

2021 Municipal Infrastructure Funding Opportunities

Numerous state and federal programs exist to provide funding for municipal infrastructure improvement projects. Following is a summary of the 2021 programs and opportunities for local units of government.

CDBG Public Facilities (CDBG-PF)

Approximately \$12M is available through an annual competitive application process. Eligible projects include:

1. Replacement or reconstruction of deteriorating infrastructure including sanitary sewer systems, municipal water systems, streets, parks, sidewalks and handicapped access improvements;
2. Essential community facilities such as community and senior centers, fire stations, health clinics and libraries;
3. Downtown revitalization including blight elimination, infrastructure, parking and main street activities such as streetscape, building façade improvements and historic preservation.

The CDBG Public Facilities annual application deadline is May 21, 2021. Maximum grant is 67% of the project cost up to a \$1M grant.

CDBG Public Facilities for Economic Development (CDBG-PFED)

This program funds infrastructure that directly supports business expansion, increased employment opportunities for LMI persons, and adding to the local tax base. Eligible projects include sanitary sewer collection & treatment, water supply and distribution, streets and sidewalks, and electrical system improvements. CDBG-PFED applications may be submitted on a continual basis. Maximum grant is 50% of project cost up to \$750,000.

USDA Rural Development Rural Utilities

Maximum Loan: 100% of project cost.

Maximum Grant: 75% depending upon median household income. (Normal grant 20% to 45%).

Eligible Communities: less than 10,000 population.

Eligible Projects: municipal drinking water system improvements, municipal wastewater system improvements and storm water systems. Applications may be submitted on a continual basis.

USDA Rural Development Community Facilities

Maximum Loan: 100% of project cost.

Maximum Grant: 55%; however, limited grant funds available.

Eligible Communities: less than 20,000 population.

Eligible Projects: municipal buildings, fire stations, police stations, libraries, health care facilities. Applications may be submitted on a continual basis.

WDOT STP Urban & Rural

80% funding for street improvements for local roadways classified as collectors or arterial. Deadline July 10, 2021 (Odd years).

WDOT Local Road Improvement Program (LRIP)

50% funding for improvements for roadways classified as local roads. LRIP funding is limited. The Discretionary Program funds up to \$250,000 for counties, cities & villages. \$100,000 for towns. Deadline Oct. 1 (Odd Years).

WDOT Transportation Economic Development Assistance (TEA)

The WDOT-TEA program funds transportation infrastructure improvements that directly support business expansion and job creation or retention. Eligible projects include design and construction of improvements to roadways, rail, harbors and airports needed to support a business expansion project. WDOT-TEA applications may be submitted on a continuous basis. The maximum grant is \$1M or 50% of eligible costs. The maximum grant is \$5,000 per full time equivalent job. The annual allocation of funds for the WDOT-TEA program is \$3.4M.



WDOT Transportation Alternatives Program (TAP)

The TAP program was created by the new federal transportation bill (FAST Act). This program replaces the Transportation Enhancement, Recreational Trails and Safe-Routes to Schools programs. 50% of the funds will be given to urban areas and 50% is available for rural areas. 80% funding is available for eligible costs. The Alternatives program funds projects included in the previous programs that were replaced. Application deadline: January 2022.

WDNR Safe Drinking Water Loan

Intent to Apply & PERF Deadline October 31, 2020 for SFY 2022; Final Application Deadline June 30, 2021: The final application includes plans & specifications; 20 year loans. Interest rates 1.056% to 3.20%.

Eligible Projects: Municipal water system improvements including wells, reservoirs, treatment and distribution. Hardship and Principal Forgiveness available.

U.S. Economic Development Administration (EDA)

The U.S. Economic Development Administration (EDA) administers grant programs to promote economic growth and to assist with economic disadvantaged communities. The standard grant awards are 50% of eligible project costs. However, communities may receive up to 80% grants to address a significant local economic development need. Two primary programs administered by the EDA include:

- Public Works and Economic Adjustment Assistance Programs:
 - Investments for Public Works and Economic Development Facilities. This program provides grants to fund industrial park infrastructure and incubator facilities. The municipality is required to demonstrate they will create jobs and leverage private investment. The maximum grant is 50% of eligible costs, up to \$3M.
 - Economic Adjustment Assistance. This program provides planning grants to fund economic development plans and incubator feasibility studies. This program may also fund infrastructure improvements for industrial parks.
- CARES ACT: This provides grants, loans and revolving loan funds for projects for investments that support construction, non-construction, planning, and technical assistance. It supports economic development strategies that advance economic prosperity in distressed communities.

Tax Incremental Financing (TIF)

TIF is an important tool for municipalities to help fund infrastructure and development projects. Eligible projects can be located within a Tax Increment District (TID), or within one-half mile of a TID or a community-wide project benefitting the TID. The project must be identified in the TID Project Plan to be eligible. Eligible projects include: infrastructure, land acquisition / demolition, environmental clean-up, site development, development incentives, marketing & promotion, or organization & administration. Tax increment districts may also be extended one year to fund affordable housing. Following is a summary of the different types of TIDs:

- **Industrial Development:** at least 50% of area must be zoned and suitable for industrial development.
- **Blight Elimination:** at least 50% of the area must be blighted.
- **Rehabilitation & Conservation:** at least 50% of the area must be in need of rehabilitation & conservation.
- **Mixed-Use:** must include at least two land uses, no more than 35% can be newly platted residential.
- **Environmental Remediation:** Requires a DNR approved remediation plan.



Vierbicher has secured over \$100 million in grant funding and created/amended over 200 tax increment districts. For additional information regarding public funding programs, please contact:

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