

UNITED FOR HOMES

CAMPAIGN FOR THE NATIONAL HOUSING TRUST FUND

**HOW TO EXPLAIN THE
NATIONAL HOUSING TRUST FUND (NHTF) -
HOUSING TAX REFORM (HTR)
PROPOSAL IN 3 EASY STEPS**

Updated May 3, 2013

STEP 1: THE GAP

- There are 10.1 million extremely low income renter households in U.S; extremely low income in (state) (Congressional district) is _____.
(source: <http://nlihc.org/oor/2013>)
- 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.
- In (my state) (Congressional District), the gap is _____.
(source: <http://nlihc.org/library/SHP>)



NATIONAL LOW INCOME HOUSING COALITION
2013 STATE HOUSING PROFILE

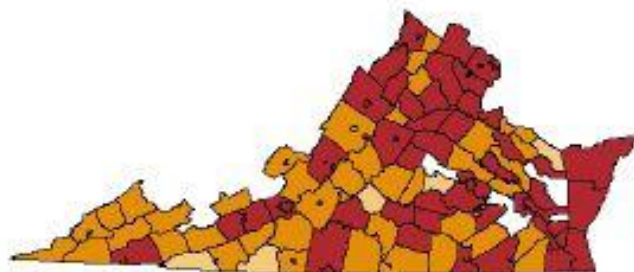
VIRGINIA

Senators: Tim Kaine and Mark R. Warner

Many renters in Virginia 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: 3/10/13

AFFORDABLE & AVAILABLE UNITS FOR ELI RENTER HOUSEHOLDS

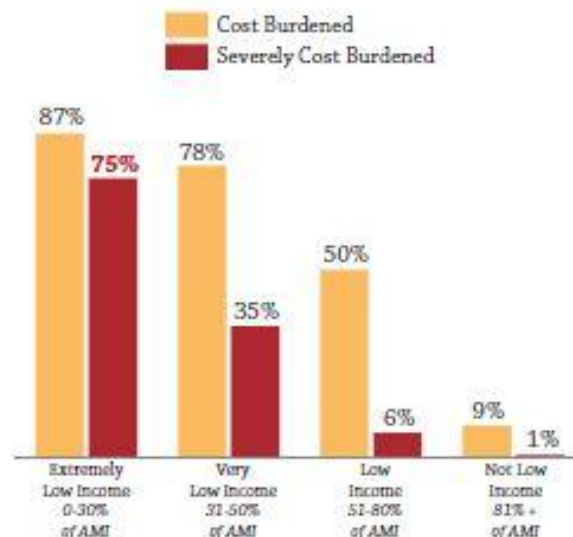


- Insufficient data
- Less than 43 units per 100 ELI households
- Between 43 - 80 units per 100 ELI households
- Above 80 units per 100 ELI Households

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

HOUSING COST BURDEN BY INCOME GROUP

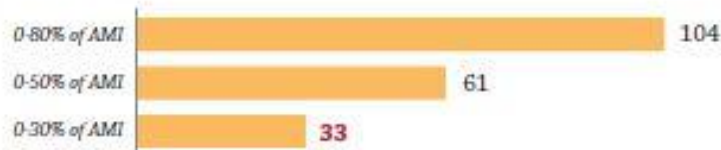
Renter households spending more than 30% of their income on housing costs and utilities are *cost burdened*; those spending more than half of their income are considered *severely cost burdened*.



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

221,071

OR

23%

Renter households that are extremely low income

\$23,660

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

147,601

Shortage of units affordable and available for extremely low income renters

\$20.72

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

STEP 2: HOW TO FILL THE GAP

- Fund the National Housing Trust Fund.
- NHTF can build, preserve, rehabilitate, 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, (my state) *would* get _____. (source: <http://bit.ly/ZliStB>)



STEP 3: HOW TO FUND THE NHTF

- Through modifying the mortgage interest deduction (MID).
- Lower eligible mortgage to \$500,000. The percent of mortgages over \$500,000 between 2007 and 2011 was 4%; in (my state), it was ____%.
(source: <http://bit.ly/ZliV80>)
- Convert MID to 15% non-refundable tax credit.



STEP 3, CONTINUED

- 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.
- This revenue is directed to the NHTF.



THE MESSAGES

- 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 the very poorest people through NHTF.
- Modify the of MID and put the revenue raised into the NHTF.





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