



City of Chicago



R2015-700

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	9/24/2015
Sponsor(s):	Burns (4)
Type:	Resolution
Title:	Call for support expanding mortgage interest tax benefits to more middle class and lower income homeowners by modifying interest deduction
Committee(s) Assignment:	Committee on Housing and Real Estate

Housing

**CITY OF CHICAGO RESOLUTION IN SUPPORT OF UNITED FOR HOMES
CAMPAIGN SUPPORTING EXPANDED HOUSING OPTIONS AND GREATER TAX
FAIRNESS**

WHEREAS, “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.” (U.S. Interagency Council on Homelessness, *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*. 2010); and

WHEREAS, in Chicago there are 164,110 extremely low income renter households whose income is \$21,649 or less for a family of four; and

WHEREAS, in Chicago there are only 26 rental homes both affordable and available for every 100 renter households considered extremely low-income, equaling a deficit of 101,420 rental units.

WHEREAS, 66% of extremely low income renter households in Chicago pay more than half of their incomes for rent; and

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

WHEREAS, extremely low-income renter households should have access to quality affordable housing in every neighborhood in Chicago; 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, 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 \$238,900,000 would be allocated to Illinois; 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% non-refundable credit and lowering the cap of eligible mortgage value from \$1 million to \$500,000, the number of taxpayers with mortgages who get 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; and

NOW, THEREFORE, BE IT RESOLVED, That we, the Mayor and members of the Chicago City Council assembled this 24th day of September 2015, do hereby endorse the United for Homes Campaign, and support expanding mortgage interest tax benefits to more middle class and lower income homeowners by modifying the mortgage interest deduction by converting the tax deduction to a tax credit and by reducing the maximum size of a mortgage for which interest can be deducted.



William D. Burns
Alderman, 4th Ward
City of Chicago

