



Federal Funding Guide for Towns and Townships



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Introduction

The following Federal Funding Guide provides a list of popular federal programs for smaller communities. This guide is meant to provide a basic overview of available programs. Please view the program website for in-depth grant application requirements. For many grant opportunities, it is recommended to consult with the appropriate Agency's State Office.

U.S. Department of Agriculture

◆ Community Facilities Grants

Description: The purpose of this program is to assist in the development of essential community facilities in rural areas and towns of up to 20,000 in population. Grants are authorized on a gradual scale. Applicants located in small communities with low populations and low incomes will receive a higher percentage of grants. Grant funds can be used to construct, enlarge, or improve community facilities for health care, public safety, and community and public services. This can include the purchase of equipment required for a facility's operation.

Eligible Applicants: Grants are available to public entities such as municipalities, counties, and special-purpose districts, as well as non-profit corporations and tribal governments. Projects must be located in a community with a population of no more than 20,000.

Website: [Community Facilities Grant Program](#)

◆ Community Facilities Direct and Guaranteed Loans

Description: The purpose of this program is to assist in the development of essential community facilities in rural areas and towns of up to 20,000 in population. Loan funds may be used to construct, enlarge, or improve community facilities for health care, public safety, and public services. This can include costs to acquire land needed for a facility, pay necessary professional fees, and purchase equipment required for its operation. Refinancing existing debts may be considered an eligible direct or guaranteed loan purpose if the debt being refinanced is a secondary part of the loan, is associated with the project facility, and if the applicant's creditors are unwilling to extend or modify terms in order for the new loan to be feasible.

Eligible Applicants: Loans and guarantees are available to public entities such as municipalities, counties, and special-purpose districts, as well as to non-profit corporations and tribal governments. Applicants must have the legal authority to borrow and repay loans, to pledge security for loans, and to construct, operate, and maintain the facilities. They must also be financially sound and able to organize and manage the facility effectively.

Website: [Community Facilities Direct and Guaranteed Loans](#)

◆ Rural Economic Development Loan and Grant Program (REDLG)

Description: The purpose of this program is to promote rural economic development and job creation projects. The program provides funding to rural projects through local utility organizations. Under the REDLoan program, USDA provides zero interest loans to local utilities which they, in turn, pass through to local businesses (ultimate recipients) for projects that will create and retain employment in rural areas. The ultimate recipients repay the lending utility directly. The utility is responsible for repayment to the Agency. Under the REDGrant program, USDA provides grant funds to local utility organizations which use the funding to establish revolving loan funds. Loans are made from the revolving loan fund to projects that will create or retain rural jobs. When the revolving loan

fund is terminated, the grant is repaid to the Agency. REDLG grantees and borrowers pass the funding on to eligible projects. Examples of eligible projects include: capitalization of revolving loan funds, technical assistance in conjunction with projects funded under a zero interest REDLoan, business incubators, community development assistance to non-profits and public bodies (particularly job creation or enhancement), facilities and equipment for education and training for rural residents to facilitate economic development, facilities and equipment for medical care to rural residents, or telecommunications/computer networks for distance learning or long distance medical care.

Eligible Applicants: To receive funding under the REDLG program and entity must: have borrowed and repaid or pre-paid an insured, direct, or guaranteed loan received under the Rural Electrification Act; or, be a non-profit utility that is eligible to receive assistance from the Rural Development Electric or Telecommunications Program; or be a current Rural Development Electric or Telecommunications Programs Borrower. To apply for funding for the REDLG program, please contact your Rural Development State Office.

Website: [REDLG](#)

◆ Rural Business Enterprise Grants (RBEG)

Description: The purpose of this program is to provide grants for rural projects that finance and facilitate development of small and emerging rural businesses, help fund distance learning networks, and help fund employment related adult education programs. The RBEG program is a broad based program that reaches to the core of rural development in a number of ways. Examples of eligible fund use include: Acquisition or development of land, easements, or rights of way; construction, conversion, renovation, of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities; pollution control and abatement; capitalization of revolving loan funds including funds that will make loans for start ups and working capital; training and technical assistance; distance adult learning for job training and advancement; rural transportation improvement; and project planning. Any project funded under the RBEG program should benefit small and emerging private businesses in rural areas. Small and emerging private businesses are those that will employ 50 or fewer new employees and have less than \$1 million in projected gross revenues.

Eligible Applicants: Rural public entities (towns, communities, State agencies, and authorities), Indian tribes and rural private non-profit corporations are eligible to apply for funding. At least 51 percent of the outstanding interest in any project must have membership or be owned by U.S. citizens or resident aliens.

Website: [RBEG](#)

◆ Rural Business Opportunity Grants (RBOG)

Description: The purpose of this program is to promote sustainable economic development in rural communities with exceptional needs. Grant funds must be used for projects in rural areas. Eligible projects include community economic development, technology-based economic development, feasibility studies and business plans, leadership and entrepreneur training, rural business incubators, and long-term business strategic planning.

Eligible Applicants: Public bodies, nonprofit corporations, Indian tribes, institutions of higher education, and rural cooperatives are eligible to apply.

Website: [RBOG](#)

◆ Water and Waste Disposal Loans and Grants

Description: The purpose of this program is to assist communities with water and wastewater systems. Qualified private non-profit organizations will receive RFP grant funds to establish a lending program for eligible entities. This grant program is to serve a rural area with a population not in excess of 10,000. The grant recipients will use the grant funds to establish a revolving loan fund. The loans will be made to eligible entities to finance pre-development costs of water and wastewater projects or short-term small capital improvement projects not part of the regular operations and maintenance of current water and wastewater systems.

Eligible Applicants: Grants may be made to a private non-profit corporation that has a tax exempt status from the Internal Revenue Service, has the legal capacity and authority to carry out the purpose, has a proven record of successfully operating a revolving loan fund to rural areas, has no delinquent debt to the Federal Government nor any outstanding judgments to repay a Federal debt, and demonstrates that it possesses the financial, technical and managerial capacity to comply with Federal and State laws and requirements.

Website: [Water and Waste Disposal Loans and Grants](#)

◆ Community Connect Grant Program

Description: The purpose of this program is to support the deployment of broadband service to extremely rural and lower-income communities on a community-oriented connectivity basis, while stimulating economic development and opportunities in rural areas by generating practical and everyday uses and applications for broadband services. Broadband services should be provided in a manner that will facilitate improvements to educational, health care, and public safety services.

Eligible Applicants: Incorporated Organizations, Indian Tribes or Tribal Organizations, State or local units of government, and Cooperatives, private corporations or limited liability companies organized on a for-profit or non-profit basis.

Website: [Community Connect](#)

◆ Farmers Markets Promotion Program (FMPP)

Description: The purpose of this program is to increase domestic consumption of, and access to, locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets by developing, improving, expanding, and providing outreach, training, and technical assistance to, or assisting in the development, improvement, and expansion of, domestic farmers markets, roadside stands, community-supported agriculture programs, agritourism activities, and other direct producer-to-consumer market opportunities.

Eligible Applicants: All applicants under FMPP shall be domestic entities owned, operated, and located within the 50 United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands. The eligible entities include: agricultural businesses; agricultural cooperatives; community supported agriculture (CSA) networks; CSA associations; economic development corporations; local governments; non-profit corporations; producer networks; producer associations; public benefit corporations; regional farmers market authorities; and tribal governments.

Website: [FMPP](#)

◆ Local Food Promotion Program (LFPP)

Description: The purpose of this program is to support the development and expansion of local and regional food business enterprises to increase domestic consumption of, and access to, locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets. Eligible entities may apply if they support local and regional food business enterprises that process, distribute, aggregate, or store locally or regionally produced food products. Such entities may include agricultural businesses, agricultural cooperatives, producer networks, producer associations, community supported agriculture networks, community supported agriculture associations, and other agricultural business entities (for-profit groups); nonprofit corporations; public benefit corporations; economic development corporations; regional farmers' market authorities; and local and tribal governments.

Eligible Applicants: All applicants under LFPP shall be domestic entities owned, operated, and located within the 50 United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands. The eligible entities include: agricultural businesses; agricultural cooperatives; community supported agriculture (CSA) networks; CSA associations; economic development corporations; local governments; non-profit corporations; producer networks; producer associations; public benefit corporations; regional farmers market authorities; and tribal governments.

Website: [LFPP](#)

U.S. Economic Development Administration

◆ Economic Development Assistance Program (EDAP) Grants

Description: The purpose of this program is to provide distressed communities and regions with resources to support job creation and private investment. Funding is available in the following streams:

- **Public works:** The goal is to provide catalytic investments to help distressed communities build, design, or engineer critical infrastructure and facilities that will help implement regional development strategies and advance bottom-up economic development goals to promote regional prosperity. Eligible projects may include a technology center that provides laboratory, office, and manufacturing space or regional job creation in targeted cluster industries.
- **Economic adjustment assistance:** The goal is to provide a wide range of construction and non-construction assistance, including public works, technical assistance, strategies, and revolving loan fund (RLF) projects, in regions experiencing severe economic dislocations. Examples of eligible projects include a university or community college launching an RIC and the construction of a multitenant facility to house early-stage businesses. Consideration for funding through this stream will be given to applications from communities experiencing adverse economic changes due to base realignment and closures (BRAC) and federally declared disasters.

Eligible Applicants: Eligible recipients of EDA investment assistance include a(n): District Organization; Indian Tribe or a consortium of Indian Tribes; State, city, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions; institution of higher education or a consortium of institutions of higher education; or public or private non-profit organization or association acting in cooperation with officials of a political subdivision of a State.

Website: [EDAP](#)

◆ Planning and Local Technical Assistance Program

Description: The purpose of this program is to support the creation of regional economic development plans and increase the capacity of entities to improve regional economic conditions. Planning projects may contribute to the creation and retention of higher-skill/higher-wage jobs for the nation's most economically distressed regions. In addition, planning projects must engage in the development, implementation, revision, or replacement of Comprehensive Economic Development Strategies (CEDS). Local technical assistance projects must promote effective economic development by conducting feasibility studies, impact analyses, disaster resiliency planning, and project planning.

Eligible Applicants: District organizations, State and local government, tribal governments, academic institutions and public or private non-profit organizations.

Website: [Planning and Local Technical Assistance Program](#)

U.S. Department of Homeland Security

◆ Assistance to Firefighters Grant (AFG)

Description: The purpose of this program is to support local fire departments and non-affiliated emergency medical services (EMS) organizations by helping with the acquisition of needed equipment, vehicles, and services. This program will assist departments that lack the tools and resources necessary to protect the health and safety of the public and their firefighting personnel with respect to fire and fire-related hazards.

Eligible Applicants: Fire departments, non-affiliated emergency medical services (EMS) organizations, non-profit organizations that have a pre-existing formally recognized arrangement to provide automatic fire and/or EMS aid response in the first-due response area of another jurisdiction, municipalities applying on behalf of a fire department or non-affiliated EMS organization that lacks the legal capacity to apply independently, and primary state fire training academies.

Website: [AFG](#)

◆ Staffing for Adequate Fire & Emergency Response Grants (SAFER)

Description: The purpose of this program is to assist local fire departments with staffing and deployment capabilities in order to better respond to emergencies, as well as to ensure communities have adequate protection from fire hazards. Funding will be available to increase the number of frontline firefighters, rehire laid-off firefighters, retain firefighters facing imminent layoffs, or fill positions vacated by attrition.

Eligible Applicants: Eligible applicants are volunteer and combination fire departments. Career fire departments are only eligible for the hiring of firefighters category. Local and statewide organizations that represent the interests of volunteer firefighters are only eligible to apply for recruitment and retention activities. Municipalities and fire districts may apply on behalf of fire departments lacking the legal status to do so.

Website: [SAFER](#)

◆ Hazard Mitigation Assistance

Description: Hazard Mitigation Assistance grant programs are designed to provide funding to protect life and property from future natural disasters. Currently, there are three programs:

- [Hazard Mitigation Grant Program \(HMGP\)](#) provides grants to states and local governments to implement long-term hazard mitigation measures after a major disaster declaration. The purpose of the HMGP is to reduce the loss of life and property due to natural disasters and to enable mitigation measures to be implemented during the immediate recovery from a disaster.
- [Pre-Disaster Mitigation \(PDM\)](#) provides funds for hazard mitigation planning and projects on an annual basis. The PDM program was set in place to reduce overall risk to people and structures,

while at the same time, also reducing reliance on federal funding if an actual disaster were to occur.

- [Flood Mitigation Assistance \(FMA\)](#) provides funds for projects to reduce or eliminate risk of flood damage to buildings that are insured under the National Flood Insurance Program (NFIP) on an annual basis.

Website: [HMA](#)

U.S. Department of Transportation

◆ Transportation Investment Generating Economic Recovery (TIGER) VI

Description: The purpose of this program is to support transportation planning and capital projects that will have a significant impact on a national, regional, or metropolitan-area scale. The program seeks to invest in projects that better connect communities to centers of employment, education, and services, including options for non-drivers, that hold promise to stimulate long-term job growth, especially in economically distressed areas. Additional consideration will be provided to projects that seek to strengthen opportunities to expand the middle class. Applicants can apply for a capital grant or a planning grant. There was a \$120 million set-aside for rural projects in TIGER VI.

Eligible Applicants: State, local, tribal, and territorial governments, transit agencies, port authorities, metropolitan planning organizations, other political subdivisions of state or local governments and a multistate or multijurisdictional consortia of eligible entities that designate a lead applicant.

Website: [TIGER](#)

U.S. Environmental Protection Agency

◆ Clean Water State Revolving Fund (CWSRF)

Description: Through the CWSRF program, each state and Puerto Rico maintain revolving loan funds to provide independent and permanent sources of low-cost financing for a wide range of water quality infrastructure projects. Funds to establish or capitalize the CWSRF programs are provided through federal government grants (federal funding levels) and state matching funds (equal to 20 percent of federal government grants). The CWSRFs fund a wide range of water quality projects including all types of nonpoint source, watershed protection or restoration, and estuary management projects, as well as more traditional municipal wastewater treatment projects.

Eligible Applicants: Since the program is managed largely by the states, project eligibility varies according to each state's program and priorities. Eligible loan recipients may include communities, individuals, citizens' groups, and non-profit organizations.

Website: [CWSRF](#)

◆ Drinking Water State Revolving Fund (DWSRF)

Description: The purpose of this program is to award capitalization grants to States, which in turn are authorized to provide low-cost loans and other types of assistance to public water systems to finance the costs of infrastructure projects needed to achieve or maintain compliance with Safe Drinking Water Act requirements. Both publicly and privately owned community water systems and nonprofit non-community water systems are eligible for funding under the DWSRF program. Eligible projects include installation and replacement of failing treatment facilities, eligible storage facilities and transmission and distribution systems. Projects to consolidate water supplies may also be eligible. The DWSRF program helps to ensure that the nation's drinking water supplies remain safe and affordable and that public water systems that receive funding are properly operated and maintained.

Eligible Applicants: Since the program is managed largely by the states, project eligibility varies according to each state's program and priorities.

Website: [DWSRF](#)