

United States Senate

WASHINGTON, DC 20510

October 21, 2022

Governor Christopher T. Sununu
107 North Main Street
State House – Room 208
Concord, NH 03301

Dear Governor Sununu:

Thank you for your message regarding reallocation of Emergency Rental Assistance (ERA) funds to help Granite State families remain secure in their homes. While unfortunate, this result is a direct consequence of a series of missteps by your administration throughout this process.

As you are aware, the Department of Treasury's guidance for reallocation of ERA funds demonstrates a preference for jurisdictions that have shown prior capacity to obligate funds quickly as an incentive to deploy federal resources as efficiently as possible to families that urgently need help.

The initial ERA program (ERA1) was created in December 2020 to provide federal funding for states to distribute assistance to qualifying landlords, utility providers and renters to help struggling renters to keep up with rent and other expenses related to housing. New Hampshire became eligible for nearly \$180 million in ERA1 funds on January 7, 2021. Upon receipt of these funds, the State acknowledged the award terms governing them, including that ERA1 funds may be subject to rescission and reallocation to other jurisdictions that have spent all of their ERA1 allotments. Despite being aware of these terms and having existing infrastructure to quickly mobilize the program, it was not until March 15, 2021 that the State actually established a portal for eligible renters and landlords to apply for assistance, and for months there were persistent backlogs in processing applications and delivering funds¹. Then, in October 2021, the State made the ill-advised decision to shift away from expending ERA1 funds to instead use a second iteration of the ERA program (ERA2), which was created through the American Rescue Plan and was available for expenditure through September 30, 2025.

To be clear, the State deliberately chose to spend down funds with a much longer shelf life, which resulted in the State's spend rate for ERA1 funds falling below the required threshold to avoid recoupment, and on March 14, 2022, \$18.7 million in ERA1 funds were clawed back from New Hampshire to be reallocated to other jurisdictions that were spending these funds more efficiently.

This is the central issue: the reason that the U.S. Treasury Department has declined to fulfill your request to reallocate ERA1 funds at the last minute is in all likelihood due to your own failure to

¹ <https://www.nhpr.org/nh-news/2021-06-16/thousands-of-n-h-renters-are-waiting-for-relief-with-federal-eviction-protections-set-to-expire>

spend these funds effectively when you had the opportunity. And because you chose to use ERA2 funds instead of ERA1 funds, the State is now faced with a much earlier deadline for obligating these funds than it would have if it had implemented these programs in the order they were authorized and designed to be used. Meanwhile, the State has received ample guidance from Treasury clearly articulating expenditure deadlines, criteria states must demonstrate to avoid recoupment and best practices for effectively distributing ERA funds to maximize support available to renters. You have been adequately informed of the consequences New Hampshire would face, yet chose to continue down the path that has led to premature termination of critical, federal rental assistance that we fought to secure for Granite Staters.

This attempt to shift blame to the federal government for your administration's mismanagement of this program and your eleventh-hour request for assistance from the Congressional delegation to prevent the consequences of your administration's actions from falling on the shoulders of New Hampshire renters is unfortunately part of a pattern. For example, in December 2021, you were aware that ERA2 funds were running out, but waited until February 4, 2022, to call on the Treasury Department for support and then allowed another four days to pass before alerting our offices. What could have been a collaborative effort to prioritize the best interest of our constituents instead turned into an opportunity to play politics with Granite Staters' ability to remain safely housed.

Now, we find ourselves in the same position – asked to contact Treasury at the last minute because your administration failed to properly manage federal rental assistance relief and failed to keep us properly apprised. And once again, the Congressional delegation will contact Treasury to inquire about potential paths forward for New Hampshire to retain ERA funds needed to keep Granite Staters safely housed because above all, we care about meeting the pressing needs of New Hampshire residents – that is why we fought to secure these ERA funds in the first place.

Granite Staters are not interested in a blame game, they care about paying their rent and utility bills this winter. The Congressional delegation will, as we have throughout the COVID-19 pandemic, fight for the resources New Hampshire needs. However, it is incumbent upon the State to effectively distribute federal dollars and to communicate with the delegation in a timely and transparent manner so that we can most effectively assist you. Moving forward, I urge you to examine the State's approach and practices that have led time and again to our intervention being necessary and the continued State-caused delays of rental assistance distribution.

Sincerely,



Jeanne Shaheen
United States Senator