

ENERGY AND MINERAL IMPACT ASSISTANCE FUND PROGRAM GRANT APPLICATION GUIDELINES

Adopted February 9, 2023

The following guidelines are designed to assist potential applicants in applying to the Energy and Mineral Impact Assistance Fund (EIAF or Impact) program. Any organization applying for a grant in this program will be required to describe how the project for which funding is being requested has been well planned, evaluated, and supported by the local governing body.

The Department of Local Affairs (DOLA) establishes, maintains, and demonstrates Inclusion, Diversity, Equity, and Accessibility (IDEA) as core values and proactively implements policies that foster these values.

Potential applicants are <u>required</u> to contact their respective <u>Regional Manager</u> prior to applying for funding. Please visit the Department of Local Affairs <u>website</u> where contact information for Regional Managers can be found.

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EIAF Grant Program Purpose

The Department of Local Affairs' Energy and Mineral Impact Assistance Fund program was created to assist political subdivisions that are socially and/or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels. Funds are derived from and dependent upon the state severance tax on energy and mineral production and from a portion of the state's share of royalties paid to the federal government for mining and drilling of minerals and mineral fuels on federally owned land. The creation of the fund is outlined in C.R.S. 34-63-102 (Federal Mineral Lease [FML]) and C.R.S. 39-29-110 (Severance Tax Fund).

DOLA's intent in administering this grant program is to manage it as outlined in State statutes utilizing a philosophy of supporting rural local governments that need financial and technical resources to promote sustainable community development, and to increase the livability and resilience of communities through strategic investments in asset-building activities. The most successful applications are those that:

- demonstrate the need for the project;
- show that the project is a high priority for the community;
- demonstrate local commitment to complete the project;
- are ready to start work on the project;
- move the community towards increasing community resilience;
- demonstrate a relationship to and/or address energy and mineral industry impacts; and
- demonstrate financial need.

The following parameters are taken into consideration when assigning severance tax and FML dollars:

- Local governments must disclose whether they can receive severance tax funds without impacting their TABOR limits. If severance funds cannot be used, DOLA may assign FML dollars.
- Counties will not receive FML dollars due to the impact of those dollars on the organization's Payment in Lieu of Taxes (PILT) payments.
- Statewide locations with FML production in the area and enterprise operations are prioritized when assigning FML dollars.
- An enterprise fund may request severance dollars, however, the local government must evaluate the impact of these dollars to the enterprise status before these funds will be assigned by DOLA.

Eligibility

Section 39-29-110(1)(III)(b)(I) states in part: "...funds from the local government severance tax fund shall be distributed to those political subdivisions socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels subject to taxation under this article and used for the planning, construction, and maintenance of public facilities and for the provision of public services."

Section 34-63-102(1)(II)(b) states in part: "...priority shall be given to those public schools and political subdivisions socially or economically impacted by the development, processing, or energy conversion of fuels and minerals leased under said federal mineral lands leasing act." Loans at not less than five percent are also authorized in 39-29-110(II)(A) for the planning, design, construction, erection, building, acquisition, alteration, modernization, reconstruction, improvement, or expansion of domestic wastewater treatment works or potable water treatment facilities.

Political subdivisions of the State of Colorado (local governments) and regional Councils of Governments are eligible to apply for grants or loans through this program. Local governments must be in compliance with all laws and provisions governing their operations as well as in compliance with all Department of Local Affairs programs prior to receiving an award.

Educational Institution Eligibility

Given the demand from local governments for limited grant funds, applications from higher education institutions and school districts (K-12) are generally not successful when reviewed with local government applications, as there are other grant sources available specifically to them. Prior to any application, requests from K-12 school districts should consider the parameters below:

- School districts should seek funding for design and construction through the Colorado Department of Education or, in the case of energy efficiency projects, the Colorado Energy Office, or other funding sources before applying to this program.
- DOLA will give preference to support facility improvements that create a needed community asset available for broad public use. Collaboration with local governments in the development of these types of project applications is strongly encouraged and an inter-governmental agreement must be in place before grant contract execution. For example, school buildings may function as community centers for social events, as recreational centers, and as community libraries or service centers for outreach assistance for the elderly or at-risk families. The local government and the school district must formally agree or demonstrate a substantial commitment to community usage.
- Applicants requesting support for capital facilities to be used exclusively for K-12 or higher education activities (classrooms, administration buildings and sport complexes) are not competitive.

State Agency Eligibility

State agencies must have legislative spending authority if an FML grant award is made. State agencies are eligible to apply for and receive assistance from a portion of the Energy and Mineral Impact Fund derived from Federal Mineral Leasing revenues as found in C.R.S. 34-63-102(7). However, per statute (C.R.S. 34-63-102(7)(b)), state-supported institutions of higher education that provide job training or facilities related to energy development for counties or communities with energy impacts may expend moneys from the Local Government Mineral Impact Cash Fund without separate legislative authority.

State agency requests must have the support of benefiting local governments and meet one or more of the following conditions:

- The project must have a direct benefit or service to local governments and, if an award is made, an inter-governmental agreement must be in place before grant contract execution;
- The project addresses the impacts of energy and mineral development at the local, regional, or statewide level;
- The state coordinates efforts related to the planning or implementation of mitigation activities that relieve the impacts of energy/mineral development; and
- Communities have identified the need for state involvement in the solution of local problems that may extend beyond municipal, county, or regional jurisdictional boundaries.

Private businesses and nonprofit organizations are not eligible applicants. Local Governments may not act as a pass through entity in order to provide funding to these entities.

Discretionary Grant or Loan Opportunities

Local governments applying for a grant or loan are <u>required</u> to consult with their <u>Regional</u> <u>Manager</u> and communicate their intent to seek DOLA funding support <u>prior</u> to the submittal of any application. Please see Table 1 on page 8 for application information, match requirements and an outline of the review and award process.

Discretionary Awards

- 1. Administrative Planning Grants
- (up to \$25,000; 1:1 minimum match; total project cost not to exceed \$100,000)
 - Applications for administrative planning grants are accepted and approved administratively as long as funds are available. Project types include preliminary design, engineering or feasibility studies.
 - To apply, a letter of request signed by the Chief Elected Official is required that must address the following five areas:
 - The project scope;
 - A budget and timeline;
 - Financial need;
 - Project urgency and readiness to begin work; and
 - The energy and mineral impact in the geographic area of the local government.
 - Administrative grant requests must be sent directly to the <u>Regional Manager</u>. <u>Do not apply for Administrative Grants through the DOLA Grants Portal.</u>

2. Tier I Grants

(Application limit announced at notice of funding availability; 1:1 minimum match required)

 Eligible applications for Tier I grants may be used for the planning, construction and maintenance of public facilities and for the provision of public services. Please check the <u>DOLA website</u> for application deadlines. All applications are made through the DOLA grants portal to a specific notice of funding availability.

3. Tier II Grants

(Application limit announced at notice of funding availability; 1:1 minimum match required)

 Eligible applications for Tier II grants may be used for the planning, construction and maintenance of public facilities and for the provision of public services. Please check the <u>DOLA website</u> for application deadlines and all applications are made through the DOLA grants portal to a specific notice of funding availability.

4. Tier III Grants

(Application limit announced at notice of funding availability)

Tier III funding is dependent on revenue availability. To be competitive for a Tier III grant, applications should be for larger scale, high-impact projects that include regional or multi-jurisdictional collaboration. Please check the <u>DOLA website</u> for application deadlines and all applications are made through the DOLA grants portal to a specific notice of funding availability. An application providing a minimum 1:1 match or more is generally more competitive.

5. Emergency Grants

Colorado communities experiencing disasters may request emergency grant funding through this program. Requests for emergency funds must be discussed with the respective DOLA Regional Manager prior to any request for funding. All requests must detail the applicant's financial condition including why the emergency funding is needed and why the community cannot address the emergency without financial assistance. Requests must include a letter from the Chief Elected Official requesting the funding and must be in reaction to and address one or more of the following situations:

- Significant negative impact on public health, safety, and/or welfare that the requested funding will address;
- A description of the emergency situation resulting from the disaster and the number of people affected;
- Unforeseen or unanticipated circumstances;
- The need for funding is time-sensitive and/or an opportunity to mitigate a future emergency will be missed (not merely delayed) without these funds;
- Local resources to address the emergency have been exhausted; and/or
- Details on a federal, state, or locally declared disaster.

If approved, funding will be provided only up to the amount necessary to address the immediate threat or alleviate the immediate crisis. This allows the local government time to develop a more comprehensive plan to address the situation as well as access other funding Adopted February 9, 2023

resources that may be used to implement project elements outside of the immediate emergency response.

6. Supplemental Grants

Supplemental grant requests seek to add funds to an existing contract. Supplemental funding is not intended to change the original scope of the contract or the number of activities undertaken. Across all EIAF contracts, no more than one-half of the original award amount may be requested for a supplemental award. Any supplemental funding will only be made on a dollar for dollar or 1:1 match basis except in cases of extreme financial hardship. Exceptions to the 50% limit request are identified in specific Initiatives where applicable.

Requests for supplemental funding must include a letter from the Chief Elected Official requesting the funding, which must be sent to the respective DOLA Regional Manager with the following information:

- detail the applicant's financial conditions, and
- be in reaction to and address one or more of the following situations:
 - unforeseen, unanticipated, extraordinary circumstances;
 - funding need is exacerbated by regionalized contractor/supplier access barriers;
 - will mitigate an emergency or hardship;
 - need is time-sensitive;
 - applicant has no other funds available to complete project; and
 - applicant has exhausted all other remedies to complete project.

7. Loans

DOLA supports efforts by local governments to renovate or construct public water and wastewater systems by providing loans for up to a 20-year term with annual payments. A loan offer may be combined with a grant or be freestanding for water or wastewater projects that respond to needs and opportunities as identified by the local government. Improvements to treatment facilities may include water treatment plants, treated water storage facilities, water mains, distribution lines, pumps and appurtenances.

EIAF loans are made available through a standard Energy Impact application in each discretionary grant cycle where a portion of funds provided to a community may be made as a grant - and a portion of the funds may be made available as a loan. As an example, the loan portion of any total award would then serve as the local government match to the grant funds as the community would repay the loan over time with their own funds. If an application is not funded through a grant in part or entirely, a loan may still be offered to the applicant who has the ability to accept or reject any loan that is offered.

Table 1: Summary of Discretionary Award Processes

The application process for the discretionary award/loan opportunities are summarized in Table 1 that follows. For the Review/Award Process column, those steps are in the order of their occurrence. For the timing of each posted cycle, please visit the DOLA website.

Table 1: EIAF Discretionary Grant & Loan Application and Review Process

RM = Regional Manager

N/A = Not Applicable

SME = Subject Matter Expert

NOFA = Notice of Funding Availability

Energy Impact Program Discretionary Grant Application Summary and Review Processes					
Application Type	Description	Apply to - Due Date	Maximum Request	Minimum local match: DOLA Grant Request*	Review/Award Process
1. Administrative Planning Grant	Design, engineering, planning, feasibility studies	RM - Year round	\$25,000	1:1	Regional Manager/Assistant Program Manager DLG Director DOLA Executive Director
2. Tier I Grant	Planning, construction and maintenance of public facilities and the provision of public services	Grants Portal - Posted Cycle	Announced in each NOFA	1:1	SME (as applicable) Regional Managers/Assistants EIAF Advisory Committee recommend DLG Director DOLA Executive Director
3. Tier II Grant	Planning, construction and maintenance of public facilities and the provision of public services	Grants Portal - Posted Cycle	Announced in each NOFA	1:1	SME (as applicable) Regional Managers/Assistants EIAF Advisory Committee Review/Rec. DLG Director DOLA Executive Director
4. Tier III Grant	Larger scale, high-impact projects and should include a regional or multi-jurisdictional collaboration	Grants Portal - Posted Cycle	Announced in each NOFA	1:1	SME (as applicable) Regional Managers/Assistants EIAF Advisory Committee Review/Rec. DLG Director DOLA Executive Director
5. Emergency Grant	Funding to address an immediate threat or alleviate an immediate crisis	RM - Year round	N/A	Varies	Regional Managers/Assistants Program Manager DLG Director DOLA Executive Director
6. Supplemental Grant	Request for additional funding on an existing contract Solver round RM 50% of original award 1:1 Program Mai 2 2 4 4 5 5 6 7 7 8 7 8 8 7 8 7 8 8 7 8 7 8 8 7 8 8 8 8 9 8 9		Regional Managers/Assistants Program Manager DLG Director DOLA Executive Director		
7. Loans	Funding for renovation or construction of public water or wastewater facilities	Grants Portal - Posted Cycle	Announced in each NOFA	1:1	Tier I or II award process based on amount of the request

^{*} The required minimum match to a DOLA grant request. For example if 1:1 and the DOLA grant request = \$100, the applicant match must be at least \$100 in cash or approved in-kind. Exceptions to these minimums must be justified by significant negative financial circumstances in the applicant community and be supported by the Regional Manager, and will be considered in the normal approval process.

Statewide Program or Initiatives

The requirements for special statewide programs or initiatives are based upon current program criteria and any additional criteria that may be established to meet the initiative's intent. Typically, a set-aside of funds is made and criteria for the initiative are posted on the DOLA website. Please see Table 2 on 13 for Statewide Program or Initiative application dates, local match requirements and an outline of the review and award process. For information on current initiatives, please visit the DOLA website or contact a Regional Manager for more information. Current programs and initiatives include:

8. Administrators/Managers

This initiative promotes the professional local government management field and increases the management capacity of local governments in Colorado through the placement of professional managers in organizations where DOLA has not funded that position in the past. These jurisdictions must work with their Regional Managers to determine the most appropriate path forward to hire a professional manager. Grant funding for local government administrators/managers will constitute a three-year commitment by DOLA to the jurisdiction. This commitment could include salary, benefits, and new operational expenses incurred in establishing a new position. In the first year, DOLA will provide 75% to a local 25% match; the second year is a 50% DOLA and 50% local match; and the third year is a 25% DOLA and 75% local funding match. Successful grantees must work with their Regional Manager to establish a plan to move to a 100% locally funded position in year four.

9. Best and Brightest Management Internship and Fellowship Program

This program combines classroom studies with the real world experience of working in the public sector. To do this, the program will support the following:

- Paid summer or semester internships for high school seniors
- Paid summer or semester internships for undergraduate students
- Two-year paid fellowship for graduate students in eligible public administration programs at partner universities.

DOLA Regional Managers will identify potential jurisdictions and work with local managers to determine participation. Each jurisdiction will determine its own needs and job requirements for an intern or fellow. Local governments considered for the program must develop a work plan and job description including job duties. Mentorship plans are required for the 2-year fellowship program. In the event a student is unable to complete the Fellowship and leaves the jurisdiction, supplemental funding requests to place a new student may be reviewed by the DOLA Regional Manager and are not limited to the 50% of original award provision for supplemental grants. Each jurisdiction, student, University partner and the DOLA Regional Manager will sign a four-party role and responsibilities document. For more information, please visit DOLA's Best & Brightest website.

10. Broadband Planning and Infrastructure Set Aside

This initiative, either when funded by regular EIAF funds or a dedicated set-aside, supports local government and regional council of government efforts to provide public institutions, private businesses, and local citizens with access to reliable broadband service at affordable costs.

Broadband funding opportunities include planning for regional and local (sub-regional) interconnectivity as well as the installation of middle-mile infrastructure. Applicants must contact their Regional Manager prior to submitting any application and may be required to work with the DOLA lead for Broadband as well as subject matter experts during the application process.

Applications for Broadband planning and implementation projects follow the discretionary grant application cycles and timelines. Please check the <u>DOLA website</u> for application deadlines as all applications are made through the DOLA grants portal.

11. Councils of Government

Regional Councils of Government (COG's) may apply in any discretionary EIAF program cycle as posted or to a special statewide program or initiative grant opportunity with the understanding that they are competing in those cycles against communities statewide. COG activities must align with EIAF general policies, eligibility requirements, etc. Funding is not available for general administration or operations. Eligible applications may include, but are not limited to, the following:

- Mini-grant programs on a cost-sharing basis between local governments and COG's
 - Mini-grant programs must be administered by the COG, applications must be approved by the Regional Manager and must be in line with EIAF guidelines.
 Individual mini-grants cannot exceed \$5,000 with a \$20,000 total project costs;
- Technical assistance projects or programs such as: GIS services, organizational
 facilitation, retreat facilitation, special project staff, support for planning efforts
 such as Broadband Local Technology Planning Groups, and project-specific support
 (e.g., grant writing, project development, and documentation);
- Regional studies and plans; and
- Applications for a special statewide program initiative grant (e.g. Broadband).

12. Early Childhood Education (ECE)

The purpose of this program is to incentivize local governments with a reduced match requirement on grant applications that improve access to early childhood education. Projects considered will be those that respond to needs and opportunities identified by the local government. Examples of projects include planning, design, engineering or construction for ECE projects including those in a community center. Applications follow the discretionary grant application cycles, amounts and timelines. This program is not intended to fund on-going operational expenses.

13. Fiscal Stability Initiative

This initiative supports local government efforts in implementing financial management best practices. Applications follow the discretionary grant application cycles, amounts and timelines and for communities in this initiative, a local match of 25% is generally required. Exceptions to these minimums must be justified by significant negative financial circumstances in the applicant community, be supported by the Regional Manager, and will be considered in the normal course of the approval process. Local government funding opportunities include:

- Five-year capital project planning;
- Financial capacity analysis;
- Financial checkup;
- Asset inventory and management;
- Fiscal health diagnostic tool;
- Program costing; and
- Other fiscal compliance requirements.

14. RENEW: Renewable and Clean Energy Initiative

This initiative supports both planning and implementation projects in the renewable and clean energy field. Energy efficiency and energy conservation projects should develop innovations in renewable energy; achieve multiple objectives and/or serve communities with the greatest need. Strong applications will be those that respond to needs and opportunities as identified by the local government.

DOLA will support efforts by local governments and regional collaborations to engage in strategic planning that will advance the goal of 100% renewable energy. Activities should identify opportunities, infrastructure needs, and potential partnerships among public, private and nonprofit entities to achieve renewable energy goals.

Applications for Renewable and Clean Energy planning projects must assess the current needs of the community and include an analysis of how the proposed project will help move the community or region towards 100% renewable energy and/or increased climate resilience. Eligible projects include renewable energy including solar and solar with battery storage, hydroelectric, CNG recovery, wind, microgrids and large-scale energy efficiency measures. Applications will be reviewed based on the project's potential to transform both the state and local community's energy portfolio, including considerations of additional renewable energy capacity and/or project type, the energy makeup of the local utility, and historic renewable energy adoption. Any plan should also include prioritization of needs and identify implementation options.

Applications for implementation grants should consider the following in project development:

- How does the project advance the State's 100% renewable energy by 2040 goal?
- How does the project advance local renewable energy goals and/or climate resilience?
- Is the project located in a disproportionately impacted, Environmental Justice, and/or Just Transition community?
- Is the project located in an area where there has been historically few renewable energy, energy storage, electrification, and/or large-scale energy efficiency projects?
- How innovative is the project?
- Is it multi-jurisdictional and does it achieve multiple objectives?
- What specific, measurable outcomes will the project achieve? For example:
 - Energy reduction over baseline (energy efficiency) in kWh, therms;
 - Amount of additional kW of generation capacity;
 - Amount of additional kWh of electricity the project is estimated to generate per year;
 - o Estimated project savings per year (in current year dollars); or
 - o Energy offset over baseline (renewable energy generation) in kWh.

15. Saving Coloradans Money on Health Care

DOLA, through EIAF, has a role in reducing costs of healthcare through the funding of improvements to hospitals and clinics. While there is no dedicated funding set aside for these project types, a reduced match requirement is available to incentivize eligible local government activities. Applications follow the discretionary grant application cycles, amounts and timelines.

16. Uranium Mill Tailings Remediation

Per 39-29-110 (1)(b)(III)(C), up to \$50,000 is made available each state fiscal year to political subdivisions that include mill sites designated for cleanup pursuant to federal Public Law 95-604 for reimbursement of actual, documented costs related to the cleanup of uranium mill tailings. Applications may be made year-round for this fund and are reviewed upon receipt. All documented costs related to the cleanup must be provided as part of the request.

17. Special Initiatives

A Special Initiative may be created by the DOLA Executive Director based on a growing trend or issue in communities across Colorado. Initiatives may include direction to fund a specific project type (renewable energy, healthcare, broadband, water quality, etc.) and include requirements for review and award of those funds. Applications and awards in any Special Initiative will be per the adopted EIAF Program Guideline process that best matches the nature of that Initiative.

Table 2: Summary of Discretionary Grant Program & Initiative Processes

The application process for initiative discretionary grant opportunities is summarized below. For the Review/Award Process column, those steps are in the order of their occurrence. For the timing of each posted cycle, please visit the DOLA website.

Table 2: Statewide Programs or Initiatives Application & Review Processes

RM = Regional Manager SME = Subject Matter Expert UTA = University Technical Assistance
UMTRA = Uranium Mill Tailings Remediation

N/A = Not Applicable NOFA = Notice of Funding Availability TBD = To be decided

Statewide Programs or Initiatives Application Summary and Review Processes					
Application Type	Description	Apply to - Due Date	Maximum Request	Minimum local match : DOLA Grant Request*	Review/Award Process
8. Administrators & Managers	Three-year commitment to place professional managers - includes funding plan for additional year	Grants Portal - Posted Cycle	Varies	1:1	Tier I process
9. Best & Brightest	Internships for high school & undergrad students; two year fellowship for master's students	Regional Manager - N/A	Varies	Varies	Regional Manager SME Program Manager DLG Director DOLA Executive Director
10. Broadband	Broadband Planning or Middle Mile Implementation projects	Grants Portal - Posted Cycle	Tier I or II per NOFA	25% regional plan 50% local plan 1:1 implementation	SME (as applicable) Tier I or II award process based on amount of request
11. Council of Government	Collaborative technical assistance, minigrants	Grants Portal - Posted Cycle	Tier I or II per NOFA	1:1	Tier I or II award process based on amount of request
12. Early Childhood Education	Improve access to early childhood education	Grants Portal - Posted Cycle	Tier I or II per NOFA	25%	Tier I or II award process based on amount of request
13. Fiscal Stability Initiative	Support financial mgmt. best practices in communities	Grants Portal - Posted Cycle	Tier I or II per NOFA	25%	Tier I or II award process based on amount of request
14. Renewable and Clean Energy Initiative	Planning and implementation projects that advance the statewide goal of 100% renewable energy	Grants Portal - Posted Cycle	Tier I or II per NOFA	25%	Tier I or II award process based on amount of request
15. Saving Coloradans Money on Healthcare	Reducing healthcare costs in Colorado	Grants Portal - Posted Cycle	Tier I or II per NOFA	25%	Tier I or II award process based on amount of request
16. Uranium Mill Tailings Remediation	Reimbursement for mill tailings cleanup	RM - N/A	\$50,000	N/A	Regional Manager SME Program Manager DLG Director DOLA Executive Director
17. Special Initiatives	DOLA Initiatives for special purposes	TBD	TBD	TBD	Per Program Guidelines as applicable

^{*} The required minimum match to a DOLA grant award. For example if local match is 25%, for a DOLA grant of \$100, applicant match must equal at least \$25 in cash or approved in-kind.

Matching Dollar Requirements

Most grant requests require dollar for dollar matching funds from applicants unless an extreme negative financial hardship in the community is demonstrated or another allowance is made by project or initiative type. For example, matching requirements may be reduced for statewide initiatives based on the program purpose. Projects that provide more matching funds receive a higher score during review and may be more successful in receiving grant funding. Matching funds are considered to be any cash and/or approved in-kind dollars brought to the project by the applicant. For further information, review the scoring criteria table on page 19 of this document.

Certain local or regional projects may rise to be a "matter of state interest". A project that is a matter of state interest is one that has impacts well above a local or county level. An example of this project type would include an effort to bring a new service or dramatically improve an existing service across a wider region (e.g. broadband from Denver to southeast Colorado). Projects considered a matter of state interest may have some or all local match requirements waived at DOLA's discretion.

While a cash-only match is considered most competitive, DOLA recognizes the need for in-kind contributions. Any proposed in-kind match <u>must</u> be discussed with your <u>Regional Manager</u> prior to submittal of an application to ensure that what is being proposed is eligible. Any in-kind contributions must be included in the project application and have a documentable value. Additionally, an applicant must demonstrate financial need and a significant project savings achieved by using in-kind rather than cash match. Labor costs which are part of regular employee activity and any administrative time managing the grant <u>will not</u> be considered as in-kind match.

In order for in-kind match to be considered:

- The request must be part of the application.
- The in-kind match must be included in the contract between the grantee and DOLA.
- The applicant must provide a fee schedule for the activity (staff wage rate, etc.).
- Any in-kind work claimed must be clearly documented and must correspond with the fee schedule.
- Donated or discounted professional services may be considered if the pledge is documented in the application.

Tangible property as in-kind match:

- Land purchased within the previous 12 months may be used as in-kind matching funds. Land purchased more than 12 months prior to a grant application cannot be used as in-kind match, but will be considered in the project's "local effort" score. Applicants are encouraged to note land purchases completed in advance of a project to ensure they are ready to complete work, should funding be awarded.
- Indefeasible right of use (IRU) which is a legal agreement for the assignment of property such as strands of fiber optic lines, may be used as a match if purchased within the previous 12 months from the date of application.

Application

Applications to this program are made through the Division of Local Government Online Grants Portal. Local governments must create an account on this system in order to apply. In the event of a grant award, the Grants Portal will be used for reporting and reimbursement requests during the life of the contract. DOLA staff will be responsible for placing Administrative, Emergency, and Supplemental applications (if awarded) in the DOLA Grants Portal on behalf of the local government.

Applications to the discretionary grant cycles for this program require that the community communicate and coordinate with the Regional Manager on the application <u>prior</u> to submittal to DOLA. The Regional Manager will determine when the application is ready for submission and will communicate with EIAF Program Staff to add that specific community as an eligible applicant in the Grants Portal for that discretionary grant cycle. The applicant can then enter the DOLA Grants Portal and complete the formal application.

Each discretionary grant cycle will have a posted closing date by which all applicants must have completed their application by 11:59 p.m. on that date. Traditionally, cycles close on April 1, August 1 and December 1 each calendar year and Regional Managers have the ability to make communities eligible to apply about one month prior to each closing date. Contact your Regional Manager for discretionary grant cycle closing dates as they are subject to change.

Applicants will receive a verification email after the DOLA Grants Portal application has been submitted, and a second email when the application has been accepted into the portal. In the event of not receiving a confirmation email after submitting the application, please contact your Regional Assistant or Regional Manager.

Editable versions of current applications for this program are available on the <u>DOLA website</u>. The application is routinely revised, therefore it is recommended that applicants download the Word version of the application prior to completing it in the Grants Portal. Completing your application in the downloadable version allows easily copying and pasting into the portal application reducing the risk of timeout limitations within the DOLA Grants Portal.

Application Development, Review and Rating Program Staff and Regional Managers

It is a requirement to contact your area's <u>Regional Manager</u> in the early stages of any project for which you expect to submit a grant application and before a grant application is submitted. DOLA Regional Managers are available to assist in project development and application preparation. Upon receipt of an application, the Regional Manager and DOLA staff may meet with the applicant to discuss the project and assist in preparing an evaluation of the application against EIAF program rating criteria.

Energy Impact Assistance Advisory Committee

The Energy Impact Assistance Advisory Committee reviews staff recommendations for Tier I awards prior to submittal to the DLG Director and DOLA Executive Director for action. The Committee also conducts a review of Tier II applications at a public hearing. At Tier II

hearings (and Tier III hearings as applicable) applicants may present their grant request and respond to questions from the Committee. Following all presentations, the Committee will make its recommendation to DOLA's Executive Director who is responsible for the final funding decision.

The Committee is an advisory body. Applicants should not assume a grant is awarded or denied solely based on the Committee's discussions or recommendation. The Executive Director makes all final funding decisions taking into consideration the recommendation from the Committee and DOLA staff.

By statute, the Committee consists of:

- Executive Director, Colorado Department of Local Affairs (Chair) or designee;
- Colorado Commissioner of Education or designee;
- Executive Director, Colorado Department of Transportation or designee;
- Executive Director, Colorado Department of Natural Resources or designee;
- Executive Director, Colorado Department of Public Health and Environment or designee; and
- Seven residents of areas impacted by energy conversion or mineral resource development.

The residents of impacted areas are appointed by and serve at the pleasure of the Governor for terms not exceeding four years. Members are eligible for one reappointment. State department directors serving on the Committee may designate agency representatives to act on their behalf.

Grant Program Rating Criteria

All applications are summarized by DOLA staff with applicant input into a project summary that evaluates the merits of the grant request in line with the project scoring criteria. Applications for Tier II grants (and Tier III as applicable) are evaluated and scored by the Energy Impact Assistance Advisory Committee based on alignment with program criteria.

Applications are rated on the following criteria and on a 100-point scale:

- Demonstration of Need Available points = 20

 The problem is clearly identified and a quantifiable need is adequately described and documented.
- Priority, Community Goal, Outcome Available points = 10
 The project is clearly a priority of the applicant, has been well planned, and has well-defined outcomes. It addresses an identified community need or problem and is specified in documents such as a capital improvement plan, community master plan, engineering report, annual budget, and/or other related planning and development resource publications adopted or otherwise approved by the local governing body. The applicant has reviewed the goals of the community at-large and has identified the project as a highly-ranked need against other initiatives.

• Local Effort Available points = 20

The amount of local government cash contribution and/or revenue generated from debt financing is of primary importance in demonstrating the importance of the project to the applicant. In addition, the amount of funding confirmed versus pending from all sources is considered. Unless modified by project type or initiative, a dollar-for-dollar cash match is strongly encouraged. If a dollar-for-dollar cash match cannot be committed, the applicant must provide appropriate documentation describing its current fiscal constraints that limit the ability to meet the program's minimum match requirements. Up to 5 points are assigned based on the amount of the cash match.

Up to 15 points are assigned based on whether: 1) the cash match is reasonable based on review of the applicant's financial information; 2) in-kind match is appropriately leveraged given the low unrestricted fund balance; 3) the applicant attempted to or succeeded in raising rates, fees, or has a voter initiative to raise revenues; 4) the applicant has made every effort to contribute as much as possible to the project; 5) if applicable, how the rank of applicant water and sewer rates or fees compares to statewide averages; 6) the applicant has exhausted all matching partner options (when applicable); and 7) the project was deferred due to lack of funding.

• Readiness Available points = 15

The project can be implemented in a reasonable period, i.e., within 6 months following grant award. Funding sources beyond the Impact Assistance grant are pledged and ready for expenditure. The applicant has demonstrated through past performance that it possesses the appropriate professional and technical capacity to initiate and complete the project successfully and within the planned implementation schedule. Preliminary engineering has been completed and plans and permits (as applicable) are approved and the project is ready for bid. In the case of design/build projects, a contractor has been selected by the applicant.

• Resiliency Available points = 10

Resiliency is a critical goal of State of Colorado competitive grant programs and DOLA is committed to supporting communities that foster resilience in partnership with the core values of Inclusion, Diversity, Equity, and Accessibility (IDEA).

Resilient communities are better able to withstand shocks and stresses across a number of sectors (economy, health, infrastructure), minimize long-term risks, and positively adapt to changing conditions. The following resiliency considerations should be incorporated into project planning and implementation.

Adaptive capacity:

The project includes flexible and adaptable measures that consider future unknowns of changing climate, and economic and social conditions.

Co-benefit:

The project provides solutions that address problems across multiple sectors including the community, economic, health and social, housing, infrastructure, and watersheds and natural resources sectors — to create maximum benefit.

Risk reduction:

The project reduces risk and vulnerability to people, infrastructure, and natural systems.

- Long-term and sustainable:

The project is one that is able to be maintained by the community over its lifetime, reduces environmental impacts and is an investment that will last for generations. The project looks to the future and creates long-term gains for the community.

- Mitigates climate change:

The project includes renewable energy components and other solutions to mitigate the effects of climate change as much as possible and move the community or region towards 100% renewable energy.

- Socially equitable:

The project solution is inclusive of and addresses the needs of populations and community groups that have been or are disproportionately and negatively impacted by disasters, including social and economic shocks and stressors. The project addresses inequities, removes barriers, and benefits these populations by equitably distributing project-related benefits and providing access or meeting functional needs.

For clarification or further guidance on how the Resiliency Prioritization Criteria can be incorporated into projects, visit the Resiliency Prioritization Criteria section of the <u>Colorado Resiliency Playbook</u>. <u>The Colorado Resiliency Framework</u> can also be used by communities to develop a focused approach to incorporate these measures into all, or most projects. Project scoring for these criteria is based on whether or not the project proposes to incorporate these long-term resiliency measures into the planning, development and implementation of the project.

• Energy and Mineral Impact Available points = 25

The applicant's energy and mineral relationship is reviewed under two criteria that look at the degree to which the applicant is socially or economically impacted by the development, processing, or energy conversion of fuels and minerals. The first criteria (20 points available) is based on current energy and mineral impacts as determined by energy worker residency, permits issued and mineral production levels.

The second criteria (5 points available) considers whether or not the project directly addresses or mitigates industry impacts, or helps to diversify the local economy in order to prepare for a post-industry future.

EIAF Application Review and Scoring Criteria				
Criteria	Committee* or Pre-score (pts. avail.)	Description		
Demonstration of Need	Committee Scored (20)	 Problem, opportunity or challenge is clearly identified A quantifiable financial need is well documented Urgency and severity of need may increase the score Health and safety projects may increase score Project is a mandatory priority that must be completed 		
Priority, Community Goal, Outcome	Committee Scored (10)	 The project is identified in comprehensive plan or other plans Project is the local priority Completing the project solves the problem Expected outcomes are identified 		
	Pre-scored (5)	 Local cash match* of the total project cost is worth up to 5 points: Less than 25% match, 1 point 25% - 35% match, 2 points 36% - 49% match, 3 points 50% - 74% match, 4 points 75% or higher match, 5 points *Special Initiatives may allow a lower minimum match 		
Local Effort	Committee Scored (15)	 Cash match is appropriate given unrestricted fund balance In-kind match is appropriate leverage given the low unrestricted fund balance and has been approved by DOLA Attempted/succeeded to raise rates, fees or voter initiative to raise revenues Have made every effort to contribute as much funding to the project as possible Applicable rates are higher than statewide average Exhausted all matching partner options (when applicable) Has been deferred due to lack of funding 		
Readiness	Pre-scored (15)	 Pre-scored based on: Project financing secured Preliminary engineering, plans, permits, zoning, final design etc. has been or are being completed, has not begun at all, etc. 		
Resiliency	Committee Scored (10)	 Project incorporates State of Colorado goals in planning, development and implementation of the project. The community has included long-term resilience and sustainability measures as well as mitigating climate change components into the application. Project outcomes are intended to be equitable across all populations in the community. 		
Energy/Mineral Impact	Pre-Scored (20)	Pre-scored using standard energy industry impact metrics including annual production levels, # of employees and other factors.		
	Committee Scored (5)	 Project directly addresses or mitigates industry impacts (current or historic) or the project diversifies the local economy and prepares for a post-energy industry economy. Suggested scoring examples: Direct industry impact, 5 points Diversifies local economy post industry, 4 points Indirect industry impact, 3 points Marginal relationship to industry, 2 points No direct industry impact, 1 point 		

Maximum Possible Score = 100

Committee for Tier II applications: Energy and Mineral Impact Assistance Advisory Committee

Committee for Tier III applications: Energy and Mineral Impact Assistance Advisory Committee

^{*} Note: Committee for Tier I applications: DOLA Regional Staff
Committee for Tier II applications: Energy and Mineral Impact Assistance Advisory Committee

Funding Decisions

An award letter from the DOLA Executive Director announcing a decision to provide project funding is not a formal obligation of funds by the State, but rather it is an offer to enter into a grant contract for the dollar amount and project specified. Conditions, such as the formation of a taxing district, increased local government matching funds, or the development of necessary plans may be a contingency in any award letter. Such conditions must be met either prior to, or during the project performance period at the discretion of DOLA.

The grant award offer is valid for up to one year. In unforeseeable circumstances when the grantee is unable to execute the contract within the one-year period, the grantee must request an extension of the award a minimum of 45 days prior to its expiration through the respective Regional Manager. There is no guarantee that an extension request will be granted, and if denied, the award offer will be withdrawn. Applicants are notified of award decisions via letter to the Chief Elected Official and staff of the applicant jurisdiction.

For application requests that are not limited to submittal as part of the discretionary grant program cycles including Administrative, Supplemental, Emergency, and Special Initiative applications; review processes and any award decisions will be made as expeditiously as possible.

NOTE: Grantees <u>cannot</u> begin work or expend funds on a project that has been awarded grant funds until <u>after</u> receiving an executed contract from DOLA. An executed grant contract is one that has been signed by the State Controller. Funds expended prior to the date of the executed contract will not be eligible for reimbursement.

Appendix A: EIAF policies related to project type

Alternative Fuels

An Alternative Fuels application supports local government efforts in the use of alternative fuel vehicles and the construction of alternative fueling stations. Before submitting an application, local governments are required to consult with DOLA partner agencies including the Colorado Energy Office and the Regional Air Quality Council regarding fueling stations and the purchase of alternative fuel vehicles. DOLA partners with the Colorado Department of Transportation (CDOT), the Colorado Energy Office (CEO) Clean Energy Programs, and the Regional Air Quality Council (RAQC) to support the use of alternative fuel vehicles throughout the state by assisting with the purchase of alternative fuel vehicles and fueling station infrastructure.

Applications will follow the regular discretionary grant cycles and timelines. Funding opportunities include:

- Incremental upgrade cost on the replacement of a standard vehicle to one that uses alternative fuels.
- Alternative fueling station infrastructure for publicly-owned fleets.
- The local match requirement for alternative fuel vehicles is 100% of the cost of a standard fuel replacement vehicle.
- For fueling station applications, the local match required is a minimum of 50% of the total project cost unless an applicant can show that their financial conditions are such that only a 25% local match is available.

Municipal and county governments wishing to diversify fleet fuels, build aggregated demand for private investment in fueling stations, or that have adopted fleet sustainability goals may request funding for the incremental upgrade costs associated with replacement of fleet vehicles to alternative fueled vehicles (AFV). AFV's may include compressed natural gas (CNG), CNG bi-fuel, propane, or plug-in electric vehicles. The local government is required to demonstrate the ability to build replacement of the alternative fuel vehicles into its fleet management program. School districts are not eligible for this program.

Building Construction/Renovation: High Performance Certification Program (HPCP) Colorado Revised Statute (C.R.S. 24-30-1305.5) requires all new facilities, additions, and renovation projects that meet the following criteria to conform to the High Performance Certification Program (HPCP) policy adopted by the Office of the State Architect (OSA):

- The project receives 25% or more of state funds (from any/all state funding sources and in aggregate across all project phases, if applicable); and
- The new facility, addition, or renovation project contains 5,000 or more gross square feet (NOTE: this includes all phases of project work, e.g., if one phase covers 3,000 square feet and another covers 2,000 square feet then each phase must comply, however, square footage not conditioned for human occupancy, such as an equipment shed, is excluded); and
- The building includes or will include an HVAC system; and
- In the case of a renovation project, the cost of the renovation exceeds 25% of the current property value.

Projects that meet the criteria must complete and submit the DOLA <u>registration checklist</u>. Please visit DOLA's HPCP web page at <u>High Performance Certification</u>.

The HPCP requires projects that meet the criteria to achieve third party verification with the target goal of LEED Gold or Green Globes-Three Globes. In instances where the achievement of LEED Gold or Green Globe-Three Globes certification is not possible, an applicant may request a modification of the HPCP policy when submitting the <u>registration checklist</u>. Waivers are available in rare instances. DOLA staff will work with applicants to identify workable solutions to meet the program's intent to maximize energy efficiencies.

Local government applicants must review and complete the HPCP Section of the Energy and Mineral Impact Assistance Fund application. If the proposed project meets the HPCP criteria, the applicant should also complete and submit the HPCP registration checklist along with the grant application.

Building or Site Construction/Renovation: State or National Historic Register-Listed Properties

All applicants requesting funds for projects listed on the State or National Register of Historic Properties must indicate in their application that History Colorado, Office of Archaeology and Historic Preservation (OAHP) has been contacted about the project when applying for a grant. A detailed description of the work, any design, construction and/or engineering documents, quotes from contractors following the Secretary of the Interior's Standards for Rehabilitation and color photos of the project work areas must be attached to the application. Prior to awarding a grant for a state-listed site, DOLA will seek a determination of effect from OAHP and follow the terms of the memorandum of understanding between History Colorado and DOLA.

Comprehensive Plans and Land Use Regulations

The State of Colorado identifies required elements of Comprehensive (Master) Plans in Section 31-23-206 and C.R.S. 30-28-106. Other state requirements and state policies are listed below.

Historically, DOLA has been a strong partner to local governments by funding comprehensive plans and land use regulation creation and updates. The department uses this experience, best and innovative "next" practices to support improved long-term community development outcomes. Lessons learned have been applied to inform the list of requirements and outcomes below. Please reach out to your <u>Regional Manager</u> with questions or concerns about the following items.

When funding comprehensive plans, DOLA <u>requires</u> that the following project components be included in the scope of work:

- An inclusive community outreach and engagement plan to ensure participation from underrepresented groups.
- The plan must assess and address housing needs of current and future residents at all levels of affordability. It must include locally-appropriate goals, strategies, and actions to promote affordable housing development. This work must use the best available data (e.g., State Demography Office data or a recent housing needs assessment). When it comes time to consider implementation strategies, jurisdictions may find the Strong Communities list of <u>Land Use Best Practices</u> helpful in this work.

- Risks of natural and human-caused hazards to life, property, and public resources, and consideration of their impact to vulnerable communities. Include goals, strategies, and/or actions to address and mitigate these hazards (must identify and address all potential hazards as described in the county's Hazard Mitigation Plan).
 Communities may find DOLA's Planning for Hazards guide helpful in this work.
- In the spirit of the state's goal to engage with disproportionately impacted communities (C.R.S. 24-4-109), the plan must use an environmental justice lens, particularly when it comes to the impacts of hazards, resources, and amenities to promote equitable outcomes.
- The plan must address the community's water supply and water quality goals. Per <u>C.R.S. 31-23-206(1)(d)</u> and <u>30-28-106(3)(a)(IV)</u>, the community must:
 - Consult and coordinate with local water provider(s),
 - · Include water conservation policies, and
 - Identify in the plan water supplies and facilities sufficient to meet public and private infrastructure needs reasonably anticipated or identified in the planning process.

Within the first six months of receiving the grant, awardees must submit a self-assessment, such as the <u>Colorado Growing Water Smart: Community Self-Assessment</u>, to include water supply and demand status and trends, existing water conservation and efficiency goals and policies. Consult the DOLA Land Use and Water Planner before or immediately following award for free technical assistance and to submit the self-assessment.

- The plan must include an action plan that prioritizes actions necessary to implement the plan, creates a timeline for implementation, and assigns responsibility for actions.
- And, for municipalities only, a plan for three miles outside municipal boundaries also known as the three mile plan per <u>C.R.S. 31-12-105(1)(e)(I)</u>.

The department strongly encourages the following:

- Land use code updates: Because the land use code implements a comprehensive plan, a land use code update is strongly recommended to immediately follow a comprehensive plan update.
- Policies and strategies in the comprehensive plan and land use code to plan for the community's aging demographic.
- Policies and strategies to address energy efficiency, reduce greenhouse gas emissions, and increase the use of renewable energy sources where applicable.
- Intergovernmental agreement(s) (IGA) with neighboring jurisdiction(s) to cooperatively plan for areas of mutual interest (e.g., three mile areas). In addition, the IGA will address how infrastructure will be provided or upgraded and maintained in areas of mutual interest and engage major service providers/special districts, as applicable.

Communities may contact DOLA <u>Community Development Office</u> staff at any point for guidance and can expect that their final deliverables will be reviewed for compliance with this list and final payment withheld until compliance is verified.

Digital Trunked Radio (DTR) Communications

DOLA will consider funding the purchase of DTR communication consoles for local governments under the following conditions:

- The DTR communications console equipment is compatible with the current State DTR communications system. The equipment proposed for funding in this program should be consistent and compatible with the area's regional communications interoperability plan.
- The local government must demonstrate that they cannot acquire this equipment through other funding mechanisms such as a lease purchase agreement, local financial institutions, or with cash.
- The local government must provide a cash match of 50% of the project cost.
- If the jurisdiction is dispatching for other entities within its region (i.e. fire districts, EMS, municipalities etc.), they must establish a charge-for-service for dispatch service.
- The local government must demonstrate that the requested funding for equipment is one time funding and that the local government has a fiscal and operational model in place that is self-sufficient, sustainable, and locally funded for the future. If such financial planning is not in place, the local government will be required to implement a fee to ensure future replacement as a condition of the grant.
- The local government must demonstrate that the funding assistance requested is the only method available to secure safe and reliable communications for their region and that all cooperative and regional solutions have been investigated and eliminated as unworkable.

E-911 Policy

If a local government can demonstrate that they have established their E-911 tariff at the maximum allowable charge through the Colorado Public Utilities Commission waiver process, the application for E-911 related projects will be more successful.

Fire Departments

Volunteer Firefighter Departments

Per <u>C.R.S. 39-29-110 (1) (b) (IV)</u>, the DOLA Executive Director may allocate money to privately organized volunteer fire departments serving areas that are socially or economically impacted by energy and mineral development. Given the demand among local governments for limited grant funds, applications from Volunteer Fire Departments are generally not successful.

It is strongly recommended that Volunteer Fire Departments first pursue funding through the Local Firefighter Safety and Disease Prevention Fund (in <u>24-33.5-1231</u>), administered by the Division of Fire Prevention and Control with the guidance of the Fire Service Training and Certification Advisory Board. To be eligible, the Volunteer Fire Department must:

- Have been organized under C.R.S. 24-33.5-1208.5;
- Have been in existence for three years;
- Be able to provide three years of financial data; and
- Be registered with the Division of Fire Prevention and Control.

In alignment with C.R.S. 24-33.5-1208.5(6)(c), Volunteer Fire Departments requesting funds must first consider inclusion of the proposed service area into one or more existing fire protection districts, metropolitan districts, or an adjacent or nearby fire department.

Governmental Fire Departments

Prior to any application, requests from governmental fire departments should consider the parameters below:

- Departments should seek other funding sources before applying to this program.
- DOLA will give preference to support facility improvements that create a needed community asset available for broad public use. Collaboration with other agencies in the development of these types of project applications is strongly encouraged and an intergovernmental agreement must be in place before grant contract execution. For example, fire stations may often function as community centers for social events and community service centers for outreach and community assistance efforts. The use of the building as a community asset must be formally agreed to by the local government and the fire department.
- Applicants requesting support for capital facilities to be used exclusively for traditional fire station uses are not competitive.

Definitions:

Fire Department means the duly authorized fire protection organization of a town, city, county, or city and county, a fire protection district, or a metropolitan district, or county improvement district that provides fire protection. Fire Department also includes volunteer fire departments organized under C.R.S. 24-33.5-1208.5.

Volunteer Fire Department means a nongovernmental unit organized in accordance with C.R.S.24-33.5-1208.5 as a nonprofit organization with a primary purpose of firefighting, fire protection, or other emergency services to a defined service area recognized by the appropriate governmental entity with jurisdiction for the area the unit serves.

Hazardous Waste, Hazardous Materials and Contaminated Properties

DOLA does not fund projects that occur on contaminated properties or that will result in a potential liability to DOLA as the responsible party. While it is understood that at times a project may require disposal of hazardous waste or the transportation of hazardous material, DOLA will not fund these activities.

Housing

Due to the immense deferred maintenance of critical local government infrastructure, DOLA will only fund publicly owned infrastructure located in the public rights-of-way or easements that upon completion shall be conveyed to a local government or public/private utility. For instance, water and sewer main lines, public roads, sidewalks, curb and gutter are eligible. Service line extensions are considered as part of the housing construction and not eligible. The program funds public facilities open to the general public that are seen as a community-wide asset. If an application is submitted for a housing project, the applicant will first be asked to contact DOLA's <u>Division of Housing</u>. This program will fund community-wide housing needs assessments. Additionally:

- Affordable housing projects, including the planning and design engineering of those projects, are the only projects supported through this program.
- The program will only fund infrastructure below ground and off-site for utilities such as storm drainage, and will not fund actual housing construction.
- Applications for housing projects must be a top priority of all participating local governments and demonstrated as such in their comprehensive or other plans.
- Applications for housing projects that include electrification, renewable and net-zero elements will be prioritized.
- Affordable housing projects funded must be owned by the local government or housing authority and/or have an appropriate deed restriction.

Parks, Recreation, and Trail Projects

Due to the limited amount of funds available in this program, local governments interested in funding for outdoor recreation projects will be directed toward other outdoor recreation funding sources, such as <u>Great Outdoors Colorado</u> (GOCO), Colorado Parks & Wildlife or foundation funding. Local governments should coordinate their applications and any awards with those other funding sources prior to applying to this program. Grant applications to this program are more successful when they leverage other funding sources and are shown to be a community priority.

Road, Bridge and Street Improvements

The construction or replacement of a bridge or culvert is considered a major infrastructure project. Applications are more successful when there is a strong connection to industry activity. The total volume of vehicle traffic, also known as an Average Daily Traffic (ADT) count, is required from applicants for all road, bridge, and street improvement projects.

Road, bridge and street improvements and maintenance are the responsibility of the local government. DOLA may fund a local government road, bridge or street project under these circumstances:

- Paving projects on county roads and municipal streets directly impacted by the energy and mineral industry. NOTE: Projects on roads and streets with little relationship to the impacts of the energy and mineral industry are not considered competitive.
- Hard surface road projects must utilize a permanent material such as concrete, chip seal or asphalt.
- Applicant demonstrates that any paving projects are improvements, rather than maintenance.
- Road or street paving projects are important to economic development including those identified in Main Street Program project areas.
- Engineering of the road and street improvement being requested must be completed before application submission to DOLA to ensure that projects will be successful once implemented. Unsigned reviews or estimates by an engineer are not sufficient to satisfy this requirement.
- Submittal of road and street applications as design-build projects with guaranteed maximum prices is allowed with an applicant certification stating that any cost overruns will be borne solely by the applicant.

- Residential and/or private roads not constructed or maintained by local governments are not eligible for grant applications.
- Drainage improvement projects directly related to roads impacted by the energy and mineral industry or with an identified safety hazard will be considered. Curb, gutter, valley pans, culverts, etc. are eligible when coordinated with street and road projects.
- Sidewalk improvements related to road and drainage funded projects must implement a sidewalk management plan or study with an implementation schedule before any grant award.
- Grant applications will not be accepted for work on federal or state highways.

Rolling Stock Requests

DOLA, will generally not invest Energy and Mineral Impact Assistance Fund dollars in rolling stock for local governments without an adopted fleet replacement plan that includes a budget for the necessary maintenance and replacement of vehicles and equipment over time. It is the position of the department that local governments should be planning for and building into their budgets the necessary funds to replace vehicles and equipment on an ongoing basis.

Circumstances in which DOLA may consider funding for vehicular or rolling stock requests are limited to:

- An initial purchase to begin the capitalization of a fleet replacement plan or to stabilize an ongoing fleet plan,
- Documented evidence of firefighting apparatus shortages in past response to, or in preparation for, response to wildfires, or
- Situations wherein road maintenance or emergency response capabilities directly related to energy or mineral impact activities require equipment purchases that might otherwise exhaust local financial capability and local revenue-raising has been insufficient.

Short-Term Equipment and Assets Replacement

DOLA <u>does not</u> provide funding for short-term equipment and assets (tools, generators, small maintenance equipment, furniture, fixtures and equipment, soft landscaping costs, etc.) purchased for local governments. It is the position of the department that local governments should be planning for and building into their budgets the necessary funds to replace short-term assets and equipment on an ongoing basis. However, DOLA may assist a local government with the establishment of a short-term equipment and assets replacement plan through an Administrative Grant Award.