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### Written Testimony to the Joint Committee on Housing

#### HB 5225 – An Act Concerning Security Deposits of Senior Citizens and Persons with Disabilities in Public Housing

Good morning Committee Chairs Gomes and Butler and to the Members of the Housing Committee:

My name is Cathy Branch Stebbins, Executive Director of CONN-NAHRO. CONN-NAHRO is a membership organization comprised of public housing advocates and organizations in support of affordable housing. On behalf of the membership, I am here today to support HB 5225, An Act Concerning Security Deposits of Senior Citizens and Persons with Disabilities in Public Housing.

This legislation would:

- Allow public housing authorities to keep the security deposits of elderly and disabled residents beyond the current one year limitation, like any other tenant would be treated.
- It would link the interest rate to Connecticut State Statute 47A-211, which is the interest rate for security deposits set by the State Banking Commission; currently housing authorities are required to pay 5 ¼% interest rate;
- It would allow housing authorities to follow the present statute and collect a security deposit equal to one month's rent from elderly and disabled residents of state owned public housing.

There are real costs associated with the present statute--returning a security deposit after only one year creates an administrative burden on the housing authorities.

There are also real costs associated with repairs that are needed after individuals and families move out--the costs of repairs, new flooring, painting, and other expenses related to placing a unit that has no security deposit incentive in place is oftentimes greater than when there is a financial incentive in place.

The administering authorities end up spending funding on these few tenants for repairs when the funding could be used for betterments for the entire neighborhood of families in the public

housing community. It is not fair to tenants who do maintain their units carefully to have to lose benefits because of others who are not caring for their units.

Sometimes the repairs needed to the units are not due to any fault of the individual; especially in the case of the elderly who are aging in place, sometimes there are incidents that require renovations to the unit due to medical conditions. In any case, without a security deposit in place, everyone else ends up subsidizing the costs of repair.

The interest rate change is needed because no housing authority can guarantee an interest rate that they, themselves, are unable to earn at any financial institution. If you know where to find a 5 ¼% bank interest rate, please let the rest of us know about it.

Additionally, allowing the housing authorities to keep a security deposit achieves the following:

- It provides for elderly and disabled tenants to be treated with equal treatment as all other tenants; this is how all people wish to be treated—with equal consideration and respect.
- It streamlines an administrative process for the administering authorities, so that all tenants' security deposits are managed similarly to how the federally-funded public housing units are managed;
- Making costly repairs on untended units slows time the turn-around time for other deserving families and individuals who are in need of affordable housing units; again, it is not fair to other people to be delayed due to others who may not have had the motivation to care for their units as one would who had a security deposit on the line;
- Having a security deposit in place incentivizes tenants to treat the unit with care and respect. There is a financial incentive that motivates most tenants to care for their housing that is removed if the security deposit must be returned; and finally
- The costs it takes to repair these units could potentially impact base rents, raising rents for other members of the community because of the impact of only a few. Again, it all comes back to the issue of what might be a benefit for one individual becoming a burden for all other members of the community. This is the recurring theme when you examine this proposed legislation.

There are housing authority directors here today who can speak to specific examples of what they are experiencing because of the present statute and several housing authority executive directors from Milford, Bristol, Stratford and Middlefield have provided written testimony on this bill.

For these reasons I urge the Committee to pass HB 5225.

Thank you for allowing me to testify today and I'm happy to answer any questions you may have.