



March 4, 2021

Representative Raymond Hull
Chairman, House Committee on Municipal Government & Housing
Rhode Island Statehouse
Providence, RI 02903

RE: In opposition to H5632

On behalf of the Housing Network of Rhode Island, our member agencies, and the low income Rhode Islanders we seek to serve, I write in opposition to H5632, legislation that seeks to allow tiny homes by right AND automatically qualify them as Affordable Housing under the RI *Low and Moderate Income Housing Act*.

The desire to increase housing production and increase the diversity of our housing stock is certainly admirable and one in concept that we support. However, the addition of language that would automatically qualify tiny homes as Affordable Housing is highly problematic.

In order to set a reasonable goal for RI communities to ensure residents have access to homes they can afford, the *Low and Moderate Income Housing Act* defines Affordable Housing as having met THREE requirements: 1) the property has been built or rehabilitated using public subsidy, 2) the property has to remain affordable for a certain length of time through a deed restriction, and 3) the individual or family living in the property must meet an income restriction. The language in H5632 does nothing to address the qualifications required under the *Low and Moderate Income Housing Act* for a unit to be called Affordable Housing and counted towards a municipality's 10% affordable housing goal. It is our position that when we designate a unit as "Affordable" there is a reasonable assurance that the household that occupies it meets the income limitations set forth by the Act and that the sales price or monthly rent of the unit is actually affordable to a low or moderate income household. The bill as presented does not attempt to meet any of these considerations but rather seems to assume that because something is smaller than a traditional unit it will be cheaper, and therefore affordable.

In preparing this testimony, I did a quick internet scan of tiny homes for rent or sale in our surrounding area. Within the city of Providence, I was able to find some rental listings for micro lofts (the urban equivalent) which offered 237 sq. ft. of living space for \$1,850 per month. Just over the border in Massachusetts, I found two tiny homes for sale – one for \$59,500 with 160 sq. ft. of living space and another with 230 sq. ft. of living space for \$72,000. At \$371 and \$313 per square foot, these units have a per sq. ft. cost significantly higher than average size units, which typically run about \$150 per sq. foot.

Lastly, Rhode Island lacks sufficient affordable homes to meet the need. Low building permit activity, low vacancy rates and the state's historic underinvestment in affordable housing has led to a seriously inadequate supply of both market-rate and affordable homes. The *Projecting Future Housing Needs Report* released by Rhode Island Housing predicts that over the next ten years, Rhode Island will need to add approximately 35,000 housing units to its inventory to adequately accommodate projected population growth and household formation. Additionally, and perhaps more importantly, data show 52% of households are at or below 80% Area Median Income, which based on 2020 income limits means below \$62,650 annually a household of 3. Simply labeling housing stock as "affordable" without ensuring the affordability and income limit elements of the current Low and Moderate Income Housing Act are met, means that we are not creating truly affordable homes that our lowest wage earner residents desperately need and could likely not access once constructed.

Fundamentally, we agree that it is important to increase the supply and variety of housing stock available in Rhode Island. We do not agree that any unit, tiny or otherwise, should be called "affordable housing" unless it meets the qualification requirements under the current *Low and Moderate Income Housing Act*.

For these reasons, we oppose H5632 and would urge the committee to reject the bill as proposed. I am happy to be a resource if the bill sponsors wish to discuss further and I welcome questions from the Committee. I can be reached at 401-721-5680 ext. 38.

Respectfully submitted,

A handwritten signature in blue ink that reads "Melina Lodge". The signature is written in a cursive, flowing style.

Melina Lodge, MCP
Executive Director