



# RESOLUTION OF THE CITY COUNCIL

*No. 244*

**EFFECTIVE May 11, 2025**

WHEREAS, the Providence City Council is committed to policies that prioritize fair taxation and revenue sources, equitable housing, preventing displacement, and supporting the well-being of all residents, particularly low- and moderate-income individuals and families; and

WHEREAS, HB5688 and SB963 are currently under consideration and contains provisions that would have significant consequences on low-income housing, community stability, and revenue collection in Providence; and

WHEREAS, the singular purpose of Section 44-5-13.11 of the Rhode Island General Laws (commonly known as the "8 Law") is, as stated in the section title, to govern the assessment and taxation of qualifying low-income restricted housing by allowing qualifying properties to pay a property tax rate equal to eight percent (8%) of the previous year's gross scheduled rental income; and

WHEREAS, 8 Law is used broadly in Providence to maintain the availability of deed-restricted low-income housing but has also been misapplied in our city to luxury developments, which secure significant tax breaks without delivering low-income housing, thereby putting a strain on the municipal tax base and the city's ability to collect revenue for the public good; and

WHEREAS, in light of shifting workplace trends and a growing number of vacant commercial properties, the City of Providence needs thoughtfully designed incentives—grounded in rigorous study and fiscal analysis—to support the conversion of office space into residential units, rather than relying on the repurposing of tax treatments intended for low-income housing; and

WHEREAS, the Providence City Council endorses a revision of Subsection A to allow the application of 8 Law when a minimum of 40% of units in a particular development are restricted to 60% or less of the AMI, or 60% of units are restricted to 80% or less of the AMI; and

WHEREAS, Subsection B applies a state law intended to preserve the availability of low-income housing to commercial property owners intending to convert their property to residential units, without income restrictions on those units, and gives those property owners the right to apply the state's best option to maintain low-income housing towards market-rate units for 30 years, at great strain to the municipality's revenue collection options; and

WHEREAS, Subsection B also poses a risk of displacement to existing tenants, including small business owners and artists, such as those who are members of the Atlantic Mills Tenants Union (AMTU); and

WHEREAS, the Providence City Council recommends either removing Subsection B of HB5688 and SB963 altogether or holding developers who convert commercial properties to residential units to the same standards as above—i.e., a minimum of 40% of units in a particular development restricted to 60% or less of the AMI, or 60% of units restricted to 80% or less of the AMI—and also ensuring that the section applies only when the building is at least 90% unoccupied; and


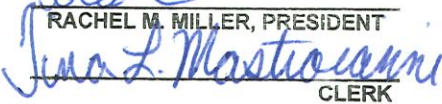
WHEREAS, Subsection D would allow existing "8 Law Agreements" to continue, thereby exploiting a loophole in the state law that establishes a tax rate to maintain the availability of low-income housing and instead allows market-rate and luxury developments to benefit at the expense of the municipalities involved; and

WHEREAS, Providence has a history of displacement, and it is the responsibility of city and state leaders to legislate equitable housing and taxation policies, rather than incentivizing luxury developments at the cost of affordability and community stability;

NOW, THEREFORE, BE IT RESOLVED, that the Providence City Council urges state legislators to amend HB5688 and SB963, aligning Subsection A with higher standards and rejecting Subsections B and D, which fail to align with the city's commitment to fair taxation, housing justice, and equitable development; and

BE IT FURTHER RESOLVED, that a copy of this resolution be transmitted to Speaker Shekarchi, Senate President Lawson, Governor McKee, and Mayor Smiley, urging them to support the above-mentioned revisions in order to prioritize housing and taxation policies that genuinely serve the needs of Providence residents and the residents of all cities and towns statewide.

IN CITY COUNCIL  
MAY 01 2025  
READ AND PASSED, *As Amended*

  
RACHEL M. MILLER, PRESIDENT  
  
CLERK

Effective without the  
Mayor's Signature  
  
Tina L. Mastroianni  
City Clerk

2025 -- H 5688

LC001479

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Representatives Speakman, Casey, Kislak, and Diaz

Date Introduced: February 26, 2025

Referred To: House Municipal Government & Housing

(Providence)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-5-13.11 of the General Laws in Chapter 44-5 entitled "Levy and  
2 Assessment of Local Taxes" is hereby amended to read as follows:

3 **44-5-13.11. Qualifying low-income housing — Assessment and taxation.**

4 (a) Any residential property that has been issued an occupancy permit on or after January  
5 1, 1995, ~~after substantial rehabilitation as defined by the U.S. Department of Housing and Urban~~  
6 ~~Development~~ and is encumbered by a covenant recorded in the land records in favor of a  
7 governmental unit or Rhode Island housing and mortgage finance corporation restricting ~~either or~~  
8 ~~both the rents that may be charged to tenants of the property or~~ the incomes of the occupants of ~~the~~  
9 ~~property is,:~~

10 (1) At least forty percent (40%) of the rental dwelling units in the property to levels  
11 affordable to households at or below eighty percent (80%) statewide area median income, adjusted  
12 for family size; or

13 (2) At least thirty percent (30%) of the rental dwelling units in the property to levels  
14 affordable to households at or below sixty percent (60%) statewide area median income, adjusted  
15 for family size, as established by § 45-53-3 are subject to a tax that equals eight percent (8%) of  
16 the property's previous years' gross scheduled rental income or a lesser percentage as determined  
17 by each municipality.

18 (b) Any residential rental housing that is created by converting an existing building, from  
19 non-residential use, and is issued an occupancy permit, shall be subject to a fixed percentage of the

1 prior year's gross scheduled rental income for the following thirty (30) years as outlined below:

2	<u>Year</u>	<u>Schedule</u>
3	<u>1</u>	<u>8%</u>
4	<u>2</u>	<u>8%</u>
5	<u>3</u>	<u>8%</u>
6	<u>4</u>	<u>8%</u>
7	<u>5</u>	<u>8%</u>
8	<u>6</u>	<u>8%</u>
9	<u>7</u>	<u>8%</u>
10	<u>8</u>	<u>8%</u>
11	<u>9</u>	<u>8%</u>
12	<u>10</u>	<u>8%</u>
13	<u>11</u>	<u>8%</u>
14	<u>12</u>	<u>8%</u>
15	<u>13</u>	<u>8%</u>
16	<u>14</u>	<u>8%</u>
17	<u>15</u>	<u>8%</u>
18	<u>16</u>	<u>10%</u>
19	<u>17</u>	<u>10%</u>
20	<u>18</u>	<u>10%</u>
21	<u>19</u>	<u>10%</u>
22	<u>20</u>	<u>10%</u>
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28	<u>26</u>	<u>12%</u>
29	<u>27</u>	<u>12%</u>
30	<u>28</u>	<u>12%</u>
31	<u>29</u>	<u>12%</u>
32	<u>30</u>	<u>12%</u>

33 (c) The term "residential property" as used in this section shall not include any portion of  
34 a mixed-use building that is not used as a residence or in service of a residence. In those instances.

1 property owners shall provide evidence deemed necessary by the local assessor to demonstrate the  
2 fractional portion of each property that should be taxed at the appropriate non-residential rate. The  
3 assessor shall then tax the residential portion at the appropriate rate set in subsections (a) or (b) of  
4 this section, and the remainder at the appropriate non-residential rate.

5 (d) For those properties that have been approved for tax treatment under this section by an  
6 assessor as of December 31, 2024, the manner in which the assessor has applied this statute in the  
7 past may continue receiving any previously established tax rate agreed to by the municipality and  
8 the property owner unless the property owner affirmatively rejects the same. Said prior tax  
9 treatment is transferrable to any subsequent property owner if the conditions of the tax treatment  
10 are met by the new owner to the satisfaction of the assessor.

11 (e) Creating low-income housing and creating new housing through adaptive reuse are  
12 matters of state-wide concern. For that reason, no city or town shall have the authority to tax  
13 properties qualifying for and utilizing this section at any rate higher than otherwise provided for in  
14 this section.

15 SECTION 2. This act shall take effect upon passage.

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LC001479  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

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1           This act would provide an 8% tax rate for those properties that are encumbered by a deed  
2 restriction for low-income housing set at 80% or 60% of adjusted median income established by  
3 HUD, and would provide a tax stabilization schedule for those buildings which are converted to  
4 residential properties starting at 8% of rent rolls and gradually increasing over thirty (30) years.

5           This act would take effect upon passage.

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LC001479  
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2025 -- S 0963

LC001613

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Senators Mack, Bissailon, Zurier, Quezada, and DiMario

Date Introduced: April 10, 2025

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

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