

Grant Writing 101

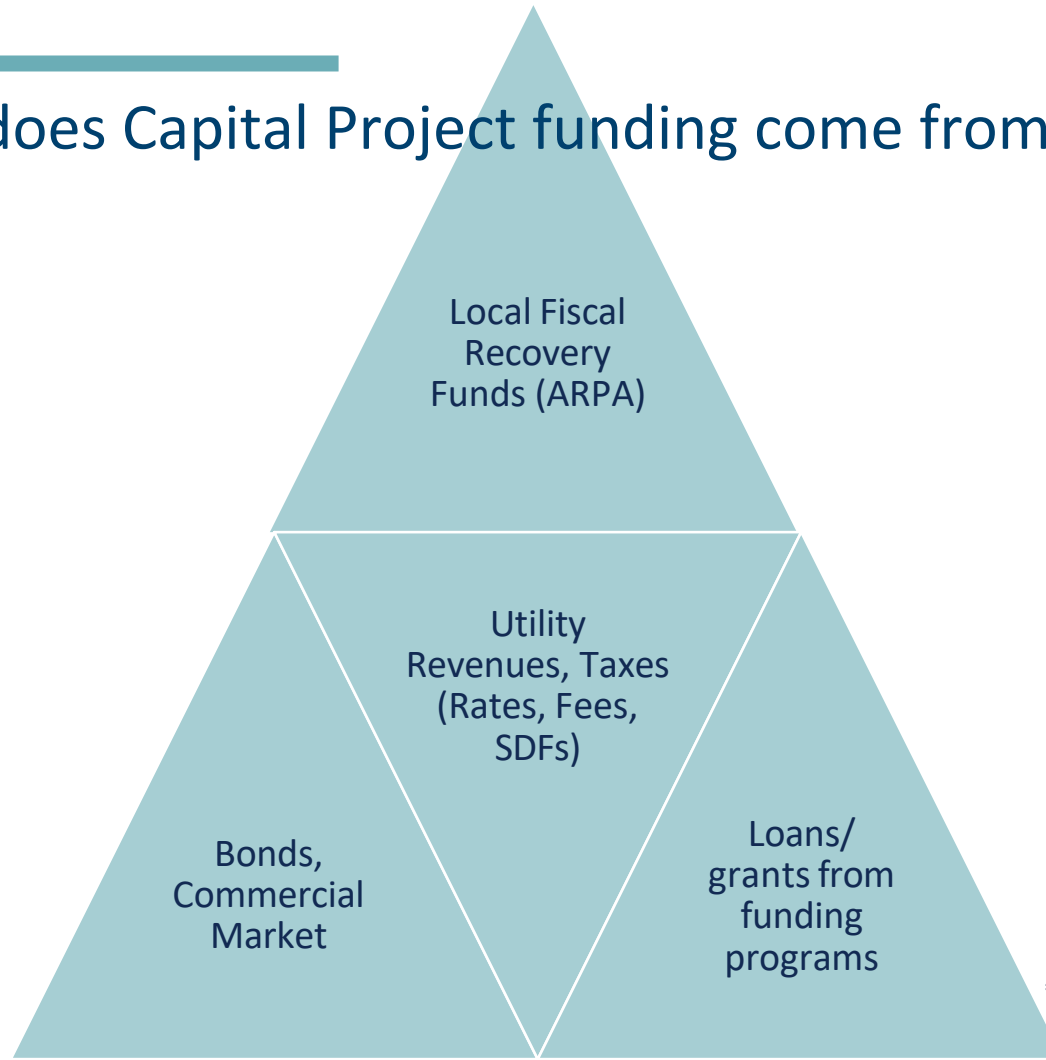
AAMCA Keeping Pace: Trends in Local Government

April 2025

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Where does Capital Project funding come from?*



*Note: Not to Scale



What do we mean by “Grant Funding?”

- Grants versus Loans –
 - Grants:
 - “Free” money, does not need to be paid back.
 - Often has different requirements than loans.
 - Loans:
 - May be standard, low, or no interest.
 - May include portions of principal forgiveness.
- Infrastructure funding options (non-exhaustive): Drinking Water, Wastewater, Stormwater, Parks & Recreation, Resiliency, Transportation (street and pedestrian).



What Types of Funding are Out There?

- Targeted vs anyone/anything –
 - Funding agencies have some kind of priorities for awards.
 - Some funding sources target benefits to rural, low-income, or disadvantaged areas.
 - Other funding opportunities are open to all entities in support of specific project types.
 - Some funding sources are available to all entities for all project types.
- Economic-related funding –
 - Some funding agencies target job creation or retention.
 - Others target overall benefits, such as improving and building infrastructure with the goal of general economic benefits.
- Private vs public lending –
 - Public funding options often come with better terms than private lenders, such as lower interest rates, longer loan periods, or more flexibility on timing.

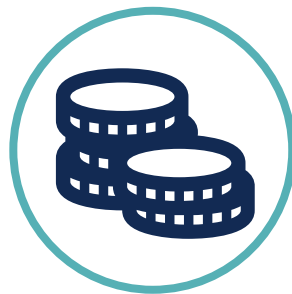
Funding Programs Overviews*

*Not all inclusive – other funding programs/opportunities exist



State Agencies:

Div. of Water Infrastructure
NC Dept. of Agriculture
NC Dept. of Commerce
Golden Leaf
NC Parks & Recreation
NCDOT



Federal & Multi-State Agencies:

US EPA
ARC
USDA
SERCAP
EDA
FEMA
USDOT



Other:

CoBank
Live Oak Bank
Other Private Lenders



Federal/Multi-State Funding Highlights

- US EPA – Water Infrastructure Finance and Innovation (WIFIA)
 - Effectively a federal level “SRF.”
 - Water/wastewater/stormwater projects.
- Dept. of Commerce – Economic Development Administration (EDA)
 - Funding programs focused on providing/encouraging economic benefits.
- Southeast Rural Community Assistance Partnership (SERCAP)
 - Loan funds for low-income rural communities and businesses.



USDA

Focused on supporting and developing infrastructure in rural communities and areas (Population < 10,000).



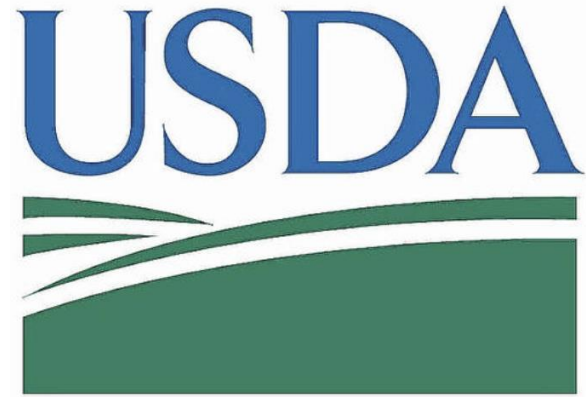
Predevelopment planning.



Revolving funds for extending and improving rural water / wastewater / stormwater systems.



Direct loans and grants to develop rural water / wastewater / stormwater systems.



Part F Funding

- NC Division of Parks and Recreation:
 - Annual Competitive Application Process.
 - Park Development and/or Land Purchase.
 - \$500,000 max per project.
 - Only one open project at a time.
- 100% Grant Funding on a Reimbursement Basis.
- Matching Funds Required.



Image: Stinger Park

NC DOT Funding

- Special Transportation Projects –
 - Local Projects on NCDOT Streets:
 - Paving cost assistance.
 - Traffic signal cost assistance.
- Sidewalks and Connectivity.
- MPO – Metropolitan Planning Organization.
- STIP – State Transportation Improvement Program.
- Powell Bill Funds.
- EFLAP – Federal Lands pedestrian access.



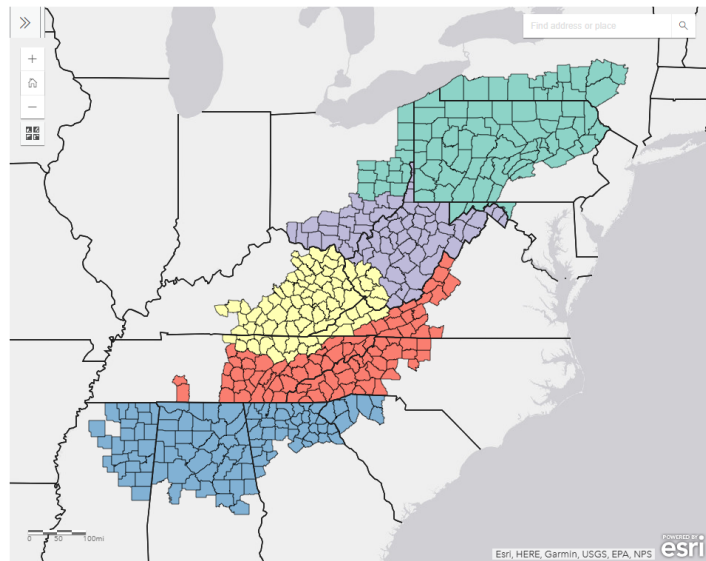


NC Dept. of Commerce

- Community Development Block Grants (CDBG):
 - Rural Economic Development Division (REDD) – CDBG funds for economic development.
 - Disaster Recovery (CDBG-DR) – related to COVID-19.
- Industrial Development Fund (IDF):
 - Specifically for infrastructure (all utilities) within a building site or directly related to industrial development.
 - Must have reasonable expectation of job creation.
- Economic Infrastructure Program:
 - Offers grant resources and technical assistance that can be used in support of building local capacity (infrastructure).
 - For rural communities.

Appalachian Regional Commission (ARC)

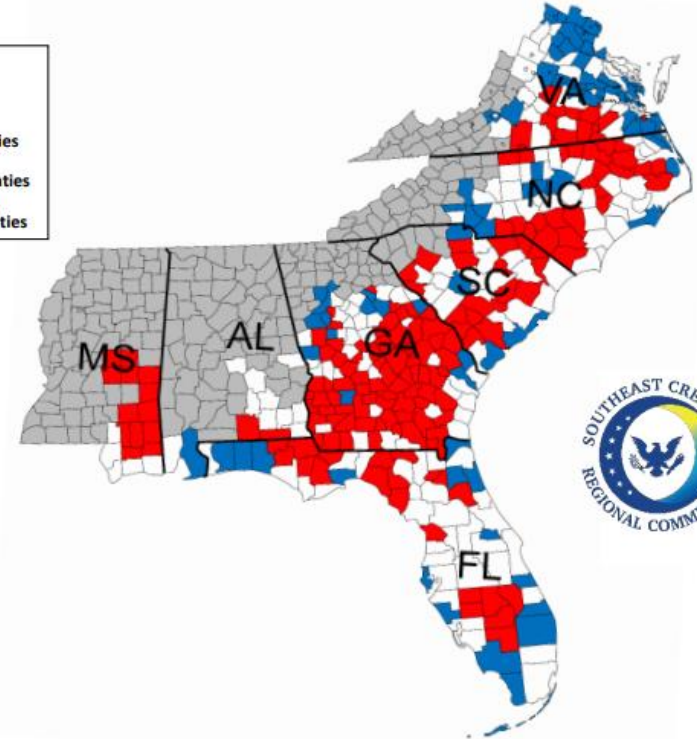
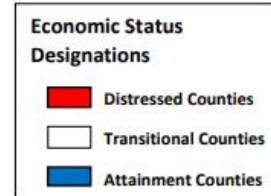
- Can fund access to critical infrastructure, including water/wastewater/stormwater.
- Projects must meet one of five strategic goals:
 - **Economic Opportunity**
 - Ready Workforce
 - **Critical Infrastructure**
 - Natural and Cultural Assets
 - Leadership and Community Capacity



[Learn More About Subregions](#)

Southeast Crescent Regional Commission (SCRC)

- Companion Agency to ARC:
 - State Economic & Infrastructure Development (SEID).



**Counties in grey are not covered by SCRC.*

Golden Leaf



Economic Catalyst Program:

- Focused on jobs creation.
- Can fund public infrastructure directly related to the job creation/wage goals.



Open Grants Program:

- Limited to \$500k
- Can be for water/sewer infrastructure to a site to enable development that will create jobs.



Community Based Grants Initiative (CBGI):

- Targeted investments in the North Central Prosperity Zone.
- Focused on building blocks of economic growth.



SITE Program:

- Three phases: Identification, Due Diligence, and Development.
- Funding to assist in development of industrial sites for economic development.

[Contact](#)[News](#)[Grant Portal](#)[Opportunities](#)[For Grantees](#)[Scholarships](#)

Increasing
Economic
Opportunity
in North Carolina

Division of Water Infrastructure (DWI)

Eligible Recipients:

- ✓ Local government units
- ✓ Non-profit water/wastewater companies
- ✓ For-profit/investor-owned water companies (DWSRF only)
- ✓ Councils of Governments that work with eligible utilities (for some programs)

Low-interest loans



Term: 5 - 20 years (or 30) or life of the asset



Interest: 0% - ½ the 20-year municipal bond rate



Fee: 2%



Loan requires LGC approval

Grants



Limited, very competitive, with caps



AIA/MRF require a match
(except for Distressed LGUs)



Fee: 1.5%

DWI Funding Programs



State Revolving Funds (SRF)

*Including IIJA (formerly BIL) funds

Community Development Block Grants (CDBG-I)



State Reserves (SRP)

Viable Utility Reserve (VUR)



Local Assistance for Stormwater Infrastructure Investments (LASII)

State Revolving Funds



Clean Water SRF & Drinking Water SRF



Low-interest loans

½ market rate, with reductions for targeted interest rates

20-year term*

Requires LGC approval



Principal forgiveness

Portion of loan that is forgiven and not repaid

Eligibility based on affordability criteria, eliminating non-viable system, or benefiting disadvantaged areas



2% fee



Federal conditions apply (Davis-Bacon; American Iron and Steel; Build America, Buy America; NEPA-like environmental review)

NOTE: Principal Forgiveness is not a grant, even though it functions similarly!

*Limited options for 30-year term for specific circumstances


IIJA SRF – Emerging Contaminants and Lead Service Line Replacement

- Emerging Contaminants (PFAS)
 - Addressing documented high levels of PFAS in DW, POTW, or publicly-owned landfills.
 - 100% Principal Forgiveness.
 - Study Projects: Apply using the rolling application form; applications accepted year-round.
 - Construction Projects: use the common application (twice per year).
- Lead Service Line Replacement
 - Inventory and/or replace lead service lines.
 - 0% loans with “a lot” of Principal Forgiveness.
 - Apply using the rolling application form; applications accepted year-round.





State Drinking Water and Wastewater Reserve (SRP)

- 
- Construction projects:
 - \$3 million cap per system type every 3 years (grant/loan).
 - Same application and prioritization as the SRF program.
 - Applicants are awarded “best money available.”
 - Grant percentages determined by affordability criteria.
 - Planning projects:
 - Merger / Regionalization Feasibility Grants:
 - \$50,000 cap per system type every 3 years.
 - Asset Inventory and Assessment Grants:
 - \$150,000 cap per system type every 3 years.
 - 1.5% fee for SRP grants.



Community Development Block Grants – Infrastructure (CDBG-I)

- Comprehensive community development program overseen by HUD and administered through DWI.
- Goal: improve the quality of life, public and environmental health, and economic vitality for low- to moderate-income (LMI) communities.
- Water and wastewater project may include new service into low-to-moderate income areas, however:
 - Work must be in residential areas, and
 - CDBG-I cannot fund infrastructure in business districts or for job creation.



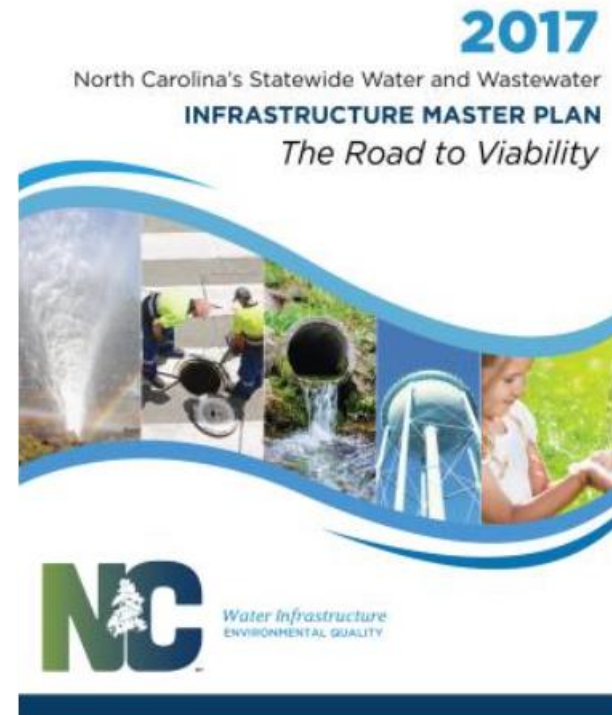
Community Development Block Grant-Infrastructure (CDBG-I)

- Requirements
 - 51% LMI minimum in the area to be served.
 - Grant limit – \$3 million per applicant every 3 years.
 - Grantees must comply with federal regulations pertaining to community development.
- Extensive training for grantees and their consultants:
 - “How to Comply” with ~ 12 federal regulations required for this program.

Equal Employment Opportunity	Residential Anti-Displacement and Relocation
Procurement Plan	Citizens Participation Plan
Section 3 Plan	Fair Housing Plan/Analysis
Language Access Plan	

Viable Utility Reserve Grants

- Grant funds, limited to local government units designated as “distressed”, or utilities that partner with them to resolve their “distressed” conditions.
- Limited project-type eligibilities.
- Strict funding limits per funding recipient (by legislation).
- Currently very limited funding available in this program.



LASII Eligibility & Priorities (Construction/Planning)

*Currently no funding available through this program



Who is Eligible?

- Cities (i.e.: municipalities, including towns, villages)
 - Counties
- Councils of Government or non-profit entities *if* partnering with city or county on LASII stormwater project



Eligibility Criteria

- Must document a stormwater quality or quantity issue
- Must demonstrate significant hardship raising revenue to finance stormwater management activities




Program Priorities

- Nature-based solutions
- Water Quality Benefits
 - Collaboration
- Existing SW Management Programs/Planning



DWI – Timely and Expeditious Use of Funds (**NEW**)

- 
- EPA issued a memo (January 31, 2024) to all states requiring a statement in Intended Use Plans confirming that the funds will be expended in a timely and expeditious manner.
 - Each capitalization grant will expire in four years once the drawdown begins.
 - It is extremely important for projects to finish on time as indicated in the Letter of Intend to Fund (LOIF).
 - Projects not following these milestone dates risks loss of committed SRF funds!

The Infrastructure Funding Process

IDENTIFY PROJECTS
+ DISCUSS WITH
KEY STAKEHOLDERS



PRIORITIZE
PROJECTS



PREPARE + SUBMIT
GRANT APPLICATIONS



AWARD
APPROVAL



EFFECTIVE
PROJECT
MANAGEMENT

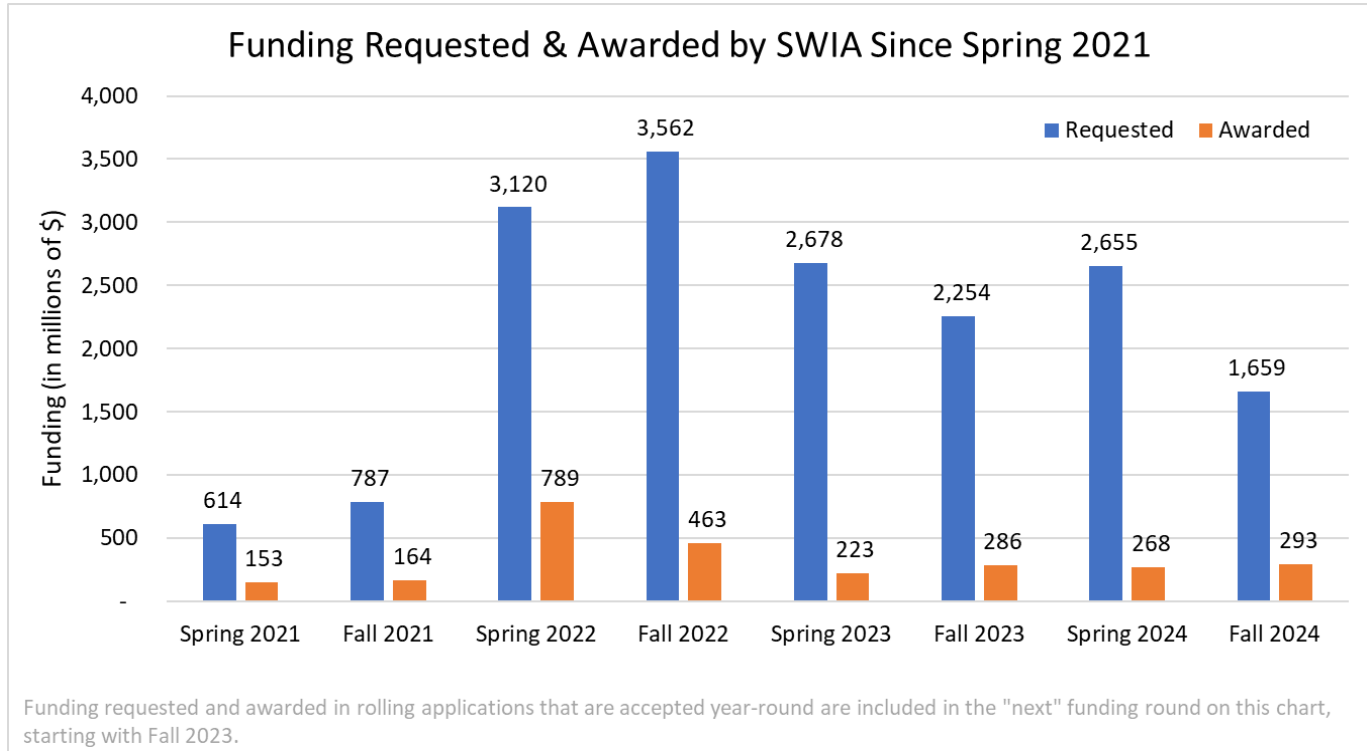




How to get started

- Identify potential projects:
 - Include key stakeholders – client/their staff, consultant(s), Councils of Government (COG), or resource agencies like Rural Water.
 - Use a Capital Improvement Plan (CIP), Asset Management Plan (AMP), and/or other documentation of capital needs.
 - Calculate project budget(s) and expected costs.
- Review potential funding options:
 - Ascertain specific program requirements, targets, and goals.
 - Identify funding program application cycles and deadlines.
 - Note any particular post-award funding requirements.

DWI Applications for Funding – Requested & Awarded





Planning for Funding Applications



- Prioritize likely successes:
 - Determine which project(s) are eligible for which funding source(s).
 - Prioritize projects based on likelihood of success AND funding program requirements.
 - Partnering with a consultant or COG may help with prioritization!
- Prepare your application process:
 - Plan for meeting application timelines and deadlines (seems obvious!).
 - Account for staffing, documentation, and application package preparation needs.
 - Partner with a consultant or COG as needed for support.

Note: just because a project is eligible for a certain funding program, that doesn't mean you should always pursue an application!

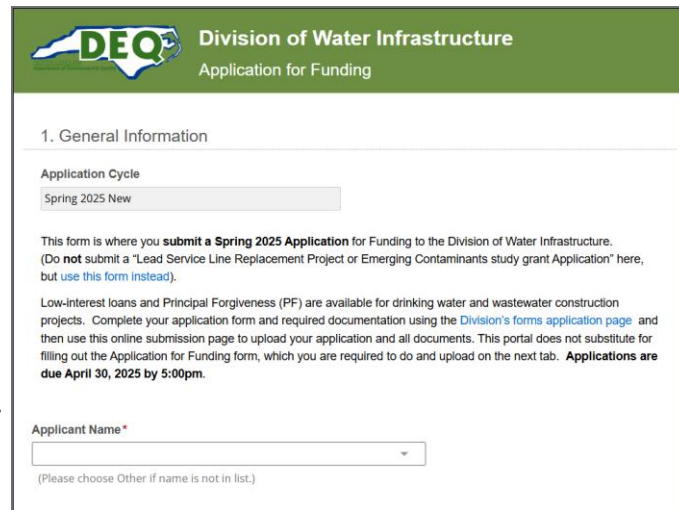


Preparing an Application Package

- Evaluate all current application requirements:
 - Review any/all application guidance available.
 - Identify documentation needs and keep track of statuses.
 - Backup documentation for everything.
 - Organization is key!
- Involve all necessary partners for technical support, application writing, and coordination.
- **Check, check, and triple check all documents.**
- Plan to submit early – allow time for contingencies.

Submittals

- Verify and follow the correct submittal process:
 - Digital and/or paper copies may be required.
 - Follow all instructions!
- Track all submittals – keep confirmation receipts, timestamps, and other documentation.
 - If there is a submittal issue – contact the funding agency immediately.
- Manage stakeholder expectations for timeline and potential for success.



The screenshot shows the '1. General Information' section of an online application form. At the top, the DEQ logo is next to the text 'Division of Water Infrastructure' and 'Application for Funding'. Below this, the 'Application Cycle' is set to 'Spring 2025 New'. A paragraph of instructions follows, stating that this is for a 'Spring 2025 Application' and providing a link to the 'Division's forms application page'. It also mentions that low-interest loans and Principal Forgiveness (PF) are available for drinking water and wastewater construction projects. Below the text is a dropdown menu for 'Applicant Name*' with a note to 'Please choose Other if name is not in list.'

DEQ Division of Water Infrastructure
Application for Funding

1. General Information

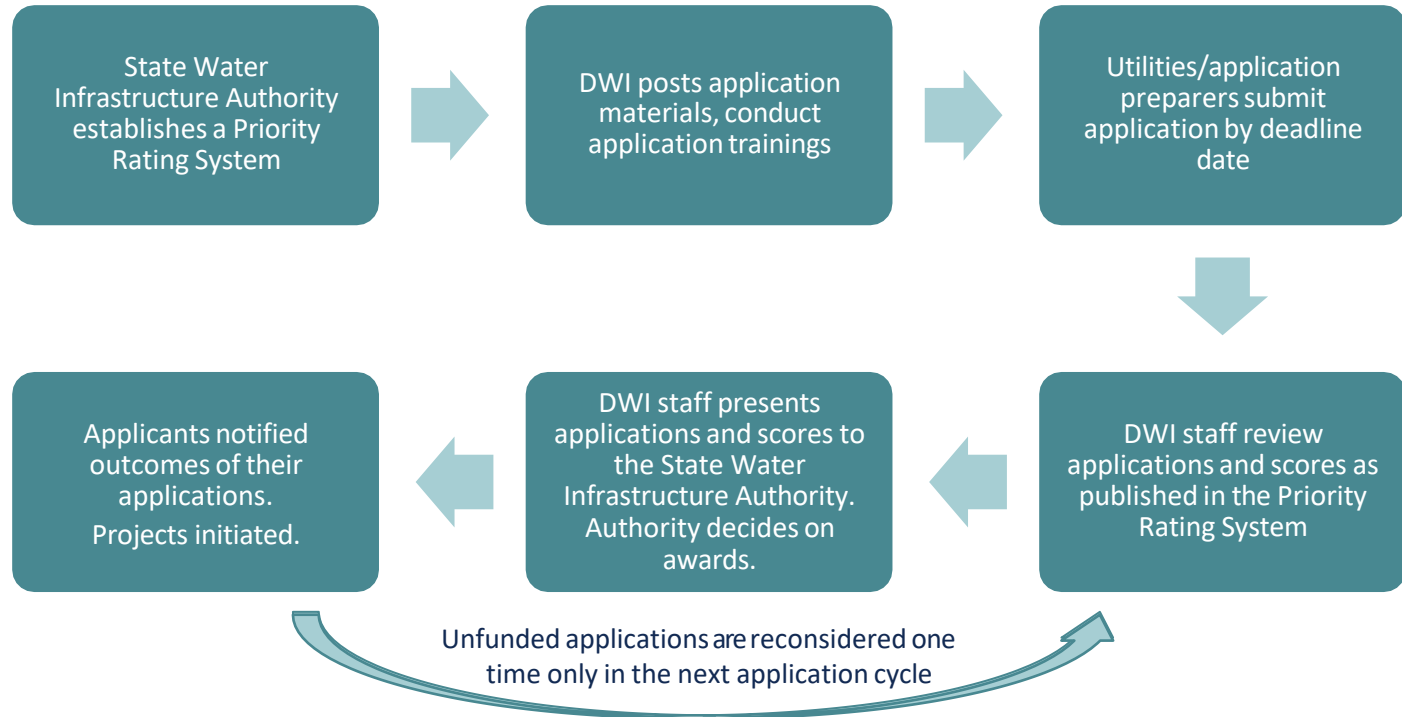
Application Cycle
Spring 2025 New

This form is where you **submit a Spring 2025 Application** for Funding to the Division of Water Infrastructure. (Do **not** submit a "Lead Service Line Replacement Project or Emerging Contaminants study grant Application" here, but [use this form instead](#)).

Low-interest loans and Principal Forgiveness (PF) are available for drinking water and wastewater construction projects. Complete your application form and required documentation using the [Division's forms application page](#) and then use this online submission page to upload your application and all documents. This portal does not substitute for filling out the Application for Funding form, which you are required to do and upload on the next tab. **Applications are due April 30, 2025 by 5:00pm.**

Applicant Name*
(Please choose Other if name is not in list.)

Application to Award Process (DWI example)





After Awards

If you do not receive an award, gather feedback as to why!

- Post-Award:
 - Verify all funding program administrative requirements and expectations.
 - Develop project schedule according to funding requirements.
 - Manage the project both functionally and administratively.

RE: CDBG-Infrastructure Program Awards
FY 2024 Fall Application: ~~AWARD LETTER~~ ~~AWARD LETTER~~ Improvements
HUD Federal Award ~~AL#~~ ~~AL#~~

Dear Mr. :

Congratulations! Your application to the Community Development Block Grant- Infrastructure (CDBG-I) Program was selected for funding by the State Water Infrastructure Authority (SWIA) on February 19, 2025.

The SWIA has approved funding your project through an initial planning grant and a second larger construction grant. The initial planning grant will be for \$~~6~~ / funded from deobligated FY2019 funds, to pay for activities needed to get your project to a benchmark called Release of Funds and Grant Conditions. The second construction grant will be \$~~1~~ be ~~4~~ ~~6~~ funded from the FY2024 appropriations, to pay for activities from plans and specifications through construction. The total amount of your grants is \$~~7~~ .

This is a conditional award, contingent on meeting all the following award condition and milestone.

Final Reminders



Having a good partner is important!



Work to the funding program's strengths, targets, and goals.



Manage expectations and plan for realistic outcomes



Any Questions?