
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)