



May 18, 2020

via email

The Honorable Governor Ned Lamont
Office of the Governor
State of Connecticut
210 Capitol Avenue
Hartford, CT 06106

Re: Coronavirus Relief Funds and Rental Assistance

Dear Governor Lamont,

We write to urge the allocation of Coronavirus Relief Funds to protect the rental housing market from the destabilizing effects of the current public health emergency.¹

Numerous reports have analyzed the magnitude of this impending crisis. Most recently, the National Low Income Housing Coalition has documented that lower income renter households have experienced outsized job losses because they tend to work in industries disproportionately impacted by the public health emergency leading to an inability to afford their rent and a significant need for rental assistance.² NLIHC warns that temporary enhanced unemployment and one-time stimulus checks will be insufficient to stabilize the residential housing market. Federal Reserve data corroborates these findings, indicating that nationwide 40% of households earning less than \$40,000 a year have become unemployed during this crisis.³

¹ On May 4, the Department of Treasury confirmed that Coronavirus Relief Funds may be used for rental assistance programs. <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

² <https://nlihc.org/sites/default/files/Emergency-Rental-Assistance-Needs-for-Workers-Struggling-due-to-COVID-19.pdf> (estimating national need for \$9.9 billion a month in rental assistance and collecting the result of other analyses); <https://housingmatters.urban.org/articles/what-can-state-and-local-governments-do-stabilize-renters-during-pandemic>

³ <https://www.businessinsider.com/fed-chair-powell-households-coronavirus-jobs-low-income-lost-percentage-2020-5>

The massive rise in unemployment in Connecticut due to the pandemic has resulted in thousands of tenants being unable to pay their rent through no fault of their own, causing a ripple effect and downward spiral throughout our state and local communities. If tenants are unable to pay their rent, their landlords will then have trouble paying their mortgages and property taxes; and our cities and municipalities that rely on those taxes to fund sorely needed services will also feel the shortfall. Without intervention, the public health pandemic will likely precipitate a housing and homelessness emergency. Connecticut should act now and use available state and federal resources, most importantly Coronavirus Relief Funds to stabilize the rental housing market. This will reduce anxiety among tenants, instill confidence in landlords that they will not be harmed by the public health measures the pandemic necessitates, and avoid the public health consequences of a massive wave of eviction judgments and an overwhelmed court system.

Other states have taken steps to enact meaningful rental assistance programs. The New Jersey legislature has passed a bill, which is awaiting the Governor's signature, to establish a \$100 million rental assistance program; and Montana has allocated \$50 million of Coronavirus Relief funds to a program covering the difference between 30% of a household's income and its rent obligation.⁴ Connecticut should follow these examples if it wishes to avoid the cascading effects that will result from the eviction, homelessness, and foreclosure crisis that will occur in the absence of intervention.

We look forward to your response and to working together to protect Connecticut's families and the health of its residential rental market.

⁴ Even before the pandemic Connecticut households faced one of the highest overall rent burdens in the country. For instance the hourly wage a full-time wage earner would need to pay for a typical two-bedroom rental home in Connecticut is \$25.40. A minimum wage earner would need to work 101 hours a week to afford a typical two-bedroom home. "National Low Income Housing Coalition: Out of Reach 2019" available at <https://reports.nlihc.org/oor/>.

Our organizations have submitted to the Department of Housing a plan for a Rental Market Stabilization Fund to assist tenants who have experienced financial hardship as a result of the public health emergency. The program would require impacted tenants to pay a portion of their household income towards rent and compensate landlords for a significant portion of any unpaid rent instead of pursuing eviction.

Respectfully,

Nilda R. Havrilla, Litigation and Advocacy Director
Connecticut Legal Services, Inc.

Giovanna Shay, Litigation Director
Greater Hartford Legal Aid

Shelley White, Litigation Director
New Haven Legal Assistance Association, Inc.

Erin Kemple, Executive Director
Connecticut Fair Housing Center

Kathy Flaherty, Executive Director
Connecticut Legal Rights Project

Liam Brennan, Executive Director
Connecticut Veterans Legal Center

J.L. Pottenger, Jr.
Housing Clinic, Jerome N. Frank Legal Services Organization at Yale Law School⁵

Cc: Commissioner Seila Mosquera-Bruno, Connecticut Department of Housing
Lisa Tepper Bates
Paul Mounds
Josh Geballe

⁵ This letter does not represent the institutional views of Yale University or Yale Law School.