

## **Affordable Housing and Homeless Solutions Leaders Release Statement in Response to the Governor's May Revise**

*A broad multi-sector coalition of affordable housing, homelessness, and housing justice advocates release united statement in response to the Governor's May Revise*

FOR IMMEDIATE RELEASE  
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Our united coalition of affordable housing, homelessness, and housing justice leaders appreciates that the Governor's May Revise continues funding for a critical program, the state Low-Income Housing Tax Credit (Housing Credit). Over the last four years, the state Housing Credit has helped housing providers build an additional 25,000 homes affordable to the state's lowest-income households, while allowing California to draw down \$5.3 billion in additional federal resources.

However, we remain concerned about the widespread cuts to other vital housing and homelessness programs. The Homeless Housing, Assistance, and Prevention Program (HHAP) provides resources to local communities to house, shelter, and deliver services to people who are unhoused, which is critically important given that the number of Californians experiencing homelessness rose by 10,000 last year to over 181,000 people. Additional cuts to HHAP, as proposed, will further exacerbate the crisis on our streets.

While we understand the state is facing a dire budget shortfall, we are nonetheless concerned with the Administration's continued proposed cuts to vital affordable housing and homelessness programs—including \$1.76 billion in reductions to the Multifamily Housing Program, the Infill Infrastructure Grant Program, the Homeless Housing, Assistance and Prevention Program (HHAP), 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.

These retroactive cuts and the lack of new funding will harm tens of thousands of California families and slow the state's progress on addressing the housing crisis—preventing construction of at least 4,700 shovel-ready new affordable homes, exacerbating homelessness and housing instability, and resulting in lost jobs and economic opportunity and the loss of \$1.175 billion in federal housing resources. The cuts will disproportionately harm the growing number of people forced into

homelessness and the lowest income Californians—disproportionately people of color—who struggle most to afford housing. The elimination of the Foreclosure Intervention Housing Preservation Program is also a step back and puts thousands of families at risk of displacement.

As outlined in the [Roadmap Home 2030](#), true solutions require a much greater level of sustained funding, not budget cuts. Even in the midst of a serious budget shortfall, the state continues to have options for promoting the production and preservation of desperately needed affordable housing. To that end, we urge the Governor and the Legislature to take the following actions immediately:

- Reject budget cuts to affordable housing programs funded under the 2023-24 budget
- Include level funding for the HHAP program in the state budget
- Place AB 1657 (Wicks), the affordable housing bond on the November 2024 ballot
- Enact AB 1932 (Ward) to remove an indefensible tax deduction for second homes and direct roughly \$200 million per year to affordable housing programs
- Begin discussions with advocates to secure ongoing funding at the scale needed to appropriately resource affordable housing and homelessness programs in the future

### **Statements on the May Revision from California affordable housing leaders:**

#### **Chione Flegal, Executive Director, Housing California**

“No matter what metric we use to evaluate our communities’ strengths—be it health, economic well-being, educational success, racial equity, or family stability—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. We appreciate the Governor’s decision to continue funding the state Housing Credit, but we are calling on our state leaders to do more. We need them 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.”

#### **Sharon Rapport, Director, California State Policy, Corporation for Supportive Housing**

“We are disappointed the Governor has proposed \$0 for homelessness programs, and look forward to working with the Governor’s Office and Legislature to ensure level

funding for the HHAP program in the 2024-25 budget, as well as to secure ongoing funding in the future to prevent dire budget shortfalls from forcing thousands more into homelessness. The solution to homelessness is housing that Californians with the lowest incomes can afford. Cuts to programs that make housing more affordable to these households will heavily impact not only the number of Californians becoming unhoused, but also the number who can exit homelessness.”

**Matt Schwartz, CEO, California Housing Partnership**

“We appreciate the Governor’s decision to continue funding the \$500 million expanded state Housing Credit, which is so critical to affordable housing production right now. These difficult choices underscore how important it is that the Legislature pass Assemblymember Buffy Wicks’ proposed state housing bond (AB 1657) and get to work on creating a permanent, ongoing, large scale source of funding for affordable housing and homelessness solutions. This would make annual budget allocations less necessary.”

**Ray Pearl, Executive Director, California Housing Consortium**

“Governor Newsom has made affordable housing one of his Administration’s highest priorities for years, and we know he understands the urgent need to maintain the state’s progress toward addressing California’s housing crisis. In the face of an extreme budget shortfall, the May Revise restores support for critical programs like the state Housing Credit, which are essential to building affordable homes for struggling Californians. There is more the state can do this year to protect successful housing programs, and we look forward to working with the Administration and Legislature to find ways to ensure lower-income households in every community have access to the affordable housing they need.”

**Francisco Dueñas, Executive Director, Housing Now!**

“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. The lack of accessible, affordable, stable homes is especially acute for older adults, people with disabilities, and renters of color. California set a goal of building more than 1 million affordable homes over the next decade because it is what our communities need—we can’t back down from that now.”

**Heather Hood, VP and Market Leader, Enterprise Community Partners Northern California**

“Housing affordability and homelessness continue to be the most pressing issues for our state, our communities, our neighbors, and ourselves. We commend the Governor’s decision to continue funding the state affordable housing tax credit, which plays an essential role in affordable housing production across the state. We are calling on our state leaders to go further to put state resources towards effective and equitable state solutions at scale, while leveraging private and federal resources. ”

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**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  
California Coalition for Rural Housing  
California Housing Consortium  
California Housing Partnership  
California Rural Legal Assistance Foundation  
Corporation for Supportive Housing  
Enterprise Community Partners  
Housing California  
Housing Now!  
National Alliance to End Homelessness  
San Diego Housing Commission  
San Diego Housing Federation  
Southern California Association of NonProfit Housing  
PATH  
PICO California  
Western Center on Law and Poverty