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House Finance Committee - March 13, 2024 Department of Housing

Chairman Abney and the Members of the House Finance Committee:

The Coalition to End Homelessness strongly urges the Committee to **increase funding for the Department of Housing budget**. The housing crisis continues to worsen and we need to take bold steps to rectify this situation. We are seeing the results of years of underinvestment in affordable housing. Including the housing bonds, RI invests a meager \$145 per capita per year in building affordable housing. This puts Rhode Island next to last in New England (ahead of only New Hampshire) and well behind its neighbors Connecticut (\$607 per capita) and Massachusetts (\$858 per capita).

Because of this lack of investment, housing stock has not met the demands of the market and rents have skyrocketed. There are currently 539 Rhode Islanders living outside as of February 1, 2024. Large numbers of newly homeless persons are entering our homeless service system every week. In January 2024, 300 persons without children and 76 households with children were entered into our system for the first time.

Rhode Island has added 765 shelter beds in the last four years which has avoided an even greater increase in homelessness. This 117% increase in shelter beds has prevented hundreds more from having to live outside. Unfortunately, as Federal funds are used up, Rhode Island is at risk of losing these shelter beds.

The lack of affordable options not only perpetuates cycles of poverty but also contributes to homelessness and displacement, tearing at the fabric of our community. Because of the lack of affordable housing, supportive housing, and shelters in RI,

- people die due to exposure
- unhoused individuals receive substandard medical care generally as a result, municipal rescue services are routinely responding to crises that otherwise could be prevented
- hospital emergency departments become congested
- hospitals are discharging people to the street
- children living unhoused or in shelters or hotels are traumatized which impacts their mental health, academic performance, etc.

Until there is sufficient affordable and supportive housing stock, shelters with supportive services save lives and save the State millions of dollars in healthcare expenses. We need to fund them properly. Our state needs shelter beds and permanent supportive housing in addition to affordable housing. According to the National Alliance to End Homelessness, a person experiencing chronic homelessness costs the taxpayer an average of \$35,000 a year. Ending homelessness would cost far less than treating it. We have made strides to accelerate the production of affordable housing, but we need immediate solutions that will get people sheltered sooner, saving many lives.

The Department of Housing needs more funding to support the development of shelters and supportive housing to immediately address the needs of people struggling with homelessness. The Department's current funding request needs to be prioritized for programs and services that alleviate homelessness including:



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- 1.) **Housing Problem Solving** - to provide \$5,000,000 in grants to agencies that engage in Housing Problem Solving services. (Money has been allocated by the State in the Winter Shelter Plan but a dedicated fund is needed to support this program annually.)
- 2.) **Supportive Housing Acquisition Fund** - to establish a \$25,000,000 fund that can be accessed within 14 days to acquire a property that can be used for shelter that will be converted to permanent supportive housing. The fund will be replenished without interest when grants are received to fund development.
- 3.) **Affordable Rent Incentive Program**- to establish and fund an incentive program for landlords to offer reduced rents to eligible tenants. The program would be administered by the state Department of Housing with an appropriation of \$3,000,000 for fiscal year 2024-2025.

In addition to what the Department has requested, we believe a budget amendment is required for:

- 4.) **Emergency Shelter Services** - \$30,000,000 in funds to support shelter services across the state which will compensate for estimated reduced federal funds expected in FY 25. These funds are necessary maintain capacity and not lose shelter beds. Increasing shelter capacity will require even more funds.

In closing, we urge you to increase funding to the Department of Housing and we ask that you set aside funding to immediately address the homeless crisis we are experiencing. We commend the Speaker and members of the General Assembly for making housing a priority. We look forward to working together with Secretary Pryor and the Department of Housing to ensure every Rhode Islander has a safe place to sleep at night.

In Service,

Margaux Morisseau
RI Coalition to End Homelessness