Housing Committee JOINT FAVORABLE REPORT

Bill No.: HB-6941 AN ACT EXEMPTING THE INCOME EARNED BY A CHILD OF AN APPLICANT FROM THE CALCULATION OF GROSS INCOME IN CONSIDERATION FOR Title: PARTICIPATION IN THE RENTAL ASSISTANCE PROGRAM.
Vote Date: 3/6/2025
Vote Action: Joint Favorable Substitute
PH Date: 2/18/2025
File No.: 232

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SPONSORS OF BILL:

Housing Committee

REASONS FOR BILL:

The Department of Housing provides Rental Assistance Program (RAP) vouchers to households that meet certain statutory eligibility requirements. Households utilizing RAP vouchers pay 40% of their gross income toward rent and utilities; households labeled as elderly and/or disabled pay 30%. Given that the average annual income of an individual living in a RAP-participating household is \$7,657, any additional income included in the calculation of gross income determining eligibility for participation in the RAP can significantly increase the amount participating households are required to pay.

Young adults between 18 and 24 are often transitioning from dependency, involving incomederiving work and/or further education or professional training. Including their income in the RAP eligibility calculation undermines their ability to work toward independence, and in serious cases, leads their household to no longer meet the eligibility requirements for the RAP voucher, in essence pushing the household off the benefits cliff. The consequences of including the income of young adults between 18 and 24 in RAP calculations disincentivize them from working toward independence, thereby perpetuating the cycle of poverty.

HB-6941 originally included young adults up to age 26 in the income waiver. On March 6, 2025, a joint favorable substitute was passed to amend the age range from 18 to 24 years old, to reduce the overall fiscal impact.

RESPONSE FROM ADMINISTRATION/AGENCY:

Werner Oyanadel, Commission on Women, Children, Seniors, Equity & Opportunity, Latino and Puerto Rican Policy Director and Melvette Hill, Commission on Women, Children, Seniors, Equity & Opportunity, Executive Director:

Werner Oyanadel and Melvette Hill supported HB-6941 because it "can help ensure that lowincome families, particularly those from historically marginalized communities, are not forced to choose between allowing their children to work and maintaining stable housing." The testimony asserted this bill is an important step toward achieving fairness in assistance for low-income families, as they already struggle to secure safe and affordable housing in their community. The bill promotes financial mobility for the next generation by allowing young people to work toward educational goals and save for future endeavors without fears of increasing their family's economic hardships, encouraging young adults to become selfsufficient, independent, and contributing members of their communities.

NATURE AND SOURCES OF SUPPORT:

Chris Senecal, The Hartford Foundation for Public Giving, Senior Policy Public Officer:

Chris Senecal supported HB-6941. Connecticut is facing both affordable housing shortages and difficulties engaging young adults in schooling and/or meaningful work. Senecal believed the bill will balance the need for young adults to gain career-building experience while contributing financially at home without impacting their family's need for rental assistance.

Amy Peltier, Partnership for Strong Communities, Coalition and Advocacy Director:

Amy Peltier supported HB-6941 as it addressed the need for young adults between 18 and 26 to gain critical professional experiences at a time when they are making important decisions about their futures. This opportunity for exposure to the demands of adult life aligns with Connecticut's desire to support young adults as they strive to become economically mobile, which will reduce long-term dependence on RAP vouchers. The average yearly earnings for young adults affected by this bill (412 between 18 and 24 as of 2021) is \$9,500, which is enough to create a benefits cliff. Threatening the loss of public benefits despite the household's inability to meet basic needs undermines the ability of young adults to strive for economic independence. A relatively minimal investment of \$1,565,600 – "412 people x \$9,500 earned/year = \$3,914,000 x 0.4 = \$1,565,600[,] 0.4 is the 40% of income that the tenant must pay" – will pay dividends in long-term economic stability for the young adults involved.

Hugh Bailey, Open Communities Alliance, Policy Director:

Hugh Bailey supported HB-6941 because it will allow lower income families to maintain their RAP benefits when a young adult in the household starts earning income. Bailey emphasized the threat of being pushed off the benefits cliff as a serious problem, and one counter to the ideals of assisting families once they start making improvements to their living situations.

Merryl Eaton, Mothers and Others for Justice, Director of Advocacy and Education:

Merryl Eaton noted the importance of reducing the benefits cliff and encouraging young adults to become independent. The current rental rates are cost-prohibitive to people who receive RAP vouchers, and some have seen their rental contribution "increase by 70%" once the income of 18–24-year-olds within the household is taken into consideration. Consequently, young adults are forced to choose between pursuing self-sufficiency and maintaining benefits such as RAP vouchers, food stamps, SNAP eligibility, Husky, and energy assistance.

Kimberly Hart, Mothers and Others for Justice, Member and Mother:

Kimberly Hart is a RAP voucher recipient on Social Security Disability and supported this bill. When her son's income was considered in the household's RAP eligibility, her rental portion went from \$148 to \$648, thereby preventing her son from saving toward his own apartment and car. She feared he will be "stuck in the vicious circle of poverty."

Anonymous, Anonymous, Mothers and Others for Justice:

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Two individuals supporting HB-6941 voiced anxieties about the costs of living in general and their inability to afford rent in addition to other basic needs.

Raphael Podolsky, Connecticut Legal Services, Inc., Attorney-policy advocate:

Connecticut Legal Services "doesn't object" to HB-6941. The organization's interpretation of the bill as written means the income waiver for young adults 18-24 still includes that income when calculating the tenant's share of the rent; the income is waived solely for determining whether the household is eligible for a RAP voucher.

NATURE AND SOURCES OF OPPOSITION:

<u>Robert Chesson, Connecticut Apartment Association, Director:</u> Robert Chesson opposed HB-6941. He argued that 18-year-olds are legally permitted to secure independent tenancy and this bill is "familial status discrimination."

Anonymous, Anonymous: Anonymous, Anonymous:

Anonymous, Anonymous:

Three individuals submitted written testimony opposing HB-6941. Their commentary included plain statements of opposition to the bill, one of whom cited concerns of potential impacts to business and the free market.

Reported by: Arianna Tsikitas, Clerk Rebecca Hyland, Assistant Clerk Date: 3/24/2025