



Legislation Text

File #: 131452, **Version:** 0

131452
ORIGINAL

ALD. MURPHY

Resolution endorsing the United for Homes campaign for expanded housing options and greater tax fairness, and supporting The Common Sense Housing Investment Act of 2013.

This resolution endorses the United for Homes campaign that proposes to expand mortgage interest tax benefits to more middle-class and lower-income homeowners by converting the tax deduction to a tax credit and by reducing the maximum size of a mortgage for which interest can be deducted.

The resolution further urges Representative Gwen Moore to co-sponsor H.R. 1213, The Common Sense Housing Investment Act of 2013. In addition, it calls upon Senators Tammy Baldwin and Ron Johnson to use their influence to direct savings 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.

Whereas, According to the U.S. Interagency Council on Homelessness, "Stable housing is the foundation upon which people build their lives - absent a safe, decent and affordable place to live, it is next to impossible to achieve good health, positive educational outcomes, or reach one's economic potential"; and

Whereas, There are 195,308 extremely low-income renter households in Wisconsin -households whose income is \$20,165 or less for a family of four; and

Whereas, 76% of extremely low-income renter households in Wisconsin pay more than half of their incomes for rent; and

Whereas, The fair-market rent for a 2-bedroom apartment in Milwaukee County is \$828 per month, while extremely low-income renter households can only afford to pay \$527 per month; and

Whereas, A worker earning the minimum wage in Milwaukee County would have to work 88 hours per week to afford a 2-bedroom apartment; and

Whereas, There is an estimated shortage of 141,824 homes that are affordable and available for extremely low-income renter households in Wisconsin; and

Whereas, This shortage of homes that are affordable and available for extremely low-income renter households is a major cause of homelessness; and

Whereas, The U.S. Congress established the National Housing Trust Fund in 2008 as a dedicated fund intended to provide revenue to build, preserve, rehabilitate and operate housing for people with the lowest incomes, including people who are homeless; and

Whereas, The National Housing Trust Fund has not received any dollars since it was created, despite the growing need for rental housing that extremely low-income households can afford; and

Whereas, Investing in the National Housing Trust Fund will create jobs in the construction trades and in property management; and

Whereas, For every \$5 billion appropriated to the National Housing Trust Fund, approximately \$84.9 million would be allocated to Wisconsin; and

Whereas, The National Low Income Housing Coalition has launched the United for Homes campaign that proposes to:

1. Reduce the size of a mortgage eligible for the mortgage interest deduction to \$500,000 from the current \$1 million, saving the federal government \$197 billion over 10 years.
2. Convert the mortgage interest deduction to a 15% non-refundable tax credit so that homeowners at all income levels will benefit.
3. Increase the number of households who receive the homeownership benefit from the 39 million to 55 million.
4. Direct the National Housing Tax Fund, Section 8, housing tax credits, and Public Housing Capital Fund, to house the poorest Americans, helping every state to end homelessness.

; and

Whereas, The United for Homes Campaign supports H.R. 1213, The Common Sense Housing Investment Act, sponsored by U.S. Representative Keith Ellison which seeks to lower the cap on the size of a mortgage for which the interest can be deducted and to provide housing to extremely low-income families; and

Whereas, Over three-quarters of the benefit for the mortgage interest deduction goes to households with incomes in the top fifth of all taxpayers; and

Whereas, Only slightly more than half of homeowners who pay interest on their mortgages benefit from the mortgage interest deduction; and

Whereas, By converting the mortgage interest tax deduction to a 15% non-refundable credit and lowering the cap of eligible mortgage value from \$1 million to \$500,000, the number of taxpayers with mortgages who qualify for a tax break would increase by 16 million, 99% of whom have incomes under \$100,000 a year; and

Whereas, These modest modifications would reduce the cost of the mortgage interest tax expenditure, thereby freeing up an estimated \$197 billion in federal resources over 10 years for housing assistance to low-income households; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the City endorses the United for Homes campaign, and supports expanding mortgage interest tax benefits to more middle-class and lower-income homeowners by converting the mortgage interest tax deduction to a tax credit and by

reducing the maximum size of a mortgage for which interest can be deducted; and, be it

Further Resolved, That Representative Gwen Moore is urged to co-sponsor H.R. 1213, The Common Sense Housing Investment Act of 2013; and, be it

Further Resolved, That Senators Tammy Baldwin and Ron Johnson are asked to use their influence to direct savings resulting from the 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; and, be it

Further Resolved, That the City Clerk shall send copies of this resolution to the City's Congressional delegates.

LRB151092-1

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2/3/2014