

June 27, 2019

Contact:

Adam Bink, Spitfire Strategies, abink@spitfirestrategies.com, 415-495-4200 X113 | 716-725-4569

California Governor, Legislature Commit Housing Funding in Budget to Tackle Homelessness

Governor Gavin Newsom and the California Legislature reached a historic \$2.7 billion deal to address rental housing affordability the same day headlines in Sacramento County announced devastating news of a 19 percent surge in homelessness in the capital region.

\$2.7 billion is the largest general fund allocation for affordable housing and homelessness in California's recent history. This includes \$650 million specifically targeted to providing permanent homes, rental assistance, and navigation services to decrease homelessness. The deal also adds \$1 billion combined for the Low Income Housing Tax Credit Program and the Infill Infrastructure Grant Program to build more affordable and supportive homes for low income Californians and people experiencing homelessness.

As more higher income people are renting in a tight housing market, the focus of new rental construction has been on higher cost apartments, shifting rents upwards and disproportionately burdening the poor, according to the latest research from Joint Center for Housing Studies of Harvard University released Tuesday. The lack of affordable housing is pushing people into homelessness, and the problem is most acute in the western U.S., according to the report.

"Housing California is thrilled with the commitment by the Governor and Legislature to invest in real solutions to our housing affordability issues that are crippling our neighbors," Housing California Executive Director Lisa Hershey said. "This is the number one humanitarian issue of our time, affecting millions of children, immigrants and refugees, the elderly, people of color, and hardworking families disproportionately being left behind because of skyrocketing rents. Our policymakers have the ability to reverse course and this budget reflects their willingness to do just that."

Along with the \$650 million to address homelessness for which Housing California advocated, the organization is please with allocations into programs and models that Housing CA helped implement or supported: \$120 million for Whole Person Care, \$95 Million for CalWorks Housing Support Program, \$25 million for Bringing Families Home for family reunification, by-right development of low barrier shelters (SB 48, Wiener). 8 percent of the \$650 million also must address youth homelessness, a population Housing CA has been advocating for through the legislature for the last few years.

The \$500 million for the Infill Infrastructure Grant Program and \$500 million for LIHTC will help nonprofit affordable housing developers who have successfully used these programs for years to complete new, and preserve current, apartments for the lowest income populations in a reasonable time frame.

"Structuring these budget allocations in this way indicates that our lawmakers finally see homelessness as a housing issue," said Housing California legislative advocate Chris Martin, noting the importance of funding programs for new construction of housing as well as services like rental assistance and navigation. "This budget jumpstarts the process to get it done by investing in solutions we know work."

Housing California applauds Newsom's plan to hold jurisdictions accountable for meeting our population's housing needs by ensuring they all do their fair share.

“Federal, state, regional, local, private – everyone needs to be part of the solution so we can effectively stimulate affordable housing construction,” Hershey said.

###

For Housing California’s official letters and stances on the 2019 budget and bills, visit <https://www.housingca.org/our-positions-on-current-bills>.