

VIRGINIA MAKE READY INITIATIVE

Guidelines and Criteria



Virginia Make Ready Initiative

Program Description

Administered by the Virginia Department of Housing and Community Development, the Virginia Make Ready Initiative (VMRI) provide supplements to current Virginia Telecommunication Initiative (VATI) grant projects for “make ready” costs. Eligible VATI projects include those funded from the State and Local Fiscal Recovery Fund or the Capital Projects Fund of the American Rescue Plan Act of 2021, which were awarded during the fiscal year 2022 grant round.

This program will provide reimbursement for make ready costs, which are defined as utility pole replacements and mid-span pole installations¹, and in certain instances, undergrounding costs. Funding for undergrounding projects previously planned as aerial networks will also be considered. Funding under this program that is unexpended by June 30, 2025 will revert to the general fund.

Budget Language Directive

The 2024 General Assembly, allocated up to \$30 million in funding to the Department of Housing and Community Development (DHCD) for this program. The following document is designed to serve as an application handbook for the VMRI program, in compliance with this budget language directive.

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¹ As well as costs associated with utility pole replacements and mid-span pole installations, subject to approval by DHCD.

Eligibility

Applications must be submitted by a unit of government (Towns, Cities, Counties, Economic Development Authorities/Industrial Development Authorities, Planning District Commissions, School Divisions, etc.) that have an existing FY2022 VATI project. Eligible VATI projects include those funded with funds from the State and Local Fiscal Recovery Fund or the Capital Projects Fund of the American Rescue Plan Act of 2021, which were awarded during the fiscal year 2022 Virginia Telecommunication Initiative grant round. Projects, in the determination of the department, that are at risk of completion by December 31, 2026, are eligible to apply for these funds². DHCD will consider applications from local governments that contributed their locality's State and Local Fiscal Recovery Funds as match to a VATI project, provided those funds were not allocated to another eligible use.

Technical Assistance

DHCD staff is available to provide technical assistance on the development of an application to units of local government, internet service providers, grant writers, consultants, and all other VMRI stakeholders. DHCD staff strongly recommends engagement of technical assistance throughout project development.

Application Process & Procedures

Eligible units of local government, in mutual agreement with its private-sector partner, may submit an application to this program. The Office of Broadband will begin to review applications beginning September 1, 2024, and award funds no later than June 1, 2025. The Office of Broadband will consider applications and award funding on a rolling basis. Unawarded applications may be resubmitted. Application review dates are provided below. The Office of Broadband will make a specific allocation of funding available each review date, any unobligated funds will carry over to the next review date. Unallocated and unexpended funds will revert to the General Fund on June 1, 2025.

Application Review Start Date (Application Deadline)	Funding Available
September 12, 2024	\$7.5 million
October 10, 2024	\$7.5 million
November 14, 2024	\$7.5 million
December 5, 2024	\$7.5 million
January 9, 2025	Remaining funding, if not already allocated.

² Both projects included in the department's initial risk determination notification on June 17, 2024, as well as those projects notified of being at-risk after this date are eligible for this program.

Application Process and Requirements

Applications must be submitted in DHCD's Centralized Application Management System (CAMS).

Applicants will be required to submit the information below with their applications.

- The number, cost, and location of pole replacements or mid-span pole installations.
 - Information required to meet this application requirement include:
 - Direct and Indirect Passings Form, which will be available through CAMS
 - Pole Replacement and Mid-Span Pole Installation Form
 - Point shapefile of direct project passings and shapefile of broadband infrastructure route to-be-funded under this program
- Documentation sufficient to establish that the pole replacements or mid-span pole installations described in the application have been completed or will be completed within 120 calendar days of the receipt of funds.
 - Information required to meet this application requirement include:
 - Project Timelines that display completion within 120 calendar days of receipt of funds or Documentation of Prior Completion that documents completion on or after January 1, 2024³. During project implementation, DHCD will consider extension requests on a case-by-case basis.
 - Documentation on how the project timeline for make-ready work aligns with the most up-to-date timeline for the Virginia Telecommunication Initiative project.
 - Note: For Undergrounding Applications: Longer completion timelines will be considered by request, as outlined in the application attachments via submitted timelines documenting underground construction timelines.
- Documentation sufficient to establish the costs for which funds are requested
 - Information required to meet this application requirement include:
 - Derivation of Costs Form
 - Funding Sources Table
 - For aerial build projects, documentation from the utility owner detailing costs
- Documentation that demonstrates estimated project costs for utility pole replacements and mid-span pole installations were included in the approved fiscal year 2022 Virginia Telecommunication Initiative grant application
 - Information required to meet this application requirement include:
 - Attaching the approved contract budget, including supplemental information, as necessary to clearly identify the originally budgeted make-ready estimated costs and the basis of such estimation.
 - Documentation that substantiates the make-ready costs exceed those originally budgeted for the project, including documentation explaining original project estimates with quotes clearly outlining costs in excess of these original estimates
- A narrative statement that documents the anticipated project acceleration utilizing these funds, including specific completion estimates with and without funding received under VMRI.

³ Project expenditures may not be incurred before January 1, 2024.

- For undergrounding applications: Documentation that demonstrates the aerial construction make ready would expenses exceed \$30,000 per mile. *Note: Applicants wishing to proceed with undergrounding prior to receipt of an award may seek pre-approval from the Office of Broadband to commence undergrounding prior to application submission, and subsequently apply for already incurred undergrounding costs. Any application for pre-approved undergrounding costs will be subject to the same selection process criteria applicable to all other applications. In seeking such approval, applicants must acknowledge the risk of proceeding with such undergrounding, as the application may not be awarded in the selection process. In this request, applicants must also document the make ready costs would exceed \$30,000 per mile, on average, throughout the application area.*
- For undergrounding applications: If required, documentation that demonstrates the potential increase in route mileage by utilizing public rights-of-way, which may increase deployment mileage. *Note, the \$30,000 per mile funding limit applies to the newly designed underground route mileage.*
- For undergrounding applications: Documentation that demonstrates that undergrounding and associated construction timelines align with the currently approved milestone timeline for the project. If undergrounding and associated construction timelines do not align with the currently approved milestone timeline, a new milestone timeline must be submitted upon approval of the undergrounding that reflects this new construction timeline.

Supplemental Application Conditions

Applications for VMRI funds will be subject to the following supplemental requirements and provisions:

- No more than \$30,000 per mile in reimbursements for pole replacements and/or mid-span installation costs, and/or undergrounding costs for redesigned projects that change the deployment method from aerial to underground, shall be applied for or considered by the Office of Broadband. If such request for reimbursement is submitted in excess of \$30,000 per mile, the Office of Broadband will disregard the application entirely.
- No more than 10% of the original VATI award may be requested or awarded in total under this program to supplement the make ready costs of that project⁴.
- No less than 25% in matching funds will be contributed to the application. These matching funds may be contributed by the unit of local government applicant, private-sector broadband provider, or pole owner. In-kind resources will be considered in meeting this match requirement and include, but are not limited to grant management, acquisition of rights of way or easements, waiving permit fees, etc.
- A profit, fee, or other incremental charge above actual cost incurred by an applicant or private-sector broadband provider is not an allowable cost under VMRI.

⁴ DHCD will consider waiver requests of this 10% on a case-by-case basis, based on documented need by the applicant.

Selection Process

The Office of Broadband will competitively score applications, prioritizing eligible applications based on the following criteria.

- VATI project passings⁵ enabled to be provided broadband access, considering passings both:
 - Directly along network route aided with make ready funds
 - Indirectly based on locations reached utilizing network route benefiting from these funds
 - Estimates of this indirect passing benefit will be accepted, provided the justification for such methodology is clearly provided.
- Matching funds contributed towards the application, considering:
 - Match from the project's private sector partner, unit of local government, or pole owner
- Enabled acceleration of VATI project completion, considering:
 - Narrative explanation of project acceleration utilizing these funds, including specific completion estimates with and without funding received under VMRI.
- Cost effectiveness, considering:
 - Funding requested in consideration of passings enabled to be provided broadband access
- Project need, based on other application narratives outlined in the “Application Process and Requirements” section of this document and other factors as represented to the Office of Broadband in reports of VATI awards.

Application Review Process

The Office of Broadband will work to expedite the review and consideration of applications received under VMRI. If additional information is requested from an applicant, that applicant will have 10 calendar days to respond to such request.

Upon a review and analysis of applications received after each application review date, the Office of Broadband will recommend awards to the Governor’s Office for consideration of these recommendations. While actual award announcement dates are not pre-determined, awards will be announced in consistency with budget language establishing this program. If an application is not awarded, Office of Broadband staff are available to provide technical assistance to improve an application. Unsuccessful applications may be resubmitted for reconsideration by the Office of Broadband at a later application review date.

⁵ Defined as any structure that can receive broadband service. Multi-unit structures may be counted as more than 1 passing, provided individual connections and accounts are planned at that structure.

Appendix A: Freedom of Information Act

For private business entities submitting proprietary information to the VMRI program may request protection from Freedom of Information Act (FOIA) requests pursuant to § 2.2-3705.6(3). Such entities shall submit the request for DHCD to apply the FOIA exemption in § 2.2-3705.6(3) in writing to vati@dhcd.virginia.gov.

Only materials submitted to DHCD directly are subject to consideration for this FOIA- exemption. Written requests must explain which materials to be submitted will contain the proprietary information in question and the nature of the proprietary information.

For such written requests, DHCD will apply § 2.2-3705.6(3) if the disclosure of such information would adversely affect the financial interests of DHCD as permitted by law and may apply other exemptions from FOIA or protections as may be applicable. DHCD may review the request and determine that DHCD will promise confidentiality pursuant to § 2.2-3705.6(3). DHCD may also refuse to promise confidentiality and not apply the exemption in § 2.2-3705.6(3). Upon receipt of the written determination from DHCD documents must be submitted to vati@dhcd.virginia.gov. All exempted information will be securely maintained and accessed by Office of Broadband staff only.

Grant Applications

DHCD respects the right of the public to access to public information about the VMRI program and encourages applicants to only request a FOIA-exemption when absolutely necessary. Applications submitted through CAMS must only include information that is open to the public. Applicants may request to submit supplementary information to the application that includes a FOIA-exemption, pursuant to “§ 2.2-3705.6” for information related to a grant application that may make the application more competitive. FOIA-exemption requests must be sent directly to broadband@dchd.virginia.gov, and the applicant must indicate for which VMRI application the information corresponds. Applicants wishing to submit a FOIA exemption request for multiple VMRI applications may seek a single FOIA exemption for all information related to a specific pole owner in a specific County, which exemption would apply to all applications related to that pole owner in that County..

In order for the information submitted by the applicant and specified in this subdivision to be excluded from the provisions of this chapter, the applicant shall make a written request to the Department:

- a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;*
- b. Identifying with specificity the data, information, or other materials for which protection is sought; and*
- c. Stating the reasons why protection is necessary.*

The Department shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets or confidential proprietary information of the applicant. The Department shall make a written determination of the nature and scope of the protection to be afforded by it under this subdivision.

Grant Monitoring

Projects awarded funds managed and awarded through the VMRI grant making process currently work with DHCD to monitor the completion and success of those projects. Entities wishing to request FOIA exemption on information relevant to evaluating the success of awarded projects, including take rate, must submit any requested information directly to: vati@dhcd.virginia.gov

In order for the information submitted by the applicant and specified in this subdivision to be excluded from the provisions of this chapter, the applicant shall make a written request to the Department:

- a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;*
- b. Identifying with specificity the data, information, or other materials for which protection is sought; and*
- c. Stating the reasons why protection is necessary*

The Department shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets or confidential proprietary information of the applicant. The Department shall make a written determination of the nature and scope of the protection to be afforded by it under this subdivision

Appendix B: Excerpt from Budget Language Establishing this Program

- 7.a. Out of the amounts in this paragraph, the department shall utilize up to \$30,000,000 in the first year from the general fund to establish a program to provide supplements to current Virginia Telecommunication Initiative grant projects for "make ready" costs. Projects receiving money from these funds shall be limited to projects funded with resources from the State and Local Fiscal Recovery Fund or the Capital Projects Fund of the American Rescue Plan Act of 2021, which were awarded during the fiscal year 2022 Virginia Telecommunication Initiative grant round. The department shall limit "make ready" costs to utility pole replacements and mid-span pole installations. Any balances, for the purposes specified in this paragraph 7., which are unexpended on June 30, 2025, shall revert to the general fund.
- b. The department shall establish an application process for the unit of government under contract with the department for the delivery of passings in mutual agreement with its private-sector partner to apply for a grant to supplement "make ready" costs occurring on or after January 1, 2024. Applicants shall be required to submit the following information: (i) the number, cost, and location of pole replacements or mid-span pole installations; (ii) documentation sufficient to establish that the pole replacements or mid-span pole installations described in the application have been completed or will be completed within 120 days of the receipt of funds; (iii) documentation sufficient to establish the costs for which funds are requested; (iv) documentation that demonstrates estimated project costs for utility pole replacements and mid-span pole installations included in the approved fiscal year 2022 Virginia Telecommunication Initiative grant application; and (v) any other information, protections, or criteria determined by the department as necessary to effectuate the provisions of this paragraph 7.
- c. The department shall award funds on a competitive basis to projects that, in the determination of the department, are "at-risk" for completion by December 31, 2026.
- d. The department shall develop scoring criteria to prioritize eligible applications that (i) facilitate broadband service to the greatest number of unserved/underserved contiguous locations per mile; (ii) include a match from the project's private sector partner, which will be determined by the department; (iii) will accelerate the completion of projects; (iv) are cost effective; and (v) incorporate other criteria determined by the department. The department shall review and award funds monthly starting on September 1, 2024, and award funds no later than June 1, 2025.
- e. Any awards made to an eligible applicant shall be limited to a percentage of the make ready costs included in the unit of government's fiscal year 2022 Virginia Telecommunication Initiative grant application as determined by the department. In no circumstance shall the department award more than \$30,000 per mile for pole replacements and/or mid-span installation costs included in any application for these funds.
- f. The department may award the funds provided in this paragraph 7. to supplement undergrounding costs for redesigned projects that change the deployment method from aerial to underground. Redesigned projects must be approved by the department prior to any release of these funds for undergrounding costs. The relevant provisions of paragraphs 7.a. through 7.e. shall apply for any undergrounding application process established by the department. No more than \$30,000 per mile shall be awarded for undergrounding costs.