

	Division of Water Infrastructure Funding Program Highlights Last updated: July 2026	Fall 2026
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Application deadline is 5:00 p.m. on Wednesday, September 30, 2026. Applications may be submitted at: <https://edocs.deq.nc.gov/Forms/NCDWIFundingApplication>

Community Development Block Grant-Infrastructure (CDBG-I)

What types of projects can this program fund?

CDBG-I is a U.S. Department of Housing and Urban Development (HUD) federally funded program. This program is designed to help communities create healthy living environments through financing public water and sewer infrastructure; and mitigate public and environmental health problems in areas where the percentage of low-to-moderate-income (LMI) persons is at least 51% LMI, a national objective.

Who can apply for this funding?

Only non-entitlement* units of general local governments (UGLG), with a project that meets the national objective of benefiting at least 51% LMI, can apply to the program. *HUD definition: Cities with populations smaller than 50,000 and counties with populations smaller than 200,000.* Single-purpose units of government (i.e., water/sewer authorities) must work with their UGLG as a subrecipient. If a UGLG is served by a single purpose unit of government, they may apply for a grant to replace, repair, or up-grade or extend infrastructure owned by a single purpose unit of government.

How much funding is available in this round?

Division staff anticipate having approximately \$18.9 million available.

What types of targeted funding are available?

All CDBG-I funds are 100% grant with no local match requirement. However, local funds may be required to cover cost overruns; therefore, it is critical to define the scope of project and easement requirements. All recipients must comply with federal grant conditions. If an applicant considers co-funding a CDBG-I Grant with other funding programs, the CDBG-I federal conditions will apply to the entire project.

What are the interest rates related to the CDBG-I program?

None - this is a federal grant program.

What are the funding limits for my town, city, or county?

The maximum CDBG-I award per UGLG is \$3.0 million every three years (three-year period starts at State Water Infrastructure Authority award date). If submitting multiple CDBG-I applications, only the highest scoring application will move forward with a recommendation to award to the State Water Infrastructure Authority.

*See CDBG-I Application Guidance for list of Non-Entitlement Units