

April 1, 2025

The Honorable Stephen Casey
Chair, House Committee on Municipal Government and Housing
Rhode Island State House
Providence, RI 02903

Re: **H 5956 – Act Relating to State Affairs and Government -RI Housing Resources Act of 1998**

Dear Chair Casey and Members of the Committee;

Marilyn Carlson, Deputy Director of SWAP, Inc. is writing in support of H – 5956 – amending definition of affordable housing .

SWAP, Inc. is celebrating its 50th anniversary as a community development corporation focusing on providing affordable rental and home ownership opportunities to those earning less than 100% AMI, revitalizing blighted neighborhoods and creating new commercial space to bring services back to the communities. During the past 30 years under the direction of our current Executive Director, Carla DeStefano, SWAP has brought over \$176 million dollars in investments into Providence in the form of affordable rental housing 384 units; over 200 affordable homeownership units and several million invested into infrastructure and neighborhood revitalization.

The following are the points I feel are important reasons for my support of the amendment H 5956 will provide the critical need to build more moderate priced homes for sale in Rhode Island.

Rhode Island needs more housing. Rhode Island needs more moderately priced homes for sale.

The Legislature, over the last three sessions, has created multiple new approaches with targeted new laws to increase the amount of housing development in all rural, suburban and urban communities. But there is still more that can be done to provide additional “tools to the box’ strategies to increase housing production.

House Bill 5956 presents an opportunity to provide such strategies.

Currently, homes for sale that qualify in the Low / Mod Law, are priced using a factor calculated at 30% of a potential buyers Gross Income. Standard Mortgage Underwriting criteria applied by FHA, Fannie Mae and Freddie Mac – the three largest mortgage guarantee entities - allows buyers to qualify for a mortgage at a range of 36 – 42% of Gross Income.

H – 5956 will introduce a range of income for pricing homes from 30 – 38% of Gross Income- which is well under the maximums is the underwriting standards and will make more buyers income eligible for a mortgage

H – 5956 will increase the value of the homeownership portion of the Housing Bond by 25% with the change. This will allow more Bond funds to be available for homes for buyers at lower income where subsidy is required

We support this Bill as presented and hope you will consider supporting it as well.

Sincerely,
Marilyn Carlson
Deputy Director