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PRESS RELEASE

Staggering shortage of affordable homes for low-income renters in RI

PROVIDENCE – A new report by the National Low Income Housing Coalition (NLIHC) finds that there are 49,468 extremely low-income households in Rhode Island, but a shortage of roughly 24,054 affordable rental homes available to them, leaving only 51 affordable and available rental homes for every 100 extremely low-income households in the state.

The report, *The Gap: A Shortage of Affordable Homes*, also reveals a national shortage of 7.3 million affordable and available rental homes for extremely low-income renter households – those with incomes at or below the poverty level or 30% of their area median income, whichever is greater – resulting in just 34 affordable and available rental homes for every 100 extremely low-income renter households nationwide.

“Rhode Island’s affordable housing challenges are laid clear in the annual Gap report, which demonstrates in data what we’re witnessing play out across the state: people are spending a disproportionate share of their income on housing, leaving little left for other needs like food, health care and other necessities,” said Melina Lodge, Executive Director of the Housing Network of Rhode Island. “We must keep acting to make up for decades of underinvestment and restrictive land use policies that have inhibited housing production. This year, there is an opportunity to sustain momentum gained by recent investments, by authorizing a \$150 million housing bond to produce and preserve affordable homes for low and moderate income residents, and expand housing stock for people and communities who most need it.”

While rents have stabilized since the pandemic in most markets – and even declined to a small degree in some markets – Providence saw the highest rent increase nationwide at the end of 2023, and the supply of affordable rental housing for extremely low-income households remains deeply inadequate in Rhode Island and nationwide.

In consequence, 56% of extremely low-income renters in R.I. are severely housing cost-burdened, spending more than half of their income on housing.

“As our annual Housing Fact Book has noted for years, one out of three Rhode Islanders are housing cost burdened,” said Brenda Clement, Executive Director at HousingWorks RI at Roger Williams University. “In our small state that means that either you or someone within your family or community is struggling to keep a roof over their head. The data in The Gap cements that affordability remains out of reach for many Rhode Islanders, and there continues to be a shortage of available and affordable units for extremely low income households. While addressing housing issues is complicated, we are confident that with continued funding, resources, and support from local and state officials, that a healthy and affordable home for all Rhode Islanders is achievable.”

The report also reveals that most rental markets provide an adequate supply of housing for middle-income renters but that no rental market provides enough homes for extremely low-income renters. Even in housing markets with shortages of affordable and available homes for middle-income renters, the cumulative shortage is largely attributable to the significant unmet housing needs of people with the lowest incomes, who must occupy higher-priced homes in the private market that would otherwise be available to higher-income renters.

The average income limit for four-person extremely low-income households in R.I. is \$31,980. The annual household income needed to afford a two-bedroom rental home at Fair Market Rent is \$57,779.

“In January, the Coordinated Entry System received over 11,321 calls from Rhode Islanders seeking shelter and housing from the devastating crisis confronting our state and nation,” said Kimberly Simmons, Executive Director of the Rhode Island Coalition to End Homelessness. “This Gap report continues to illuminate what we are all experiencing: housing supply does not meet current demand. When there isn’t enough supply, people are left with nowhere to go and often end up living outdoors. At the beginning of February, there were 539 Rhode Islanders experiencing unsheltered homelessness and 830 persons who were awaiting shelter. We must address this gap before the crisis worsens.”

“Even with a strong economy and stabilizing rents, homelessness has increased to its highest level ever recorded, and millions of the lowest-income and most marginalized households are at risk,” said NLIHC President and CEO Diane Yentel. “We know what works to end housing insecurity and homelessness – what we lack is the political will to invest in these solutions at the scale needed. More than ever, Congress should act quickly to enact bold legislation to ensure rental assistance is universally available, build and preserve homes affordable to people with the lowest incomes, create tools to prevent eviction and homelessness, and strengthen renter protections to keep renters stably housed.”

Learn more about The Gap by visiting: <https://nlihc.org/gap>

About National Low Income Housing Coalition (NLIHC)

Founded in 1974 by Cushing N. Dolbeare, NLIHC educates, organizes and advocates to ensure decent, affordable housing for everyone. Our goals are to preserve existing federally assisted homes and housing resources, expand the supply of low income housing, and establish housing stability as the primary purpose of federal low income housing policy.

About Homes RI

Homes RI is a multi-sector coalition of organizations working together to increase the supply of safe, healthy and affordable homes throughout Rhode Island; coordinated by the Housing Network of Rhode Island. HousingWorks RI and the Rhode Island Coalition to End Homelessness are both partners of Homes RI. 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.