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Testimony in Support of House Bill 8000
House Finance Committee - May 15, 2024

Chair Abney and the members of the House Finance Committee:

I am writing to express my strong support for the establishment and funding of the Affordable Housing Rent Pilot Program. The lack of affordable housing options has reached a critical point, leaving many individuals and families struggling to make ends meet. Skyrocketing rents and stagnant wages have created a housing crisis that disproportionately affects low-income earners, seniors, veterans, and marginalized communities. Interventions have been slow, and this crisis exacerbates existing inequalities and further destabilizes our neighborhoods.

The Affordable Housing Rent Pilot Program presents an innovative and proactive solution to this urgent problem. It would encourage naturally occurring affordable rental units through a property tax-credit incentive for landlords of owner-occupied multi-family homes. With the cost of rent continuing to increase exponentially, as a result of the housing market and a lack of housing options, landlords are continuing to raise rents in order to keep-up with the market, mortgage expenses, and rising property taxes.

By allocating three million dollars (\$3,000,000) for fiscal year 2024-2025, the program will provide much-needed relief to those struggling with housing insecurity. Currently, there are no state or local policies that encourage or require landlords to offer affordable rents. While there have been significant investments to increase the production of affordable housing, these projects will take years before they are fully developed, so in the immediate, there needs to be a policy effort to stabilize the cost of rent. A market-based incentive could support these efforts and help increase the supply of affordable apartments available to Rhode Islanders.

This program is modeled on the DRIVE EV INDIVIDUAL TAX REBATE program, which is working very efficiently. There is an online application where applicants upload required documents to claim the tax rebate. This approach will streamline the process, minimize bureaucratic hurdles, and ensure that assistance reaches those who need it most. It is estimated that this program will help between 1100 - 1600 households in RI.

Importantly, the Affordable Housing Rent Pilot Program is not just a short-term fix but a long-term investment in the well-being of our community. By stabilizing housing for vulnerable populations, it fosters economic security, improves health outcomes, and promotes social cohesion. It lays the foundation for a more inclusive and resilient community where everyone has the opportunity to thrive.

In conclusion, I urge you to support the Affordable Housing Rent Pilot Program and allocate the necessary funds to make it a reality. By doing so, you will demonstrate your commitment to addressing the affordable housing crisis and creating a more just and equitable society for all. Thank you for your attention to this critical issue.

In Service,

Margaux Morisseau