



Mayor of Providence

Brett P. Smiley

April 29, 2026

The Honorable Marvin L. Abney, Chair
House Finance Committee
Rhode Island State House
82 Smith Street
Providence RI, 02903

Dear Chair Abney and Honorable Members of the Committee:

I am writing in strong support for House Bill 7803, *An Act Relating to Towns and Cities – Housing – State-Funded Rental Subsidy Program* and House Bill 8408, *An Act Relating to Taxation – Historic Preservation Tax Credits 2013*. Both bills use proven strategies to increase affordable housing in the state and improve the quality of life of Rhode Islanders.

House Bill 7803 would authorize an initial capitalization of \$25 million to create a state-funded rental subsidy program serving some of the state's most vulnerable residents. Eligible households include individuals of families who are experiencing homelessness, at risk of homelessness, or who have a long-term disability and need supportive services. Project-based rental assistance like this program would provide ensures that the subsidy can be committed over a duration that enables development of new, high-quality rental homes for the lowest income and disabled Rhode Islanders that rely on layered subsidies.

A shortage of deeply affordable housing is a primary driver for homelessness, particularly for low-income households and those with long-term disabilities. A state-funded rental subsidy allows the state to respond to the growing homelessness crisis while prioritizing Rhode Islanders with the most need. This program would be a lifeline for the over 50,000 extremely low-income renter households in the state, the majority of which are struggling to pay for housing and basic needs. Providing stable housing is less expensive than emergency systems, including shelters, hospital visits, and other crisis services; this program would reduce public costs while creating and preserving deeply affordable units, benefitting all Rhode Islanders.

House Bill 8408 would extend the Historic Tax Credit's sunset to June 30, 2031, increase the tax credit to 30 percent for all qualifying projects and to 35 percent if the project incorporates a certain percentage of affordable housing, and lower the filing fee to a more manageable 1 percent for qualifying projects. The Rhode Island Historic Tax Credit can be used to make preservation work more affordable for the restoration of historic income-producing buildings. The Credit has been a proven tool to expanding the state's housing stock, with about 20 percent of all new housing in Rhode Island, including 20 percent of all affordable housing, being supported by this program from 2014 to 2024 according to Preserve Rhode Island. Historic Tax Credits across the country are being used to not only address the housing shortage, but also as drivers of economic and community development. A 2017 study by PlaceEconomics showed that every \$1 investment into the program results in over \$10 in economic activity.

In Providence, we are taking a proactive approach to addressing the housing shortage and affordability crisis by focusing on production, preservation, and protection. Since taking office, my Administration has

streamlined the development process, aligned housing with health and human services, and incentivized long-term affordable housing options. As a result, Providence is on track to exceed the state's housing production target and is building more homes per capita than other larger municipalities. By pairing tenant protections, such as Right to Counsel and the recently announced Rental and Essential Needs Transition (RENT) Fund, with investments in housing supply and stabilization, the City is working to prevent displacement while addressing the structural drivers of housing instability.

Proven, targeted housing protection strategies, such as those employed by the City of Providence and the ones proposed in these bills, are critical to ensuring housing stability, preventing displacement, and enabling timely rehousing when homelessness occurs.

I thank the sponsors of these important pieces of legislation and respectfully urge the Committee to vote in favor of these bills.

Sincerely,

A handwritten signature in black ink that reads "Brett Smiley" followed by a vertical line.

Brett P. Smiley
Mayor