholders [i.e. states] that the resources made available under the BIL can and should be applied to modernize all eligible streets, highways, and bridges – not just those owned and operated by State departments of transportation.”¹ This is critical, as many roadways in need of infrastructure investment are not part of the state or federal highway systems.

And for bridges, Administrator Pollack wrote that: “FHWA staff should encourage metropolitan planning organizations, State transportation departments, FMLAs, and other decision makers to direct new and expanded investments based on asset condition and need for modernization, as well as the potential for an investment or project to achieve Building a Better America objectives – rather than focusing exclusively or primarily on assets owned by States.”²

Formula Funding

Turning first to formula funding in the BIL, NYC DOT anticipates receiving a total of about \$1.3 billion in highway formula funding from the BIL over the next five years. Prior to the BIL’s passage, our agency had already programmed \$470 million in federal funds in our Expense and Capital budgets, based on the assumption that Congress would pass another transportation reauthorization. This means that about \$830 million will be available to program in future financial plans.

The State of New York recently informed NYC DOT that its annual allocation for *existing* formula programs will be \$193 million. This is a 23 percent increase from our previous annual allocation of \$157 million and is consistent with the share of federal formula funding NYC DOT typically receives. For *new* programs, NYC DOT is awaiting guidance from the State as to how these funds will be distributed. These programs include the Promoting Resilient Operations for Transformative, Efficient and Cost-saving Transportation, or “PROTECT” Formula Program, which funds resiliency projects; the Carbon Reduction Program, which funds bike, pedestrian, and bus projects; the National Electric Vehicle Infrastructure

¹ https://www.fhwa.dot.gov/bipartisan-infrastructure-law/building_a_better_america-policy_framework.cfm

² [Ibid](#)

Formula Program, which funds electric vehicle (EV) charging stations; and the Bridge Formula Program (BFP), the largest new program in BIL.

Based on USDOT's apportionment tables, in Federal Fiscal Year 2022 (FFY22), New York State is slated to receive \$409 million annually from the BFP pot alone, with an additional \$50 million for Carbon Reduction, \$56 million for PROTECT, and \$26 million for EV charging, for a total of more than \$540 million. Totals for the PROTECT and Carbon Reduction programs will increase each fiscal year through 2026. Because Congress did not pass the federal spending bill until March, and funded the government at existing levels until that point, the State may receive slightly less in FFY22 than USDOT originally projected.

Ultimately, the State has broad discretion over how much of this funding will flow to New York City. Given FHWA's guidance calling on state DOTs to share funds with local governments and the city's significant infrastructure needs, we urge the state to share a portion of all formula programs with local governments. New York State typically allocates 30 percent of formula funds to New York City: with 15 percent going towards State assets and 15 percent to City assets. We suggest that this formula be applied to these new programs. Timely guidance on how the State intends to share these funds will also help the City plan for the future.

If shared with the city, these funds would help us adapt our transportation infrastructure in the face of climate change by accelerating the transition to clean electric vehicles, expanding options for walking and biking, improving bus service, and integrating resiliency features into our capital projects. These funds would also help us to maintain our vast inventory of infrastructure in a state of good repair, including our 789 bridges and tunnels and 6,300 miles of streets.

Sharing these funds will also benefit the state by helping it to achieve its expansive climate goals and by supporting the recovery of the city's economy—the economic engine of New York State.

USDOT Formula Funds FFY22-FFY26 (in millions)		
Description	Statewide	NYC DOT Allocation
FHWA formula funds that NYS has allocated to regions	\$5,596	\$868
FHWA formula funds that NYS may distribute as statewide competitive grants	\$3,591	\$180 (NYC DOT estimate)
FHWA formula funds that NYS has not yet allocated, including Bridge Formula Program (not included in state's funding targets)	\$3,326	\$350 (NYC DOT estimate)
Formula Funding via NYSDOT	\$12,513	\$1,398

Discretionary Funding

Now turning to discretionary funding. The amount for which NYC DOT can compete has approximately doubled, to over \$10 billion annually across more than 30 discretionary programs. Most are specific to certain types of projects, for example bridges, freight, or safety. The large majority of award opportunities are either small (less than \$5 million) or medium sized (up to \$25 million), with a handful of large award programs.

To maximize our chances of securing discretionary funds, we are closely tracking the release of grant applications, coordinating with the OMB and our agency partners, and identifying a pipeline of competitive projects to match each grant opportunity. These candidates are screened to ensure that they meet USDOT requirements. We are also happy to talk with members of the Council about projects they are interested in advancing. For capital funding, projects often must be far along in the development process, referred to as “shovel ready,” as well as advance the Biden Administration’s goals, referred to as “shovel worthy.”

These goals include building a stronger and fairer economy; combating climate change; addressing racial inequities and underinvestment; and

improving mobility, access, and safety. We are cautiously optimistic on our chances, as these goals align closely with the Adams Administration's top transportation priorities and NYC DOT's capital plan.

Our work to pursue these funds is well underway. New York City just submitted two applications for this year's Rebuilding American Infrastructure with Sustainability and Equity or "RAISE" program (formerly known as TIGER), for which the BIL increased annual funding from \$1 billion to 1.5 billion. We are requesting \$17 million for capital improvements to the B82 bus route in southern Brooklyn. The project includes a suite of safety, bus, and quality of life improvements, including median bus stops, curb extensions, accessibility enhancements, landscaped medians, raised crosswalks, and storm water improvements. Both B82 riders and local residents will benefit, including those living in historically disadvantaged neighborhoods on the eastern end of the corridor.

And we are also requesting \$7.25 million for a planning grant to fund *Filling the Gaps: NYC's Greenway Expansion Plan*. This effort is a collaboration between NYC DOT, Parks, and EDC. The project will develop a plan to expand open space and greenway connections across the five boroughs, particularly within low and moderate income communities. *Filling the Gaps* will help bring the open space, safety, and bike network benefits of greenways to many more New Yorkers.

New York City is also seeking federal funds to repair the damage caused by urban highways that divide Black and Brown neighborhoods, a priority of Transportation Secretary Pete Buttigieg. Last year, NYC DOT secured a \$2 million RAISE planning grant to reimagine the Cross-Bronx Expressway in partnership with New York State DOT and the New York City Department of City Planning. And New York City hopes to secure part of the \$1 billion available under the new Reconnecting Communities Pilot Program to mitigate highways that create barriers between communities, reduce access to jobs, and contribute to air pollution.

To implement *Electrifying New York*, our vision to dramatically expand publically-accessible electric vehicle charging, we plan to apply to the newly created Charging and Fueling Infrastructure grant program, which will distribute \$2.5 billion in grants over five years. This will enable our agency to expand public EV charging in neighborhoods currently overlooked by private charging companies.

State Discretionary Funding

Of the formula money New York State is receiving, the State is allocating \$3.6 billion for competitive grant opportunities and state priority projects. The State may be reserving as much as \$1 to 2 billion for significant projects, which it will select. We hope to work with the State to dedicate a portion of this money to fund a major New York City project, such as the BQE, a project that has regional and statewide importance.

Making Federal Funds Easier to Use

While we are grateful for the resources provided in the BIL it is important to note that the current process for using federal funds is complex. Our goal is to maximize federal funding by targeting these dollars to projects that are best suited to receive them. With the encouragement of FHWA, NYC DOT's strategy is to place large amounts of federal funds on a small number of big projects, rather than spreading small amounts across many projects. We can then shift city capital dollars from these large capital projects to other projects that are less well suited for federal funding.

NYC DOT is encouraged by the openness of USDOT leadership to discussing ways to make federal funds easier for local government to use. Our top priorities include right-sizing the level of oversight necessary for different types of projects, delegating more authority to local transportation departments for making routine determinations, and exploring project delivery changes to shorten the implementation timeline for smaller federally-funded projects. We look forward to continuing to work with our federal partners on these issues.

Other New York City Funding

In terms of benefits of the BIL to New York City, I would be remiss not mention other transportation funding that is coming to the five boroughs. Our partners at the MTA are slated to receive billions in federal support for the modernization of the transit system, the backbone of our transportation network. The Federal Transit Administration recently announced an initial grant of \$400 million for Second Avenue Subway Phase 2 and a first installment of \$100 million for the Gateway project, the most critical rail project in the nation.

Realizing the Full Potential of BIL

And in the upcoming Federal FY23 budget process, now underway, New York City will advocate for further transportation funding increases, working with our Congressional delegation. Earlier I mentioned that most, but not all, of the new programs or increased funding levels established in the BIL were fully funded in the law. The new Active Transportation Infrastructure Investment Program was authorized, but not funded, to provide up to \$200 million annually in grants for bike and pedestrian projects—a good fit for much of our agency’s work.

The newly-created Safe Streets and Roads for All program, another promising initiative, is funded at \$1 billion, but authorized at \$1.2 billion. And in addition to the new Bridge Formula Program I mentioned earlier, the BIL also creates a companion discretionary program of \$2.5 billion a year. The BIL authorizes an additional average of \$653 million per year for this program, which would make it even more impactful. We hope that in FY23 and beyond, Congress will fully fund these programs.

Looking beyond the BIL, if Democrats in Congress revive some of their climate provisions in a renewed reconciliation effort, several of those proposals could provide additional funding. And, lastly, our Members of Congress are currently in the process of determining which projects they will submit for member requested funding—subject to strict transparency and accountability rules. We have provided our delegation members with information on worthy transportation projects in their districts that they could potentially fund.

Resiliency

Now, turning to the topic of infrastructure and resiliency. The BIL adds resiliency improvements to the allowable uses for the National Highway Performance Program, the single largest source of federal highway formula funding, creates the PROTECT Grant Program, and provides \$7.3 billion in formula funds and \$1.4 billion in competitive grants over five years. This new funding and flexibility will help us to advance our resiliency efforts. Further feedback from the state on how it intends to distribute these funds will help us more effectively plan our resiliency projects.

Following the passage of Local Law 41 of 2021, DOT now uses forward-looking climate data to evaluate resiliency elements for our capital project scopes. While currently in a pilot phase, this approach will expand to all

capital projects over \$10 million in 2026. In our street reconstruction program, we are working with the Department of Design and Construction (DDC) to review all new projects using a resiliency scoring framework with the goal of including as many climate hazard mitigations as feasible. The DOT bridge program is also using this scoring framework in the scoping and design of its major reconstruction projects.

In addition, as part of the new Unified Stormwater Rule, we are working with DEP and DDC to manage more stormwater through practices like porous pavement and bioswales. In partnership with City Hall, DEP, Parks, and others, we are also exploring ways to manage stormwater beyond typical rain events through the newly-funded Cloudburst program, where initial studies are already underway.

In addition to its own projects, NYC DOT plays an important role in supporting large scale interagency coastal flood protection projects. These projects, generally coordinated through MOCEJ, protect an entire area or neighborhood. Large scale interagency projects usually involve at least some streets under our jurisdiction, and our agency works closely with the project team during the planning, design, and construction phases. NYC DOT also is responsible for critical operational activities on certain specific projects, including the maintenance and operation of deployable flood gates and other structures.

Interagency projects with substantial NYC DOT involvement include:

- East Side Coastal Resiliency
- Brooklyn Bridge Montgomery Coastal Resiliency
- Red Hook Coastal Resiliency
- Bellevue
- FiDi/Seaport Climate Resiliency Master Plan
- Battery Park City Authority resiliency initiatives
- U.S. Army Corps of Engineers (USACE) South Shore Staten Island coastal protection project
- USACE Rockaway/Jamaica Bay coastal protection projects
- USACE NYNJ HATS study

In an effort to develop a pipeline of more DOT-initiated projects to address climate hazards, DOT recently secured two planning grants. Cool Corridors is the first-ever heat mitigation proposal funded by FEMA's Building

Resilient Infrastructure and Communities or “BRIC” grant to develop design guidelines and a benefit/cost methodology for heat resiliency in the right-of-way. In addition, as part of the Local Waterfront Revitalization Program, DOT received funding to develop strategies and a design toolkit to address long-term adaptation to sea-level rise for waterfront streets ends.

Conclusion

In conclusion, I would like to thank the Committees for the opportunity to testify about the possibilities of increased federal funding as well as our agency’s role in resiliency. We would now be happy to answer any questions you may have.