

HOUSING AND HOMELESSNESS

California has implemented a comprehensive set of housing and homelessness reforms that have accelerated housing production, reduced development timelines and costs, strengthened accountability, and delivered measurable results. Through streamlined approvals, modernized review processes, and targeted housing law enforcement, the state has enabled faster housing delivery while making significant investments to address homelessness and encampments.

MAJOR ACCOMPLISHMENTS

- **Housing Delivery Improvements**—California has improved its housing delivery and finance systems while scaling investments to expand access to affordable housing statewide. Since 2019, nearly 1.36 million housing permit applications have been submitted, with nearly 600,000 homes built, and approximately 40 percent of permitted multifamily units affordable to low-income households. Through its core multifamily programs, the state has funded 81,000 affordable homes, supported by reforms such as the Multifamily Finance Super Notice of Funding Availability (Super NOFA). In partnership with the State Treasurer, the Administration has advanced the largest sustained investment in housing in California's history by strategically leveraging bonds and tax credits to maximize federal and private capital.
- **Investments in Housing Stability and Addressing Homelessness**—California has made historic investments in housing stability and addressing homelessness. Investments since 2019 have included the launch of the first-in-the-nation Homekey program

that will serve nearly 16,000 homes across 250 projects and reached over 172,000 Californians; \$2.25 billion through Homekey+ to serve individuals with mental health or substance use challenges and veterans; over \$5 billion appropriated for Homeless Housing, Assistance, and Prevention (HHAP) to support local jurisdictions in promoting housing stability and reducing homelessness; and \$1 billion in Encampment Resolution Funds to provide services and housing to help 23,000 individuals across 120 encampment sites transition from homelessness. These efforts, along with down payment assistance and mortgage relief programs that support more than 45,000 first-time homebuyers, have helped stabilize households during periods of disruption. Since 2019, state funding has supported 111 awards totaling more than \$285 million for tribal communities.

- **Regulatory Improvements**—The Administration, in partnership with the Legislature, has advanced historic land-use and regulatory reforms that are accelerating housing delivery and strengthening accountability. Streamlining measures have reduced multifamily entitlement timelines and enabled applications, that would otherwise have faced discretionary review, for nearly 40,000 homes between 2018 and 2024, contributing to record production outcomes, including a nearly 59 percent increase in residential construction over the same period.
- **Pro-housing Results**—Jurisdictions that have embraced regulatory reforms have seen significant results, with Pro-housing cities experiencing 74 percent growth in residential construction from 2018 to 2023, outpacing the statewide average and far exceeding jurisdictions without the Pro-housing designation. Expanded housing element technical assistance has resulted in approximately 88 percent statewide compliance, with local governments identifying land capacity for 3.6 million homes, including 1.4 million affordable units. Record Accessory Dwelling Unit permitting—30,534 in 2024—and implementation of the Surplus Land Act have further expanded housing opportunities, creating a pipeline of more than 40,000 homes, including approximately 5,000 on state excess sites.
- **Housing and Homelessness Agency Framework**—Central to the state's long-term efforts is the implementation of the Governor's Reorganization Plan, which establishes a dedicated housing and homelessness agency to oversee the coordination, accountability, and effective program delivery across state programs. The Budget advances that framework by supporting programmatic consolidations, streamlined processes, and stronger alignment among the state's major housing programs to improve efficiency and maximize the impact of available resources.

Together, these actions are intended to solidify recent progress and strengthen the resilience of California's housing system to address housing and homelessness statewide.

HOUSING

Housing production and strengthening the preservation and long-term viability of existing affordable housing remain Administration priorities. Making durable progress requires advancing both increasing supply to meet demand while stabilizing current affordable homes to mitigate displacement and loss of capacity.

The Governor's Reorganization Plan established a dedicated state housing and homelessness agency to institutionalize the state's progress both now and over the long term. Consistent with that framework, the Budget reflects the implementation of the California Housing and Homelessness Agency (CHHA) and the Housing Development and Finance Committee (HDFC), as well as incorporates steps to streamline and integrate the state's housing finance system to accelerate project delivery and reduce costs.

HOUSING PROPOSALS

CALIFORNIA HOUSING AND HOMELESSNESS AGENCY IMPLEMENTATION

In furtherance of the Governor's Reorganization Plan, the Administration continues to implement CHHA and HDFC. This structural shift transforms California's affordable housing finance system from a fragmented landscape into a coordinated "one-stop shop" for project delivery for projects utilizing other state resources within the housing agency.

- **Coordinated Financing**—Consistent with this framework, the Administration proposes statutory changes to improve alignment of affordable housing programs under HDFC to better coordinate state housing resources with complementary financing tools, including Low-Income Housing Tax Credits and a dedicated share of private activity bonds to be directly allocated by HDFC for its funded projects to support timely deployment of housing funds.
- **Prioritizing Efficiency**—To operationalize this new streamlined agency structure, any future housing appropriations should be designed to flow through a single, coordinated application and award process. Similarly, any future investments in

state Low-Income Housing Tax Credits should be paired with other state housing investments to streamline financing and prevent delays in project delivery. The Administration also proposes to codify a long-term allocation of private activity bonds for affordable housing, reflecting its sustained commitment since 2019 to direct the majority of the state's bond cap toward affordable housing.

- **Modernizing the Affordable Housing and Sustainable Communities (AHSC) Program**—To strengthen the state's largest ongoing housing capital program, the Administration also proposes programmatic changes to modernize the AHSC Program. The housing capital component will be realigned within HDFC to better leverage complementary subsidies, streamline administration, and accelerate project delivery while maintaining AHSC's rigorous climate and sustainability standards. The sustainable communities components of AHSC will continue to be administered by the Strategic Growth Council and be updated to support more flexible, catalytic infrastructure investments aligned with regional priorities, maximizing the impact of limited resources to more effectively deliver climate-aligned housing.

PRESERVATION AND SUSTAINABILITY

To support ongoing efforts to keep Californians in their homes, the Administration will advance efforts to leverage preservation opportunities within the Low-Income Housing Tax Credit program and support sponsors in accessing and redeploying resources within the existing Department of Housing and Community Development portfolio to strengthen long-term sustainability and housing stability.

REBUILDING AFTER THE LOS ANGELES FIRES

The Administration remains focused on supporting residential rebuilding in Los Angeles, building on actions last year to clear debris at a record pace, expedite permitting, and fund development of affordable housing. With many survivors facing a gap between their insurance proceeds and the cost to rebuild, the Administration is exploring creative financing mechanisms to address the residential rebuild funding gap and will work on a proposal for consideration to include in the May Revision.

SIGNIFICANT BUDGET ADJUSTMENT

- **Affordable Housing and Sustainable Communities: Housing**—Up to \$560 million annually from Cap-and-Invest proceeds will be shifted to HDFC to administer affordable housing programs as part of the Administration's modernization of the

AHSC Program, aligning the state's largest ongoing source of housing capital funding within the new CHHA to streamline administration, better leverage complementary housing subsidies, and accelerate delivery of climate-aligned affordable housing. See the Climate Change Chapter for additional information about the sustainable communities' portions of the funding.

HOMELESSNESS

In 2021, the California Interagency Council on Homelessness (Cal ICH) was restructured to serve as the state's central coordinator for homelessness policy, data, and performance. Cal ICH has since developed a coordinated, equitable, and accountable response to homelessness. Although homelessness increased nationally by more than 18 percent in 2024, California saw an overall increase of 3 percent, significantly reducing veteran homelessness and making meaningful progress in reducing youth homelessness.

A cornerstone of Cal ICH's work is statewide data and transparency, including stewardship of the Homeless Data Integration System—the nation's only statewide aggregation of local Homeless Management Information System data—and implementing public dashboards that improve accountability and align funding with outcomes. Cal ICH has also led the design and early implementation of major homelessness programs and provided statewide policy leadership through California's first three-year Statewide Action Plan for Preventing and Ending Homelessness, as well as the Recovery Housing Guidance.

In addition, Cal ICH has advanced equity, tribal partnership, and lived-experience governance by issuing the state's first Tribal Homelessness Policy Brief, establishing a Lived Experience Advisory Board, and launching the HELP Act dashboard to track outcomes for historically underserved populations. Through the Governor's Reorganization Plan, Cal ICH will be established as a stand-alone department, institutionalizing coordination, accountability, and data-driven leadership to provide California with a fully integrated and durable statewide homelessness response over the long term.

The state continues to deploy significant resources to prevent homelessness; this includes a sixth round of HHAP totaling \$1 billion. In addition, there is a seventh round totaling \$500 million planned, contingent on enhanced accountability and performance requirements. Additionally, the state has allocated \$636 million to 1,818 units through Proposition 1 to date, with \$1.6 billion expected to be made

available over the coming year to support housing and services for people experiencing homelessness.

Beginning in July 2026, implementation of the Behavioral Health Services Act will further strengthen this continuum by establishing a dedicated ongoing 30-percent allocation for housing intervention programs, providing counties with a significant and sustained infusion of resources to support housing stability for individuals experiencing homelessness, or who are at risk of homelessness, and who have behavioral health needs. Together, these investments reflect the state's continued commitment to pairing scale with accountability, aligning housing and behavioral health systems, and demonstrating durable progress in addressing homelessness statewide.

However, recent federal actions have created significant volatility and uncertainty in the housing and homelessness landscape, increasing risks to housing stability for Californians who rely on federal housing programs. The Administration will continue to explore ways to provide programmatic flexibility in response to these dynamics to further efforts to provide housing stability to Californians.

CIVIL RIGHTS DEPARTMENT

The Civil Rights Department (CRD) is the largest state civil rights agency in the country. It enforces many of California's civil rights laws, including in the areas of housing, employment, business and public accommodations, state-funded programs and activities, professional relationships, hate violence, and human trafficking.

MAJOR ACCOMPLISHMENTS

- **Community Conciliations**—The CRD Community Conflict Resolution Unit is a dedicated team focused on helping entire communities resolve conflicts. In its first two years of operations, the unit has assisted communities in California in preventing violence, reducing tension, and finding mutually agreeable solutions to issues related to discrimination and hate by facilitating over 120 community engagement sessions.
- **Commission on the State of Hate**—The Commission on the State of Hate works to advance the state's efforts to stop hate by conducting research, developing policy and programmatic recommendations, and engaging with California's diverse communities. The Commission hosted 12 community forums from 2023 to 2025, and the Commission's latest published report includes 19 interim policy

recommendations and three sets of tools to help communities and governments combat hate.

- **Pay Data Reporting**—CRD collects and analyzes pay and demographic data annually from large California employers under the Pay Data Reporting program and releases new estimates on pay disparities following each reporting cycle. This program encourages employers' compliance with equal pay and anti-discrimination laws.
- **Outreach and Education**—The CRD Outreach and Education Unit engages in extensive efforts to reach Californians across the state to share information about the protections that exist and how to get support. In 2024, CRD visited 66 cities at nearly 200 in-person events, sent over 700 compliance letters addressing online housing and employment advertisements that violated the law, and oversaw nearly 200 fair housing tests for discrimination.

SIGNIFICANT BUDGET ADJUSTMENTS

- **Permanent Support for Bureau for Descendants of American Slavery**—The 2025 Budget included \$6 million one-time General Fund to establish the Bureau. The Budget includes permanent position authority, \$991,000 General Fund in 2028-29, and \$2 million in 2029-30 and ongoing to maintain funding at existing operational levels.
- **Extension of Commission on the State of Hate**—To continue operations of the Commission from January 1, 2027, to the extended sunset date of January 1, 2031, and maintain funding at existing operational levels, the Budget includes \$900,000 in 2026-27, \$1.8 million in 2027-28 through 2029-30, and \$900,000 in 2030-31.