

HOUSING



NETWORK

April 23, 2024

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

Re: H-7257 Support with Amendments

Dear Chair Abney and Members of the House Finance Committee:

I am writing today in support of H-7257 with amendments, which proposes a change to the conveyance tax in order to increase the development of affordable housing for elderly persons. The Housing Network of Rhode Island (HNRI) is the State's membership association of 19 nonprofit community development agencies across Rhode Island who contribute to the sustainability of our local and regional economy. Collectively, our membership has developed over 7,000 long-term affordable homes in 27 communities across Rhode Island, and currently has more than 2,100 affordable homes "in pipeline" over the next three years. HNRI also serves as the backbone organization for Homes RI, a coalition of 80+ organizations working together to increase and preserve the supply of safe, healthy, and affordable homes throughout Rhode Island.

The challenges that Rhode Islanders are experiencing accessing, sustaining, or trying to maintain housing are being felt across the state. Decades long reductions in building permit activity, restrictive land use policies, low vacancy rates, the state's chronic underinvestment in affordable housing and inadequate worker wages have all been major contributing factors to the lack of available, affordable homes. In January 2024, the RI Realtors Association reported the median priced single family home was \$441,750 (increase of 12.87% from 1-2023), which to afford, a household would require an annual household income of approximately \$134,000. Roughly 80 percent of Rhode Island households earn less than \$150,000 annually and 64% of Rhode Island households have incomes that would qualify them for "low and moderate income" housing in our state. The single best way alleviate some of the pressure on the housing market, reduce skyrocketing home prices, and house Rhode Islanders is to build more homes.

The ability to build more homes, particularly homes at price points affordable to low and moderate income Rhode Islanders, requires more expansive approaches to financing development. We appreciate the intent of Representative Cotter's legislation and would suggest an amendment to extend the eligible use of revenue generated under this proposed change to the development of all affordable housing, not just elderly housing. We are happy to work with Rep. Cotter to refine the legislation and appreciate the Committee's consideration of our testimony. I'm happy to answer any questions the Committee might have, please feel free to contact me at (401) 721-5680 ext. 104 or mlodge@housingnetworkri.org.

Respectfully submitted,



Melina Lodge, Executive Director