

www.DECD.org

The Department of Economic and Community Development is the state's lead agency responsible for strengthening Connecticut's competitive position in the new high-tech, knowledge-based global economy. The agency takes a comprehensive approach to economic development that incorporates housing and community development, as well as culture and tourism.

DECD Funding Programs

Capital Projects/Infrastructure and Community Development

- Urban Act Program
- STEAP (Small Town Economic Assistance Program)
- Capital Improvement Program (Special legislation)
- Municipal Development Program (funded by MAA) – Infrastructure development, land assemblage, power of eminent domain

Culture, Neighborhoods and Tourism

- Historic Homes/ Structures Preservation/ Rehabilitation Tax Credit/Incentives
- Arts Catalyze Placemaking Program
- City Canvas

Potential Future Housing Development Funding

- Competitive Housing Assistance for Multifamily Properties (CHAMP)
 - CHAMP I AND CHAMP II rounds have been completed -\$50 million
 - CHAMP III round applications due April 5, 2013 (\$ amount not determined yet).
- CHFA 2013 9% Low Income Housing Tax Credit round – Fall 2013
- \$300 million/10 year State Housing Portfolio funding.

Brownfield Development

- Targeted Brownfield Development Loans (TBDL)
 - Loans totaling \$22 M for Competitive rounds 1 and 2
 - Round 3 applications are due December 15, 2012 - Additional \$25 M

- Brownfield Municipal (and Regional) Grant Program
- Currently awarded \$ 12.5 M in competitive rounds 1 & 2
- Brownfield Remediation & Revitalization Program (Abandoned BF Cleanup and Section 17)
 - Off-site contamination liability relief for eligible applicants (no actual funds)
 - Section 17 Program only allows 32 properties yearly – a plus of the program is that it is granted before the remediation activity begins.
- Urban Sites Remedial Action Program – funded by DEEP and managed by DECD

For Businesses

- Economic Development and Manufacturing Assistance Act – \$340 million over 2 years
 - Low-interest loans
 - Favorable Terms
- Gap lending
 - Small Business Express Program – A \$100 million program
 - Insurance Reinvestment Program – A \$200 million program with \$190 million approved and available
- Urban and Industrial Sites Reinvestment Tax Credit
- Film Production & Digital Media Tax Credit
- Job Expansion Tax Credit
- Corporate business tax credits
 - R&D, M&E, etc.
- Enterprise Zone benefits
 - 80% property tax abatement
 - Up to 50% corporate tax credit

OPM-Administered Programs

<http://www.ct.gov/opm>

The Office of Policy and Management (OPM) functions as the Governor's staff agency and plays a central role in state government, providing the information and analysis used to formulate public policy for the State and assisting State agencies and municipalities in implementing policy decisions on the Governor's behalf. OPM prepares the Governor's budget proposal and implements and monitors the execution of the budget as adopted by the General Assembly. Through intra-agency and inter-agency efforts, OPM strengthens and improves the delivery of services to the citizens of Connecticut, and increases the efficiency and effectiveness of state government through integrated process and system improvements.

The following programs are available to help support transit-oriented development planning and implementation:

1. Small Town Economic Assistance Program (STEAP) – Contact: Meagan Cowell (860-418-6381)
Funds economic development, community conservation and quality of life projects for municipalities that are ineligible to receive Urban Action (CGS Section 4-66c) bonds. Some examples of eligible uses for STEAP funds include:
 - economic development projects such as (a) constructing or rehabilitating commercial, industrial, or mixed-use structures and (b) constructing, reconstructing, or repairing roads, access ways, and other site improvements;
 - social service-related projects, including day care centers, elderly centers, multi-purpose human resource centers, and food distribution facilities;
 - housing and recreation projects;
 - pilot historic preservation and redevelopment programs that leverage private funds; and
 - other kinds of development projects involving economic and community development, transportation, environmental protection, and public safety.
2. Local Capital Improvement Program (LoCIP) – Sandra Huber (860-418-6293)
Reimburses municipalities for the cost of eligible local capital improvement projects, such as road, bridge or public building construction activities. A municipality can request LoCIP funds by completing a simple application form for project approval and project reimbursement that gives a general description of the project, its work location, and the actual cost of the project. Each year, OPM provides a formula-based entitlement to each municipality's available LoCIP balance. These funds can accumulate from year to year.
3. Main Street Investment Fund (MSIF) – Dimple Desai (860-418-6412)
Provides grants to municipalities with populations of not more than thirty thousand (30,000) or municipalities eligible for the STEAP program, pursuant to CGS Section 4-66g, for the purpose of developing or improving town commercial centers to attract small businesses, promote commercial viability, and improve aesthetics and pedestrian access. Grant monies shall be used for improvements to property owned by the municipality, except the municipality may use a portion of the proceeds of the grant to provide a one-time reimbursement to owners of commercial private property for eligible expenditures that directly support and enhance an eligible project.
4. Housing for Economic Growth (HEG) Program – Dimple Desai
Provides grants to municipalities for creating Incentive Housing Zones (IHZ) in eligible locations, such as near a transit facility, an area of concentrated development or an area that is otherwise suitable for development as an IHZ because of existing, planned or proposed infrastructure. CGS Section 8-13(m-x) authorizes OPM to make grants to municipalities for the purpose of providing technical assistance and pre-development funds in the planning of incentive housing zones, the adoption of incentive housing zone regulations and design standards, the review and revision as needed of applicable subdivision regulations and applications to the Secretary for preliminary or final approval.
5. Regional Performance Incentive (RPI) Program – Sandra Huber
Provides grants to regional planning organizations, two or more municipalities, regional economic districts, or combinations thereof, for projects or related planning studies designed to provide cost savings through shared services.



CHFA
the key to affordable housing

CHFA Housing Programs

CHFA's mission is to increase the availability of affordable housing in Connecticut. To achieve this mission, CHFA offers several single-family mortgage programs for borrowers and financing for developers of multifamily rental housing. Since its founding in 1969, CHFA has provided more than 128,000 mortgages to first-time homebuyers and financed more than 35,000 rental homes in the state.

SINGLE FAMILY RESIDENTIAL MORTGAGES

- First-time homebuyers low interest rate is 2.75% (as of 12/06/12)
- Income limit is \$81,000 for 1-2 person household
- Income limit is \$93,150 for 3+ person household
- In Targeted Areas of Meriden, (*6 Census Tracts*) the income limit is \$97,200 for 1-2 person household, \$113,400 3+ person household
- Targeted areas are 1/4% below our regular interest rate, and prior homeowners are eligible

Special Programs:

- Downpayment Assistance Program
- Reverse Annuity Mortgages for elderly (aged 70+) with long-term care needs
- Military, Police & Teacher Programs – 1/8% discount on regular rate
- Home of Your Own (HOYO) Program for people with disabilities, 1/8% discount
- Residents of public-assisted housing moving into homeownership, 1/8% discount
- HERO – financing for foreclosed properties
- FHA 203K – financing for renovation and purchase of properties in need of upgrades

MULTIFAMILY RENTAL FINANCING

For-profit, non-profit and/or housing authority qualified development team, funding sources include:

Tax Credit Programs:

- Federal Low-Income Housing Tax Credit (LIHTC) Program – 4% or 9% - for new construction or substantial rehab of existing property
- State Housing Tax Credit Contribution (HTCC) Program

Bonds:

- Construction and permanent financing
- Tax-Exempt Bonds
- Taxable Bonds

ASSET MANAGEMENT

- Review for compliance with affordability guidelines and appropriate maintenance and upkeep

CT Department of Transportation (DOT)

Transit Oriented Development

DOT is authorized by state statute to participate in TOD activities on its own station properties. The statute also allows DOT to participate in TOD projects on adjacent or nearby properties under certain circumstances.

Existing Stations. At many of its existing stations, DOT owns the land, the station, and the parking facilities. As these properties need reconstruction, expansion, or other improvements there is often an opportunity to include transit oriented development as part of the improvement project. For example, the Department is starting a major project at the Stamford train station to replace an aging parking structure, improve the station, and also provide opportunities for development at the station site. It is being done as a public private partnership that might serve as a model for how the Department implements improvements and TOD at other stations it owns.

New Stations. Each new station that the Department builds provides a special opportunity for TOD. These opportunities now exist in each of the two new transit corridors discussed at the workshop: the NHHS Rail Line and CTfastrak. The Department is willing to work with each municipality to support a local TOD effort.

TOD Planning & Interagency Technical Assistance. The Department is currently part of a team of state agencies that is engaged with the City of Meriden and helping to advance the City's TOD plans. This is being done as part of pilot project to identify effective ways for various state agencies to coordinate efforts and work collaboratively with a community in support of TOD. It is anticipated that this assistance will be extended to other interested communities in the near future. Prior to doing that, the taskforce will assess lessons learned and prepare some recommendations on how to prioritize requests for assistance.

Bus Services

- CT Transit (Hartford, New Haven, Stamford)
- CTfastrak (*starting 2015*)

Rail Services

- New Haven Line
- New Canaan Branch Line
- Danbury Branch Line
- Waterbury Branch Line
- Shoreline East Line
- New Haven – Hartford – Springfield Line (*starting 2016*)

Contacts:

- **Tom Maziarz: TOD assistance**
(860) 594-2001, Thomas.Maziarz@ct.gov
- **Mike Sanders: CTfastrak stations & CTTransit**
(860) 594-2829, Michael.Sanders@ct.gov
- **Gene Colonese: rail stations (New Haven Line, branch line, Shoreline East, NHHS Line)**
(203) 497-3344, Eugene.Colonese@ct.gov
- **John Bernick: New Haven – Hartford – Springfield Line**
(860) 594-3304, John.Bernick@ct.gov



DEBT FINANCING

Small Business Loan Guarantee Program - Also known as URBANK, this program can help small and entrepreneurial businesses gain access to financing that would otherwise be unavailable by greatly reducing the risks to the lender. This fast, hassle-free program features automatic enrollment to \$500,000 through one of the many banks that participate with CI.

Direct Loans - The direct loan program provides up to \$5 million in capital to Connecticut businesses that may not meet conventional lending criteria. With terms up to 20 years, this financing can be used for most general business purposes.

Participation Loans - CI can purchase a participation in a private-sector loan and generally takes a subordinated position to the lender. This expands the bank's capacity to meet the customer's borrowing requirements, with pro-rata sharing of interest and no CI fees.

Loan Guarantee Program - Designed to help private-sector lenders meet their clients' financing requirements, this program guarantees capital provided by a business's lending partner. The guarantees can fully cover losses up to 40% of the principal balance and can be combined with financing and investments from other public and private sources.

Brownfields Redevelopment Financing - Both CI and its subsidiary, the Connecticut Brownfields Redevelopment Authority (CBRA), can finance the redevelopment of environmentally contaminated industrial and commercial sites. Brownfield projects can be financed through direct, guaranteed and participating loans as well as through the Tax Incremental Financing program.

EQUITY AND RISK CAPITAL INVESTMENTS

TechStart Fund - This fund spurs technology innovation and business formation. It provides capital of \$25,000 to startup teams to accelerate the launch of their technology businesses. Supporting the fund is the three-month TechStart Acceleration Program, which provides teams with mentors and professional resources.

Pre-Seed Fund - This fund offers loans of up to \$150,000 to assist entrepreneurs in growing early-stage, high-tech companies. A 50% match from private sources is required. The fund is an important catalyst in the state's high-tech economic development engine, providing support for companies emerging from universities, business incubators and other sources.

Transit Oriented Development

The Department of Energy and Environmental Protection is working in close collaboration with OPM, DECD, DOT and other federal, state, and local partners to support transit oriented development (TOD) efforts, which include:

- Expanded commitment to transport-oriented development and a broader mobility focus that encourages bikeways, walking paths, and other quality of life investments
- Secure funding for transportation infrastructure in support of reduced road congestion, improved air quality, and a strengthened platform for economic growth and job creation
- Investment in a clean fuels/vehicles initiative that will ensure that the basic infrastructure needed for vehicle choice will be in place

DEEP is investing state funding in sewers and other critical infrastructure to allow for high-density development in transit corridors. Many of DEEP's existing programs assist in facilitating TOD through brownfields work, land use permitting, and planning. DEEP provides:

Pre-Application Assistance - Complex development projects may require many different environmental permits and include fairly complicated application requirements. DEEP has a pre-application process to assist applicants. DEEP has published *The Municipal Primer* which provides basic information and guidance to municipal officials on a wide variety of topics related to environmental protection. For more information contact the Permit Assistance Office at 860-424-3003.

Brownfields – Many TOD areas include properties where expansion, redevelopment, or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant related to prior uses. DEEP maintains a Connecticut Brownfields Inventory and oversees the investigation and remediation of brownfield sites. For more information contact DEEP's Remediation Division at (860) 424-3705 or DEEP's Brownfields coordinator, Graham Stevens at 860-424-4166.

Energy - TOD housing and commercial development presents energy efficiency opportunities in new builds and retrofits and potential for distributed energy solutions. DEEP and the Clean Energy Finance and Investment Authority (CEFIA) offer programs that can assist municipalities and developers with cheaper, cleaner and more reliable energy options.

- CEFIA's C-PACE program allows property owners to finance qualifying energy efficiency and clean energy improvements on their properties through an additional charge ("assessment") on their property tax. For more information contact Jessica.bailey@ctcleanenergy.com.
- A new standardized Energy Savings Performance Contracting Program for use by state agencies and municipalities will help state and municipal governments implement a portfolio of comprehensive energy savings measures with no upfront capital. The costs of the energy retrofits are paid for by future guaranteed savings from utility and maintenance budgets. For more information contact lynn.stoddard@ct.gov.
- Public Act 12-148 required DEEP to establish a microgrid grant and loan pilot program to support local distributed energy generation for critical facilities. For more information contact veronica.szczerkowski@ct.gov.

For more information and these and other DEEP programs please contact Bob Kaliszewski by phone at 860-424-3003 or via email at robert.kaliszewski@ct.gov.