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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1651

03/21/2013 Authored by Clark

The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A resolution

1.2 memorializing the President and Congress to support expanded housing options

1.3 and greater tax fairness.

1.4 WHEREAS, stable housing is the foundation upon which people build their lives. Absent a

1.5 safe, decent, and affordable place to live, it is next to impossible to achieve good health, positive

1.6 educational outcomes, or reach one's economic potential; and

1.7 WHEREAS, there are 171,315 extremely low-income renter households in Minnesota

1.8 whose income is \$22,442 or less for a family of four; and

1.9 WHEREAS, 64 percent of extremely low-income renter households in Minnesota pay

1.10 more than one-half of their income for rent; and

1.11 WHEREAS, there is a shortage of 109,480 homes that are affordable and available for

1.12 extremely low-income renter households in Minnesota; and

1.13 WHEREAS, this shortage of homes that are affordable and available for extremely

1.14 low-income renter households is the cause of homelessness in the United States; and

1.15 WHEREAS, Congress established the National Housing Trust Fund in 2008 as a dedicated

1.16 fund intended to provide revenue to build, preserve, rehabilitate, and operate housing for people

1.17 with the lowest incomes, including people who are homeless; and

1.18 WHEREAS, the National Housing Trust Fund has not received any dollars since it was

1.19 created, despite the growing need for rental housing that extremely low-income households

1.20 can afford; and

2.1 WHEREAS, investing in the National Housing Trust Fund will create jobs in the
2.2 construction trades and in property management; and

2.3 WHEREAS, the mortgage interest deduction is under consideration for change by the
2.4 United States Congress; and

2.5 WHEREAS, over three-quarters of the benefit for the mortgage interest deduction goes to
2.6 households with income in the top fifth of all taxpayers; and

2.7 WHEREAS, only slightly more than one-half of homeowners who pay interest on their
2.8 mortgages benefit from the mortgage interest deduction; and

2.9 WHEREAS, with modest modifications to the mortgage interest tax expenditure, the
2.10 number of homeowners with mortgages who get a tax break could increase with most of the
2.11 expanded benefit going to homeowners with mortgages with incomes under \$100,000 a year; and

2.12 WHEREAS, with modest modifications to the mortgage interest tax expenditure, its
2.13 cost could be reduced, freeing up federal resources to direct to housing assistance to needy
2.14 households; and

2.15 WHEREAS, the Legislature of the State of Minnesota supports expanding mortgage
2.16 interest tax benefits to more middle class and lower income homeowners by modifying the
2.17 mortgage interest deduction by converting the tax deduction to a tax credit and by reducing the
2.18 maximum size of a mortgage for which interest can be deducted; NOW, THEREFORE,

2.19 BE IT RESOLVED by the Legislature of the State of Minnesota that it urges the President
2.20 and the Congress of the United States to direct sums resulting from mortgage interest deduction
2.21 modifications to the National Housing Trust Fund to build, preserve, rehabilitate, and operate
2.22 rental housing that is affordable for extremely low-income households.

2.23 BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is
2.24 directed to prepare copies of this memorial and transmit them to the President of the United States,
2.25 the President and the Secretary of the United States Senate, the Speaker and the Clerk of the United
2.26 States House of Representatives, and Minnesota's Senators and Representatives in Congress.