

## **Defense Community Infrastructure Program Notice of Funding Opportunity**

### **Fiscal Year 2026 Frequently Asked Questions**

These questions are commonly asked of the Defense Community Infrastructure Program. They intend to provide clarification and further understanding of the Notice of Funding Opportunity published on April 17, 2026.

#### **A. Program Overview and Eligibility**

1. What is the Defense Community Infrastructure Program?

Answer: It is a competitive grant program administered by the Office of Local Defense Community Cooperation on behalf of the Department of War to enable states and localities to address deficiencies in community infrastructure supportive of a local military installation. These projects may enhance the readiness of a military department or mission assurance at a military installation, family quality of life at a military installation, military installation resilience, and/or the training of cadets at covered educational institutions.

2. What type of agreement must be in place for an ineligible entity to “partner” with a state or local government?

Answer: It depends on the nature of the partnership. If a partner is to be a sub-recipient of federal funding under this program, an executed, binding sub-award agreement must be submitted to the Office of Local Defense Community Cooperation within 12 months of grant award and prior to the disbursement of any federal funding. The proposal should explicitly state the partner’s responsibilities and identify the type of arrangement planned. Projects awarded funding under the program must be owned by a state or local government, or a not-for-profit, member-owned utility service.

3. Are communities supporting military installations outside the United States eligible to apply for Defense Community Infrastructure Program grants?

Answer: No. Proposed projects must be located within any of the fifty states, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, or Guam.

4. My project is located on or partially on a military installation owned by the Federal Government. Is this project eligible for a Defense Community Infrastructure Program grant?

Answer: Maybe. A project may be located on property under the jurisdiction of a Secretary of a military department so long as that property is subject to a real estate agreement (including a lease or easement) and that agreement is held by a State or local government or not-for-profit, member-owned utility service.

5. Can an applicant submit multiple Defense Community Infrastructure Program grant proposals for different Defense Community Infrastructure Program projects, or is there a limit on the number of proposals an eligible entity can submit (assuming they have the installation support)?

Answer: Multiple proposal submissions from the same entity are allowed. However, each proposal should only detail a single project. If multiple proposals are submitted that enhance the same installation, installation commanders must state their priorities in the required installation commander letter of support that must accompany each submitted proposal.

6. Can we combine projects into one proposal?

Answer: Only if they are intrinsically interdependent with each other or are inseverable. Otherwise, no.

7. Is a project eligible if site clearing or construction work has begun? What if we demonstrate that it has undergone appropriate environmental and cultural resource review?

Answer: No. Even if the proposer believes the appropriate environmental and cultural resource reviews have been completed, a project is not eligible if ground-disturbing work has commenced.

8. Is cybersecurity considered infrastructure and an eligible project?

Answer: Yes. Infrastructure supporting a cybersecurity function could be considered an eligible project if the project entails construction and results in a complete and usable facility.

9. Are community infrastructure projects that support National Guard and Reserve component installations eligible for Defense Community Infrastructure Program grants?

Answer: Yes.

10. If an entity has a current Defense Community Infrastructure Program grant, does this prohibit an entity from applying for another grant for a different project?

Answer: No.

11. Is a project eligible if it has been bid out but ground disturbing work has not commenced?

Answer: Yes, provided the bidding process complies with 2 CFR Part 200, Procurement Standards, and the proposed project is materially the same as what was procured.

12. What documentation can our organization provide to demonstrate that we are an eligible proposer?

Answer: State and local governments and not-for-profit, member-owned utility services are eligible to submit a proposal. "State" and "local governments" are defined in 2 CFR § 200.1.

13. What documentation is required to demonstrate site control?

Answer: Site control may be evidenced by the proposer providing a legal instrument (e.g., deed, title, lease, easement, etc.) authorizing the proposer (or a subrecipient, if a pass-through entity) to access a specific real estate parcel for the purpose of constructing the proposed project and to continue using whatever is constructed.

14. If we previously submitted a quality of life proposal, and it is on the list of previously submitted quality of life projects, is our project automatically eligible?

Answer: No. The proposal must meet all FY 2026 Notice of Funding Opportunity requirements. Additionally, the proposal must state it is a repeat quality of life proposal (using Appendix A) and show that the scope, project location, and proposer are all the same as the previous submission(s), and ground-disturbing work has not occurred.

15. If my community plans to submit a repeat quality of life proposal listed in Appendix A of the Notice of Funding Opportunity, can the proposed budget increase?

Answer: Yes, a previously submitted quality of life project can have an increase (or decrease) in budget as long as the scope, project location, and proposer are all the same as the previous submission(s), and ground-disturbing work has not occurred.

16. Is a project that includes only demolition an eligible project?

Answer: Yes, a project that only includes demolition is an eligible project.

## **B. Cost Contribution / Match Requirements**

17. How do I obtain the rural local cost share (match) exemption for my project?

Answer: The location (county, city, town, or unincorporated area) of the proposed project must have a population of not more than 100,000 to be considered rural, meaning no match is required. Proposals must include: 1) a statement identifying the city, town, or unincorporated area with jurisdiction over the project location, including the zip code in which the project is located, and include that jurisdiction's population from last official count; and 2) state the proposer is not required to provide a local cost share contribution. Proposals that do not include all required information will not be verified as rural and will be required to provide a local match.

18. Will proposals that include a higher local cost contribution from the state or local government be scored higher than proposals that include the minimum local cost share contribution (or no match, in cases where a match is not required)?

Answer: No. The amount of local cost share does not factor in the scoring and selection process.

19. Can waiving rent money for the built-out space count as a portion of the 30% local cost share requirement? This would be for the entire 5-year period for the space.

Answer: No. The local project cost share must be sourced and available as cash for explicit use in the construction of the proposed project.

20. Must local cost share funding be available by September 2026 or can funds become available after receiving an invitation to apply for a Defense Community Infrastructure Program grant?

Answer: Funds do not have to be available prior to or at the time of award. Grantees are expected to comply with the terms of an award that stipulate requests for disbursements are to be in proportion to the Federal and non-Federal portions of the total approved budget for the project. For example, for every \$1 in eligible costs on a project with a 50% Federal contribution, requests for disbursements should ensure Federal funds do not exceed 50% of the expenditures for the project at any point over the term of the award. Any proposal relying on contributions sourced from other federal funds must present a counter-signed financial award at the time of proposal submission to be considered. Additionally, any proposal relying on donations must backstop those through a line of credit or other financial instrument.

21. If local cost share contribution (match) will rely on debt financing, when must that debt financing be available for the project—and are there specific conditions that will apply to the grant that may impact debt financing (loan term) agreements?

Answer: Grantees are expected to comply with the terms of an award that stipulates requests for disbursements are to be in proportion to the Federal and non-Federal portions of the total approved budget for the project. For example, for every \$1 in eligible costs on a project with a 50% Federal contribution, requests for disbursements should ensure Federal funds do not exceed 50% of the expenditures for the project at any point over the term of the award. Additionally, proposals relying on debt financing for any portion of their project must demonstrate how any Federal Interest that is created through the proposed project will be preserved through any subsequent refinancing, foreclosure, or other actions that may change the purpose, life, and/or benefactors of the enhancement that was the basis for the Federal Interest. Defense Community Infrastructure Program funding will not be subordinated to a lien by that may be imposed by a debt financier.

22. If a project qualifies as rural and no local cost share funds are needed, can soft costs be paid for by Defense Community Infrastructure Program grant funds?

Answer: No. Soft costs (e.g., planning and design costs, environmental permit applications and similar pre-construction engineering costs) are not eligible for Defense Community Infrastructure Program funding.

23. Is military value being considered an enhancement category in Fiscal Year 2026?

Answer: No. Congress removed the military value enhancement category via Section 2806 of the National Defense Authorization Act for Fiscal Year 2026 (Public Law 119-60).

24. Would a project which hasn't entered design phase by the proposal deadline be considered construction-ready?

Answer: The proposal will be evaluated based on its evidence to commence construction quickly after funding is awarded, and a proposal for a project that has not yet entered the design phase will likely receive a lower construction readiness score.

25. If an existing structure is on the building site and is slated to be demolished within the shovel-ready time frame, does that demolition count as the project being shovel ready?

Answer: Yes. The project would be considered shovel ready; however, the demolition must be part of the scope submitted for the originally ranked proposal.

26. Can the 30% local cost share be supported by staff salaries (i.e., an in-kind contribution)?

Answer: The 30% local cost share may include staff salaries if the staff time goes towards construction project administration. The budget must detail the percentage of time staff will spend on the project and a grantee must keep appropriate records to document this time spent.

### **C. Proposal Content**

27. In our experience, military command is reluctant to “support” outside-the-wire projects even when they acknowledge the benefits. Program guidelines specify that proposals must include a letter of support. Is this a potential roadblock for applicants?

Answer: Section 2391(d) of 10 USC requires that any project funded through the Defense Community Infrastructure Program be “supportive of a military installation” which is why a proposal will not be considered without a letter of support from the local installation command. The local installation command letter for the Fiscal Year 2026 competition is a “support” letter, not an “endorsement” letter. An installation commander’s signature on a letter of support is not prohibited under the Joint Ethics Regulations or federal ethics regulations provided that the letter complies with and contains only the information requested in the Fiscal Year 2026 Defense Community Infrastructure Program Notice of Funding Opportunity.

28. To whom should the installation letter of support be addressed?

Answer: The installation letter of support should be provided to the state or local government entity proposing the project and included in the proposal submission in Grants.gov. Letters of support that are not included a part of a proposal submission will result in that proposal being considered incomplete and not be reviewed.

29. Soft planning costs such as planning and design cannot be funded by the Federal portion of the Defense Community Infrastructure Program grant but can be used for the local project cost share contribution as matching funds. What about engineering services provided during construction?

Answer: Engineering, inspection, and oversight costs during construction are allowable construction costs.

30. Are Operations and Maintenance (O&M) costs included as part of the eligible costs for Defense Community Infrastructure Program?

Answer: No.

31. Regarding Operations and Maintenance (O&M) costs, one of our cooperatives is thinking of proposing a large generation asset as part of their Defense Community Infrastructure Program bid and is interested in including a warranty for this component. The warranty requires a 10-year maintenance contract and as we understand it, O&M is not an allowable cost. Would a warranty cost be allowed? If so, if O&M costs associated with the warranty were paid up front, could that be considered an allowable cost under Defense Community Infrastructure Program?

Answer: Yes, but the costs associated with the warranty must be paid during the period of performance.

32. What does Office of Local Defense Community Cooperation expect the grantee and the associated installation to do to assure compliance with federal and state/local environmental compliance and consultation requirements (e.g., National Environmental Policy Act and Section 106 of the National Historic Preservation Act)?

Answer: The Office of Local Defense Community Cooperation is responsible for complying with all federal environmental compliance and consultation requirements for construction projects paid through federal grant awards. Grantees must provide sufficient analysis and documentation to the Office of Local Defense Community Cooperation within the approved project schedule and budget to ensure compliance. Grantees should incorporate time, resources, and expertise necessary to gather appropriate information and data, conduct analyses, complete notifications, secure permitting, and prepare documentation in coordination with the Office of Local Defense Community Cooperation to satisfy all environmental compliance and consultation requirements. The Office of Local Defense Community Cooperation may seek support and advice from the benefiting installation in the compliance process because it is the on-the-ground Department of War expert on location conditions. Construction and ground disturbance may not begin for a grant project until the Office of Local Defense Community Cooperation determines that the National Environmental Policy Act and other environmental compliance and consultation documentation is complete and is of sufficient quality to inform a reliable conclusion about the potential environmental impacts of the project and issues a notice to proceed to a Grantee.

If environmental review was already completed by another agency or the associated military installation for the proposed project, this documentation must be of sufficient quality for the Office of Local Defense Community Cooperation to adopt or otherwise rely upon its independent determination under applicable laws.

33. Can Defense Community Infrastructure Program grant funds be used to pay for work needed to comply with environmental requirements?

Answer: No. The cost to prepare environmental permit applications and similar pre-construction engineering costs cannot be funded with federal funds but may be used as a source for the local cost share (match).

34. Do all 3 elements of construction readiness need to be completed prior to submitting a proposal?

Answer: No. Proposers can earn up to 3 points for each element. Proposals should clearly explain the status of each element as well as demonstrate an understanding of the steps necessary to be able to begin construction quickly after the grant is awarded. Proposers must also show that the project can be completed within 5 years of grant award.

35. Is there a benefit to having more than one installation letter of support?

Answer: If the project benefits multiple installations, the proposal should include either letters from each installation or one installation commander support letter signed by commanders for all benefiting installations.

36. Is there a benefit to including letters of support from a legislative body or other entities (Tribal Nation)?

Answer: No. Additional letters of support are not required nor is there scoring associated with any letters of support outside of the installation commander letter of support.

37. Can I use Artificial Intelligence to write my proposal?

Answer: Yes, but if artificial intelligence or artificial intelligence tools are used to draft a proposal, the proposer must ensure that all documents are subject to human review to ensure data security and accuracy of responses. The proposer must also state in the proposal that artificial intelligence was used to draft the submission.

38. If a project meets multiple enhancement categories, can the proposal describe how the project meets more than one category?

Answer: No. Proposers must select only one enhancement category and describe how the project meets that category.

#### **D. Supplement, Supplant, and Use of Other Funding**

39. Can funds from other (i.e., non-Office of Local Defense Community Cooperation) federal sources be used as local cost share (match) for Defense Community Infrastructure Program projects?

Answer: It depends. The proposer must execute a counter-signed award for those other federal funds prior to submitting a proposal to this Notice of Funding Opportunity. The other federal source agreement must explicitly state that those funds are available to pay the match for another federal financial assistance program and cite the appropriate legal authorities. The proposer must

submit a copy of the counter-signed funding agreement as part of its proposal to the Office of Local Defense Community Cooperation.

40. Can Defense Community Infrastructure Program federal funding be used to match other partially federally funded projects?

Answer: Yes, this is possible if certain conditions are met. If each federal program is funding is severable and the funds can be separately managed and accounted for, Defense Community Infrastructure Program funding can be used to match other partially federally funded projects.

41. Does the language in the Notice of Funding Opportunity prohibiting funds being supplanted only pertain to federal funds or does this program also prohibit supplanting local funds?

Answer: Defense Community Infrastructure Program funding may not supplant other federal funds that may be available for the proposed project. This restriction is not applicable to local or other non-federal funding. Supplanting of funds occurs when Defense Community Infrastructure Program federal funding is provided instead of other eligible and available federal funding for the project.

42. If a project (access road) is currently being submitted under the Federal Highway Administration Defense Access Roads (DAR) program, does it still qualify for the Defense Community Infrastructure Program?

Answer: No. This would cause supplantation of DAR program funding.

## **E. General**

43. When will the actual grant funds be available for use?

Answer: Grant funds are available for up to five years after obligation, which will occur no later than September 30, 2026, and expire on September 30, 2031. To be eligible to draw down funds, the grantee must comply with any special conditions of the award, so the actual availability period will vary by grant award.

44. Can existing facilities that require interior finishing qualify for Defense Community Infrastructure Program? And if so, how would federal and state/local environmental requirements apply?

Answer: Any “finishing” activities would need to meet the definition of “construction” as used in the Notice of Funding Opportunity and comply with federal and state/local environmental requirements as well as Section 106 of the National Historic Preservation Act prior to commencing any ground-disturbing and building renovation.

45. Are projects funded by the Defense Community Infrastructure Program subject to federal-based prevailing wage rate requirements?

Answer: No. Office of Local Defense Community Cooperation grant funding is not subject to prevailing federal wage rates. When Office of Local Defense Community Cooperation grant funding is mingled with another funding source that may trigger federal prevailing wage rates, the entire project could be subject to the common federal prevailing wage rate requirements. Grantees should consult with their legal counsel regarding their obligations when co-mingling funds or establishing compliance with any state-based prevailing wage rate requirements. Grantees are required to clearly document direct and fringe benefit rates.

46. The proposer anticipates utilizing a local governmental organization to assist with environmental compliance, labor standards compliance, procurement compliance, administrative compliance, and report generation. Does the local governmental organization need to be procured if Defense Community Infrastructure Program grant funds are being used to pay for those services? Could the local governmental organization be added as a subrecipient on the project?

Answer: Local governmental organizations may participate in providing grant services through an intergovernmental agreement as a subrecipient. If the proposer decides to include these services as part of the grant for the purpose of local cost share, then these services must be obtained in accordance with 2 CFR § 200, the terms and conditions of the award, and any relevant state or local procurement requirements.

47. Most of the engineering will be completed in-house; however, some aspects of final design will be contracted out to licensed engineers. Can engineering procurement take place after the grant application is submitted? Does the procurement need to be completed before application submission?

Answer: Yes, procurements can take place after grant award. However, “soft costs” such as engineering, planning, and design costs are only eligible towards the project local cost share (match).

48. If the project goes over budget, are additional federal funds available to cover these unexpected costs or is grant funding firm and fixed? What if the project ends up costing less than anticipated? What costs can be included?

Answer: Any cost overruns are the responsibility of the grantee. If costs are lower than expected, the grant will be downwardly adjusted, proportional to the mix of federal to non-federal funding. Note that grant funds may only be used for costs approved in the budget submitted at the time of grant award. Soft costs required for the planning, design, and execution of the proposed project are allowable as a source for non-federal local cost share (match) only.

49. How is the total funding amount divided among the four Defense Community Infrastructure Program enhancement categories? How will the results of the four different categories be compared for funding priority?

Answer: Section 2806 of the National Defense Authorization Act for Fiscal Year 2026 (Public Law 119-60) directs the Secretary to allocate not less than two-thirds of the amounts appropriated (\$153.3M) or otherwise made available for such program equally among projects that enhance

military family quality of life at a military installation (\$76.65M) and those that enhance the readiness of a military department or mission assurance at a military installation (\$76.65M). The remaining funds are available for the top-ranked projects as rated by the Defense Community Infrastructure Program Review Panel. All proposals will be scored based on the merits of each proposal, with scores weighted to prioritize the projects in accordance with legal authority. Proposals will be invited based on gross score ranking and the availability of funding.

50. The Notice of Funding Opportunity says that the proposing entity must also state its capability to secure a surety bond prior to construction. Does requiring the contractor to secure the bond suffice? Or does the grant require the applicant to secure the bond?

Answer: Typically, the contractor obtains a surety bond, which is adequate to meet the requirement.

51. If we plan to resubmit the same project from a previous year, can we use the same proposal with added supporting material or should we submit an entirely new proposal?

Answer: Congress substantially changed the laws applicable to the FY 2026 Notice of Funding Opportunity. Therefore, when considering whether to submit the same proposal, the Office of Local Defense Community Cooperation recommends carefully considering how the proposal responds to the specific instructions for the Fiscal Year 2026 program.

52. Can we submit a draft to the POC at the Office of Local Defense Community Cooperation for their review prior to the formal submittal?

Answer: No. This is a competitive grant program, and we are unable to review proposals nor counsel prior to the proposal submission due date.

53. Can a proposal be submitted as multiple PDF files or should it be compiled into a single PDF?

Answer: Proposers may combine all documents into one file (Microsoft Word or PDF) at their discretion. If proposers wish to attach separate files (subject to the file types accepted by Grants.gov), please use Section 15 of the Grants.gov SF-424 or use the Attachments Form to upload files.

Proposals that do not adhere to the twenty-one (21) page limit described in the Notice of Funding Opportunity will not be scored and will be removed from consideration. The Standard Form 424, the letter of support from the installation commander, and documentation showing evidence of the availability of any other participating federal funding do not count against this twenty-one (21) page limit.

54. Is the SF-424 the only standard form required at this time?

Answer: The SF-424 is the only standard form required (and is created within the Grants.gov submission). Also, our use of the term “proposal” equates to the term “pre-application” in Grants.gov for the purposes of this program.

55. In reference to a requirement for a project to include a “Federal Interest” for the life of the improvements, how is this interest memorialized? Can a project be sold at some point in the future and the Federal Interest be assigned to a new owner (and that owner may not be a unit of local government)?

Answer: Federal Interest is typically memorialized in a document (i.e., a Notice of Federal Interest) attached to the deed of the property on which the project is constructed or documented on the title of a piece of equipment, as appropriate. Please refer to 2 CFR § 200.311 “Real Property” and § 200.313 “Equipment” and the Office of Local Defense Community Cooperation Real Property, Equipment, and Intangible Property Federal Interest Supplement in the Grants Management Manual for more information.

56. We are applying for a Defense Community Infrastructure Program grant while also currently managing another grant with the Office of Local Defense Community Cooperation. Does managing two grants present a problem?

Answer: No, provided you can successfully achieve the objectives and meet the requirements of two federal awards concurrently.

57. Does the local township/county usually end up covering the cost to draft up the grant?

Answer: Yes. The costs incurred to prepare a proposal or application are not Defense Community Infrastructure Program grant allowable costs.

58. Can real property be purchased under the Defense Community Infrastructure Program?

Answer: No, real property (e.g., land, buildings, etc.) cannot be purchased as part of a project under the Defense Community Infrastructure Program. Costs for such acquisitions are not eligible either as paid by the federal government or as part of a local cost share (match) contribution. However, grantees may include the appraised value of land as part of its local match, including land donated independently of the project scope of work. The value of this property must be supported through an independently reviewed Fair Market Value appraisal if it is to be considered as part of match.

59. If the proposal involves the use of land owned by the applicant, can the value of the land be used as any portion of the cost share?

Answer: Land acquired prior to the award of a Defense Community Infrastructure Program grant that is integral to a proposed project may be an eligible source for the local cost share contribution. Please refer to 2 CFR § 200.402-409 and 2 CFR § 200.465 for specific cost principles. Any determination of fair market value must be adequately documented, such as through an appraisal done in accordance with 2 CFR § 200.311. Grantees may not use Defense Community Infrastructure Program federal grant funds to pay for real property acquisition costs nor for any appraisals.

60. What are the responsibilities of a local governmental entity partnering with a member-owned, not-for-profit utility on a project owned by the utility and working with the utility as a sub-recipient?

Answer: The local government, as a federal grant recipient or Grantee, must maintain compliance with grant terms and conditions as well as applicable regulations, including 2 CFR Part 200. The grant recipient should be familiar with the subrecipient sections, specifically § 200.331 through § 200.333.

61. If awarded Defense Community Infrastructure Program grant funds, will an applicant receive the full amount of funding requested or could they be awarded only a portion of the requested funds?

Answer: If awarded, the grantee will receive the full amount of funding requested (between \$250,000 and \$20 million). Projects will not be partially funded.

62. Is the Defense Community Infrastructure Program available to support projects near Army Working Capital Fund installations?

Answer: Yes, the program can support projects near Army Working Capital Fund installations. Proposals must be submitted by an eligible recipient in accordance with all Notice of Funding Opportunity requirements, including submission of an installation support letter.

63. Is a United States Army Corps of Engineers facility an eligible military installation?

Answer: No, a United States Army Corps of Engineers facility does not meet the definition for “military installation” that applies to 10 USC § 2391 (definition is at 10 USC § 2687).