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Connecticut Chapter  
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Legislative Committee on Housing  
Thursday, March 1, 2012

Anthony J. Vasiliou  
Executive Director  
Milford Redevelopment & Housing Partnership

Good Morning Chairmen Gomes and Butler, and members of the Housing Committee.

My name is Anthony J. Vasiliou. I am currently the Executive Director of the Milford Redevelopment & Housing Partnership (MRHP). We own and operate 330 units of federally financed housing, 135 units of state-financed housing, and administer 208 Section 8 Housing Choice Vouchers. Additionally, I am the Chairman of the Housing Committee for the National Association of Housing and Redevelopment Officials (NAHRO) New England regional chapter. As you may be aware, in Connecticut, our organization is known as CONN-NAHRO. We represent the interests and advocate on behalf of 106 Public Housing Authorities (PHA's) located throughout the state administering approximately 17,764<sup>\*1</sup> units of subsidized state public housing in 407<sup>\*1</sup> developments.

Today, on behalf of CONN-NAHRO, I would like to speak in support of Raised Bill No. 5225, "An Act Concerning Security Deposits of Senior Citizens and Persons with Disabilities in Public Housing".



Specifically, we are requesting: that Section 1. Section 47a-22a of the general statutes be repealed. Therefore, residents living in state-financed housing would be treated equally and be subject to the same provisions of the law that currently apply to individuals residing in federally-financed housing. In the case of the Milford Redevelopment & Housing Partnership, with the adoption of H.B. 5225 and treating all resident's security deposits the same, we would be able to streamline our financial operation, lower our operating costs, and reduce our exposure to uncollectible tenant receivables.

To illustrate the financial burden to our public housing authority (PHA), we undertook a thirty-four (34) month study capturing actual costs associated with processing returned security deposit checks to tenants, and the fees and collection costs to regain possession of vacant units. The data is presented in attached Exhibits A and B. **They show that in total the MRHP experienced a negative economic impact of \$9,951.99 during the study period in our state-financed housing portfolio.**

During the period April 1, 2009 through February 24, 2012, the MRHP incurred \$2,714.79 to return security deposits to forty-seven (47) tenants at the end of the first year of their lease (See Exhibit A). We have broken out the data to show the costs allocated to the public housing and the finance departments. The average cost to process a **single** security deposit refund was \$57.76. These costs must be viewed in the context of allocating limited and expensive personnel resources to a task that is unnecessary and contributes to putting pressure on public housing authorities to increase tenant rents. The time staff devotes to this activity also takes away resources that could be better spent in screening tenants or enforcing leases.

Now please turn your attention to Exhibit B. This study assessed the costs incurred with repairing apartments and collecting outstanding account receivables when a tenant vacates a unit due to relocating to long-term care, eviction, voluntary lease termination or death. Over the thirty-four (34) month period, the MRHP expended \$7,237.20 to regain possession or repair twelve (12) apartments. Potentially, we could have recovered \$2,079.50 in security deposits to offset these costs, however, the deposits were returned to the tenants after their first year of residency. Even if the security deposits were available, they would have paid for only 41% of the costs. Clearly, public housing needs to retain tenant security deposits until the unit is vacated in good standing and to help defray some of the costs of regaining possession of apartments.

Let me mention several other differences between managing federally and state-financed public housing. Under federal regulations, we must report all units that are vacated in bad standing. The data is entered into a national database and is available to other PHA's to help them determine the efficacy of renting to tenants that may have left other public housing authorities in bad standing. We have seen a pleasant increase in the number of families that leave our units in good shape, or that come back to us to pay outstanding and previously uncollected tenant charges. Unfortunately, the state does not have a similar system. When tied to a system that requires PHA's to return security deposits after one year, there is little incentive for tenants to leave their apartments in good standing. Additionally, this can slow down the turnaround time of renting the apartment to a deserving and qualified elderly, disabled or family tenant. Dealing with abandoned personal property is very challenging and increases the cost of vacancy preparation.

Additionally, the federal Section 8 Housing Choice Voucher Program generally permits landlords to collect one month's security deposit and the first month's rent from the tenant in accordance with the provisions of the lease.

The state of Connecticut has funded the development of a portfolio of 17,764\*<sup>1</sup> of low or moderate income units in 407\*<sup>1</sup> developments. We are only one of four states to make this investment in human services. Sadly, eighty percent (80%) of the portfolio was constructed prior to 1980. Moreover, of the almost 18,000 units, approximately 5,500 are considered family public housing units of which over ninety percent (90%) were constructed prior to 1960 and too many units were built more than a half a century ago. Because of the deteriorating shape of the state's publicly financed housing portfolio, and escalating costs, it is increasingly imperative that the Legislature make every effort to reduce regulatory burden on PHA's and permit the industry to treat all tenants uniformly in applying a security deposit policy fairly to all tenants. We respectfully ask the Committee to favorably vote on H.B. 5225 and support its passage in this legislative session.

Hopefully this information can guide the Housing Committee and Legislature in crafting language in the bill to help our residents and our dedicated staffs that work in PHA's across the state.

Thank you for permitting me and CONN-NAHRO to testify before you today. If you have any questions, I would welcome the opportunity to respond.

If you need additional information or a clarification, please feel free to contact me directly at: [avasiliou@mrhp.org](mailto:avasiliou@mrhp.org) or telephone me at: (203) 877-1779..

## Milford Redevelopment & Housing Partnership -- Exhibit A

Security Deposit Refund Process \ Data Collected from 04/01/09 -- 02/24/12 34 months  
refunds issued = 47

Public Housing Dept.

Monthly report Yardi to confirm any residents with a 1 year anniversary	0.1	3.4
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Letters to residents of Date \ Time of inspections	0.5	23.5
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Each inspection	0.5	23.5
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process paper work, emails, photocopies to acting, backup folder, tenant files	0.1	4.7
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Total Time		55.1
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Actual Cost		\$1,510.84
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Finance Dept.

verify sec dep amount pd, calculate interest, Create \ post payable	0.2	9.4
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print check	0.1	4.7
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Copy checks, distribute copies to tenant file, backup folder, payment voucher	0.3	14.1
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Total Time		28.2
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Actual Cost		\$1,183.27
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Postage	0.44	\$20.68
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Total Actual Cost		\$2,714.79
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Average Cost to process Single Security Deposit Refund		\$57.76
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Prepared by M. Dempsey	(\$2714.79/47)
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Source: Yardi, 04/01/2009-02/24/2012

2/27/2012

**Milford Redevelopment & Housing Partnership – Exhibit B**  
 Impact of Refunding Security Deposits vs. Costs/Fees to Regain Possession of units

	reason for vacancy	Security Deposit	Reason for Credit	credit	rent	legal	maint chgs	Total Cost to regain Possession of unit	Potential Cost Recovery *	% of Cost
Tenant #1	Deceased	194.00		\$0.00	\$206.00		\$90.00*	\$296.00	\$194.00	66%
Tenant #2	Deceased	200.00		\$0.00	\$335.00		\$315.00*	\$650.00	\$200.00	31%
Tenant #3	moved	200.00		\$0.00	\$88.00		\$0.00	\$88.00	\$88.00	100%
Tenant #4	LTC	300.00	lived there 1 year	\$0.00	\$334.00		\$0.00	\$334.00	\$300.00	90%
Tenant #5	Deceased evict	316.00	lived there 1 year	\$0.00	\$913.00	\$1,067.10	\$61.26	\$2,041.36	\$316.00	15%
Tenant #6	Deceased evict	457.00	pet fee	-\$250.00	-\$55.00	\$1,260.18	\$70.00	\$1,025.18	\$457.00	45%
Tenant #7	Deceased	467.00		\$0.00	\$609.00		\$0.00	\$609.00	\$467.00	77%
Tenant #8	moved	1259.00		\$0.00	\$0.00		\$57.50	\$57.50	\$57.50	100%
Tenant #9	LTC	unknown	previous credit	-\$190.00	\$0.00		\$307.56	\$117.56		
Tenant #10	Deceased	unknown		\$0.00	\$42.00		\$0.00	\$42.00		
Tenant #11	Deceased evict	unknown		\$0.00	\$0.00	\$1,170.60	\$15.00	\$1,185.60		
Tenant #12	Deceased	unknown		\$0.00	\$791.00		\$0.00	\$791.00		
<b>Totals</b>		<b>3393.00</b>		<b>-\$440.00</b>	<b>\$3,263.00</b>	<b>\$3,497.88</b>	<b>\$916.32</b>	<b>\$7,237.20</b>		

Prepared by M. Dempsey

Source: Yardi 04/01/2009-02/24/2012 \* Initial Tenant Deposits Collected - Returned after one year \$5,101.04 \$2,079.50 41%  
 2/27/2012

Footnote: \*1 - CHFA Data 08/19/2008