



## Recommendations for Spending Rhode Island's State Allocation of American Rescue Plan State and Local Fiscal Coronavirus Recovery Funds

Submitted to: *Make It Happen* Steering Committee

Date: July 15, 2021

Dear Members of the *Make It Happen* Steering Committee:

Homes RI is a multi-sector coalition working together to increase and preserve the supply of safe, healthy and affordable homes throughout Rhode Island. We believe Rhode Island can and should be a state where all residents are able to live in safe, healthy and sustainable homes in thriving communities. Homes RI is coordinated by the Housing Network of Rhode Island.

The American Rescue Plan provides an extraordinary opportunity for federal investment to help states and localities respond to the coronavirus public health emergency and help redress its devastating economic effects. Guidance from the U.S. Treasury Department highlights the flexible uses of these funds to meet local housing and health needs - specifically, addressing needs of people experiencing homelessness and building and preserving affordable homes in communities that have been most impacted by COVID. This is in recognition of the disproportionate impact of COVID in low-income communities and communities of color, which in large part was precipitated by various forms of discriminatory housing policy. Investing in strategies to equitably increase access to safe, healthy, affordable homes is a powerful tool to begin to redress this harm and support our collective health and wellbeing. It requires substantial investment that will not only serve people in the short-term, but will have durable impacts beyond the time period for the use of these funds. We urge the Steering Committee and decision makers to consider this as you review recommendations and balance multiple interconnected priorities.

These recommendations were put together with input from multi-sector stakeholders participating in Homes RI, including nonprofit housing developers, service providers, healthcare organizations, legal service organizations, child welfare and policy organizations, philanthropy, tenants' rights groups, and others. The organizations signed on to this letter endorse these recommendations for consideration.

Our recommendations prioritize projects that can be accomplished with a one-time infusion of funds and utilizing existing mechanisms to distribute those funds. Recognizing the intent of these funds is to lay the foundation for a strong and equitable recovery from the pandemic, and address systemic inequities caused by racism and other forms of oppression, we have also included items that will benefit communities and people over time with sustained investments.

## **Recommendations for Spending Rhode Island's State Allocation of American Rescue Plan State and Local Fiscal Coronavirus Recovery Funds**

### **Removing Access Barriers and Promoting Housing Stability (at least \$50 million)**

In the first two weeks of June 2021, Rhode Island courts were scheduled to hear nearly 400 eviction cases. Evictions and displacement are traumatic experiences that negatively impact individual and public health and wellbeing. Women and children, especially women of color and particularly Black women, are disproportionately affected by eviction (Desmond, 2014). Investing in programs to prevent eviction and displacement - including mediation, legal counsel, rental assistance, support for landlords to rectify housing code violations, and service provision and coordination - will make a difference in preventing and ending homelessness and are aligned with Committee's guiding principles of equity, sustainability and impact.

- Create a statewide pre-filing eviction diversion program with funding for mediation and legal services for tenants, housing counseling, rental assistance to cure arrearages, and support for small landlords to navigate rental assistance
- Build on the infrastructure of *Rent Relief RI* and establish a permanent statewide emergency rent and utility assistance fund to help low and moderate income families with short-term crises (that are not necessarily COVID related) remain stably housed
- Bolster funding for housing vouchers and rental subsidy to bridge the gap in rental affordability for the lowest income households
- Invest in the coordination of services among providers, and with housing development partners such as property managers to address gaps between finding and retaining stable housing for individuals and families who benefit from supportive services
- Fund additional housing navigation and stabilization services targeted to support people with mental health and substance use issues, criminal legal system involvement, and survivors of domestic violence
- Establish a landlord risk mitigation fund for landlords renting to people exiting homelessness that would offset potential operational and physical costs in order to expand access to available housing units and promote partnership between landlords and service providers

### **Investments in Affordable Housing and Community Development (at least \$200 million)**

The National Low Income Housing Coalition estimates there is a shortage of 19,684 affordable and available rental homes to households with incomes at or below 50% Area Median Income. The deficit increases to 21,678 for extremely low-income households (NLIHC, 2021). In addition to the

vast shortage of affordable homes for the lowest income renters, there is also need for housing for households at 80 - 100% of AMI. The median home price in Rhode Island reached a record high of \$385,000 in June of this year (RI Association of Realtors, 2021). Only six Rhode Island cities and towns meet the state's current goal of providing a minimum of 10% affordable (defined as households at or below 80% AMI) homes as part of their year round housing stock (HousingWorks RI, 2020).

As a result of decades of discriminatory housing and employment practices, homeownership, a primary wealth-building tool in our nation, is lower among Black, Indigenous and households of color than white households - in Rhode Island, the homeownership rate for Black and Latino households is only 33% and 29% respectively, compared to 67% of whites.

We know that in order to resolve our housing shortage we need to build. We also need to invest in strategies that make acquisition of land and existing structures more feasible, especially for nonprofit community developers, incentivize development and support homeownership, particularly for historically excluded racial and ethnic groups. The strategies below represent opportunities to invest these once in a generation resources to build stronger neighborhoods and communities.

- Invest in the state's newly created Housing Production Fund to develop and preserve affordable homes, targeting investments to households below 50% AMI
- Establish a fund to support the acquisition of land and existing property (including multi-family housing, commercial buildings and abandoned and foreclosed properties) for housing development
- Capitalize a fund to help developers convert existing commercial properties or temporary shelter locations (e.g., hotels, nursing homes, schools, office buildings) into long-term affordable and mixed-income residential housing
- Set up a fund to assist affordable developers with predevelopment costs
- Incentivize the construction of Accessory Dwelling Units
- Create a fund for down-payment assistance and closing costs to support homeownership among Black, Indigenous and people of color and first generation buyers
- Invest in incentives and technical assistance to support cities and towns in revising land use, zoning and other policies to develop more low and moderate income housing in their communities and to revitalize villages and downtown areas
- Invest in expanding, preserving and rehabilitating existing long-term affordable housing stock, including public housing

### **Healthy Homes and Infrastructure (at least \$50 million)**

Disparate health impacts in communities are linked to aging and substandard quality housing stock and environmental toxins are another result of residential segregation and redlining practices. In addition to lead hazards, older homes have many maintenance expenses such as higher energy costs due to inefficient and outdated electrical, heating, and ventilation systems.

Too often, repairs are cost-prohibitive for property owners and lead to residents living in unsafe conditions. In addition, insufficient or aging water and sewer infrastructure is a barrier to housing development. Municipalities must have resources to make the upgrades they need to have vibrant, thriving businesses and residential areas. To address long-term effects on community health, there must be investment in programs that promote healthy housing and public infrastructure.

- Capitalize a robust statewide home repair fund for low and moderate income households and small landlords to support healthy housing and aging-in-place
  - Bolster the existing emergency rent relief program in RI by dedicating repair funds to redress substandard housing conditions in rental properties where landlords and tenants are approved for rental assistance
  - Invest in culturally and linguistically relevant outreach methods to reach property owners across the state
- Create a dedicated fund for home weatherization and energy efficiency upgrades, prioritizing multi-family homes
- Invest in Rhode Island's drinking water infrastructure, prioritizing replacement of residential lead service lines
- Infuse funds to existing state and municipal lead hazard reduction financial assistance programs for property owners
- Invest in job training to build capacity of building code and home inspectors
- Establish a statewide rental registry program that would require property owners to certify private market rental units meet suitable health and safety standards
  - Ensure property owners have access to repair funds to make upgrades and to navigate additional supports as a rental property owner
- Provide an infusion of funding to the existing State Municipal Infrastructure Grant program to enable cities and towns to utilize the program to make infrastructure upgrades to support housing development
- Invest in expanding broadband access and free Wi-Fi networks to communities in Qualified Census Tracts and those that have been disproportionately impacted by COVID

Thank you for considering this collaborative proposal on behalf of Homes RI for investing American Rescue Plan stimulus funds.

**Signed in Support:**

Childhood Lead Action Project

Community Health Innovations of Rhode Island

Community Housing Land Trust of Rhode Island

Crossroads Rhode Island

Direct Action for Rights & Equality

House of Hope CDC

Housing Network of Rhode Island

HousingWorks Rhode Island at RWU

ONE Neighborhood Builders

POAH

Rhode Island Center for Justice

RI Coalition Against Domestic Violence

Rhode Island Coalition to End Homelessness

Rhode Island KIDS COUNT

RI NOW

Sojourner House

## Resources:

EvictionLab.org: <https://evictionlab.org/>

Housing Opportunities Framework: <https://homesri.org/our-work/policy-priorities>

HousingWorks RI 2020 Factbook:

<https://www.housingworksri.org/Portals/0/Uploads/Documents/HFB%202020%20.pdf?ver=rTG6SYyeSj0xHMLlEq1TQ%3D%3D>

National Low Income Housing Coalition Out of Reach Report: <https://reports.nlihc.org/oor>

National Low Income Housing Coalition The Gap Report: <https://reports.nlihc.org/gap>

Prosperity Now: <https://prosperitynow.org/topics/housing-homeownership>

Rent Relief Rhode Island Data Dashboard: <https://www.rihousing.com/rent-relief-ri-dashboard/>

Rhode Island Association of REALTORS: <https://www.rirealtors.org/>