PARTNERSHIP FOR STRONG COMMUNITIES

Partnership for Strong Communities promotes equitable change in Connecticut housing policy by coordinating advocacy, advancing research, and uniting diverse partners

TESTIMONY BEFORE THE APPROPRIATIONS
CONSERVATION AND DEVELOPMENT SUBCOMMITTEE
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WEDNESDAY, FEBRUARY 26, 2025

H.B. 6864 – AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH, 2027, AND MAKING APPROPRIATIONS THEREFOR.

Senator Osten, Representative Walter, Senator Hartley, Senator Kushner, Representative Exum, Representative Paris, Senator Somers, Representative Nuccio, and distinguished members of the Appropriations Committee, thank you for the opportunity to submit testimony on H.B. 6864 – An Act Concerning the State Budget for the Biennium Ending June Thirtieth, 2027, and Making Appropriations Therefor. I am Chelsea Ross, Executive Director with the Partnership for Strong Communities. We are a statewide nonprofit research, policy and advocacy organization dedicated to ensuring everyone in Connecticut has a safe, stable home that is affordable to them in an equitable community of their choice.

We respectfully request that the Appropriations Committee support at least **a $20 million increase annually to the Rental Assistance Program (RAP)** within the Housing/Homeless Services Line in the Department of Housing's budget. **$11.5 million** per year is needed **to maintain the current program** as rental costs have surged by nearly 29% since 2021. The remaining **$8.5 million** would **expand the program to help at least 650 additional low-income families** afford a home. The Governor's proposed budget does not make an adequate baseline adjustment to cover costs of the program, and delays expansion until FY27, leaving families in crisis for another year.

Our Affordability Crisis

Our state is at a turning point in addressing housing affordability. The Governor stated that Connecticut's "north stars are affordability and opportunity." Far too many families remain burdened by the high cost of housing. More than **150,000 households that rent their home are severely cost-burdened**, spending over half of their income on rent. The 2024 Point-in-Time Count reported a 13% increase in homelessness, with 3,410 individuals without stable housing, nearly half of whom are children or older adults over age 55. These numbers have risen steadily since the COVID-19 pandemic, signaling the urgent need for intervention.

Connecticut's severe affordability gap is driven by a fundamental mismatch between wages and rent. A full-time worker in our state must earn at least $25.90 per hour—over $53,000 per year—just to afford a modest one-bedroom apartment[1]. Many essential workers, including home health aides, childcare providers, and service employees, do not earn enough to afford their rent without assistance. Additionally, **the housing crisis is not felt equally in our state**. Black and Latino renters are disproportionately impacted, with 31% of all Black and Latino renters experiencing severe housing cost burdens compared to 19% of white renters[2]. These disparities are the result of systemic barriers, disinvestment, and a failure to ensure equitable housing opportunities. The expansion of RAP is an essential step toward addressing these inequities and making Connecticut's housing system more just.

RAP: A Proven Housing Stability Solution

The Rental Assistance Program (RAP) currently serves approximately 6,500 households and is one of Connecticut's most immediate and effective tools for addressing housing instability. RAP functions similarly to the federal Housing Choice Voucher Program, helping low-income households afford safe, stable housing by covering a portion of their rent. The program is flexible, allowing families to use vouchers in different communities, ensuring that they can access good schools, job opportunities, and support networks.

RAP has a proven track record of **reducing homelessness, increasing family stability, and improving long-term outcomes**. It is our best way to aid severely cost-burdened renters struggling under the state's high housing costs. The program ensures that individuals and families do not have to make impossible choices between paying rent and covering other basic needs like food, medical care, and transportation. Many households use RAP temporarily[3], while others—particularly those with disabilities or facing complex barriers—rely on it as a longer-term stability measure. For these individuals, RAP vouchers are paired with wraparound services, known as **supportive housing**, to address any challenges the person or family is facing beyond housing affordability. Research demonstrates that housing vouchers improve health and educational outcomes while reducing homelessness, poverty, and racial disparities:

[1] PSC Fact Sheet: Housing Wage Factsheet
[2] National Equity Atlas, 2020. https://nationalequityatlas.org/indicators/Housing_burden
[3] https://www.huduser.gov/portal/sites/default/files/pdf/lengthofstay.pdf

- In Connecticut, RAP serves highly vulnerable populations at high risk for homelessness like veterans, families with child welfare involvement, people involved in the justice system, those with high Medicaid utilization, people leaving nursing homes, and people with disabilities.
- Nationally, vouchers lift over three million people out of poverty. When a family can afford their home, they can afford other necessities like food, health care, and clothing. Comparing households spending over 50% of their income on housing to those spending less than 30%, renters without housing cost burdens spend significantly more on food and health care.[4]
- One study comparing long-term voucher subsidies with other forms of housing intervention found vouchers lead to the best outcomes for reducing family homelessness and increasing housing stability.[5]
- Communities of color experience a disproportionately high housing cost-burden. Vouchers are an effective tool in addressing these racial disparities. Research by the Center for Budget and Policy Priorities concluded "expanding vouchers to all eligible households would cut the poverty rate for Latino people by a third, for Black people by a quarter, and for Asian people and Pacific Islanders and American Indians and Alaska Natives by a fifth."[6]
- Housing vouchers are associated with a reduction in psychological distress, domestic violence, substance use, and food insecurity. HUD has also found that vouchers reduce familial separation, frequent school changes, school or childcare absences, and behavioral concerns in children.[7]

RAP: A Cost-Effective Solution

Investing in RAP is one of the most effective ways Connecticut can reduce poverty for a family, while mitigating racial disparities and long-term economic hardship. Expanding rental assistance has been shown to **significantly improve economic mobility, health outcomes, and educational stability**. Research indicates that if rental assistance were expanded to all eligible households,

[4] Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families, U.S. Department of Housing and Urban Development, October 2016, https://www.huduser.gov/portal/sites/default/files/pdf/FamilyOptionsStudySummaryReport.pdf.
[5] Fischer, Will et. al., Research Shows Rental Assistance Reduces Hardship and Provides Platform to Expand Opportunity for Low-Income Families, December 5, 2019, https://www.cbpp.org/research/housing/research-shows-rental-assistance-reduces-hardship-and-provides-platform-to-expand.
[6] Rental Assistance Lifts 3 Million People Above the Poverty Line, Center of Budget and Policy Priorities, https://www.cbpp.org/rental-assistance-lifts-3-million-people-above-the-poverty-line.
[7] Mazzara, Alicia, Expanding Housing Vouchers Would Cut Poverty and Reduce Racial Disparities, Center on Budget Policy Priorities, May 11, 2021, https://www.cbpp.org/blog/expanding-housing-vouchers-would-cut-poverty-and-reduce-racial-disparities.

poverty rates would drop by 33% for Latino residents, 25% for Black residents, and 20% for Asian, Pacific Islander, Indigenous, and Alaska Native residents.

Rental assistance strengthens our economy by reducing workforce instability and ensuring that families are not displaced due to rising rents. Employers rely on workers having stable housing, and without it, economic growth is threatened. Failing to adequately fund RAP actually increases the financial burden on the state, leading to higher costs in emergency shelters, healthcare, and other social services. **Delaying investment in rental assistance does not save money, it shifts the costs elsewhere, resulting in greater long-term expenses for Connecticut taxpayers.**

RAP: An Immediate Response to the Housing Crisis

Connecticut has a gap of over 98,000 affordable homes available to extremely low-income renter households – those earning 0-30% Area Median Income (AMI).[8] Closing the housing affordability gap requires developing new affordable homes while preserving existing ones. We know we need more– all different types, at all different income levels, in all different communities. Developing new housing takes time, is costly, and often faces resistance in some communities. Without increased funding, RAP will continue to face a deficit, meaning fewer families will be served at a time when demand for housing assistance is rising. We cannot afford to cut back on this vital program when Connecticut is experiencing an escalating housing crisis.

Exempting Income of Young Adults in a Household

The Governor's proposed budget also does not include exempting income earned by young adults from asset determinations for RAP. We also respectfully request that the Committee support **H.B. 6941**--An Act Exempting the Income Earned By A Child Of An Applicant From The Calculation Of Gross Income In Consideration For Participation In The Rental Assistance Program.

While earned income of youth under the age of 18 is not counted toward household assets for benefit determination purposes, the earnings of young adults over 18 are. At the end of 2021, there were 412 employed, non-heads of household or other adults, between the ages of 18 and 24, living in households with RAP voucher. In 2021, the

[8] https://www.chfa.org/assets/1/6/HNA_10.10.23.pdf

average annual earning of these young adults was $9,500. While this income is minimal, if it increases household assets beyond certain eligibility standards, it can create what is known as a benefit cliff. A benefit cliff refers to the sudden (and often unexpected) decrease in benefits that can occur with a small increase in earnings. Even adding minimal income to overall assets can lead to a household becoming ineligible for continued benefits like a housing voucher, despite being unable to sustain their basic needs. When lost benefits outpace a wage increase, many families "fall off the cliff's edge". This can stall progression in their employment and lead to loss of benefits, leaving a household worse off than before.

Supporting an income disregard for employed young adults ages 18-26—a critical period for professional skill-building and career development—would allow RAP households to maintain stable housing while fostering economic mobility. Exempting young workers' income ensures that households remain eligible for housing assistance while also encouraging workforce participation and financial independence, reducing long-term reliance on vouchers. According to 2021 Department of Housing data, implementing this policy would require an estimated $1,565,600 in RAP funding to support an income waiver. This calculation is based on:

- 412 young adults x $9,500 annual earnings = $3,914,000
- 40% of income paid toward rent (standard RAP calculation) = $1,565,600 needed in additional RAP funds

An investment in RAP is necessary to protect the program from funding shortfalls that would force a reduction in the number of families served. RAP will not be able to keep pace with rising rents, and hundreds of households will lose access to stable housing. Connecticut can either allow more families to fall into homelessness—overburdening emergency services and worsening racial and economic disparities—or we can take immediate action to prevent it. We ask you to **invest in stability, dignity, and opportunity for your residents by investing in RAP** this budget cycle. Thank you for your time and your commitment to addressing our state's housing needs and thank you for the opportunity to submit this testimony.

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