



April 29, 2020

Commissioner Seila Mosquera-Bruno  
Connecticut Department of Housing  
505 Hudson Street  
Hartford, CT 06105

Re: Comments on the Draft State of Connecticut 2019- 2020 Action Plan Amendment  
For Housing and Community Development

Dear Commissioner Mosquera-Bruno:

The Connecticut Fair Housing Center, Greater Hartford Legal Aid, New Haven Legal Assistance, Connecticut Legal Services, Connecticut Veterans Legal Center, and Connecticut Legal Rights Project (the signers) submit these comments on the DRAFT State of Connecticut 2019 – 2020 Action Plan Amendment for Housing and Community Development (Action Plan Amendment). We applaud the actions taken by the State of Connecticut and the Department of Housing (DOH) in response to the unique challenges posed by the COVID-19 virus and the resulting economic shutdown. DOH's actions have prevented the spread of the virus among people who are homeless and ensured that this vulnerable population has appropriate services.

However, tenants in Connecticut, and particularly tenants of color, face a bigger crisis in June when the courts open and in July when landlords are able to file summary process actions (evictions) for nonpayment of rent. When tenants cannot pay their rent, landlords cannot pay their mortgages, maintain the housing, or pay their property taxes. These severe economic consequences impact tenants, landlords, and municipalities alike. The most effective way to break this downward cycle of economic and social impacts is to use CARES Act funding for eviction prevention. By paying delinquent rent before summary process actions are filed, tenants will be able to stay in their homes and there will be a reduced need for homelessness services.

### **Obligation to Affirmatively Further Fair Housing**

The passage of the federal Fair Housing Act in 1968 obligates recipients of federal financial support from the U.S. Department of Housing and Urban Development (HUD) to affirmatively further fair housing (AFFH). *See* 42 U.S.C. § 3608(d). As set out in 24 CFR § 5.152, affirmatively furthering fair housing means:

. . . taking meaningful actions that, taken together, *address significant disparities in housing needs* and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining

compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a program participant's activities and programs relating to housing and urban development. (emphasis added).

When the Coronavirus Aid, Relief and Economic Security Act (CARES Act) became law on March 27, 2020, the obligation to AFFH came with the money passed through HUD. Therefore, any money given to DOH through the CARES Act must be spent in a way that addresses significant disparities in housing needs as well as transforming racially and ethnically concentrated areas of poverty into areas of opportunity.

Decades of discriminatory housing practices, that build and maintain segregated neighborhoods, mean people of color in Connecticut continue to be hardest hit by the COVID-19 crisis. In Connecticut, people of color have lower homeownership rates resulting in greater numbers living in multifamily units. According to [CT Data Collaborative](#), 60.5% of African-American families and 65.8% of Latino families rent their homes compared to just 23.9% of White families. These multifamily units typically have more shared living spaces like laundries, elevators, and hallways, contributing to higher rates of the spread of the virus. In addition, many people of color are essential workers and are continuing to interact with the public while working in healthcare, grocery stores, transportation services, and delivery services. Because of the types of jobs they are disproportionately likely to have and existing disparities in the healthcare system, many people of color lack employer-provided healthcare or other health insurance, contributing to a lack of treatment for COVID-19 risk factors like obesity and coronary artery disease. Finally, fewer people of color have access to COVID-19 testing than whites. For information on the effects of the COVID-19 crisis on communities of color, click [here](#), [here](#), [here](#), and [here](#).

When the courts open again in June, people of color will disproportionately fill the dockets on days when summary process actions are heard and will disproportionately face the loss of their homes due to nonpayment of rent. As a result, it is imperative that the money spent under the CARES Act keep people in their homes and not jammed into courtrooms or displaced to homeless shelters. While homeless prevention and an expansion of the Rapid Rehousing Program will also assist people of color, these services do not address the needs of the majority of people affected by the COVID-19 economic shut down. Since the start of the crisis, the Coordinated Access Networks have worked to assist people who are chronically homeless and/or have a high risk of infection. The focus has been on getting this vulnerable population into placements that prevent the spread of the virus and provide shelter for people who are already infected. During this next phase, the emphasis needs to be on keeping people in their homes.

### **Need for Additional Funding**

Currently, the State's proposed CARES Act expenditures include just \$2,809,579 for an Eviction Prevention Program. Given that 220,000 Connecticut residents have already applied for unemployment, the amount set aside for eviction prevention is inadequate. Between March 11, when Governor Lamont declared a state of emergency, and April 10 when he issued an Executive Order preventing landlords from filing any additional eviction actions until July 1, more than 800 summary process cases were filed with the Connecticut courts. After the Governor's April 10 Executive Order 7X was issued, another 28 summary process actions were

filed. It is clear from these filings that without immediate action, the State's shelters will need to expand exponentially to handle the influx of families who will become homeless due to nonpayment of rent.

For context, the City of [Boston](#) recently announced a plan to spend \$3 million to assist renters in a city that is one-fifth the size of Connecticut. In Washington State, United Way of King County, in partnership with King County, the City of Seattle, and the Seattle Foundation, [announced](#) the launch of a \$5 million investment in an expanded program to provide rental assistance to King County households that have lost all or part of their income due to the coronavirus pandemic. It is estimated these funds will help up to 2,000 families stay in their homes. The city of [Dallas](#), a little more than a third of the size of Connecticut, just approved a total of \$13.7 million in relief to help pay rent, mortgages, and utilities for residents who are unemployed or furloughed because of the coronavirus. Eligible households could get up to \$1,500 for a maximum of three months. Finally, Governor Abbott of [Texas](#) recently decided to use HOME Trust Fund moneys for rental assistance in an effort to prevent tenants who cannot pay their rent from becoming homeless.

### **Rental Market Stabilization Fund Proposal**

The signers urge that the allocation of the CARES Act funding, as laid out in the Action Plan Amendment, be modified, since it will not affirmatively further fair housing and will increase the disparities in access to housing. Instead, we ask that DOH create the Rental Market Stabilization Fund (Stabilization Fund). The Stabilization Fund will provide rental assistance to residential landlords who have lost rental income due to the economic impact of COVID-19. Landlords will be required to apply to the Stabilization Fund, on behalf of and with the cooperation of their tenants, to seek compensation for lost rental income prior to the termination of a residential lease or initiation of an eviction. Eligible tenants may also apply. Stabilization Fund assistance will be applied to residential tenants' outstanding rental account balances, provided that the household has paid, or agreed to pay, at least 30% of their household income as rent for each affected month. Landlords who receive assistance from the Stabilization Fund must forgive a portion of the unpaid rent, remove late fees, interest, penalties, and similar charges from tenants' rental account balances, and agree to maintain the assisted tenancy, without any rent increase, for a period of twelve months. Other states, including New Jersey and California, are discussing similar programs.

To address significant disparities in access to housing and to keep families housed, the signers recommend that the \$2.8 million currently allocated for eviction prevention be used to create the Stabilization Fund program, choose a fund administrator, conduct a needs assessment, and roll out assistance to the neediest tenants who have lost income due to unemployment. In addition, the signers recommend four additional sources of funding for this program. First, DOH should include funding of eviction prevention in the allocation of the \$4 million available from the ESG Rapid Rehousing Program to reduce eviction related need for Rapid Rehousing services. Rapid Rehousing and shelter beds cost the state more on a per household basis than the Stabilization Fund assistance would. Second, DOH should distribute \$7,894,393 from the Small Cities CDBG – CARES funding only to communities who agree to use their allocations for the Stabilization Fund for landlords and tenants living in their communities. In the past, DOH has

had difficulty getting small cities participants to use CDBG funds for people of color living in their communities. By requiring the municipalities to use the funds for the Stabilization Fund, it is likely that people of color will also benefit. See, HUD guidance on use of [CDBG-CARES funding](#). Third, DOH should explore whether there is CARES Act money in the [HOME Investment Partnership Program](#) that can be used for the Stabilization Fund. Finally, DOH should convene a meeting with entitlement communities to determine if they will also use their CARES Act funds to assist tenants and landlords in their communities through the Stabilization Fund, thus making it state-wide. By setting aside an appropriate amount of funding for eviction prevention as well as working to make this program state-wide, Connecticut will avoid overflowing shelters and the loss of housing for large numbers of families while addressing the disparity in access to housing resources.

Thank you for your work on this issue. We are happy to discuss any of the issues raised in this letter.

Very truly yours,



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