



Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Dear Governor Newsom,

There are nearly 50,000 shovel-ready affordable homes across California waiting for funds to begin construction and provide housing to low-income families and individuals.

Yet, during the latest budget negotiations unfolding in Sacramento, the May Revise proposal nearly zeroed out General Fund resources for affordable housing and homelessness solutions, apart from the state low-income housing tax credit, and proposed slashing almost \$2 billion in critical resources committed in previous budgets.

At a time of record level homelessness rates and rising housing unaffordability our state cannot afford, nor can our communities accept in good conscience, these cuts. We must finish the work. California has made great progress advancing affordable housing solutions, and we must continue to drive that momentum forward by using all the tools and resources available to us.

As philanthropists working across California, our institutions are committed to creating thriving communities and central to that mission is access to fair, equitable and affordable housing. As our legislators and the Governor move through final budget negotiations, they must make big choices on how to invest our state budget dollars to sustain and increase Californians' well-being. Housing must be a top priority.

Legislators and the Governor must work together to move forward on a final budget that restores funding for housing investments. This includes resourcing the Multifamily Housing Program (MHP), the state's largest and most flexible program for affordable housing production and core to the California Department of Housing & Community Development's (HCD) ability to advance housing solutions for Californians. And doubling down on a commitment to prioritize bold investments and structural change that can help us achieve housing justice and reduce racial disparities caused by decades of systemic racism and underinvestment.

Housing is deeply integral to our communities' ability to live well and thrive. Without it, people face unemployment, limited opportunities, and poor health. When housing improves, everyone benefits. Children do better in school, people live longer and it's easier to find and keep a job. The California Community Foundation and the San Francisco Foundation have deepened our commitment to ensure everyone has a place to live – because the evidence is clear that housing is a prerequisite to establishing stable and thriving communities.

Yet, the level of funding required to ensure all people have a safe place to call home is beyond the capacity of philanthropies and nonprofits alone. Research confirms our daily experience – we have both the dire need,

and the deep public will to take action. This is why we are seeing more donors funding housing, nonprofits shifting their focus, and local governments pursuing revenue and taking bold action. In both the San Francisco Bay Area and Los Angeles County, for example, regional agencies and civic leaders are looking to advance local funding streams designed to invest in affordable housing solutions. We need our state to do its part by investing boldly in affordable housing and homelessness solutions during the current state budget cycle.

We are at a key decision point where our ability to make a deep and lasting impact for our communities is on the table. In this moment, lawmakers must actively choose to prioritize solutions, progress, and our future.

California's housing crisis is often framed in the numbers of people experiencing homelessness or tenants behind on rent, but these are more than just numbers. These are people. They are – and we are – all Californians. We are families, children, veterans, and seniors. We are neighbors.

We urge the legislature and Governor, as they work to finalize a budget for Californians, to put our communities first– the people who are counting on them to do the right thing. Affordable housing solutions are what California's residents need now, more than ever.

The need for housing investment is clear and the choice is yours.

Sincerely,



Fred Blackwell
CEO,
San Francisco Foundation



Miguel A. Santana
President and CEO,
California Community Foundation