



State of New Hampshire  
Governor's Office  
FOR  
EMERGENCY RELIEF AND RECOVERY  
(GOFERR)  
STAKEHOLDER ADVISORY BOARD

PUBLIC MEETING

THURSDAY, MAY 7, 2020

2:00 p.m.

in

One Eagle Square

Concord, NH 03301

## Stakeholder Advisory Board Members:

Bill	Ardinger
Dean J.	Christon
Lisa	Drabik
Jim	Jalbert
Amy	LaBelle
Al	Letizio Jr.
Donnalee	Lozeau
Scott	Mason
Michelle	McEwen
Nancy	Merrill
Jeffrey	Myers
Hollie	Noveletsky
Kathleen	Reardon
Benjamin	Wilcox

## AGENDA

- Roll Call and meeting information
- GOFERR Presentation
- Presentations
- Discussions Regarding Recommendations
- Other Business
- Next meeting - Tuesday May 12, 1:00 pm

1 P R O C E E D I N G S

2 \* \* \* \* \*

3 JOE DOIRON: Good afternoon and welcome to a duly  
4 noticed meeting for the Stakeholder Advisory Board to the  
5 Governor's Office of Emergency Relief and Recovery.

6 The Governor's Office for Emergency Relief and  
7 Recovery was created when Governor Sununu issued Executive  
8 Order 2020-06. That order is publicly available on the  
9 Governor's website.

10 Today's meeting is an official meeting of the  
11 Board. It's open to the public and will be run in a manner  
12 compliant with RSA 91-A. We have someone on the phone  
13 taking minutes, which will be posted to the GOFERR webpage.

14 Meeting materials for the Board and the public can  
15 be found by visiting the GOFERR webpage at  
16 [www.goferr.nh.gov](http://www.goferr.nh.gov). Again, that's [goferr.nh.gov](http://www.goferr.nh.gov).

17 And again, today's meeting is being recorded. I  
18 will help facilitate today's meeting. Because the Board is  
19 meeting by phone under RSA 91-A, there are a few initial  
20 logistics that we need before I turn it over to our Chair,  
21 Donnalee Lozeau.

22 First, each of us must state our names, where we

1 are located, and who is with us.

2 As we move through our agenda today, each Board  
3 member and anyone else speaking is asked to identify  
4 themselves before speaking. Should you choose to take any  
5 votes today, they must be done by roll call.

6 For attendance, we'll be conducting a roll call in  
7 this matter. I am Joe Doiron, Deputy Director of the GOFERR,  
8 in the GOFERR office, 1 Eagle Square in Concord. With me  
9 is:

10 LISA ENGLISH: Lisa English.

11 RHONDA HENSLEY: Rhonda Hensley.

12 JOE DOIRON: And we are in a large conference  
13 room, appropriately socially distanced, at the Department of  
14 Business and Economic Affairs. Now we will proceed to Board  
15 member roll call. We will go through the roll call  
16 alphabetically.

17 Bill Ardinger?

18 BILL ARDINGER: Thank you Joe and everyone.

19 Hello, everyone. This is Bill Ardinger. I'm at home and  
20 alone.

21 JOE DOIRON: Thank you, Bill. Dean Christon?

22 DEAN CHRISTON: Good everyone. This is Dean

1 Christon, New Hampshire Housing. I'm at the authority's  
2 offices in Bedford and I am alone.

3 JOE DOIRON: Thank you, Dean. Lisa Drabik?

4 LISA DRABIK: Good afternoon, everyone, this is  
5 Lisa Drabik. I in Londonderry, in my home office and I'm  
6 alone.

7 JOE DOIRON: Thank you. Thank you, Lisa. Jim  
8 Jalbert?

9 JIM JALBERT: Good afternoon, everyone. This is  
10 Jim Jalbert. I'm at my office in Portsmouth, New  
11 Hampshire, and I am alone.

12 JOE DOIRON: Thank you, Jim. Amy LaBelle?

13 AMY LABELLE: Hi, Amy Labelle here. I am in my  
14 home office and I am alone.

15 JOE DOIRON: Thank you, Amy. Al Letizio Jr.?

16 AL LETIZIO JR: Good afternoon, everyone. This is Al  
17 Letizio Jr. I am at my office in Windham, New  
18 Hampshire, alone.

19 JOE DOIRON: Thank you, Al. Donnalee Lozeau?

20 DONNALEE LOZEAU: 'Afternoon, this is Donnalee  
21 Lozeau. I'm alone in my agency office here in  
22 Manchester.

1           JOE DOIRON: Thank you, Donnalee. Scott Mason?

2           SCOTT MASON: Yes, this is Scott Mason. I am  
3 alone in my farm office in North Stratford, New  
4 Hampshire.

5           JOE DOIRON: Thank you, Scott. Michelle McEwen?

6           MICHELLE MCEWEN: Good afternoon. My name is  
7 Michelle McEwen, and I am in my office at Speare  
8 Memorial Hospital in Plymouth, and I am alone.

9           JOE DOIRON: Thank you, Michelle. Nancy Merrill?

10          NANCY MERRILL: Hi, this is Nancy Merrill, and I am at  
11 my work office in Claremont, and I am alone.

12          JOE DOIRON: Thank you, Nancy. Jeffrey Myers?

13          JEFF MYERS: Hi. This is Jeff Myers. I'm at my home  
14 in Concord, New Hampshire. One of my daughters is in  
15 the home, but not with me.

16          JOE DOIRON: Thank you, Jeff. Hollie Noveletsky?

17          HOLLIE NOVELETSKY: Good afternoon, this is Hollie  
18 Noveletsky. I am in my office in Greenland, New  
19 Hampshire and I'm alone.

20          JOE DOIRON: Thank you, Hollie. Kathleen Reardon?

21          KATHLEEN REARDON: Hi, this is Kathleen Reardon.  
22 I'm in my home in New Boston, alone.

1           JOE DOIRON: Thank you, Kathleen. Benjamin Wilcox?

2           BENJAMIN WILCOX: Hi, this is Ben Wilcox. I am in  
3 at Cranmore Mountain in North Conway in my office,  
4 alone.

5           JOE DOIRON: Thank you, Ben. Donnalee, with the  
6 roll call completed, we are ready to continue with all  
7 members in attendance.

8           AMY LABELLE: Great. Thank you so much, Joe. The  
9 next item on our agenda is a presentation from GOFERR.  
10 Any updates that we have from the office, from the  
11 Legislative Advisory Board, and from the reopening Task  
12 Force. If you guys will take that on, that will be  
13 great.

14          JOE DOIRON: Again, this is Joe Doiron here in  
15 GOFERR office. I'm going to just -- two quick things,  
16 and I'm going to turn it over to Lisa. I just wanted  
17 to let you know Director Little is planning to join us  
18 around discussion time, just to help listen in and  
19 answer any questions. So he'll be joining us after the  
20 presentation.

21          And just another side note, we were as an office  
22 presenting to the Governor and Council yesterday. So

1       we -- if you were able to join that call, Director  
2       Little and other members of the GOFERR staff presented  
3       to the Governor and Council, answered some questions,  
4       and I believe that's available on the Executive Council  
5       website.

6               So I'd like to turn it over to Lisa for a few  
7       quick updates.

8               LISA ENGLISH: Not a lot today. For the lab  
9       update, some of you may know, but those of you that  
10      aren't aware, the Legislative Advisory Board is working  
11      on an allocation proposal from the meeting yesterday.  
12      I believe they will be finalizing that proposal, along  
13      with a cover letter on [audio unclear].

14              I wasn't sure if there's anything else, Donnalee.  
15      Do you have anything else from the Legislative Advisory  
16      Board?

17              DONNALEE LOZEAU: Well, I was going to mention to  
18      the Board that we have been invited to have a  
19      conversation with the Legislative Advisory Board  
20      Friday. It looks like it'll be 1:00. Half hour or 40  
21      minutes or so just to update each other on where we are  
22      and answer any questions that members may have.

1           LISA ENGLISH: Great. So a couple of other  
2 updates. One other GOFERR update, we have learned that  
3 HHS is starting to put more data about New Hampshire  
4 health care providers that have received funding on the  
5 various Congressional acts. So we'll be getting links  
6 to those forces up on our website, for folks'  
7 reference.

8           And then for a Reopening Task Force update,  
9 there's a call going on right this very moment, and we  
10 are monitoring their work. For those of you that  
11 haven't had an opportunity to take a look, their  
12 website is at [nheconomy.com/reopeningtaskforce](http://nheconomy.com/reopeningtaskforce). I just  
13 did it by going through a Google Search. But they have  
14 their minutes and agenda, as well as presentations on  
15 the website.

16           But we'll look to get a more robust update for you  
17 for Tuesday. That is all I have, Joe.

18           JOE DOIRON: Yep, and just for members of the  
19 public, again, presentation materials for today can be  
20 found on the GOFERR website. If you go to the Advisory  
21 Board tab, and then the little arrows drop-down menu  
22 and click "Advisory Board Presentation," scroll to the

1 bottom where the most recent meetings are. You'll see  
2 today, May 7.

3 The packet that went out to folks along with the  
4 resolution that was passed at the last meeting on the  
5 fifth.

6 So you can follow along there, and of course you  
7 can find agendas, and we're adding content each day, so  
8 please take a look. There's a lot out there but, you  
9 know, there's a lot of good information.

10 So with that, I'd like to turn it back over to  
11 Donnalee.

12 DONNALEE LOZEAU: Thank you, Joe, appreciate it.  
13 I would like to begin our presentations by thanking all of  
14 the people presenting today, including our Board member, Dean  
15 Christon, for being so flexible to let us change our plans  
16 from Tuesday to Thursday to hear their presentations.

17 Today, we'll conduct it the same way we've been  
18 doing, and I'll ask Dean after each presenter has  
19 completed to lead off with any questions or  
20 clarification that he thinks is necessary, and then  
21 I'll open it up for questions as we go through the  
22 list.

1           So with that, Sarah Matson Dustin, the floor is  
2 yours. [Silence] Or not. Sarah?

3           JOE DOIRON: Hi, Sarah. Are you on? Oh, I think  
4 we've found her. Go ahead.

5           SARAH MATTSON DUSTIN: Can you hear me now?

6           DONNALEE LOZEAU: Yes.

7           SARAH MATSON DUSTIN: Hi, good afternoon, my name  
8 is Sarah Mattson Dustin. I'm the Executive Director at New  
9 Hampshire Legal Assistance, and I'm really grateful for the  
10 opportunity to speak with all of you today, and also, so  
11 grateful for this time that you're giving to our state  
12 during these unprecedented times.

13           So thank you for everything that you're doing.

14           New Hampshire Legal Assistance is a non-profit law  
15 firm. We are in the business of civil legal aid. And I  
16 thought to start I would just zoom out and tell you where we  
17 fit into the broader justice system in New Hampshire.

18           So when it comes to representation for people who  
19 can't afford to pay for it, we have the criminal defense  
20 side of the system, which is provided in New Hampshire  
21 primarily by the New Hampshire public defender. And in  
22 criminal cases, a person is eligible to have an attorney

1 appointed if they're facing incarceration.

2 NHLA works in the civil justice system. And  
3 unlike in the criminal justice system, there is not a right  
4 to have an attorney appointed in both civil cases.

5 What we do at NHLA is help people with civil cases  
6 that impact their most basic needs, like safety, shelter and  
7 economic security. We work exclusively with low-income  
8 people and people age 50 and over.

9 Many of our clients live in very deep poverty.  
10 43% have incomes at or below the federal poverty level. So  
11 for some context, that's barely more than \$500 a week for a  
12 family of four. And many of our clients have other  
13 vulnerabilities, in addition to having low income.

14 For example, over half of our clients experience  
15 disability, and over 40 percent of our clients have minor  
16 children.

17 We're a statewide program. Our offices are in  
18 Berlin, Claremont, Concord, Manchester and Portsmouth. We  
19 travel to every corner of our state to meet our clients  
20 where they are. That added up to about 100,000 miles of  
21 travel in 2019.

22 I'm really happy to be able to tell you that we've

1    been able to maintain near total operational continuity  
2    during the state of emergency.  We're continuing to receive  
3    new requests for services.  We're continuing to take new  
4    cases; we're continuing to represent our clients.  But we  
5    are absolutely in the calm before the storm.

6                I want to make it really clear that civil legal  
7    aide, both here in New Hampshire and around the country has  
8    never had enough capacity to meet demand.  So when I talk  
9    the surge in need that we know is coming, I'm talking about  
10   exacerbating a shortage that is acute in the best of times.  
11   And we do, unfortunately predict that a surge is coming.

12               I know that you're focused today on the housing  
13   sector.  So I'll zero in on that as well.  Housing is the  
14   largest practice area for extra legal assistance.  That's  
15   true for most legal aid programs around the country.  
16   Housing cases make up about 40 percent of our cases overall.

17               And that's because the mantra of Housing First is  
18   now something that we hear across disciplines.  Housing is  
19   the literal and figurative foundation for stability for  
20   families, and that's why it's always been a top priority for  
21   us as well.

22               We're in the calm before the storm right now

1 because moratoriums on eviction and foreclosure are staving  
2 off some of the housing crises that are to come. But,  
3 there's not a moratorium on paying rent. Families remain  
4 obligated to pay their bills, including rents and their  
5 mortgages.

6 And once the state begins to reopen and the  
7 moratoriums are lifted, many families are going to be left  
8 with significant arrearages and the threat of imminent  
9 homelessness.

10 I know that you're going to hear today from other  
11 presenters about the incredibly low vacancy rate that we  
12 have in the state. What that means for our low-income  
13 clients is that rehousing can be nearly impossible. I know  
14 you're going to hear a lot today about the importance of  
15 direct rental mortgage assistance, and we really strongly  
16 support those efforts.

17 The civil legal aid that we provide is also going  
18 to be on the front line of New Hampshire's economic relief  
19 efforts.

20 In the housing environment that we have in New  
21 Hampshire and in this public health environment, we don't  
22 want a single family to get wrongfully evicted. And that's

1    what we do at NHLA; we make sure that evictions and  
2    foreclosures proceed on lawful substantive and procedural  
3    grounds.

4               And very often that's not through litigation.  
5    Very often, it's for helping tenants work out reasonable  
6    repayment agreements with their landlord, helping homeowners  
7    work out reasonable repayment agreements with their banks.  
8    We try to find ways to keep people where they are.

9               So we know that the need for civil legal aid and  
10   housing is definitely going to surge. But that's not the  
11   only kind of need that's going to surge. We've outlined our  
12   projections in our written testimony, and I just want to  
13   highlight one of them orally.

14              Our second biggest practice area at NHLA is  
15   domestic violence. We help domestic violence survivors get  
16   protective orders. So these are the orders that require an  
17   abuser to stay away from their victims. We also help  
18   survivors get divorced, get child support, get orders  
19   related to custody and visitation.

20              And just this week, we got the data about the  
21   number of protective order cases that were filed in our New  
22   Hampshire Circuit Courts in April 2020. And it was the

1 lowest since January 2019.

2 That's something that's really scary to me,  
3 because we know that means there are many people who are  
4 simply not in a position right now to access resources  
5 safely.

6 As the state begins to open back up, I think we'll  
7 see those filings go back up dramatically, and we need to  
8 make sure that people can access legal representation.

9 Going to court is really stressful under any  
10 circumstances. Facing down an abuser is extraordinary  
11 stressful. The combination of those two things is really  
12 not something that people should have to go through alone.

13 In our housing work, in our domestic violence work  
14 and the other kinds of law that we practice, what we're  
15 really doing is helping families to solve problems, helping  
16 them get back on the task to stability. And often, the  
17 legal interventions that we provide can prevent more  
18 expensive problems.

19 Homelessness is expensive. The long-term effects  
20 of the adverse childhood experience of being exposed to  
21 violence in the home is expensive. Families that have  
22 stability have secure housing, have food on the table, have

1 safety from violence, are families that are positioned to  
2 thrive. They're better positioned to maintain employment,  
3 help their kids have educational success.

4 And we think of our work really as not just  
5 helping individual families, but helping entire communities.  
6 Our clients, and even people who are a little bit better off  
7 than our clients, are generally putting their money right  
8 back into the local economy.

9 They're paying rent, they're going to the grocery  
10 store, they're putting gas in the car.

11 So when we make sure that low-income families stay  
12 on track and can maintain that stability, we really give a  
13 boost to the broader community.

14 I think the bad news here is that based on the  
15 last recession, we expect the number of people who are  
16 eligible for our services to increase by as much as 20 to 25  
17 percent.

18 And in order to maintain our existing capacity,  
19 which is to say to keep the shortage of civil legal aid from  
20 getting even bigger than it already is, we would need  
21 approximately \$1 million dollars more per year until the  
22 economy recovers.

1           I know no one has a crystal ball and knows exactly  
2 what that's going to be. What we would suggest that you  
3 consider is a \$3 million-dollar fund which would be able to  
4 be used as the wave comes and goes.

5           So it may be that we see a really significant  
6 spike over the next six months or so, and then it has a long  
7 tail if we have a sluggish recovery. So that's what we'd  
8 like you to consider.

9           We wanted to mention that our current funding  
10 mechanism for civil legal aid in New Hampshire is the  
11 judicial Council. I hope that you've had a chance to look  
12 at the letter from the Chair of the Judicial Council, Nina  
13 Gardner. We really appreciate all of their support for the  
14 services that we provide.

15           And I think that I'm about at the seven or so  
16 minute mark. So I want to make sure I have plenty of time  
17 to answer your questions. And once again, thanks so much  
18 for the opportunity to speak with you.

19           DONNALEE LOZEAU: Thank you very much, Sarah.  
20 Dean, would you lead us off?

21           DEAN CHRISTON: Thank you, Donnalee and thank you  
22 Sarah, for that presentation and for the excellent written

1 materials you provided.

2 I want to just ask a question about one of the  
3 points you made, because I know it's come up in some of our  
4 earlier conversations -- the sort of hidden effects of some  
5 of what's going on now. And you touched on it in the area  
6 of domestic violence.

7 And can you talk a little bit about the sort of  
8 scale of activity that you're involved in there, and what  
9 kinds of things you think we might be sort of experiencing  
10 as we kind of come out of hiding, if you will, going forward  
11 here, in terms of numbers of clients and those kinds of  
12 things?

13 SARAH MATTSON DUSTIN: Sure. So with the domestic  
14 violence caseloads, we actually are seeing a dip right now,  
15 because people --

16 DEAN CHRISTON: Yeah.

17 SARAH MATTSON DUSTIN: -- aren't able to access  
18 resources. So we are usually able to accept several  
19 domestic violence protective order cases per month, and a  
20 smaller number of divorce cases.

21 The reason for that is that a protective order  
22 case, generally speaking, resolves within a month or two.

1 Divorce cases can often last a year or two. They are by far  
2 the most labor-intensive cases that we do at NHLA, on behalf  
3 of individuals.

4 So the unfortunate flip side of that is that we  
5 turn away more cases than we're able to accept, because the  
6 size of the demand is so large.

7 So the concern that I have right now is that the  
8 demand is going to be really compressed. So it may be that  
9 after a significant dip in April -- whether it comes in May  
10 or comes in June or comes in July, that there will be this  
11 pent-up demand that's going to be unleashed all at once, and  
12 we are not immediately going to be able to take more than  
13 those several cases that we're able to take each months. So  
14 that's the real concern.

15 I think quantifying it is hard, because we don't  
16 know whether it's going to come all at once, or it's going  
17 to come in -- you know, a surge over three months.

18 DEAN CHRISTON: And additional resources would  
19 help you scale up, to be able to deal with that, when that  
20 surge comes, whenever it is?

21 SARAH MATTSON DUSTIN: Yes. And we've been  
22 thinking a lot about how we might quickly "sand up" some

1 additional capacity. We do not really have any precedent  
2 for hiring a whole bunch of people all at once and then  
3 sanding it down several months later.

4           So what we've been doing is trying to think about  
5 creative ways to do that. So for example we've been talking  
6 to our partners in the [00:20:44, audio unclear] about is  
7 there a way that we could essentially borrow lawyers from  
8 private firms who would be willing to come do a discrete  
9 body of legal aid work for some period of time?

10           We know that the bar is ready to step up in terms  
11 of doing pro bono delivery of legal services. We have an  
12 amazing historical commitment to that in New Hampshire. But  
13 we think we really need to find a way to get some lawyers on  
14 our staff for short-term. So we're thinking about those  
15 kinds of public/private partnership.

16           DEAN CHRISTON: Okay, thank you.

17           DONNALEE LOZEAU: Thank you. Are there questions  
18 from other members of the Board?

19           JOE DOIRON: Donnalee, we have a hand raised from  
20 Bill Ardinger. Go ahead, Bill.

21           BILL ARDINGER: Thank you Joe and Sarah. Thank  
22 you very much. Your written materials were unbelievably

1 high-quality, and also, detailed.

2           They provided numbers, which permit a reader, I  
3 think, to make an assessment of exactly what you're  
4 suggesting in terms of a surge risk, not unlike what we're  
5 facing with hospitals, who have been required to adjust  
6 their operations to face a potential surge of COVID-19  
7 related issues, and they need help for that.

8           And so, I appreciate that very much. So one  
9 thing, could you please speak a little bit as to how -- and  
10 what's very good in your oral testimony, you've identified  
11 an actual target for the surge fund at NHLA, if I heard it  
12 right -- and you should correct me if I didn't -- you know,  
13 \$3 million dollars that would allow you to act at the  
14 capacity to serve the surge...

15           Could you speak a little bit more about the  
16 beneficiaries of this surge capacity? With our low-income  
17 residents of New Hampshire who arguably are  
18 disproportionately being adversely affected by this COVID  
19 crisis, and how the provision of your services would enable  
20 them -- your beneficiaries, your clients -- to, you know,  
21 find a path back to independent sustainability, you know,  
22 over -- you know, a three-year period or so?

1           Thank you.

2           SARAH MATTSON DUSTIN: Sure, absolutely. So thank  
3 you for that -- for your kind remarks, and also, for asking  
4 this question about the communities that we serve.

5           So in terms of income, we help people who have  
6 incomes up to 200 percent of the federal poverty level. So  
7 that's a little bit more than \$1000 per week for a household  
8 of four. As I mentioned, many of our clients are much  
9 poorer than that.

10          So we have a -- it's really a diverse population  
11 of clients that we serve. We serve a lot of families of  
12 young children -- about 40 percent have middle-aged kids.  
13 We serve many seniors. We serve many people who have  
14 disabilities, and our clients really vary a lot in terms of  
15 what drives their poverty.

16          So many of our clients who have disabilities are  
17 impoverished because they're getting by on Social Security  
18 disability benefits or on SSI, which is the federal program  
19 for people who are both disabled and extremely low-income.

20          But many of our clients are low-income working  
21 people. So they're people who have jobs in retail, maybe in  
22 restaurants. They're often people who have irregular

1 schedules whose hours vary from week to week.

2           So what really probably is a through-line in our  
3 client community is not having a lot of give in the budget.  
4 So our clients are often making a choice in any given month  
5 whether the higher priority expense right now is buying  
6 medicine or buying food; keeping the lights on or paying  
7 rent.

8           And it's really unusual for our clients to be  
9 able, faced with those financial circumstances, to have a  
10 lot of savings.

11           So what that means is that in a situation like  
12 this, there's very little for our client community to fall  
13 back on. So that's who we're serving.

14           The services that we provide really are a way of  
15 getting people back to their baseline. So we can help -- if  
16 we can help someone avoid eviction by coming up with the  
17 repayment agreement that they can make work with their  
18 landlord over time, then not only are we keeping the family  
19 in their home, which has profound financial and emotional  
20 and family stability effects, but we're also making sure  
21 that they don't, for example, lose possession -- that they  
22 don't have to switch their kids to a different school.

1           All things that have really significant financial  
2   and psychological costs. When we can make sure that someone  
3   who's having trouble accessing unemployment insurance --  
4   because of course we know that unemployment right now makes  
5   our unemployment numbers during the Great Recession look  
6   rosy -- then that's a family that all of a sudden, instead  
7   of potentially needing to apply for Department of Health and  
8   Human Services benefits or needing to apply to their town or  
9   city for welfare. All of a sudden, that's a family that is  
10  able to pay rent, is able to pay groceries.

11           So a lot of what we do sort of stops the trickle-  
12  down into the safety nets of progressively last resort. So  
13  we try to intervene in these crises, get people  
14  restabilized, and then position them to be able to move  
15  forward through the crisis.

16           DEAN CHRISTON: That's a fantastic answer, and  
17  thank you.

18           SARAH MATTSON DUSTIN: Thank you.

19           DONNALEE LOZEAU: Thank you, Sarah. I appreciate  
20  it. Joe, is there -- are there any other questions. I'm  
21  keeping an eye on the time. We're pretty much used our 15  
22  minutes, but if there's any other questions?

1               JOE DOIRON: There is not, Donnalee. I'll kick it  
2 back over to you. But just as a quick reminder for the next  
3 presenter, 5\* to raise your hand again, 5\*.

4               DONNALEE LOZEAU: Okay. Thank you again, Sarah,  
5 much appreciated.

6               SARAH MATTSON DUSTIN: Thank you. Thank you all  
7 very much. Bye.

8               DONNALEE LOZEAU: Elissa Margolin, the Director of  
9 the Housing Action New Hampshire group. The floor is yours.

10              ELISSA MARGOLIN: Hi, good afternoon. Can you  
11 hear me?

12              DONNALEE LOZEAU: Pardon me, yes. I should have  
13 said, "Good afternoon." Yes.

14              ELISSA MARGOLIN: Thank you, Donnalee, and thank  
15 you to all of the members of the Stakeholder Advisory Board  
16 for dedicating time this afternoon to understanding the  
17 severe impacts of the pandemic on housing and on homeless  
18 services.

19              My name is Elissa Margolin. I serve as Director  
20 of Housing Action, New Hampshire. We're a statewide  
21 coalition of 80 organizations, focused on improving state  
22 and federal policies so everyone in our state has a place to

1 call home.

2 Our membership includes affordable housing  
3 providers, so organizations you might be familiar with like  
4 AHEAD and CATCH Neighborhood Housing, our neighbor work, but  
5 also private, affordable housing providers as well like  
6 Raybridge Properties.

7 We also have among our membership public housing  
8 agencies, homeless service providers and supportive housing  
9 providers.

10 We've obviously been in very close communication  
11 with our membership since the start of the pandemic. We've  
12 done some surveys and we hold weekly Zoom meetings focus on  
13 the impacts of COVID-19 to come together and identify needs,  
14 resources, helpful partnerships and solutions.

15 And before I outline for you some more details  
16 about the impacts of the pandemic on affordable rental  
17 housing markets and homeless shelters, I just want to ask  
18 that you indulge with me for a moment that I have been  
19 personally inspired by the heroic leadership of those in the  
20 housing and homeless services community.

21 I have been fueled by stories of property managers  
22 who become makeshift social workers as they actively work

1 with their tenants, who are struggling to pay rent and  
2 connect these tenants in need to food pantries and  
3 telehealth services.

4 I've heard stories of mask making with coffee  
5 filters in the early days when PPE was scarce, and just the  
6 most inspiring leadership, really, from our state's 46  
7 homeless shelters have prioritized keeping shelter residents  
8 safe.

9 They had to open new sites to decompress crowded  
10 shelters. They had to provide isolation and quarantine to  
11 those exposed, symptomatic or diagnosed, and they had to  
12 totally recreate meals planning and distribution, because  
13 their volunteer-based soup kitchen model, you know, fell  
14 apart with this need for volunteers to stay at home.

15 So, you know, whether we're talking about a  
16 shelter client or a tenant, you know, housing more broadly  
17 is a foundational issue.

18 And I think Sarah referred to that in her  
19 testimony. It's hard to even envision rebuilding an economy  
20 if the housing market is unstable. You certainly can't keep  
21 people healthy if housing is unstable.

22 And you can't address things like mental health

1 challenges or substance use disorder treatments, if housing  
2 is unstable.

3           So that's why we're so concerned with stabilizing  
4 the affordable rental market.

5           As I noted on NHPR's Exchange -- this radio  
6 program covered this issue recently -- unfortunately, and as  
7 Sarah noted, we are on the brink of an evictions crisis.

8           This pandemic hit at a time when our rental market was  
9 already strained. Our lack of affordable rental supply had  
10 created a market of cost-burdened renters, who were -- many  
11 were spending more than half of their monthly income on  
12 rental costs.

13           So there was a lot of vulnerability already within  
14 the market before the pandemic hit. And so, add to that now  
15 you have severe job loss, particularly in certain sectors,  
16 and the result is a growing rental population who won't have  
17 the income to pay.

18           I noted on that same radio program, there's really  
19 not a question of tenants versus landlords. The eviction  
20 moratorium that will soon expire may have frustrated some  
21 property owners, but it created much needed stability in the  
22 interest of public health.

1           The big picture that we're asking you to consider  
2   is more about the system itself -- a system where, you know,  
3   both parties, you know, create a market together. Landlords  
4   and tenants rely on each other, pay mortgages, capital  
5   maintenance and property taxes.

6           You've heard the expression "too big to fail" and  
7   in many ways our rental housing market is too essential to  
8   fail, and needs your help. This is why our proposal  
9   includes a request for your consideration for a rental  
10   stabilization fund, funded at \$70 million dollars to provide  
11   short-term rental assistance to fortify this weakened  
12   system, and to get our rental market on solid ground again.

13          I'd like to use the remainder of my time to raise  
14   the concerning issues facing our state's homeless shelter  
15   system -- particularly our emergency Congregate Living  
16   shelters.

17          You know, the bottom line is that we can't go back  
18   to crowding people in bunk beds two feet apart, and we need  
19   to make major changes in how we provide emergency shelter.

20          With the support from philanthropies, the EOC,  
21   DHSS, the Governor's Office, homeless organizations have  
22   successfully implemented some regional decompression

1 shelters, coordinated health screening and isolation and  
2 quarantine. But as this has gone on, we have,  
3 unfortunately, seen these encampments grow, these encampment  
4 sites.

5           So that is, I think, a growing concern when, you  
6 know, community libraries grow or a favorite café in your  
7 town closed, you know, for us that was a loss of community  
8 connection.

9           But for a homeless person living in a tent, these  
10 closures have cut off, you know, where they eat, where they  
11 bathe, and where they get warm.

12           I've noticed a new expression on conference calls  
13 and webinars of homeless service professionals, and we keep  
14 hearing this phrase, "We can't go back to how things were."  
15 This is why we've asked for your consideration of a homeless  
16 shelter adaptation program, funded at \$25 million dollars.

17           These resources can help shelters adapt their physical  
18 spaces and operations to support these on-site public health  
19 protocols and safe social distancing measures.

20           We also need to address these growing encampments  
21 issue. You know, we need to rebuild trust throughout each  
22 worker, and get people back into shelters and safely house

1    them soon as soon as possible.

2               I'll close and open up with four questions, with  
3    the reminder for all of that really that's the way to end  
4    homelessness is through providing more affordable housing.  
5    We had started making a lot of progress and had some really  
6    good, affordable housing projects in the pipeline.

7               The financing for some of these projects may not  
8    be at risk, so we're also asking for your support in  
9    considering a \$10 million-dollar fund to make sure that  
10   these projects that were underway can get finished, and we  
11   don't end up with half-sold projects and vacant lots.

12              So thank you again for this opportunity, and for  
13   considering the important viewpoints and proposed solutions  
14   from all of the presenters today.

15              DONNALEE LOZEAU: Thank you very much. We  
16   appreciate your thoughtful approach to your presentation.  
17   Dean, would you like to lead us off, please?

18              DEAN CHRISTON: Sure. Thank you, Donnalee, and  
19   thank you Elissa. I'd like to sort of explore a little more  
20   with you the conversation about the shelters. And I  
21   appreciate the extraordinary challenge that shelter  
22   operators have experienced in these last few months.

1           One of the things I think is very interesting in  
2   your comments -- and you've alluded to it in your oral  
3   statement as well -- is really thinking about a  
4   transformational approach to how we deal with people who are  
5   in need of emergency housing.

6           And just maybe explore a little more some of the  
7   options you think that could be sort of approached if there  
8   were some resources that were available to do that.

9           ELISSA MARGOLIN: Thank you, Dean, for the  
10   question. It might be helpful just to zoom out for a moment  
11   and reflect on the emergency shelter system. I've been  
12   working on homeless services and affordable housing advisory  
13   for about 10 years.

14           And when we started, there was a big movement  
15   about restricting funding for shelters, and focusing more on  
16   housing. And I think we very many, you know, endorsed this  
17   theory and want to continue to move in that direction.

18           However, over that time, we have really starved  
19   our shelter system and become a little complacent in  
20   crowding bunk beds. I don't know if any of you have toured  
21   a shelter, but they're essentially just big rooms with bunk  
22   beds very close together, and there is a lot of sharing of

1 very limited bathroom space.

2           And so, the fund that we're proposing is to help  
3 us adapt the physical spaces. Another thing that we're  
4 experiencing right now is not only that some homeless  
5 shelter residents have left shelters out of fear and gone to  
6 encampments with very little resources, but the fact that  
7 our 211 resource cannot identify available shelter beds...

8           Nationwide, the Salvation Army has encouraged  
9 those homeless shelters to protect those they were currently  
10 sheltering, right? Our understanding of public health was  
11 don't keep the revolving door going. But so we're not  
12 actually serving those in need.

13           So the fund would be, you know, to do with the  
14 capital needs, but also the operation needs that would need  
15 to happen, including things like day programming; probably  
16 education around public health.

17           And certainly, a lot of outreach needs to get  
18 folks out of encampments. I think that the municipalities  
19 have been wonderful in really understanding that we need to  
20 serve people where they are, and lead through partnerships  
21 with philanthropy has been able to bring portable showers,  
22 portable handwashing stations, and even meal delivery to

1 some encampments.

2 But we really don't want these encampments to  
3 stick, right? I mean, it's not really humane for the people  
4 living here. It's not safe for the workers doing the  
5 outreach, and it certainly won't be tolerated very well by  
6 the municipalities, people will grow tired of that. So it's  
7 another use of the funds; would be for those operational and  
8 outreach needs.

9 DEAN CHRISTON: Thank you, Elissa. And I think  
10 it's highlights a really critical opportunity, if you will,  
11 to rethink the way we approach that really important need.

12 And I just want everybody else on the Board to  
13 know that Elissa and her team have been extraordinarily  
14 helpful in working with the shelters around the state over  
15 the last couple of months to help coordinate some of these  
16 really challenging efforts to try to address these issues in  
17 a way that is humane and safe, and also, addresses the  
18 needs, as she pointed out, of communities themselves. So  
19 thank you for that and thank you for your answer.

20 DONNALEE LOZEAU: Thank you.

21 Joe, are there questions from members of the  
22 committee? We have just over three minutes left.

1               JOE DOIRON:  Donnalee, we have a question from  
2  Scott Mason.  Go ahead, Scott.

3               SCOTT MASON:  Thank you.  What is the estimated  
4  current population of New Hampshire homeless?

5               ELISSA MARGOLIN:  I'm sorry, was the question what  
6  is the estimated current population of the homeless  
7  population throughout the state?

8               SCOTT MASON:  Yes.

9               ELISSA MARGOLIN:  Yeah.  So the last point in time  
10 count indicates just under 1500 people experiencing  
11 homelessness.  The Point-in-Time count was done at one day  
12 in January, and identified people in shelters, and it  
13 identified encampment sites outside.  It doesn't identify  
14 people doubled up, or people who have identified themselves  
15 as homeless in the school system.

16              So the Point-In-Time count will keep that number  
17 around 1500, whereas the Department of Education through  
18 their homeless services has a number closer to 3500, because  
19 they count through kids who are doubled up in home.  So we  
20 usually say it's a range, somewhere in that area.

21              JOE DOIRON:  Thank you.

22              ELISSA MARGOLIN:  Thank you.

1                   DONNALEE LOZEAU: Thank you. Joe, are there  
2 further questions?

3                   JOE DOIRON: Donnalee, we have a question from  
4 Michele. Go ahead, Michelle.

5                   MICHELLE MCEWEN: Hi, thank you. And thank you  
6 very much, Elissa for your presentation. I just wanted to  
7 learn a little bit more. You had made reference in your  
8 document about a Governor's recently announced homeless  
9 fund. Could you tell me a little bit more about that?

10                  ELISSA MARGOLIN: Yes. We've been coordinating,  
11 isolation, quarantining, and decompression needs very  
12 closely with DHHS and the Governor's office to stand up.

13                  A lot of these programs temporarily have required  
14 some funds, and the Governor did set aside \$3 million  
15 dollars. That \$3 million dollars has both provided hazard  
16 pay, and in some cases -- not all, but in some cases has  
17 covered hoteling costs for a short time.

18                  MICHELLE MCEWEN: Okay, thank you.

19                  DONNALEE LOZEAU: Further questions, Joe?

20                  JOE DOIRON: Hi, Donnalee, we have a question from  
21 Ben. Go ahead, Ben.

22                  BEN WILCOX: Hi, thank you and thanks for your

1 presentation. I had a question just about the different  
2 programs and the funding you've outlined. Is that a program  
3 that you would manage, and in house with Housing Action New  
4 Hampshire, or could you speak to that on how those funds  
5 would be managed?

6 ELISSA MARGOLIN: Yes, thank you for the question.  
7 These proposed solutions we're proposing would be  
8 administered by New Hampshire Housing and other partners.

9 So the rental subsidy program -- so just to  
10 clarify, Housing Action New Hampshire is an advocacy  
11 coalition, so we don't really administer any programs, and  
12 are not asking for any resources at all for our  
13 organization.

14 A rental stabilization fund would more  
15 thoughtfully be administered by Dean's organization, New  
16 Hampshire Housing Finance Authority; the homeless shelter  
17 adaptation program at \$25 million; the capital needs, so the  
18 retrofitting of shelters that we're proposing would make a  
19 lot of sense for New Hampshire Housing to handle that piece.

20 However, DHHS's Bureau of Housing Supports is the  
21 one more active on the operations and services side. And  
22 these two agencies have a lot of experience in working

1 together.

2 BEN WILCOX: Perfect, thank you very much.

3 DONNALEE LOZEAU: Are there further questions Joe?

4 Okay.

5 JOE DOIRON: Donnalee, sorry our system is a

6 little slow. It appears that we do not, sorry.

7 DONNALEE LOZEAU: Nope, that's okay. Thank you.

8 Elissa managed to make it exactly at the 15-minute mark, to

9 so thank you very much. We appreciate it.

10 ELISSA MARGOLIN: Thank you.

11 DONNALEE LOZEAU: Newton Kershaw, CEO, Head of

12 Acquisitions, Elm Grove Company the floor is yours.

13 NEWTON KERSHAW: Hi, can you hear me?

14 DONNALEE LOZEAU: Yes, thank you.

15 NEWTON KERSHAW: Excellent. My name is Newton

16 Kershaw. I am Principal and Head of Investments and Finance

17 for Elm Grove Companies, a New Hampshire-based real estate

18 investment and management program.

19 I would like to thank the Governor's Stakeholder

20 Advisory Board for the opportunity to speak on behalf of New

21 Hampshire's real estate and housing industry.

22 By way of background, I am a Manchester native and

1 a graduate of Syracuse University, with majors in Finance  
2 and Entrepreneurship, and a minor in Economics. I completed  
3 a program of study in International Finance and Banking at  
4 Oxford University.

5 I began my career at Lehman Brothers Investment  
6 Bank in New York City, and began investing in multi-family  
7 real estate in New Hampshire over 15 years ago.

8 Elm Grove Companies is a vertically integrated  
9 real estate investment firm headquartered in Manchester, New  
10 Hampshire, with four satellite offices across the state of  
11 New Hampshire, with one additional office in North Central,  
12 Massachusetts.

13 Elm Grove owns and manages close to 1500  
14 apartments in the affordable and market-rate apartment  
15 sectors, along with a number of retail restaurants, office  
16 and warehouse interests.

17 With a staff of over 100 employees, it has  
18 property management services, provided internally for its  
19 own assets, as well as being a third-party property manager  
20 for outside interests and private equity real estate  
21 syndications.

22 Additionally, Elm Grove Companies has construction

1 and property maintenance arms, which self-perform new  
2 construction, renovation projects, and internal maintenance.

3 Further, Elm Grove Companies has over 20 real  
4 estate agents who work towards Elm Grove Realty Division,  
5 which has been one of the largest apartment brokerage firms  
6 in the state over the past few years, as calculated by gross  
7 revenues and apartment units transacted.

8 All industries have been hard hit by COVID-19,  
9 what I will call a, "black swan event." Absent governmental  
10 support for New Hampshire's housing industry, the  
11 implications to the New Hampshire real estate and housing  
12 industry will be dire.

13 Our local, national and global economy have  
14 experienced an historic bull market run, and it was due for  
15 correction, regardless of COVID-19.

16 The underlying economic fundamentals for that  
17 correction -- specifically for our local housing industry,  
18 however, did not point to the severity of housing industry  
19 distress that we now face.

20 Importantly, there exists a strong supply and  
21 demand imbalance in the state of New Hampshire for housing  
22 and specifically affordable housing, such that there is a

1 great undersupply of said housing.

2           The Great Recession of 2008 was borne out of a  
3 housing bust that occurred as a result of loose underwriting  
4 standards for mortgages.

5           Those past loose standards did not return, and  
6 absent a black swan shock such as we are now experiencing,  
7 there was no reason to expect the severe downturn in New  
8 Hampshire's real estate market, which can now be expected,  
9 absent governmental intervention.

10           I would like to introduce my bottom line up front,  
11 and follow on thereafter with supporting information. My  
12 recommendation is that the state consider funding a  
13 residential, rent stabilization program, which will provide  
14 direct rental assistance to landlords on behalf of tenants.

15           I recommend a program sizing of approximately \$70  
16 to \$105 million dollars. It is important when considering  
17 direct rental assistance program to understand that the  
18 program does not solely benefit tenants and landlords.

19           Rather, it will serve a larger public benefit by  
20 averting a groundswell of distressed real estate, the  
21 effects of which will stress local banks, eviction court  
22 systems, future construction starts, and local and state tax

1    Payments Receivable, and displace many of the New  
2    Hampshire's most housing insecure.

3            In order to make recommendations regarding the  
4    sizes of this program, I have spoken with over a dozen  
5    industry participants, including New Hampshire's largest  
6    apartment owners, with apartment holdings in excess of  
7    10,000 apartments -- hotel owners, bank CEOs and regional  
8    real estate investment bankers who represent clients with  
9    apartment unit ownership in excess of 40,000 apartments.

10           In these discussions, I represented a four -- I  
11    represented a -- sorry, can't read my writing. I  
12    represented a determined program sizing that relied on four  
13    variables.

14           First, the total number of New Hampshire  
15    apartments --that being 189,000 units; second, the average  
16    rent -- that being \$1251 per month; third, the expected  
17    temporary reduction in collections due to the implications  
18    of COVID-19; and fourth, the length of time through which  
19    the severe impacts of COVID-19 would impact collections.

20           These discussions were framed in the context of  
21    the current short-term federal fiscal stimuli that are  
22    temporarily delaying the severity of collection losses.

1           Those stimuli include: 1) One-time direct payments  
2   that were sent to U.S. citizens by the U.S. Treasury; 2) The  
3   Payroll Protection Program, which has allowed many who would  
4   otherwise have been unemployed or underemployed to remain  
5   employed for a period of eight weeks as a result of direct  
6   payments by the Small Business Administration to companies  
7   to keep workers employed; and 3) Unemployment benefits  
8   supplements provided for by CARES Act, which give recipients  
9   an extra \$600 per week, which sunset after July 31.

10           The conclusions of these programs will represent a  
11   time of great strain on tenants' ability to pay rent. The  
12   responses I received from the industry participants were  
13   telling, as they all told a similar story.

14           Regarding rental collections, the consensus was  
15   that in a worst-case scenario, collections could be off 30  
16   percent from normal. No participant thought that  
17   collections would be off less than 15 percent.

18           Regarding the length of time that severe COVID-19  
19   impacts would be felt, the consensus was about one year,  
20   taking us through the end of the first quarter of 2021. No  
21   participant thought the impact would reduce prior to year-  
22   end 2020.

1           Regarding when the economy would more fully  
2 stabilize toward a new normal, 2022 was the resounding  
3 consensus.

4           It is difficult to know exactly what the impact of  
5 COVID-19 will be on reduced collections, and through what  
6 period of time they will be experienced.

7           What I've attempted to do is come up with a number  
8 that is not an ask for the worst-case scenario, what could  
9 be easily in the excess of one-quarter billion dollars.

10           Rather, I have attempted to propose a number range  
11 that represents a floor level of funding, below which we can  
12 reasonably expect that there will be a severe housing shock  
13 that will have dire implications to New Hampshire's housing  
14 insecure, local banks and their future ability to provide  
15 loans to our communities, the court system, the construction  
16 and related trades, and municipal and state tax revenues  
17 receivable.

18           As such, I have used a two to three month period  
19 of reduced collections at 15 percent, to conclude a program  
20 sizing of roughly \$71 to \$106 million dollars as an  
21 appropriate floor to avert the full severity of the local  
22 real estate crisis.

1           I apologize for an arithmetic error in my written  
2   submissions to Governor's Stakeholder Advisory Board, which  
3   translated to an erroneously stated range of \$47 million to  
4   \$71 million.

5           Again, I thank the Governor's Stakeholder Advisory  
6   Board for the opportunity to speak on behalf of the New  
7   Hampshire real estate and housing industries, and I'd like  
8   to take any questions at this time.

9           DONNALEE LOZEAU: Thank you very much. Much  
10   appreciated. Dean, would you like to lead us off again?

11          DEAN CHRISTON: Sure, thank you, Donnalee.  
12   Newton, thank you for being here, for your comments and for  
13   your analysis.

14          Can you perhaps as a property owner sort of put a  
15   little bit of perspective for folks around just what the  
16   challenge is for an owner dealing with having a significant  
17   number of tenants who are unable to pay rent and what your  
18   options are, frankly, in a circumstance like that?

19          NEWTON KERSHAW: Sure. Thank you for the  
20   question. Well, first I'll start by saying that to date we  
21   as a company and other landlords in the industry have not  
22   yet experienced the significant reduced collections that we

1 expect to see in the future as a result of the factors that  
2 I've mentioned.

3           However, when those do materialize, that's going  
4 to translate to lower cash flow, and it's going to impede  
5 our ability to make payments, those payments primarily being  
6 to the largest expense categories being mortgages, principal  
7 and interest for those mortgages.

8           So what we're seeing in the industry is a  
9 willingness from the federal agencies, Fannie Mae and  
10 Freddie Mac, to institute forbearances and allow for periods  
11 of time through which a deferral of payment or interest-only  
12 payment can be made.

13           In exchange, the owner would need to forestall any  
14 eviction proceedings for 120 days, which is not out of line  
15 currently with the moratorium.

16           Local banks I've been in touch with are also  
17 understanding of delinquencies that they expect. One banker  
18 is expecting 15 to 18 percent delinquencies across a  
19 portfolio which is not just multifamily, but across all  
20 sectors.

21           And so proactively willing to work on forbearances  
22 with those borrowers who are credit-worthy enough to make

1 those payments, but ultimately an inability to make those  
2 payments is going to lead to the banks taking on distressed  
3 real estate situations for property through the market.

4 DEAN CHRISTON: And Donnalee, if I can just follow  
5 up. Newton, in the end as a property owner dealing with a  
6 tenant, you can work through those processes.

7 But ultimately, as we have heard earlier today,  
8 the option, obviously, is to move to evict the tenant, if  
9 they -- if you can't work out some kind of a payment plan  
10 that works for both you and for your lenders and others.

11 And that's obviously something that's not  
12 happening now, but it has big implications, clearly, for the  
13 court system and for you as a business owner and others. Is  
14 that not the case?

15 NEWTON KERSHAW: Yeah, that's totally the case. I  
16 think one of the challenges is once this moratorium is  
17 lifted, to the extent that there are arrearages, and back  
18 payments owed, workout agreements are going to be the  
19 prudent thing for owners to work on with their tenants, but  
20 there's a period of time through which they're going to need  
21 to make up those arrearages.

22 And with tenants already paying so much of their

1   disposable income towards rent, if they get behind three or  
2   four months.

3               And if you have to tack that on and pay it off in  
4   the remainder of a lease term in six to twelve months, that  
5   can put quite a burden on that tenant, and makes some  
6   challenged situations, as it relates to eviction  
7   proceedings.

8               DEAN CHRISTON:   Thank you.

9               DONNALEE LOZEAU:   Thank you.   That exchange was  
10   helpful.   About two minutes left on the clock.   Are there  
11   questions from other members of the Board?

12              JOE DOIRON:   Donnalee, we don't have anybody  
13   that's pressed 5\* as of yet to raise their hands, but we'll  
14   give the system just a second to catch up.

15              BILL ARDINGER:   Donnalee, this is Bill Ardinger.  
16   I could have a question if there is a minute.

17              DONNALEE LOZEAU:   Okay, there is.

18              BILL ARDINGER:   Thank you for your testimony.   I  
19   wonder whether you could describe the people who are -- the  
20   renters in the program, what their income levels are  
21   generally?   And would these -- the program that you're  
22   talking about allow for a condition like making sure that

1     workout agreements or variance agreements must be in place  
2     across a spectrum of renters? Thank you.

3             NEWTON KERSHAW: Sure. Well, I mean, I haven't  
4     given program specificity really good thought.

5             But in pointing to other states that have  
6     implemented certain programs like Arizona and Delaware,  
7     there certainly is a pointing to lower-income tenants. One  
8     of the programs referenced those that were making 80 percent  
9     or less of area median income.

10            So I think that those are the people that are most  
11     housing insecure, and programs should give due consideration  
12     towards those types of tenants, as opposed to a broad brush  
13     equally giving out monies to those who are in need.

14            BILL ARDINGER: Thank you very much.

15            DONNALEE LOZEAU: Thank you. Further questions,  
16     Joe?

17            JOE DOIRON: Donnalee, it doesn't appear that we  
18     have any hands raised.

19            DONNALEE LOZEAU: Okay. Thank you, Newton. You  
20     finished 20 seconds early.

21            NEWTON KERSHAW: Perfect. Thank you.

22            DONNALEE LOZEAU: Appreciate your time and your

1 thoughtful presentation as well. With that, Attorney  
2 Viscarello. The floor is yours.

3 ATTORNEY VISCARELLO: Can you hear me?

4 DONNALEE LOZEAU: Yes, sir.

5 ATTORNEY VISCARELLO: Like all the other  
6 presenters -- I'm sorry, I'm getting some feedback -- like  
7 all the other presenters, I wanted to thank you for letting  
8 me take part in this process.

9 My name is Ken Viscarello. I'm a partner in the  
10 Manchester law Firm of Sheehan, Phinney, Bass & Green. My  
11 practice is concentrated in the area of affordable housing  
12 development.

13 In the past 20 years, I represented public housing  
14 authorities like the Rochester Housing Authority and Dover  
15 Housing Authority, and not-for-profit and for-profit  
16 developers in the development of over 100 affordable housing  
17 projects using tax-credit financing.

18 I also volunteer in the non-profit housing  
19 community. I'm the immediate past Chair of the Board of  
20 Directors of the Concord Area Trust for Community Housing,  
21 commonly known as CATCH, and I'm a member of the  
22 NeighborWorks Southern New Hampshire Resource Development

1 Committee.

2           My testimony is going to be a little bit different  
3 than all the prior presenters, as I'm going to be focusing  
4 more on the development side and the folks who develop  
5 afford and construct multifamily affordable housing.

6           I'm here today to talk about the financing  
7 challenges that multifamily affordable housing development  
8 will be facing in New Hampshire as a result of the COVID-19  
9 crisis.

10           In particular, I will focus on the low-income  
11 housing Tax Credit program. I know that Chairperson Lozeau  
12 and member Christon are familiar with the Low-income Housing  
13 Tax Credit program, but for those of you on the Board who  
14 are not, in New Hampshire the majority of multifamily  
15 affordable housing for families and for seniors is done  
16 through the Low-income Housing Tax Credit program.

17           Without the tax credit program, the state will not  
18 be able to make a dent in the already high demand for  
19 multifamily affordable housing.

20           The Tax Credit program is a federal program, but  
21 it's administered by the New Hampshire Housing Finance  
22 Authority who, because that's such a mouthful I'll refer to

1 as "NFA" the rest of the way through the presentation.

2           Each year, NFA gets a finite amount of tax credits  
3 from the federal government to award and allocate to  
4 developers in New Hampshire to construct multifamily  
5 affordable housing.

6           Once a year, the developers submit applications to  
7 NFA to receive tax credits, and generally between five to  
8 eight projects are awarded tax credits each year.

9           Once a developer receives an award of tax credits,  
10 they go out and sell the tax credits to an investor in  
11 return for cash or equity to put in the project. This cash  
12 or equity never has to be repaid.

13           I think the best way to think about it almost like  
14 a down payment on a house. The more of your own money that  
15 you can put down, the less you have to borrow.

16           The smaller amount of debt on a tax credit project  
17 as opposed to a market rate project allows the developers to  
18 charge lower rents, and to target lower income families and  
19 seniors to occupy the units.

20           In return for buying the credits, the investor  
21 gets a dollar for dollar reduction, and their tax liability  
22 -- federal tax liability for each tax credit dollar that

1 they buy.

2 But there's generally a catch, because even though  
3 they get a dollar for dollar tax deduction for each tax  
4 credit dollar that they buy, they don't pay a dollar to the  
5 developer for that tax credit dollar. They generally pay  
6 something less than a dollar for each tax credit dollar that  
7 they buy.

8 Before the outbreak of the coronavirus, investors  
9 were paying about \$0.88 per tax credit dollar. So if a  
10 developer had a million-dollar allocation of tax credits, he  
11 would receive \$880,000 from the investor.

12 The gap between the tax credit dollars and the  
13 total project cost to build a multifamily apartment is  
14 generally filled by a combination of other funding sources,  
15 including commercial loans, home funds, affordable housing  
16 trust funds and CDBG funds.

17 However, the amount of these funds is limited, and  
18 the competition for them is fierce. With the drop in  
19 pricing for tax credits, the gap's only going to get wider,  
20 and there are few sources in New Hampshire to provide funds  
21 to fill that gap, which will result in a decrease in the  
22 development of multifamily affordable housing.

1           The effects of COVID-19 -- development will have a  
2 multifamily housing is starting to cause a great degree of  
3 uncertainty in the tax credit market.

4           Over the past couple of weeks, I've interviewed a  
5 number of tax credit investors, consultants and other folks  
6 involved in the industry, and they're all basically telling  
7 me the same story.

8           The investors in the industry are anticipating a  
9 drop in pricing for credits of an amount up to 10 cents per  
10 tax credit dollar.

11           So where a developer might be getting 88 cents for  
12 a tax credit dollar per COVID-19, that developer will only  
13 be receiving around 78 cents per tax credit dollar going  
14 forward. And this is being caused by a number of factors.

15           Most tax credit investors or banks -- and a lot of  
16 banks are having their own financial setbacks and they're  
17 taking a wait and see approach before investing in any new  
18 projects.

19           There's still a number of other investors out  
20 there, like insurance companies, but with the decrease in  
21 demand for tax credits, the investors that are left are able  
22 to decrease their pricing.

1           There's also a concern because existing projects  
2 under construction and projects that will be commencing in  
3 the near future are anticipating facing delays caused by the  
4 coronavirus.

5           Due to shutdowns and social distancing  
6 requirements, most developers are anticipating that it's  
7 going to take quite a bit longer to get the projects  
8 completed.

9           This will affect the price paid by investors.  
10 Investors can't take credits against their income until the  
11 projects are ready to be occupied and placed in service.  
12 The longer it takes for the project to get placed in service  
13 and open, the more the investors' yield or rate of return  
14 decreases.

15           So this is also going to have a negative effect on  
16 driving down pricing for tax credit dollars.

17           The last -- one of the other issues, and the last  
18 one I wanted to talk about today -- is that there's a  
19 concern about the effect that the coronavirus is going to  
20 have on the production of raw materials.

21           Most of the developers feel like there could be,  
22 if not a shortage, at minimum a delay in receiving the

1 construction materials necessary to construct these  
2 projects.

3 And to compound matters, most folks are thinking  
4 that there's going to be an increase in pricing for  
5 construction materials.

6 Again, the delays or shortages are going to cause  
7 the equity investors to shy away from putting dollars into  
8 affordable housing, and the ones who do will be able to pay  
9 a reduced rate for each tax credit dollar.

10 The Tax Credit program has currently constituted -  
11 - it's an important program for the state of New Hampshire.  
12 Tax credit development plays a vital role in the state's  
13 economy.

14 First and foremost, it's the most effective tool  
15 to make a dent in the housing crisis and provide clean, safe  
16 homes for working families and the elderly.

17 Second, these projects provide jobs, not only for  
18 construction workers, tradesmen and suppliers, architects,  
19 engineers, who build the projects, but the folks who work on  
20 compliance and supply and management once the project is  
21 complete.

22 One thing that's very important to understand is

1 that these projects aren't cash rich projects. It will be  
2 difficult to find alternative sources of funding to fill the  
3 gap caused by lower tax credit pricing.

4 The state needs a source of funding to provide  
5 additional capital to fill the funding gaps caused by the  
6 decrease in pricing paid by investors for each tax credit  
7 dollar, and the additional cost by anticipated cost  
8 increases for materials and supplies.

9 I believe the best way to tackle this problem is  
10 to allocate some of the funding to NFA to use for this  
11 purpose, for the purpose of providing financing to  
12 multifamily affordable housing projects for working families  
13 and seniors.

14 It would help to have a fund of money to offer no  
15 interest, or low-interest loans or other forms of financing  
16 to developers of affordable housing to fill the funding gaps  
17 that will be created by lower pricing and higher cost.

18 I think it makes sense to allocate the funds to  
19 the New Hampshire Housing Finance Authority, as they are  
20 already overseeing the "home" program and the Affordable  
21 House Trust Fund program, and will have the mechanism,  
22 safeguards and procedures to get funds in the hands of low-

1 income housing developers.

2 Thank you for letting me make this presentation.

3 I'm happy to take any questions.

4 DONNALEE LOZEAU: Thank you, much appreciated.

5 Dean?

6 DEAN CHRISTON: Well, thank you Ken. I guess it's  
7 probably helpful if you can take a moment and explain to  
8 folks why it is that a developer can't simply in the context  
9 you're talking about can't simply recover these additional  
10 costs by, say, raising rent when the project is completed,  
11 or by some other mechanism that might seem obvious?

12 KEN VISCARELLO: Sure, sure, Dean. That's an  
13 excellent question. Rents are -- we call them LITC, low-  
14 income tax credit rents. They're generally set. And most  
15 of the projects either, you know, are right -- charging  
16 right around maximum rents.

17 And the rents cannot be pursuant to Section #42 of  
18 the Internal Revenue code, more than 30 percent of a  
19 tenant's income.

20 So it's not as simple as just raising the rents or  
21 deferring any fee. There's also a section of the Internal  
22 Revenue code that prohibits organizations like yours, Dean,

1 from overfunding these projects. And you know, I -- you  
2 know, also have got a finite amount of funds. I believe  
3 this year it was about \$3.5 million.

4 But that in connection with the Internal Revenue  
5 Code Section 42(m) says that in general the housing credit  
6 dollar amount allocated to a project should not exceed the  
7 amount the housing credit agency determines is necessary for  
8 the financial feasibility of the project.

9 So there -- it's not as simple as just, "Okay,  
10 we'll bump up the rents, and we can take back these costs  
11 over time." What's really needed -- you know, I think as  
12 I've stated, is that these projects, they don't produce a  
13 ton -- as you know from underwriting, they don't produce a  
14 ton of cash flow.

15 So it's not as simple as just jacking the rents to  
16 get more cash flow to cover the holes in the funding.

17 DEAN CHRISTON: Thank you.

18 DONNALEE LOZEAU: Thank you. We have about five  
19 minutes left. Are there questions from members of the  
20 Board?

21 JOE DOIRON: Donnalee, we have a question from  
22 Michelle. Go ahead, go ahead, Michelle.

1           MICHELLE MCEWEN: Thank you, and thank you for  
2 your presentation. I just was wondering if you could  
3 explain to me how volatile the low-income tax credits are?

4           I mean, obviously you're seeing them, they're down  
5 or the market value is going down, but with reopening,  
6 hopefully with a resurgence in our economy, how quickly  
7 would those rebound, or how -- how -- like I said, how  
8 volatile are they?

9           KEN VISCARELLO: Sure. We faced a similar  
10 situation back with the recession in 2008 and in 2017 with  
11 tax reform, where they dropped the corporate tax rate. The  
12 demand decreased a little bit. And that demand on both of  
13 those were a little bit different.

14           In 2008, the tax credits bottomed out I would say  
15 for almost three or four years, and it got to a point where  
16 as part of the 2012 Recovery Act, that states like New  
17 Hampshire -- all states -- were able to monetize their tax  
18 credits by turning them in, and that kind of kept the market  
19 in getting cash to loan out instead, along with some other  
20 funds called, "TCAP funds."

21           They were able to keep the market going until  
22 about 2012, when it started to rebound.

1           In 2017, when the tax reform passed, the  
2   volatility, it dropped probably about six to eight cents per  
3   tax credit dollar. That time it rebounded a bit more  
4   quickly, because the need and the issues with the recession  
5   weren't the same. It was just that banks and other  
6   institutions had a lower corporate tax rate, so the demand  
7   wasn't there.

8           But as over the past year, year and a half,  
9   they've come back to where they've kind of started in the  
10   high '80s, low '90s.

11           I think on -- this time, you know, I think -- and  
12   also, just to be blunt from actually talking to some of the  
13   investors I know, some of them are opportunistic. You know,  
14   they see this uncertainty in the market.

15           And even if, you know, there's no reason for them  
16   to decrease it, they're going to try to increase their yield  
17   or their rate of return on their investment, and that's what  
18   they're all telling me too is all the yields -- you know,  
19   people want to see the yields go up. And that's going to  
20   force a -- you know, downward correction in the market for  
21   tax credits.

22           MICHELLE MCEWEN: Okay, thank you.

1 DONNALEE LOZEAU: Further questions?

2 JOE DOIRON: Donnalee, we appear to have -- we'll  
3 give them "a fifth of a moment," but we have no hands  
4 raised.

5 DONNALEE LOZEAU: Okay. Thank you very much,  
6 Attorney Viscarello. We much appreciate your presentation.

7 KEN VISCARELLO: Sure thank you for referring  
8 letting me take part.

9 DONNALEE LOZEAU: Of course. Next, Evelyn  
10 Whelton, Senior Vice-President, Retail Lending Sales  
11 Manager.

12 EVELYN WHELTON: Thank you. Thank you, Donnalee  
13 and thank you to the committee for taking this time.

14 DONNALEE LOZEAU: [Acknowledged.]

15 EVELYN WHELTON: I am here today representing both  
16 Bank of New Hampshire, but also the Mortgage Bankers and  
17 Brokers Association of New Hampshire. I serve as their  
18 President this year, and I worked with our membership to  
19 come up with the proposal that we put forth to the  
20 committee.

21 I think I have to tell you: I'm alone in my home  
22 office. [Laughter]. So the MBBA New Hampshire represent New

1 Hampshire lenders, both depository and non-depository --  
2 title companies, insurance agencies and the like, supporting  
3 home sales in New Hampshire.

4 Our primary focus is really working towards  
5 maintaining a sound financial economy around homeownership.  
6 We want to help families have a healthy safe and stable  
7 living environment, to ensure that they can actively  
8 participate in their communities.

9 We recognize that with any economic downturn, some  
10 folks simply will not be able to maintain mortgage payments.  
11 This will stress a family's housing, which is a primary  
12 anchor; i.e., the roof over their head.

13 Nationally, forbearance, or the ability to not  
14 make a payment in a particular month is at about 7 percent.  
15 I don't have April's numbers yet for the state of New  
16 Hampshire, but I can tell you that as a servicer in New  
17 Hampshire, we're running at about the 5% mark.

18 So a little under the national average, but still  
19 concerning, considering we've only gone through one cycle  
20 under the CARES Act with this forbearance allowance, and May  
21 has just brought that second month upon us.

22 Many in the state, many homeowners, don't

1 understand what forbearance means. They know they're in  
2 trouble, they know there's an option, and they're going to  
3 take it. That's what we do to survive.

4           They don't know how it works, and they don't  
5 understand the payback around the payments that they have  
6 been allowed to put aside, for lack of a better term.

7           In fact, some smaller servicers that we have  
8 talked to are also struggling to understand forbearance,  
9 because forbearance has a different meaning, depending on  
10 who owns your mortgage. So again, that makes it difficult  
11 for a homeowner to navigate this system.

12           Add to that the CARES Act foreclosure moratorium  
13 and we've got another component here in needed relief in the  
14 state.

15           So the moratorium when it is listed will create  
16 some additional pressure on the system. I was listening to  
17 other folks talking about the pressure in the rental market,  
18 once the moratorium on eviction is lifted. We're going to  
19 see something similar in the foreclosure realm.

20           So we all know that if a homeowner is struggling  
21 and they need to sell a home, not only could they avoid  
22 foreclosure, but usually in trying to make that sale, there

1 are also some maintenance and repair needs.

2           So if someone can't make monthly payments, they  
3 usually also going to struggle to pay for any required  
4 maintenance.

5           Foreclosures often flood the market with homes  
6 that are difficult to finance because of their condition.  
7 Again, seeing things get layered one on top of the other.  
8 Those things all adversely impact our New Hampshire economy.

9           So our proposal is to get ahead of this issue.  
10 We'd like to see some stability provided in the housing  
11 market by allowing those in financial trouble to have that  
12 option to sell rather than end up in foreclosure.

13           We'd like to see counseling provided to maybe help  
14 navigate them out of that foreclosure space. Or if there's  
15 no option, help them more quickly get to that foreclosure  
16 space, as sad as that is, and keep things moving.

17           So based on knowledge learned during the Great  
18 Recession, we know that early intervention via education and  
19 counseling can mitigate unnecessary stress in the  
20 homeownership realm. It's our desire to see similar relief,  
21 as we saw back in the 2009 to 2012 crisis.

22           We'd like to see similar relief deployed to ensure

1   that as many New Hampshire residents as possible may stay in  
2   their homes.

3               So the organization is concerned about the impacts  
4   of COVID-19, and we're looking to see that the working model  
5   of 211 New Hampshire, which is the home health New Hampshire  
6   line stay in place.

7               This is the central option for intake and  
8   referrals. It allows homeowners to have a quick, easy  
9   access to educated personnel who can tie them with the  
10   organization closest to them and help them work through  
11   either forbearance mitigation with their lender, foreclosure  
12   mitigation with a lender.

13              If the lender is not a federal lender, like some  
14   of our small New Hampshire servicers, it may need to needing  
15   relief to help actually back out of foreclosure.

16              I think we saw back in the last Great Recession  
17   many private [I'm going to call them] - private label  
18   lenders offering some relief to mortgage balances in order  
19   to lower monthly payment obligations. That's certainly not  
20   first on the list, but we do have to recognize not all  
21   mortgages are federally backed.

22              Recovery is the second piece of the puzzle.

1 Recovery is really dealing with how we look at the housing  
2 market as we move forward.

3           So what happened to the average New Hampshire  
4 resident during the down turn period? We're going to have  
5 credit problems, because people were unable to make  
6 payments, we're going to have savings that now are limited,  
7 if there at all.

8           So we've just experienced 10 really good growth  
9 years. Our residents have done a great job at being able to  
10 save. In fact, Americans saved 13 percent more in the month  
11 of March then they did in the month of February. And that's  
12 simply because as good consumers, they knew they needed to  
13 tighten their belts.

14           That said, those monies saved are going to go to  
15 pay bills, where they don't have income coming in to offset  
16 it, and savings will be depleted over the course of the next  
17 few months.

18           So our proposal is really looking at dealing with  
19 relief now. How do we maintain the most stable housing  
20 environment on the homeownership side through the downturn,  
21 and then how do we help low -- I call it "low to moderate  
22 income home buyers," which is 50 percent of our population,

1 as we move forward?

2 And so if you take a look at the numbers, we're  
3 asking for \$5 million dollars to go towards relief, with  
4 some targeted at free foreclosure counseling, monies  
5 targeted with the 211 intake and referral system, outreach  
6 and communications.

7 So if we don't actually reach out to our  
8 communities and tell them these services are there, they  
9 won't be used. And we do believe that communication is a  
10 critical component of this proposal.

11 And then again, I talked a little bit about those  
12 non federally backed mortgages -- \$3 million dollars or so  
13 in a pool for that purpose.

14 From the recovery perspective, we're looking for  
15 about \$16 million dollars to go towards Down Payment  
16 Assistance. Again, not a new program. This is a program  
17 that New Hampshire Housing has facilitated for the state for  
18 as long as I've been lending, which is -- I don't want to  
19 tell you -- 30 years.

20 But I've been working with New Hampshire Housing  
21 and Down Payment Assistance personally since 2002, and I  
22 know how successful it is to help folks get into

1 homeownership.

2           With \$16 million dollars, we could help about 2570  
3 households purchase homes over the course of the next 12 to  
4 18 months, or as soon as the economy opens up, to be able to  
5 see that happen.

6           When we talk about economic stimulus to home  
7 sales, what does that equate to? About \$533 million dollars  
8 in home sales, and \$552 million dollars -- and I apologize,  
9 I have those numbers reversed.

10           \$552 million dollars in home sales and \$533  
11 million dollars in loans. All of those stimulate the New  
12 Hampshire economy.

13           Add to that the \$3.2 million dollars in fee income  
14 that comes through lenders and go back out to our  
15 communities, the \$10 plus million dollars that that  
16 generates for the state via transfer tax, and it really goes  
17 to show how an injection of funds into a targeted place can  
18 actually drive economic vitality in the state.

19           In regard to emergency home repair, and the  
20 ability to mitigate foreclosure by having appropriately  
21 maintained homes, we're recommended \$4 million dollars be  
22 set aside for that. We do see that as a revolving fund.

1           There is no reason why a homeowner couldn't put a  
2   new roof on, for instance, in order to be able to sell their  
3   home, and then pay that money back to New Hampshire Housing  
4   with or without a small interest stipend added to it.

5           But again, having some sort of revolving fund, to  
6   help mitigate foreclosures by allowing those homes to be  
7   sold quickly, rather than foreclosed on because they weren't  
8   well maintained.

9           In closing, I guess I would say for us it's about  
10   those two things, relief and then recovery. And the real  
11   key is to manage both of those before the market gets out of  
12   hand. And I really believe based on what I saw during the  
13   Great Recession that this state has the ability to do this,  
14   and do it well.

15           And I believe strongly that New Hampshire is the  
16   appropriate organization to manage that effort, if you will,  
17   on behalf of the housing industry. Thank you.

18           DONNALEE LOZEAU: Thank you. Dean, would you like  
19   to lead us off again? Thank you.

20           DEAN CHRISTON: Well, Evelyn -- thank you,  
21   Donnalee -- Evelyn, I just want to have you focus for a  
22   moment perhaps on the relief component of your proposal and

1 really perhaps, based on your experience, talk a little bit  
2 about what the broader implications are of significant  
3 numbers of foreclosures to the housing market, if you will,  
4 and to home prices, to neighbors, to things of that nature.

5           Because I think that's largely what we're all  
6 trying to avoid here.

7           But maybe you can tell us your perspective not  
8 the, having worked through that.

9           EVELYN WHELTON: Absolutely, Dean, thank you. And  
10 one of the reasons, Dean, to your point, that I commented on  
11 families having a healthy, safe and stable environment to  
12 actively participate in New Hampshire communities is because  
13 that is what homeownership does.

14           And when you begin to see foreclosures creep into  
15 neighborhoods, you now have homes that are owned by banks --  
16 whether they're local or from afar, they are homes that  
17 don't have any activity there -- that home value has just  
18 gone down via the foreclosure. And it begins to bring down  
19 the values of the homes next door.

20           And so, if my home was foreclosed on, it's  
21 probably not in the best shape, as I mentioned earlier, and  
22 maybe it was a \$200,000 home and the best we can get for it

1 at foreclosure is \$175,000. Okay?

2 Now when the house next door sells, that house is  
3 going to use this foreclosure sale as a comparable. And it  
4 naturally pulls down the appraised value of that house next  
5 door, even if the buyer and the seller have agreed on a  
6 higher price.

7 And so, Dean, if you and I agree to sell the house  
8 next door for \$200,000 but it only appraises out at \$175, I  
9 can assure you there will be a renegotiation on the sale  
10 price of that home.

11 And so, if you picture that rolling from home  
12 number one to the house next door, to the house next door to  
13 that, you now see this ripple effect of home values being  
14 depressed. It takes a long time and a lot of cash infusion  
15 into a market to begin to push those values up again.

16 And that's exactly what we saw in the Great  
17 Recession. It took a long time to have comparables, i.e.,  
18 "What did my neighborhood's house sell for?" that were high  
19 enough to support higher values that demand was bringing to  
20 the table.

21 A couple of things happen, Dean, when values are  
22 depressed like that. Not only does it impact the numbers I

1 mentioned earlier for home sales and the amount of money  
2 that they pump into our economy, but bigger than that I look  
3 at tax bases and things of that nature.

4           The lower the value of the home, generally the  
5 smaller tax bill they're paying. I realize that mill rate  
6 comes into play there, and the mill rate can change, but we  
7 all know that as towns lose asset value, generally speaking  
8 it's much more difficult to meet those mandatory payments.

9           And so, you might see school budgets being cut,  
10 and you might see town services being cut. You will see  
11 fewer volunteers in your community. It's a huge ripple  
12 effect.

13           So I hope that wasn't too much and answers your  
14 question.

15           DEAN CHRISTON: Thank you.

16           EVELYN WHELTON: Thanks very much.

17           DEAN CHRISTON: Thanks, Donnalee.

18           DONNALEE LOZEAU: You're welcome. So we have used  
19 all our time there, but if there is a burning question that  
20 needs an answer, Joe, do you see one?

21           JOE DOIRON: Donnalee, we have a hand here.

22           DONNALEE LOZEAU: Can you tell from the hand

1 raising if it's burning?

2 JOE DOIRON: [Laughter] We had a hand raised from  
3 Hollie. Go ahead, Hollie.

4 HOLLIE NOVELETSKY: It's not a burning question,  
5 just a quick question. Evelyn, I think you did a really  
6 nice job on structure and process of getting funds out.

7 You talked about the CARES Act only addressing the  
8 federally backed mortgages, leaves a third of the people  
9 out. Does that include manufactured homes, or is that  
10 number actually higher?

11 EVELYN WHELTON: You know, there are not a lot of  
12 manufactured homes included in the federal mortgage pool,  
13 simply because many manufactured homes are not considered  
14 real estate.

15 In New Hampshire, we are fortunate that we  
16 recognize them as real estate. But again, federal national  
17 lenders do hold the majority of mortgages in the state of  
18 New Hampshire.

19 And so that means that those mobile homes, even  
20 though -- manufactured homes -- even though they were in a  
21 state that considers them real estate, were not allowed to  
22 be mortgaged under those terms.

1           So they are with private investors like Bank of  
2 New Hampshire and Meredith Village Savings Bank, and  
3 Franklin Savings Bank and, you know, smaller community banks  
4 that wanted to be committed to the housing market. But --

5           HOLLIE NOVELETSKY: So they don't qualify for  
6 relief under the CARES Act?

7           EVELYN WHELTON: Yeah -- well, we are offering  
8 relief under the CARES Act, but it doesn't mean that every  
9 lender has to offer that, that's the challenge.

10           So we're offering it, but if another lender is  
11 not, then they can't be forced to. Does that make sense?

12           HOLLIE NOVELETSKY: Yes, thank you.

13           EVELYN WHELTON: Okay, thanks.

14           DEAN CHRISTON: And Donnalee, if I may, I'll just  
15 sort of -- quick clarification there too is I think Evelyn's  
16 completely right about the fact that a lot of community  
17 banks have done lending in the manufactured housing space,  
18 as has the community loan fund, but there's also a lot of  
19 nonbank lending in the manufactured housing space.

20           And I think the sense is that they are going to be  
21 a lot less likely to follow the sort of forbearance and  
22 other requirements of the federal CARES Act than lenders --

1 real lenders might be.

2 And so, there is a risk to those borrowers that  
3 really is not addressed by the CARES Act.

4 DONNALEE LOZEAU: Thank you, Dean. I think that  
5 probably clarified it. Okay, with that thank you so much,  
6 Evelyn, much appreciated.

7 EVELYN WHELTON: Thank you.

8 DONNALEE LOZEAU: Next on our agenda is Chris  
9 Norwood, Broker Owner of the Norwood Group and Chair of the  
10 Public Policy Committee for the NHAR.

11 CHRIS NORWOOD: Well, thank you everyone. Can you  
12 hear me?

13 DONNALEE LOZEAU: Yes, we can.

14 CHRIS NORWOOD: Fantastic. My name is Chris  
15 Norwood, and I'm the 2020 Chair for Public Policy for the  
16 New Hampshire Association of Realtors. I am a commercial  
17 real estate agent and a small business owner in the state  
18 for the last 17 years, born and raised here as well.

19 While I'm here representing the thousands of  
20 commercial and residential realtors in the state, more so I  
21 want to talk on behalf of the homeowners, commercial  
22 property owners, and then also the small business and

1 apartment renters that occupy those spaces.

2 I think Evelyn and Newton helped ground some of  
3 the discussion that I would like to present. In comparison  
4 to the Great Recession, there's still solid fundamentals  
5 that we've been underwriting in purchasing and on the  
6 financing side over the past few years.

7 In the Great Recession, I was personally  
8 performing work out valuations for out of state lenders that  
9 had commercial and apartments.

10 And I can tell you firsthand knowledge, the  
11 fundamentals on the underwriting was just not solid and not  
12 well grounded, unlike today, we have a solid foundation.  
13 But this is, as Newton said, a black swan event.

14 On the residential and single-family condo side,  
15 we're still in a housing crunch. We've all talked about  
16 that. Prices have remained high. The April data shows that  
17 both prices and volume is up. And the pipeline, however, of  
18 under agreements is down.

19 And this is kind of what we expected; that the  
20 April closes were really a result of February and January's  
21 under agreements if you will. It takes 60 to 90 days to  
22 work through a close. We're now seeing the effects of some

1 of our surveys, which say that sellers are pulling their  
2 homes off the market, buyers are delaying their home  
3 searches.

4           Still, when a property goes on the market,  
5 evidence suggests that it sells quite quickly. However,  
6 folks are just slowing down the amount of velocity through  
7 the pipeline.

8           On the supply side, there have been some  
9 challenges. To echo a little bit of what Attorney  
10 Viscarello was saying, there's supply-side challenges for  
11 new apartments, for single-family lot developers and  
12 contractors there's liquidity challenges from their banks.

13           And also, delays from Planning and Zoning Boards  
14 for the months of March and April, while they started to  
15 ramp an online, you know, subdivision approval process.  
16 That takes time.

17           Shifting onto the commercial side, this is where  
18 we expect the greatest amount of impact. If you think about  
19 the data to be collected, there isn't a great report that I  
20 can pull that shows the amount of nonpayment, either  
21 currently or expected through the system as a result of  
22 office, industrial and retail tendencies to their landlord.

1           Preparing for today, I interviewed a number of  
2 property owners and a number of property managers, and the  
3 evidence suggests that somewhere between 30 and 50 percent  
4 of all retail tenants have either not paid either April or  
5 May's rent, or conversely have sent a letter to their  
6 landlord requesting abatement of the same.

7           So that's on the retail sector. On the office  
8 sector, it's lower -- probably around 10 percent, and even  
9 lower still on the industrial side -- probably around 5  
10 percent. This spans local and national tenants. These are  
11 the downtown storefronts and, you know, your regional strip  
12 mall on your favorite rural Sunday driving road.

13           We've also unfortunately seen some "Closed for  
14 good" signs. You've read those in the newspaper, and those  
15 are sad, and we expect more of that.

16           All of those nonpayments and the "Closed for good"  
17 we feel are going to put a constraint on payments for  
18 mortgages, payments for real estate taxes, and other what we  
19 call "CAM" fees -- Common Area Maintenance for snowplowing  
20 and utilities and those type of items.

21           We do expect there will be some evictions and  
22 foreclosures, once the Executive Order #4 is removed, and we

1 expect that to create some additional pressures on the court  
2 system. That's already been discussed on this call.

3           So we do believe that mortgage payments may be in  
4 jeopardy. I would like to correct one thing that was in my  
5 written testimony that was reflecting in the National  
6 [01:35:40, indiscernible] Data that stated that the  
7 nonpayment rates on hospitality jumped up to 20 percent.

8           It should have read, jumped up "by" 20 percent.  
9 So not nearly as alarming as my written testimony would  
10 suggest, but still a concern nonetheless.

11           We do not yet have the May data for the national  
12 mortgage data.

13           Getting back to these local commercial tendencies  
14 and property owners, there were stimulus funds through the  
15 PPP and the EIDL. I can answer questions on it, but  
16 basically a lot of those funds either didn't turn out as  
17 promised, as perhaps the EIDL was, or had challenges in the  
18 delivery, such as the PPP, and also, could not be used  
19 specifically for -- excuse me -- a small portion only could  
20 be used for occupancy or other real estate related means.

21           So anecdotal evidence suggests that a lot of folks  
22 who have taken these funds will be good until perhaps June,

1 but then beyond June when the PPP runs out, they're really  
2 left with uncertainty on how they want to move forward, and  
3 do they want to accumulate some more debt.

4           So overall we're concerned that the stimulus did  
5 not provide enough for these businesses and property owners,  
6 some of which will be closed, and more forthcoming. And  
7 we're concerned of what this will do for both mortgages,  
8 foreclosures, and also real estate taxes getting back to the  
9 cities and towns.

10           So we have a few recommendations, some of which  
11 have pivoted since I provided the written testimony, because  
12 we've kind of watched what others have been putting forth.

13           So the first recommendation is a smaller one, and  
14 I have not prescribed a dollar amount to this. But as  
15 businesses look to open, we are appreciative of the  
16 Reopening Task Force and the PDFs and the information on  
17 reopening, but we're curious if there could be some funding,  
18 perhaps directed towards business and economic affairs to  
19 provide some training.

20           There may be a legal hotline for business owners  
21 and property managers on how to safely open up their  
22 businesses and properties. We do think that there will be

1 demand for folks with questions, that is just not -- is  
2 needed beyond a static PDF.

3 Our recommendation that we put forth in our plan  
4 was talking about some sort of tax payment relief, whereby  
5 you would get a credit if you were paying your real estate  
6 taxes.

7 We understand that the stimulus funds may have  
8 limitations to being used in that fashion, and while -- if  
9 in future arise, we would champion that, because we think  
10 liquidity to the cities and towns is important, we recognize  
11 that it might not be as applicable today.

12 So the two new recommendations that we would like  
13 to strongly urge you to consider that you have already heard  
14 from: The first is from the BFA, and their targeted  
15 industry relief. This would provide some liquidity to  
16 tenancies in the market. It was a loan program. I believe  
17 it was capped at \$100,000 initially, with up to \$50,000 of  
18 it forgivable under certain circumstances.

19 The piece that I would like to also urge, which  
20 maybe goes beyond what they had originally suggested is that  
21 this will be moved for not only nonessential businesses, but  
22 also essential businesses.

1           While clearly the largest impacts are on the  
2   barbershops and the hotels and the restaurants, many  
3   businesses that were deemed essential still cannot make rent  
4   payments. We've seen this -- and again, it's mostly  
5   anecdotal evidence, I do not have any statistics, but it is  
6   out there.

7           The other recommendation we would like you to  
8   consider is the Mortgage Bankers & Brokers Association  
9   putting forth about \$25 million dollars' worth, and just to  
10   touch the high levels, the pre foreclosure counseling, the  
11   Down Payment Assistance program, as well as the emergency  
12   home loan repair.

13           Those are other items for the single-family market  
14   that we do think that will provide a softening of some of  
15   the damage that could come out of this.

16           And with that, I'll conclude, and entertain any  
17   questions.

18           DONNALEE LOZEAU: Thank you very much, Chris.

19   Dean?

20           DEAN CHRISTON: Well, I was actually going to ask  
21   before the final comments whether Chris thought that the B  
22   of A's proposals around assistance to small and medium-sized

1 businesses might address some of his concerns on the  
2 commercial side, but he's essentially answered that.

3 I guess I'll ask him a similar question to what I  
4 asked Evelyn, which is, you know, Chris, what do you think  
5 the implications could be for the broader markets in terms  
6 of foreclosures and reductions in values, if we don't do  
7 something to intervene to sort of make sure that those kinds  
8 of more dire things actually happen?

9 CHRIS NORWOOD: There's certainly going to be some  
10 diminution of value, you know, regardless of foreclosure,  
11 right? There's uncertainty and speculation.

12 The concern comes in my mind -- obviously real  
13 estate taxes, and as we all know, typically we never see  
14 real estate tax foreclosures, because usually the bank steps  
15 in.

16 But ultimately, you're going to start seeing some  
17 short sales, and you're going to start seeing some  
18 foreclosures.

19 And I don't think it's going to widespread across  
20 all asset classes, but clearly hospitality and retail are  
21 going to be those two that are hit the most, and single-  
22 family and certain sectors as well. And again, I think that

1 the one piece that I stress is this is -- this could be  
2 geographic neural, right?

3 I mean, there are markets that will be rebounding  
4 quicker than others. But if you're a small retailer, and  
5 you own your own property, and you've been -- you're a  
6 restaurateur, you can only make so much money in takeout.

7 We've heard somewhere between 20 to 25 percent,  
8 maybe even less of your gross revenues if you're producing  
9 takeout. So how long can you survive until, you know, you  
10 just -- you put the keys on the table is unfortunately what  
11 it is, Dean.

12 DEAN CHRISTON: Okay, thank you. Appreciate it.

13 DONNALEE LOZEAU: Thank you, Dean. And thank you,  
14 Chris. Are there other questions from members of the board?

15 JOE DOIRON: Donnalee, we have a hand raised from  
16 Bill. Go ahead, Bill.

17 BILL ARDINGER: Thank you, Joe. Thank you very  
18 much and thank you for your testimony. You mentioned a  
19 couple of times in your remarks that, you know, the owner or  
20 renter has a bunch of cash obligations -- you know, maybe  
21 mortgage, maybe rent, maybe property taxes and other things.

22 You mentioned that property taxes -- if a way

1    could be structured consistent with the federal guidelines'  
2    height could assist property taxpayers make their property  
3    tax payments and keep current, thereby helping the  
4    municipalities, that that also serves a positive interest.

5                Because there's -- they have cash available to  
6    meet rental obligations and avoid, you know, going down that  
7    path into property tax liens and things like that.

8                Could you just, you know, comment on if it could  
9    be structured, would that be a good direction for these  
10   funds to move in?

11               CHRIS NORWOOD:  Certainly, and thank you for the  
12   question.  The quick, complicating factor is that many  
13   commercial leases are structured where sometimes the tenant  
14   pays the taxes, sometimes they pay it directly, sometimes  
15   the landlord pays the taxes.

16                But leaving that part of the mechanism aside, if  
17   there's liquidity into the market to offer some sort of  
18   rebate fund, the landlord and tenant can use their lease  
19   document to govern that.

20                What we were brainstorming was some sort of  
21   voucher program.  It's something we've heard about, and I  
22   can't cite the source from whence it came, but somehow if

1   you could create something that says, "Yes, I would -- Mr.  
2   Town, the City Official, I'm coming to you with my voucher  
3   that says I cannot pay my \$5000 property tax bill," and that  
4   ends up filing as a lean on the property until there's a  
5   recent answer or sale event, but it would not accrue  
6   interest -- or perhaps it would accrue nominal interests --  
7   then the city and town could take that voucher and cash it  
8   in with the stimulus funds, or whoever the backer of those  
9   dollars would be.

10               And then ultimately, those dollars would get  
11   repaid back upon the refinance or the sale, because that  
12   lean would be in position somewhere at the Registry of  
13   Deeds.

14               So that was the mechanism that we kind of  
15   brainstormed. But, as you pointed out in the question, we'd  
16   have to understand if that mechanism could be replicated  
17   here in the state with these specific funds.

18               BILL ARDINGER: Thank you very much.

19               DONNALEE LOZEAU: Thank you. Are there further  
20   questions? Joe? About 50 seconds left.

21               JOE DOIRON: Donnalee, we don't have any hands  
22   raised.

1               DONNALEE LOZEAU: All right. Thank you very much,  
2 Chris. We appreciate your presentation today and your  
3 willingness to change your schedule for us.

4               CHRIS NORWOOD: Absolutely. Thank you all, and  
5 enjoy the sunshine today.

6               DONNALEE LOZEAU: Thank you. With that, Dean,  
7 you're up. Why don't you do your presentation and wrap us  
8 all up would be great.

9               DEAN CHRISTON: Sure. So I am mindful of the time  
10 and the amount of time that folks have been here listening  
11 to people talk about housing and real estate and related  
12 matters. And so, I -- at Donnalee's request, I did do a  
13 couple things.

14              First, in addition to asking the folks who came  
15 today to speak, we did reach out to a couple of dozen other  
16 organizations and individuals, got their input, much of  
17 which has been also provided to the GOFERR team and kind of  
18 tried to synthesize their thoughts and summarize them in the  
19 memo that I provided to folks.

20              I'm not going to go through that in detail,  
21 because I'm assuming people have had an opportunity to look  
22 at it and probably don't want to hear me talk a whole lot

1 more anyway.

2 A couple things, though, that I do want to stress.

3 First, I didn't address in my memo some of the issues that  
4 came up in Sarah's earlier conversation on the part of New  
5 Hampshire Legal Assistance.

6 I do want to observe, as someone who's been  
7 working in the housing space for a long time, that they do  
8 provide a really critical service in the context of not just  
9 representing individuals who have challenges, but also  
10 helping to ensure that things get resolved many times in a  
11 way that avoids litigation and evictions and things of that  
12 nature. And that in the end is good for everybody.

13 So to the degree that that didn't come sort of  
14 through that presentation clearly, I want to reinforce that.

15 As far as the specific proposals that people have  
16 brought forward, and we are kind of summarizing here, I  
17 guess I would touch on those that I think are from a relief  
18 perspective -- again, keeping in mind that our role is to  
19 make recommendations about how we might use CARES Act money  
20 for relief and recovery from this pandemic.

21 On the relief side, clearly the preeminent thing  
22 here is this question of rent stabilization. And this is

1 not just an issue that is kind of on the radar screen in New  
2 Hampshire.

3           People across the country are focusing on this.  
4 The Joint Center for Housing Studies at Harvard just  
5 released a report that really focuses on this as a kind of  
6 coming tsunami that needs to be addressed in some way.

7           Because once we get past some of the short-term  
8 emergency funding that has been provided to renters, many of  
9 whom are people that were very many at risk before this  
10 unemployment surge; many of whom are people in the  
11 industries that are most heavily hit by the unemployment  
12 surge.

13           There is likely to be some significant reduction  
14 in their ability to pay rent, and a substantial increase in  
15 delinquencies on the rent side.

16           And that impacts not just them, but also the  
17 property owners, the communities in which they live, as you  
18 have heard, and ultimately could lead to a significant  
19 impact on the courts.

20           So some type of effort to provide short-term  
21 temporary rental assistance targeted to people whose incomes  
22 were reduced as a result of unemployment related to the

1 crisis, and to make some sort of connection, as I think Bill  
2 pointed out earlier, to ensure that there's some kind of  
3 reciprocity -- if you will -- between the property owner and  
4 the tenant in terms of what kind of behaviors we're going to  
5 expand from both parties, I think is really a critical thing  
6 to at least consider.

7           Clearly a big ticket item, given the numbers of  
8 people that it would impact, but I think it's also very  
9 impactful not to do anything about it, or would be.

10           And so, something worthy of thinking about in that  
11 context. An important thing to keep in mind is that in New  
12 Hampshire by law, if an individual is unable to pay for  
13 their housing needs, it is a legal obligation of the local  
14 government to assist them.

15           And so, we've not really talked about that, but in  
16 this context, people who really can't make their rent  
17 payment and are at risk of eviction have the right to go to  
18 a town welfare office, and that could raise some significant  
19 costs for communities that are already very much under  
20 stress at this point.

21           Also in the context of relief, I think it's  
22 important to focus on the foreclosure intervention

1 conversations we've had.

2           The implications for the state's real estate  
3 markets for property values for communities are as equally  
4 important as they are for individuals, who are at risk of  
5 foreclosure.

6           And as Hollie's question pointed out, a  
7 significant number of people in the state -- it may only be  
8 30 percent of people who have mortgages, but that's not an  
9 insubstantial number.

10           And many of those are people who have manufactured  
11 homes that they have purchased with a mortgage, and they're  
12 not likely to have the same kind of benefits that people who  
13 have federally supported mortgages do under the CARES Act.

14           It's important to make some provision to protect  
15 them and to help them, and in any event, investing some  
16 money in foreclosure-related counseling services we know  
17 from our recent experience with the Great Recession, is just  
18 critical in and of itself.

19           Because forbearance in the end is deferral, it's  
20 not forgiveness, and people need to understand that and they  
21 need to understand that at some point they're going to have  
22 to make a provision to make those payments.

1           And understanding what their rights and  
2 obligations are in that context is a critical part of making  
3 sure that people don't make a mistake and end up in a very  
4 serious situation.

5           I would also call some of the comments that Ken  
6 Viscarello pointed out as part of our relief effort. You  
7 know, not only two months ago I think it was, we were  
8 talking about how we had this critical shortage of workforce  
9 affordable housing in the state, and the Governor had made  
10 that a priority, as had the Legislature. There was a lot of  
11 energy and effort going into try to expand the supply of  
12 that housing.

13           What I think you've heard here is that there is a  
14 significant threat to the ability of that community to  
15 actually deliver some of that housing that is already  
16 underway.

17           And yes, part of it's related to the capital  
18 markets and things that are going on there, but the reality  
19 is that those projects are not in a place where they can  
20 just generate capital on their own, they need some  
21 additional assistance in order to be completed, and to  
22 basically support the future of the state's economic

1 recovery, which they are effectively part of.

2           And then I want to focus just very briefly on the  
3 homelessness issue. I think that Elissa was very eloquent  
4 in her comments about the challenges that that community is  
5 facing.

6           And I don't know how many people on this call have  
7 actually had the opportunity, I guess I would call it, to  
8 visit a homeless shelter, but they use their real estate --  
9 I guess for lack of a better term -- very efficiently, or at  
10 least they have historically.

11           There are -- they need basically to put a lot of  
12 people into a relatively small space. They need to use a  
13 common meals areas and things of that nature. That just  
14 doesn't work anymore. And they have been forced to take  
15 extraordinary measures in the short term, which have been  
16 very costly to those providers.

17           And I think one of the things she's pointing out  
18 is -- goes back to something we talked about a week or so  
19 again, when we were hearing from folks in the non-profit  
20 sector talk about the need to really fundamentally rethink  
21 systems, and how we deliver services going forward.

22           This is a place where that's really obvious, that

1 we can't continue to do things the way we have historically  
2 done them here. And that's going to require an investment  
3 both in operating resources and in some capital expenditures  
4 for those organizations and entities.

5           So with that, I just want to make one last  
6 comment, and then I'll stop talking and answer any questions  
7 if people have them.

8           I mentioned at the end of my memo that there is a  
9 network of providers that could implement many of these  
10 initiatives or some or all of them, if there was a decision  
11 to fund them. A lot of people have mentioned my  
12 organization. I appreciate that. That may well be because  
13 they knew I was on the call.

14           We are not the only entity that does this work,  
15 and I would envision that if some or all of these  
16 initiatives were to receive funding in the end, that there  
17 would literally be a network of organizations that would be  
18 necessary to implement them, and that includes public  
19 entities like New Hampshire Housing and Community  
20 Development Finance Authority and the Department of Health  
21 and Human Services.

22           But it also includes a range of non-profit

1 organizations across the state, the community action  
2 agencies, the community loan fund, local housing development  
3 and service organizations that have a lot of experience in  
4 doing this work, a lot of experience in working with these  
5 client populations, and perhaps equally important in the  
6 context of what we've been asked to do, a lot of experience  
7 in implementing federally funded programs effectively and  
8 with a high level of accountability and transparency.

9           So for what that's worth, I think it is feasible  
10 for us to work together as a community to figure out how to  
11 do the things that people have suggested we might do here.  
12 And with that, I will stop and attempt to answer any  
13 questions.

14           DONNALEE LOZEAU: Thanks, Dean, I appreciate it.  
15 You put together a really great, interesting day and a  
16 perspective I think most of us can understand, even those of  
17 us not in that business.

18           Are there questions from members of the Board?

19           JOE DOIRON: Donnalee, we have a hand raised from  
20 Bill Ardinger. Go ahead, Bill.

21           BILL ARDINGER: Yes. My apologies to the Board  
22 members. I'm sorry I'm asking too many questions. But

1 Dean, I wanted to say just a great presentation, and had a  
2 great group of people here, and really appreciate it.

3 When I saw in your presentation an estimated, you  
4 know, 152,000 renter households and thought about this kind  
5 of a robust rent stabilization program, I was really struck  
6 with -- and you've addressed it a little bit in your  
7 conclusion -- about whether it's possible to set up a  
8 program that can process applications fast enough to get  
9 this aid out the door at a pace that meets the need?

10 And so, I'd like to see if you could address two  
11 things: 1) How long do you think it would take to put  
12 together the program documents and the alliance or network  
13 of folks? 2) Do you think that New Hampshire Legal  
14 assistance -- it sounds like they provide an advisory that  
15 is pretty helpful, because maybe they get the first call  
16 from a renter who's in trouble.

17 And then finally -- last question -- our  
18 colleague, Scott Mason, has been asking. And Scott will  
19 probably ask this himself, but I wanted to do it because I  
20 think it's a great question, what are the administrative  
21 costs? Do you think of administering these programs, and  
22 setting up the program delivery? Thank you.

1           DEAN CHRISTON: Sure. So hi. I think there's a  
2 number of partners that could be part of an outreach effort,  
3 and part of making such a program work. And I'm not going  
4 to deny that this would be a very significant effort, and a  
5 challenging one in many respects.

6           But you have community action agencies around the  
7 state that already administer -- admittedly at a much  
8 smaller scale -- some emergency housing resources in  
9 partnership with the Department of Health and Human  
10 Services. And they could be a key partner in delivering  
11 these resources.

12           We have some capacity to work directly with  
13 clients as well, and we have the ability we think to build  
14 an online platform fairly quickly that would allow us to  
15 interact with them, and I think there are other partners as  
16 well.

17           So I don't think you would do this with a single  
18 entity, you would do this with a network of organization  
19 that have the capacity to work with a lot of people fairly  
20 quickly.

21           I don't know that I can tell you, Bill, exactly  
22 how long it would take to get set up. I think our estimate

1 has been that we would need a few weeks at least to get  
2 organized, and to begin to start taking applications.

3 And I think, like any other large-scale effort,  
4 there might be some sort of time to ramp up once you've  
5 opened up the door. But I think that's frankly going to be  
6 true of any of the large-scale relief efforts that we're  
7 talking about here.

8 In terms of New Hampshire Legal Assistance  
9 specifically, they are a really important point of contact.  
10 Another would be 211, which is I think sometimes an  
11 underutilized or underappreciated resource, that I  
12 understand has seen a significant uptick in calls from  
13 people who are trying to understand where they might be able  
14 to get housing-related resources.

15 In terms of cost, to be honest with you, a lot of  
16 that depends on what the scale of funding is that is  
17 available to do this, because that's then going to impact  
18 how many people you're actually going to be able to touch, a  
19 and how big a network and how many folks you're going to  
20 need to make that work.

21 I would anticipate that some of those partner  
22 organizations are going to need some resources to do this.

1 But in terms of, you know, frankly the efficiencies of these  
2 networks, they already operate a range of programs with  
3 relatively small admin costs associated with them, by which  
4 I mean under 10 percent -- in most cases, under 5 percent,  
5 and I would anticipate that there would be the ability to  
6 sort of make that happen.

7 I don't believe we'd be looking substantial admin  
8 costs in the context of the size of the program we'd be  
9 talking about here.

10 BILL ARDINGER: Thank you very much. Great job.

11 DONNALEE LOZEAU: Thank you. Are there further  
12 questions from members of the Board? Doesn't sound that  
13 way.

14 JOE DOIRON: Donnalee, it doesn't appear that we  
15 have any hands raised.

16 DONNALEE LOZEAU: Okay, great. Thank you again,  
17 Dean. Very much appreciated.

18 DEAN CHRISTON: Thank you.

19 DONNALEE LOZEAU: The next item on our agenda is  
20 discussions regarding recommendations, which we've decided  
21 to maintain as a standing item on our agenda, and when we --  
22 on Tuesday, we passed our first recommendation, which laid

1 out -- basically I think the easiest way to say it is put a  
2 narrative to slide 6 in the PowerPoint that we discussed on  
3 Tuesday.

4           And one of the items that we discussed a little  
5 bit further was this idea of recommending funding for  
6 supportive and advisory entities to allow them to build  
7 capacity to assist in services helping businesses --  
8 including non-profits -- have a plan for success, which we  
9 actually heard a little bit more of today, with  
10 recommendations of different presenters today saying, you  
11 know, we are going to need the help and support of others to  
12 get people's best foot forward to counsel them, to support  
13 them.

14           When I talk about that, I talk about the business  
15 sector, which includes for-profit and not-for-profit, but I  
16 also include in that the supporting entities for families  
17 and kids, as I like to say, when the doors open.

18           And so, having an opportunity to build up capacity  
19 at those organizations to be able to manage what might be  
20 having their way.

21           And we heard again today from Legal Assistance,  
22 you know other groups like SBDC, the regional development

1 corporations, a lot of different organizations.

2           So I wanted to take the opportunity to revisit  
3 that for members, and see if there's support for that. So  
4 with that, I will ask Joe to keep an eye on the hand raising  
5 and let us know if anybody would like to weigh in on that?

6           JOE DOIRON: Donnalee, we have a hand raised from  
7 Hollie Noveletsky. Go ahead, Hollie.

8           HOLLIE NOVELETSKY: Thank you. I just wanted to  
9 say that I think we need to move forward on a more rapid  
10 basis on some level. If we can do it maybe on two levels, I  
11 do like the recommendation that we work with existing  
12 channels to get the funds out.

13           But I think the issue of life safety, especially  
14 as highlighted today on housing, food banks, shelters,  
15 charities that support our most vulnerable -- I think that  
16 the finances need to get out, the funding needs to get out  
17 on a quicker level, because it's already going to be two  
18 months before they get any relief at the earliest.

19           And I just wonder if we can identify an area  
20 priority as we move forward in this process, that there's a  
21 channel that is prioritized and maybe expedited with  
22 funding.

1                   DONNALEE LOZEAU: Well I guess I would say a  
2 couple of things. So as we look at the work that the  
3 Legislative Advisory Board is doing, they have selected a  
4 group of sectors. They have from my perspective -- and  
5 we'll learn more tomorrow when we talk to them -- based on  
6 dollar amounts, I think they've in essence set priorities.

7                   I think also money that has come in outside of the  
8 CARES Act has been going out to organizations doing some  
9 work, for instance child care, things like that. Maybe not  
10 at the scale that people would like to see.

11                  I think part of the work that I am trying to  
12 encourage amongst our group is developing those processes to  
13 make that happen. So by saying, "Yes we agree with  
14 government getting some of that money out in direct fashion  
15 -- we agree -- and distribution entities."

16                  And I'm hoping what that does is give GOFERR and  
17 the Governor an opportunity to say, "Let's get those group  
18 started; get an application developed, get the support  
19 groups in place. Let's start making these things happen."

20                  I think that there are other steps that our group  
21 can take. I think we're a little bit -- a couple of weeks  
22 behind the legislative group, and when we started our work

1 and getting our information in.

2 And I would certainly open it up to otherers that  
3 want to chime in on the same conversation, including  
4 Commissioner Little, who I think Joe mentioned at the  
5 beginning was going to be available during this discussion  
6 process.

7 But maybe we can get a few folks weighing in on  
8 these different things, and how to collectively respond.  
9 Does that make any sense?

10 JOE DOIRON: Donnalee, we have a hand raised from  
11 Jim Jalbert. Go ahead, Jim.

12 JIM JALBERT: Hi, Donnalee. I think that the  
13 presentation that we had on Tuesday about using  
14 intermediaries is spot on. I want to reiterate what I also  
15 said -- that, you know through some of the federal programs,  
16 there are some concepts for applications in place.

17 And I think all of the respective sectors need to  
18 look at that if we're going to -- if the Governor and GOFERR  
19 moves forward in choosing these intermediaries to look at  
20 how we would get the funds out in an expeditious manner.

21 The problem is going to be, there's going to be a  
22 certain level -- there's going to be a certain amount of

1 leap of faith with the applicants in doing so this, and as  
2 you know, some of it you can have blowback from some of it.  
3 We've seen it with PPP with some fraud, we've seen it in  
4 other areas.

5 But I really think that what you put out on  
6 Tuesday is the right way to get this done in the most  
7 expeditious manner.

8 The other thing is, is we have to be mindful that  
9 some of these organizations who would be intermediaries also  
10 are going through some change related to COVID-19.

11 You know, if you take Health and Human Services,  
12 you know, they're practicing unemployment claims. Their  
13 people are working overtime.

14 I mentioned the New Hampshire Department of  
15 Transportation, they're going through the same thing and  
16 have incurred a great level of expenses, but yet, as you and  
17 I chatted here on this venue about lesser transit systems  
18 needing money, that list continues to grow. Just while we  
19 were on this call, I received three e-mails today about it.

20 So we have vehicles in place to get the money out.  
21 I think we need to support GOFERR -- support GOFERR Jerry  
22 Little and the Governor in moving in that direction rapidly,

1 as Hollie said, because there are people in desperate need.

2 DONNALEE LOZEAU: Thank you, Jim. Joe, are there  
3 others?

4 JOE DOIRON: Yes, we have a question from Dean  
5 Christon. Go ahead, Dean.

6 DEAN CHRISTON: So it's -- thank you, Joe, it's  
7 not really a question, it's really a comment, Donnalee. I  
8 agree with the basic thrust of the decision we made the  
9 other day, honestly.

10 And to be honest with you, regardless of whether  
11 there's a decision by this body and the Governor ultimately  
12 to put any money into the housing sector, I as a potential  
13 intermediary would argue that it makes sense to use existing  
14 structures and organizations to try to get this done as much  
15 as possible.

16 I would also give you the perspective of someone  
17 who might be in that place. And it goes back to Bill's  
18 point, which is there's only so much planning and organizing  
19 you can do until you actually have a sense that some  
20 resources are likely to be available.

21 And so, whether it is in the housing sector or in  
22 the business relief sector, or in the non-profit relief

1 sector, there has to be at some point some indication that  
2 yes, there is a likelihood that some resources are going to  
3 be committed, and here's the sort of scale, and here's the  
4 priorities.

5           Because then people can go away and actually  
6 figure out exactly what the challenges are going to be in  
7 doing that work, and come back with more detailed plans of  
8 execution to GOFERR that the team and the Governor can then  
9 conclude whether they meet their expectations.

10           So I guess what I'm saying in that context is I'm  
11 agreeing with Hollie's point about the need for speed in the  
12 sense of that at some point we need to start perhaps  
13 deciding on some focus points, some sectors, some kind of  
14 priorities -- however you want to define it -- for the use  
15 of these resources.

16           And then perhaps identifying the primary  
17 intermediaries that are likely going to be used to address  
18 those issues, and sort of send those folks off to actually  
19 start doing some of that work.

20           DONNALEE LOZEAU: Right. They are going to need  
21 time to build-up capacity, to figure out the best way to do  
22 it, to reach out to their partners, the supporting entities

1 and others. I absolutely agree. Joe, anybody else?

2 DONNALEE LOZEAU: Donnalee, we have a hand raised  
3 from Michelle. Go ahead, Michelle.

4 MICHELLE MCEWEN: All right, thank you. I mean, I  
5 think we are all still in agreement of trying to use these  
6 entities that already exist, and I also agree with the sense  
7 of urgency.

8 Just a question for the meeting tomorrow with the  
9 Legislative Board, I know they've already recommended or  
10 are going to recommend some funding by sectors, but I don't  
11 know that they've had a conversation about how to  
12 distribute, and would it give us some momentum forward if we  
13 have the conversation with them about this is how we're  
14 thinking of distribution -- you know, a mechanism for  
15 distribution?

16 Would that then give these other entities the  
17 sense that, yeah, we've got to start getting prepared? [To  
18 address Dean's issue that he just raised.]

19 DONNALEE LOZEAU: I do think that they have a lot  
20 -- if you look at some of the sectors that they talked  
21 about; they have talked about specific distribution entities  
22 that they think are capable of doing it. So I think that

1 they are on a similar path.

2           And I did send our PowerPoint presentation to the  
3 Chair of the Legislative Advisory Board, so we had a sense  
4 about how we were kind of looking at the process. And I  
5 think that that's part of tomorrow's discussion. You know,  
6 what are they doing, what are we doing, where are we on the  
7 same page?

8           I mean, I think if we look at the legislative  
9 document, there are some sectors that are not represented  
10 there, and that may be intentional. There are some that we  
11 may think of. We may find our priorities would be aligned  
12 if each of us took a look at that.

13           My hope is that after the discussion tomorrow, I  
14 can formulate something that makes sense to get out for  
15 everybody to think about so we can come to Tuesday's meeting  
16 with probably a better handle on how are we recommending,  
17 and what are the parameters that we're going to talk about,  
18 and are we going to look at dollars amount (sic, are we  
19 going to look at sectors, are we going to look at timing and  
20 phasing?

21           Are we going to look at conditions, are we going  
22 to look at -- you know, the administrative cost issue? What

1 are some of those things that we want to make sure that we  
2 at least raise for GOFERR to either take that recommendation  
3 and move forward or come back and ask more questions or ask  
4 us to dig deeper on something.

5 I do think it would be important to have some  
6 structure to where we're going at the same time that we're  
7 listening to more information.

8 Joe, would anybody else like to weight in? Is the  
9 Commissioner there and interested in weighing in in any way?

10 JOE DOIRON: So, Director Little joined us at the  
11 beginning of the discussion.

12 DIRECTOR LITTLE: Hi.

13 DONNALEE LOZEAU: Hi!

14 DIRECTOR LITTLE: How are you, Donnalee?

15 DONNALEE LOZEAU: I'm good, how are you?

16 DIRECTOR LITTLE: I'm very well, thank you. And  
17 I'm extremely grateful. Been listening for about the last  
18 10-minutes, I guess, to your conversation, and I'm instantly  
19 struck by the contributions that all of you are making to  
20 this process. And the state of New Hampshire continually  
21 amazes me what the level of civic involvement that we enjoy.

22 And I think back to Donnalee, I think I've known

1   you my entire adult life.

2               DONNALEE LOZEAU: [Laughter] I think you're right.

3               DAVID RITTER: And our, you know, and our orbits  
4   keep intersecting time and time again. So it's pretty  
5   amazing, and in the last crisis in '08, '09, Dean I think  
6   you and I were certainly well connected for quite a bit of  
7   time on trying to figure out how to get through the mortgage  
8   crisis.

9               So the fact that we're all still here and we're  
10   all still contributing and helping the state of New  
11   Hampshire through difficult times moving forward is amazing  
12   to me, and I'm just extremely grateful for it. So thank you  
13   all very much for what you've been doing.

14              Joe and I have been talking since we first got  
15   here -- not today, but back weeks ago -- about how we were  
16   going to mesh up the Legislative Advisory Board and the  
17   Stakeholder Advisory Board.

18              And paramount for us was getting a start on  
19   things, because of what Hollie just said. The pain and the  
20   suffering are real and it's out there right now, and we've  
21   got to distribute this money as fast as we can.

22              And so we just decided that, "Let's get these

1 Boards up and running, and get the conversation underway."

2           For a variety of reasons that are entirely  
3 unimportant, the Legislative Advisory Board just a week or  
4 so advanced in its process. And so, I think it arrived at  
5 its preliminary decisions a week and a half or so sooner  
6 than you folks have.

7           And I hope that that result has not caused any  
8 angst or disappointment with the Stakeholder Advisory Board  
9 meeting.

10           I think your conversations and deliberations and  
11 your use of different style to attract and receive comments  
12 from a wide variety of members and segments of the of both  
13 society and the economy -- is going to really add greatly to  
14 the richness of the results that we present over to the  
15 Governor.

16           But we're at that point where the gears aren't  
17 quite meshing nicely, we might be grinding a little bit as  
18 we try to bring the LAB and the SAB together to start  
19 working. I guess we're doing tomorrow afternoon, when we  
20 have a joint meeting of both Boards.

21           You know, ultimately, it's the Governor's  
22 decision, and we're going to make recommendations to him as

1 to where we believe the money will make the biggest impact  
2 in helping New Hampshire recovery -- recover from COVID-19.  
3 But ultimately, it's his decision. So we're making  
4 recommendations.

5 I think you're right, Donnalee that the LAB has in  
6 essence prioritized what it sees as the needs by the things  
7 that it put on the draft that was initially drafted by  
8 Senator Morse and embraced by Senator D'Alessandro.

9 And then the entire group worked to try to put  
10 some dollar figures to it, to add additional details, so  
11 that they're also looping in links to the variety of federal  
12 sources of funds that are available.

13 But I think they're also aware that they haven't  
14 hit all of the important points. A great example of that is  
15 the fact that at the end of our LAB conference call  
16 yesterday, I don't recall who it was, but somebody said,  
17 "Hey, wait a minute. We haven't done affordable housing  
18 yesterday. We haven't done housing-related issues."

19 And then lo and behold, today your presentation  
20 covered those housing needs.

21 And so, I -- what I'm saying, I guess not very  
22 eloquently I guess is that I think the two Boards are going

1 to end up creating a body of work that will give the  
2 Governor very strong guidance as to the big key areas that  
3 need to be addressed.

4 And then I think it's up to you, as this group  
5 continues to talk, to make recommendations about how to --  
6 what sort of specifics should we look at?

7 That's how I see all of this work, and then I hope  
8 that maybe if it doesn't clarify things, at least confirms  
9 to you how you also thought that this process might shake  
10 out.

11 I think a lot of the hard work is now going to  
12 happen within the GOFERR staff as we try to come up with  
13 more specific ideas about what the grant programs and other  
14 sorts of methods of distributing funds, what they should  
15 look like.

16 You've mentioned since I came in the room, I guess  
17 now 15 to 20 minutes ago, that you think that we should be  
18 using other agencies, other organizations out there that are  
19 well-recognized and have a high level of credibility and  
20 experience distributing funds in the state of New Hampshire?  
21 And that's a direction we've been moving in for some time  
22 now.

1           We reached out a while ago to many of the  
2 organizations all well-known to you, the CDFA, the BFA, the  
3 Charitable Foundation, the Center for Non-Profits and a  
4 number of others and said, "Look, you have expertise, you  
5 have professionals on board already, you have experienced  
6 that we don't have and we're going to need, and there's no  
7 way that we're going to be able to put out thousands of  
8 grants and do that credibly, and get the money targeted to  
9 the right people on our own."

10           So we are definitely going to be suggesting to the  
11 Governor that he rely on those mechanisms that are out there  
12 that have -- are well-seasoned, and have professional staffs  
13 that are -- and the ability to put the funds out in a  
14 responsible manner.

15           You know, if you just think about it, if we're  
16 targeting that we want to put out 4000 grants to small  
17 businesses across the state of New Hampshire coming from a  
18 banking background, I got some sense as to what that's going  
19 to take.

20           DONNALEE LOZEAU:   Hm.

21           DIRECTOR LITTLE:   And I have no desire to hire 30  
22 loan underwriters and a servicing department to make sure

1     that that money gets out there responsibly.

2                 But I do think that the BFA, the CDFA and the  
3     Charitable Foundation and a lot of other groups out there,  
4     not only do they know the people that are on the ground that  
5     are doing the work in the community to process state of New  
6     Hampshire now, but they have the mechanism that's been  
7     providing funding through that network for decades.

8                 And I think our strong recommendation will be that  
9     we continue to rely on the most important members of society  
10    and the economy to get these funds out as well.

11                DONNALEE LOZEAU: Well, clearly no single entity  
12    has enough bandwidth to make it happen, and we know what  
13    happens when we send everybody to a single pipe and it can't  
14    manage what's coming through.

15                I think the -- I appreciate your comments, and I  
16    think that I look at the legislative group who rolls up  
17    their sleeves, they're used to making policy, they're used  
18    to saying, "This, this, this, this and this: How much?"

19                This group, from my perspective, and I certainly  
20    do not know all the members on the group, but I have a sense  
21    of what they do -- you have a strong group of leaders who  
22    have run their businesses -- from small to large

1 organizations from small to large, who are accustomed to  
2 being presented with a problem and finding a solution, and  
3 easily will reach out to others that they know can help them  
4 quickly find solutions to imminent problems.

5           And so, I think that there's folks feeling a  
6 little bit like we're in neutral and we're holding up the  
7 process.

8           Your conversation gives me some sense that we're  
9 not holding up anything, and that we're bringing something  
10 to the table, even if it's through our discussions and  
11 through people responding to our questions that we set out  
12 there.

13           DIRECTOR LITTLE: Oh, absolutely. Absolute --  
14 yeah. I mean, there's --

15           DONNALEE LOZEAU: Well, I do --

16           DIRECTOR LITTLE: They're not holding anything up.  
17 You're -- I mean, we need a process that New Hampshire feels  
18 has been transparent and that they've had a fair shake to  
19 have their say.

20           And I really believe that we needed both of these  
21 Boards to get that broad channel up there to listen to New  
22 Hampshire, to really feel the suffering and pain that's out

1   there to understand where the money goes, Donnalee.  You're  
2   not holding anything up here, absolutely not.

3                 DONNALEE LOZEAU:  Okay.

4                 DIRECTOR LITTLE:  It's adding to the process.  
5   It really is.

6                 DONNALEE LOZEAU:  So I think, I think -- I mean  
7   one of the things that we talked about at our very first and  
8   second meetings were our job is to give you information to  
9   make your job easier when you make recommendations for the  
10  Governor.

11                So it would be I think important for us to  
12  probably continue with hearing from folks, but I think it  
13  would also be important for us to feel like we can make some  
14  recommendations that can inform your work, as it relates to  
15  some of the things that we've talked about today.

16                DIRECTOR LITTLE:  Yeah.

17                DONNALEE LOZEAU:  And I'm just trying to figure  
18  out how to get there, and how to make sure all of the  
19  members of the group get their concerns on the table for us  
20  to kind of pick up, turn around, and look at.

21                And I think the format makes it an additional  
22  challenge, because we're not sitting in a room together

1    where we feel like we can roll up our sleeves and run down a  
2    checklist.

3                I mean, Al last week, or Tuesday, was talking  
4    about, you know, a voting process with 100 points and, you  
5    know, scoring things.

6                And I think ordinarily you could do something like  
7    that if you're in a room together and you get kind of quick  
8    results, and -- but I think this format makes this a little  
9    bit more challenging.

10              So maybe what -- maybe there's an opportunity here  
11   for members to send to me things that they want to make sure  
12   we find a way to talk about, and I can map it out for the  
13   next few meetings to try to get some traction. That might  
14   make some sense, I think.

15              DIRECTOR LITTLE: All right. It makes an awful  
16   lot of sense. And I also think that this is going to be an  
17   ongoing process for a little while.

18              If you look at the document from the LAB, that  
19   they discussed yesterday, you'll see down at the bottom that  
20   they're recommending that the Governor be told to move on a  
21   chunk of the funding by the end of the month of May, that  
22   they want to come back in June and put out another 15

1   percent in July, and put out another 15 percent.

2               We don't know where all of this is going. I mean,  
3   we're hoping that pretty soon the numbers plateau, and we're  
4   told that the deaths from COVID-19 stop, and that the new  
5   positive tests start to decline.

6               But we don't know what's going to happen when we  
7   reopen businesses, or -- you know, when they open the  
8   beaches, or are people just going to stream across the  
9   border and -- you know, things could take a turn for the  
10  worst.

11              And so, we're suggesting that the LAB -- and it's  
12  up to you to decide to whether or not that you agree -- but  
13  that we move the money out in chunks.

14              As Hollie said, we need to put some money out now,  
15  because people are hurting now, and then regroup and figure  
16  out where did we hit the mark, where did we miss, has a new  
17  hole opened up that we need to call some other people and  
18  ask them to comment and make presentations to the  
19  Stakeholder Advisory Board and to the Legislative Advisory  
20  Board so we can inform the next decisions we need to make.

21              I don't think that there's a -- I mean, the first  
22  quarter may be over or coming to a close, but there's a long

1 time to go in this game, even though we're really under the  
2 gun. To put all this money out by December 30, that's a big  
3 task. So as far as --

4 DONNALEE LOZEAU: Well, and putting the money --  
5 yeah, I was just going to -- when you talk about the  
6 December 30, so we had talked multiple times now in our  
7 group about, you know, appropriate phasing, you know?

8 Like as I often refer to the trauma patient that  
9 we need to stop the bleed, because that's the immediate  
10 need, you know, as Hollie's pointing out, and others.

11 And then we have to know kind of what's recovery  
12 look like, and what do we not know is going to happen next,  
13 as you're saying? And then what does the future hold?

14 But it also begs the question, I mean some of this  
15 speed isn't just about the immediacy of stopping the bleed  
16 and starting the recovery, it's also understanding what  
17 "spend" means for that December deadline, and whether that  
18 might change when things start moving in a certain  
19 direction.

20 So getting the money out, does that mean it's a  
21 spend? Or does whoever you get it out to have to spend it?  
22 So if -- you know, if a loan or a grant goes out, whether

1 it's forgivable or not or whatever it looks like, once it  
2 goes out, does the entity that receives it have to have  
3 spent it by December 31, or the entity -- or the entity is  
4 the state that's received the money that then gets it out?

5 And I know there's been some guidance, and I know  
6 that you guys are digging in deep on that, but it would help  
7 to know that as well, I think, at some point.

8 DIRECTOR LITTLE: Agreed. We hoped that the  
9 updated guidance that came out on Monday would give us more  
10 specificity on that; unfortunately it really hasn't. So what  
11 we're left to do is to go back to other guidance in federal  
12 law as to limitations on how federal funds can be used.

13 And so, our current interpretation, and we'll  
14 always remain open to listening to different opinions, but  
15 our current interpretation is that the money needs to be  
16 spent and dedicated to COVID-19 Relief and Recovery Project  
17 by December 30.

18 Not just that we -- let's just use -- let's say we  
19 use the BFA as an example, not just that we've agreed to put  
20 \$100 million dollars into a fund for the BFA to grant out  
21 over a period of time, but that those grants need to be made  
22 by December 30, not just that we've sent money to the BFA to

1 do it.

2 DONNALEE LOZEAU: The grant made by December 30,  
3 or the grant made and the entity receiving the grant spent  
4 by December 30?

5 DIRECTOR LITTLE: The grant made to the entity  
6 that is spending the funds needs to be done by December 30.

7 DONNALEE LOZEAU: Okay.

8 DIRECTOR LITTLE: We don't believe that all the  
9 money needs to be -- we feel we can make a grant to small  
10 business A on December 29, and the goal has been met. They  
11 may --

12 DONNALEE LOZEAU: Okay --

13 DIRECTOR LITTLE: -- a week or two to use that  
14 money to disinfect a motel room or something, but we don't  
15 believe that everything has to be -- we don't have to have a  
16 receipt in hand for every expense on December 30.

17 DONNALEE LOZEAU: Okay.

18 DIRECTOR LITTLE: There is a -- an out period  
19 built into the proposal that we are required to understand  
20 what happened to all the funds within a certain period after  
21 December 30, but we don't have to have that knowledge in a  
22 filing cabinet on December 30.

1           LISA ENGLISH: And one of the --

2           DONNALEE LOZEAU: Okay.

3           LISA ENGLISH: -- this is Lisa -- one of the  
4 differences between government, right? Government has to  
5 have spent the money in a different way. With businesses,  
6 an allowable use can be loss of revenue.

7           So if the loss of revenue happens before December  
8 30 -- so for example, if it happens on happens -- you know,  
9 it's been I guess an allowable expense. So it's a little  
10 different when you're looking at --

11          DONNALEE LOZEAU: Right.

12          LISA ENGLISH: -- government versus businesses.

13          DONNALEE LOZEAU: Right. I understand that.  
14 Because I'm also thinking, you get a business that gets  
15 funds, and so, they're going to try to, you know, fill that  
16 loss of revenue for the two months or three months they're  
17 closed, however that plays out, right? So they want to fill  
18 that so they can start -- you know, at the ready.

19          Then they deal with whatever the changes they have  
20 to deal with for the recovery part of what it looks like  
21 going forward -- they're at 1/3 capacity, 1/2 capacity, you  
22 know, whatever that might look like.

1           But you also want to make sure that they have  
2 money to go, "Okay, if I ever go through this again, if next  
3 year at this time we're in the same boat, here are the  
4 things that I've spent some money on, to make sure that I'm  
5 ready for -- you know, business continuation, continuity --  
6 you know, that kind of stuff."

7           So knowing that that you don't have to necessarily  
8 spend it all by December 30, because they have to have time  
9 to experience these things and use the money as we're  
10 describing. So that's good to know.

11           I think the last thing that might be helpful at  
12 some point is one of the things that we are consistently  
13 hearing from people responding to us is that they are very  
14 concerned about getting their workforce to come back to the  
15 ranch, so to speak, right?

16           So there are very different experiences for  
17 different people. So people that were employed at a low  
18 wage job are now making more than they would make if they  
19 were in their job.

20           And so getting them motivated to come back is a  
21 challenge. It might be the first time in a long time that  
22 they have income that's maybe really straightening out their

1 life. They're paying off their credit card debt, or they're  
2 -- you know, keeping up with their rent or their mortgage or  
3 -- you know, whatever the case may be.

4           They are worried getting them back. You know,  
5 unemployment has been designed as a system that says, "We're  
6 not going to pay you your full wages, because we actually  
7 want you to -- you know, go back to work or find a new job  
8 or -- " you know, all of those things."

9           Right now, that scale is not the same. And the  
10 extension of that is having an impact. So we're  
11 consistently hearing from people, "What if they don't come  
12 back?"

13           I'm not asking you for an answer now, but what I  
14 am asking is I think the demographics of knowing what that  
15 means, and where that's happening and having a different  
16 effect than other places might be helpful in informing how  
17 we can support businesses in getting their employees back.

18           And I don't know that anybody's done that work  
19 yet. But my understanding is the \$600 has been extended  
20 into July. And so, knowing what that might mean I think  
21 could help us as well -- all the groups involved, whether  
22 it's the Reopening Task Force, the Legislative group or our

1 group, I think it would help us to know what that  
2 demographic might look like.

3 DIRECTOR LITTLE: I'm glad you didn't ask me for  
4 an answer to all of that problem, because we don't have one.

5 DONNALEE LOZEAU: [Laughter]. Right.

6 DIRECTOR LITTLE: So thanks for making it --

7 DONNALEE LOZEAU: Well, who's got time to look  
8 right now, but?

9 DIRECTOR LITTLE: [Laughter].

10 DONNALEE LOZEAU: I think we should probably know,  
11 right?

12 DIRECTOR LITTLE: Well, I mean we're hearing that  
13 concern/complaint from every point, that the unemployment  
14 benefit has been made so rich that it's going to be hard to  
15 get people to come back, unless something changes in that.

16 But I think I'm going to leave it to Commissioner  
17 [02:34:05] and Deputy of Labors to figure out what the  
18 answer to that question is, although I think, interestingly  
19 enough, we may bump into it in some of the programs and  
20 responses that come out of the GOFERR office.

21 For instance -- and I didn't hear all of Dean's  
22 presentation, I've read some of the materials this morning

1 that were submitted in support of it. There are concerns  
2 that because the Governor issued the eviction and  
3 foreclosure moratorium, some people may have just decided  
4 that they're not going to pay their rent.

5 And we see it on TV all the time that there are  
6 rent protests.

7 And what worries me is that people are going to  
8 say, "Now I need rental assistance." Well, if they've been  
9 making more as a result of the unemployment situation than  
10 they did in the normal paycheck, and they had no problem  
11 paying their rent then, that kind of leaves us with the  
12 question that if somebody had received an in their income,  
13 and for whatever reason stopped paying their rent, what  
14 mechanism is there going to be in place to make sure that we  
15 don't have fraud and abuse coming from?

16 And I recognize this is a hard conversation to  
17 have, because we're talking low-income people who just  
18 struggle every day as a matter of course, but if the  
19 decision was made not to pay the rent because the Governor  
20 said there's an eviction moratorium, and the net result of  
21 the unemployment benefit was they had a higher weekly income  
22 than they had before, what sort of tests are put in place

1 for rental assistance programs?

2 So I think --

3 DONNALEE LOZEAU: Well, and what's -- you know, as  
4 somebody who has spent almost my whole adult career outside  
5 of public service serving people of low-income --

6 DIRECTOR LITTLE: Right.

7 DONNALEE LOZEAU: It's not just always the people  
8 of low-income, because you've got a group that, because they  
9 weren't yet employed, or they were in training or school or  
10 any of those things, aren't receiving unemployment and are  
11 in trouble.

12 But there's also, you know, when you talk to the  
13 banks, as you know, the deferrals on people's credit cards  
14 and car payments, and those are not necessarily the low-  
15 income folks, they're the people somewhere else.

16 And so, sometimes people don't -- as we all know -  
17 - make good decisions no matter who you are.

18 DIRECTOR LITTLE: Yeah.

19 DONNALEE LOZEAU: But so, but that's another  
20 opportunity for the helping groups, you know, such as mine  
21 and other community actions and other housing, you know,  
22 groups that are out there to work with people and talk to

1    them about making these decisions. And some of us has been  
2    proactive about it.

3               But I'm just saying that knowing the demographics  
4    of where that falls may help inform the work of where we're  
5    supporting people and how we're helping employers get their  
6    people back to work.

7               DIRECTOR LITTLE: I agree with all of it. I guess  
8    I was just saying this this \$600 bump in unemployment that  
9    has people have higher income at this point in time that  
10   we've all agreed keeps coming at us from other directions,  
11   including businesses saying, "It's going to be hard for me  
12   to hire my people back, because they're doing better now  
13   than they were when they were working for me."

14              While I'm going to leave that to the people at  
15   Employment Security to figure out the answer to that  
16   problem, I think these groups are going to end up needing to  
17   discuss it as well, when they talk about how do we put  
18   assistance out there that is fair, that \$600 bump in the  
19   unemployment benefit is going to loop back in.

20              I think it also points to the value of things,  
21   like Dean mentioned -- you know, supporting 211 and the  
22   professionals that -- like you, Donnalee, who help people

1 work their way through it to explain what the situation is.

2 DONNALEE LOZEAU: Right. No, I think the same can  
3 be said for businesses, right? If they're collecting, if  
4 they're able to get grants from other sources, and they come  
5 back for more money through this, that has to be taken into  
6 consideration too. To me, all these groups --

7 DIRECTOR LITTLE: Yes.

8 DONNALEE LOZEAU: -- are related. It's the same  
9 issue amongst the businesses, for-profit and non-profit, and  
10 the families and -- you know.

11 So it's -- I think it's all the same that we have  
12 to look at it, and it's a problem that can be happening in  
13 all three categories.

14 So I've monopolized the whole conversation. Let  
15 me open it up to see if any of the members of the Board have  
16 questions or anything for you that they would like to ask,  
17 as we're --

18 DIRECTOR LITTLE: Yep. --

19 DONNALEE LOZEAU: -- well beyond our time. Joe,  
20 anybody have a hand up that wants to participate?

21 DONNALEE LOZEAU: Donnalee, we have a hand raised  
22 from Jeff Myers. Go ahead, Jeff.

1           JEFF MYERS: Thank you. It's -- we've gone well  
2 over time, as you just noted, Donnalee, so I don't want to  
3 belabor the discussion. A quick question, and then a very,  
4 very brief comment.

5           My question is -- and maybe I missed it, and I  
6 apologize for missing it -- but is there [02:39:32,  
7 indiscernible] information that made available to us for  
8 tomorrow's meeting with the Legislative group, and can you  
9 remind us what time it's going to be?

10          DONNALEE LOZEAU: So the -- my understanding,  
11 having talked to Senator Morse is we will join them at the  
12 start of their meeting tomorrow at 1:00.

13          JEFF MYERS: Okay.

14          DONNALEE LOZEAU: And what we talked about is  
15 basically updating each other on our work, where we are to  
16 date, and then allowing questions to be asked from our Board  
17 to their members, or vice versa.

18          I don't think there's anything formal, but what I  
19 will do is I will make sure that the document that they have  
20 make sure that the document that they have on their agenda  
21 for tomorrow -- you know, the sectors in dollar amounts --  
22 I'll send that off to members, just like I've sent to

1 Senator Morse. You know, our PowerPoint discussion template  
2 from Tuesday.

3 JEFF MYERS: Sure.

4 DONNALEE LOZEAU: And that might help stimulate  
5 conversation.

6 JEFF MYERS: Sure. And does that also include the  
7 calling number that we need?

8 DONNALEE LOZEAU: Yes.

9 JEFF MYERS: Thank you.

10 DONNALEE LOZEAU: You're welcome.

11 JEFF MYERS: In my very brief comment -- thank you  
12 very much -- in my very brief comment at this late hour is  
13 that in light of all the discussions that I've heard the  
14 last 20 minutes or so, or half-an-hour or so, which I  
15 thought was very helpful and kind of raised some of the  
16 issues that I wanted to raise myself...

17 You talked about Donnalee, and what Commissioner  
18 Little talked about, I think my only ask would be that we  
19 reserve some time at our next meeting on Tuesday to talk  
20 more as a group about our process for how and when we will  
21 take recommendations.

22 DONNALEE LOZEAU: Thank you. And I agree.

1           JEFF MYERS: Thanks. Thank you very much.

2           JOE DOIRON: Donnalee, this is Joe, and just to  
3 Commissioner Myers, a point about the call-in information,  
4 we'll send that around.

5           Please note to the Board members it will be  
6 different than the call information that you received from  
7 SAB meetings, so just please when the e-mail goes out to  
8 double check, just so we can avoid a delay with the start of  
9 the meeting tomorrow.

10          Donnalee, we have a hand raised from Dean.

11          DEAN CHRISTON: Thank you, Joe. That was --  
12 actually that was a ways back in the conversation, so it's  
13 probably not a good use of people's time at this point,  
14 except at some point, Jerry, I'd love to engage you in a  
15 conversation around this issue of when the dollars can be  
16 defined as being spent.

17          I have some thoughts on that based on, you know,  
18 some experience with other federal resources, both in our  
19 context, and I think some of the work that the BFA has done,  
20 that might be helpful.

21          But I don't think it's necessary for us to do that  
22 right now. Thank you.

1               DONNALEE LOZEAU: Thanks, Dean. Anybody else?

2               JOE DOIRON: Donnalee, we have a hand raised from  
3 Nancy. Go ahead, Nancy.

4               NANCY MERRILL: You know, you've covered  
5 everything I was going to ask, so I'm all set, thanks.  
6 Phew! [Laughter]

7               DONNALEE LOZEAU: Then feel better about  
8 monopolizing the conversation. Had you listened in to a  
9 conversation between myself and Director Little. Anybody  
10 else?

11              JOE DOIRON: Donnalee, we have it looks like the  
12 last hand raised from Jim Jalbert. Go ahead, Jim.

13              JIM JALBERT: Director Little and Donnalee, thank  
14 you for answering my question. I'm sorry about that.

15              DONNALEE LOZEAU: Oh no, please, don't be sorry.  
16 Like I say a lot, this group has a wonderful perspective and  
17 a lot of life experiences that are helpful to the work.

18              It's just a matter of trying to give us the  
19 opportunity to have the discussion similar to that what we  
20 had on Tuesday, which I'd like to find a way to have next  
21 week again.

22              And so, any of you that have, you know, process

1 things that you want to put on the -- you know, on the table  
2 for discussion, if you get all those out to me by the end  
3 the week after tomorrow's joint meeting, I will, as I've  
4 been trying to do, formulate a path to this discussion, so  
5 everybody has an opportunity.

6 And we can maybe, you know, chart a course for  
7 kind of what's next in the next week or two to come. That  
8 would be helpful.

9 Okay, with that, unless somebody raises another  
10 hand, under, "Other Business" I think we've pretty much  
11 covered that.

12 The -- our next meeting, aside from the joint  
13 meeting tomorrow -- the next meeting for our group  
14 specifically is Tuesday.

15 The next group of presenters, Michelle has been  
16 working diligently on putting the health care day together.  
17 Scott has been working on putting the Agriculture day  
18 together. We will try to do that in a way that allows for  
19 more opportunity for discussion that we'll try to get out to  
20 everybody, based on -- as the ask I've just made.

21 And I have also asked Michelle to make sure that  
22 her folks are available for Tuesday or Thursday next week,

1 so we have an opportunity, depending on how tomorrow goes,  
2 and what feedback I get, to pivot if we need to, like we did  
3 this week.

4 And then Scott's going to check with his group, to  
5 make sure that they're available on either Thursday or the  
6 following Tuesday, so we can get the Ag (sic) day set up.

7 And then Hospitality and Tourism is something I  
8 haven't yet wrapped my brain around, about how to put that  
9 day together, or who's going to help with that. So I'll do  
10 some work on that, and if any of you have ideas on how we  
11 could do that, by all means, please let me know.

12 Is there anything else to come before the Board  
13 today?

14 JIM JALBERT: Donnalee I raised my hand -- Joe  
15 probably didn't see yet, it's Jim. Were quickly, are we  
16 going to dovetail mental health into the health care  
17 segment?

18 DONNALEE LOZEAU: Yes, we are. Seacoast Mental  
19 Health is on December.

20 JIM JALBERT: Okay. Thank you very much.

21 DONNALEE LOZEAU: You're welcome. Anybody else?

22 MICHELLE MCEWEN: Donnalee?

1                   JIM JALBERT:  Sorry, Jim.

2                   MICHELLE MCEWEN:  I'm sorry, this is Michelle  
3  McEwen.  Seacoast provided written comments, but it's going  
4  to be Northern Human Services that will be covering mental  
5  health and DD.

6                   DONNALEE LOZEAU:  Oh, thank you, Michelle.  Thank  
7  you.  Okay.  Anybody else?  Okay!  With that, thank you  
8  everybody.  My apologies that the meeting went a little bit  
9  longer today than expected, but I think it was a fruitful  
10 day and a good discussion.

11                  COLLECTIVE:  Thank you very much.

12  [End of Proceedings]