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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 by affordable housing development, support community revitalization, and promote homeownership. **The Pawtucket Housing Authority strongly urges the Committee to recommend increasing the proposed bond budget line item to \$150 million to support affordable housing production and preservation for very low-, low- and moderate-income households.**

These funds are clearly needed to support the development of affordable housing in the City of Pawtucket as many of our families and individuals have been waiting at least a few years to be housed. Most recently we opened our waiting list; however, there are more than 800 elderly/disable and 200 families/individuals waiting for approximately for 1,600 units of housing. With the opening of the waiting on February 26, 2024, more than 150 requests applications and today 80 applications have been returned as of the date of this letter.

On average we have about 60 individuals or families that vacate our public housing properties annually, which opens a unit to the next qualifying residents for an opportunity to be housed in one of our public housing site developments.

More than ever, most residents are looking for a Housing Choice Voucher (HCV), as we have approximately 900 vouchers with many waiting years, given the waiting list is more than 12,000 Rhode Islanders waiting to receive a voucher.

Paula McFarland, Executive Director
Elaine Cruz, Commissioner
Kevin Rabbitt, Commissioner

Mary E. Bray, Chairperson
George L. Kelley, III, Commissioner
Robert Ricci, Commissioner

Olga Torres, Vice Chairperson
Beth Roberge, Commissioner

The Pawtucket Housing Authority 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.

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).

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.

The Pawtucket Housing Authority is the owner of the warming/cooling center located at 1139 Main Street in the City of Pawtucket. Our mission is to house families and individuals, and during this housing crisis we have created other servicing areas that the PHA normally was not involved in previously as to assist with the unhoused residents of the City of Pawtucket.

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 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 very low, low-and moderate-income Rhode Islanders.

Please feel free to reach out to discuss any further information that would be of help to the House Committee on Finance. I can be reached at (401) 721-6010 or via email at pmcfarland@pawthousing.org

Respectfully,

Paula McFarland
Executive Director