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DECD Housing Budget

Appropriations Committee public hearing -- February 15, 2012
Testimony of Raphael L. Podolsky

We are pleased and excited by the Governor's proposed housing budget and urge the Appropriations Committee to support it. Most important, the Governor has proposed a long overdue commitment to the revitalization of the state public housing portfolio, and especially to its family housing units (known as Moderate Rental Housing). This is of critical importance to low-income tenants in Connecticut, and we strongly support the proposal.

- Public housing-related RAPs: The Governor has proposed a ten-year program to upgrade the state public housing portfolio. A critical part of that program is the inclusion of 150 project-based Rental Assistance Program (RAP) certificates per year to support that revitalization. This is essential, both for allowing very low income households to continue to live in state public housing and for providing on-going support to housing authorities that serve this very low-income population. They go to the issue of sustainability. Unlike federal public housing and unlike state public housing in Massachusetts, Connecticut provides no operating subsidies to its state portfolio. Since about 1990, however, Connecticut has had an Elderly RAP program for its State Elderly Housing to make it possible for the lowest income residents of State Elderly Housing to afford the base rent. The Governor's proposal creates a similar program for family public housing. It is an essential part of the upgrade proposal and critical for the long-term maintenance of the portfolio.
- Supportive housing RAPs: We strongly support the Governor's proposal to add 150 supportive housing RAPs. Supportive housing has proven to be an excellent mechanism for reducing homelessness.
- Agency transfer issues: The Governor proposes to move DSS's housing programs to DECD. At this time, we have no position on that proposal and would like to explore its implications further. In theory, consolidation of housing functions in one agency should be a good thing, and until 1995 we had a separate Department of Housing (DOH). It is worth remembering, however, that programs such as RAP were originally placed in DOH but were transferred to DSS because of DOH's difficulty in managing them. That is in part because DOH/DECD programs tend to involve housing construction and rehabilitation, while DSS programs tend to be social services programs with housing components for extremely low-income households. The low-income state public housing portfolio was also moved from DECD to CHFA at least in part for similar reasons. From this perspective, the Governor's proposal to create a new Deputy Commissioner position for housing is a real improvement, because housing has been treated as low priority by DECD since the 1995 merger. For this proposed transfer to work properly, it is critical that the person chosen to be

(continued on next page)

Deputy Commissioner for Housing be someone with experience in, and a strong commitment to, these "soft" housing programs and to serving the very lowest income portion of the population and that he or she not be focused exclusively on housing production.

- Funding transfer issues: It is our understanding that the entire funding from the DSS Housing/Homelessness line item in the budget is being moved to DECD, although broken into its constituent parts. As best we can determine, however, the dollar amount in the DECD budget (\$57,987,632) totals less than the dollar amount in the DSS budget (\$59,824,050) by \$1,836,418. We would appreciate the Appropriations Committee's reviewing this matter to make sure that all such funding has been moved to some part of the budget.
- Other RAP issues: We recognize that this is a difficult year for expansion of appropriated programs, but we nevertheless urge the Appropriations Committee to look at the funding for two RAP-related programs, for next year if not for this year:
 - General RAPs: The existing RAP program consists of "general" RAPs, for which applicants are taken from the waiting list, and specialized RAPs -- supportive housing, family reunification, and Money Follows the Person -- for which eligibility is based on particular program eligibility. The "general" RAPs serve the broadest population -- poor persons -- and have an incredibly long waiting list. When the RAP and state Section 8 waiting lists were last opened in 2007, nearly 50,000 households applied. Only 5,000 of them were chosen (by lottery) to make it onto the RAP waiting list. In 1990, there were about 2,600 general RAP certificate holders. After dropping below 1,400 in the early 2000s, the number had grown to about 2,100 by early 2009. DSS, however, has closed new admissions to the general RAP program, and participation has now fallen by more than 200 to about 1,900. The need is enormous. We urge you to begin the process of restoring the general RAP program to its earlier size.
 - Elderly RAPs: The Elderly RAP program helps very low-income seniors pay the rent in State Elderly Housing. Housing authorities participate on behalf of their tenants. Quite a number of years ago, however, the program was frozen and thereby limited to only those housing authorities then participating -- about half of the housing authorities. The state needs to look at making enough funding available to permit the low-income residents of the other half of the housing authorities to participate.