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LA FAMILY
HOUSING

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SAN DIEGO
HOUSING
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Shelter
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SUPPORTIVE HOUSING ALLIANCE





The Honorable Gavin Newsom
 Governor of California
 1021 O Street, Suite 9000
 Sacramento, CA 95814

The Honorable Mike McGuire
 President Pro Temp of the Senate
 1021 O Street, Suite 8518
 Sacramento, CA 95814

The Honorable Scott Wiener
 Chair, Senate Budget Committee
 1021 O Street, Suite 8620
 Sacramento, CA 95814

The Honorable Robert Rivas
 Speaker of the Assembly
 1021 O Street, Suite 8330
 Sacramento, CA 95814

The Honorable Jessie Gabriel
 Chair, Assembly Committee on Budget
 1021 O Street, Suite 8230
 Sacramento, CA 95814

May 28, 2024

RE: Urgent need to restore affordable housing and homelessness funding in the budget

The affordable housing and homelessness crises continue to top surveys as the most urgent issues facing the state. For us, the undersigned state leaders working across philanthropy, business, community and faith-based institutions, local government, affordable housing, homelessness, and more, these polls match what we see and feel in our communities each day. Far too many of our neighbors, our friends, and our families are being forced into homelessness due to a lack of an affordable home. These crises are holding our state back from being the inclusive, equitable, and prosperous state that we all want for California.

At a time when the state continues to face a shortfall of at least 1.2 million homes affordable to lower-income households and tens of thousands of Californians are experiencing homelessness, the Governor’s May Revise Budget proposal not only zeroes out General Fund resources for affordable housing and homelessness in this budget year but also claws back \$1.96 billion in critical resources committed in previous budgets. Our state cannot afford, nor can our communities accept in good conscience, these cuts. Most local governments will terminate services that prevent and end homelessness, and California’s anemic affordable housing production will plummet, leaving a similar amount of precious federal resources on the table in the process.

In addition to approving the state Low-Income Housing Tax Credits the Governor restored in the May Revisé, **we call on the Governor and Legislature to restore \$325 million in proposed reversions to the Multifamily Housing Program (MHP)**, HCD's core affordable rental housing production program. **We further call on the Governor and Legislature to fund the Homeless, Housing Assistance and Prevention (HHAP) Program at \$1 billion.**

Housing is the solution to homelessness, and MHP is the state's largest, most flexible program for affordable housing production. MHP funds much-needed affordable housing through a cost-effective program that leverages other federal and private sources of funding 5:1. MHP funds developments across the state for the state's most vulnerable, including specific focus areas through set-asides for rural communities and seniors. But without action, this program will come to an immediate halt, stalling construction of new affordable homes. This comes at the worst possible time when recent legislative successes to streamline the permitting of affordable housing have added 47,000 shovel-ready affordable homes to the funding pipeline and 2018's Proposition 1 housing bond funds have already run dry.

Jurisdictions are using HHAP funds to slow and reduce homelessness, and now is a critical time to extend this hard-won progress. HHAP is a critical source of funding that allows local jurisdictions and continuums of care the flexibility to support a range of solutions to address homelessness in their communities and has connected thousands of unhoused Californians to shelter and housing. If the HHAP program is defunded this year, programs will wind down across the state, interim housing and shelters will be forced to close, and Californians experiencing homelessness will be left without a path to stable housing.

These two programs work in combination to prevent and end homelessness: HHAP provides interim housing and supportive services to people experiencing homelessness, and MHP complements HHAP by providing a destination for those receiving HHAP services and keeping California's lowest-income households from falling into homelessness in the first place. Failure to fund these two programs will stall affordable housing development and jeopardize the local infrastructure that has been built to address homelessness.

Now is not the time to abandon the state's commitment to addressing homelessness and our dire affordable housing needs. These targeted investments in MHP and HHAP will help us cement and build on the progress we have made to date until we can enact longer-term funding solutions.

Sincerely,

A Community of Friends
Abode Housing Development
All Home
Alliant Communities
Brilliant Corners
Burbank Housing
Cabrillo Economic Development Corporation
California Association of Local Housing Finance Agencies
California Rural Legal Assistance Foundation

CCH
Center for Community Action and Environmental Justice
Century Housing Corporation
City of Goleta
Community Corporation of Santa Monica
Community Housing Improvement Program (CHIP)
Compass Family Services
Council of Community Housing Organizations
CSH
Danco Communities
Destination: Home
Disability Rights California
EAH Housing
East Bay Housing Organizations
Ensuring Opportunity Campaign
Enterprise Community Partners
Enterprise Community Loan Fund
Evolve California
Family Assistance Program
Firm Foundation Community Housing
Friends Committee on Legislation of California
FSY Architects, Inc
H.E.A.L. Network
Homeless Emergency Assistance Program Association
Homelessness Hub at UC San Diego
HOPICS
Housing and Homeless Collaborative of Claremont
Housing Trust Fund Ventura County
HPP Cares
Human Impact Partners
Indivisible-CA State Strong
Inland SoCal Housing Collective
Insight Housing
Interfaith Community Services
Inner City Law Center
Juniper Mason
LA Family Housing
Law Foundation of Silicon Valley
LeadingAge California
Leap For Parenting Youth Transitional Housing
Let Spirit Lead, Inc.
Lift to Rise
Linc Housing
Lived Experience Advisors
Lutheran Social Services of Northern California
Mercy Housing California
Merritt Community Capital Corporation
MidPen Housing
Mission Economic Development Agency

Mogavero Architects
Multiculturalism Rocks LLC
Mutual Housing California
National Alliance to End Homelessness
New Beginnings
Non-Profit Housing Association of Northern California (NPH)
Office of Oakland Mayor Sheng Thao
Office of Santa Monica City Council Candidate Marcus Owens
Operation Dignity
PATH
People for Housing Orange County
People's Self-Help Housing
PICO California
PolicyLink
Public Interest Law Project
Residents United Network
Resources for Community Development
Root & Rebound
RTFH
Sacramento Housing Alliance
Safe Place for Youth
San Diego Housing Commission
San Diego Housing Federation
San Francisco Housing Development Corporation
San Francisco Mayor's Office of Housing and Community Development
San Francisco Tenants Union
San Joaquin Valley Housing Collaborative
Santa Clara Methodist Retirement Foundation
SCANPH
SDS Capital Group
Serving Seniors
Self-Help Enterprises
Shelter Partnership
SPUR
Supportive Housing Alliance
Tenderloin Housing Clinic
The Children's Partnership
The People Concern
TransForm
Turning Point Community Programs
Union Station Homeless Services
United Latino Voices of Contra Costa County
United Way of Greater Los Angeles
UPHoldings
Urban Focus
Urban Habitat
Wise Up Incorporated
WLCAC
WORKS, Women Organizing Resources Knowledge and Services

WUNZ Apparel in Action
YIMBY Action
Young Community Developers