

IMPLEMENTATION PLAN FOR MUNICIPAL FISCAL DISPARITIES

RECOMMENDATIONS PURSUANT TO PA NO. 01-158 FOR HARTFORD AND THE CAPITOL REGION

In compliance with PA No. 01-158, the Capitol Region Council of Governments submitted a set of recommendations to address fiscal disparities in Hartford and the region in December, 2001. The law now requires that an implementation plan be developed together by the region's chief elected officials and the Secretary of the Office of Policy and Management. The four criteria outlined in the state law for municipal fiscal disparities are: high tax rate, low property wealth per capita, low household income, and population loss.

The plan for implementation provided here is intended to:

- 1) Address some of the most critical root causes of disparities in the Capitol Region;
- 2) Draw a shorter list of achievable recommendations from the initial report; and
- 3) Demonstrate a real commitment on the part of the Capitol Region and its municipalities, the City of Hartford and the state government to address these municipal fiscal disparities.

Ultimately, a multi-pronged strategy which: a) promotes cost-effective delivery of public services; b) levels the playing field for property taxes; and c) provides better access to opportunity for Hartford residents and more socioeconomic balance in towns throughout the region will provide the fundamental change needed to address these disparities.

In pursuing this goal, it is also important to attract middle and upper income families into the City of Hartford. The work of the newly formed State Blue Ribbon Panel on Property Tax Burden and Smart Growth can also help significantly in the effort to invest in our cities where the infrastructure already exists and simultaneously protect open space.

This implementation plan focuses on eleven recommendations over the next year. While real progress in addressing municipal disparities will require action in many different areas over a number of years, we believe that a focused commitment on the part of the state, the region and its municipalities and Hartford on these recommendations can move us forward in the short term and the long term. The recommendations are organized here so that less costly initiatives and activities which can provide early wins are listed before more costly, longer term initiatives.

NEW RECOMMENDATIONS AND IMPLEMENTATION PLAN

1. Seek the support and participation of corporations and business leaders for this implementation plan.

Especially with regard to recommendations related to the workforce and downtown revitalization, the private sector can be a key partner and key beneficiary in the effort to address municipal fiscal disparities. Recent civic capacity initiatives resulting in the creation of the MetroHartford Economic Alliance and the Capitol Region Partnership have strengthened the working relationship between the private sector leaders and public sector leaders in the Capitol Region. We should take advantage of this

strengthened public/private partnership to enlist the support of corporations and business leaders in addressing, as appropriate, those recommendations for which the business community could provide meaningful support.

IMPLEMENTATION:

*Hartford will work with city based businesses to retain them and, as appropriate, support them in the growth of their job base.

*CRCOG will work through the Capitol Region Partnership to secure participation of corporations and business leaders in the municipal fiscal disparities implementation plan. The Regional Stewardship Forum co-sponsored by the Capitol Region Partnership and the MetroHartford Economic Alliance is intended to promote public and private sector support for a short list of priority initiatives which will benefit the City and the region. More opportunities for this kind of collaboration will be pursued.

2. Promote more municipal partnerships for public works and public safety services.

There is a potential to save taxpayers money coordinating the delivery of public services among some municipalities. Our experience with the State's initiative to consolidate public safety dispatching centers and experience from other states indicates that municipalities will follow through if the right kind of incentives are made available.

Implementation:

*Hartford has already taken concrete steps toward providing more cost effective municipal service delivery. Recent belt-tightening measures and changes in management practices are documented in Attachment 1. These and other efforts will be continued.

*CRCOG will redouble its efforts to encourage partnerships among towns, especially including Hartford. We will focus on emergency response initiatives over the next year. We will look carefully at the ACIR's report on "Local Government Cooperative Ventures in Connecticut" to learn more about the best examples of municipal partnerships. Some of the best models include emergency response, public safety dispatching, animal control and narcotics enforcement.

*The State will pursue more incentives for municipal partnerships, especially involving Hartford. New Jersey's efforts provide a good model for this.

*State OPM will encourage/support legislation to enable municipalities and regions to enter cooperative ventures more easily.

3. Support state investment in Adriaen's Landing and the Six Pillars.

Adriaen's Landing and the Six Pillars will stimulate significant economic activity in the city and the region and reinforce Hartford as an attractive destination in New England. We are excited about the progress being made. The challenge is to see these projects through to completion and to take advantage of opportunities to ensure that these major state investments provide real benefit to the residents of the City of Hartford.

Implementation:

*The City of Hartford will continue to work with state officials to facilitate approvals, permitting, and other support necessary to complete these projects on time.

*CRCOG and its municipal leaders will continue active support of Adriaen's Landing and the Six Pillars. The Hartford Image Project may provide some direct opportunities to do so.

*The State and CCEDA will continue to pursue opportunities to provide direct benefits to city residents, through construction jobs, jobs in the new facilities, use of city contractors, and so on.

4. Coordinate and strengthen literacy efforts in the City.

An important factor in Hartford's relatively low median household income is its low literacy rate. Currently more than 40 percent of Hartford's population over 18 years old falls into the lowest category of literacy and 73% fall into the two lowest levels of literacy. As a result, about 71,000 Hartford adults lack the reading skills necessary to secure career oriented employment and to contribute more to the growth of our regional economy.

Implementation:

*Hartford and CRCOG will work with the Capital Region Workforce Development Board and the Greater Hartford Literacy Council to help target available resources where they are most needed, particularly in English literacy, and to promote wide access to these services.

*Hartford Mayor Perez has created a taskforce to develop recommendations to build a job-ready, competitive workforce in Hartford, initially targeting the 18 to 24 year old population. The City expects to provide important leadership in implementing the recommendations that this task force develops with the Capital Region Workforce Development Board and its partners.

The Greater Hartford Literacy Council, with the help of the Capital Region Workforce Development Board, the United Way, CREC and the Hartford Public Schools will implement the Community Literacy Enhancement Across the Region (CLEAR) project. This project will provide a report with specific recommendations on how to use existing resources most effectively. In phase two of CLEAR, these recommendations will be implemented to provide quality standards for literacy, education, and other best practices.

*The State can help by implementing a special pilot for Hartford which promotes and funds wider participation in existing successful ESL and ABE literacy programs that are more effectively coordinated.

5. Concentrate workforce development efforts on young people in Hartford.

According to a New Economy Index published by the Progressive Policy Institute, the Hartford region ranks second among the nation's 50 largest metropolitan areas in the percentage of managerial, professional and technical jobs in our region's economy. At the same time, our ranking for overall educational attainment for our workforce is only 28th. Our continued prosperity depends on us providing access to a good education and workforce training no matter where a person lives.

Implementation:

*CRCOG will work with the Capital Region Workforce Development Board and the Capitol Region Partnership on an initiative already begun which is intended to identify existing options and to develop new alternative education options for access by Hartford's and the region's out of school 16 to 24 year olds. Within this framework, options to be considered will be better tech-prep offerings geared toward available and forecasted jobs in the region. This initiative is one of four regional priorities established by the Capitol Region Partnership and the MetroHartford Economic Alliance.

*The Workforce Development Board, for which chief elected officials provide oversight under the new federal Workforce Investment Act, is devoting considerable resources to education and workforce training for young people in Hartford. Their work with the US Department of Labor on a new Jobs Corps Center in Hartford and on the YO Hartford! initiative are examples of this.

*CRCOG will continue to work with the Jobs Access Transportation Task Force to connect city residents to suburban jobs. This is especially important in light of the data in the 2000 Census which indicates that for the first time in history more Hartford workers are working in jobs outside the city. We will redouble our efforts to provide transportation for young workers/new entries in the workforce from Hartford.

*The State Office of Workforce Competitiveness has encouraged this activity and has been helpful to our regional workforce board generally. This kind of support and additional state funding directed in a focused outcome-oriented way toward training for young people in Hartford will be very helpful.

*The State will work with Hartford to support small businesses and minority owned enterprises through alternatives such as urban investment tax credits.

6. Provide more opportunities in Hartford for homeownership, including for middle and upper income households.

Hartford lost more than 40 percent of its white population during the 1990's. Despite some movement of low income families into other towns, Hartford's median household income actually declined compared to many other towns. Neighborhood stabilization and better socioeconomic balance depend on providing more homeownership opportunities and more housing stock choices. This is especially true if Hartford is to attract and hold on to middle income families.

Implementation:

*Hartford has made homeownership a top priority and is looking at a variety of different strategies to address housing needs with the help of the Mayor's Homeownership Task Force. Taskforce recommendations include targeting housing investment in concentrated areas in the City, streamlining the site acquisition and production process, marketing housing to homebuyers throughout the City, region and State and making the construction of single-family homeownership opportunities a priority.

*CRCOG will employ its newly published Livable Communities Toolkit and other products from that project to assist Hartford in providing more housing and neighborhoods that are attractive for market rate housing. We will assist in efforts to inform real estate brokers in the region about opportunities for homeownership in the city.

*Non-traditional funding sources such as the Connecticut Economic Development Fund (CEDF) will be investigated for potential funding support for homeownership in the region. It is understood that CEDF specializes in loan guarantees, grants and micro loans for proposals involving residential and mix used investment. We will encourage consideration of this and other similar funding sources.

*The Mayors Homeownership Task Force recommends that the City seek \$10 million from the State Department of Economic and Community Development to support homeownership production goals. The State's financial support is critical to successful implementation of the practical, achievable recommendations in the Mayor's Homeownership report.

*One of the Governor's Six Pillars focuses on housing in the City. Proposed housing in Adriaen's Landing would provide new units of housing for middle and upper income households. The State can help by fulfilling these commitments and looking for other opportunities to assist in a similar way.

7. Support more rental housing vouchers that can be used anywhere in the region and promote enforcement of existing federal and state fair housing laws.

Properly managed, housing vouchers can provide a cost-effective way to provide quality housing through the private housing market and allow families to fit in to their new communities more easily. It can be a very effective tool to address fiscal disparities, particularly related to concentrated poverty that typically occurs in large public housing complexes.

Implementation:

*The City and the Hartford Housing Authority will continue to pursue opportunities to secure federal funds to replace large public housing complexes with other options that allow more socioeconomic balance in neighborhoods.

*CROG will redouble its efforts to promote the use of housing vouchers in towns throughout the Capitol Region in a way that does not result in new concentrations of poverty. Recent revisions to federal guidelines for Section 8 housing vouchers have provided more options for enabling use of vouchers in municipalities with higher cost rental housing. CROG will work with member towns and local housing authorities to encourage use of these new options and to make more rental units available for Section 8 vouchers in these towns.

*CROG has been working hard to encourage municipal officials to enforce federal and state fair housing laws with the publication of a fair housing guide for municipal officials and by sponsoring educational seminars. We will continue to make this a priority.

*The State will increase its commitment to its housing rental assistance program. Greater investment in the RAP for Hartford residents will help as will more oversight on how and where the vouchers are used. Additional support for a regional opportunities counseling program for families with vouchers can help in this as well.

*The State will devote more resources to enforcement of state and federal fair housing laws.

8. Create incentives to encourage suburban school districts to participate more fully in magnet schools, Project Choice and other related initiatives.

Providing additional education options for Hartford families and continuing to strengthen Hartford schools is perhaps the most important element in addressing fiscal disparities. It can also help remove a significant obstacle to attracting middle income families with children to live in the City.

Currently about 820 of Hartford's 22,000 plus public school students participate in the Open Choice program, another 525 Hartford students are enrolled in magnet schools and about 730 are in charter schools. Magnet schools and Open Choice can be a very important part of the solution to better integrating our schools; but many more students from Hartford must participate in these education options.

An agreement is anticipated soon between the State and the plaintiffs in the Sheff v. O'Neill case. It is expected that part of the remedy will be drawn from various proposals to significantly increase the percent of Hartford's public school students in either Project Choice or Magnet schools. Implementation of the remedy agreed to by the State and the plaintiffs could represent an important step forward and deserves the support of the City, and other municipalities in the region and the state.

Implementation:

*Hartford will continue to work at strengthening its public school system. The reforms begun under the state appointed Hartford Board of Trustees will be continued. And, teaching initiatives which have resulted in improvement of test scores will be continued.

*CRCOG will work with the Capitol Region Education Council and its member towns to encourage more participation in Project Choice and the various magnet schools.

*The State will provide more incentives for suburban schools to provide more Project Choice slots and to send their students to magnet schools. These include providing larger reimbursements for costs incurred by all districts participating in both programs and additional funding for transportation costs. The remedy agreed to by the State and the plaintiffs in Sheff v. O'Neill will be implemented aggressively.

9. Hartford should be compensated more fully for costs it incurs as the State Capitol and our regional center.

State payments in lieu of taxes to Hartford are about \$15.6 million less than what would be collected if the properties were fully taxable. Approximately 55 percent of property in Hartford is non-taxable, resulting in an overall loss in tax revenues of more than \$35 million. A very direct way to address Hartford's high tax rate is to remunerate the Capitol City for the full amount of payment in lieu of taxes that are due.

Similarly, Hartford deserves additional support for infrastructure which serves state employees and visitors to the State Capitol and other state facilities. Arterial roads in Hartford such as New Britain Avenue, Farmington Avenue, Wethersfield Avenue, Capitol Avenue, Asylum Street and others provide

daily access to the City for thousands of commuters. Some of these arterials are state maintained roads up to the point that they reach Hartford's border. Maintenance support for major parks used by employees and visitors to the Capitol such as Bushnell Park, should also be provided.

Implementation:

*Hartford will provide quality services to state employees and others visiting the Capitol and other state facilities.

*CRCOG will advocate for a Regional Assets District proposal which helps reimburse Hartford for costs it incurs as host to many of the region's major cultural and recreational assets.

*State will commit to paying in full the PILOT's due to the Capitol City.

*State will remunerate City for a reasonable part of cost of maintaining key arterials and parks used by State employees and others who use state facilities.

*State will work with City to review how it manages its property located in the City, in particular to determine if there are parcels that might be attractive for other uses or private development.

10. Create a regional revenue sharing mechanism.

A state law passed in 2000, allows for sharing property tax revenues among municipalities. Expanding allowable revenue sharing partnerships and creating incentives for their use especially involving the City of Hartford, could begin to address the very significant fiscal disparity in tax base wealth between Hartford and other towns in our region. It would also help to address growing concerns over sprawl and development pressures in our suburban and rural towns. The Regional Asset District concept or some variation on that may be the most feasible way to achieve this at a meaningful scale in our region and our state.

Implementation:

*CRCOG will work to encourage property tax sharing agreements among towns as permitted by current state law, PA 00-85. Possible models include Putnam-Killingly Industrial Park (ACIR Cooperative Ventures Report).

*State will pursue other options that enable broader revenue or tax base sharing (e.g. Regional Asset Districts).

11. Put a cap on the property tax burden for Hartford households based on percent of income.

Along with concerns about public education, high property taxes are often cited as one of the main factors driving people out of cities like Hartford. One way to keep working families in our cities and to promote homeownership is to cap the amount of property taxes they pay in relation to their income. The difference would be made up with state aid. Precedent already exists for this kind of policy for property taxes paid by senior citizens and veterans.

Implementation:

*Hartford will continue efforts to provide municipal services more cost effectively and to reduce service delivery costs where feasible. (See items in #1)

*The State will investigate expanding property tax refunds to include eligible households in Hartford, and then reimburse City for lost revenues. A circuit breaker based on household income is probably the best approach here. Other approaches could also be considered. More state funding for education is also important in this.

*State will support work of Blue Ribbon Panel on Property Tax Burden and Smart Growth.

CONCLUSION

These eleven recommendations can enable real progress in addressing the fiscal disparities in Hartford and the Capitol Region. This focused list of recommendations is achievable. We can demonstrate some progress in the short term (i.e. over the next year) and in the long term. CRCOG, Hartford and the Capitol Region's towns are committed to following through on the recommendations for which they have responsibility.

But as learned in the initial phase of work under this law, many of the root causes of municipal fiscal disparities involve broad social and economic trends and public policies that go beyond the reach of any individual town hall or the region. Ultimately our success in reducing municipal fiscal disparities depends on the State being an active partner in addressing the systemic problems. This means revising some public policies and investing the resources available to it to help make real change on the tough challenges connected with municipal fiscal disparities. The future vitality and well being of Hartford, the Capitol Region and Connecticut depend on us working together to address the municipal fiscal disparities in Greater Hartford.

Approved by Capitol Region Council of Governments Policy Board, November, 2002.