



Senate

General Assembly

File No. 587

February Session, 2024

Substitute Senate Bill No. 456

Senate, April 22, 2024

The Committee on Finance, Revenue and Bonding reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ESTABLISHING A PILOT PROGRAM FOR THE DEVELOPMENT AND IMPLEMENTATION OF TEN-YEAR PLANS TO ERADICATE CONCENTRATED POVERTY IN THE STATE.

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

1 Section 1. (NEW) (*Effective from passage*) (a) It is hereby declared that
2 there exists a concentrated poverty crisis in the state that exacts a critical
3 toll on poor and nonpoor residents of communities that house areas of
4 concentrated poverty, which create lifelong and persistent
5 disadvantages across generations by lowering the quality of educational
6 and employment opportunities, limiting health care access and
7 diminishing health outcomes, increasing exposure to crime, reducing
8 available choices for affordable and properly maintained housing and
9 imposing obstacles to wealth-building and economic mobility. It is
10 further declared that the development and implementation of the ten-
11 year plans under this section to eradicate concentrated poverty in the
12 state are necessary and for the public benefit, as a matter of legislative
13 determination.

14 (b) There is established an Office of Neighborhood Investment and
15 Community Engagement within the Department of Economic and
16 Community Development. Said office shall have a staff dedicated
17 exclusively to carrying out the provisions of this section, overseeing the
18 implementation of the ten-year plans developed pursuant to this
19 subsection, monitoring the state's progress in reducing concentrated
20 poverty in the state and serving as the facilitator to coordinate
21 communication between the various parties and disseminate
22 information in a timely and efficient manner.

23 (c) (1) There is established a pilot program to implement the
24 provisions of the ten-year plans developed pursuant to this section for
25 participating concentrated poverty census tracts. Any concentrated
26 poverty census tract or group of tracts (A) that is located in any of the
27 four municipalities with the greatest number of concentrated poverty
28 census tracts, and (B) for which community members have established
29 a community development corporation pursuant to the provisions of
30 section 32-7s of the general statutes, as amended by this act, to assist the
31 municipality in which such census tract or group of tracts is located in
32 carrying out the municipality's responsibilities under this section and
33 the ten-year plan developed for such census tract or group of tracts, shall
34 be eligible to participate in the program. Notwithstanding the
35 provisions of subparagraph (A) of this subdivision, any municipality in
36 which a concentrated poverty census tract or group of tracts is located
37 and for which a community development corporation has been
38 established as described under subparagraph (B) of this subdivision, or
39 any such community development corporation, may request to
40 participate in the program. As used in this section, "concentrated
41 poverty census tract" means a census tract identified as a high poverty-
42 low opportunity census tract, as of January 1, 2024, by the Office of
43 Policy and Management pursuant to section 32-7x of the 2024
44 supplement to the general statutes.

45 (2) (A) The Office of Neighborhood Investment and Community
46 Engagement shall develop a plan for each participating concentrated
47 poverty census tract or group of tracts, as applicable, to eradicate, over

48 ten years, the levels of concentrated poverty in the state, evidenced by a
49 reduction, to twenty per cent or lower, in the percentage of households
50 who reside in a concentrated poverty census tract and have incomes
51 below the federal poverty level, as well as sustained improvements in
52 community infrastructure and other underlying conditions that serve to
53 prolong concentrated poverty and economic inertia in such census
54 tracts. In developing such plan, said office shall consult with the Office
55 of Community Economic Development Assistance established under
56 section 32-7s of the general statutes, as amended by this act, the Office
57 of Workforce Strategy established under section 4-124w of the general
58 statutes, the Office of Early Childhood, the Department of Education,
59 the Office of Policy and Management, the applicable community
60 development corporations serving the participating concentrated
61 poverty census tract or group of tracts and the applicable municipal
62 chief elected officials and any other public or private entity the
63 Commissioner of Economic and Community Development deems
64 relevant or necessary to achieving the purposes of this subsection.

65 (B) Each ten-year plan shall include, but need not be limited to, (i)
66 measurable steps to be taken for its implementation, the target date by
67 which each such step is to be completed and the state or municipal
68 official or state or municipal agency, department or division responsible
69 for each such step, (ii) minimum state-wide averages for educational
70 metrics, including, but not limited to, kindergarten-readiness, grade
71 level reading and mathematics and college-readiness or career-
72 readiness, to be used as benchmarks for improvements in each
73 concentrated poverty census tract or group of tracts, as applicable, and
74 (iii) the list of possible projects determined pursuant to subdivision (3)
75 of this subsection.

76 (C) On or before June 1, 2025, the Commissioner of Economic and
77 Community Development shall inform the joint standing committee of
78 the General Assembly having cognizance of matters relating to finance,
79 revenue and bonding, in writing, of the progress made to date in the
80 development of each ten-year plan. Not later than January 1, 2026, said
81 commissioner shall submit all such plans to the General Assembly, in

82 accordance with the provisions of section 11-4a of the general statutes.

83 (3) The Office of Neighborhood Investment and Community
84 Engagement shall, jointly with the chief elected official of each
85 applicable municipality and the community development corporation
86 established to assist such municipality, develop a list of possible projects
87 that will be included in the ten-year plan for each participating
88 concentrated poverty census tract or group of tracts, as applicable,
89 located in such municipality. Said office, official and corporation shall
90 (A) determine the types of projects they deem to be the most appropriate
91 and effective for such census tract or group of tracts to eradicate
92 concentrated poverty within such census tract or group of tracts,
93 including, but not limited to, capital projects, workforce development
94 programs, housing development, community and neighborhood
95 improvements and education initiatives to assist and support residents
96 in meeting and surpassing the educational metrics described in
97 subparagraph (B)(ii) of subdivision (2) of this subsection, and (B) take
98 into account the criteria for projects eligible for grants under sections 32-
99 7s of the general statutes, as amended by this act, 32-7x of the general
100 statutes, as amended by this act, and 32-285a of the general statutes, as
101 amended by this act.

102 (4) Not later than February 1, 2027, and annually thereafter, the
103 Commissioner of Economic and Community Development shall submit
104 a report to the General Assembly, the Office of Workforce Strategy, the
105 Office of Early Childhood and the Office of Policy and Management, in
106 accordance with the provisions of section 11-4a of the general statutes,
107 that summarizes the progress being made by the Office of
108 Neighborhood Investment and Community Engagement in
109 implementing each of the ten-year plans, the status of any projects
110 pending or undertaken for each participating concentrated poverty
111 census tract or group of tracts and any other information the
112 commissioner or the Office of Neighborhood Investment and
113 Community Engagement deems relevant or necessary.

114 (5) (A) Commencing with the calendar year 2027, not later than

115 March first of said year and annually thereafter for the next two years,
116 the joint standing committee of the General Assembly having
117 cognizance of matters relating to finance, revenue and bonding shall
118 hold an informational forum for the Commissioner of Economic and
119 Community Development to present the contents of the submitted
120 report and for other state officials, municipal officials, representatives of
121 community development corporations serving participating
122 concentrated poverty census tracts or groups of tracts and other
123 interested parties to provide oral and written comments on the
124 submitted report and the pilot program.

125 (B) Commencing with the calendar year 2030, said committee shall
126 hold such informational forum every two years.

127 (d) Not later than January 1, 2029, the Commissioner of Economic and
128 Community Development shall submit a recommendation to the joint
129 standing committee of the General Assembly having cognizance of
130 matters relating to finance, revenue and bonding of whether the pilot
131 program should be expanded to all concentrated poverty census tracts
132 or groups of tracts in the state for which a community development
133 corporation has been established as described under subparagraph (B)
134 of subdivision (1) of subsection (c) of this section. If the commissioner
135 recommends such expansion, the commissioner and the Office of
136 Neighborhood Investment and Community Engagement shall
137 immediately undertake such expansion.

138 (e) If any state or municipal official responsible for carrying out a
139 requirement or responsibility under the provisions of this section or a
140 ten-year plan fails to do so in a timely manner, any community
141 development corporation established as described under subparagraph
142 (B) of subdivision (1) of subsection (c) of this section that is aggrieved
143 by such failure may bring an action against such official in the superior
144 court for the judicial district in which such census tract or group of tracts
145 is located for a writ of mandamus to compel such official to carry out
146 such requirement or responsibility.

147 Sec. 2. Section 32-7s of the general statutes is repealed and the

148 following is substituted in lieu thereof (*Effective from passage*):

149 (a) As used in this section:

150 (1) "Certified community development corporation" means an
151 organization exempt from taxation under Section 501(c)(3) of the
152 Internal Revenue Code of 1986, or any subsequent corresponding
153 internal revenue code of the United States, as amended from time to
154 time, that (A) focuses a substantial majority of the community
155 development corporation's efforts on serving one or more target areas,
156 (B) has as its purpose to engage local residents and businesses to work
157 together to undertake community development programs, projects and
158 activities that develop and improve urban communities in sustainable
159 ways that create and expand economic opportunities for low and
160 moderate-income people, (C) demonstrates to the Office of Community
161 Economic Development Assistance established under subsection (b) of
162 this section that the community development corporation's
163 constituency is meaningfully represented on the board of directors of
164 such community development corporation, through (i) the percentage
165 of the board members who are residents of a target area or a community
166 that such community development corporation serves or seeks to serve,
167 (ii) the percentage of board members who are low or moderate-income,
168 (iii) the racial and ethnic composition of the board in comparison to the
169 racial and ethnic composition of the community such community
170 development corporation serves or seeks to serve, or (iv) the use of
171 mechanisms such as committees or membership meetings that the
172 community development corporation uses to ensure that its
173 constituency has a meaningful role in the governance and direction of
174 the community development corporation, and (D) is certified by the
175 Office of Community Economic Development Assistance pursuant to
176 this section;

177 (2) "Department" means the Department of Economic and
178 Community Development; and

179 (3) "Target area" means a contiguous geographic area in which the
180 current unemployment rate exceeds the state unemployment rate by at

181 least twenty-five per cent or in which the mean household income is at
182 or below eighty per cent of the state mean household income, as
183 determined by the most recent decennial census.

184 (b) (1) There is established an Office of Community Economic
185 Development Assistance within the Department of Economic and
186 Community Development. The office shall, within available
187 appropriations, (A) provide assistance to organizations seeking to
188 establish themselves or be certified as a community development
189 corporation in the state, (B) provide grants to certified community
190 development corporations for projects to be undertaken in a target area,
191 (C) serve as the liaison between community development corporations
192 and investors seeking to invest funds in such community development
193 corporations and provide assistance in soliciting investment funds for
194 such community development corporations, and (D) seek to ensure
195 coordinated, efficient and timely responses to such organizations,
196 community development corporations and investors.

197 (2) The office shall identify eligible target areas in the state and post
198 such target areas on the department's Internet web site.

199 (c) (1) Any organization exempt from taxation under Section 501(c)(3)
200 of the Internal Revenue Code of 1986, or any subsequent corresponding
201 internal revenue code of the United States, as amended from time to
202 time, may apply to the Office of Community Economic Development
203 Assistance to establish itself as or be certified as a community
204 development corporation in the state. The office shall prescribe the form
205 and manner of such application.

206 (2) (A) Any existing community development corporation that
207 operates or seeks to operate in the state may apply to the office to be
208 certified. The office shall certify any community development
209 corporation that is exempt from taxation under Section 501(c)(3) of said
210 Internal Revenue Code and meets the requirements set forth in
211 subparagraphs (A) to (C), inclusive, of subdivision (1) of subsection (a)
212 of this section. Each community development corporation that is
213 established pursuant to this subsection shall be deemed to be certified.

214 (B) The office shall maintain a current list of certified community
215 development corporations and shall post such list on the Internet web
216 site of the department.

217 (3) The Office of Community Economic Development Assistance
218 shall establish a grant program for projects to be undertaken by a
219 certified community development corporation in a target area,
220 provided, on and after the date the ten-year plans developed under
221 section 1 of this act are submitted to the General Assembly, the office
222 shall give priority to projects included in such plans. Such projects shall
223 include, but not be limited to, infrastructure improvements, housing
224 rehabilitation, streetscape improvements and facade improvements for
225 businesses. The office shall establish the application form and process
226 for such grant program, the criteria for eligible projects and for
227 awarding grants and any caps or limits on the amount or number of
228 grants awarded. The office shall post information concerning the grant
229 program on the department's Internet web site.

230 (d) (1) For the purposes described in subdivision (2) of this
231 subsection, the State Bond Commission shall have the power from time
232 to time to authorize the issuance of bonds of the state in one or more
233 series and in principal amounts not exceeding in the aggregate fifty
234 million dollars.

235 (2) The proceeds of the sale of such bonds, to the extent of the amount
236 stated in subdivision (1) of this subsection, shall be used by the
237 Department of Economic and Community Development for the
238 purposes of carrying out the duties of the Office of Community
239 Economic Development Assistance under subsection (b) of this section
240 and the grant program under subsection (c) of this section.

241 (3) All provisions of section 3-20, or the exercise of any right or power
242 granted thereby, that are not inconsistent with the provisions of this
243 section are hereby adopted and shall apply to all bonds authorized by
244 the State Bond Commission pursuant to this section. Temporary notes
245 in anticipation of the money to be derived from the sale of any such
246 bonds so authorized may be issued in accordance with section 3-20 and

247 from time to time renewed. Such bonds shall mature at such time or
248 times not exceeding twenty years from their respective dates as may be
249 provided in or pursuant to the resolution or resolutions of the State
250 Bond Commission authorizing such bonds. None of such bonds shall be
251 authorized except upon a finding by the State Bond Commission that
252 there has been filed with it a request for such authorization that is signed
253 by or on behalf of the Secretary of the Office of Policy and Management
254 and states such terms and conditions as said commission, in its
255 discretion, may require. Such bonds issued pursuant to this section shall
256 be general obligations of the state and the full faith and credit of the state
257 of Connecticut are pledged for the payment of the principal of and
258 interest on such bonds as the same become due, and accordingly and as
259 part of the contract of the state with the holders of such bonds,
260 appropriation of all amounts necessary for punctual payment of such
261 principal and interest is hereby made, and the State Treasurer shall pay
262 such principal and interest as the same become due.

263 (e) Not later than July 1, 2023, and annually thereafter, the Office of
264 Community Economic Development Assistance shall submit a report,
265 in accordance with the provisions of section 11-4a, to the joint standing
266 committees of the General Assembly having cognizance of matters
267 relating to commerce, planning and development and finance, revenue
268 and bonding. Such report shall include, but not be limited to, a
269 description of the activities undertaken by the office in the preceding
270 fiscal year, the number of community development corporations
271 established and certified in the preceding fiscal year, the number and
272 amounts of grants awarded to certified community development
273 corporations in the preceding fiscal year and a description and the
274 locations of the projects undertaken by certified community
275 development corporations in the preceding fiscal year.

276 Sec. 3. Section 32-7x of the 2024 supplement to the general statutes is
277 repealed and the following is substituted in lieu thereof (*Effective from*
278 *passage*):

279 (a) As used in this section, ["high poverty-low opportunity census

280 tract"] "concentrated poverty census tract" means a United States census
281 tract in which thirty per cent or more of the [residents] households
282 within such census tract have incomes below the federal poverty level,
283 according to the most recent five-year United States Census Bureau
284 American Community Survey.

285 (b) The Secretary of the Office of Policy and Management shall
286 compile a list of [high poverty-low opportunity] concentrated poverty
287 census tracts in the state and the municipalities in which such census
288 tracts are located and shall, not later than July 31, 2023, submit such list
289 to the General Assembly in accordance with the provisions of section
290 11-4a. The secretary shall post such list to the Internet web site of the
291 Office of Policy and Management and shall review and update such list
292 as necessary. Whenever the secretary updates such list, the secretary
293 shall submit such updated list to the General Assembly in accordance
294 with the provisions of section 11-4a.

295 (c) (1) The Commissioner of Economic and Community Development
296 shall establish a grant program to fund eligible projects within [high
297 poverty-low opportunity] concentrated poverty census tracts. An
298 eligible project shall seek to reduce concentrated poverty within such
299 tracts and the effects of such poverty, including, but not limited to, the
300 lower lifetime income of residents within such tracts, the lower lifetime
301 income expectations of future generations within such tracts, increased
302 crime and risk of incarceration for residents within such tracts and
303 educational deficiencies within such tracts. An eligible project includes:

304 (A) Construction, renovation or rehabilitation of mixed-income rental
305 housing and owner-occupied housing, in order to retain individuals and
306 families of different income levels and to increase the percentage of
307 owner-occupied housing within such census tract or tracts;

308 (B) The establishment or improvement of workforce development
309 programs, including, but not limited to, programs that partner with
310 organizations to identify unemployed or underemployed individuals
311 and at-risk youth residing in such census tracts, identify workforce
312 training opportunities and other resources for such individuals and link

313 such individuals with the appropriate training and resources that will
314 increase the skills and earning potential of such individuals; and

315 (C) Construction, renovation or rehabilitation of public
316 infrastructure, in order to support and improve the private investment
317 opportunities, quality of life and public safety within such census tract
318 or tracts.

319 (2) Beginning on January 1, 2024, and not later than January 1, 2030,
320 each municipality in which a [high poverty-low opportunity]
321 concentrated poverty census tract is located may apply to the
322 commissioner, in a form and manner prescribed by the commissioner,
323 to receive a grant for an eligible project or any combination of eligible
324 projects. An application may target one [high poverty-low opportunity]
325 concentrated poverty census tract or more than one such census tract if
326 such census tracts are geographically contiguous or within reasonable
327 proximity of each other. An applicant shall not be prohibited from filing
328 more than one application for different [high poverty-low opportunity]
329 concentrated poverty census tracts or groups of such census tracts.

330 (d) (1) Not later than January 1, 2024, the commissioner shall establish
331 criteria for the awarding of grants as described in subdivision (2) of this
332 subsection, requirements for documents and information as described
333 in subdivision [(3)] (4) of this subsection and deadlines for submitting
334 applications and revised and modified applications under subsection (e)
335 of this section. The commissioner shall post such criteria, requirements
336 and deadlines on the Internet web site of the Department of Economic
337 and Community Development, notify each municipality in which a
338 [high poverty-low opportunity] concentrated poverty census tract is
339 located of such posting and promote the availability of the grant
340 program established by this section in each [high poverty-low
341 opportunity] such census tract.

342 (2) Criteria for the awarding of grants pursuant to this section shall
343 include, but need not be limited to:

344 (A) The likelihood that a proposal will reduce adult or child poverty

345 within a [high poverty-low opportunity] concentrated poverty census
346 tract;

347 (B) The likelihood that a proposal will reduce the likelihood that
348 children currently residing within a [high poverty-low opportunity]
349 concentrated poverty census tract will live in poverty after reaching
350 adulthood;

351 (C) The likelihood that a proposal will produce persistent and
352 meaningful improvements in residents' wealth, financial security,
353 employability or quality of life beyond the duration of the proposal;

354 (D) The feasibility of the initiatives in a proposal and the
355 demonstrated or perceived capacity to execute upon the scope of work
356 in a proposal, including, but not limited to, adequate staffing levels of
357 entities involved with the proposal; and

358 (E) The interconnectivity and mutual reinforcement among all
359 proposed initiatives in the same [high poverty-low opportunity]
360 concentrated poverty census tract area or areas, such as providing
361 workforce training programs to parents of children enrolled in a
362 supported early childhood program.

363 (3) On and after the date the ten-year plans developed under section
364 1 of this act are submitted to the General Assembly, priority shall be
365 given to projects included in such plan.

366 [(3)] (4) Requirements for documents and information to be
367 submitted by municipalities to evaluate applications shall include, but
368 need not be limited to:

369 (A) A description of how the proposal intends to address each type
370 of eligible project described in subparagraphs (A) to (C), inclusive, of
371 subdivision (1) of subsection (c) of this section, and whether there are
372 existing projects or programs to address such eligible projects;

373 (B) A description of each initiative within the proposal, which may
374 include multiple simultaneous initiatives, and how each initiative will

375 meet one of the criteria established pursuant to subdivision (2) of this
376 subsection;

377 (C) A description of sufficient efforts, as determined by the
378 commissioner, to engage residents of the [high poverty-low
379 opportunity] concentrated poverty census tract in formulating a
380 proposal;

381 (D) For an initiative that is an eligible project described in
382 subparagraph (B) of subdivision (1) of subsection (c) of this section, a
383 description of the municipality's consultations with the regional
384 workforce development board that serves the municipality regarding
385 the development of such project and efforts to coordinate such project
386 with the board's activities;

387 (E) A description of each organization that will participate in an
388 eligible project described in subparagraph (B) of subdivision (1) of
389 subsection (c) of this section, and information on each organization's
390 commitment to provide continuous, sustained engagement with
391 residents of such tract throughout the project;

392 (F) A description of the entity or organization responsible for
393 coordinating the implementation of each component of the application
394 and overseeing the various projects and programs outlined in such
395 application;

396 (G) A description of plans for ongoing engagement with residents of
397 such census tracts and solicitation of feedback on the progress of a
398 proposal during its implementation; and

399 (H) A description of plans to provide residents of such census tract
400 with opportunities to become involved in implementation of a proposal.

401 (e) (1) The department shall review and evaluate each application
402 submitted and shall work with the applicant municipality to revise the
403 application if the department believes such revisions will improve or
404 strengthen the application. The department shall assist an applicant in
405 identifying and applying for funding under other programs in order to

406 maximize the amount of funding available for an applicant, including
407 seeking funding under section 4-66c. For a proposal for an eligible
408 project described in subparagraph (A) of subdivision (1) of subsection
409 (c) of this section, the commissioner shall evaluate such project in
410 consultation with the Commissioner of Housing and the Commissioner
411 of Housing shall assist the applicant with obtaining funding for such
412 project through programs operated by the Department of Housing.

413 (2) The commissioner shall submit to the Governor all applications
414 that are deemed to satisfy the requirements of subsection (d) of this
415 section. The Governor shall review such applications and may approve
416 or disapprove an application or return an application to the
417 commissioner for modifications. If an application is returned to the
418 commissioner, the commissioner shall work with the applicant to
419 modify the application and shall resubmit such application with
420 modifications to the Governor. If the Governor approves an application,
421 the Governor shall make a grant award from bond proceeds under
422 section 32-7y, provided the Governor may use funds from other bond
423 proceeds authorized for the general purposes described in
424 subparagraphs (A) to (C), inclusive, of subdivision (1) of subsection (c)
425 of this section for such grants. Grants awarded under this section shall
426 be for a period of three years, and in an amount sufficient to carry out
427 the objectives of the application, but not less than five hundred
428 thousand dollars. Each application that the Governor approves shall be
429 considered at a State Bond Commission meeting not later than two
430 months after the date the application was approved by the Governor.

431 (f) At the conclusion of the initial grant period, the commissioner
432 shall evaluate the municipality's progress toward reducing the number
433 of [residents] households within the applicable [high poverty-low
434 opportunity] concentrated poverty census tract who have incomes
435 below the federal poverty level to less than thirty per cent of the
436 [residents] households of such census tract. Such evaluation shall
437 consider, among other factors, any change in the percentage of
438 [residents] households within such census tract who have incomes
439 below the federal poverty level, and whether the actions taken pursuant

440 to such grant during the initial grant period: (1) May reasonably result
441 in a future reduction in the percentage of [residents] households within
442 such census tract who have incomes below the federal poverty level, (2)
443 have resulted in a reduction in child poverty within such census tract,
444 (3) may reasonably result in a future reduction in child poverty within
445 such census tract, or (4) may reasonably decrease the likelihood that
446 children who are currently living within such census tract will have
447 incomes below the federal poverty level after they reach adulthood.
448 Upon a determination by the commissioner that reasonable progress has
449 been made, the municipality shall be eligible for subsequent grants
450 under this section, provided, at the conclusion of each subsequent grant
451 period of three years, each applicant municipality shall be subject to an
452 evaluation and determination under this subsection prior to being
453 eligible to apply for a subsequent grant. An application for a subsequent
454 grant and the awarding of a subsequent grant shall be in accordance
455 with the provisions of subsections (c) to (e), inclusive, of this section.

456 (g) Not later than August 1, 2024, and annually thereafter until and
457 including August 1, 2029, the commissioner shall submit a report, in
458 accordance with the provisions of section 11-4a, to the General
459 Assembly, that includes the municipalities that submitted applications
460 and that were awarded grants under this section in the prior fiscal year,
461 a description of each purpose and eligible project a municipality
462 awarded a grant under this section is seeking to accomplish or
463 undertaking, a progress report, if applicable, for each such purpose or
464 eligible project and any other information the commissioner deems
465 relevant.

466 Sec. 4. Section 32-285a of the 2024 supplement to the general statutes
467 is repealed and the following is substituted in lieu thereof (*Effective from*
468 *passage*):

469 (a) As used in this section:

470 (1) "Administrative costs" means the costs paid or incurred by the
471 administrator of the Community Investment Fund 2030 Board
472 established under subsection (b) of this section, including, but not

473 limited to, allocated staff costs and other out-of-pocket costs attributable
474 to the administration and operation of the board;

475 (2) "Administrator" means the Commissioner of Economic and
476 Community Development, or the commissioner's designee;

477 (3) "Eligible project" means:

478 (A) (i) A project proposed by a municipality, community
479 development corporation or nonprofit organization, for the purpose of
480 promoting economic or community development in the municipality or
481 a municipality served by such corporation or organization, such as
482 brownfield remediation, affordable housing, establishment of or
483 improvements to water and sewer infrastructure to support smaller
484 scale economic development, pedestrian safety and traffic calming
485 improvements, establishment of or improvements to energy resiliency
486 or clean energy projects and land acquisition and capital projects to
487 construct, rehabilitate or renovate buildings and structures to facilitate
488 or improve home rehabilitation programs and facilities such as libraries
489 and senior centers; or

490 (ii) A grant-in-aid proposed by a municipality, community
491 development corporation or nonprofit organization for the purpose of
492 providing (I) a revolving loan program, microloans or gap financing, to
493 small businesses located within such municipality or a municipality
494 served by such corporation or organization, or (II) start-up funds to
495 establish a small business in any such municipality; and

496 (B) Such project or grant-in-aid furthers consistent and systematic
497 fair, just and impartial treatment of all individuals, including
498 individuals who belong to underserved and marginalized communities
499 that have been denied such treatment, such as Black, Latino and
500 indigenous and Native American persons; Asian Americans and Pacific
501 Islanders and other persons of color; members of religious minorities;
502 lesbian, gay, bisexual, transgender and queer persons and other persons
503 comprising the LGBTQ+ community; persons who live in rural areas;
504 and persons otherwise adversely affected by persistent poverty or

505 inequality; and

506 (4) "Municipality" means a municipality designated as a public
507 investment community pursuant to section 7-545 or as an alliance
508 district pursuant to section 10-262u.

509 (b) (1) There is established a Community Investment Fund 2030
510 Board, which shall be within the Department of Economic and
511 Community Development. The board shall consist of the following
512 members:

513 (A) The speaker of the House of Representatives and the president
514 pro tempore of the Senate;

515 (B) The majority leader of the House of Representatives, the majority
516 leader of the Senate, the minority leader of the House of Representatives
517 and the minority leader of the Senate;

518 (C) One appointed by the speaker of the House of Representatives
519 and one appointed by the president pro tempore of the Senate, each of
520 whom shall be a member of the Black and Puerto Rican Caucus of the
521 General Assembly;

522 (D) The two chairpersons of the general bonding subcommittee of the
523 joint standing committee of the General Assembly having cognizance of
524 matters relating to finance, revenue and bonding;

525 (E) Two appointed by the Governor; and

526 (F) The Secretary of the Office of Policy and Management, the
527 Attorney General, the Treasurer, the Comptroller, the Secretary of the
528 State and the Commissioners of Economic and Community
529 Development, Administrative Services, Social Services and Housing, or
530 their designees.

531 (2) All initial appointments shall be made not later than sixty days
532 after June 30, 2021. The terms of the members appointed by the
533 Governor shall be coterminous with the term of the Governor or until

534 their successors are appointed, whichever is later. Any vacancy in
535 appointments shall be filled by the appointing authority. Any vacancy
536 occurring other than by expiration of term shall be filled for the balance
537 of the unexpired term.

538 (3) Notwithstanding any provision of the general statutes, it shall not
539 constitute a conflict of interest for a trustee, director, partner, officer,
540 stockholder, proprietor, counsel or employee of any person to serve as
541 a member of the board, provided such trustee, director, partner, officer,
542 stockholder, proprietor, counsel or employee abstains and absents
543 himself or herself from any deliberation, action and vote by the board in
544 specific respect to such person. The members appointed by the
545 Governor shall be deemed public officials and shall adhere to the code
546 of ethics for public officials set forth in chapter 10.

547 (4) The speaker of the House of Representatives and the president pro
548 tempore of the Senate shall serve as the chairpersons of the board and
549 shall schedule the first meeting of the board, which shall be held not
550 later than January 1, 2022. The board shall meet at least quarterly.

551 (5) Eleven members of the board shall constitute a quorum for the
552 transaction of any business.

553 (6) The members of the board shall serve without compensation, but
554 shall, within the limits of available funds, be reimbursed for expenses
555 necessarily incurred in the performance of their duties.

556 (7) The board shall have the following powers and duties: (A) Review
557 eligible projects to be recommended to the Governor under subsection
558 (c) of this section for approval; (B) establish bylaws to govern its
559 procedures; (C) review and provide comments to the Department of
560 Economic and Community Development on projects funded through
561 the state's Economic Action Plan as provided under section 32-4p; and
562 (D) perform such other acts as may be necessary and appropriate to
563 carry out its duties described in this section.

564 (8) The administrator shall hire such employee or employees as may

565 be necessary to assist the board to carry out its duties described in this
566 section.

567 (c) (1) The Community Investment Fund 2030 Board shall establish
568 an application and review process with guidelines and terms for funds
569 provided from the bond proceeds under subsection (d) of this section
570 for eligible projects. Such funds shall be used for costs related to an
571 eligible project recommended by the board and approved by the
572 Governor pursuant to this subsection but shall not be used to pay or to
573 reimburse the administrator for administrative costs under this section.
574 The Department of Economic and Community Development shall pay
575 for administrative costs within available appropriations.

576 (2) The chairpersons of the board shall notify the chief elected official
577 of each municipality when the application and review process has been
578 established and shall publicize the availability of any funds available
579 under this section. Each such official or any community development
580 corporation or nonprofit organization may submit an application to the
581 board requesting funds for an eligible project. The board shall meet to
582 consider applications submitted and determine which, if any, the board
583 will recommend to the Governor for approval.

584 (3) (A) The board shall give priority to eligible projects (i) that are
585 proposed by a municipality that (I) has implemented local hiring
586 preferences pursuant to section 7-112, or (II) has or will leverage
587 municipal, private, philanthropic or federal funds for such project, [and]
588 (ii) that have a project labor agreement or employ or will employ ex-
589 offenders or individuals with physical, intellectual or developmental
590 disabilities, and (iii) on and after the date the ten-year plans developed
591 under section 1 of this act are submitted to the General Assembly, that
592 are included in such plans. The board shall give additional priority to
593 an application submitted by a municipality that includes a letter of
594 support for the proposed eligible project from a member or members of
595 the General Assembly in whose district the eligible project is or will be
596 located.

597 (B) In evaluating applications for an eligible project described in

598 subparagraph (A)(ii) of subdivision (3) of subsection (a) of this section,
599 the board shall (i) evaluate the risk of default on the repayment of a
600 proposed loan or financing, (ii) consider the impact of the eligible
601 project on job creation or retention in the municipality, (iii) consider the
602 impact of the eligible project on blighted properties in the municipality,
603 and (iv) consider the overall impact of the eligible project on the
604 community. The board shall not recommend any proposed loan or
605 financing under subparagraph (A)(ii) of subdivision (3) of subsection (a)
606 of this section for which the interest rate varies from the prevailing
607 market rate.

608 (4) (A) Whenever the board deems it necessary or desirable, the
609 chairpersons of the board shall submit to the Governor a list of the
610 board's recommendations of eligible projects to be funded from bond
611 proceeds under subsection (d) of this section. The board may
612 recommend state funding for eligible projects, provided the total cost of
613 such recommendations shall not exceed one hundred seventy-five
614 million dollars in any fiscal year. Such list shall include, at a minimum:

615 (i) For each eligible project described in subparagraph (A)(i) of
616 subdivision (3) of subsection (a) of this section, a description of such
617 project, the municipality in which such project is located, the amount of
618 funds sought for such project, any cost estimates for such project, any
619 schematics or plans for such project, the total estimated project costs and
620 the applicable fiscal year to which such disbursement will be attributed;
621 and

622 (ii) For each eligible project described in subparagraph (A)(ii) of
623 subdivision (3) of subsection (a) of this section, a description of and
624 specific terms for any proposed loans, financing or start-up funds to be
625 provided from such grant-in-aid, the types of small businesses located
626 or to be located in the municipality that may be eligible for such loan,
627 financing or start-up funds, the amount of the grant-in-aid sought and
628 the applicable fiscal year to which such disbursement will be attributed.

629 (B) The Governor shall review the eligible projects on the list and may
630 recommend changes to any eligible project on the list. The Governor

631 shall determine the most appropriate method of funding for each
632 eligible project and shall provide to the members of the board, in
633 writing, such determination for each eligible project on the list and the
634 reasons therefor. The board may reconsider at a future meeting any
635 eligible project for which the Governor recommends a change. Each
636 eligible project for which the Governor recommends the allocation of
637 bond funds shall be considered at a State Bond Commission meeting not
638 later than two months after the date such eligible project was submitted
639 to the Governor pursuant to subparagraph (A) of this subdivision.

640 (5) Funds for an eligible project approved under this section may be
641 administered on behalf of the board by a state agency, as determined by
642 the Secretary of the Office of Policy and Management, provided a
643 memorandum of understanding between the administrator of the
644 Community Investment Fund 2030 Board and the state, acting by and
645 through the Secretary of the Office of Policy and Management, has been
646 entered into with respect to such funds and project.

647 (6) Not later than August 31, 2023, the board shall submit a report, in
648 accordance with the provisions of section 11-4a, to the General
649 Assembly, the Black and Puerto Rican caucus of the General Assembly,
650 the Auditors of Public Accounts and the Governor, for the preceding
651 fiscal year, that includes (A) a list of the eligible projects recommended
652 by the board and approved by the Governor pursuant to this section, (B)
653 the total amount of funds provided for such eligible projects, (C) for
654 each such eligible project, a description of the project and the amounts
655 and terms of the funds provided, (D) the status of the project and any
656 balance remaining of the allocated funds, and (E) any other information
657 the board deems relevant or necessary. The board shall submit such
658 report annually for each fiscal year in which the funds specified in
659 subparagraph (A) of subdivision (3) of this subsection are disbursed for
660 eligible projects.

661 (7) The Auditors of Public Accounts shall audit, on a biennial basis,
662 all eligible projects funded under this section and shall report their
663 findings to the Governor, the Secretary of the Office of Policy and

664 Management and the General Assembly.

665 (d) (1) The State Bond Commission may authorize the issuance of
666 bonds of the state, in accordance with the provisions of section 3-20, in
667 principal amounts not exceeding in the aggregate eight hundred
668 seventy-five million dollars. The amount authorized for the issuance
669 and sale of such bonds in each of the following fiscal years shall not
670 exceed the following corresponding amount for each such fiscal year,
671 except that, to the extent the State Bond Commission does not provide
672 for the use of all or a portion of such amount in any such fiscal year,
673 such amount not provided for shall be carried forward and added to the
674 authorized amount for the next succeeding fiscal year, and provided
675 further, the costs of issuance and capitalized interest, if any, may be
676 added to the capped amount in each fiscal year, and each of the
677 authorized amounts shall be effective on July first of the fiscal year
678 indicated as follows:

T1	Fiscal Year Ending June 30,	Amount
T2	2023	\$175,000,000
T3	2024	175,000,000
T4	2025	175,000,000
T5	2026	175,000,000
T6	2027	175,000,000
T7	Total	\$875,000,000

679 (2) The proceeds of the sale of bonds set forth in this subsection shall
680 be used for the purpose of funding eligible projects for which the
681 Governor has determined under subsection (c) of this section that bond
682 funding is appropriate and that no other bond authorization is available.

683 (e) (1) Upon the agreement of the Governor and the Community
684 Investment Fund 2030 Board, and subsequent to the adoption of a
685 resolution by the General Assembly affirming the reauthorization of the
686 board and the program provided for under this section, the State Bond
687 Commission may authorize the issuance of bonds of the state, in
688 accordance with the provisions of section 3-20, in principal amounts not
689 exceeding in the aggregate one billion two hundred fifty million dollars.
690 The amount authorized for the issuance and sale of such bonds in each

691 of the following fiscal years shall not exceed the following
 692 corresponding amount for each such fiscal year, except that, to the
 693 extent the State Bond Commission does not provide for the use of all or
 694 a portion of such amount in any such fiscal year, such amount not
 695 provided for shall be carried forward and added to the authorized
 696 amount for the next succeeding fiscal year, and provided further, the
 697 costs of issuance and capitalized interest, if any, may be added to the
 698 capped amount in each fiscal year, and each of the authorized amounts
 699 shall be effective on July first of the fiscal year indicated as follows:

T8	Fiscal Year Ending June 30,	Amount
T9	2028	\$250,000,000
T10	2029	250,000,000
T11	2030	250,000,000
T12	2031	250,000,000
T13	2032	250,000,000
T14	Total	\$1,250,000,000

700 (2) The proceeds of the sale of bonds set forth in this subsection shall
 701 be used for the purpose of funding eligible projects for which the
 702 Governor has determined under subsection (c) of this section that bond
 703 funding is appropriate and that no other bond authorization is available.

704 (f) All provisions of section 3-20, or the exercise of any right or power
 705 granted thereby, that are not inconsistent with the provisions of this
 706 section are hereby adopted and shall apply to all bonds authorized by
 707 the State Bond Commission pursuant to this section. Temporary notes
 708 in anticipation of the money to be derived from the sale of any such
 709 bonds so authorized may be issued in accordance with said section, and
 710 from time to time renewed. All bonds issued pursuant to this section
 711 shall be general obligations of the state and the full faith and credit of
 712 the state of Connecticut are pledged for the payment of the principal of
 713 and interest on said bonds as the same become due, and accordingly
 714 and as part of the contract of the state with the holders of said bonds,
 715 appropriation of all amounts necessary for punctual payment of such
 716 principal and interest is hereby made, and the Treasurer shall pay such
 717 principal and interest as the same become due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	32-7s
Sec. 3	<i>from passage</i>	32-7x
Sec. 4	<i>from passage</i>	32-285a

Statement of Legislative Commissioners:

In Section 1(c)(1), "section 101 of public act 23-205" was changed to "section 32-7x of the 2024 supplement to the general statutes" for consistency with standard drafting conventions; Section 1(c)(2)(A) was rewritten for accuracy and clarity; in Section 1(c)(2)(B), "subdivision (2)" was changed to "subdivision (3)" for accuracy; in Section 1(c)(3), "each such municipality" was changed to "each applicable municipality" and "subsection (b) of this section" was changed to "this subsection", for accuracy; and in Section 1(e), "established for a participating concentrated poverty census tract or group of tracts" was changed to "established as described under subparagraph (B) of subdivision (1) of subsection (c) of this section" for consistency.

FIN *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Department of Economic & Community Development	GF - Cost	1.26 million	1.26 million
State Comptroller - Fringe Benefits ¹	GF - Cost	520,000	520,000
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Potential Revenue Gain	See Below	See Below
Various Municipalities	Potential Cost	See Below	See Below

Explanation

The bill results in an annualized cost of \$1.8 million to the state by establishing a pilot program to eradicate concentrated poverty. Specifically, the bill creates the Office of Neighborhood Investment and Community Engagement in the Department of Economic and Community Development (DECD) to administer the pilot program and, in effect, requires the formal establishment of the Office of Community Economic Development Assistance in DECD which was enacted under

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.25% of payroll in FY 25.

PA 22-118 but never created to date.

The bill also makes several changes to three DECD bond programs which may result in future debt services costs being incurred more rapidly than otherwise would have been.

The bill allows community development corporations (CDCs) to bring action in court against a municipal official for not meeting the requirements of the bill which results in a potential cost to municipalities. The bill also prioritizes certain projects under existing grant programs which may result in a potential revenue gain to municipalities to the extent that they are awarded grants for qualifying projects.

Office of Neighborhood Investment and Community Engagement

The bill creates the Office of Neighborhood Investment and Community Engagement (ONICE) within DECD and requires ONICE to develop 10-year plans in the pilot program to eradicate concentrated poverty in the four municipalities with the highest number of concentrated poverty census tracts (Bridgeport, Hartford, New Haven, and Waterbury).

The establishment and administration of ONICE is anticipated to cost DECD \$1.1 million annually. This includes 8 positions at a total salary cost of \$770,000 plus \$313,500 in fringe benefit costs and \$10,000 in other expenses to administer the 10-year plans under the pilot program. The bill restricts the use of bond funds to support this cost, and no bonds are authorized or proposed for this purpose. The bill is therefore anticipated to impact DECD's General Fund appropriations.

Office of Community Economic Development Assistance

DECD will also be required to formally create the Office of Community Economic Development Assistance (OCEDA) in order to implement the provisions of this bill. The bill requires any participating municipality in the pilot program to have a Community Development Corporation certified by OCEDA. Under the bill, OCEDA must also

provide consultation to ONICE in the development of the 10-year plans.

The establishment and administration of OCEDA is anticipated to cost DECD \$698,000 annually. This includes five positions at a total salary cost of \$494,000 plus \$204,000 in fringe benefit costs. Current law permits the use of funds from the bond authorization for OCEDA to support the administration of OCEDA, however no funds have been allocated to date.²

GO Bond Program Impacts

In addition to the changes to OCEDA noted above, the bill also makes changes to the Community Investment Fund and High Poverty-Low Opportunity Census Tract programs, which are funded with General Obligation (GO) bonds. As with OCEDA, future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds for these programs to be expended or to be expended more rapidly than they otherwise would have been. The bill does not change GO bond authorizations relevant to the programs.

Municipal Impact

The bill results in a potential cost to various municipalities to the extent they are brought to court by a CDC for failure to carry out a requirement. There is also a potential revenue gain to various municipalities to the extent that they qualify for additional grants to fund projects in poverty census tracts, public investment communities, or alliance districts.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and subject to the terms of any bonds issued.

² The current available bond balance for the Office of Community Economic Development Assistance is \$50 million.

OLR Bill Analysis**sSB 456*****AN ACT ESTABLISHING A PILOT PROGRAM FOR THE DEVELOPMENT AND IMPLEMENTATION OF TEN-YEAR PLANS TO ERADICATE CONCENTRATED POVERTY IN THE STATE.*****SUMMARY**

This bill creates a pilot program to reduce the levels of concentrated poverty in the state by developing and implementing 10-year plans for certain targeted “concentrated poverty census tracts.” Under the bill, these are census tracts in which at least 30% of the households have incomes below the federal poverty level (FPL) that were identified by the Office of Policy and Management (OPM) under the high poverty-low opportunity (HPLO) program, as of January 1, 2024. The bill also declares that the state has a concentrated poverty crisis that creates long-term disadvantages for impacted residents.

The bill creates a new office within the Department of Economic and Community Development (DECD) to, among other things, oversee the plans’ implementation and monitor the state’s progress in reducing concentrated poverty. It requires the office to develop a 10-year plan for each participating census tract (or groups of tracts) together with specified state agencies and local officials and the community development corporation (CDC) established by community members to help implement the plan. Among other things, it (1) requires the plans to include a list of possible projects determined to be the most appropriate and effective to eliminate concentrated poverty in the tract or tracts and (2) gives these projects priority for specified state grants.

The bill requires DECD to report to the legislature on the office’s progress in developing and implementing the 10-year plans and, by January 1, 2029, recommend whether to expand the pilot program to all

qualifying tracts.

The bill also allows the CDCs established by community members to bring a mandamus action against state or municipal officials who do not timely fulfill their requirements or responsibilities under the program or a 10-year plan to compel them to do so.

Lastly, the bill (1) renames the HPLO census tracts as “concentrated poverty census tracts” and makes corresponding changes throughout the program’s statutory provisions and (2) specifies that these census tracts are based on the poverty level of households, rather than residents (see BACKGROUND).

EFFECTIVE DATE: Upon passage

DECLARATION

The bill declares that Connecticut has a concentrated poverty crisis that takes a critical toll on people who live in communities with concentrated poverty. It states that concentrated poverty creates lifelong and persistent disadvantages across generations by:

1. lowering the quality of educational and employment opportunities,
2. limiting health care access and diminishing health outcomes,
3. increasing crime exposure,
4. reducing available choices for affordable and properly maintained housing, and
5. imposing obstacles to wealth-building and economic mobility.

It also declares that developing and implementing the bill’s 10-year plans to eliminate concentrated poverty in Connecticut are necessary for the public’s benefit.

OFFICE OF NEIGHBORHOOD INVESTMENT AND COMMUNITY ENGAGEMENT

The bill creates a new Office of Neighborhood Investment and Community Engagement within DECD and requires that it have staff dedicated exclusively to the following:

1. carrying out the bill's pilot program,
2. overseeing the implementation of the 10-year plans developed under the program,
3. monitoring the state's progress in reducing concentrated poverty,
4. coordinating communication between the program's various parties, and
5. distributing information in a timely and efficient way.

PILOT PROGRAM

Eligible Census Tracts

Under the bill, the pilot program is open to any concentrated poverty census tract or group of tracts (qualifying tract) in (1) the four municipalities with the greatest number of these tracts (i.e., Bridgeport, Hartford, New Haven, and Waterbury) or (2) any municipality with a qualifying tract that requests to participate in the program. To be eligible, the qualifying tract must also have a certified CDC (see BACKGROUND) created by its community members to help carry out the 10-year plan and the municipality's responsibilities under the program.

10-Year Plans

The bill requires the Office of Neighborhood Investment and Community Engagement to develop a 10-year plan for each participating qualifying tract to reduce the levels of concentrated poverty in Connecticut by doing the following:

1. reducing the percentage of households living in the tract or tracts with incomes below the FPL to 20% or less and

2. making sustained improvements in community infrastructure and other underlying conditions that prolong concentrated poverty and economic inertia in the tract or tracts.

In developing these plans, the office must consult with DECD's Office of Community Economic Development Assistance (OCEDA), OPM, the Office of Workforce Strategy (OWS), Office of Early Childhood (OEC), State Department of Education, applicable CDCs serving the qualifying tract, municipal chief elected officials (CEO), and any other public or private entity the DECD commissioner finds relevant or necessary to achieve these purposes.

Each plan must include, at a minimum:

1. measurable implementation steps, target dates for completing each step, and the state or local official or agency responsible for doing so;
2. minimum statewide averages for educational metrics (e.g., kindergarten-, college-, and career- readiness and grade level reading and mathematics) to serve as benchmarks for improvements in each tract or tracts; and
3. a list of possible projects, as described below.

Projects

The bill requires the Office of Neighborhood Investment and Community Engagement, together with each applicable CEO and CDC, to develop a list of possible projects for each participating qualifying tract's 10-year plan. In doing so, they must (1) determine the types of projects they deem most appropriate and effective for eliminating concentrated poverty in the tract or tracts and (2) consider the project eligibility criteria for the certified CDC grant program, HPLO program, and the Community Investment Fund 2030 program (see BACKGROUND).

Under the bill, the possible projects must include capital projects,

workforce development programs, housing development, community and neighborhood improvements, and education initiatives to help residents in meeting and exceeding the educational metrics described above.

Required Reports and Informational Forum

Progress Report. The bill requires the DECD commissioner, by June 1, 2025, to give the Finance, Revenue, and Bonding Committee, a written progress report on the 10-year plans. He must submit the finished plans to the General Assembly by January 1, 2026.

Annual Report. The commissioner must also, starting by February 1, 2027, and annually after, report on the:

1. Office of Neighborhood Investment and Community Engagements' implementation progress on each of the 10-year plans,
2. status of any projects that are pending or in progress for each tract, and
3. any other relevant or necessary information.

He must submit these annual reports to the General Assembly, OWS, OEC, and OPM.

Informational Forums. Annually by March 1, from 2027 to 2029, and biennially after that, the Finance, Revenue and Bonding Committee must hold an informational forum for these annual reports. At each forum, the DECD commissioner must present on the report and other state and municipal officials, participating CDCs, and interested parties may provide their comments on the report and pilot program.

Pilot Program Expansion. The DECD commissioner must, by January 1, 2029, submit his recommendation to the Finance, Revenue and Bonding Committee on whether the pilot program should be expanded to all qualifying tracts in the state for which a certified CDC has been established. If he recommends this expansion, the

commissioner and Office of Neighborhood Investment and Community Engagement must immediately carry it out.

Priority for Certain State Grants

Under the bill, starting on the date DECD submits the 10-year plans to the General Assembly, the projects included in those plans must have priority for the following state grants, subject to each grant program's existing criteria:

1. OCEDA grants for projects certified CDCs undertake in target areas (§ 2);
2. DECD's HPLO program grants for eligible projects municipalities undertake in OPM-designated concentrated poverty census tracts (§ 3); and
3. Community Investment Fund (CIF) 2030 grants for eligible projects municipalities, CDCs, and nonprofits undertake in municipalities designated as public investment communities or alliance districts (§ 4).

For purposes of the CIF 2030 grants, the 10-year plan projects must also meet the current criteria for priority status under the program. Specifically, they must (1) be proposed by a municipality that (a) has implemented local hiring preferences in accordance with state law or (b) has or will leverage municipal, private, philanthropic, or federal funds for the project and (2) have a project labor agreement or employ or will employ ex-offenders or individuals with physical, intellectual, or developmental disabilities. As under existing law, the CIF 2030 board must additionally prioritize municipal applications that include a letter of support for the proposed eligible project from a General Assembly member or members in whose district the eligible project is or will be located.

RIGHT OF ACTION AGAINST STATE OR MUNICIPAL OFFICIALS

Under the bill, if any state or municipal official does not timely fulfill his or her requirements or responsibilities under the program or a 10-

year plan, a certified CDC created for a concentrated poverty census tract that is aggrieved by this failure may bring a mandamus action against the official. It must bring the action in the Superior Court for the judicial district where the qualifying tract is located.

A writ of mandamus is a court order that compels a public official or agency to perform a specific duty. Under Connecticut Supreme Court precedent, a writ is only proper when “(1) the law imposes on the party against whom the writ would run a duty the performance of which is mandatory and not discretionary; (2) the party applying for the writ has a clear legal right to have the duty performed; and (3) there is no other specific adequate remedy” (*Miles v. Foley*, 253 Conn. 381 (2000)).

BACKGROUND

HPLO Census Tracts

The law required OPM to compile a list of the census tracts in which at least 30% of the residents have incomes below the FPL, according to the most recent five-year U.S. Census Bureau American Community Survey (i.e., HPLO census tracts). The table below lists the municipalities in which these identified tracts are located and the number of tracts per municipality.

Table: Number of HPLO Tracts by Municipality

<i>Town</i>	<i>No. of Identified Tracts</i>
Bridgeport	11
Enfield	1
Hartford	19
Mansfield	2
Meriden	3
Middletown	1
New Britain	5
New Haven	10
New London	2
Stamford	1
Waterbury	7
Windham	2

CDC Certification Process and Grant Eligibility

Existing law allows organizations meeting certain requirements to become certified CDCs by applying to DECD's OCEDA. A "certified CDC" is a 501(c)(3) federally tax-exempt organization that is certified by the office and meets the following requirements:

1. focuses on serving areas in which the (a) current unemployment rate exceeds the state's by at least 25% or (b) mean household income is 80% or less of the state's as determined by the most recent decennial census (i.e., target areas),
2. works on urban community development with local residents and businesses to create and expand economic opportunities for low- and moderate-income people, and
3. shows the office that its constituency is meaningfully represented on its board.

By law, the office must establish a grant program for projects that certified CDCs seek to undertake in target areas, including infrastructure improvements, housing rehabilitation, and streetscape and business façade improvements. DECD has not implemented this office or grant program to date.

HPLO Program

The HPLO program is a six-year, state bond-funded program designed to fund eligible projects in qualifying census tracts designated as HPLO census tracts. To qualify for the funding (which has not been issued to date), a project must seek to reduce concentrated poverty and its effects within the qualifying census tract. These projects generally include (1) building, renovating, and rehabilitating mixed-income rental and owner-occupied housing; (2) establishing or improving workforce development programs; and (3) building, renovating, or rehabilitating public infrastructure to support and improve private investment opportunities, quality of life, and public safety.

CIF 2030

CIF 2030 is a five-year, state bond-funded program for financing qualifying economic and community development projects and small business grants in eligible municipalities (i.e., those designated as public investment communities or alliance districts). The CIF 2030 board, located within DECD, directs these investments. Eligible municipalities, CDCs, and nonprofits may submit funding proposals for eligible projects and grants to the board.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 38 Nay 13 (04/03/2024)