Funding Opportunities for Constructing New Roads

Current as of: 8/31/2026

New roads can help communities improve access, support planned growth, and strengthen connections between people and places. Funding may be available to help communities design and construct new roads and related infrastructure. This page highlights grants, loans, and other financial resources that can support new road construction.

Consult program-specific guidance for additional information. Links to other sites offered in this document are provided to assist municipalities: the inclusion of a link does not imply endorsement or approval of the linked site or product.

Funding Opportunities

Northern Borders Regional Commission Catalyst– Supports projects that address transportation, telecommunications, energy, and basic public infrastructure; business and workforce development; health care, nutrition and food security, and other public services; resource conservation; tourism; recreation; and open space preservation consistent with economic development. This grant will fund basic public infrastructure, including public meeting spaces. Incorporating the project's relationship to economic activity will increase application competitiveness.

Applications are accepted in the spring and fall. NBRC prioritizes construction-ready projects and prefers job-creation projects that help reduce poverty, unemployment, and outmigration. Focusing on project benefits in these areas helps an application be more competitive. Letters from businesses that support job creation or retention provide excellent supporting documentation. Other elements that can increase a project's competitiveness include a project's listing as a Regional Project Priority as and incorporating the project's relationship to job retention in the Designated Village Center.

ACCD Community Development Block Grants – Supports planning ($3,000 to $60,000), accessibility modifications ($5,000-$150,000), and implementation ($50,000 to $1 million – max $500,000 for community public facilities) for projects related to housing, economic development, public facilities, public services, and handicapped accessibility. Match for economic development loans, accessibility modifications, and slums and blight is 10%. For municipally owned facilities, no match amount is prescribed, but municipalities must contribute. The amount has bearing on an application's competitiveness. Funds must primarily benefit persons of low and moderate income. See HUD Low-and Moderate-Income Area Data for eligibility. Accessibility projects automatically qualify under this criterion. Both the Selectboard and Planning Commission must sign an application resolution.

US DOT Grants – Has multiple grant programs. These programs are nationally competitive, so most Vermont roads are not competitive unless they are a State or US highway, access Federal and Tribal lands, or are a major regional connector road that facilitates economic activity. Before applying for these grants, applicants are advised to consult with the Vermont Agency of Transportation and the Vermont Division of the Federal Highways Administration.

VEPC Tax Increment Financing - Tax Increment Financing (TIF) is a tool that municipalities use to finance improvements for public infrastructure like streets, sidewalks and storm water management systems. The improvements serve a specified area known as a TIF District. After the creation of a TIF District by a municipality and approval by the State, voters authorize municipal bonds or other debt to finance the construction or improvement of public infrastructure to serve the TIF District. As the infrastructure is built and improved, the private sector follows with investments in new and renovated buildings. This private investment incrementally increases the value of the grand list. The boost in the value of the grand list and the generation of incremental revenue are the result of the TIF financing that paid for the infrastructure improvements that attracted new investment, business, and visitors. TIF

Districts are authorized for a 20-year period, after which, all property tax revenues are treated as they were before a District was created. Contact ACCD.VEPC@vermont.gov .

VEPC Community and Housing Infrastructure Program (CHIP) is a project-based tax increment financing tool designed to help Vermont communities unlock housing opportunities by investing in critical public infrastructure. CHIP enables municipalities to finance essential infrastructure (like water, sewer, roads, and stormwater systems) that supports new housing development, with the preferential consideration of affordable and moderate-income primary housing. CHIP allows municipalities to retain a portion of the property tax revenue resulting from increased values within a defined Housing Development Site. These funds may be used to repay the debt incurred for, or otherwise pay for, eligible infrastructure improvements. Contact ACCD.CHIP@vermont.gov. Municipalities may access technical assistance through VLCT's CHIP IN VT service through 2029.

Congressional Appropriation - Congressional appropriations were formerly known as Earmarks and are currently known as ***Congressionally Directed Spending*** for the Senate and ***Community Project Funding*** for the House of Representatives. Projects are nominated by Members of Congress for funding through the appropriations bill. The Senate and House have different rules for these requests. Projects benefit from advanced discussion with Congressional staff. Projects are most competitive when they are construction ready. If selected, funds pass through a federal agency with that agency's associated grant terms and conditions. Funds may not be available for 1-4 years based on agency capacity. Information is available on websites of Senator Sanders, Senator Welch, and Representative Balint. Projects are usually submitted in late February through mid-March annually.

US Economic Development Administration Public Works and Economic Adjustment Assistance – Supports construction, non-construction, technical assistance, and revolving loan fund projects for public works (infrastructure, facilities and buildings, brownfields) and economic assistance (Comprehensive Economic Development Strategy development and implementation). Eligible activities include land acquisition, design and engineering, construction. It is helpful to contact your regional planning commission or regional development corporation prior to initiating an application. Projects must be consistent with the region's Comprehensive Economic Development Strategy.

US Economic Development Administration Disaster Supplemental Funding - Supports disaster recovery in areas where a Presidential disaster declaration was issued. Eligible activities including economic recovery strategic planning grants, public works construction projects including broadband and resiliency projects, workforce development, capitalization of revolving loan funds, and economic development projects that enhance density in the vicinity of other economic development. In calendar years 2023 and 2024, Vermont had multiple qualified declarations making projects in the following counties eligible for funding: Addison, Caledonia, Chittenden, Essex, Franklin, Lamoille, Orange, Orleans, and Washington. Projects in Rutland, Windsor, and Windham Counties may be eligible and should verify this with US EDA. A project does not have to be related to those disasters for an application to qualify, but it should discuss disaster impacts. Water and wastewater system projects that catalyze private investment and regional prosperity score well. It is helpful to discuss projects with Katherine Trapani, EDA's Vermont representative, prior to initiating an application. She can be reached at 215-514-6572 or ktrapani@eda.gov.

Vermont Bond Bank Pooled Loan Program – This program provides low-cost loans to Vermont governmental units for long-term capital projects. Loans are primarily funded through the issuance of highly rated tax-exempt bonds by the Bond Bank. Common uses of loans issued through the program include facilities renovation and construction projects, road and highway improvements, energy efficiency upgrades, equipment purchases, and general infrastructure. Voter approval is required. The Bond Bank assists municipalities with determining their debt capacity. Contact Ken

Linge at ken@vtbondagency.org for assistance.

Vermont Bond Bank Housing Infrastructure Loan Program - Provides low-cost and flexible capital for municipalities to extend and increase the capacity of water, sewer, transportation, and other public infrastructure where a lack of capacity or extension is a barrier to new housing development. Can be used for preliminary engineering and planning, engineering design and bid specifications, construction of improvements, and purchase/conveyance of eligible improvements. Loans up to $3.5 million. Applications reviewed quarterly. Contact Ken Linge at ken@vtbondagency.org.

Where to Find Help

Need one-on-one help advancing your local project or to narrow funding opportunities? If so, you can schedule a convenient time to meet with our Project & Funding Specialist by booking time directly into her calendar or emailing bwaninger@vlct.org. Whether your project is just in the idea phase, has started to gain momentum, has stalled completely, or you just need help prioritizing projects before you get started, let us help you.

Many municipalities lack capacity for grant writing and administration. VLCT's resource, *Increasing Municipal Capacity for Grants*, offers ideas for assistance with grants. Many of the capacity builders also provide project management services. Hiring experienced project management services can increase the speed of project development and help avoid cost, permitting, and other development surprises.

Publication Date
08/10/2026