

**OFFICE OF INNOVATIVE FINANCE – DIVISION OF BUDGETS  
SUMMARY OF PROGRAMS**



<b>PROGRAM FEATURES</b>	<b>TIFIA PROGRAM</b>	<b>GARVEE PROGRAM</b>	<b>TFB LOAN PROGRAM</b>	<b>SHA LOAN PROGRAM</b>
<b>Purpose</b>	Provide Credit Assistance to major transportation investments of critical national importance	To accelerate funding and construction of critical transportation infrastructure projects in order to expedite congestion relief benefits to the public. GARVEE bonds are backed by annual Federal appropriations.	To provide flexible, short-term financing to public entities and public/private partnerships for the purpose of accelerating the delivery of transportation projects.	To utilize the cash balance in the State Highway Account when it exceeds \$400 million, to expedite transportation projects through short-term construction loans.
<b>Form(s) of Credit Assistance</b>	Direct Loans, Loan Guarantees, and Lines of Credit	The term "GARVEE bond" generically includes bond, note, certificate, mortgage, lease, or other debt financing instruments used for projects eligible for assistance under Title 23 of the United States Code.	Short-Term Loans	Short-Term Loans
<b>Amount of Credit Assistance</b>	Up to 33% of Total Project Costs	Annual repayments of all outstanding bonds in any fiscal year may not exceed 15% of annual Federal transportation fund deposits in the State Highway Account. Financing available only for right of way and construction.	Loans limited to amount available through the TFB during the application process, currently at \$3 million.	No greater than the lesser of 50% of the most recent regional-choice funding allocation or \$100 million for any single county
<b>Total Project Cost</b>	\$100 million or greater (\$30 million for intelligent transportation systems)	No specified minimum or maximum; however, the amount to be financed should generally be at a sufficient level to support the costs associated with the issuance of bonds.	No specified minimum or maximum project cost.	\$10 million or greater. May be waived in counties with populations under 500,000.

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<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>Public and Private Sponsors submit letter of interest directly to US DOT; if determined eligible, sponsors are invited to submit formal application.</li> <li>Caltrans staff available to assist with application process.</li> </ul>	Regional agencies and Caltrans may propose projects through RTIP, ITIP or STIP amendments.	Local public entities and public/private partnerships are eligible. Must be approving authority for county's submission to the STIP, or recipient of fuel tax revenue monies; otherwise, must apply jointly with one of these entities, as appropriate to the type of project.	Transportation Planning Agencies, County Transportation Commissions, Transit Districts, City and County Governments, and Local Transportation Authorities (Must be the approving authority for the county's submission to the STIP, or apply jointly with the approving authority).
<b>Terms of Credit Assistance</b>	<p>Flexible repayment including:</p> <ul style="list-style-type: none"> <li>Debt service payments (not necessarily principal) must begin within five years of project completion;</li> <li>May be structured according to project cash flows;</li> <li>May extend up to 35 years following completion; 10 year deferrals possible (while accruing interest).</li> </ul>	<ul style="list-style-type: none"> <li>Bond proceeds allocated to a project are counted against the STIP county share for the county in which the project is located.</li> <li>Interest rate is based on current market conditions.</li> <li>Bonds are issued by the State Treasurer and have a 12-year maximum term.</li> </ul>	<ul style="list-style-type: none"> <li>Flexible terms;</li> <li>Interest rate set at 1% below the three-month Treasury Bill Average Auction rate with a minimum of 1% interest for loans; and</li> <li>Repayment must begin no later than one year from project completion and final payment must be within six years from date of Commission loan approval</li> </ul>	<ul style="list-style-type: none"> <li>Flexible repayment schedule up to four years from date of loan (length of loan subject to adopted projection of available SHA funds);</li> <li>Interest rate set at quarterly rate paid on money in the PMIA;</li> <li>Repayment must be within four years from date of loan from non-State sources.</li> </ul>
<b>Project Eligibility Criteria</b>	<p>Must:</p> <ul style="list-style-type: none"> <li>Be supported from user charges or other non-Federal dedicated funding sources;</li> <li>Be included in the State's transportation plan; and</li> <li>Receive an investment grade rating on its senior debt obligations</li> </ul>	<p>GARVEE funding is appropriate when the additional public benefits resulting from early construction exceed financing costs.</p> <p>Projects must:</p> <ul style="list-style-type: none"> <li>Be included in the State's transportation plan;</li> <li>Be eligible for Federal transportation funds apportioned to the State;</li> <li>Have environmental clearance and completed project design;</li> </ul>	<p>Must:</p> <ul style="list-style-type: none"> <li>Be included in a Federal Statewide Transportation Improvement Program;</li> <li>Comply with all applicable Federal, State and Local requirements; and</li> <li>Borrower must demonstrate high probability of project completion.</li> </ul>	<ul style="list-style-type: none"> <li>Must be STIP-eligible and included within an adopted Regional Transportation Plan;</li> <li>Independent fiscal assessment required;</li> <li>Must be under construction within six months of loan transmittal</li> <li>Must comply with CEQA requirements</li> </ul>

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<b>Project Eligibility Criteria, Continued</b>		<ul style="list-style-type: none"> <li>• Have FHWA's and CTC's approval as an advance construction project for GARVEE funding; and</li> <li>• Meet Federal requirements.</li> </ul>		
<b>Selection Criteria</b>	<ul style="list-style-type: none"> <li>• Economic benefits;</li> <li>• Leveraging of private capital;</li> <li>• Promotion of innovative technologies; and</li> <li>• Other program objectives.</li> </ul>	Approval of GARVEE financing by the CTC will be in accordance with STIP Guidelines.	<ul style="list-style-type: none"> <li>• Public need/benefit;</li> <li>• Financial feasibility, including loan repayment ability; and</li> <li>• Funding availability.</li> </ul>	Applications will be evaluated in order received, based on: <ul style="list-style-type: none"> <li>• Independent fiscal assessment of applicant's ability to repay the loan; and</li> <li>• The availability of funds.</li> </ul>
<b>Types Of Projects Eligible For Credit Assistance</b>	<p>Any surface transportation project eligible for Federal assistance (highway/transit capital), including:</p> <ul style="list-style-type: none"> <li>• Intermodal facilities,</li> <li>• Border crossing infrastructure,</li> <li>• Highway trade corridors, and</li> <li>• Transit and passenger rail facilities with regional and national benefits.</li> </ul> <p>Also,</p> <ul style="list-style-type: none"> <li>• International bridges and tunnels;</li> <li>• Inter-city passenger bus and rail facilities and vehicles (including Amtrak and magnetic levitation systems); and</li> <li>• Publicly-owned intermodal freight transfer facilities, except seaports or airports) on or adjacent to the National Highway System.</li> </ul>	<p>Projects must be eligible for Federal-aid assistance under Title 23 of the USC.</p> <p>("Technical clean-up" of State legislative language would also allow GARVEE financing of Toll Bridge Seismic Retrofit, Traffic Congestion Relief Program, and State Highway Operation and Protection Program projects.)</p>	Funds may be used for highway construction as broadly defined in Title 23, USC or for transit capital acquisition, as defined in Title 49, USC.	<p>Loans are subject to funding restrictions of Article XIX of the California Constitution</p> <p>Eligible projects include improvements to:</p> <ul style="list-style-type: none"> <li>• State highways;</li> <li>• Local roads;</li> <li>• Public transit;</li> <li>• Intercity rail;</li> <li>• Pedestrian and bicycle facilities;</li> <li>• Grade separation;</li> <li>• Transportation system management;</li> <li>• Transportation demand management;</li> <li>• Soundwall projects;</li> <li>• Intermodal facilities; and</li> <li>• Safety.</li> </ul>