



April 9, 2026

The Honorable Jacob Bissailon  
Chair, Senate Committee on Housing and Municipal Government  
Rhode Island State House  
82 Smith Street  
Providence RI 02903

**RE: Support with comments for S2705**

Dear Chairman Bissailon and Members of the Committee,

On behalf of the Housing Network of Rhode Island, our member agencies, and the low income Rhode Islanders we seek to serve, I write in conceptual support of **S2705**, legislation that seeks to make changes to the formula for calculation of the fee in lieu payment and refines the criteria for when the payment can be applied.

At present the formula to calculate the fee in lieu of development fee is the difference between the average cost to develop a new affordable home (same across the State) and the maximum sales price of a home affordable to a household of 4 person at 80% AMI (varies by Municipality). This formula produces fees per unit that range from \$40,000 - \$75,000. This means that a developer who selects to pay the fee instead of developing much needed affordable housing could chose to "opt out" for a little as \$40,000 per unit and satisfy the criteria that they fulfilled their affordable housing requirement. More shockingly, that the fee in lieu is actually lowest in some our most affluent RI communities and highest in some our most economically challenged.

In the midst of housing crisis, largely driven by the lack of available homes, a State law that provides a pathway for developers to NOT produce the affordable housing Rhode Islanders so desperately need, in exchange for fees that are inadequate and inequitable, is juxtaposition to our efforts to respond accordingly.

We thank Senator Gu for her proposed change that would apply the fee in lieu standard only to fractional units, which we do believe is an important improvement to the current law. That being said, we think **S2705** could go a lot further to generate a more meaningful and substantive fee calculation that is actually commensurate with the cost of construction. We also have some recommendations for improving applicability and clarity, and we look forward to working with the sponsor to incorporate those elements.

Thank you for the opportunity to share my expertise on this topic with this Committee. I am available to answer any questions you might have and can be reached at 401-721-5680 ext. 104 or [mlodge@housingnetworkri.org](mailto:mlodge@housingnetworkri.org).

Respectfully submitted,

A handwritten signature in black ink that reads "Melina Lodge".

Melina Lodge, MCP  
Executive Director