



General Assembly

February Session, 2012

**Raised Bill No. 5342**

LCO No. 1704

\*01704\_\_\_\_\_CE\_\*

Referred to Committee on Commerce

Introduced by:  
(CE)

**AN ACT CONCERNING REVISIONS TO THE STATE'S BROWNFIELD  
REMEDICATION AND DEVELOPMENT STATUTES.**

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Subsection (f) of section 32-9kk of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2012*):

4 (f) (1) The Department of Economic and Community Development  
5 shall develop a targeted brownfield development loan program to  
6 provide financial assistance in the form of low-interest loans to eligible  
7 applicants who are potential brownfield purchasers who have no  
8 direct or related liability for the site conditions and eligible applicants  
9 who are existing property owners who (A) are currently in good  
10 standing and otherwise compliant with the Department of Energy and  
11 Environmental Protection's regulatory programs, (B) demonstrate an  
12 inability to fund the investigation and cleanup themselves, and (C)  
13 cannot retain or expand jobs due to the costs associated with the  
14 investigating and remediating of the contamination.

15 (2) The commissioner shall provide low-interest loans to eligible

16 applicants who are purchasers or existing property owners pursuant to  
17 this section who seek to develop property for purposes of retaining or  
18 expanding jobs in the state or for developing affordable housing [to  
19 serve the needs of first-time home buyers] units, suitable for first-time  
20 home buyers, incentive housing zones, workforce housing and other  
21 residential purposes, as approved by the commissioner. Loans shall be  
22 available to manufacturing, retail, residential or mixed-use  
23 developments, expansions or reuses. The commissioner shall provide  
24 loans based upon project merit and viability, the economic and  
25 community development opportunity, municipal support,  
26 contribution to the community's tax base, number of jobs, past  
27 experience of the applicant, compliance history and ability to pay.

28 (3) Any loan recipient who is a brownfields purchaser and who (A)  
29 receives a loan in excess of thirty thousand dollars, or (B) uses loan  
30 proceeds to perform a Phase II environmental investigation, shall be  
31 subject to section 22a-134a or shall enter a voluntary program for  
32 remediation of the property with the Department of Energy and  
33 Environmental Protection. Any loan recipient who is an existing  
34 property owner shall enter a voluntary program with the Department  
35 of Energy and Environmental Protection.

36 (4) Loans made pursuant to this subsection shall have such terms  
37 and conditions and shall be subject to such eligibility, loan approval  
38 and criteria, as determined by the commissioner. Such conditions shall  
39 include, but not be limited to, performance requirements and  
40 commitments to maintain or retain jobs or provide a specified number  
41 of affordable housing units. Loan repayment shall coincide with the  
42 restoration of the site to a productive use or the completion of the  
43 expansion. Such loans shall be for a period not to exceed twenty years.

44 (5) If the property is sold before loan repayment, the loan is payable  
45 upon closing, with interest, unless the commissioner agrees otherwise.  
46 The commissioner may carry the loan forward as an encumbrance to  
47 the purchaser with the same terms and conditions as the original loan.

48 (6) Loans made pursuant to this subsection may be used for any  
49 purpose, including the present or past costs of investigation,  
50 assessment, remediation, abatement, hazardous materials or waste  
51 disposal, long-term groundwater or natural attenuation monitoring,  
52 costs associated with an environmental land use restriction, attorneys'  
53 fees, planning, engineering and environmental consulting costs, and  
54 building and structural issues, including demolition, asbestos  
55 abatement, polychlorinated biphenyls removal, contaminated wood or  
56 paint removal, and other infrastructure remedial activities.

57 (7) For any loan made pursuant to this subsection that is greater  
58 than fifty thousand dollars, the applicant shall submit a redevelopment  
59 plan that describes how the property will be used or reused for  
60 commercial, industrial, residential or mixed-use development and how  
61 it will result in jobs and private investment in the community. For any  
62 residential development loan pursuant to this subsection, the  
63 developer shall agree that the development will provide the affordable  
64 housing needs reasonable and appropriate for first-time home buyers  
65 or for workforce housing or recent college graduates looking to remain  
66 in this state.

67 (8) The loan program established pursuant to this subsection shall  
68 be available to all qualified new and existing property owners.  
69 Recipients who use loans for commercial, industrial or mixed-use  
70 development shall agree to retain or add jobs, during the term of the  
71 loan, unless otherwise agreed to by the Department of Economic and  
72 Community Development, the Connecticut Development Authority  
73 and the Connecticut Brownfield Redevelopment Authority. The  
74 residential developer shall agree to retire the loan upon sale of the  
75 units unless the development will be apartments.

76 (9) Each loan recipient pursuant to this subsection may be eligible  
77 for up to two million dollars per year for up to two years, subject to  
78 agency underwriting and reasonable and customary requirements to  
79 assure performance. If additional funds are needed, the Commissioner

80 of Economic and Community Development may recommend that the  
81 project be funded through the State Bond Commission.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2012	32-9kk(f)

**Statement of Purpose:**

To clarify that targeted brownfield loans may be used for affordable housing projects.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*