

THE PROVIDENCE FOUNDATION

March 5, 2026

The Honorable Stephen Casey
Chair
House Municipal Government and Housing Committee
Rhode Island House of Representatives

RE: H 8006 – “An Act Relating to Taxation – Levy and Assessment of Local Taxes”

Dear Chair Casey and Honorable Members of the Committee:

As you know, housing is an issue of great concern in Rhode Island. As the executive director of The Providence Foundation, I am in meetings regularly with partners and government officials discussing this challenge in our capital city. Individuals and families need housing at all levels of the spectrum from affordable housing requiring rental assistance dollars, to workforce, to market rate. Yet, it seems, the remedy to this issue plaguing our state is clear – we need more housing built.

On behalf of The Providence Foundation, I want to express the staunch support of our 140 members for H-8006 and the important policies that promote housing conversions as a strategy to address Rhode Island’s ongoing housing crisis.

For the last six years, Rhode Island has benefited from Speaker Joe Shekarchi’s housing agenda to reignite housing builds in our state, among other forward-looking policies. We are grateful he has once again put housing at the top of the 2026 agenda and released another strong package, including this bill, to build upon the General Assembly’s efforts.

In 1994, “8-Law” was created to help address the housing shortage of that time. According to a Rhode Island Housing 2024 report, 257 developments were created in vacant spaces in Rhode Island generating \$17.4 M in taxes while utilizing the “8-Law” tool.¹ H-8006 would offer several provisions that aim to increase much-needed housing supply at various price points and in turn, much needed tax revenue to support the capital city and other municipalities.

The Providence Foundation supports this legislation for the following reasons:

1. Section (b)(2) of this bill provides that stable, predictable tax treatment for residential housing developments. Both for profit and nonprofit developers that build housing are looking for a firm financial foundation on which to invest in the project they hope to build. This provision supplies what we need to attract people to participate in conversions. Without it, the potential of new housing units will be in jeopardy.

¹ <https://www.rihousing.com/wp-content/uploads/2024-Report-on-RIHousing-Development-Activity-and-8-Tax.pdf>

2. Conversions are a strategic tool in the economic development toolbox, leading to increased tax revenue for municipalities. Though conversions can look to be costly up front, the broad view reveals that the cost of not converting these otherwise partially empty buildings would be more harmful.

Conversion projects produce immediate jobs, tax revenue for the long term, and by injecting more housing into the mix in an area like Downtown Providence, they attract more people and produce a ripple effect on the economy in the surrounding neighborhood and beyond.

The conversion of these buildings will expand the city's tax base, not only through the injection of new residents, but also through the rise of the surrounding property values. Conversely, a partially empty building fails to produce the tax revenue needed for the city in which it sits and even affects the surrounding building values.

3. Conversions provide a rare opportunity to utilize existing buildings for housing, while preserving the character of residential neighborhoods, including that of Downtown Providence. According to MG Commercial as cited in a recent Providence Business News interview, the Downtown Providence commercial vacancy rate is nearly 20 percent following the pandemic and the transition to a work-at-home option for many companies.² As a result, there are office and commercial buildings ready to be converted into apartments now.

The Providence Foundation has always supported maintaining the unique architectural and cultural heritage of our city. One does not have to look beyond Westminster Street in Downtown Providence to appreciate the economic and cultural benefits of historic preservation. Thus, H 8006 preserves our history and addresses an important housing need.

Why is this bill so important now?

On May 16, 2025, The Providence Journal's Patrick Anderson reported Rhode Island was ranked last in the nation in housing starts according to the latest Census figures.³ We all know the lack of adequate housing is a detriment to the economic well-being of the state, as housing is a basic need and the foundation on which a person or family builds their life and the supportive community around them. We have moved some, but not significantly enough. This process takes time and the smarter the programs we put in place, the better off our capital city and state will be.

It is no secret that Providence's non-competitive commercial property tax rate has hindered the type of development, such as housing, which is desperately needed in Rhode Island's capital city. According to the Lincoln Land Institute, Providence ranks third nationally for the highest

² <https://pbn.com/five-questions-with-leeds-mitchell-iv/>

³ <https://www.providencejournal.com/story/news/local/2025/05/16/ri-home-building-slowest-in-continental-us-in-new-census-numbers/83652141007/>

effective commercial property tax rate in the country.⁴ At a time when housing prices soar across Rhode Island, The Providence Foundation fully supports efforts to create predictable tax treatment for housing conversions, while advocating affordability for all. Making certain that converted housing remains accessible to a broad range of residents will help grow our population while making Providence and other communities enticing for businesses.

For the past 50 years, The Providence Foundation has advocated for bold visionary land use changes that have transformed Downtown Providence. From moving rivers and highways to activating new open spaces, we have worked persistently throughout the decades making Downtown Providence a welcoming place for residents, business, and visitors alike. We made these strides in our capital city with the support of this legislative body at that time. The history we built together is greatly appreciated, and our members hope you will consider H 8006 to further the growth and economic well-being of downtown.

The Providence Foundation and our members respectfully urge the Committee and the House of Representatives to approve H 8006.

Sincerely,

A handwritten signature in blue ink that reads "David A. Salvatore". The signature is written in a cursive, flowing style.

David Salvatore
Executive Director
The Providence Foundation

⁴ *50-state property tax comparison study*. Lincoln Institute of Land Policy. (2025, July).
<https://go.lincolnst.edu/50-state-property-tax-comparison-for-2024.pdf>