



**GrowSmartRI**  
Sustainable Economic Growth  
& Quality of Place

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May 18, 2026

Chairman Lou DiPalma

RI State Senate Committee on Finance

Re: Senate Bill S-3151—Grow Smart RI supports this bill to reform and strengthen the State Historic Tax Credit Program

Submitted to Jamie Plume, Committee Clerk:

[SenateFinance@rilegislature.gov](mailto:SenateFinance@rilegislature.gov).

Dear Chairman DiPalma and Honorable Members of the Committee:

Grow Smart RI is Rhode Island's statewide smart growth advocacy organization. For 28 years, we have represented a big-tent coalition of business and civic leaders, and community stakeholders committed to designing and developing our communities in ways that put people first by strengthening our Downtowns and Main Streets, expanding affordable transportation and housing options, improving access to daily physical activity and protecting RI's beauty, magic and soul.

We are convinced that our State can only effectively address our housing crisis and flourish in these volatile times by playing to our strengths with laser like precision. One of RI's key strengths and competitive advantages is our nationally renowned collection of historic buildings and neighborhoods; many located within our Main Street and Downtown districts.

**For these reasons and more, we strongly advocate passage of S 3151. This bill, introduced by your esteemed colleague Senator Bissaillon, and co sponsored by 4 other Senators, is designed to make RI's Historic Tax Credit ("HTC") competitive with neighboring states and help restore its ability to stimulate sorely needed, location efficient housing production and more transit friendly, walkable and bikeable neighborhoods.**

**The HTC Program: A Sound Investment with Major Dividends**

Fortunately, there is nothing speculative or experimental about the State Historic Tax Credit. It is a time tested, high impact catalyst for housing production and community revitalization.

During the last 24 years, the HTC has been Rhode Island's best economic and community development tool, facilitating rehab of 324 historic buildings in urban, suburban and rural communities, representing \$2.18 billion in total investment in Rhode Island.

Other major benefits of the HTC include the cleanup of numerous environmentally contaminated sites (aka Brownfields) where many historic buildings are located, the addition on a net basis of nearly 5,600 units of housing, reduced opportunities for vandalism and arson as formerly vacant historic buildings spring back to life, and major increases in the property values and property tax revenue of economically challenged municipalities throughout RI.



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In fact, data from Providence, Pawtucket and Woonsocket indicate the assessed value of historic buildings rehabbed through the HTC typically increases by 600% and sometimes by more than 1,000%.

## HTC Reforms Sorely Needed to Get the Program Back on Track

The credits were designed to help cover the additional costs of historic rehabilitation (asbestos and lead paint removal, environmental cleanup, structural repairs, etc.), putting these projects on a level playing field with new construction. **While once a model other states emulated, over time RI has added fees and restrictions that often outweigh the HTC's tax benefits**

Examples of what makes the current program impractical and uncompetitive include:

1. A required fee of 3% of Qualified Rehab Expenditures ("QRE's"), the highest in the nation, which is also non-refundable (adding risk). In RI, a project with \$ 10 million in QRE's pays a non refundable fee of \$ 300,000. By contrast, in Connecticut, Maine and Massachusetts, the same size project would pay an HTC processing fee of roughly only \$ 1,000!
2. The program currently disadvantages housing creation during an ongoing housing crisis by giving a 25% credit to commercial projects vs. only a 20% credit to housing projects. Again, by contrast, historic rehab housing projects meeting certain criteria get a bonus State Historic Tax Credit in several other Northeastern states, including Connecticut and Maine.
3. Developers need to be confident the program will be around, and funded, when it's their turn. Currently, Rhode Island's Historic Tax Credit program will sunset in less than two months, on June 30, 2026. S 3151 provides for a 5 year extension of the HTC, until June 30,2031. This represents a longer extension than has been the norm in recent years.
4. A lack of transparency of the HTC Waiting List due to the fact that Waiting List projects' names, locations, purposes and position in the queue are not shared with participants or the public, making it difficult for projects to plan and meet deadlines, and for other HTC stakeholders to assess the program's evolution and advocate for it.

**Senate Bill 3151 addresses these and other limitations to enable the program to once again be a strong housing and revitalization catalyst. Specifically the bill provides for a reduced filing fee; increasing the credit for housing projects to 30%, and up to 35% for housing projects with a significant affordable component; extending the sunset to 2031 and requiring more transparency for the HTC Waiting List.**

## Restoring the HTC Program's Impact Also Requires New Funding

While S 3151 will improve the HTC program substantially, **there is a stark reality that reform alone cannot address—the HTC program is virtually out**



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**of funding.** In fact, our latest update from the RI Division of Taxation indicated that there was not enough HTC funding for the State to make commitments to **Any** of the 53 projects on the HTC waiting list as of April 27, 2026. **These projects represent a projected total investment of more than \$ 434 million in Rhode Island, but require collectively \$ 88.5 million from the State over time to make this investment a reality.**

This is why, as we prioritize fixing the legislative underpinnings of the program through passage of S 3151, **we need to concurrently provide a reliable and consistent source of HTC funding, as our neighboring states do.** In fact, many other states appropriate funds annually to their HTC 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. **We therefore urge this Committee and the full General Assembly to resume making a significant allocation to the HTC.**

As a state whose Main Streets and Downtowns ooze charm and a profound sense of history, it is critical that we invest strategically in these RI showpieces and economic workhorses. Since the State HTC for more than two decades has been the best tool for generating major investment in ideal locations for housing and other forms of economic development, **we thank you for your past support of it, and urgently request that you reboot this dynamic economic/community development and housing production program**

Sincerely,

Scott Wolf, Executive Director, Grow Smart RI