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# A BILL FOR AN ACT

RELATING TO HOMELESSNESS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that homelessness and  
2 affordable housing are two of the most pressing problems facing  
3 Hawaii, especially for families with minor children. The 2017  
4 Homeless Point-In-Time count found that there are four hundred  
5 fifty-eight sheltered and unsheltered homeless families on the  
6 island of Oahu, and Hawaii's homeless management information  
7 system showed that there were five hundred eighty-two homeless  
8 minor children on Oahu as of November 30, 2017.

9           The nexus between homelessness and domestic violence must  
10 also be recognized. The Safe Housing Partnerships has reported  
11 that over fifty per cent of homeless women indicated that  
12 domestic violence was the reason for their lack of housing and  
13 that domestic violence had been experienced by eighty per cent  
14 of homeless women with children.

15           However, due to an intensely focused effort by stakeholders  
16 across the State, including foundations and nonprofit providers,  
17 significant strides are being made to address family



1 homelessness. As the network of people and organizations  
2 engaged in addressing homelessness has begun to make more  
3 efficient use of available funding sources and resources by  
4 implementing a data-driven and collaborative process that  
5 matches those experiencing homelessness with the services they  
6 need, now is the time to increase those available resources to  
7 further invest in targeted interventions.

8 Making and keeping housing affordable for Hawaii's families  
9 must also be a priority. Hawaii has the highest housing costs  
10 in the nation and the lowest wages after adjusting for cost of  
11 living. The greatest need for affordable housing lies at the  
12 lowest end of the income scale, specifically residents with  
13 income at thirty per cent or less of the area median income. By  
14 increasing the State's investment in long-term, shallow rent  
15 subsidies and updating the low-income household renters' income  
16 tax credit, Hawaii can help vulnerable families out of  
17 homelessness and ensure that these families have greater housing  
18 stability.

19 Addressing the issue of homelessness and creating stable  
20 housing situations will require comprehensive solutions built on  
21 approaches that span a spectrum of needs. Many of these



1 approaches are in place and delivering results, such as proven  
2 programs like housing first and rapid re-housing, which are  
3 turning the tide on chronic family homelessness. In addition,  
4 other programs that target the spectrum of families' needs,  
5 including those who are unsheltered and those who are  
6 experiencing untenable housing costs, are in need of continued  
7 funding, increased investments, or updates.

8 Unsheltered families can be assisted by the family  
9 assessment center in Kakaako, Oahu. The family assessment  
10 center, which was opened in September 2016, has achieved  
11 extraordinary results over its first year of operation. Out of  
12 fifty-four households served, ninety-one per cent were  
13 successfully housed and one hundred per cent of those housed  
14 have remaining in housing. The family assessment center  
15 provides comprehensive services, including benefit reviews and  
16 determinations, health assessments, service coordination, and  
17 housing placement.

18 Rental subsidies are critical to address one of the root  
19 causes of homelessness: the lack of affordable rentals. Many  
20 homeless families are working and only need a shallow, but  
21 sustained, subsidy to rapidly move to permanent housing. The



1 Hawaii public housing authority could administer a housing  
2 homeless children rental assistance pilot program to provide  
3 ongoing, shallow rental subsidies, which would move homeless  
4 families with children into stable housing. Similar programs  
5 provide ongoing rental subsidies to households who are closer to  
6 financial self-sufficiency but still have a narrow affordability  
7 gap to fill, unlike the deep subsidy section 8 housing choice  
8 voucher program, which helps families at the lowest end of the  
9 income scale by bridging a wide affordability gap between income  
10 and housing costs. The establishment of a housing homeless  
11 children rental assistance pilot program to provide a small,  
12 time-limited subsidy will allow families to avoid the risk of  
13 homelessness and gain time to achieve self-sufficiency.  
14 Requiring recipients of housing homeless children rental  
15 assistance pilot program subsidies to pursue evidence-based  
16 financial case management and counseling services for the whole  
17 family, including children, will help these families achieve  
18 critical economic and housing stability now and in the future.  
19 Finally, to assist struggling households to remain in  
20 housing, the State must update the low-income household renters'  
21 income tax credit. Seventy-two per cent of people in Hawaii



1 living at or near the poverty line now spend more than half of  
2 their income on rent. More than half of Hawaii's renters are  
3 cost-burdened, spending more than thirty per cent of their  
4 income on rent. Increasing the credit and adjusting the  
5 eligibility cut-off will mitigate families' housing cost burden  
6 and allow them to remain stably housed. Assisting families who  
7 are one paycheck away from falling into homelessness is  
8 essential to ending the homelessness crisis in Hawaii.

9 The purpose of this Act is to address Hawaii's homelessness  
10 issue through a multi-faceted approach by:

- 11 (1) Expanding eligibility criteria and the available  
12 credit amount for the low-income household renters'  
13 income tax credit, based on adjusted gross income and  
14 filing status;
- 15 (2) Appropriating funds to the department of human  
16 services for the continued administration of the  
17 family assessment center for homeless families; and
- 18 (3) Appropriating funds to the Hawaii public housing  
19 authority for the state rent supplement program to  
20 provide assistance through the establishment of a  
21 housing homeless children rental assistance pilot



1 program and requiring recipients of subsidies from  
2 this program to obtain financial case management and  
3 counseling services.

4 SECTION 2. Section 235-55.7, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "§235-55.7 Income tax credit for low-income household  
7 renters. (a) As used in this section:

8 [~~1~~] "Adjusted gross income" [~~is defined by section 235-~~  
9 ~~1-~~] means adjusted gross income as defined by the Internal  
10 Revenue Code.

11 "Consumer price index" means the Honolulu Region Consumer  
12 Price Index for All Urban Consumers, All Items as published by  
13 the United States Bureau of Labor Statistics, or any successor  
14 index.

15 [~~2~~] "Qualified exemption" includes those exemptions  
16 permitted under this chapter; provided that a person for whom  
17 exemption is claimed has physically resided in the State for  
18 more than nine months during the taxable year; and provided  
19 further that multiple [~~exemption~~] exemptions shall not be  
20 granted because of deficiencies in vision, hearing, or other  
21 disability.



1            [~~3~~] "Rent" means the amount paid in cash in any taxable  
2 year for the occupancy of a dwelling place [~~which~~] that is used  
3 by a resident taxpayer or the resident taxpayer's immediate  
4 family as the principal residence in this State. Rent is  
5 limited to the amount paid for the occupancy of the dwelling  
6 place only, and is exclusive of charges for utilities, parking  
7 stalls, storage of goods, yard services, furniture, furnishings,  
8 and the like. Rent shall not include any rental claimed as a  
9 deduction from gross income or adjusted gross income for income  
10 tax purposes, any ground rental paid for use of land only, and  
11 any rent allowance or subsidies received.

12            (b) Each resident taxpayer who occupies and pays rent for  
13 real property within the State as the resident taxpayer's  
14 residence or the residence of the resident taxpayer's immediate  
15 family which is not partially or wholly exempted from real  
16 property tax, who is not eligible to be claimed as a dependent  
17 for federal or state income taxes by another, and who files an  
18 individual net income tax return for a taxable year, may claim a  
19 tax credit under this section against the resident taxpayer's  
20 Hawaii state individual net income tax.



1 (c) Each taxpayer [~~with an adjusted gross income of less~~  
 2 ~~than \$30,000~~] who has paid more than \$1,000 in rent during the  
 3 taxable year for which the credit is claimed may claim a tax  
 4 credit [~~of \$50~~] multiplied by the number of qualified exemptions  
 5 to which the taxpayer is entitled[+] in accordance with the  
 6 table below; provided that each taxpayer sixty-five years of age  
 7 or over may claim double the tax credit; and provided further  
 8 that a resident individual who has no income or no income  
 9 taxable under this chapter may also claim the tax credit as set  
 10 forth in this section. The tax credit shall be calculated as  
 11 follows:

12 (1) Taxpayer filing a single return or a married person  
 13 filing separately:

<u>Adjusted gross income</u>	<u>Credit per exemption</u>
<u>Not over \$20,000</u>	<u>\$150</u>
<u>Over \$20,000 but not over \$30,000</u>	<u>\$100</u>
<u>Over \$30,000 but not over \$40,000</u>	<u>\$50</u>

18 (2) Taxpayer filing as a head of household:

<u>Adjusted gross income</u>	<u>Credit per exemption</u>
<u>Not over \$25,000</u>	<u>\$150</u>
<u>Over \$25,000 but not over \$37,500</u>	<u>\$100</u>





1	<u>Over \$37,500 but not over \$50,000</u>	<u>\$50</u>
2	(3) <u>Taxpayer filing a joint return under section 235-93 or</u>	
3	<u>a surviving spouse:</u>	
4	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
5	<u>Not over \$30,000</u>	<u>\$150</u>
6	<u>Over \$30,000 but not over \$45,000</u>	<u>\$100</u>
7	<u>Over \$45,000 but not over \$60,000</u>	<u>\$50.</u>

8        (d) For each taxable year beginning after December 31,  
9        2019, each dollar amount contained in subsection (c) shall be  
10       increased by an amount equal to that dollar amount multiplied by  
11       the percentage, if any, by which the consumer price index for  
12       the preceding calendar year exceeds the consumer price index for  
13       the second preceding calendar year.

14       ~~[(d)]~~ (e) If a rental unit is occupied by two or more  
15       individuals, and more than one individual is able to qualify as  
16       a claimant, the claim for credit shall be based upon a pro rata  
17       share of the rent paid.

18       ~~[(e)]~~ (f) The tax credits shall be deductible from the  
19       taxpayer's individual net income tax for the tax year in which  
20       the credits are properly claimed; provided that a husband and  
21       wife filing separate returns for a taxable year for which a

1 joint return could have been made by them shall claim only the  
2 tax credits to which they would have been entitled had a joint  
3 return been filed. In the event the allowed tax credits exceed  
4 the amount of the income tax payments due from the taxpayer, the  
5 excess of credits over payments due shall be refunded to the  
6 taxpayer; provided that allowed tax credits properly claimed by  
7 an individual who has no income tax liability shall be paid to  
8 the individual; and provided further that no refunds or payments  
9 on account of the tax credits allowed by this section shall be  
10 made for amounts less than \$1.

11 [~~(f)~~] (g) The director of taxation shall prepare and  
12 prescribe the appropriate form or forms to be used herein, may  
13 require proof of the claim for tax credits, and may adopt rules  
14 pursuant to chapter 91.

15 [~~(g)~~] (h) All of the provisions relating to assessments  
16 and refunds under this chapter and under section 231-23(c)(1)  
17 shall apply to the tax credits hereunder.

18 [~~(h)~~] (i) Claims for tax credits under this section,  
19 including any amended claims thereof, shall be filed on or  
20 before the end of the twelfth month following the taxable year  
21 for which the credit may be claimed."



1 SECTION 3. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so much  
3 thereof as may be necessary for fiscal year 2018-2019 for the  
4 department of human services to continue to administer the  
5 family assessment center for homeless families.

6 The sum appropriated shall be expended by the department of  
7 human services for the purposes of this Act.

8 SECTION 4. There is appropriated out of the general  
9 revenues of the State of Hawaii the sum of \$ or so much  
10 thereof as may be necessary for fiscal year 2018-2019 for the  
11 state rent supplement program to:

- 12 (1) Assist homeless families with minor children or  
13 families with minor children at imminent risk of  
14 homelessness due to domestic violence to obtain and  
15 maintain permanent housing by establishing a housing  
16 homeless children rental assistance pilot program  
17 developed by the Hawaii public housing authority; and  
18 (2) Cover administrative and personnel costs to operate  
19 the program.

20 The sum appropriated shall be expended by the Hawaii public  
21 housing authority for the purposes of this Act.



1 SECTION 5. The Hawaii public housing authority shall  
2 develop and establish a housing homeless children rental  
3 assistance pilot program within the state rent supplement  
4 program to assist homeless families with minor children or  
5 families with minor children at imminent risk of homelessness  
6 due to domestic violence to obtain and maintain permanent  
7 housing; provided that rental assistance shall be time-limited;  
8 and provided further that each member, including children, of  
9 families receiving rental assistance shall be required to obtain  
10 financial case management services from a financial counseling  
11 organization certified by the United States Department of  
12 Housing and Urban Development.

13 The Hawaii public housing authority shall adopt interim  
14 rules without regard to chapter 91, Hawaii Revised Statutes, for  
15 the purposes of this section.

16 SECTION 6. The Hawaii public housing authority may procure  
17 financial case management and counseling services without regard  
18 to chapters 103D and 103F, Hawaii Revised Statutes, from a  
19 financial counseling organization certified by the United States  
20 Department of Housing and Urban Development to assist families  
21 receiving rental assistance from the housing homeless children



1 rental assistance pilot program in meeting the financial  
2 counseling requirement under section 5 of this Act.

3 SECTION 7. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 8. This Act shall take effect on July 1, 2050;  
6 provided that section 2 shall apply to taxable years beginning  
7 after December 31, 2018.



**Report Title:**

Low-Income Household Renters' Income Tax Credit; Family Assessment Center; Housing Homeless Children Rental Assistance Pilot Program; Appropriation

**Description:**

Expands eligibility and credit amount of the low-income household renters' income tax credit and adjusts the credit for inflation. Appropriates funds for the continued administration of the family assessment center for homeless families and for a housing homeless children rental assistance pilot program. Exempts adoption of interim rules from chapter 91, HRS, and procurement of services by federally-certified financial counselors from chapters 103D and 103F, HRS. Effective 7/1/2050. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

