Virginia Telecommunication Initiative (VATI)

2026 Program Guidelines and Criteria for Public Comment

VIRGINIA DHCD

Virginia Office of Broadband
Virginia Telecommunication Initiative (VATI)
Program Year 2026 Guidelines

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Program Information

Background

The digital divide—the absence of universal broadband access—is not just a technology issue; it is a critical component of modern community and economic development. Reliable broadband supports community sustainability and growth by enabling access to health care through telemedicine, improving workforce readiness, expanding educational opportunities via distance learning, and fostering an entrepreneurial economy where home-based and small businesses can compete globally.

In contrast, homes and businesses without dependable broadband struggle to retain and grow local enterprises due to slow, unreliable, or limited service. Today, most businesses depend on the internet for essential operations such as online banking, e-commerce transactions (including sales and payment processing), market development (such as online advertising, websites, and bulk email), customer service, and internal and external communications. Broadband connectivity is therefore indispensable for businesses of all sizes and a necessity for participation in the twenty-first-century economy.

For additional guidance or questions about project development, or the Virginia Telecommunication Initiative (VATI) guidelines and criteria, please contact vati@dhcd.virginia.gov.

VATI Maintaining Universal Coverage Program Redesign

Investments by current and former Governors and members of the General Assembly have greatly expanded broadband infrastructure through VATI. With the federally funded, state-administered Broadband Equity, Access, and Deployment (BEAD) Program addressing most of the remaining gaps, Virginia is now positioned to lead the nation in maintaining universal broadband connectivity. However, challenges remain. New homes constructed without broadband access, inaccuracies in federal location-level mapping, and gaps from prior funding rounds have left some homes and businesses unaccounted for in existing deployment projects. Underscoring the need of this critical technology, activities essential to achieving universal broadband access, including unexpected costs related to make-ready work, mandated relocation of broadband infrastructure, and restoring storm-damaged broadband infrastructure have been added as additional eligible uses (AEUs) of VATI funds. Addressing these gaps in broadband access requires an innovative approach to disbursement of remaining VATI funds—an effort these guidelines and criteria are designed to support.

VATI's previous model, which required lengthy, resource-intensive applications covering thousands of locations across large areas does not fit the current stage of achieving and maintaining universal coverage in the Commonwealth. These updated guidelines propose a VATI program with streamlined applications, faster project delivery, and with smaller, targeted projects within a city, county, or region. Key changes include simplifying the application process, using a clear process to identify unserved locations, allowing submissions for smaller project areas, and including additional eligible uses of program funding. Together, these updates aim to connect remaining unserved homes, businesses, and community anchors as quickly as possible, ensuring Virginia remains a universally connected Commonwealth.

Program Description

VATI, administered by the Virginia Department of Housing and Community Development (DHCD), supports the sustainability and growth of communities by helping them build, use, and benefit from telecommunications infrastructure. In accordance with authorizing budget language, DHCD awards funding to eligible applicants to deliver last-mile broadband services in unserved areas of the Commonwealth and for unexpected costs incurred by broadband providers related to the expansion and maintenance of broadband throughout the Commonwealth, described in further detail below. Award amounts are based solely on the quality and quantity of applications received. The primary goal of VATI is to provide financial support that offsets construction costs for private broadband providers—working in partnership with local governments—to extend service to areas currently lacking access from any broadband provider.

Definition of Broadband

Broadband is the transmission of wide bandwidth data over a high-speed internet connection. For the purposes of VATI and other programs dependent on the VATI definition of broadband, the speeds at which internet service is considered broadband, is access to speeds at or above 100 Megabits per second (Mbps) download and 20 Mbps upload.

Eligible Uses and Revised Program Structure

In accordance with authorizing budget language, this VATI funding round will incorporate "Broadband Deployment Awards," referred to in these guidelines as additional eligible uses (AEUs). DHCD will accept applications for projects related to make-ready pole replacements, mid-span pole installations, railroad crossings, mandatory project relocation, damage to broadband infrastructure from storms and, where cost-effective, undergrounding of broadband infrastructure. DHCD will administer two application processes dependent on requested uses of funding. Funding for broadband deployment will be prioritized and will be accepted until funding is exhausted. Six months after the start of the initial application process, funding will be available for AEUs through a separate application process. This structure is designed to prioritize unserved areas while considering the needs of additional eligible uses.

Deployment Projects

Application Requirements and Submission Information

Rolling Application Submission

Applications for VATI will be accepted and reviewed on a rolling basis, allowing projects to be submitted at any time during the program year. This process enables timely consideration and award of funds, ensuring that eligible clusters can move quickly from application to construction. Approximately $25 million in funding is available through this VATI funding round.

Multiple Applications

Units of local government may submit multiple applications with the same or different service providers and may include project areas that cross jurisdictional boundaries. No more than one last-mile internet service provider (ISP) may be included in an application. ISPs may submit an application with more than one unit of local government. An applicant may include non-contiguous service areas in a single application. If designating more than one county or city in a single application, each county or city must be clearly delineated, and the required data and budget information must be provided for each county and city.

Eligible Applicants

Applications must be submitted by a unit of government (Towns, Cities, Counties, Economic Development Authorities/Industrial Development Authorities, Planning District Commissions, School Divisions, etc.) with a private ISP as a co-applicant. Eligible projects must be owned and operated by the private sector co-applicant. Publicly owned networks are eligible for the program when partnered with a private sector co-applicant, so long as the private sector applicant is serving as the customer-facing ISP.

Notwithstanding program requirements that applications include a private-sector ISP as the co-applicant, public broadband authorities may apply directly for VATI funds without investment from the private sector. Such awards, in sum, shall not exceed 10 percent of total available state general funds. Applications submitted without a private sector co-applicant will be evaluated alongside other applications.

Eligible Areas

Unserved areas are defined as having broadband speeds below 100 Megabits per second download and 20 Megabits per second upload (100/20 Mbps).

Suggested Project Locations

Suggested locations to consider for deployment projects will be published by DHCD on the Open Project Data Portal prior to the opening of the application process. This list of suggested project locations is new to the VATI grant-making process and is designed to provide clarity in identifying eligible locations for deployment projects. This list is not intended to be exhaustive or exclusive. Applications may be designed to include any number of locations and are subject to the challenge process. DHCD reserves the right to request application details on a subsection or subsections of a project area.

Previously Funded Areas

Applicants are responsible for conducting due diligence to determine whether any portion of their proposed VATI project area has previously received state or federal broadband funding. Relevant programs include but are not limited to: VATI, Tobacco Region Revitalization Commission Awards, Connect America Fund II (CAF II), U.S. Department of Agriculture (USDA) ReConnect, USDA Community Connect, Alternative Connect America Cost Model (ACAM), the Rural Digital Opportunity Fund (RDOF), Enhanced ACAM, and the Broadband Equity, Access, and Deployment (BEAD) Program.

Project areas that have received federal or state funding—and either have existing agreements to build service or are currently served with speeds below 100/20 Mbps—may still be eligible for VATI funding. On a case-by-case basis, DHCD will consider petitions from applicants to include specific locations within previously funded areas. These petitions must demonstrate, based on the technical capabilities of the proposed broadband solution, why additional funding is warranted. Petitions must be submitted as part of the application package.

Organizational and Managerial Capabilities

To participate in this VATI funding round, applicants and co-applicants must demonstrate suitable organizational and management capabilities. To determine whether applicants meet this criterion, applicants and private sector partner(s) must submit the documents and/or attest to the requirements outlined under the *Application Questions*, *Required Attachments*, and *Required CSV and Shapefiles* section of this document.

Challenge Process

Prospective challengers are ***strongly encouraged*** to contact applicants directly and discuss the contested project area before submitting a challenge as project areas can often be re-scoped by applicants to remove overlap. Evidence of serviceability must be demonstrated by showing a reasonable number of customers within the area of claimed serviceable units.

Planned service to a proposed project area is eligible for the purpose of a challenge if state or federal funds have been awarded and the provider has committed to providing service to the areas using these state or federal funds. Federally and state funded areas with existing agreements to build service to, or are currently served with, access to internet at speeds less than 100/20 Mbps are eligible for funding under the VATI program. Federally funded areas with service obligations at or over 100/20 Mbps will not be considered for funds managed and awarded through the VATI grant-making process, unless otherwise outlined in these guidelines and criteria.

In some cases, recipients of federal or state funds were awarded funding to provide service at less than 100/20 Mbps but provide service over this threshold. In instances where the network infrastructure in the previously funded areas under this scenario has been constructed, an ISP must submit a challenge on the basis of actual serviceability in the previously funded area. In instances where network infrastructure has not been constructed in the previously funded area, a challenger must provide speed test data from existing service territories in Virginia to be considered as that provider's capability to provide service over the 100/20 Mbps threshold. Please see Appendix A for additional guidance on the number of speed tests required and acceptable practices for conducting speed tests. DHCD reserves the right to request verified speed tests at times of peak network usage and street level data of customers receiving service within the proposed project area in federally awarded areas to ensure serviceability.

Areas adjacent to state or federally funded areas may be eligible for a challenge if the challenger demonstrates existing awards will not cover the adjacent area. If an incumbent provider serves one side of a roadway, but will not connect the other side, that unserved side of the road is eligible for VATI funding. In these instances, the applicant must prove the incumbent provider will not connect the unserved side of the roadway. The challenger must commit to serving the adjacent areas at speeds equal to or greater than the VATI minimum deployment speed.

DHCD will post electronic copies of all submitted applications to the agency website in accordance with the timeline outlined in this document. Providers wishing to submit a challenge must provide the information required in this section no later than 10 business days following publication. Applicants will be notified if their proposed project area is being challenged within 5 business days and will have 5 business days from notification of a challenge to provide rebuttal information to DHCD.

Providers wishing to submit challenges on multiple applications must submit a separate challenge for each application. Challenges can be made to portions of a proposed project area without invalidating the entire application. DHCD reserves the right to invalidate a portion(s) of a proposed project area, aggregate challenges by different providers to determine the percentage of serviceable units served in a proposed project area, and invalidate insufficient challenges.

Challengers, individually or collectively, must demonstrate that more than 20 percent for wireline projects, or 25 percent for wireless projects, of serviceable units in the project area have access to speeds above 100/20 Mbps as of the date of the application or that the application is ineligible as a result of committed state or federal funding subject to the conditions described above.

DHCD must receive all the information detailed below or the challenge will be deemed incomplete and invalid. Challengers must provide:

1. A signed and notarized affidavit affirming the challenge and attached information is true;
2. Current Federal Communications Commission (FCC) Form 477 or equivalent;
3. Minimum/maximum speeds available in the proposed project area;
4. Number of serviceable units within the proposed project area and provide the speeds those serviceable units are able to receive;
5. Street level data of customers receiving service within the proposed project area;
6. A CSV file listing each Fabric address in the proposed project being challenged. This CSV must contain the Fabric ID, address, city, state, ZIP code, latitude, and longitude of each challenged location.
7. For wireless providers: Heat maps indicating received signal strength indicator (RSSI) in the challenged area, accounting for terrain and peak vegetation (Note: These files must be provided in .zip file form);
8. Wireless providers must also note if the bandwidth is shared or dedicated in the challenged area;
9. Using the project area map submitted by the applicant, create a map indicating where the challenger's serviceable units are located in the proposed project area. Challengers are encouraged to submit additional maps and information if necessary;
10. If challenging due to planned state or federal funding, documentation detailing commitment to provide service in or adjacent to the proposed project area;
11. If the challenger has not submitted service territory data meeting the requirements of the Internet Service Provider Service Territory Data Submission Guidelines, the challenger must submit service territory data for the challenge to be considered; and

12. If challenging an application on the basis of variable speed technologies (i.e., DSL, Fixed Wireless, etc.), challengers are required to submit verified speed tests at times of peak network usage on all or a portion(s) of the challenged area. Please see Appendix A for additional guidance on the number of speed tests required and acceptable practices for conducting speed tests.

DHCD strongly encourages challengers to contact DHCD staff for technical assistance regarding the location CSV requirements prior to challenge submittal. DHCD encourages challengers to directly select Fabric points from the CSV submitted by the project applicant, as posted on the Open Data Portal, to “cut out” or “clip” addresses being challenged to create the challenge CSV to be submitted under the challenge. This practice ensures accurate representation of challenged areas within the VATI application area and allows the challenged locations to be exact matches geographically to the VATI application CSV submitted.

DHCD will review all applicable challenge and rebuttal information to determine if a challenge is credible. DHCD reserves the right to request verified speed tests at times of peak network usage on all or a portion(s) of the challenged area. If verified speed tests are requested by DHCD, the challenger will have 10 days to respond with documentation requested by DHCD. DHCD reserves the right to re-scope any credibly challenged VATI application and fund the remaining portion(s) of the application. Please see Appendix A for additional guidance on the number of speed tests required and acceptable practices for conducting speed tests. DHCD shall notify the applicant and challenger in writing if a challenge is credible no later than 10 business days following the rebuttal deadline. Upon notification of challenge determination, applicants will have 7 days to submit rescope materials, which include: an updated map of the application area reflecting removal of the challenged area(s), a new location CSV of the updated application area, the Funding Sources Table, the VATI Passings Form, and the Derivation of Costs.

Any proposals to modify a previously awarded project are subject to the VATI challenge process adopted in the most recent guidelines if a new project area has been added.

Selection Process

Awardees will be selected through a competitive application process. Application questions will be focused on information related to ready-to-construct project(s) needing financial assistance to supplement construction costs. The applicant must demonstrate a readiness to proceed with an awarded project in a timely manner by the required deadline and must provide access to broadband speeds at or above 100/20 Mbps. DHCD reserves the right to revoke an award due to material misrepresentation.

Minimum Score, Requested Subsidy Threshold Ceiling

In the evaluation of applications submitted, DHCD reserves the right to establish a minimum score and/or a requested subsidy threshold ceiling at which applications would not be considered. This minimum score or requested subsidy threshold ceiling would be available for disclosure following the determination of awards. Applicants may resubmit applications that are determined to not meet the minimum score.

Declining High-Scoring Applicants, based on Technical Capabilities

DHCD reserves the right to decline a high scoring applicant on the basis of technical capability, or lack thereof, demonstrated in application materials or through previous broadband access expansion projects through state and federal funding programs. If DHCD declines a high scoring applicant on the basis of technical capability, this decision will be documented in an internal memo that would be available for disclosure following the announcement of awards.

Scoring Criteria

The table below identifies the scoring criteria and associated points:

Scoring Criteria	Points
Cost Efficiency, based on criteria including: • Requested Funds, Number of Serviceable Units and Passings, Matching Funds, Documentation of Cost Estimates, Relative Build Costs of an Area	50
Build Timeline, based on criteria including: • The commitment to a construction completion sooner than 18 months, with more points awarded for shorter construction timeframes	25
Project Readiness, based on criteria including: • Track record under existing state and federal grant initiatives • Mitigation of known project hurdles	25
TOTAL	100

Deployment Projects: Outline and Timeline

Step	Duration	Details
Application Submission	Rolling	Local governments and ISPs submit completed applications to DHCD.
Initial Review	10 business days	DHCD confirms the completeness of the application.

Step	Duration	Details
Challenge Process	10 business days	Incumbent providers may challenge specific passings as already served or covered by other programs.
Challenge Rebuttal	5 business days	Applicant's opportunity to rebut the challenge
Challenge Resolution	10 business days	DHCD verifies claims, adjusts project scope if necessary.
Award Notification	To be determined	DHCD issues award notice and grant agreement to recipients.
Project Start	Within 90 days of award notification	Grantees begin construction and submit first progress update.
Construction & Reporting	Up to 18 months	Monthly progress reports due to DHCD.
Project Completion	By end of 18-month period	ISP certifies service availability to all passings in final scope.

This timeline does not note every stage of the VATI review process. However, it is provided to give a general understanding of the rolling application process review timeline. DHCD maintains sole discretion to extend any of these timelines.

Application Submission Platform

All applications must be submitted through DHCD's Centralized Application Management System (CAMS). DHCD reserves the right to migrate this program to another application platform at its sole discretion.

Technical Assistance

DHCD staff are available to provide technical assistance on the development of an application and during the challenge process to units of local government, ISPs, grant writers, consultants, and all other VATI stakeholders. DHCD staff strongly recommends engagement of technical assistance throughout project development.

Program Requirements

Project Financing

VATI funding shall not exceed 80 percent of the total project cost. Applicants should note that the program is competitive, and that those projects that bring greater match to the application are more likely to receive higher evaluation scores.

Consistent with VATI's enabling budget language; the private co-applicant must contribute a minimum of 10 percent cash or in-kind match to the total project cost. If the private co-applicant match is below 10 percent of total project cost, applicants must provide financial details in their applications demonstrating appropriate private investment in relation to the density and scope of the project. Local Government expenditures incurred one year prior to the application submission date are eligible to be included in the application as match funds. Incurred expenses must be related to the proposed VATI project and meet VATI criteria. Expenditures incurred by internet service providers within one year of the application date are also eligible to be included in the application as match funds. Incurred expenses must also be directly related to the proposed VATI project and meet VATI criteria. DHCD staff reserves the right to make administrative determinations on the validity of matching funds and accept a proportion of the funds when necessary. Expenses incurred by local governments sought to be considered as matching funds must be included and described in the *Prior Expended Match Form* as an application attachment.

Pending eligible uses of non-deployment funding under the BEAD program, DHCD reserves the right to determine the source of funds through which awards are made. Non state general fund awards such as this can fund VATI applications and are subject to the rules of the funding source.

Allowed Administrative Funding

Funds managed and awarded through the VATI grant making process may be requested to cover administrative costs. Given the small scope of projects under this VATI funding round, administrative funding will be limited to $10,000 in grant funds per project. DHCD reserves the right to decrease this maximum amount of administrative funding based on project scope. Similarly, for larger projects, DHCD reserves the right to increase this maximum amount of administrative funding.

Period of Performance

Applicants must demonstrate that deployment projects will be completed within 18 months following contract execution between the applicant and DHCD. DHCD will consider longer project timelines for larger project areas if applicants can sufficiently detail the reasoning for timeline in their application.

Extensions may be considered for awarded projects that encounter delays due to circumstances outside of the applicants' control. Contact DHCD staff for all questions regarding project scope.

Additional Eligible Use (AEU) Projects

Application Requirement and Submission Information

Rolling Application Submission

In accordance with authorizing program budget language, deployment projects will be prioritized and accepted at any point throughout the program year until funding is exhausted. Additional eligible use (AEU) project applications will only be accepted beginning six months after the start of the VATI application process. Applications for AEU activities will be accepted on a rolling basis and reviewed every three months until the end of the program year, allowing for two application review periods. DHCD will allow applicants to petition the department to review a proposed AEU project prior to the AEU application window and reserves the right to consider these proposals on a case-by-case basis. DHCD will accept and review applications for AEU projects related to make-ready pole replacements; mid-span pole installations; railroad crossings; mandatory project relocation; restoration of telecommunications infrastructure damaged in a major disaster[1]; and, where cost-effective, undergrounding of broadband lines. At its discretion, DHCD may elect to not make awards for AEU projects if it anticipates a need for these funds to be utilized for last-mile deployment purposes.

Eligible Applicants

Eligible applicants for AEU projects related to **unexpected make-ready costs, including undergrounding,** must be a current or prior VATI co-awardee for fiscal years 2021, 2022, 2023, or 2024. Eligible applicants for AEU projects related to **mandatory relocation** must be an ISP with broadband facilities[2] located in public rights-of-way when such relocation is mandated by the Commonwealth or the federal government and such relocation includes infrastructure supported by a state general fund grant from VATI or federal funds. Eligible applicants for AEU projects related to **restoring storm-damaged telecommunications infrastructure** must be an ISP with telecommunications infrastructure damaged in a major disaster. If applicable, eligible

[1] As defined in § 44-146.16 of the Code of Virginia, a "major disaster" means any natural catastrophe, including any: hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or regardless of cause, any fire, flood, or explosion, in any part of the United States, which, in the determination of the President of the United States is, or thereafter determined to be, of sufficient severity and magnitude to warrant major disaster assistance under the Stafford Act (P.L. 93-288 as amended) to supplement the efforts and available resources of states, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby and is so declared by him.
[2] In accordance with authorizing budget language, broadband infrastructure and facilities allowable for relocation expenses must be broadband-related lines and cabinets.

applicants must be in good standing with all VATI or federal program requirements, including reporting, performance obligations, and any other existing grant agreements. While localities or other entities may support project proposals, only qualifying ISPs may serve as the official applicant and submit an AEU project application.

Eligible Areas

For AEU projects related to **unexpected make-ready costs, including undergrounding**, proposed project activities must fall within the boundaries of a current or prior VATI project from fiscal year 2021, 2022, 2023, or 2024 and are consistent with the scope, service area, and commitments outlined in the associated VATI contract agreement. For AEU projects related to **mandatory relocation**, eligible broadband infrastructure and facilities allowed for relocation reimbursement must be within a prior or current project area under VATI or another federal broadband-related program. Additionally, such infrastructure must be located in public rights-of-way controlled by the Virginia Department of Transportation (VDOT). For AEU projects related to **restoring storm-damaged telecommunications infrastructure**, eligible storm-damaged infrastructure allowed for restoration reimbursement must have been damaged in a major disaster. Proposed project activities that fall within one AEU project type should not span across multiple VATI, federally funded, or privately owned build regions. For further guidance and support on application structuring, applicants should reach out to DHCD for technical assistance.

Multiple Applications

Applicants may submit more than one application, provided that proposed AEU project activities are located within an eligible area. Applicants may also submit multiple AEU applications within the same eligible area. This flexibility is intended to accommodate situations in which an applicant is seeking funding for multiple AEU project types (e.g., make-ready *and* mandatory relocation), which requires applicant responses for distinct sets of applications questions, making separate application submissions necessary. Please note that proposed AEU activities from different eligible areas cannot be combined into a single application. Each submission must correspond to one eligible build region to ensure that proposed activities remain aligned with the scope and commitments of that specific project. For further guidance and support on application structuring, applicants should reach out to DHCD for technical assistance.

Organizational and Managerial Capabilities

To participate in VATI, applicants must demonstrate suitable organizational and management capabilities. To determine whether applicants meet this criterion, ISPs must submit the documents and/or attest to the requirements outlined under the *Application Questions*, *Required Attachments*, and *Required CSV.* and *shapefiles* section of this document.

Selection Process

Applications will be reviewed and awards will be issued on a first-come, first-serve basis every three months after the start of the AEU application process until the end of the program year. The applicant must demonstrate a readiness to proceed with an awarded project in a timely manner by the required deadline. DHCD reserves the right to issue partial awards for a portion of AEU project activities in each application proposal and to request additional information to make a determination on the application.

Selection Process for Unexpected Make-Ready Costs, Including Undergrounding

Applicants seeking funding for unexpected make-ready costs related to make-ready pole replacements; mid-span pole installations; and, where cost effective, undergrounding of broadband lines shall be required to submit the following information:

- The amount of the requested funding;
- the source of match funding;
- documentation sufficient to establish that the applicant has already paid or committed to spending the money necessary to complete the broadband deployment;
- an explanation as to why the actual make ready costs were higher than anticipated when the provider sought state or federal grant funding;
- a description on the number and locations of pole replacements or mid-span pole installations;
- documentation on the organizational and managerial capacity of the applicant;
- a project timeline that displays project milestones and a completion before 180 calendar days from receipt of funds; and
- for undergrounding applications: documentation and explanation for why undergrounding infrastructure is necessary and cost-effective.

Selection Process for Mandatory Relocation

Applicants seeking funding for costs associated with relocating broadband infrastructure and facilities located in public rights-of-way when such relocation is mandated by the Commonwealth or the federal government shall be required to submit the following information:

- Information regarding the estimated or actual costs associated with the mandated re-location;
- the source of match funding;
- sufficient documentation to establish that the applicant is mandated by the Commonwealth or federal government to relocate publicly funded infrastructure or facilities in public rights-of-way controlled by the VDOT;
- the amount of broadband service locations that rely on the broadband facilities for service;
- information on the facilities to be relocated;
- documentation on the organizational and managerial capacity of the applicant;
- documentation on the source and timing of public funding supporting the construction of broadband infrastructure and when such infrastructure was built or completed; and
- a project timeline that displays project milestones and completion before 180 calendar days from receipt of funds.

Selection Process for Restoring Storm-Damaged Telecommunications Infrastructure

Applicants seeking funding for costs associated with restoring telecommunications infrastructure damaged in a major disaster shall be required to submit the following information:

- An explanation for why the cost to restore damaged infrastructure exceeds normal storm damage repair budget;
- information regarding the estimated or actual costs associated with restoring storm-damaged infrastructure;
- the source of match funding;
- an explanation on how or why not the restored infrastructure will be more resilient than original infrastructure damaged in major disaster; and
- documentation on the organizational and managerial capacity of the applicant; and
- a project timeline that displays project milestones and completion within one year after the major disaster or 180 calendar days from receipt of funds.

Scoring Criteria for AEU Projects

The table below identifies the scoring criteria and associated points:

Scoring Criteria	**Points**
Cost Efficiency, based on criteria including: • Requested Funds, Matching Funds, Documentation of Cost Estimates, Relative Build Costs	40

Project Information, based on criteria including: • Applicant provides all requested information for applicable AEU application • Quality and accuracy of information/ documentation provided	35
Build Timeline, based on criteria including: • The commitment to expedient completion of the AEU activity.	25
TOTAL	100

Minimum Score, Requested Subsidy Threshold Ceiling

In the evaluation of applications submitted, DHCD reserves the right to establish a minimum score and/or a requested subsidy threshold ceiling at which applications would not be considered. This minimum score or requested subsidy threshold ceiling would be available for disclosure following the announcement of awards. At its discretion, DHCD may not award applications for proposed projects if it anticipates a need for these funds to be utilized for last-mile deployment purposes. Applicants may resubmit applications that are determined to not meet the minimum score.

Declining High-Scoring Applicants, based on Technical Capabilities

DHCD reserves the right to decline a high scoring applicant on the basis of technical capability, or lack thereof, demonstrated in application materials or through previous broadband access expansion projects through state and federal funding programs. If DHCD declines a high scoring applicant on the basis of technical capability, this decision will be documented in an internal memo that would be available for disclosure following the determination of awards.

AEU Projects: Outline and Timeline

Step	**Duration**	**Details**
Application Submission	Rolling – begins 180 calendar days after start of deployment application process	ISPs submit completed applications to DHCD.

Step	Duration	Details
Application Review	90 and 180 calendar days from the start of AEU application process	DHCD reviews application for proposed AEU project activities.
Award Notification	60 days after opening the review period for AEU applications	DHCD issues award notice and grant agreement to recipients.
Project Start	Within 90 calendar days of award notification	Grantees begin project implementation and submit first progress update.
Construction & Reporting	Up to 180 calendar days	Monthly progress reports due to DHCD.
Project Completion	By end of 180-day period	ISP certifies project implementation has been completed.

Application Submission Platform

All applications must be submitted through DHCD's Centralized Application Management System (CAMS). DHCD reserves the right to migrate this program to another application platform at its sole discretion.

Technical Assistance

DHCD staff are available to provide technical assistance on the development of applications for ISPs, grant writers, consultants, and all other stakeholders. DHCD staff strongly recommends engagement of technical assistance throughout project development.

Program Requirements

Project Financing

For AEU projects related to **unexpected make-ready costs, including undergrounding**, the ISP must contribute a minimum of 20 percent match to the total project cost. For AEU projects related to **mandatory relocation** and **restoring storm-damaged telecommunications infrastructure**, ISPs must contribute a minimum of 10 percent match to the total project cost. If the ISP match is below the required percent of total project cost, applicants must provide financial details in their applications demonstrating appropriate private investment in relation to the density and scope of the project. Expenditures incurred by ISPs within one year prior to the application date are also eligible to be included in the application as match funds. On a case-by-case basis and upon request, DHCD reserves the right to consider expenditures prior to the one-year window preceding an applicant's application date as matched funding. DHCD reserves the right to make administrative determinations on the validity of matching funds and accept a proportion of the funds when necessary.

For **unexpected make-ready costs, including undergrounding,** and **mandatory relocation,** expenditures incurred from the start of the original grant contract execution are eligible for reimbursement. Please note that for **unexpected make-ready costs, including undergrounding,** expenditures must not exceed $15,000 per mile of either aerial pole replacements or underground fiber installation. For **restoring storm-damaged telecommunications infrastructure**, expenditures incurred within one year of the major disaster are eligible for reimbursement. Interest expenses for loans will be considered as an eligible expense. The expenses incurred must be directly related to the proposed VATI AEU project and meet VATI criteria. Applicants are encouraged to proactively perform the proposed AEU project activities and seek reimbursement through this program rather than waiting on the receipt of AEU project funding.

Pending eligible uses of non-deployment funding under the BEAD program, DHCD reserves the right to determine the source of funds through which awards are made. Non state general fund awards such as this can fund VATI applications and are subject to the rules of the funding source.

Period of Performance

For **unexpected make-ready costs, including undergrounding,** and **mandatory relocation,** applicants must demonstrate that projects will be or have been completed before 180 calendar days from receipt of funds. For **restoring storm-damaged telecommunications infrastructure**, applicants must demonstrate that projects have been or will be completed within one year after the major disaster or 180 days from receipt of funds.

Extensions may be considered for awarded projects that encounter delays due to circumstances outside of the applicants' control. Contact DHCD staff for all questions regarding project scope.

Other Information

Freedom of Information Act (FOIA)

Pursuant to Section 2.2-3705.6-32 of the Code of Virginia, DHCD has the legal authority with the following information contained in a public record and is exempt from the mandatory disclosure provisions of the Virginia Freedom of Information Act (FOIA): "information related to a grant application, or accompanying a grant application, submitted to the Department of Housing and Community Development that would (i) reveal (a) trade secrets, (b) financial information of a grant applicant that is not a public body, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise, or (c) research related information produced or collected by the applicant in the conduct of or as a result of study or research on medical, rehabilitative, scientific, technical, technological, or scholarly issues, when such information has not been publicly released, published, copyrighted, or patented, and (ii) be harmful to the competitive position of the applicant." Applicants wishing to receive FOIA exemption must submit a written request to DHCD and follow the FOIA policy, found on page 21. *Note: Location CSVs and shapefiles submitted with VATI applications are subject to the Freedom of Information Act and will not be provided FOIA exemption. RSSI measures in the project area(s) are eligible for Freedom of Information Act exemption.*

Application Questions and Required Attachments

Deployment Projects

Deployment Application Questions

Cost Efficiency

1. Budget: Applicants must provide a detailed budget that outlines how the grant funds will be utilized, including an itemization of equipment, construction costs, and a justification of proposed expenses. If designating more than one service area in a single application, each service area must have delineated budget information. For wireless projects, please include delineated budget information by each tower. Expenses should be substantiated by clear cost estimates. Include copies of vendor quotes or documented cost estimates supporting the proposed budget. Label Attachments: Attachment 1 – Derivation of Costs; Attachment 2 - Documentation of Supporting Cost Estimates.

2. The cost benefit index comprises state cost per unit passed. Individual cost benefit scores are calculated and averaged together to create a point scale for a composite score. Provide the following:

    a. Total VATI funding request

    b. Number of serviceable units

3. Matching funds: Complete the funding sources table indicating the cash match and in-kind resources from the applicant, co-applicant, and any other partners investing in the proposed project (VATI funding cannot exceed 80 percent of total project cost). In-kind resources include, but are not limited to grant management, acquisition of rights of way or easements, waiving permit fees, force account labor, etc. Please note that a minimum 20% match is required to be eligible for VATI, the private sector provider must provide 10% of the required match. If the private co-applicant cash match is below 10% of total project cost, applicants must provide financial details demonstrating appropriate private investment. If applicants and co-applicants are seeking to include prior expended funds as matching funds, Attachment 5 must be completed. Label Attachments: Attachment 3 - Funding Sources Table; Attachment 4 – Documentation of Match Funding; Attachment 5 – Prior Expended Match Form.

4. Total Passings: Provide the number of total serviceable units in the project area. For projects with more than one service area, each service area must have delineated passing information. Label Attachment: Attachment 6 – Passings Form.

a. Of the total number of VATI passings, provide the number of residential, business, non-residential, and community anchors in the proposed project area.

b. If applicable, provide the number of passings that will require special construction costs, defined as a one-time fee above normal service connection fees required to provide broadband access to a premise. Describe the methodology used for these projections.

c. If applicable, provide the number of passings included in the application that will receive broadband access because special construction costs have been budgeted in the VATI application. Describe the methodology used for determining which passings with special construction costs were budgeted in the application.

d. Provide the number of passings in the project area that have 25/3 Mbps or less. Describe the methodology used for these projections.

5. For wireless projects only: Please explain the ownership of the proposed wireless infrastructure. Please describe if the private co-applicant will own or lease the radio mast, tower, or other vertical structure onto which the wireless infrastructure will be installed. Also, provide an estimate of the number of simultaneous subscribers that can be served in an area at the chosen speed.

6. Network Design: Provide a description of the network system design used to deliver broadband service from the network's primary internet point(s) of presence to end users, including the network components that already exist and the ones that would be added by the proposed project. Provide a detailed explanation of how this information was determined with sources. Provide information on how capacity for scalability, or expansion, of how the network can adapt to future needs. If using a technology with shared bandwidth, describe how the equipment will handle capacity during peak intervals. For wireless projects, provide a propagation map for the proposed project area with a clearly defined legend for scale of map. Label Map: Attachment 7 – Propagation Map Wireless Project.

7. Speeds: Describe the internet service offerings, including download and upload speeds, to be provided after completion of the proposed project. Detail whether that speed is based on dedicated or shared bandwidth and detail the technology that will be used. This description can be illustrated by a map or schematic diagram, as appropriate. List the private co-applicant's tiered price structure for all speed offerings in the proposed project area, including all speed offerings. Please note, DHCD reserves the right to

request verified speed tests distributed throughout a service area at times of peak network usage from a co-applicant's existing network to verify a co-applicant's capability to provide broadband service at speeds at or above 100/20 Mbps. Describe the co-applicant's methodologies for conducting speed tests.

Project Readiness

8. Describe the current state of project development, including but not limited to planning, preliminary engineering, identifying easements/permits, status of MOU or MOA, and final design. Prepare a detailed project timeline or construction schedule, identifying specific tasks, staff, contractor(s) responsible, collection of data, etc., and estimated start and completion dates. Applicants are encouraged to extensively discuss, where applicable, easements relating to railroad crossings, federally owned lands and parks, partnerships with the Virginia Department of Transportation, and mobile home parks. Applicants must include Memorandums of Understanding (MOUs)or Memorandums of Agreement (MOAs) between applicants (drafts are allowable). Label Attachments: Attachment 8 – Timeline/Project Management Plan; Attachment 9 – MOU/MOA between Applicant/Co-Applicant. *Please note that applicants are required to complete their network construction within 18 months. Points will be awarded based on the number of months the applicant commits to completing the network build in the specified locality, with shorter timelines receiving higher scores.*

9. Has the applicant or co-applicant received any VATI grants? If so, provide a list of these grants, with a detailed summary of the status of each.

10. Project Management: Identify key individuals who will be responsible for the management of the project and provide a brief description of their role and responsibilities for the project. Present this information in table format. Provide a brief description of the applicant and co-applicant's history and experience with managing grants and constructing broadband communication facilities.

11. Provide any other information that the applicant desires to include. Applicants are limited to four additional attachments.

List of Required Attachments, PDF Format Required

*All Attachments <u>MUST</u> be uploaded in PDF format

1. Derivation of Cost (Project Budget)
    - Label Attachment: Attachment 1 – Derivation of Costs
2. Documentation supporting project costs (e.g., vendor quotes)
    - Label Attachment: Attachment 2 – Documentation of Supporting Cost Estimates

3. Funding Sources Table
    - Label Attachment: Attachment 3 – Funding Sources Table
4. Documentation for match funding
    - Label Attachment: Attachment 4 – Documentation of Match Funding
5. Prior Expended Match Form
    - Label Attachment: Attachment 5 – Prior Expended Match Form
6. Passings Form (Please use template provided)
    - Label Attachment: Attachment 6 – Passings Form
7. Propagation Map and Heat Map if Wireless Project
    - Label Attachment: Attachment 7 – Propagation Map (Wireless Projects only)
8. Timeline/Project Management Plan
    - Label Attachments: Attachment 8 – Timeline Project Management Plan
9. MOU/MOA between applicant/co-applicant (can be in draft form)
    - Label Attachment: Attachment 9 – MOU.MOA between Applicant/Co-Applicant
10. Label Additional Attachments as:
    - Attachment 10 – XXXXXXX
    - Attachment 11 – XXXXXXX
    - Attachment 12 – XXXXXXX

Required Attachments – Location CSV & Shapefiles

A CSV file listing each Fabric address in the proposed project being challenged. This CSV must contain the Fabric ID, address, city, state, ZIP code, ZIP suffix, latitude, and longitude. Sample attached in Appendix B.

Point shapefiles may be submitted alongside these CSVs.

For wireless providers: Shapefiles displaying heat maps indicating received signal strength indicator (RSSI) in the application area accounting for terrain and vegetation.

Additional Eligible Use (AEU) Projects

Unexpected Make-Ready Costs Application Questions

Cost Information

1. Budget: Applicants must provide a detailed budget that outlines how the grant funds will be utilized, including an itemization of equipment, construction costs, and a justification of proposed expenses. Expenses should be substantiated by clear cost estimates. Include copies of vendor quotes or documented cost estimates supporting the proposed budget. For aerial build costs, applicants must provide documentation from the utility owner detailing

costs. Please note expenditures must not exceed $15,000 per mile of either aerial pole replacements or underground fiber installation. Label Attachments: Attachment 1 – Derivation of Costs; Attachment 2 – Funding Sources Table; Attachment 3 – Aerial Build Costs.

2. Certify that this make-ready area exists within a current VATI contract.
3. Applicants must provide a detailed explanation as to why the actual make-ready costs were higher than anticipated when the provider sought state or federal grant funding. Include approved VATI contract budget(s) to corresponding VATI project footprint(s), including supplemental information as necessary to clearly identify the originally budgeted make-ready estimated costs and the basis of such estimation. Provide documentation substantiating that make-ready costs exceed those originally budgeted for the project, including documentation explaining original project estimates. Expenses should be substantiated by clear cost estimates. Include copies of vendor quotes or documented cost estimates supporting the proposed budget. For undergrounding applications, applicants must provide an explanation and sufficient documentation for the cost-effectiveness of undergrounding. Label Attachments: Attachment 4 – Approved VATI Contract Budget; Attachment 5 – Justification of Exceeding Budget Costs; Attachment 6 – Undergrounding Justification.
4. Matching funds: Complete the funding sources table indicating the cash match and in-kind resources from the applicant and any other partners investing in the proposed project. In-kind resources include, but are not limited to grant management, acquisition of rights of way or easements, waiving permit fees, force account labor, etc. Please note that for a minimum 20% match is required to be eligible for VATI. If the applicant cash or in-kind match is below 10% of total project cost, applicants must provide financial details demonstrating appropriate private investment. If applicants are seeking to include prior expended funds as matching funds, Attachment 8 must be completed. Label Attachments: Attachment 7 – Documentation of Match Funding; Attachment 8 – Prior Expended Match Form.

Project Information

5. Provide information on the number and locations of pole replacements or mid-span pole installations. Label attachments: Attachment 9 - Direct and Indirect Passings Form; Attachment 10 - Pole Replacement and Mid-Span Pole Installation Form; Attachment 11 – CSV of Directly Affected Project Passings; Attachment 12 - Line Shapefile of Cable/Fiber Route.
6. For undergrounding applications, provide documentation that demonstrated the potential increase in route mileage by utilizing public rights-of-way, which may increase deployment mileage. Label Attachment: Attachment 13 – Undergrounding Deployment Mileage.

7. Certify that the applicant has the organizational and managerial capacity to complete the project with the assistance of this application, including that the applicant will have the staff or willing to procure staff to sufficiently complete the project within the determined timeline.

Project Timeline

8. The applicant must provide sufficient documentation to establish that the pole replacement or mid-span pole installations described in the application have been completed or will be completed within 180 calendar days from receipt of funds. Provide a project timeline that displays completion within 180 calendar days of receipt of funds or documentation of prior completion. If applicable, provide documentation on how the project timeline for make-ready work, including undergrounding if necessary, aligns with the most up-to-date timeline for the VATI project. Label attachments: Attachment 14 – Project Timeline; Attachment 15 – Make-Ready Alignment with VATI Timeline.
9. If applicable for undergrounding applications, provide 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. Label Attachment: Attachment 16 – Undergrounding Alignment with VATI Timeline.

List of Required Attachments, PDF Format Required

*All Attachments MUST be uploaded in PDF format

1. Derivation of Cost (Project Budget)
    - Label Attachment: Attachment 1 – Derivation of Costs
2. Funding Sources Table
    - Label Attachment: Attachment 2 – Funding Sources Table
3. Aerial Build Costs
    - Aerial Build Costs (Aerial Projects Only)
4. Approved VATI Contract Budget
    - Label Attachment: Attachment 4 – Approved VATI Contract Budget
5. Justification of Exceeding Budget Costs
    - Label Attachment: Attachment 5 - Justification of Exceeding Budget Costs
6. Justification for Undergrounding
    - Label Attachment: Attachment 6 – Undergrounding Justification
7. Documentation of Match Funding

- Label Attachment: Attachment 7 - Documentation of Match Funding

8. Prior Expended Match Form
   - Label Attachment: Attachment 8 – Prior Expended Match Form (if applicable)
9. Direct and Indirect Passings Form
   - Label Attachment: Attachment 9 - Direct and Indirect Passings Form
10. Pole Replacement and Mid-Span Pole Installation Form
    - Label Attachment: Attachment 10 - Pole Replacement and Mid-Span Pole Installation Form
11. CSV of Directly Affected Project Passings
    - Label Attached Zip Folder: Attachment 11 – CSV of Affected Locations
12. Line Shapefile of cable/fiber route to-be-funded under this program
    - Label Attached Zip Folder: Attachment 12 - Line Shapefile of Cable/Fiber Route
13. Undergrounding Deployment Mileage
    - Label Attachment: Attachment 13 – Undergrounding Deployment Mileage
14. Proposed Project Timeline
    - Label Attachment: Attachment 14 – Project Timeline
15. Make-Ready Alignment with VATI Timeline
    - Attachment 15 – Make Ready Alignment with VATI Timeline (if applicable)
16. Undergrounding Alignment with VATI Timeline
    - Attachment 16 – Undergrounding Alignment with VATI Timeline (if applicable)
17. Label Additional Attachments as:
    - Attachment 18 – XXXXXXX
    - Attachment 19 – XXXXXXX
    - Attachment 20 – XXXXXXX
    - Attachment 21 – XXXXXXX

Required Attachments – Location CSV & Shapefiles

A CSV file listing each Fabric address in the proposed project being challenged. This CSV must contain the Fabric ID, address, city, state, ZIP code, ZIP suffix, latitude, and longitude. Sample attached in Appendix B.

Point shapefiles may be submitted alongside these CSVs.

Mandatory Relocation Application Questions

Cost Information

1. Budget: Applicants must provide a detailed budget that outlines how the grant funds will be utilized, including an itemization of equipment, construction costs, and a justification of

proposed expenses. Expenses should be substantiated by clear cost estimates. Include copies of vendor quotes or documented cost estimates supporting the proposed budget. Label Attachments: Attachment 1 – Derivation of Costs; Attachment 2 – Funding Sources Table.

2. Matching funds: Complete the funding sources table indicating the cash match or in- kind resources from the applicant and any other partners investing in the proposed project. In-kind resources include, but are not limited to grant management, acquisition of rights of way or easements, waiving permit fees, force account labor, etc. Please note that a minimum 10% match is required to be eligible for VATI. If the applicant cash or in-kind match is below 10% of total project cost, applicants must provide financial details demonstrating appropriate private investment. If applicants are seeking to include prior expended funds as matching funds, Attachment 4 must be completed. Attachment 3 – Documentation of Match Funding; Attachment 4 – Prior Expended Match Form.

Project Information

3. Provide sufficient documentation to establish that the applicant is relocating facilities located along or across public rights-of-way controlled by the Virginia Department of Transportation when such relocation is mandated by the Commonwealth or the federal government and such relocation includes infrastructure supported by a state general fund grant from the Virginia Telecommunications Initiative or federal funds.
4. Discuss the amount of broadband service locations that rely on the relocated broadband facilities for service and the location where facilities will be relocated. Label attachments: Attachment 5 - Direct and Indirect Passings Form; Attachment 6 – CSV List of Affected Locations; Attachment 7 – Line shapefile of Cable/Fiber Route.
5. Provide information on the number, age, and value of facilities to be relocated.
6. Certify that the applicant has the organizational and managerial capacity to complete the project with the assistance of this application, including that the applicant will have the staff or willing to procure staff to sufficiently complete the project within the determined timeline.
7. Provide sufficient document that the relocated infrastructure was supported by a state general fund grant from the VATI or federal funds. Applicants must establish the funding source, timing of funding, and when infrastructure was completed or built. Label Attachment: Attachment 8 – Letter Certification of Publicly Funded infrastructure.

Project Timeline

8. The applicant must provide documentation sufficient to establish that the mandated relocation of broadband facilities described in the application has been completed or will be

completed within 180 calendar days from receipt of funds. Provide a project timeline that displays completion within 180 calendar days of receipt of funds or documentation of prior completion. If applicable, provide documentation on how the project timeline for mandatory relocation aligns with the most up-to-date timeline for the VATI or federally funded project. Label attachments: Attachment 9 – Project Timeline; Attachment 10 – Make Ready Alignment with VATI Timeline.

List of Required Attachments, PDF Format Required

*All Attachments MUST be uploaded in PDF format

1. Derivation of Cost (Project Budget)
   - Label Attachment: Attachment 1 – Derivation of Costs
2. Funding Sources Table
   - Label Attachment: Attachment 2 – Funding Sources Table
3. Documentation of Match Funding
   - Label Attachment: Attachment 3 - Documentation of Match Funding
4. Prior Expended Match Form
   - Label Attachment: Attachment 4 – Prior Expended Match Form (if applicable)
5. Direct and Indirect Passings Form
   - Label Attachment: Attachment 5 - Direct and Indirect Passings Form
6. CSV List of Affected Locations
   - Label Attached Zip Folder: Attachment 6 – CSV List of Affected Locations
7. Line Shapefile of cable/fiber route to-be-funded under this program
   - Label Attached Zip Folder: Attachment 7 - Line Shapefile of Cable/Fiber Route
8. Letter Certification of Publicly Funded Infrastructure
   - Label Attachment: Attachment 8 – Letter Certification of Publicly Funded Infrastructure
9. Proposed Project Timeline
   - Label Attachment: Attachment 9 – Project Timeline
10. Make-Ready Alignment with VATI Timeline
    - Attachment 10 – Make Ready Alignment with VATI Timeline (if applicable)
11. Label Additional Attachments as:
    - Attachment 11 – XXXXXXX
    - Attachment 12 – XXXXXXX
    - Attachment 13 – XXXXXXX
    - Attachment 14 – XXXXXXX

Required Attachments – Location CSV & Shapefiles

A CSV file listing each Fabric address in the proposed project being challenged. This CSV must contain the Fabric ID, address, city, state, ZIP code, ZIP suffix, latitude, and longitude. Sample attached in Appendix B.

Point shapefiles may be submitted alongside these CSVs.

Restoring Storm-Damaged Telecommunications Infrastructure Application Questions

Cost Information

1. Budget: Applicants must provide a detailed budget that outlines how the grant funds will be utilized, including an itemization of equipment, construction costs, and a justification of proposed expenses. Expenses should be substantiated by clear cost estimates. Include copies of vendor quotes or documented cost estimates supporting the proposed budget. Label Attachments: Attachment 1 – Derivation of Costs; Attachment 2 – Funding Sources Table
2. Applicants must provide a detailed explanation as to why the actual storm-damage restoration costs were higher than prepared cost contingency. Include approved construction and maintenance budget(s) to corresponding buildout footprints, including supplemental information as necessary to clearly identify the originally budgeted cost contingency for scenarios of major disasters and the basis of such estimation. Provide documentation substantiating that costs for storm-damage restoration exceed budgeted cost contingency, including documentation explaining original cost estimates. Expenses should be substantiated by clear cost estimates. Include copies of vendor quotes or documented cost estimates supporting the proposed budget. Label Attachments: Attachment 3 – Original Contingency Budget; Attachment 4 – Exceeding Budget Costs Template.
3. Matching funds: Complete the funding sources table indicating the cash match and/or in-kind resources from the applicant and any other partners investing in the proposed project. In-kind resources include, but are not limited to, grant management, acquisition of rights of way or easements, waiving permit fees, force account labor, etc. Please note that a minimum 10% match is required to be eligible for VATI. If the applicant cash or in-kind match is below 10% of total project cost, applicants must provide financial details demonstrating appropriate private investment. If applicants are seeking to include prior expended funds as matching funds, Attachment 6 must be completed. Label Attachments:

Attachment 5 – Documentation of Match Funding; Attachment 6 – Prior Expended Match Form.

Project Information

4. Provide sufficient explanation and documentation proving infrastructure damage was a result of a major disaster. Applicants must include the name of the storm and detailed description of infrastructure damage. Pictures are encouraged. Label Attachments: Attachment 7 – Infrastructure Damage.
5. Discuss the amount of broadband service locations that rely on the relocated broadband facilities for service and the location of telecommunications infrastructure in need of restoration and/or restored from a major disaster. Label attachments: Attachment 8 - Direct and Indirect Passings Form; Attachment 9 – CSV List of affected locations; Attachment 10 – Shapefile of Direct Project Passings; Attachment 11 - Line shapefile of Cable/Fiber Route.
6. Explain, if applicable, how the applicant plans to make restored infrastructure more resilient than original infrastructure damaged in major disaster. If it is not applicable, explain why.
7. Certify that the applicant has the organizational and managerial capacity to complete the project with the assistance of this application, including that the applicant will have the staff or willing to procure staff to sufficiently complete the project within the determined timeline.

Project Timeline

8. The applicant must provide documentation sufficient to establish that the restoration of storm-damaged infrastructure described in the application has been completed within one year after the major disaster or will be completed within 180 calendar days of the receipt of funds. Provide a project timeline that displays completion within 180 calendar days of receipt of funds or documentation of prior completion within one year after the major disaster. Label attachments: Attachment 12 – Project Timeline

List of Required Attachments, PDF Format Required

*All Attachments <u>MUST</u> be uploaded in PDF format

1. Derivation of Cost (Project Budget)
    - Label Attachment: Attachment 1 – Derivation of Costs
2. Funding Sources Table
    - Label Attachment: Attachment 2 – Funding Sources Table
3. Original Contingency Budget
    - Label Attachment: Attachment 3 - Original Contigency Budget
4. Exceeding Budget Costs Template
    - Label Attachment: Attachment 4 – Exceeding Budget Costs Template
5. Documentation of Match Funding

- Label Attachment: Attachment 5 – Documentation of Match Funding

6. Prior Expended Match Form
    - Label Attachment: Attachment 6 – Prior Expended Match Form (if applicable)
7. Proof of Infrastructure Damage
    - Label Attachment: Attachment 7 – Infrastructure Damage
8. Direct and Indirect Passings Form
    - Label Attachment: Attachment 8 - Direct and Indirect Passings Form
9. CSV List of Affected Locations
    - Label Attached Zip Folder: Attachment 9 – CSV List of Affected Locations
10. Point Shapefile of Direct Project Passings
    - Label Attached Zip Folder: Attachment 10 - Point Shapefile of Direct Project Passings
11. Line Shapefile of cable/fiber route to-be-funded under this program
    - Label Attached Zip Folder: Attachment 11 - Line Shapefile of Cable/Fiber Route
12. Proposed Project Timeline
    - Label Attachment: Attachment 12 – Project Timeline
13. Label Additional Attachments as:
    - Attachment 13 – XXXXXXX
    - Attachment 14 – XXXXXXX
    - Attachment 15 – XXXXXXX
    - Attachment 16 – XXXXXXX

Required Attachments – Location CSV & Shapefiles

A CSV file listing each Fabric address in the proposed project being challenged. This CSV must contain the Fabric ID, address, city, state, ZIP code, ZIP suffix, latitude, and longitude. Sample attached in Appendix B.

Point shapefiles may be submitted alongside these CSVs.

Definitions

Adjacent - Businesses based in residential homes can count if they are a registered business (BPOL, LLC, etc.).

Community Anchor - schools, libraries, medical and health care providers, public safety entities, community colleges and other institutions of higher education, and other community support organizations and agencies that provide outreach, access, equipment, and support services to facilitate greater use of broadband service by vulnerable populations, including low- income, unemployed, and the aged.

CSV – A comma-separated values sheet that provides a list of project or challenge locations. These CSVs must list each location with its Fabric ID, address, city, state, ZIP code, latitude, and longitude. See Appendix B for more information.

Digital Subscriber Line (DSL) – A technology for bringing high-bandwidth information to homes and small businesses over ordinary copper telephone lines.

Eligible Project Costs – Expenses eligible for reimbursement under the VATI grant.

Facilities (eligible for relocation reimbursement) - In accordance with authorizing budget language, broadband infrastructure and facilities allowable for relocation expenses must be broadband-related lines and cabinets.

Fiber-to-the-Home (FTTH) – A network that delivers internet service over optical fiber directly to an end-user home, business, or other Unit.

Fixed Wireless – Wireless devices or systems that are situated in fixed locations.

Hybrid Fiber Coaxial (HFC) – A broadband network combining optical fiber and coaxial cable.

Last-Mile – Components of a network that provide broadband service to end-user premises or devices through an intermediate point of aggregation (e.g., remote terminal, fiber node, wireless tower, or other equivalent access point).

Leverage - Non-match cash or non-match in-kind resources committed to a proposed project that do not qualify as match (i.e., federally funded projects like CAFII, A-CAM, etc.) or being used as match (i.e., volunteer labor, engineering or design, etc.).

Major Disaster – Any natural catastrophe, including any: hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or regardless of cause, any fire, flood, or explosion, in any part of the United States, which, in the determination of the President of the United States is, or thereafter determined to be, of sufficient severity and magnitude to warrant major disaster assistance under the Stafford Act (P.L. 93-288 as amended) to supplement the efforts and available resources of states, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby and is so declared by him.

Middle-Mile – Network components that provide broadband service from one or more centralized facilities (e.g., the central office, the cable head-end, the wireless switching station, or other equivalent centralized facilities) to an Internet point of presence.

Non-Residential Passing – Places of worship, federal, state, or local facilities or other potential customers that are neither a residence, business, or a community anchor institution (as defined above).

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

Peak Interval - Weekdays from 7:00 p.m. – 11:00 p.m. local time.

Point Shapefiles – shapefiles that show each proposed passing as a singular mapped point, in the application or challenged area, containing attribute data showing the addresses of each point.

Polygon Shapefiles - shapefiles delineating the general project area(s).

RSSI - Received Signal Strength Indicator, or RSSI, is an estimated measure of power level that a wireless client device is receiving from an access point or router. See Appendix C for more information.

Service Area – Refers to the geographic territory in which an applicant has proposed to provide service.

Serviceable Units – Properties that are eligible for broadband service without additional special construction costs from the property owner/subscriber.

Special Construction Costs - one-time fees above normal service connection fees required to provide broadband access to a premise (i.e., service connection drop fee for serviceable units beyond the ISPs set standard length or require nonstandard equipment).

Street Level Data – Address ranges or specific addresses from an existing provider along with the existing number of customers within those ranges. No personal information on specific customers will be requested.

Unserved – Properties that currently have access to internet speeds below 100 Megabits per second (Mbps) download and 20 Megabits (Mbps) upload.

Appendices

Appendix A: Requirements of Speed Tests

DHCD reserves the right to request verified speed tests on all or portion(s) of a co-applicants' or challenger's existing network. Upon the request of DHCD, verified speed tests must be conducted at times of peak network usage and be distributed throughout a challenged area or service territory.

DHCD prefers speed tests be conducted at the access point (i.e., customer premise equipment, router, or modem) at the end-user location. Recognizing the feasibility constraints of conducting speed tests at end-user locations, speed tests that are reported by the management application software at the network operations center will also be considered as valid.

The percent of required speed tests on a co-applicant's or challenger's existing network will depend on the size of the challenged area.

Requirements of Co-Applicants:

If DHCD requests co-applicants to submit verified speed tests distributed throughout a service territory at times of peak network usage from a co-applicant's existing network. The number of speed tests should be no less than 10% of the passings included in the application area. In the event the co-applicant does not have enough customers to achieve the required 10% or greater speed tests based on the number of passings included in the application area, DHCD will consider field tests data to satisfy the 10% requirement. When submitting this information to DHCD, speed tests or field tests must be listed in a spreadsheet along with the address of the unit or Fabric location ID at which the speed test or field test was conducted. If these materials submitted are incomplete, DHCD will consider the application invalid.

Requirements of Challengers:

If challengers are required to submit verified speed tests as a part of their challenger or are requested by DHCD to submit speed test information, the number of required speed tests will be based upon the total number of challenged units. Please see the table below for the required number of speed tests.

Number of Challenged Locations within an Application Area	Less than 500	500 or Greater, but less than 1000	1000 or Greater

Required Percentage of Speed Tests, based on Total Number of Challenged Units	10%	7.5%	5%

In the event the challenger does not have enough customers to achieve the required percentage of speed tests, DHCD will consider field tests data to satisfy the requirement. When submitting this information to DHCD, speed tests and field tests must be listed in a spreadsheet along with the address of the unit or location at which the speed test or field test was conducted. If these materials submitted are incomplete, DHCD will consider the application invalid.

Appendix B: Project Location CSV

VATI applicants are required to submit comma-separated value file listing each location that an applicant intends to connect. These are now submitted in lieu of location shapefiles, though location shapefiles may also be submitted alongside the CSV file.

CSV files must contain the following fields:

- Fabric Location ID
- Primary Address
- City
- State
- ZIP
- ZIP Suffix
- Latitude
- Longitude

These fields will be pulled directly from the Fabric, which all internet service providers have access to as part of their semi-annual federal reporting mandated by the FCC. Data must be pulled from version 9 of the Fabric, the most recent vintage. Not all locations may have ZIP suffix numbers, in which case the field should be left blank.

Please contact DHCD for technical assistance with CSVs or if an internet service provider does not have access to the Fabric.

See Figure (1) below for an example of what the location CSV should look like:

vati_sample_csv.csv

File Edit View

```
location_id,address_primary,city,state,zip,zip_suffix,latitude,longitude
1000076273,3103 WESENDONCK RD,BLAND,VA,24315,5036,37.22257864,-80.97685135
1000076274,1159 DINKY TRACK RD BLDG 2,BLAND,VA,24315,5031,37.23451084,-80.96092876
1000076275,1499 DINKY TRACK RD,BLAND,VA,24315,5029,37.23005849,-80.95728449
1000076277,7099 WILDERNESS RD,BLAND,VA,24315,5080,37.2181412,-80.98963463
1000076278,3618 WESENDONCK RD,BLAND,VA,24315,5040,37.23542193,-80.98245691
1000076279,454 NO BUSINESS CREEK RD,BLAND,VA,24315,5025,37.22025041,-80.96121789
```

Figure 1

Appendix C: Received Signal Strength Indicator (RSSI)

RSSI: Received Signal Strength Indicator is an estimated measure of power level that a wireless client device is receiving from an access point or router.

At larger distances, the signal becomes weaker and the wireless data rates become slower, leading to a lower overall data throughput. RSSI is measured in decibels from 0 to -120, the closer the value to 0 the stronger the signal will be, -55 is considered the best possible signal with measures of -90 and below considered unusable signal. Indoor best practices for mixed use networks see RSSI values of -75 to -80 and for video conferencing and Wi-Fi calling session-based networks typically require a RSSI between -60 and -70 dBm.

Below figure (2) shows an example of the RSSI distribution around a wireless site. Please note that RSSI shapefiles should include a key noting the dBm values for each color.

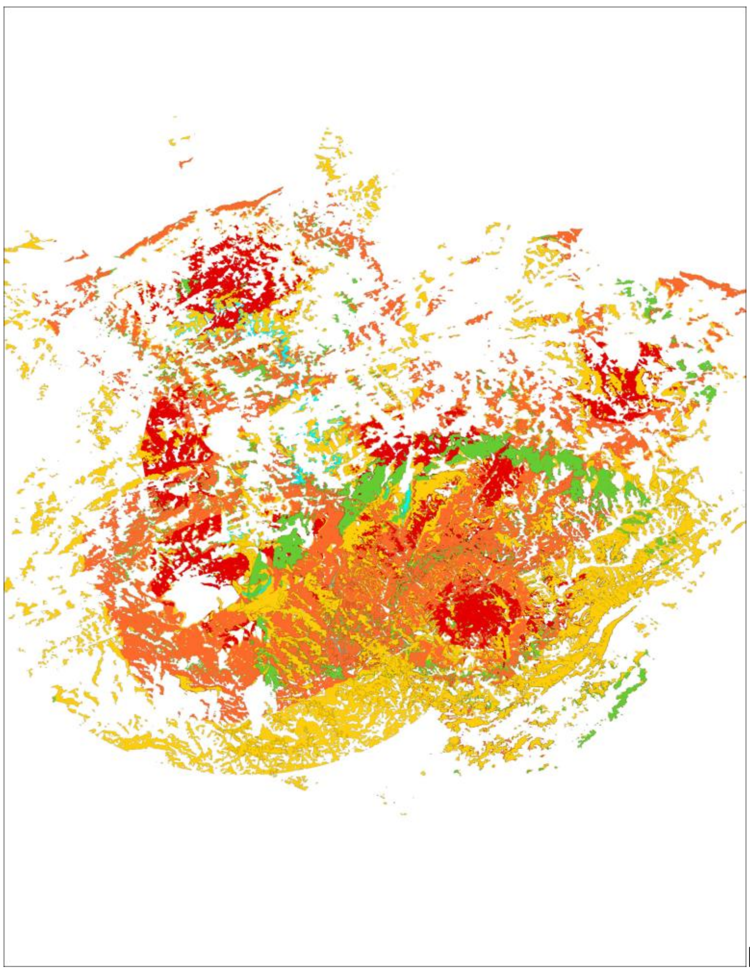

Figure 2

Appendix D: Excerpt from Budget Language Establishing AEU Activities

a.1) The Department may establish a program to provide grants for unexpected costs incurred by broadband providers related to the expansion of broadband throughout the Commonwealth. Such “Broadband Deployment Awards” are intended for reimbursement of unexpected make ready costs incurred by providers of broadband service expanding service to unserved areas pursuant to a state or federal grant. For purposes of this paragraph “unexpected make ready costs” shall be limited to related utility pole replacements and mid-span pole installations; railroad crossings; and, where cost-effective, undergrounding of broadband lines.
2) The Department shall establish an application process for broadband providers to apply for such Broadband Deployment Awards. The intent of such awards is to mitigate broadband deployment-related costs that applicants have already paid or committed to paying, rather than making deployment contingent on receipt of a Broadband Deployment Award. Applicants shall be required to submit the following information: (i) the amount of the requested funding; (ii) documentation sufficient to establish that the applicant has already paid or committed to spending the money necessary to complete the broadband deployment; (iii) an explanation as to why the actual make ready costs were higher than anticipated when the provider sought state or federal grant funding; and (iv) any other information, protections, or criteria determined by the Department as necessary to effectuate the provisions of this subparagraph 7. In evaluating applications for Broadband Deployment Awards, the Department shall ensure that such Broadband Deployment Awards are not awarded to providers that unreasonably underestimated or underbid their make ready costs when seeking state or federal grants.
b. The Department may restore telecommunications infrastructure damaged by a storm that was subsequently approved for a major disaster, as defined in § 44-146.16, Code of Virginia. This authorization shall only be permitted as a last resort and until such time that federal or additional state funds are available for such purpose.
c.1) The Department may establish a program to reimburse broadband providers for costs associated with relocating facilities located in public rights-of-way when such relocation is mandated by the Commonwealth or the federal government and such relocation includes infrastructure supported by a state general fund grant from the Virginia Telecommunications Intiative or federal funds. For purposes of this subparagraph 7, relocation expenses shall include, without limitation, relocation of broadband-related lines and facilities located along or across rights of way controlled by the Virginia Department of Transportation. This paragraph does not confer or imply a right to reimbursement of relocation expenses, only that such expenses are eligible for reimbursement at the Department's discretion.
2) The Department may develop and establish criteria and an application process for broadband providers to seek discretionary reimbursement for relocation expenses. The intent of such

reimbursement is to ensure that reliable broadband service remains available throughout the Commonwealth and that providers are incentivized to maintain such service even in high-cost, low-customer density areas. Applicants for reimbursement shall be required to submit the following information: (i) information regarding the estimated or actual costs associated with the mandated re-location; (ii) the amount of broadband service locations that rely on the broadband facilities for service; (iii) the value of the facilities to be relocated; (iv) the age of the facilities to be relocated; and (v) any other information, protections, or criteria determined by the Department as necessary to effectuate the provisions of this subparagraph.