



April 25, 2018

Chairman Marvin Abney
House Committee on Finance
Rhode Island State House
Providence, RI 02903

Re: Support of H7316

Dear Chairman Abney,

The Economic Progress Institute supports passage of H 7316, which would provide for \$5 million of capital investment for affordable housing development in the FY 2019 budget and subsequent years. EPI's mission is to promote economic stability for all Rhode Islanders. The lack of affordable housing is a cavernous gap in the ability of working families and people living on a fixed income to meet basic needs.

The Projecting Future Housing Needs Report, released by Rhode Island Housing in 2016, provides a blue print for need for state investment in affordable housing opportunities over the next ten years. The demand for housing will far exceed what the \$50 million Housing Opportunity bond can provide and the state should be proactive in meeting that demand head on. Continued investment is a vital component of addressing the state's ongoing need for affordable housing, stimulating economic development and revitalizing our communities and neighborhoods.

Over the next five years, affordable housing developers have plans to develop approximately 2,400 new units of affordable housing with an estimated \$456.5 million in development costs. The State's ongoing reinvestment is critical to help move these projects forward and ensure Rhode Islanders have access to homes they can afford. The need for safe, decent, affordable housing remains urgent. Half of all Rhode Island renter households are housing cost burdened (spending more than 30% of their income on housing), with 25% spending more than half of their income for housing.

HousingWorks RI data shows that cost burden among homeowners, with and without mortgages, continues to increase every year. From 2000 - 2015, the percent of cost burdened homeowners with a mortgage increased by 37% and 40% for homeowners without mortgages. Without the State's commitment to capital investment, affordable housing developers will be severely limited in their ability to meet the housing needs of thousands of Rhode Island's struggling working families, seniors and people with disabilities living on fixed incomes and other residents.

Our state's investment in affordable housing and homelessness prevention is shockingly low compared to our neighboring states. In FY17, Massachusetts invested \$100.12 per capita, Connecticut invested \$85.70 per capita and Rhode Island only invested \$5.21.

Investing in affordable housing achieves at least three key goals: job creation, neighborhood improvement, ensuring that families have decent and safe homes in which to raise their children and seniors and others living on a fixed income can live in their communities with dignity.