

### **Brownfield Competitive Round 21**

Walk-in Session #2
Remediation Grant + Loan Program Highlights

# **Brownfield Competitive Round 21**

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Connecticut Department of Economic & Community Development

**January 29, 2025** 



# **Meeting Announcements**

- Please remain on mute.
- Type into the chat: <u>Name</u> & <u>Organization</u>
- Meeting will be recorded
  - The presentation and recording will be posted on the OBRD website (<u>www.ctbrownfields.gov</u>)
- Enter questions and comments into the Chat and they will be answered at the end of the presentation during the Q&A
- FAQ document is available on the OBRD website
  - Will be updated with addendum on Friday, February 7, 2025.



# **Summary of Funding Availability**

### TOTAL AVAILABILITY - \$25 million

PROGRAM	MAX per application	MIN per application	Notes
Grant – Remediation/Limited Assessment	\$4 million	\$200,000	
Loan – Remediation/Limited Assessment	\$4 million	\$500,000	Min. is \$500K
Grant – Assessment-only (Land Banks/COGs)	\$500,000	\$100,000	Can apply for multiple projects/sites. Maximum per project - \$200K
Grant – Assessment-only (Others)	\$200,000	\$100,000	
Grant – BAR Planning	\$200,000	none	Min 10% match requirement



## **Schedule**

Presentations and Walk-in Teams Meetings					
Wed, Jan 22, 2025 (10 – 11AM)	Topic: Assessment-Only Grant Program Highlights				
Wed, Jan 29, 2025 (10- 11AM)	Topic: Remediation/Limited Assessment Grant & Loan Program Highlights				
Wed, Feb 5, 2025 (10- 11AM)	Topic: BAR Planning Grant Program Highlights				
Recording of previous webinar	Topic: Building your Redevelopment Project Capital Stack (a presentation from other public funding programs)				
Recording of previous webinar	Topic: Public-private partnerships: Options available to brownfield developers and stakeholders				
Questions on the NOFA					
Wed, Feb 5, 2025	Deadline for questions to DECD on this NOFA				
Fri, Feb 7, 2025	Posting of FAQ Addendum (if any) on OBRD's Website				
Application Deadline					
Wed, March 5, 2025 @ noon	Request for SharePoint folder				
Friday, March 7, 2025 @ noon	Deadline to submit or upload Application Package				
Round 21 Award Announcement					
June/July 2025	Award Announcements (tentative)				



Application Process
Remediation Grant/Loan Applications (RG & RL)

### **Process**

- Request SharePoint link send email to <u>brownfields@ct.gov</u>
  - Name of Applicant, Project Name, and 21(RG) or 21(RL) in subject line e.g.: Gotham City\_Downtown Mill, Former, Remediation Project\_21(RG)
- Upload application documents to SharePoint and send email signaling submission completion
  - Contact <u>brownfields@ct.gov</u> with any issues
- Make sure you receive a confirmation receipt from OBRD.

### **Due Date**

Applications will be accepted until **NOON** on **Friday, March 7, 2025.** 



# **NOFA Overview**



# Remediation/Limited Assessment Grant & Loan Programs

- Primary mission bringing brownfields to economic productivity and community value
- Past projects adaptive reuse or new construction
  - Housing/Mixed-uses/TOD
  - Industrial/Commercial/Retail/Business
  - Recreational/Community/Parks
  - Health-related end uses/Research facilities
  - Green Energy Focus
- Competitive process
- Multi-dimensional scoring



# Eligible Applicants for Grant Program Per C.G.S. Section 32-760 (6), (12), (22)

Municipalities

**Economic Development** Agencies / Corporations

Councils of Governments

Connecticut **Brownfield Land** Banks

Entities responsible for the contamination are ineligible.

All applicants must provide proof of access to the site, site control or path to site control.



# Eligible Applicants for Loan Program

- Potential brownfield purchasers
- Current brownfield owners
- All grant-eligible entities
- Persons or entities responsible for the contamination are ineligible
- All applicants must provide proof of access to the site, site control or path to site control.



# **Public-Private Partnership**

- DECD encourages private entities to partner with grant-eligible entities
- Helps with arriving at cost-effective remediation solutions
- The Assistance Agreement (DECD Contract) can be structured to enable a passthrough of the grant from eligible entities to private partner entities
- Private partners will have to accept DECD's collateral terms and property restrictions including
  - mortgage liens,
  - unlimited corporate/personal guaranty,
  - negative pledge and/or use restriction (as applicable, on a case-by-case basis).
- Please view webinar recording on public private partnerships on different options



# **Threshold Requirements**

- Site is a brownfield as per C.G. S. Sec. 32-760.
- Applicant and potential development partner(s) have no direct or related liability for the conditions of the brownfield.
- Applicant or potential development partner has access or will have access to the property, site control or path to site control.
- Potential development partner is registered to do business in the State of CT and is in good standing – no pending lawsuits, liens filed or tax arrears.
- If the redevelopment project has a housing component, proof that it will comply with DECD's Affordable Housing policy.



# **Eligible Uses of Funds**

- Limited investigation, assessment, planning, environmental consultancy
- Soil and groundwater remediation
- Abatement; hazardous materials or waste disposal; demolition activities
- Groundwater monitoring; institutional/engineered controls
- Attorneys' fees (not DECD-contract related tasks)



### **Brownfield Definition**

As per C.G.S. Section 32-760

- Abandoned or underutilized
- No redevelopment, reuse, or expansion due to presence or potential presence of pollutants in buildings, soil or groundwater
- 3. Requires investigation or remediation to enable redevelopment, reuse, or expansion

See FAQ questions on examples of what constitutes a "brownfield" project (RG-#20; RL-#17).



# **Application Review & Award Criteria**

### Shovel Readiness

- remediation plan
- assembly of financing/presence of developer
- redevelopment plan completeness

### Economic and Community Development Impact

- Project in Opportunity Zone/Distressed municipality/Env. Justice (EJ) goals
- Property value/tax contribution/Jobs
- Supports industrial sectors in CT economic development strategy
- Supports renewable energy sector
- Green building design/resiliency features
- Other DECD initiatives TOD, adaptive reuse, affordable housing
- Developer interest and non-DECD support

### Financing

- Applicant/Developer partner contribution/share
- Private leverage of funds
- (For loans loan to value ratio; developer equity)

### Applicant Experience

• Applicant experience with completing similar projects on time and within budget



# **Loan Specifics**

- Minimum Developer Equity 10% of total project cost (redevelopment + remediation project)
- No loan forgiveness
- Duration up to 30 years (should match the private debt financing terms)
- Rate 3%
- Debt Service Coverage Ratio 1.15
- Loan deferral can be negotiated; balloon payment plans will not be approved; amortization over the larger portion of the repayment period.
- Permanent Refinancing The loan will have to be fully repaid on permanent refinancing (does not apply to initial conversion from construction to permanent debt).

# Collateral and Security Requirements

- Completion guarantee or mortgage lien on property (for loans both are required)
- To be provided by either Applicant or the development partner
- Will be held until redevelopment phase is completed
- If plan is to transfer the site to a private developer after remediation, the collateral will have to be assumed by the developer upon transfer.
- Negative Pledge placed on property Approval from DECD Commissioner to sell, lease, transfer, assign or in any way encumber the property (10 years)
- Use Restriction placed on property Covenant placed on property that it will be used for purposes described in Application (10 years)
- Negative Pledge and Use Restriction is placed on the land records

# **Prevailing Wage Rule**

- All projects will have to be consistent with the requirements of <u>C.G.S Section 31-53c</u> and <u>C.G.S. Section 31-53</u>.
- The applicability of prevailing wage as per the statutes is dependent on various factors including, but not limited to,
  - the amount of cumulative DECD funding
  - the entity entering into the grant contract with DECD,
  - the funding sources for the overall project,
  - the entity that will be holding the construction contract (primary recipient versus a private entity),
  - the nature of the improvements (public versus private),
  - and the nature of the end uses (public versus private).
- Please see Grant FAQ #s 25 & 26 and Loan FAQ #s 21 & 22
- DOL Contact (Mary Toner), Wage Enforcement Agent, Public Contract Compliance, DOL mary.toner@ct.gov; 860.263.6606



# **Affordable Housing Policy**

- Effective July 20, 2022 (from Round 16)
- Threshold requirement Part A of Application
- Covers grant and loan remediation programs when the proposed redevelopment project includes 10 or more units
- A portion of those units must be deed-restricted for below market rates for 30 years
- Either A. 10% affordable to households making 50% of AMI (Area Median Income) **OR** B. 20% affordable to households making 80% of AMI.
- Amount spent on housing costs may not exceed 30% of criteria AMI (50% or 80% AMI as per option chosen).
- Units sizes, finishes, bedroom counts, distribution similar to and blended with market rate units
- All projects have to comply unless requested and approved by DECD Commissioner



# **Application Forms Overview**



# Before you Begin...

- Navigate to the correct Application Package
- Go to <u>www.ctbrownfields.gov</u>
  - For Remediation/Limited Assessment Grant – go to the Municipal Grant Program Page

 For Remediation/Limited Assessment Loan – go to the Targeted Brownfield Development Loan Program Page

### NEW 01/10/2025: Remediation Grants – Round 21 Materials

- Remediation Grant: Notice of Funding Availability 21(RG)
- Application Forms Package
  - Budget Summary Sheet 21(RG) ₹
  - Main Application Form Remediation Grant 21(RG) \(\frac{\pi}{\pi}\)
- Budget and Return on Investment Form 21(RG)
  - Certification By Applicant Form 21(RG)
- FAQ Frequently Asked Questions 21(RG) \(\frac{\pi}{\pi}\)

### NEW 01/10/2025: Remediation Loan – Round 21 Materials

- Remediation Loan Notice of Funding Availability 21(RL)
- Application Forms Package
  - Budget Summary Sheet 21(RL)
  - Application Form Remediation Loan Round 21(RL)
- Budget and Return on Investment Form 21(RL)
  - Certification By Applicant 21(RL) 75
- FAQ Frequently Asked Questions 21(RL)



# New Form in RG/RL packages

Budget
 Summary Sheet

### **Municipal Brownfield Grant or Loan Application**

Remediation/Limited Assessment Program

### **BUDGET SUMMARY SHEET**

1. Ар	plicant Name:					
2. Ro	und:					
3. Pro	ject Name:					
4. Bro	ownfield/Cleanup Project Budget:					
	Brownfield Funding Request:					
	Previous Brownfield Funding:					
	Other DECD Funding:					
	Non-DECD Funding:					
TOTAL BUDGET			\$0			
5. Redevelopment Phase Budget:						
	DECD Funding (excluding this request):					
	Non-DECD Funding (excluding amount	#4):				
	TOTAL BUDGET		\$0			



# **Main Application Form Overview**

- Part A Section I, II and III (Threshold Eligibility Criteria)
  - DECD may make decision after review of Part A if threshold eligibility is not achieved
- Part B Sections I through IV Project Details
  - Mirrors the information required to score the project
  - Project Details/Merits
  - Economic and Community Dev. Impact
  - Financing and Budget Details (use Budget Form)
  - Applicant experience
  - Section V Checklist
  - Section VI Helpful reminders



# **Budget and Return on Investment Form**

- First tab Instructions read carefully
- Info should match and be consistent with figures presented in the Budget Summary Sheet.
- Tab 1. Sources of Funds and Tab 2. Budget (Sources & Uses)
  - Includes the full redevelopment stack (Cleanup budget + redevelopment portion)
- Tab 3. Clean-up Budget
  - Includes only the Cleanup/Brownfield Project that DECD brownfield funding may be part of.
  - the Budget Summary Sheet
- Tab 4: Property Value and Taxes
  - Best estimation include supporting information and justification in the Comments section.
- Last tab ROI
  - Auto-generated



# Q&A



# Frequently asked FAQs!

- Can we apply for an ongoing project and for work already completed? (RG FAQ #22)
- 2. Can we apply for a park/community project? (RG FAQ #21)
- 3. Is assessment an eligible use under this program? (RG FAQ #4)
- 4. If successful, can my consultant get reimbursed for preparing the application? (RG FAQ #23)

Review the FAQs – good info



For additional questions or to arrange for a pre-application meeting:
Please send email to brownfields@ct.gov (preferred) or

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Contact the dedicated OBRD hotline number at 1.860.500.2395

Visit the OBRD Website to access the Application material: <a href="https://www.ctbrownfields.gov">www.ctbrownfields.gov</a>

# DECD BROWNFIELDS TEAM



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# Thank you for joining us!