

Legal Assistance Resource Center

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Testimony of Raphael L. Podolsky

Section 7 of H.B. 5049 – Protection of tenants in state family public housing

GAE public hearing – February 22, 2016

<p><u>Recommended Committee action: ADOPTION (OR STRENGTHENING) OF SECTION 7</u></p>

Section 7 of H.B. 5049 provides a critically important protection for the lowest income residents of state family public housing, known formally as “State Moderate Rental” housing. Unlike federally-financed public housing, these developments were originally state-financed and must be run without operating subsidies. We strongly support Section 7.

Section 7 affects 34 state family public housing developments in 16 towns, including such developments as Bowles Park in Hartford, Rockwood Acres in Middletown, Highvue Terrace in Wethersfield, Fairfield Ridge in Danbury, Laurel Park in Enfield, Hillside Terrace in Norwich, and many others. Notwithstanding the word “moderate” in the name of the program, most residents of such housing are very low-income. Although housing authorities are tax exempt, state law requires them to make payments in lieu of property taxes to their towns for this housing. The state, however, since at least 1963, has made the payments itself. Without state payments, rents would have to go up \$50 to \$100 or more per month for their lowest-income residents of State Moderate Rental housing, whose incomes are often below \$10,000 per year. When the state program was defunded in last year’s budget, the budget implementer prohibited towns for one year from imposing this cost on housing authorities.

Section 7 extends that prohibition for two more years. We support it as essential to prevent very large rent increases to very low-income households with very great need for this housing. A bill has been raised in the Housing Committee to make this extension permanent. We hope that, in due course, Section 7 will be modified to incorporate that bill.

Affected residents: Very low-income residents of state family public housing in the following 16 towns may face large base rent increases unless they are protected from the unreimbursed imposition of these PILOT payments on their housing authorities:

Bristol	Danbury	Enfield	Greenwich	Hartford	Mansfield
Meriden	Middletown	Norwich	Seymour	Sharon	Stamford
Stratford	Westport	Wethersfield	Windham		