

# Invest in Affordable Rental Housing: Replace Mortgage Interest Deduction with a Flat-Rate Tax Credit

**From: The Honorable Keith Ellison**

**Sent By: [carol.wayman@mail.house.gov](mailto:carol.wayman@mail.house.gov)**

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## Co-sponsor the Common Sense Housing Investment Act of 2015

**Increase Affordable Rental Housing - Expand Homeownership Benefits  
One in four households pay more than 50% of their income for rent**

*Current cosponsors: Reps. Conyers, Edwards, Lee and Rush,*

*Supported by [more than 1,900 organizations](#) including Council of Large Public Housing Associations, Corporate Social Responsibility Association, National Council of La Raza, AFL-CIO Housing Investment Trust, Children's Defense Fund, Corporation for Supportive Housing, Jesuit Conference USA, Jewish Community Action, Manufactured Home Owners Association of America, Mercy Housing, National AIDS Housing Coalition, National Alliance to End Homelessness, National Association of Real Estate Brokers - Investment Division, Housing Counseling Agency (NID-HCA), National Council on Independent Living, National Church Residences, National Disability Rights Network, National Law Center on Homelessness and Poverty, National Leased Housing Association, National Low Income Housing Coalition, Network: A National Catholic Social Justice Lobby, Sisters of Mercy of the Americas, Institute Leadership Team, Stewards of Affordable Housing for the Future, United Methodist Church-Global Board of Church and Society, Volunteers of America and Xaverian Brothers.*

Dear Colleague:

As temperatures remain dangerously cold, we are reminded that there are hundreds of thousands of people who lack any homes at all. People living on the street face the real fear of freezing to death. They desperately need safe and affordable housing. Yet, funding for rental housing has fallen while the generous benefits for homeownership remain untouched.

We have a crisis in affordable rental housing. According to a [Harvard Joint Center for Housing Studies report](#), one in two households pay more than 30% of their gross income on rent and one in four households pay more than 50% of their gross income on rent.

A [blog post](#) by the Center on Budget and Policy Priorities notes the mismatch in federal housing spending.

*“The federal government spent \$270 billion in 2012 to help Americans buy or rent homes, but little of that spending went to the families who struggle the most to afford housing. The CBPP [chartbook](#) shows that those expenditures are unbalanced in two respects: they target a disproportionate share of subsidies on higher-income households and they favor homeownership over renting. Low-income renters are far more likely than other households to pay very high shares of their income for housing and to experience problems such as homelessness, housing instability, and overcrowding, but the rental assistance programs designed to help them reach fewer than one in four eligible households.”*

We need a [new approach](#) to raise needed revenue to address the affordable rental housing crisis. My bill, the Common Sense Housing Investment Act of 2015 would invest more than \$200 billion over ten years to expand the supply of affordable rental housing for extremely low-income families, veterans, people with disabilities and the elderly. My bill raises these funds by replacing the current mortgage interest deduction with a 15% tax credit on interest paid on up to \$500,000 of a mortgage. The Pew Charitable Trusts provides [information](#) on the geographic distribution of the mortgage interest deduction.

Changes to the mortgage interest deduction are being considered as part of tax reform. My bill retains those funds in housing and targets them to those most in need of a safe and affordable option by investing in public housing, the National Housing Trust Fund and an expansion of the Low Income Housing Tax Credit.

Please cosponsor the Common Sense Housing Investment Act of 2015 to better target our nation’s housing investments. Following the recommendation of the [Bipartisan Housing Commission](#), my bill keeps the revenue raised in the housing sector to meet the needs of homeless families, veterans and low-income elderly while preserving a benefit for homeownership and expanding that benefit to as many as 16 million more current and many more future homeowners. In the 113th Congress, this bill was H.R. 1213.

Please contact Carol Wayman at 5.4755 or [carol.wayman@mail.house.gov](mailto:carol.wayman@mail.house.gov) for more information.

Sincerely,

/s/

Keith Ellison  
Member of Congress