



March 2, 2021

**Testimony of Cliff Wood, Executive Director
The Providence Foundation
Submitted to the House Committee on Finance
in support of H-5458, a bill Repealing the Sunset for the Historic Tax Credit Program**

The Providence Foundation has for over four decades followed a mission to advance bold, visionary initiatives that shape the present and future of downtown as the dynamic hub of a vibrant and prosperous Providence. Downtown Providence is the heart of our capital city and its health affects the economic, social, and cultural well-being of our entire state. As goes downtown, so goes Providence; as goes Providence, so goes Rhode Island.

Our downtowns, in Providence and statewide, are economic engines that require support during economic challenges. This support should include leveraging the competitive advantages afforded by our nationally recognized historic buildings and neighborhoods, many located within our Main Street and Downtown sections. To continue to capitalize on these assets, we urge you to support H5458, the bill to extend the State Historic Tax Credit program by repealing its scheduled sunset due to go into effect in less than 4 months – on June 30, 2021.

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 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 find reuse while adding to increases in the property values and property tax revenue. 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%.

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.

The State HTC for nearly two decades has been the best tool for generating major investment in these locations, we thank you for your past support of it and urgently request that you keep this dynamic economic and community development program alive.

Sincerely,

Cliff Wood, Executive Director
The Providence Foundation