



**STATE OF NEW HAMPSHIRE**  
**OFFICE OF THE GOVERNOR**

**CHRISTOPHER T. SUNUNU**  
Governor

May 4, 2021

The Honorable Janet Yellen  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Dear Secretary Yellen:

I am writing regarding the narrow limitations currently in place on how New Hampshire may use funds allocated to the state under the Emergency Rental Assistance (ERA) created by the Consolidated Appropriations Act of 2021. I make this request with the understanding that, if Treasury were to provide New Hampshire with sufficient flexibility, our state could deploy these dollars in a way that will have a positive, generational impact on our most vulnerable communities – both rural and urban – throughout the Granite State.

The ERA program has five allowable uses: rent, rent arrears, utilities and home energy costs, utilities and home energy costs arrears, and “other housing related expenses due directly or indirectly to COVID-19,” as defined by the Secretary. To date, your office has defined “other housing related expenses” in a way that is overly restrictive, allowing only for expenses such as security deposits and application or screening fees, accrued late fees, internet service, and potentially for the cost of a hotel or motel stay. This narrow interpretation of the fifth allowable use is hindering the State’s ability to use the funds to ensure our more vulnerable populations have access to safe and affordable housing.

The challenge of enabling people maintain their housing during this pandemic isn’t just about rental relief. Its about the lack of available affordable housing. In fact with vacancy rates approaching 0% in some communities, that challenge is arguably at a scale that temporarily covering rent and utilities is little more than a band-aid for a broken leg. Any progress that the Granite State made prior to COVID-19 on housing availability and affordability has effectively been wiped out by the pandemic.

New Hampshire has seen significant increases in building costs caused by COVID-related supply chain disruptions. This increase in costs has slowed and sometimes stopped development. Further, out-of-state property owners in New Hampshire have been choosing to move permanently into their units rather than to continue to rent them out. These properties have been a major source of rental units for years in areas across the White Mountains, the Mount Washington Valley, and the Lakes Region. Finally, we have been seeing a dramatic influx in migration of people from neighboring states relocating to New Hampshire throughout the

pandemic. All of this has exacerbated the lack of affordable housing and produced skyrocketing housing and rental costs.

While the tighter supply of affordable rental units and the ripple effect that deficiency has throughout the economy is felt across all socioeconomic groups, the highest costs are borne by those with the least, leaving too many in our community without access to safe, affordable, and permanent housing. While those able to access rental units will benefit from the ERA, absent the ability to increase available rental units, the program will fall short.

As such, I am requesting Treasury expand its definition of "other housing related expenses due directly or indirectly to COVID-19." In order to meet the goals underlying this relief program, New Hampshire must have the ability to increase access to affordable housing for those that would otherwise qualify for the program. This can be done in a number of ways. The funds could be used to:

- Invest in affordable housing to offset the impact the pandemic has had on the supply of available rental units
- Create incentives for public/private partnerships to encourage development of affordable housing
- Reduce the risk to developers and lenders to incentivize development designed to benefit socially and economically disadvantaged people

Finally, given the state specific impacts the pandemic has had across the country, I urge Treasury to define that provision in a way that provides states flexibility to determine how to best use the funds to mitigate that impact on our citizens.

In sum, meeting the goals of the ERA requires more than rental and utility relief at a household level. It must include additional efforts aimed at improving housing affordability and availability. With flexibility, New Hampshire could change the long-term future course for families and communities that continue to struggle with housing insecurity. As such, I urgently request a broader and more applicable interpretation of how New Hampshire may use funds

Thank you for your consideration, and we look forward to your timely response.

Respectfully,



Christopher T. Sununu  
Governor of New Hampshire