

# Senate Finance Committee

*Deb Martone 271-4980*

**SB 73-FN-A**, establishing a green building standards initiative as part of the low or moderate income housing loan program and making an appropriation therefor; and establishing a commission to study green housing and utility source options.

**Hearing Date:** January 28, 2021

**Members of the Committee Present:** Senators Daniels, Reagan, Giuda, Hennessey, Morse, D'Allesandro and Rosenwald

**Bill Analysis:** This bill establishes a green building standards initiative as part of the low or moderate income housing loan program and makes a \$1 appropriation for this purpose. The bill also establishes a commission to study green housing and utility source options.

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**Sponsors:**

Sen. Soucy

Sen. Watters

Sen. Perkins Kwoka

Sen. Cavanaugh

Rep. McWilliams

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**Who supports the bill:** Senators Soucy, Watters, Whitley, Prentiss and Perkins Kwoka; Representative McWilliams; Josie Pinto; Erin Talcott; Nicole Fordey; Evan Oxenham; Sayles Kasten; Mary Boyle; Marcia Garber; Susan Liebowitz; Josh Corringham; Jason Weisbrot; Laura Lynch; Ann Podlipney; Brigid McNamee; Anna Donohue; Georgina Lambert; Joanna Sharf; Maria Smith-Lopez; Dana Dahl; Marsha Feder; Daniel Goodenough; Jeanne Dietsch; Corinne Dodge; Troy Hartmann; Jude Farley; Suzanne Krohn; Madeline Lessard; Anne Grossi; Christina Horne; Robin Schnell; Linda Benham; Bennett Doherty; Jeremy Cunningham; Brandon Lemay; Adrian George; Brenda Diederich; Martin Waldron; Milada Grossi; Hayley Jones; Christopher Sullivan; Jane Brown; Ruth George; Emily Burr; Bill Cobb; Jules Good; Laura Aronson; Grace Kindeke; Infiniti Sanderfer; Jessica Margeson; Carol Foss; Linds Jakows; Michaela Reger; Tristan Husby; Viola Katusiime; Gweneth Asher; Jamie Bemis; Christopher Potter; Daniel Pontoh; Savitri Horrigan.

**Who opposes the bill:** Donna Gamache

**Who is neutral on the bill:** Ben Frost

**Summary of testimony presented in support:**

Senator Soucy, Prime Sponsor:

- Section 1 of the bill regarding the New Hampshire Housing Finance Authority should be eliminated.

- Senator Soucy looks to create a commission that will work on the important issue of more affordable energy costs by bringing stakeholders to the table.
- Affordable housing is a bipartisan issue. In New England, in particular, we have much older housing stock, much of it being energy inefficient.
- Our vacancy rate is one of the lowest in the country, contributing to higher costs. Coupling that with higher electric rates makes it challenging to low income wage earners.
- The commission would study green housing and sources for retrofitting and improving existing housing stock.
- Some of this type of work currently exists in the state on a small scale basis. The need, however, far exceeds the services offered.
- There is a \$1 appropriation attached to the bill.
- Senator Giuda questioned the fair labor standard of \$15/hour or prevailing wages in Section 3 of the bill. Would that not be counterproductive to the purpose of the bill, lowering costs but increasing the price by using a prevailing wage model? Senator Soucy noted the bill would create jobs, and a prevailing wage would be fair to both those needing the retrofit and those providing it. It is an important consideration for the commission to look at.
- Senator Rosenwald pointed out if Section 1 is eliminated, the appropriation in Section 2 would be for a non-existing program. Would we need to keep Section 1 for the appropriation? Senator Soucy explained she spoke with the New Hampshire Housing Finance Authority. There is the possibility that such a program may not be established in the Housing Finance Authority. The \$1 appropriation is merely a placeholder for the budget process.
- Senator Giuda again questioned Section 3 of the bill ensuring the cost of the retrofits is not passed on to low-income housing residents. He inquired about subsidizing those. Who is going to pay those costs? Senator Soucy explained that would be part of the work of the commission. Members would be looking at a potential source. The source could be through utility rates or some other source. Senator Giuda indicated no matter where the source of funds comes from, it will eventually come from other ratepayers. While low income individuals may well deserve a break, all electric ratepayers' rates are high. A majority manage to pay them. That is problematic. Senator Soucy suggests letting the commission move forward to carry out its responsibilities, including the analysis of potentially shifting costs to others.
- Senator Daniels inquired about other entities Senator Soucy indicated were performing such services currently. Senator Soucy stated there are companies performing retrofits, and some CAPs are doing weatherization. Those entities would be entered into a larger scale process. These services, however, are limited at this time. And the demand for this is great.

Josie Pinto, New Hampshire Youth Movement:

- This bill is an important step in the right direction towards more sustainable and affordable housing options in our state.
- New Hampshire is experiencing an affordable housing crisis. Rents are skyrocketing in Dover, where she resides.

- It's time for utility companies who amass a large amount of wealth off of those who pay utilities in New Hampshire, to start paying to improve the housing stock to make it more affordable for renters and owners, and more sustainable for the future of our climate.
- The climate crisis is here at our doorstep on the seacoast. It's time we take it seriously and do the work necessary to ensure housing is safe from the impacts of climate, and is energy efficient to save money.

Brandon Lemay, Rights & Democracy-NH:

- Mr. Lemay thanked Republicans and Democrats both for prioritizing housing.
- It is beneficial to both businesses and workers to have a workforce that is adequately housed. Less money spent on rent affords more money to be spent at local businesses.
- We face many challenges in New Hampshire regarding housing. This bill is a great first step in remedying some of those challenges.
- In the past as a renter, Mr. Lemay has struggled with various costs included in a lease. These costs resulted in a large financial burden for Mr. Lemay and his roommates. Problems included the cost of heating oil, leaky pipes and unsafe/inadequate wiring.
- SB 73-FN-A will make housing more safe and affordable.
- Senator Daniels inquired why it should be the purpose of government to support a private business, such as being a landlord. Mr. Lemay indicated it is difficult to be profitable as well as provide safe conditions that are affordable for renters. It is tough for the housing market to provide all that is necessary. Intervention is required to provide appropriate incentives.

Infiniti Sanderfer:

- Ms. Sanderfer is a poor, single mother, who works closely with low-income individuals. She currently resides in a subsidized apartment, which is not energy efficient. Her rent is less than her electricity costs.
- This is a moral issue. The government should help subsidize housing needs. Money to support such proposed initiatives should not come from the pockets of low income individuals.
- Landlords should ensure their housing is safe for renters.

Jessica Margeson, Granite State Organizing Project:

- Ms. Margeson advocates on behalf of low-income housing tenants.
- New England has aging housing stock, with a shortage of low income housing.
- An affordable housing task force in Manchester recently identified how much low income housing is needed, and what actually is affordable. Needless to say, there is a huge disparity.
- Federal money currently subsidizes fuel assistance.
- Many of our landlords are small "Mom and Pop" operations, and don't have the ability to invest in energy efficiency.
- Tenants are being forced to triage their necessities.
- Lead pipes in rental housing units are still a huge problem.
- Currently, weatherization options include installing insulation and new windows, in a limited grant program.

Asma Elhuni, Rights & Democracy-NH:

- This is an issue that needs to be addressed. The proposed legislation will review the existing housing stock and develop a plan to improve it, with the goal of making the cost of living more efficient and affordable.
- Low to moderate income housing landlords, tenants and homeowners are all challenged by the extent of New Hampshire's older housing stock, as they often need required renovations that are costly and not affordable.
- Current resources available are not sufficient for our needs.
- We need a commission to determine how big the problem is and what the possible solutions are.

Haley Jones, Community Action Works Campaigns-NH/VT:

- Her organization receives many calls from those struggling to pay their utility bills.
- Clean alternative energies and energy efficient programs rarely benefit those that need them the most. Most deal with a disproportionately high energy burden, paying higher prices per unit of energy due to less efficient homes.
- Putting in rooftop solar panels, carrying out environmental remediation projects such as building micro-grids and replacing lead pipes, will create well-paying jobs in our state.

#### **Neutral Information Presented:**

Ben Frost, Managing Director-Policy and Public Affairs, New Hampshire Housing Finance Authority:

- The Housing Finance Authority would be happy to serve on any legislative commission.
- It has a great deal of experience on the multi-family side in doing green energy and energy efficiency. It requires low-income developments which it finances to be done at least to Energy Star standards.
- In their competitive financing for the federal low income housing tax credit, they offer additional points for projects that are built to a net-zero, or passive house standard.
- The Authority is not currently set up to do single family retail lending. They are essentially an aggregator, working with approved lenders and originators across the state, doing the face-to-face interaction with consumers when seeking to buy a home and obtain a mortgage.
- There might be other entities better situated to house the proposed commission.

Madeleine Mineau, Executive Director, Clean Energy New Hampshire:

- Her organization is very involved in working on renewable energy and existing energy efficiency programs.
- There is a pending plan before the Public Utilities Commission for the next 3 years of our energy efficiency resource standard, which by statute includes 20 percent of the funding for low income or income-qualified projects.
- There are existing programs, as well as the Public Utilities Commission's low and moderate income community solar grant program.
- Ms. Mineau is concerned that existing programs have not been acknowledged enough during the hearing. Is there the possibility to expand those existing

programs? Creating parallel programs might cause customers more confusion, or increased administrative costs. Should the proposed commission move forward, there should be careful consideration of existing programs first. If those programs are not meeting the needs, what should be done within those programs to better meet the needs?

- Ms. Mineau noted there are no energy efficiency or renewable energy contractors included in the makeup of the proposed commission.
- Senator Daniels requested Ms. Mineau provide the Senate Finance Committee with a list of organizations currently working on similar initiatives. Ms. Mineau agreed to do so.

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Date Hearing Report completed: January 31, 2021