

# Small Communities / Big Problems

## Small Community Success Stories: How to Design and Implement a 'Funding Quilt for Public Infrastructure'



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With arguably some of the oldest water and wastewater systems in the country, New York State's communities are facing some of the most costly infrastructure challenges in the nation. An estimated expenditure of \$44.2 billion is required to address drinking water needs over the next 20 years, with another \$38 billion required to resolve wastewater system issues over the same time period.<sup>1</sup> It is clear that New York communities need help.

How is a small town board with a tax levy of \$900,000 to finance necessary water infrastructure improvements with a projected price tag of \$8,000,000 while also meeting obligations to provide the full battery of services required of them? Or make improvements to a wastewater treatment plant that is operating near the top of its design capacity? Or address flooding issues that threaten water sources with pollutants borne by stormwater runoff? These challenges can have significant and costly repercussions if mismanaged - ranging from health and safety concerns to economic development opportunities and quality of life impact.

### State / Federal / County Funds to the Rescue!

While there is an array of state, federal, and county funding sources to help offset infrastructure improvement costs, we hear reservations from communities that range from "our community is too small to attract funding" and "we're too rural" to "we can't afford a match" and "it doesn't seem politically realistic." What steps can your Town Board take to improve the chances of securing the funds you need to address critical infrastructure issues that impact the well-being of your constituents?

### Craft and Mold Fundable Projects

- Target potential funding sources, then review and understand their priorities at the outset of project planning. Too many communities plan their infrastructure project and then seek funding to offset the costs, but these two activities should be undertaken concurrently. Each project should be crafted and molded from the beginning to **both** meet the needs of your community **and** align with the priorities of targeted funding agencies.



- Review successful applications for your targeted grants to confirm a match and identify key insights. Don't skip this **important step!** This due-diligence will help you understand what winning applications have in common and enable you to leverage that information in developing your own application. Conversely, the review may reveal that a funding stream that you thought was appropriate for your project is actually not a good match.

1. ASCE. (2022). Report Card for New York's Infrastructure. Retrieved April, 2024 from <https://infrastructurereportcard.org/state-item/new-york>.

## Putting Money to Work Right Away

Funding entities at both the State and Federal levels prioritize projects that can be put into action right away, and funding officers have been charged with determining which projects most successfully meet this metric. Now, more than ever, projects must be “shovel-ready” in order to have the best chance at securing funding. How do you effectively demonstrate project readiness? The answer varies depending on the specifics of the project or the needs of the funding agency. For many infrastructure initiatives, it means that the project should be ready to go out to bid. This can be challenging for communities that are hesitant or that lack the financial resources to invest in the design and investigative process. However, most agencies want to see their money put to work right away, which means construction. The following items help demonstrate your community’s readiness to go out to bid upon award of funding:

### Demonstrate Project Need:

- **Documentation of Problems** – An EFC-approvable engineering report will demonstrate a compelling need for the project and identify the preferred implementable path forward. If your community has been issued a DEC Consent Order or DOH Violation Notice, providing documentation will help demonstrate to the funding agencies the nature, scope, and potential impact of the issue. Environmental and/or water testing results will also strengthen your application.
- **Comprehensive Plan** – A recently completed Comprehensive Plan that makes a compelling case for how the proposed project will impact the community’s ability to realize its long-term vision can be an important differentiator that sets your application apart.
- **Income Survey** – If your community does not meet the income requirements of specific grant programs (Environmental Facilities Corporation establishes an eligible median household income and the Office of Community Renewal uses low- and moderate-income data – both agencies utilize American Community Survey data sources), then your community should undertake an income survey per program guidelines.

- **Inter-municipal Agreement (IMA)** – If your community is entering a joint project with a neighboring municipality, make sure to include your IMA with the grant application along with documentation of the problem you are jointly addressing.
- **Documenting Need** – In lieu of a Consent Order or Violation Notice, applicants can include letters or photographs from residents that detail project need and/or individual hardship. For example damage following a heavy storm should be documented to show drainage challenges.



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## Project Viability:

- **Project Design** – While agencies may not explicitly state that a project must be designed to be eligible for funding, the logistical reality is that meeting the schedule of project milestones for some agencies necessitates designing the project before submitting your application. For instance, CDBG funding requires contracts to be executed within 30 days, environmental reviews to be completed within 45 days, and the first drawdown to be made within 180 days. It would be a Herculean task to meet those milestones without a fully-designed project at the outset.
- **Special District Formation** – If your infrastructure project is water- or wastewater-related, your Town may need to form a special district that will enable you to issue a levy or assessment on only those property owners who benefit from the improvements. By undertaking district formation, you will be indicating project readiness as well as your community's commitment to project completion
- **Fiscal Viability** – Demonstrating adequate funding for a realistic budget assures agencies that their funds will be committed to a fiscally viable plan. Many programs require that a recent cost estimate be prepared by an engineer in order to apply for funding. In addition, since bond resolutions require significant lead-time to allow for bond council and public comment periods, if bonds are a component of your project budget, begin this process as soon as possible.
- **Environmental Studies / SEQRA Documentation** – These reviews, which are often required components

of funding applications, can be leveraged as differentiators by either demonstrating that there are no significant environmental setbacks to your project or affording you the opportunity to explain how you plan to address any issues that may have been identified.

- **Proof of Other Funds Secured** – While previously-secured funding can be effectively leveraged to improve **any** application, co-funding is **the key** to success with some funding sources, such as the CDBG Program. Because of this, the sequencing of grant applications is a critical consideration when developing an effective funding strategy. Sequencing may also impact the timeline as it may take multiple years to secure the funding needed to demonstrate that co-funding has been achieved.

## Leveraging Funding From Multiple Sources

While the proven formula of deploying these strategies may give your community a strong foundation for individual grant applications, securing a single grant is often not enough to see an extensive infrastructure project to completion. To fully fund many large-scale projects, it is necessary to craft a “Funding Quilt” that links the resources that must come together and be interwoven to fully execute on your community's vision. For instance:

- To execute a waterfront park project, it may be necessary to weave together New York State Department of State (NYSDOS) Local Waterfront Revitalization Program (LWRP) funding with funds secured from New York State's Environmental Protection Fund (EPF) and Community Project Funding (CPF) allocated by one of your Congressional Representatives.

The image is a promotional graphic for the Laberge Group. It features a central blue banner with the company name 'Laberge Group' in white. Below the name, five horizontal blue bars list the services: 'ENGINEERING', 'PLANNING', 'GRANT WRITING', 'SURVEYING', and 'ARCHITECTURE'. The background is a collage of images related to infrastructure: a construction site with workers, a street view, a surveying instrument on a tripod, a park with a path, and a water treatment facility. At the bottom, contact information is provided: '(518) 458-7112 • www.labergegroup.com • clientservices@labergegroup.com' followed by Facebook and LinkedIn icons.

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- A water infrastructure project of significant size may necessitate a mix of funding from sources such as Climate Smart Communities (CSC), CDBG, CPF, USDA Rural Development, and/or Water Infrastructure Improvement (WIIA).

## Funding Quilts In Action

Far from being a theoretical exercise, development of funding quilts is a proven strategy with demonstrable results. This successful strategy enabled the following communities to implement large-scale infrastructure improvements that their constituents will benefit from for years, or even decades, to come:

## TOWN OF SCHUYLER FALLS, NY Morrisonville Water District

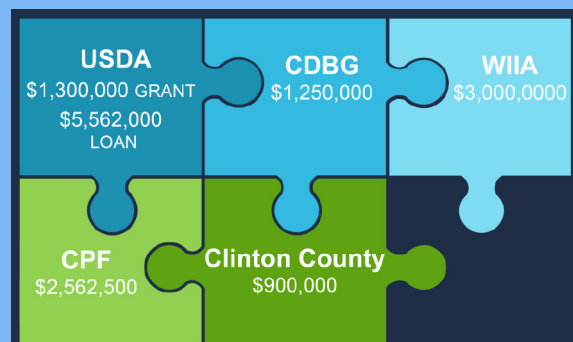
(Population 4,830 – 313 EDUs)

- 1950s water system, near the end of useful life.
- Asbestos cement pipe.
- Sections prone to freezing.
- Significant increase in watermain breaks.

### SOLUTION

- Replace existing watermains.
- Approximately 29,000 linear feet of pipe.

### FUNDING QUILT



**TOTAL FUNDING:** \$14,574,500

## TOWN OF BLACK BROOK, NY Water Supply and Storage

(Population 1,453 – 236 EDUs)

- Persistent water supply issues.
- Supply from adjacent Town.
- Damaged by past precipitation events.
- Vulnerable to freezing and system failure.

### SOLUTION

- Two wells to supply high-quality water.
- 225,000 gallon water storage tank.
- Water main connected to existing system.

### FUNDING QUILT



**TOTAL FUNDING:** \$2,179,000

## TOWN OF SCHODACK, NY Battisti Water District

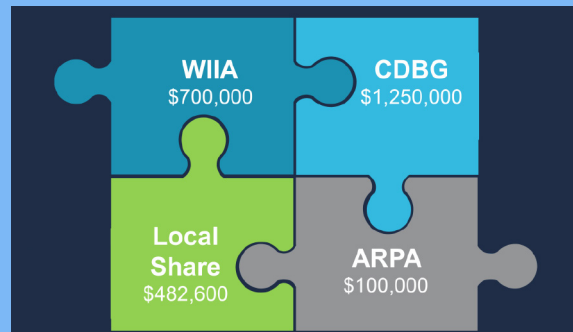
(Population 12,965 – 58 EDUs)

- Abandoned formerly-private water system.
- Frequent main breaks, inadequate line size.

### SOLUTION

- Create water district.
- Looped system with adequately sized lines.

### FUNDING QUILT



**TOTAL FUNDING:** \$2,432,600

## TOWN OF POESTENKILL, NY Water District No. 2

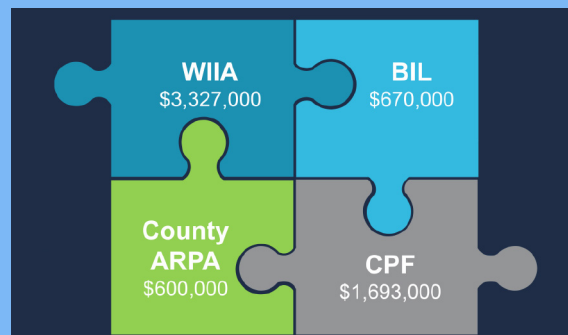
(Population 4,322)

- Health concerns stemming from well-based water supply exceeding State standards for PFAS, PFOA, and coliform.

### SOLUTION

- Expand municipal system to provide a safe and reliable source of drinking water.
- Create water district.

### FUNDING QUILT



**TOTAL FUNDING:** \$6,290,000

Since 1964, Laberge Group has worked with municipalities from across New York State, providing engineering, architectural, planning, surveying, and project funding services. The firm's Community Development Specialists have partnered with clients to secure more than \$180 million in funding for vital community projects in the past 5 years.