

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** that proposes \$100 million to increase affordable and middle income housing production and infrastructure, support community revitalization, and promote homeownership.

Furthermore, I 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. While \$100 million dollars is a good start, it is not enough to support actual housing affordability, and truly change the trajectory in homelessness we have seen recent in years. We need to right-size tis investment to ensure that all Rhode Islanders can reside in safe, healthy, and affordable homes.

Increases in rent and sales prices have far outpaced income gains, placing a heavy burden on Rhode Islanders 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.

The time is now. 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. These requests totaled \$192 million - \$102 million more than the available \$90 million in the fund. Affordable housing developers are ready to build - but require the resources to address the rising cost of development.

Greater access to affordable housing options is the only way for those currently experiencing homelessness to exit sheltered, and it is a moral imperative to reduce the number of households living outside, thus saving lives. Furthermore, we know that access to safe and affordable housing has a trickle-down effect in supporting our economy by reducing healthcare costs, providing more revenue for local cities and towns, and allowing communities to thrive by helping our neighbors.

Currently, Rhode Island has a shortage of roughly 24,000 affordable housing rental units for citizens who are extremely low income (for a household of three people, this equates to approximate yearly earnings of \$30,000 or less). It is imperative that we prioritize creating housing for low-income households. Further - if approved by the General Assembly, the housing bond funds must 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.

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.

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.

I am writing this letter of support as a private citizen, as well as the Board President of the Rhode Island Coalition to End Homelessness. The Coalition 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.

Respectfully,

Susan Gunter
Board President
Rhode Island Coalition to End Homelessness

CC: State Representative Rebecca Kislak