
**Governor's Council on Climate Change (GC3)
FINANCING ADAPTATION AND RESILIENCE WORKING GROUP
MEETING MINUTES**

**June 19, 2020
9:00 am - 11:00 am
Zoom Meeting**

ATTENDANCE

Working Group Member	Title	Organization	Present
Rebecca French, Co-Chair	Director of the Office of Climate Planning	CT Dept. of Energy and Environmental Protection	X
Andrew Mais, Co-Chair, represented by George Bradner, Director, Property and Casualty Division	Commissioner	CT Insurance Department	X
David Lehman, Co-Chair, represented by Deputy Commissioner Alexandra Baum	Commissioner	CT Dept. of Economic and Community Development	
Bryan Garcia, Co-Chair	President and CEO	CT Green Bank	X
George Kral	Town Planner	Town of Guilford	
Joseph MacDougald	Executive Director	UConn Law School Center for Energy	X
Claire Coleman	Undersecretary for Legal Affairs	CT Office of Policy and Management	X
James O'Donnell	Executive Director	CT Institute for Resilience and Climate Adaptation	
David Sutherland	Director of Government Relations	The Nature Conservancy	X
Curt Johnson	President	Save the Sound	X
Kathy Dorgan	Principal	Dorgan Architecture & Planning	X
Wayne Cobleigh	Vice President, Client Services	GZE Geoenvironmental, Inc.	X
Dean Audet	Senior Water Resources Engineer	Fuss & O'Neill	X
Robert LaFrance	Policy Director	Audubon CT	X
Adrienne Farrar Houël	President and CEO	Greater Bridgeport Community Enterprises	X
Jennifer O'Brien	Program Director	Community Foundation for Eastern CT	X
James Albis	Senior Advisor to Commissioner Katie Dykes	DEEP	X
John Truscinski	Director of Resilience Planning	CT Institute for Resilience and Climate Adaptation	X

Associated Staff	Title	Organization	Present
Mary-beth Hart	Sr. Environmental Planner	DEEP	X
Joey Wraithwall	Manager, State Director's Office	The Nature Conservancy	X
Denise Savageau	Chair	CT Council on Soil and Water Conservation	X
Amy Paterson	Executive Director	CT Land Conservation Council	X
Brian Basso	GC3 Intern	Yale School of Forestry/CT DEEP	X
David Bingham			X
Frogard Ryan	CT State Director	The Nature Conservancy	X
Nicholas Zuba	Senior Manager, Commercial and Industrial Programs	CT Green Bank	X
Gwen Macdonald	Director of Ecological Restoration	Save the Sound	X
Leslie Kane	Managing Director	Audubon CT	X
Eric Hammerling	Executive Director	CT Forest and Park Association	X
Huan Ngo	New Haven	GC3 Public Health and Safety WG	X

AGENDA & NOTES

Welcome and Announcements

- Rebecca French began this meeting via the Zoom platform at approximately 9:06 AM and introduced the agenda for the meeting. The agenda has been posted on the same webpage as these minutes. She then introduced participants on the call, starting with Working Group (WG) members.
- The first portion of the meeting is to talk about next steps in the GC3 process.
- Rebecca French is the Director of the DEEP Office of Climate Change Planning, and one of her responsibilities is to assist DEEP Commissioner Dykes with administering the Governor's Council on Climate Change (GC3) as charged by Governor Lamont's Executive Order Number 3 (EO3). As such, she is sharing proposed changes to the GC3 process structure to solicit feedback from the Working Group (WG).
 - Given the COVID-19 pandemic and other important pressing issues of addressing systemic racism in CT and across the country and the world, there are some circumstances that have changed since the Governor issued EO3 and established the timeline
 - The adaptation and resilience groups had a challenging set of deliverables, even in the absence of the pandemic, to produce the state's first statewide adaptation and resilience report in less than one year
 - The Mitigation WG had somewhat of an advantage in working off the previous GC3 baseline in improving upon the 2018 report
 - The Working and Natural Lands WG has made significant progress in producing information
 - All WGs have had their public participation efforts disrupted, replacing in-person meetings and workshops with online meetings recognizing the need to stay home and stay safe
 - The Governor's EO3 timed the receipt of recommendations by January 2021 to help inform his thinking on policies in time for the start of the 2021 legislative session
 - While the comprehensive planning process initially conceived of by EO3 can't take place by January 2021, there has been significant climate change work done in CT at the local, regional, and state agency scale that has engaged a robust public participation process
 - Commissioner Dykes will make a recommendation to the full GC3 asking to streamline the process to provide recommendations based on the current state of knowledge and not undertake a new strategic planning process by January 2021
 - Recognizing the value of strategic planning, the GC3 will continue the process throughout 2021 to give us more time to incorporate public participation upfront of the process and provide more time overall
- The charge of the Financing Adaptation and Resilience WG is to identify the landscape of options for financing
- The WG should also provide recommendations for prioritizing. Today's meeting will help focus the WG's focus; each member will provide their top five recommendations
- Ultimately the WG will provide a full picture of what proposals are available, and also provide a ranked list just as the other WGs will provide
- As this process will continue through 2021, this is not the last chance to weigh in, so the WG should decide what should be included in the January 2021 report and what should get incorporated into the 2021 planning process.
- Brian Basso will be tracking votes in the straw poll and we'll share results at the end of the meeting. Additional ideas for financing mechanisms were requested as well and are included as an attachment to these meeting minutes.

Next Steps on the Financing Adaptation Workgroup Report*Facilitated by Co-chairs*

- Bryan Garcia presented the matrix developed by the WG Co-Chairs that provides an outline of the WG's deliverables identified by EO3
 - 4 areas of adaptation and resilience are mentioned: bricks and mortar infrastructure, our agriculture system, natural resources, and public health
- Rebecca French pointed out that the GC3 Working Groups haven't used this exact language; the infrastructure groups is called Infrastructure and Land Use, and Agriculture and Natural Resources have been combined into one WG called Working and Natural Lands, so the table might be changed to show agriculture as working lands and natural resources as natural lands.
- David Sutherland noted that tidal marshes play a role in protecting human infrastructure from storm surge but we should also think in terms of protecting natural resources for themselves.
- Rebecca French noted that other WGs are charged with considering adaptation and resilience under these four areas, this WG's charge is to fund them. She suggested Financing WG members interested in those other aspects can also attend those WG meetings.
- Bryan Garcia suggested submitting a request to the other WGs for definitions of the categories which will help in identifying all the public and private sources of funding to assist in those areas.
- Bryan Garcia noted that the matrix is modeled after the RI Infrastructure Bank's Resilient Rhody finance section. The matrix is a summary of the various programs at the various levels of government or private activities and captures all the existing climate finance mechanisms; these will be fleshed out with description details (e.g., is it a competitive process, allocation specifics, is one fund better for infrastructure projects vs. natural resource projects, etc.)
- Wayne Cobleigh agreed to work on fleshing out those finance mechanism descriptions. David Sutherland will assist.
- Bryan Garcia noted that the table identifies that some sources of funding may come from private sources, insurance companies, CPACE, and some from local, state, and federal levels of government, so the descriptions should reflect that. Then the expanded matrix will be distributed to the WG to solicit feedback to determine if any gaps
- Adrienne Houel asked that the matrix also reflect which financing mechanisms are best suited for the types of projects being prioritized. For example, some large cities are financially struggling and devoid of resources, so the state would need to take a strong leadership role in any project
- Rebecca French noted that it might not be until the public review period that this WG sees the other WG recommendations, so there might be some changes to the Financing WG's list as a result
- Curt Johnson wants to ensure that the WG consider new and emerging financing mechanisms, as well as new expansions or potential expansions of existing funding sources that worked very well in the state level.
- Wayne Cobleigh noted that the State of Massachusetts has programs that are focused on energy efficiency that already have workforce training elements that could innovate to allow them to also apply to resilience. It's an example of using an existing program rather than inventing a whole new program needing a whole new governance structure, try to work with the agencies that already exists, but then adapt their programs to allow for more eligible uses
- Dean Audet mentioned retreat, which might fall under infrastructure.
- Rebecca French noted that the Infrastructure/Land Use WG would be addressing that as a land use issue.

- Curt Johnson volunteered to identify new and expanded funding mechanisms as well as other emerging funding mechanisms. Robert LaFrance will assist.
- Bryan Garcia notes with respect to Equity and Environmental Justice, the WG needs to determine how to identify people and communities in order to assess all of the existing climate finance mechanisms, and work with vulnerable communities to identify what criteria are important to them when it comes to adaptation (e.g., food deserts, availability of health programs, the role of community-based organizations), and what these funding sources may be missing in terms of prioritizing vulnerable communities. Then the WG can take the matrix and rank each of those funding sources (including new/emerging/expanded funding sources) based on those criteria, identify the strengths and weaknesses to those criteria, and determine, as a whole, how each of those funding mechanism measures meets the needs of our most vulnerable communities. He believes this will be a Connecticut innovation for the rest of the country since no one is applying the equity lens to their recommendations on adaptation and resilience.
- Adrienne Houel gave an additional example of Bridgeport being a community that is subject to rising sea level and infrastructure such as I-95 and energy plants. If projects are going to be financed through these funding sources, one of the key things to consider is which projects are needed and what funding sources are most adaptable to supporting those projects.
- Rebecca French suggested that in addition to the matrix, the WG include a broader discussion of issues built into the recommendations that any funding mechanisms can be directed to incorporate Equity and Environmental Justice, which might be project-specific.
- David Sutherland mentioned that some grant opportunities might allow for a larger percentage to be targeted to distressed communities.
- Wayne Cobleigh noted the unintended consequences of economic development and the need to “grow the right thing” and support and promote the positive outcomes in creating equitable communities. Some themes he gleaned from the Boston white paper include fairness, social resilience, economic equality, sustainable housing and property values, inclusive communications, lifeline facilities, food security, health care access, community parks and gardens, public health, public safety, job creation, and diversity workforce training.
- Bryan Garcia suggested the WG use these themes as a foundation to have a discussion with vulnerable communities to solicit their feedback.
- George Bradner suggested that the insurance discussion be incorporated as well, including the availability and affordability of insurance in underserved communities, the under-insured and un-insured. A lengthy discussion of the insurance needs of renters/tenants, the adequacy of insurance for rental property owners, how tenants without insurance are displaced during flood events, and the response time for repair and return to their homes.
- Wayne Cobleigh acknowledged insurance was an issue, and that community insurance efforts can protect the most vulnerable.
- Rebecca French wondered if the WG is ready to put forward a recommendation by the end of August 2020 or if it's a larger issue that needs more thought and can be better addressed in the January 2021 report.
- George Bradner suggested the issue is worthy of being in the January 2020 report with an acknowledgement that the next phase will take time to address the full scope of the issue. This led to a discussion in support of this suggestion, especially in light of Connecticut's need to lead on this issue being the “insurance capital of the world” and the recognition of the existing problem of under-insured and un-insured populations which is especially prevalent after disasters. Another thought is to work with FEMA to create a community program developed for underserved communities which will benefit the community overall, and include businesses/commercial properties. Mr. Bradner also stated that after a catastrophic event, 25% of businesses do not reopen. The discussion also included suggestions that the banking industry and local zoning considerations be included.
- John Truscinski offered to lead a group to look at the issue and identify some innovative

ways that insurance is being used in tandem with FEMA and other products, and would provide those findings for the WG to consider within the next few months.

- Rebecca French then suggested the WG meet more frequently to accomplish their task and provide sufficient time for the Equity and Environmental Justice WG to review their suggestions; she suggested meetings on July 2, 2020 and July 17, 2020 and possibly another subsequent meeting to ensure the draft report is completed on time.

Financing Nature-Based Solutions for Climate Change Resilience

Facilitated by Gwen Macdonald and Curt Johnson, Save the Sound

- Gwen Macdonald, at Save the Sound, and Curt Johnson, president of Save the Sound and a GC3 and WG member, presented on nature-based solutions.
- Curt Johnson suggested different terminology: “multiple benefit green solutions.” Projects competing for scarce funding will be successful in securing that funding if they can demonstrate they will result in multiple benefits. He cited as an example a project in New Haven that replaced 2/3 of a mile of shoreline in a park that had not been accessible to the public and was experiencing erosion that would have been significantly damaged during a catastrophic event; the resulting project protected the area from erosion and opened access to the shoreline.
- Gwen Macdonald presented about nature-based solutions are providing multiple benefits. With respect to the matrix presented by Bryan Garcia, they fall at the intersection of infrastructure and natural resources. In addition, natural resource protection for its own sake is a co-benefit.
 - The presentation touched on returns on investment, the need for state investment to achieve returns, and job creation
 - Opportunities to establish Stormwater Utilities which provide multiple benefits including green infrastructure solutions, Environmental Justice benefits, green job training, water quality benefits, wildlife habitat restoration, and migratory flyways; New London is currently the only municipality in CT with a stormwater utility started as a pilot program; large initial state investment necessary for successful program
 - Stormwater Infrastructure example described a bioswale program by the Greater New Haven Water Pollution Control Authority, 70 bioswales were installed throughout the West River neighborhood, multiple benefits including a green jobs training program for incarcerated individuals
 - High hazard dam removal provides multiple benefits: source of sediment to nourish marshes and beaches, unencumbered fish passage, reduced flashiness of streams, no long term maintenance required, reduction in stream temperatures, eliminates the potential for down-stream catastrophic flooding if dam fails
 - Successful dam removal example in Westville at Pond Lily Nature Preserve owned by the New Haven Land Trust
 - Coastal Resilience, projects have been identified through The Nature Conservancy and CT Councils of Government that could be undertaken if funding were available
 - Examples of resilience projects include a dune restoration in West Haven and a shoreline restoration project in Groton that also provides a public access amenity
 - Inland flood resilience is also critical as evidenced in Vermont from Storm Irene, traditionally sized culverts were washed out but those designed with a stream simulation fared better in flood events
 - Tax districts can also be used to finance nature-based solutions; example in Stamford for the Mill River that removed businesses from the flood plain which

reduced flood insurance costs while creating a public park amenity which increased property values and helped offset the City's upfront costs of making the improvements

- Curt Johnson then presented on funding recommendations
 - Save the Sound and The Nature Conservancy strongly support establishment of a \$35 million CT Bond Resilience Grant Fund. Every one of CT's neighboring states has used state bonds as a foundation on which to support projects: NY voters will consider a \$3 billion bond with \$1 billion dedicated resilience; RI has a \$3 million bond, and MA has a bond more in line with the \$35 million proposal
 - Save the Sound also encourages a Stream to River resilient fund based on the State of Maryland's Flush Tax passed 12-14 year ago, which charges \$60 per year for any household with toilet, including those homes on septic systems as well as using public sewers. Based on this model, CT could generate \$50-70 million per year. The proposal would recognize hardship and waive the fee in struggling and lower income communities.
 - There is a critical need to have "shovel-ready" projects when funding opportunities become available. Many project ideas don't have funding necessary to cover costs for engineering design and permitting. CT loses funding to other states.
 - There is also the need to create program flexibility and ensure effective, efficient administration; recommends the ability for grant recipients to appoint third party administrators and incorporate an administration fee.
- During the discussion, Rebecca French mentioned that the additional New Haven bioswales were funded with Storm Sandy recovery funding provided by HUD through the CT Department of Housing.
- Robert LaFrance mentioned a municipal buyers conveyance fee applied at the time of property sale to leverage financing for municipalities to fund projects, and stressed it is proposed as enabling an option and not a requirement
- Votes for the Financing Mechanisms discussed at the beginning of the meeting were tallied and discussed (order of most votes received):

See attached vote tally updated after the meeting

- It was noted that some WG members' votes were not included in the tally presented in the zoom meeting. The updated tally is attached.
- A request was made that the municipal option conveyance fee be added to the list. (ADDITIONAL INFORMATION ON MUNICIPAL CONVEYANCE FEE ATTACHED TO THESE MINUTES)
- Rebecca French mentioned a particular interest in overcoming barriers and will research the subject, she invited other WG members to join her in researching the topic.
- Wayne Cobleigh mentioned Senate Bill 3485 proposed by RI Senator Whitehouse for funding from leases through the federal government for offshore wind projects be returned to states that have purchased offshore wind and be earmarked for a national ocean and coastal security fund as a predictable source for coastal resilience funding, and the WG should make recommendations to support federal initiatives to support CT resilience efforts.

Public comments

- David Bingham commented in support of the municipal conveyance fee, pointing out that matching funds for funding that communities have to pay come from property taxes, and a real estate conveyance fee can be structured to accommodate low income households: the first \$150,000 of the conveyance would be free, and it progresses based on whether an individual is purchasing a \$6 million home or a more modest home.
- Denise Savageau noted implementation of the State Water Plan will be critical to building a resilient CT but no funding has been set aside for implementation. She strongly urged that the State Water Plan be identified as needing funding, noting that if the state doesn't have drinking water, it won't be resilient.
- Denise Savageau also pointed out that the match for federal dollars is critical from a state and municipal perspective and mentioned a white paper developed by the CT Council on Environmental Quality that identifies how much federal funding is being forfeited because CT cannot provide match. She also echoed Curt Johnson's point about flexibility for state agencies to get assistance with administration of federal grants.
- Denise Savageau also noted that the largest conservation program in US is the Farm Bill, but CT doesn't take full advantage of the funding opportunities afforded by the Bill and she strongly recommends that this funding source be considered.
- Amy Paterson stated the CT Land Conservation Council's support for the municipal conveyance funding option, pointing out that state would not incur any costs. She also complimented the Save the Sound presentation, and supported Wayne Cobleigh's comments about Senate Bill 3485.
- Rebecca French then wrapped-up the meeting, and stated that the next meeting is scheduled for July 2, 2020 from 3:00-5:00 pm, and welcomed presentation ideas for that meeting. A tentative WG meeting is also scheduled for July 17, 2020 with a presentation by Jennifer O'Brien and Adrienne Houel on funding from foundations. Dr. French ended the meeting at 11:15 am.

NOTE: Slides are available on GC3 web page: www.ct.gov/deep/gc3
Send comments to DEEP.ClimateChange@ct.gov

Working Group: Financing Adaptation and Resiliency**Date:** 6/26/2020**Topic:** Top strategies for financing the updated draft GC3 report recommendations

Vote Talley	Financing Mechanism	Recommender
7	PACE for resilience (Property Assessed Resilience)	Dean Audet, Wayne Cobleigh, Robert LaFrance, Kathy Dorgan, Leslie Kane, Byran Garcia, George Bradner
6	Infrastructure Bank	John Truscinski, David Sutherland, Adrienne Houel, Wayne Cobleigh, Leslie Kane, Bryan Garcia
6	District Level Financing (eg TIF Districts)	John Truscinski, Alexandra Daum, Adrienne Houel, Wayne Cobleigh, Leslie Kane, George Bradner
6	State Bond Funding for Grant Programs	Dean Audet, David Sutherland, Adrienne Houel, Leslie Kane, Curt Johnson, George Bradner
5	Stormwater Fees	Dean Audet, Alexandra Daum, David Sutherland, Wayne Cobleigh, Curt Johnson
5	Catastrophe Bonds/ Resilience Bonds	John Truscinski, David Sutherland, Leslie Kane, Bryan Garcia, George Brander
3	State Bond Funding for Specific Projects	David Sutherland, Adrienne Houel, Curt Johnson

3	Carbon Tax	Dean Audet, Robert LaFrance, Curt Johnson
3	Shore Up Connecticut (low-interest loans for home elevation and resilient utilities)	John Truscinski, Alexandra Daum, George Bradner
2	Linking Resilience to Energy Savings Performance Contracts	Dean Audet, Adrienne Houel
2	Federal Grant Programs (various)	John Truscinski, Robert LaFrance
2	Clean Water Revolving Loans	Robert LaFrance, Bryan Garcia
1	Drinking Water Revolving Loans	Bryan Garcia
0	Tax Credit	
	Further Recommendations	
	Local Conveyance Tax Community Conservation Funds Offshore Wind Power Coastal Resiliency Fund The money we already have. Finance mechanism for ADUs Finance mechanism for 1-6 family rehabilitation Impact Investment Funds	Curt Johnson Robert LaFrance Wayne Cobleigh Kathy Dorgan Kathy Dorgan Kathy Dorgan Kathy Dorgan

Working Group: Financing Adaptation and Resiliency

Topic: Financing Strategies Comments sent in response to a request from the co-chairs for working group members to provide their top five financing recommendations based on what had been presented to the work group to date. Co-chairs also requested that workgroup members provide ideas that may not have yet been shared with the group in meetings. Some workgroup members voted only and others provided comments and additional ideas. The document below summarizes comments on votes and ideas provided.

Kathy Dorgan: Dorgan Architecture & Planning

1. **The money we already have.** Make sure that climate resilience is a component of the awards for all state supported grants. ie given our building goals all new construction funded by the state should be carbon free and net zero. Loan limits should allow high-performance buildings and infrastructure.
2. **Finance mechanism for Accessory Dwelling Units (ADUs)** - COVID-19 has brought to focus the needs for families, caregivers, and others to live in close proximity. Connecticut should provide the financing and regulatory relief for housing to meet this need. In most cases this will reduce transportation, increase resilience and reduce energy use for housing as well as meet social justice goals. Building a mortgage product should be relatively easy.
3. **Finance mechanism for 1-6 family rehabilitation** - let's not lose the embedded energy in our existing building stock - especially that in walkable communities - we need a purchase/rehab and a rehab sale mechanism to stop the unjust deterioration in cities and inner ring suburbs that is draining the investments of many black and minority homeowners and leading to additional committing and higher housing costs.
4. **PACE for Resilience** added to Green Bank offerings
5. **Impact Investment Funds** - people care - let them invest - upcoming webinar at https://yale.zoom.us/webinar/register/WN_qZczzooSSdOkEhU7uRQEnQ

Robert LaFrance: Director of Policy, Audubon Connecticut
1. Community Conservation Funds

- a. Enable, but do not require, municipalities to establish a conveyance fee (up to, but not greater than 1%)
- b. Fee is paid by the BUYERS of real property with a value of greater than \$150,000 (or a higher value as determined by the municipality)
- c. Each municipal Community Conservation Fund MUST be a SEPARATE, DEDICATED account to accept such revenue

Community Conservation Funds can be used to:

- a. Purchase, preservation or stewardship of open space land, or interests in land, in such municipality, including, but not limited to, water resources, forest land and farmland;
- b. Fund a Climate Change and Coastal Resiliency Reserve account created by the municipality pursuant to Public Act 19-77 or other municipal climate resilience, mitigation or adaptation strategies;
- c. Match investments from state programs funded through section 4-66aa (Community Investment Act) of the general statutes
- d. Fund other environmental projects including brownfields remediation, urban forestry and tree-planting; and Repayment of municipal bonds obtained for any of the foregoing purposes.

This financing mechanism allows municipalities: 1) to provide effective mechanisms for funding critical services like resiliency measures and opens space at the local level; and 2) to develop alternative revenue streams to help reduce reliance on the property tax and on state aid to municipalities. This new source of funding does not require state funding, rather it can be used to leverage state, federal and private funding.

Additional information can be found at www.ctconservation.org/municipal-open-space-funding-option

2. **PACE for resilience (Property Assessed Resilience) / Infrastructure Bank/ Linking Resilience to Energy Savings Performance Contracts** - These three concepts can further enhance the great work of the CT Green Bank. I also suggest that folks review a presentation made by Brad Gentry of Yale that was given to the Forest Lands Working group. Here is the link:

https://portal.ct.gov/-/media/DEEP/climatechange/GC3/GC3-2020-agendas-and-minutes/GC3_Forests_slides_funding_financing_forests_050720.pdf

3. **Clean Water Revolving Loan Funds (incorporating resilience) / Catastrophe Bonds/ Resilience Bonds/ District Level Financing (e.g. TIF Districts** - I believe we need to re-examine the level of grant funding provided to many municipal publically owned treatment works. The level of grant funding for these project could be reduces and additional revenue funding could be provided. Many POTWs generate revenue from sewer and water user fees. By relying more on revenue bonds for these projects other resilience projects that may not generate revenue could use the grant bonds not used to finance POTWs.
4. **Carbon Tax** - Carbon taxes and cap and trade systems offer tremendous potential. A re-examination of a number of bills on this topic that have been heard in the General Assembly are worth revisiting.<https://www.cga.ct.gov/2018/rpt/pdf/2018-R-0327.pdf>
5. **Federal Grant Programs** - FEMA offers many programs and there are other federal programs worth examining. Attached please find a list of programs being supported by the National Audubon Society and the National Association of Conservation Districts.

David Sutherland: Director of Government Relations, TNC

The Nature Conservancy Recommended Strategies for Resilience Funding

1. **State Bond Funding for Grants Program** - Revive the 2015 state bonding programs for resilience and green infrastructure grants; and provide incentives or other considerations to ensure participation by Distressed Municipalities (*as in the State's Open Space and Watershed Grant Program*); and explicitly authorize other non-state agencies, NGOs, or other entities to administer the grant program, and utilize a portion of funds for such administration.
2. **State Bonding for Specific Projects** - Authorize bonding to provide supplemental incentives for other State bond programs and initiatives, and matching funds for federal grant programs, particularly for Distressed Municipalities who are eligible to receive funding from those programs, and including voluntary property buy-out programs, similar to New Jersey's Blue Acres Program.
3. **Stormwater Fees** - Legislation, such as 2019's proposed Bill 7408 which passed the House but not the Senate, should be passed allowing municipalities to establish stormwater

authorities. That bill would have would allowed municipalities to establish stormwater authorities which would plan and implement programs and projects to control, reduce, and manage stormwater runoff, prepare annual budgets for these initiatives, recommend property-owner fees to cover these costs, and submit the budget and fees to the town's legislative body for approval. Such legislation should authorize authorities to structure fees based on criteria to help avoid disproportionate impacts on marginalized communities and could provide incentives for Distressed Municipalities who establish authorities.

4. **Catastrophe Bonds/ Resilience Bonds** - An entity such as the Green Bank should be authorized to coalesce the various parties – local governments, property owners, insurers, engineering and construction contractors - necessary to first, determine the applicability of Resilience Bonds to Connecticut's circumstances, and second, if appropriate, implement the issuance of such bonds, and ensure that various measures, such as use of state bonding, are used to ensure participation by disadvantaged communities.

Excerpts from the Journal of Field Actions – *Resilience Bonds: a business-model for resilient infrastructure*

<https://journals.openedition.org/factsreports/4910#:~:text=2.2.-The%20difference%20between&text=7Resilience%20Bonds%20are%20a,for%20measurable%20risk%20reduction%20projects>

“...Based on the same financial modeling as Catastrophe Bonds, Resilience Bonds are designed to fund both proactive risk reduction projects and reactive disaster recovery actions... It is difficult to pay for something when up-front costs are high, benefits are diffuse and extend far into the future, and the probability of extreme losses is low. On top of that, success in well-designed resilient infrastructure is often invisible. In other words, success happens when nothing happens... To create incentives for cities to invest in resilience, re: focus created Resilience Bonds to transform avoided losses into revenue flows, and to make invisible successes visible and economically capturable... These instruments are insurance policies and *not* traditional municipal bonds that you use to build a road or a seawall. Each policy typically has a short term, between three and five years. What makes them unique is that when a disaster reaches a predetermined threshold, the holder of the policy receives a pay-out, the same way a life insurance holder would, and investors lose part or all of their principal invested. The purpose of Catastrophe Bonds (and Resilience Bonds) is to transfer risk to capital market... Resilience Bonds are a form of Catastrophe Bond that link insurance premiums to resilience projects in order to monetize avoided losses through a rebate structure. The “resilience rebate” is a source of funding for measurable risk reduction projects... The difference between a Resilience Bond and a Catastrophe Bond is that it uses the same financial modeling as in a Catastrophe Bond, but it models two scenarios: business-as-usual and a world with a protective infrastructure project. It estimates the difference in the expected losses when the catastrophe happens with and without the project. That difference is captured as a resilience rebate and this rebate can be used to fund the project itself.

5. **Infrastructure Bank** - Legislation, such as 2019's Bill 927, should be passed to expand the Green Bank's purview to include innovative financing for resilience projects, including as has been done with its renewable energy programs various strategies for ensuring services are utilized by marginalized communities.

Connecticut should focus on funding and finance strategies that address fairness and equity to reduce the social, economic and environmental impacts of climate change, prioritizing climate adaptation investments that benefit our most vulnerable people who are disproportionately impacted by climate change:

- environmental justice communities,
- communities of color,
- distressed communities,
- opportunity zones,
- elderly,
- children,
- people with disabilities, and
- people with serious underlying medical conditions.

1. **Community Resilience & Green Infrastructure Fund** – A Climate Bond Fund administered by the CT Green Bank to improve equitable community climate adaptation, resilience, lifeline facilities and green infrastructure leveraging private investors with a stable public revenue stream from a source that is fair in terms of ability to pay proportional to benefits and progressive based on the fee payer’s ability to afford the fee contribution. Options for revenue fee could be:
 - a. 1% of property tax
 - b. Potable water use fee
 - c. Sewer use fee
 - d. 1% surcharge on retailers whose sales nationally exceed \$1 billion and have sales greater than \$1 million in Connecticut (City of Portland, OR has Portland Clean Energy Community Benefits Fund program to benchmark)
 - e. 1% of property casualty or comprehensive general liability insurance
2. **Watershed-based Stormwater Utility Fee** – excellent regional revenue source for municipalities (both upstream and downstream communities) to improve regionally important green and grey infrastructure and to leverage these revenue streams for the municipal cost share for state, federal, foundation environmental restoration and climate resilience grants.
3. **District Resilience Improvements (DRI) Funds**- funded with tax increment financing, or community-based public private partnerships (CBP3) to attract tax-exempt bond investors with municipal bond investors, social impact investors, green and climate bond investors
4. **Property Assessed Resiliency** – expand CPACE to PAR to allow resiliency retrofits for commercial buildings.
5. **Offshore Wind Power Coastal Resiliency Fund**- leverage Connecticut’s leadership in clean energy to support Senator Sheldon Whitehouse’s Coastal Resiliency Fund and Senator Chris Murphy’s Living Shoreline Act efforts in Congress in 2020 to return 20% or more of offshore wind power lease payments back into the states purchasing offshore wind. This has been done for oil and gas leases in the Gulf.

Climate Adaptation funding mechanisms need to (1) prioritize improving resilience where our most vulnerable people live, (2) promote inclusive and diverse workforce training and development, (3) include MBE/WBE/VBE set asides for planning, design and construction projects, (4) promote equitable access to healthy places, (5) incentivize non-fossil fuel-based cooling and heating, affordable housing, and improving public health, (6) include voucher, discount or exemption

provisions for people with low or fixed income or on public assistance programs, and (7) disrupt the cycle of chronic and persistent racial and economic inequalities.

Leslie Kane: Managing Director, Audubon CT

- Finance based forecasting – using early warning weather forecasting to send funding ahead of a storm to a vulnerable community. Some quick links:
 - <https://www.forecast-based-financing.org/>
 - <https://www.climatecentre.org/programmes-engagement/forecast-based-financing>
 - <https://www.odi.org/projects/2906-framework-scaling-forecast-based-financing-fbf>
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Curt Johnson: Executive Director, Connecticut Fund for the Environment/Save the Sound

1. **State Bond Funding for Grant Programs:** because of (a) scalability, state-wide funding collected broadly by our most progressive tax system (the majority of state funding derives from graduated state income tax); and it can be used to incent municipal funding options (creation of stormwater utilities or local real estate conveyance fee) and used to match federal grants.
2. **State Bond Funding for Special Projects:** such as our CT Clean Water fund: similar: because of (a) scalability, state-wide funding collected broadly by our most progressive tax system (the majority of state funding derives from graduated state income tax); and it can be used to incent municipal funding options (creation of stormwater utilities or local real estate conveyance fee) and used to match federal grants.
3. **Carbon tax:** Scalability – it would be a state-wide and potentially large source of funds; should be designed to provide rebates and focused benefits for vulnerable communities to offset potential regressive tax potential.
4. **Stormwater Fees/Stormwater Utilities:** Legislative authority allowing municipalities to establish stormwater utilities and fees has significant scalability potential and can incentivize conversion of flood and heat producing blacktop toward green infrastructure treatments.
5. **Local conveyance tax authorization:** Legislative authority allowing municipalities to establish a local conveyance tax fee that would be paid for by the real estate buyer at the time of property transfer.

The Municipal Option – Community Conservation Funds

Funding Municipal Conservation,
Resilience,
Stewardship,
and Sustainability

Amy Paterson, CT Land Conservation
Council - Robert LaFrance, Audubon CT



Community Conservation Funds

- Enable, but not require, municipalities to establish a conveyance fee (up to, but not greater than 1%)
- Fee paid by the BUYERS of real property with a value of greater than \$150,000 (or a higher value as determined by the municipality)
- Each municipal Community Conservation Fund **MUST** be a **SEPARATE, DEDICATED** account to accept such revenue



Process to Make

Community Conservation Funds a Reality

1. Pass Enabling Legislation
2. Vote to Establish a Municipal Fee
3. Establish a Separate, Dedicated Community Conservation Fund



Pass Enabling Legislation

Establish a Separate, Dedicated Community Conservation Fund

Vote to Establish Municipal



Potential Uses of Community Conservation Funds

Conservation, Resilience, Stewardship, and Sustainability



Potential Uses of Community Conservation Funds:

(1) Purchase, preservation or stewardship of open space land, or interests in land, in such municipality, including, but not limited to, water resources, forest land and farmland;



Potential Uses of Community Conservation Funds:

- (2) Fund a Climate Change and Coastal Resiliency Reserve account created by the municipality pursuant to Public Act 19-77 or other municipal climate resilience, mitigation or adaptation strategies;
- (3) Match investments from state programs funded through section 4-66aa (Community Investment Act) of the general statutes;



Potential Uses of Community Conservation Funds:



- (4) Fund other environmental projects including brownfields remediation, urban forestry and tree-planting; and
- (5) Repayment of municipal bonds obtained for any of the foregoing purposes.

Climate Benefits of Open Space

- Reduce stormwater runoff
- Filter water supply
- Provide wildlife habitat
- Prevents further sprawl
- Serve as a carbon sink
- Reduce local erosion



www.ctconservation.org/municipal-open-space-funding-option

To learn more about the Municipal Open Space Funding Option, see the links below (from 2019 legislative

- [Frequently Asked Questions](#)
- [10 Reasons Why Land Trusts Support the Municipal Open Space Funding Option](#)
- [Talking Points- Municipal Open Space Funding Bill](#)
- [Case Study- Jefferson County, West Virginia](#)
- [Case Study- New Shoreham, Rhode Island](#)
- [Case Study- Warwick, New York](#)
- [News Clip- A Decade of Success for Warwick](#)
- [Study on Real Estate Transfer Taxes \(RETTs\)](#)
- [HB5254](#)
- [Sample Testimony in Support of HB5254](#)
- [Action Alert \(1/31\): Public Hearing \(2/4\) HB5254](#)
- [CLCC Testimony in Support of HB5254](#)
- [Summary of Testimony Submitted in Support of HB5254](#)
- [Environment Committee Members and Email Addresses \(with hyperlinks\)](#)
- [Environment Committee Members and Email Addresses \(for direct cutting & pasting\)](#)
- [Action Alert \(2/13\): HB 5254 Needs your Help](#)
- [A \(Phone\) Call to Action \(2/27\): Phone #s for Your Legislators and Sample Message](#)
- [Add your Municipality to HB 5254](#)
- [Action Alert \(3/21\): Time is running out to take action on HB 5254](#)
- [Commentary in support of HB 5254 by CLCC ED Amy Blaymore Paterson published in CT Mirror \(3/20\)](#)

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The Municipal Open Space Funding Option

Enabling a Local Option for Land Conservation and Stewardship Fu



The problem: With funding for open space acquisition and stewardship more imperiled than ever, Connecticut's source of revenue for local conservation and stewardship efforts that would not impact the municipal mill rate is

The solution: The Municipal Open Space Funding Option, is proposed legislation that would allow, but not require, a dedicated fund to acquire, preserve, and steward open space (including water resources) and farmland at the municipal level. A conveyance fee of up to 1% paid by buyers of real property over \$150,000 in value. This added source of funding would match requirements for state or federal grant programs; cover the costly expenses associated with acquiring land (assessments, etc.); repay existing or future municipal bonds used for conservation purposes; and help cover the costs of open space properties, water resources and farmland.

Nearby states (MA, NY, RI, PA, WV) have allowed some municipalities to enact a buyers' conveyance fee, with the goal of caring for local natural areas. These programs have proven remarkably successful, resulting in the protection of forests, meadows and farms. With your help we can provide Connecticut towns with an opportunity to replicate these programs in their communities.



Leveraging the Benefits of Community Conservation Funds

Conservation, Resilience, Stewardship, and Sustainability

Use Community Conservation Funds to Match & Leverage Other Grants

State Grants including:

- Open Space and Watershed Land Acquisition Grant Program (OSWA)
- CT Recreational Trails Grant Program

Federal Grants including:

- FEMA
- Federal Brownfield grants
- TIGER grants
- USDA – Natural Resources Conservation Service Programs
- USFWS - The Federal Highlands Conservation Grant Program

...and any other grant requiring a local match contribution!

By partnering with municipal conservation funding, land trusts can leverage larger grants for landscape scale conservation and stewardship.

The Need – the municipal perspective

Excerpts from testimony in favor of HB 5254 – Feb. 1, 2019 before the Environment

To provide effective mechanisms for funding critical services at the local level, the Connecticut Council of Small Towns (COST) supports efforts to develop alternative revenue streams to help reduce reliance on the property tax as well as on state aid to municipalities.

- CT Council of Small Towns, Executive Director, Betsy Garra

“Since [the Municipal Option’s] passage by our residents, the fund has allowed us to **preserve more**.” According to our Town Clerk, Bethany’s 25% share of the current 1% real estate tax has generated an average of \$54,000 per year for the last 5 years. If the town were to approve a 1% real estate conveyance fee, it has the potential to raise \$216,000 annually to acquire, preserve and steward open space and farmland. This would be a steady funding stream for our Land Acquisition Fund.”

-Bethany, CT First Selectwoman Derryllynn Dorski

“We are particularly interested in ways to maintain and enhance our Town’s recently-created City Meadow Park properties. For example, there is a need to remove and control invasive plant species on properties, which is not easily managed due to the constraints of our town budget. This would help us manage challenges.

- Norfolk, CT First Selectman Matt...

The Need – the municipal perspective

Excerpts from testimony in favor of HB 5254 – Feb. 1, 2019 before the Environment

“While the desire and reasoning to retain open space is well established in the State’s and local Plans of Conservation and Development, the means to fund this protection is an ongoing challenge. Proposed HB 5254 would put the state on a path to explore a funding option via a conveyance fee. The bill would allow each community to decide if this is an appropriate means to fund this expressed goal and would provide a meaningful alternative to increasing property taxes for capital expenditures associated with acquisitions.”

*-Greenwich, CT Environmental Affairs Director,
Patricia Sesto*

“The concept of a local fund dedicated to land included in our town plan of conservation and
-Sharon, CT First Selectman Brent M. Colley

“Our estimate is at the low end of a .10% budget bring in just less than \$25,000 which is the amount forced to cut from our annual open space fund due to recent State budget cuts. In this example a \$250,000 house (common in town) would \$100,000, or \$100. This seems a reasonable seems fair since the new residents are benefiting prior town expenses on open space and it makes a reason for their selection of a location to move
-Coventry, CT Town Manager, John A. Elsess

Testimonials

“Since [the Municipal Option’s] passage by our residents, the fund has allowed us to **preserve more than 2,000 acres of farmland** that to this day remain in farming.”

- *Warwick, NY Town Supervisor*

“These efforts have **strengthened our common identity** and are helping to make our community a **safer, healthier, happier** beautiful place in which to live and to raise our children.”

- *Warwick, NY Town Historian*

“It is clear that the **real estate industry on the East End continued to be in a strong position in 2015**. Town CPF funds should be flush with cash, allowing Towns to be aggressive in protecting lands for open space, farmland, parks and recreation, and historic preservation purposes. **For the first time, we are now well positioned to extend the fund for an additional 20 years and add water quality preservation in our efforts to protect the East End’s community character**. A referendum on the extension and water quality amendments could be held by the Towns in 2016.”

- *Sag Harbor, NY Assemblyman Fred W. Thiele, Jr.*

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