



KEEP THE PROMISE COALITION
Community Solutions, *Not* Institutions!
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**Testimony before the Insurance and Real Estate Committee
In opposition of Proposed HB 5031
January 25, 2011**

Good morning/afternoon Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee. My name is Cheri Bragg, Coordinator of the Keep the Promise Coalition. This statewide advocacy organization started over 10 years ago to ensure that a comprehensive, community mental health system was created and sustained in CT.

Today I am here to testify in opposition to HB 5031, An Act Increasing the Maximum Allowable Security Deposit Amount. Many of our Coalition members are people with disabilities who are on very low and often fixed incomes. Finding decent, affordable housing has become increasingly next to impossible for people with both low and moderate income levels, especially in Connecticut. For people with health disabilities who have to rely on Social Security income, this often equates to living in substandard housing or choosing between paying rent, buying food, or getting needed prescriptions.

People can already be asked to pay First months' rent, Last months' rent, and a security deposit, often equal to another month's rent which means they need to come up with three months' rent in order to move into an apartment. This is a near impossible task when you live at or below the poverty level. To increase the maximum allowable security deposit to a level that would allow landlords to ask for one additional months' rent which means that people could be asked to provide the equivalent of four months' rent before moving into an apartment – an amount that would be cumbersome to most people and an impossible burden for people who are disabled/low income.

To put the burden into perspective, according to data gathered by the National Low Income Housing Coalition, the Fair Market Value of a two-bedroom apartment in CT is: \$1,196. Assuming a 40-hour work week, this means a **person must make \$23/hour or \$47,843 per year to afford a two-bedroom unit in CT at Fair Market Value.** In CT a minimum wage worker makes \$8.25 per hour. This means that same person must either work 112 hours per week, 52 weeks per year or include 2.8 minimum wage earners working 40 hours per week to afford the two bedroom unit. In CT **the average wage for a renter in CT is \$17.01 per hour. This means they must work 54 hours per week 52 weeks per year to afford the two bedroom unit.**

When it comes to people with serious mental illnesses or other disabilities, the picture is even worse. **Monthly Supplemental Security Income (SSI) payments for an individual**

are \$674 in Connecticut. If SSI represents an individual's sole source of income, \$202 in monthly rent is affordable (30% of income), while the Fair Market Rent is \$987. For those who are working, a minimum wage worker must work 92 hours per week, 52 weeks per year to afford the one bedroom unit.

In addition, this bill could serve as a cover for discriminatory practices. For instance, a landlord could ask for an exorbitantly high security deposit, but then choose to waive it for people they want to rent to and use it to dissuade people they don't want to rent to (people with Section 8 vouchers for instance, minorities, etc.). It will also undercut the Security Deposit Guarantee Program, which will not cover more than a two-month deposit.

Many of our Coalition members report being homeless or living in substandard housing conditions that are neither safe nor affordable. Some people report dealing with bed bug infestations, roaches, and other unacceptable housing situations, yet they stay because they have little choice when it comes to affordable rental units. If the security deposit amounts are increased, it will add another insurmountable barrier to accessing safe, affordable housing. The Coalition urges you to reject HB 5031. Thank you.