

FREQUENTLY ASKED QUESTIONS

Last Updated May 31, 2024

Please submit additional questions to communityinvestmentfund@ct.gov.

ELIGIBILITY - APPLICANTS

Does a non-profit or community development corporation (CDC) need to be located in an eligible municipality?

No. A non-profit or CDC does not need to be located in an eligible municipality to be an eligible applicant, but it needs to demonstrate that it serves the eligible municipality.

Does a non-profit or CDC need approval from the municipality to apply?

No. A non-profit or CDC does not need approval from the municipality or chief municipal officer of the municipality to apply. An applicant can provide a letter of support, or minutes for a meeting where this support was granted, to demonstrate the municipality's support. This is not mandatory.

If a non-profit or CDC serves multiple municipalities, of which some are not Public Investment Communities (PIC) or Alliance Districts, are they eligible to apply?

If a non-profit or CDC serves multiple municipalities, they will need to demonstrate clearly that CIF funds are used on a project that only serves the eligible municipality(ies).

If the municipality is "grandfathered" or drops off the PIC or Alliance Districts lists next year, does it lose eligibility for CIF?

No. Municipalities that were eligible in the 2022-2023 fiscal year ending June 30 will remain eligible for the five-year period of CIF. This language was added to the CIF Policy and Guidelines by the Board on September 27, 2022.

Is there a difference between a municipality being eligible because it is a PIC or Alliance District or both?

No. There is no difference or priority given to a municipality if it is on the eligible list because it is a PIC or Alliance District or both.

Are new non-profits or CDCs eligible to apply? Is there a specific length of time that a NPO or CDC needs to be incorporated or operating before they are eligible to apply?

No. There is no limitation.

Can a public housing authority apply?

Not by itself. Eligible applicants are limited to municipalities, community development corporations and non-profit organizations. Public housing authorities can apply as a partner with one of those entities as the lead applicant.

Are universities eligible to apply?

Eligible applicants are limited to municipalities, community development corporations and non-profit organizations. If the university or college is an organization described in section 501(c)(3) of the Internal Revenue Code, then it is eligible to apply alone for CIF funding. Otherwise, the institution would need to apply as a partner with one or more of the three eligible categories of entities listed above.

Are organizations described in sections 501(c)(6) or a 501(c)(7) of the Internal Revenue Code eligible to apply?

Yes. They are non-profit organizations and eligible under the authorizing statute.

Are quasi-public agencies eligible to apply?

The language in the authorizing statute for the Community Investment Fund does not define non-profit. Elsewhere in the General Statutes, institutions of higher education and other public and quasi-public entities are identified as eligible for economic development grants – something that the CIF authorizing statute does not do, and which we have confirmed with the drafters of the legislation was intentional. For these reasons we have made the determination that CIF funding is authorized only for private, non-profit organizations with 501(c)(3), (6) and (7) exemptions with the IRS. We would encourage you to partner with one of these organizations or with a community development corporation or a municipality.

Is a Municipal Special Services District, authorized by Conn. Gen. Stat. sections 7-339m, eligible to apply? Based on statutory definitions, a Municipal Special Services District is not an eligible entity to apply alone for CIF funding. Eligible applicants are limited to municipalities, community development corporations and non-profit organizations. Municipal Special Services Districts can apply as a partner with one of those entities as the lead applicant.

Is an LLC able to apply if they are a community service organization?

No. Per statute, eligible applicants are limited to eligible municipalities, and CDC and non-profit organizations that serve eligible municipalities. An LLC is able to partner with an eligible applicant, but the applicant must be one of the eligible entities.

Is a private developer or private company eligible to partner with an eligible municipality or CDC or NPO that serves an eligible municipality?

Per statute, eligible applicants are limited to eligible municipalities, and CDC and non-profit organizations that serve eligible municipalities. An LLC is able to be a partner with an eligible applicant, but the applicant must be one of the eligible entities.

Is a non-profit with an open State Bond still eligible to submit an application?

Yes. If the bond funding supported the same project, this should be represented by the applicant in the CIF Sources & Uses Budget document.

Are CIF awardees eligible to apply for future Rounds?

Yes.

Can new applicants partner with an awardee from a previous round?

Yes.

PRIORITIZATION

Are non-profits or community development corporations able receive statutory prioritization of their application?

The authorizing statute for the Community Investment Fund 2030 requires that the CIF Board give priority to projects that are proposed by a municipality that (I) has implemented local hiring preferences pursuant to section 7-112 or (II) has or will leverage municipal, private, philanthropic or federal funds for such project. The Board must give additional priority to an application submitted by a municipality that 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. In addition, the statute also requires that the Board give priority to applications submitted by any eligible applicant that includes a project labor agreement or employs or will employ ex-offenders or individuals with physical, intellectual or developmental disabilities.

The CIF statute does not require the Board to give prioritization to applications submitted by a non-profit or community development corporation that have a letter of support from a

General Assembly member or which leverage non-state funds. Leveraging non-state funds aligns with DECD “best practices” and demonstrates shovel-readiness.

ELIGIBILITY – PROJECTS

Improvements to and construction of public facilities are eligible projects. Is there a definition for public facility?

A public facility is one which is regularly open to the public and is not controlled by a for-profit entity. Some examples of public facilities include (but are not limited to): a public library; a senior center; a soup kitchen; an arts venue controlled by a non-profit; a non-profit daycare center; a non-profit workforce training facility.

If a project is already moving forward and scheduled to break ground before CIF funds are awarded, but funding has not been completed, is it eligible to apply?

Such a project would be eligible to apply. However, DECD as Administrator of CIF will highlight applications for the Board wherein the need for CIF funds is clearly demonstrated. DECD would suggest to the Board that a project which would be completed with or without CIF funds would not constitute an effective use of taxpayer money.

Will grant awards be made to projects which do not have all funding sources committed at the time of application?

Yes, projects can be awarded CIF funding prior to determination of award for other project funding sources. However, non-confirmed funding will not count as “leveraged funds” for consideration of statutory prioritization. The applicant should update CIF staff upon confirmation of any additional or pending funding sources. Finalization of funding will be addressed in the contracting stage of the project.

Can CIF funds be used to create a revolving loan fund to non-profits or small businesses in eligible communities for eligible capital projects?

Per legislative action in May 2024, small business programs are no longer an eligible use of CIF funds.

CAPITAL PROJECTS

Is building and/or land acquisition an allowable cost?

Yes, acquisition is an allowable Capital Project expense. An appraisal is required.

Would new library construction be included or only improvements to existing facilities?

Both new facility and renovation costs would be eligible.

Are healthcare facilities eligible?

Yes, an eligible non-profit can apply for construction or renovation of a healthcare facility.

Are nonprofits able to submit applications for a capital project in a location where they have a long-term lease (10+ years)?

Yes, as long as the applicant can show they will maintain control over the improvements for a considerable amount of time. The owner of the property must be willing to agree to the terms of the grant contract which may include Negative Pledge, Use Restriction, and Mortgage Lien.

Would rehabilitation of non-profit facilities be eligible?

Yes, provided that the applicant meets all the eligibility requirements and demonstrates the benefit to the underserved population.

If you are building on rented land would that be eligible, what would we need to provide in terms of a lease?

The applicant needs to demonstrate that it will maintain control over the facility for a considerable amount of time (have a long-term lease). The owner of the property must be willing to agree to the terms of the grant contract which may include Negative Pledge, Use Restriction, and Mortgage Lien.

Would roads, water and sewer infrastructure related to the capital project be eligible?

Yes. Provided the additional eligibility criteria are met; Per the statute, "...establishment of or improvements to water and sewer infrastructure to support smaller scale economic development..." (C.G.S. § 32-285a(a)(3)(A)(i)).

Can funds be used to purchase equipment to be used in a facility for education purposes?

CIF funds can be used towards the design, renovation, initial construction and build out for a public facility that provides an on-going programmatic service such as an educational facility, job training facility or other such program, provided that it meets all of the other eligibility requirements of the CIF program. Per the CIF Program and Policy Guidelines, "Potential uses of funds include construction costs; acquisition of land (subject to procedures required by state law); and fixtures, furniture, and equipment. Professional

services and other “soft costs” may be funded however, the Administrator’s preference is to minimize such costs, in keeping with best economic development practices.”

Can funding from CIF for a new building/site/location include some amount of General Operating Support?

No. CIF funding is limited to the capital costs and excludes operating costs.

What type of projects does “Rehabilitation or renovation of buildings and structures to facilitate or improve home rehabilitation programs” refer to?

See C.G.S. § 32-285a(a)(3)(A)(i): “...establishment of or improvements to energy resiliency or clean energy projects and land acquisition and capital projects to construct, rehabilitate or renovate buildings and structures to facilitate or improve home rehabilitation programs and facilities such as libraries and senior centers.” In sum, capital projects are eligible if they serve to improve or construct either homes or public facilities.

For brownfields, is the funding support limited to the actual remediation or does it also include redevelopment?

Funding can be used towards both brownfield remediation and redevelopment. For a multi-phase project, we recommend the applicant communicate the full scope of the project, as well as they can, when making their application.

If the applicant has selected an architect and a construction company to do abatement and exterior work for Phase 1 of a project, can the applicant apply to CIF for the next three phases?

Yes, the applicant can apply for future phases. State of CT procurement policies would apply.

Will CIF fund design/build projects?

Yes. CIF is not limited to construction costs. However, non-construction costs are noted in DECD's review since minimizing soft costs is a DECD best practice.

Can CIF funds be used to acquire a building to renovate for affordable housing that is either fully or partially occupied?

Assuming that the applicant and project meets all other eligibility requirements, then yes. Note, however, that renovations related to occupied housing must be completed to all applicable state and local law, including but not limited to the state Uniform Relocation Act.

Does the state of CT own the property or is it completely owned by the non-profit? Does this property transfer after the project ends?

Ownership of the property is unique to the project but does not involve the state taking ownership. The property owner must demonstrate willingness to accept the terms of the Financial Assistance Proposal which may include Negative Pledge, Use Restriction, and/or Mortgage Lien.

Will capital projects associated with housing be discussed with the Department of Housing?

Proposed projects may be discussed with other state agencies as needed to complete the review and assessment of the project. For a housing project, that may be reviewed with the Department of Housing. The Commissioner of the Department of Housing sits on the CIF Board of Directors.

For a project to be considered affordable housing, what percent of the units need to be deed restricted?

There is no requirement in the CIF statute regarding percent of deed-restricted units. Affordability levels or unit percentage are not set by the authorizing statute for CIF, nor will it limit an applicants' eligibility to apply. Projects are reviewed for alignment with DECD's Affordable Housing Policy.

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.

SMALL BUSINESS PROGRAMS

Per legislative action in May 2024, small business programs are no longer an eligible use of CIF funds.

BUDGET

Are matching funds required?

No, there are no required matching funds. However, the CIF authorizing statute provides that municipal applications will receive priority if they leverage municipal, private, philanthropic or federal funds. This will be highlighted in DECD's review of the application and considered by the CIF Board in its final determination of funding. For NPO's and CDC's, leveraging non-state funds will be considered a project strength.

Would private donations or endowment funds count as leverage?

Yes.

Can non-profits combine private donations as a part of the total funding for the project?

Yes.

My donors want to remain private. How can I confirm this philanthropic funding?

Applicants can provide documentation with the donor information redacted.

Do ARPA funds count as leverage to receive the prioritization?

Yes. ARPA funds do count as they are federal funds awarded to the municipality.

What sources of funding count as leverage?

The CIF authorizing statute provides that municipal applications will receive priority if they leverage municipal, private, philanthropic or federal funds. CIF is broadening its interpretation of “leverage” and for the purpose of the Community Investment Fund 2030 prioritization will accept non-state tax credits or municipal tax abatement. This is limited to the CIF program and does not extend to other DECD grant programs. Although CHFA is a quasi-public state agency, funds from CHFA programs will be considered as state funds and therefore, will not be eligible to count for prioritization.

How does an applicant identify potential funding if not yet awarded? Should this be included in the request?

You can identify any source of funding that is pending – federal, municipal, private, philanthropic – whether it is a pending grant application or a pledged private contribution – in your budget. You can indicate status – confirmed, pending, to be requested, etc. If there is additional documentation as to confirm this status, or if an award is made after the submission deadline but before decisioning, you can supply this updated information to communityinvestmentfund@ct.gov.

What is the timeline and process for disbursement of funds?

Due to the variety of projects, the timeline and process for disbursement will vary from project to project.

Is there a “time period” or “grant period” within all funds need to be expended?

Due to the variety of projects, the timeline and process for disbursement will vary from project to project. DECD will reserve the right in its contract awards process to set conditions around the start and end date for the project.

Can you clarify the \$250,000 award minimum? If we don’t need that much, can we combine with other municipalities or combine multiple projects within a municipality?

If you have a project request that is less than \$250,000 but otherwise meets eligibility criteria, we recommend that you contact the CIF Administrator and discuss the project.

Can CIF funds be used to pay down debt financing towards a project?

DECD funds cannot be used to pay off debt.

Is there a percentage cap for soft costs?

There is no stated limit on soft costs, however, DECD best practices dictate limiting soft costs.

What are hard costs versus soft costs?

Hard costs are tangible costs directly related to the construction/renovation. Examples of hard costs are site work; building materials; direct construction labor; permanent fixtures; and HVAC equipment. Soft costs are not tangible. Examples of soft costs include architectural and engineering costs; permitting fees; studies such as environmental, traffic, feasibility, or marketing; CEPA scoping; title fees; commissions; legal fees; insurance; property management; administration; moveable equipment; and real estate acquisition.

Is rent an eligible expense?

No, rent is an ineligible operating expense.

If soft costs are considered a separate phase of a capital project and happen prior to CIF award, can these costs be considered in-kind or part of a match?

CIF does not require match funds; however non-state funding can be considered leverage and is noted as a DECD best practice. Budgets should include the total project so in this case the soft costs would be included as an expense.

Are insurance costs for a capital project eligible expense?

Yes, insurance related to the capital project would be eligible. Insurance is a soft cost.

APPLICATION

Can applicants review projects with the CIF Administrator (DECD) prior to application to receive formal determination of eligibility?

DECD is not offering formal determinations of eligibility. If you have specific questions about your project's eligibility, please contact communityinvestmentfund@ct.gov or schedule a 1:1 meeting through the link on the CIF website.

Are applicants limited to one application per cycle?

No. Applicants are eligible to submit for more than one project per cycle.

If an applicant is proposing two separate projects, should they be on the same application form? Can a non-profit submit one application for multiple projects at multiple locations?

Unique projects should be submitted separately, even if from the same applicant. Distinct project titles should be used when requesting separate SharePoint folders as well. Applicants can schedule a 1:1 meeting with CIF staff to discuss.

Can applicants submit multiple applications towards one project over the life of the CIF program?

Yes, applicants can submit future applications for an additional phase of a CIF funded project during future rounds. It is advisable to make clear in this application the full scope of the project, including the full budget and timeline to help DECD and the CIF Board be aware of the possibility of such a request.

Can two or more municipalities apply as joint applicants for CIF Funds?

Yes. Two eligible municipalities, or a municipality and CDC or non-profit can apply jointly. Municipalities that are not Public Investment Communities or Alliance Districts are not eligible to apply.

Is there a maximum grant request allowed?

No. There is not a maximum grant request.

If an applicant has a project with multiple components that may include state funding from multiple sources (Communities Challenge, Brownfields, etc.) should the application for CIF include all parts of the project?

DECD encourages applicants to include all components of a project, including other potential state sources. This will help the CIF Board and DECD gain a full picture of the project and may help ensure all state sources are being used effectively.

Will applicants have an opportunity to answer questions on their application?

During the review process, DECD may reach out to an applicant to provide clarification on an application.

If a project is granted an award through the Community Investment Fund, is the project subject to prevailing wage requirements?

Applicants are responsible for assessing the applicability of prevailing wage statutes to their project (C.G.S. Section 31-53 and 31-53c). 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 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, 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 a formal DOL determination on 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 Dept. of Labor (mary.toner@ct.gov; 860-263-6454).

Will these funds trigger environmental requirements?

Yes, CIF applications will be assessed for their need to undergo CEPA scoping. The applicant will be asked to acknowledge that the proposed project may warrant further review under the Connecticut Environmental Policy Act (CEPA) and agree to comply with all requirements and costs associated with such review, and further acknowledge that the applicant is in a position to cover any and all additional costs associated with such a review.

Can you clarify what we need from the State Historic Preservation Office (SHPO)?

CIF requires applicants to complete and submit the SHPO Project Review Cover Form (aka SHPO Notification Form) and include a copy of the form as an attachment. If you have already received a letter of determination from SHPO on your project or a previous project, please submit a copy of that letter.

Is the SHPO Project Notification Form required for all applications?

SHPO project notification is required for any project that proposes a ground disturbance and/or work to a building that is older than 50 years of age. SHPO does not have review authority on applications; however, SHPO can provide an advisory opinion on applications that submit the required SHPO project notification form.

Does SHPO review planning projects?

No. The SHPO Notification Form is not required for Planning applications. For any project that proposes a ground disturbance and/or work to a building that is older than 50 years of age, historic preservation should be considered during the Planning process.

Is the Municipal Certification of Eligibility for Discretionary State Funding required of all applicants?

This is only required of municipalities.

Do Non-Profits Need the Municipal Certified Resolution to Request Funding?

No. Non-profits should provide a certified resolution from their board of directors.

Does the application require some determination of return on investment for economic purposes by the applicant?

The applicant will be asked to identify the social and economic issues or challenges facing the community and the solution that the project provides. The applicant is also asked to define what “success” means to the project and how the applicant will be measuring progress towards the identified challenges using SMART indicators. Because of the wide breadth and variety of project-types funded through CIF there are not set evaluation criteria or specific identified results. Applicants are also required to submit a five-year pro forma budget for the completed project.

Do previously submitted applications that do not receive funding automatically get rolled into subsequent rounds of CIF for consideration or will they need to be resubmitted?

Applications will need to be resubmitted in subsequent rounds. All applications will receive written feedback. That feedback needs to be addressed in future applications. All applications will need to be submitted through the portal. All attachments should be updated accordingly, including letters of support, and added to the new Round’s SharePoint folder.

Do State of CT bidding procedures need to be followed for obtaining estimates to create a budget for a CIF application?

No.

Can you provide a sample of a Project Labor Agreement (PLA)?

Please seek advice from the applicant’s legal counsel on creating a PLA.

Should non-profits submit letters of endorsement from the community organizations or the city?

Letters of support from relevant legislators will add prioritization to municipal applications. For non-profits, while there is no prioritization gained, a letter of support demonstrates that the project aligns with other priorities and projects in the area.

Can a municipality change project partners after grant funding is awarded?

Please refer to the CIF Policy document for a description of the CIF Change Policy. Changes after award can lead to de-allocation of the award.

Can we submit a short video to show the community engagement process?

Video can be uploaded to the applicant's SharePoint folder.

PORTAL

Can users submit multiple applications using the same email address?

Yes, but they should submit the first application before moving on to start a second application. A pending application is attached to the email address, so if the first application is left unfinished, a second application cannot be started.

Can I use different browsers and emails?

Users cannot have two separate forms open in a single browser (similar to a bank account, two people cannot login to different accounts with the same bank in the same browser session). Once they submit a form, users can go back to the CIF website and click on the "Apply Online" button and start over.

Can I save my work and return to it later?

Yes, you can save and return to your work. When you do, you can get a shareable link sent to your email address.

Can I export my application as a PDF before submitting it?

No, users are given the option to download a PDF of an application only upon submission.

AWARDS

Will multiple awards be made to the same municipality? Is there a limit to the number of awards made to a single municipality? Can a municipality and a non-profit in the same municipality each receive an award in the same cycle?

There is no statutory or programmatic limitation to the CIF Board awarding multiple grants to a single municipality or to one or many applicants serving the same municipality.

Will grant funding be for the full request or for a partial amount?

At the discretion of the CIF board, funding may be awarded for a partial amount based on the information provided by the applicant.

Are CIF funds considered loans or grants?

They are considered grants, however, there may be situations where loans would be more appropriate. We would recommend scheduling a conversation with CIF Director.

What are the time frames for these projects? For how many years can funding be requested?

Timeframes are unique to the projects. There is no standard time frame. Projects do not have to end within the first five years of the CIF program.

What type of project reporting will be required? How frequently do we check in regarding outcomes?

DECD requires quarterly reporting once projects have an executed grant contract. Once the project has completed close-out, reporting on outcomes and additional data will be required annually for five years, or as requested by DECD.

Does a Planning Grant trigger a Single State Audit?

A State Single Audit is required when expenditures of state financial assistance equal or exceed \$300,000 in the auditee's fiscal year. This can be from any state source.