

RENTAL MARKET STABILIZATION FUND

Action Alert!

The Issue:

Connecticut should act now to stabilize Connecticut’s rental housing market, leveraging available state and federal resources while also seeking additional supports for renters.

One-third of Connecticut households rent their homes. Rental costs in Connecticut are the 9th highest in the nation, with a modest two-bedroom apartment costing \$1,321.00 in monthly rent. According to pre-pandemic statistics, nearly 120,000 Connecticut households spend over half their income on rental housing costs (rent and utilities).

With the recent pandemic causing massive unemployment, thousands of tenants are likely to be 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 who rely on those taxes to fund sorely needed services will also feel the shortfall.

The existing executive order (providing limited relief for renters) only delays the start of evictions and the deferral of payments through July 1. As the 60-day grace period nears its close, households across the state are ever-more concerned that no long-term solution exists yet.

The Action:

Call on Gov. Lamont and your state legislators to create a Rental Market Stabilization Fund for residential tenants and landlords adversely impacted by COVID-19.

Without intervention, the public health pandemic will likely be followed by a housing and homelessness emergency. The COVID-19 pandemic will cause significant economic harm to Connecticut’s housing market, to the detriment of both landlords and tenants, unless steps are taken to stabilize the rental housing market. **A Rental Market Stabilization Fund is vital rental assistance needed to ensure stability for Connecticut’s residential rental market.**

Key Points:

- (1) **Protections for RENTERS IMPACTED BY COVID-19:** renters will be able to prevent evictions; waive late fees, interest, penalties; and pause any rent increases for twelve months.
 - If able, renters must cover outstanding rent/use and occupancy balances of up to 30% of monthly household income accrued during the Public Health and Civil Preparedness Emergency and for two months thereafter.
 - If the renter cannot make payment, the renter must agree to make payments on a

repayment plan (the “tenant portion”).

(2) **Supports for LANDLORDS:** the Fund will provide rental assistance for outstanding tenant rent/use and occupancy balances accrued during the Public Health and Civil Preparedness Emergency and for two months thereafter.

- Prior to the termination of a residential lease or initiation of an eviction, landlords will be required to apply to the Rental Market Stabilization Fund, on behalf of and with the cooperation of their tenants.
- Landlords who receive assistance from the Rental Market Stabilization Fund must forgive a portion of the unpaid rent (20%), and shall not attempt to collect such forgiven rent amount as a debt, apply security deposits to cover such amount, or attempt to bring an eviction action for such amount.

(3) **The Fund shall pay the difference between the tenant portion and 80% of the rent accrued during the Assistance Period (the “Rent Gap”).**

- Such payment shall constitute full and final payment of the tenant’s rental obligations during the Assistance Period.
- Assistance is available regardless of immigration status.
- Renters already in state/federal housing subsidy program are not eligible if that program already ensures rent remain beneath 30% of household income.

Sample Script:

“Hello, my name is [name], and I live in your district at [address]. I am reaching out to urge you create a Rental Market Stabilization Fund.

“Nearly 120,000 Connecticut spend over half of their monthly income on rent. In times like these, with massive spikes in unemployment, no families should have to face the loss of their home through no fault of their own. And landlords should not be left to face the consequent loss of rental income with no supports.

*“I stand with households, landlords, and community organizations and institutions from across the state of Connecticut and strongly urge you to take action to create a Rental Market Stabilization Fund. **Thank you for your time and consideration.**”*

Who to Contact:

Your voice is needed to move state officials to act. Calls and emails are needed to your local legislators. Find your legislator at cga.ct.gov.

Write and call Office of Governor Ned Lamont, State Capitol, 210 Capitol Avenue, Hartford, CT 06106 | Phone: [860-566-4840](tel:860-566-4840)

SPECIAL ATTENTION: Please support the efforts of the organizations featured below, which have signed onto a joint letter submitted to Gov. Lamont calling for a Rental Market Stabilization Fund ([access letter here](#)).

