



GrowSmartRI
Sustainable Economic Growth
& Quality of Place

The State Historic Tax Credit: A Proven Catalyst for Community Revitalization and Housing Development



**Presentation to the Special RI House Commission to Study Land Use
by Scott Wolf, Executive Director, Grow Smart RI**

Highlights of the State Historic Tax Credit Program

Paragon Mills
PROVIDENCE, RI

BEFORE

Paragon Mill: Completed in 2023, Paragon Mill (Providence) was a \$32 million project that created 101 apartments, including low- and middle-income units, and commercial space.





Highlights of the State Historic Tax Credit Program

- Leverages RI's competitive advantage -our historic buildings and neighborhoods
- Since 2002, over 300 historic buildings rehabbed in 24 of 39 cities & towns
- *Over \$2 billion investment in state's economy*
- *Increased municipal revenue*
- *Valuation of some buildings increased 600%-1000%*

Most successful Economic & Community Development Engine for RI in the last generation!

AFTER

**PARAGON MILLS
Providence, RI**

Unity Park

Bristol, RI

Pivotal Brewing
BEFORE



BEFORE

Unity Park

Bristol, RI

Pivotal Brewing AFTER

Unity Park: Once abandoned, Unity Park (Bristol) is now home to “blue economy” businesses, restaurants, a coffee shop, brewery and distillery, creating a dynamic new commercial center in town.





Multiple Benefits Beyond the Obvious

- Housing
- Main Street & Downtown Revitalization
- Reducing development pressure on green space
- Attracting talent & tourists
- Brownfield Cleanup
- Crime reduction

390 Pine Street: Shri Studios (Pawtucket) converted an abandoned factory building into yoga and art studios, a food bank, cafe and 8 mixed-income apartments, serving adults with intellectual disabilities and the surrounding community

A Successful but Bumpy Ride

- State vs local/private benefits (small picture vs. big picture)
- Suspended in 2008 (with existing projects)
- Limited revival in 2013
- Commercial vs. residential priorities
- Current lack of funding
- Regulations not competitive with nearby states

Arctic Mill: Arctic Mill (West Warwick) was converted into 136 apartments, including 31 workforce housing units, thanks to RI's Historic Tax Credit program

HTC Program Features Requiring Reform

- Processing Fee
- Prevailing Wage requirement
- Residential projects vs. commercial
- Short term program sunsets
- Confusing & nontransparent waiting list

Ashton Mill Village: A former mill village, Ashton Mill Village (Cumberland) is now home to affordable housing units thanks to RI's Historic Tax Credit.



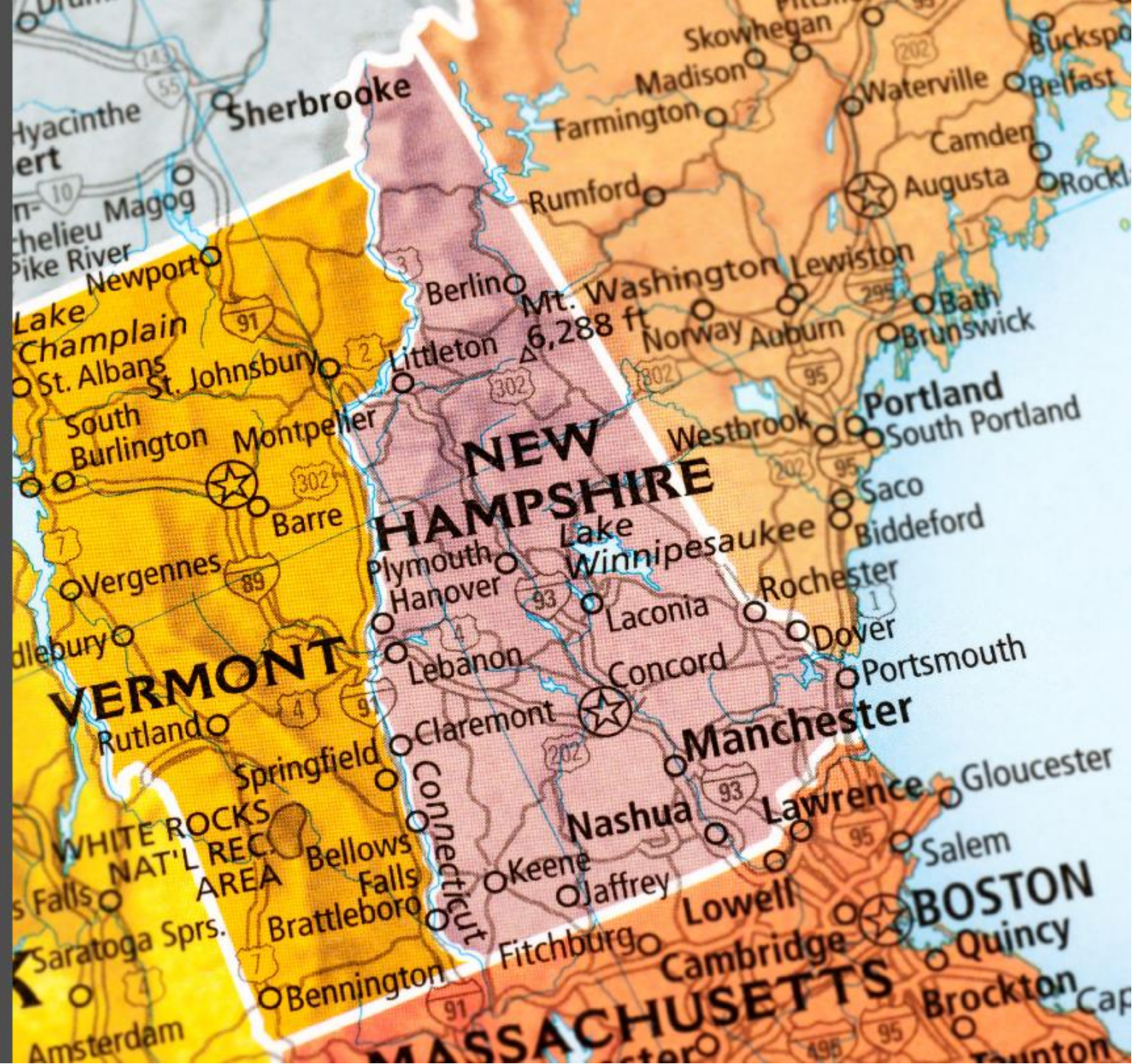


Proposed HTC Reforms by Grow Smart RI and Preserve RI

- Create predictable funding for state historic tax credits
- Create incentives for housing projects
- Make the new wage requirements useable
- Fix administrative obstacles
- Extend the sunset
- Make the status of the queue public
- Manage the queue more efficiently

Nearby States are Strengthening their HTC programs

- Many other states appropriate funds annually to their programs.
- Connecticut makes \$31.7 Million available each fiscal year
- Massachusetts recently doubled its allocation to \$110 Million per year for the next ten years.
- Maine's program does not have a spending cap.



Conclusion

- To compete as a small state, Rhode Island needs to play to its strengths and advantages.
- We don't have cheap, abundant greenfield land like big states, but we can compete effectively for companies, talent, and tourists seeking charming, historic neighborhoods.
- To address the current housing crisis, we must support major reform and recapitalization of the HTC.
- It's the proven edge we need now more than ever!



Pontiac Mill: An abandoned mill in extremely poor condition, Pontiac Mill (Warwick) is now home to 133 apartments and almost a dozen commercial tenants.