Summary of Proposal:
OCA recommends setting aside at least 10% of current funding of the state’s Security Deposit Guarantee Program for people receiving Mobility Counseling who then make moves to or within “high” or “very high” opportunity areas.

What is the Security Deposit Guarantee Program (SDGP)?
Connecticut’s Security Deposit Guarantee Program (SDGP) helps low-income residents secure affordable housing by guaranteeing their landlords up to two months’ rent as a security deposit.

Who currently can benefit from SDGP?
The Connecticut Department of Housing requires that participating tenants:
1) Have demonstrated financial need (income at or below $36,375 for a family of four, which is 150% or below the federal poverty line or are receiving state welfare assistance), AND
2) Receive first time federal or state rental assistance/vouchers (e.g. Rental Assistance Program); OR are in an “emergency” housing situation (which include natural disasters, lead poisoning, or wrongful disputes with a landlord)

How would this bill change SDGP? OCA recommends setting aside 10% of current SDGP funding for those state residents who:
1) Participate in the state’s Mobility Counseling Program, and
2) Make mobility moves to, or within, high or very high opportunity areas

*Note: These individuals are not exclusive of any other group – that is, the homeless, veterans, or those in emergency housing situations are still eligible to be within this 10%, as long as they meet the two criteria.
Why the change?

• Connecticut today is one of the most ethnically, racially, and economically segregated states in the nation. One reason is the isolation of those who receive housing vouchers in high-poverty, minority-concentrated areas of the state (7% of RAPs and vouchers are used in higher opportunity areas).

• Mobility counseling helps ensure that low-income residents have adequate information and support if they seek to move to or within higher opportunity areas. Around the country, case studies and research have shown the efficacy of this approach in fostering moves to and within neighborhoods with greater opportunity.

• But mobility counseling is not enough. In many instances, those seeking mobility moves face an insurmountable barrier: paying first and last month’s rent plus a security deposit up front. Especially in high opportunity areas in the suburbs, these costs can run in the thousands of dollars, a sum impossible for low-income residents to afford.

• This bill would help make mobility moves a reality. By reserving a portion of SDGP funding for those engaged in Mobility Counseling who seek a mobility move, Connecticut would remove one more barrier for low-income residents seeking a brighter future.

• It is time to play defense and offense with our housing resources. The SDGP is a critical resource for assuring a roof over the heads of homeless individuals, but in this time of tight budgets we need to allocate a small portion of the program to promote mobility counseling, a strategy demonstrated to effectively break the cycle of poverty for generations.

How much would the bill cost?

Nothing! It operates within existing funding for SDGP. In fact, guaranteeing security deposits is seen as more cost effective than outright subsidies, since the state pays out only if the unit is damaged.