



State of California

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

Gavin Newsom, Governor
Lourdes M. Castro Ramírez, Secretary

NEWS RELEASE

FOR IMMEDIATE RELEASE

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Governor's 2023-24 Budget Continues Investments to Address Housing and Homelessness

*Focus on increased accountability and policies that spur housing production
More funding for Homeless Housing, Assistance and Prevent Program and
encampment resolution grants*

SACRAMENTO – Governor Newsom's Fiscal Year 2023-24 proposed budget continues the state's commitment to preserve and produce affordable housing along with continued investments to prevent and end homelessness in California.

"The Governor's budget builds upon the last four years of significant housing investments, with the collective goal to provide Californians with a safe, stable, and affordable place to call home," said Business, Consumer Services and Housing Agency Secretary Lourdes Castro Ramírez. "The budget makes it clear that we are not slowing down our efforts to address our state's housing and homelessness challenges. These investments, coupled with the state's comprehensive set of strategies to remove barriers to development, and enforce state housing laws, will make clear that every community needs to say yes to housing."

Housing

California [needs 2.5 million new homes](#), including at least one million of which must serve the needs of lower-income households.

Since 2019, the state has invested over \$30 billion in housing programs, including resources to support state accountability measures, while streamlining production through removing barriers to development. The last two state budgets provided an

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unprecedented \$21.5 billion to support the production and preservation of affordable housing.

Even amidst projected revenue reductions, this year's budget maintains the commitment of over \$1 billion in General Fund to support housing programs.

The Governor's budget also includes a strong focus on innovative efforts to create and preserve affordable housing, efforts to explore innovative construction and finance tools that can lower housing production costs.

An important tool to ensure local jurisdictions are meeting the housing needs in their communities is the Housing Accountability Unit at California's Housing and Community Development Department. The unit works with local jurisdictions to provide technical assistance and review policies or practices that hinder the housing construction throughout the state. In two years, HCD's accountability and enforcement work has unlocked more than 4,200 new homes.

Homelessness

As committed in previous budgets, the Governor's budget includes \$3.4 billion in Fiscal Year 2023-24 to prevent and end homelessness, including \$1 billion for a fifth round of Homeless Housing, Assistance and Prevent (HHAP) grants, and \$400 million for a third round of Encampment Resolution Fund grants.

"The budget reaffirms California's commitment to preventing and ending homelessness, with no proposed cuts and a continued focus on working across systems holistically to address the physical, social, and housing needs of people experiencing homelessness." said Secretary Castro Ramírez. "In the last three years, Governor Newsom has invested \$15.3 billion to address homelessness. The proposed budget maintains the momentum of recent investments by providing an additional round of flexible local aid through HHAP, along with a third round of encampment resolution grants."

Enhanced accountability will be a key component of the use of these resources to ensure grantees are held accountable to tangible results and the effective use of state homelessness funding. This emphasis on accountability is not only important for the state's responsible fiscal stewardship, but in reducing unsheltered homelessness and increasing exits to permanent housing.

More information about the Governor's Fiscal Year 2023-24 budget can be found on the Department of Finance's [California Budget website](#).

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