

HOUSING AND HOMELESSNESS

HOUSING

Given the scale of California's housing shortfall, the state has taken a variety of actions in recent years to address the issue. This includes investing billions of state and federal dollars in a variety of affordable housing programs since 2019, passing legislation to streamline the approval of much-needed housing, and taking executive action to make excess state properties available for housing development.

SIGNIFICANT BUDGET ADJUSTMENT

- **Low Income Housing Tax Credit**—Provides \$500 million for an additional year of state low-income housing tax credits.

ADDRESSING THE BUDGET PROBLEM

Since 2019, the state has invested approximately \$5.2 billion General Fund into affordable housing and homeownership programs. The Budget includes approximately \$1.1 billion General Fund in reductions over the multiyear period for various housing programs that received recent investments, leaving the total General Fund investment in affordable housing and homeownership programs at approximately \$4.1 billion since 2019. To address the projected budget shortfall, the Budget includes General Fund solutions to achieve a balanced budget. These include:

- **Regional Early Action Planning Grants 2.0 (REAP 2.0)**—A reversion of \$40 million General Fund for REAP 2.0.
- **Multifamily Housing Program**—A reversion of \$10 million General Fund for the Multifamily Housing Program, which leaves \$315 million in 2023-24 for this purpose.
- **Foreclosure Intervention Housing Preservation Program**—A reduction of \$484 million General Fund for the Foreclosure Intervention Housing Preservation Program.
- **Infill Infrastructure Grant Program**—A reversion of \$235 million General Fund for the Infill Infrastructure Grant Program.
- **CalHome Program**—A reversion of \$152.5 million General Fund for the CalHome Program.
- **Veteran Housing and Homelessness Prevention Program**—A reversion of \$76.3 million General Fund for the Veteran Housing and Homelessness Prevention Program.
- **Adaptive Reuse**—A reversion of \$127.5 million General Fund for the Adaptive Reuse program.

HOMELESSNESS

As part of the state's continued focus on homelessness, the Budget includes \$1.25 billion in new funding for homelessness programs.

SIGNIFICANT BUDGET ADJUSTMENTS

- **Homeless Housing, Assistance, and Prevention (HHAP) Program Round Six**—\$1 billion General Fund in 2024-25 for a sixth round of HHAP grants to eligible cities, counties, and continuums of care. The Budget also includes statutory language that requires more frequent reporting by grantees on HHAP expenditures, requires corrective action plans for grantees that are not meeting their HHAP system performance measures, and requires cities and counties to have a compliant Housing Element to receive the second half of their HHAP Round Six award.
- **Encampment Resolution Fund (ERF) Grants**—\$250 million General Fund for additional rounds of ERF grants (\$150 million in 2024-25 and \$100 million in 2025-26).
- **Transfer of Homelessness Grant Programs**—The Budget provides 26 new positions to the Department of Housing and Community Development (HCD), funded from

existing administrative set-asides, for HCD to administer homelessness programs that are transferring from the California Interagency Council on Homelessness per Chapter 40, Statutes of 2023 (AB 129).

ADDRESSING THE BUDGET PROBLEM

To address the projected budget shortfall, the Budget includes General Fund solutions to achieve a balanced budget. These include:

- **HHAP Program Supplemental Funds**—A reduction of \$260 million General Fund of HHAP Round Five supplemental funds.
- **Homelessness Program Administrative Funding**—A reversion of \$142 million General Fund of unneeded administrative funding for HHAP, ERF grants, and Family Homelessness Challenge Grants.
- **Behavioral Health Bridge Housing Program**—A reduction of \$250 million General Fund and a shift of \$90 million to the Mental Health Services Fund. The Budget maintains \$1.25 billion (\$1.2 billion General Fund) for this program. (See the Health and Human Services Chapter for more information.)
- **Behavioral Health Continuum Infrastructure Program**—A reversion of \$70 million General Fund in 2024-25 and \$380.7 million General Fund in 2025-26. (See the Health and Human Services Chapter for more information.)
- **Bringing Families Home Program**—A delay of \$80 million General Fund for the Bringing Families Home Program with up to \$40 million shifted to 2025-26 and \$40 million to 2026-27. (See Health and Human Services Chapter for more information.)
- **Housing and Disability Advocacy Program**—A reversion of \$50 million General Fund for the Housing and Disability Advocacy Program. (See the Health and Human Services Chapter for more information.)