

Letter In Support of Additional Revenue to Help Fight Homelessness

April 7th, 2025

To the Rhode Island House Finance Committee:

Rhode Island is experiencing an unprecedented crisis of homelessness that, without additional revenue, will continue to worsen. The proposed budget for FY 2026 includes reductions by between 54% and 70% to vital homelessness prevention funds. In order to mitigate this funding deficit, the undersigned agencies are in favor of the Non-Owner Occupied Property Tax Act (HB 6189). This legislation would tax high-value properties that are not occupied by their owners and provide an additional revenue stream for homelessness prevention services.

According to public information provided by the Department of Housing, around \$37 million has been contracted for homelessness programs in FY 2025. This funding is a result of the substantial progress made by Governor McKee, the Department of Housing, and the Legislature in recent years to expand shelter beds and other supportive services. We hope the State will continue this progress against the homelessness crisis by supporting additional revenue sources like the Non-Owner Occupied Property Tax Act.

As community leaders, providers, advocates, and communities directly impacted by homelessness, we stand firmly in opposition to the proposed budget cuts. The skyrocketing cost of housing is causing hundreds of people—including the elderly, families with children, and people who are ill or disabled—to become homeless for the first time. Even with the improvements to shelter funding in the last few years, the crisis has been worsening: unsheltered homelessness increased by 652%, from 71 people to 534 people between 2019 and 2024. The proposed reduction in shelter funding could mean closing over 1,000 shelter beds and cutting essential programming that prevents homelessness. If more money is not allocated, we anticipate a wave of homelessness this fall as more Rhode Islanders are left with nowhere else to go.

The Non-Owner Occupied Property Tax Act would provide a significant revenue stream by taxing second homes valued at over \$800,000. (We would ask that the definition of 'non-owner occupied' home be clarified to be clearly in line with the intent of the sponsors and to make sure it doesn't apply to standard rental properties.) The individuals that own these properties can afford to pay these taxes, which would only cover the un-reimbursed costs the state is already paying to support their property, such as public safety, roads, and other infrastructure. If they pay for these services, no Rhode Islander would have to sleep on the street.

This money could be allocated to life-saving homeless shelters, affordable housing, and homelessness prevention. This funding is necessary to help close the state and the Department of Housing's large budget gap and prevent Rhode Island's homelessness crisis from becoming even worse than it is currently. We encourage the legislature to seriously consider all options available to provide these critical funds.

Signed:

Julio Berroa, Executive Director, Haus of Codec
Dayne Gladstein, Newport Mental Health
Eileen Hayes, President & CEO, Amos House
Margaret Holland McDuff
Paula Hudson, Executive Director, Better Lives Rhode Island
Nick Horton, Co-Executive Director, OpenDoors
Tanja Kubas-Meyer, Executive Director, Rhode Island Coalition for Children and Families
Laura Jaworski, Executive Director, House of Hope CDC
Karen Jeffreys, Director of Communications and Partnerships, Horizon Healthcare Partners
Benedict Lessing, President/CEO, Community Care Alliance
Kim Simmons, Executive Director, Coalition to End Homelessness
Paul Salera, President/CEO Westbay Community Action
Andrea Smith, Help the Homeless RI

Michelle Wilcox, President/CEO, Crossroads RI