



March 31, 2022

The Honorable Raymond A. Hull
Chair, House Municipal Government and Housing
Rhode Island State House
Providence, RI 02903

Re: Support and Comments for H7579

Dear Chairman Hull and Members of the House Municipal Government and Housing Committee:

On behalf of the Housing Network of Rhode Island, I write to offer our support of **H7579**, proposed legislation that would require that any developer receiving a tax stabilization agreement (TSA) for developments consisting of five (5) or more residential units to include the creation of affordable homes as a condition of the TSA.

The Housing Network of Rhode Island is the State's membership association of 17 nonprofit community development agencies across Rhode Island. From Washington County to Woonsocket, our members have created more than 15,000 affordable homes. Our members are leaders within the communities they serve and have contributed to economic development, revitalization efforts, and the creation of healthy and vibrant neighborhoods in cities and towns throughout Rhode Island. The membership of HNRI is responsible for nearly 70% of the production and preservation of affordable homes made possible by funding from the 2006, 2012, and 2016 affordable housing bonds. Our organization and membership are committed to serving low income Rhode Islanders, who are vital contributors to our economy and have the right to safe, healthy, and affordable places to live.

HNRI also serves as the backbone organization for Homes RI, a collective impact effort focused on increasing the supply of safe, healthy, and affordable homes across Rhode Island. You can learn more about this effort at www.homesri.org.

We support the inclusion of as many tools as possible to aid in the production of more affordable housing opportunities for low income Rhode Islanders. The majority of long term deed restricted affordable housing is produced by the nonprofit building sector, and such a concept would hold more private developers accountable for participating in the development of these units.

I have shared a minor technical correction as well as a suggestion for strengthening the language to serve lower income tenants with the bill sponsor and wanted to share them with the Committee as well

Technical Correction: Rhode Island has three Metropolitan Statistical Areas (MSA): Providence-Fall River MSA; Westerly- Hopkinton- New Shoreham MSA and Newport-Middletown-Portsmouth MSA. The bill language only refers to the Providence-Fall River MSA, therefore excluding the six

communities covered by the other two MSAs. I have suggested Sub-A language that would include for all three MSAs.

Suggestion: Bill language currently references affordable housing opportunities (rental or homeownership) targeted at 80% AMI. The math on an affordable rental with an 80% AMI limit works out to around \$1400-\$1600 per month for a 2-bedroom unit which is about market rate. Therefore, I would suggest lowering the income target for rentals to 60% to drive the production of units at price points more affordable to tenants.

Thank you for the opportunity to share my expertise on this topic with this Committee and for your consideration of our suggestions. I am available to answer any questions you might have and can be reached at 401-721-5680 ext. 38 or mlodge@housingnetworkri.org

Respectfully submitted,

A handwritten signature in cursive script that reads "Melina Lodge".

Melina Lodge
Executive Director