



# Senate

General Assembly

**File No. 128**

January Session, 2021

Senate Bill No. 877

*Senate, March 24, 2021*

The Committee on Housing reported through SEN. LOPES of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT CONCERNING TRANSPARENCY OF RENTAL RATES FOR TENANTS RECEIVING RENTAL ASSISTANCE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-45 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2021*):

3 (a) Each housing authority shall manage and operate its housing  
4 projects in an efficient manner so as to enable it to fix the rentals for  
5 dwelling accommodations at the lowest possible rates consistent with  
6 providing decent, safe and sanitary dwelling accommodations, and no  
7 housing authority shall construct or operate any such project for profit  
8 or as a source of revenue to the municipality. To this end an authority  
9 shall fix the rentals for dwelling in its projects at no higher rates than it  
10 finds to be necessary in order to produce revenues which, together with  
11 all other available money, revenues, income and receipts of the  
12 authority from whatever sources derived, will be sufficient [(a)] (1) to  
13 pay, as the same become due, the principal and interest on the bonds of  
14 the authority; [(b)] (2) to meet the cost of, and to provide for,

15 maintaining and operating the projects, including the cost of any  
16 insurance, and the administrative expenses of the authority; and [(c)] (3)  
17 to create, during not less than six years immediately succeeding its  
18 issuance of any bonds, a reserve sufficient to meet the largest principal  
19 and interest payments which will be due on such bonds in any one year  
20 thereafter and to maintain such reserve.

21 (b) In the operation or management of housing projects an authority  
22 shall, at all times, rent or lease the dwelling accommodations therein at  
23 rentals within the financial reach of families of low income. The  
24 authority, subject to approval by the Commissioner of Housing, shall fix  
25 maximum income limits for the admission and for the continued  
26 occupancy of families in such housing, provided such maximum income  
27 limits and all revisions thereof for housing projects operated pursuant  
28 to any contract with any agency of the federal government shall be  
29 subject to the prior approval of such federal agency. The Commissioner  
30 of Housing shall define the income of a family to provide the basis for  
31 determining eligibility for the admission and for the continued  
32 occupancy of families under the maximum income limits fixed and  
33 approved. The definition of family income, by the Commissioner of  
34 Housing, may provide for the exclusion of all or part of the income of  
35 family members which, in the judgment of said commissioner, is not  
36 generally available to meet the cost of basic living needs of the family.

37 (c) Any housing authority administering a tenant-based rental  
38 assistance program, such as the federal Housing Choice Voucher  
39 program, 42 USC 1437f(o), shall, not later than thirty days after setting  
40 or updating the payment standard, as defined in 24 CFR 982.4, or any  
41 similar maximum monthly assistance payment for an assisted unit, (1)  
42 post such payment standard in a prominent and publicly accessible  
43 location on its Internet web site or the Internet web site of the  
44 municipality in which it is located, and (2) submit such revised payment  
45 standard to the 2-1-1 Infoline program for posting on its Internet web  
46 site. Such posting shall include a disclaimer alerting program  
47 participants that the maximum allowable payment standard may not be  
48 applied in full to the actual rental rate paid by the applicant in certain

49 circumstances.

50 (d) No housing authority shall refuse to rent any dwelling  
51 accommodation to an otherwise qualified applicant on the ground that  
52 one or more of the proposed occupants are children born out of  
53 wedlock. Each housing authority shall provide a receipt to each  
54 applicant for admission to its housing projects stating the time and date  
55 of application and shall maintain a list of such applications which shall  
56 be a public record as defined in section 1-200. The Commissioner of  
57 Housing shall, by regulation adopted in accordance with the provisions  
58 of chapter 54, provide for the manner in which such list shall be created,  
59 maintained and revised.

60 (e) No provision of this chapter shall be construed as limiting the  
61 right of the authority to vest in an obligee the right, in the event of a  
62 default by such authority, to take possession of a housing project or  
63 cause the appointment of a receiver thereof or acquire title thereto  
64 through foreclosure proceedings, free from all the restrictions imposed  
65 by this chapter with respect to rental rates and tenant selection.

66 Sec. 2. Section 8-48 of the general statutes is repealed and the  
67 following is substituted in lieu thereof (*Effective October 1, 2021*):

68 In the cases of any tenants who are the recipients of one hundred per  
69 cent social services aid from the Department of Social Services of the  
70 state or any municipality and who have no income from any other  
71 source, rentals shall be fixed by each housing authority for the ensuing  
72 rental year established by the authority based on one-half of the costs  
73 and expenses set forth in subdivision (1) of subsection (a) of section 8-  
74 45, as amended by this act, plus the full amount of costs and expenses  
75 set forth in [subsections (b) and (c) of said section] subdivisions (2) and  
76 (3) of said subsection as set forth in the operating statements of the  
77 authority for the preceding fiscal year, which total amount shall be  
78 divided by the total number of rooms contained in all low-rent housing  
79 projects operated by such housing authority to establish the rental cost  
80 per room per annum for such tenants, from which figure shall be  
81 computed the rent per month per room. Said rentals shall govern for

82 said rental year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2021</i>	8-45
Sec. 2	<i>October 1, 2021</i>	8-48

**HSG**      *Joint Favorable*

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*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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**OFA Fiscal Note****State Impact:** None**Municipal Impact:** None**Explanation**

The bill is not anticipated to result in a fiscal impact to the state or municipalities, as its provisions apply to housing authorities.<sup>1</sup>

**The Out Years****State Impact:** None**Municipal Impact:** None

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<sup>1</sup> Pursuant to CGS Sec. 8-40, housing authorities are separate entities from the municipalities in which they operate. Should the bill's requirements result in any costs to the local housing authorities that administer tenant-based rental assistance programs as subcontractors on the state's behalf, it is not anticipated such costs would be passed on to the state.

**OLR Bill Analysis****SB 877*****AN ACT CONCERNING TRANSPARENCY OF RENTAL RATES FOR TENANTS RECEIVING RENTAL ASSISTANCE.*****SUMMARY**

This bill requires any housing authority that administers a tenant-based rental assistance program (i.e., a housing voucher program) to take actions related to posting them within 30 days after setting or updating the payment standard or similar maximum monthly payment.

The U.S. Department of Housing and Urban Development (HUD) regulations define “payment standard” as the maximum monthly assistance payment for a family assisted in the voucher program before deducting the total tenant payment by the family (24 C.F.R. 982.4).

Under the bill, the housing authorities must:

1. post the payment standard in a prominent and publicly available location on its website or the website of the municipality in which it is located and
2. submit the payment standard to the United Way of Connecticut’s 2-1-1 Infoline Program so that it may be posted on the organization's website.

Under the bill, the posting must include a disclaimer that the maximum payment standard may not be applied in full to the actual rental rate the applicant paid in certain circumstances.

Additionally, the bill makes technical and related conforming changes.

EFFECTIVE DATE: October 1, 2021

**BACKGROUND*****Tenant-Based Rental Assistance & Payment Standards***

HUD generally defines tenant-based rental assistance as a rental subsidy to help households afford housing costs. HUD's federal Housing Choice Voucher Program (HCV, 42 U.S.C. 1437f(o)) and the state's Rental Assistance Program (RAP, CGS § 8-345) are two examples of programs that offer this type of assistance. According to a 2020 update to the payment standards chapter of HUD's HCV Program Guidebook, HUD permits public housing agencies or authorities (also known as PHAs) to submit payment standard information to HUD for inclusion in a mobile application that provides information to voucher families searching for a unit.

**COMMITTEE ACTION**

Housing Committee

Joint Favorable

Yea 15    Nay 0    (03/09/2021)