



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

FOR IMMEDIATE RELEASE Sacramento, CA

Contact: Christopher Martin, Housing California, <u>cmartin@housingca.org</u>, 847-650-8780 Jordan Miller, Enterprise Community Partners, <u>jcooke@groupgordon.com</u>, 212-784-5703 Matt Schwartz, California Housing Partnership, <u>mschwartz@chpc.net</u> 415-203-7158

A united coalition of affordable housing, homelessness, and housing justice leaders report that the Governor's budget, released yesterday, includes stark cuts to housing

Joint MTC ABAG Legislation Committee March 8, 2024 Page 3 of 6

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."

Joint MTC ABAG Legislation Committee March 8, 2024 Page 4 of 6

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 <u>Housing Need Dashboard</u> finds that 1.3 million low-income households who rent in California do not have access to an affordable home. As outlined in the <u>Roadmap Home 2030</u>, 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** 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 Funders 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

Joint MTC ABAG Legislation Committee March 8, 2024 Page 6 of 6

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