



Coalition of Affordable Housing, Homelessness, and Housing Justice Organizations Responds to Governor’s January Budget Proposal — Highlighting Absence of Urgently Needed Housing Investments to Address California’s Cost of Living Challenges

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Today, Governor Newsom unveiled his 2025-26 January budget, which includes an ambitious new proposal for reorganizing the state’s housing agencies, but in spite of an improving state revenue picture does not include funding for any of a range of critical homelessness, affordable housing, and homeownership programs.

Our statewide coalition of affordable housing, homelessness, and housing justice organizations has applauded the Governor for years for his leadership on housing, sharing a [blueprint for the next phase of needed housing investments](#) with the Administration in the fall. We are deeply concerned by the alarming absence of funding for these programs in the January budget.

The November elections were a stark reminder that for millions of Californians, the cost of living — and rising housing costs, in particular — have become one of the state’s

most urgent policy priorities. The ongoing wildfires in Los Angeles, which have displaced tens of thousands of people and destroyed thousands of homes, have only added to the state's affordable housing challenges.

California has a wealth of successful, proven programs the state can rely on to prevent and end homelessness, produce new affordable homes, preserve existing affordable housing, and build first-time homeownership opportunities. We urge the Governor and the Legislature to work together to scale these programs up in this year's budget, through meaningful investments that address the full spectrum of housing needs in communities across the state.

To make housing affordable, California needs to build 100,000 new homes affordable to low-income households each year for the next ten years. Currently, the state is building only 20,000 affordable homes per year, or 20% of the need — while our state's homelessness population continues to grow. Thanks in part to a number of reforms enacted by the Governor and Legislature, cities and counties across the state have permitted more than 46,000 shovel-ready affordable housing projects, but most of these units lack funding to begin construction. With resources from the 2018 affordable housing bond depleted, General Fund housing investments in 2025-2026 are critical to preserve and expand the state's affordable housing pipeline.

California voters have demanded action on affordability and the cost of living — and we urge the Governor and Legislature to move quickly this year to respond by making affordable housing a top priority in this year's budget.

Quotes from members of the coalition:

Chione Lucina Muñoz Flegal, Executive Director of Housing California:

“We are excited about the Governor's proposed cabinet-level agency and are committed to working with the administration to bolster state leadership, increase efficiencies, advance racial equity, and scale impact. Our shared efforts to solve homelessness and address California's housing affordability crisis demonstrate that when we invest resources in solving these challenges, we make progress. California is serving more unhoused people than ever before and is building more affordable homes than we have in years. But we have more work to do. Now is the time to double down on our success and make crucial investments in affordable housing and services, with the urgency and focus that our communities need and deserve. We stand ready to support the Administration and the Legislature in passing a package of housing and homelessness investments.”

Ray Pearl, Executive Director of the California Housing Consortium:

“California has made steady progress on affordable housing production in recent years, but the housing crisis is far from over, and millions of Californians are continuing to

struggle to find an affordable place to live. The best way to make housing more affordable is by building more affordable homes — while preserving the affordable housing we already have. We can't do that without ongoing investment in successful housing programs. Affordable housing providers urge the Governor and Legislature to use this year's budget to support these critical programs so we can get this job done."

Matt Schwartz, President and CEO of the California Housing Partnership:

"The California Housing Partnership applauds the Governor's proposal to create a new California Housing and Homeless Agency with the goal of creating a more efficient state funding system. However, at a time when the state has committed local jurisdictions to zoning and facilitating planning for 1 million new affordable homes by 2030 and natural disasters are exacerbating this challenge, it is critical that the state provide the funding necessary to actually produce these affordable homes, including the 46,000 homes that are ready to begin construction now."

Alex Visotzky, Senior California Policy Fellow of the National Alliance to End Homelessness:

"Homelessness is a result of decades of disinvestment, and it's going to take continued commitment to end this crisis. While the state has provided unprecedented funding in recent years, funding for programs like HHAP must continue if we're going to make headway."

Francisco Dueñas, Executive Director of Housing Now!:

"Governor Newsom's budget is a missed opportunity to make the bold housing investments Californians urgently need. Without stable housing, none of the Governor's goals — economic growth, educational success, and thriving families — can be achieved. The recent fires in Los Angeles County, where our coalition has a strong base, are a stark reminder of how quickly housing instability can devastate lives — a far-too-common reality for many Californians. As California emerges from past deficits, we urge Governor Newsom and the Legislature to seize this moment and prioritize investments that keep families housed and ensure a home for every Californian."

Debbie Arakel, Executive Director of Habitat for Humanity California:

"California's investment in housing is maximized by taking a wholistic approach across the spectrum of housing, including funding CalHome. As the single program with a proven track record for producing affordable homes for low-income families to purchase and become first-time homeowners, it is critical for achieving permanent housing stability and economic independence for more Californians."

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