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Rhode Island Works Best When We Say UNION YES.

May 15, 2023

The Honorable Representative Marvin L. Abney
Chair of the House Committee on Finance
Rhode Island General Assembly
82 Smith Street
Providence, RI 02903

RE: Support for H 6168

Dear Chairman Abney and Members of the House Committee on Finance,

This letter from the Rhode Island AFL-CIO is written in support of H 6168, which would empower the Department of Housing and local public housing authorities (PHAs) to play a lead role in solving our housing crisis.

Undoubtedly, members of this committee have all seen the effects of the housing crisis in the districts they represent. It affects Rhode Islanders across the state. Even middle-class professionals, from teachers to nurses, are struggling to pay soaring rents. This is to say nothing of the unmitigated disaster faced by the poorest working-class Rhode Islanders.

H 6168 would make Rhode Island the first state to implement the Montgomery County, Maryland model, using a revolving fund to build mixed-income public housing. The for-profit private sector did not solve this housing crisis when interest rates were low and they are going to build even less now that rates are on the rise. The non-profit community development corporation (CDC) sector does important and necessary work building affordable units using tax credits but cannot build enough to solve the crisis on its own.

It's time for the Department of Housing and local PHAs to build and own high-quality, mixed-income developments to meet our urgent needs. The Montgomery County model, which uses market-rate rents to subsidize affordable units within the same housing development, would represent a huge step forward for Rhode Island.

- The revolving fund and cross-subsidy model will generate significant new housing construction and new affordability at a very low cost to the state.
- We encourage legislators and the Department of Housing to ensure that construction workers building this housing are paid prevailing wage at full Davis Bacon rates. Publicly developed housing will be a boon to the state's economy, particularly if we enter another

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recession. That public investment should pay workers good wages because it's the right thing to do and because it will act as a stimulus during a recession.

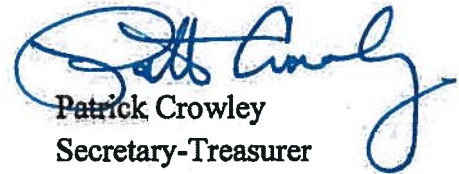
- Housing design and construction will be accountable to important building energy standards, thanks to other existing laws like the Green Buildings Act and the 2021 Act on Climate, ensuring that people are able to live in healthy, efficient homes as the state moves to meet its climate goals.

The labor movement believes housing is a human right and that the state of Rhode Island should move toward directly providing housing to anyone who needs it. Thank you for your consideration of our position, and we urge you to support passage of this important bill.

Sincerely,



George Nee
President



Patrick Crowley
Secretary-Treasurer

Cc: Speaker K. Joseph Shekarchi
Majority Leader Chris Blazewski
Majority Whip Katherine Kazarian