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PRESS RELEASE

Homes RI coalition advocates for \$150 million state housing bond

PROVIDENCE – On Thursday, Feb. 29, members of Homes RI joined elected officials and advocates at the State House to rally in support of a \$150 million bond request that will help sustain affordable housing production and preservation. Homes RI is a multi-sector coalition of organizations working together to increase and preserve the supply of safe, healthy and affordable homes throughout Rhode Island.

State leaders are set to consider Article 5, Question 3, proposing a \$100 million bond to expand affordable and middle income housing production and infrastructure, support community revitalization and promote homeownership. Advocates are requesting the R.I. General Assembly increase the governor’s proposed bond amount by \$50 million to reflect increased need, rising construction and financing costs; and help sustain momentum gained by recent investments in housing.

Housing Network of Rhode Island executive director Melina Lodge acknowledged and thanked the governor and Department of Housing for the “historic investment of \$321 million dollars from State Fiscal Recovery Funds over the last two years, and their continued recognition of the importance of housing investment with their introduction of a \$100 million housing bond in FY2025. Building upon recent investments and capitalizing on the new opportunities for increased housing production generated by recent legislative reform, we are here to advocate for a \$150 million housing bond.”

Rhode Island’s economy is modestly growing, but our state faces challenges with an aging population, falling labor force participation, stagnant growth, and constrained housing supply. Increases in rent and sales prices have far outpaced income gains, placing a heavy burden on virtually every Rhode Islander who is currently renting, looking to purchase a home, or seeking a change to their living situation.

Rhode Island General Treasurer James A. Diossa said there have been “historic leaps forward for Rhode Island” to address the housing crisis, which he said is one of the greatest challenges facing Rhode Island residents. “But there’s an opportunity here to go big ... \$50 million more, big ... to continue housing production. I’m confident we can solve

this challenge and ensure all Rhode Islanders have access to a quality and affordable home.”

Representative June Speakman said, "It has been my privilege to chair the House Housing Affordability Commission for more than two years now. The experts on the commission and those who have presented to us have made it crystal clear that we must continue to devote significant financial resources to the construction and preservation of housing so that all Rhode Islanders can have access to clean, comfortable, affordable homes. This bond is essential in that effort.”

Rhode Island has repeatedly been ranked last in the nation for new building permits even as more and more residents feel the impacts of the housing crisis. When housing bonds are introduced as a resource, they help leverage millions more in public and private funds to build housing and support thousands of construction jobs. Housing development - the production of new and preservation of existing long-term affordable homes - is the single best use of bond funding.

Kim Simmons, interim executive director of the Rhode Island Coalition to End Homelessness, said she’s “glad to see that the governor has proposed the largest housing bond Rhode Island has ever seen, but not all of those funds are set to be used for affordable housing production. Every day we hear from community members looking for housing, and often add them to a waiting list for housing. We just don’t have enough homes to meet the demand.”

In the state’s most recent funding allocation of housing production and preservation funding, 75 applications were submitted to build, preserve, and fill financing gaps for affordable homes. The requests totaled \$192 million - \$102 million more than the available \$90 million in the current round. This indicates that Rhode Island affordable housing developers are ready to build - but continue to need more resources in the face of rising costs.

Rhonda Mitchell, executive director of the Newport Housing Authority, said with more than 10,000 applicants on the waiting list for subsidized housing, “it would take us more than 200 years just to address the current need,” noting that previous bond funds have allowed NHA to create “quality homes for Rhode Islanders.”

“The bond dollars work. We are at a point where the housing crisis has reached catastrophic levels. We must take equitable and aggressive action,” she said.

While every Rhode Islander is affected, the impacts are not felt equally. More than half of the lowest income renters and homeowners are severely housing cost burdened, spending over 50% of their income for housing, and most at-risk of experiencing homelessness. Rhode Island has a shortage of roughly 24,000 rental homes that are affordable and

available to households who are extremely low income (for a household of three people, this equates to approximate yearly earnings of \$30,000 or less).

“Market rents are too high, even for people working decent jobs, sometimes more than that. Good people, trying to navigate all of life’s challenges, should not have to spend so much time finding a place to call home or so much of their income on rent. This is why a \$150 million bond to support creating more affordable rentals and homes for purchase is so critical,” said Wendy Sanchez, resident services manager at ONE Neighborhood Builders. “We all need a place to call home.”

The state has an existing and effective way to administer bond resources through the Building Homes Rhode Island program, which has helped house thousands of Rhode Islanders since its inception. Now, we have an opportunity to build on that momentum while ensuring that the investment targets housing opportunities for the individuals and families who need it most.

"Building Homes Rhode Island Bond funds are critical for the development of homeownership opportunities for hard-working, low-income Rhode Islanders who otherwise would struggle significantly to realize their dream of owning a home," said Colin Penney, executive director of South County Habitat for Humanity. "Without continued investment, programs such as Habitat for Humanity will have lost one of its most important tools in creating a Rhode Island where everyone has a safe and affordable place to call home."

“Having a stable, affordable place to live and improving education, economic opportunity and health go hand in hand. We can’t achieve our goals unless we begin making serious strides in housing production,” Rhode Island Foundation president and CEO David Cicilline said in a statement prior to Thursday’s event. “Affordable housing is key to expanding opportunity and economic growth. The problem with housing is we don’t have enough of it, and what we have is becoming less and less affordable for too many Rhode Islanders. This is a smart investment that will strengthen all of our communities.”

Right now, housing is the single best investment that we can make to strengthen our collective wellbeing and economic prosperity. Approving a \$150 million housing bond is essential to produce and preserve more critically needed affordable homes.

The speakers at Thursday’s bond press conference were Rhode Island General Treasurer James A. Diossa; Representative June Speakman (District 68 - Bristol, Warren); Melina Lodge, executive director of the Housing Network of Rhode Island; Rhonda Mitchell, executive director of the Newport Housing Authority; Colin Penney, executive director of South County Habitat for Humanity; Kim Simmons, interim executive director of the Rhode Island Coalition to End Homelessness; and Wendy Sanchez, resident services manager for ONE Neighborhood Builders.

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About Homes RI

Homes RI is a 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. We believe Rhode Island can and should be a state where all residents are able to live in thriving communities. For more information, visit www.homesri.org.