

PERMANENT COMMUNITY IMPACT FUND BOARD GRANT & LOAN PROGRAM (Revised February 2024)

I. OVERVIEW

The Permanent Community Impact Fund Board (CIB) is a program of the state of Utah which provides loans and/or grants to state agencies and subdivisions of the state which are or may be socially or economically impacted, directly or indirectly, by mineral resource development on federal lands. The source of funding through CIB is the mineral lease royalties returned to the state by the federal government. The CIB will consider only those applications submitted by an eligible applicant for an eligible project.

Applicant Eligibility

Utah state statute defines a "subdivision of the state" as being any of the following: counties, cities, towns, school districts, building authorities, special service districts, water conservancy districts, county service areas, special improvement districts, water or sewer improvement districts, and public postsecondary institutions.

Not eligible for financing from the CIB: Indian Tribes, individuals, corporations, associations, private and non-profit organizations.

Project Eligibility

Utah state statute authorizes the CIB to fund the following types of activities: planning, construction and maintenance of public facilities, and provision of public services.

The CIB's administrative rules further define "public facilities and services" to mean public infrastructure traditionally provided by governmental entities.

All applicants must demonstrate that the facilities or services provided will be available and open to the general public and that the proposed funding assistance is not merely a device to pass along low interest government financing to the private sector. *The applicant must clearly define the public purpose of the project. The project may not be solely economic development, but may have a positive effect on the entity's fiscal health.* Nothing in the statutory language precludes the CIB from considering the effect of a proposed project on "economic development" or "job creation" as long as the proposed project can be determined to fall within one of the three eligible categories.

Funding Guidelines

- **Planning and study** requests require a fifty percent cash contribution from the applicant.
- Funding requests for municipal planning and studies under \$50,000 are reviewed and authorized for funding by the Utah Community Development Office staff on an expedited basis. Planning Grant applications must include or subsequently provide all necessary documentation within the submittal trimester or the application will be denied and a new application must then be submitted. Contact hpoulsen@utah.gov or cpowers@utah.gov . .
- In-kind funds must have a demonstrable value, such as real property.
- Projects deemed more essential to the health, safety, and welfare of a community will be considered to receive better funding terms, including a greater proportion of grant in the funding package.
- The estimated longevity of the project and loan financing will not extend past the useful life of the project.
- Revenue sources have inherent restrictions. B&C road revenues cannot be pledged in excess of 10 years and mineral lease revenues cannot exceed 15 years.
- *Applicants must provide evidence and arguments to the Board as to how the proposed funding assistance provides for planning, the construction and maintenance of public facilities or the provision of public services*
- *The CIB Application must identify how the project alleviates impacts on **public infrastructure, public finance, federal land, employment and safety.***
- *State Procurement Standards must be followed across all projects funded by CIB.*

II. FUNDING PROCESS

Funding Cycles

The CIB reviews applications and authorizes funding assistance on a Trimester basis during the state fiscal year (July 1st – June 30th).

Construction & Equipment Applications:

<i>Trimester</i>	<i>Application Deadline</i>	<i>Review Meetings</i>	<i>Funding Meetings</i>
First	June 1	July, August, September	October
Second	October 1	November, December, January	February
Third	February 1	March, April, May	June

Page | 2

Planning Application/Funding Cycle for Planning Grants < \$50,000

<i>Trimester</i>	<i>Application Deadline</i>	<i>Review</i>	<i>Potential Funding</i>
First	June 1	June/July	July/August
Second	October 1	October/November	November/December
Third	February 1	February/March	March/April

Application Submission

- ***Applicant has completed a Capital Asset Self-Inventory (*CASI has been required since FY2023) or equivalent prior to inclusion on the County's CIB application list.***
- New applications must be received by the CIB's staff prior to close of business on the applicable deadline. (June 1, February 1, October 1 by 5:00 pm)
- New applications will be submitted on the most current application form.
- The CIB's staff will review all new applications for completeness. ***Incomplete applications will not be considered.***
- Applications from ineligible applicants or applications for ineligible projects will not be reviewed by the CIB's staff and the applicant will be notified of the ineligibility.
- Complete applications accepted for processing will be placed on one of the Trimester's upcoming Project Review Meeting agendas for Board review.
- Through the defined analysis of an applicant, a minimum and maximum allowed loan interest rate will be determined. The potential interest rate for all applicants starts at the PCIFB benchmark rate (currently 2.5%)
- ***Whereas § 35A-8-301(2) states that use of PCIFB financial resources have "priority given to those communities designated as impacted," criteria based on production is used as a proxy for impact. Production will be measured at the county level and applied to all applicants within the county borders. For applicants whose project crosses county borders, an average of applicable county production weighted by jurisdictional emphasis will be used.***
- ***Applicant shall reference mineral revenue development impacts that affect public infrastructure, public finance, federal land, employment or safety and how this project may ease the burden.***

Project Review Meetings - At a Project Review Meeting the CIB may:

- ***Deny*** the application as submitted;
 - Place the application on the "***Pending List***" for consideration at a future meeting to accommodate Board recommendations. Through additional review, options analysis and funding coordination by the applicant and the CIB's staff, the project may then be placed on a meeting agenda. *Applications placed on the pending list may remain on the pending list for a maximum of 6 months after which a new application will be required for consideration.*
 - Place the application on the "***Prioritization List***" for consideration at the next Project Funding Meeting.
- Applicants and their representatives shall be informed when their project is on a CIB Project Review Agenda to be discussed. Applicants shall make formal presentations to the CIB and respond to the CIB's questions. If an applicant or a representative of the entity is not present to make a presentation, the Board may: a) deny the application; or b) place the application on the Pending List for consideration at a future Project Review Meeting.

No funds shall be committed by the CIB at Project Review Meetings, with the exception of bona fide public health or safety emergencies or for other compelling reasons.

Project funding Meetings - At a Project Funding Meeting the CIB may:

- ***Deny*** the application as submitted;
- Place the application on the "***Pending List***" for consideration at a future meeting after additional review,

options analysis and funding coordination by the applicant and the CIB's staff;

- **Authorize funding** for applications in the amount and terms as determined by the CIB.

Requests for Special Consideration

In instances of bona fide public safety or health emergencies or for other compelling reasons, the CIB may suspend its rules and procedures and accept process, review and authorize funding of an application on an expedited basis.

III. PRE-SUBMISSION REQUIREMENTS

CIB Application List – (*CASI is required to be listed)

A consolidated list of the anticipated capital priorities for eligible entities compiled by the applicable AOG shall be submitted from each county area, or in the case of state agencies, from the Housing & Community Development Division (HCD). This list shall be produced as a cooperative venture of all the eligible entities within each county area.

The list submitted to CIB will contain short term planned projects (within one year). A medium term (two - five year) list should be compiled and held by the AOG. The one-year list shall be submitted to the CIB Staff. Projects to be considered for funding shall be on the current one-year list as submitted May 1st prior to the new fiscal year.

The list shall contain the following items: jurisdiction, summary description, project time frame, anticipated time of submission to the CIB, projected overall cost of project, anticipated funding sources, the individual applicants' priority for their own projects, and the county area priority for each project. *CIB Application Lists should encourage regional coordination of amenities.*

Projects not identified on a county's or HCD's one-year list will not be funded by the CIB. *The CIB Application List will not be amended; though if the project addresses a bona fide public safety or health emergency or other compelling reason, the applicant may request "Special Consideration".*

An updated list shall be submitted to the CIB no later than May 1st of each year. The up-dated list shall be submitted in the uniform format required by the Board and the list may not be amended after submission. *(A project spanning multiple AOG's shall require full review from all associated AOG's and included on each associated county's consolidated CIB Application List.)*

Public Hearing

The CIB requires all applicants to have a vigorous public participation effort. All applicants shall hold a formally noticed public hearing to solicit comment concerning the size, scope and nature of any funding request to be submitted to the CIB prior to review by the Board. A Complete and detailed scope of work shall be given to the public and it's financing and be documented in the minutes. The information shall include the financial impact to the public as user fees, special assessments, or property taxes. *(The Board has adopted a funding matrix tool to assist reasonable consistency in regard to grant/loan award.)* The CIB may require further public hearings if it determines the applicant did not adequately disclose to the public the possible financial impact of the financial assistance.

Association of Governments Notification

All applicants are required to submit a copy of any proposed application for CIB funding assistance to the applicable Association of Governments (AOG) **two weeks prior to submission**. The member counties for the various AOG's are:

County	Association of Governments
Box Elder, Cache, Rich	Bear River AOG, 170 N. Main, Logan, UT 84321. 435-752-7242
Beaver, Garfield, Iron, Kane, Washington	Five County AOG, 1070 W. 1600 S., Bldg. B, St. George, UT (mailing: P.O. Box 1550, St. George, UT 84771-1550). 435-673-3548 ext. 126 or 105
Summit, Wasatch	Mountainland AOG, 586 East 800 North, Orem, UT 84097-4146. 801-229-3800

Juab, Millard, Piute, Sanpete, Sevier, Wayne	Six County AOG, 250 North Main, Richfield, UT 84701. 435-893-0738
Carbon, Emery, Grand, San Juan	Southeastern AOG, 375 S. Carbon Avenue Price, UT 84501 (mailing: P.O. Box 1106, Price, UT 84501). 435-637-5444.
Daggett, Duchesne, Uintah	Uintah Basin AOG, 330 East 100 South, Roosevelt, UT 84066. 435-722-4518.
Morgan, Tooele	Wasatch Front Regional Council, 41 North Rio Grande Street~Suite 103, Salt Lake City, UT 84101 801-363-4250.

Division of State History Notification

The Division of State History has requested that the CIB provide information concerning project applications affecting structures 50 years old or older and/or ground to be disturbed. **The applicant shall submit a copy of any proposed application to the State History Preservation Officer (SHPO) for review and comment regarding the effect of the proposed project will have on any district, site, building structure or specimen that is included in or eligible for inclusion in the National Register of Historic Places or the State Register.** A copy of any comments made by the SHPO will be included in the application file. Please provide maps, photos or other items to identify property associated with the project. The SHPO may be contacted at the following address: Christopher Hansen, Division of State History, 300 Rio Grande, Salt Lake City, Utah 84101, 801-245-7239, clhansen@utah.gov.

Affordable Housing Plans

In 1998 the State Legislature established a requirement that each municipality and county in Utah develop and adopt a plan for meeting the housing needs of moderate-income persons. *The general plan of a specified municipality, as defined in Section 10-9a-408, shall include a moderate income housing element that meets the requirements of Subsection 10-9a-403(2)(a)(iii) 10-9a-401 UCA (municipalities) and Section 17-27a-408 UCA (counties).* All applicants are required to submit ONLY a brief description of their efforts to CIB to meet the moderate income housing planning requirements. (Do not send CIB the whole plan). Additional information regarding these plans may be obtained from: Housing and Community Development Division, 140 East Broadway ~ 1st Floor ~ Salt Lake City Utah 84111, 385-249-4808
The Moderate Income Housing Report page: <https://jobs.utah.gov/housing/affordable/moderate/reporting>

Water & Sewer Applications - Department of Environmental Quality Review

The CIB and the Utah Department of Environmental Quality (DEQ) have entered into an agreement by which DEQ staff act as technical advisors to the CIB on drinking water and waste water projects. All applicants for proposed drinking water and waste water projects must provide sufficient technical information to DEQ to permit detailed technical review of the project. The CIB will not act on any drinking water or waste water project applications unless such a review is received from DEQ. Please refer to the Drinking Water & Waste Water Project Supplement to the application. DEQ contacts are listed below.

Drinking Water Applications	Waste Water Applications
Michael Grange Division of Drinking Water 195 North 1950 West Salt Lake City, Utah 84114 (385) 674-2563 mgrange@utah.gov	Skyler Davies Division of Water Quality 195 North 1950 West Salt Lake City, Utah 84114 (801) 536-4359 sdavies@utah.gov

AGENCY CONTACTS

Permanent Community Impact Fund
 140 East 300 South ~ 1st Floor
 Salt Lake City, Utah 84111
 Office: 385-341-0199
cib@utah.gov

Web Site

<https://jobs.utah.gov/housing/community/cib/index.html>

HCD / CIB Staff

Candace Powers
Fund Manager
385-341-0199
cpowers@utah.gov

Heather Poulsen
Program Specialist
435-660-1382
hpoulsen@utah.gov

Community Development & Revitalization Office

Paul Moberly
Manager
607-339-8259
moberpaul@utah.gov

Michael Mowes
Community Development
Specialist
803-795-6123
mmowes@utah.gov

The following Funding Guidelines were formally adopted by the Permanent Community Impact Fund Board on November 5, 2020. These Funding Guidelines supersede all prior versions.

CIB FUNDING TOOL & CRITERIA CONSIDERATION

The CIB has adopted the following guidelines on the amount and type of financial assistance to be offered to applicants.

- *The intent of the Board is to seek consistency in the allocation of funding with consideration given to mineral lease impacts to the entity.*
- The Board shall establish the benchmark interest rate.
- The maximum term on loan funding is 30 years and will depend on the pledged revenue.
- The factors considered in the minimum/maximum funding allocation include but are not limited to mineral production impacts, population, public lands, applicant debt payments, taxes and rates, project type, project prioritization, lifespan and matching cash.
- Exemptions to the established criteria include financial hardship, emergency response, unique project and defined special circumstances.
- All other statutory and programmatic requirements of the CIB will apply.

PROCUREMENT POLICY

*Funded entities shall follow the State of Utah Procurement Code **63G-6a-101** which indicates processes used for the procurement, acquisition of supplies, services or construction.*

- The Board strongly recommends the use of State Purchasing for projects over **\$1,000,000** to solicit at least 3 bids. <https://purchasing.utah.gov/for-agencies/>

NON-CULINARY WATER PROJECTS

The CIB will not participate in the financing of non-culinary water projects where the primary beneficiaries are individuals, for profit corporations, associations, private non-profit organizations, stock companies, or other entities not specifically defined as eligible applicants.

The CIB may determine to participate in non-culinary water projects where an eligible applicant can demonstrate that the facilities or services provided would be available to or significantly benefit the general public and that the proposed funding assistance is not merely a device to pass along low interest government financing to the private sector.

Examples

YES: Construction of a pressurized secondary irrigation system within a town to reduce demands on treated culinary water.

NO: Construction of dam and reservoir to provide irrigation water to agricultural or industrial users or lining of canals to prevent water loss to agricultural or industrial users.

ROAD AND STREET PROJECTS

Street and Road addendum must be completed and submitted to the CIB with all road applications.

SOLID WASTE DISPOSAL PROJECTS

On January 6, 1994, the Permanent Community Impact Fund Board (CIB) voted to lift its moratorium on accepting applications for funding assistance on solid waste disposal projects. However, certain policy guidelines were adopted to define the scope and nature of CIB participation in the range of solid waste disposal projects.

- ***Solid Waste Planning Projects***

Included are feasibility studies, environmental and sitting studies, development plans, etc. Funding for approved solid waste planning applications will be provided on a 50/50 cash matching basis, with a \$25,000 ceiling on CIB participation. Applicants are encouraged to take a regional or countywide approach to solid waste planning activities. Development of specific plans should be coordinated with the Utah Department of Environmental Quality; Division of Solid and Hazardous Waste (DSHW) to ensure compliance with DSHW regulations.

- ***Solid Waste Disposal Projects***

Included are upgrading of existing facilities and the development of new facilities. Funding for approved solid waste disposal project applications will be provided via an **interest-bearing loan**. The amount and length of the loan will be determined on a case-by-case basis. The interest rate must be at least one-half ($\frac{1}{2}$) of the most recent interest rate charged on state issued general obligation bonds. Applicants are encouraged to take a regional or countywide approach to the development of solid waste disposal facilities. Applicants will be required to establish and fund an invested replacement account as a condition to receiving a loan. Funding of approved applications will be contingent upon the project sponsor receiving the necessary permits from the Division of Solid and Hazardous Waste (DSHW).

- ***Closure of Existing Landfills***

Included is the closure of existing landfills to meet U.S. Environmental Protection Agency Regulations. Funding for approved applications will be provided via an interest-bearing loan. The amount and length of the loan will be determined on a case-by-case basis. However, the interest rate must be at least one-half ($\frac{1}{2}$) of the most recent interest rate charged on state issued general obligation bonds. Funding of approved applications will be contingent upon the project sponsor receiving the necessary permits from DSHW.

PUBLIC EDUCATION (School Districts) PROJECT ELIGIBILITY

Section 35A-8-307(1)(d) UCA prohibits the CIB from funding any education project that could otherwise have reasonably been funded by a school district through a program of annual budgeting, capital budgeting, bonded indebtedness, or special assignments.

GUIDELINES FOR PUBLIC POSTSECONDARY INSTITUTIONS INCLUDING APPLIED TECHNOLOGY COLLEGES

(Revised 3/1/2019)

Eligibility

The Permanent Community Impact Fund Board (CIB) may provide financial assistance to public postsecondary institutions in Utah, which includes all state supported public universities, colleges, community colleges and applied technology colleges. Private institutions are not eligible for CIB assistance. Applications relating to public postsecondary institutions will fall into two categories, capital projects and public services. The details of the two categories and associated requirements are given below.

Capital Projects

This category includes: a) buildings; b) equipment and systems; and c) planning or design related to buildings or systems.

Note: *Applications for municipal planning and studies under \$50k shall be reviewed for funding by CIB Staff. Applications shall be submitted according to the deadlines established for all projects, but funding may be expedited. Incomplete small planning grant applications expire at the end trimester.*

Applications for public facilities shall be submitted by the institutions in their own names. Applications will not be accepted which are submitted by a sub agency of the institution.

A. *Buildings* should be funded through the existing budgetary processes available to public postsecondary institutions. Application to CIB is not an alternative to circumvent review and approval

by the State Board of Regents, the Utah College of Applied Technology's Board of Trustees, the State Building Board, the Governor or the Legislature. The CIB will only consider applications for buildings when extraordinary circumstances indicate CIB participation is appropriate.

B. Equipment and systems will be only considered by CIB when no other regular funding source is available. This type of application should increase the quality and accessibility of educational opportunities available in areas of the state, which are or may be socially or economically impacted, directly or indirectly, by mineral resource development.

C. Planning or design applications relating to actual building or equipment/systems projects will carry the same requirements as those building or equipment/systems applications. Applicants are advised that planning or design requests require a fifty percent (50%) cash contribution by the applicant.

Pre-submission Requirements for Public Post Secondary Institutions and Applied Technology Colleges ~ Capital Projects. In addition to CIB's standard requirements, applicants seeking financial assistance for higher education capital projects must meet the following requirements:

A) Local Community Support - All applications must contain evidence that interested and effected parties in the local community support the project. This will include letters of support from local governments and community-based organizations, public opinion polls, etc. Applications shall indicate if the proposed project is in conformity with local development plans and ordinances.

B) Coordination between Institutions - Where more than one institution is designated to serve within the same geographic area, i.e. community college/university, the application will be jointly submitted from both institutions to assure proper planning within the Higher Education System regarding the use of CIB Funds. The co-location and sharing of facilities and resources between institutions is strongly encouraged.

C) State Board of Regents Capital Planning - All applications must include a letter from the State Board of Regents assuring the proposed project fits with the scope of State Board of Regents' projects.

D) Utah College of Applied Technology's Board of Trustees Capital Planning - All applications must include a letter from the UCAT Board of Trustees assuring the proposed project fits with the scope of UCAT Board of Trustees' projects.

Public Service Projects

Section 35A-8-305(4)(a) UCA, states CIB will consider the provision of public services to include contracts funded through public postsecondary institutions for research, education, or public service programs. These projects should be of direct benefit to impacted counties or their political subdivisions. Applications to CIB for these types of projects shall be submitted from an impacted county and approved by the county legislative body.

General land use plans developed by a public postsecondary institution for an impacted county or its political subdivisions are considered to be a public service program.

Applications for studies and research projects should be for practical or applied research directed to immediate accomplishment of traditional governmental services.

Applicants are advised that public service project or program requests relating to public postsecondary institutions require a **twenty percent (20%) cash contribution by the applicant.**

Applicants are advised that for public service project or program requests relating to public postsecondary institutions, CIB and the State Board of Regents have agreed to a ten percent (10%) cap on indirect costs. A waiver of the allowed ten percent (10%) indirect costs by the public postsecondary institution may not be counted towards the required twenty percent (20%) cash contribution by the applicant.

CIB Application List Requirement

The CIB's administrative rules require that all project applications be identified on a "CIB Application List" submitted annually from each county, or in the case of state agencies, from the Housing and Community Development Division (HCD). Projects not identified on a county's or HCD's list will not be funded by CIB, unless they are a bona fide public safety or health emergency or other compelling reason. Education *Capital Project* Applications shall be submitted by the public postsecondary institution in its own name as a state agency.

USE OF FUNDS ~ MISCELLANEOUS

The Permanent Community Impact Fund Board (CIB) allocates funding in specificity according to the applicant's request and scope of work. Funding is allocated for that scope of work. Reimbursements shall be for expenses within the scope of work.

When the applicant has completed the contracted scope of work:

- *CIB funding recipients will submit an email verification of completion for all projects* **in a reasonable time** or an explanation of delay.*
- *When project funding has received no activity for longer than 6 months, the recipient may be notified. Project funding may be recaptured.*

Remaining loan/grant funds are deemed to be grant funds (loan funding is allocated to the project first) and *grant* funds are recaptured into the Mineral Lease account. *Interest accrued on combination grant/loan funds is recaptured into the mineral lease account.* If the project was funded with 100% loan, the remaining funds may be allocated to the end of the loan.

****All projects must proceed within a reasonable time. Funding recipients shall notify the CIB staff when project may be delayed or deferred.***