



April 29, 2026

The Honorable Marvin Abney
Chair, House Committee on Finance
Rhode Island State House,
Providence, RI 02903

Re: H8408 Support

Dear Chair Abney and members of the Committee:

On behalf of the Housing Network of Rhode Island, our member agencies, and the thousands of low-income Rhode Island households we serve, I write to offer our support of **H8408**, legislation designed to once again make RI's Historic Tax Credit ("HTC") competitive with neighboring states and restore its ability to stimulate sorely needed, location efficient housing production and more transit friendly, walkable and bike-able neighborhoods.

One of RI's key strengths and competitive advantages is our nationally renowned collection of historic buildings and neighborhoods; many located within our Main Street and Downtown districts. Our State can only effectively address our housing crisis and flourish in these volatile times by playing to our strengths with laser like precision.

Fortunately, there is nothing speculative or experimental about the State Historic Tax Credit. It is a time tested, high impact catalyst for housing production and community revitalization.

- In fact, during the last 24 years, the HTC has been Rhode Island's best economic and community development tool, facilitating rehab of 322 historic buildings in urban, suburban and rural communities, representing \$2.18 billion in total investment in RI.
- Its other major benefits include the cleanup of numerous environmentally contaminated sites (aka Brownfields) where many historic buildings are located, the addition of more than 6,000 units of housing, reduced opportunities for vandalism and arson as formerly vacant historic buildings spring back to life, and major increases in the property values and property tax revenue of economically challenged neighborhoods throughout RI.

Despite the HTC's broad positive transformational impact on RI's people and places, it has been hamstrung in recent years by several outdated and uncompetitive features. These include

- A required fee of 3% of Qualified Rehab Expenditures ("QRE's"), the highest in the US, and non-refundable (adding risk). In RI, a project with \$10 million in QRE's pays a 300,000 nonrefundable fee. By contrast, in Connecticut, Maine and Massachusetts, the same size project would pay an HTC processing fee of roughly only \$ 1,000!
- The program currently disadvantages housing creation during an ongoing housing crisis by giving a 25% credit to commercial projects vs. only a 20% credit to housing projects. Again, by contrast, historic rehab housing projects meeting certain criteria get a bonus HTC in several other Northeastern states, including Connecticut and Maine.

- Developers need to be confident the program will be around, and funded, when it's their turn. Currently, Rhode Island's Historic Tax Credit program will sunset in two months, on June 30, 2026. H 8404 provides for a 5 year extension of the HTC, until June 30, 2031. This represents a longer extension than has been the norm in recent years.
- A lack of transparency of the HTC Waiting List due to the fact that Waiting List projects' names, locations, purposes and position in the queue are not shared with participants or the public, making it difficult for projects to plan and meet deadlines, and for other HTC stakeholders to assess the program's evolution and advocate for it.

H8408 addresses these limitations so the HTC can once again be a strong housing and revitalization catalyst. Specifically, the bill provides a reduced filing fee; increasing the credit for housing projects to 30%, and up to 35% for housing projects with a significant affordable component; extending the sunset to 2031 and requiring more waiting list transparency.

Restoring the HTC program's positive impact also requires new funding.

- While H8404 will improve the HTC program substantially, there is a stark reality that reform alone cannot address—the HTC program is virtually out of funding. In fact, there is not enough HTC funding for the State to make commitments to any of the 50 projects on the HTC waiting list as of October 29, 2025. These projects represent a projected total investment of more than \$360 million in Rhode Island, but require collectively \$75.5 million from the State over time to make this investment a reality.
- This is why, as we prioritize fixing the legislative underpinnings of the program through passage of H 8404, we need to concurrently provide a reliable and consistent source of HTC funding, as our neighboring states do.

Since the State HTC for more than two decades has been the best tool for generating major investment in ideal locations for housing and other forms of economic development, we thank you for your past support of it, and urgently request that you reboot this dynamic economic/ community development and housing production program. I'm happy to answer any questions the Committee might have, please feel free to contact me at (401) 721-5680 ext. 104 or mlodge@housingnetworkri.org.

Respectfully submitted,



Melina Lodge, Executive Director