



Mayor of Providence

Brett P. Smiley

May 7, 2026

The Honorable Louis P. DiPalma, Chair
Senate Finance Committee
Rhode Island State House
82 Smith Street
Providence RI, 02903

Dear Chair DiPalma and Honorable Members of the Committee:

I am writing in strong support for Senate Bill 2681, *An Act Relating to Towns and Cities – Housing – State-Funded Rental Subsidy Program*. If enacted, this legislation would authorize an initial capitalization of \$25 million to create a state-funded rental subsidy program.

The rental subsidy program will serve 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. This type of project-based rental assistance 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.

Senate Bill 2681 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.

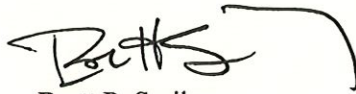
In Providence, we are taking a proactive approach to addressing the housing shortage and affordability crisis by focusing on production, preservation, and protection. Since taking office, my Administration has streamlined the development process, aligned housing with health and human services, and incentivized

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 state-funded rental subsidy, are critical to ensuring housing stability, preventing displacement, and enabling timely rehousing when homelessness occurs.

I thank the sponsor of this important legislation and respectfully urge the Committee to vote in favor of Senate Bill 2681.

Sincerely,

A handwritten signature in black ink, appearing to read "Brett P. Smiley", with a large, sweeping flourish extending to the right.

Brett P. Smiley
Mayor