



Hawaii
Children's Action Network
Building a unified voice for Hawaii's children

March 22, 2016

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To: Senator Breene Harimoto, Chair
Senator Brickwood Galuteria, Vice Chair
Senate Committee on Housing

From: Deborah Zysman, Executive Director
Hawaii Children's Action Network

Re: **HB 2166 HD1– Relating to Income Tax Credits – Support**
Hawaii State Capitol, Conference Room 225, March 22, 2016 – 2:50 PM

On behalf of Hawaii Children's Action Network (HCAN), formerly Good Beginnings Alliance, we are writing in support of HB 2166 HD1 – Relating to Income Tax Credits.

HCAN is committed to improving lives and being a strong voice advocating for Hawai'i's children. Last fall, HCAN convened input in person and online from more than 50 organizations and individuals that came forward to support or express interest for a number of issues affecting children and families in our state that resulted in the compilation of 2016 Hawai'i Children's Policy Agenda, which can be accessed at <http://www.hawaii-can.org/2016policyagenda>.

HCAN supports this the original language in this initiative to increase the low-income household renters credit from \$50 to a maximum value of \$150 per qualified exemption for households. This bill also adjusts the income threshold to allow households with an adjusted gross income of less than \$60,000 to claim the credit.

The low-income household renters credit was created nearly 40 years ago but the last update was in 1989 when the income threshold was increased. However, the tax credit has not been adjusted since 1981. This proposed change adjusts the credit values to make up for decades of inflation and neglect. Additionally, the credit will be tiered to better focus on those most in need and gradually phase-out as household income increases.

Housing is highest cost burden for families followed by childcare as a percentage of the overall family budget. More than half of renter-households spend more than 30 percent

of their income on rent. We desperately need to alleviate the burden on renter families that are struggling to afford housing.

We need sound policies and stable funding sources that address the chronic housing shortage and bridge the economic gap for families to afford safe and secure housing, especially those with young children. Without state investments, we could see our state continue to lead the nation in growing rates for homelessness and unsafe and unstable housing.

Homeless Children: Hawaii has the highest homeless rate in the nation. It's estimated that one-third of the homeless in Hawaii are children.

Unstable Housing: Many of our families may not be living on the street or the beach, yet they don't have permanent housing -- they stay with friends and family -- moving frequently.

High cost of housing for families: 60 percent of households with young children in Hawaii pay more than 30% of their income for housing.

We need solutions and improved outcomes for our most vulnerable populations. Let's build a comprehensive affordable housing program that helps families at every stage secure stable housing options and allows us establish greater economic stability and a healthier thriving community.

For these reasons, HCAN respectfully requests that the committee vote to pass this bill and restore provision of original language.