

PA12-024

HB5225

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2012**

**VOL.55
PART 3
695 – 1045**

Will the Clerk please call Calendar Number 181.

THE CLERK:

On page 13, Calendar 181, Substitute for House Bill Number 5225, AN ACT CONCERNING SECURITY DEPOSITS OF SENIOR CITIZENS AND PERSONS WITH DISABILITIES IN PUBLIC HOUSING, favorable report by the Committee on Housing.

SPEAKER DONOVAN:

Chairman of the Housing Committee, Representative Larry Butler, you have the floor, sir.

REP. BUTLER (72nd):

Thank you, Mr. Speaker.

Mr. Speaker, I move for acceptance of the Joint Committee's favorable report and passage of the bill.

SPEAKER DONOVAN:

The question is on acceptance on the Joint Committee's favorable report and passage of the bill.

Will you remark?

REP. BUTLER (72nd):

Yes, thank you, Mr. Speaker.

This bill will save the Housing Authority's money that they currently have to pay for security deposits for senior citizens and disabled residents of public

housing. In the last session, we actually passed a very similar bill that addressed this issue for public housing, but we did not include this particular segment, so this bill is before us today so we can accomplish closing the door on all of public housing for security deposits.

I move adoption of the bill.

SPEAKER DONOVAN:

Thank you, sir.

Would you care to remark further on the bill?

Would you care to remark further on the bill?

Representative Larry Miller.

REP. MILLER (122nd):

Thank you, Mr. Speaker.

I rise in support of the bill. Obviously, there was a lot of opposition because of damages left in the rental unit they were living in. And what I'm concerned about, though, is young people who are considered disabled because they're alcoholics or drug addicts, those are the people who are probably the ones that are destroying or damaging the property, but nevertheless, I do support this, because there are a lot of people out there who are poor and need this money to continue to live their life, so I urge the

Assembly to vote favorably.

Thank you.

SPEAKER DONOVAN:

Thank you, sir.

Would you care to remark further? Would you care to remark further on the bill?

If not, staff and guests please come to the well of the House. Members take their seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is taking a roll call vote. Members to the chamber, please.

SPEAKER DONOVAN:

Have all the members voted? Have all the members voted?

Please check the roll call machine to make sure your vote has been properly cast.

If all the members have voted, the machine will be locked and the Clerk will please take a tally.

Representative Elissa Wright.

REP. WRIGHT (41st):

Thank you, Mr. Speaker.

I wish to have my vote cast in the affirmative.

SPEAKER DONOVAN:

Representative Elissa Wright in the affirmative.

Will the Clerk please announce the tally.

THE CLERK:

House Bill Number 5225.

Total Number Voting 136

Necessary for Passage 69

Those voting Yea 136

Those voting Nay 0

Those absent and not voting 15

SPEAKER DONOVAN:

The bill passes.

Any announcement or introductions?

Representative Sharkey.

REP. SHARKEY (88th):

Thank you, Mr. Speaker.

Good afternoon. I didn't want to interrupt you.

I'm sorry.

SPEAKER DONOVAN:

Good afternoon, sir.

REP. SHARKEY (88th):

Mr. Speaker, I just wanted to alert our friends and colleagues in the chamber that we have been -- we're being visited by the -- our good friend and

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DENNIS CAHILL: Can I make one point, that that has been the main problem. I absolutely feel that since the very beginning in 2008, the management has paid for all these treatments, been very responsible, has not refused or denied anyone. But there is a problem with tenants are refusing to allow these exterminators into the apartment.

I am a very compliant -- I'm also President of the tenants association, so, I must comply. I've always let them in for the monthly treatment. In fact, just last month. But others are still not allowing them in and we still have active units that are continuing the problem. That's been addressed in the bill also, so --

REP. BUTLER: You're right. Item number 2, lines 49 through 50, that is what -- that is what that is addressing for the tenants' responsibility so that those tenants who are stopping from -- treatment from happening, we're putting some burden upon them so we can get this done.

DENNIS CAHILL: Yeah, okay, great. Thank you very much.

REP. BUTLER: All right. Any other questions?

SENATOR GOMES: Nice seeing you again.

REP. BUTLER: Thank you for your testimony. Daisy Franklin, followed by Barbara Albert, then Danielle Giordano.

DAISY FRANKLIN: Senator Gomes, Representative Butler, Representative Wright, in the absence of my Representative State -- Bruce Morrison, all the Housing Committee, my name is Daisy

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Franklin and I'm a resident of Norwalk. I'm the vice-president of Publicly Assisted Housing Resident Network, which is PHRN. I'm speaking before you today on behalf of my members and the organization.

PHRN opposes the House Bill 5225 in its present form because it amends Section 47a-22a of the Connecticut General Statutes to allow the Housing Authority to keep an elderly or disabled resident's security deposit beyond the one-year limit currently in effect. We understand and are sympathetic to the difficulty situation in which the Housing Authorities may find them self as they are trying to maintain their properties and the balance of the books at a time when operation and administration revenues are shrinking due to the federal cutbacks and the loss of rental income. However, we do not believe that the elderly or the disabled residents, some of the most poorest and most vulnerable of all the public housing residents, should forego the return of their security deposits after a year for any reason.

They are trying to make ends meet on their social security benefits or their small pensions, and many already take meals like the soup kitchen because they're trying to make their ends meet. They don't have enough money to buy food, especially when it comes around to the end of the month. And some of them will -- some of them take, you know, alternate days when they have to take their medicine to try to reduce the cost they receive each month.

So, I'm asking, why, why are we looking to balance our public budget on the backs of the poorest? Why are we trying -- why are we looking to balance our budget on the backs of

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the poorest among us? So, I'm asking that this Committee members -- the Committee members reject House Bill 5225.

Thank you.

REP. BUTLER: Thank you.

Are there any questions? Senator Gomes.

SENATOR GOMES: I, I think this bill itself has come into a status of unintended consequences because of the simple fact that the statement of purpose was to make uniform the provisions of the general statute relating to the calculations of interest on security deposits. And you said that -- what, what are you saying that it has come to be now?

DAISY FRANKLIN: What they're doing is they took a line out where the senior citizen or disabled resident would get their security back within a year. That's been taken out. The Housing Authorities would keep that security due to whatever reason that they might find it need to be taken.

SENATOR GOMES: So, what we have to do in order to amend the bill to satisfy what you're talking about is (inaudible) -- put the line back in there protecting senior citizens' deposit?

DAISY FRANKLIN: Yes, that is what I'm asking.

SENATOR GOMES: Thank you, Daisy.

DAISY FRANKLIN: Thank you.

SENATOR GOMES: Nice seeing you again.

DAISY FRANKLIN: Nice seeing you, too.

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REP. BUTLER: Thank you. And, yes, thank you for -- yes, thank you for your testimony and, yes, that's also been brought to our attention. When we actually looked at this with a cursory look, we passed a law last year that addressed the security deposits and the calculation. And this year we just want to make this consistent for the housing for senior citizens and the disabled in public housing, and that was the intent. The unintended consequence is there was some language about that that year that was stricken, if you will. So, it is our intent to address that.

So, thank you for, you know, your testimony and bringing that up. Otherwise, other than that one provision, you wouldn't have opposition to this?

DAISY FRANKLIN: No.

REP. BUTLER: Okay. Well, thank you very much. It's good to hear.

DAISY FRANKLIN: Thank you.

REP. BUTLER: Any other questions? Representative Miller.

REP. MILLER: Thank you, Mr. Chairman.

Thanks for coming out to testify.

DAISY FRANKLIN: Thank you.

REP. MILLER: Is this a problem in Norwalk or the major cities?

DAISY FRANKLIN: It would be a problem anywhere if someone was to take the security of a senior or a disability person. It doesn't matter to

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me if it's Norwalk, if it's Meriden, Hartford, New Haven, I don't want that to be done to any senior citizen in any public housing.

REP. MILLER: Okay, thank you.

Thank you, Mr. Chairman.

REP. BUTLER: Okay. And also I know, with this being the case, I have also heard from various advocates that many people aren't even going through the process of the security deposit any more in this. So, this, this group is getting to be limited and limited in scope, but like I said, the intent of this bill was just to -- just to bring the provisions of the -- calculating the interest security deposits. But somebody got a little overzealous in drafting this. So, we're going to -- it is our intent to address that. So, thank you again.

DAISY FRANKLIN: Thank you.

REP. BUTLER: Okay. Representative Morris?

REP. MORRIS: Thank you, Mr. Chairman. I just want to take a point of privilege just thanking --

REP. BUTLER: Go right ahead.

REP. MORRIS: -- Ms. Daisy Franklin for coming here, being from Norwalk in my district and being a Commissioner for Human Relations. Thank you for all that you do for the community, and particularly for all the different Housing issues. You've been a champion and we appreciate you. And certainly I stand in your position, as the Chairman has already articulated. Good job.

DAISY FRANKLIN: Thank you.

REP. BUTLER: Yes. Because I can tell you, it started off as a simple revision that we -- we started asking ourselves questions when we started drafting this language and we just try to do our best to put explanations sometimes. And when we do that, it gets to be, you know, areas that cause more questions than we probably would have originally had had we not tried to explain it.

So, thank you for your testimony today.

TIMOTHY J. CALNEN: Thank you, sir.

REP. BUTLER: All right. Next is Cathy Branch --

CATHY BRANCH STEBBENS: Stebbens.

REP. BUTLER: Stebbens. You're writing your name across lines there. And next is Donna Karnes.

CATHY BRANCH STEBBENS: Good morning -- good afternoon. Is it morning or afternoon? It's afternoon already. Good afternoon, Senator Gomes, Representative Butler, members of the Housing Committee. How are you? My name is Cathy Branch Stebbens. I'm the Executive Director of CNAHRO, the Connecticut National Association for Housing and Redevelopment Officials. CNAHRO is a membership organization composed -- comprised of many Public Housing Authorities in Connecticut and also many supporters of affordable housing.

On behalf of the membership, I'm here today to support House Bill 5225, An Act Concerning Security Deposits of Senior Citizens and Persons with Disabilities in Public Housing. This legislation would essentially do three things. The first is it would link the interest rate to the State banking -- the rate

set by the State banking Commission. Currently the Housing Authorities are paying five-and-a-quarter percent interest. Second, 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, especially the State-owned public housing. And it amends Section 1, Section 47a to 22a to allow the term of -- to allow the Housing Authorities to keep the security deposit for the term of tenancy instead of having to have to return it after one year.

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

The administering authorities also end up spending funds on the few tenants who require repairs to their housing that funds could be used for the betterment of the entire community if they didn't have to cover those expenses because there's no security deposit to do that. And it's not fair to tenants who do maintain their units carefully to have to lose community benefits because others are not caring carefully for their units. And I think that that's an unintended consequence that needs to be recognized here as well.

Sometimes the repairs that are needed to these units are not due to the fault of the individual. Sometimes, especially in the case of the elderly who are aging in place, and as we know, we've got more elderly who are aging in place. Sometimes there are incidents that

require renovations because of medical conditions. In any case, without the security deposit there, everyone else ends up subsidizing the cost of the repairs when there's no security deposit.

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. And if you know of an institution that's paying a bank savings interest rate at five-and-a-quarter percent, please let me know.

Additionally, allowing the Housing Authority to keep the security deposit from the elderly and disabled tenants achieves the following things. It provides for the -- for elderly and disabled tenants to be treated equally as all other tenants are treated. It streamlines an administrative process so that all tenant security deposits are managed similarly, thereby saving money that can be used for the betterment of the entire community.

Making costly repairs slows the time that they need to turn around the unit for other deserving individuals and families who need that public housing. And it's not fair for other people to be delayed in their housing just because somebody else didn't care properly for their unit and big repairs had to be made. Having a security deposit in place incentivizes people to treat the unit with care and respect. There is a financial incentive there to treat it right, and that incentive is removed if the deposit must be returned after one year.

And the cost that it takes to repair these units could potentially impact the base rents because the State-owned units don't have any

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operating subsidy. The income comes from rents. And on all the other public housing tenants who are having to have to pay for those repairs are equally cash strapped as the disabled and elderly residents are.

And I just want to say that there are Housing Authority directors here who can speak to specific examples. You'll be hearing from two, and then there's testimony that's been submitted from several other Housing Authority executive directors with specific examples. And for these reasons, I urge you to please pass House Bill 5225.

Thank you, and I'm here for questions.

REP. BUTLER: Thank you.

Are there any questions? Senator McKinney?

SENATOR MCKINNEY: Thank you.

Good afternoon, and thanks for your testimony. I think with respect to the interest rate, obviously I think that probably was maybe just a mistake in how it was drafted. I don't think -- I don't know if anybody is earning 5 percent out there now this year. Let me know. And I think we should bring the interest rate back.

I guess the question I have, though, is on the security deposit.

CATHY BRANCH STEBBENS: Right.

SENATOR MCKINNEY: Not having been here some 30 years ago, I guess when they, when they made this difference between elderly and disabled housing security deposits and others, and we clearly be seeing -- I don't think anyone will

argue that that was not the intention. It was the intention of differentiating between elderly and disabled.

So, I guess the question is what has been -- what has happened over the course of the last two or three decades that necessitates the change now?

CATHY BRANCH STEBBENS: I think that -- I think the Housing Authority executive directors can speak more directly to this as they are the practitioners. But I think that in general what's happened is that the Housing Authorities are operating on much slimmer margins. There is no operating subsidy for the State housing units and, and that's -- it's rents that are paying for all of that. And I think that the bill -- I don't know the exact history of this, and, so, I'm speaking just as a guess. But I think that the bill originally intended for a benefit to, to be to a special population and that it's just becoming more and more difficult for the cash to balance out now.

And, so, when the Housing Authority is able to collect and keep a security deposit, we believe that human behavior is that they do take better care of the unit over time for -- in most cases. And, so, that would allow us to be able to make the repairs on an individual-by-individual case basis where the repairs need to be made and not negatively impact the rest of the community who are getting betterments because the money is being funneled through certain tenants. And that's an unintended consequence.

SENATOR MCKINNEY: And hopefully I'll be here to ask them that question. I certainly understand the argument that they're working

with less margins now. I guess you could also make the argument that the elderly and disabled at this time are, are in -- similar situated. So, I guess the question I would want to have answered is over the last two or three decades, do they have sufficient evidence that the return of the security deposit after a year and those units are less well kept and have more damage than units where the security deposits haven't been -- I mean, has, has the, has the maintaining of the security deposit worked in these units as a, as a protector of the property, I guess?

CATHY BRANCH STEBBENS: Right. I think that you will be -- have the opportunity today to hear testimony from two executive directors of Public Housing Authorities who can speak directly to that. And you will also have testimony from three other Housing Authority executive directors with specific examples in there. So, that will help you.

SENATOR MCKINNEY: Thank you.

CATHY BRANCH STEBBENS: You're welcome. Any other questions, I'm happy to take.

REP. BUTLER: Yes. Any other questions?

Well, before you go, I have a couple because in the Statement of Purpose of this bill, Statement of Purpose, it reads the following: "To make uniform the provisions of the general statutes related to the calculation of interest on security deposit." That's the supposed purpose. But the unintended consequence or the scope of this bill as it was modified actually with that year of security deposit being returned, okay, that is not stated here.

CATHY BRANCH STEBBENS: I think that's the way that the legislation was written. Tries to standardize the text and referencing other text, you have to go back and see what's being removed and amended in order to recognize that piece. I didn't personally write the legislation and -- or write the Statement of Purpose, but I know that that is something that we have -- you know, that has been very clearly part of what is the goal here.

REP. BUTLER: Okay. Well, that's, that's true. Well, when we look further, we find out what's there, but I'm just saying that if, if we're telling people what we're going to do and we put half the equation in the Statement of Purpose, then we're not telling them the other half that we're trying to achieve. And to me --

CATHY BRANCH STEBBENS: I think I see in the testimony it's very clear that we're not.

REP. BUTLER: Testimony is one thing, but testimony doesn't become law, okay. So, when it comes to law we have to actually deal with the issue at hand. And the issue about the interest rate, I don't think you'll find anybody objecting to that because we passed a bill last year to do this in other housing. And as you have testified that I don't believe anyone's getting five-and-a-quarter interest in anything. So, as a consequence of that part of this bill, if we remove the requirement for you to pay out five-and-a-quarter interest versus the prevailing rate, which is probably less than 1 percent, there's at least 4 percent savings that you're going to realize in that deed in and of itself. So, that will provide at least that for whatever deposit money you have in your possession.

Now, having stated that --

CATHY BRANCH STEBBENS: If I could just interject
at that point --

REP. BUTLER: Go ahead.

CATHY BRANCH STEBBENS: -- and say that the
unintended -- one of the unintended
consequences for many of the Housing
authorities has been to forego taking a
security deposit because they could not afford
to pay the interest rate. And there's also a
cost, an administrative cost, to refunding
that. And you'll hear testimony from our
Housing Authority directors exactly how much
money it's costing that to do those sorts of
things.

So, there are several unintended consequences
that have been part of the existing
legislation as well as the proposed
legislation. And I just want to also call
your attention to the additional unintended
consequence of the expense that is incurred is
now a burden of the entire Public Housing
Authority community. Everyone ends up having
to have to subsidize that. That's an
unintended consequence that I don't know if we
really, you know, want to support when we can
reinforce the motivation for individuals to
care for their units and not have that repair
so high.

REP. BUTLER: Well, thank you, because you led me
to my next line of questioning.

CATHY BRANCH STEBBENS: Okay.

REP. BUTLER: Okay, which is, you know, you talk
about the unintended consequence of how many

people actually required a security deposit and how much is collected. Could you enlighten me as to how prevalent that is that -- for standard operating procedures of authorities that don't collect it any more to avoid this?

CATHY BRANCH STEBBENS: I, I think that you probably should speak to the practitioners about that. You'll have that opportunity.

REP. BUTLER: Because if that is an issue that you support, I mean, I would like to have somebody point out how prevalent that is and how much practice that is, you know, to what extent that practice is being used because we could be talking about a molehill versus a mountain. And if that's the case, then, you know, I don't think we need to address that. But certainly as somebody that's going to come up here later, if they're listening, I'd like to hear that clearly expanded upon as to what is the practice of actually foregoing the deposits versus collecting the deposits and to what extent that that's a problem.

So, again, we don't have a problem with the interest rate, which is the stated purpose (inaudible) this bill. It's the unstated purpose that I'm reading in testimony that is troubling to me, at least. So, hopefully we'll get to the bottom of this before the end of this public hearing.

Thank you for your testimony.

CATHY BRANCH STEBBENS: Thank you. Any other questions?

REP. BUTLER: No. Thank you.

CATHY BRANCH STEBBENS: Thank you.

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DONNA KARNES: I mean, we had bed bug -- I mean, lice. I mean, you know, we didn't make it so every time, you know, your child came home with lice we made, you know, exterminators come in.

REP. WRIGHT: Well, but in schools they are, I think, required to, to treat it before the children are allowed to come back. I think they are required to go through treatment. And I think that this is something akin to that.

DONNA KARNES: Right. Any other questions?

REP. BUTLER: Are there any other questions?

All right, thank you for your testimony.

Next is Anthony Vasiliou.

ANTHONY VASILIOU: Well, good afternoon. I, glad to be here and I just want to take a personal privilege for a moment and say that a number of years ago I worked with leadership, including Senator Gomes to make this a standing Committee. So, it's a real honor and privilege to be testifying before this Committee as a standing Committee of the State Legislature. So, that makes a big difference to me today. I'm so glad that you guys are doing a great job.

I'm going to take just a moment to, to talk about Senate Bill 190, the bed bug bill, although I'm principally here to testify on bill 5225. And the reason why is that the Milford redevelopment housing partnership was selected as only one of 34 Housing Authorities out of over 3100 in the country to participate in a jointly funded integrated pest management project which is funded by HUD, U.S.D.A. and

particularly in public housing where we -- our population and demographics have changed tremendously, is you have health aides coming in, homemakers, visiting nurses, Meals on Wheels, people delivering medical equipment in and out of the buildings and that's a fairly recent development. And they're not trained to take simple precautions, and they are a great carrier of bed bugs from unit to unit. Housekeeper comes in, takes off their coat in the winter, where do they put it? On the bed. Goes to the next unit in that building or another building or go to public housing or a single-family home someplace, where does the coat go? On the bed.

So, what happens is that when they've done studies of bed bugs, the simple act, for instance, of even people getting together to play cards once a week, elderly people putting their pocket books in an infested unit not knowing it was infested showed that the demographics were that the bed bugs spread out into the building in various areas and they all came -- pointed back to the people who were playing cards or bridge in that particular unit. So, those are my two suggestions on that particular bill.

The Milford Redevelopment Housing Partnership -- now turn on 5225 -- we own and operate about 465 units of housing, 330 federal units, and 135 State units. We also have a program authorized, 266 vouchers which are a federal program that helps people make housing affordable. I support continental's position and speak as a member of that organization in getting the section repealed. It would, therefore, permit people living in State-financed housing to be equally treated and subject to the same provisions of the law that currently apply to individuals residing

in federally financed housing or participating in federally financed programs like Section 8.

In the case of the Milford Redevelopment Housing Partnership, with the adoption of bill H -- House Bill 5225 and treating all the residents' security deposit the same, we'd be able to streamline the financial operation, lower our operating costs, and reduce our exposure to uncollectible tenant rents. To illustrate this, I asked my staff to conduct a 34-month study, and that's revealed in Exhibits A and B. And essentially, in the 34 months, we had 12 tenants that were involved in vacancies. We had a negative income impact of just under \$10,000 during the study period in State finance -- housing alone. We categorized it in those two exhibits in terms of the cost to actually process the return, the actual cost to send the checks back, and then what happened when we experienced a vacancy and then had to take possession of the units.

And as you can see, most of the costs were associated with taking possession of the unit. There were legal costs. There were just under a thousand dollars in rehabilitation costs to fix up the units. I'll tell you there to look at Exhibit B down in the lower right-hand corner. There's a number called 41 percent, and that's a hypothetical number. And what basically it said is that if we were able to keep those tenant rents, that it would have covered about 41 percent of our losses in this particular category of taking possession. So, some people might argue and say, well, if you don't have any exposure it doesn't have -- result in a financial risk. Yes, it does. In this case we could have recovered 41 cents. And remember, in State-financed housing, we get no operating, no capital subsidies, no

nothing. And what happens is that those costs are driven up and ultimately result in higher rents.

Let me just close by -- I'll just summarize. I'm going to close and just say that I do believe that everyone living in any kind of subsidized housing in the state of Connecticut, be it State financed or federally financed, should be treated equally in the same way. The Section 8 program, public housing run by the Federal government or that we run and own and operate and subsidized by the Federal government, allows us to keep one month's rent and we return it with the appropriate interest charges earned over the lifetime of the tenancy.

I want to just answer, Senator McKinney raised this issue, and I think you did, too, Representative Butler, about this interest rate. And I have to say that you might want to take a look at the Commissioner of I think it's banking because we get an annual statement that tells us what we should be charging. And the current rate is like 16 basis points, .16 percent. So, I don't know if it's a discrepancy in the way things are being administered at the State level, but we charge what we're told to charge and the State banking Commissioner sends out a notification -- in fact, I believe it's on the Tenant and Housing Finance Authority's website. Now, I can't verify that or confirm it, but I believe it's there.

So, that's my statement on the interest rate. But all in all, the interest rate that's returned, we'll gladly give back to people at the time the tenancy ends. But a lot of it gets into the conditioning of behavior and some of the tools that we in State housing

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lack that the Federal government gives us that helps people be more responsible when they leave and vacate units. And I've noted that in some of my testimony.

I'd be glad to answer any of your questions on either one of the two bills.

REP. BUTLER: Are there any questions? Well, I have questions.

ANTHONY VASILIOU: Thank you.

REP. BUTLER: I don't know if you were here earlier when representative from CNAHRO spoke about the deposits.

ANTHONY VASILIOU: Yes.

REP. BUTLER: And I asked a question about how prevalent now is the practice of charging that deposit, because we had the conversation that some people don't even bother to go after the deposits because they don't want to go through the administration of all this because it's more of a pain to actually do it than to just not charge the deposit and they don't have to deal with it. So, how prevalent is that practice?

First of all, you could start about -- you could tell me about Milford, and then whatever you may know statewide.

ANTHONY VASILIOU: I will. We do collect the rent for one year, and we do it for several reasons. Just in practice, the way it works, a person comes in, pays the rent. To the best of my knowledge, I've never had any feedback that that really was an impediment to someone coming into housing. The State in some cases does have a program, although I believe the

State's pulled some of its funding that would allow the State to pay for those security deposits, which would be returned to the State. But I think DSS has pulled that back a little bit. And what we do is you keep the rent for one year.

At the end of one year we go in and make an inspection of the unit and we go in and look at housekeeping. We go to see if there's any damages. And then before we return the rent, if there's anything that is eligible that has to be credited back to the account, we credit it back and then we give the remaining security deposit back. Now, that's correct, it is -- cost us some money and it takes time away from doing other things in public housing, but it does have the effect of at least instilling, having an opportunity to educate the tenants of the tenant responsibilities, of getting them to think about being careful with housekeeping practices, being careful to take care of the property. And they have one opportunity before we return the money to talk to them about something that maybe is amiss in the apartment.

So, we do it in a -- for positive reason. It does cost us money. It does take time away, but we feel that's an obligation that we have as a public house for Milford to do that.

With regard to how prevalent the practice is, I have never seen any study whatsoever. I've been in housing for over 15 years. I sit on the National Housing Committee. I've been involved in State matters and I've never seen that study ever undertaken. In part, because most of the states, to the best of my knowledge, have only Federal housing and they collect it in Connecticut, Massachusetts,

Hawaii and New York. There are only four states in the entire country that have State housing. So, it's an issue that's very pertinent to Connecticut, but not to Iowa. So, I just never heard of any studies that's been done. However, in conversation I think most people don't even collect it because they just say, I can't be bothered with it, I don't want to get into an educational effort with the tenant. I don't want to have to interact with them. They take the money and they just kind of like, say, you know, we'll bear whatever costs we'll bear at whatever time that they incur, like the time of vacancy.

REP. BUTLER: Okay, thank you. And I can appreciate that answer. But as we're deliberating on this bill, we're trying to assess, like I said, the impact statewide. And as you pointed out, there's only four states such as ourselves that have this State housing stock situation that, that, you know, is -- makes us a little unique in certain regards, but in that regard we're trying -- well, we as Committee, trying to assess just how prevalent this is because we're going to do something. I'd like to know that whatever we're going to do is going to address some serious or at least substantial need because the last thing I think any of us want to do is have, you know, to -- State statutes to, you know, put ordinances or statutes in place to address, you know, smaller items that can somehow be addressed by a policy.

ANTHONY VASILIOU: May I answer -- give a suggestion?

REP. BUTLER: Go ahead.

ANTHONY VASILIOU: I don't mean to interrupt.

REP. BUTLER: No, no, no, go right ahead.

ANTHONY VASILIOU: With all due respect --

REP. BUTLER: We're on a fact-finding mission. This is why we call it a public hearing. As much as -- we're here to learn as much as you're here to learn about what we're trying to do.

ANTHONY VASILIOU: You know, I'm a practitioner. We solve problems. This is the way I would suggest you solve the problem (inaudible) your answer. I know you have legislative review in the audience over here. I would just request CHFA to go out and ask all the Housing Authorities that they do business with, all the State -- this is all State financing Housing Authorities, and ask them that simple question.

How many of the Housing Authorities collect the first month's rent and return it, and how many don't? And they should be able to return a pretty high percentage of, of responses to your question and do it quickly and easily. An E-mail blast or -- in some cases they don't have computers, put a fax out to them. And their analysts over there should be able to collect that information I'd say in a day's time or less. Well, maybe two, but it would be quick.

REP. BUTLER: Wow. Well, I mean, that's a good suggestion. And you know what? I think I'll do just that, too, because they are great. And there's one thing that I could say, our research people are, you know, excellent. So, I -- that's a very good suggestion, so, I'll try to use our research staff to get to the bottom of that.

But secondly, I'd like to talk about for -- in the case of Milford, can you talk about the difference between the five-and-a-quarter percent that you have to return now versus the bill that is, to my understanding they would be a little less than 1 percent. I think, believe that you alluded to the fact that that number is more like 1.6 percent.

ANTHONY VASILIOU: Yes, it is.

REP. BUTLER: And, so, could you tell me about the impact that this change would have on the Milford Housing Authority?

ANTHONY VASILIOU: First, let me inject the concept of fairness, and that is that, you know, I have 330 families -- elderly -- not elderly, disabled and families living in federally financed housing and 135 living in State financed housing. So, we're treating them differently. And particularly in housing where we're receiving some kind of subsidy to perform this function for society, to help with the most neediest people, I don't like it when we treat people differently with some kind of disparate impact economically.

So, I wish that the Legislature would make it uniform so we would treat everyone the same way in terms of actual dollars. The interest rate, even at five-and-a-quarter, it's some kind of a bonus. Some people get rewarded, some don't. But the amount of one month's rent, in the cases of the people we serve, is generally very minimal. It can be 125, 150, in our cases the average rents are between about 3 and \$330. So, it's not like you have a great sum of money on deposit that's earning big dollars. So, I don't think the interest rate difference in terms of material economic benefit is great, except that it's disparate.

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It treats some people differently than others who live in -- under the same housing that we administer for everybody. We try to do it fairly and equally for everybody. So, that would be my, my response to that. It's not really an economic issue as much as it is a fairness and equality issue.

REP. BUTLER: Thank you for your answer of questions. I had enough that invoked a question by Representative Pat Miller.

ANTHONY VASILIOU: Good afternoon.

REP. MILLER: Good afternoon. This is on S.B. 190, since you did testify to that. I'd like to ask you a question.

So, you have elderly units.

ANTHONY VASILIOU: Yes, I do.

REP. MILLER: And have you experienced bed bugs in any of your elderly units?

ANTHONY VASILIOU: Yes.

REP. MILLER: Okay. In preparation for the extermination, how is that handled?

ANTHONY VASILIOU: A good question. The preparation starts before they even come in the house. That is, at the Milford Housing Authority, we actually introduce every tenant to a 19-minute video that talks about the responsibilities of good housekeeping and the impact that it has on infestations and what the tenants' responsibilities are and what the Housing Authorities' responsibilities are.

Secondly, we include in our orientation packages, and we have for a number of years

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Yes. Also, I'd just like to add my comments. I'd like to thank you for coming and speaking to this legislation that we're considering. I'm actually proud of you and Janet for coming forward because it takes, it takes a lot of courage to come and speak at these public hearings as it's -- you know, we're accustomed to this on this side of the equation, but when people step up to that seat, sometimes it can be a little intimidating.

So, I just want to commend you on your courage to come and step forward and share your concerns with us. So, thank you.

WILBUR COOPER: No, thanks. Thank you.

SENATOR GOMES: You have a good day.

WILBUR COOPER: You also.

REP. BUTLER: Next is Brenda Cowett. We're down to our last seven people, so. And we only have 10 minutes, so -- no.

BRENDA COWETT: I can cut my thing. You can pull it out.

REP. BUTLER: No, just teasing. That's all right.

BRENDA COWETT: Pull out 5225. Your notes, whatever, okay, all right.

All right. Hi. Let's see, I'm Brenda Cowett and I'm a director at one of the 70 small Public Housing Authorities in Connecticut with the small Housing Authority. Well, each of us ranges in the number of housing units that we offer. It could be from 17 to 245. There's 50 of us Housing Authorities with less than a hundred units. All of us are normally

understaffed and overworked. Our executive directors do everything from budgeting to toilet plunging. And on behalf of us little guys, I would like to speak in support of favor -- in support of Raised Bill number 5225.

Currently, our Housing Authority is wrangling with a situation that depicts just one example of the need to hold security deposits for the term of the tenancy. We are trained to recoup our expenses from a former elderly resident amounting to \$458 and 76 cents plus \$800 in legal fees to date. If we were able to hold that security deposit, this renter may have at least turned in her keys to the apartment. She may have shown up for her move-out inspection, and she may have even remained her unwanted belongings, including her bed.

Another couple of instances that we've had with the midnight movers, we've had elderly renters move out in the middle of the night, without notice. We ate the loss of rent and the expenses of the repairs that were needed.

Another recent move-out episode -- this was within the past nine months -- cost us \$250 in restoration fees, \$165 in subcontracted cleaning, \$1,000 and a new carpet, plus a week's worth of our maintainer's time. This renter allowed her dog -- she used her bedroom as a kitty litter box. Would a security deposit have covered these expenses? No, but I believe a security deposit would have been an incentive for her to be a responsible pet owner.

Nowadays there is no -- although -- nowadays there's just no reason for a statute that requires returning security deposits of elderly residents after one year. Due, in

part, by legislative statutes and regulations, we now have quite a different generation and/or definition of elderly. Unfortunately, although we try, Housing Authorities just don't have the resources to be society's panaceas. We need to hold onto security deposits as both an incentive for the renters to be responsible housekeepers and a deterrent to breaking their leases.

Public Housing Authorities just can't afford to absorb the costs associated with neglect or irresponsibility of any renter. We're not taxing entities. We can't assess the costs associated with these few to be paid by the general public. To cover these costs, our property as a whole suffers along with the renters that are responsible and conscientious. Additionally, the interest rate paid the renters on these security deposits should be in line with the market. We could never afford to absorb paying out more than five times the interest.

Okay. As a representation -- I know I have to wrap it up. As a representation of the 70 small Housing Authorities in Connecticut, I want to reinforce the reality, we can't absorb even the diminutive 458 that I cited in my first example. Please allow us to hold onto these security deposits. The outcome will be clear and enforceable tenant/landlord policies ultimately leading to healthier resident/management relations.

And I can answer any of your questions.

REP. BUTLER: Any questions? Senator Gomes?

SENATOR GOMES: As I listen to you testify, I'm torn between two things. Of course, we want to support the Housing Authorities and our

Housing as much as we can, but I'm torn between the ability for you to do that and for us to do something for senior citizens. They have so little, and I guess it's because when I first came up here I told people I'm here to take care of the two people that have the least going for them and the less able to look out for themselves, and that's children and senior citizens.

And I think -- I don't know when this was put in there about the deposit, but I've seen so many senior citizens without much, notwithstanding some of the things that happen like the dog litter thing, I don't approve of that or anything. But, you know, some of the things -- you may not like this term that I'm going to say -- you know, when you're in business, it's what you call the cost of doing business.

BRENDA COWETT: Oh, I agree.

SENATOR GOMES: And some of that falls under some errant person who is not the norm that might do something like that woman did. The thing of it is, when you talk about letting you keep the senior citizens' deposit when it's already in there -- I don't know who wrote this law, but it looks like they conveniently left out the part where it said that these senior citizens would keep that money.

BRENDA COWETT: Well, I just that -- we hold their security deposit until they left. And I totally understand where you're coming from and I think --

SENATOR GOMES: I'm not, I'm not apt to move and I know it sounds terrible, but I'm not apt to move in any direction that would deprive a senior citizen of anything.

BRENDA COWETT: Well, could I -- I can see where -- I was -- I felt the same way you did seven years ago, all right. And I'm going to tell you why -- I sat back and said, why -- who put in the statute to return security deposits to seniors? I mean, who would have done that? That's not good business sense. If you're a business (inaudible) you need --

SENATOR GOMES: I agree with you. It's not good business sense. But I'm going to tell you something else. I'm not a good business person.

REP. BUTLER: Wait a minute. Can I interrupt this conversation here?

BRENDA COWETT: But --

REP. BUTLER: Wait a minute. We're going to adhere to asking questions and giving answers, okay. So, I believe you were finishing up with answers. So, if you could finish up your answer and we could keep it to questions, questions and answers, thank you.

BRENDA COWETT: I'm going to answer two of your questions because I felt like you did five or six years ago. But, you know, I thought about it. Why would anybody -- Legislator put in a statute, oh, let's return these security deposits to seniors. I said, what? You know, we've got a different kind of generation.

I said, I know why. When this law or this statute was enacted, it was at a time when our elderly population was regarded as the most highly respected and responsible citizens in our communities. I mean, they were -- they sacrificed during World War II. They endured the Great Depression. So, I think back in the

'80, it's like, wow, these are responsible people. They're going to take care of their apartments. Give them back the security deposit. Totally agree with that.

But we have a different generation and we have a different -- definition of elderly, the statutes for elderly are different than they were 30 years ago. You're considered elderly in Connecticut if you are disabled for any reason. You can be of any age, or just because you're 62. That's the only reason. It's not, are you a good -- being over 62 nowadays is not a definition of being responsible or have endured the things that the people back -- that were 62 back in the '80s.

So, yeah, I just think generation has changed and we have to change with it. We can't -- our other seniors are feeling the effects of what those elderly are doing. And it's not just one example. I have a slew of them. These are just like -- I only have time -- I have three minutes. I could only put down three of them.

And the other item that you brought up, the, the, the generalization that seniors, all seniors -- I mean, they are not all poor. They are not all needy and vulnerable. And we can't generalize that any more. I've seen -- again, I didn't realize this until the past five years -- I've seen seniors or elderly being subsidized that are -- they have half a million dollars in the bank. You're going to sit there and say, what? And that's because of the statutes, because it's based on income. We subsidized people -- not all of them. And again, I'm not generalizing. I'm just saying we -- you can't generalize either. We can't generalize here. We have to run these

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subsidized housing. If we could, we would, you know, we would put saunas in for everybody. We're running out of money. We're running out of time. We just want people to be responsible. That's all it is. And I think the security deposit would say, oh, yeah, if I don't clean up after my dog, I won't get my \$300 back? No. Guess what, that apartment would be clean. And that's what we want.

SENATOR GOMES: Since you answered my question --

BRENDA COWETT: Sorry, we're moving on to lunch.

SENATOR GOMES: I'm not going to accept a generalization of senior citizens that are so wealthy. If they are, there's a few and far between. The people that we service are people that are in need. Most people that live in housing, city housing, affordable housing, so on and so forth. So, if you have somebody slipping by with a half a million dollars in the bank, God bless them. God bless them.

BRENDA COWETT: I would guarantee you, when you say "we" --

SENATOR GOMES: But I won't accept that generalization that the class of senior citizens have changed. Maybe what has changed them to some extent is because the economy is bad. And when the economy is bad, everybody that is poor suffers more, and they have more problems. And that's the only way I would say seniors -- by the way, I'm a senior senior, you know.

BRENDA COWETT: You're one of the ones that we respect and admire and --

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SENATOR GOMES: But I, I can't accept that generalization (inaudible).

BRENDA COWETT: Oh, I'm not generalizing. I'm saying you can't generalize either.

REP. BUTLER: Okay. We have -- you two can have a sidebar. Actually, Representative Morris, I believe you have a question or two.

REP. MORRIS: Thank you, Mr. Chairman.

In Middlefield, Ms. Cowett, how many units do you have?

BRENDA COWETT: We only have 30.

REP. MORRIS: You only have 30. And you've been there how long?

BRENDA COWETT: About six years.

REP. MORRIS: About six years. In your six years of being in Middlefield, how many cases would you say that you had that are similar to these negative ones that you've told us about?

BRENDA COWETT: One, two -- I'd say about four in the past year prior to that.

REP. MORRIS: Okay, four in the past year. And prior to that what?

BRENDA COWETT: Was very rare, becoming more abundant. And again, I'm one of the many 70 that have the same problems.

REP. MORRIS: Okay. You've been there for six years. You've got 30 units. You say in the past year you got four where, let's characterize this way because we depicted some elderly people who have been irresponsible,

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all right.

BRENDA COWETT: Correct.

REP. MORRIS: And, however, I'm kind of following up where the Senator is because what I was hearing you is characterizing an entire generation of senior citizens as being irresponsible.

BRENDA COWETT: Well, I was trying to give my -- I have longer and more stuff -- three minutes to try and dissway or at least give you other examples of what -- again, other small Housing Authorities are dealing with, not just me.

REP. MORRIS: So, have your other counterparts throughout the state --

BRENDA COWETT: Wait a minute, this isn't just senior. Wait, wait, wait. This is elderly within the definition of the State statute, not -- this isn't like 80-year-old people. This could be anywhere from 25 years old to 84 years old.

REP. MORRIS: Okay.

BRENDA COWETT: So, it's just elderly definition.

REP. MORRIS: And, and disabled because that's what this -- this bill deals with those who are elderly or disabled.

BRENDA COWETT: Right.

REP. MORRIS: Living in Housing Authority complexes.

BRENDA COWETT: Okay.

REP. MORRIS: So, even based upon your experience

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within the last year, just a little bit more than 10 percent.

BRENDA COWETT: Right.

REP. MORRIS: Because four out of 30 --

BRENDA COWETT: Not even 10 -- not even 10 percent.

REP. MORRIS: Not even 10 percent.

BRENDA COWETT: Not even 10 percent.

REP. MORRIS: Okay. So, certainly you would agree with me that that number -- I mean, a little less than 10 percent doesn't -- wouldn't line up the way it was characterized earlier, was that a generation that's irresponsible --

BRENDA COWETT: Sorry if it came off that way.

REP. MORRIS: Yeah, well, your written text says the same thing and it's pretty clear that you've depicted it. So, I wanted to, I wanted to --

BRENDA COWETT: Tone it down. It's just that we --

REP. MORRIS: Not tone it down, but just make it realistic, all right. Because it goes to the point that I think Senator Gomes said very well. Some things, when we take a look at its effect, you take a look at what is the cost of doing business. If it's less than 10 percent of your population this year and you're saying prior to that rarely, I mean, for me personally -- this is just me -- when I begin to gauge the behavior of a generation, I like to at least look at that behavior over 10, 15 or 20-year period of time and say, oh, this generation is -- this is characteristic of this generation.

So, I think what you've given, we've clarified this is not characteristic of this generation. And I -- kind of makes me back up to say, all right, your issue is should we give a person back their security let's say within a year. Well, if it's a senior citizen, how do most of your senior citizens end up leaving your complexes? I can most of them leave --

BRENDA COWETT: Either death --

REP. MORRIS: When they leave in a coffin, that's right. Death or --

BRENDA COWETT: Or they go live with family members or for -- they find another place that's close to family members.

REP. MORRIS: Right. And that's probably 90 percent of your population. Would you agree, if not more?

BRENDA COWETT: Right. Well --

REP. MORRIS: I mean, do they ever -- what percentage gets evicted?

BRENDA COWETT: Not many.

REP. MORRIS: Not many.

BRENDA COWETT: Because --

REP. MORRIS: So, then, the vast majority either go to nursing homes or through death.

BRENDA COWETT: But you do realize this eviction rate is very low because it's very unaffordable. That's another issue.

REP. MORRIS: But my point being if it's because

they're going to a nursing home, they're never going to be able to spend money anymore because they're so poor. Or if they're going to -- or if it is through death, isn't it worthwhile to say, you know what, as a cost of doing business, this is our elderly. People have been taxpayers forever. We're trying to subsidize them. Just hear me for a moment, please.

BRENDA COWETT: Yeah, I know what you're saying.

REP. MORRIS: Hear me for a moment. These are senior citizens. Whatever that deposit is, you know, if, if based on this -- certainly 90 percent of yours for the last year have been responsible.

BRENDA COWETT: Right.

REP. MORRIS: For your previous years since you've had very rarely any of these incidents, they're all acting responsible. Isn't it worthwhile to give responsible senior citizens and disabled individuals their money so they can at least enjoy it? Because, you know --

BRENDA COWETT: I think I was trying to make a point that the generation is changing. So, we don't have the same history. This is in the future. Our, our seniors and elderly of the future are not the same generation as they are, say, as of 10 years ago. That's where I'm coming from.

REP. MORRIS: But based on your -- based on, on Middlefield's experience of one year of four people doing poorly, Madam, I respectfully disagree with you.

BRENDA COWETT: I'm giving three of big one -- I'm not bringing in all of -- I'm just saying, let

us as a cost of doing business, let us keep that security deposit. We're going to give it back, but it's a good incentive for people to be more responsible to take care of their apartments.

REP. MORRIS: But based on your testimony, just in the last year, more than 90 percent of the people have been responsible.

BRENDA COWETT: Correct.

REP. MORRIS: Why should 90 percent of the people be penalized because of 10 percent, and these are people who, based on what we just got through saying, Ms. Cowett, are people who are either going to leave in a coffin or they're going to home -- or they're going to go to nursing.

BRENDA COWETT: Right, but they're being -- the problem is they're being penalized now because right now, six months ago this one woman cost us 1,250, about \$3,000.

REP. MORRIS: You're right.

BRENDA COWETT: That money could have been used for the other residents. This is what I'm trying to say. By not keeping the deposit, that's costing our other residents.

REP. MORRIS: What did it take away from the other residents?

BRENDA COWETT: The fact that we have less money to put into our property for improvements for them. We, we can't raise our rents. We have so much to do -- we have a budget. That ate up more than our maintenance budget because we're small. So, I'm just trying to say the -- right now it's costing the other

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residents because we don't keep the deposits.

REP. MORRIS: I thank you for your testimony. But as, again, I said I respectfully disagree. I think it is the cost of doing business based on the percentages, the very small percentage of people who you're saying are -- have the negative behaviors. For the greater good of senior citizens, maybe who are veterans, these are people on fixed incomes. If anybody in this state we want to protect --

BRENDA COWETT: Oh, and, and, you know what?

REP. MORRIS: And we do care about Housing Authorities. I'm not cutting you off, so please don't can you tell me off. All right.

BRENDA COWETT: All right. I want to say --

BRENDA COWETT: I'm not finished, all right. We want to look out for Housing Authorities, all right. We recognize that you provide a very valuable service, but there are other means of Housing Authorities raising monies as well, all right, to look out for this. Yes, I know there are others that do that.

BRENDA COWETT: To raise money?

REP. MORRIS: Ah, yes.

BRENDA COWETT: To pay for -- okay. I would say as Middlefield, because we only have 30, I'd say we won't take the security deposit, but let Milford take theirs because that costs them 40 percent. And just, again, I'm small. There's 70 other like us. You will have -- you would probably have 70 times 4, you know, 280.

REP. MORRIS: I applaud you for whatever wonderful service you do give to the seniors that live

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in your place and the value that you bring to them. I certainly applaud you for that.

BRENDA COWETT: Thank you. (Inaudible).

REP. MORRIS: Right now what I am hearing -- what I'm hearing -- what I'm hearing you say when I'm not stepping on top of you talking. What I'm hearing you saying is that, you know, the cost is really to your agency and not to the other 90 percent of the people. And that's just in this last year because in the previous years it sounds like 100 percent of your people were fine.

BRENDA COWETT: Yeah.

REP. MORRIS: I am interested, I don't think -- unless I missed it. I had to do testimony in another room. Maybe, Chairman, help me. I don't know if any other Housing Authorities came here and presented the same case. I didn't notice it so much through the testimony that I read unless I've overlooked this. Certainly we've had people here from public housing network and there are enough other people that we care about our seniors.

But I think if anything, this is a case that -- if this is a real issue for Public Housing Authorities, they should come to the State and say, listen, here's our data to show the magnitude of this problem for us and the cost that is problematic for us and how can the State or someone make up that difference in cost rather us taking it out of the pockets of people who we should be putting that money back in their pocket while they're alive and well, while they are alive and well. They're on fixed incomes. It's tough for these senior citizens to get that deposit money in the first place.

Thank you again. Thank you.

BRENDA COWETT: All right.

REP. BUTLER: Before you go, I have a few questions.

Your housing, are you Federal or State?

BRENDA COWETT: Well, we get -- we're a Federal -- we're a Section 8 property. We have to abide by the State statutes. We have to -- we have to abide by the most stringent of them both because we use State money to build it. So, we are State financed as far as what we pay -- we have to pay a mortgage. So, we use --

REP. BUTLER: So, you're a State Public Housing Authority?

BRENDA COWETT: They get Federal subsidies. It's, it's -- we're, we're all small. We're unique in that way. So, we have to abide by the State statutes because we obtain State financing to build it. It's still our place.

REP. BUTLER: Okay. But we also have to abide by all the Federal regulations because the subsidies -- the people that -- the subsidies come from the Federal government to help the residents pay their rent. So, we abide by both.

REP. BUTLER: Well, I don't know. That's a little confusing to me because --

BRENDA COWETT: It took me a while to figure it out.

REP. BUTLER: -- because, you know, there's a, usually a delineation between Federal and

State Housing Authorities and this is the first I have heard of you're, you're actually, you know, in essence both.

BRENDA COWETT: Yeah. No, it happened back in the '70s. A few of us small, that are -- that got financing from the State to build and we pay that back, but the Federal government subsidizes the tenants for their rent, which we get. So, we have to abide by both restrictions. It was confusing to me. So, we answer to both.

REP. BUTLER: Well, now, the practice of collecting deposits, did you give any thought to how much you will realize in savings with just the interest rate changing alone from the five-and-a-quarter to 1. percent?

BRENDA COWETT: No, because right now we don't -- again, we're one of those that -- we don't collect the security deposit at all because, again, we're so small that we would be returning it at the end of the year with interest. So, we would -- the administrative just to -- let me take your rent and let me take your security deposit. Then I'd have 12 months to return it.

REP. BUTLER: Yes.

BRENDA COWETT: So, we don't even collect. We don't have security deposits.

REP. BUTLER: Okay. So, you fall in that category. You're not even -- okay. And I'm trying to look at the amount of -- the amount of dollars associated with the issues that you're having here.

Now, did you total up the amount of money that you, you know, have outlined here in your

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testimony?

BRENDA COWETT: Which one?

REP. BUTLER: Because it's talking -- oh, no. You're talking up, about as I could see, probably, no, less than \$3,000.

BRENDA COWETT: On one of them, right. 1,250 probably, yeah. Not, not counted. It's just actual outlaid dollars. But then again, the other part to this is the fact that it took us three to four months to totally clean this out. So, that unit was unavailable for people that were on our waiting list. So, there's people waiting, you know, for this apartment -- seniors waiting for a place to live and we couldn't put them in because we had to fix that mess.

REP. BUTLER: Okay. Well, in, in conclusion, I mean, I have my own opinions about some of the other items that are even earlier touched upon, but I'll just simply say for you and all the rest of the Public Housing Authorities, right now the Governor has stepped up to the plate and he's going to offer up \$30 million a year for the next 10 years, is the plan, for revitalization of public housing. So, I would suggest that you put your request in now and do your assessment, and you can realize -- you and all the other Housing Authorities, instead of us being so concerned about seniors and disabled, that the Governor stepped up to the plate to make significant amount of money available for you to --

BRENDA COWETT: Renovate?

REP. BUTLER: -- renovate. And the cost that you're talking about here, we're probably seeing minimal to what you can achieve through

what the Governor is making available. So, I would concentrate more on putting together a plan to submit to the plate -- to the State for what you can realize -- what your plan is for improvements, revitalizations to your Housing Authorities as opposed to putting this initiative into going after seniors and disabled.

BRENDA COWETT: Is that the one that's under the appropriations -- is it this afternoon or tomorrow, that 10 million a year or is that already a done deal?

REP. BUTLER: No, this is --

BRENDA COWETT: Has that already been approved?

REP. BUTLER: This is -- still has to be approved, but the Governor is committed to doing it. And I have not heard anybody speak against it. So, like I said, right now you're looking at Housing Authorities to submit their plans for what their renovations and to make their improvements. And certainly I think that will more than offset what I'm reading about here in your testimony in terms of the impact on your housing. So, I would, I would just highly recommend that once you get back to Middlefield, to assess your total need and your plan and talk to the State Housing Authorities and submit it to the State. And that would probably go a lot further than taking four hours to come here to talk about less than 3,000 where you could put together a proposal that you could get probably, you know, ten times that amount, if not more, that could directly improve housing for everyone.

BRENDA COWETT: When is that gonna -- is it tomorrow they vote on it?

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REP. BUTLER: You can't start soon enough. I would go back today and put together a plan and submit it to DECD, CHFA and tell them, this is your request and you would like to get in the pipeline for whatever is made available of that \$30 million that the Governor has committed to public housing renovations.

So, okay. Representative Kupchick.

REP. KUPCHICK: Thank you. I'd just like to make a statement. I think, I think the general question that she's -- was trying to share with us was that there should be some accountability for people's actions regardless of what their age is. And I don't see the harm in someone having to at least have the Housing Authority keep half the security. Security deposits are there for a reason. If someone destroys something, it needs to be fixed. And if it does, I mean, I work with a lot of different senior housing in my town and I hear complaints all the time from the ones who live there that there's not enough money to fix the sinks that are leaking and the toilet that doesn't work, or the refrigerator that's 20 years old, or the stove that doesn't work anymore, and countless other things.

I mean, \$30 million is nice, but there's a lot of Housing Authorities throughout the state that need a lot of repairs. And quite frankly, \$30 million isn't enough. It's not going to cut it. I know the Housing Authorities in my town alone need additional funds for repairs. I don't think anyone -- I mean, I don't think this woman is saying that -- or anyone wants to take a security deposit from someone who can't afford it, but it is a subsidized rent. So, it already is subsidized. It's very low-cost rent as it is. It's not as if they're paying market rent.

So, I personally don't think why -- I don't see the evil in having some security deposit just to protect the property that -- so if there is a incident, and if, in fact, there isn't one, the money could be returned to the family members if, in fact, like Representative Morris said, that they end up having to go to a nursing home or they pass away.

I just think that the Housing Authority is there to serve not just the people who are there now, but the people who come in the future. And if they're spending so much money repairing things that are broken or ruined, then it, it makes it less -- it makes it more difficult in the future to provide low rents for people who need it in the future and quality place. To have to repair the carpet, and if you have don't have the money, the money got to come from somewhere. Eventually there is not going to be enough money.

So, I think this isn't a one-sided issue. I think there should be, like, discussion about it and have an honest discussion about it and not to say someone's completely wrong because it's seniors and seniors should, should have their security deposit. I think it's a little more detailed than that.

REP. BUTLER: Thank you. Thank you very much. And as a matter of fact, that's -- I don't think this conversation is a one-sided at all. I mean, but I do -- I do want to make note of that \$30 million, that \$30 million for 10 years, which is a \$300 million commitment to public housing. We have not seen that kind of commitment in over 20 years.

So, if you were given -- I believe the Housing

Authority advocates, if it was a matter of saying, okay, we have an issue with security deposits versus we have the ability to draw from \$30 million a year for the next 10 years, I think clearly the focus would be on how can we tap into that \$30 million for the next 10 years. Certainly there is -- whenever we talk about housing and those who make it available and those who rent -- I mean, that's a relationship that's going to be ongoing issues forever. But certainly I think we should get -- we should look at the focus on really how to tie into what can have more of an impact towards the Housing Authorities and the housing stock.

And I know that these, these damages are a real concern. I don't think nobody here is going to say that they're not. We're just talking about -- and I'm, you know, I'm getting older now, too, so when we start talking about seniors and disabled people, I mean, I can't sit here and lie and say that they don't have a special part in my heart, too. So, I would rather focus on what we can do to make the housing stock better for all those. And certainly we understand your concerns. We're going to hopefully, if nothing else, we're going to change the interest rate -- I believe the will is on this Committee to change the interest rate, even though that may not be a large, a significant amount of money, I don't know, but we're going to garner the our research people and see what the whole impact of this whole situation is and make a thoughtful decision in this legislation.

So, I don't want to make it sound like we're, you know, having at you for your position. You're entitled to have your position and come here and advocate. I'm just saying there is

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bigger fish to fry and there is a significant amount of dollars that could make, you know, could make a difference in housing all over the state and we should look at that and actually put forward a proposal that could -- you know what? This testimony today, you'll probably just put that aside. If you could tap into what you really need, it would probably render this a moot point. That's all I'm saying.

BRENDA COWETT: I guess you're right on that --

REP. BUTLER: Okay.

BRENDA COWETT: -- that money. I just think there's other people that need that quantity of dollars, the 50 million.

REP. BUTLER: Representative Morris and then Representative (inaudible).

REP. MORRIS: And again, so we're clear -- and I thank you for your testimony today and you're right to certainly advocate and do so.

So we're real clear, my whole perspective I was giving, I was glad the Chairman has added the piece and it has to do with the Governor's budget and those dollars will be added that would be available to you. And I hope you'll certainly follow-up on that. But just so everyone's clear on the argument -- the discussion that I'm trying to have with you back and forth, and for everyone, trying to make sure -- always make a distinction between tenant repairs versus tenant maintenance because I was hearing my good colleague, Representative Kupchick brought in that piece here. And I think we may get confused between tenant maintenance and tenant repairs. And your -- the issue that you're bringing forth

is tenant repairs. And that's why my whole discussion was trying to bring perspective, perspective to the percentage or how large or small the issue is of tenant repairs that would be -- that you could somehow be reimbursed under a -- under security deposit. And that's what I was drilling down to.

My take away was that that percentage is so small, in the big scheme of things, that it's more likely to be treated as a cost of doing business. When you add in the piece of the Governor -- it's not to dismiss that cost. And I hear that certainly your -- and I'm really hearing you, that a Housing Authority as small as yours, that the impact of that cost of doing business certainly is a lot. The impact is a lot greater than a Housing Authority that has 10 times the units that you're doing, or even four or five times the number of units. I clearly hear you with that, all right.

BRENDA COWETT: Because that was my point, we're the small guys. \$400 makes a difference.

REP. MORRIS: Clearly hear you, you know, and understood. But as you know, as a -- we have to develop policy for the majority of the state. Sometimes that may get a little difficult, but then sometimes we're able to find little nuances in ways we make adjustments for people who are in unique positions. So, that's why, again, I say I applaud you for being here to advocate for your position. But if you notice during that dialogue, I said for all -- if you're here talking for all of the Housing Authorities, the position I would have to take -- it was only 10 percent or even less of the population that we're dealing with that has this issue where it's a repair cost of doing business.

So, I clearly hear you with yours. I thank you again. I just want to make it clear that I was just trying to give perspective.

BRENDA COWETT: Before I do leave, I do want to say we small Housing Authorities -- again, it's 70, so, it's not just me -- we wouldn't be doing this, us directors, if we didn't care deeply for the elderly and disabled. You got to understand that. This isn't -- I don't want to come off as, oh, God, we should just take their security deposit. No, we wouldn't even be doing this if we didn't care so much about those people. I just want, before I leave, to make sure you realize that.

REP. MORRIS: Well, that's why I say --

BRENDA COWETT: I'm not the wicked witch of the west trying to --

REP. MORRIS: Well, well, within your association -- please, take that, one of the recommendations I gave you, you recall, at the end --

BRENDA COWETT: Which one?

REP. MORRIS: -- was that this is a real issue for your organization, the larger group. They should quantify how large an issue that is and then come back and recommend a bill and say, listen, this is what the fiscal impact is to Housing Authorities. Remember, that was my recommendation to you.

BRENDA COWETT: And I think you have the testimony.

REP. MORRIS: This is the fiscal impact and this is what we need the State to help us with if the State wants us to be able to help the elderly.

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BRENDA COWETT: You mean as a dollar value total?

REP. MORRIS: You know, for that small population -- there you go. For that small population that's irresponsible, because we don't want to penalize the others and we want to be able to give them quality living spaces, this is the value of it, okay?

BRENDA COWETT: But I do think Milford Housing Authority put together dollar amounts. I'm just a small guy. I don't have a staff to do that.

REP. BUTLER: Great, thank you. Senator Gomes.

SENATOR GOMES: Could I ask you something?

BRENDA COWETT: Oh, I thought you wanted me to leave.

SENATOR GOMES: When this, when this deposit was put in -- and we don't have any language in front of us. In fact, this was only drawn to our by somebody submitting this bill without, without the deposit information in there.

Do I understand that it was after these people were tenants for over a year they would be given back the --

BRENDA COWETT: I don't know when it was initially put in. I think it was back in the '80s.

SENATOR GOMES: No, but I mean not when it was put in. The bill itself said after they were a tenant for a year, then they would receive their, their deposit back. They would give it back to them. It was sort of like a -- you're an old pro at this. I rely on information from you. It was sort of like a reward for

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being a good tenant for a year.

BRENDA COWETT: Oh, I think, yeah --

SENATOR GOMES: Am I right or wrong?

REP. BUTLER: Just say yes. We're running a little late.

BRENDA COWETT: The security deposit --

SENATOR GOMES: All this hassle over this, I want, I want a clarification of what this deposit was.

REP. BUTLER: Speak into the microphone, please.

BRENDA COWETT: Just switch his.

A VOICE: Just move over.

ANTHONY VASILIOU: I'm not going to represent that I'm an expert on the legislative intent when the bill passed it, enacted it. But my understanding is that seniors, housing was built initially for seniors and it was given as an opportunity because of the population's economic needs to provide a little bit more income back to the tenant. You might characterize it as a reward.

What happened in practice, I believe if the Chairman gets his data, you're going to find that probably a lot of Housing Authorities do not do that. I told you why we do it. So, my concerns are somewhat economic. Certainly I presented the data. Somewhat about disparate impact that goes on, I'd like everyone to be treated the same way. But I do believe and would agree with the Senator that it was a different population that was being served at that time. And in some cases -- I don't think

it's for this Committee at this point, but maybe probably do an investigations, needs to get back into the business of taking a look at the changing shape of public housing and who we serve and what those costs really are that are going up because we certainly don't have anywhere near the amount of money and we get no subsidy in the Federal side even with what would be considered by the State generous subsidies were slowly going away.

So, I told my mayor, I told Mayor Blake, I said -- after telling him what was going on with the Federal government taking money away from us, he says, well, what's the result? And I said, it's a train wreck and we probably will lose public housing or you'll lose so much of it that it will be economically impossible to bring it back. And 30 million I think is terrific. It's a great first step, Chairman Butler. I think it's wonderful.

And you're right, a lot of the Housing Authorities are very excited about getting money to modernize their units. And I won't get into the data, but I'd love to testify on that at a later date.

REP. BUTLER: Okay. And just for the record, I know you spoke earlier, but for the record could you just state your name again?

ANTHONY VASILIOU: Yes, I'm sorry. It's Anthony Vasiliou. I'm the executive director of the Milford redevelopment and housing partnership in Milford, Connecticut.

REP. BUTLER: All right, thank you.

ANTHONY VASILIOU: Thank you, sir.

SENATOR GOMES: So, the reason why I ask that, it

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wasn't a -- getting all of this hassle about this deposit and so on and so forth. What drew me out is when they started -- I have to say that when you started to classify these people as to who they were and so on and so forth, a different generation and blah, blah, blah, you were really -- if you look back at your testimony, you were really demonizing these senior citizens as being different from other senior citizens. And you're responsible as a group and so on and so forth. And then when you got down to it, we were talking about less than 10 percent. And that's the only reason I got drawn into this conversation. But the thing of it is, I thought that this deposit was that way, that they -- it was after they had been a tenant for a certain amount of time that they gave them back the deposit. But it wasn't that -- and I think the reason why it was put in there, if I remember correctly, is because to begin with, you haven't -- we didn't want to put no deposit -- give them no deposit. We didn't want to charge them a deposit at all.

ANTHONY VASILION: Correct.

SENATOR GOMES: But other people wanted to charge them a deposit. So, we agreed to, well, we'll charge them a deposit.

ANTHONY VASILION: That's right.

SENATOR GOMES: But, you know, these are people that ain't got much money. So, after a year, we give them back the money. Do you sort of remember it that way?

ANTHONY VASILIOU: I do, too. And we used it -- the discretion was you could either not do it, or if you did do it, it was with the reason of being able to go back and work with your

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tenants and have another opportunity to inspect the unit. Like we use it in a very positive way and help educate the tenants and go back and talk to them about their responsibilities, and also to encourage an interaction between housing staffs and the tenants so you don't lose touch with them. And it gives us another opportunity to --

SENATOR GOMES: The reason why I called on you to clarify this, I remember when I first came up here --

ANTHONY VASILIOU: Yes, sir.

SENATOR GOMES: You were up there. We had a hassle up in Milford about -- what was it about, seniors and disabled youth or how they were classing everything. Back at that time I found out you were pretty knowledgeable about what went on.

ANTHONY VASILIOU: Thank you.

SENATOR GOMES: You deal with CNAHRO, too, right?

ANTHONY VASILIOU: Yes, sir, at the national level.

SENATOR GOMES: That's why I wanted you to classify it. I thought you would know something.

ANTHONY VASILIOU: And for the Senator's classification, this State housing vouchers and Federal, just so -- quick, it will take me 10 seconds. What happens is that housing, both in the Federal world and particularly in the State world, they try to layer the subsidies in order to keep it affordable. And one of the ways that the State was able to build very small amounts of housing -- a lot of it's in Norwalk, by the way -- is they were able to take a Federal voucher which is called

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a project-based voucher because it stays with the unit, not with the tenant. And they moved it in there to help have an income stream that paid the State that debt back. So, that's what's going on in Middlefield. It's that simple.

So, what happens, you have to follow the Section 8 rules under the housing choice voucher program for the Federal Government. And then we have the State rules that we follow as public housers. But that's where it meets. It's a financing tool.

SENATOR GOMES: Great.

ANTHONY VASILIOU: Not a management tool.

SENATOR GOMES: I told you, my information source.

REP. BUTLER: Okay, I think we pretty much have summed this up here. So, unless there's any other questions.

Alrighty, then, thank you very much.

BRENDA COWETT: Thanks.

REP. BUTLER: You're free, go.

SENATOR GOMES: We never intended to lock you up.

REP. BUTLER: Next is Rashid Raja, Raji?

SENATOR GOMES: Raji, is that it?

RASHID RAJI: Ra-gee.

REP. BUTLER: Ra-gee.

SENATOR GOMES: Ra-gee?

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and, you know, it's part of the continuing education division of what we see is what we need to make this successful.

REP. BUTLER: All right. Well, thank you so much for your testimony.

Is there any other questions? Because I like the whole concept, is providing housing, revitalization of neighborhoods. It's creating jobs. I like the concept of the saturated -- let's revitalize a street, a block versus the scattered, you know, site housing that we've had for years that really, you know, nobody could really see the difference. The model that you talked about in New London is great. I know they also had that type of model in New Haven and they're really, they're really impressive. So, I think that we need to do more of that, and I think this is a good step towards that.

So, thank you again for your testimony.

ROBERT DeCOSMO: Thank you, Representative Butler.

REP. BUTLER: All right. Raphee Podolsky. We heard you weren't ready to speak until 3 o'clock. Do you want us to kill a couple minutes?

RAPHAEL PODOLSKY: (Inaudible).

REP. BUTLER: Oh, okay. Just teasing.

RAPHAEL PODOLSKY: Thank you very much, Representative Butler, Senator Gomes, Representative Wright, Representative Morris. My name is Raphael Podolsky. I'm with the Legal Assistance Resource Center which is part of the legal aid programs. I'm going to try and speak to, briefly, on four bills. I've

SB 94
HB 5225
SB 190
HB 5224

submitted written testimony on all four of them, but I do want to hit the highlights of each.

First is Senate Bill Number 94 which deals with the equal treatment of renters with mental disabilities. We support the bill. We've suggested what I will call some clean-up language. I think it's worth noting to you that the bill actually does less than meets the eye because there are significant parts of it that have really been the law for a long time.

The final bill that I hope will come out of this Committee I think should do two things. It should make clear that the law covers both mental and physical disability. And you should realize that to some extent it does already. People have certainly argued that a mental disability that can be treated with medicine is also a physical disability and is therefore already covered.

In addition, since this law was adopted -- the existing law was adopted in 1980. We've amended our constitution to prohibit discrimination based on mental disability. In some sense this bill simply conforms to that.

The second thing the bill should do, and is actually not in the bill now, is it should make clear that it doesn't matter whether the person with a disability is the primary tenant or a permanent occupant. And we've proposed some language that would make that clear.

That is not a true change in the law because in 1990 the Supreme Court said that is what the law means. The case decided in my written testimony, it's O'Brien Properties versus Rodriguez. But if you read the statute, you

would think that for the elderly it doesn't matter whether you're a primary tenant or not. You're protected, but for the disabled it does. But in fact, it's the same and the reason is they are all tenants. Doesn't matter -- it's not just if you're a tenant only if your name is on the lease. So, we support Senate Bill 94.

House Bill Number 5225 is the bill that you had a lot of conversation on dealing with security deposits in State elderly disabled housing. First of all, we don't have any objection to coordinating the interest rate under that statute with the general interest rate. And the reason we have no problem is from the beginning they were always intended to be coordinated. This was a slip up that nobody remembered. When you amend one statute, you need to amend the second one.

We oppose, however, the changing the law by -- that is proposed in the bill that would eliminate the fact that -- eliminate the part of the statute that says you return the security deposit in those programs after a year. We traced the statute back. It was adopted in 1979. It was adopted specifically for State elderly deposit -- elderly disabled housing. So, it's not some accident that it hasn't been repealed. It's been in effect for 32 years. There's no apparent reason to change it. We've submitted some substitute language that would accomplish that.

And I would just note that when people talk about you, they don't -- the Housing Authority doesn't have this pool of money. They can't make repairs with it. Apart from the points Representative Butler made, you're talking about security deposits of a couple hundred dollars.

If a tenant does a thousand dollars of damage, you can't take \$800 from your other tenants' security deposit and use it to pay. I mean, you're talking about -- it doesn't work like that. You can only use that \$200, and in the event assuming you had it, and it's not going to cover substantial damages. So, the actual -- I haven't seen the testimony that claims certain things, but I will bet you they are not -- they are losing track of the fact that this is not one big fungible pot of money. It's lot of little pots of money, one for each tenant.

Let me --

SENATOR GOMES: (Inaudible).

RAPHAEL PODOLSKY: Yeah, it's your security deposit. You can't use it to fix up something in your neighbor's apartment. They can't -- it's not their money. It's held in escrow. They can't touch that money until the time at which they would be allowed to return the deposit. So, it's apples and oranges and I think that the -- the way that it was talked about I think is simply the wrong way to talk about it.

I know the bell rang. I'm wonder -- if I could, I would very briefly like to say something about two other bills. Brief.

A VOICE: (Inaudible).

RAPHAEL PODOLSKY: Okay.

A VOICE: (Inaudible).

RAPHAEL PODOLSKY: I'll try to be really brief.
Senate Bill Number 190 is the bill dealing

REP. WRIGHT: On -- a couple of things. On the return of the security deposits, I don't think what they were saying was that they were using the money from the security deposits to do the repairs. What they were saying is that, that if you didn't automatically just return the security deposits after a year, that the people who were living there would be more likely to be more responsible with the building and not incur all the costs when they, when they eventually do leave, like the lady she had mentioned who had her dog that she let just relieve itself in, in the, in the apartment and, you know, caused a thousand dollars just to repair the carpet.

So, I don't think it was, it was -- they weren't making the point that they were going to be using the security deposit. It was that the money that they had to spend to repair that one unit exceeded their maintenance budget for the whole building for the entire year. So, I don't think that that's -- that that's what she was saying. I think you might have misinterpreted what she was saying.

With the bed bugs it's not, it's not requiring the renters to pay for, for the exterminate error paying for anyone. The line that you were stating, you left out the second half of the statement -- of the sentence and the rest of it. What it was saying is that any costs incurred by -- if the tenant moves out for a couple of days while it's being done, the landlord does not have to pay for their cost of staying somewhere else. That, that's what was, that's what was being discussed in that, in that sentence, that the landlord would need to abate their rent for, say, the two days they rented someplace -- somewhere else, but the landlord would not have to pay for, you

HB 5225SB 190



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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 17,764¹ units of subsidized state public housing in 407¹ 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^{*1} of low or moderate income units in 407^{*1} 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 or telephone me at: (203) 877-1779..

Exhibit A

Milford Redevelopment & Housing Partnership -- Exhibit A		
Security Deposit Refund Process \ Data Collected from 04/01/09 -- 02/24/ 34 months refunds issued = 47		
<u>Public Housing Dept.</u>		
Monthly report Yardi to confirm any residents with a 1 year anniversary	0.1	3.4
Letters to residents of Date \ Time of inspections	0.5	23.5
Each inspection	0.5	23.5
process paper work, emails, photocopies to acting, backup folder, tenant files	0.1	4.7
Total Time		55.1
Actual Cost		\$1,510.84
<u>Finance Dept.</u>		
verify sec dep amount pd, calculate interest, Create \ post payable	0.2	9.4
print check	0.1	4.7
Copy checks, distribute copies to tenant file, backup folder, payment voucher	0.3	14.1
Total Time		28.2
Actual Cost		\$1,183.27
Postage	0.44	\$20.68
Total Actual Cost		\$2,714.79
Average Cost to process Single Security Deposit Refund		\$57.76
Prepared by M Dempsey	(\$2714.79/47)	
Source Yardi 04/01/2009-02/24/2012		
2/27/2012		

Exhibit B

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			
Totals		3393.00		-\$440.00	\$3,263.00	\$3,497.88	\$916.32	\$7,237.20			
Prepared by M. Dempsey											
Source: Yardl 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

Legislative Committee on Housing
Thursday, March 8, 2012
Brenda S Cowett, Executive Director
Middlefield Housing Authority

Raised Bill No. 5225 - "An Act Concerning Security Deposits of Senior Citizens and Persons with Disabilities in Public Housing"

Hi, I'm Brenda Cowett and am currently the Executive Director of the Middlefield Housing Authority. We're a very small Housing Authority, but a good representation of the 70 Small Public Housing Authorities in Connecticut. What's a small Housing Authority? Each of us range in the number of housing units that we offer, from 17 to 245. There are 50 of us with less than 100 units; all of us are normally understaffed and overworked. Most of our Executive Directors are the "Chief Cooks and Bottle Washers", doing everything from Budgeting to Toilet Plunging. On behalf of all us little guys 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"**.

Currently our housing authority is wrangling with a situation that depicts just one example of the need to correct the security deposit issue with respect to "elderly" tenants. We are trying to recoup our expenses from a former elderly resident. These losses/costs amounted to \$458.76 consisting of damages and lost rent *plus* \$800 in legal fees to date. Per adherence to current State Statute there was no security deposit. If there were, this former tenant may have at least turned in her keys to the apartment, shown up for the move-out inspection, and removed her remaining unwanted belongings – including her bed.

Another couple of instances we've had are the midnight movers. We have had "elderly" renters move out in the middle of the night without notice; we ate the loss of rent and repairs that were needed; the costs to recoup these expenses would have exceeded the amounts we could recover - if we could even collect from the former tenant.

Another recent elderly move-out episode cost us \$250 in restoration fees, \$165 in subcontracted cleaning, \$1,000 in a new carpet, plus a week's worth of our maintainer's time. Apparently this former resident allowed her dog to use her bedroom as a "kitty litter box". Would a security deposit have covered these expenses? No, but I believe a security deposit would have been an incentive to be a responsible pet owner.

I can't come up with any economically sound reason that a statute would even exist that returns security deposits of "elderly" residents after one year. Maybe it was enacted at a time when all of our elderly population was regarded as the most highly respected and responsible citizens of our community — having sacrificed and endured the Great Depression and WWII. Due in part to legislated statutes and regulations, we now have quite a different generation and/or definition of elderly.

Housing Authorities do not have the resources to be society's panacea. On the contrary, we need to hold on to security deposits as both an incentive for the renter to be responsible housekeepers

and as a deterrent to breaking their leases. Public Housing Authorities just cannot afford to absorb the costs associated with the neglect or irresponsibility of any renter. We are not taxing entities; we can't assess the costs associated with a few to be paid by the general public. In our case, we can't even raise rents to cover these costs; instead, to cover these costs our property as a whole suffers along with the renters that are responsible and conscientious.

Additionally, the interest rate paid on security deposits should be in line with the market. We, particularly us small housing authorities, could never afford to absorb paying out more than 5 times the interest that can be earned on these security deposit accounts.

As a representation of the 70 small Housing Authorities in Connecticut, I want to reinforce the reality that we can't even afford to absorb the diminutive \$458.76 that I cited in my first example, let alone any legal fees to try and collect. Please allow us to hold on to security deposits; the outcome would be clear and enforceable tenant/landlord polices, ultimately leading to healthier resident-management relations.

WRITTEN TESTIMONY of The Housing Authority of the City of Bristol

Before the Joint Committee on Housing

H.B. Number 5225 "An Act Concerning Security Deposits of Senior Citizens and Persons with Disabilities in Public Housing"

Thursday, March 1, 2012

Co-chairs Gomes and Butler and members of the committee, on behalf of the Housing Authority of the City of Bristol as well as the Connecticut chapter of the National Association of Housing and Redevelopment Officials we would like to state our support of H.B. Number 5225 "An Act Concerning Security Deposits of Senior Citizens and Persons with Disabilities in Public Housing".

- The Purpose of collecting a security deposit is to cover any unpaid rents and/or damages, caused by the resident to the rental property, at the end of tenancy.
- Public Housing Authorities (PHAs) incur costs associated with unpaid rents and damages regardless of age and disability. We have found that senior and young disabled tenants have unpaid rent balances and damages equal to other tenants. Returning the security deposit to the elderly and young disabled establishes a distinction which is contrary to our experience.
- Costs to repair damages made to these units and any unpaid rent balances have to be absorbed by the PHA, to the detriment of other properties and the tenants that we serve.
- Without security deposits it is nearly impossible to collect for unpaid rents and/or damages to the units upon move out. Collection efforts are often useless since collectors cannot garnish federal disability and Social Security payments, which in many cases is the only source of income for these tenants.
- Security deposits are maintained in separate escrow accounts. The accounts earn interest paid by the bank. At this time the interest paid by our bank is .21%. The current regulations require the PHA to pay 5 25%. This results in unfunded mandate, to the detriment of other properties and tenants.
- Tenants at the subject properties pay 30% of their adjusted income. In many cases the tenant pays zero rent. Our average rent is \$240.00 at our Elderly/Young Disabled properties, 260 Units include heat and hot water; 164 other units include heat, hot water and electricity.

- PHA's now receive from the U.S. Department of Housing and Urban Development (HUD) about 95% of the net operating cost necessary to provide heat, hot water and in some cases for the tenant's electric bill and no subsidy for the State properties.
- We do have many lease abiding residents. However, there are many elderly and young disabled residents who have unauthorized family members in their unit who also cause damages.
- PHAs incur legal fees and cost for repairs. The eviction process often takes a significant amount of time, especially when the individual is elderly or disabled. Within the last two years our agency has written off over \$26,300 due to bad debt.
- During the month of February, 2011, one of our senior disabled tenant at Gaylord Towers caused a fire in his unit when he fell asleep while smoking a cigarette in bed. Unfortunately, the person died from the incident. The total amount of damages to the unit, surrounding units and hallways was 38,793.96. The deductible from this total was \$5,000 and the unit was off line until August 2011.
- During the month of April, 2011 at one of our high rises, another young disabled tenant vandalized a sprinkler head in her unit. There was extensive water damage throughout her unit as well as the building. The total amount in damages was \$42,438.80. The deductible from this total was \$5,000.
- At another property, a senior cause a fire in her unit due to smoking which cost \$87,590 with corresponding \$5,000 deductible
- Another point we would like to make is that Public Housing Authorities must, as "Reasonable Accommodation", allow pets like cats and dogs and collect no pet deposits for this. These animals, in many occasions, will also cause damage to the unit, buildings and grounds resulting in additional damages to be absorbed by the PHAs to the detriment of other properties and tenants.

We respectfully ask the committee to favorably vote on HB 5225 and support its passage in this legislative session.

Housing Committee

Public Hearing on Raised Bill No. 5225

March 8, 2012

Testimony of Scott C. Bertrand

Ladies and Gentlemen of the Housing Committee: My name is Scott Bertrand and I am a Past President of the Connecticut Chapter of the National Association of Housing & Redevelopment Officials more commonly known as CONN-NAHRO. I am also the Executive Director of the Enfield Housing Authority where I have worked for over ten years.

I support Raised Bill No. 5225 – An Act Concerning Security Deposits of Senior Citizens and Persons with Disabilities in Public Housing

The current Statute requires security deposits to be returned after one year of tenancy and there are several issues with the existing law.

First, most tenants resided more than one year before they vacate, leaving no security deposit to offset damages.

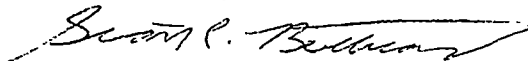
Second, for state financed developments, the cost of damages is ultimately borne by the other remaining tenants as there is no ongoing subsidy.

Lastly, due to the administrative burden of returning after one year, we do not even bother to collect one.

This past year the Enfield Housing Authority had experienced about \$5,000 in move damages for the elderly/disabled units. For 2010 the amount was about \$4,500.

With consideration to the above, I urge the Housing Committee to support Raised Bill No. 5225.

Respectfully submitted,



Scott C. Bertrand



Connecticut Chapter
National Association of Housing and Redevelopment Officials
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*March 8, 2012, Legislative Committee on Housing
Written Testimony submitted by
Jeffrey Arn, Vice President of Housing and Legislation
On behalf of the membership of Conn-NAHRO*

Conn-NAHRO is the Connecticut chapter of the National Association of Housing and Redevelopment Officials, its membership is comprised of Public Housing Authorities and other individuals and organizations involved in affordable housing

Co-Chairmen Gomes and Butler and members of the Housing Committee:

My name is Jeffrey Arn, I am the current, Vice President of Housing and Legislation for Conn-NAHRO, I am the Executive Director of the Vernon Housing Authority and I also serve as a Commissioner for the Coventry Housing Authority. **I am writing in support of Raised Bill No. 5225, "An Act Concerning Security Deposits of Senior Citizens and Persons with Disabilities in Public Housing".**

My fellow CONN-NAHRO members have submitted in the written testimony, and you will hear in testimony from our Executive Director and my fellow housing practitioners, the current statutory requirements regarding security deposits in State senior and disabled housing are impractical and ineffectual.

As the statute currently exists, a housing authority cannot hold an elderly or disabled tenants security deposit for more than a year. In addition, when we return the security deposit after that year we must pay 5 ¼% interest to the tenant. This not only defeats the purpose of a security deposit to incentivize the personal responsibility of the tenant for the care and usage of the housing. It also creates an administrative and financial burden upon our agencies. Many of our member agencies currently do not collect security deposits because of these burdens. Most residents stay well beyond one year at our properties, yet the agencies are expected to incur the expenses of repairing apartments from tenants who leave without any incentive to leave the housing in good condition.

Public housing authorities are experiencing circumstances where tenants cause damage to an apartment and move out without notice causing extensive maintenance and legal costs to properly prepare and lease an apartment. We are also realizing that many families no longer bear the responsibility of tending to their loved ones obligations upon their passing. We have

March 8, 2012

H.B. No. 5225

Testimony by Jeffrey Arn

families that upon the passing of a tenant will remove only items of value from an apartment and leave the remaining disarray for the Housing Authority to clean-up.

These trends have lead us to this point where we are in need of statutory relief to help provide incentives to tenants to treat public housing authority property in a proper manner and to defer the costs caused by individuals so they are not a burden to other residents.

At the Vernon Housing Authority's State of Connecticut elderly and disabled property the current average stay is 6.3 years. This effectively renders the current system of collecting and returning security deposits inadequate. Due to these costs and burdens, the Vernon Housing Authority cannot afford to collect security deposits at this property. All repairs become part of the operating costs of the property, thereby putting pressure on us to increase base rents for other tenants who are responsibly residing in that property.

At the Coventry Housing Authority, where I volunteer as a commissioner, the collection of security deposits from residents stopped this past January due to the administrative burden and the cost of returning 5 ¼ % interest on the funds being returned

In addition to the two agencies I am personally associated with, there are an extensive number of housing authorities throughout the state that cannot afford to collect security deposits under the current statutory requirements.

This leads me to the most significant reason why I am in support of changing the Statutes with this proposed bill. The current statute has created a system that causes housing authorities to defray the costs caused by a few individuals onto all their residents. This happens when they have to spend budgeted maintenance and betterment funds on unexpected damage left by tenants when vacating apartments. Unfortunately, these properties do not receive any operating funds from the State and the budgets are extremely tight. Any unplanned expense is magnified at these properties and inevitably harms the quality of service we need to provide to our elderly and disabled residents.

In conclusion I would like to reiterate that the current regulations do not work for housing authorities and our tenants. This bill if enacted will not harm those tenants that properly treat public housing. It will serve as a deterrent and provide accountability to those who choose to damage the public property they have the privilege to live in. Additionally, the bill will provide some financial relief for agencies that have no other means to recoup these costs.

Thank you for taking the time to read this testimony.



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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 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.



Testimony of Daisy Franklin before the
Connecticut Legislature's Housing Committee in Opposition to House Bill 5225
March 8, 2012

Good morning. My name is Daisy Franklin. I am a resident of Norwalk. I am Vice President of the Publicly-assisted Housing Resident Network, PHRN. I am speaking before you today on behalf of the members of our organization.

PHRN opposes House Bill 5225 in its present form because it amends Section 47a-22a of the Connecticut General Statutes to allow a housing authority to keep an elderly or disabled resident's security deposit beyond the one year limit currently in effect.

We understand and are sympathetic to the difficult situation in which housing authorities find themselves as they try to maintain their property and balance their books at a time when operating and administrative revenues are shrinking due to federal cutbacks and the loss of rental income. However, we do not believe that elderly and disabled residents – some of the poorest and most vulnerable of all public housing residents – should forego the return of their security deposits after a year for any reason. They are trying to make ends meet on social security, disability payments or small pensions. Many already take many meals each week in soup kitchens because they don't have enough money to buy food, especially near the end of the month. Quite a few take their daily medicine every other day, reducing costs in an effort to get by on what they receive each month. Why are we looking to balance our public budgets on the backs of the poorest among us?

I ask this Committee's members to reject House Bill 5225.

Legal Assistance Resource Center of Connecticut, Inc.

44 Capitol Avenue, Suite 301 ♦ Hartford, Connecticut 06106
(860) 278-5688 x203 ♦ cell (860) 836-6355 ♦ fax (860) 278-2957 ♦ RPodolsky@LARCC.org

H.B. 5225 -- Security deposits in State Elderly/Disabled Housing

Housing Committee public hearing -- March 8, 2012

Testimony of Raphael L. Podolsky

Recommended Committee action: REJECTION OF THE BILL
UNLESS IT IS REVISED

C.G.S. 47a-22a is a special statute for residents of State Elderly/Disabled Housing (state public housing for seniors and persons with disabilities) that was adopted in 1979 as P.A. 79-371. H.B. 5225, which amends this statute, declares in its Statement of Purpose that its purpose is to make the statutes uniform concerning "the calculation of interest on security deposits." We do not oppose that portion of the bill. The bill, however, also repeals the requirement that security deposits in State Elderly/Disabled Housing be returned to the resident after one year. Unless this second, undisclosed portion of the bill is removed, we oppose passage of the bill.

(1) Interest rate: When originally adopted, 47a-22a applied the same interest rate to security deposits in State Elderly/Disabled Housing as the law required for other security deposits. That rate was originally 4%, then 5%. In 1993, the rate was changed to an index published annually by the Banking Commissioner. It appears, however, that the 1993 change (and a subsequent change made last year), which amended 47a-21, failed to change 47a-22a. H.B. 5225 makes them the same. We believe that 47a-22a was always intended to have the same interest rate as 47a-21; and for that that reason we do not object to that portion of H.B. 5225.

(2) Return of the security deposit: C.G.S. 47a-22a, however, was always intended to provide a special benefit to residents of State Elderly/Disabled Housing by requiring that housing authorities treat the security deposit as a temporary, quasi-probationary requirement, to be returned to the tenant after one year. This benefit has been in place for 32 years, and there is no good reason now to take it away from seniors and persons with disabilities who live in State Elderly/Disabled Housing. Moreover, because public housing security deposits are small, the impact of 47a-22a is small for housing authorities but much more significant for the low-income seniors and disabled persons who live there. This section should be removed from the bill.

I have attached on the reverse side proposed substitute language to retain the proposed interest rate change but remove the proposed change on the return of the security deposit. The draft also makes a technical change to make clear that the new rates will apply only to months after the effective date of the bill. It also moves the effective date back three months to January 1, 2013, so as to coordinate it with the Banking Commissioner's annual change in security deposit interest rates. January 1 was the effective date last year of P.A. 11-94, which repealed the old 1.5% minimum rate.

(continued on reverse side....)

Proposed substitute for H.B. 5225:

Section 1. Section 47a-22a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2013*):

Any housing authority, community housing development corporation, or other corporation approved by the Commissioner of Social Services for state financial assistance to provide public housing for senior citizens and disabled persons under the provisions of part VI or VII of chapter 128 shall return any security deposit with interest at a rate of not less than four per cent per annum and, on and after October 1, 1982, at a rate of not less than five and one-quarter per cent per annum, and on and after January 1, 2013, at the rate calculated in accordance with the provisions of subsection (i) of section 47a-21, to any tenant who has resided in such housing for at least one year.



Housing Committee
Public Hearing
March 8, 2012

**Testimony of Betsy Crum,
Executive Director, Connecticut Housing Coalition**

Oppose: HB 5225, AN ACT CONCERNING SECURITY DEPOSITS OF SENIOR CITIZENS AND PERSONS WITH DISABILITIES IN PUBLIC HOUSING, which Includes:

- Repeal of the provision in 47a-22a that requires that the security deposit be returned to the tenant after one year.

Senator Gomes, Representative Butler and Members of the Housing Committee:

Thank you for the opportunity to testify today. My name is Betsy Crum, and I am the Executive Director of the Connecticut Housing Coalition. The Connecticut Housing Coalition is a membership organization that represents the broad, vibrant network of community-based affordable housing activity across the state. Our more than 250 member organizations and individuals include nonprofit developers, human service agencies, resident associations, and diverse other housing practitioners and advocates. Founded in 1981, the Coalition works to expand housing opportunity and to increase the quantity and quality of affordable housing in Connecticut.

House Bill 5225 as drafted proposes to amend the current laws governing security deposits in state-funded senior/disabled housing developments. The first change would reduce the interests rates paid on those deposits to be consistent with the rate paid on other security deposits, and bring it in line with the current market conditions. The Connecticut Housing Coalition does not oppose that change, and in fact thinks it is overdue. The existing security deposit amount places an unfair and unsupportable burden on public housing authorities and other owners of senior/disabled housing units.

We do, however, oppose the other change to the existing statute, which would repeal the requirement that security deposits be returned after one year. This change would alter the practice that has been in place for state elderly/disabled housing for 32 years, and was intended to recognize that these households are on extremely fixed and limited incomes. That circumstance has not changed, and many count on having the deposit returned in order to pay deferred living costs.

I certainly appreciate that our Public Housing Authorities are faced with ever-increasing expenses and have had to bear significant reductions to operating and capital budgets. That is an issue that we hope will be addressed over time and with the assistance of a renewed state commitment to



5225

stabilizing and revitalizing this portfolio. These shortfalls should not be made up by turning to the residents for a new source of revenue.

The current law allows owners to hold a security deposit for a period of one year. This timeframe should be sufficient to know whether the tenant is likely to be destructive or negligent. After that year, it should continue to be released to the tenant, as it has been for over three decades. I urge you to reject that portion of the bill and retain this important feature for our low income seniors and people with disabilities.

Thank you for the opportunity to submit these comments.

Respectfully submitted,

Betsy Crum
Executive Director

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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2012**

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2, dated Wednesday, May 2, 2012, to be incorporated into the Senate Journal and the Senate transcript.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, we have some additional items to mark at this time. First is on calendar page 2, Calendar 129, Senate Bill 324; the second is on calendar page 3, Calendar 189, Senate Bill 323.

And then two items on calendar page 21, Calendar Number 72, Senate Bill 63; and also calendar page 21, Calendar Number 73, Senate Bill 195. If we might mark those items as go and take those up in sequence.

In addition, Madam President, we have some items to add to our consent calendar. Madam President, beginning on calendar page 5, Calendar 237, House Bill 5057, would move to place that item on the consent calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Calendar page 6, House Bill 5225, move to place that item on the consent calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Moving to calendar page 11 where we have two items. The first, Calendar 365, House Bill 5094, move to place this

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Thank you, madam.

And if there's no objection, I'd ask that this be put on
the consent calendar.

THE CHAIR:

Seeing no objection, so ordered.

Mr. Clerk --

Oh, sorry. Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President. Madam President.

THE CHAIR:

Yes. Yes, Senator Looney.

SENATOR LOONEY:

Yes, Thank you, Madam President.

Madam President, if the Clerk would now read the items on the consent calendar so that we might proceed to a vote on that consent calendar.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Let's see. On today's consent calendar we have on page 1, Calendar 85, Senate Bill Number 43; page 3, Calendar 189, Senate Bill 323; page 4, Calendar 205, Senate Bill Number 237; on page 5, Calendar 237, House Bill Number 5057; on page 6, Calendar 294, Senate Bill 111.

Also on page 6, Calendar 298, House Bill 5225; on page 11, Calendar 365, House Bill Number 5094; on page 11, Calendar 370, House Bill 5287; on page 13, Calendar 385,

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House Bill 5123; on page 15, Calendar 401, House Bill 5516; on page 19, Calendar 421, House Bill 5107.

On page 21, Calendar 59, Senate Bill Number 97; also on page 21, Calendar 90, Senate Bill 188; on page 21, again, Calendar 72, Senate Bill 63; page 21, Calendar 73, Senate Bill 195; on page 22, Calendar 104, Senate Bill 207; on page 24, Calendar 197, Senate Bill Number 315; also on page 24, Calendar 183, Senate Bill 234.

Page 25, Calendar 208, Senate Bill 347; on page 25, Calendar 233, Senate Bill 371; on page 26, Calendar 275, Senate Bill 391; on page 27, Calendar 288, Senate Bill 299; on page 27, Calendar 292, Senate Bill 156; and on page 28, Calendar 333, Senate Bill Number 426.

THE CHAIR:

Okay. Mr. Clerk, would you please call for a roll call vote and the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Senators please return to the Chamber. Immediate roll call has been ordered in the Senate.

THE CHAIR:

If all members have voted -- all members voted. The machine will be closed. And Mr. Clerk, will you call this great tally?

THE CLERK:

On today's consent calendar.

Total Number voting	36	
Necessary for adoption	19	
Those voting Yea		36
Those voting Nay		0
Those absent and not voting	0	

THE CHAIR:

The consent calendar passed.