



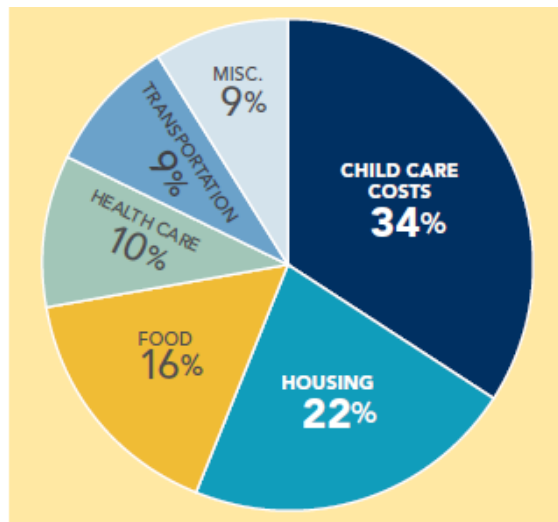
March 12, 2020

House Finance Committee

Re: Support for Budget Article 5 (Question 3a) and Article 12 (Section 5)

The Economic Progress Institute writes in support of these proposals that would provide \$25 million to increase construction and redevelopment of affordable homes, and create a dedicated funding stream to increase the supply of affordable safe and healthy homes.

According to the *Rhode Island Standard of Need* ("RISN") which we publish every two years, housing costs are the second largest expense (after child care) for a working family. The 2018 RISN shows the distribution of basic needs expenses for a parent, toddler and school age child, as illustrated in the picture below.



Working families with income below 180% of the federal poverty level (\$39,000 for a family of 3), may qualify for help paying for child care through the Child Care Assistance Program (CCAP), freeing up income to meet other basic needs. These families still do not have sufficient income to pay for a safe place to raise their children and families. Families with income just above the CCAP cut-off struggle to ensure they have a safe and healthy place to live as well as safe place for their children to be while they are working.

Among the New England states as well as New York, Pennsylvania and New Jersey, Rhode Island is the only state that does not have a dedicated funding stream for housing. It is beyond the time to correct this

failure to invest in housing for our working families, seniors and people with disabilities. Providing funding from a real-estate conveyance tax increase on property sales above \$500,000 is a fair and sensible way to create the funding to address this major need. This is the most common revenue tool used nationally and in the Northeast.

We know that affordable, safe and healthy housing is a vital economic development issue and promotes the health of our residents and communities. We strongly encourage passage of Article 12 (Section 5), creating the dedicated funding stream for affordable housing, as well as the housing bond proposal in Article 5.