





**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.”

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**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  
LA County DMH  
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