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Homebase HO























































































































































































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

June 6, 2024

## RE: Urgent need to support Legislature's budget proposal to restore affordable housing and homelessness funding

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.

We greatly appreciate your proposal to restore the \$500 million for the state Low Income Housing Tax Credit program in the May Revise. However, 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, we are deeply concerned by the May Revision's proposal to zero-out all other General Fund resources for affordable housing and homelessness in this budget year and claw back \$1.96 billion in critical resources committed in previous budgets. Our state cannot afford, nor can our communities accept in good conscious, 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.

That is why we are writing to express our support of the Legislature's budget proposal, specifically the priority to restore funding to several of the state's most essential affordable housing and homelessness programs. Specifically, in addition to approving the state Low-Income Housing Tax Credits the Governor restored in the May Revise, **we call on the** 

Governor to restore \$325 million in proposed reversions to the Multifamily Housing Program (MHP), HCD's core affordable rental housing production program and 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 Communities
Affordable Housing NOW
ACLU California Action
All Home
Alliant Communities
Brilliant Corners
Burbank Housing
CA Behavioral Health Planning Council
Cabrillo Economic Development Corporation
California Coalition for Community Investment
California Housing Partnership

California Rural Legal Assistance Foundation

Center for Community Advocacy

Center for Employment Opportunities

Center for Sustainable Neighborhoods

Century Housing

City of Goleta

Community Corp. of Santa Monica

Community Economics, Inc.

Community Human Services

Community Vision

**Compass Family Services** 

Council of Community Housing Organizations

County of Marin

**CSH** 

CTY Housing, Inc.

**Danco Communities** 

**David Baker Architects** 

Destination: Home

Disability Rights California

**EAH Housing** 

East Bay Housing Organizations

**Ensuring Opportunity Campaign** 

**Enterprise Community Partners** 

**Episcopal Communities & Services** 

**Evolve California** 

Florence Aliese Advancement Network, LLC

Friends Committee on Legislation of California

FSY Architects, Inc

**Gunkel Architecture** 

**Healing Wings** 

Homebase

HomeFirst

Homes & Hope

Housing Accelerator Fund

**Housing Action Coalition** 

Housing Authority of the City of San Buenaventura

Housing California

Housing Claremont, Inland Abundant Housing

Housing El Dorado

Housing Innovations and Solutions

Housing Trust Fund Ventura County

Hyder

Indivisible CA: StateStrong

International Children Assistance Network (ICAN)

Inland SoCal Housing Collective

Inner City Law Center

Insight Housing

Interfaith Community Services

LA Family Housing

Latinas Contra Cancer

Let Spirit Lead, Inc.

Lift to Rise

Linc Housing

Los Angeles Homeless Services Authority

Lutheran Social Services of Northern California

Mercy Housing California

Merritt Community Capital

Mendocino County Homeless Services Continuum of Care

MidPen Housing

Mission Economic Development Agency

Mogavero Architects

Mono County

Multiculturalism Rocks LLC

Mutual Housing California

**Mutual Support Housing Communities** 

National Alliance to End Homelessness

**New Beginnings** 

**Operation Dignity** 

Peninsula Solidarity Cohort

People for Housing Orange County

People's Self-Help Housing

PICO California

Prevention Institute

Promotores de Salud de OC

**PYATOK Architects** 

Resources for Community Development

Riverside County Housing and Workforce Solutions

Root & Rebound

**RTFH** 

Sacramento Housing Alliance

Sacramento Regional Coalition to End Homelessness

San Bernardino Free Them All

San Diego Housing Commission

San Francisco Housing Development Corporation (SFHDC)

San Joaquin Valley Housing Collaborative

Santa Clara Methodist Retirement Foundation

Sonoma Applied Villages Services (SAVS)

**SCANPH** 

SDS Capital Group

Self-Help Enterprises

Serving Seniors

Sisters of St. Joseph Healthcare Foundation

SPUR

SSG/HOPICS

St. Joseph's Family Center

St. Mary's Center

Sunnyvale Community Services

Supportive Housing Alliance

SV@Home Action Fund

Tenderloin Housing Clinic

The Children's Partnership

The Kennedy Commission

The People Concern

The Unity Council

TransForm

**Turning Point Community Programs** 

**UPholdings** 

**Upward Bound House** 

Urban Focus

**Urban Habitat** 

Valley Restart Shelter

Venice BeachHead

Venice Community Housing Corporation

Welcoming Neighbors Home

Western Regional Advocacy Project

Wise Up Incorporated

**WLCAC** 

WORKS, Women Organizing Resources Services and Knowledge

WUNZ Apparel in Action (The WUNZ Supersuit)

YIMBY Action

YWCA Golden Gate Silicon Valley

Zen Development