



STATE OF NEW HAMPSHIRE



GOVERNOR'S OFFICE
for

EMERGENCY RELIEF AND RECOVERY

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October 8, 2024

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 accept and expend all American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) that remain unobligated prior to the US Treasury obligation deadline of December 31, 2024 as set forth in Section 602(c)(1) of the American Rescue Plan Act (ARPA), for the New Hampshire Housing Finance Authority to use for affordable housing purposes throughout the State, via the Affordable Housing Fund, effective upon approvals of the Fiscal Committee and Governor and Executive Council through June 30, 2025. This is an allowable use of ARPA State Fiscal Recovery Funds (SFRF) under Section 602(c)(1)(C) for provision of government services to the extent of the reduction in revenue. **100% Federal Funds.**

This item is contingent upon a determination of the amount of ARPA SFRF available for reallocation and a determination of appropriate expenditure category.

Funds are to be budgeted in Fiscal Year 2025 in account 01-02-002-020210-24690000-072-500574¹, ARP Grants and Disbursements, Grants Federal.

EXPLANATION

Per federal law, any ARPA SFRF funds that have not been obligated by December 31, 2024 are subject to be returned to U.S. Treasury. Providing GOFERR with the authority to accept and expend any remaining unobligated ARPA SFRF funds to the affordable housing trust fund prior to that date will allow the State to ensure that the ARPA SFRF funds are used effectively and will not need to be returned for this reason.

¹ All direct program costs will be accounted for using activity 00FRF602GS0209A and all administrative and indirect costs will be accounted for using activity 00FRF602GS0209Z. 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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This funding will be provided to the New Hampshire Housing Finance Authority (NHHFA) to deposit in their Affordable Housing Fund. The Affordable Housing Fund is a legislatively-created fund administered by NHHFA to facilitate the purchase and rehabilitation or construction of affordable housing, primarily for low- and moderate-income households.

The Affordable Housing Fund is used to finance the construction of multi-family housing developments and is a true revolving loan fund. As such, it is replenished through program income including loan repayments, as well as through the allocation of certain tax-exempt bond fees and earnings, as well as legislative appropriations. The fund has received various allocations from the State since its creation in 1988, most recently receiving an annual \$5 million allocation from the Real Estate Transfer Tax revenues.

Funds are typically used to provide zero rate or below market rate loans to cover financing gaps, or to fund projects that cannot support debt. Most projects funded by the Affordable Housing Fund have other resources as part of their full funding package. Many of the developments serve households with lower incomes, including those with incomes at or below 60% of the area median income ("workforce housing, as defined by RSA 674). These are income levels common to entry-level employment positions and jobs in service-related industries.

Funds are budgeted as follows:

Class 072- Grants out of Federal Funds to provide funding for grants to sub-grantees as described in the explanation.

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

Respectfully submitted,



Taylor Caswell
Executive Director, GOFERR