

HOUSING



NETWORK

April 23, 2024

The Honorable Marvin Abney
Chair, House Committee on Finance
Rhode Island State House
Providence, RI

Re: Support H7673, H7681, and H7683 with amendments

Dear Chairman Abney and Members of the House Committee on Finance:

On behalf of the Housing Network of Rhode Island, our member agencies, and the low income Rhode Islanders we serve, I write to offer our support of **H7673, H7681 and H7683 with amendments**. We applaud the General Assembly's sustained attention on urgent housing issues and driving change to improve access to and affordability of homes for hundreds of thousands of Rhode Islanders. We thank Minority Whip Place and Representative Newberry for their introduction of these bills.

During the last three legislative sessions, the high cost of housing and the growing need for more affordable homes have taken center stage. Historically low inventory of homes for sale and for rent coupled with exploding demand for housing have driven costs out of reach for many Rhode Islanders, particularly our lowest income households. Decades long reductions in building permit activity, restrictive land use policies, low vacancy rates, the state's chronic underinvestment in affordable housing and inadequate worker wages have all been major contributing factors to the lack of available homes, and ultimately, housing unaffordability. In January 2024, the RI Realtors Association reported the median priced single family home was \$441,750 (increase of 12.87% from 1-2023), which to afford, a household would require an annual household income of approximately \$134,000. Roughly 80 percent of Rhode Island households earn less than \$150,000 annually and 64% of Rhode Island households have incomes that would qualify them for "low and moderate income" housing in our state. The single best way alleviate some of the pressure on the housing market, reduce skyrocketing home prices, and house Rhode Islanders is to build more homes.

The ability to build more homes, particularly homes at price points affordable to low and moderate income Rhode Islanders, requires more expansive approaches to creating developer incentives and finding new financial resources to help fill the very real gaps in the cost of construction. In addition, home for purchase prices are escalating beyond what typical wages can support, increasingly pushing the dream of homeownership out of reach for low and middle-income earners. There is a need to create more mechanisms to help households who are ready to become homeowners access resources to do so. I appreciate Whip Place and Rep. Newberry's creative approaches to address this and would welcome the opportunity to work with both of them on refining the proposed legislation. Thank you for the opportunity to share my support of the concepts proposed in **H7673, H7681, and H7683**. 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



Melina Lodge, Executive Director