



October 27, 2009

State of New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: Rulemaking Puc 2600-Greenhouse Gas Emissions Reduction Fund

Dear Chairman Getz, Commissioner Below and Commissioner Ignatius:



Introduction

On behalf of our organization, the developers we work with and low-income New Hampshire residents, please accept these comments to the proposed rules Puc 2600 (“Proposed Rules”) as published in the Order of Notice, DRM 08-127 (September 18, 2009). These comments relate to the use of the “RGGI” funds for affordable housing as provided by RSA 125-O:23 III, which states:

“At least 10 percent of the moneys shall be used to assist low-income residential customers, as defined by the commission and in a manner compatible with other low-income programs administered by the commission, to reduce total energy use including heating fuels and to foster the development and retrofitting of highly efficient and affordable housing.”

In terms of the Proposed Rules, we are recommending:

- 1) defining “affordable housing”; and
- 2) clarifying the definition of “low-income residential customers” in Puc 2602.11.

Who We Are

The Northern New England Housing Investment Fund is a private, nonprofit that promotes housing and community development by providing equity capital, technical assistance and consulting to affordable housing developers throughout Maine and New Hampshire. Since 1996, the Fund has raised more than \$306 million in equity capital, investing in the development of over 3,150 units of affordable housing throughout Maine and New Hampshire (1425 units in NH).

Recommendation 1: Define “Affordable Housing” in Puc 2602

The Proposed Rules address affordable housing in 2603.01(a) (2) and 2604.01 (c) (9), but “affordable housing” has not been defined. We propose the following definition be added to Puc 2602:

“Affordable housing means” multifamily residential rental housing that is subject to an enforceable restriction that restricts resident income to 60% area median income or less.

Recommendation 2: Clarify the Puc 2602.11 Definition of “Low-Income Residential Customers”

Puc 2602.11 defines “low-income residential customers,” as follows:

“‘Low-income residential customers’ means those residents of New Hampshire who are eligible for either state, federal or utility low-income energy assistance, energy efficiency or weatherization programs.”

We recommend that the definition be clarified to ensure that affordable housing that serves residents at or below 60% of the median income is eligible for RGGI funds. We recommend this for the following reasons:

- 1) This would align the RGGI funds with current affordable housing programs that require that the residents have income of 60% area median income or less. For example, in recent years the number one affordable housing production program in New Hampshire has been the Low-Income Housing Tax Credit Program, which restricts income for residents to 60% area median income or less.
- 2) This would clarify the income standard. Currently, the State uses 200% of Federal Poverty Guidelines for eligibility for the low-income energy assistance, energy efficiency or weatherization programs. While this is the adopted income standard, the Office of Energy and Planning has informed us that the State is authorized by federal law to provide funds to residents up to 75% of the state median income. Given the difference between the adopted and the authorized standard, there could be confusion about what the exact standard is.

We believe the Commission should adopt a 60% of median income standard to be consistent and clear. Thus, we recommend the following clarification to the Puc 2602.11 definition of “low-income residential customer”:

The term “low-income residential customer” also means residents who live in multifamily rental housing that restricts resident income to 60% area median income or less.

(Please note that Puc 2603.01 (a) uses the term “low-income residents” rather than the term “low-income residential customers.” The Commission may want to revise either Puc 2602.11 or Puc 2603.01 (a) to use one term consistently.)

We believe these recommendations will help ensure RGGI funds can be used to fulfill the RSA 125-O23 III mandate “to foster the development and retrofitting of highly efficient and affordable housing.” There are other state and federal funds to help individual lower-income residents address energy issues, but the RGGI funds will be a unique source of funds for developers who serve our lower-income renters.

Please contact me if I can provide any further information.

Sincerely,


Ignatius MacLellan