FOR IMMEDIATE RELEASE

June 10, 2025

Press Contact: Alex Brown, abrown@housingca.org

Legislature's Budget Plan Calls Housing the "Biggest Driver" of California's High Cost of Living, Restores Critical Funding for Affordable Housing but Neglects Essential Homelessness Resources

The Assembly and Senate released a joint legislative budget plan yesterday that restores funding for some of the state's most successful affordable housing programs — a critical step toward finalizing a state budget that offers much-needed support to lower-income Californians who are struggling to find a safe, affordable place to live.

Recognizing housing as "the biggest driver" of the state's high cost of living, the Legislature has proposed investments in two key programs our coalition has been advocating for: **$500 million for the Low-Income Housing Tax Credit Program** (LIHTC) and **$120 million for the Multifamily Housing Program** (MHP).

However, we are deeply concerned to see that the Legislature's proposal does not include funding in this year's budget for the Homeless Housing Assistance and Prevention Program (HHAP), especially at a time when our local communities anticipate an end to the federal emergency housing voucher program, eliminating 15,000 vouchers for people experiencing homelessness. As homelessness has increased 18% nationally, HHAP has been instrumental in preventing significant increases in California. Despite this proven record of

success, this budget provides no HHAP funding to big cities, counties, and Continuums of Care (CoCs) in 2026. Without HHAP funding this year, CoCs and service providers across California will struggle to deliver essential services and housing opportunities in their communities. In some communities, HHAP is the primary source of funding to serve people experiencing homelessness. This choice will slow down our work to reduce the number of people living on the streets. We urge the Legislature to allocate at least $500 million for HHAP in the 2025-26 budget.

We also urge the Legislature to allocate at least 50% of the $300 million proposed for the California Dream for All program to CalHome. We commend the Legislature's support for homeownership, particularly creating more pathways to homeownership for low-income Californians. However, the dual goals of increasing new housing production and making homeownership available to first-time homebuyers would be better achieved by including an allocation to CalHome in the final budget, which funds the construction of new homes that offer a path to affordable homeownership to lower-income households.

Our statewide coalition of affordable housing, homelessness, and housing justice organizations applauds the Legislature for directing resources to LIHTC and MHP during a challenging budget cycle, and we ask that funding be provided to HHAP and CalHome so that we can continue progress on our state's goals to make housing more affordable and accessible to all Californians and to reduce homelessness. Now, more than ever, we need a budget that reflects the needs of our most vulnerable residents.

Quotes from members of the coalition:

Chione Lucina Muñoz Flegal, Executive Director, Housing California:

"The state budget is one of the most significant reflections of our values. California voters want to see their government take urgent action on our state's housing and homelessness crises. We commend the Legislature for restoring key investments in affordable housing production during a challenging budget period and urge policy makers to commit similar state funding to the proven HHAP program. Together these investments will allow us to grow our supply of affordable homes while providing the crucial services and resources necessary to stabilize and house struggling Californians. We are calling on the Legislature and the Governor to advance a budget that values the full continuum of programs needed to ensure that every Californian has a safe, affordable place to call home."

Matt Schwartz, President and CEO, California Housing Partnership

"We applaud the Legislature's proposal to continue investing in affordable housing production in the face of a difficult budget year made more challenging due to uncertainty around federal resources," said California Housing Partnership CEO Matt Schwartz.

“While these investments are critical to ensuring our state’s housing crisis does not get worse, we will need long-term investments at a much larger scale if we hope to make significant progress on this challenge, which is a top priority for Californians.”

Debbie Arakel, Executive Director, Habitat for Humanity California

“I am deeply disappointed in the legislature’s singular investment in a down-payment assistance program, without a comparable investment in affordable ownership production, while we face a severe housing shortage. We implore the legislature to allocate a portion of the proposed housing funding to CalHome to build affordable units for first-time homebuyers. CalHome provides a permanent pathway out of housing poverty.”

Sharon Rapport, Director of California State Policy, Corporation for Supportive Housing

"We are disheartened to see the lack of funding for the Homeless Housing, Assistance, and Prevention (HHAP) program in this year's budget after six rounds of this program, even during previously tough budget times. The lack of funding for the HHAP program demonstrates the need for ongoing funding for affordable housing and homelessness programs. Without this ongoing funding, the state will continue to struggle to effectuate decreases in homelessness and will continue to fail Californians experiencing homelessness."

Francsico Dueñas, Executive Director, Housing Now!

"Investing in affordable housing and homelessness prevention programs are about investing in our shared prosperity. Behind every low-income family that benefits, there is also a California community that can better thrive, a local school that can better teach, and clinics and hospitals that can keep their patients healthier. We all benefit from the stronger communities that come with more affordable housing and less homelessness, and we need a state budget that reflects that vision."

Alicia Sebastian, Executive Director, California Coalition for Rural Housing

“The California Coalition for Rural Housing is grateful for the leadership of our elected officials are taking in tackling California's growing housing crisis head on with this proposed budget. We are adamant that any solution to affordable housing that does not include resources for the production of homes for homeownership and wealth building for low-income families fails to address California's full need. We believe strongly that CalHOME in particular is the strongest program to leverage additional resources for rural, Tribal, and farmworker communities and families. This is especially true for our communities rebuilding after natural disasters. We are similarly disappointed that the

Legislature chose not to fund the Homeless Housing, Assistance and Prevention (HHAP) program this year as HHAP puts resources in the hands of the folks closest to the crisis as it is an important tool for Tribes who are unable to access most other state and federal programs and face some of the greatest challenges."