Broadband Projects

Overview:
The Senate Appropriations Committee is accepting requests for Congressionally Directed Spending projects for projects that seek to expand broadband service to underserved communities. Arizona stakeholders are invited to submit requests for projects that are eligible for the following accounts.

Please note that the information below reflects the latest guidance our office has received from the Senate Appropriations Committee and insights gained from prior CDS projects, but is intended for guidance purposes only. However, requestors are strongly encouraged to review this document to ensure this project is a good fit for Congressionally Directed Spending.

Department of Housing and Urban Development – Economic Development Initiatives: One of the broadest authorities available for Congressionally Directed Spending, the EDI account can fund construction, property acquisition, and other projects related to the deployment of broadband to economically disadvantaged communities.

- **What can be funded?** Funding for Economic Development Initiatives (EDIs) is funded within the HUD Community Development Fund for activities eligible under section 5305 of chapter 69 of title 42, United States Code. Examples of eligible EDI projects include purchase of equipment to aid in the deployment of broadband services, or construction activities related to broadband deployment.

- **Restrictions:**
    - Reimbursement of expenses incurred prior to the enactment of a final FY27 appropriations bill is not permitted.
    - Projects funded under this account are subject to all federal environmental and historic preservation laws, regulations, and Executive Orders. Requestors must understand that receipt of federal funds under this account would require compliance with the following regulations, and all other applicable statutes:
        - The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200
        - The National Environmental Policy Act (NEPA)
        - HUD's NEPA-implementing regulations at 24 CFR Part 50 or 24 CFR Part 58

Questions? Email appropriations@kelly.senate.gov

- **Appropriations Subcommittee:** Transportation, Housing and Urban Development, and Related Agencies

- **Administering Agency:** Department of Housing and Urban Development

- **Cost-Share:** Congressionally Directed Spending requests for HUD EDI can be used to cover 100% of a project's cost.

- **Requirements:** The Senate Appropriations Committee requires that the following information be provided for all CDS requests to be funded through the HUD EDI Account:
  - **Project Readiness:** All eligible projects must provide details on the status of the planning and environmental work.
  - **Sources of funding:** All eligible projects must provide a detailed description of all other sources of funding contributing to the total cost of the project.
  - **Confirmation of Federal Requirements:** All requestors must confirm that they will be able to comply with all applicable environmental and historic preservation laws, regulations, and Executive Orders.
  - **Project Website & CDBG Plans:** Requestors must provide (if applicable) a project website and/or a copy of a CDBG grantee's Consolidated Plan or Annual Action Plan which includes the project.
  - **National Objectives:** Requestors must identify which of the three "National Objectives" of the HUD CDBG program that the requested project and its activities meets, including a description of *how* it meets such National Objectives. The objectives are:
    - benefit low- and moderate-income persons or communities;
    - prevent or eliminate slums or blight; or
    - address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.
    - Note that the most common "National Objective" is benefit to low- and moderate- income (LMI) persons. (LMI) persons. If using the LMI National Objective, please review this HUD resource. Use the Map Application tool to provide the necessary data points demonstrating the LMI benefit.

- **Process for Successful Applicants:** If a project is successfully funded in the enacted FY27 appropriations bill, the funding will be distributed as a grant agreement to the requestor. Recipients will be asked by HUD to send all budget and project narrative information to the agency prior to receipt of funds. Funding

will not be released until HUD confirms all environmental and historic preservation requirements are met. HUD has set up a webpage for EDI awards [HERE](#), which contains initial information about the requirements associated with previous year's CDS awards and can serve as a guide for what the process of receiving funding this year could look like.

USDA Rural Development – Distance Learning and Telemedicine Grants: Projects that seek to help rural communities use advanced telecommunications technologies and broadband equipment (restrictions apply) are eligible to receive Congressionally Directed Spending through the Distance Learning and Telemedicine Grant Program.

- **What can be funded?** Any project that is eligible for USDA's Distance Learning and Telemedicine Grant is eligible to apply for this funding. Generally, projects should be ones which focus on opportunities to use technology to overcome the remoteness and low population density within rural communities. Types of funding could include:
    - Audio, video, and interactive video equipment
    - Broadband facilities used for distance learning or telemedicine (up to a certain percentage)
    - Computer hardware, network components, and software
    - Instructional programming
    - Limited technical assistance and instruction on how to use distance learning and telemedicine equipment

- **Restrictions:**
    - Full list of eligible entities, uses, and limitations can be found here: [7 CFR Part 1734 Subpart A and B](#).
    - The maximum grant size is $1,000,000.
    - Broadband deployment projects are not eligible for funding.
    - Only communities (or service areas) in rural areas with 20,000 people or fewer are eligible.

- **Appropriations Subcommittee:** Agriculture, Rural Development, FDA, and Related Agencies

- **Administering Agency:** Department of Agriculture – Rural Development

- **Cost Share:** There is a flat 15 percent match (matching funds cannot come from another Federal source).

- **Requirements:**

Questions? Email appropriations@kelly.senate.gov

- o **Project Readiness:** All eligible projects must provide details on the status of the planning and environmental work.
- o **Sources of funding:** All eligible projects must provide a detailed description of all other sources of funding contributing to the total cost of the project – and specific attention must be paid to ensuring the requestor can meet the cost-share requirements based on the community/service area's size.
- o **Discuss with Arizona Rural Development Office:** All applicants considering applying for Rural Development funding are strongly encouraged to reach out to the Arizona Rural Development office.
- o **Community/Service Area Population:** Because of the specific requirements for Rural Development funding, applicants must provide the most up to date population data for the community/service area in their application. Failure to provide this information will prevent the project from being funded.

- **Process for Successful Applications:** If a project is successfully funded in the enacted FY27 appropriations bill, the funding will be distributed as a grant agreement administered by the Arizona Office of Rural Development. Successful requestors must provide documentation to confirm eligibility based on the requirements above. Once eligibility is confirmed, funding can be disbursed. This typically takes 3-4 months from the enactment of the appropriations law.

Questions? Email appropriations@kelly.senate.gov