



861A Broad Street, Providence, RI 02907 * 401-941-2900

February 29, 2024

The Honorable Marvin Abney
Chair, House Committee on Finance
Rhode Island State House
Providence, RI 02903

Re: Support for H-7225, Article 5, Question 3

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

I am writing today in support of **Article 5, Question 3** in the Governor's proposed budget. This question proposes \$100 million to increase affordable and middle income housing production and infrastructure, support community revitalization, and promote homeownership. **Women's Development Corporation (WDC) strongly urge the Committee to recommend increasing the proposed bond item to \$150 million to support affordable housing production and preservation for low and moderate income households.**

A commitment of BHRI funding was critical in WDC's 40-unit Pine View Project in Exeter, which was completed in 2022. This BHRI commitment allowed WDC to leverage Federal 4% Low Income Housing Tax Credits. **We believe this was the first use of 4% credits on a new construction project in Rhode Island and allowed the Town of Exeter to achieve its 10% goal for affordable housing for the first time.** An increase in BHRI funding at this time of great need will ensure that RI can make use of more of these Federal resources and not leave these funds "on the table."

We also want to reinforce the need for the importance these funds play in preserving Rhode Island's existing affordable housing stock. Our organization was founded in 1978, and as one of RI's oldest affordable housing development and management organizations, we know well the need for investment in our older affordable housing stock to ensure its continued sustainability and affordable operations. **As we build new units to meet RI's needs, we can't afford to lose any units.**



861A Broad Street, Providence, RI 02907 * 401-941-2900

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

Rhode Island is facing challenges with an aging population, falling labor force participation, stagnant population growth, and constrained housing supply. Increases in rent and sales prices have far outpaced income gains, placing a heavy burden on virtually every Rhode Islander who is currently renting, looking to purchase a home, or seeking a change to their living situation. The heaviest burden is felt by Rhode Islanders with the lowest incomes - older adults, people with disabilities, and workers in many industries that undergird our economy - nursing assistants, restaurant workers, delivery drivers, education aids - to name a few.

Rhode Island's economy has benefited from federal pandemic relief funds, but these funds are not permanent. Housing is the single best investment that we can make as a State and in our communities to strengthen our collective wellbeing, and the opportunity we have now to invest state dollars into addressing this crisis comes at a critical moment, with all of the State's Fiscal Recovery Funds that have been invested into housing production and preservation committed or pending award. In the State's most recent allocation of housing production and preservation funding (January 2024), 75 applications were submitted to build, preserve, and fill financing gaps for affordable homes. The requests totaled \$192 million - \$102 million more than the available \$90 million in the fund. This indicates that Rhode Island affordable housing developers are ready to build - but continue to need more resources in the face of rising costs.

Rhode Island has a shortage of roughly 24,000 rental homes that are affordable and available to households who are extremely low income (for a household of three people, this equates to approximate yearly earnings of \$30,000 or less). Thirty-two percent (32%) of renters, or 51,596 renter households are considered extremely low income (HousingWorks RI, 2023). We must prioritize creating housing for low-income households, who face significant challenges in finding affordable homes. It is crucial that if approved by the General Assembly, the housing bond funds be explicitly approved to produce and preserve affordable homes for low and moderate income households - up to 80% AMI for rental, and up to 120% AMI for homeownership units (following the State's definition of LMI housing in 45-53).



861A Broad Street, Providence, RI 02907 * 401-941-2900

The State already has an effective program for distributing funds from approved housing bonds, Building Homes Rhode Island. The State's Housing Resources Commission has oversight to ensure that funding through BHRI prioritizes and is distributed efficiently to address the housing needs of our communities.

These measures are essential steps towards addressing the housing crisis and providing every Rhode Island resident with a place they can call home. This bond represents a commitment to the well-being and prosperity of all Rhode Islanders, laying the groundwork for a more equitable and sustainable future. With strategic investments and concerted efforts, we can forge a path towards a Rhode Island where housing insecurity is a thing of the past, and every resident has a place to call home.

In conclusion, I strongly urge the Committee to support this budget article and question (Article 5, Question 3) and consider increasing the proposed amount to \$150 million to produce and preserve affordable homes for low and moderate income Rhode Islanders.

Please do not hesitate to contact me at shea@wdchoc.org, 401-941-2900 if you have any questions, need additional information or would like to visit any of our properties.

Respectfully,

A handwritten signature in black ink, appearing to read 'Frank Shea', written over a horizontal line.

Frank Shea
Executive Director