

## American Rescue Plan State Fiscal Recovery Fund Recommendation Cover Sheet

Please submit this document with any recommendations for funding from Rhode Island's allocation of federal fiscal recovery funds available through the American Rescue Plan Act. This information will be made available to the public along with any detailed documents submitted that describe the proposal. It is encouraged that such documents identify clear goals and objectives and quantifiable metrics.

**This is not a formal request for funds, and submission of recommendations does not guarantee a response, public hearing, or appropriation from the General Assembly.**

Name of Lead Agency: Housing Network of Rhode Island

Additional agencies making recommendation (if applicable): Organizations in Homes RI coalition

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Brief Project Description (attachments should contain details)

Produce & preserve over 2,500 long-term affordable homes & invest in programs & staffing at state and municipal level to increase housing stability for low income RIs

Total request: \$ 500 million

One-time or Recurring Expense? one-time, although state must continue to invest in housing after these recommended investments

ARPA Eligibility Category (check all that apply) – See link for further information

<https://www.rilegislature.gov/commissions/arpa/commdocs/Treasury%20-%20Quick-Reference-Guide.pdf>

- Respond to the public health emergency and its economic impacts x
- Premium pay to eligible workers \_\_\_\_\_
- Government services/state revenue replacement \_\_\_\_\_
- Water/sewer/broadband infrastructure \_\_\_\_\_



The *American Rescue Plan Act* provides an extraordinary opportunity for federal investment to respond to the coronavirus public health emergency and help redress its devastating economic effects.

The following recommendations from Rhode Island’s housing advocacy community are intended to address the State’s urgent housing needs. They are intended to augment and leverage existing funds and programs—and are not intended to replace any existing federal, state, or local housing finance programs.

These recommendations build upon the work of Homes RI, a coalition of organizations working together to increase and preserve the supply of safe, healthy, and affordable homes throughout Rhode Island.

In August, as Homes RI sought to refine its top priorities for ARPA funds, it circulated a survey to ascertain which items would have the most impact. More than 50 coalition members responded, reflecting a broad cross-section of organizations and interests, including developers, health care organizations, service providers, legal services, advocates, residents, and philanthropic organizations.

Using these survey results, Homes RI partners Crossroads Rhode Island, Housing Network of Rhode Island, HousingWorks RI, and ONE Neighborhood Builders further developed a targeted, defined set of recommendations.

These recommendations seek to advance the housing community’s goals to 1) Increase the supply of affordable homes through housing production, protection, and preservation; 2) Remove barriers to accessing housing and to promoting housing stability; and 3) Support municipalities and the State to provide safe and healthy homes.

We respectfully request that **\$500 million of Rhode Island’s ARPA funds** be allocated to affordable housing.



## HOUSING: \$500 Million

### 1. Produce, Protect, and Preserve Affordable Homes Statewide

#### ➤ **ASK: \$350 Million**

#### ➤ **RESULTS by 2030:**

- Produce at least 1,800 new deed-restricted homes for low-income households
- Protect at least 200 units of naturally occurring affordable housing through property owners applying for deed restrictions.
- Preserve at least 500 existing deed-restricted homes, whose restrictions are set to expire.
- Decrease homeownership rate disparity between BIPoC and white communities.

*\*\*\*These goals are for ARPA-financed development and are above and beyond goals that use other sources of housing development capital.*

#### ➤ **MECHANISMS:**

- \$275 million for production and preservation. New program rules would allow ARPA funding to be “first and only” financing in a development project.
- \$70 million invested into a housing accelerator fund to be used to acquire property quickly for development as affordable housing.
- \$5 million for down-payment assistance.

#### ➤ **POLICY**

- Create mechanism for a “one-stop” application process for affordable housing financing.
- Introduce legislation that requires all multi-family developments (5+ units) to be registered with their respective municipalities.
- Introduce legislation that requires nonprofit housing developers to have the right of first refusal to purchase multi-family dwellings (5+ units) and all state-owned property.



## 2. Housing Access & Stability Statewide

### ➤ **ASK: \$60 Million**

### ➤ **RESULTS by 2030:**

- Achieve “functional zero” for homelessness in Rhode Island, whereby homelessness is rare, brief, and non-recurring.
- Decrease housing cost burden for the bottom two renter household quintiles.

### ➤ **MECHANISMS:**

- \$45 million for rental assistance. Programs may include:
  - Expand Landlord Partnership Programs to encourage landlords to participate in the Housing Choice Voucher program.
  - Increase rental subsidy value of Housing Choice Vouchers to help voucher holders secure apartments in areas where rents are more expensive.
  - Replenish the Neighborhood Opportunities Program (NOP) fund. NOP is an operating-loss escrow for landlords that lease to households with an income of less than 40% AMI.
- \$5 million for services delivered via permanent supportive housing. Funding will be used to bridge Continuum of Care social service contracts and supplement Medicaid Housing Stabilization funding.
- \$9 million for a permanent court-based eviction-diversion program that would assist tenants facing potential eviction for reasons beyond missed rent payments. This will remain a need beyond the current RentReliefRI program and will offer help for a broader list of reasons.
- \$1 million for the rapid diversion from homelessness for those who are low-acuity and whose diversion intervention averages \$1,500 per household.

### ➤ **POLICY:**

- Work to implement a shift in state policy from managing a shelter-based system for the homeless to a housing-based system that seeks permanent solutions for households experiencing homelessness.





### 3. Support to Municipalities and State to Create and Preserve Safe and Healthy Homes

➤ **ASK: \$90 Million**

➤ **RESULTS by 2030:**

- Update individual zoning and planning regulations in communities that would shorten the process to develop more housing.
- Develop and implement more robust local housing plans with specific goals for how much more housing would be created and/or preserved to meet the needs within individual communities.

➤ **MECHANISMS**

- \$25 million for expanded staff capacity at state and municipal agencies.
- \$25 million to capitalize a forgivable loan fund to remedy code violations and repair properties so they meet Housing Quality Standards and/or Universal Design standards to allow for aging in place. This fund would require owners to meet compliance requirements in order for the loan to be forgiven (i.e., maximum rent that may be charged, a minimum of a 6-month lease, etc.).
- \$40 million to support municipalities in their efforts to enact and enforce local ordinances related to building code violations and vacant dwellings.

➤ **POLICY:**

- Introduce legislation that requires a Certificate of Habitability for rental housing to be issued at regular intervals.
- Update the Rhode Island Low and Moderate Income Housing Act to require municipalities to engage in a robust planning process to reach affordable housing goals, even when those communities are exempt from certain percentages.



## **GLOSSARY:**

**Affordable Housing Preservation:** This term refers to the process of recapitalizing a long-term affordable home in order to safeguard its affordability for a period of years (usually through a long-term deed restriction), make improvements and repairs to the property, and stabilize it financially, according to the U.S. Department of Housing and Urban Development.

**AMI:** Area Median Income, as determined by the U.S. Department of Housing and Urban Development and adjusted for family size. In most Rhode Island cities and towns, 80% AMI for a family of four is \$71,500 annually. [Current guidelines available online.](#)

**Low and Moderate Income Households:** The U.S. Department of Housing and Urban Development defines Extremely Low Income as a household with an income of less than 30% of AMI. Very Low Income is a household with an income between 31% and 50% of AMI. Low Income is a household with an income between 51% and 80% AMI. Moderate Income is a household with an income between 81% and 120% AMI.

**Deed-restricted affordable housing:** This term refers to residential real estate that is restricted to remain affordable for rent or purchase by low- and moderate-income residents. The term also refers to any limitation on the future use or transfer of that real estate, whether stated in the form of a charge, encumbrance, financing instrument, easement, covenant, or condition in any deed, agreement, or other instrument executed by or on behalf of the owner of the real estate.

**Housing Quality Standards:** Set forth by the U.S. Department of Housing and Urban Development for housing units that receive subsidy through the Housing Choice Voucher program. These standards establish the minimum criteria for the health and safety of residents. Housing advocacy groups in Rhode Island advocate that all housing should meet these minimum standards, not only those utilizing Housing Choice Vouchers.

**Naturally Occurring Affordable Housing (NOAH):** This term refers to residential properties that are not subsidized by any federal or state program and are not under any deed restrictions to remain affordable in the long-term but are "naturally affordable" due to rents or sales prices being lower when compared to the regional housing market. When such property is purchased by for-profit developers, there is risk that renovations and, ultimately, increased rent payments will force out the low-income families who were able to afford the below-market rents.



October 19, 2021

Honorable Governor Dan J. McKee  
Honorable Senate President Dominick J. Ruggiero  
Honorable House Speaker K. Joseph Shekarchi  
Rhode Island State House  
82 Smith Street  
Providence, Rhode Island 02903

Dear Governor McKee, President Ruggiero and Speaker Shekarchi:

We appreciate Governor McKee's recent proposal to begin using American Rescue Plan Act funds to invest in affordable homes, child care, small businesses, and expanding broadband access. We wholeheartedly agree that investing in these inter-connected sectors now is critical to Rhode Islanders' economic recovery, and are pleased to see \$29 million allocated for housing affordability and security. With that said, we have serious concerns that this proposed allocation falls far short of the level of investment needed for immediate and long-term housing needs. We are reaching out to you, our Executive and Legislative leaders, to respectfully request the following:

- An immediate authorization of an additional \$25 million to address emergency needs for hundreds of people who are sleeping in outdoor encampments and cars, before winter begins in December.
- An investment of \$500 million to produce, preserve, and protect 2,500 affordable homes by 2030 (\$350 million), promote housing access and stability (\$60 million), and support communities to address issues associated with aging housing stock (\$90 million), to advance longer-term housing needs. The enclosed recommendations outline this request in further detail and were developed through a collaborative process with input from multiple stakeholders.

We ask that the Executive Administration and Legislature move aggressively to obligate these funds within the next six to twelve months, well ahead of the December 31, 2024 deadline set by the Treasury. Rhode Island is one of very few states that have not yet formally allocated ARPA State Fiscal Recovery funds.

As you know, the COVID-19 pandemic has exacerbated housing insecurity, especially for low-income families and Black, Indigenous, and People of Color. According to the RI Coalition to End

*Homes RI is a coalition of organizations working together to increase and preserve the supply of safe, healthy and affordable homes throughout Rhode Island.*

1070 Main Street, Pawtucket, RI 02860 / 401-721-5680 / [www.homesri.org](http://www.homesri.org)

Homelessness, over the past month, nearly 600 people were sleeping outdoors or in places not fit for human habitation. Our rental vacancy rate is the lowest it has been in a long time, around two percent. Our lowest-paid workers - many of whom are in fast-growing occupations such as food service, housekeeping, and personal care - must work at least 80 hours a week, 52 weeks a year, to afford an apartment at fair market price, an unsustainable and unrealistic situation. The sooner funds for housing are deployed, the sooner these conditions Rhode Islanders are experiencing can be addressed.

We understand that the Administration and General Assembly must consider recommendations for longer-term solutions and balance multiple connected priorities. We urge you to seriously consider the impact of generational and timely investments in safe, healthy, affordable homes for Rhode Islanders.

Thank you Governor, Speaker Shekarchi and President Ruggerio for prioritizing housing in your agenda and we appreciate your leadership. We are ready and committed to working with you, your staff and colleagues to implement the most effective solutions for Rhode Islanders as we confront both entrenched systemic issues and the effects of a global pandemic.

Respectfully,

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| Amos House                                      | Barbara Sokoloff Associates                      |
| Blue Cross & Blue Shield of RI                  | The Center for Health and Justice Transformation |
| Childhood Lead Action Project                   | Church Community Housing Corporation             |
| Community Care Alliance                         | Community Housing Land Trust of RI               |
| Councilwoman Nirva LaFortune                    | Crossroads Rhode Island                          |
| Direct Action for Rights & Equality (DARE)      | Dunamis Synergy at WEHCD                         |
| Economic Progress Institute                     | Elizabeth Buffum Chace Center                    |
| Feinstein Institute for Public Service at PC    | George Wiley Center                              |
| Habitat for Humanity of RI – Greater Providence |  |
| House of Hope CDC                               | Housing Network of Rhode Island                  |
| HOPE at Brown University                        | HousingWorks RI at Roger Williams University     |
| Jonnycake Center for Hope                       | Lucy's Hearth                                    |
| McAuley Ministries                              | McKinney Cooperative Shelter                     |
| Neighbors Helping Neighbors RI                  | NeighborWorks Blackstone River Valley            |
| Newport Partnership for Families                | Newport Working Cities Collaborative             |
| Ocean State Center for Independent Living       | Omni Development Corporation                     |
| ONE Neighborhood Builders                       | Pawtucket Central Falls Development              |
| Pawtucket Housing Authority                     | Pawtucket Housing, Inc.                          |
| Preservation of Affordable Housing (POAH)       | Project Weber/RENEW                              |



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|---------------------------------------|--|
| Protect Our Healthcare Coalition RI   | Providence Preservation Society              |
| RI Center for Justice                 | RI Coalition Against Domestic Violence       |
| RI Coalition to End Homelessness      | RI Community Action Association              |
| RI Developmental Disabilities Council | RI Interfaith Coalition to Reduce Poverty    |
| RI KIDS COUNT                         | Right from the Start Campaign                |
| Smith Hill CDC                        | Sojourner House                              |
| South County Habitat for Humanity     | United Way of Rhode Island                   |
| Washington County CDC                 | Westbay Community Action                     |
| West Broadway Neighborhood Assoc.     | West Elmwood Housing Development Corporation |
| Women's Development Corporation       | Women's Resource Center                      |

CC: Honorable Lieutenant Governor Sabina Matos  
 Honorable Senator Ryan Pearson, Senate Finance Chair  
 Honorable Representative Marvin Abney, House Finance Chair  
 Honorable Representative Alex D. Marszalkowski, ARPA Task Force Co-Chair  
 Honorable Representative Carlos Tobón, ARPA Task Force Co-Chair  
 Honorable Secretary of Commerce Stefan Pryor  
 Kimberly Ahern, Senior Counsel and Director of Policy, Office of Gov. McKee  
 Lynne Urbani, Director of Policy, Rhode Island House of Representatives  
 Nora Crowley, Policy Director, Rhode Island Senate

Encl: *Housing Stability for Rhode Islanders: Recommendations for State ARPA Funds*  
 Homes RI, Sept. 2021