

March 31, 2023

The Honorable Jacqui Irwin
Chair, Assembly Revenue & Taxation Committee
1020 N Street, Room 167A
Sacramento, CA 95814
RE: AB 441 (Haney) – Monthly payments of refundable tax credits – SUPPORT
Dear Chair Irwin:

I'm writing to express strong support of AB 441 (Haney), which would allow Californians to receive advance monthly payments of their CalEITC, Young Child Tax Credit, and Foster Youth Credit, if the combined value of the credits is \$1,000 or greater.

MidPen Housing is one of the nation's leading nonprofit developers, owners, and managers of high-quality, affordable housing and onsite resident services. Since MidPen was founded in 1970, we have developed over 125 communities and 8,500 homes for low-income families, seniors and those with supportive housing needs throughout Northern California.

AB 441 would maximize the impact of the state's existing tax credit programs, providing critical, year-round financial support for low-income Californians to help meet their basic needs.

Many low income Californians face destabilizing swings in their income that make it harder to meet their needs each month, including making rent, paying bills, and affording groceries. These income shocks disproportionately affect Black, Latinx, and families with extremely low incomes. The consequences are severe. Families that struggle with income volatility are more likely to turn to risky financial services like payday loans to get by and are more likely to fall into debt. This volatility also threatens housing security: over 75 percent of extremely low-income households are paying more than half of their income on rent each month. Research shows that an unexpected financial crisis (like a medical bill or job loss) is among the most common causes of homelessness.

AB 441 would increase income stability by providing tax credits as advance payments on a monthly basis instead of as an annual lump sum, helping families more easily meet their needs as they come up throughout the year. AB 441 maximizes the impact of California's existing tax credit programs, which provide millions of dollars to low-income working people across the state every year. Monthly payments of federal tax credits have been shown to lift one-third more children above the poverty line each month, dramatically reduce food insecurity, and help parents pay for child care. Homelessness prevention programs also show that a few hundred dollars a month can make the difference between staying housed or being evicted.

California has been a national leader in providing life-changing cash assistance for hard-working families through smart and targeted tax credit programs. We can continue to lead now: boosting the impact of those credits and creating more economic security for Californians.

For the above reasons, we urge you to support AB 441.



MidPen
HOUSING

Building Communities. Changing Lives.

Sincerely,

Matthew O. Franklin
President and CEO
MidPen Housing Corporation

CC:

Nevada V. Merriman, Director of Policy, MidPen Housing

Senator Mike McGuire
Senator Bill Dodd
Senator Susan Eggman
Senator Steve Glazer
Senator Nancy Skinner
Senator Aisha Wahab
Senator Josh Becker
Senator Dave Cortese
Senator John Laird
Asm. Jim Wood
Asm. Cecilia Aguiar-Curry
Asm. Lori Wilson
Asm. Damon Connolly
Asm. Phil Ting
Asm. Matt Haney
Asm. Mia Bonta
Asm. Rebecca Bauer-Kahan
Asm. Liz Ortega
Asm. Diane Papan
Asm. Marc Berman
Asm. Alex Lee
Asm. Evan Low
Asm. Ash Kalra
Asm. Gail Pellerin
Asm. Robert Rivas
Asm. Dawn Addis

Members of the Committee: [<https://arev.assembly.ca.gov/membersstaff>]

Asm. Greg Wallis
Asm. Jasmeet Bains
Asm. Timothy Grayson
Asm. Blanca Pacheco
Asm. Jim Patterson
Asm. Cottie Petrie-Norris
Asm. Luz Rivas
Asm. Tri Ta
Asm. Avelina Valencia
Asm. Rich Chavez Zbur