

## SECTION 5

### INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

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**Department of Economic and Community Development**  
**BROWNFIELD REMEDIATION PROGRAM**  
**12052-ECD46260-43403**

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## I. PROGRAM OBJECTIVES

The Office of Brownfield Remediation and Development (OBRD) is a dedicated office within DECD with the primary mission to be a one stop resource for brownfield development in Connecticut. As such, OBRD coordinates the state's response for brownfield assistance to communities and businesses. Brownfield redevelopment projects are usually long term and have a variety of complicated environmental, legal, and financial obstacles to overcome.

The following are the current Brownfield Funding Programs being offered:

**Municipal Grant Program:** A competitive program for municipalities and municipal entities to assist with brownfield redevelopment projects in their communities that will make a significant economic impact. Only municipalities and municipal entities are eligible to apply.

**Targeted Brownfield Development Loan Program:** This program provides financial assistance in the form of low-interest loans to applicants who seek to develop property. Loans are available to manufacturing, retail, residential or mixed-use developments, expansions or reuses.

## II. PROGRAM PROCEDURES

Any municipality, corporation, business or individual is eligible to apply for Brownfield funds except a person or entity that has created or continues to contribute to the contamination of a site. In such cases, the person(s) or entity must arrange sponsorship from the municipality where the site is located. Grants/Loans under this program are made periodically on a competitive basis.

### **Application Components:**

- To make a complete application for a Municipal Brownfield Grant/Loan, applicants should expect to provide project information to DECD including but not limited to:
  - A description of the proposed project, including potential redevelopment uses, where applicable
  - An explanation of the expected benefits of the project
  - Information concerning the financial and technical capacity of the applicant(s) to execute the proposed project
  - A project budget (including additional non-State sources of funds that will be contributed to the project)
  - A description of the environmental condition of the brownfield

### **Eligible Uses of Funding:**

- Costs associated with the investigation, assessment, remediation and development of a brownfield, including but not limited to:
  - Soil, groundwater and infrastructure investigation
  - Assessment
  - Remediation
  - Abatement
  - Hazardous materials or waste disposal
  - Long-term groundwater or natural attenuation
  - Other forms of institutional controls
  - Attorney's fees
  - Planning, engineering and environmental consulting
  - Building and structural issues (including demolition, asbestos abatement, PCB removal, contaminated wood or paint removal or other infrastructure remedial activities)

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. Types of Services and Costs Allowed or Disallowed**

#### *Compliance Requirements*

Costs/Services allowed are described in the grantee's Assistance Agreement with the Department of Economic and Community Development and the approved Project Financing Plan and Budget documents.

### **B. Eligibility**

The auditor is not expected to test for eligibility.

### **C. Matching, Level-of-Effort, and/or Earmarking Requirements**

There are no matching, level-of-effort or earmarking requirements. Loans shall have terms and conditions and be subject to eligibility and loan approval criteria as determined by the commissioner. Such loans shall be for a period not to exceed twenty years.

### **D. Special Reporting Requirements**

#### *Compliance Requirements*

1. Submission of regular written progress reports setting forth in detail the work performed and including copies of all studies, reports and plans generated in connection with the Project is required by the grantee.
2. Submission of certain other reports may be required by the grantee under the contract agreement.

3. The Applicant shall provide a cumulative Statement of Program Cost and a Detailed Schedule of Expenditures to the Commissioner in the approved DECD project statement format as outlined in the most current Accounting Manual located at <http://www.ct.gov/ecd/cwp/view.asp?a=1096&q=249670>. This information will be required to be provided within ninety (90) days after the expiration date of the Project Financing Plan and Budget or earlier as determined by the Commissioner. Further information, such as supporting documentation (i.e. copies of invoices, cancelled checks, contracts etc.) for the expenditures charged may be requested from the applicant, as necessary.

## **E. Subrecipient Monitoring**

### ***Compliance Requirements***

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

## **F. Special Tests and Provisions**

There are no special tests or provisions for the auditor to perform.

**Department of Economic and Community Development**  
**ENDANGERED PROPERTY GRANTS**  
**12060-ECD46840-90455**

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## **I. PROGRAM OBJECTIVES**

The objective of the Endangered Property Grants program is to assist municipalities and non-profit cultural organizations by providing funding for the preservation of historic resources threatened with imminent loss or destruction.

## **II. PROGRAM PROCEDURES**

The state grants funds to municipalities and 501(c)(3) and 501(c)(13) non-profit organizations to assist with the preservation of resources listed on the State or National Register of Historic Places threatened with imminent loss or destruction. Grant funds are used for acquisition, rehabilitation, stabilization, restoration, and adaptive reuse.

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. Types of Services and Costs Allowed or Disallowed**

#### *Compliance Requirements*

Grant funds may be used for

- a) Purchasing/stabilizing a property;
- b) Purchasing an option to acquire a property;
- c) Attorney's fees and expenses that are directly related to the process of acquiring or purchasing an option to acquire a property; and
- d) Studies to assess the basic structural integrity, architectural integrity and/or immediate stabilization needs of a property.

Grant funds may not be used to pay for attorney's fees and expenses that are not directly related to an outright purchase of an endangered property; activities associated with the salvage and/or resale of parts of historic buildings, structures or objects.

As stated in the Grant Contract expenses incurred for work performed prior to the grant award date are not allowed.

### **B. Eligibility**

The auditor is not expected to test for eligibility.

### **C. Matching, Level-of-Effort, and/or Earmarking Requirements**

#### ***Compliance Requirements***

Grantees must, at a minimum, provide project funds on a dollar-for-dollar matching basis for all grant funds received pursuant to a grant award. The grantee may not use funds received from other departments or agencies of the State of Connecticut to satisfy this requirement, except for federal funds.

### **D. Special Reporting Requirements**

There are no special reporting requirements.

### **E. Subrecipient Monitoring**

#### ***Compliance Requirements***

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

### **F. Special Tests and Provisions**

There are no special tests or provisions for the auditor to perform.

**Department of Economic and Community Development**  
**HISTORIC ASSETS**  
**12052-ECD46000-40390-095**

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## **I. PROGRAM OBJECTIVES**

The purpose of the Historic Assets Grant Fund programs is to contribute to the state's overall historic preservation plan. It encourages quality tourism by supporting the installation or restoration of supportive improvements to historical assets. Historical assets refers to any building, structure, object, or site that is significant in American history, architecture, archeology, or culture, or property used in connection therewith. Supportive improvements may include, but shall not be limited to, parking lots, office space, sanitary facilities, utilities necessary to make a building functional, information booths, provisions for the handicapped, improvements necessary to bring such asset into conformance with local ordinances, or any other improvements necessary to return the property to a state or utility provided that any such supportive improvement shall not alter, destroy, or detract from the distinctive historical, aesthetic, archaeological, architectural, cultural, or stylistic qualities or characteristics of the historic asset or its environment.

(Section 32-6a, CGS)

## **II. PROGRAM PROCEDURES**

The state contracts with municipalities and not-for-profit organizations for the installation or restoration of supportive improvements to historical assets. The grant is awarded to the grantee out of state bond appropriations.

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. Types of Services and Costs Allowed or Disallowed**

#### ***Compliance Requirements***

The grantee's Assistance Agreement specifies the allowed and disallowed services.  
(Section 32-1c, CGS) and (Regulations, Section 32-6a-8)

### **B. Eligibility**

The auditor is not expected to test for eligibility.

### **C. Matching, Level-of-Effort, and/or Earmarking Requirements**

#### ***Compliance Requirements***

The Assistance Agreement may include a matching requirement.  
(Regulations, Section 32-6a-8)

## **D. Special Reporting Requirements**

### ***Compliance Requirements***

Programmatic and financial reports may be required under the Assistance Agreement.

## **E. Subrecipient Monitoring**

### ***Compliance Requirements***

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

## **F. Special Tests and Provisions**

There are no special tests or provisions for the auditor to perform.



**Department of Economic and Community Development**  
**HISTORIC PRESERVATION ACTIVITIES GRANTS**  
**12060-ECD46840-90455**

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**I. PROGRAM OBJECTIVES**

The objective of the Historic Preservation Activities Grants program is to assist municipalities and non-profit organizations by providing funding for historic preservation-related identification, evaluation, registration, education, promotion, planning and other historic preservation activities consistent with the provisions of C.G.S., Section 4-66aa.

**II. PROGRAM PROCEDURES**

The SHPO grants funds to municipalities and 501(c)(3) and 501(c)(13) non-profit cultural organizations to undertake one or more activities which contribute to the successful implementation of the state and federal historic preservation programs and activities of the SHPO conducted pursuant to C.G.S., Section 10-409 to 10-415, inclusive.

**III. COMPLIANCE REQUIREMENTS AND SUGGESTED  
AUDIT PROCEDURES**

**A. Types of Services and Costs Allowed or Disallowed**

***Compliance Requirements***

Grant funds may only be used for SHPO approved identification, evaluation, education, registration, education promotion, planning and other activities related to historic preservation.

Grant funds may not be used to pay for activities other than those consistent with the provisions of C.G.S., Section 4-66aa which have been approved by the SHPO as specified above.

As stated in the project Grant Contract costs incurred for work performed prior to the grant award date are not allowed.

**B. Eligibility**

The auditor is not expected to test for eligibility.

### **C. Matching, Level-of-Effort, and/or Earmarking Requirements**

#### ***Compliance Requirements***

Grantees may be required to match grant funds with cash; when match is required, the grantee may not use funds received from or paid for by other departments or agencies of the State of Connecticut to satisfy this requirement, except for federal funds.

### **D. Special Reporting Requirements**

There are no special reporting requirements.

### **E. Subrecipient Monitoring**

#### ***Compliance Requirements***

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

### **F. Special Tests and Provisions**

There are no special tests or provisions for the auditor to perform.

**Department of Economic and Community Development**  
**HISTORIC RESTORATION FUND**  
**12060-ECD46840-90455**  
**12060-ECD46840-45241**

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**I. PROGRAM OBJECTIVES**

The objective of the Historic Restoration Fund is to help municipalities and non-profit organizations preserve historic resources.

**II. PROGRAM PROCEDURES**

The State Historic Preservation Office (SHPO) grants funds to 501(c)(3) and 501(c)(13) non-profit organizations and municipalities for the acquisition, rehabilitation, stabilization, restoration, adaptive use, and/or archaeological investigation of properties listed on the State or National Register of Historic Places pursuant to C.G.S., Section 10-411.

**III. COMPLIANCE REQUIREMENTS AND SUGGESTED  
AUDIT PROCEDURES**

**A. Types of Services and Costs Allowed or Disallowed**

*Compliance Requirements*

Grant funds may be used for construction costs, acquisition of historic properties, provision of archaeological services, provision of required project signs, project-related photography costs, and audits to be provided to the SHPO by the grantee.

Grant funds may not be used to pay for work performed by architects, engineers, or other professional consultants, except for archaeologists and conservators meeting the professional standards and requirements of the SHPO, who are employed by the grantee during the course of the grant period, even if such professional expertise is required by the SHPO or is necessary to execute project work in conformance with the terms of the project funding agreement.

As stated in the project Grant Contract, costs for work performed prior to the grant award date are not allowed.

**B. Eligibility**

The auditor is not expected to test for eligibility.

### **C. Matching, Level-of-Effort, and/or Earmarking Requirements**

#### ***Compliance Requirements***

Grantees must, at a minimum, provide project funds on a dollar-for-dollar matching basis for all grant funds received pursuant to a grant award. The grantee may not use funds received from other departments or agencies of the State of Connecticut to satisfy this requirement, except for federal funds.

### **D. Special Reporting Requirements**

There are no special reporting requirements.

### **E. Subrecipient Monitoring**

#### ***Compliance Requirements***

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

### **F. Special Tests and Provisions**

There are no special tests or provisions for the auditor to perform.

**Department of Economic and Community Development**  
**MANUFACTURING ASSISTANCE ACT**  
**(MUNICIPAL DEVELOPMENT PROJECTS AND**  
**BUSINESS DEVELOPMENT PROJECTS)**

**12034-ECD46000-40221-099**

**12035-ECD46000-40226-099**

**12035-ECD46000-40228-099**

**12060-ECD46000-90503-099**

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**I. PROGRAM OBJECTIVES**

The Municipal Development Project, Business Development Project, and Non-Profit Development Project provides loans and/or grants, including, but not limited to, the reasonable cost of feasibility studies, engineering, appraisals, market studies and related activities. Assistance is also provided for the acquisition of real property, machinery or equipment, or any combination thereof, the construction of site and infrastructure improvements, the construction, renovation and demolition of buildings, relocation expenses for the purpose of assisting a manufacturing or economic base business to locate, contract, renovate or acquire a facility. Such other reasonable expenses necessary or appropriate for the initiation, implementation and completion of the project, including, but not limited to administrative expenses and business support services.

(Sections 32-222 and 32-223 , CGS)

**II. PROGRAM PROCEDURES**

The State contracts with eligible applicants, municipally designated agencies (economic development commissions, redevelopment agencies, and not-for-profit development corporations) to share on a pro-rata basis eligible expenditures related to the preparation of a project plan or planning documents/studies deemed necessary by the Department of Economic and Community Development ("DECD"). This includes contractual services and administration items.

The State contracts with eligible applicants for services related to property acquisition, demolition or disposition, infrastructure development, construction, improvement and expansion of a facility, acquisition of machinery or equipment, relocation expenses, administration expenses, business support services, business relocation, engineering and related services, marketing, short-term interest costs, and other reasonable expenses necessary for implementation of the project.

(Section 32-222 (a), (f), (k), (m), & (n) CGS)

### **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **A. Types of Services and Costs Allowed or Disallowed**

##### ***Compliance Requirements***

Funds may be used for costs items specified in the latest approved Assistance Agreement and attachments and the Financing Plan and Budget.

(Sections 8-190 and 32-1c, CGS)

(Sections 8-195(a),(b),(c), 32-222, and 32-223, CGS)

#### **B. Eligibility**

The auditor is not expected to test for eligibility.

#### **C. Matching, Level-of-Effort, and/or Earmarking Requirements**

##### ***Compliance Requirements***

A minimum match of 50% (fifty percent) of the total project cost is required with the following exceptions:

- a) Targeted investment community – a minimum match of 10% (ten percent) of the total project cost;
- b) Joint Ventures between 2 (two) or more municipalities, which are not designated as targeted investment communities, – a minimum match of 25% (twenty-five percent) of the total project cost,
- c) Joint Ventures between 2 (two) or more municipalities at least one of which is a targeted investment community, - 25% (twenty-five percent) of the cost allocable to the municipality which is not a targeted investment community and, - 10% (ten percent) of the cost allocable to the municipality which is a targeted investment community,
- d) Defense Diversification projects – 10% (ten percent) if the project involves a municipal development or the acquisition or development or both, of real property for an unspecified occupant, and – no match for any other Defense Diversification Project.

(Section 8-196 and 32-223, CGS)

#### **D. Special Reporting Requirements**

##### ***Compliance Requirements***

- (1) Submission of the following reports is required by the grantee.
  - Annual Financial Report.
  - Requisitions for payment of State funds.
- (2) Submission of certain other reports may be required by the grantee under the Assistance Agreement. DECD requires a semi-annual Balance Sheet and Statement of Program Cost 30 days after June 30<sup>th</sup> and December 31<sup>st</sup> until expiration of the Financing Plan and Budget.

## **E. Subrecipient Monitoring**

### ***Compliance Requirements***

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

## **F. Special Tests and Provisions**

There are no special tests or provisions for the auditor to perform.

**Department of Economic and Community Development**  
**REGIONAL ECONOMIC DEVELOPMENT PROJECTS**  
**12034-ECD46000-40224-092**

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### **I. PROGRAM OBJECTIVES**

The Regional Economic Development Program provides grants for projects that will promote economic diversification, stability and growth. In addition, those such improvements, acquisitions and projects are a particularly effective investment of state funds because of their relative immobility in an increasingly global economy; such improvements, acquisitions and projects are particularly needed in communities experiencing significant military and industrial job losses; and regional cooperation in the planning and development of such improvements, acquisitions and projects is desirable and should be encouraged.

(Section 32-326, CGS)

### **II. PROGRAM PROCEDURES**

The state contracts with eligible applicants for services related to property acquisition development, infrastructure development, residential or business relocation, administration, engineering and related services, marketing, short-term interest costs, and off-site development or any other project, which in the sole discretion of the Commissioner will significantly enhance economic diversification, stability, growth or scientific knowledge. Pass through grants and loans may be provided to companies located in these projects.

(Section 32-327(4), CGS)

Joint projects conducted by regional agencies are eligible for assistance.

“Agency” means any regional economic development commission formed under Sections 7-136 and 7-137, other regional development commission or corporation formed under any other provision of the General Statutes or any special act, any regional planning agency organized under the provisions of Chapter 127, regional council of governments organized under Sections 4-124i to 4-123p, inclusive, or any regional council of elected officials organized under the provisions of Chapter 50 for planning and implementation of regional economic development.

(C.G.S. 32-327 (2))

The total financial assistance under this act for any agency or project shall not exceed twenty million dollars of state funds plus any federal funds that the commissioner applies to the project.

(Section 32-328(d), CGS)



### III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

#### A. Types of Services and Costs Allowed or Disallowed

##### *Compliance Requirements*

- (1) Municipal, State, Federal and private funds may be used for cost items specified in the latest approved financing plan and budget and Project Assistance Agreement.
- (2) These costs include but are not limited to:
  - Land acquisition
  - Renovation
  - Engineering permits
  - Rehabilitation
  - Infrastructure development
  - Business Relocation
  - Physical development
  - Administration
  - Demolition
  - Marketing
  - Residential or site work
  - Short-term interest borrowing
  - Construction

Any other project, which in the sole discretion of the Commissioner will significantly enhance economic diversification, stability, growth, or scientific knowledge.

(Section 32-327(4), CGS)

#### B. Eligibility

The auditor is not expected to test for eligibility.

#### C. Matching, Level-of-Effort, and/or Earmarking Requirements

##### *Compliance Requirements*

The maximum level of financial assistance to a project will be not more than ninety percent of total project costs in targeted investment communities, not more than seventy-five percent of total project costs in the case of a project in a region that includes a targeted investment community or not more than sixty-six and two-thirds percent of total project costs in the case of a project in a region that does not include a targeted investment community.

## **D. Special Reporting Requirements**

### ***Compliance Requirements***

Submission of the following reports is required by the grantee:

- (1) Requisitions for payment of state funds along with documentation describing the expenditure.
- (2) Notification to the Commissioner of any material adverse change in condition of grantee.
- (3) Notification to the Commissioner of any default under the projects documents or any other document.
- (4) Any other special reporting requirement stated in the grantee's Assistance Agreement.
- (5) DECD requires a semi-annual Balance Sheet and Statement of Program Costs from grantees 30 days after June 30<sup>th</sup> and December 31<sup>st</sup> until the expiration of the Financing Plan and Budget.

## **E. Subrecipient Monitoring**

### ***Compliance Requirements***

Contractors that pass through funds to subrecipients are required to perform the following activities:

- 1) Identify State award information and compliance requirements to the subrecipient.
- 2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
- 3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
- 4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

## **F. Special Tests and Provisions**

There are no special tests or provisions for the auditor to perform.

**Department of Economic and Community Development**  
**SMALL BUSINESS ASSISTANCE REVOLVING**  
**LOAN PROGRAM**  
**12060-ECD46200-35443**

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## **I. PROGRAM OBJECTIVES**

The Small Business Assistance Revolving Loan Program provides Connecticut's small businesses with the financial resources they need to operate and grow in the State. The State contracts with the Connecticut Credit Consortium (Lending Partners) to administer this loan program. Under this program Connecticut-based businesses with less than fifty employees are eligible for loans and lines of credit of up to \$500,000. A loan may be made with a rate of interest of not more than four percent (4%) per annum, with a term of no more than ten (10) years, and in a principal amount of not more than five hundred thousand dollars (\$500,000.00).

(Public Act No. 10-75 Sections 6 and 7)

## **II. PROGRAM PROCEDURES**

The State contracts with the Connecticut Credit Consortium (lending partners) to administer a revolving loan program by providing low interest loans to borrowers. At time of application with the lending partner, a borrower must be a Connecticut-based business (for-profit or not-for-profit) with less than fifty employees. Applicant must be in business at least twelve months prior to their application for funding and all applicants must be in good standing with all state and local taxes. Funds can be used by the Borrower for the purchase of new or used machinery and equipment, real estate acquisition, new facility construction, rehabilitation of existing facility, leasehold improvements, inventory and working capital (including training, R&D, and marketing). No refinancing of existing debt is allowed.

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. Types of Services and Costs Allowed or Disallowed**

The auditor is not expected to test for types of services or costs allowed or disallowed.

### **B. Eligibility**

The auditor is not expected to test for eligibility.

### **C. Matching, Level-of-Effort, and/or Earmarking Requirements**

#### ***Compliance Requirements***

There are no matching, level-of-effort, or earmarking requirements.

## **D. Special Reporting Requirements**

### ***Compliance Requirements***

The lending partner is required to submit the following reports to DECD:

- (1) The Lender shall provide semi-annual reports on all enrolled loans it administers, due within 45 days after June 30 and December 31 for the duration of the Lender's participation in the program.
- (2) A Loan Enrollment Request form (Exhibit A of Assistance Agreement) must be submitted to DECD not later than 10 days after the Lender has approved the loan in writing. DECD shall review the loan documentation and determine whether the loan is accepted for enrollment in the program and provide an acceptance letter to the Lender.
- (3) A Lender Charge-Off Form (Exhibit B of Assistance Agreement) must be submitted to DECD within 30 days of the Lender's determination to charge off all or part of an Enrolled Loan.
- (4) The Lender shall pay to DECD, no later than the 30<sup>th</sup> day of each January, as a return of principal, an amount equal to the sum of all repayments of principal received by the Lender from all borrowers during the prior calendar year (the "Annual Principal Repayment").

## **E. Subrecipient Monitoring**

### ***Compliance Requirements***

Contractors that pass through funds to subrecipients are required to perform the following activities:

- 1) Identify State award information and compliance requirements to the subrecipient.
- 2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
- 3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
- 4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

## **F. Special Tests and Provisions**

### ***Compliance Requirements***

There are no special tests or provisions for the auditor to perform.

**Department of Economic and Community Development**  
**SMALL TOWN ECONOMIC ASSISTANCE PROGRAM (STEAP)**  
**12052-ECD46000-42411-149**

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## **I. PROGRAM OBJECTIVES**

The objectives of the Small Town Economic Assistance Program (STEAP) is to promote economic and community quality of life for localities ineligible for Urban Act bonds. Most towns with fewer than 30,000 people are eligible for the grants, which fund a wide range of physical development projects.

(Section 4-66g, CGS)

## **II. PROGRAM PROCEDURES**

The state contracts with and provides bond funds to municipalities for economic development projects such as:

- 1) The construction or rehabilitation of commercial, industrial, and mixed use structures; and the construction, reconstruction, or repair of roads, access ways and other site improvements, or such other activities approved by the Department of Economic and Community Development (“DECD”).
- 2) Urban transit;
- 3) Recreation and solid waste disposal projects;
- 4) Social service related projects, including day care centers, elderly centers, domestic violence and emergency homeless shelters, multi-purpose human resource centers, and food distribution facilities;
- 5) Affordable housing projects;
- 6) Pilot historical preservation and redevelopment programs that leverage private funds; and
- 7) Other kinds of urban development projects involving economic and community development, transportation, environmental protection, public safety, children and families and social service programs, and library renovations and improvements.

No Municipality may receive more than five hundred thousand dollars in any fiscal year under this program.

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. Types of Services and Costs Allowed or Disallowed**

#### ***Compliance Requirements***

Services allowed are specified in the grantee's Assistance Agreement with the DECD.

(Section 4-66g, CGS)

## **B. Eligibility**

The auditor is not expected to test for eligibility.

## **C. Matching, Level-of-Effort, and/or Earmarking Requirements**

### *Compliance Requirements*

The amount of grantee participation, if any, is determined by project. The Assistance Agreement will identify if there is a matching share. It can be a specific amount or a percentage of cost.

(Section 4-66g, CGS)

## **D. Special Reporting Requirements**

### *Compliance Requirements*

The Applicant shall provide a cumulative Statement of Program Cost and a Detailed Schedule of Expenditures to the Commissioner in the approved DECD project statement format as outlined in the most current Accounting Manual located at <http://www.ct.gov/e.cd/cwp/view.asp?a=1096&q=249670>. This information will be required to be provided within ninety (90) days after the expiration date of the Project Financing Plan and Budget or earlier as determined by the Commissioner. Further information, such as supporting documentation (i.e. copies of invoices, cancelled checks, contracts etc.) for the expenditures charged may be requested from the applicant, as necessary.

## **E. Subrecipient Monitoring**

### *Compliance Requirements*

Contractors that pass through funds to subrecipients are required to perform the following activities:

- 1) Identify State award information and compliance requirements to the subrecipient.
- 2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
- 3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
- 4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

## **F. Special Tests and Provisions**

There are no special tests or provisions for the auditor to perform.

**Department of Economic and Community Development  
SPECIAL ACT GRANTS**

<b>12052-ECD46000-40412-075</b>	<b>12052-ECD46000-42873-075</b>
<b>12052-ECD46000-40414-075</b>	<b>12052-ECD46000-42881-075</b>
<b>12052-ECD46000-40415-075</b>	<b>12052-ECD46000-42891-075</b>
<b>12052-ECD46000-40417-075</b>	<b>12052-ECD46000-43075-075</b>
<b>12052-ECD46000-40424-075</b>	<b>12052-ECD46000-43080-075</b>
<b>12052-ECD46000-40509-075</b>	<b>12052-ECD46000-43246-075</b>
<b>12052-ECD46000-42660-075</b>	<b>12052-ECD46000-43263-075</b>
<b>12052-ECD46000-42755-075</b>	<b>12060-ECD46000-90503-075</b>
<b>12052-ECD46000-42872-075</b>	<b>12052-ECD-46000-42875-105</b>

### **I. PROGRAM OBJECTIVES**

The objective of the Special Act Grants program is to provide specific, targeted economic development assistance to municipalities, as decided annually through the Special Act appropriation of the General Assembly.

(Section 8-151, CGS)

### **II. PROGRAM PROCEDURES**

The state contracts for economic development with municipalities and not-for-profit agencies.

### **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **A. Types of Services and Costs Allowed or Disallowed**

***Compliance Requirements***

Services allowed are specified in the grantee's Assistance Agreement with the Department of Economic and Community Development.

(Sections 8-151 and 32-1c, CGS)

## **B. Eligibility**

The auditor is not expected to test for eligibility.

## **C. Matching, Level-of-Effort, and/or Earmarking Requirements**

### ***Compliance Requirements***

A matching fund requirement, if any, is determined by project.  
(Section 32-1c, CGS)

## **D. Special Reporting Requirements**

### ***Compliance Requirements***

The Applicant shall provide a cumulative Statement of Program Cost and a Detailed Schedule of Expenditures to the Commissioner in the approved DECD project statement format as outlined in the most current Accounting Manual located at <http://www.ct.gov/ecd/cwp/view.asp?a=1096&q=249670>. This information will be required to be provided within ninety (90) days after the expiration date of the Project Financing Plan and Budget or earlier as determined by the Commissioner. Further information, such as supporting documentation (i.e. copies of invoices, cancelled checks, contracts etc.) for the expenditures charged may be requested from the applicant, as necessary.

(Section 32-1c, CGS)

## **E. Subrecipient Monitoring**

### ***Compliance Requirements***

Contractors that pass through funds to subrecipients are required to perform the following activities:

- 1) Identify State award information and compliance requirements to the subrecipient.
- 2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
- 3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
- 4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

## **F. Special Tests and Provisions**

There are no special tests or provisions for the auditor to perform.



**Department of Economic and Community Development  
SPECIAL CONTAMINATED PROPERTY REMEDIATION AND  
INSURANCE FUND (SCPRIF)**

**12021-ECD46000-40063-090**

**12058-ECD46000-40564-090**

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## **I. PROGRAM OBJECTIVES**

The Special Contaminated Property Remediation and Insurance Fund (SCPRIF) is a loan program designed to help municipalities and businesses address site contamination problems and to assist in the reuse of “brownfield” sites. The Department of Economic and Community Development (DECD) and the Department of Environmental Protection (DEP) jointly administer the new Special Contaminated Property Remediation and Insurance Fund (SCPRIF). This program was created as a vehicle to redevelop commercial and industrial property that is underutilized due to possible site contamination by providing assistance to quantify remediation costs. The program provides loans to complete environmental site assessments and for the demolition of existing structures necessary to prepare property for reuse.

The objective of the program is to encourage public and private partnerships to jointly study, remediate, and redevelop previously used industrial and commercial properties. The program seeks to “level the playing field” for underutilized properties by clarifying the environmental conditions, preparing a work plan necessary to meet the appropriate environmental standards, and removing existing obstructions to reuse. The completion of these program activities will encourage private sector reuse of such sites by identifying obstacles to redevelopment. This program is being operated in a cooperative manner between DECD and DEP to assure that remediation and development issues are addressed in a coordinated manner. Loans awarded under this program may be forgiven under certain economic conditions.

## **II. PROGRAM PROCEDURES**

Any municipality, corporation, business or individual is eligible to apply for SCPRIF funds except a person or entity that has created or continues to contribute to the contamination of a site. In such cases, the person(s) or entity must arrange sponsorship from the municipality where the site is located. Eligible activities include the preparation of Phase II Environmental Site Assessments, Phase III Environmental Site Investigations and Remedial Action Work Plans, and demolition activities including lead and asbestos abatement removal in “brownfield” areas that are necessary for property redevelopment. Any demolition activities must be subsequent to a Phase III Environmental Site Investigation.

Applications for financial assistance are approved by the SCPRIF Advisory Board, which in turn makes a recommendation for funding to the commissioner of DECD. DECD acts as a liaison with DEP staff during the review process. The recipient of SCPRIF funds will repay the state upon sale or lease of the property or upon approval of a final remedial action report in accordance with the terms of the program. In the event that the assessment determines that the redevelopment of the site is not feasible due to the cost of remediation, loans made under the program may be forgiven.

(Section 22a-133u, CGS)

### **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **A. Types of Services and Costs Allowed or Disallowed**

##### ***Compliance Requirements***

- (1) Costs allowed are described in the grantee's Assistance Agreement with the Department of Economic and Community Development and the approved project documents.
- (2) These costs include but are not limited to:
  - Phase II Environmental Site Assessments.
  - Phase III Environmental Site Investigations of real property and Remedial Action Work Plans.
  - Demolition activities necessary to prepare a property for redevelopment, including lead and asbestos abatement removal (any demolition activities must be subsequent to a Phase III Environmental Site Investigation).

#### **B. Eligibility**

The auditor is not expected to test for eligibility.

#### **C. Matching, Level-of-Effort, and/or Earmarking Requirements**

There are no matching, level-of-effort or earmarking requirements.

#### **D. Special Reporting Requirements**

##### ***Compliance Requirements***

- 1) Submission of regular written progress reports setting forth in detail the work performed and including copies of all studies, reports and plans generated in connection with the Project is required by the grantee.
- 2) Submission of certain other reports may be required by the grantee under the contract agreement.

- 3) The Applicant shall provide a cumulative Statement of Program Cost and a Detailed Schedule of Expenditures to the Commissioner in the approved DECD project statement format as outlined in the most current Accounting Manual located at <http://www.ct.gov/ecd/cwp/view.asp?a=1096&q=249670>. This information will be required to be provided within ninety (90) days after the expiration date of the Project Financing Plan and Budget or earlier as determined by the Commissioner. Further information, such as supporting documentation (i.e. copies of invoices, cancelled checks, contracts etc.) for the expenditures charged may be requested from the applicant, as necessary.

## **E. Subrecipient Monitoring**

### ***Compliance Requirements***

Contractors that pass through funds to subrecipients are required to perform the following activities:

- 1) Identify State award information and compliance requirements to the subrecipient.
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- 3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
- 4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

## **F. Special Tests and Provisions**

There are no special tests or provisions for the auditor to perform.

**Department of Economic and Community Development**  
**URBAN ACTION BONDS**

**13019-ECD46000-41236-093(DECLD)**

**13019-ECD46000-41240-093(DECLD)**

**13019-ECD46000-41240-094(OPM)**

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**I. PROGRAM OBJECTIVES**

The objectives of the Urban Action Bonds program are to redirect, improve, and expand state activities that promote community conservation and development and improve the quality of life for urban residents of the state.

(Section 4-66c, CGS)

**II. PROGRAM PROCEDURES**

The state contracts with and provides bond funds to municipalities for economic development projects such as the construction or rehabilitation of commercial, industrial, and mixed use structures; and the construction, reconstruction, or repair of roads, access ways and other site improvements, or such other activities approved by the Department of Economic and Community Development ("DECLD").

**III. COMPLIANCE REQUIREMENTS AND SUGGESTED  
AUDIT PROCEDURES**

**A. Types of Services and Costs Allowed or Disallowed**

*Compliance Requirements*

Services allowed are specified in the grantee's Assistance agreement with the DECLD.

(Section 4-66c, CGS)

**B. Eligibility**

The auditor is not expected to test for eligibility.

**C. Matching, Level-of-Effort, and/or Earmarking Requirements**

*Compliance Requirements*

The amount of grantee participation, if any, is determined by project. The Assistance Agreement will identify if there is a matching share. It can be a specific amount or a percentage of cost.

(Section 4-66c, CGS)

## **D. Special Reporting Requirements**

### ***Compliance Requirements***

The Applicant shall provide a cumulative Statement of Program Cost and a Detailed Schedule of Expenditures to the Commissioner in the approved DECD project statement format as outlined in the most current Accounting Manual located at <http://www.ct.gov/e cd/cwp/view.asp?a=1096&q=249670>. This information will be required to be provided within ninety (90) days after the expiration date of the Project Financing Plan and Budget or earlier as determined by the Commissioner. Further information, such as supporting documentation (i.e. copies of invoices, cancelled checks, contracts etc.) for the expenditures charged may be requested from the applicant, as necessary.

## **E. Subrecipient Monitoring**

### ***Compliance Requirements***

Contractors that pass through funds to subrecipients are required to perform the following activities:

- 1) Identify State award information and compliance requirements to the subrecipient.
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- 3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
- 4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

## **F. Special Tests and Provisions**

There are no special tests or provisions for the auditor to perform.