



NATIONAL LOW INCOME
HOUSING COALITION

Closing the Gap on the Affordable Housing Crisis

Webinar: March 2, 2017

Agenda



- a. Welcome**
- b. The Gap**
- c. UFH Campaign Overview**
- d. Solution & Opportunities**
- e. Messaging & Tools**
- f. Questions/Closing**

Diane Yentel
Andrew Aurand
Diane
Diane
Renee Willis
Diane

Presenters



**Diane
Yentel**
NLIHC President &
CEO



**Andrew
Aurand**
NLIHC Vice President of
Research



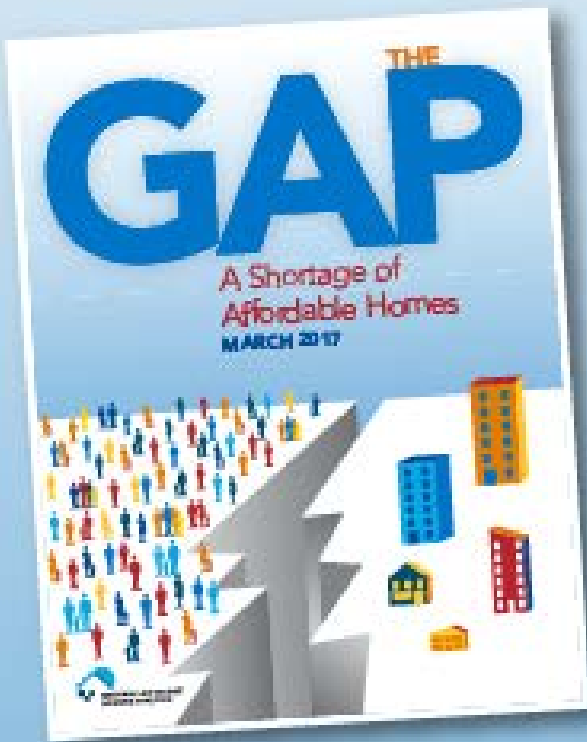
**Renee
Willis**
NLIHC Vice President of
Field &
Communications

The Gap: A Shortage of Affordable Homes

Presenter: Andrew Aurand
NLIHC Vice President of Research



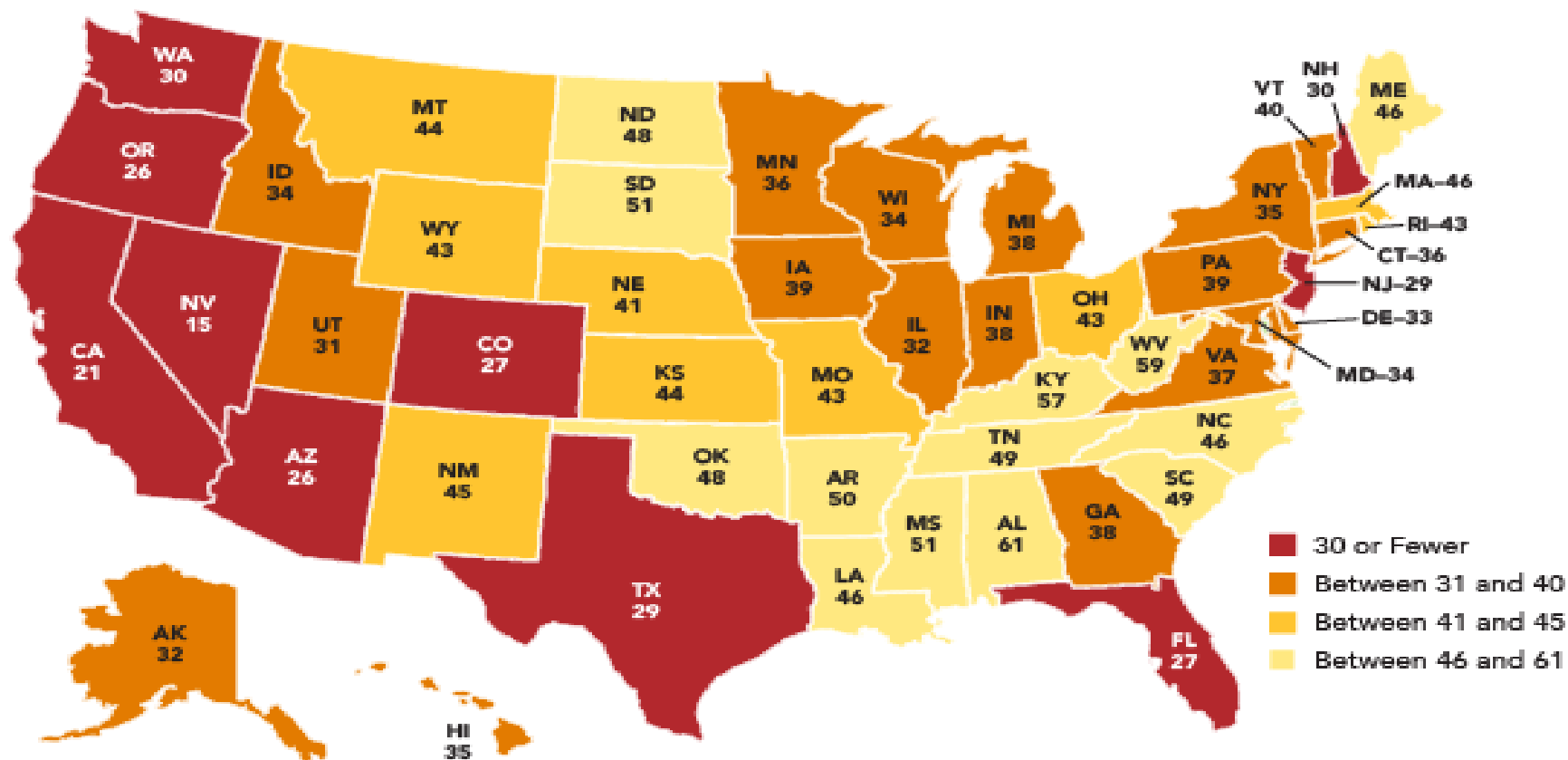
THE GAP



“The U.S. has a shortage of **7.4 million** affordable rental homes available to the **extremely low income renter households**: there are just **35** affordable and available units for every **100** of these households.”

THE GAP

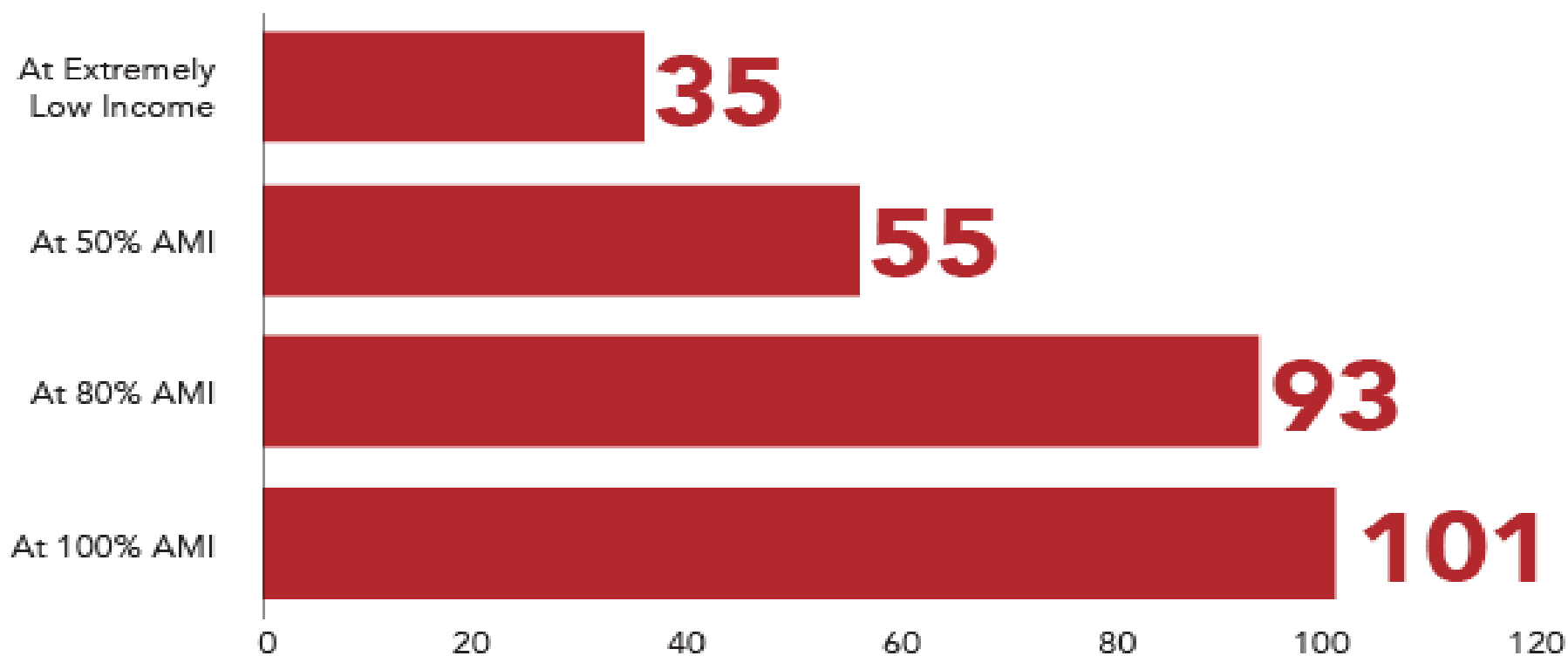
FIGURE 5: UNITS AFFORDABLE AND AVAILABLE PER 100 ELI RENTER HOUSEHOLDS BY STATE



Source: NLIHC tabulations of 2015 ACS PUMS data.
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The 2017 figures should not be compared to previous years, because of a change in the definition of extremely low income.

THE GAP

FIGURE 2. AFFORDABLE AND AVAILABLE RENTAL HOMES PER 100 RENTER HOUSEHOLDS, 2015



AMI = Area Median Income

Source: NLIHC tabulations of 2015 ACS PUMS data.

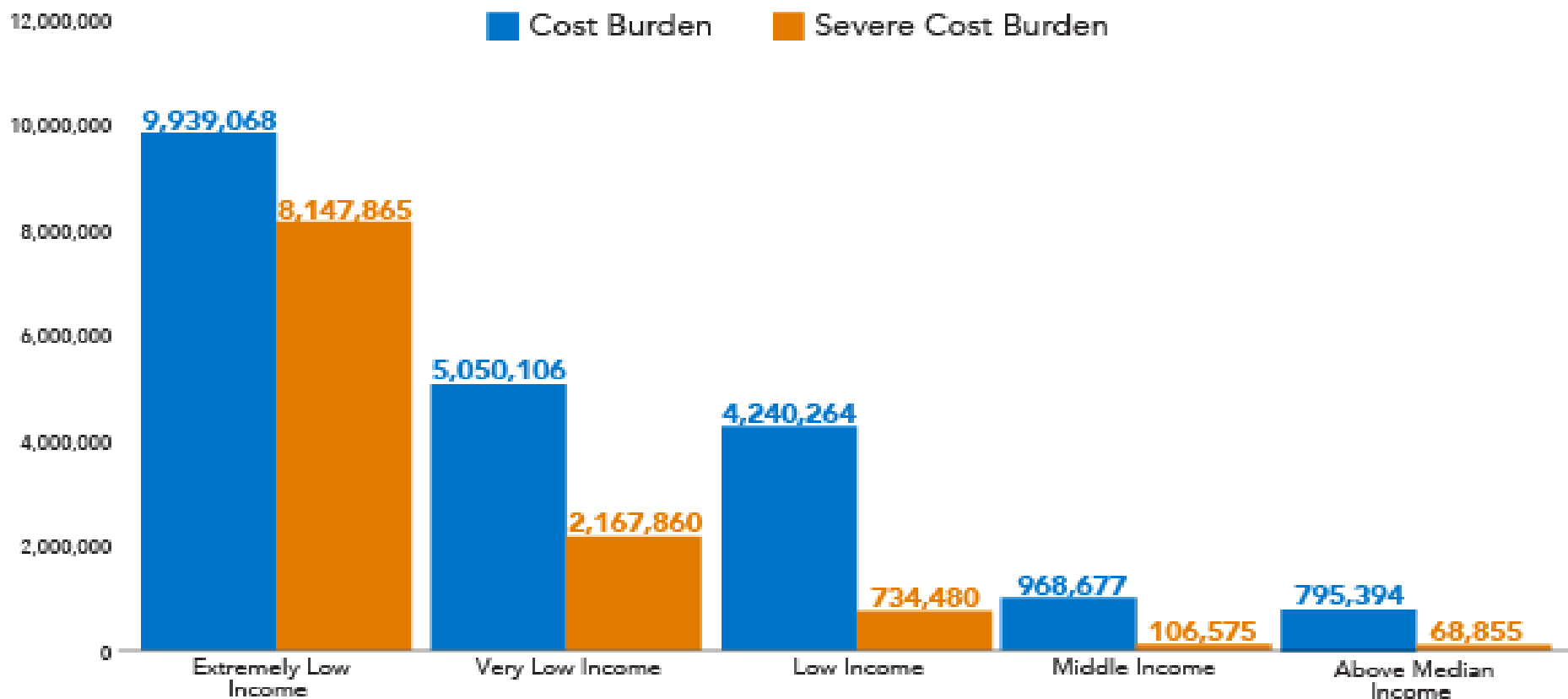
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THE GAP

FIGURE 3: RENTER HOUSEHOLDS WITH COST BURDEN BY INCOME GROUP, 2015



Source: NLIHC tabulations of 2015 ACS PUMS data.
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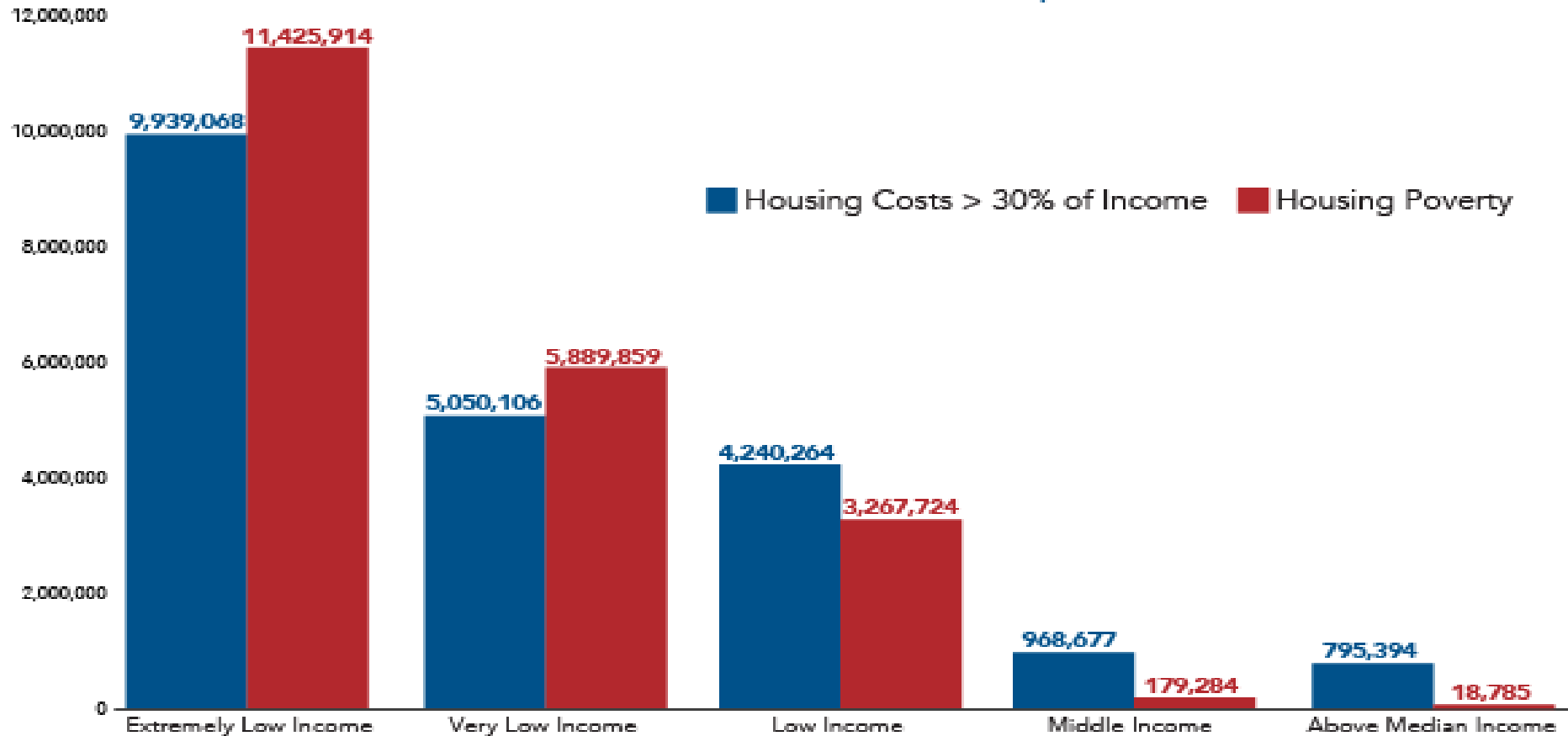


Housing Poverty



A condition experienced by a person or family when they don't have enough money to pay the cost of a modest, decent home and also pay for food, medicine, and other basic needs.

FIGURE 4: COST BURDENS AND HOUSING POVERTY BY RENTER INCOME GROUP, 2015



Source: NLIHC tabulations of 2015 ACS PUMS data.
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Solutions



- Greater resources for deeply targeted housing and housing assistance
 - National Housing Trust Fund
 - Rental Assistance
 - Low Income Housing Tax Credit
- Rebalance federal housing expenditures



United for Homes Campaign Overview

Presenter: Diane Yentel
NLIHC President & CEO





Overview

United for Homes:

A national effort to **rebalance federal housing policy** by making modest changes to the mortgage interest deduction (MID) to provide tax relief to more low and moderate income homeowners and invest the significant savings into programs that ensure the lowest income people in the U.S., including those who are homeless can have decent, affordable homes.



Overview

2,310 Supporters in 435 Congressional Districts

United for Homes is a collaboration of more than 2,300 individuals and organizations—representing all 435 Congressional Districts—working to rebalance federal housing policy for those with the greatest need.

www.unitedforhomes.org



Overview

THE PROBLEM



HOUSING SHORTAGE

7.4 Million more affordable housing units are needed for extremely low income renter households



HOMELESSNESS

500,000+ people are experiencing homelessness on any given night



HOUSING POVERTY

71% of extremely low income renter households pay more than half their income on rent



UNDERFUNDED PROGRAMS

1 in 4 extremely low income households who need assistance receive it



INEQUITY

Less than 25% of federal housing dollars benefit low-income renters

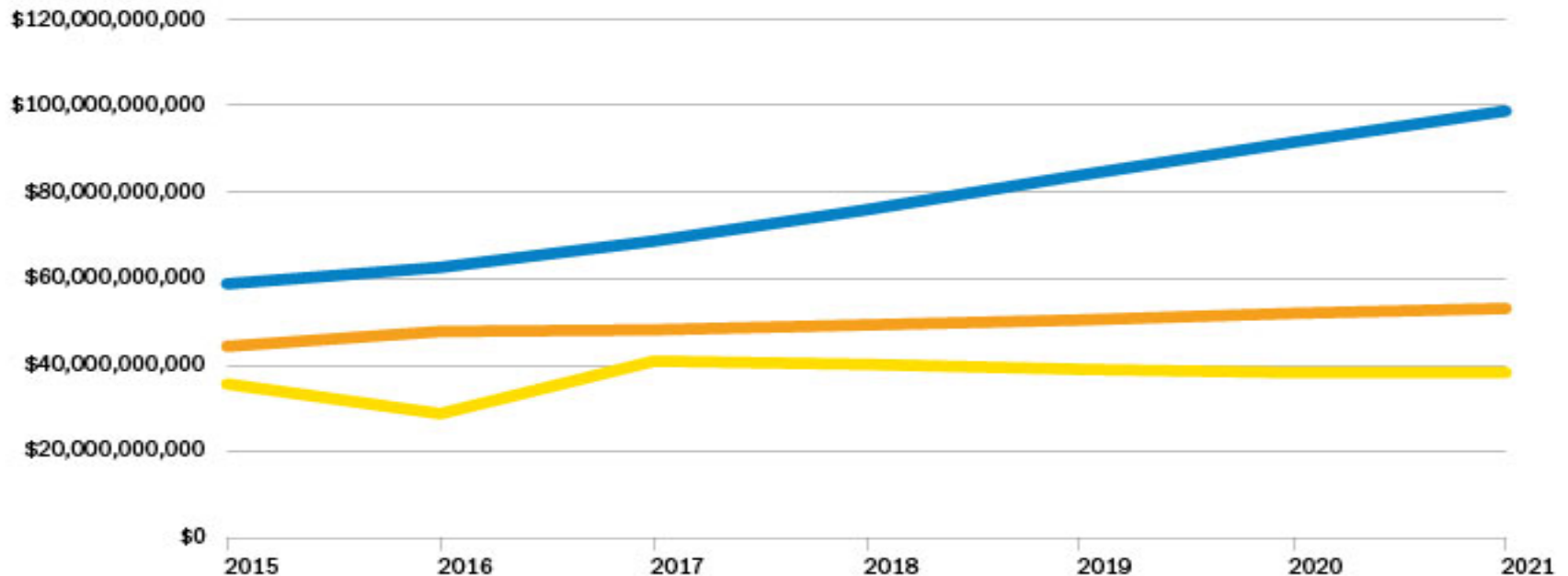


Overview



Projected Mortgage Interest Deduction (MID) Tax Expenditure and HUD Budget (2015-2021)

■ Total MID Expenditure ■ HUD Budget Authority ■ HUD Budget Outlays



Note: Not in constant dollars.

Sources: MID projections from Table 14-2B of OMB's Analytical Perspectives (2015). HUD budget authority and budget outlay data from OMB FY17 historical tables 5.2 and 4.1, respectively.



Overview

United for Homes seeks to **end homelessness, build a strong foundation,** and **strengthen communities** by providing tax relief to more low and moderate income homeowners and increasing federal investments in rental housing solutions for the lowest income people such as the national Housing Trust Fund and rental assistance programs.

We can make the investments we need by reforming the mortgage interest deduction, a tax write-off that largely benefits America's highest income households, and reinvesting the savings in housing solutions that assist people with the greatest needs.



Overview

New Alliances

United for Homes seeks to develop cross sector partnerships to **end homelessness, build a strong foundation,** and **strengthen communities.** The UFH Campaign emphasized the connection between housing and health, education, economic mobility, communities, jobs, and income equality and racial equity.



Overview

Our Integrated Approach

Health:

Living in a stable, affordable home improves a family's mental and physical well-being.

Education:

Children living in a stable, affordable home are more likely to thrive in school and have greater opportunities to learn inside and outside the classroom.

Economic Mobility:

Helping families live in communities with access to good schools and good jobs helps them climb the ladder of economic success.

Communities:

Investments in affordable housing boosts local economies and contributes to neighborhood and community development.

Jobs:

Every dollar invested in affordable housing helps create jobs and increase local income and property values.

Income Equality:

By investing in affordable homes, our nation can lift up families with the greatest needs and help close the gap between rich and poor.

Racial Equity:

We can help level the playing field for families of color by investing in affordable homes.



The Solution

**Presenter: Diane Yentel
NLIHC President & CEO**



www.unitedforhomes.org



The Solution

Reform the mortgage interest deduction (MID)—a \$70 billion a year tax write-off that largely benefits America's highest income households—**to provide tax relief to more low and moderate income homeowners and reinvest the significant savings in rental housing that serves families with the greatest needs.**



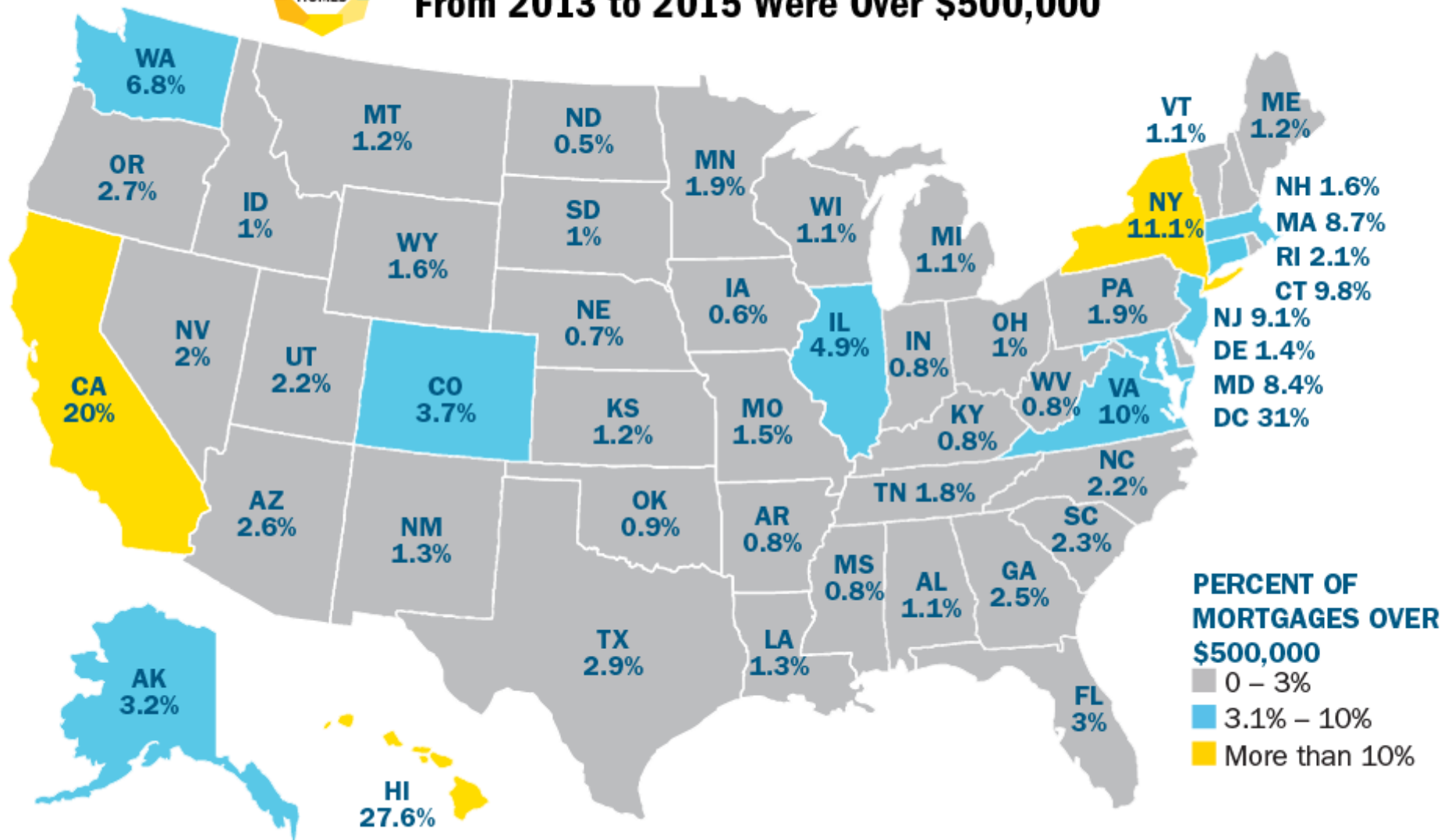
The Solution

Here's How:

- **Lower Mortgage Cap:** Reduce the amount of a mortgage eligible for tax write-off from \$1 million to \$500,000;
- **Convert to Tax Credit:** Turn the MID into a tax credit to benefit millions of lower income homeowners who currently do not benefit from the MID; and
- **Reinvest in Affordable Rental Housing:** Reinvest the savings generated—more than \$241 billion over 10 years—in housing that serves families with the greatest needs.



Just 6.0% of Mortgages in the United States From 2013 to 2015 Were Over \$500,000



Source: NLIHC analysis of Home Mortgage Disclosure Act (HMDA) data.



HOW WOULD REFORMING THE MID AFFECT A MARRIED COUPLE UNDER 65 WITH NO CHILDREN?

LOWER INCOME	MIDDLE INCOME	HIGHER INCOME
INCOME \$45,000	INCOME \$80,000	INCOME \$200,000
MORTGAGE INTEREST PAID \$4,000	MORTGAGE INTEREST PAID \$8,000	MORTGAGE INTEREST PAID \$20,000
CURRENT LAW: Deduction	CURRENT LAW: Deduction	CURRENT LAW: Deduction
\$2,904 TAXES OWED	\$8,194 TAXES OWED	\$35,155 TAXES OWED
PROPOSED LAW: 15% Credit	PROPOSED LAW: 15% Credit	PROPOSED LAW: 15% Credit
\$2,304 TAXES OWED	\$6,994 TAXES OWED	\$35,291 TAXES OWED
\$600 TAX CUT	\$1,200 TAX CUT	\$136 TAX INCREASE

Calculations by the Center for Economic and Policy Research. Based on 2012 Form 1040 (U.S. Individual Income Tax Return).



HOW WOULD REFORMING THE MID AFFECT A HEAD OF HOUSEHOLD TAXPAYER WITH 2 CHILDREN UNDER 13?

LOWER INCOME	MIDDLE INCOME	HIGHER INCOME
INCOME \$45,000	INCOME \$80,000	INCOME \$200,000
MORTGAGE INTEREST PAID \$4,000	MORTGAGE INTEREST PAID \$8,000	MORTGAGE INTEREST PAID \$20,000
CURRENT LAW: Deduction	CURRENT LAW: Deduction	CURRENT LAW: Deduction
\$259 TAXES OWED	\$7,016 TAXES OWED	\$37,172 TAXES OWED
PROPOSED LAW: 15% Credit	PROPOSED LAW: 15% Credit	PROPOSED LAW: 15% Credit
0 TAXES OWED	\$5,816 TAXES OWED	\$40,672 TAXES OWED
\$259 TAX CUT	\$1,200 TAX CUT	\$3,500 TAX INCREASE

Calculations by the Center for Economic and Policy Research. Based on 2012 Form 1040 (U.S. Individual Income Tax Return).



Opportunities

Presenter: Diane Yentel
NLIHC President & CEO



www.unitedforhomes.org



Opportunities

Tax reform is happening and reforms to the MID are on the table

Comprehensive tax reform provides a major opportunity to enact modest changes to the mortgage interest deduction and expand investments in affordable housing.

www.unitedforhomes.org



Messaging + Tools

Presenter: Renee Willis
**NLIHC Vice President of Field
& Communications**



www.unitedforhomes.org



Messaging + Tools

NEW

**Website
Collateral
Videos**

www.unitedforhomes.org

Questions

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It's never been easy.

Our commitment is unwavering.

**Join us and amplify the voices of
the poorest families in need.**

**OUR MEMBERS
ARE OUR STRENGTH.**



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JOIN TODAY

WWW.NLIHC.ORG/MEMBERSHIP