



April 9, 2025

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

RE: Support with comments for H6175

Dear Chairman Casey 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 **H6175**, 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.

The Housing Network of Rhode Island is the State's membership association of 15 nonprofit community development agencies across Rhode Island. From Washington County to Woonsocket, our members have created more than 7,500 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.

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 3 bedroom home affordable at 80% AMI (varies by Municipality). This formula produces fees per unit as low as \$40,000 and as high as \$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 State's affordable housing. We thank Representative Speakman for her effort to address this issue in **H6175** and re-align the current misalignment between State law and articulated values and goals. We do have some suggestions that would strength the proposed calculation formula as well as recommendations for improving applicability, 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.

Respectfully submitted,

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

Melina Lodge, MCP
Executive Director