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Affordable housing and homelessness coalition calls on Governor to "fulfill his commitment to Californians" after January budget winds back state housing investments

SACRAMENTO – A coalition of affordable housing, homelessness, and housing justice organizations are calling on Governor Newsom to fulfill his commitment to Californians to tackle the state's affordable housing and homelessness crisis, after the January budget proposal released today zeroes out key affordable housing and homelessness programs. Leaving these programs unfunded will undermine the significant progress made to house low-income Californians in recent years.

The coalition is urging the Governor and Legislature to prioritize $2.8 billion in critical investments this year to build affordable homes, prevent and end homelessness, preserve existing affordable housing, and promote homeownership, emphasizing that this budget is essential to keeping vulnerable Californians housed. Read the full coalition budget proposal, signed by 63 organizations, here.

Statements from the coalition in response to the Governor's state budget proposal are below.

Ray Pearl, Executive Director, California Housing Consortium:
"Governor Newsom has done more to make affordable housing a major policy issue in California than any governor in recent memory. With millions of Californians struggling with the cost of living, housing advocates have worked closely with this Administration to streamline regulations and identify new sources of funding that have helped double affordable housing production over the last five years. After decades of underinvestment, though, the state still has far fewer affordable homes than Californians need. If we are serious about building one million more affordable units — the ambitious, but achievable goal the state has set for itself — we need the Governor and Legislature to maintain their commitment to housing programs in the budget."

Chione Lucina Muñoz Flegal, Executive Director, Housing California:
"California's housing crisis is, at its heart, a question of whether families can meet their most basic needs and build stable, healthy lives. Today, far too many of our neighbors are struggling, spending more than half of what they earn just to keep a roof over their heads. Families are forced to make unconscionable choices between paying for rent, food, healthcare, and childcare. If we are serious about meeting the needs of the people most impacted by this crisis, California must take bolder action to sustain and grow investments to build and preserve affordable homes and end homelessness. We are committed to continuing to work with the Governor and the Legislature to ensure the final budget reflects and delivers the housing investments Californians are counting on."

Matt Schwartz, President and CEO, California Housing Partnership:
"Since taking office, the Newsom Administration has demonstrated bold leadership in the housing arena, doubling the construction of new affordable homes from less than 10,000 in 2019 to more than 20,000 today. State leaders have also succeeded in streamlining many laws and regulations governing housing production. Despite these laudable efforts, the State is still far short of achieving its goal of adding one million more affordable homes. California's housing system continues to rely heavily on one-time investments. Without a stable, ongoing funding source in proportion to the need, the state will not meet its long-term production goals. Recent expansion of federal tax credits, combined with the Governor's announcement of much higher-than-expected state revenues, presents a critical opportunity to further accelerate progress but only if state leaders increase investment in new affordable homes as we confront challenging cuts in key federal housing resources. Beyond meeting critical human needs, investing in affordable housing leverages private capital, creates jobs, generates tax revenue, and should remain a core state priority."

Heather Hood, Vice President and Northern California Market Leader, Enterprise Community Partners:
"Across the country, we are seeing that affordability is one of the top issues for Americans. And at the heart of our affordability crisis is a housing crisis. California has been a leader in working to address the housing and homelessness challenges facing communities across the state. From making it easier to build affordable housing, to streamlining the state financing system, to deploying rapid response to homelessness during the pandemic, California has shown that action and investment pays off. We are concerned that the lack of funding in key affordable housing and homeless programs in the Governor's proposed budget threatens to undermine the collective progress we've made. We need to go forward, not backwards, and continue on the path towards a more affordable, inclusive state."

Sharon Rapport, State Policy Director, Corporation for Supportive Housing:
"In his State of the State, the Governor rightly highlighted California's progress on homelessness, noting a 9% drop in unsheltered homelessness and a flattening of overall numbers, even as rates surge nationally. These gains prove that investments in housing work. Yet, we are deeply concerned by the proposal to allocate zero dollars for housing and homelessness in this year's budget. Thousands of Californians fall into homelessness every day

and looming federal cuts — combined with reductions to Medicaid, social services, and the ongoing housing affordability crisis — will push tens of thousands of more people into homelessness. We urge the Governor and Legislature to protect this hard-won progress and ensure California remains accountable to Californians experiencing homelessness."

Debbie Arakel, CEO, Habitat for Humanity California:
"We appreciate the Governor emphasizing that California's investments in affordable housing and homelessness programs are working. That is precisely why it is so deeply disappointing to see those proven investments omitted from the proposed budget. Under Governor Newsom's leadership, our state has made tremendous progress in providing stability for families through investments in programs that increase housing supply, promote affordability, and reduce homelessness. Failing to continue that momentum, particularly by excluding CalHome — the State's only program dedicated to the production and preservation of affordable homes for purchase by families earning lower incomes — is a step backwards and puts that progress at risk. We urge the Governor to build on what works — to strengthen California's housing strategy and unlock more opportunity for families by renewing investment in CalHome and other affordable housing solutions across the continuum."

Alicia Fleming Sebastian, Executive Director, California Coalition for Rural Housing:
"Leaving our most critical housing programs unfunded at this volatile time in California's history is a policy choice — and it's one the Governor and the Legislature must reverse in the final budget. Investing in affordable housing for rural, Tribal, and farmworker communities — including homeownership opportunities for low-income families — is essential to California's economy and our shared dignity."

Amagda Perez, Executive Director, California Rural Legal Assistance Foundation:
"As leaders committed to ensuring justice and dignity for farmworkers and the rural poor, we are deeply troubled that the Governor's proposal includes no investment in affordable housing or homelessness solutions. In the face of harmful federal actions that continue to marginalize our beloved communities, California must lead with compassion, not austerity. Without dedicated funding for safe, stable housing, families will continue to be pushed to the margins and inequities will only deepen. We urge the Governor and the Legislature to prioritize investments in housing and to restore critical resources that protect the health, safety, and economic well-being of all Californians in the final budget."

Cori Racela, Executive Director, Western Center on Law & Poverty:
"Housing is essential to create stable communities. When we invest in creating and preserving accessible housing with strong protections for tenants, we are not just fighting poverty. We are strengthening California's workforce, economy, and communities for generations. Western Center strongly urges the Governor and Legislature to prioritize investments in housing and building stability throughout the state."

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