ATTACHMENT C

STATE OF COLORADO

DEPARTMENT OF LOCAL AFFAIRS
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Bill Owens
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November 22, 2006

Senator Jack Taylor, Chair
Legislative Audit Committee
200 East 14th Avenue
Denver, CO 80202

Dear Senator Taylor:

The Department of Local Affairs (DOLA) is pleased to provide the Legislative Audit Committee with a status report on the Homeland Security Performance Audit, dated October 2005, and subsequent correspondence dated July 7, 2006.

The following outlines responses to the questions DOLA received from Sarah Aurich, Legislative Audit Manager, State Auditors Office, dated November 15, 2006:

Item #1:
(Provide) Information on the steps the Department has taken to ensure the State's interests to the Multi-Agency Coordinating Center (MACC) are protected.

Response:
The Attorney General's Office, after thorough review of the lease agreement between DOLA and South Metro Fire Rescue (SMFR) and other pertinent documents, has provided the following informal opinion regarding the MACC lease transaction:

1. **Options presented in the Opinion (Attachment A)**
    a. Now that the State of Colorado has paid in full the net present value as set by South Metro's Board, <u>no further obligations are owed under the Sublease and Option to Purchase Agreement</u>.

    b. The State has a perpetual leasehold interest with an option to purchase in the MACC building. Subject to the conditions set forth in the Sublease and Option to Purchase, the option to purchase may be exercised anytime after December 31, 2016, or may be exercised before that time in the event South Metro obtains title to the EMACC Building from the trustee.

Item #2:
(List) Actions the department plans to take/has taken with respect to the lease.

Response:

Pursuant to the demand for repayment by the Department of Homeland Security (DHS), and using a portion of interest earnings on a corpus of funds distributed to Colorado under

the Jobs and Growth Tax Relief Reconciliation Act of 2003, the Department sent a warrant in the amount of $1,500,000 to DHS for such repayment (Attachment B). The expenditure that was initially recorded against the Homeland Security Grant was moved to this new funding source (Appropriation 39Z). In addition:

1. The Department will not continue to pay the additional monthly rent payments, totaling $1.1 million.

2. The Department requested that South Metro Fire Rescue (SMFR) reimburse the department for the $ 171,821.76 in rent payments, which was initially paid for the period January 1, 2006, through June 30, 2006. SMFR has reimbursed the department the full amount.

3. The Department has received the "Resolution of the Board of Directors of SMFR" stating that "The State has complied with the terms and conditions of the Resolution, and has paid in full the net present value of all remaining base rent obligations through September 30, 2024, in conformance with Section 44(A)2) of the Sublease. **(Attachment C)**

Item #3:
Is there sufficient protection of the State's investment should the MACC facility become uninhabitable or destroyed?

Response:

1. **The aforementioned informal opinion requested from the Attorney General's Office states:**
   a. "DOLA's economic interests in the EMACC building are adequately protected under the Sublease and Option's insurance provisions and DOLA's renters' insurance policy".

2. **A request, to the State of Colorado, Division of Real Estate Services, was made for an analysis of how the State's investment in the MACC is protected should the facility become uninhabitable or destroyed (Attachment D). Their response states:**

   a. "DOLA is protected against uninhabitable conditions or destruction of the MACC by:
      - Various provisions within the Lease.
      - State Risk Management leasehold and personal property insurance coverage.
      - Rights under the Option to require the premises be converted to a condominium and conveyed to DOLA.
      - SMFR obligations under the Indenture."

Item #4:
Recommendation 12 of HSG Performance Audit requested that the General Assembly consider options for formalizing grant processes and strengthening controls over HSG, Mineral Impact grants, and DOLA's other discretionary grant programs. The Legislative Audit Committee requested that the Department provide information on the amount of funds it receives that do not go through the appropriations process and are passed through to other State or Local agencies.

Response:
Attached are two spreadsheets showing the total amount of funds, by funding source, that DOLA received and did not go through the appropriation process. These funds were passed through to other State and Local Agencies for FY 2002 through FY 2006 (Attachment E).

We appreciate the opportunity to provide you with this information and the ongoing spirit of cooperation and dialogue we have had with the members of the LAC with respect to this program. We also appreciate the LAC's support of our efforts to ensure the State Homeland Security Grant Program is the most effective and efficient it can possibly be. Thank you for your time and your feedback.

Please do not hesitate to contact me if you would like any further information.

Sincerely,

Brian R. Vogt
Executive Director

Attachments

EXHIBIT A

JOHN W. SUTHERS
Attorney General

CYNTHIA H. COFFMAN
Chief Deputy Attorney General

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November 22, 2006

CONFIDENTIAL MEMORANDUM

PRIVILEGED ATTORNEY-CLIENT MEMORANDUM

TO: Jon Anderson
Governor's Office

FROM: Sueanna P. Johnson
Assistant Attorney General
Business & Licensing Section

Stephen G. Smith
Assistant Attorney General
Business & Licensing Section

RE: DOLA/South Metro - EMACC Building Sublease and Option to Purchase

The opinions contained in this memorandum are the authors' alone, and do not necessarily reflect the opinion of the Attorney General.

QUESTIONS PRESENTED

1. What Property Interest Does the State of Colorado, Department of Local Affairs ("DOLA"), Possess in the Emergency Multi-Agency Coordination Center ("EMACC") Building Now that the Net Present Value Has Been Paid to South Metro Fire Rescue District ("South Metro")?

2. Are There Any Steps the State Needs to Take in Order to Perfect That Interest and/or Protect that Interest?

3. Are there other legal property interests that the State should seek to obtain what would more appropriately protect the State's investment and long-term property interest in the EMACC? If so, what steps would the State need to take to acquire that interest?

4. <u>What options are available to the State, and what are the advantages and disadvantages of each option?</u> [1]

SHORT ANSWER

1. Now that the State of Colorado has paid in full the net present value as set by South Metro's Board, no further base rental obligations are owed under the Sublease and Option to Purchase, and the State has a perpetual leasehold interest with an option to purchase in the EMACC Building. Subject to all the terms and conditions set forth in the Sublease and Option to Purchase, the option to purchase may be exercised anytime after December 31, 2016, or may be exercised before that time in the event South Metro obtains title to the EMACC Building from the Trustee.

2. A. In order to prefect the perpetual leasehold interest, this Memorandum recommends that all parties (i.e. DOLA, South Metro and the Trustee) acknowledge full payment of the net present value, and record said acknowledgment with the Sublease and Option to Purchase.

   B. DOLA's economic interests in the EMACC Building are adequately protected under the Sublease and Option's insurance provisions and DOLA's renters' insurance policy.

3. Short of immediately exercising the option to purchase, which it is our understanding neither party seeks until at least South Metro acquires title to the EMACC, the State has currently acquired all the property interest it can under the Sublease and Option to Purchase.

4. Unless there is a renegotiation by the parties of the Sublease and Option to Purchase or South Metro defaults under the Sublease and Option to Purchase, the State has no other options currently available in the agreement in addition to the option to purchase.

FACTS

In our Memorandum dated June 28, 2006,[2] we provided an extensive factual background involving the State of Colorado's acquisition of a perpetual leasehold interest in the EMACC Building. Our June 28, 2006 Memorandum is attached, and the facts from that Memorandum are incorporated into this Memorandum as though set forth herein.

The Federal Monitor's Visit Report of January 10, 2006 had previously found DOLA's \$1.5 million in federal homeland security grant money awarded to South Metro an unallowable

[1] Questions 3 and 4 were submitted as part of your request after consultation with the State Auditor's Office (SAO).
[2] This office provided a Memorandum to DOLA dated May 5, 2006, which is identical to the June 28th Memorandum, except for some minor revisions. DOLA previously provided copies of our May 5 and June 28, 2006 Memorandums to the Governor's Office and the SAO.

expenditure. The Federal Monitor Visit Report gave DOLA until April 10, 2006 to provide a response and remedy for the unallowable expenditure.

On April 5, 2006, DOLA provided a response to the Federal Monitor Visit Report related to the EMACC transaction. DOLA's response included the following:

> [t]he State respectfully disagrees with the monitoring report's assessment that the State has acquired the facility [the EMACC Building]. DOLA entered into a sub-lease, which includes an "option to purchase", with South Metro Fire Rescue. There has been no transfer of title. The State has made a rent payment of $400,000, which was correctly charged to the State's component of the 2004 Homeland Security Grant Program in July of 2005. The State paid rent obligations through November 2005, and DOLA will make rent payments up to the amount of $1,500,000 for the term of the lease. On May 01, 2006, DOLA will commence with monthly rent payments, not using Homeland Security funds. Despite our disagreement regarding the acquisition of the facility, the State wishes to provide an acceptable resolution.

In correspondence dated June 19, 2006, Homeland Security continued to disallow the South Metro grant as an allowable expenditure, and found DOLA's remedy unacceptable. Homeland Security required that DOLA, "... comply with repayment of this disallowed cost item to the Department of Homeland Security within 15 days of receipt of this correspondence."

On July 3, 2006, DOLA remitted a check in the amount of $1.5 million to the Department of Homeland Security. DOLA obtained the $1.5 million to repay the Department of Homeland Security from the interest on the flexible funds that the Governor had obtained from the President in the Jobs Growth and Tax Relief Act of 2003.

The Department of Homeland Security cashed DOLA's check. The Department of Homeland Security has not reduced, nor has it given any indication that it would reduce, the State's overall grant award for 2004, which was $36,944,000. This means that COFRS, the State's financial system, currently reflects an unobligated balance of $1.5 million in Homeland Security grant funds,[3] which cancels out the July 3rd payment to the Department of Homeland Security. COFRS also currently reflects that DOLA paid the $1.5 million to South Metro to satisfy the net present value under the Sublease and Option to Purchase with the interest from the Governor's flexible funds. It has been represented to us that the State Auditor's Office has not indicated any problems with DOLA's accounting of the South Metro transaction.

[3] DOLA is awaiting final approval from the Department of Homeland Security on both the federal and state audit issues before it re-awards the $1.5 million grant to another grant recipient in accordance with grant guidelines.

During resolution of the federal monitor visit, from January 2006 to June 2006, DOLA made base rental payments to South Metro with state funds, totaling $171,821.76.[4] On September 8, 2006, DOLA requested from South Metro's counsel, Matthew Dalton, repayment of the base rental payments from January 2006 to June 2006, as well as a written statement confirming that the $1.5 million net present value has been paid by DOLA, and that no further base rental obligations were owed under the Sublease and Option to Purchase.

On or around September 21, 2006, DOLA received a check from South Metro in the amount of $171,821.76, which constitutes the base rental payments from January 2006 to June 2006. As part of South Metro's letter of September 21, 2006, South Metro also enclosed a Tenant Estoppel Certificate, which requires the agreement of DOLA, the State Controller, DPA/Real Estate and the Attorney General's Office. The Tenant Estoppel Certificate purportedly is an agreement by the State that it will indemnify and hold harmless South Metro against any liability, loss, or damages incurred by South Metro as a result of the State's administration of federal or state grants received by South Metro from DOLA.

ANALYSIS

1. What Property Interest Does the State of Colorado Possess in the EMACC Building Now that the Net Present Value Has Been Paid to South Metro?

The net present value of the base rental payments was set by South Metro's Board. Payment of said $1.5 million satisfied the requirements of Articles 2(F) and 44(A)(2) of the Sublease and Option to Purchase. The fact that the net present value was ultimately paid from the interest from the Governor's flexible funds does not change the State's property interest in the EMACC Building. Payment of the base rental obligations converted the State's leasehold interest into a perpetual leasehold interest under Article 2(E) of the Sublease and Option to Purchase.[5] The State remains responsible for payment of its monthly prorated share of the operating expenses in accordance with Article 3(B) of the Sublease and Option to Purchase.

The payment made by DOLA on July 3, 2006 was re-payment to the Office of Governmental Operations within the Department of Homeland Security for the disallowed costs associated with the South Metro transaction. The repayment to the Department of Homeland Security and accounting entries made by DOLA in COFRS currently reflects an unobligated balance of $1.5 million in the Homeland Security grant, which with Department of Homeland Security approval, will be awarded to another grant recipient in accordance with federal guidelines. This transaction did not alter the State's property interest in the EMACC Building, and should clear up any concerns that the Department of Homeland Security had with the transaction.

[4] Originally DOLA requested and South Metro sent a check in the total amount of $179,728.44, which constituted rental payments for January 2006 to July 2006. However, rental payment for July 2006 was returned by DOLA to South Metro in the amount of $7,906.68 as that payment had been previously cancelled by DOLA.

[5] Article 2(E) provides that the Sublease shall automatically renew annually, and that if rent has been paid through September 30, 2024, then no further base rent shall be owed.

The Sublease and Option to Purchase anticipates that South Metro will not acquire title to the EMACC Building until at least December 31, 2016. Pursuant to Article 43 of the Sublease and Option to Purchase, the State may not exercise the option to purchase until South Metro acquires title to the building, unless South Metro first obtains the approval of the Trustee and Certificate Insurer.[6] As discussed more in depth in our June 28, 2006 Memorandum, the State, and to some extent South Metro, must satisfy the other conditions outlined in the Sublease and Option to Purchase in order to exercise the option to purchase. *See* Article 19 and 43(A) through (E).

DOLA continued to make base rental obligations payments to South Metro from January 2006 to June 2006 during the pendency of the Federal Monitor Visit since the issues surrounding the EMACC transaction were not resolved. We are informed that South Metro agrees that the $1.5 million in base rent net present value has been paid, and that this payment satisfies all base rental obligations owed under the Sublease and Option to Purchase. South Metro repaid DOLA the full amount of $171,821.76, which constitutes rental payments made by DOLA from January 2006 to June 2006.

It is our understanding that DOLA is currently circulating the Tenant Estoppel Certificate through the normal approval process for state real estate contracts. Therefore, this Memorandum renders no opinion as to the legal implications or necessity of the Tenant Estoppel Certificate.

Accordingly, so long as the State pays its monthly prorated share of operating expenses, it has a perpetual leasehold interest with an option to purchase.

2. <u>Are There Any Steps the State Needs to Take in Order to Perfect That Interest and/or Protect that Interest?</u>

   A. *Steps to Secure State's Interest*

The State's perpetual leasehold interest with option to purchase was perfected when it paid the $1.5 million in net present value to South Metro. Although DOLA received South Metro's correspondence of September 21st confirming that the $1.5 million net present value has been paid and no further base rental obligations are owed, because of questions surrounding this transaction, and based upon discussions with Clark Bolser of DPA/Real Estate, we recommend the following actions to memorialize the State's property interest in the EMACC Building:

- DOLA, South Metro, and the Trustee should execute an acknowledgment that the $1.5 million net present value was paid by DOLA to South Metro, and that said payment satisfies all base rental obligations under the Sublease and Option to Purchase and

[6] In the event the State exercised the option to purchase before December 31, 2016, Article 43 of the Sublease and Option to Purchase requires South Metro to obtain the necessary approvals from the Trustee and Certificate Insurer, and use "reasonable efforts" to substitute other property under its Master Lease with the Trustee or pay off the Certificate of Participation holders.

satisfies the condition necessary to effectuate the Subordination, Non-Disturbance and Attornment Agreement entered into by the parties on September 9, 2004.

- The acknowledgment should be recorded with the Sublease and Option to Purchase.
- Record the Subordination Non-Disturbance and Attornment Agreement, if it has not been previously recorded.

Pursuant to Article 11 of the Sublease and Option to Purchase, in the event of a fire where South Metro elects not to rebuild, reconstruct, or otherwise repair the damages, South Metro shall provide written notice of such election to DOLA within thirty (30) days, pay back all prepaid rent and operating expenses, and terminate the Sublease. DOLA may prepay rent under Article 2(F) to South Metro, which is held in escrow by South Metro. We recommend that the parties clarify, either in the above acknowledgment or in a separate writing, whether the $1.5 million net present value paid by DOLA constitutes prepaid rent under Article 2(F) so that the State may receive some pro-rated portion of its net present value payment back in the event South Metro elects to terminate the agreement under Article 11. This understanding or clarification would only be in effect until December 31, 2024, since after that date DOLA is no longer required to pay any further base rent pursuant to Article 2(E).

B. *Insurance Issues*

DOLA's economic interests in the EMACC Building are adequately protected under the insurance requirements of the Sublease and Option to Purchase and its renters insurance.

Pursuant to Article 3(A)(13), South Metro is responsible for maintaining commercial property insurance on the EMACC Building and general liability insurance on the building and surrounding area of the building known as Panorama Park, with terms and conditions, including deductibles, satisfactory to the State. In addition, the insurance policy must name the State as an additional insured and South Metro must tender copies of said insurance policy upon the State's request. Rose Marie Auten of DOLA has obtained copies of the commercial property policy current in force on the EMACC Building, and DOLA is named as an additional insured on the insurance policies. In addition to South Metro's requirement to maintain commercial property insurance under the Sublease and Option to Purchase, South Metro is likewise required to maintain insurance on the EMACC Building pursuant to Article 9.6 of the Master Lease between South Metro and South Metro Rescue Finance Corporation.[7] Article 9.6 requires South Metro to maintain property and casualty insurance on the EMACC Building in an amount equal to the greater of the replacement of the building or aggregate principal amount of the Certificates of Participation.

[7] South Metro Rescue Finance Corporation assigned all of its rights, titles and interests, except for reserving certain provisions not applicable to the questions presented in this Memorandum, to the Trustee in the Mortgage and Indenture of Trust. *See* Page 3 of the Mortgage and Indenture of Trust.

Clark Bolser and the State's insurance agent, Dorothy Stevens, confirmed that the State has a renters' insurance policy, which is part of its main property and casualty policy for all the state buildings, which insures the State's interest related to its personal property and tenant build-out costs in the EMACC Building. Because the State does not hold fee title to its portion of the EMACC Building, the leased premises could not be covered under the State's main property and casualty insurance policy. However, under the renters' insurance policy, coverage includes all the furniture and equipment, tenant improvement, business interruption (i.e. loss of business income) and extra expense (i.e. rent on another facility, rental equipment, etc.). The insurance policy is renewed every September 1st, and premium for the renters' insurance policy is paid by DOLA.

Paragraph 1 of the September 9, 2004 Subordination, Non-Disturbance and Attornment Agreement between the Trustee, the State and South Metro states

> ... the Trustee's interest in the Property [the EMACC Building] under the Master Lease [between South Metro and South Metro Rescue Finance Corporation] and the Indenture [between the Trustee and South Metro Fire Rescue Finance Corporation], and all rights of the Trustee there under [sic], shall be and hereby are declared to be subject to the Sublease [the Sublease and Option to Purchase]. The Sublease shall include the Sublease and any and all amendments thereto.

Accordingly, if South Metro defaulted under the Sublease and Option to Purchase, the Trustee, as the new lessor, would be required to maintain commercial property insurance and general liability insurance in accordance with Article 3(A)(13) of the Sublease and Option to Purchase on the EMACC Building.

When or if the State exercises its option to purchase under the Sublease, it may be able to insure its portion of the EMACC Building under the State's main property and casualty insurance policy,[8] or more likely, property and casualty insurance would be maintained under some type of insurance policy insuring the condominium estate administered by the condominium association once the EMACC Building is converted into such an estate in accordance with the provisions of the Sublease and Option to Purchase.

3. <u>Are there other legal property interests that the State should seek to obtain what would more appropriately protect the State's investment and long-term property interest in the EMACC? If so, what steps would the State need to take to acquire that interest?</u>

The State's rights and remedies are set forth in the Sublease and Option to Purchase. Short of immediately exercising its purchase option, the State has acquired all the property rights

[8] The State has 180 days to add a new building onto the property and casualty policy with said building covered during those 180 days.

it can at this time. Exercising the option would require South Metro to pay off the Certificates of Participation or substitute other property satisfactory to the Trustee to secure the Certificate of Participation holders' interests, as discussed in the answer to Question #1. Further, prior to the change in leadership, DOLA believed that it was not beneficial to exercise the purchase option at this time. There are significant costs associated with obtaining an ownership interest with little additional benefit to the State. The State can exercise its option to purchase at any time during the next 20 years with no additional costs resulting from such a delay, so DOLA saw no need to rush the purchase if it could wait several years to better judge how the EMACC property fit into its future plans.

4. <u>What options are available to the State, and what are the advantages and disadvantages of each option?</u>

DOLA has exercised its perpetual leasehold option under the Sublease and Option to Purchase and, to the best of our knowledge, South Metro is complying with its obligations. Absent a mutual renegotiation or a default by South Metro, we see little opportunity for the State to exercise other options (except the purchase option addressed above) even assuming any other options existed under the lease purchase agreement.

cc: Cynthia Coffman
Diana Black

Department of Local Affairs
Non-Appropriated Funds for Distribution to State or Local Agencies

Funding Source	Federal or State Funds	CFDA Number *If applicable*	Program Name	General Description of Use of Funds	Federal or State Statutory Requirements Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Amount of Funding Received by DOLA for Distribution					
							SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
USHUD	Federal	14.228	Community Development Block Grant/State's Program	The primary objective of this program is the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income. Each activity funded must meet one of the program's National Objectives by: Benefiting low and moderate income families; aiding in the prevention or elimination of slums or blight; or meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available. Uses & Restrictions: Thirty percent of funds available for distribution under each annual appropriation for the Community Development Block Grant (CDBG) program is allocated among the States for use in areas which are not a metropolitan city or part of an urban county (nonentitlement areas). HUD awards the formula grants to these States under the CDBG/State Program. States must distribute CDBG funds to units of general local government (counties, towns, etc.) in nonentitlement areas. States develop their own programs and funding priorities. Units of general local government then carry out community development activities funded by the State. Eligible activities are directed toward neighborhood revitalization, economic development, or provision of improved community facilities and services. Specific activities that can be carried out with block grant funds include: Acquisition, rehabilitation or construction of certain public works facilities and improvements, such as streets, water and sewer facilities, neighborhood centers, recreation facilities, and other public works; demolition and clearance; rehabilitation of public and private buildings including housing; code enforcement; relocation payments and assistance; economic development; planning activities; certain public services with some restrictions; and administrative expenses. The projected use of funds must be developed to ensure that all activities will meet one of the three national objectives described under "OBJECTIVES". Communities receiving CDBG funds from a state may select subgrantees to carry out approved projects. Such subgrantees may include: Neighborhood-based nonprofit organizations; local development corporations; Small Business Investment Companies; or other nonprofit organizations serving the development needs of nonentitlement areas. Grant recipients may provide assistance to for-profit entities when the recipient determines that the provision of such assistance is appropriate to carry out an economic development project. Communities are restricted from constructing or rehabilitating public facilities for the general conduct of government and from making housing allowances or other income maintenance-type payments. Each State may use a limited portion of its grant, subject to a matching requirement, to administer the program. Each State may also use a limited portion of its grant, with no matching requirement, to provide technical assistance to local governments and nonprofit program recipients. The aggregate use of CDBG funds must ensure that not less than 70 percent of the funds received benefit persons of low and moderate income.	Authorization: Housing and Community Development Act of 1974, Title I, as amended; Public Law 93-383; 88 Stat. 633; 42 U.S.C. 5301-5321. Regulation: 24 CFR Part 570, 24 CFR Part 91, 24 CFR Part 58.	OMB Circular A-87, A-102, and A-133, State CDBG Guidebook	11,690,000	12,782,000	13,008,803	12,428,946	11,120,921	61,030,670
USHUD	Federal	14.231	Emergency Shelter Grant	The program is designed to help improve the quality of emergency shelters and transitional housing for the homeless, to make available additional shelters, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness. Uses & Restrictions: Grantees may use the grant for one or more of the following activities relating to emergency shelter and transitional housing for	Authorization: McKinney-Vento Homeless Assistance Act of 1987, Title IV, as amended, 42 U.S.C. 11371-78. Regulation: CFR Part 576., 24 CFR Part 91.	OMB Circular A-87, A-102, and A-133, Emergency Shelter Grants (ESG) Program Desk Guide located at http://www.hud.gov/offices/cpd/homeless/library/esg/esgdeskguid	953,000	960,000	920,523	1,018,213	1,018,277	4,870,013

Funding Source	Federal or State Funds	CFDA Number If applicable	Program Name	General Description of Use of Funds	Federal or State Statutory Requirements Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Amount of Funding Received by DOLA for Distribution SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
				the homeless: (1) renovation, major rehabilitation, or conversion of buildings for use as shelters for the homeless; (2) provision of essential services to the homeless (not more than 30 percent of the grant, unless waived by HUD); (3) payment of operations (not more than 10 percent of the grant for staff management costs), maintenance, rent, repair, security, fuel, equipment, insurance, utilities, and furnishings; and (4) homeless prevention activities (not more than 30 percent of the grant), and (5) administrative costs not to exceed five percent of the ESG grant. In the case of State grantees, the grant for administration must be shared with funded recipients.		e/						
USHUD	Federal	14.239	Home Investment Partnership Grant	(1) To expand the supply of affordable housing, particularly rental housing, for low and very low income Americans; (2) to strengthen the abilities of State and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing; (3) to provide both financial and technical assistance to participating jurisdictions, including the development of model programs for developing affordable low income housing; and (4) to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing. Uses & Restrictions: For use by participating jurisdictions or Insular Areas for housing rehabilitation, tenant-based rental assistance, assistance to homebuyers, acquisition of housing and new construction of housing. Funding may also be used for other necessary and reasonable activities related to the development of non-luxury housing, such as site acquisition, site improvements, demolition and relocation. Ten percent of a participating jurisdiction's allocation may be used for administrative costs. Funds may not be used for public housing modernization, matching funds for other Federal programs, reserve accounts or operating subsidies for rental housing, Annual Contributions Contracts, or activities under the Low Income Housing Preservation Act except for priority purchasers. In December 2003, the American Dream Downpayment Act authorized a new program, American Dream Downpayment Initiative (ADDI), to be administered as a part of the HOME Program. ADDI will grant funds to all 50 states and local participating jurisdictions that have a population of at least 150,000 or will receive an allocation of at least $50,000 under the ADDI formula. Participating jurisdictions may use ADDI funds to provide downpayment, closing costs and rehabilitation assistance to low-income families to help the achieve homeownership. Technical Assistance is available to help HOME participating jurisdictions design and implement HOME programs, including: improving their ability to design and implement housing strategies and incorporate energy efficiency into affordable housing; facilitating the exchange of information to help participating Jurisdictions carry out their programs; facilitating the establishment and efficient operation of employer-assisted housing programs and land bank programs; and/or encouraging private lenders and for-profit developers of low-income housing to participate in public-private partnerships. Community Housing Development Organization Technical Assistance (CHDO TA) to promote the ability of CHDOs to maintain, rehabilitate and construct housing for low-income homeowners and tenants; and help women who reside in low- and moderate-income neighborhoods to rehabilitate and construct housing in these neighborhoods.	Authorization: National Affordable Housing Act, Title II, 1990, as amended. Regulation: 24 CFR Part 92, 24 CFR Part 85, 24 CFR Part 58, 24 CFR Part 91.	OMB Circular A-87, A-102, and A-133.	7,613,000	9,004,000	10,347,505	9,246,082	8,482,282	44,692,869

unding ource	Federal or State Funds	CFDA Number if applicable	Program Name	General Description of Use of Funds	Federal or State Statutory Requirements Governing the <u>Use</u> or <u>Distribution</u> of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the <u>Use</u> or <u>Distribution</u> of Funds *Provide Citation and Brief Summary*	Amount of Funding Received by DOLA for Distribution SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
'SHUD	Federal	14.241	Housing Opportunity for People with AIDS	To provide States and localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS or related diseases and their families. <u>Uses & Restrictions</u>: Grantees and project sponsors may use HOPWA funds to provide for any of the following eligible activities, subject to certain standards and limitations provided in the regulations: (I) Housing information services including, but not limited to, counseling, information, and referral services to assist eligible individuals to locate, acquire, finance and maintain housing; (2) Resource identification to establish, coordinate and develop housing assistance resources; (3) Acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services; (4) New construction (for single room occupancy (SRO) dwellings and community residences only); (5) Project- or tenant-based rental assistance including assistance for shared housing arrangements; (6) Short-term rent, mortgage, and utility payments to prevent the homelessness of the tenant or mortgagor of a dwelling; (7) Supportive services including, but not limited to, health, mental health, assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, nutritional services, intensive care when required, and assistance in gaining access to local, State, and Federal government benefits and services except that health services may not be provided to family members (*); (8) Operating costs for housing including maintenance, security, operation, insurance, utilities, furnishings, equipment, supplies, and other incidental costs; (9) Technical assistance in establishing and operating a community residence, including planning and other pre-development or pre-construction expenses and including, but not limited to, costs relating to community outreach and educational activities regarding AIDS; (10) Administrative expenses: 3 percent for grantees and 7 percent for project sponsors, including costs of staff necessary to carry out eligible activities; and (11) For competitive grants only any other activity proposed by the applicant and approved by HUD. Restrictions: Appropriate supportive services must be provided as part of any HOPWA assisted housing. General standards for housing activities are established, including minimum use periods for structures (10 years for new construction, substantial rehabilitation or acquisition and 3 years for other non-substantial rehabilitation or repair). Resident rent payments are required for rental assistance and for residing in rental housing. Additional standards for rental assistance, short-term supported housing, and community residences are provided. The fiscal year 2004 appropriation authorizes the use of program funds for HOPWA technical assistance, training and oversight activities. (*)Per the HOPWA regulations, health services may only be provided to an individual with HIV/AIDS (not family members) and payments for health-care costs are limited by 574.310(b) to items and services that are not made or reasonably expected to be made under compensation programs, insurance policy, or health benefits programs. HUD issued guidance on the restricted use of HOPWA funds for AIDS Drug Assistance and other health-care costs.	<u>Authorization</u>: AIDS Housing Opportunity Act, Public Law 101-624. <u>Regulation</u>: 24 CFR 574, 24 CFR 91	OMB Circular A-87, A-102, and A-133.	-	368,000	366,000	354,000	364,000	1,452,000

nding ource	Federal or State Funds	CFDA Number *if applicable*	Program Name	General Description of Use of Funds	Federal or State Statutory Requirements Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Amount of Funding Received by DOLA for Distribution					
							SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
SDOL ough ept of bor & nploy- ent	Federal	17.258 through 17.260	Workforce Investment Act (WIA) - Adult, Youth, and Dislocated Worker's Program (State's 10% Discretionary Grants)	The WIA Discretionary funds are used to assist workers and employers in preparing for Colorado's future. The funds used to fund statewide workforce activities, and to provide technical Assistance to local regions as well awarded to local regions through Workforce Council grants and Incumbent worker projects. The State Council also uses the funds to provide statewide training for workforce center staff, maintenance of the Eligible Training Provider list as mandated by the statute, to provide performance incentives to regions for Continuous Improvement and Capacity building; workforce system data collection and reports and supports the Summer Job Hunt for youth. The Council follows the mandates in the statute and uses the funds for evaluations and continuous improvement activities.	Authorization: Workforce Investment Act of 1998, Title I, Subtitle B, Chapter 5, Public Law 105-220, 20 U.S.C. 9201. Regulation: 20 CFR PART 652 et al, WIA; Final Rules Federal Register, Friday, August 11, 2000. Federal Register: Thursday, February 28, 2002 (Volume 67, Number 403) "Solicitation of Comments on the Reauthorization of the Workforce Investment Act (WIA) and Linkages with the Temporary Assistance for Needy Families (TANF); Notice.	OMB Circular A-87, A-102, and A-133.				993,102	2,261,080	3,254,182
SDOL	Federal	17.266	Work Incentive Grant/Disability Program Navigator	The Work Incentive Grants (WIGs) and Disability Program Navigators (DPNs) have been established to increase the labor force participation and career advancement of persons with disabilities by effecting systemic change in the One-Stop Career Centers. These programs support the capacity of the One-Stop Career Center system to achieve integrated, seamless, and comprehensive services for people with disabilities, thereby increasing their employment, retention, and earnings. The competitive WIG Program has been reoriented from a competitive solicitation to the Disability Program Navigator (DPN) cooperative agreement, thereby assuring that the essential goals of the WIGs are achieved in the workforce investment system. The Department of Labor (DOL) and the Social Security Administration (SSA) jointly established a new position, the Disability Program Navigator (DPN), in the DOL's One-Stop Career Centers. The DPN guides the One-Stop Career Center staff in helping people with disabilities access and navigate the various programs that impact upon their ability to gain/retain employment. Complex rules surrounding entitlement programs, along with the fear of losing cash assistance and health benefits, can often discourage people with disabilities from working. Consequently, the DPN initiative was established to better inform beneficiaries and other people with disabilities about the work support programs now available at the DOL-funded One-Stop Career Centers. The major objectives of the DPN initiative are: 1) creating systemic change and transforming the culture of how the One-Stop Career Center system serves customers with disabilities; 2) promoting meaningful and effective access, both physical and programmatic, to the One-Stop Career Center system for all customers, including persons with disabilities; 3) creating attitudinal change about the abilities of people with disabilities to work in a variety of jobs and industries; 4) developing new/ongoing partnerships to achieve comprehensive services to people with disabilities ; 5) expanding and enhancing the workforce development system's capacity to serve customers with disabilities and employers through the implementation of effective DPN strategies and practices; and 6) increasing the number of people with disabilities served under the WIA and achieving quality employment outcomes for jobseekers with disabilities through accessing WIA Title I and Wagner-Peyser Programs. Uses & Restrictions: Funds are used for establishing Disability Program Navigators in One-Stop Career Centers and improving the centers' physical and programmatic access for customers with disabilities. All proposed costs should be necessary and reasonable according to the federal guidelines set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to state and local governments, codified at 289 CFR part 97,	Authorization: Key provisions are included in Sections 121, 134(c), and 189(c)(c) of the Workforce Investment Act (29 U.S.C 2841, 2864 (c), and 2939(c)and the Wagner-Peyser Act (29 U.S.C.49f). Key regulations governing the Workforce Investment Act (WIA) and Wagner-Peyser Act programs are at 20 CFR parts 651-652 and 660-671.	OMB Circular A-87, A-102, and A-133.	1,000,000 This is a one time grant to equip workforce regions with the ability to serve people with disabilities.		402,535 This is the first of a five year program.	1,678,221	667,851	3,748,607

›nding ›urce	Federal or State Funds	CFDA Number *If applicable*	Program Name	General Description of Use of Funds	Federal or State Statutory Requirements Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Amount of Funding Received by DOLA for Distribution SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
				and must comply with the applicable OMB cost principles circulars, as identified in 29 CFR 96.27 and 29 CFR 97.22(b). Awardees must comply with the all other applicable administrative standards and national policy provisions (listed in the SGA). Indirect costs cannot exceed 10 percent of the award. The DOL will negotiate performance goals with successful applicants that will be consistent with the Department's GPRA goals.	-							
›SDOL	Federal	17.ODEP	Youth Transition Grant	This grant initiative assists states to conduct resource mapping to assess their youth service delivery infrastructure in light of evidence-based transition operating principles. The grants are also intended to help states in: 1) developing, implementing, and evaluating a cross-agency multi-year state plan to improve transition outcomes for youth with disabilities through blending and/or braiding of federal, state, and community resources and the use of local intermediary organizations; and 2) conducting local pilot demonstrations to determine how, through community partnerships, intermediary organizations can best be used to ensure that youth with disabilities obtain transition services consistent with evidence-based operating principles.	Please refer to grant agreement for requirement and guidance.	OMB Circular A-87, A-102, and A-133.			358,183 This is the first of a five-year funding to the state.	428,015	440,018	1,226,216
›SDOT	Federal	20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants (Hazardous Materials Emergency Preparedness)	To increase State, local, territorial and Native American tribal effectiveness to safely and efficiently handle hazardous materials accidents and incidents; enhance implementation of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA); and encourage a comprehensive approach to emergency planning and training by incorporating response to transportation standards. The grant program will be used to increase the emphasis on transportation in ongoing efforts and to improve the capability of communities to plan for and respond to the full range of potential risks posed by accidents and incidents involving hazardous materials. The grants have two principal uses: First, to assist States, Territories and Native American Tribes in developing, improving and implementing emergency response plans under EPCRA; including the determination of flow patterns of hazardous materials within a State, between States and Native American lands; determining the need for regional hazardous materials response teams. Second, to stimulate support for training of Public Sector employees to respond to accidents and incidents involving hazardous materials.	Authorization: Federal Hazardous Materials Transportation Act, 49 U.S.C. 5105 et seq. Regulation: 49 CFR Part 110, 49 CFR Part 18.	OMB Circular A-87, A-102, and A-133.	181,716	181,716	181,716	181,716	181,716	908,580
›S Dept of ›ducation ›rough ›olorado ›ept of ›uman ›ervices	Federal	84.126	Rehabilitation Services, Vocational Rehabilitation Grants to States	Grant will be used to fund two benefit planners position at the Denver' workforce region. Benefit Planners assist customer with disabilities who are recipients of Social Security benefits due to disability	Contract between Department of Human Services, Division of Vocational Rehabilitation and DOLA			227,273 This award supports the $1,000,000 award received in FY02 under CFDA 17.266		60,000	60,000	347,273
›SHHS	Federal	93.569	Community Services Block Grant	To provide assistance to States and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act) and (1) To provide services and activities having a measurable and potential major impact on causes of poverty in the	Authorization: Community Opportunities, Accountability, Training, and Educational Services Act of 1998, Title II, Section 201 and Sections 671-thru 679; Public Laws 97-35, 103-252, Public Laws 106-554 and 98-502. Regulation: 45 CFR 16, 45 CFR 74 and 45 CFR 96.	OMB Circular A-87, A-102, and A-133.	5,619,133	5,582,102	5,549,013	5,503,980	5,448,843	27,703,071

Funding Source	Federal or State Funds	CFDA Number if applicable	Program Name	General Description of Use of Funds	Federal or State Statutory Requirements Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Amount of Funding Received by DOLA for Distribution SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
				community or those areas of the community where poverty is a particularly acute problem; (2) to provide activities designed to assist low-income participants, including the elderly poor, to: (a) secure and retain meaningful employment; (b) attain an adequate education; (c) make better use of available income; (d) obtain and maintain adequate housing and a suitable living environment; (e) obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including health services, nutritious food, housing, and employment-related assistance; (f) remove obstacles and solve problems which block the achievement of self-sufficiency; (g) achieve greater participation in the affairs of the community; and (h) make more effective use of other related programs; (3) to provide on an emergency basis for the provision of such supplies and services, nutritious foodstuffs, and related services, as may be necessary to counteract conditions of starvation and malnutrition among the poor; and (4) to coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals. Uses and Restrictions: (1) States receive block grants to ameliorate the causes of poverty in communities. The block grant approach gives the States flexibility to tailor their programs to the particular services needs in their communities. (2) States are required to use at least 90 percent of their allocations for grants to "eligible entities" as defined in the Community Services Block Grant (CSBG) Act, as amended; this includes primarily locally-based community action agencies and/or organizations that serve seasonal or migrant farm workers. (2) No more than the greater of $55,000 or 5 percent of each State's allocation may be used for administrative expenses at the State level.								
USHHS	Federal	93.571	Community Food & Nutrition Grant	To provide for community-based, local, statewide and national programs which: (1) Coordinate private and public food assistance resources to better serve low-income populations, when ever such coordination is determined to be inadequate; (2) assist low-income communities to identify potential sponsors of child nutrition programs and initiate such programs in underserved or unserved areas; and (3) develop innovative approaches at the State and local level to meet the nutrition needs of low-income individuals. Uses and restrictions: 1) States receive Community Food and Nutrition funds for Statewide Community Food and Nutrition initiatives, which must be subgranted to eligible agencies. (2) Federal funds are competitively-awarded to eligible agencies for statewide program activities which address one or more of the above objectives and also include outreach and public education efforts designed to inform low-income individuals and displaced workers of the nutrition services available to them under the various federally-assisted nutrition programs. Of the amounts appropriated, 60 percent is for allotment by statutory formula to eligible agencies for statewide programs, and 40 percent is available for competitive awards to eligible agencies for local and statewide programs. (3) Projects must result in direct benefits targeted toward low-income individuals as defined in the most recent "Annual Update of Poverty Income Guidelines," published in the Federal Register and www.grants. gov. (4) Projects are normally funded for 1 year and each project will have an expiration date; however, at the Director's discretion, competitively-awarded grants may support projects for shorter or longer periods, i.e., up to 17 months. (5) States may not use their formula grant	Authorization: Community Opportunities, Accountability, Training, and Educational Services Act of 1998, Section 681; Public Law 97-35, 42 U.S.C. 9910. Regulation: the CSBG Act, as amended, and internal Information Memorandum.	OMB Circular A-87, A-102, and A-133.	46,613	50,874	47,524	54,119	51,558 This is the last year for this program.	250,688

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							SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
				supplement for State-level administrative costs.								
SDHS	Federal	97.008	Urban Area Security Initiative	Provides financial assistance to address the unique multi-discipline planning, operations, equipment, training, and exercise needs of high-threat, high density Urban Areas, and to assist them in building and sustaining capabilities to prevent, protect against, respond to, and recover from threats or acts of terrorism; however, in light of several major new national planning priorities, which address such issues as pandemic influenza and the aftermath of Hurricane Katrina, the allowable scope of UASI activities including catastrophic events, provided that these activities also build capabilities that relate to terrorism. Funds provided under this grant are designed to address the unique needs of large urban areas and mass transit authorities. Funds can be used for equipment, training, exercises and planning. No more than 5 percent of the grant award may be used for management and administrative purposes. Urban Areas must utilize their Urban Area Homeland Security Strategy and the State's Program and Capability Enhancement Plan as the basis for requesting funds to support investments identified in the Investment Justification. There must be a clear correlation between the goals, objectives, and priorities identified in the Urban Area Homeland Security Strategy and UASI program activities. In addition, the Urban Area Homeland Security Strategy must also be consistent with and supportive of the State Homeland Security Strategy and the Program and Capability Enhancement Plan submitted by the State as part of the HSGP application.	Authorization: Department of Homeland Security Appropriations Act of 2005, Public Law 108-334.	OMB Circular A-87, A-102, and A-133, the OJP Financial Guide and current Fiscal Year (FY) HSGP Program Guidelines and Application Kit.				15,475,327 received from FFY2003 allocation under CFDA #16.011; and 8,595,347 received from FFY2004 allocation under CFDA #97.008. FFY2005 allocation included in CFDA #97.067	Included in CFDA #97.067	24,070,674
SDHS	Federal	97.017	Pre-disaster Mitigation - Competitive Grant	The intent of the Pre-Disaster Mitigation (PDM) program is to provide a consistent source of funding to states, Indian tribes, territories, communities, and colleges and universities for pre-disaster mitigation planning and projects primarily addressing natural hazards. This program promotes the implementation of activities that are designed to reduce injuries, loss of life, and damage and destruction to property from natural hazards. Mitigation Planning: Planning activities that develop state, Indian tribal, local, and university hazard mitigation plans that meet planning criteria outlined in 44 CFR Part 201 are eligible for the PDM program. Hazard mitigation planning activities must primarily focus on natural hazards but may also address hazards caused by manmade events. Plans may be either single or multi-jurisdictional and countywide or multi-jurisdictional hazard mitigation plans may be submitted for funding. Funding is restricted to a maximum of $1 million Federal share per planning sub-application. Mitigation Projects: Proposed multi-hazard mitigation projects must primarily focus on natural hazards but also may address hazards caused by manmade forces. Funding is restricted to a maximum of $3 million Federal share per project sub-application. Space limitations preclude a full listing of examples of eligible mitigation project - the following is partial listing: Voluntary acquisition of real property (i.e. structures and land, where necessary) for conversion to open space in perpetuity; Relocation of public or private structures; Elevation of existing public or private structures to avoid coastal or riverine flooding; Structural retrofitting and non-structural retrofitting (e.g., storm shutters, hurricane clips, bracing systems) of existing public or private structures;	Authorization: Sec. 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC 5133. Regulation: For current FY funds, awards will be governed by Sec. 203 of the Stafford Act; and the Pre-Disaster Mitigation competitive grant program guidance, which is available to the public on the FEMA internet site: http://www.fema.gov/fima/pdm/	OMB Circular A-87, A-102, and A-133.				2,766,846	7,016,333	9,783,179

Department of Local Affairs
Non-Appropriated Funds for Distribution to State or Local Agencies

unding ource	Federal or State Funds	CFDA Number *If applicable*	Program Name	General Description of Use of Funds	Federal or State Statutory Requirements Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Amount of Funding Received by DOLA for Distribution SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
				Construction of safe rooms (tornado and severe wind shelters) for public and private structures that meet the FEMA construction criteria; Vegetation management for natural dune restoration, wildfire or snow avalanche; Protective measures for utilities water and sanitary sewer systems and/or infrastructure; Storm water management projects and localized flood control projects, such as certain ring levees, bank stabilization, and floodwall systems that are designed specifically to protect critical facilities that do not constitute a section of a larger flood control system. Projects submitted for consideration must be consistent with the goals and objectives in the State/Tribal Mitigation Plan. Tribal, local, and university projects also must be consistent with the goals and objectives in the Tribal/Local Mitigation Plan. For additional information concerning PDM uses and restrictions, please see the program guidance.								
ISDHS	Federal	97.021	Hazardous Materials Assistance Program	To support States, local and Indian tribal governments in oil and hazardous materials emergency planning and exercises and enhance their capabilities to interact with the National Response System (NRS); through the States, provide technical and financial assistance to support activities under the Comprehensive Hazardous Materials (Hazmat) Emergency Response - Capability Assessment Program (CHER-C). Funding must be used for planning, exercising and educational projects that will serve to enhance emergency management capabilities for dealing with oil and hazardous materials releases. Certain equipment purchases are not authorized: such as automated data processing and facsimile machines and any other equipment acquired for the sole purpose of carrying out the day-to-day work activities. However, equipment purchased exclusively for the implementation of exercises and/or CHER-CAP activities (disposable personal protective equipment, simulated emergency response equipment used only for training) are authorized. Reimbursement of salaries and benefits is restricted, and funding for contractual support is permitted. Funding for training and educational programs are limited, and may not be used to supplement the nonfederal matching requirements associated with Hazardous Materials Transportation Act (HMTA), or SARA Title III funds, nor used to attend courses available under any other FEMA programs when separate funds are available for that training.	<u>Authorization:</u> Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended; 42 U.S.C. 9601 et seq.; Superfund Amendments and Reauthorization Act of 1986; Executive Order 12148, Federal Emergency Management; Executive Order 12580, Superfund Implementation, 42 U.S.C. 9662 et seq.	OMB Circular A-87, A-102, and A-133.			15,834	2,167	2,000	20,001
JSDHS	Federal	97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	To ensure that communities participating in the National Flood Insurance Program (NFIP) are achieving flood loss reduction measures consistent with program direction. The CAP-SSSE is intended to identify, prevent and resolve floodplain management issues in participating communities before they develop into problems requiring enforcement action. <u>Uses & Restrictions</u>: The CAP-SSSE is a product-oriented program directly related to the flood loss reduction objectives of the NFIP. Available CAP-SSSE funding is provided on a 75 percent maximum Federal and 25 percent minimum State cost-sharing basis. Both cash and in-kind resources must be specifically identified to designated activities. States estimate product completion as described in a mutually negotiated grant agreement.	<u>Authorization:</u> National Flood Insurance Act of 1968, as amended; 42 U.S.C. 4001 et seq.; Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4002 et seq. <u>Regulation:</u> CAP-SSSE reference guidance is contained in the CAP-SSSE grant agreement application.	OMB Circular A-87, A-102, and A-133	157,801 Award Under CFDA #83.105	100,232 Award under CFDA #83.105	180,175	102,496	79,144	619,848

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							SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
USDHS	Federal	97.029	Flood Mitigation Assistance	To assist States and communities in implementing measures to reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insurable under the National Flood Insurance Program (NFIP). Uses & Restrictions: States are encouraged to use FMA planning, project and technical assistance grants to reduce the number of repetitive loss structures insured by the NFIP. More specifically, the emphasis is on reducing target repetitive loss properties that include structures with four or more losses, and structures with two or more losses where cumulative payments have exceeded the property value. Planning Grants may be used to assist States and communities in developing and updating Flood Mitigation Plans. Eligible activities under this grant are: conducting local planning discussions, contracting for consulting technical services such as engineering and planning; surveying structures at risk; and assessing structures subject to repetitive flood loss. There are several restrictions on Planning Grants. Planning Grants will not exceed a maximum of $1,500,000 nationally each year. A Planning Grant will not be awarded to a State or a community more than one every 5 years. Individual Planning Grants will not exceed $150,000 to any State applicant, or exceed $50,000 to any community applicant. The total planning grant made in any fiscal year to any State, including communities located in the State will not exceed $300,000. Project Grants may be used to assist States and communities in implementing flood mitigation projects to reduce the risk of flood damage to structures insured or insurable under the National Flood Insurance Program. Eligible activities under this grant include the acquisition, relocation, or elevation of insured structures. Only mitigation activities specified in a FEMA-approved Flood Mitigation Plan are eligible for an FMA Project Grant. There are several restrictions on Project Grants. The combined total of project and technical assistance awarded to the State and all communities in that State is limited to $20,000,000 in a 5-year period. There are also limits on the amount of Project Grant funds that any one State or community can receive in a 5- year period. States can receive individual grants not totaling more than $10,000,000 in a 5-year period. Communities can receive individual project grants not totaling more than $3,300,000 in a 5-year period. Up to 10 percent of Project Grant allocations annually may be used for Technical Assistance. The only applicants eligible for Technical Assistance Grants are State agencies or departments responsible for administering FMA. Eligible activities under this grant are: conducting community site visits; reviewing draft applications or plans; participating in planning meetings; providing planning workshops/materials; and, providing grants management workshops/ materials.	Authorization: National Flood Insurance Reform Act of 1994, Title V, Sections 553 and 554, Public Law 103-325, 42 U.S.C. 5154a. Regulation: None	OMB Circular A-87, A-102, and A-133	139,021 Award under CFDA #83.536	162,060 Award under CFDA #83.536	10,600	56,470	23,800	319,951
USDHS	Federal	97.036	Public Assistance Grants (Presidentially Declared Disasters)	To assist State and local governments in recovering from the devastating effects of disasters by providing assistance for debris removal, emergency protective measures and the repair, restoration, reconstruction or replacement of public facilities or infrastructure damaged or destroyed. Restricted to Presidential-declared disasters or emergencies, such as an earthquake, hurricane, tornado, or wildfire. Program activates only after issuance of a presidential declaration. Public Assistance is awarded in the form of cost-shared grants to States, local governments, other political subdivisions such as special districts, federally recognized Indian tribal governments and Alaska Native villages or organizations, and certain eligible Private Non-Profit organizations. A State is defined as any State of the	Authorization; Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, 42 U.S.C. 5121 et seq.; Executive Order 12148; Reorganization Plan No. 3, 1978. Regulation: 44 CFR Part 205 for disasters and emergencies declared prior to November 23, 1988; Federal Disaster Assistance Regulations, 44 CFR Part 206 for disasters declared on or after November 23,1988.	OMB Circular A-87, A-102, and A-133. "Public Assistance Guide," FEMA 322 (formerly FEMA 286); "Public Assistance Policy Digest," FEMA 321; "Public Assistance Applicant Handbook," FEMA 323. See Public Assistance web page at FEMA.gov/r-n-r/pa/.	403,717 Award under CFDA #83.544	6,941,085 Award under CFDA #83.544	43,521	0	13,597,030	20,985,353

unding ource	Federal or State Funds	CFDA Number *If applicable*	Program Name	General Description of Use of Funds	Federal or State Statutory Requirements Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Amount of Funding Received by DOLA for Distribution SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
				United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Marianna Islands, the Marshall Islands and Micronesia. Following a Presidential declaration, grants may be made for: removal of wreckage and debris from private and public lands; performance of emergency protective measures; emergency transportation assistance; emergency communications; and permanent restoration of eligible facilities.								
SDHS	Federal	97.039	Hazardous Mitigation Grant	To provide States and local governments financial assistance to implement measures that will permanently reduce or eliminate future damages and losses from natural hazards through safer building practices and improving existing structures and supporting infrastructure. Uses & Restrictions: Assistance can be used for the acquisition of real property, relocation, demolition of structures, seismic rehabilitation or retrofitting of existing structures; strengthening of existing structures, initial implementation of vegetation management programs, initial training of architects, engineers, building officials, and other professionals to facilitate the implementation of newly adopted State or local mitigation standards and codes; elevation of residential structures; elevation or dry flood- proofing of non-residential structures in accordance with 44 CFR 60.3, and other activities that bring a structure into compliance with the floodplain management requirements at 44 CFR 60.3, et al.	Authorization: Robert T. Stafford Disaster Relief and Emergency Assistance Act, Section 404, 42 U.S.C. 5170c. Regulation: 44 CFR Subpart N - Hazard Mitigation Grant Program - Sections 206.430-206.440; Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended.	OMB Circular A-87, A-102, and A-133. Hazard Mitigation Grant Program Desk Reference FEMA 345 October 1999, Hazard Mitigation Grant Program, L-169, February 1996. Property acquisition handbook, FEMA-317.	29,350 Award under CFDA #83.548	173,266 Award under CFDA #83.548	441,460	0	0	644,076
JSDHS	Federal	97.040	Chemical Stockpile Emergency Preparedness Program	To enhance emergency preparedness capabilities of the States, local, and tribal communities at each of the eight chemical agent stockpile storage facilities. The purpose of the program is to assist States and local communities in efforts to improve their capacity to plan for and respond to accidents associated with the storage and ultimate disposal of chemical warfare materials. In keeping with the intent of the Congressional appropriations, CSEPP funds are to be utilized for effective emergency management capabilities in the 10 affected States, local, and tribal communities surrounding the eight Army stockpile locations. CSEPP funds may not be used as a substitute for other mandated, unfunded programs required for existing needs or by other laws. CSEPP funds may not be used to supplant other forms of emergency management funding. CSEPP funds may not be commingled with other, non-CSEPP funds.	Authorization: Department of Defense Authorization Act of 1986, Title 14, Part B, Section 1412, Public Law 99-145, 50 U.S.C. 1521. Regulation: 44 CFR 13 and 14. The only authorized recipient for this fund is the State of Colorado, Pueblo County and Pueblo City-County Hospital.	OMB Circular A-87, A-102, and A-133. Chemical Stockpile Emergency Preparedness Program Planning Guidance and CSEPP Policy Papers.	2,548,207 Award under CFDA #83.549	3,650,623 Award under CFDA #83.549	2,934,621	3,767,200	5,574,370	18,475,021
JSDHS	Federal	97.042	Emergency Management Performance Grants	To assist the development, maintenance, and improvement of State and local emergency management capabilities, which are key components of a comprehensive national emergency management system for disasters and emergencies that may result from natural disasters or accidental or man-caused events. EMPG provides the support that State and local governments need to achieve measurable results in key functional areas of emergency management: 1) Laws and Authorities; 2) Hazard Identification and Risk Assessment; 3) Hazard Management; 4) Resource Management; 5) Planning; 6) Direction, Control, and Coordination; 7) Communications and Warning; 8) Operations and Procedures; 9) Logistics and Facilities; 10) Training; 11) Exercises; 12) Public Education and Information; and 13) Finance and Administration. Each state shall obligate 100% of the total grant program amount to the designated state-level EMA. For more detailed guidance on the EMPG grant program please refer to the current Fiscal Year solicitation guidance.	Authorization: Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, 2000, Public Law 106-74; 38 U.S.C. 301; Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, Title II, Section 201(d), Title VI, Sections 611 and 613, 42 U.S.C. 5196 and 5196(b); Public Law 93-288, as amended; 42 U.S.C. 5121 et seq., 42 U.S.C. 5195 et seq. Regulation: Please refer to current year EMPG program for requirement and guidance.	OMB Circular A-87, A-102, and A-133.	2,145,222 Award under CFDA #83.552. $329,604 of the above amount is for a one-time anti-terrorism award.	2,756,043 Award under CFDA #83.552	2,899,310	Included in 97.067	2,967,556	10,768,131

epartment of Local Affairs

n-Appropriated Funds for Distribution to State or Local Agencies

nding urce	Federal or State Funds	CFDA Number *If applicable*	Program Name
DHS	Federal	97.047	Pre-disaster Mitigation
DHS	Federal	97.067	Homeland Security Grant Program
DHS	Federal	97.075	Rail and Transit Security Grant Program
DHS	Federal	97.078	Buffer Zone Protection Plan

Program Name	General Description of Use of Funds
Pre-disaster Mitigation	To provide States and communities with a much needed source of pre-disaster mitigation funding for cost-effective hazard mitigation activities that are part of a comprehensive mitigation program, and that reduce injuries, loss of life, and damage and destruction of property. States are encouraged to use grants to implement a sustained pre-disaster hazard mitigation program to reduce risk to the population, the costs and disruption to individuals and businesses caused by severe property damage, and the ever-growing cost to all taxpayers of Federal disaster relief efforts. The program is similar to both the Flood Mitigation Assistance (FMA) Program and the Hazard Mitigation Grant Program (HMGP) in that there is an emphasis on "brick and mortar" mitigation projects and that State and local mitigation plans are required prior to approval of mitigation project grants. Allowable costs will be governed by 44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments.
Homeland Security Grant Program	To enhance the capacity of State and local emergency responders to prevent, respond to, and recover from a weapons of mass destruction (WMD) terrorism incident involving chemical, biological, radiological, nuclear, and explosive (CBRNE) devices and cyber attacks. The HSGP solicitation integrates the following five (5) programs: 1) State Homeland Security Program (SHSP); 2) Urban Areas Security Initiative (UASI); 3) Law Enforcement Terrorism Prevention Program (LETPP); 4) Citizen Corps Program (CCP); and 5) Metropolitan Medical Response System (MMRS). For more detailed guidance on each of the individual grant programs, please refer to the FY 06 HSGP solicitation guidance.
Rail and Transit Security Grant Program	The objective of the Rail and Transit Security Grant Programs are to create sustainable programs for the protection of critical infrastructure from terrorism, especially explosives and non-conventional threats which would result in major loss of life and severe disruption. Programs included under the CFDA number are the Transit Security Grant Program (TSGP) and the Intercity Passenger Rail Security Grant Program. Allowable costs are detailed in the Program Guide and Application Kits. Cost principles applicable to the awards are: OMB Circular No. A-21 for institutions of higher education, with OMB Circular No. A-87 for State and local governments, with OMB Circular No. A-122 for nonprofit organizations, and with 48 CFR Part 31 for commercial organizations. In general, funds may be used for planning, organizational activities, equipment acquisitions, training, exercises, management and administrative activities, and other costs the Secretary deems appropriate. No more than 3 percent of the grant award may be used for management and administrative purposes.
Buffer Zone Protection Plan	The Buffer Zone Protection Plan (BZPP) will provide funding for the planning, equipment, and management of protective actions, with the objective of protecting, securing, and reducing the vulnerabilities of identified critical infrastructure and key resource (CI/KR) sites. BZPP grant awards may be

Program Name	Federal or State Statutory Requirements Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*
Pre-disaster Mitigation	Authorization: Robert T. Stafford Disaster Relief and Emergency Assistance Act, Section 203, 42 U.S.C. 5121-5206, as amended by Section 102 of the Disaster Mitigation Act of 2000. Regulation: Please refer to current year PDM program for requirement and guidance.	OMB Circular A-87, A-102, and A-133.
Homeland Security Grant Program	Authorization: Department of Homeland Security Appropriations Act of 2005, Public Law 108-334. Regulation: Please refer to each year's HSGP solicitation program guidelines and application kit.	OMB Circular A-87, A-102, and A-133.
Rail and Transit Security Grant Program	Authorization: Appropriations Act of 2005, Public Law 108-334. Regulation: Please refer to the Current Year Rail and Transit Program Guide and Application Kit.	OMB Circular A-87, A-102, and A-133.
Buffer Zone Protection Plan	Authorization: Department of Homeland Security Appropriations Act. Regulation: Please refer to the BZPP Program Guidelines and Application Kit.	OMB Circular A-87, A-102, and A-133.

Program Name	Amount of Funding Received by DOLA for Distribution					
	SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
Pre-disaster Mitigation	50,000 Award under CFDA #83.557	351,751 Award under CFDA #83.557	248,375 Last year for this CFDA.. Sea 97.017 for successor program			650,126
Homeland Security Grant Program				25,274,080 In FFY2003 allocation under CFDA #16.007 36,944,000 In FFY2004 allocation under CFDA #97.004 36,798,900 In FFY2005 allocation under CFDA #97.067	21,079,809	120,096,789
Rail and Transit Security Grant Program					1,225,000	1,225,000
Buffer Zone Protection Plan					1,450,000	1,450,000

nding urce	Federal or State Funds	CFDA Number *If applicable*	Program Name	General Description of Use of Funds	Federal or State Statutory Requirements Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Amount of Funding Received by DOLA for Distribution					
							SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
				used for planning, equipment, and management of protective actions as related to the program objectives, and will be administered by the respective State Administrative Agency (SAA). The SAA will allocate BZPP funds to the jurisdiction(s) in which the CI/KR sites are located. For more detailed information concerning BZPP grant award uses and restrictions, please refer to the program solicitation guidance.								
lorado	State	None	Housing Rehabilitation Revolving Loan Fund (Fund 746), aka Home Investment Trust Fund	Upon the approval of the state housing board, the division may make a loan from moneys in the home investment trust fund to any local housing authority, public nonprofit corporation, or private nonprofit corporation for development or redevelopment costs incurred prior to the completion or occupancy of low- or moderate-income housing or for the rehabilitation of such housing.	29-4-728 and 24-32-717 CRS		The figures below are fund balance as of the end of each fiscal year. There is no annual appropriation on this fund.					
							2,206,271	2,900,889	2,987,602	3,081,979	3,109,500	3,109,500
						Grand Total	34,783,051	46,191,914	40,943,300	164,811,206	86,221,088	372,950,559

Department of Local Affairs
Non-Appropriated Funds Not Distributed to State or Local Agencies

Funding Source	Federal or State Funds	CFDA Number if applicable	Program Name	General Description of Use of Funds	Federal or State Statutory Requirements Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Amount of Funding Received by DOLA for Distribution SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
USHUD	Federal	14.871	Section 8 Housing Choice Voucher	To aid very low income families in obtaining decent, safe, and sanitary rental housing. For Welfare-to-Work rental vouchers, families must also meet special welfare-to-work criteria. HUD regulations merged the former Section 8 Rental Voucher program (14.855) with the former Section 8 Certificate program (14.857). Section 502 of the Public Housing Reform Act states that a purpose of the legislation is "consolidating the voucher and certificate programs for rental assistance under Section 8 of the United States Housing Act of 1937 (the "USHA") into a single market-driven program that will assist in making tenant-based rental assistance more successful at helping low-income families obtain affordable housing and will increase housing choice for low-income families." Uses & Restrictions: Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for very low income families at rents they can afford. Housing assistance payments are generally the difference between the local payment standard and 30 percent of the family's adjusted income.	Authorization: Housing Act of 1937, Section 8(o), as amended, 42 U.S.C. 1437(o); Department of Housing and Urban Development Act, Section 7(d), 42 U.S.C. 3535(d); Housing and Urban-Rural Recovery Act of 1983, Public Law 98-181; Housing and Community Development Act of 1987, Part 3, Public Law 100-242; National Affordable Housing Act of 1990, Public Law 101-625; Housing and Community Development Act of 1992, Public Law 102-550; Housing Opportunity Program Extension Act of 1996, Public Law 104-120; Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act of 1998, Public Law 105-65; Quality Housing and Work Responsibility Act of 1998, Public Law 105-276; Preserving Affordable Housing for Senior Citizens and Families into the 21st Century Act of 1999, Public Law 106-74; Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act of 2000. Regulation: 24 CFR 982.	Section 8 Rental Certificate, Rental Voucher and Moderate Rehabilitation Programs Forms, Legal Contracts, and Publications Handbook, 7420.8; Housing Choice Voucher Program Guidebook, 7420.10G. Exclude from requirements of OMB Circular A-87, and A-102.	13,525,243	15,696,977	17,947,766	18,251,354	18,283,328	83,704,668
USHUD	Federal	14.856	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation	To aid very low income families in obtaining decent, safe and sanitary rental housing. Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards rent. Assisted families must pay the highest of 30 percent of their monthly adjusted family income, 10 percent of gross family income, or the portion of welfare assistance designated for housing toward rent. This program is inactive, i.e., no new projects are being approved.	Authoriation: Housing Act of 1937, Public Law 75-412, 42 U.S.C.1401-1435, as amended; Housing and Community Development Act of 1974, as amended, Public Law 93-383, 88 Stat. 662, 42 U.S.C. 1437f; Supplemental Housing Authorization Act of 1977, Public Law 95-24, 91 Stat. 53; Housing and Community Development Act of 1977, Public Law 95- 128, 91 Stat. 1111; Housing and Community Development Amendments of 1978, as amended, Public Law 95-557, 92 Stat. 2080; Housing and Community Development Amendments of 1979, Public Law 96-153, 93 Stat. 1121; Housing and Community Development Act of 1980, Public Law 96-399, 94 Stat. 1614; Housing and Community Development Amendments of 1981, Public Law 97-35; Housing and Urban-Rural Recovery Act of 1983, Public Law 100-242; Housing and Community Development Act of 1987, Public Law 101-235; Department of Housing and Urban Development Reform Act of 1989; Housing Opportunity Program Extension Act of 1996, Public Law 104-120; Multifamily Assisted Housing Reform and	Section 8 Housing Assistance Payments Program, Existing Housing and Moderate Rehabilitation Processing Handbook, 7420.3; PHA Administrative Practices Handbook for the Section 8 Existing Housing Program, 7420.7; Accounting Handbook 7420.6; Section 8 Rental Certificate, Rental Voucher, and Moderate Rehabilitation Programs Forms, Legal Contracts and Publications, Handbook 7420.7.	327,452	332,982	334,786	341,924	341,852	1,678,996

Department of Local Affairs
Non-Appropriated Funds Not Distributed to State or Local Agencies

Funding Source	Federal or State Funds	CFDA Number if applicable	Program Name	General Description of Use of Funds	Federal or State Statutory Requirements Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Federal or State Rules Governing the Use or Distribution of Funds *Provide Citation and Brief Summary*	Amount of Funding Received by DOLA for Distribution SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	TOTAL
					Affordability Act of 1997, Public Law 105-65. Regulation: 24 CFR Part 882,							
						Grand Total	13,852,695	16,029,959	18,282,552	18,593,278	18,625,180	85,383,664