



UNITED FOR HOMES

CAMPAIGN FOR THE NATIONAL HOUSING TRUST FUND

Introduction to the United for Homes Campaign

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About NLIHC

- The National Low Income Housing Coalition, developer and leader of the United for Homes Campaign, is dedicated solely to socially just public policy that assures people with the lowest incomes in the United States have access to affordable and decent homes.



Key Agenda Items

- The gap of affordable and available rental housing nationally and in Washington.
- Filling the gap: funding the National Housing Trust Fund.
- Paying to fill the gap: the United for Homes Campaign.
- National Advocacy Updates
- Opportunities to support the campaign.



The Gap: Rental Housing Nationally

- There are 10.1 million extremely low income renter households.
- There are only 3 million rental homes that they can afford and that are available to them.
- The national shortage is 7.1 million rental homes.



The Gap: Washington Rental Housing

- In Washington, for FY13, a family of four is considered by the federal government to be considered extremely low income if their annual household income is at or below **\$22,142**.
- There are only **27** rental homes affordable and available for every **100** extremely low income renters in the state.
- Washington is one of **11** states with less than the national level of **30** affordable and available units per **100** extremely low income renter households.
- The total shortage of units is **169,588**.



Filling the Gap: The NHTF

- The National Housing Trust Fund was authorized by Congress in 2008 but remains unfunded.
- Can build, preserve, rehabilitate, operate rental housing that is affordable to extremely low income renter households.
- A block grant to states that prioritize how to use their fund—e.g. to create supportive housing to end homelessness, rehab vacant/foreclosed properties.
- For every \$5b allocated to the NHTF, Washington would get \$115,300,000 .



More on the Trust Fund

- Established as a provision of the Housing and Economic Recovery Act of 2008.
- It is a permanent program, and will have a dedicated source of funding not subject to the annual appropriations process.
- At least **90%** of funds must be used for the production, preservation, rehabilitation, or operation of rental housing. Up to **10%** can be used for the following home ownership activities for first-time home buys: production, preservation, and rehabilitation; down payment assistance, closing cost assistance, and assistance for interest rate buy downs.
- At least **75%** of the funds for rental housing must benefit extremely low-income households and **100%** must benefit very low income households.



Paying to Fill the Gap: United for Homes

- Mortgage interest deduction reform over 5 years.
- Lower cap on the size of a mortgage for which you can get a tax break from \$1 million to \$500,000 (benefit for first \$500).
- Nationally and in WA only 4% of mortgages between 2007 and 2011 were for more than \$500,000.
- Convert deduction to 15% nonrefundable credit.
- This will save almost \$200 billion over 10 years.
- Devote savings to the National Housing Trust Fund.



More on MID Reform

- **Current Law:** Homeowners who itemize on their tax returns can deduct the interest paid on mortgages on first and second homes up to a total of \$1 million, and the interest on up to an additional \$100,000 in home equity loans.
- **Our Proposal:** Reduce the size of a mortgage eligible for a tax break to \$500,000, and to convert the deduction to a 15% non-refundable tax credit. The revenue generated from these savings would be used to fund the National Housing Trust Fund.
- **Understanding a Tax Deduction vs. Tax Credit:** Tax deductions are subtracted from a taxpayer's total income in order to calculate taxable income. Tax credits, on the other hand, are subtracted directly from a taxpayer's tax bill. Tax credits result in a dollar-for-dollar reduction in the amount of tax a taxpayer owes. Tax credits can be more beneficial to taxpayers than tax deductions, especially to those who do not itemize on tax returns.
- **The Results:** 16 million more homeowners would get a tax break. By converting to a credit, all homeowners with mortgages would get a tax break, not just those who have enough income to file itemized tax returns and the number of homeowners with mortgages who would get a tax break would increase from 39 to 55 million. 99% of the homeowners newly eligible for a tax break would be households with incomes less than \$100,000 a year.
- **Public Support:** Americans want a fairer tax code and to end homelessness. According to a national poll, 60% of Americans favor the United for Homes housing tax reform proposal. Seventy-six percent of Americans favor building more affordable housing in their states to help end homelessness.
- **New Revenue for Affordable Housing:** The cost of the MID in 2014 will be \$80 billion. But with our housing tax reform proposal, there will be almost \$200 billion over ten years in new revenue that can be used to address our most important housing problems by funding the National Housing Trust Fund.



National and Washington Advocacy

- Campaign has almost 1,300 national, state, and local endorsing organizations including 50+ in Washington.
- H.R. 1213, Common-Sense Housing Investment Act of 2013, sponsored by Rep. Keith Ellison (D-MN).
- Additional funding possibilities: Fannie Mae and Freddie Mac and GSE reform.
- Washington is one of several key states actively trying to get Senate and House support.

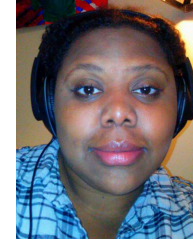


United For Homes in Washington State



The Washington State Housing Trust Fund Gives us a Unique Way to Talk about the National Housing Trust Fund

WWW.UNITEDFORHOMES.ORG



"I was a good student, and had dreams of going to medical school. But, while I was in school, I suffered a terrible head injury, which led to seizures. I was later diagnosed with schizophrenia. I completed my degree, but because of my mental health disease, I wound up homeless.

I eventually landed at the Aloha Inn transitional housing program, where I was able to access stabilizing mental health treatment. From there I moved to the Josephinum, in downtown Seattle, then to the YWCA's Opportunity Place where I live now. All of these projects owe their existence in part to the Washington State Housing Trust Fund.

My goal is to be as healthy and productive as I can. **The security of an affordable home, made possible by the Washington State Housing Trust Fund, is keeping me on the road toward these goals."**

-Shelby Powell



The YWCA's Opportunity Place, located on Third and Lenora in Downtown Seattle.

United For Homes Campaign Washington State

Transforming our nation's investments in housing

We all need a safe, healthy, affordable place to call home.

Today in communities across America, millions of people are without this basic necessity. And the problem is getting worse, not better. Every year we see the number of people who need affordable homes increasing, and at the same time we see the resources for low-cost housing decreasing.

What is United For Homes?

The United for Homes campaign is a plan to reverse this trend by being smarter about the dollars our country is already investing in housing. By updating the largest national housing program, the mortgage interest deduction, we can ensure that everyone in America has the opportunity to live in a safe, healthy, affordable home without costing a penny more than we're currently spending on housing.

The need is great, but not insurmountable.

- More than 233,000 families in Washington State make less than 30% of their Area Median Income. In Seattle, that means less than \$26,010 for a family of three. In Yakima, less than \$14,880 for a family of three.
- More than 170,000 of those families currently **spend over half of their income on rent and utilities alone.**
- No family should have so little leftover after paying rent that they're forced to choose between basic necessities such as child care, transportation, medicine, and groceries.

How would United For Homes affect Washington State?

The United For Homes proposal to convert the mortgage interest deduction into a 15% nonrefundable tax credit will mean that homeowners in Washington State who have a mortgage but don't currently itemize their taxes would receive a benefit for the very first time. Nationally this will affect **16 million American homeowners**, 99% of whom make less than \$100,000 per year.

The second part of the United For Homes proposal, which would reduce the amount of mortgage eligible for a tax break to \$500,000, would divert the savings generated into the National Housing Trust Fund. This would mean \$461,200,000 in new funds for affordable housing in Washington State *every year.*

What about mortgages larger than \$500,000?

Only 4% of the mortgages in Washington are larger than \$500,000. These households would not benefit as much under the United for Homes proposal as they do under the current Mortgage Interest Deduction. However, they would still receive the credit for the first \$500,000 of their mortgage.

How would the New National Housing Trust Fund work exactly?

The National Housing Trust Fund would be administered at the state level, where we have been using the housing trust fund model to transparently and efficiently build affordable housing for several decades. Since 1989, Washington's housing trust fund has resulted in more than 36,000 affordable homes for the elderly, veterans, homeless families and more. We know the model works, but we also know that Washington State needs federal support to truly meet the need for affordable housing.

For more information, contact Ben Miksch, State and Federal Policy Associate at 206.442.9455 x204 or at benm@wliha.org.
Washington Low Income Housing Alliance | 1411 Fourth Ave., Suite 850 | Seattle, WA 98101 | www.wliha.org



Representative Jim McDermott [WA-7] is a cosponsor of H.R. 1213

H.R.1213

Latest Title: Common Sense Housing Investment Act of 2013

Sponsor: [Rep Ellison, Keith](#) [MN-5] (introduced 3/15/2013) [Cosponsors](#) (10)

Latest Major Action: 3/15/2013 Referred to House committee. Status: Referred to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

COSPONSORS(10), ALPHABETICAL [followed by Cosponsors withdrawn]: (Sort: [by date](#))

[Rep Clarke, Yvette D.](#) [NY-9] - 5/20/2013

[Rep Grijalva, Raul M.](#) [AZ-3] - 4/24/2013

[Rep Jeffries, Hakeem S.](#) [NY-8] - 6/3/2013

[Rep Lee, Barbara](#) [CA-13] - 4/12/2013

[Rep Lowenthal, Alan S.](#) [CA-47] - 6/28/2013

[Rep McDermott, Jim](#) [WA-7] - 5/7/2013

[Rep Scott, Robert C. "Bobby"](#) [VA-3] - 3/15/2013

[Rep Slaughter, Louise McIntosh](#) [NY-25] - 5/14/2013

[Rep Tonko, Paul](#) [NY-20] - 9/17/2013

[Rep Wilson, Frederica S.](#) [FL-24] - 6/18/2013

[Rep Schakowsky, Janice D.](#) [IL-9] - 4/12/2013(withdrawn - 7/22/2013)

[Rep Pocan, Mark](#) [WI-2] - 4/26/2013(withdrawn - 6/25/2013)



City of Seattle Legislative Information Service

Information retrieved on October 24, 2013 9:46 AM

Resolution Number: 31466



A RESOLUTION in support of expanded housing options and greater tax fairness.

Status: Adopted

Date adopted by Full Council: July 22, 2013

Vote: 9-0

Date introduced/referred to committee: July 22, 2013

Committee: Full Council for Introduction and Adoption

Sponsor: LICATA

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING,
THAT:

Section 1. The City of Seattle supports expanding mortgage interest tax benefits to more middle class and lower income homeowners by converting the mortgage interest deduction to a tax credit and reducing the maximum mortgage amount for which interest can be deducted.

Section 2. The City of Seattle urges Congress to direct sums resulting from mortgage interest deduction modifications to the National Housing Trust Fund to build, preserve, rehabilitate and operate rental housing that is affordable for extremely low income households.



WA Endorsers



Ally Community Development LLC
The Arc of Spokane
Beacon Development Group
Bellwether Housing
Building Changes
Campion Foundation
Cocoon House
The Coffee Oasis
Common Ground
Community Action Center
Community House on Broadway
Compass Housing Alliance
Forks Abuse Program
Forward Bound
Homeward Bound
Housing Authority of Asotin County
Housing Authority of Okanogan County
Housing Authority of Skagit County

Housing Consortium of Everett & Snohomish County
Housing Development Consortium of Seattle-King County
Imagine Housing
Interim Community Development Association
Islamic Civic Engagement Project
King County Housing Authority
Kulshan Community Land Trust
Longview School District
Lopez Community Land Trust
Low Income Housing Institute
Mercy Housing Northwest
Northwest Housing Development
OPAL Community Land Trust
Parkview Services
Paul Schissler Associates
Pierce County Housing Authority
Plymouth Housing Group
Roslyn Downtown Association

SafePlace
Salem Arms Community Housing
San Juan Community Home Trust
Seattle/King County Coalition on Homelessness
Serenity House of Clallam County
Skagit Habitat for Humanity
Solid Ground Washington
Sound Mental Health
Sound Thinking Healthcare Consulting
Spokane Low Income Housing Consortium
Street Youth Ministries
Tacoma Housing Authority
Tacoma Pierce County Affordable Housing Consortium
Tenants Union of Washington State
Triumph Treatment Services
Vashon Youth & Family Services
Washington Low Income Housing Alliance
West End Outreach Services
YouthCare

Opportunities to Support



- Endorse!
<https://nlihc.org/unitedforhomes/support>
- Talk to the Housing Alliance about your City or County Council Passing a Resolution
- Contact your legislators – request your Representative cosponsor H.R. 1213

Have the Housing Alliance
Make a United For Homes
Presentation at your next
Board Meeting!





Senator Maria Cantwell
DC Office: (202) 224-3441



Congressman Adam Smith [9th]
DC Office: (202) 225-8901





Congressman Dave Reichert [8th]
DC Office: (202) 225-7761



Congressman Derek Kilmer[6th]
DC Office: (202) 225-5916



Congressman Denny Heck [10th]
DC Office: (202) 225-9740



Congresswoman Suzan DelBene [10th]
DC Office: (202) 225-6311





Thank You!

For More Information...



- More info: www.unitedforhomes.org
- Tax Reform Calculator:
<http://nlihc.org/unitedforhomes/proposal/calculator>

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