

Neighborhood Access and Equity (NAE) Grant Program

	Inflation Reduction Act (IRA)
Fiscal year (FY)	2022
Appropriation (General Fund)	\$3.205 B*

*Funds were appropriated in FY22 and remain available until September 30, 2026.

Note: Except as indicated, all references in this document are to the Inflation Reduction Act (IRA), enacted as Pub. L. 117-169 (Aug. 16, 2022).

Program Purpose

The IRA establishes the Neighborhood Access and Equity Grant (NAE) Program to provide funds for projects that improve walkability, safety, and affordable transportation access through context-sensitive strategies and address existing transportation facilities that create barriers to community connectivity or negative impacts on the human or natural environment, especially in disadvantaged or underserved communities. The program also provides funding for planning and capacity building activities in disadvantaged or underserved communities as well as funding for technical assistance to units of local government to facilitate efficient and effective contracting, design, and project delivery and to build capacity for delivering surface transportation projects.

Statutory Citation

- § 60501; 23 U.S.C. 177

Funding Features

Type of Budget Authority or Authorization of Appropriations

- Appropriated Budget Authority from the General Fund, not subject to any limitation on obligations.

Distribution of Funds

- \$1.893 billion for grants to eligible entities for activities eligible under the program. [§ 60501; 23 U.S.C. 177(a)]
- \$1.262 billion for grants to eligible recipients for eligible projects in economically disadvantaged communities. [§ 60501; 23 U.S.C. 177(d)]
- \$50 million for technical assistance activities and capacity building subgrants to units of local government, as well as FHWA operations and administration. [§ 60501; 23 U.S.C. 177(g)]

Federal Share

- The Federal share of the cost of an activity carried out with a grant under the program may not exceed 80% except that the Federal share of the cost of an eligible project may be up to 100% for projects in a disadvantaged or underserved community. [§ 60501; 23 U.S.C. 177(f)]

Program Features

This is a new program established under the IRA.

Eligible Projects

The program provides funds to eligible entities—

- to improve walkability, safety, and affordable transportation access through projects that are context-sensitive—
 - to remove, remediate, or reuse a facility described in 23 U.S.C. 177(c)(1);
 - to replace a facility described in 23 U.S.C. 177(c)(1) with a facility that is at-grade or lower speed;
 - to retrofit or cap a facility described in 23 U.S.C. 177(c)(1);
 - to build or improve complete streets, multiuse trails, regional greenways, or active transportation networks and spines; or
 - to provide affordable access to essential destinations, public spaces, or transportation links and hubs;
- to mitigate or remediate negative impacts on the human or natural environment resulting from a facility described in 23 U.S.C. 177(c)(2) in a disadvantaged or underserved community through—
 - noise barriers to reduce impacts resulting from a facility described in 23 U.S.C. 177(c)(2);
 - technologies, infrastructure, and activities to reduce surface transportation-related greenhouse gas emissions and other air pollution;
 - natural infrastructure, pervious, permeable, or porous pavement, or protective features to reduce or manage stormwater run-off resulting from a facility described in 23 U.S.C. 177(c)(2);
 - infrastructure and natural features to reduce or mitigate urban heat island hot spots in the transportation right-of-way or on surface transportation facilities; or
 - safety improvements for vulnerable road users; and
- for planning and capacity building activities in disadvantaged or underserved communities to—
 - identify, monitor, or assess local and ambient air quality, emissions of transportation greenhouse gases, hot spot areas of extreme heat or elevated air pollution, gaps in tree canopy coverage, or flood prone transportation infrastructure;
 - assess transportation equity or pollution impacts and develop local anti-displacement policies and community benefit agreements;
 - conduct predevelopment activities for projects eligible under 23 U.S.C. 177(a);
 - expand public participation in transportation planning by individuals and organizations in disadvantaged or underserved communities; or
 - administer or obtain technical assistance related to activities described in 23 U.S.C. 177(a).

Eligible Entities

- A State,
- A unit of local government;
- A political subdivision of a State,
- An entity described in 23 U.S.C. 207(m)(1)(E) (Federally recognized Indian Tribe);
- A U.S. territory;
- A special purpose district or public authority with a transportation function;
- A Metropolitan Planning Organization (as defined in 23 U.S.C. 134(b)(2)); or
- For grants for planning and capacity building activities in disadvantaged or underserved communities, in addition to the eligible entities described above, a non-profit organization or institution of higher education that has partnered with an eligible entity. [§ 60501; 23 U.S.C. 177(b)]

Eligible Facilities

For projects eligible for funding under 23 U.S.C. 177(a)(1)(A)-(C), an eligible facility as described by this program is—

- a surface transportation facility for which high speeds, grade separation, or other design factors create an obstacle to connectivity within a community. [§ 60501; 23 U.S.C. 177(c)(1)]

For projects eligible for funding under 23 U.S.C. 177(a)(2), an eligible facility as described by this program is—

- a surface transportation facility which is a source of air pollution, noise, stormwater, or other burden to a disadvantaged or underserved community. [§ 60501; 23 U.S.C. 177(c)(2)]

Additional Considerations

Technical Assistance

This program will provide funding for other activities, including:

- guidance, technical assistance, templates, training, or tools to facilitate efficient and effective contracting, design, and project delivery by units of local government;
- subgrants to units of local government to build capacity to assume responsibilities to deliver surface transportation projects; and
- FHWA operations and administration. [§ 60501; 23 U.S.C. 177(g)]

For purposes of grants awarded for projects in economically disadvantaged communities under 23 U.S.C. 177(d), an economically disadvantaged community is one that:

- is economically disadvantaged, underserved, or located in an area of persistent poverty;
- has entered or will enter into a community benefits agreement with representatives of the community;
- has an anti-displacement policy, a community land trust, or a community advisory board in effect; or
- has demonstrated a plan for employing local residents in the area impacted by the activity or project proposed under the program. [§ 60501; 23 U.S.C. 177(d)(2)]

Funding Limitations

- Funds cannot be used for a project for additional through travel lanes for single-occupant passenger vehicles. [§ 60501; 23 U.S.C. 177(h)(2)]

Disadvantaged Business Enterprise Program

- Grants administered by or through a State DOT shall be expended in compliance with DOT's Disadvantaged Business Enterprise (DBE) program. [§ 60501; 23 U.S.C. 177(e)(2)]

Treatment of Projects

- Treats a project funded under 23 U.S.C. 177(a) or (d) as if it were located on a Federal-aid highway. This ensures applicability of Davis-Bacon wage requirements that apply to other projects on Federal-aid highways. [§ 60501; 23 U.S.C. 177(e)(1)]

Additional Information and Assistance

- FHWA can connect you with your local FHWA office and support you through technical assistance for planning, design, construction, preserving, and improving public roads and in the stewardship of Federal funds. For assistance, visit: https://www.fhwa.dot.gov/bipartisan-infrastructure-law/technical_support.cfm.
- For more information on resources to help communities understand the best ways to apply for grants, and to plan for and delivery transformative infrastructure projects and services. Whether it's the first time you're applying for a DOT grant or you're looking for more technical details and guidance, visit: <https://www.transportation.gov/dot-navigator>