



FAIRFAX TOWN COUNCIL MEETING STAFF REPORT

MEETING DATE April 3, 2024
PREPARED FOR Mayor and Town Council
PREPARED BY Heather Abrams, Town Manager
SUBJECT Authorize the Mayor to Send a Letter to Governor Gavin Newsom in Support of Reinstating CalHome Funding for Marin County

RECOMMENDATION

Staff recommends that the Council authorize the Mayor to send a letter to Governor Gavin Newsom, expressing the Town of Fairfax's strong support for reinstating CalHome funding in the 2024-2025 state budget, emphasizing the critical role of the program in affordable housing production in Marin County.

BACKGROUND

Mayor Coler requested that the attached letter be included for approval in the April 2024 Council Meeting Agenda. The CalHome Program, a vital source of funding for affordable homeownership and housing repair projects in California, faces elimination in the recent [state budget proposal for fiscal year 2024-2025](#) by Governor Gavin Newsom. This program has been the only state source of funding dedicated to the production of affordable ownership housing, benefiting low-income families, and supporting community efforts to combat housing challenges. Non-profit developers, including Habitat for Humanity have heavily relied on CalHome for building and repairing affordable homes across the state. In the 2023 funding cycle, Habitat affiliates utilized \$53 million in CalHome awards to progress nearly 600 housing projects, including the development of 80 new homes and over 45 critical home repairs in the Greater San Francisco area, facilitated by a \$10 million CalHome award.

DISCUSSION

The proposal to eliminate CalHome funding contradicts the ongoing need for affordable housing solutions in Marin County and across California. The discontinuation of this funding stream would significantly impair the ability of local governments, nonprofit developers, and community organizations to address the housing affordability crisis. Supporting the reinstatement of CalHome funding is not only about preserving financial resources but also about affirming our commitment to fostering affordable homeownership and ensuring the well-being of our most vulnerable populations, including very low-income families and seniors.

FISCAL IMPACT

Postage costs and staff time needed to send the requested letter.

ATTACHMENT

Draft Letter to Governor Newsom



TOWN OF FAIRFAX
142 BOLINAS ROAD, FAIRFAX, CALIFORNIA 94930
PHONE (415) 453-1584 / FAX (415) 453-1618

April 3, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

SUBJECT: Restore \$152.5 Million to Increase Affordable Homeownership Supply in the 2024-25 Budget – CalHome Program

Dear Governor Newsom:

The Town of Fairfax, CA writes to express its deep concern with the reversion of \$152.5M in funding for the CalHome program in 2024 - 25. While we appreciate a balanced budget, we respectfully ask that funding cuts be made across housing programs equitably. *CalHome is currently the only funding source for ownership supply production, CalHome, is also the hardest hit housing program in the proposed budget and this is disproportionate to other program cuts. Without the \$152.5M, CalHome is left with no other funding in 2023-24. Nonprofit developers, cities, and counties across the State rely on this vital funding to build affordable housing and increase affordable homeownership.*

In 2022, for the first time in its history, the State allocated funding for the new construction of homeowner units (multi-and single-family) for low and very low-income homebuyers through the CalHome program. We are grateful for your commitment to a \$250M appropriation in 22-23 and a \$50M appropriation in 23-24. A total of \$129M of that funding has already been put to work contributing to the State's goal of building 1 million new affordable housing units by 2030.

The proposed budget not only zeroes out various programs across the affordable housing spectrum, it reverts \$900M in funds already appropriated to these programs in 23-24, including gutting \$152.5M from CalHome. This is unacceptable and we implore you to reinstate these essential CalHome funds. Eliminating this funding runs counter to the State's housing goals. Production of more units is the solution to California's affordable housing crisis and CalHome is the ONLY state program that allocates funding toward affordable home building for first-time, lower income homebuyers.

Now is the time to recommit investment in affordable home ownership and ensure Californians, especially lower-income, working families are not deprived of the opportunity for housing stability and long-term wealth creation. We urge you to restore \$152.5M to the CalHome program immediately.

If you have any questions regarding the same, please do not hesitate to contact Mayor Barbara Coler at bcoler@townoffairfax.org.

Sincerely,

Barbara Coler
Mayor of Fairfax

CC:

Honorable Nancy Skinner, Chair, Joint Legislative Budget Committee

Honorable Chris Ward, Chair, Assembly Housing and Community Development Committee

Honorable Scott Wiener, Chair, Senate Housing Committee

Honorable Jesse Gabriel, Chair, Assembly Budget Committee

Honorable Damon Connolly, Assemblymember, District 12

Honorable Mike McGuire, State Senator

Debbie Arakel, Executive Director, Habitat for Humanity California

Maureen Sedonaen, CEO, Habitat for Humanity Greater San Francisco