



UNITED FOR HOMES

CAMPAIGN FOR THE NATIONAL HOUSING TRUST FUND

**Louisiana Housing Alliance 2013
State Housing Conference**

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Project Director, NLIHC

What is United for Homes?

- Campaign to fund the National Housing Trust Fund (NHTF)
 - Provide money to states to build/preserve housing affordable to extremely low income households
- Proposal– modify the mortgage interest deduction and use the savings to fund the NHTF
- More than 1,000 organizations have endorsed

The need for NHTF – The affordable housing gap

- There are 10.1 million extremely low income renter households in the U.S.
- There are only 3 million rental homes that they can afford and that are available to them.
- Thus, the national shortage is 7.1 million rental homes.

Let's talk about Louisiana

- In Louisiana there are 160,822 ELI renter households.
- There are only 60,419 rental homes that they can afford and that are available to them.
- Thus the state shortage is 100,403.

LA's State Housing Profile

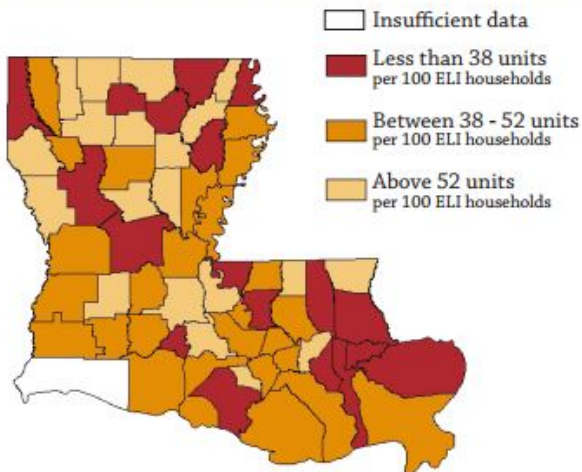
LOUISIANA

Senators: Mary Landrieu and David Vitter

Many renters in Louisiana are extremely low income and face a housing cost burden. Across the state, there is a deficit of rental units both affordable and available to extremely low income (ELI) renter households, i.e. those with incomes at 30% or less of the area median income (AMI).

Last updated: 2/26/13

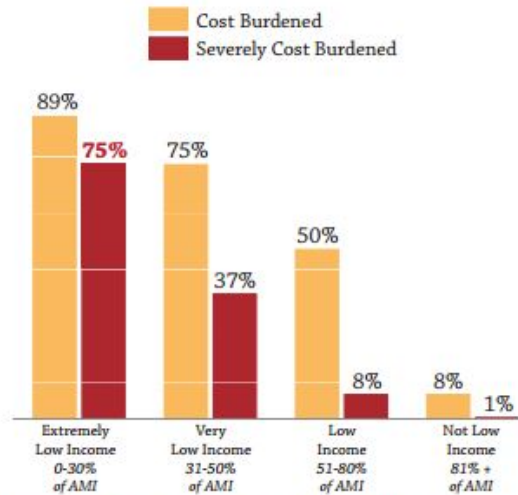
AFFORDABLE & AVAILABLE UNITS FOR ELI RENTER HOUSEHOLDS



Source: NLIHC tabulations of 2005-2009 Comprehensive Housing Affordability Strategy (CHAS) data.

HOUSING COST BURDEN BY INCOME GROUP

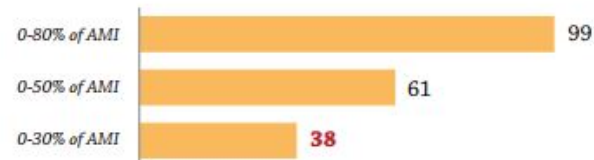
Renter households spending more than 30% of their income on housing costs and utilities are *cost burdened*; those spending more than half of their income are considered *severely cost burdened*.



Source: NLIHC tabulations of 2011 American Community Survey Public Use Microdata Sample (PUMS) housing file.

HOUSING SHORTAGE BY INCOME THRESHOLD

The lower the income threshold, the greater the shortage of affordable and available units per 100 renter households.



Source: NLIHC tabulations of 2011 American Community Survey Public Use Microdata Sample (PUMS) housing file.

KEY FACTS

32%

Households in this state that are renters

160,822

OR

28%

Renter households that are extremely low income

\$17,108

Maximum state level income for an extremely low income family of four

100,403

Shortage of units affordable and available for extremely low income renters

\$15.27

State Housing Wage

The amount a renter household needs to earn per hour to afford a two-bedroom unit at the HUD-determined Fair Market Rent

How to Fill the Gap

- Fund the National Housing Trust Fund
- NHTF can build, preserve, rehabilitate, and maintain rental housing that is affordable for extremely low income renter households.
- NHTF is a block grant to states that prioritizes how to use their funds (i.e. end homelessness, assure housing for every ELI person with a disability, etc.)
- **If NHTF had \$5 billion a year, Louisiana would get \$58,400,000**

How to Fund the NHTF

- Through modifying the mortgage interest deduction
- Reduce the size of a mortgage eligible for tax break from \$1M to \$500,000.
 - The percent of mortgages over \$500,000 between 2007 and 2011 was 4%; in LA it was .08%
- Convert the MID to a 15% non-refundable tax credit.

How to fund the NHTF, cont..

- These two changes to MID benefit homeowners because:
 - The number of homeowners with mortgages who get a tax break expands from 39 million to 55 million.
 - Of the 16 million homeowners to get new tax cuts, 99% have incomes of \$100,000 or less.
- These two changes, phased in over 5 years, will raise ~\$200 billion over 10 years
- NLIHC proposes this revenue be directed to the NHTF

We Can do This

- It is possible to close the gap (end homelessness) without costing the federal government any more money
- The federal government just needs to use its housing subsidies better, with less going to higher income people through MID and more going to the very poorest people through NHTF
- Modify the MID and put the revenue raised into the NHTF

We have a bill

HR 1213 The Common Sense Housing Investment Act of 2013

Representative Keith Ellison (D-MN)

- Lowers the cap; converts to credit
- Phases in the changes over 5 years
- Would raise \$197 billion in new revenue over 10 years
 - Directed to **NHTF (\$109B)**, LIHTC (\$14B), Section 8 TBRA and PBRA (\$54B), Public Housing Capital Fund (\$18B)

What LA Advocates Can Do

- Endorse and seek endorsements (organizations and elected officials)
- Get House co-sponsors for HR 1213
 - Co-sponsors thus far are:
 - ✓ Rep. Bobby Scott (D-VA).
 - ✓ Rep. Jan Schakowsky (D-IL).
 - ✓ Rep. Barbara Lee (D-CA).

Talking Points

Example –
Rep. Cedric Richmond (LA02)

- Please co-sponsor H.R. 1213, sponsored by Rep. Keith Ellison of Minnesota.
- H.R. 1213 would modify the MID by lowering the amount of mortgage interest which can be deducted to \$500,000 and convert to a 15% non-refundable credit. The savings would be used as a dedicated source of funding for the NHTF.
- LA's 2nd district needs the NHTF. There are 27,903 ELI renters, but a shortage of 19,233 rental units that are available and affordable for them.
- If the NHTF received \$5 billion LA would get \$58,400,000 to build and preserve housing affordable to those in this district that need it the most.
- Please consider co-sponsoring this bill.

Resources

United for Homes website-
www.nlihc.org/unitedforhomes

- United for homes overview
- Model resolution
- Tax calculator

www.nlihc.org

- State Housing/ Congressional District Profiles
- Out of Reach publication
- Sign up for alerts
- Become an NLIHC member to stay up to date