



September 29th, 2023

The Honorable Gavin Newsom  
 Governor of California  
 1021 O St., Ste. 9000  
 Sacramento, CA 95814

Senate President Pro Tempore Toni Atkins  
 1021 O Street, Ste. 8518  
 Sacramento, CA 95814

Assembly Budget Chair Philip Ting  
 1021 O Street, Ste. 8230  
 Sacramento, CA 95814

Assembly Speaker Robert Rivas  
 1021 O Street, Ste. 8330  
 Sacramento, CA 95814

Senate Budget Chair Nancy Skinner  
 1021 O Street, Ste. 8630  
 Sacramento, CA 95814

**Re: 2024-25 Housing and Homelessness Investment Framework**

Dear Governor Newsom, Senate President pro Tempore Atkins, Assembly Speaker Rivas, Assembly Budget Chair Ting, and Senate Budget Chair Skinner:

You have demonstrated your commitment to addressing California’s affordable housing and homelessness crises through several years of historic investments and enacting meaningful policy change. We write to you as a united coalition of California’s leading affordable housing, homelessness, and housing justice organizations to propose a set of investments that should serve as a blueprint for housing investment in the 2024-25 budget.

We are collectively calling for investments that build on the state’s recent progress by promoting the ongoing, long-term production and preservation of affordable housing needed to achieve the state’s ambitious housing goals; provide safe, affordable homes for millions of struggling lower-income Californians; offer housing and services for people experiencing homelessness; and address the disproportionate harms of skyrocketing housing costs, housing instability, and homelessness on Black, Indigenous, and other people of color.

California has a goal of producing 2.5 million homes over the next decade—at least 1 million of which need to be affordable to lower-income households. To achieve results at this scale, the full suite of investments below should be incorporated into a 2024-25 affordable housing and homelessness package:

- 1. Bond Funding: Fund the State’s core affordable housing production and preservation programs, currently near total exhaustion of funds, through the \$10 billion bond proposed by Assemblymember Wicks for the November 2024 ballot (AB 1657).** A \$10B bond would significantly accelerate and expand new affordable housing, including permanent supportive housing (PSH). This bond would produce and preserve more than 50,000 affordable homes, many of which are waiting in the pipeline for funding to break ground. Specifically, we support a bond that would fund the following:

  - \$5.25 billion for the Multifamily Housing Program, with at least 10% for extremely-low-income households;
  - \$1.75 billion for the Multifamily Housing Program for Supportive Housing;
  - \$1.5 billion for Preservation (Portfolio Reinvestment Program, Low-Income Weatherization Program, and Community Anti-Displacement and Preservation Program (CAPP), including at least \$500 million for CAPP (SB 225);
  - \$1 billion for Homeownership programs; and
  - \$500 million for Tribal and Farmworker programs
- 2. General Fund Investments for Production and Preservation: Keep the affordable housing pipeline moving by prioritizing FY24-25 General Fund resources to provide an increase in funding for affordable housing production and preservation programs, bridging the gap until future bond proceeds are available in 2025, at the earliest.** While the bond can be the primary vehicle to provide funding at scale for these programs over the next several years, General Fund resources must be dedicated to continue these programs in the interim, specifically the Multifamily Housing Program, CalHome, the Joe Serna, Jr. Farmworker Housing Grant Program, CAPP (SB 225), and the Tribal Housing Grant Program. Additional resources for the state Low-Income Housing Tax Credit Program are also critical.
- 3. New, Ongoing Revenue to Address Homelessness: Set aside General Fund revenue and/or identify new revenue sources to fund significant, ongoing investment in proven strategies to address homelessness.** This funding will provide the state and local homeless response systems with adequate resources to rehouse people at the scale needed to reduce homelessness significantly, at least by tens of thousands of Californians experiencing homelessness. In response to the needs of the over 171,000 Californians facing homelessness at any point in time, the state has dedicated significant resources of over \$1 billion each year through one-time investments; however, even greater resources will be necessary to stem the rising tide of Californians falling into homelessness and remaining homeless for longer. By focusing ongoing investment at a scale to meet the need on proven solutions, such as operating funding, rental assistance, and services to help people find and sustain housing, we can make real progress and put the state on track to solve homelessness, eliminate racial disparities, and advance workforce capacity and equity across local homeless response systems. Looking long-term, ongoing dedicated funding for capital, operating subsidies, rental assistance, and services for Californians needing affordable and supportive housing interventions is essential.
- 4. Financial Support to Stabilize Vulnerable Households: Prevent people from entering homelessness by providing funding for proven solutions that lower rent burden and increase housing stability for the most marginalized renters.** As we work to significantly increase affordable housing production, we must remember that the vast majority of lower-income renters in California live in private-market

housing and pay more than a third of their income in rent. Among extremely low-income renter households, 79% pay more than half of their income in rent. This problem is especially acute for older adults, people with disabilities, and renters of color. Investments in rental assistance, funding for strategies to increase federal voucher utilization, including landlord incentives, and funding to ensure that tenants have access to legal assistance in eviction actions will keep more vulnerable renters stably housed.

With a renewed commitment from state leaders—and ongoing financial support for successful housing programs—California can ensure that affordable housing units no longer languish in the pipeline, unhoused residents do not wait months or years to access affordable and accessible housing options, and more individuals and families avoid falling into homelessness.

Our coalition stands committed to advocating for this complete package of housing and homelessness programs. Thank you for your ongoing leadership and partnership in creating a more affordable and equitable California. We look forward to working together closely on the budget over the next year.

Sincerely,

California Rural Legal Assistance Foundation  
California Housing Consortium  
California Housing Partnership  
Corporation for Supportive Housing  
Enterprise Community Partners  
Housing California  
Housing Now!  
National Alliance to End Homelessness  
Non-Profit Housing Association of Northern California  
Public Advocates  
Western Center on Law & Poverty