

# CRCOG 2017 Legislative Agenda

## Third Draft

November 14, 2016

### 1. Crumbling Concrete Foundations

A total of 36 towns, of which 20 are in CRCOG have been impacted by crumbling concrete foundations related to the presence of a mineral pyrrhotite in the concrete mix. This is a significant and growing issue for home owners and towns.

**Concrete Testing Funding.** CRCOG supports the use of CDBG or program income funds to help homeowners with crumbling foundations to, at a minimum, test the affected property to verify the existence of a problem. Any income restrictions for this purpose should be waived.

**Remediation Fund.** CRCOG supports the creation of a relief fund for homeowners experiencing crumbling foundations. CRCOG's Ad-hoc working committee has a template in progress that it is willing to discuss with legislators details regarding the program. Some key points regarding any relief funding should include:

- Any state funding for crumbling foundations should be exempt from CHRO and prevailing wage requirements. The homeowners will be the ones who are finding contractors, etc. for this project and to require them to adhere to CHRO or prevailing wage requirements will be too high of a bar.
- In conjunction with the development of a process and a cut-off date after which buyers will no longer be eligible for relief (right now, May 10, 2016, the day Mottes ceased operating from the quarry for residential projects has been proposed), the sales disclosure statement should reflect that the buyer is aware that such a problem exists if it does not do so already.

**Remediation Funding Sources.** CRCOG recognizes that funding for the relief fund will be a challenge. CRCOG's Ad-hoc Working Committee on Crumbling Foundations has put forward a few suggestions as a starting point for this discussion – recognizing that any funding mechanism will cause economic reverberations. This issue is a challenging and difficult one that is already having economic impact on the affected municipalities and will continue to affect those communities. Some potential suggested funding mechanisms for a relief fund are as follows:

- An increase in the conveyance tax for affected municipalities by 1/4%
- Potentially increasing sales tax on construction only by 1% or .5%
- Insurance companies: CRCOG would support the state encouraging insurance companies to participate in a relief fund to which a few insurance companies have already pledged some support.

**Guaranteed Loan Fund for Concrete Remediation.** CRCOG supports pursuing a potential state-guaranteed private loan fund or other private banking based loan fund to help homeowners facing crumbling foundations.

**State Building Fee Waiver.** CRCOG supports waiving the state portion of the building fee for any municipalities waiving fees for work on crumbling foundations.

**Future Testing.** CRCOG supports testing of residential and commercial concrete for the presence of pyrrhotite and possibly establishing and regulating a maximum acceptable amount to be present in concrete loads.

**Time Limits for Filing Claims.** CRCOG supports reviewing increasing time limits for filing claims related to crumbling foundations with insurance companies as well as examining time limits for appeals and adjudication of such claims.

## **2. PILOT Funding: Fully Fund and Update PILOT Program for All Communities**

CRCOG supports fully funding the state Payment in Lieu of Taxes (PILOT) program as a way of relieving fiscal stress on urban communities and of appropriately compensating these communities for nonprofit and government properties and services to them.

As one example, if the current program formula was fully funded Hartford would have received \$44 million more in 2014. Other examples in the CRCOG region include Mansfield (\$6.5 million) New Britain (\$5.44 million), Windsor Locks (\$3.7 million), Suffield (\$3 million), Newington (\$2.9 million), Farmington (\$2.66 million), Manchester (\$1.7 million), West Hartford (\$1.5 million), Somers (\$1.3 million), East Hartford (\$1.3 million), Enfield (\$1.2 million), etc.

If the state PILOT was increased to 60% (and fully fund non-profits), Hartford's share would have been 53MM. Other examples in the CRCOG region include Mansfield (\$10.9 million) New Britain (\$7.3 million), Windsor Locks (\$6.27 million), Suffield (\$5.2 million), Newington (\$3.3 million), Farmington (\$4.45 million), Manchester (\$2.23 million), West Hartford (\$1.76 million), East Hartford (\$1.77 million), etc.

If the State PILOT was at the same level as Colleges and Universities, Hartford's share would have been 62MM. Other examples in the CRCOG region include Mansfield (\$15.4 million) New Britain (\$9.23 million), Windsor Locks (\$8.8 million), Suffield (\$7.3 million), Newington (\$3.8 million), Farmington (\$6.25 million), Manchester (\$2.72 million), West Hartford (\$1.94 million), East Hartford (\$2.23 million), etc.

In terms of costs, to fully fund the current formula for PILOT, the cost would be \$206 million dollars statewide. To fully fund the increase to state to fully fund PILOT and change formula for state's share to be the same as colleges and universities the cost would be \$272 million dollars. To fully fund only the 25 distressed municipalities would cost \$145 million at the current formula.

A one percent state sales tax generates \$635 million dollars a year statewide. To fully fund the current PILOT would require a 0.32 increase in sales tax statewide. Fully funding PILOT at the higher rate would require a rate increase of 0.43 percent statewide.

### **3. Urban Stabilization Bonds**

State law change would allow municipalities to have discretion to increase the term of bonds from a maximum of 20 years to a maximum of 30 years for both new and refunding bonds. This would not require any state funds. These provisions, particularly the ability to issue refunding bonds in this manner, could provide significant debt service relief to Connecticut municipalities, particularly urban communities. There would be a “sunset provision” of four years from the date of enactment, so that municipalities would not have an unlimited timeframe to utilize this provision.

### **4. Passenger Rail Service and Rapid Transit in the Metro Hartford Region**

**Hartford Rail Line Service.** Greatly expanded service is due to launch January 2018 with 17 trains daily to New Haven with some through to New York City. Construction is progressing well to meet this deadline. CRCOG strongly supports this project and supports future completion of three new Hartford Rail stations in the region.

**Hartford Springfield Boston Rail Service.** Connecting the metro Hartford region to major economic centers is a vital part of our economic future. With much better connection to New Haven and New York City about a year away, the missing link is connecting the 1.8 million residents of metro Hartford Springfield region with metro Boston’s 4.7 million residents. In the last few years frequent commuter service has been extended from Boston to Worcester leaving a relatively small gap between Springfield and Worcester that needs double tracking. Track and related improvements with rolling stock would be in the \$600 million range for the Hartford Springfield Boston service. Since the project is largely in Massachusetts between Springfield and Worcester, we need to work with state and federal officials in CT and Massachusetts to advance this important rail service project. CRCOG strongly supports connecting our metropolitan region with metro Boston region with frequent rail service.

**CTfastrak.** CTfastrak launched in March 2015, and average daily ridership has exceeded projections. Expansion of service east of the Connecticut River will be realized in two phases, the first of which was completed in the fall of 2016. Phase I implemented enhanced local service by expanding service hours on five existing routes. Phase II will include enhanced service between Hartford and the University of Connecticut Storrs campus, CT**fastrak** service and amenities along the Silver Lane and Burnside Avenue corridors in East Hartford, and shuttle service in the Buckland Hills area. CRCOG urges continued investments in the infrastructure and operational

subsidies for these expansion services, continued marketing of transit services, and timely delivery of the bus fleet and amenities to make Phase II a reality.

**Transit Oriented Development for CTfastrak and Hartford Line Services.** CT DOT has been carrying out planning efforts in support of development near rapid transit and rail stations and CRCOG has secured more than two grants to do so in the capital region. CRCOG supports the state assisting towns and cities in identifying tools and resources to leverage development around these stations and to work with anchor institutions to embrace and move on the opportunities being presented.

## **5. Interstate Issues in the Metropolitan Hartford Region**

**I-84 Viaduct and I-84 and I-91 Interchange.** CRCOG been active in the planning efforts to replace the Interstate 84 highway viaduct in a manner that addresses mobility and safety, reduces congestion, maintains access to regional employers and destinations, and looks to reknit Hartford neighborhoods with the downtown area. We support the advancement of fiscally responsible alternatives that reconstruct this segment of Interstate 84 while considering the importance of the Hartford Rail Line and a strong transportation hub in Union Station during the process. CRCOG further supports planning efforts to evaluate improvement alternatives for the Interstate 84 / Interstate 91 Interchange. Since no funding has yet been identified for either of these projects, CRCOG recognizes the need to explore alternative transportation revenue beyond federal funds. CRCOG further supports planning efforts to evaluate future improvement alternatives for the Interstate 84 / Interstate 91 Interchange.

## **6. Shared Municipal Services**

Over the past 10 years CRCOG has launched a number of new shared municipal services in addition to the longstanding cooperative purchasing and public safety services such as CAPTAIN. With help from a number of partners and state funding, 35 out of 38 town and city governments are now or can be connected to the Nutmeg network and are able to use the Nutmeg Municipal Cloud for a variety of services. So far internet telephone, hosting services, internet streaming of public meetings, and an human resources portal are up with electronic document management to follow shortly. CRCOG requests the reinstatement of the Regional Performance Incentive Program grants (funded through car rental and hotel taxes) to support CRCOG growing the use of this critically important platform for our member towns and statewide. CRCOG also requests continued state support for building out the Nutmeg network and supporting innovative service sharing pilots. CRCOG recognizes that a more narrowly focused program may be appropriate.

## **7. Stable Funding for Councils of Governments**

As the largest of Connecticut's 9 councils of governments, CRCOG would benefit from stable funding in order to build capacity to serve towns and increase shared municipal services. State funding has fluctuated dramatically in recent years. CRCOG requests stable funding to support regional efforts to enhance local government efficiencies and to serve our member towns and cities.

## **8. Boundaries and Functions for Councils of Governments**

CRCOG assumed new boundaries with almost 1 million residents and 38 towns in 2014. Transportation planning boundaries have been completed for Metropolitan Planning Organizations and CRCOG is carrying out the LOTCIP program of decentralizing transportation projects. CRCOG has received state approval to be a regional Economic Development District and will apply shortly for federal approval. This will allow a new Comprehensive Economic Development Strategy to be developed for the new region. CRCOG launched a regional human services council in 2015, as required by law, to consider issues that cross cut this very complex and resource intensive area. CRCOG requests that when state government wishes to regionalize services, such as public health, that they first consider councils of governments as the possible framework and consult with councils of governments to come up with solutions to complex challenges such as public health boundaries, 911 dispatch and other areas.

## **9. Accelerate Use of Information Technologies Strategically for More Efficient Services**

A report developed by the MORE Commission recommended greater use of IT as a strategic resource for state and local governments. Recommendations included support for the creation of a statewide technology plan, expansion the Nutmeg Network and Nutmeg Public Service Cloud and promotion of the Nutmeg Network through pilot projects that use the power of the network to enhance local government service delivery. This would involve state agencies moving to electronic form management, single application requirements, common application/standardization of forms and common criteria to various qualification programs. CRCOG requests that the state adopt and implement the strategic IT plan.

## **10. State Assumption of Special Education K-12 Funding**

K-12 funding makes up a majority of most local budgets. Unfunded state special education mandates cause the towns and cities great financial hardship. Communities that provide excellent special education services are apt to recruit families seeking those services and hence placing a burden on local taxpayers. CRCOG requests that

the State assume costs of special education, holding towns harmless for providing quality programs for families in need, and families that move to towns for improved services. CRCOG also requests a streamlined needs determination process operated at the regional (RESC) level accompany this assumption.

### **11. Prevailing Wage Threshold Changes**

With CCM and COST, CRCOG supports updating the threshold for prevailing wage projects to \$1 million, and that the project minimum threshold be indexed automatically to inflation in the construction industry. CRCOG further supports combining the prevailing wage threshold for renovation and new construction projects and CHRO projects into a single threshold. CRCOG additionally supports proceeding with the regulatory process by the CT Department of Labor to establish clear definitions for the criteria that identify prevailing wage projects

### **12. Federal Homeland Security Funding**

Federal resources for homeland security for the CROCG metropolitan area has been dramatically reduced in recent years. As funding is reauthorized at the federal level, CRCOG requests that the risk areas in the region receive their fair share of funding compared to other metropolitan regions nationally with similar levels of target risk.

### **13. Other Possible Recommendations**

**Road Use Tax in lieu of Town Aid Road.** Authorize the charging of a per vehicle Road Use Tax (RUT) of \$25 per vehicle to be used exclusively for the purposes allowed under Town Aid for Road in lieu of State borrowing for same purposes. (Yield compared to TAR will be researched ASAP).