

COMMUNITY INVESTMENT FUND 2030
Notice of Funding Availability (“NOFA”): Round 4

October 16, 2023

Summary

The Department of Economic and Community Development (“DECD”) acts as administrator for the Community Investment Fund 2030 (“CIF”), a five-year program designed to support historically disadvantaged communities across the state with up to \$175 million each fiscal year from 2022 to 2027. This NOFA is issued with respect to the fourth round of available CIF funds. CIF expects two rounds to be available each year throughout the five-year program.

CIF provides funding for a variety of capital improvement and small business support projects as defined by statute and detailed further below (“Eligible Projects”). All Eligible Projects must be submitted to DECD for review pursuant to this NOFA and the attached CIF application materials (“Application”), after which they may be reviewed for recommendation by the CIF Board and the Governor, and then for approval by the State Bond Commission (such projects as finally approved, “Approved Projects”).

As detailed more fully in this NOFA, Approved Projects must:

- Be submitted by an Eligible Applicant (as defined below);
- Promote economic or community development in such municipality; and
- Further consistent and systematic fair, just and impartial treatment of all individuals, including individuals who belong to underserved and marginalized communities that have been denied such treatment, as further detailed in the statute.

Source of Funding and Enabling Statutes: C.G.S. Section 32-285a as amended, authorizes the State Bond Commission to issue bonds up to the amount of \$175 million per year for each fiscal year ending June 30, 2023 through 2027, for the purpose of funding the Community Investment Fund. Please see the [CIF Program and Policy Guidelines](#) for more information.

ONLINE WEBINAR INFORMATIONAL SESSION

Tuesday, October 17, 2023 at 10:00 AM - [REGISTER](#)

A recording of each webinar and an updated FAQ document will be posted to the CIF website.

Application and Approval Timeline:

Notice of Funding Availability issued	Monday, October 16, 2023
Deadline to submit applications	Friday, December 15, 2023, NOON
Administrator transmits Executive Summaries and application materials to CIF Board for review	Friday, February 9, 2024
CIF Board meets to issue recommendations for projects	Tuesday, March 12, 2024 or later
State Bond Commission meets to issue final approval of CIF Board-recommended and Governor-approved applications	Within two months of CIF Board recommendations to the Governor

Eligible Applicants: [Eligible Applicants](#) include (i) municipalities which are designated in state law as either Public Investment Communities or Alliance Districts; (ii) community development corporations which serve one or more such municipalities; and (iii) not-for-profit organizations which serve one or more of such municipalities. A list of municipalities currently designated as Public Investments Communities and designated as Alliance Districts can be found online [here](#).

Description of Eligible Projects

Eligible Projects must

1. promote economic or community development in the municipality where the project is located, and
2. further consistent and systematic fair, just and impartial treatment of all individuals, including individuals who belong to underserved and marginalized communities that have been denied such treatment, such as Black, Latino and indigenous and Native American persons; Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender and queer persons and other persons comprising the LGBTQ+ community; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

There is no limit on the number of proposals which an Eligible Applicant may submit for each round of CIF funding. Multiple eligible applicants may propose joint applications, including multiple municipalities. An Eligible Applicant may re-submit a proposal from a previous round, provided it contains justification as to why the proposal is more meritorious as compared to the previous occasion on which it was submitted.

Criteria for Priority Given to Certain Projects

As required by the Statute, the Board shall give priority to eligible projects for any of the following reasons:

1. The application is proposed by a *municipality* that (A) has implemented local hiring preferences pursuant to section 7-112 of the General Statutes, or (B) has or will leverage municipal, private, philanthropic or federal funds for such project; or (C) includes a letter of support for the proposed eligible project from a member or members of the General Assembly in whose district the eligible project is or will be located.
2. The application (D) has a project labor agreement or employs or will employ ex-offenders or individuals with physical, intellectual or developmental disabilities.

In addition, DECD (acting as CIF Administrator) will review all applications and present an Executive Summary to the CIF Board for each eligible application. This Executive Summary will include DECD's analysis of the strengths and weaknesses of each application.

Please note, prioritization will only be given if appropriate supporting documentation is provided. For example, in the case of leveraged funds, these need to be committed or confirmed. For a project labor agreement, this means that the agreement is provided, not that the applicant is "willing to undertake a project labor agreement."

Grant Size: Individual Eligible Projects must have a proposed minimum funding request of \$250,000; there is no maximum funding request.

Minimum Budget: The total capital project budget must be at least \$1,500,000. Planning budgets must be at least \$250,000.

There are three categories of Eligible Projects:

1. Capital Improvements
2. Small Business Supports
3. Planning

I. Capital Improvements, examples of eligible projects include:

- Brownfield remediation*;
- Affordable housing**;
- Establishment of or improvements to water and sewer infrastructure to support smaller scale economic development,
- Pedestrian safety, and traffic calming improvements;
- Establishment of or improvements to energy resiliency or clean energy projects and
- Site acquisition^ and capital projects to construct;
- Rehabilitation or renovation of buildings and structures to facilitate or improve home rehabilitation programs; or
- Rehabilitation or renovation of public facilities such as libraries and senior centers. ***

Potential uses of funds include construction costs; acquisition of land (subject to procedures required by state law); and fixtures, furniture, and equipment. Professional services (engineering, architecture, consultants project management etc.) and other “soft costs” may be funded however, the Administrator’s preference is to minimize such costs, in keeping with best economic development practices. However, early-stage or conceptual Capital Improvement projects may be eligible for CIF funding to support community outreach and project pre-development, provided that the applicant presents a robust plan for the use of such funding to result in a shovel-ready proposal.

DECD recommends applicants reviewing the FAQ document posted on the program website for questions regarding other specific project types or eligible expenses.

**Brownfield remediation definition 588-gg (2) “Brownfield” means any abandoned or underutilized site where redevelopment, reuse or expansion has not occurred due to the presence or potential presence of pollution in the buildings, soil or groundwater that requires investigation or remediation before or in conjunction with the redevelopment, reuse or expansion of the property*

***DECD has its own internal Affordable Housing guidelines for DECD grant programs. Affordable housing projects will be assessed using this policy.*

****Renovation or construction of new public facilities must include a five-year pro-forma operating budget which addresses operational capability and sustainability.*

[^] - Applications that seek funds for land or building acquisition should provide an appraisal of the property, any environmental reports on the subject property, Purchase and Sale Agreement or LOI between buyer and seller, and projected End-Use valuation of subject property.

- With respect to **Capital Improvements** (defined hereinafter), the Administrator will consider:
 - Alignment with the state's [Economic Action Plan](#) for inclusive growth built on four pillars:
 - Workforce: Broaden the base of skilled workers to meet increasing industry demand
 - Communities: Attract and retain talent by investing in vibrant and affordable communities for all
 - Innovation: Support growth and generate inclusive economic opportunity with CT's most innovative and specialized industries
 - Business Environment: Improve CT's environment and reputation for starting and growing businesses
 - Alignment with DECD best practices and efficient use of taxpayer funds by:
 - Presenting a realistic and comprehensive budget;
 - Limiting "soft costs" to a minimal proportion of such budget;
 - Including a realistic and comprehensive project plan;
 - Demonstrating shovel-readiness; and
 - Leveraging non-state funding.
 - Analyzing State Historic Preservation impacts on project, budget and timeline
 - Analyzing need for Connecticut Environmental Policy Act (CEPA) scoping and impact on project budget and timeline.

II. Small Business Support programs may be proposed by an Eligible Applicant for the purpose of providing:

- A revolving loan program, micro loans, or gap financing, to small businesses located within such municipality; or
- Start-up funds to establish a small business in any eligible municipality.
- CIF funds may support establishment and operation of small business support programs administered by an Eligible Applicant; no CIF funds shall be allocated directly to an individual business.

The Statute requires that any proposed loan or financing must utilize an interest rate that does not vary from the prevailing market rate.

An eligible "small business" shall be defined, as in Section 32-7g(a) of the General Statutes, as a business organization which does or shall (1) employ not more than one hundred employees, (2) have operations in Connecticut, and (3) be in good standing with the payment of all state and local taxes and with all state agencies.

- With respect to **Small Business Support programs** (defined hereinafter), the Administrator will consider:
 - Alignment with the state's [Economic Action Plan](#) for inclusive growth built on four pillars
 - Alignment with DECD best practices and efficient use of taxpayer funds
 - As required by the Statute:
 - The risk of default on repayment of a proposed loan or financing;
 - The impact on job creation or retention;
 - The impact on blighted properties; and
 - The overall impact on the community.
 - Small business financing best practices, including loan terms which align with DECD's Small Business Express program. These terms include:
 - A maximum 4.0% origination fee and maximum 1.5% yearly servicing fee, to cover administrative expenses;
 - Maximum loan amounts of \$100,000 for any business which has been in operation for less than one year;
 - Loan proceeds to be used only for a business purpose, such as: start-up costs; working capital; franchise fees; acquisition of equipment, inventory, or services used in production, manufacturing, or delivery of a business's goods or services; construction, renovation, or tenant improvements of a place of business that is not for passive investment purposes;
 - Eligible businesses receiving loans or other financing may NOT include those which are engaged primarily in: activities prohibited by federal, state, or local law; speculative activities that develop profits from fluctuations in price rather than through the normal course of trade; gambling operations; lobbying activities; passive real estate investments; pay-day loan stores; and
 - Eligible businesses receiving loans or other financing may not be currently delinquent or have defaulted on loans issued through the Connecticut Small Business Express Program, Small Business Boost or be delinquent on any federal, state, or local taxes.
 - Eligible businesses receiving loans or other financing must be in compliance with the terms of any grants from DECD

III. Planning

- \$250,000 award amount
- Eligible activities to be funded include community engagement processes, feasibility studies, sustainability analysis and planning, development of project plan, conceptual drawings and construction budget documents.
- \$1,500,000 minimum budget is NOT mandatory.
- With respect to **Planning** requests (defined hereinafter), the Administrator will consider:
 - Potential final project alignment with the state's Economic Action Plan for inclusive growth built on four pillars:
 - Workforce: Broaden the base of skilled workers to meet increasing industry demand

- Communities: Attract and retain talent by investing in vibrant and affordable communities for all
- Innovation: Support growth and generate inclusive economic opportunity with CT's most innovative and specialized industries
- Business Environment: Improve CT's environment and reputation for starting and growing businesses
- Alignment with DECD best practices and efficient use of taxpayer funds by:
 - Presenting a realistic and comprehensive budget;
 - Including a realistic and comprehensive planning plan;
 - Demonstrating planning project-readiness; and
 - Leveraging non-state funding.
 - Potential State Historic Preservation impacts on project, budget and timeline
 - Potential need for Connecticut Environmental Policy Act (CEPA) scoping and impact on project budget and timeline.

Prevailing Wage Requirements: Generally speaking, CIF grant recipients are likely subject to prevailing wage rates under state law. Prevailing wage requirements generally apply to any state-funded construction projects of \$1,000,000 or more. Before submitting a Round 4 application, all applicants will be required to confirm that they assessed the applicability of prevailing wage rates to their project. Applicants are responsible for assessing the applicability of prevailing wage statutes to their project, pursuant to C.G.S. Section 31-53 and 31-53c. The applicability of prevailing wage statutes to their project as per the statutes is dependent on various factors including, but not limited to, the amount of cumulative DECD financial assistance (see C.G.S. Section 31-53c(a)(2) received for the proposed project/project site over the years, the entity entering into the grant contract with DECD, the funding sources for the overall project, previous, current and future ownership of the improvements/parcel/property, the entity that will be holding the construction contract (primary recipient versus a private entity), the nature of the improvements (public versus private), the type of project (new construction versus rehabilitation) and the nature of the end uses (public versus private). For further questions regarding the applicability of the prevailing wage rates for your project, please contact Mary toner, Wage Enforcement Agent, Wage and Workplace Standards Division at the CT Department of Labor. Mary.Toner@ct.gov, 860-263-6606.

DECD Affordable Housing Policy: If the project involves a net addition of 10 or more residential dwelling units for rent, a portion of those units must be deed-restricted for 30 years to be offered at below-market rent. If the project involves a net addition of 10 or more residential dwelling units for sale, some of those units must be deed-restricted in perpetuity to be offered for sale at below-market price. Applicants may choose whether to provide 10% of units affordable to households making 50% of the area median income (AMI), or 20% of units affordable to households making 80% of AMI. Affordable unit rent may not exceed 30% of the criteria AMI, and affordable unit sale price may not exceed an amount that would lead to expected monthly housing costs exceeding 30% of the criteria AMI. Expected monthly housing costs are the expected sum of monthly property taxes, 30-year mortgage payment assuming 3% down payment and prevailing interest rates, and any common charges.

Units must be on-site, the unit sizes and finishes must be comparable to market-rate units, the unit bedroom counts for affordable units must be in the same proportion as market-rate units, and the affordable units must be distributed evenly throughout the market-rate units. If construction is phased, affordable units must be constructed as proportionally as is feasible in each phase. Affordable units must use the same building access as market-rate units and have comparable access to building amenities.

The DECD Commissioner may approve projects not in compliance with the above policy following a written request with detailed justification from applicant.

Infrastructure Projects: For proposed projects involving essential infrastructure that facilitates future development and include a private development partner, applicants may be required to submit a private developer guaranty on the proposed end-use of the project.

Mortgage Lien: If selected for a Community Investment Fund grant, the Applicant may be required to provide a non-recourse mortgage (the “Mortgage”) of its property as security for the Applicant’s obligations of Completing the project. DECD shall release the Mortgage or collateral when DECD has determined in its sole judgement that the Applicant, Implementing Partner and/or Project Developer has completed the Project. If the project is not completed by five years after the award date, DECD may foreclose the Mortgage but not seek a deficiency judgment. The Mortgage may be subordinated to the lien of a lender or other entities providing financing for the redevelopment of the Project Property referred to in the Commissioner’s Proposal. Completion of the Project shall be demonstrated by the Applicant providing proper documentation that shall be determined in the Commissioner’s Proposal. Before submitting a Round 4 application, all applicants will be required to confirm that the property owner or project partner is willing to enter into such an agreement with DECD.

Other Funding Requirements: DECD funded projects also can require a Use Restriction and Negative Pledge, as well as other reporting and compliance requirements. Before submitting a Round 4 application, all applicants will be required to confirm that the property owner or project partner is willing to enter into such an agreement with DECD.

CIF AWARD PROJECT CHANGE REQUESTS

As of September 26, 2023, the CIF 2030 Board instituted a change policy for any project awarded funds through the program. All applicants and awardees are notified that this policy applies to their submitted application. If there is a change to the application as submitted and awarded by CIF2030, the awardee will provide a written description of the proposed changes and shall address how the following are affected, if at all:

- Project Scope – i.e., location, elements, activities;
- Outcomes – i.e., service capacity, units, job creation, size of facility;
- Budget – i.e., cost of project; and
- Leveraged funds - i.e., non-CIF funds committed to the project.

The Applicant will submit a new application to a future CIF competitive funding round for any request for additional CIF funds.

For requests that do not require additional CIF funding, DECD will either review the request internally or bring the request for CIF Board approval, depending on whether the change is a Substantial Change.

A Substantial Change is defined as:

1. A change that results in a 20% reduction in any of the following:
 - i. Project Scope – i.e., location, elements, activities
 - ii. Outcomes – i.e., service capacity, units, job creation, size of facility
 - iii. Leveraged Funds - i.e., non-CIF funds committed to the project

OR

2. A change that results in a portion of the project being unfunded, i.e., creating a “funding gap.”

Any change in a project that is inconsistent with the description of the project as approved by the State Bond Commission will need to go back to the CIF Board and State Bond Commission for approval regardless of whether the change is a Substantial Change.

Any project with a substantial change prior to execution of the assistance agreement will be de-allocated and will need to be re-submitted for consideration in a subsequent competitive round.

The Applicant will need to demonstrate availability of funds to meet any funding gap created by a requested change in the project. Funding gaps in the capital stack will be allowed a six-month cure period. Requests for additional CIF funds towards a funding gap in the project budget will go through a normal CIF competitive application and award process.

Application Process:

There are three separate online application portals for Round 4. Capital Projects, Small Business Support Programs and Planning each have an application portal. Re-applications from previous Rounds will submit through the appropriate portal. Paper copies, Word documents and emailed submissions will not be accepted.

Re-applications are treated as separate applications from previous rounds. Accordingly, documents provided in previous rounds will not be reviewed as part of a re-application, unless provided again in the re-application. All re-applications shall, however, contain a justification as to why the new proposal is more meritorious as compared to the previous occasion on which it was submitted.

The Application Portals are available on the CIF Website:

<https://portal.ct.gov/communityinvestmentfund/>

Submit your completed application electronically by 12:00 PM NOON on December 15, 2023.

Attachments will be submitted through a unique SharePoint folder. You must request your unique SharePoint folder link by emailing CommunityInvestmentFund@ct.gov by **November 30, 2023**.

Please indicate up to two team members that need to have access to this private folder. Please do not upload a pdf or word version of the application into your SharePoint folder. All applications must be submitted through the portal.

ATTACHMENTS

The following list of documents is provided to help applicants plan for their application. Please label all files clearly, briefly and succinctly (Organization_DocumentName). Abbreviations are strongly encouraged. (i.e. DECD, Hartford versus City of Hartford, CIF S&U versus CIF Round 4 Sources and Uses Budget, etc) *Please only provide attachments in the following file formats .doc, .docx, .pdf, .xls, .xlsx, .csv, .jpg. DO NOT CREATE SUBFOLDERS.*

The list below is not exhaustive. It is the applicant's responsibility to include any relevant attachments, documents, and/or plans for consideration.

- Documentation of Non-Profit 501c3 determination (NPO)
- 2 previous years' Audited Financials (if applicable)
- Certificate of Legal Existence (for private entities)
 - If your organization had a name change, submit a Standard Certificate (not Express)
- Articles of Incorporation (for corporations)
- Municipal Certification of Eligibility for Discretionary State Funding (municipal applicant only)
- Project Labor Agreement (if applicable)
- Letter of Support from General Assembly member(s) (if applicable)
- Letter of Support from Municipality (if applicable)
- CIF Round 4 Sources and Uses Document (use provided budget template)
- Detailed Budget (applicant provided)
- Support for budget (ie estimates)
- Confirmation of Sources of Funding (award letters, commitment letters, term sheets, etc)
- Operational Pro-Forma Budget (required for public facility applications)
- Project Completion Timeline
- Location Map
- Architectural Plans, Renderings, Site Plans, Surveys, etc
- Permits (if available)
- Feasibility Study, Market Study (if available)
- Project Team Bios and Work Examples (if available)
- Property Ownership documentation (if applicable)
 - Deed, Property Card, Letter of Intent, Purchase & Sale Agreement, Lease, etc
- [State Historic Preservation Office Project Notification Form](#)

- SHPO Determination Letter (if available)
- Municipal or Non-profit Board Resolution to Request Funding (optional template provided)
- Purchase Sale Agreement or LOI (acquisition of property)
- Property Appraisal (acquisition of property)
- Phase 1 Environmental (acquisition of property)

Questions regarding the Application should be addressed in writing to:

CommunityInvestmentFund@ct.gov

Any clarification or supplemental information will be added to the dedicated [Program Webpage](#).

Detailed application instructions are available at the dedicated [Program Webpage](#).