In this paper, we studied community funds by local government (cities and Tokyo special wards) in Japan in terms of its history and progress, and evaluated the current situation with the following criteria: "Outreach",” Empowerment”, "Distribution of resources”, “One-window system(cross-sectional)”, “Coordinator”, and “Consideration for powerless applicants”. And we found the followings: (A) The systems of community funds by local government get complicated in terms of relationship between local government and awarded organization, the system of fund-raising, and the consideration of maturity. It did not consider the actual degree of maturity of community’s activities; therefore community cannot utilize the systems effectively. (B) Most of the funds do not have institutional outreach and empowerment systems; therefore, coordinators and city office should cooperate to have the systems to foster stronger communities. The corporation can lead a better system to dig out potential community’s activities and make community to be more independent. (C) Community fund should have more empowerment system with more area-oriented coordinators, the devolution of power, and not-financial supports such as informational and technical.