



Mayor of Providence

Brett P. Smiley

The Honorable Steven Casey
House Municipal Government and Housing Committee
Rhode Island State House
82 Smith St
Providence RI, 02903

Dear Chairman Casey and Honorable Members of the Committee:

I write this letter in strong support of HB 7651 - relating to taxation -- levy and assessment of local taxes. This law, as currently written, is ambiguous on application and has resulted in unsustainable tax rates for large properties in the City of Providence. This is clearly not the original intent of this tool and this legislation would provide much needed clarity to this process and incentivize the creation of affordable housing units that are desperately needed in our community.

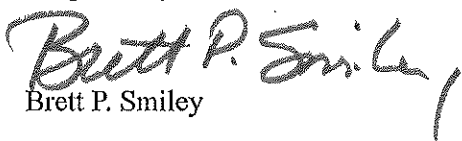
If passed, this legislation will clarify that only residential properties and new or rehabilitated residential affordable housing units would be subject to the tax under § 44-5-13.11 relating to taxation of low-income housing. This legislation will also ensure that only the units that are deemed low and moderate income as defined by the Low and Moderate-Income Housing Act, will be eligible for the tax benefit created by this statute. It would also ensure that no commercial development will be allowed to qualify for this treatment.

These language clarifications are essential in ensuring that all properties that receive this benefit are in fact in line with the intent of the legislation. This amendment also allows assessors to create better procedures to hold these properties in compliance, a key aspect of the law that is currently missing.

Additionally, HB 7651 ensures that new construction projects that provide accessible and affordable housing units will also be allowed to receive this incentive. As currently written this tax treatment can only be applied to developments that are considered "substantially rehabilitated".

There is a national housing crisis that has been felt across the State of Rhode Island and here locally in Providence. As leaders, we should be encouraging the development of more affordable units in any way we can while protecting the local municipalities where we build these units. Because of these reasons, I urge the committee to strongly consider voting yes on House Bill 7651.

Respectfully,



Brett P. Smiley

Mayor