

Homes for All: A new solution for the housing crisis

From Reclaim RI



Who is Reclaim RI and what is Homes for All

- Reclaim is a group of volunteers who decided the organizational capacity formed during the 2020 election cycle needed to continue after the campaigns ended
- Previous issue campaigns: Passing a no-cuts budget, creating a fairer tax code and passing a just cannabis legalization bill
- Homes for All is the newest campaign our membership endorsed after a long discussion over the best use of the remaining ARPA funding

The Current Picture

- Only one town in the state where renter making average wage of 36K can afford without being cost-burdened (Burrillville.)
- Only 3 are considered affordable to a renter making \$50,000/year or less
- Shortage was only exacerbated by pandemic, less than a two month stockpile of affordable homes as of last estimate

Our solution:

Creating a Rhode Island public housing corporation

- The federal ARPA funding presents a once in a generation opportunity to transform the state of housing in Rhode Island
- To reinvest in the often disregarded realm of low-to-moderate income public housing, Rhode Island needs a state-level public housing corporation.
- Reclaim proposes capitalizing a state Public Housing Developer, devoted to the construction of green, publicly-owned housing.
- Successful models in localities in U.S. such as Montgomery County, Maryland & San Francisco

Functions & mechanisms of a Public Developer

- Authorized to issue 4% & 9% LIHTCs, tax-exempt activity bonds, and acquire land.
- By amending state definition for affordable housing income limit to 60% of AMI, we can draw down hundreds of millions in enhanced LIHTCs reimbursements, creating a revolving fund for gap-financing projects.
- Basis boost can provide up to 50% of construction costs with 4% credits and nearly 85% with 9% credits (can differ with market fluctuations).
- Combined with bonding, more revenue than construction costs can be generated, creating profit that can be re-invested in community projects.
- Description of funding model for Maryland's HOC contained in Paul Williams

Additional Factors

- Forthcoming bill brings OHCD out of Commerce and up to full Cabinet position, similar to recent proposal unveiled by the Speaker.
- Together with RI Housing would coordinate new statewide housing strategy focused on soliciting input from most affected Rhode Islanders.
- Preference given to federally-designated QCTs, state land and difficult to develop property, where environmental concerns allow.
- Vital additional elements related to input from organized labor & environmental stakeholders

Our Social Housing Model

- 50/50 split of subsidized units versus market-rate.
- Having market-rate creates cross-subsidization with revenues collected above operating cost
- Makes low-income units more viable
- Democratic governance structure informed by residents with graded income structure decreases residential segregation seen elsewhere in similar projects

Conclusion

- Creating a Public Developer will address both immediate need and future housing investment needed for the no-carbon future.
- Leverages existing and heavily underutilized federal resources combined with self-sustaining support to ensure continuing affordability.
- Challenges the slow crawl of Rhode Island's current efforts on improving housing equity.

Resources

- Reclaim ARPA housing proposal-
https://docs.google.com/document/d/1ktnwxSKpA28OTVxAh_jQ2IWm75oiCY1hkthbMJ_zla8/edit?usp=sharing
- Funding a Public Developer. Williams, Paul. Social Housing Chronicle. 10/18/21. <https://housingchronicle.substack.com/p/how-to-fund-a-public-developer?s=r>
- Media- Website: reclaimri.org