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STATE OF NEW HAMPSHIRE



GOVERNOR'S OFFICE

for

EMERGENCY RELIEF AND RECOVERY

AUG 09 '21 11:30 AM

FIS 21 245

August 9, 2021

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a VI, authorize the Governor's Office For Emergency Relief and Recovery (GOFERR) to budget and expend \$2,500,265 of Housing Stability Services funding under the Consolidated Appropriations Act, Section 501(a) Emergency Rental Assistance (ERA1) for three housing stability programs: 1) eviction diversion and landlord and tenant mediation programs (not to exceed \$425,000); 2) housing stability services (not to exceed \$1,773,000); and 3) housing stability services and legal assistance (not to exceed \$250,000) effective upon Fiscal Committee and Governor and Council approval through June 30, 2023. This is an allowable use of ERA1 Housing Stability Services funds under Section 501(c)(3) to help keep households stably housed. **100% Federal Funds.**

Funds are to be budgeted in FY2022 in the following account:

01-02-002-0202-Governor's Office of Emergency Relief and Recovery, 19710000 ¹ -Emergency Rental Assistance				
Class	Account	FY22 Current Modified Budget	Requested Amount	FY22 Revised Budget
Expenditures				
040-Indirect Costs	501587	\$ -	\$ 10,000	\$ 10,000
041-Audit Fund Set Aside	500801	\$ -	\$ 42,265	\$ 42,265
050-Personal Service Temp App	500109	\$ 200,000	\$ -	\$ 200,000
060-Benefits	500601	\$ 100,000	\$ -	\$ 100,000
072-Grants Federal	500575	\$ 40,000,000	\$ 2,023,000	\$ 42,023,000
085-Xfers To State Agency Out FF	588510	\$ -	\$ 425,000	\$ 425,000

¹ GOFERR will assign activities as appropriate for these expenditures and all expenditures will utilize an activity within the ERAP activity group. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

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Page 2 of 2

Total Expenditures		\$ 40,300,000	\$ 2,500,265	\$ 42,800,265
Revenue				
000-Federal Funds	400338	\$ 40,300,000	\$ 2,500,265	\$ 42,800,265
Total Revenue		\$ 40,300,000	\$ 2,500,265	\$ 42,800,265

Funds are budgeted as follows:

Class 040 – Indirect Costs

Class 041 – Audit Fund Set-Aside - .001 of federal funds payable to DAS for audit fees

Class 072 – Grants out of Federal Funds as described further in the explanation

Class 085 – Funding to another state agency out of Federal Funds as described further in the explanation

EXPLANATION

Early in 2021, the State received \$179,496,224 of Consolidated Appropriations Act, Section 501(a) Emergency Rental Assistance (ERA1) funding. In March 2021, the Governor authorized GOFERR to accept and expend the funds and budgeted \$80,000,000 to establish the New Hampshire Emergency Rental Assistance Program (NHERAP) to provide emergency rental assistance to residents of New Hampshire impacted by COVID-19. NHERAP is administered by the New Hampshire Housing Authority (NHHFA), in collaboration with GOFERR. NHHFA granted sub-awards to the five regional Community Action Partnerships (CAPs) to accept and process applications and payments for the program.

U.S. Treasury recently clarified that up to 10% of ERA1 funds made available to the State may be used to provide Housing Stability Services under Section 501(c)(3) to help keep households stably housed. GOFERR is requesting to budget and expend \$2,500,265 of the ERA1 Housing Stability Services funds to support the following coordinated programs to support the access to NHERAP and to leverage other available resources to keep eligible households stably housed.

Housing stability and access to affordable housing were a problem in New Hampshire before the pandemic and they have been exacerbated by it. More than 50 percent of New Hampshire households reported losing at least some income as a result of the pandemic. As a result, many tenants fell behind in rent, putting their housing at risk, and stressing the finances of landlords as well.

The Centers for Disease Control and Prevention's temporary moratorium on certain evictions has helped to stave off the effects of the COVID-related eviction crisis. Based on a review of its records, the New Hampshire Judicial Branch (NHJB) estimates that as many as 700 eviction cases that were filed with the Circuit Court were placed on hold during the moratorium. NHJB further estimates that, based on reduced filing rates during the moratorium, there may be more than 2,000 additional cases that will be filed with the court soon after expiration of the moratorium.

GOFERR seeks authorization to budget and expend ERA1 Housing Stability funding for the following programs:

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Page 2 of 2

1. **Eviction Diversion and Landlord and Tenant Mediation (Not to Exceed \$425,000):** Carried out by the New Hampshire Judicial Branch, these programs would expand landlord and tenant mediation from a very limited mediation pilot program that has been offered in just two circuit court locations since February 2021 to a statewide model. The dual track approach includes: (1) a statewide, pre-filing eviction diversion program, and (2) a post-filing mediation program that will be implemented in the highest volume courts which have sufficient resources to operate the program. Both programs would be ready to launch on November 1, 2021.

Mediation benefits both tenants and landlords. The initial results of the Landlord and Tenant Mediation Pilot Project indicate that mediation in eviction cases can be effective in aiding parties to reach agreement to settle their cases, often with better results than either of them could achieve in court.

The Eviction Diversion program provides the opportunity to utilize the Office of Mediation and Arbitration's mediation resources, ideally in conjunction with rental assistance and other community-based services, without having to file an eviction action. This program would operate on an opt-in basis.

The Landlord and Tenant Mediation program would be provided at targeted court locations (Concord, Manchester, and Nashua). NHJB will consider adding locations to the post-filing program depending on the success of the program. This program would operate on an opt-out basis. Because the staff member assigned to the landlord and tenant docket at the courts participating in mediation would be a housing specialist, the staff member could assist in providing information about available resources including the New Hampshire Emergency Rental Assistance Program and make appropriate referrals.

To summarize, the main components of the programs are:

Statewide Pre-filing Mediation (Eviction Diversion)

- a. Conducted through ADR Office
- b. Voluntary, opt-in
- c. Remotely or in-person, available statewide
- d. Program marketed through court including notice of program printed on court-provided "Eviction Notice", as well as relevant stakeholders and community organizations

Post-filing Landlord and Tenant Mediation at Targeted Courts (Concord, Manchester, and Nashua, additional court locations may be added, if successful)

- a. Conducted through circuit court mediators
- b. Voluntary, opt-out
- c. In-person, may be specially scheduled (Concord) or may be held on same-day as landlord/tenant hearing dates (Manchester and Nashua)

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Page 2 of 2

d. Court staff may be available to assist with the New Hampshire Emergency Rental Assistance Program (NHERAP) application at time of mediation

GOFERR will enter into a Memorandum of Understanding (MOU) with the NHJB. Under the terms of the MOU, NHJB will use funds to develop these mediation programs, which are intended to benefit both landlords and tenants, reduce evictions, and increase participation in NHERAP.

This is an allowable use of ERA Housing Stability Services funds under Section 501(c)(3) to help keep households stably housed.

In the event that Federal Funds become no longer available, General Funds will not be requested to support this program.

2. **CAPs Housing Stability Services Program (Not to Exceed \$1,773,000):** This program is intended to support access to NHERAP assistance and leverage other resources to promote housing stability through a grant to NHHFA in the amount of \$1,773,000 to provide sub-awards to the five CAP agencies to provide housing stability services, including:

- application assistance that helps households access ERA programs (assistance may be provided to both tenants and landlords);
- housing counseling including financial management, budgeting, tenants' rights and finding another rental, if necessary;
- case management related to housing stability including referrals to and help with filling out applications for services offered by the CAP and Department of Health and Human Services;
- fair housing counseling and referrals to NH Legal Assistance;
- housing-related services for survivors of domestic abuse or human trafficking;
- specialized services for individuals with disabilities or seniors that support their ability to access or maintain housing.

With this funding, the CAPs will be able to increase their staffing, which will also allow them to work more efficiently in processing NHERAP application and provide on-the-ground assistance at Circuit Court locations to support the Eviction Diversion and Landlord and Tenant Mediation Programs that are the subject of a separate fiscal item.

This item is **sole source** as NHHFA, as the sole statewide housing authority and the administrator of NHERAP, is uniquely positioned to administer this housing stability services program and manage the CAPs in their efforts to improve NHERAP access and leverage other available resources for the benefit of tenants as well as landlords whose tenants have fallen behind in payment of rent during the pandemic.

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Page 2 of 2

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3. **Housing Stability Legal Services (Not to Exceed \$250,000):** This program is intended to support access to NHERAP assistance and leverage other resources to promote housing stability and increased access to legal assistance that will be coordinated with the Circuit Court through a grant to a legal services provider in the amount up to \$250,000 to provide housing stability legal services, which will include:

- assistance to increase ERA participation to eligible households,
- assistance to eligible households facing eviction and most at risk of housing instability, which shall include in-person presence at the State's busiest courts (Manchester, Nashua, Dover, Laconia, Rochester, Concord as coordinated with scheduling established by the Circuit Court),
- virtual and in-person clinics to help people apply for NHERAP, particularly for those with limited access to technology; and
- no-cost legal services to help eligible households with any housing stability issues.

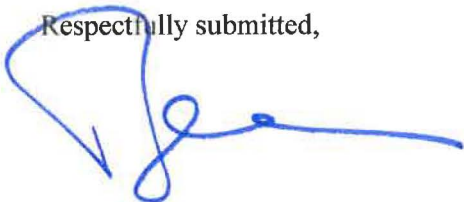
With this funding, the prevailing bidder after an RFP process will be able to serve eligible households facing eviction and most at risk of housing instability and improve NHERAP program access.

Upon approval of this item, GOFERR will issue an RFP for the services described above.

This is an allowable use of ERA Housing Stability Services funds under Section 501(c)(3) to help keep households stably housed.

In the event that Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Taylor Caswell
Commissioner