

State Housing Bond State Legislative Campaign

Objective Achieved

Through collaborative efforts with our partners in the community, for the first time in the state's history, a Rhode Island Governor included an affordable housing bond referendum in the state budget.

The budget for the next fiscal year, which was passed by the legislature and signed by Governor Chafee on June 15, 2012 contains a provision to include on the November ballot a referendum to borrow \$25 million for the development of affordable housing. Timing for the distribution of this funding will be two years at \$12.5 million per year.

The Need

State investment in the production of affordable homes provides critical gap funds to develop affordable housing and to provide support for people with the lowest incomes, including those who are homeless. Over the last two years, state support for the development of affordable housing dropped 97% to almost zero. Additionally, key federal programs have been cut by 25% since 2010 with funding for some key programs eliminated completely.

For Rhode Island to remain truly competitive in attracting and retaining businesses and growing a vibrant workforce, the state must maintain its investment in the development and operation of long-term affordable homes. It is very clear that our state needs support for the production of affordable homes which help to leverage critical funding through various funding sources.

- Rhode Island has the fifth largest housing wage gap.
- 50% of Rhode Island renters are paying more than they can afford for housing.
- Over the last two years, 1 in 10 Rhode Island homeowners with a mortgage faced foreclosure or severe delinquency.
- Of Rhode Island's top 50 growth occupations, 32 did not earn enough to afford the average two-bedroom home in 2010.
- Building permit activity is at an all time low; down 72% from 2002.

Strategy

Recognizing that state investment is critical to not only supporting the creation of affordable homes in our state, but also jumpstarting the economy through construction activity, Rhode Island Housing and its partners began a successful advocacy campaign to get a new housing bond on the ballot for November 2012.

Strategies included efforts to encourage the Governor and General Assembly to look at Rhode Island Housing as an agency they can trust and look to for policy solutions, promotion of the past success of the 2006 bond, working in collaboration with key partners in the community and building broad based support.

Rhode Island Housing as Trusted Resource

A key piece of the agency's strategic communication effort is to have policy makers see Rhode Island Housing as an organization they can trust and help them to access resources that can help their constituents. Because the Governor sees Rhode Island Housing as an effective and solutions-oriented leader in the housing field, he was able to turn to us for input and information on the bond issue.

The agency also supported strategies that will help move the state to implement policies that will most effectively make use of increased investment in housing. This includes efforts to support the "Interagency Council on Homelessness" and the "State's Plan to End Homelessness."

In 2011, the Governor reestablished the Interagency Council on Homelessness to help the state better coordinate available services with supportive housing and the shelter system. In an effort to support the mission of the Interagency Council, Rhode Island Housing was pleased to partner with the Governor, United Way, the Rhode Island Foundation and the Corporation for Supportive Housing in an agreement to provide staffing support to the Council. This collaboration will position Rhode Island to be one of the first states in the country to bring together government, philanthropy and a national nonprofit to work on our shared commitment to ending homelessness.

Rhode Island Housing, the United Way of Rhode Island and the Rhode Island Housing Resources Commission (HRC) teamed up to sponsor an update to the state's plan to end homelessness titled Opening Doors Rhode Island. The plan was adopted by the HRC in March of 2012. It sets out an ambitious schedule to end chronic homelessness and homelessness for veterans in Rhode Island in five years and to end family homelessness in ten years. The plan's goals can be accomplished but only with increased investment on the federal and state level in proven prevention methods and deeply subsidized and permanent supportive housing.

Collaboration with Community Partners

To begin to build the needed support for a new state bond for affordable housing, we again joined with the state's primary private philanthropies – the Rhode Island Foundation and the United Way of Rhode Island – and key business partners – the Providence Chamber of Commerce and RI Builder's Association – in rekindling partnerships that had resulted to the successful passage of the 2006 housing bond. Rhode Island Housing provided funding and lead staff support to this "Team of Five" key organizations.

Key strategies and tactics used by the "Team of Five"

- Support of state initiatives to end homelessness
- Joint meetings with Governor and key staff beginning in Fall 2011
- Development of a PowerPoint presentation highlighting the need and benefits of the bond proposal
- Polling studies showing broad support in October 2011 and another in June 2012
- Comprehensive and regular follow-up materials provide to key staff
- Joint meeting with General Assembly leadership
- Joint testimony at House and Senate Finance budget hearings
- Joint letters of support
- Lobbying

This team also helped convene and fund a broader group of supporters of state investment in housing. The broader group included members such as HousingWorksRI, Housing Action Coalition, RI Coalition for the Homeless, Housing Network, Corporation for Supportive Housing, Grow Smart, LISC and the State Office of Housing and Community Development.

Key tactics of the members of the broader group included:

- Editorials in newspapers
- Letters from broad coalition of mortgage lenders, builders, advocates, Realtors and community organizations
- Weekly "soup kitchen" at State House highlighting the need
- Petition drives in key districts
- Almost weekly articles on the issue of homelessness
- Research reports on the success of BHRI
- Research reports on need for affordable housing as economic investment

- Research reports on rising housing wage gap
- Lobbying

Building on Past Successes

Building Homes Rhode Island is the state program established by the Rhode Island Housing Resources Commission (HRC) to disburse the \$50 million housing bond overwhelmingly supported by voters back in 2006. The program has been very successful in providing quality homes for low-wage Rhode Island workers, individuals with disabilities, young working families, the formerly homeless, veterans and the elderly.

We have been able to build upon the successes of the voter-approved 2006 housing bond by highlighting the following key points:

- How the 2006 bond has played a major role in keeping the construction sector afloat in our state.
- Construction activity supported by BHRI accounted for 53 percent of the total estimated cost of residential construction permitted in Rhode Island from 2007 to 2010.
- At a time of record-high unemployment numbers, BHRI supported 6,100 jobs in Rhode Island.

The last such \$50 bond leveraged many times its value in private investment and helped create much-needed affordable housing in the state.

Building Broad-Based Support

To ensure that the housing bond proposal stayed at the forefront of everyone's minds, our executive director spoke to the bond at almost every ribbon cutting, groundbreaking and press event. Our partners submitted Editorials and generated earned media by pitching various stories for local media. Our collaborative efforts and public relations strategies implemented throughout the past year continue.

Next Steps

Rhode Island Housing has partnered with the United Way and Rhode Island Foundation to fund a summer and fall campaign manager to coordinate the public relations strategy to encourage voters to approve the bond in November. Strategies will include best practices learned from the 2006 campaign, messaging based on recent polling and continued collaborative efforts with partners in the community. Rhode Island Housing's top leadership and key staff have been appointed to work with partners to facilitate the effort

Related Media

[Should the state sell another bond to support the construction of affordable housing?](#)

[Affordable housing called building block of economy](#)

[Plan to end homelessness in RI short on funding](#)

Rhode Islanders Support Public Investment in Affordable Homes

In October, 2011, the United Way of Rhode Island contracted with the Garin-Hart-Yang Research Group to conduct a poll of 500 likely voters to test their perceptions of the state's housing needs and their support for state investment in addressing those needs. The poll highlighted a number of key points: that Rhode Islanders see the shortage of long-term affordable homes as an important problem facing the state; that they see the problem as getting worse, not better; and that they support the role of the state in helping to address the problem in general and an affordable housing bond specifically. Below are some key findings from the poll.

- **Nearly half (49%) of voters in Rhode Island see access to affordable housing as an extremely important problem to address (rating it an 8-10 on a 0-10 scale)**
- **64% of voters believe that over the past two years the availability of houses and apartments that most Rhode Islanders can afford has gotten worse rather than better**
- **66% of voters say that the increase in foreclosures has made it harder for Rhode Islanders to find safe and affordable housing.**
- **Two in five (41%) of Rhode Islanders know someone who has either faced a foreclosure or has experienced serious difficulty in being able to afford current housing expenses. This includes 26% who say that they experienced the foreclosure crisis in the most personal way possible, either through themselves or a family member.**
- **25% of those polled say housing affordability is a very big problem for people like them.**
- **A clear majority of voters favor a ballot initiative that would provide sustained state funding for affordable housing in Rhode Island. Nearly three in five (58%) voters favor passage of a bond referendum similar to Question 9 that passed in 2006. The vast majority (68%) would either like to see the size of the bond remain the same as the 2006 bond or increase in size.**
- **The Neighborhood Opportunity Program (NOP) garners overwhelming support from voters in Rhode Island. More than three-quarters (80%) of voters favor continued budget funding for minimum wage workers and individuals with disabilities.**



2012 Housing Bond

A Key Strategy for Creating Good Homes & Well-Paying Jobs
Revitalizing and Increasing Housing Opportunities





2006 Bond Accomplishments

IN ITS FOUR YEARS
BUILDING HOMES
RHODE ISLAND
PROGRAM
AWARDED

\$50 million to
110 developments to create
1,255 affordable homes in
30 communities

matched by more than
\$460 million from private
and federal supplementary
sources

BHRI
CONSTRUCTION
CREATED NEARLY

6,100 JOBS
in Rhode Island

generating about
\$300 MILLION
in wages

CONSTRUCTION ACTIVITY
SUPPORTED BY BHRI
HAS ACCOUNTED FOR

53%

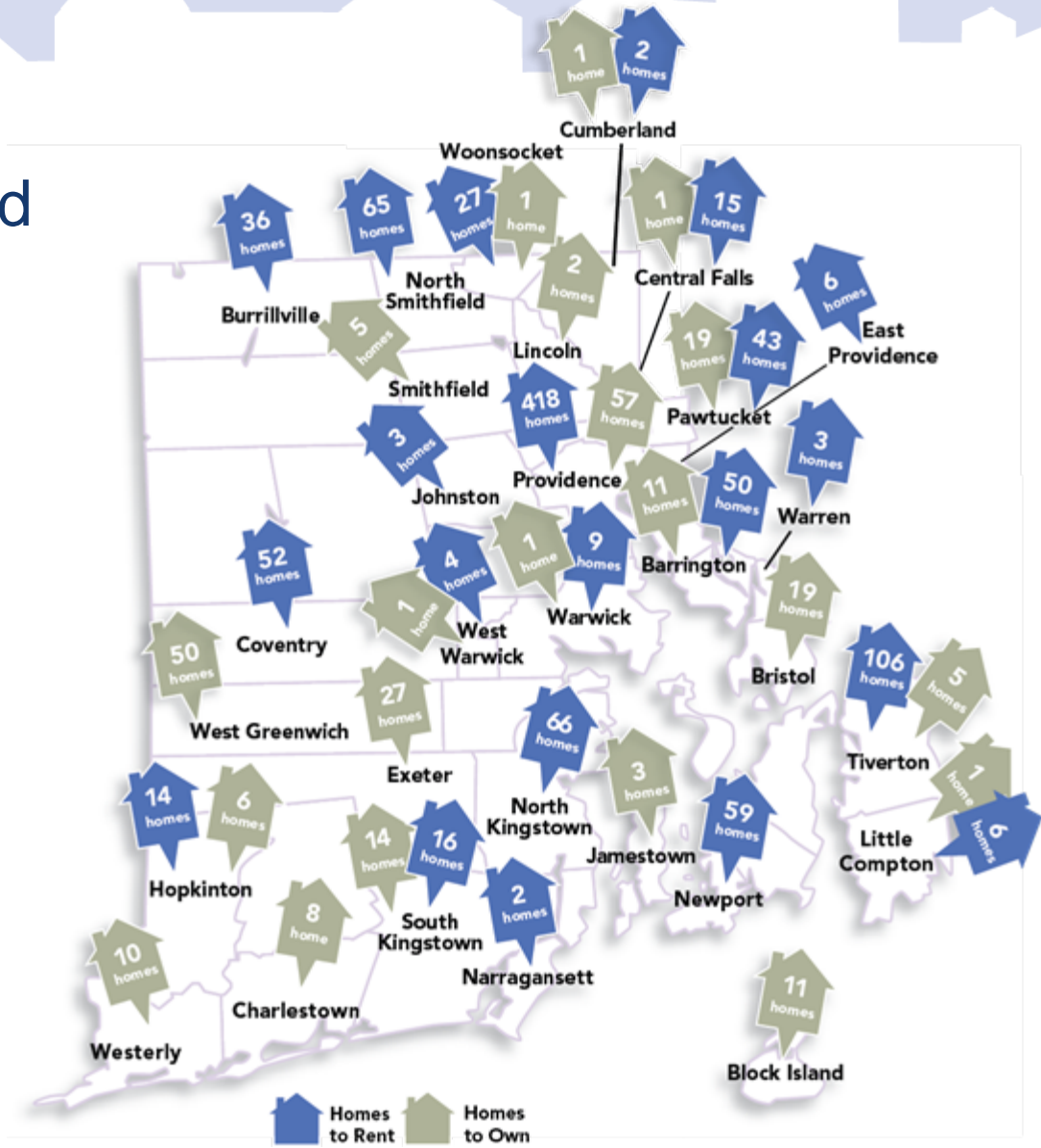
OF THE TOTAL VALUE OF RESIDENTIAL
CONSTRUCTION IN RHODE ISLAND
FROM 2007 TO 2010

MORE THAN HALF OF BHRI FUNDS WERE USED FOR THE REHABILITATION
OF FORECLOSED AND ABANDONED PROPERTIES, CREATING MORE THAN
600 LONG-TERM AFFORDABLE HOMES
OUT OF PROPERTIES THAT PREVIOUSLY BLIGHTED NEIGHBORHOODS

What Has Been Funded from 2007 to 2010

In its four years, the Building Homes Rhode Island (BHRI) awarded \$50 million to 110 developments to create 1,255 affordable homes in 30 communities, helping to leverage over \$460 million from private and federal supplementary sources.

Of the 1,255 affordable homes financed, 1,002 are rental homes, while 253 are for home ownership.

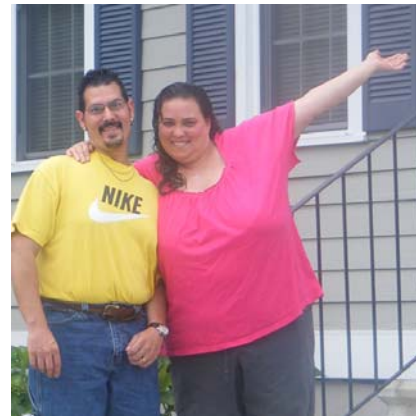


Graphic: HousingWorksRI

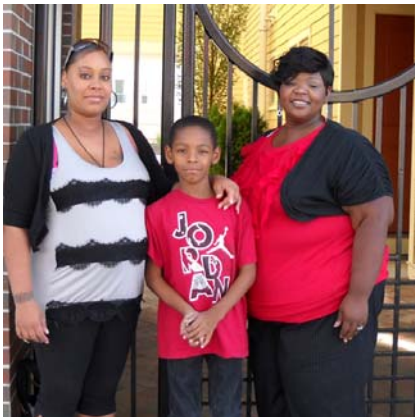
Faces of BHRI



Karen is the first homebuyer at Walker Farm, developed by West Elmwood Housing Development Corp. She and her daughter are happy to have found an affordable home in Barrington.



Renee and Chip purchased their first home in 2010. They say that "homeownership is truly a dream come true." It's possible because of funds from BHRI and NeighborWorks Blackstone River Valley.



Crossroads' Cicely Dove, right, poses with Hyza and her son who were homeless. They made their way to Crossroads, and due to its partnership with Community Works RI they now have an apartment at 770 Broad Street.

BHRI at Work



Turning Point, Providence

- Foreclosed, city-owned property demolished
- Converted to 14 affordable apartments for chronically homeless veterans
- Services provided on-site by Veterans Action, police substation included
- \$590,000 BHRI investment

Revitalization of Tonomy Hill to Newport Heights, Newport:

- 498 barracks-style Section 8 apartments demolished
- Phases I thru IV produced 336 apartments and 7 homeownership opportunities in a mixed income community
- Future Phase V consists of 100 homes
- \$1.3 million BHRI investment





The Need for a Bond

RHODE ISLAND
HAS THE
**FIFTH
LARGEST
HOUSING
AFFORDABILITY
GAP** IN THE
COUNTRY
IN 2012

**50% OF
RENTERS**
ARE PAYING
MORE THAN
THEY CAN
AFFORD FOR
HOUSING

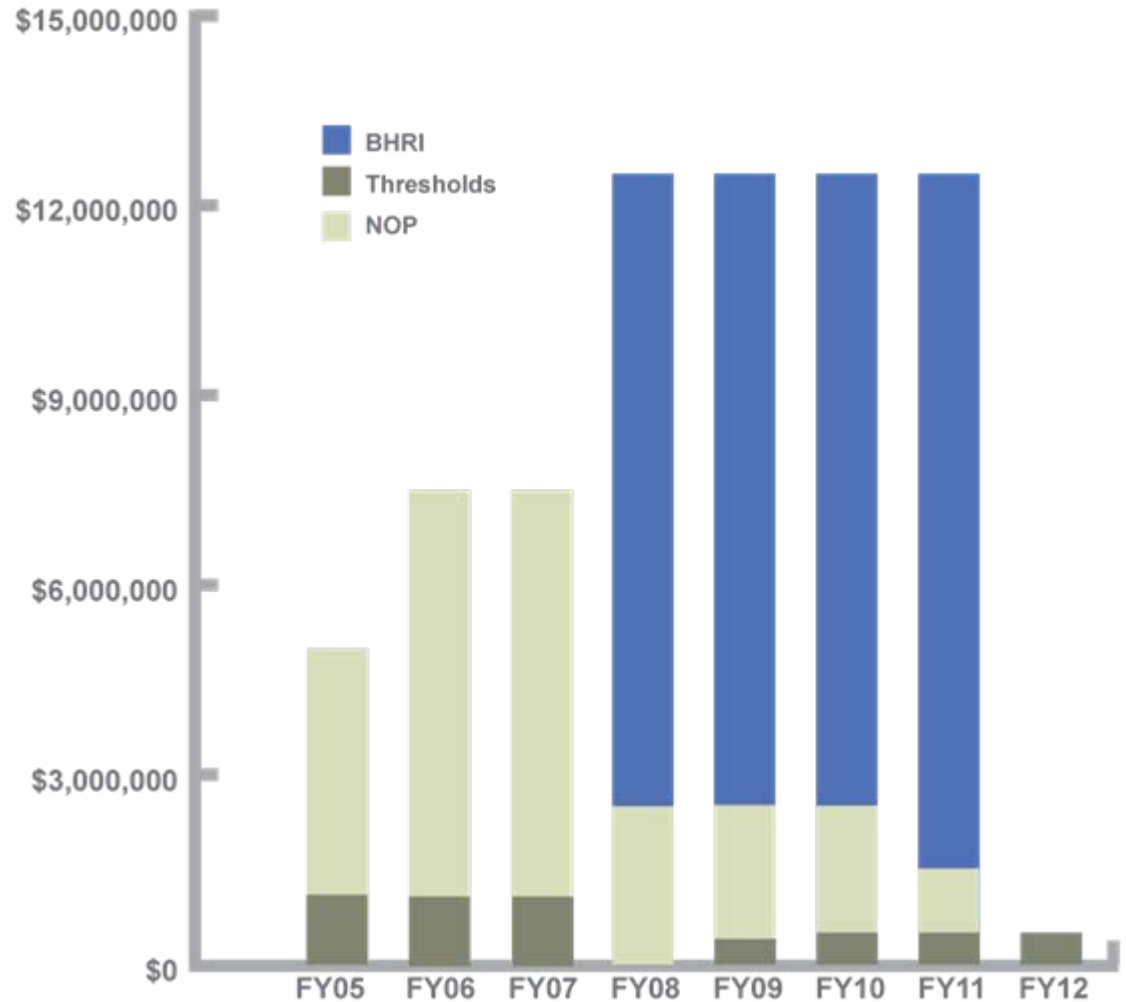
OVER THE LAST
TWO YEARS,
**NEARLY 1 IN
EVERY 10 RI
HOMEOWNERS**
WITH A MORTGAGE
HAS FACED
FORECLOSURE OR
SERIOUS
DELINQUENCY

OF RHODE ISLAND'S
**TOP 50 PROJECTED
GROWTH
OCCUPATIONS**
FROM 2008 TO 2018,
**32 DID NOT EARN
ENOUGH TO
AFFORD THE
AVERAGE 2010
2-BEDROOM
RENT**

BUILDING PERMIT
ACTIVITY IS AT AN
ALL TIME LOW,
**DOWN
74%
FROM
2002**

State Investment (direct spending) in Production of Affordable Homes

FY2012 NOP funded by
Rhode Island Housing at \$1.5 million.





Housing Bond in FY2013 Budget

Governor's proposed budget includes **\$25 MILLION HOUSING BOND** providing \$5 million per year for five years.

This marks an important first step to **RE-ESTABLISH STATE INVESTMENT** in affordable housing.

We recommend that the new bond reflect the same investment level as the 2006 Housing bond: **\$12.5 MILLION PER YEAR, PREFERABLY OVER 4 YEARS** for a total of \$50 million.



Why a Bond?

Affordable homes are a **LONG-TERM ASSET** serving the state's families for more than 30 years.

Bonds will assure that the funds **WILL BE THERE WHEN NEEDED.**

The debt service on the 2006 Housing Bond costs on average less than \$3 million per year for 23 years but has already **GENERATED AN ESTIMATED \$800 MILLION IN ECONOMIC ACTIVITY.**

The 2006 Housing Bond supported nearly 6,100 jobs in Rhode Island, **GENERATING ABOUT \$300 MILLION IN WAGES.**

Construction activity supported by BHRI **ACCOUNTED FOR 53 PERCENT OF THE TOTAL VALUE OF RESIDENTIAL CONSTRUCTION** permitted in Rhode Island from 2007 to 2010.

Many states and **COMMUNITIES USE BONDING TO FUND THE PRODUCTION OF AFFORDABLE HOMES.**



Why Now?

Rhode Island has an **IMMEDIATE NEED** for jobs and homes.

Federal programs have been **CUT ALMOST \$10 MILLION (25%) SINCE 2010** with funding for some key programs eliminated completely.

INTEREST RATES REMAIN NEAR THE LOWEST in recent memory and are expected to stay low during the next one to two years.

There is a pipeline of development **PROPOSALS FOR ABOUT A THOUSAND LONG-TERM AFFORDABLE HOMES** just waiting for the gap financing needed to move forward.

Direct spending on the development of long-term affordable homes in the state budget **DROPPED BY \$14 MILLION (97%) IN FY12.**