



March 31, 2026

The Honorable Stephen Casey
Chair, House Municipal Government and Housing Committee
Rhode Island State House, 82 Smith Street, Providence RI 02903

Re: Comments on H8142

Dear Chair Casey and Members of the Committee:

On behalf of the Housing Network of Rhode Island (HNRI) and our alliance of members, partners, and low-income Rhode Islanders we seek to serve, I write to respectfully submit the following comments regarding H8142, *An Act Relating to State Affairs and Government – Residential Reuse Incentive Act*.

HNRI strongly supports the goal of incentivizing the conversion of vacant or underutilized buildings into housing. Adaptive reuse can be an important tool in expanding Rhode Island's housing supply, particularly in communities with historic building stock and underutilized commercial properties, and we applaud the General Assembly for passing legislation in recent years that has reduced barriers to this kind of residential conversion. Our nonprofit developer members have been actively engaged in similar redevelopment efforts and recognize both the opportunity and the complexity these projects entail. We understand the bill is well-intentioned and offer the following comments for consideration:

- 1) As drafted, the program is not sufficiently targeted to adaptive reuse and could be applied to a broad range of development types. Given limited public resources, we believe funding should be more clearly focused on projects that would not otherwise be feasible without targeted reuse incentives.
- 2) The affordability requirements outlined in the bill (20% of units affordable or 10% of units affordable at 50% AMI) do not align with the standards required by the federal Low Income Housing Tax Credit (LIHTC) program, which is a critical financing tool for most affordable housing developments. Misalignment with LIHTC requirements may make it difficult to layer funding sources, ultimately limiting the effectiveness of the program.
- 3) Several provisions in the bill, including prevailing wage requirements for projects over \$25 million, apprenticeship requirements for projects over \$10 million, and requirements related to union pension fund investment, would significantly increase development costs and reduce the pool of eligible contractors. While well-intentioned, these provisions could unintentionally constrain production rather than accelerate it, at a time when Rhode Island is already facing high construction costs and labor shortages.
- 4) Finally, the bill prioritizes projects that serve specific categories of workers through employer- and union-linked partnerships. While we agree with the intention to support housing opportunities for health or education workers, restricting eligibility in this way

raises potential Fair Housing concerns and may conflict with other state and federal funding sources that prohibit tenant selection preferences based on employment sector.

There is no question that adaptive reuse projects are complex and often require additional subsidy to be feasible. HNRI would welcome continued dialogue on how to structure a program that effectively supports these developments while aligning with existing financing tools and maximizing impact. We welcome the opportunity to work with the bill sponsor and Committee to refine this legislation to better align with existing housing programs and development realities. Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink, reading "Melina Lodge". The signature is written in a cursive, flowing style.

Melina Lodge, MCP
Executive Director