

RESOLUTION NO.

WHEREAS, there are nearly 85,000 extremely low- and very-low income households in the City of Austin; and

WHEREAS, there are 716,367 extremely low-income renter households in Texas whose income is \$18,422 or less for a family of four; and

WHEREAS, 78 percent of extremely low income renter households in Texas pay more than half of their incomes for rent; and

WHEREAS, nearly 39 percent of Austin households are considered cost-burdened because they pay more than 30 percent of their income for housing; and

WHEREAS, there is a shortage of homes that are affordable and available for extremely low income renter households in Texas and in the City of Austin; and

WHEREAS, this shortage of homes that are affordable and available for extremely low income renter households is a cause of homelessness; and

WHEREAS, thousands of Austin families are waiting up to 5 years for a chance to participate in the City of Austin's affordable housing voucher program; and

WHEREAS, fair market rent for a two-bedroom apartment in Travis County is \$1,074 per month, while extremely low-income renter households can only afford \$566 per month; and

WHEREAS, a worker earning minimum wage in Travis County would have to work 112 hours per week in order to afford a two-bedroom apartment; and

WHEREAS, Congress established the National Housing Trust Fund in 2008 as a dedicated source of funding for the production, preservation, rehabilitation, and operation of 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 \$289 million would be allocated to Texas; and

WHEREAS, the mortgage interest deduction is under consideration for change by the U.S. Congress; and

WHEREAS, over three-quarters of the benefit for the mortgage interest deduction goes to households with income 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 percent non-refundable credit and lowering the cap of eligible mortgage value from \$1 million to \$500,000, the number of taxpayers with mortgages who would receive a tax break would increase by 16 million, 99 percent of whom have incomes under \$100,000 a year; and

WHEREAS, these modest modifications would not only provide mortgage interest tax benefits to more middle class and lower income homeowners, but also 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; and

WHEREAS, on October 27, 2014, the Human Rights Commission passed a resolution recommending that the Austin City Council endorse United for Homes, a national campaign to fund the National Housing Trust Fund, a dedicated federal

funding stream for affordable housing that has sat empty since 2008; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The Austin City Council endorses the United for Homes Campaign to fund the National Housing Trust Fund and includes support for the National Housing Trust Fund in the City's federal legislative agenda for the 114th Congress.

ADOPTED: _____, 2014 **ATTEST:** _____
Jannette S. Goodall
City Clerk