

2024 Policy Agenda

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1. FINANCES

1.1. Provide financial resources to bring in more federal grants

The Infrastructure Investment and Jobs Act (IIJA) represents an unprecedented expansion of federal grants for transportation projects. These grants are a golden opportunity for Connecticut:

- Federal transportation grants 80% of project cost, so for every \$1 a state invests, it receives \$4 – an instant return of 500% on the state’s investment.
- Each dollar of transportation spending, regardless of source, produces an average of \$3.40 in additional economic output.
- Taken together, each dollar a state invests to match a federal transportation grant brings in \$16 to the state – some of which returns to the state in the form of taxes.

Given that every dollar of federal spending in Connecticut grows the economy and its tax receipts of the state, the state should cover at least part of the 20% nonfederal cost share on federal discretionary (competitive) grant awards. Such a program would enable municipalities and regions to pursue grants, bringing new dollars into Connecticut, growing jobs, business, and revenue.

1.2. Lower self-imposed hurdles to obtaining federal funds

IIJA and the Inflation Reduction Act expand federal grants to states. To maximize the state’s access to these opportunities, the state should take actions to:

- Provide at least part of the nonfederal match to these grants (see 1.1).
- Allow federal funds to meet local match requirements on state grants.
- Align state definitions with federal ones. Conflicting definitions can make state applications uncompetitive or ineligible under federal funding sources.
- Refrain from adding conditions beyond what the federal government requires to federal funds the state passes through. These conditions can make it unnecessarily hard to use federal funds.

1.3. Fix the methodology to identify distressed municipalities

Many state programs give preference to municipalities that the state has identified as “distressed.” However, the method used to identify distress is questionable. For instance, municipalities with as few as under 200 residents under the poverty line are accorded “distressed” status, while others with tens of thousands of poor residents are not. This method, which is only used in Connecticut, is inconsistent with federal grants – making it harder to leverage state grants against federal ones. To address this, the method should be revised to be inclusive of all disadvantaged communities and to complement federal definitions of economic distress.

1.4. Use people-centered, not property-centered, funding formulas

Formulas that use property values as a proxy for human need disadvantage communities that are part of the NYC metro, where home values are higher than in the rest of Connecticut, but where household incomes are not proportionately higher. This directs state aid away from communities where the housing costs – and housing cost burdens – are the largest. To mitigate this inequity, funding formulas should not use property values – which are only comparable within the same metro area. Instead, measures such as property tax or housing cost burden as a percentage of household income should be considered as a basis for discussions about formula reform.

1.5. Allow municipalities to recover costs from tax-exempt property

Payment in Lieu of Taxes (PILOT) reimburses municipalities for revenue lost due to legislatively mandated tax exemptions. PILOT underfunding forces municipalities to make up losses by increasing the mill rate on all other taxpayers. This especially impacts urban areas, which host a disproportionate fraction of tax-exempt properties. The result is a concentration of the tax burden on urban residents, limiting the building of intergenerational wealth and creating incentives for business tax avoidance via relocation to lower-tax jurisdictions or conversion to nonprofit status.

To fix this, municipalities should be able to recover the costs of the noneducational services (e.g., police, fire, trash, water/sewer, roads) that tax-exempt facilities consume, except where they provide such services internally, to the extent that PILOT is not fully funded. This will help address municipal funding challenges, diminish tax avoidance incentives, and deliver property tax relief to residents in communities that opt to recover costs in this manner.

1.6. Eliminate or reform the Minimum Budget Requirement (MBR)

The MBR has not allowed municipalities to adjust spending in proportion to dropping enrollment. This policy has produced divergence, with shrinking districts spending more and more per pupil, without any appreciable benefit. To address this, The MBR should be abolished or reformed to serve as a floor, an equal basis that applies to all districts in a region and that reflects the cost of providing a quality education to a child.

2. TRANSPORTATION

2.1. Continue funding transportation

The Special Transportation Fund, which supports the state's transportation system, has experienced close calls in the last decade. While these episodes have passed, vigilance is needed to keep the Fund healthy and adequately resourced. To this end, the state should:

- Fully fund the STF, with no revenue diversion or suspension.
- Press to adjust the federal gas tax to account for inflation, which has eroded over 50% of its real value. (Connecticut receives more from this tax than it pays in, so any increases to the tax would be a net positive for the state.)
- In conjunction with peer states, develop a revenue source for electric vehicles so that their users also share fairly in supporting the transportation system, such as through a kWh tax.

2.2. Advance regional transportation priorities

In 1999, New England was warned that it risked “losing connectivity to the global network and becoming increasingly isolated” due to inadequate infrastructure. Since then, however, infrastructure capacity has not kept up with demand; as an illustration, I-95 in the Stamford area now ranks as having the worst congestion in the country (INRIX, 2023). Getting people and goods flowing efficiently will take concerted investment across a range of major transportation projects. These include:

Add capacity to I-95 from the New York State line

Reconstruct and add capacity to I-84 in the Danbury area

Complete the Route 7/15 interchange

Coordinate signals on major routes such as Route 1

Reduce New Haven Line travel times and improve speeds (execute Time for CT)

Implement the Danbury Branch study, including electrification and extension to New Milford

Implement quiet zones on the New Canaan Branch

Add rail station parking

Implement bus rapid transit on Route 1

Complete the Norwalk River Valley Trail/Still River Greenway/U.S. Bike Route 7

Demand reduction through fiber to every home and business

2.3. Develop an electrification plan

Mass adoption of electric vehicles (EVs) and of heat pumps will double or triple electricity demand – far beyond the current capacity of the grid. For this transition to succeed and be cost-effective, a realistic plan addressing energy generation, conveyance, storage, access, and use is needed.

2.4. Improve the talent development pipeline to preserve capacity to deliver projects

Shortages of skilled labor risk delaying and driving up the cost of projects; they are also impacting the ability to apply to grants and bring in funds. The state should work with universities and colleges to expand programs and course offerings to develop future transportation planners and transportation engineers.

2.5. Enable Payment-in-Lieu-of-Sidewalks (PILOS)

PILOS, which is used in many other states, allows a municipality to waive the construction of sidewalks and crossings (pedestrian infrastructure) in a new development where they will not get much use (e.g., on a small cul-de-sac) in exchange for payment into a PILOS fund. A municipality may then use accrued PILOS resources to build sidewalks where they are most needed (e.g., on the main road the cul-de-sac opens onto). PILOS is not legal here but should be.

2.6. Support the continued expansion of multi-use trails

A recent opinion by the Attorney General cast doubt on the state's ability to acquire property for trails for pedestrians and cyclists. This opinion, which upended decades of practice, has brought important projects to a standstill. To correct this, state law should be amended to clarify that the Commissioner of Transportation's authority to acquire land for state highways includes transportation facilities for nonmotorized users such as multi-use trails and bicycle facilities.

2.7. Build schools with sidewalks

Interest in walking to school is growing at the same time that pedestrian deaths are rising. A factor in these fatalities is a lack of safe infrastructure. To promote physical activity, facilities that are designed to enable children to walk or bike to school should be treated as eligible costs under state school construction grants, even if they are not on school property.

3. HOUSING

3.1. Support infrastructure transit-oriented development (TOD)

TOD requires greater investment in infrastructure than lower density development. This includes public water, wastewater, and stormwater lines, pumps, and plants, as well as facilities for pedestrians, cyclists, and transit. The costs of this infrastructure often become a financial barrier to TOD. To enable more TODs to be financially viable, additional infrastructure funding should be made available under state programs for TOD. This may be in the form of new or expanded state funding and reduced cost share under existing programs.

3.2. Create a revenue stream for housing trust funds

Housing trust funds, which bridge the gap between what a lower-income household can pay, and what it costs to create a home, are a primary method by which counties and municipalities across the country finance affordable housing. These are often funded by a transfer fee on property sales (aka a conveyance tax). In Connecticut, municipalities do not have this option: instead, their trust funds are funded by permit fees on new development. Because new construction is a slow process, it can take a long time for a trust fund to accrue resources sufficient to undertake a single project. In contrast, in a state where trust fund revenue comes from sales of all property – existing and new – funds grow much faster and can deliver accordingly more projects.

Enabling all municipalities to add an increment to the conveyance tax (or returning part of the state conveyance tax to them) for the creation of affordable housing would decrease the wait time associated with and increase the number of affordable homes that housing trust funds deliver.

3.3. Incentivize housing through inclusionary zoning

Municipalities may adopt inclusionary zoning that requires affordable units in new development. However, to qualify under §8-30g, half of those units must be affordable at 60%, with another half at 80%, of the lesser of state and area median income; state regulations take a further 15% off this. This results in sales and rental prices that fall short break-even for developers, making it hard to create affordable housing in Western Connecticut. Municipalities should have the option to apply simple area median income (rather than the “lesser”, and without the arbitrary 15% reduction) to affordable units that are developed under inclusionary zoning. This would dramatically improve the economics of affordable housing, creating strong incentives for developers to work through inclusionary zoning, rather than the adversarial Affordable Housing Appeals Process, and, relatedly, for municipalities to implement inclusionary zoning.

3.4. Support transit-oriented development (TOD) through §8-30g

§8-30g does not factor in transportation costs, even though housing and transportation costs are inversely proportional. The cost of car ownership accounts for about 20% of median income for lower-income households, so an 80% income unit where residents do not need a car is comparable to a 60% one where a car is needed. Under the state’s housing regulations, a 20% median income price reduction earns an additional 0.5 Housing Unit Equivalent (HUE) per unit. Providing an extra 0.5 HEU for each unit in walking distance of a train or bus rapid transit station would give municipalities a strong incentive to work with developers to site housing where households thrive without a car.

3.5. Extend current use value taxation to affordable rentals

While property is generally taxed based on its “highest and best use”, all states have provisions that tax property on its current use, when such use is of societal benefit. Connecticut law (PA 490) reduces assessments and thus taxes on working farms and forest tracts in exchange for 10-year commitments from the property owner to keep the farm a farm and the forest a forest. This reduces the pressure on owners to convert the land to other uses. In addition to farms and forests, PA 490 provides a municipal option to reduce assessments on properties whose owners have committed to maintaining them as open space.

Creating a municipal option in PA 490 for affordable rental housing, where landlords receive assessment reductions for voluntarily committing to below-market rate rent, would incentivize landlords to lower rent and keep it affordable. A municipality in turn would receive credit under §8-30g for each rental that is participating in the program. If modeled on the open space option, such a commitment would be for ten years, with penalties for breaking of the commitment, and with units counting toward §8-30g for the same period.

3.6. Enable a “stretch” code

The Inflation Reduction Act includes \$667 million for the adoption of “stretch” codes, which are building standards that produce higher performance buildings than a typical building code. Connecticut does not allow municipalities to require developments to be built to higher standards – effectively locking residents and tenants into decades of higher energy use, higher greenhouse gas emissions, and higher utility costs. A green affordable stretch code, which promotes greater sustainability and affordability than the standard building code, should be developed and enabled for local use as an alternative or substitute to the state building code.

3.7. Support grassroots democracy and local control

Connecticut has a rich tradition of democratic, participatory decision-making, thanks to the numerous opportunities provided for civic engagement and volunteer service at the local level. These opportunities, which range from serving on school boards and civilian review boards to planning and zoning commissions, keep government close to voters, building trust and pride in the state’s diverse communities. The state should support this spirit of civic engagement by strengthening, not weakening, opportunities for local decision-making and local control.

4. ENVIRONMENT

4.1. Update water efficiency standards

Connecticut is tied for last in New England and New York when it comes to water efficiency standards. These outdated standards fail to reflect advances in fixture efficiency as well as changes in the climate – which include longer and more intense droughts. Modernizing Connecticut’s standards to match those of its neighbors will provide needed relief to the drinking water and wastewater challenges the state faces, improving sustainability while ensuring that the state has the capacity to continue to grow. The state should follow its neighbor’s lead and adopt the same standards as New York for the water efficiency of plumbing fixtures and for irrigation sprinklers.

4.2. Set minimum standards for river- and streambank protection

Connecticut is the only New England state that does not require setbacks from rivers and streams. (Instead, this responsibility is pushed onto municipalities. The result is a patchwork of standards where setbacks vary up and down and even on opposing banks of a river.) Consistent minimum setbacks better protect water quality and reduce flood damages from the higher intensity storms the region is experiencing. Connecticut should require minimum setbacks at least equal to those of Vermont, which are 50 and 100 feet for streams and rivers, respectively. (The averages of the five New England states outside Connecticut are 95 ft. and 150 ft, respectively.)

4.3. Develop a comprehensive strategy to address emerging water contaminants

Contamination of drinking water by perfluoroalkyl and polyfluoroalkyl substances (PFAS), arsenic, uranium, and chlorides is a growing problem. The state should address this by giving guidance to state and local agencies about sources of water contaminants and best practices to avoid them; providing resources to public and community water systems to comply with EPA regulations on PFAS; supporting private well testing and reporting; securing funding for remediation or treatment; and eliminating PFAS in high-risk consumer goods, as other states have done (e.g., food packaging and cookware, body care products, children’s toys, clothing, rugs, and indoor furniture).

4.4. Provide resources to solve the trash problem

The shutdown of the MIRA incinerator has left a quandary: what to do with trash that is no longer being burnt in Hartford? Currently, this trash is being trucked to landfills out of state, but this is not an efficient or ecological solution. Some groups have advocated large-scale organics separation and composting, expanded recycling, pay-as-you-throw, and extended producer responsibility as solutions to bridge the shortfall in in-state processing capacity. However, there is no clear pathway to fund these. If new waste management practices are to be implemented and successfully maintained long-term, revenue streams to fund their administration will be necessary.

4.5. Build on existing infrastructure

Redevelopment of disinvested areas is smart. Not only does it save forest and farmland, but it also reduces capital and maintenance costs – no duplicate infrastructure is built – and bolsters the balance sheet for existing facilities, which are often underutilized and underfunded and could accordingly benefit from additional ratepayers. The state should prioritize investments in places with existing infrastructure. These include downtowns, brownfields, and transit-oriented developments around passenger rail and bus rapid transit stations.

5. ENERGY

5.1. Lead in rolling out Inflation Reduction Act (IRA) programs

IRA provides huge rebates for energy and heating upgrades completed by January 1, 2023 or later; however, the rebate programs are managed by states – and have yet to roll out. The sooner these programs are rolled out, the sooner households will have access to the financial relief needed to offset the cost of these upgrades and reduce not only their environmental impact but also the impact of energy and fuel prices on their household budgets.

5.2. Allow low- and moderate-income households to DIY

Self-installation of energy efficiency improvements qualifies for federal tax deductions; however, these generally apply to high-income households. Low- and moderate-income households can receive cash rebates under state and federal programs for the same improvements, but unlike with federal tax deductions, the rules for these rebates are set by states. Historically, Connecticut has not allowed self-installation using rebates. Continuation of this practice would create inequity, where high income households can DIY it, but low- and moderate-income households cannot. Connecticut should follow the model of New Jersey and rebate self-installed improvements.

5.3. Remove energy audit bottlenecks to efficiency upgrades

Energy audits are key to determining how best to achieve efficiency and, in fact, are required as a first step to qualify under existing state programs. However, the popularity of required audit programs has resulted in long wait times to be seen – substantially delaying the installation of efficiency upgrades and financial savings resulting from them. To prevent energy audits from becoming a bottleneck, the state should expand energy audit programs for homes, businesses, and local governments and schools – including a goal to have every public facility audited – so that more facilities can be seen faster, as well as consider providing alternatives to an audit and, in some cases, waiving the need for an audit.

6. PUBLIC HEALTH

6.1. End the Opioid Crisis

Reductions in access to prescription opioids, coupled with inadequate treatment options, has resulted users turning to black market drugs, notably heroin and often the fentanyl that heroin is increasingly laced with. The social isolation and economic hardship of the Covid-19 pandemic worsened this crisis, leading to a spike in fatal overdoses. To bring this crisis under control, Connecticut must develop, implement, and adequately resource an evidence-based strategy that reduces harm and saves lives.

6.2. Provide state incentives to recruit and retain volunteer first responders

Fire and paramedic services are at risk of losing capacity as volunteers retire at a faster rate than they are replaced. While municipalities provide incentives to recruit and retain volunteers, the most significant of these incentives – tax abatements – are only available to their own residents. This limits the ability of municipalities to attract first responders from neighboring jurisdictions, including ones that have larger, younger populations. The state should identify options to support volunteering across the state, regardless of jurisdiction. State-level incentives for volunteering may include state tax credits, tuition support, and access to state plans (e.g., Partnership, 457b).

7. TECHNOLOGY

With its educated workforce; strengths in finance and insurance; and strategic location, Connecticut could become a leader in the “5G economy” – but only if state and local actors work together to stimulate investment in next-generation wired and wireless network infrastructure.

7.1. Run fiber to every home and business

In a post-pandemic era, Internet access is no longer a luxury. Like electricity or water, it is a need, and households and businesses without connections of adequate capacity and reliability cannot participate fully in society and the economy. Connecticut should develop and implement a plan to wire every household and business with fiber optics to the Internet, providing affordable pricing and freedom of choice through open access networks.

7.2. Create a strategy for data-heavy, ‘power user’ sectors

Federal strategy focuses on giving basic connectivity to those who lack it. While this ensures that nobody is left behind in the transition to a digital economy, future growth in sectors such as artificial intelligence, data science, autonomous mobility, remote manufacturing, telemedicine, and media production prerequisites connectivity far beyond what the federal government is supporting. If Connecticut is to grow a future in these sectors, the state needs a strategy to make available quality service (high speed, low latency and jitter, high uptime) to areas in which sector workplaces are located.

7.3. Allow municipalities to require land use applications to be submitted digitally

Many land use applications include surveys, parcel maps, and site plans. These documents are generally prepared on a computer but often printed out. Municipalities should be able to require that spatial documents be submitted in their original digital form (not a print and scan or PDF), so that they may be imported into municipal data systems and without the expense of re-digitization.

7.4. Expand digitization of building records to property records

Special Act 22-14 established a working group to advance the digitization of records associated with the State Building Code. Moving to digital workflows can reduce the costs, delays, and errors associated with paper-based processes, while enabling the data produced to by building officials and departments to be used for new purposes (e.g., to create high-resolution geospatial databases and to support comprehensive analyses/modeling).

This modernization effort should be expanded to cover property records, such as paper deeds. Digital land records reform, where it has been implemented, has yielded substantial improvements in records administration (including elimination of municipal vaults) and in property sales, where it has decreased the cost associated with property sale – significantly reducing the closing costs that are often a financial barrier for families looking to buy a house.

8. REGIONAL AND SHARED APPROACHES

8.1. Devolve administration of more state grants to the COGs along the lines of LOTCIP

The Local Transportation Improvement Program (LoTCIP) has been a success, delivering projects via the COGs more quickly than was possible through the state. Other programs may benefit from and should be considered for a similar approach.

8.2. Remove barriers to shared appointments

State law stipulates that a single person be appointed to certain municipal positions, including the fire marshal, building official, and zoning enforcement officer. This structure makes it difficult for municipalities to share personnel and to take part in regional departments where multiple persons may carry out a job function. To correct this, state law should waive appointment requirements when municipalities jointly or regionally contract to perform the functions of these positions.

8.3. Remove barriers to shared commissions

State law provides for municipalities to convene and support commissions. For commissions that do not allow for local policymaking and whose primary purpose is to implement state law, the state should allow municipalities to share such commissions. As a starting point, the state should enable municipalities of all sizes to share a Fair Rent Commission. Shared commissions will reduce the challenge of finding qualified volunteers in every municipality and achieve efficiencies in supporting these commissions.

8.4. Support consolidation of fire districts

In some municipalities, fire response is fragmented among two or more independent fire districts. These districts are holdovers from a time before municipalities provided fire service townwide via a municipal department. In recognition of local interest in moving toward a more rational structure, the General Assembly commissioned a study of the “obstacles to merging or consolidating municipal fire districts and departments” (SA 21-12). It does not appear this study was completed. The state should complete this study and, based on its findings, assist municipally supported mergers of fire districts and departments.

8.5. Reform the land use referral process

Under state law (CGS §8-3b), COGs review local land use proposals against their regional plans. However, this process (known as a “referral”) by statute is only invoked when a proposal affects land within 500 feet of a neighboring Connecticut municipality. This arbitrary threshold produces situations where a 500 sq. ft. home addition may be reviewed, but a 500,000 sq. ft. project is not. To improve the utility of the referral process, this threshold should be replaced with rational criteria that determine whether a project is of regional significance and merits regional review, much as the referral process in New York State operates.