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June 27, 2022

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## **Breaking: California Budget Proposal Allocates \$15 Million for the Coachella Valley's Housing Catalyst Fund**

**PALM DESERT, CA** — The 2022-2023 California budget proposal, expected to be voted on in the state legislature later this week, includes a \$15 million allocation for the Coachella Valley's Housing Catalyst Fund. The investment will help to deliver 2,500 new units of affordable housing in the Coachella Valley over the next 24 months and accelerate the goal of 10,000 units by 2028.

The affordable housing units, over half of which are already in the development pipeline but in need of additional capital to begin construction, represent the level of production needed to make a region-wide impact on housing affordability.

"We thank Assemblymember Eduardo Garcia for his relentless advocacy and leadership in this effort to bring us to this point. We also thank the more than 1,200 residents, the Housing Stability Collaborative Action Network, Riverside County Supervisor Manuel Perez, the Riverside County Housing Authority, and more 70 local partners who made our voices heard and remain united in the belief that housing is a human right," said Lift To Rise President and CEO Heather Vaikona. "All of us now urge our state legislators to approve this historical investment in a game-changing model to spur more affordable housing developments in our region."

The goal of the Coachella Valley's Housing Catalyst Fund is to radically increase housing stability and create paths to economic mobility for valley residents—over half of whom fall below 200% of the federal poverty line—by reducing the number of rent-burdened households by 30%.

"Securing this direct state investment for our Coachella Valley Housing Catalyst Fund is vital to meeting our affordable housing needs and jumpstarting construction projects. Thanks to our combined advocacy with Lift to Rise, we are close to delivering this \$15 million budget request across the finish line. We are fully focused on getting the votes needed to approve the funds and advance our region's collaborative, strategic housing vision," stated Assemblymember Eduardo Garcia.

Coachella Valley's Housing Catalyst Fund is an innovative, flexible revolving loan fund designed to rapidly jumpstart affordable housing production and overcome two significant challenges for our region. First,

too many families cannot afford the rent. Two-thirds of the households in the Coachella Valley are rent-burdened, paying more than one-third of their income for rent.

Second, California's affordable housing funding streams have long favored coastal and metropolitan areas over the Coachella Valley and other inland and rural communities, making it difficult to compete for the resources necessary to address our region's housing needs.

"I am glad and excited that the state budget agreement includes \$15 million to help alleviate the housing crisis," said Riverside County Fourth District Supervisor V. Manuel Perez. "These are funds that will expedite affordable housing development in our region. I applaud the great work of State Assemblymember Eduardo Garcia, who led the effort, working on this for over a year to secure this major victory. We look forward to continuing to work together with Lift to Rise and Assemblymember Garcia to advance vision and opportunities for housing."

Last month, Supervisor Perez dedicated \$2 million from the Fourth District's federal American Rescue Plan Act funding into the Coachella Valley Housing Catalyst Fund to assist with getting more affordable housing across the finish line.

The Coachella Valley Housing Catalyst Fund, a partnership of Lift to Rise, the Low Income Investment Fund, RCAC, and Riverside County Supervisor Manuel Perez, will leverage state dollars to attract additional private capital at a rate of at least two dollars for every dollar invested by the state. It will help move projects forward that are stalled by a lack of predevelopment funding and access to low-cost construction financing, two significant barriers to affordable housing production that are not well addressed in current state programs.

Last year the Housing Stability Collaborative Action Network worked with Assemblymember Garcia office to make catalyst funds eligible Regional Early Action Planning (REAP) funding so regional housing efforts are possible.

"The Coachella Valley is ground zero for California's housing crisis but can serve as an inspiring example for how communities can innovatively solve affordable housing issues," said Vaikona. "This allocation is the product of the wills and persistence of thousands of community residents, years of shared work of more than 70 local partners in the Coachella Valley, persisting by every means possible to ensure resources are directly allocated to our region. We remain focused on getting support from regional leaders to allocate and disperse these funds as the state intends them to be used."

A \$15 million investment will spur the delivery of more than 2,500 affordable units over the next 24 months, about half the shovel-ready units in our current development pipeline. Once these projects are completed, the funding will recycle within the community to help deliver an additional 7,500 new units, for a total of 10,000 units by 2028. Units will meet a range of critical regional needs with an eye towards equitable distribution to affirmatively further fair housing. The current pipeline includes projects in high-resource communities where affordable housing has never been approved before.

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