



PROVIDENCE PRESERVATION SOCIETY

March 2, 2021

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Executive Director
Brent Runyon

Representative Marvin L. Abney, Chair
House Finance Committee
Rhode Island General Assembly
Delivered via email

RE: Support of H-5458, a bill Repealing the Sunset for the Historic Tax Credit Program

Dear Representative Abney:

The Providence Preservation Society (PPS) was established in 1956 to respond to the proposed demolition of a number of 18th- and early 19th-century houses on College Hill. Unlike many historic preservation organizations which were formed to preserve a particular building, PPS has always been an advocate for neighborhood revitalization. From that small neighborhood group, PPS has grown into a multifaceted citywide preservation and planning organization.

PPS joins our preservation and planning-oriented sister organizations and advocates across the state in support of H-5458 to repeal the sunset of Rhode Island's historic tax credit program.

In the nineteen years since the State Historic Tax Credit ("HTC") was established, more than 300 historic buildings throughout Rhode Island have been rehabilitated, representing more than \$1.8 Billion in private investment. Other major benefits of the HTC program have been the cleanup of numerous environmentally contaminated sites (aka Brownfields) where many historic buildings are located, the addition of more than 6,000 units of affordable 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 Rhode Island.

In fact, data from Providence, Pawtucket, and Woonsocket indicate that the assessed value of historic buildings rehabbed through the HTC typically increases by 600% and sometimes by more than 1,000%. Moreover, a 2017 study by PlaceEconomics found that **approximately fifty cents of every dollar of Historic Tax Credits is returned to the state** through sales, income, and corporate taxes received before any credits are even awarded, since projects must be complete before state HTC funds are released.

According to the most recent data we have been able to secure from the RI Division of Taxation, there are 36 projects on the HTC waiting list, representing more than a quarter of a billion dollars--- \$276 Million-- in proposed private investment to redevelop historic buildings in Rhode Island. Even while no new state funds have been appropriated to the Historic Tax Credit program since 2013, a small number of projects have been able to move ahead, and will continue to be able to do so if the sunset is repealed. This is

because projects are called up from the long waiting list as funds from prior projects are released – either due to a project using less credits than expected or because a project withdraws from the program and releases its credits.

A repeal of the sunset should not impact the FY'22 State Budget, since no new state HTC appropriation is associated with H- 5458.

We respectfully request that the House Finance Committee support the preservation and real estate development in Rhode Island by recommending the repeal of the HTC sunset.

Sincerely,

A handwritten signature in cursive script that reads "Brent Runyon".

Brent Runyon
Executive Director