



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

Intergovernmental Policy and Planning Division

2022

**SMALL TOWN
ECONOMIC ASSISTANCE
PROGRAM
GUIDELINES**



June 2022

The Small Town Economic Assistance Program ([C.G.S. Section 4-66g](#)) funds economic development, community conservation and quality of life projects for localities that are ineligible to receive Urban Action bonds (CGS Section 4-66c). An eligibility list is included in the pages to follow. This program is coordinated by the Office of Policy and Management and grants are administered by appropriate state agencies.



STEAP funds are issued by the [State Bond Commission](#) and **can only be used for capital projects**. A project is considered to be a capital project if it is new construction, expansion, renovation or replacement for an existing facility or facilities. Project costs can include the cost of land, design, engineering, architectural planning, and contract services needed to complete the project.



ANY STEAP APPLICATION, ITS RECEIPT, AND/OR ANY SUBSEQUENT ANNOUNCEMENT OR NOTIFICATION OF AN AWARD ASSOCIATED WITH AN APPLICATION, DOES NOT CONSTITUTE A CONTRACT. A CONTRACT EXISTS ONLY WHEN YOU HAVE SUBMITTED ALL REQUIRED CONTRACTUAL DOCUMENTS AND SUCH DOCUMENTS ARE APPROVED BY THE ADMINISTERING STATE AGENCY, AND THE TOWN IS NOTIFIED THAT THE CONTRACT IS FULLY EXECUTED. DO NOT INCUR ANY ANTICIPATED STEAP GRANT FUNDED PROJECT EXPENDITURES UNTIL A CONTRACT IS FULLY EXECUTED, AS ONLY THOSE ALLOWABLE EXPENDITURES INCURRED BETWEEN THE START AND END DATES AS ESTABLISHED ON THE FULLY EXECUTED CONTRACT CAN BE REIMBURSED. EXPENDITURES INCURRED BEFORE THE CONTRACT START DATE OR AFTER THE CONTRACT END DATE WILL NOT BE REIMBURSED.

When a town is selected to receive a STEAP grant, the town will receive a notification letter from OPM indicating which state agency has been assigned to administer their award. **This letter is for notification purposes only and does not constitute a contract. Again, the town MUST execute a contract with the administering state agency in order to be reimbursed for allowable grant-related expenditures incurred between the start and end dates as established on the fully executed contract.**

STEAP is a not an entitlement or formula grant, and as such any funding associated with an award is on a one- time basis only, with no promise or obligation of additional funding from OPM or the State.

[When the program is open for application intake, the application, as well as detailed submittal instructions and timelines can be found by clicking this link.](#)



IMPORTANT CHANGES TO 2022 STEAP



It is important that you read all parts of this guideline document, as changes have been made to eligibility requirements, application requirements and STEAP grant term periods.

- *No individual municipality may receive more than five hundred thousand dollars in any one fiscal year under said program. No group of municipalities may receive an amount exceeding in the aggregate five hundred thousand dollars per municipality in such group in any one fiscal year under said program.*
- *Grants awarded will have a four (4) year term and may be considered for a one (1) year extension to the grant end date. No grant shall have a term longer than five (5) years.*
- *Each STEAP grant shall have its own contract and shall not be combined with any other grant contract. STEAP grants are not intended to be “banked” or “grouped together” over the course of multiple years. Each award is to be used expressly for the purpose and scope of work as outlined in the application it was awarded for.*
- *Only those scope changes germane to the original scope of work may be considered. There will be no wholesale repurposing of a STEAP grant award. For example:*
 - *A STEAP grant is awarded for a sidewalk project. The original scope was to install 1000 feet of sidewalk. A scope change which would increase the sidewalk footage to 1200 feet would be germane, therefore would be allowable and could be approved. A scope change to instead use the funding for a veterans’ memorial and NO sidewalks would not be germane, therefore cannot be allowed or approved.*
- *STEAP funds cannot be used for design, studies, planning and/or engineering.*
- *All funding (other than STEAP funding) for the STEAP project must be secured as of the time of application.*
- *While a municipal match is not required, preference for awards will be given to those that provide at least a 20% municipal match of the total project cost.*
- *Preference for awards will be given to those that are shovel-ready (defined within)*
- *Municipalities should be prepared to enter a grant assistance agreement/contract with the administering agency shortly after being notified of an award, therefore municipalities should only apply for a project which is near-term. This means that the STEAP funded portion of the project should be “shovel ready” or “nearly shovel ready” at time of application. This is necessary to ensure that the grantee will be able to spend down their grant funds within the defined term of the award, as funds not expended before the grant’s end date will be forfeited. Once a grant assistance agreement/contract is in place, the municipality should be prepared to commence project work and incur all STEAP-funded project expenditures between the start and end dates of the agreement/contract.*

- All grant payments will be made on a reimbursement basis only after the municipality has incurred and paid for the allowable STEAP funded project expenditures incurred between the start and end dates of the contract. Final reimbursement payment will be made after the municipal match has been met. The administering agency will provide you with guidance on what information must be submitted to seek reimbursement and required documentation to satisfy any match requirement. Project expenditures incurred before the start date or after the end date of the agreement/contract will not be eligible for STEAP reimbursement.
- Unspent grant funds will not be repurposed for other uses. Such unspent funds will be returned to the STEAP program account and will be used for awards made in future rounds.

ELIGIBILITY REQUIREMENTS & PROVISIONS

- Timeline:
 - June 1, 2022 Announcement of 2022 STEAP Grant Program
 - August 15, 2022 STEAP Applications due by 5:00 PM
 - September 15, 2022 Projected Grant Award Notification
- Funding Level:
The 2022 round of STEAP grants will be funded from an aggregate amount of \$30,000,000. Individual grant award amounts will depend on the number of participating towns, and the number of qualified applications selected to receive an award.
- Municipalities which are eligible to opt into the STEAP program, but are not currently opted in, must submit their opt-in request **prior** to submitting their STEAP application.
- Municipalities with projects more than five years old or which have expired contracts, that have not been closed out with the administering agency are ineligible to apply for new funding. Municipalities should contact the administering agency for previous award information to ensure compliance.
- A 20% municipal match is preferred:
 - While a municipal match is not required, preference for awards will be given to those that provide at least a 20% municipal match of the total project cost
 - Match funds must be municipal funds, not funds from other state or federal grants
 - Municipal salaries and/or expenses cannot be counted toward the municipal match
 - Funds spent on studies, planning, design, engineering are acceptable matches
 - Municipality must spend 100% of its match prior to final reimbursement
 - Match expenditures can be those allowable project-related expenditures which were incurred before or during the grant contract period
- Funding (other than STEAP funding) for the entire project has been secured.
- An authorizing referendum vote and/or resolution by the local legislative body, or, in any town where the legislative body is a town meeting, by a vote of the board of selectmen, which authorizes the Chief Executive Officer to accept such grant if awarded, and enter into and

execute any and all agreements, contracts and documents necessary to obtain said 2022 STEAP Grant with the State of Connecticut. This authorizing vote and/or resolution needs to be submitted to the administering agency within thirty (30) days of grant award notice if such is not available at time of application.

- Only minor changes germane to the original scope from the approved application shall be approved by the administering agency. STEAP grant funds cannot be repurposed (used for a project other than the one for which it was awarded.)
- All grant payments will be made on a reimbursement basis and only after the municipality has:
 - Incurred and paid for the allowable STEAP-related allowable project expenditures incurred between the start and end dates of the contract
 - Final reimbursement requires that municipality has met 100% of its match
- The administering agency will provide you with guidance on what information must be submitted to seek reimbursement. Expenditures incurred before the start date or after the end date of the agreement/contract will not be eligible for reimbursement.
- Consistent with past practices, these grants will be administered by project-relevant agencies other than OPM.
- Once a grant contract is in place, any grant related project questions, reimbursement questions, or requests for extensions should be directed to the agency assigned to administer your grant.

ELIGIBLE PROJECTS AND PRIORITY PROJECT AREAS

Projects eligible for STEAP funds include:

- Economic development projects such as (a) constructing or rehabilitating commercial, industrial, or mixed-use structures and (b) constructing, reconstructing, or repairing roads, access ways, and other site improvements;
- Recreation and solid waste disposal projects;
- 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;
- Housing projects;
- Pilot historic preservation and redevelopment programs that leverage private funds; and
- Other kinds of development projects involving economic and community development, transportation, environmental protection, public safety, children and families and social service programs.

Priority Project Areas:

- Shovel ready projects which are at a stage where project work can begin (see below)
- Promoting economic growth
- Developing our workforce
- Improving the quality of life and fiscal stability of municipality
- Improving the grand list

- Infrastructure
- Making government more effective, efficient and customer friendly
- Economic development projects within transit-oriented areas
- Pollution control (water, waste, energy) in order to reduce costs and environmental impacts
- Public Service Answering Point (PSAP) Consolidation

Shovel-ready projects are defined as those which have:

- Legislative body approval (i.e.: referendum, town meeting)
- All funding (other than STEAP funding) for the STEAP project secured
 - Matching funds
 - Additional project funds
- Local permits in place (i.e.: Inland Wetlands, Zoning, Planning)
- State approvals and permits in place
 - State Historical Preservation Office (SHPO) approved
 - Connecticut Environmental Policy Act (CEPA) Evaluation
 - Environmental Impact Evaluation (EIE)
 - Flood Management Certification (FMC)
- Utility coordination plan established
- Municipal Plan of Conservation and Development (POCD) up to date
- Project PS&E (plans, specifications and estimates) ready to be advertised

All STEAP-funded projects are subject to all federal, state and local laws, ordinances, regulations and municipal bylaws. Depending on the nature of the project to be funded with a STEAP grant, certain projects may require additional reviews, evaluations, permits, approvals and or certifications, including but not limited to: Connecticut Environmental Policy Act ([CEPA](#)) Evaluation, Environmental Impact Evaluation ([EIE](#)), Flood Management Certification ([FMC](#)); State Historic and Preservation Office ([SHPO](#)) review and determination; and/or Municipal Plan of Conservation and Development ([POCD](#)) provisions with regard to eligibility for discretionary state funding. Such reviews, evaluations, permits and or certifications could significantly impact project costs and timelines. **The grantee should only submit applications for such projects when it is able to continue with the proposed project and spend down the grant within the terms of the contract period despite these added costs and extended project timelines.**

EXPENDITURES THAT CANNOT BE FUNDED BY STEAP GRANT FUNDS:

- Programmatic expenditures or recurring budget expenditures are **not** eligible for STEAP or any other state bond program. The Office of Policy and Management reserves the right to not fund or reimburse certain projects or certain project components with State bond funds due to public policy reasons.
- The following expenditures are not eligible for reimbursement: ceremonial or entertainment expenses; publicity; bonus payments; reserves; charges in excess of the lowest responsible bid where competitive bidding is required unless prior approval is obtained; deficits or overdrafts; interest charged; any judgment for damages arising from the project; fines and penalties; meals, municipal salaries or employee expenses.
- Project components **not** allowable for STEAP funded reimbursement: Furniture, fixtures and equipment (FF&E). FF&E includes movable furniture, fixtures or other equipment that have no permanent connection to the structure of a building or utilities. FF&E includes, but is not limited

to desks, chairs, computers, electronic equipment, appliances, tables, bookcases and partitions. (Exceptions: see

- Goods and/or services purchased and/or provided before the contract start date, or after the contract end date will **not** be funded.
- STEAP funds **cannot** be used to represent the required municipal “match” or “share” portion for another state or federal grant.

For the purposes of the application and any subsequent award, “Authorized Signatory” refers to the municipality’s Chief Executive Officer (Town Manager, Mayor, First Selectman, etc.) – the individual who is legally authorized to apply for the grant and who has the authority to enter into any subsequent agreements/contracts per referendum vote or legislative body action.

2022 STEAP ELIGIBILITY LIST

C.G.S. §4-66g SMALL TOWN ECONOMIC ASSISTANCE PROGRAM

Opt-In provisions can be found after the following chart

| Municipality | STEAP Eligible | PIC Community | Distressed Municipality | Municipality w/Urban Center Per Adopted Plan |
|--------------|-----------------|---------------|-------------------------|--|
| Andover | YES | NO | NO | NO |
| Ansonia | NO | YES | YES | YES |
| Ashford | YES | NO | NO | NO |
| Avon | YES | NO | NO | NO |
| Barkhamsted | YES | NO | NO | NO |
| Beacon Falls | OPT-In Eligible | YES | NO | NO |
| Berlin | YES | NO | NO | NO |
| Bethany | YES | NO | NO | NO |
| Bethel | YES | NO | NO | NO |
| Bethlehem | YES | NO | NO | NO |
| Bloomfield | OPT-In Eligible | YES | NO | NO |
| Bolton | YES | NO | NO | NO |
| Bozrah | YES | NO | NO | NO |
| Branford | YES | NO | NO | NO |
| Bridgeport | NO | YES | YES | YES |
| Bridgewater | YES | NO | NO | NO |
| Bristol | NO | YES | NO | YES |
| Brookfield | YES | NO | NO | NO |
| Brooklyn | OPT-In Eligible | YES | NO | NO |
| Burlington | YES | NO | NO | NO |
| Canaan | YES | NO | NO | NO |
| Canterbury | YES | NO | NO | NO |
| Canton | YES | NO | NO | NO |
| Chaplin | OPT-In Eligible | YES | YES | NO |
| Cheshire | YES | NO | NO | NO |
| Chester | YES | NO | NO | NO |
| Clinton | YES | NO | NO | NO |
| Colchester | YES | NO | NO | NO |
| Colebrook | OPT-In Eligible | YES | NO | NO |
| Columbia | YES | NO | NO | NO |
| Cornwall | YES | NO | NO | NO |

| Municipality | STEAP Eligible | PIC Community | Distressed Municipality | Municipality w/Urban Center Per Adopted Plan |
|---------------|-----------------|---------------|-------------------------|--|
| Coventry | YES | NO | NO | NO |
| Cromwell | YES | NO | NO | NO |
| Danbury | NO | NO | NO | YES |
| Darien | YES | NO | NO | NO |
| Deep River | YES | NO | NO | NO |
| Derby | OPT-In Eligible | YES | YES | NO |
| Durham | YES | NO | NO | NO |
| East Granby | YES | NO | NO | NO |
| East Haddam | YES | NO | NO | NO |
| East Hampton | YES | NO | NO | NO |
| East Hartford | NO | YES | YES | YES |
| East Haven | OPT-In Eligible | YES | YES | NO |
| East Lyme | YES | NO | NO | NO |
| East Windsor | OPT-In Eligible | YES | NO | NO |
| Eastford | YES | NO | NO | NO |
| Easton | YES | NO | NO | NO |
| Ellington | YES | NO | NO | NO |
| Enfield | NO | YES | NO | YES |
| Essex | YES | NO | NO | NO |
| Fairfield | YES | NO | NO | NO |
| Farmington | YES | NO | NO | NO |
| Franklin | YES | NO | NO | NO |
| Glastonbury | YES | NO | NO | NO |
| Goshen | YES | NO | NO | NO |
| Granby | YES | NO | NO | NO |
| Greenwich | YES | NO | NO | NO |
| Griswold | OPT-In Eligible | YES | YES | NO |
| Groton | NO | YES | YES | YES |
| Guilford | YES | NO | NO | NO |
| Haddam | YES | NO | NO | NO |
| Hamden | OPT-In Eligible | YES | NO | NO |
| Hampton | YES | NO | NO | NO |
| Hartford | NO | YES | YES | YES |
| Hartland | YES | NO | NO | NO |
| Harwinton | YES | NO | NO | NO |
| Hebron | YES | NO | NO | NO |
| Kent | YES | NO | NO | NO |

| Municipality | STEAP Eligible | PIC Community | Distressed Municipality | Municipality w/Urban Center Per Adopted Plan |
|------------------|-----------------|---------------|-------------------------|--|
| Killingly | NO | YES | NO | YES |
| Killingworth | YES | NO | NO | NO |
| Lebanon | YES | NO | NO | NO |
| Ledyard | YES | NO | NO | NO |
| Lisbon | YES | NO | NO | NO |
| Litchfield | YES | NO | NO | NO |
| Lyme | YES | NO | NO | NO |
| Madison | YES | NO | NO | NO |
| Manchester | NO | YES | NO | YES |
| Mansfield | OPT-In Eligible | YES | NO | NO |
| Marlborough | YES | NO | NO | NO |
| Meriden | NO | YES | YES | YES |
| Middlebury | YES | NO | NO | NO |
| Middlefield | YES | NO | NO | NO |
| Middletown | NO | YES | NO | YES |
| Milford | YES | NO | NO | NO |
| Monroe | YES | NO | NO | NO |
| Montville | OPT-In Eligible | YES | YES | NO |
| Morris | YES | NO | NO | NO |
| Naugatuck | OPT-In Eligible | YES | YES | NO |
| New Britain | NO | YES | YES | YES |
| New Canaan | YES | NO | NO | NO |
| New Fairfield | YES | NO | NO | NO |
| New Hartford | YES | NO | NO | NO |
| New Haven | NO | YES | NO | YES |
| New London | NO | YES | YES | YES |
| New Milford | YES | NO | NO | NO |
| Newington | YES | NO | NO | NO |
| Newtown | YES | NO | NO | NO |
| Norfolk | YES | NO | NO | NO |
| North Branford | YES | NO | NO | NO |
| North Canaan | YES | NO | NO | NO |
| North Haven | YES | NO | NO | NO |
| North Stonington | YES | NO | NO | NO |
| Norwalk | NO | NO | NO | YES |
| Norwich | NO | YES | YES | YES |
| Old Lyme | YES | NO | NO | NO |

| Municipality | STEAP Eligible | PIC Community | Distressed Municipality | Municipality w/Urban Center Per Adopted Plan |
|---------------|-----------------|---------------|-------------------------|--|
| Old Saybrook | YES | NO | NO | NO |
| Orange | YES | NO | NO | NO |
| Oxford | YES | NO | NO | NO |
| Plainfield | OPT-In Eligible | YES | YES | NO |
| Plainville | OPT-In Eligible | YES | NO | NO |
| Plymouth | OPT-In Eligible | YES | NO | NO |
| Pomfret | YES | NO | NO | NO |
| Portland | YES | NO | NO | NO |
| Preston | OPT-In Eligible | YES | NO | NO |
| Prospect | YES | NO | NO | NO |
| Putnam | OPT-In Eligible | YES | YES | NO |
| Redding | YES | NO | NO | NO |
| Ridgefield | YES | NO | NO | NO |
| Rocky Hill | YES | NO | NO | NO |
| Roxbury | YES | NO | NO | NO |
| Salem | YES | NO | NO | NO |
| Salisbury | YES | NO | NO | NO |
| Scotland | OPT-In Eligible | YES | NO | NO |
| Seymour | OPT-In Eligible | YES | NO | NO |
| Sharon | YES | NO | NO | NO |
| Shelton | YES | NO | NO | NO |
| Sherman | YES | NO | NO | NO |
| Simsbury | YES | NO | NO | NO |
| Somers | YES | NO | NO | NO |
| South Windsor | YES | NO | NO | NO |
| Southbury | YES | NO | NO | NO |
| Southington | YES | NO | NO | NO |
| Sprague | OPT-In Eligible | YES | YES | NO |
| Stafford | OPT-In Eligible | YES | NO | NO |
| Stamford | NO | NO | NO | YES |
| Sterling | OPT-In Eligible | YES | YES | NO |
| Stonington | YES | NO | NO | NO |
| Stratford | OPT-In Eligible | YES | YES | NO |
| Suffield | YES | NO | NO | NO |
| Thomaston | OPT-In Eligible | YES | NO | NO |
| Thompson | YES | NO | NO | NO |
| Tolland | YES | NO | NO | NO |

| Municipality | STEAP Eligible | PIC Community | Distressed Municipality | Municipality w/Urban Center Per Adopted Plan |
|---------------|-----------------|---------------|-------------------------|--|
| Torrington | NO | YES | YES | YES |
| Trumbull | YES | NO | NO | NO |
| Union | YES | NO | NO | NO |
| Vernon | NO | YES | NO | YES |
| Voluntown | OPT-In Eligible | YES | YES | NO |
| Wallingford | YES | NO | NO | NO |
| Warren | YES | NO | NO | NO |
| Washington | YES | NO | NO | NO |
| Waterbury | NO | YES | YES | YES |
| Waterford | YES | NO | NO | NO |
| Watertown | YES | NO | NO | NO |
| West Hartford | NO | NO | NO | YES |
| West Haven | NO | YES | YES | YES |
| Westbrook | YES | NO | NO | NO |
| Weston | YES | NO | NO | NO |
| Westport | YES | NO | NO | NO |
| Wethersfield | OPT-In Eligible | YES | NO | NO |
| Willington | YES | NO | NO | NO |
| Wilton | YES | NO | NO | NO |
| Winchester | OPT-In Eligible | YES | YES | NO |
| Windham | NO | YES | YES | YES |
| Windsor | OPT-In Eligible | YES | NO | NO |
| Windsor Locks | YES | NO | NO | NO |
| Wolcott | YES | NO | NO | NO |
| Woodbridge | YES | NO | NO | NO |
| Woodbury | YES | NO | NO | NO |
| Woodstock | YES | NO | NO | NO |

Municipalities which have an Urban Center Per Adopted Plan are NOT eligible for either the STEAP program or the STEAP Opt-In Provision.

Municipalities which are designated as a PIC Community, and or a Distressed Municipality, are eligible to Opt-In to the STEAP program as long as the municipality does not have an urban center as per adopted plan. The Opt-in period shall be for four years, and during that four-year period, municipalities which have opted in are NOT eligible to receive Urban Act funding. [Click this link for the STEAP statutory authority which outlines the Opt-In requirements.](#)

STEAP OPT-IN PROVISIONS

Municipalities deemed eligible for the STEAP Opt-In provision may elect to be eligible for said program individually or as part of a group of municipalities in lieu of being eligible for financial assistance under section 4-66c (Urban Act Grants), by a vote of its legislative body or, in the case of a municipality in which the legislative body is a town meeting, its board of selectmen, and submitting a written notice of such vote to the Secretary of the Office of Policy and Management. Any such election shall be for the four-year period following submission of such notice to the secretary and may be extended for additional four-year periods in accordance with the same procedure for the initial election.

It is important to note that once a municipality opts-in to the STEAP program, the opt in period lasts for four years from the submission date of the opt-in request. There is no provision to opt-out prior to the end of the four-year term.

Municipalities which have already opted in, and the term of the opt-in has not expired as of the due date for this application, do not need to submit an opt-in request to apply for STEAP. However, if an opt-in municipality is awarded a STEAP grant from this current round, the town must renew their opt-in if their current opt-in expires during the term of the grant. [For complete statute, click this link: C.G.S. §4-66g.](#)

STEAP CONTACT INFORMATION

Programmatic and application questions should be directed to: Martin.Heft@ct.gov.

Questions related to a specific grant that has been awarded (including questions about your grant contract/agreement, payment/reimbursement and a one-time extension), must be directed to the [state agency assigned](#) to administer your grant. Such information is provided in the STEAP award notification letter.