

## Housing

With its pleasant climate, prime location in the heart of Silicon Valley, and wonderful schools, California's 14th Congressional District is one of the most beautiful, desirable places to live in the country. What makes our communities wonderful places to live is also driving the cost of housing through the roof.

In this section:

- Affordable Housing
- Community Development Block Grants
- Section 8 Housing Vouchers
- Mortgage Tax Deduction

Related Resources:

- Department of Housing and Urban Development
- Santa Clara Housing Authority
- Santa Cruz Housing Authority
- San Mateo Housing Authority

### Affordable Housing

In June 2007, the San Jose Mercury News reported the following median prices for single family homes in the counties within the 14th Congressional District:

Santa Clara County: \$793,750

San Mateo County: \$860,000

Santa Cruz County: \$753,500

These housing prices preclude many families from being able to purchase a home. The lack of affordable housing prevents people from living where they work, forcing them into longer commutes which puts an additional strain on our transportation infrastructure.

Rep. Eshoo supports efforts to raise the conforming loan limit for California. Conforming loans are mortgages that Government Sponsored Enterprises (GSEs) such as Freddie Mac and Fannie Mae buy. These mortgages are bundled and then sold to investors. The GSEs are then able to offer savings to homeowners in the form of lower interest rates. Conforming loan limits for California are currently below the median cost of a home.

In May 2007, Rep. Eshoo voted for H.R. 1427, the Federal Housing Finance Reform Act of 2007, which passed the House of Representatives. The legislation establishes the Federal Housing Finance Agency (FHFA), to create a strong, independent regulator of Fannie Mae and Freddie Mac, with broad powers comparable to those of federal bank regulators. The bill also creates a non-taxpayer-financed Affordable Housing Fund -- to be financed by required contributions from Fannie Mae and Freddie Mac to help address affordable housing shortage nationwide.

### Community Development Block Grant

The Community Development Block Grant (CDBG) program has been a highly effective tool for providing communities with the resources needed for redevelopment and revitalization, as well as housing rehabilitation. It has been proven to create jobs, opportunities and homes for low-income families and individuals.

The President's Fiscal Year 2006 budget request contained a proposal to consolidate CDBG (currently administered by the Department of Housing and Urban Development), along with 17 other housing and community development programs into one program to be operated by the Commerce Department. The President's request would have funded this new consolidated program at 35 percent less than the 18 programs received last year. Rep. Eshoo opposed this plan and joined her Colleagues in sending a letter to House Appropriators urging them to resist this plan.

The Bush Administration has also threatened to change the CDBG funding formula to ensure that more affluent communities cannot receive funding through this program. In fact, last year David Sampson, Assistant Secretary of Commerce for Economic Development, specifically named Palo Alto as a community receiving more funds than it "deserves." Unfortunately, these comments demonstrate a lack of understanding for how this program benefits communities with real income disparities. In the 14th Congressional District, the CDBG program provides essential funding for communities to assist the poor, seniors and homeless.

Thankfully, the President's proposals regarding CDBG have not been adopted by Congress. Rep. Eshoo will continue to fight for the continuation of this important program.

### Related Documents:

Rep. Eshoo's letter to House Appropriators opposing the consolidation of CDBG.

Rep. Eshoo's letter to President Bush in response to Mr. Sampson's comments regarding Palo Alto receiving CDBG funds.

## Section 8 Housing Assistance

The Section 8 Housing Assistance program helps the neediest in our society with their housing needs. Under this program, tenants pay a fixed percentage of their income for rent, and the balance is paid by the federal government directly to the property owner. Rep. Eshoo has been a consistent supporter of the Section 8 program and has fought to preserve its funding.

Rep. Eshoo is also a supporter of the Moving to Work (MTW) program. MTW is a demonstration program that provides public housing authorities with greater flexibility to design and test ways to:

- Promote self-sufficiency among assisted families
- Achieve programmatic efficiency and reduce costs
- Increase housing choice for low-income households

San Mateo County currently participates in this program, and Rep. Eshoo has supported efforts to expand this program into the other counties of California's 14th District, Santa Clara and Santa Cruz.

## Mortgage Tax Deduction

Among the President's announced goals upon taking office was reforming our current tax code. To that end, the President established a panel of experts to analyze our current system and determine how it can be simplified while still ensuring that the tax burden is shared in a progressive manner and providing for long-term growth and job creation. In November of 2005, the Panel issued its report. Included in this report was a proposal to reduce the amount of mortgage interest that can be deducted. While no legislative proposals have come out of the Panel's report Rep. Eshoo is closely monitoring this issue and opposes abolishing the Mortgage Interest Deduction for homeowners. For more information visit the tax section of Rep. Eshoo's website.

## Related Resources:

- President's Panel on Tax Reform