





Affordable Housing and Homeless Solutions Leaders: Budget proposal impacts “deeply troubling”

A broad multi-sector coalition of affordable housing, homelessness, and housing justice advocates release united statement in response to the Governor’s proposed budget

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A united coalition of affordable housing, homelessness, and housing justice leaders report that the Governor's budget, released yesterday, includes stark cuts to housing programs that will negatively impact tens of thousands of California families and have rippling impacts on the state's economic, public health, and social outcomes. We are relieved the Governor's proposal retains funding for homeless programs, such as the Homeless Housing Assistance Program, but are concerned that the proposed budget halts progress at a time when Californians are grappling with alarming housing cost burdens, widespread housing instability, and an urgent need to solve homelessness.

"The proposed cuts to critical programs that provide affordable homes for low-income families and those experiencing homelessness are short-sighted because they will end up costing California more in the long run," said **Matt Schwartz**, CEO, California Housing Partnership. "Yesterday's proposal underscores how important it is that the Legislature pass Assemblymember Buffy Wick's proposed new state housing bond (AB 1657) and send it to the voters for final approval in November and get to work on creating a permanent source of ongoing funding for affordable housing and homelessness solutions."

Proposed Budget Impacts on Affordable Housing in California

Current proposed cuts drastically reduce – and in some cases remove altogether – funding for the enhanced state Low-Income Housing Tax Credit, the Multifamily Housing Program, the Infill Infrastructure Grant Program, the Veterans Housing and Homelessness Prevention Program, the Foreclosure Intervention Housing Preservation Program, the Regional Early Action Planning Grants 2.0 (REAP 2.0), and the CalHome Program for the coming year. In addition, the current budget proposal reverts \$900 million in funds appropriated to these programs in 2023.

These cuts will reduce annual construction of new affordable homes by one third (eliminating potential for 6,400 affordable homes), resulting in tens of thousands of individuals without homes, lost jobs and economic opportunity, and the loss of \$1.6 billion in federal housing resources.

"The impacts of these cuts are deeply troubling. We can't just look at numbers and figures. This is about who's impacted. Among extremely low-income renter households, 79% pay more than half of their income in rent. Housing affordability, stability, and accessibility is especially acute for older adults, people with disabilities, and renters of color," said **Francisco Dueñas**, Executive Director, Housing Now!. "It's because of California's needs and California's priorities that the state had set their goal of more

than 1 million affordable homes over the next decade – we can't back down on that now.”

We are grateful the Governor did not propose any cuts to funding for the Homeless Housing Assistance and Prevention program (HHAP), passed in 2023. “We look forward to working with the Governor’s Office and legislators to ensure we avoid a cliff in state funding to local governments around homelessness by continuing to fund the HHAP program in the 2024-25 budget,” said **Sharon Rapport**, Director of California State Policy, CSH. “And we acknowledge the solution to homelessness is housing, so cuts to housing programs heavily impact the number of people experiencing homelessness.”

Looking Ahead

A coalition of California’s leading affordable housing, homelessness, and housing justice organizations are working to finalize a set of recommendations that propose effective solutions to balance the budget while addressing California’s biggest need-housing. The full analysis and recommendations will be provided in the coming days and will include a statewide affordable housing bond (AB 1657) and an ongoing source of funding for affordable housing and homelessness services.

“While the Governor acknowledged yesterday that the January budget is just the beginning of months-long negotiations between his Administration and the Legislature, affordable housing advocates will certainly be active in urging state leaders to maintain support for critical affordable housing programs and identify stable sources of long-term funding,” said **Ray Pearl**, Executive Director, California Housing Consortium.

The trauma faced by the growing number of persons forced into homelessness and the severe housing instability and cost burden that low-income families face is rapidly eroding the California dream, disproportionately for people of color. The number of Californians suffering homelessness increased by 10,000 in the last year to total over 181,000. More than 123,000 Californians are outside with no access to shelter. More broadly, the California Housing Partnership’s [Housing Need Dashboard](#) finds that 1.3 million low-income households who rent in California do not have access to an affordable home. As outlined in the [Roadmap Home 2030](#), true solutions will require a much greater level of sustained commitment by state leaders moving forward, not budget cuts.

“No matter what metric we use to evaluate our communities' strengths -- be it health, economic well-being, educational success, racial equity, or something else -- safe, stable, affordable housing is the crucial foundation for Californians to thrive. When we prioritize housing affordability for everyone, communities are strengthened and we

secure a future of health and shared prosperity,” said **Chione Flegal**, Executive Director, Housing California. “We are calling on our state leaders to put a new housing bond before the voters, get to work on establishing a permanent state funding source for affordable housing and homelessness solutions, and adopt a state budget that responds to the urgent housing needs of struggling Californians.”

About: The coalition of affordable housing, homelessness solutions, and housing justice leaders of California represented by this statement include:

Alliance of Californians for Community Empowerment (ACCE)
Bay Area Community Services
Brilliant Corners
California Coalition for Rural Housing
California Democratic Renters Council
California Housing Consortium
California Housing Partnership
California Rural Legal Assistance Foundation
California State Council on Developmental Disabilities
Center for Community Action and Environmental Justice
Central Valley Empowerment Alliance
Compass Family Services
Corporation for Supportive Housing
Council of Community Housing Organizations
Destination: Home
East Bay Housing Organizations
Enterprise Community Partners
Evolve California
Family Assistance Program
FSY Architects, Inc
Fundors Together to End Homelessness
Habitat for Humanity California
Holos Communities
Housing Action Coalition
Housing California
Housing is a Human Right OC
Housing Now!
Housing Rights Initiative
Housing Trust Fund Ventura County & Housing Land Trust Ventura County

Human Impact Partners
Inland Equity Community Land Trust
Inner City Law Center
Jewish Family Service of Los Angeles
LeadingAge California
Lift to Rise
Little Tokyo Service Center
Lived Experience Advisers
Los vecinos de huron
Mercy Housing California
Merritt Community Capital Corporation
MidPen Housing Corporation
Milestone Housing Group, LLC
Monterey County Renters United
Mutual Housing California
Novin Development Corp
Parable of the Sower Intentional Community Cooperative
People Assisting The Homeless
People's Budget Orange County
Personal Assistance Services Council
PICO California
PowerCA Action
Public Advocates
Residents United Network Los Angeles
Resilience OC
Resources for Community Development
Sacramento Regional Coalition to End Homelessness
San Diego Housing Commission
San Diego Housing Federation
San Francisco Housing Development Corporation
Southern California Association of NonProfit Housing
SPUR
Tapestry Unitarian Universalist Congregation Tenderloin
Housing Clinic
The Children's Partnership
The Kennedy Commission
The Unity Council
United Way of Greater Los Angeles
Vision y Compromiso

Welcoming Neighbors Home
Western Center on Law & Poverty