





Community Housing Improvement Program





LIFT TO **RISE**



February 24, 2026

The Honorable Gavin Newsom
Governor of California
1021 O St., Ste. 9000
Sacramento, CA 95814

Senate Pro Tempore Monique Limón
1021 O Street, Ste. 8518
Sacramento, CA 95814

Assembly Speaker Robert Rivas
1021 O Street, Ste. 8330
Sacramento, CA 95814

Assembly Budget Chair Jesse Gabriel
1021 O Street, Ste. 8230
Sacramento, CA 95814

Senate Budget Chair John Laird
1021 O Street, Ste. 8620
Sacramento, CA 95814

Re: FY 2026-2027 California Investment and Innovation Program (Cal IIP)

Dear Governor Newsom, Senate President Pro Tempore Limón, Assembly Speaker Rivas, Assembly Budget Chair Gabriel, and Senate Budget Chair Laird:

We, the undersigned organizations, **urge renewed funding for the successful California Investment and Innovation Program (Cal IIP) with a one-time investment of \$50 million dispersed over three years in the 2026-2027 state budget.**

Without additional funding, Cal IIP will cease providing critical community development investments, eliminating a proven and high-impact tool that makes efficient use of public dollars to leverage additional private investment in a range of California's top priorities: small business and quality job creation, affordable housing, health and childcare, and disaster recovery and climate resilience.

Why Cal IIP Is a Smart Investment in California Communities

Established in 2023 with an initial \$50 million allocation over three years, Cal IIP is administered by the State Treasurer's Office and serves as an innovative statewide program to advance economic development financing. It channels capital to California's Community Development Financial Institutions (CDFIs), which are mission-driven financial institutions that deliver affordable loans and technical assistance to borrowers that traditional banks do not reach. In its first two years Cal IIP has made 134 awards to CDFIs financing needs in the areas of community development, education, housing, non-profit lending, small business, childcare, and engaging the underbanked. With support from Cal IIP funding, CDFIs reported:

- 4,220 jobs created,
- 2,529 businesses created, and
- 1,886 housing units built or rehabilitated

Why \$50 Million for Cal IIP Matters Now

California stands at a crossroads: with the right investment, the state can accelerate its most important priorities including inclusive economic growth, housing affordability, climate resilience, and innovation, or risk stalling these projects and investments. The California Investment and Innovation Program is the financial engine that makes those priorities achievable on the ground.

Cal IIP is a valuable leverage tool to drive private and philanthropic investment toward these priorities. Every dollar of public support for CDFIs enables them to raise an estimated \$8 in private capital to lend into the communities that need it most. This means that a \$50 million state investment can catalyze up to an additional \$400 million in private financing for public priorities. No other program in the budget yields such a powerful return on public funds while aligning so directly with the state's strategic objectives.

Recent findings from the 2025 Federal Reserve CDFI Survey underscore the importance of a robust community development financial system. That report, published by the Federal Reserve Bank of Richmond, reveals that demand for CDFI investment surged in 2024, particularly from new borrowers seeking consumer, small business, and residential real estate loans. At the same time, CDFIs identified federal and state public funding as essential to offering the flexible underwriting and loan terms needed to reach financially underserved borrowers. Without programs like Cal IIP CDFIs will not be able to meet growing needs, and hundreds of shovel-ready projects in low-income, rural, and disadvantaged communities that depend on affordable financing may not move forward.

Unlike many state investments that require long planning horizons, Cal IIP dollars move fast and are channeled through established institutions with track records of compliance, community accountability, and impact. The state’s initial investment has already demonstrated that targeted CDFI support can:

- Accelerate small business recovery and job creation in communities still rebuilding from wildfires, the pandemic, and the loss of other federal funding;
- Expand affordable housing supply through early-stage, predevelopment, and bridge financing where traditional lenders do not finance;
- Advance climate and infrastructure resilience by financing community water systems, clean energy projects, and health facilities; and
- Close the racial wealth gap by empowering entrepreneurs and homeowners long excluded from conventional capital markets.

CDFIs are essential infrastructure for an inclusive California economy. Recent shifts in federal policy, including threats to the CDFI Fund at the US Department of Treasury, jeopardize the ability of that infrastructure to continue meeting the needs of our state's communities. Extending Cal IIP with renewed funding is the surest way for our state to maintain a robust and resilient community development financial system.

Thank you for your consideration and support for small businesses, low income households and families in California who will benefit from this critical program. If you have questions concerning this request, please contact Brian Augusta (baugusta@piadvocates.org) or Rachel Mueller (rmueller@calcci.org).

Sincerely,

<p>Nate Schaffran Executive Director California Coalition for Community Investment</p>	<p>Heidi Pickman VP, Engagement and External Relations CAMEO Network</p>
<p>Jeannette Brown Director of Public Policy CalNonprofits</p>	<p>Mercedes Gipson SPM Economic Equity - Small Business The Greenlining Institute</p>

Kat Taylor Principal, Office of Kat Taylor Co-Founder, Beneficial State Bank	Arnold Sowell Jr. Executive Director NextGen California
Patty Hess Executive Director 3CORE, Inc.	Allison Kelly CEO ICA Fund
Tate Hill President and CEO Access Plus Capital	Doug Smith Vice President Inclusive Action for the City
David Desai-Ramirez Market President AltCap California	Everett Sands CEO Lendistry
Brian Kennedy Jr Entrepreneur Ecosystem Director AmPac Business Capital	Evita Chavez Senior Program Officer, Housing LISC Bay Area
Randell Leach CEO Beneficial State Bank	Nicole Williams Executive Director LISC LA
Deborah Lowe Muramoto President/CEO California Capital Financial Development Corporation	Shelly Masur Vice President, Advisory & State Policy Low Income Investment Fund
Lee Takikawa President & CEO California Coastal Rural Development Corporation	Rohan Kalbag Chief Executive Officer Main Street Launch
Noni Ramos CEO Housing Trust Silicon Valley	Clemente Mojica President and CEO Neighborhood Partnership Housing Services
Jennifer Quevedo SVP, Loan Originations California Community Reinvestment Corporation	Brenda Magaña VP Operations NeighborWorks Orange County
Andrew Phillips President & CEO Civic Communities	Aisha Benson President and CEO Nonprofit Finance Fund

Cesar Plascencia Public Affairs Officer Clearinghouse CDFI	Ross Welch Executive Director North Edge
Catherine Howard President Community Vision	Bulbul Gupta President and CEO Pacific Community Ventures
Juan Hernandez CEO Creser Capital Fund	Mark J. Robertson, Sr. President/CEO PCR Business Finance
Scott Berman CEO Economic Justice Fund	Suzanne Anarde-Devenport Chief Executive Officer Rural Community Assistance Corporation
Stephanie Barrett Senior Loan Officer Enterprise Community Loan Fund	Jefferson Eckles CEO San Luis Obispo County Housing Trust Fund
Brian Dorcy President & CEO Excite Credit Union	Veronica Casillas-Madrigal President Self-Help Federal Credit Union
Reggie Knox CEO California FarmLink	Daniel Fernandez CEO TMC Community Capital
Jay Diallo President & CEO First Community Capital, Inc.	Gasper Magallanes Chief Financial Officer Working Solutions CDFI
Thomas De Simone President & CEO Genesis LA Economic Growth Corporation	Jessie Mabry CEO Opening Doors
Caroline McCormack Vice President of Lending and Policy Housing Accelerator Fund	Beulah Ku Chief Strategy Officer Century Housing
Linda Braunschweiger CEO Housing Trust Fund Ventura County	Jessica Rubio Policy Director Mission Economic Development Agency

Maddie Ribble Co-Director for Policy California Community Land Trust Network	Hal Russek Executive Director Two Valleys Community Land Trust
Lori Gay President & CEO NHS Neighborhood Lending Services	Deborah De Santis President & CEO CSH
Mar Diteos CEO Accessity	Jazz Keys President & CEO Vermont-Slauson LDC, Inc.
Marc Rand Executive Director American Nonprofits	Ken Trigueiro CEO & President People's Opportunity Fund
Craig Adelman CEO Mutual Housing California	Andrea Fraume Valencia Co-Director Mountain View Community Land Trust
Aleta Toure Coop Manager Parable of Sower IC Cooperative	Ross Welch Executive Director North Edge
Ian Gabriel Director of Collective Impact Lift to Rise	Rochelle Mills President & CEO Innovative Housing Opportunities
Luz Urrutia Accion Opportunity Fund President/CEO	Lisa Gauthier Supervisor San Mateo County Board of Supervisors
Veronica Padilla Executive Director Pacoima Beautiful	Barney Santos CEO Gentefy Inc
Henry Perez Executive Director InnerCity Struggle	Bianca Blomquist California Director Small Business Majority
Tom Collishaw President & CEO Self-Help Enterprises	Seana O'Shaughnessy President & CEO CHIP

<p>Tak Suzuki Co-Executive Director Little Tokyo Service Center</p>	<p>Jesus Flores President & CEO Latino Business Foundation Silicon Valley</p>
<p>Chanchanit Martorell Executive Director Thai Community Development Center (Thai CDC)</p>	<p>Saul Ramso Co-Executive Director SOMOS Mayfair</p>
<p>Maggie Turner Alvarez Policy Manager Roberts Impact Investing Fund (RIIF)</p>	<p>Alexander Russell CEO Homes & Hope</p>
<p>Elmer Martinez Saballos Mayor City of Redwood</p>	<p>Elenore Vaughn Executive Director Housing Authority of the City of Santa Paula</p>
<p>Stacey Caico Development Manager EDFC (Economic Development & Financing Corporation)</p>	<p>Pamela Deans Executive Director Microenterprise Collaborative of Inland Southern California</p>
<p>Patricia Chang CEO Feed The Hunger Fund</p>	<p>Jeffrey Lambert Chief Executive Officer Ventura Housing (Authority)</p>
<p>Roberto Barragán Executive Director ICON CDC</p>	<p>Tia Boatman Patterson President & CEO California Community Reinvestment Corporation</p>
<p>Rani Langer-Croager Founder & CEO Uptima Entrepreneur Cooperative</p>	<p>J.T. Harechmak Policy Director Non-Profit Housing Association of Northern California</p>