

# Fair Rent Commission

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**Department Head:**  
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**Additional Point Person:**  
None

<b>Positions:</b>	GF- 1
<b>General Fund Budget:</b>	\$ 63,368
<b>Capital Fund Budget:</b>	\$0
<b>Special fund Budget:</b>	\$0

## Legal Authority: Code of Ordinances

[Sec. 12 3/4-1 to Sec. 12 3/4-11](#) Pursuant to and in conformity with **Public Act No. 274 of the 1969 General Assembly**, there is hereby created a commission known as the fair rent commission for the purpose of controlling and eliminating excessive rental charges on residential property within the City of New Haven. This chapter is enacted in recognition of the compelling need for rent stabilization for the duration of a severe housing shortage in New Haven.

## Mission/Overview:

The Fair Rent Commission City of New Haven, a city commission, was enacted by the City of New Haven Board of Alderman December 1970, Code of Ordinances 12 ¾-1, amended and adopted December 13, 1984, Chapter 12 ¾ Fair Rent Practices 12 ¾. The act enabling Connecticut Municipalities to create Fair Rent Commissions was adopted by the Connecticut State Legislature and became effective October 1970, Public Act 274 Ss I.

The Fair Rent Commission is established to control and eliminate excessive rental charges in residential property within the city of New Haven, in recognition of the compelling need for rent stabilization for the duration of the severe housing shortage in the City of New Haven.

## **Attention Required by March 31st:**

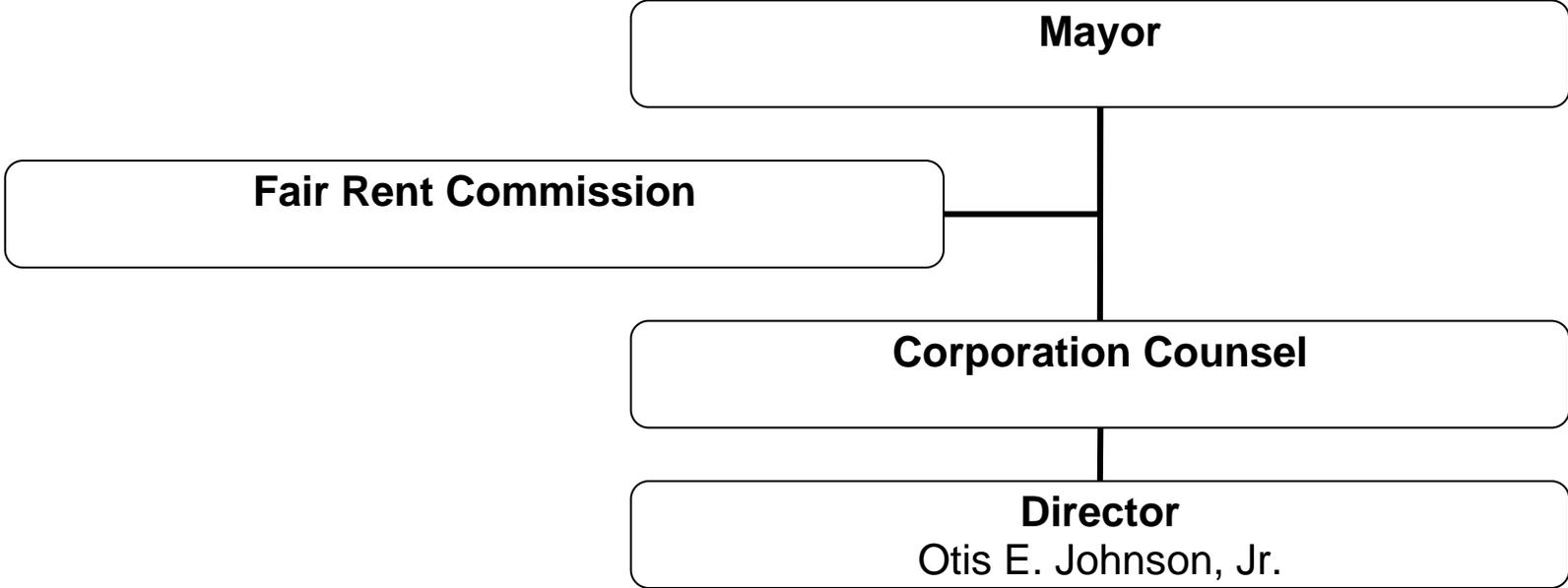
As stated, the Commission is responsible for controlling and eliminating excessive rental charges. The second sentence of the Fair Rent Ordinance and until recently the most overlooked statement “this is enacted in recognition of the compelling need for rent stabilization during a severe housing shortage” requires significant consideration for implementation of rent stabilization in the City of New Haven.

In an article “New Haven Leads the Nation in Low Apartment Vacancies” real estate researchers have found apartment vacancy rates in New Haven to be the lowest of any city nationwide, followed closely by New York City. The report by Reis, Inc. a national housing firm, found that New Haven has an apartment vacancy rate of only 2.1 percent, followed by New York City at 2.4 percent. Commenting, Mayor John DeStefano stated that “this is good news in that lower apartment vacancy rates translate into a stronger tax base and customer base for growing businesses and employers.” “At the same time, this also challenges the City to develop more (affordable) housing, especially worker housing to keep rents from rising disproportionately.”

Tenants are currently facing astronomical challenges in maintaining housing. The annual Out of Reach study done by the National Low Income Housing Coalition shows the cost of rental housing has risen consistently during the past decade. Over half of Connecticut’s renters paid more than thirty percent of their income towards rent, leaving very little for other necessities.

The low vacancy rate, need for additional affordable housing and a burgeoning monopoly of rental housing illustrates the required urgency in determining consideration to institute rent stabilization as prescribed in Chapter 12 ¾ Fair Rent Practices.

It is also recommended that the Administration consider a comprehensive rental housing study to determine the state of rental housing in the city of New Haven.



## **Budget Summary:**

Of the \$63,638.00 allocated for the current fiscal year, \$200.00 is budgeted for printing & binding and \$200.00 for general office supplies. Printing of required fair rent complaints alone will exhaust the current budget. In addition, the Fair Rent Commission brochure, the Complaint Process brochures which accompanies the fair rent complaints and the Landlord & Tenant booklet all require updating.

## **Summary of Open Items:**

There are thirty-eight open fair rent complaints, either in the investigation stage, prepared for informal conciliation or scheduled for public hearing. A list is available upon request.

The City of New Haven has engaged the Commission to assist in developing a resolution at the Dwight Gardens Co-op. The Fair Rent Commission was asked to serve as a conduit by placing the residents' rents into an escrow account. Twenty-five of the remaining tenants at the housing complex have filed complaints with the Commission.

## **Major Functions/Projects:**

The Fair Rent Commission is enacted by Chapter 12 <sup>3</sup>/<sub>4</sub> FAIR RENT PRACTICES for the purpose of controlling and eliminating excessive rental charges on residential property within the City of New Haven. The chapters second sentence and until recently the most often overlooked statement “this chapter is enacted in recognition of the compelling need for rent stabilization during a severe housing shortage” requires significant consideration of execution.

Through the legislation set forth the Fair Rent Commission (Commission) has the power to make studies and investigations into rental charged housing accommodations, to receive complaints, inquiries, and other communications concerning alleged excessive rental charges, to conduct hearings on complaints, to determine, after a hearing, whether or not the rent for any housing accommodation is so excessive based on standards and criteria set forth, as to be harsh and unconscionable.

The Commission may also order a reduction of any excessive rent to an amount the Commission considers fair and equitable retroactive to the filing of the complaint. The Commission may determine, after a hearing, whether or not a housing accommodation fails to comply with state statutes, municipal ordinances and regulations relating to health and safety. Additionally, the Commission may order suspension of further payment of rent and order the deposit of said rent in an escrow account, until such time as the landlord makes necessary changes, repairs, etc., as to bring the housing accommodation into compliance. And, to attempt, through the process of informal conciliation and negotiation between complaining tenant and landlord, to arrive at a rental agreement that is mutually acceptable before initiating the formal hearing process.

And, to do all things authorized by Public Act 274 of the 1969 General Assembly.

## **Key Systems/Processes:**

The Commission receives fair rent complaints based on proposed rent increases in excess of twenty-five dollars and if a tenant has asked the landlord to make repairs based on state statutes and city ordinance and regulations relating to health and safety.

The Commission will first determine legitimacy of the complaint and then initiate an investigation. In complaints concerning health and safety, as prescribed in the ordinance, the Commission will request a housing code inspection to be performed by the Office of Housing Code and Enforcement to verify the reason for the complaint and to determine if there are additional housing code violations. The Commission will simultaneously issue a Notice of Complaint to the tenant (Complainant) and the landlord (Respondent) along with a copy of the complaint, scheduled informal conciliatory meeting and a public hearing date. Included in the notice to the parties are a Complaint Procedure Guide which describes the Commission's policy and the procedures.

It is the intent of the Commission, that the parties' attempts either privately or through the process of informal conciliation, negotiate a rental agreement which is mutually acceptable before initiating the formal public hearing process.

After a public hearing is conducted by the Board of Commissioners, it is the Commissioners' responsibility to determine as to whether or not the rent for any accommodation is so excessive based on the standards and criteria set forth, as to be harsh and unconscionable. The Commission may render a number of remedies: it can decide that the present or the proposed rent increase is fair and order it paid; it can decide that the proposed rent increase is fair, but that it has to be phased in gradually; the Commission can order the rent reduced to an amount it decides is fair and order the landlord to accept that amount of rent; and it may order the rent paid each month to the Commission at a level it decides is fair. This rent will be held in an escrow account until the landlord has repaired the unsafe and unhealthy conditions in the apartment. Once the repairs are completed, the rent paid to the Commission will be forwarded to the landlord.

## **System Deficiencies/Attention Required:**

### Heavy Administration and Program Responsibility

The requirements of the Commission, to be executed by the employed Executive Director, to maintain its records, to handle correspondence, to supervise and direct investigations, negotiations, and administration of the agency is a considerable undertaking.

### Minimum Financial Resources

The Commission has been subject to years of budget restrictions and as of late, request to submit flat funding budget proposals. The Administrations consideration to employ a grant writer was a welcome idea, however the notion never materialized. Given the responsibilities of current staff, engaging in grant writing would only add to the burden.

### Public Awareness

The Administration and Commission requires a comprehensive marketing plan to enhance its role in the community and its outreach to customers. Members of the Board of Commissioners must also participate in this effort, not only to make the community aware of the available services, but to also recruit tenants to the Commission Board of Commissioners.

### Customer Service

The Fair Rent Commission is a service agency and the inability to greet residents visiting the Commission with rental housing concerns, answer telephone and email inquiries, and provide valuable resources for tenants lessens the effectiveness and ultimate success of the agency.

### Support Staff

The Fair Rent Commission at its staffing height employed five employees compared to its current staff of one. The Executive Director works vigorously to maintain the level of service provided in the past. At minimum the Commission requires an Administrative Assistant, Assistant Fair Rent Coordinator and Intake staff.

In the past it was discussed having an identified Housing Code and Enforcement Inspector assigned to perform Fair Rent complaints.