



RI BUILDERS
ASSOCIATION
BUILDING PROFESSIONALS | SINCE 1945

March 31, 2025

Representative Stephen Casey, Chairman
House Committee on Municipal Government & Housing

Dear Chairman Casey,

The RI Builders Association, the State's residential construction trade association with over 1,100 member companies, is writing to support H 5956 - a bill that "would amend the definition of affordable housing to create separate categories for housing using private or state financing as opposed to financing from the federal government."

More simply put, this bill will modify the income percentage used when selling affordable homes under the law from a **mandated 30%** of household income to a **permissive up to 38%** of household income. This would bring the affordable homes for sale in Rhode Island in line with FHA, Fannie Ma, Freddie Mac, and mortgage underwriting standards.

As for what this proposed law would do to the construction process and the consumer marketplace, the association feels the new policy can increase production, add substantial units to the market, and by allowing more homeowners to qualify for financing, redirect subsidy to where its most needed - the non-profit sector to secure housing for lower incomes!

Lastly, I also want to address the belief that "for-profit" developers will just make "more profit" with this new law and henceforth, it's just forcing people to pay more for housing to keep the builder's margin. I want to state with certainty, that builders / developers who are willing to build the missing middle homes in these market conditions are already a very rare breed in RI. It's a tough model, as any housing developer must take large, often personal risks building to the middle markets price sensitivity and price ceilings and with that, lower profit margins. For more than 20 plus years, RI's housing policies have made it hard for this segment of the industry to thrive here, and so with this simple change maybe it can help rekindle this sector of the industry and the consumers they build for.

Thank you for the opportunity to provide this guidance and feedback. Please know that we submit this testimony with appreciation and gratitude for the attention to housing and remain a dedicated stakeholder in assisting the General Assembly as its tries to find the appropriate reforms and become a national leader in finding solutions to the housing crisis.

Respectfully submitted,

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Executive Officer

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