

Diversify Grant Strategy for Funding Local Capital Projects

State, Federal, Private, and Local Funding Mechanisms

Grant funding Today Requires an “all in” Approach

- Navigating the complexities of grant funding in 2025 requires cities to be **proactive**, **adaptable**, and **collaborative**...
- By **diversifying** funding sources, **improving grant skills**, and engaging in **advocacy**, cities can better position themselves to secure the necessary resources to fund community initiatives...

Have you heard?

FEMA Ends Wasteful, Politicized Grant Program, Returning Agency to Core Mission of Helping Americans Recovering from Natural Disasters

Release Date: April 4, 2025

Under Secretary Noem, DHS is eliminating waste, fraud and abuse

WASHINGTON -- FEMA is ending the Building Resilient Infrastructure and Communities (BRIC) program and **canceled all BRIC applications from Fiscal Years 2020-2023**. If grant funds have not been distributed to states, tribes, territories and local communities, funds will be immediately returned either to the Disaster Relief Fund or the U.S. Treasury.

Statement Attributable to a FEMA Spokesperson:

"The BRIC program was yet another example of a wasteful and ineffective FEMA program. It was more concerned with political agendas than helping Americans affected by natural disasters. Under Secretary Noem's leadership, we are committed to ensuring that Americans in crisis can get the help and resources they need."

Approximately \$882 million of funding from the Infrastructure Investment and Jobs Act will be returned to the U.S. Treasury or reappropriated by Congress in the next fiscal year. The 2021 law made \$1 billion available for BRIC over five years, \$133 million to date has been provided for about 450 applications. FEMA estimates more than \$3.6 billion will remain in the Disaster Relief Fund to assist with disaster response and recovery for communities and survivors.

Ending this program will help ensure that grant funding aligns with the President's Executive Orders and Secretary Noem's direction and best support states and local communities in disaster planning, response and recovery.

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Have you heard?

...Drinking water and Clean Water State Revolving funds are facing a \$2.4 billion reduction from 2025...

White House proposes \$2.4B reduction for 2026 State Revolving Fund programs

The overall balance of EPA's 2026 budget would witness a \$4.2 billion reduction across the agency in 2026 in the White House's proposal.

Bob Crossen

Drinking Water and Clean Water State Revolving Funds are facing a \$2.46 billion reduction from 2025 figures in the White House's 2026 fiscal year budget proposal.

In a May 2, 2025 letter to Appropriations Committee Chair Susan Collins, President Donald Trump's FY2026 budget proposal amounts to \$4.2 billion in total funding reduction across the entire agency in 2026 compared to 2025 for the U.S. Environmental Protection Agency (EPA). While the overall net balance results in a reduction, two programs would witness increases.

What the White House budget proposal changes from 2025

The proposal allocates \$124 million for drinking water programs, which is a \$9 million increase over the 2025 budget. Additionally, \$31 million is allocated for Indian Reservation Drinking Water programs, which amounts to a \$27 million increase from 2025. These programs do not appear to be related to the state revolving funds.

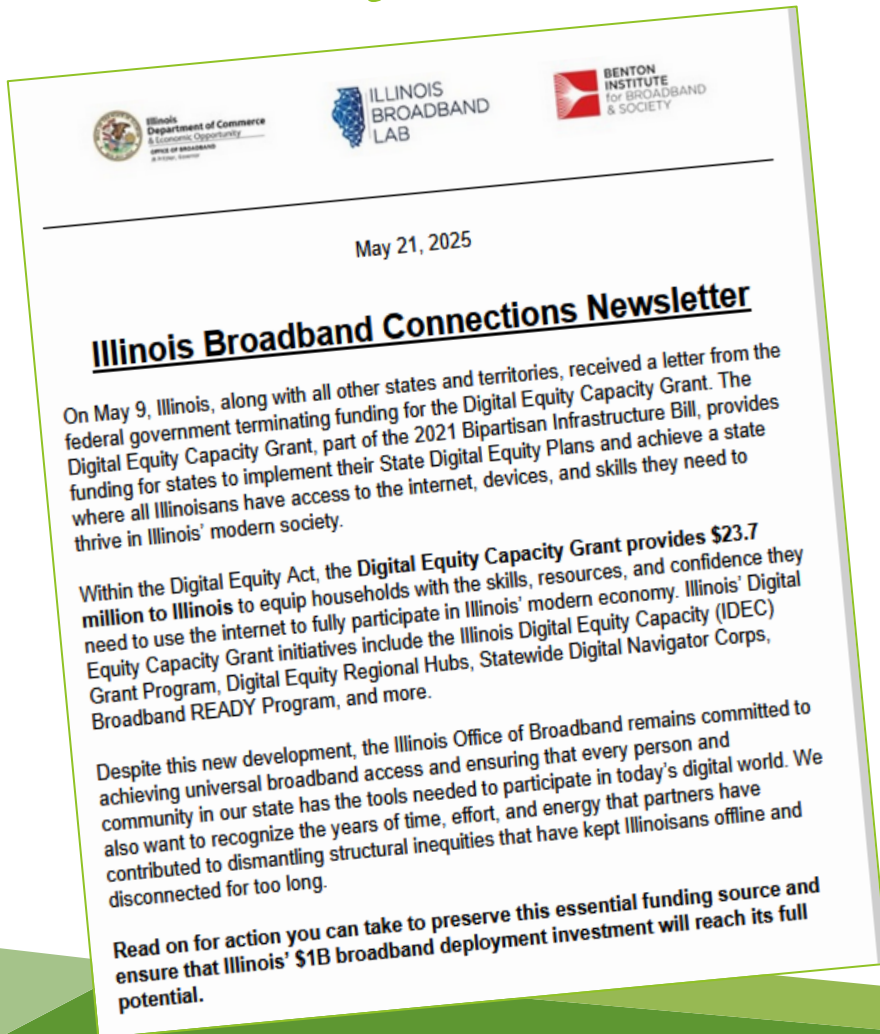
Additional reductions include:

- \$1 billion less for Categorical Grants Programs
- \$254 million less for Hazardous Substance Superfund clean up
- \$235 million less for the Office of Research and Development
- \$100 million less for the Office of Environmental Justice
- \$90 million less for Diesel Emissions Reduction Act grants
- \$100 million less for Atmospheric Protection Programs

As for reductions, Clean Water and Drinking Water State Revolving Fund programs would see the greatest reduction of all EPA cuts. This would amount to an overall budget of \$305 million, which is \$2.46 billion less than the 2025 budget. It is not clear how the \$2.46 billion in cuts would be split between the clean water and drinking water revolving fund programs. The President's letter claims this change will place the onus on states to fund their own infrastructure and shared additional reasoning as to why the reduction to SRFs is on the table.

"In practice, the program has been heavily earmarked by the Congress for projects that are ultimately not repaid into the program and bypass States' interest and planning. In addition, the SRFs are largely duplicative of the EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program and the Department of Agriculture's (USDA) Water and Wastewater Loan and Grant program, and they received a massive investment in the Infrastructure Investment and Jobs Act (IIJA)," the letter states.

Have you heard?



...On May 9, Illinois, along with all other states and territories, received a letter from the federal government terminating funding for the Digital Equity Capacity Grants...

Develop a Diversified Grant Funding Program

Look for multiple grants, cascading grants and other funding options...

01

Lessen
reliance on a
single funding
source

02

Grow access
to funding
opportunities

03

Increase
long-term
financial
resilience

04

Align funding
with capital
improvement
priorities

05

Think outside
the box...

So, how to proceed?

Here are some BMPs...

Define Capital Improvements and Funding Sources

- Review and Priorities Projects in Capital Improvement Plan (CIP)
- Classify by urgency, readiness, eligibility
- Align projects with city strategic and comprehensive plans
- **Develop a FUNDING PLAN for each project**



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Typical Grant Sources – Federal

- DOT: INFRA, RAISE, Safe Streets
- EPA: Water infrastructure, Brownfields
- FEMA: Hazard Mitigation Grants
- HUD: CDBG
- USDA: Rural Utilities & Development Review Capital



Typical Grant Sources – State (Illinois)

- DCEO: Rebuild Illinois, CDBG PI
- IDOT: ITEP, EDP
- IEPA: LSLR, Section 319, UCCGP
- IDNR: OSLAD, Coastal, Trails
- IHDA: Strong Communities, PSH Grants
- Connect Illinois (Broadband)



Creative Grant Sources – Local & Private

- MPOs and COGs (transportation/planning)
- County-level economic dev. programs
- Community Foundations (CFNIL, CCT)
- Nonprofits (Bloomberg, Landmarks Illinois Preservation Heritage Fund, Knight Foundation, ILL Arts Council)
- Creative local deals...



Project Title

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Helpful Services – Resources for Finding Grants

- IML Grant Finder “Lexipol”
- Illinois Grant Watch
- The Grant Portal
- National League of Cities
- Lobbyist?
- Policy Engagement Agencies
- Engineers can often serve in an advocacy role



Empower your Grant (*Funding*) Team

- Assign a Grant Coordinator, a “**funding advocate**”
- **Educate and train...** applications can be tricky!
- Create Departmental Liaisons
- Set internal review/approval process.
- Make part of CIP and Budgeting process



Ensure Grant Readiness

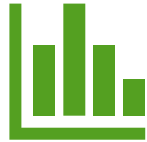
- Maintain core documents library
- Pre-engineering & cost estimates – update as needed
- Develop match funding strategy (Cash, Cascading grants, ARPA, TIF, bonds)
- Multi-Year approach?

Develop Grant Calendar & Tracker

Multiyear targeting is the norm...



Maintain dynamic
grant calendar –
Keep it updated



Use Excel or
software for
tracking



Record deadlines,
milestones, match,
reporting



Regularly monitor
grant availability,
funding targets



HRGreen®

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Outreach and Advocacy

Leverage relationships and always be on the lookout for funding...

Work of Managers and Elected Officials too

01

Build agency relationships (the 4 Letter groups)

02

Attend webinars & trainings

03

Coordinate with legislators & partners

04

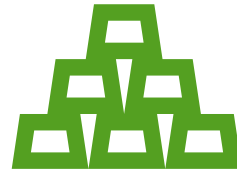
Subscribe to Agency NOFO list serves

Monitor Performance & Report

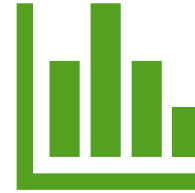
You don't want audit issues...



Track grant outcomes &
KPIs



Report on results, track
metrics



Use agency reporting
dashboards, annual reports

So, what does this look like?

Here are some Examples...

Gougar Rd Grade Separation New Lenox, IL

SOLUTIONS IDENTIFIED

Replace at-grade crossing at Gougar Road and the Canadian National Railroad by means of a roadway bridge over the railroad tracks

- **\$40M IN TOTAL COSTS, FUNDING WAS AN ISSUE!**



Draft Funding Budget										11/04/20				
Village of New Lenox - Will County Dept of Highways														
Gougar Rd Bridge Funding														
Phase		Preliminary Engineering	Right-of-Way	Design Engineering	Construction	Construction Engineering	Total		Likelihood of Success 1 - 3, where 3 is best	Application Schedule	Fed or Non-Fed (Match)?	Fed Dollars	Non-fed Dollars	Total
State Fiscal Year		2020	2021	2022	2023	2024-25	2024-25							
Est. Total Cost		\$500,000	\$3,680,000	\$2,200,000	\$27,730,000	\$2,200,000	\$36,310,000	100%						
State Discretionary Programs							\$0	0%						
	Illinois Commerce Commission Grade Crossing Protection Fund	\$0	\$0	\$0	\$12,000,000	0	\$12,000,000	33%	3	Due Approximately Jan 15 each year for a five-year program	Non Fed	-	12,000,000	12,000,000
	Illinois Competitive Freight Program	\$0	\$2,944,000	\$1,760,000	\$5,144,400	0	\$9,848,400	27%	3	TBD - Call followed the federal authorization	Fed	9,848,400	-	9,848,400
	Rebuild Illinois Competitive Grants	\$-	\$-	\$-	\$-	\$-	\$0	0%	1	Application deadlines have passed.	Non fed	-	-	-
	Illinois Transportation Enhancement Program (and Safe Routes to School)	\$0	\$0	\$0	Apply as alternate fund source	0	\$0	0%	2	Application deadlines have passed.	Fed	-	-	-
US DOT Discretionary Programs			Apply as Alternate Fund Source	Apply as Alternate Fund Source	Apply as alternate fund source	Apply as alternate fund source	\$0	0%	2	Funds may come from any of the federal discretionary sources below	Fed	-	-	-
	FRA CRISI Rail Safety Grant						\$0	0%	2	Annual Notice of Funding Opportunity	Fed	-	-	-
	BUILD Grant						\$0	0%	1	Annual Notice of Funding Opportunity	Fed	-	-	-
	INFRA Grant						\$0	0%	2	Annual Notice of Funding Opportunity	Fed	-	-	-
Regional and Subregional Programs			Apply as Alternate Fund Source	Apply as Alternate Fund Source	\$7,253,100	\$1,760,000	\$9,013,100	25%	3		Fed	9,013,100	-	9,013,100
	CMAQ - CMAQ Program						\$0	0%	1	1st quarter, 2021	Fed	-	-	-
	CMAQ - Shared STP Fund						\$0	0%	2	1st quarter, 2021	Fed	-	-	-
	CMAQ - Transportation Alternatives Program						\$0	0%	2	1st quarter, 2021	Fed	-	-	-
	Will County Governmental League						\$0	0%	3	Jan-22	Fed	-	-	-
CN RR Contribution (5% total)		\$ 500,000			\$ 875,500	\$ 440,000	\$1,815,500	5%	3		Non fed	-	1,815,500	1,815,500
Will County Contribution (MFT)			\$ 736,000		\$ 1,075,500		\$1,815,500	5%	3		Non fed	-	1,815,500	1,815,500
New Lenox Contribution (MFT)		\$ -	\$ -	\$ 440,000	\$ 1,375,500	\$ -	\$1,815,500	5%	3		Non fed	-	1,815,500	1,815,500
TOTAL		\$ 500,000	\$ 3,680,000	\$ 2,200,000	\$ 27,730,000	\$ 2,200,000	\$ 36,310,000	100%				\$6,863,500	\$7,446,500	\$6,310,000

Gougar Rd Bridge Funding Matrix

- Columns depict expenses and details i.e. ROW, engineering, legal, construction, utilities
- Rows depict Funding options
- Project had:
 - ✓ 12 Identified potential grant programs
 - ✓ 4 Agency Identified funding sources



Project Title
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7th Avenue Creek

City of St. Charles, IL

- **2008 Rain Event** - In 2008, City experienced an unprecedented flooding particularly along the 7th Avenue Creek.
- **Properties Impacted** - Many residential and commercial structures were impacted.
- **\$3.6M IN TOTAL COSTS, FUNDING WAS AN ISSUE!**





► FUNDING SUMMARY

- **FEMA funded** mapping revisions
- Obtained **Riverboat Casino Grant**
- Obtained **319 Grant** for Phase I for eligible activities
- Obtained **GIGO Grant** for Phase I for eligible activities
- Phase I Completed (2021 construction)
- Total Construction Costs - \$3.6M
- City's Share of Construction Cost (\$1.7M or 47.4%)

Cascading
Grants

Questions



Russ Loebe ICMA-CM

HR Green, Inc 815-530-6415



Project Title

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