



**APR 01 2014**

Honorable Mark Leno, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 1110-001-0771, Support, Department of Consumer Affairs**

**Court Reporters Board (Issue 201)**—It is requested that Item 1110-001-0771 be increased by \$80,000 on a one-time basis to fund Attorney General enforcement costs. This augmentation will allow the Court Reporters Board to eliminate its current backlog of enforcement cases at the Attorney General's office by funding attorney fees necessary to process cases of unprofessional conduct by licensees.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jeff Carosone, Principal Program Budget Analyst, at (916) 445-8913.

MICHAEL COHEN  
Director  
By:

/s/ Keely M. Bosler

KEELY M. BOSLER  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Mike Gatto, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee  
Attention: Mr. Eric Swanson, Staff Director  
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Tom Daly, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office  
Honorable Anna M. Caballero, Secretary, Business, Consumer Services, and Housing Agency  
Tina Daley, Deputy Secretary, Fiscal Operations, Business, Consumer Services, and Housing  
Agency  
Ms. Denise Brown, Director, Department of Consumer Affairs  
Mr. Awet Kidane, Chief Deputy Director, Department of Consumer Affairs  
Ms. Sandra Mayorga, Deputy Director, Office of Administrative Services, Department of  
Consumer Affairs  
Ms. Janice Shintaku-Enkoji, Fiscal Officer, Department of Consumer Affairs  
Mr. Taylor Schick, Budget Officer, Department of Consumer Affairs



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Honorable Mark Leno, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to and Addition of Various Budget Bill Items and Proposed Trailer Bill Language, Support and Local Assistance, Department of Housing and Community Development**

**Veteran's Housing and Homeless Prevention Bond Act of 2014, Proposition 41**

**(Issue 225)**—It is requested that Item 2240-101-6082 be added in the amount of \$75 million to provide expenditure authority for Proposition 41 programs, which is subject to voter approval on the June 3, 2014 ballot. It is also requested that provisional language be included with Item 2240-101-6082 to allow the Director of Finance to increase the appropriation amount and liquidation period (see Attachment I).

It is also requested that Item 2240-001-6082 be added in the amount of \$1,231,000 and 7 positions and that Item 2240-001-0648 be revised to reflect this change to provide funding for the design and implementation of programs for low-income and homeless veterans and their families (see Attachment II). This includes \$146,000 for 1 position redirected from the Multifamily Housing Program. This request is also subject to voter approval of Proposition 41 on the June 3, 2014 ballot.

**Housing Related Parks Program—Proposition 1C Funding Increase (Issue 251)**—It is requested that Item 2240-101-6071 be increased by \$62.5 million to fully fund the 113 applications totaling \$77.5 million for the 2013 grant round and increase the funding available for the 2014 grant round. The Governor's January budget proposal included \$25 million for this program.

**Office of Migrant Services—Deferred Maintenance (Issue 250)**—It is requested that Section 53545 of the Health and Safety Code be amended to identify the Department of Housing and Community Development as an eligible recipient of up to \$11 million in Proposition 1C funding for the rehabilitation and deferred maintenance of state-owned migrant centers through the Office of Migrant Services (see Attachment III).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Evelyn Suess, Principal Program Budget Analyst, at (916) 445-1546.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Mike Gatto, Chair, Assembly Appropriations Committee  
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Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
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Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Claudia Cappio, Executive Director, California Housing Finance Agency  
Mr. Randall Deems, Acting Director, Department of Housing and Community Development  
Ms. Terrie Watson, Deputy Director, Administration and Management Division, Department of  
Housing and Community Development  
Ms. Diane Richardson, Director, Legislative Division, Department of Housing and Community  
Development

**Attachment I**

Addition of Budget Bill Item

2240-101-6082—For local assistance, Department of Housing and Community Development, payable from the Housing for Veterans Fund.....\$75,000,000

Provisions:

1. Appropriations from this fund are contingent upon voter approval of the Veterans Housing and Homeless Prevention Act of 2014 on the June 3, 2014 ballot.
2. The Director of Finance may authorize an increase in this appropriation, up to the total amount of proceeds available pursuant to the Veterans Housing and Homeless Prevention Act of 2014. Any approved increase shall correspond to the level of awards approved by the Department of Housing and Community Development. Within 30 days of making any adjustments pursuant to this provision, the Director of Finance shall report the adjustment in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations.
3. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2020. The Director of Finance may authorize an extension of the liquidation period if it is determined that an extension is needed to facilitate a project's completion. Within 30 days of making any adjustments pursuant to this provision, the Director of Finance shall report the adjustment in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations,

**Attachment II**

Addition of Budget Bill Item:

2240-001-6082—For support of Department of Housing and Development, payable from the Housing for Veterans Fund, for the Veterans Housing and Homeless Prevention Act of 2014....  
.....\$1,231,000

Provisions:

- 1: Appropriations from this fund are contingent upon voter approval of the Veterans Housing and Homeless Prevention Act of 2014 on the June 3, 2014 ballot.

**Attachment III (Page 1 of 4)****Proposed Trailer Bill Language**

SECTION 1. Section 53545 of the Health and Safety Code is amended to read:

53545. The Housing and Emergency Shelter Trust Fund of 2006 is hereby created in the State Treasury. The Legislature intends that the proceeds of bonds deposited in the fund shall be used to fund the housing-related programs described in this chapter over the course of the next decade. The proceeds of bonds issued and sold pursuant to this part for the purposes specified in this chapter shall be allocated in the following manner:

(a) (1) One billion five hundred million dollars (\$1,500,000,000) to be deposited in the Affordable Housing Account, which is hereby created in the fund. Notwithstanding Section 13340 of the Government Code, the money in the account shall be continuously appropriated in accordance with the following schedule:

(A) (i) Three hundred forty-five million dollars (\$345,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2. The priorities specified in Section 50675.13 shall apply to the expenditure of funds pursuant to this clause.

(ii) Fifty million dollars (\$50,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended under the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2 for housing meeting the definitions in paragraphs (2) and (3) of subdivision (e) of Section 11139.3 of the Government Code. The department may provide higher per-unit loan limits as necessary to achieve affordable housing costs to the target population. Any funds not encumbered for the purposes of this clause by July 31, 2011, shall revert for general use in the Multifamily Housing Program unless the department determines that funds should revert sooner due to diminished demand.

(B) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, to be used for supportive housing for individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness. The Department of Housing and Community Development shall provide for higher per-unit loan limits as reasonably necessary to achieve housing costs affordable to those individuals and households. For purposes of this subparagraph, "supportive housing" means housing with no limit on length of stay, that is occupied by the target population, as defined in subdivision (d) of Section 53260, and that is linked to onsite or offsite services that assist the tenant to retain the housing, improve his or her health status, maximize his or her ability to live, and, when possible, work in the community. The criteria for selecting projects shall give priority to:

(i) Supportive housing for people with disabilities who would otherwise be at high risk of homelessness where the applications represent collaboration with programs that meet the needs of the person's disabilities.

(ii) Projects that demonstrate funding commitments from local governments for operating subsidies or services funding, or both, for five years or longer.

**Attachment III (Page 2 of 4)**

(C) One hundred thirty-five million dollars (\$135,000,000) shall be transferred to the fund created by subdivision (b) of Section 50517.5 to be expended for the programs authorized by Chapter 3.2 (commencing with Section 50517.5) of Part 2. The department shall be deemed an eligible recipient for the purposes of reconstructing and rehabilitating migrant centers operated through the Office of Migrant Services pursuant to Chapter 8.5 (commencing with Section 50710) that are in need of significant repairs or rehabilitation to ensure the health and safety of residents and the department shall not be subject to any of the recipient requirements of Chapter 3.2. To the extent no other funding sources are available, the department may directly expend up to eleven million dollars (\$11,000,000) for purposes of reconstructing and rehabilitating migrant centers.

(D) Three hundred million dollars (\$300,000,000) shall be transferred to the Self-Help Housing Fund created by Section 50697.1. These funds shall be available to the Department of Housing and Community Development, to be expended for the purposes of enabling households to become or remain homeowners pursuant to the CalHome Program authorized by Chapter 6 (commencing with Section 50650) of Part 2, except ten million dollars (\$10,000,000) shall be expended for construction management under the California Self-Help Housing Program pursuant to subdivision (b) of Section 50696.

(E) Two hundred million dollars (\$200,000,000) shall be transferred to the Self-Help Housing Fund created by Section 50697.1. These funds shall be available to the California Housing Finance Agency, to be expended for the purposes of the California Homebuyer's Downpayment Assistance Program authorized by Chapter 11 (commencing with Section 51500) of Part 3. Up to one hundred million dollars (\$100,000,000) of these funds may be expended pursuant to subdivision (b) of Section 51504.

(F) One hundred million dollars (\$100,000,000) shall be transferred to the Affordable Housing Innovation Fund, which is hereby created in the State Treasury, to be administered by the Department of Housing and Community Development. Funds shall be expended for competitive grants or loans to sponsoring entities that develop, own, lend, or invest in affordable housing and used to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing. Specific criteria establishing eligibility for and use of the funds shall be established in statute as approved by a 2/3 vote of each house of the Legislature. Any funds not encumbered for the purposes set forth in this subparagraph within 30 months of availability shall revert to the Self-Help Housing Fund created by Section 50697.1 and shall be available for the purposes described in subparagraph (D).

(G) One hundred twenty-five million dollars (\$125,000,000) shall be transferred to the Building Equity and Growth in Neighborhoods Fund to be used for the Building Equity and Growth in Neighborhoods (BEGIN) Program pursuant to Chapter 14.5 (commencing with Section 50860) of Part 1. Any funds not encumbered for the purposes set forth in this subparagraph by November 17, 2011, shall revert for general use in the CalHome Program unless the department determines that funds should revert sooner due to diminished demand.

(H) Fifty million dollars (\$50,000,000) shall be transferred to the Emergency Housing and Assistance Fund for both of the following purposes:

(i) Distribution of capital development grants under the Emergency Housing and Assistance Program authorized by Chapter 11.5 (commencing with Section 50800) of Part 2 of Division 31.

**Attachment III (Page 3 of 4)**

The funds shall be administered by the Department of Housing and Community Development in a manner consistent with the restrictions and authorizations contained in Provision 3 of Item 2240-105-0001 of the Budget Act of 2000, except that any appropriations in that item shall not apply. The competitive system used by the department shall incorporate priorities set by the designated local boards and their input as to the relative merits of submitted applications from within the designated local board's county in relation to those priorities. In addition, the funding limitations contained in this section shall not apply to the appropriation in that budget item.

(ii) The availability of funds for supportive housing purposes specified in subparagraph (B).

(2) The Legislature may, from time to time, amend the provisions of law related to programs to which funds are, or have been, allocated pursuant to this subdivision for the purpose of improving the efficiency and effectiveness of the program, or for the purpose of furthering the goals of the program.

(3) With the revenues from bond proceeds issued and sold pursuant to this part, the Bureau of State Audits shall conduct periodic audits to ensure that bond proceeds are awarded in a timely fashion and in a manner consistent with the requirements of this section, and that awardees of bond proceeds are using funds in compliance with applicable provisions of this section. The first audit shall be conducted no later than one year from voter approval of this part.

(4) In its annual report to the Legislature, the Department of Housing and Community Development shall report how funds that were made available pursuant to this subdivision and allocated in the prior year were expended. The department shall make the report available to the public on its Internet Web site.

(b) Eight hundred fifty million dollars (\$850,000,000) shall be deposited in the Regional Planning, Housing, and Infill Incentive Account, which is hereby created in the fund. Funds in the account shall be available, upon appropriation by the Legislature, and subject to such other conditions and criteria as the Legislature may provide in statute, for the following purposes:

(1) For infill incentive grants for capital outlay related to infill housing development and other related infill development, including, but not limited to, all of the following:

(A) No more than two hundred million dollars (\$200,000,000) for park creation, development, or rehabilitation to encourage infill development.

(B) Water, sewer, or other public infrastructure costs associated with infill development.

(C) Transportation improvements related to infill development projects.

(D) Traffic mitigation.

(2) For brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans.

(c) Three hundred million dollars (\$300,000,000) to be deposited in the Transit-Oriented Development Account, which is hereby created in the fund, for transfer to the Transit-Oriented Development Implementation Fund, for expenditure, upon appropriation by the Legislature,

**Attachment III (Page 4 of 4)**

pursuant to the Transit-Oriented Development Implementation Program authorized by Part 13 (commencing with Section 53560).

(d) Two hundred million dollars (\$200,000,000) shall be deposited in the Housing Urban-Suburban-and-Rural Parks Account, which is hereby created in the fund. Funds in the account shall be available upon appropriation by the Legislature for housing-related parks grants in urban, suburban, and rural areas, subject to the conditions and criteria that the Legislature may provide in statute.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2014 at the earliest possible time, it is necessary that this act take effect immediately.