Bill as Introduced

SB 422-FN – AS INTRODUCED

2000 SESSION

00-2677
05/10

SENATE BILL ***422-FN***

AN ACT relative to the housing security guarantee loan program.

SPONSORS: Sen. D'Allesandro, Dist 20; Rep. Konys, Hills 33

COMMITTEE: Public Institutions, Health and Human Services

ANALYSIS

This bill increases the funds available for the department of health and human services' housing security guarantee loan program.

The bill was requested by the department of health and human services.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

SB 422-FN – AS INTRODUCED

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand

AN ACT relative to the housing security guarantee loan program.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Purpose. The general court recognizes that the housing security guarantee loan program has been an effective means of assisting low income families to overcome the barrier the cost of first month's rent and security deposit present to establishing a new home. As the costs of residential housing have escalated across the state of New Hampshire, the increasing amount of security deposit loans limit the numbers of low income families the housing security guarantee program can assist in accessing safe and affordable housing. The general court therefore acknowledges that in order to continue to provide comprehensive assistance to families in need, there must be an increase in the amount of funds that can be made available for such purposes.

2 Increase in Funding to the Housing Security Guarantee Program. Amend RSA 126-A:53, I to read as follows:

I. Upon application from a local housing security provider in such form as the department may require, the department may allocate and commit itself to issue, and the local housing security provider may be authorized to process applications and provide the ancillary services connected with the issuance of, guarantee certificates for the purposes of this subdivision. In no event shall the aggregate guarantee amounts allocated by the department to all local housing security providers exceed [~~$1,000,000~~] ***$2,000,000***. The department shall allocate the aggregate guarantee certificate capacity authorized by this section in a manner which takes into account both housing needs and geographic diversity.

3 Increase in Credit Pledged. Amend RSA 126-A:60 to read as follows:

126-A:60 Guarantee; Credit of State Pledged. The full faith and credit of the state is pledged to support and redeem the certificates of guarantee issued by the department. In furtherance of that pledge, the state treasurer shall advance to the department from available cash in the treasury or from proceeds of bonds or notes of the state issued pursuant to this subdivision, such amounts as may be requested from time to time by the department to enable it to perform all guarantee obligations punctually and in accordance with their terms. The department shall request such advances from time to time as additional amounts are required for such purpose. The treasurer shall, subject to the approval of the governor and council, issue full faith and credit bonds of the state from time to time in amounts equal to advances made under this subdivision, and borrow in anticipation of the proceeds of such bonds. The obligation of the state under the provisions of this section shall at no time exceed the amount of [~~$1,000,000~~] ***$2,000,000***. A certificate of guarantee issued by the department in the hands of the original landlord to whom the certificate was issued shall be

conclusive evidence of its validity for the purposes of this subdivision, except for fraud. Whenever the department pays to a landlord any sum in discharge of the state's liability as guarantor, except as required by RSA 126-A:59, the department shall be to that extent subrogated to the landlord's right, title, and interest in any amounts received pursuant to the lease or rental agreement. Amounts received by the department to discharge the state's guarantee shall be returned to the treasury less any costs incurred in collection.

4 Increase to Nonlapsing Security Deposit Fund. Amend RSA 126-A:62 to read as follows:

126-A:62 Fund Established. There is established in the office of the state treasurer a nonlapsing security deposit fund. The fund shall be continually appropriated to the commissioner of health and human services to be used for the purposes of this subdivision. The amount in such fund shall not exceed [~~$1,000,000~~] ***$2,000,000***.

5 Effective Date. This act shall take effect 60 days after its passage.

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SB 422-FN - FISCAL NOTE

AN ACT relative to the housing security guarantee loan program.

FISCAL IMPACT:

The Treasury Department indicated this bill will increase state expenditures by $111,950 in FY 2001, $109,400 in FY 2002, $106,850 in FY 2003, and $104,225 in FY 2004. There will be no fiscal impact on county and local expenditures or state, county and local revenue.

METHODOLOGY:

The Department determined the increase in state expenditures based on borrowing $1,000,000 using the 20-year bond model and existing interest rates. The Department states that $50,000 of the expenditures in each fiscal year would be a repayment of principal and the remainder would be interest expense.

Committee Minutes

Date: February 15, 2000
Time: 1:00 pm
Room: LOB 102

The Senate Committee on Public Institutions/Health Human Services held a hearing on the following:

SB 422-FN relative to the housing security guarantee loan program.

Members of Committee present:

Senator Squires
Senator Gordon
Senator Krueger
Senator McCarley
Senator Pignatelli

The Chair, Senator James Squires, opened the hearing.

Representative Christine Konys, Hills. D. 33: Thank you Senator. For the record I'm Representative Christine Konys, Hillsborough District 33, Nashua Ward 8 and I am a co-sponsor on the bill to increase the housing security loan guarantee program.

This was done at the request of Health and Human Services who had approached Senator D'Allesandro but I think that there are a number of reasons why this is a good bill. I served on the Committee that studied the impact of federal welfare legislation on cities and towns one of the biggest things that we discovered as a result of the committee meetings that we had was that there really is a critical lack of affordable housing throughout New Hampshire. I am aware of this for a couple of reasons, not just because of that committee and series of meetings that we had held but I also wear another hat. I'm President of Board for Soup Kitchens and Shelters. So we see first hand a lot of the problems. In the Nashua area it's really troubling in terms of housing. We will have, at one point the month before last we were going over some statistics, 93% of the men in our men's shelter were working at least one job. Many of them were working two jobs. They just couldn't come up with the money for a security deposit to get into an apartment. There was a time when we had landlords call into the Soup Kitchen asking if we had anyone who needed housing and now it's almost impossible for some of our families to find housing at all.

There is another person here who would like to speak with you as about that, a social worker, and Eileen Brady is here to give a little bit more in terms of the specifics as to how critical the housing situation has become. Part of her responsibility is to try and help these people find housing and unfortunately we're turning away more and more people when our shelters are full and we're turning away more and more families which is the real tragedy. It's very difficult for people with young children to find housing and it's just gotten to the point where that the economic boom has created the have and the have-nots and because the housing market is so good a lot of people just cannot afford to get into any kind of home with a deposit and first month's rent as security.

So we feel that this would definitely be one step toward helping with this housing crisis that we currently see.

Senator James W. Squires, D. 12: Chris, I guess for my benefit could you just or perhaps someone else summarize the Housing Security Guarantee Loan Program? How does this help address the problem by increasing the....?

Representative Konys: Since this was at the request of Health and Human Services I believe they would like to address that.

Senator James W. Squires, D. 12: That's fine. Any other questions? Thank you. Susan Langle.

Susan Langle, Department of Health and Human Services: Written testimony handed in. **See Attachment A and B.**

Senator Debora B. Pignatelli, D. 13: Susan, do you see that there's a bigger problem in parts of the State than in other parts?

Ms. Langle: The southern tier of the State has more of our lower income families. It has many low income families but that's also where the tighter an more expensive housing crisis is.

Senator Debora B. Pignatelli, D. 13: How difficult, I don't know if you can answer this, how difficult is it to find an apartment in Nashua if somebody's at the homeless shelter? Are apartments available?

Ms. Langle: The housing market is very, very tight in Nashua. We have someone here from Nashua who could probably answer that question from a more direct personal experience.

Senator James W. Squires, D. 12: Susan, if I understand the fiscal note correctly, the actual funds the State raises by bonding. So the costs come back in the repayment?

Ms. Langle: The fiscal note was prepared by the Department of Treasury and I spoke to Assistant Treasurer Ruse last week and he regrets that he is out of state this week otherwise he would be here. This is projected on what it would cost to borrow these funds if all of the certificates defaulted. So it's based on that kind of an assumption. Our experience is not that. It's definitely not that all of the certificates default. By and large certificates are met or redeemed through the tenants completing their responsibilities.

Senator James W. Squires, D. 12: Thank you. Elliott Barry.

Attorney Elliott Barry, NH Legal Assistance: Thank you Mr. Chairman and members of the Committee. My name is Elliott Barry. I've been a Staff Attorney specializing in housing at NH Legal Assistance for about 23 years. I can even remember back when it wasn't so hard to find housing for lower income people in Southern New Hampshire.

I just want to say that in my direct experience this has been a fabulous program for low income families. I'll leave a little literature with you. **See Attachment C and D.** The average rent right now for a two bedroom apartment in this State is $730.00. You could probably imagine how difficult it is – the average landlord want $1460.00 up front in order for you to rent. Low income families, especially low income families with children, just simply don't have that kind of money almost ever. So we have a steady stream going to Mary Sliney at The Way Home or to the Nashua administrators or all over the State. When we have people who need housing the first place we send them is to those who are administering security deposit loan funds. It is harder and harder to find a place to use, I'll grant you that, but it's a tragedy to think that there are people in shelters today and there are many, with the average length of stay over the last year has increased over five days, because they don't have access to one of those two months rent they need in order to get an apartment.

Again, you have people who are doing a terrific job at administering the program by getting low income families to carefully budget so that out of this guarantee and maybe I should describe very briefly the way it works. Typically the tenant gets a voucher, the prospective tenant, and they give it to the landlord. It's a State promise to pay the one month's security deposit and then the tenant will pay back the loan fund generally it's about 1/12 over a year. They'll pay back the entire security deposit loan fund and then the loan fund redeems that certificate giving the accumulated security deposit to

the landlord and taking back the guarantee certificate so it can be issued to another tenant. They work really hard in taking people of varying needs and enabling them to be part of the solution to their own problem.

So, it's a program where people aren't getting something for nothing and they're working really hard. Again, the repayment rate is impressive given the very low income nature of most of the people that are participating in the program. In the majority of cases the State doesn't have to pay anything on the guarantee certificate.

So, again, it just ensures, it's a lifeline for a relatively small investment of the State's fund. I don't know what the total number of people who have participated in this program but I can tell you I would not know where to send our clients if they didn't exist and how we would get them into housing because the landlord's are perfectly entitled to their security deposits and the people just don't have the money to pay.

Senator James W. Squires, D. 12: Any questions? Senator McCarley.

Senator Caroline McCarley, D. 6: I'm just trying to make sure I understand on the second page and perhaps I should've asked Susan Langle but, I'm trying to make the numbers work here in my head because what you've just explained to me is the guarantees are given and the certificates are taken back...So when I read this in the next to last paragraph, *"guarantee certificates up to $1,000,000"* that's what we currently have in legislation. Since the inception, we guarantee approximately $600,000. I assume those have come and gone. Gone out and come back. So....

Attorney Barry: How many that are outstanding at any given time I don't know.

Senator Caroline McCarley, D. 6: I'm trying to figure out, if I read this again, trying to read this one paragraph, it would appear we struggle with this particular limit and really aren't necessarily, if I look at the way the numbers are going up against it through the end of this biennium, I'm just trying to understand.

Attorney Barry: I have not been partied to the accounting and I honestly have no idea what the draw down has been, how many are outstanding right now. I do know and Mary can tell you about this, Mary Sliney from Manchester, that there have been organizations that from time to time have not been able to issue certificates, I think, because they're maxed out. But if we took a snapshot right now about how much room we have within the $1,000,000 cap, I honestly can't tell say. I don't know.

Senator Debora B. Pignatelli, D. 13: I was going to ask a similar question and that is if we increased it to $3,000,000 are there enough people around if we – what is the level that you need to help as many people as you could possibly help? And you probably don't have that answer but it sounds like a million even though it looks like there's only $600,000 out plus another $100,000. You're not near the $1,000,000 but it sounds like there are a lot more people out there and you could be doing more.

Attorney Barry: I think that's true. Although, again, quite frankly it's impossible to tell at this point how many people are without housing because they can't find a unit period and how many because they can't raise the financial needs necessary to buy their way into what's there. I don't think anybody knows that answer unfortunately. I think the good news is, and I may be wrong about this but it occurs to me that if we raise the cap but don't use it that you don't have a big loss. It may turn out that we can lower it again later but from my point of view I'd rather have that capacity to use when we need it without having to come back here at a time you may not be in Session. It would be nice to have it there and maybe we absolutely need it right now and maybe we don't. Again, I'm sorry but I'm just not in a position to know that.

I can leave with you because I suspect these issues come up a lot for you some data about the nature of the housing costs here in the State. **See Attachment D.**

Senator James W. Squires, D. 12: Attorney Barry, I just have a question. You said that, in the first part of your testimony, that $700 a month, $1400 security deposit but then you....

Attorney Barry: I'm sorry, you would need...Housing Finance Authority says the average two bedroom apartment cost is $730.00 in New Hampshire today. So, for a tenant that's looking for an apartment, that average apartment they have to come up virtually always with $1460 which is the first month's rent and the security deposit.

Senator James W. Squires, D. 12: So the security deposit is one month's rent?

Attorney Barry: That's right. It's limited by law to one month.

Senator James W. Squires, D. 12: Alright. Mary Sliney.

Mary Sliney, The Way Home: My name is Mary Sliney and I'm the Executive Director of the Way Home which was formally known as the Security Deposit Loan Fund of Greater Manchester, Inc. and we changed our name to the Way Home because we do a lot of supportive services for the folks we work with but we started in 1988 out of a needs assessment that was done by the United Way that said at that peak of the growing economy and tight housing market, what low income families needed to compete for decent housing was access to help with the security deposit. That's what the Committee who said, "Wow! We have a problem, access to affordable housing. What can we do that's achievable?" That's really how the program that I worked with got started. We are a small non-profit based in Manchester but we've been working in partnership since then with housing and homeless service providers throughout the State following these concerns.

What happened in our program was that a landlord suggested to us, "you know you're going to have a much stronger program if create a letter of guarantee. Let's talk about it." That's was in 1992 and we started testing that out just as the folks who were looking at coming to the State with legislation to create this State Housing Security Guarantee Program. So that's kind of where my involvement has been. My program has been working with low income tenants in the Greater Manchester Area for over ten years and we've been working with guarantees to landlords, loans to poor people, low income tenants and a three way very important working relationship with helps teach responsible tenancy on the one hand and assist with budgeting and addresses access to safer, affordable housing and then on the other hand, leverages with landlords, cooperation and follow-through to make sure that the apartments are in decent condition. And that has been an important component of the program.

We had very interesting experience with landlords in the early nineties. Vacancy rates were up to 20% in Manchester and we could say to landlords, "look. How about two weeks for the security deposit? How about a $200 security deposit." They would call us up and ask if we had tenants for them? That's not the market today. I think with all the efforts around the State to continue to build the growing economy the growth of the technology fields and all that's happening it's not going to be the market for quite some time.

When this program, working with the state's Security Guarantee Program first opened, I was looking at the average security deposit that we did using this program in 1993, 1994 and 1995 was around $300 and the high was $500. In the last six months, I looked back and we're doing $600, $600, $785 was the highest security deposit that we were doing. It's a very different scenario right now and the number of guarantees that we can underwrite

with landlords and loans that we can do with low income tenants with the same amount of money has changed dramatically in the last six years.

I'd be very happy to answer any specific questions on the management of a program of how it works. I know you've heard stories in terms of how significant this is. It's significant for the State's welfare work program in helping folks who move off welfare into a job and be able to keep their family decently housed. It's critical to this kind of support the State has given to the homeless shelters to help people move out of homeless shelters and into apartments and it's critical in just the general economic development as your basic workers in the service industry jobs in the various levels in which they are very low or extremely income wage earners needs assistance to have the money to access decent housing and to compete for that housing whenever possible. And it creates the opportunity to have a loan and to make payments on the loan.

The unique thing about this kind of loan program is that as long as the tenant is in the apartment and making effort to make payments, there is no default. The security deposit never belongs, is never the property of the landlord until the tenant vacates the apartment and that's part of the State law in security deposits. So that we do a lot of work with the tenant to be sure that the payment is such that they can make consistent payments and manage their income, pay their rent first, take care of their family and meet their basic necessities and be a consistent payer on this deposit and leave the apartment in good, decent condition, leave so their not owing back rent and when all of those things happen, there is no loss on the security deposit. The guarantee is a very creative, very strong leveraging tool that frequently can create a win-win situation with the property owner, with the low income tenant and responsible management of the resource which is the state guarantee.

Senator Debora B. Pignatelli, D. 13: I'm looking in this chart under Manchester and it says the average apartment this year was $794. What kind of income does someone have to have besides a couple of children to maintain that kind of rent and pay it every month?

Ms. Sliney: We're looking at $12.00 an hour.

Senator Debora B. Pignatelli, D. 13: You're not going to be able to help minimum wage earners?

Ms. Sliney: Whenever possible, we will couple this with a rent subsidy. If we can get someone to get a federal rent subsidy, Section 8, and tie that together then yes they can afford that kind of apartment. We can, and sometimes we

do, work with families who in order to have decent housing, you may end up with two families doubling up for a while in order to be able to secure an apartment. It may not be the ideal situation but we're working with families to be housed and get them into safe and affordable housing. So, on the income levels that the Way Home in Manchester worked with last year about 60% of the households we worked with had what Housing and Urban Development calls very low income which is at what they call 30% of median income figure and many of them, when we report to the United Way we have to indicate how many are at or below the poverty level and we have over half the people we work with at the poverty level. Yes, we do work with low wage workers. We work with people on disability. We work with elderly. We work with folks trying to work their way off the TANF and into jobs as well. But it is tougher. It is tougher and tougher right now. Our statistic in terms of number of families who come to us and stay doubled up with another family in the last three years (turn over tape)...

Senator Debora B. Pignatelli, D. 13: Just one other question. It sounds like the people who you're working with need a variety of supportive services. They don't just need this housing security guarantee loan fund.

Ms. Sliney: Yes. What we do when our housing counselors meet with someone that's pretty much what they identify is, sometimes this is the missing piece and that's all that's needed. So that's good. It's kind of like a triage. We get the security deposit guarantee, we inspect the apartment, we work out the deal with the landlord, we sign the contracts, we start the loan payment plan. Somebody else we identify that they need access to other supportive services in the community and whenever we can link them up to the various resources whether it's for parenting skills or consumer credit co-op because they're got to deal with some unfortunate bad debt that they got into with credit cards or they may have a mental health issue or they may have a disability issue. We link them to all of those services and we create a supportive housing advocacy and self esteem development so that people can become self sufficient and be successful.

When the state guarantee program really soars it's when it's able to link up with other services. Without that it does still supply a very critical missing link to help low income families access decent housing and the more competitive the housing market is the more critical it is.

Senator Debora B. Pignatelli, D. 13: One final question. How do people find their way to you?

Ms. Sliney: Landlords will refer people to us. City Welfare is a prime referral. Manchester Housing Authority, the homeless shelters, other social

services and other renters who have borrowed and worked with us in the past.

Senator Patricia Krueger, D. 16: I just want to commend you, thank you Mr. Chairman, commend you Mary. As one of the Senators from Manchester I've come across people who would have been probably far more destitute if it hadn't been for your help and the one thing I noticed particularly with one particular situation you did help them regain their dignity. I think that made the difference because your program made it possible for them pretty much as the mom said to me to hold their head back up again. I thought that was really amazing. I applaud you for doing that and my sense is that I imagine the idea of debt that they pay off a little bit at a time. I bet you have very little, I hope you do, have very little people reneging on their promises. I wouldn't be surprised if you did. This is not really a question but I wanted to say it's made an enormous difference in the City.

Ms. Sliney: Thank you very much.

Senator James W. Squires, D. 12: Thank you Mary. Mr. Johnson.

William Johnson, St. Vincent De Paul Society: Good afternoon Senators. My name is Bill Johnson. I'm here to represent the St. Vincent De Paul Society, specifically located in Laconia but working with people throughout the Lakes Region. I have with that organization for about six years. For five years as it's President and I've also been the coordinator of the financial assistance program that we've maintained for about five years. The financial assistance program looks to help individuals and families with their various financial needs, one of which is rent deposit guarantees. Rent deposit guarantees used to be one of the smallest aspects of that program until the last couple of years when it's been forced, in terms of dollar volume, up mainly because of the problems with the state program and inability cap to offer the guarantees especially, I think it was, from December of 1998 until June of 1999.

I'm not here to repeat what a lot of people have talked about in terms of statistics and the housing market, the tightness of markets with perhaps to add my own comment about the Lakes Region that if the housing problems are critical in the rest of the State I think they've reached crisis proportions in the Lakes Region. A lot of the reasons that have been mentioned here in addition to the fact of stagnating wages, somebody earlier mentioned $10 to $12 an hour jobs, we wish we had some $10 to $12 an hour jobs up in the Lakes Region. Basically what we're getting these days is, at Exit 20, many of the organizations that are opening up for business there paying $6, $7 perhaps $8 an hour and take those kinds of numbers and try to apply those

against the rent numbers, although fortunately our rent numbers are not quite as high as they are in the Southern part of the State.

I'm here to really talk about the effects of not having an increased cap or having the existing program shut down and what happens if that, as it did by the way in that time period that I mentioned before. What happens is the responsibility then falls back upon, first of all, the towns and cities and the local welfare offices. Depending upon they consider rent deposit guarantees as part of their bag, so to speak, fortunately many of the towns in our area do and so have stepped into the breach to offer some of those. If not the towns and cities then it falls on the shoulders of organizations like ours which are fortunate enough to have their own funds to issue either checks for dollar deposits or to issue the same type of guarantees that are envisioned under this particular program we're discussing here today. So it falls down on our shoulders and what does that mean? It means that we, as an organization, have to take funds that we might use in other aspects, other programs, and focus it for this rent deposit guarantee.

The second reason that I wanted to come down here was to talk about the question of fiscal impact or fiscal burden and I admit I didn't really understand the numbers on page two of the handout, even after today I'm still not sure exactly how the State from a fiduciary or legal stand point has to account for this but from a practical stand point I want to reiterate something that perhaps has already been mentioned and that is that by the mere fact of increasing the cap by a $1 million does not mean that the State is going to be on the hook for $1 million, that the default rate, to use a term that was used before, is nowhere near that and in terms of our own experience in issuing these where we've had to back up our own guarantees and we've had to sit down and write a check to the landlord the number is in the neighborhood of 15% to 20%. If you're looking for what might happen should that tenant either not pay, in your case it's a loan. We work it a little differently in the sense that the tenant pays directly to the landlord a cash deposit but should they not and then of course leave the apartment either owing rent or having done damage to the apartment that the exposure is in that neighborhood of 15% to 20% based on our experience over the last seven years.

The problems of the rental market are not going to go away. There are certainly more problems than this bill is going to deal with that the State and private organizations are going to have to deal with but this is certainly an important bill and I express our support of it. Thank you very much.

Senator James W. Squires, D. 12: Senator McCarley.

Senator Caroline McCarley, D. 6: Mr. Johnson, thank you for helping to clarify this a little bit but I do have a question. Did I understand you to say that the State was basically not able to guarantee any of these for six months.....?

Mr. Johnson: At least in the Lakes Region. I'm not sure exactly whether it was throughout the State but the CAP Office which is the administrating organization in Belknap County from December through June had a moratorium in terms of these guarantees. So, where we might have referred, for instance, a tentative prospect tenant to CAP, at that point in time we could not. So therefore our organization would work with the local town or city welfare office in terms of working out the arrangements. Which by the way and there was talk before, Senator you had asked about supporting services, that makes it even more difficult because then we have to look if there's furniture or clothing needs we have a thrift store that provide those, whether there's food needs we have our food pantry and all of that, it just complicates things and makes it more expensive for others.

Senator Caroline McCarley, D. 6: So, it would appear, regardless of whether I can get a handle on exactly how this accounting system all works, we currently hit a ceiling on it six months ago relative to the push about that's going on in our housing markets.

Mr. Johnson: I'm not sure what the reason for that is. I presumed, I think we in the Legislature presumed, it was because the cap had been hit. The door has been opened again as of last July.

Senator James W. Squires, D. 12: Mr. Johnson concludes the number of people that have signed....Yes.

Ms. Langle: May I have a follow-up answer? My understanding of the way they were assigned when the program was not able to issue certificates that that was related to figuring out a way to get the State Guarantee loans back to the program. To access the funds, to reimburse for the defaults. So, it wasn't that we hit the maximum. It was accessing the State Guarantee for the first time so that we could keep the funds flowing to the providers of the program. So that we haven't hit the cap yet. I don't know how much in terms of the money is outstanding right now. I don't have that information with me. I'll get that to you but it is our belief that we need to make sure that we can keep the program rolling with the increasing rentals because that's using up what's available at a faster rate. Thank you.

Senator Debora B. Pignatelli, D. 13: Then it's your belief that $2 million will allow your program to continue?

Ms. Langle: That will be added.....

Senator James W. Squires, D. 12: Eileen Brady.

Eileen Brady, Nashua Soup Kitchen & Shelter: Hello. I'm that Social Worker at the Nashua Soup Kitchen and Shelter. I've been there for seven years. Previous to that I worked in the Seacoast with CAP. That agency also had this program then. I'd like to speak on a few different perspectives. One is from the observations of our volunteers, one is from a historical perspective in Nashua and one is on issue of competition.

We have between 800 and 900 volunteers. Some come in for very brief periods and some for extended periods. Some have been there 19 years. They are very cognizance of the increases and decreases in the number of people coming in for particular services. As people who mostly own their own homes and don't have to be in the apartment marker and therefore, don't always think of about it until they come into contact with the folks at our place and a number of them are shocked when they hear that apartments that are right next to the Soup Kitchen, which is in the tree streets of Nashua, are going for $750 for a two bedroom apartment. So someone would have to come up with double that to move in.

It is always interesting to hear the comments of people who really aren't in the social services system and who are in a whole different way of life and are questioning why and it must be so hard for people to actually get into these places and no wonder we're seeing so many people at the shelter and soup kitchen.

Another is history. When I started there, almost seven years ago, people were calling us as, Chris had mentioned, to look for tenants. The amount of money needed to get somebody in through the security deposit program was $100 or $200. Now most landlords want the entire amount of a month's rent which is the maximum they can request. This has changed things very much.

Also the number of apartments are very small so that if a landlord is trying to avoid problems they will usually go for, and this is where the competition comes in, go for the person who can come up most readily with the money because they're going to believe that person is going to be the person that will come up with the rent all the time. But I think there are a number of landlords who really do appreciate when somebody is able to access the money even though their wages are not enough for two months rent at once, to use resources in the community in order to meet the amounts that they're

requesting. Because they're going to think, and this has been told to me by different landlords and tenants, they know where to go for help in making ends meet, that they're tied in with services, that they're not going to just bail on them. Strangely enough that is sometimes a very helpful thing because they know there is some kind of safety net connection there.

In Nashua, we have an awful lot of people moving into the area to get jobs at Fidelity Investments, at Oracle, at any of the high-tech tiny businesses that we probably can't – the names don't roll off our tongues but they call us when they want to give us donations at Christmas. That's how I get to know a lot of the businesses in the area and who's doing pretty well. A lot of their employees come from other states and they come in and they will go to any apartment and get that apartment for a brief period until they find a house. They relocate. Even the apartment buildings near us are being used for those purposes.

So, the market's really changed for people. They really do have to come up with enough money to enter into an agreement with the landlord. It's not as informal as it was even five years ago. We have a very small loan program ourselves to help with small bills and many people try to pay it back as best as they can and we also offer an opportunity for volunteer work but a lot of reasons why people can't pay it back are pretty drastic. I can think of many people who have died young, who have fled the area because of domestic violence, who's disability has gotten so bad that they don't have the income ability that they once had and that many people have gone to nursing homes and therefore really can't pay off those bills. The people that I refer to this program are often the people that are, like Senator Pignatelli was asking about the lowest income people and they try to do it the best they can. A lot of people will take in a border. A lot of people will do the doubling up, as Mary said. There's many, many creative ways for people to actually pay the rent. Sometimes it's 70% of their income. They'll come more often to us for food and for other services that we have. We give out thousands of diapers a year and that's a way that some people can save a bit of money and put it towards their rent.

What I've been very disturbed at in some of the news items about fires recently, a lot of times there would be a fire and it will say there were twelve people in the apartment or the child who died in the fire was staying there temporarily until they found a place and this is cross-middle incomes as well. So, anything that is going to help people be able to access what is there, I would just like to recommend it highly because it's the difference between people being able to actually find a decent place or not and perhaps wind up in the sharing situations that aren't always so resourceful and are pretty dangerous.

I have worked very closely with different people running this program and I know that they do what Mary described, do much more than just hand out the loan materials. It's a support system and people really need it and we try to work very closely with people doing this so that we can fill in our part too. Thank you.

Senator James W. Squires, D. 12: Linda Panori.

Linda Panori, Portsmouth: Good afternoon. Sorry I came running in at the last minute. I got tied up in Portsmouth. You've heard some statistics from other folks. I've been running successful security deposit loan fund since 1988. I've helped over 2,000 people get into apartments. With the guarantee program I've issued 84 guarantees since it's started, 16 have defaulted, 22 are still open and the remained have been returned repaid or returned by the landlord.

One of the things that I'm hearing from other people is the same with my program, you hook up with me, you're paying back a loan, you're getting a credit reference on what is usually a bad credit record. You're getting hooked up with other services that you need but one of the things, dare I say it, that is also a result is landlords aren't really, really keeping the security deposits. They have to report back to me to get their money and in turn, me to the State. They can't just claim this, that or the other problem. They have to prove it. So we're having accountability by landlords through this program, also, not just the tenants. Tenants are more apt to keep their apartments in better condition because they know that's not their money and if they default on it, they're not going to get help again. So they know this and they tend to keep their units in better condition.

Everybody keeps talking about the economy and the need for units. Right now, in the City of Portsmouth, a two bedroom apartment without utilities is $1,000. That is the average price. I call, at least once a month, I call all the apartment complexes, I pull out the newspaper and I sit there and do a comparison. A $1,000 a month. That means you need $2,000 to get into a unit and usually a key deposit, sometimes a carpet deposit, whatever they feel like charging you. Two thousand dollars to a victim of domestic violence that might be making $8 an hour. It's impossible. This program is critical to the working poor of this State.

Any questions?

Senator James W. Squires, D. 12: Thank you. Any other comments?

Senator Edward M. Gordon, D. 2: I actually have a question of Susan. What happens when people do default?

Ms. Langle: Then, the State reverts the funds back to the provider, the provider pays the landlord, then they make a claim to the State and the State reimburses the provider. We've done that through accessing State funds through the emergency shelter funds.

Senator Edward M. Gordon, D. 2: This only deals with the guarantee of $2 million? It doesn't deal with the funds that actually go to....?

Ms. Langle: That's right.

Senator Edward M. Gordon, D. 2: There's not additional appropriation?

Ms. Langle; There's no additional appropriation. We don't believe we need an additional appropriation.

Senator James W. Squires, D. 12: Any other comments? Seeing none, I will close the hearing on Senate Bill 422-FN.

Hearing closed at 2:05 pm.

Respectfully submitted,

Merideth A. Chandler,
Committee Secretary

Attachment A

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF FAMILY SERVICES

BEHAVIORAL HEALTH

STATE OFFICE PARK SOUTH
105 Pleasant Street, Concord, NH 03301
603-271-5000 TDD Access: 1-800-735-2964

Donald L. Shumway
Commissioner

Paul G. Gorman, Ed.D.
Director

February 15, 2000

Hon. James Squires
Public Institutions, Health and Human Services
Legislative Office Building
Concord, NH 03301

Re: SB 422

Dear Senator Squires:

The Department of Health and Human Services requests your consideration of this effort to expand the capacity of the Housing Security Guarantee Program to assist working families and individuals to obtain housing. The Program, established in 1993, created a system of guarantees for tenants with the ability to meet their ongoing housing expenses but who find the initial deposit required by the landlord to be a barrier to securing an apartment. The program assisted 1,427 households from its inception in 1993 through July 1, 1999.

The program is administered by Community Action programs and two other community housing agencies. These programs that issue certificates for security deposits to landlords on behalf tenants who meet very low income guidelines of the US Dept. of Housing and Urban Development. The certificate, not more than one month's rent, assures that the landlord will be paid this amount if the tenant defaults. The certificate is in fact a "loan" to the tenant who enters a periodic payment plan with the housing agency until the full amount of the security deposit is paid.

If the tenant vacates the apartment and the landlord makes a claim against the certificate for security deposit, the program transmits the security deposit to the landlord up to the amount of the landlord's claim against the security deposit. Any excess is refunded to the tenant. If claim against the security deposit is more than the tenant has paid, the program forwards the funds paid by the tenant and makes up the difference. The housing agency then may submit a claim to the state for the default.

From 1994 through 1998, of the $550,699 in loan vouchers issued, the total program default paid by the state was $97,191.

The Program is limited to guaranteeing certificates up to $1,000,000. Since the inception of the program approximately $600,000 in certificates have been issued and additional $100,000 in certificates will be issued by June 30, 2000. Given the rapid increase in housing costs, and consequent higher security deposits, each certificate issued takes a greater proportion of the guarantee available, thus limiting the number of tenants that can be assisted. Without the increase in the ceiling proposed by SB 422, the program will have a limited number of certificates to offer during the next fiscal year.

The only cost of the program is the potential additional defaults the State might pay. By expanding the program to $2,000,000 the state accepts a small risk of additional defaults while supporting many qualified families to enter the housing market.

Yours truly,

Susan Langle

Attorney Susan K. Langle
Office of Client and Legal Services

SKL/fp

Attachment B

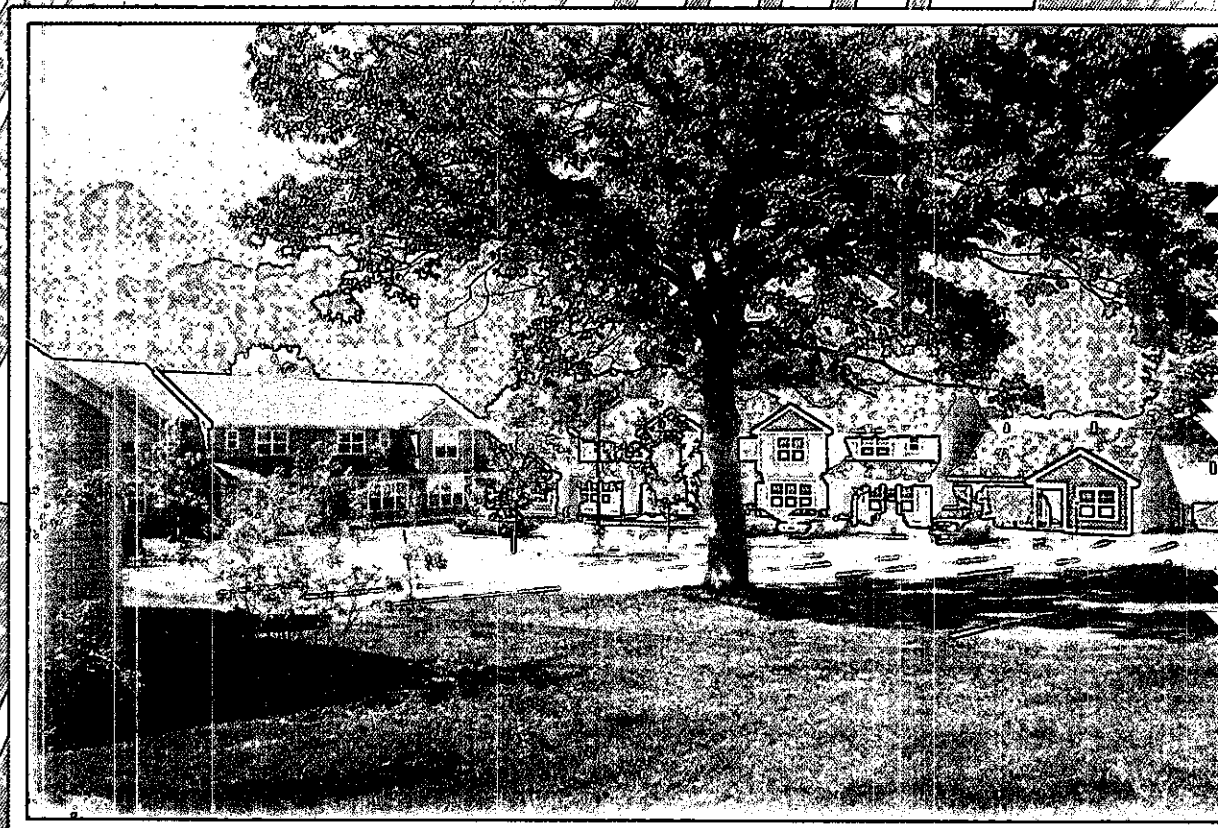
Median Gross Rental Costs - 2 Bedroom Apartments

*data taken from Residentail Rental Cost Surveys published by the New Hampshire Housing Finance Authority		
	1998	**1999**
Statewide	$698	$730
Counties		
Belknap	$580	$578
Carroll	$584	$590
Cheshire	$671	$673
Coos	$394	$419
Grafton	$529	$566
Hillsborough	$759	$794
Merrimack	$718	$748
Rockingham	$785	$828
Strafford	$674	$686
Sullivan	$603	$604
Municipalities		
Concord	$759	$790
Derry	$806	$864
Manchester	$717	$794
Nashua	$819	$852
Portsmouth	$825	$878
Rochester	$672	$693
TANF Housing Allowance*	$243	$243
*same amount regardless of family size or geographic area		

* NOW $268

Attachment C

1999 Residential Rental Cost Survey



NEW HAMPSHIRE
HOUSING FINANCE AUTHORITY

New Hampshire Housing Finance Authority

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RESIDENTIAL RENTAL COST SURVEY

JUNE 1999

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ACKNOWLEDGMENTS: The Authority would like to thank the many property owners and rental managers who cooperated in this survey.

PREPARED BY:

New Hampshire Housing Finance Authority
Planning & Development Division
P O Box 5087
Manchester, NH 03108
603-472-8623
1-800-640-7239 (NH Only)
TDD: 603-472-2089

METHODOLOGY AND DEFINITIONS

The information in this report is the result of a statewide telephone survey conducted by the New Hampshire Housing Finance Authority during April, 1999. The Authority obtained information on 23,708 rental units across the state. Rental properties polled were either included in last year's survey or were added to the polling list from newspaper advertisements published during 1998. For purposes of determining median rents, only a portion of units from projects with more than ten units have been used so as not to bias the results towards larger complexes. As a result, the calculation of median rents is based on a total sample of 8,700 units.

Since 1994 the Authority has conducted this statewide telephone survey in the spring. This change allows for better comparison between statewide median rents and the annual Fair Market Rents proposed by the U.S. Department of Housing and Urban Development (HUD). Future surveys will continue to be held in the spring of each year.

The metropolitan statistical areas (MSA) defined in this report incorporate the changes made in those definitions by the Office of Management and Budget in their announcement of June 30, 1993 (OMB Bulletin 93-17). A listing of the MSAs and the communities that comprise these areas are provided at the end of this document. Some MSAs include communities in neighboring states. The data that are presented on the MSAs apply only to the New Hampshire portions of these areas.

Both 'Contract' and 'Gross' median rents are published. **CONTRACT RENTS** refer to the rates landlords charge their tenants. These are the usual rates advertised by property managers. The utilities included in such rents vary. **GROSS RENTS** are calculated for each property polled by adding to the contract rent dollar allowances for those utilities the tenant is expected to pay. The addition of allowances for tenant paid utilities has the effect of standardizing rental costs. These dollar allowances are determined by the Authority at the time of the rental survey. They are based on physical consumption allowances determined by HUD and current energy costs as determined by a survey conducted by the Authority. Estimates of the average, tenant paid utility costs are reported statewide, by unit size on page 1 of this report.

Median contract and gross rents are presented for various geographic areas and for each unit size. The median represents the rent which is at the middle of the distribution if rents are ordered from lowest to highest. Thus 50% of the sample rental units in each calculation have rents below the median, and 50% have rents above the median. The median differs from a mean average and has some advantages in that the median is less influenced by extremes in rental costs.

In the tables that follow, some medians are not reported because the sample was not sufficient (not large enough) for a reliable calculation. Categories for which there is insufficient data contain the notation "***". In general, medians were not calculated when the sample contained less than twenty units. Despite the suppression of results for categories with small sample sizes, the data for those units have been included in the calculation of the overall medians.

This year's survey includes graphs summarizing results of the Residential Rental Cost Survey from 1988 to present. The median gross rents for two bedroom units are plotted to show general trends. The user should keep in mind that the sample set changes each year, therefore changes in rents may be due to both the change in the sample and changes in utility costs used in calculating gross rents.

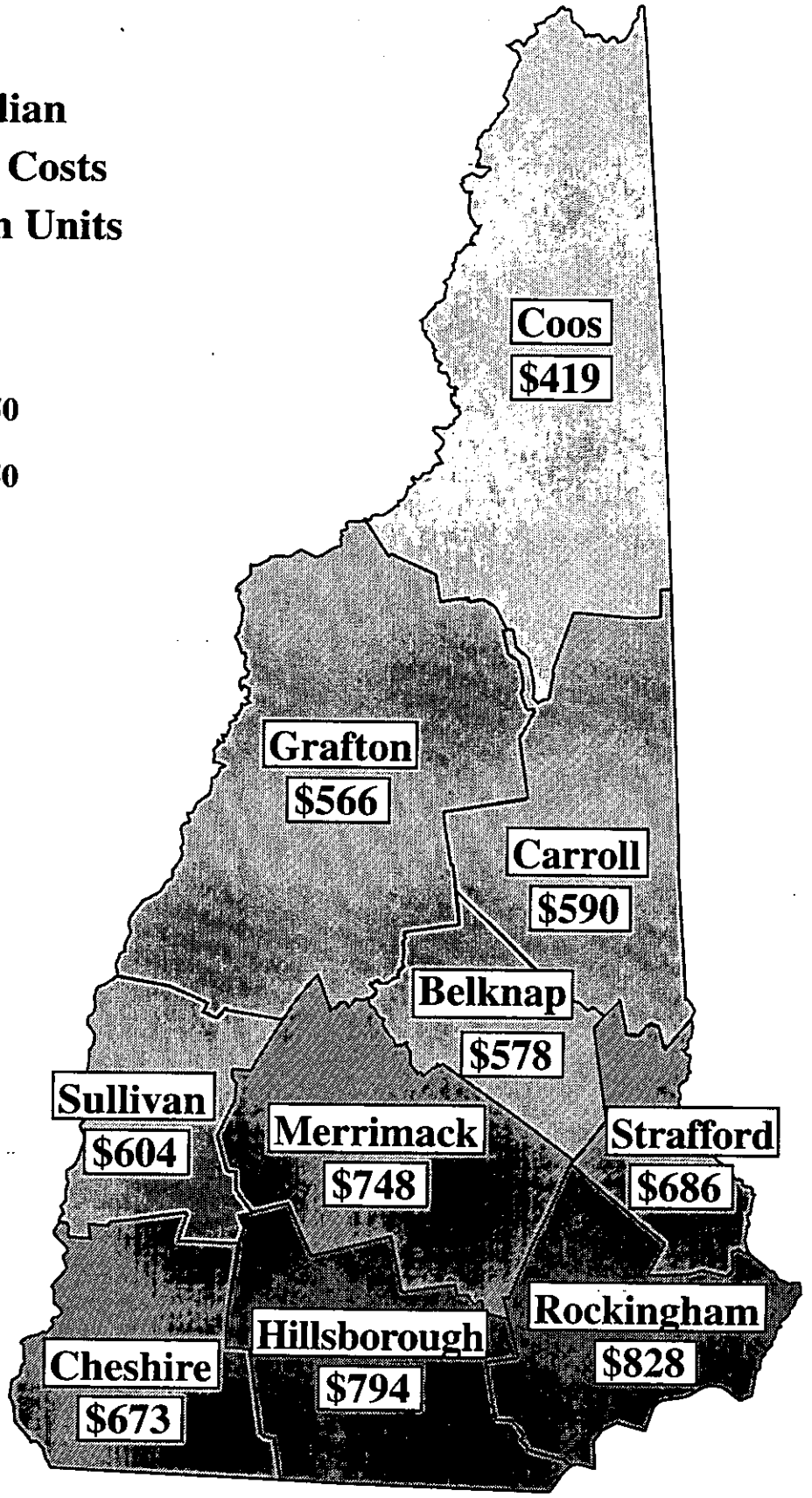
Monthly Median Gross Rental Costs Two Bedroom Units

< $500

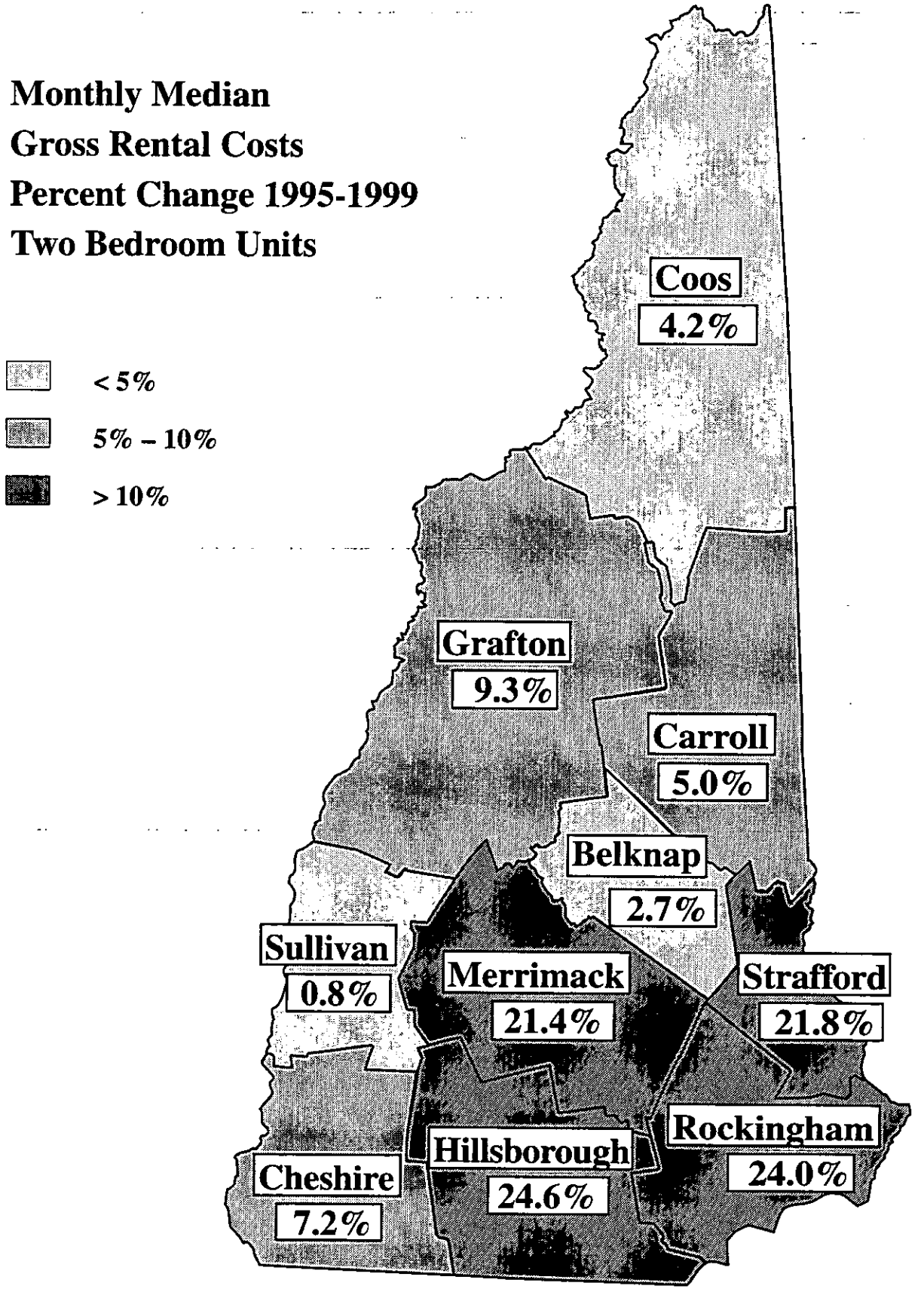
$500 - $650

$650 - $750

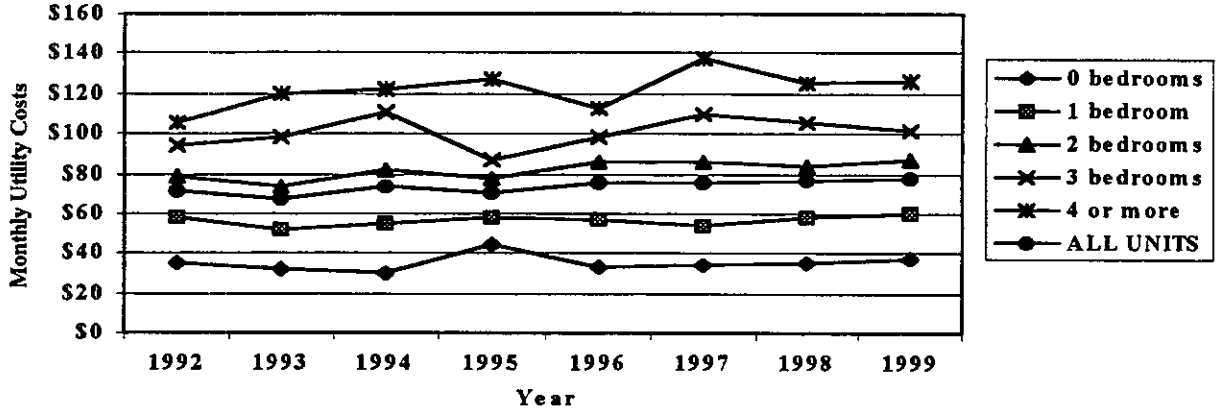
$750 +



Monthly Median Gross Rental Costs Percent Change 1995-1999 Two Bedroom Units



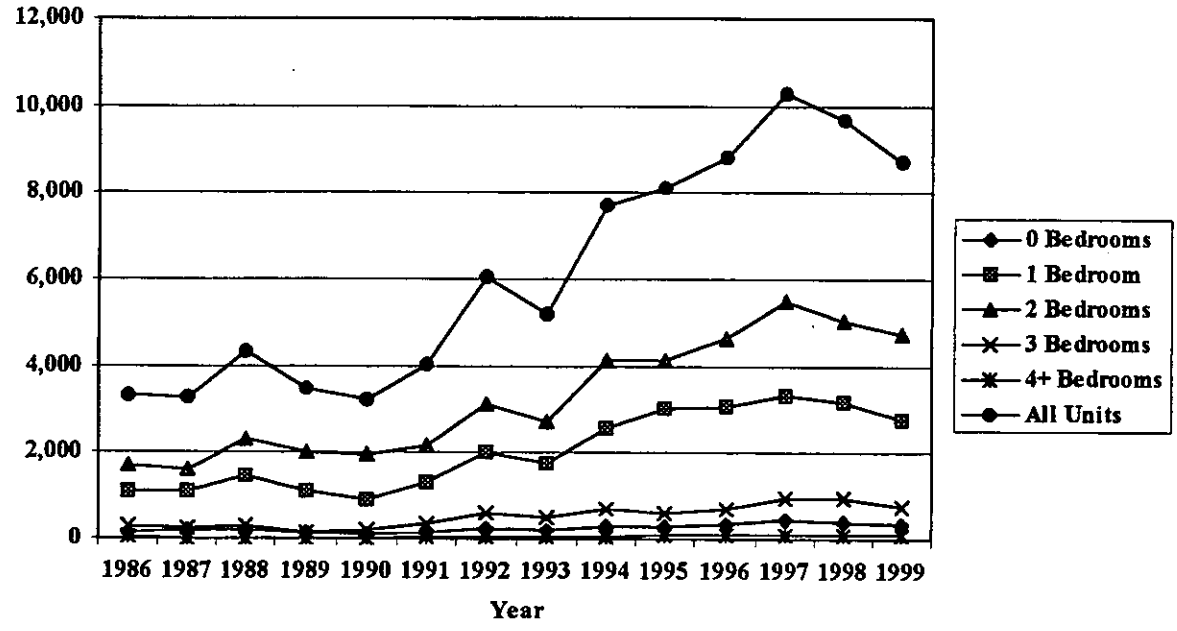
Change in Average Utility Costs



The above chart represents the change in the average monthly amount of utility costs paid by tenants residing in the units which were surveyed each year. These utility costs show some fluctuation from year to year due to differences in sampling and changes in utility rates. On balance, the average utility cost of all units has increased less than ten percent since 1992, or about 1.33 percent per year.

The following table displays the difference in overall sample size from one year to the next. The total survey sample size continues to be significantly larger than during the late 1980's and early 1990's. However, over the past two years the response rate has declined.

Sample Size

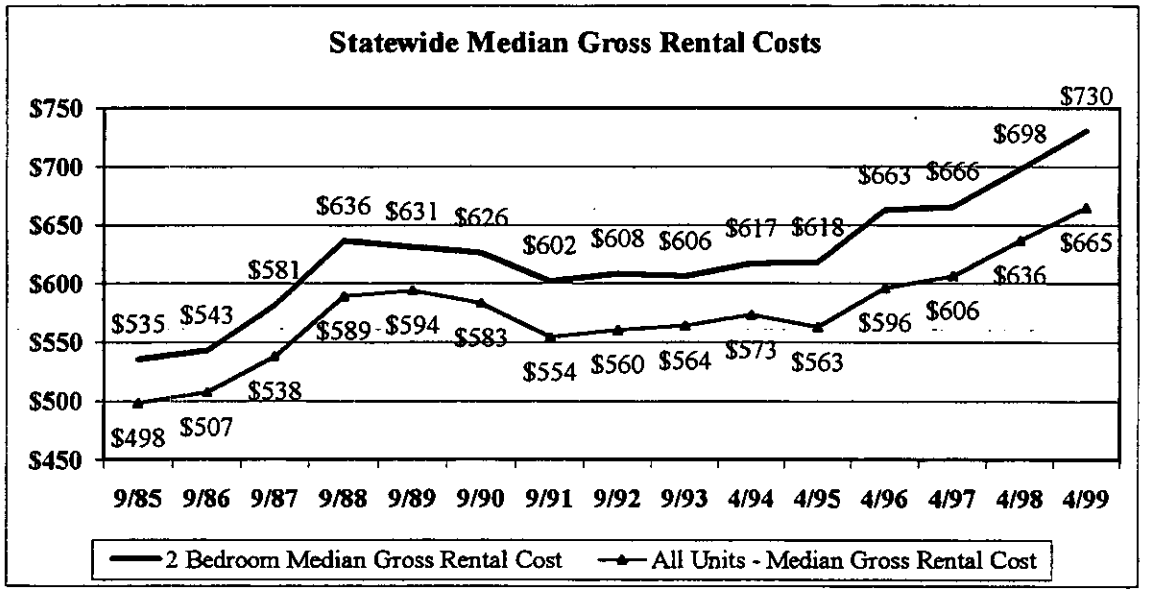


STATE OF NEW HAMPSHIRE

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs: Rent Range			Gross Rental Costs: Median
0	358	$412	$230	-	$1,230	$450
1	2,766	$500	$250	-	$1,137	$566
2	4,740	$640	$261	-	$1,599	$730
3	756	$650	$358	-	$1,604	$758
4+	80	$700	$462	-	$1,789	$824
All	8,700	$585	$230	-	$1,789	$665

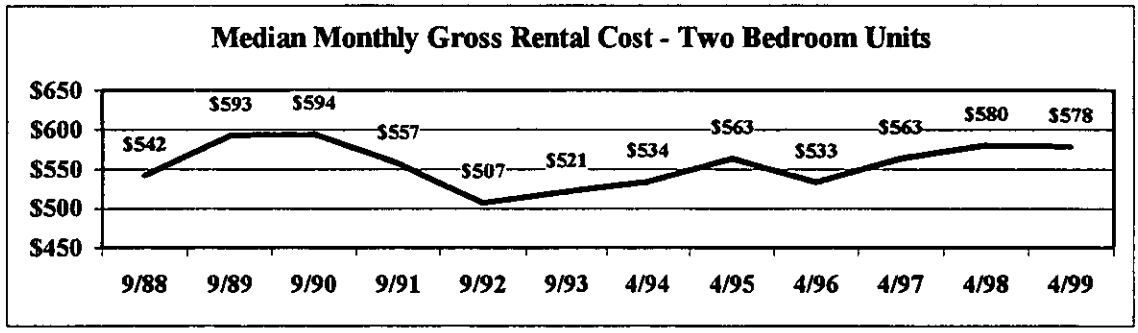
Average Estimated Monthly Cost of Utilities Paid by Tenant: 1999 Survey

Size (# of Bedrooms)	Average Utility Cost to Tenant
0	$36.96
1	$60.25
2	$86.39
3	$101.10
4+	$125.76
All	$77.69



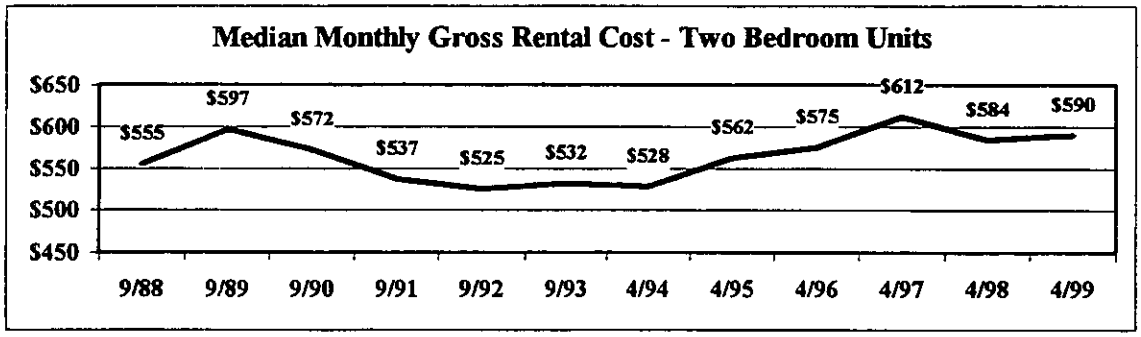
BELKNAP COUNTY

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	30	$375	$300	-	$580	$400
1	226	$450	$300	-	$650	$477
2	169	$542	$412	-	$775	$578
3	81	$607	$525	-	$921	$658
4+	11	****	$607	-	$992	****
All	517	$500	$300	-	$992	$548



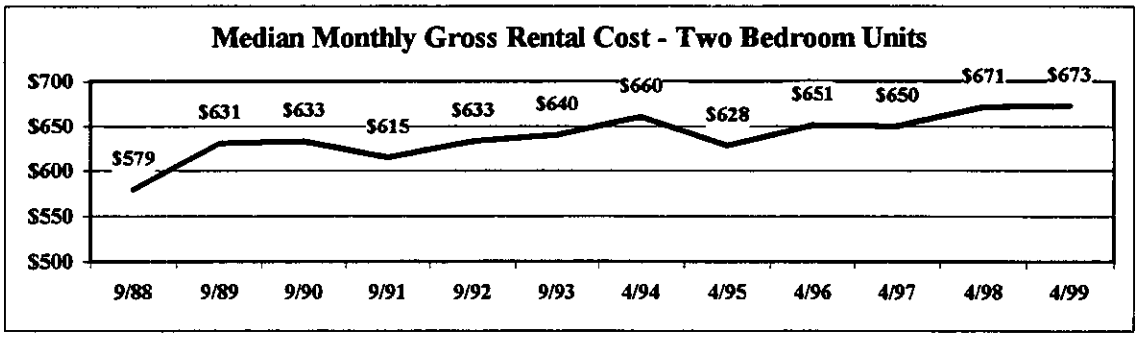
CARROLL COUNTY

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	14	****	$255	-	$484	****
1	96	$395	$256	-	$612	$474
2	110	$475	$417	-	$813	$590
3	19	$550	$576	-	$939	$797
4+	4	****	$743	-	$993	****
All	243	$430	$255	-	$993	$541



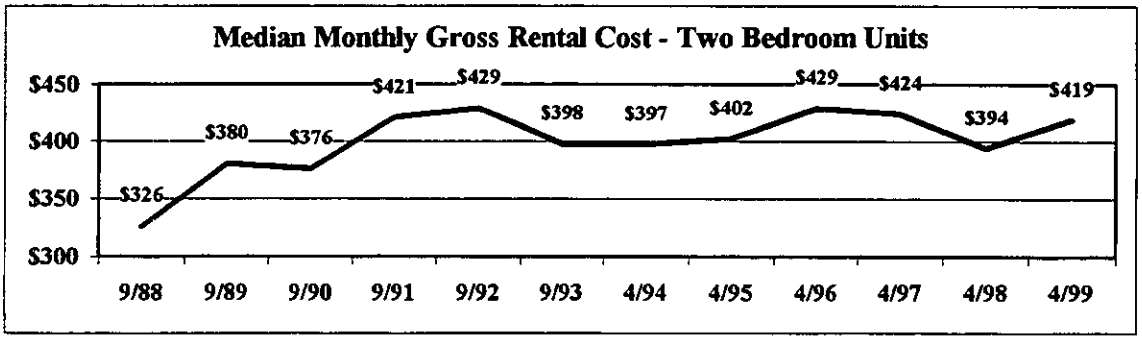
CHESHIRE COUNTY

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	19	$435	$280	-	$725	$490
1	148	$500	$309	-	$793	$542
2	158	$581	$487	-	$989	$673
3	50	$675	$529	-	$975	$778
4+	3	****	$824	-	$1,010	****
All	378	$550	$280	-	$1,010	$627



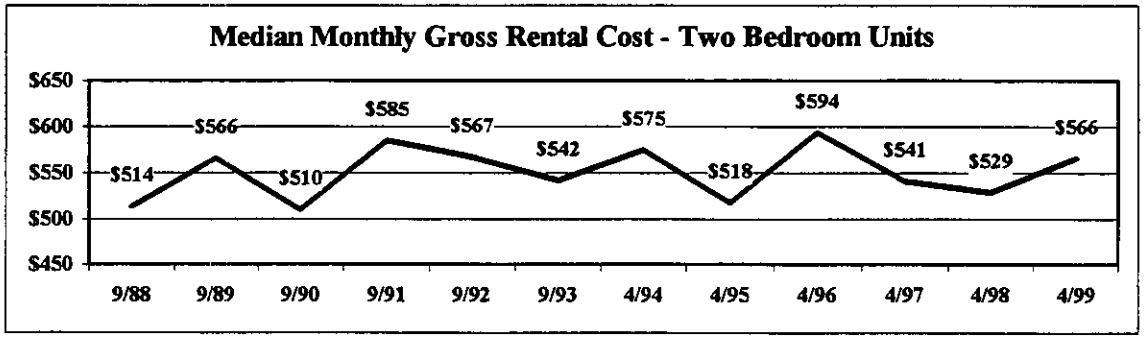
COOS COUNTY

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	4	****	$230	-	$430	****
1	71	$325	$272	-	$823	$387
2	122	$350	$304	-	$687	$419
3	34	$433	$358	-	$698	$503
4+	5	****	$462	-	$762	****
All	236	$350	$230	-	$823	$415



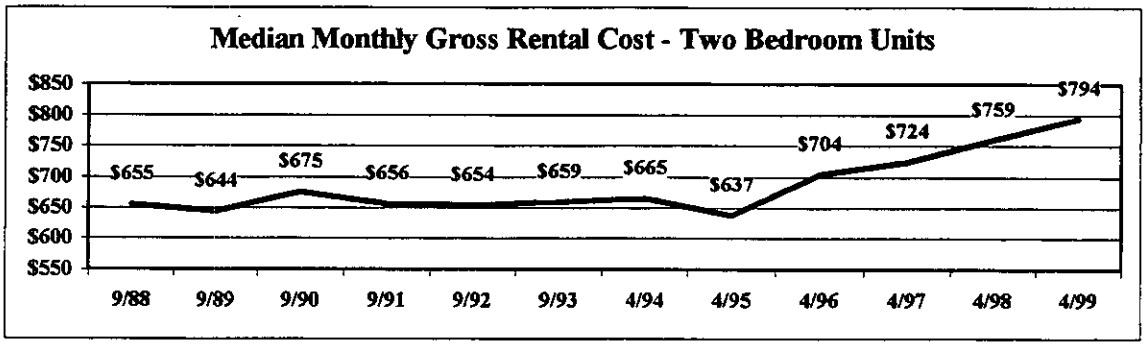
GRAFTON COUNTY

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	12	****	$275	-	$525	****
1	112	$375	$262	-	$692	$462
2	133	$495	$344	-	$899	$566
3	29	$460	$400	-	$1,245	$581
4+	1	****	$633	-	$633	****
All	287	$430	$262	-	$1,245	$503



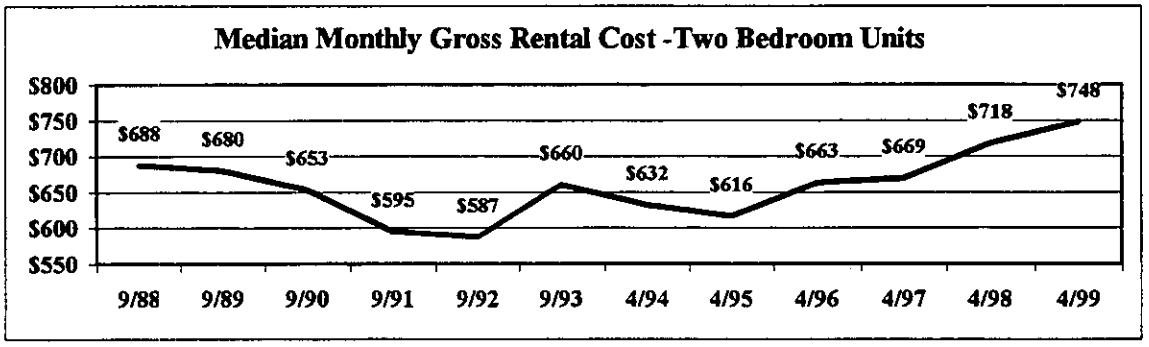
HILLSBOROUGH COUNTY

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	115	$466	$280	-	$739	$466
1	862	$576	$282	-	$1,020	$622
2	1,872	$710	$261	-	$1,239	$794
3	296	$675	$442	-	$1,575	$778
4+	19	$700	$582	-	$1,432	$847
All	3,164	$664	$261	-	$1,575	$749



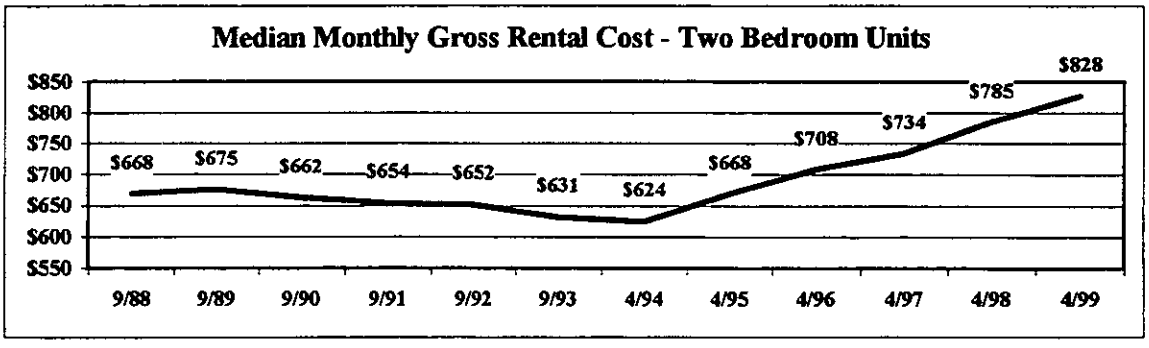
MERRIMACK COUNTY

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs: Rent Range			Gross Rental Costs: Median
0	22	$325	$291	-	$510	$410
1	321	$425	$303	-	$733	$521
2	537	$595	$368	-	$936	$748
3	43	$650	$628	-	$1,033	$762
4+	14	****	$526	-	$1,136	****
All	937	$555	$291	-	$1,136	$643



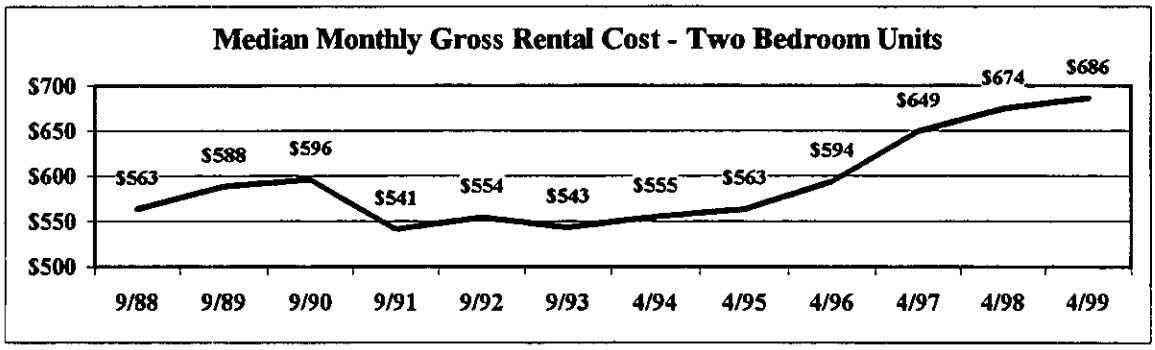
ROCKINGHAM COUNTY

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs: Rent Range			Gross Rental Costs: Median
0	96	$410	$280	-	$1,230	$450
1	484	$540	$303	-	$1,137	$605
2	951	$729	$419	-	$1,599	$828
3	106	$950	$547	-	$1,604	$1,063
4+	9	****	$796	-	$1,789	****
All	1,646	$649	$280	-	$1,789	$732



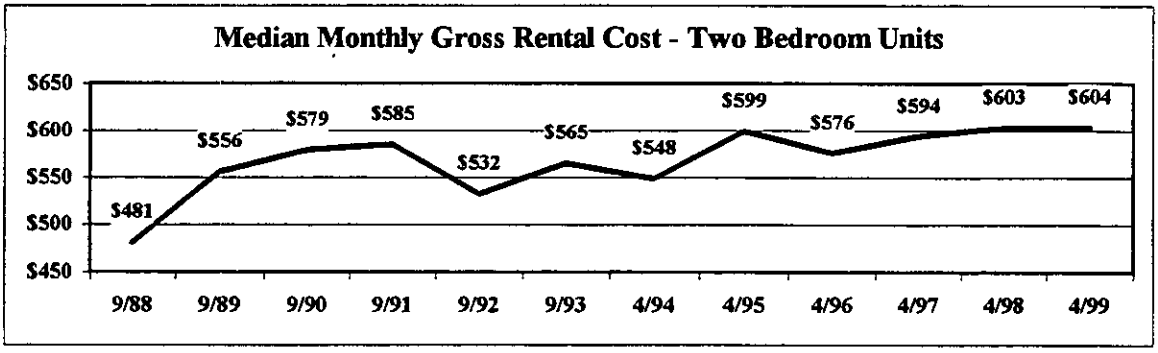
STRAFFORD COUNTY

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	44	$412	$355	-	$625	$444
1	397	$480	$250	-	$820	$568
2	595	$575	$435	-	$1,024	$686
3	87	$650	$484	-	$1,433	$750
4+	12	****	$599	-	$1,156	****
All	1,135	$550	$250	-	$1,433	$633



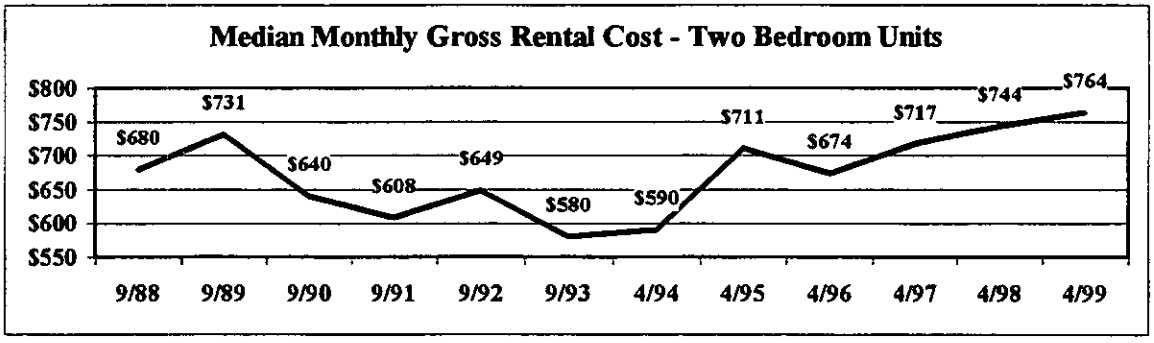
SULLIVAN COUNTY

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	2	****	$446	-	$491	****
1	49	$433	$399	-	$732	$474
2	93	$520	$404	-	$863	$604
3	11	$520	$514	-	$982	$603
4+	2	****	$669	-	$713	****
All	157	$520	$399	-	$982	$604



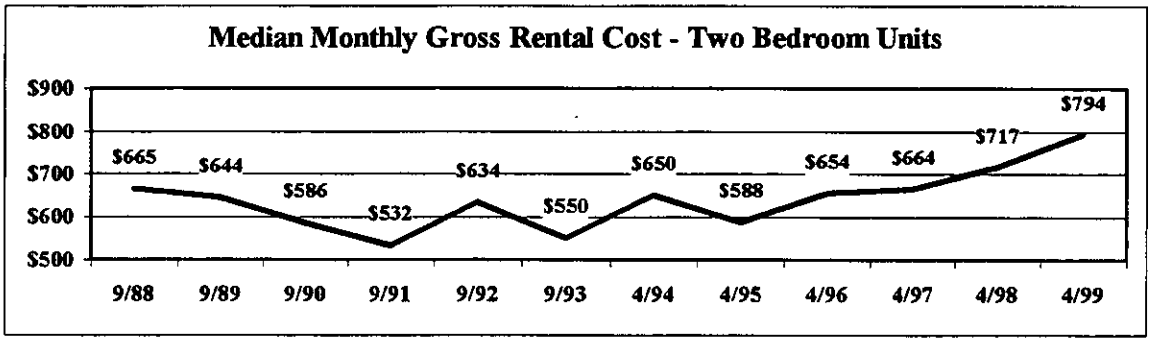
LAWRENCE, MA-NH PMSA

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	25	$433	$280	-	$650	$433
1	266	$570	$387	-	$787	$607
2	382	$710	$419	-	$1,243	$764
3	20	$950	$547	-	$1,473	$1,110
4+	2	****	$796	-	$867	****
All	695	$620	$280	-	$1,473	$670



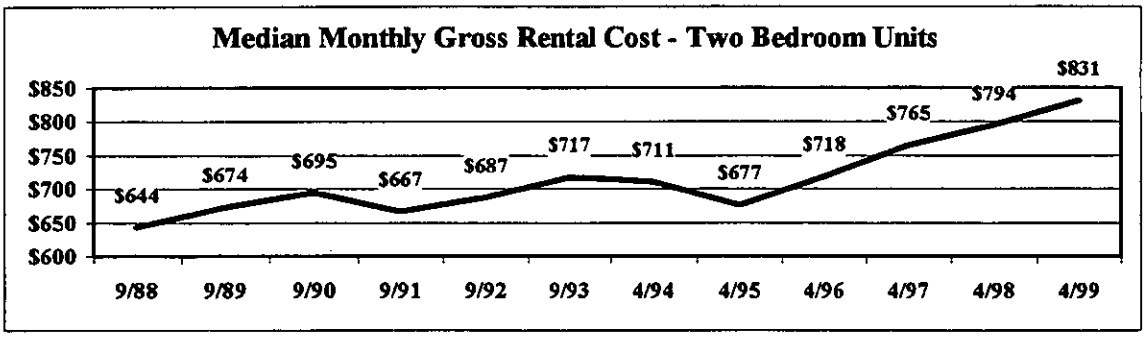
MANCHESTER, NH PMSA

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	71	$466	$280	-	$739	$466
1	419	$525	$282	-	$893	$579
2	795	$704	$394	-	$1,076	$794
3	141	$600	$442	-	$1,213	$693
4+	10	****	$707	-	$1,116	****
All	1,436	$640	$280	-	$1,213	$687



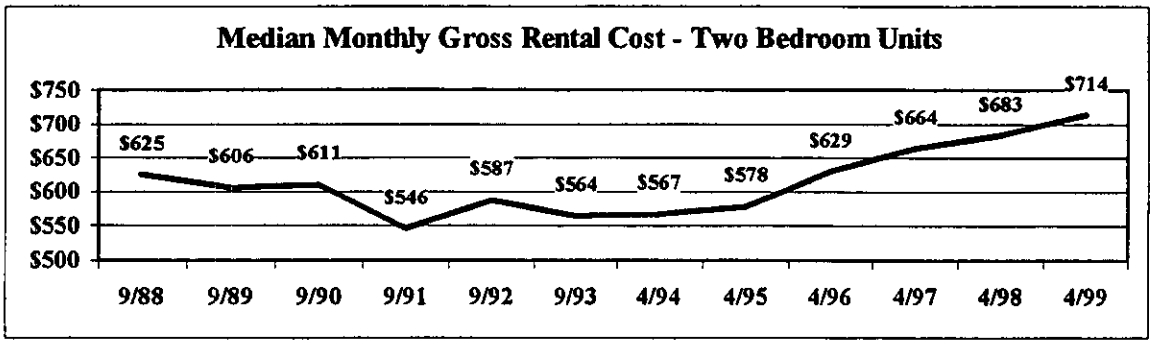
NASHUA, NH PMSA

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	36	$450	$315	-	$705	$514
1	407	$625	$375	-	$1,020	$700
2	997	$760	$524	-	$1,239	$831
3	152	$790	$593	-	$1,575	$916
4+	6	****	$647	-	$1,076	****
All	1,598	$725	$315	-	$1,575	$799



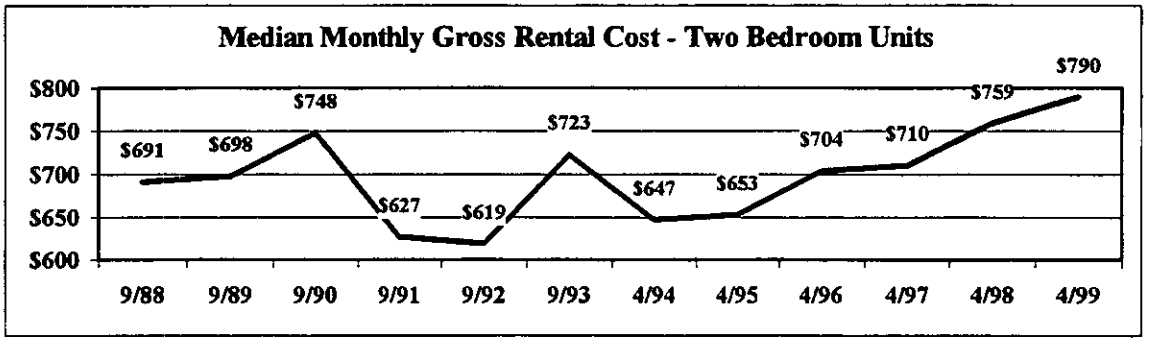
PORTSMOUTH-ROCHESTER, NH-ME PMSA

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	104	$412	$325	-	$1,230	$455
1	566	$500	$250	-	$1,137	$585
2	997	$620	$435	-	$1,599	$714
3	145	$750	$545	-	$1,604	$841
4+	18	****	$599	-	$1,789	****
All	1,830	$575	$250	-	$1,789	$674



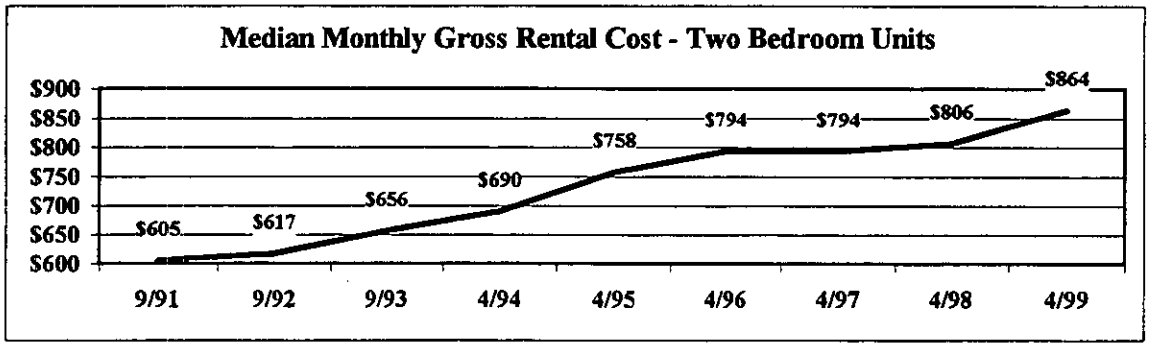
CITY OF CONCORD

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	4	****	$501	-	$501	****
1	181	$465	$379	-	$733	$521
2	306	$625	$526	-	$936	$790
3	19	****	$653	-	$956	****
4+	3	****	$667	-	$897	****
All	513	$595	$379	-	$956	$737



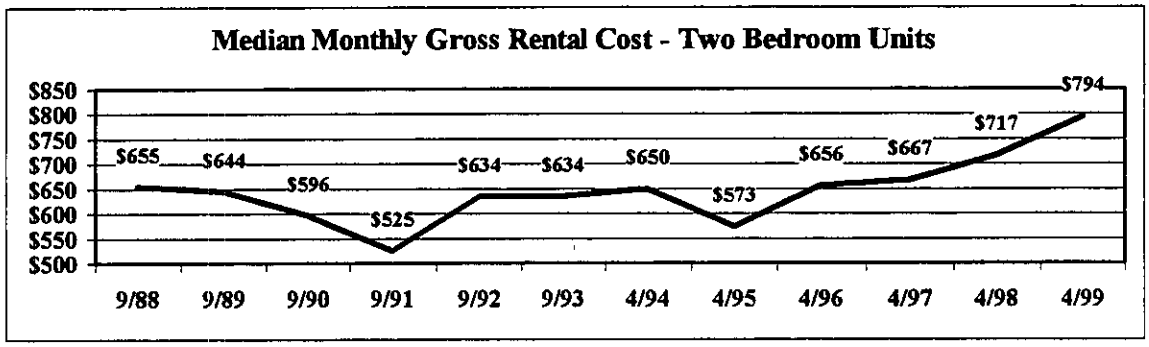
TOWN OF DERRY

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	20	****	$370	-	$650	****
1	172	$540	$465	-	$787	$592
2	322	$720	$603	-	$1,243	$864
3	18	****	$547	-	$1,473	****
4+	2	****	$796	-	$867	****
All	534	$640	$370	-	$1,473	$684



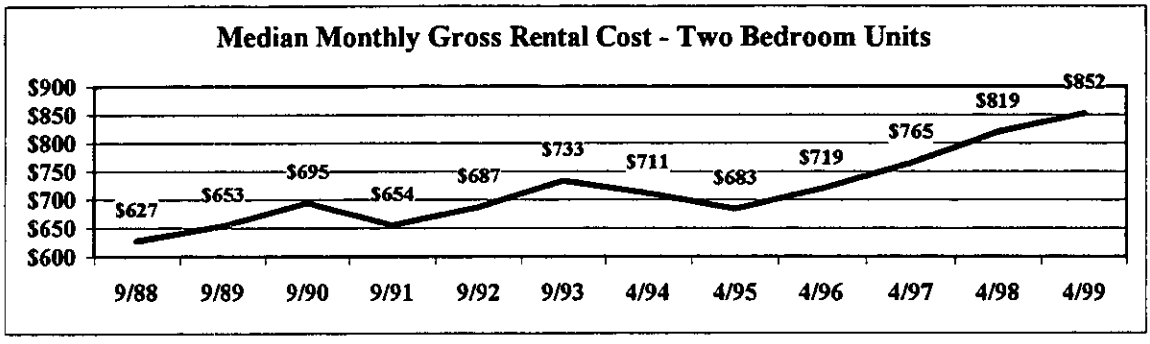
CITY OF MANCHESTER

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	66	$466	$340	-	$739	$466
1	370	$550	$282	-	$893	$587
2	699	$704	$394	-	$1,039	$794
3	125	$600	$442	-	$1,213	$679
4+	8	****	$707	-	$1,116	****
All	1,268	$630	$282	-	$1,213	$687



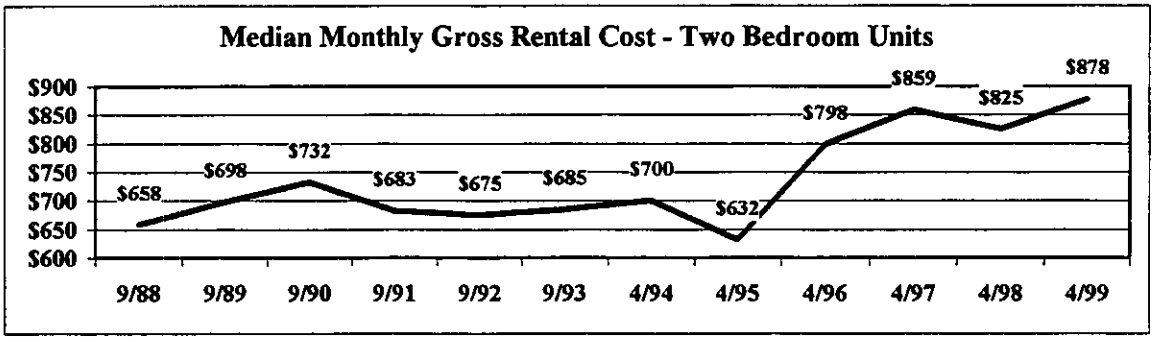
CITY OF NASHUA

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs Rent Range			Median
0	18	$535	$315	-	$705	$559
1	309	$675	$375	-	$1,020	$714
2	695	$775	$529	-	$1,210	$852
3	108	$895	$593	-	$1,575	$987
4+	4	****	$787	-	$1,037	****
All	1,134	$765	$315	-	$1,575	$829



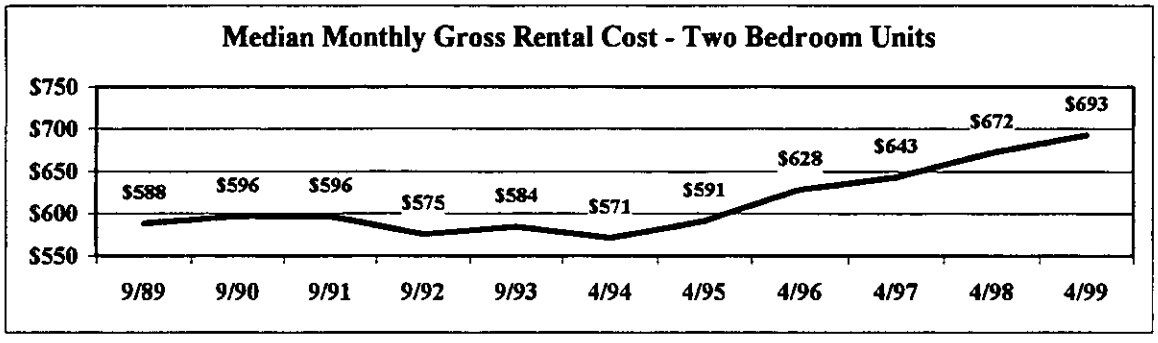
CITY OF PORTSMOUTH

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs: Rent Range			Gross Rental Costs: Median
0	15	****	$425	-	$650	****
1	104	$525	$303	-	$878	$615
2	236	$779	$632	-	$1,410	$878
3	33	$950	$1,063	-	$1,604	$1,063
4+	3	****	$1,256	-	$1,256	****
All	391	$729	$303	-	$1,604	$828



CITY OF ROCHESTER

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs: Rent Range			Gross Rental Costs: Median
0	16	****	$355	-	$470	****
1	127	$470	$384	-	$636	$534
2	146	$575	$488	-	$830	$693
3	37	$650	$545	-	$953	$754
4+	7	****	$599	-	$904	****
All	333	$525	$355	-	$953	$619



COMMUNITIES IN METROPOLITAN STATISTICAL AREAS

These MSAs and PMSAs were established by the Office of Management and Budget (OMB Bulletin 93-17) on June 30, 1993, for use with HUD published Fair Market Rents, and any appeal thereto. They are consistent with MSA delineations as used by the New Hampshire Office of State Planning.

Boston PMSA

Seabrook, South Hampton

Lawrence PMSA

Atkinson, Chester, Danville, Derry, Fremont, Hampstead, Kingston, Newton, Plaistow, Raymond, Salem, Sandown, Windham

Lowell PMSA

Pelham

Manchester PMSA

Allenstown, Auburn, Bedford, Candia, Goffstown, Hooksett, Londonderry, Manchester, Weare

Nashua PMSA

Amherst, Brookline, Greenville, Hollis, Hudson, Litchfield, Mason, Merrimack, Milford, Mont Vernon, Nashua, New Ipswich, Wilton

Portsmouth-Rochester PMSA

Barrington, Brentwood, Dover, Durham, E. Kingston, Epping, Exeter, Farmington, Greenland, Hampton, Hampton Falls, Kensington, Lee, Madbury, Milton, New Castle, Newfields, Newington, Newmarket, North Hampton, Portsmouth, Rochester, Rollinsford, Rye, Somersworth, Stratham

Attachment D



NATIONAL LOW INCOME HOUSING COALITION/LIHIS

Out of Reach

September 1999

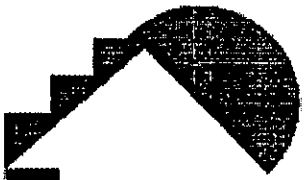
New Hampshire

- In New Hampshire, Fair Market Rent for a two-bedroom unit is $683.
  - An extremely low income household (earning 30% of the AMI of $49,714) can afford monthly rent of no more than $373.
  - A 3-person household receiving the maximum TANF grant can afford monthly rent of no more than $165.
  - A minimum wage earner, earning $10,712 annually, can afford monthly rent of no more than $267.80.
- Fair market rent for a one-bedroom unit is $536.
  - A household on SSI can afford monthly rent of no more than $153.

A unit is considered affordable if it costs no more than 30% of the renter's income.

- 45% of renters in New Hampshire are unable to afford Fair Market Rent for a two-bedroom unit.
- In New Hampshire, a worker earning the Federal Minimum Wage ($5.15 per hour) has to work 102 hours per week in order to afford a two-bedroom unit at the area's Fair Market rent.
- The Housing Wage in New Hampshire is $13.14. This is the amount a worker would have to earn per hour in order to be able to work 40 hours per week and afford a two-bedroom unit at the area's Fair Market rent. This is 254% of the present Federal Minimum wage ($5.15 per hour).

1999 Family Income						
Location	1999 Estimated Median Family Income (HUD)		Maximum Affordable Monthly Housing Cost by % of Family AMI			
	Annual	Monthly	30%	50%	80%	100%
New Hampshire	$49,714	$4,143	$373	$621	$994	$1,243



NATIONAL LOW INCOME HOUSING COALITION/LIHIS

Out of Reach

September 1999

Least Affordable States (Total Population)

Estimated Percent of Renters Unable To Afford 2 Bedroom FMR	
Virginia	53%
New York	52%
Rhode Island	51%
Vermont	50%
Maine	48%
Pennsylvania	47%
Montana	47%
Massachusetts	45%
New Hampshire	45%
New Jersey	45%
Estimated Percent Of Federal Minimum Wage Needed To Afford 2 Bedroom FMR	
Hawaii	330%
New Jersey	309%
New York	308%
District of Columbia	306%
Massachusetts	296%
Alaska	291%
California	289%
Connecticut	286%
Maryland	257%
Nevada	257%
Estimated Hours/Week Needed To Work At Federal Minimum Wage To Afford 2 Bedroom FMR	
Hawaii	132
New Jersey	123
New York	123
District of Columbia	122
Massachusetts	119
Alaska	116

Speakers

SENATE PI-HHS COMMITTEE

Date 2/15/00 Time 1:00 PM Public Hearing on SB 422-FN

Appearing in FAVOR: (Please print)			Please check box at left to speak:
Speaking?	Name	Address	Representing
☒	WILLIAM JOHNSON	2696 LAKESHORE GILFORD	ST. VINCENT DE PAUL SOCIETY
☒	Susan Langle	Dept HHS / Div Behavioral Health	
☒	Mary Lindley	20 Merrimack St Manchester The Way Home	low Income - Renters
☒	ELLIOTT BERRY	1361 Elm ST. MANCHESTER	N.H Legal Assistance
☒	Eileen Brady	193 W Mitchell Manchester	Nashua Soup Kitchen Shelter
☒	LINDA PANOSCI	RCA 7 JENKINS AV.	Portsmouth
☐			
☐			
☐			
☐			

Appearing in OPPOSITION: (Please Print)			Please check box at left to speak:
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Committee Report

Date: February 15, 2000 Time: 1:00 pm

The Senate Committee on Public Institutions/Health Human Services held its hearing in Room 102, LOB, Concord, New Hampshire.

BILL NO.: SB 422-FN TITLE: relative to the housing security guarantee loan program.

Members of the Committee present:

Senator Squires
Senator Gordon
Senator Krueger
Senator McCarley
Senator Pignatelli

Those appearing in favor:

Name and Address	Representing
See Attached.	

Those appearing in opposition:

Name and Address	Representing
See Attached.	

REPORT OF THE COMMITTEE:

- ☒ Ought to Pass
- ☐ Ought to Pass w/ Amendment
- ☐ Inexpedient to Legislate
- ☐ Rereferred
- ☐ Interim Study
- ☐ Continued Hearing
- ☐ Postponed Hearing

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date: FEBRUARY 15, 2000

THE COMMITTEE ON Public Institutions/Health Human Services

to which was referred Senate Bill 422-FN

AN ACT relative to the housing security guarantee loan program.

VOTE: 5-0

Having considered the same, report the same without amendment and recommend that the bill: **OUGHT TO PASS.**

Senator James Squires
For the Committee