



# NH Local Welfare Administrators Association

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*Towards self-sufficiency...*

January 22, 2015

Representative Robert Rowe, Chair  
Judiciary Committee  
New Hampshire House of Representatives  
107 North Main Street  
Concord, NH 03301

Dear Chairman Rowe,

We are submitting this letter in opposition to the passage of HB 269 that proposes amending RSA 540-A:6. Currently, landlords can collect first month's rent and a security deposit prior to a tenant's move in. We consider this current practice to be a fair financial protection for landlords. However, these upfront costs under the current law are challenging for many and result in residents seeking emergency financial assistance from local welfare.

Should HB 269 pass, this will create untenable situations for people who are already unable, or who are barely able, to afford security deposits and the first month of rent. For example, the median rental rate for a 2 bedroom apartment in Rockingham County is \$1299. The cost to secure this apartment with this amendment would be \$3897, a 50% increase. There are already limited choices for housing with a vacancy rate of 2.5 %, and rents have increased 3.3% in 2014, according to the NH Housing Finance Authority.

The change will create a need that did not exist previously and force many residents that are unknown to local welfare to apply for general assistance. Local welfare officials strive to teach clients self-sufficiency and transition clients to take responsibility for their finances. This proposed change will reverse progress made with many clients through no fault of their own. This will add to our local welfare rolls, force utilization of taxpayer funds unnecessarily, and will inhibit a resident's ability to move when there is a legitimate reason to do so.

The proposed legislation will squander scarce non-profit dollars and limit the number of people receiving help. It will have a direct financial impact on local welfare and local taxpayers, as residents will turn to the towns and cities where the local taxpayers already shoulder a large tax burden for this basic housing need. The majority of local welfare budgets across the state are expended on rental assistance.

The foreseeable impacts of the proposed bill on residents include prolonged stays in homeless shelters and extended periods of "couch surfing" or doubling up. There will be more reliance on the local property taxpayer for assistance with basic needs. There will be an increase in the homeless populations, another cost to cities and towns.

Housing Action reports that 68% of those earning less than \$24,000/year already pay more than half of their income just for housing. Entry level workers need housing and often want to locate near their employment. We have many people employed in the service industry throughout NH. Many will need financial assistance. The impact of this bill will be long lasting. It will burden the local property taxpayer, as more people need assistance with the cost of housing. Housing agencies will be unable to meet the demand, once again shifting the cost down to the local property taxpayer.

We urge you to consider these far reaching implications on the local property taxpayer and local economy and defeat HB 269.

Sincerely,

Angela Martin-Giroux, Chair  
NHLWAA Legislative Affairs Committee