



April 3, 2023

The Honorable Anna Caballero
Chair, Senate Committee on Governance and Finance
State Capitol, Room 407
Sacramento, CA 95814

RE: SB 569 (Glazer) - Taxation: renter's credit - SUPPORT

Dear Chair Caballero,

On behalf of All Home, I am writing in support of SB 569 (Glazer), which would make the Renter's Tax Credit (RTC) refundable and index it to inflation. All Home is a Bay Area organization that advances regional solutions to disrupt the cycles of poverty and homelessness and create more economic mobility for people with extremely low incomes.

The majority of Californians with low and extremely low incomes are renters, and the vast majority are renting on the private market without any assistance. A lack of affordable housing, surging rental prices and stagnating wages across the state have made it increasingly difficult for renters to afford their housing costs, and are directly contributing to homelessness in our communities. Half of California's renters pay more than 30% of their monthly income on rent, and almost a third of renters pay 50% or more of their income on rent each month. For people of color, rent burdens are even greater: 60% of Black renters and 55% of Latino renters pay more than a third of their monthly income on rent. Despite temporary measures like the Golden State Stimulus and the eviction moratoria passed during the COVID-19 pandemic, California's affordability crisis for renters is decades in the making, and will continue to worsen without action.

SB 569 would provide crucial relief to renters throughout the state by making the RTC refundable. California's RTC for joint filers earning \$98,440 or less is \$120, and \$60 for single filers earning \$49,220 or less. Currently, California's RTC is nonrefundable, and only reduces a household's tax liability without providing any cash refund. Making the RTC refundable would particularly benefit low and extremely low income renters who are likely to have a lower tax liability and a higher refund. For people with extremely low incomes, this money can be used to help meet their basic needs such as childcare, healthcare, food, and housing

costs, all of which have become increasingly unaffordable and are contributing to homelessness across the state. SB 569 would also require the Franchise Tax Board (FTB) to annually adjust the RTC to keep pace with inflation, ensuring that the value of the credit keeps pace with California's rising cost of living.

Our work to increase the supply of affordable housing is essential, but will take years – and low and extremely low income Californians are struggling to afford housing costs today. The Renter's Tax Credit is a promising tool to provide housing assistance at scale, helping families to meet their basic needs, stay housed, and to replenish or grow their savings for long-term stability.

By making the RTC refundable and adjusting it to inflation, SB 569 takes an important step to address the economic instability and housing insecurity California's most vulnerable renters are facing. For these reasons, All Home is proud to support SB 569 and looks forward to future work on this important solution.

Sincerely,

A handwritten signature in cursive script that reads "Tomiquia Moss".

Tomiquia Moss
Founder and CEO
All Home