



April 5, 2022

**Senator Frank Lombardo, III
Chairman, Senate Committee on Housing and Municipal Government
Rhode Island Statehouse
Providence, RI 02903**

RE: In support of SB2622

Dear Chairman Lombardo 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 support of SB2622, legislation that would allow qualified nonprofits the right of first refusal on sales of residential buildings with five or more units as well give RI Housing the right of first refusal on any State owned properties being disposed of.

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.

We thank Senator Kallman and the bill's co-sponsors for their introduction of this very important bill. SB2622 would establish a process that allows the nonprofit housing community and RI Housing to better capitalize on real estate opportunities when they become available so that more affordable homes can be made available to low income Rhode Islanders.

There are some minor technical corrections and points of clarification that I wanted to share with the Committee and have already been shared with the bill sponsor. I've highlighted our suggested changes below:

- 1. After careful consideration and weighing the appropriateness of various State entities to carry out the functions of oversight and compliance with the qualified nonprofit's right of first refusal, we would suggest the Department of Business Regulations would be better suited than RI Housing to fulfil that role.**
- 2. Inclusion of language that specifies that the qualified nonprofit right of first refusal is available for a 30 day period.**

3. Section 34-18.3-7 related to enforcement should make clear that the seller of the property is responsible for the fine, not the enforcing entity.
4. The addition of language to section 34-18.3-7 (or a subsequent section) that any fines paid by the seller shall be utilized for the production of affordable housing by either the Housing Resources Commission or RI Housing.

We will continue to work with the bill sponsor on a Sub-A introduction with the goal of refining and clarifying the above referenced items. Thank you for the opportunity to share my expertise on this topic with this Committee and for your consideration of SB2622. 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, MCP
Executive Director