



Commissioner Jerry Little
Governor's Office for Emergency Relief and Recovery
One Eagle Square
Concord, NH 03301

RE: Housing Stabilization Needs Due to COVID-19 Impact

April 30, 2020

Commissioner Little, Members of the Legislative Advisory Board and Members of the Stakeholder Advisory Board:

Thank you for the opportunity to share Housing Action NH's recommendations to address housing and homeless service needs resulting from the impacts of the COVID-19 pandemic. Housing Action NH is a statewide coalition of 80 organizations focused on improving state and federal policy so everyone in New Hampshire has a place to call home. Housing Action NH's membership includes: multifamily affordable rental housing providers (nonprofit and private); public housing agencies; homeless service providers; supportive housing providers; and financial affordable housing partners.

Impact

Housing is a foundational issue for any functioning economy. Prior to the pandemic, New Hampshire was dealing with a limited supply of affordable housing. Our dismal .75% vacancy rate (instead of the economically balanced rate of 5%) caused major increases in rental costs. In fact, about half of all renters in our state (who make up just about 1/4 of all residents) were struggling with their rental costs.

Rent Challenges

The vast unemployment resulting from COVID-19 in the retail, manufacturing and hospitality sectors has challenged the population of renters who were already "rent burdened" prior to the pandemic. The result is an exponential growth in the number of renters struggling to pay.

The eviction moratorium and mortgage forbearance policies, from both the state and federal levels, were important band aids during this time. Unemployment and stimulus checks have also helped some renters weather the last 30 days. However, none of these policies are sustainable. Without careful planning, New Hampshire will face a surge in evictions and homelessness once the moratoria and subsidies expire.

Homeless Services

There is no safe place to isolate, quarantine or social distance in a typical congregate living homeless shelter. The pandemic created severe challenges for homeless shelters services, including: 1) space challenges; 2) staff shortages; 3) food program disruptions; and 4) increased expenses.

Housing Action NH has partnered with the state's 46 shelters, the Bureau of Housing Supports at NH DHHS, and the EOC to implement emergency shelter decompression and isolation/quarantine measures. Grant dollars, and the Governor's recently announced homeless fund that will support homeless service workers on the front lines, have helped bridge solutions until we have the resources needed for capital improvements and operations to deal with COVID-19.

Pipeline of Affordable Housing

The pandemic has resulted in shortages of materials, delays in permitting and local approvals, and interruption of construction timelines. One of the best ways to address the housing costs challenges is to make sure projects in the pipeline are completed.

Proposed Solutions

Rental Subsidy Program - \$70 million

Based on outreach to our multifamily housing providers, reported increases in requests to welfare for rental support, and estimates from NH Housing Finance Authority, we estimate that 25% of all renters impacted by financial losses from COVID-19 will struggle with rental costs due to the pandemic. The needs over the next 6 months could exceed \$70 million.

We would urge the GOFERR to consider a program that meets the needs of those renters who are not currently receiving other available state or federal subsidies. The criteria should help focus the program on those who are at 80% and below of area median income (since that will indicate that they were already cost burdened in the rental market) and dealing with COVID-19 related loss of employment.

Note that the CARES Act included supplemental appropriations to the Emergency Solution Grant (ESG) program. According to the Bureau of Housing Supports at NH DHHS, these ESG funds will provide a total of \$1.3 million in rental assistance statewide through 7 agencies. This support, while welcomed and needed, will not address the broad approach needed to stabilize the rental market overall.

Homeless Shelter Adaptation Program - \$25 million

Since homeless shelters cannot return to crowding bunk beds 2 feet apart and sharing limited bathrooms, we propose a program focused on addressing capital improvements and operations needed so homeless shelters can adapt their physical spaces and operations to support on site public health protocols and safe social distancing measures.

Hoteling and remote I/Q sites were urgent and while they may be unsustainable in their current arrangements, they might play a role in helping shelters maintain the ability to deliver emergency shelter

services based on the demand in their communities. A fund focused on shelter improvements and creative capacity solutions will help the agencies on the front lines serve our state's most vulnerable populations.

Home Help NH/ Foreclosure Prevention Program - \$5 million

Based on the lessons learned from the foreclosure crisis in 2009, we urge the GOFERR to actively support foreclosure prevention for those dealing with COVID-19 related financial loss. *Home Help NH*, a partnership among NH Housing Finance Authority, NH DOJ, the NH Banking Department and 211, is a successful model. In addition, we urge us not to forget foreclosure prevention for those who live in manufactured homes in New Hampshire's Residential Owned Communities (ROC) through supporting loan forgiveness programs through the NH Community Loan Fund.

Affordable Housing Pipeline Program - \$10 million

Another lesson learned from the 2008 financial crisis is the need to support affordable housing construction in the pipeline. In order to counter the COVID-related disruption to our collective efforts to build more affordable housing for our workforce, we urge the GOFERR to consider subsidies to affordable housing financing that could help save affordable housing projects in jeopardy of losing viability due to the value of tax credits or challenges with financing.

Thank you for your serious consideration of these proposals. As you consider a wide-range of needs around the state, we ask that you remember that "home is the foundation." Without a stable housing landscape, New Hampshire will not be able to rebuild its economy, improve public health or provide for the general welfare of its citizenry. We at Housing Action NH pledge our commitment to work with you to inform and implement the most effective and efficient programs possible to stabilize housing for those who need it most.

Very best regards,

Elissa

A handwritten signature in black ink, appearing to read 'Elissa Margolin', with a stylized flourish at the end.

Elissa Margolin
Director