



May 11, 2018

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance, Various Departments—Housing and Homelessness Package**

It is requested that various items be increased in the amount of \$358.8 million General Fund and 3 positions, to provide services, emergency aid, and housing opportunities for the increasing homeless population in the state.

**Homelessness Coordinating and Financing Council**—It is requested that Item 0515-001-0001 be increased by \$500,000 and 3 positions to expand the Homelessness Coordinating and Financing Council and move it to the Business, Consumer Services, and Housing Agency, to develop a statewide plan, in collaboration with local governments, to support the coordination and expedition of various housing and homelessness investments.

**Emergency Homelessness Aid**—It is requested that Item 0515-101-0001 be added in the amount of \$250 million to provide one-time block grants to Continuums of Care for emergency housing vouchers, rapid rehousing, emergency shelter construction, and use of armories to provide temporary shelter, among other activities. The emergency aid block grants will be administered by the Homelessness Coordinating and Financing Council. It is also requested that provisional language be added to this item to authorize the transfer of up to \$750,000 for administrative costs (see Attachment 1).

**Domestic Violence Housing Program**—It is requested that Item 0690-101-0001 be increased by \$10 million for the Office of Emergency Services to fund additional domestic violence service providers for projects that include emergency safe homes or shelters for victims and their families.

**Homeless Youth and Exploitation Program**—It is requested that Item 0690-101-0001 be increased by \$1 million for the Office of Emergency Services to provide additional funding to the Homeless Youth and Exploitation Program for projects that focus on providing shelters for homeless and exploited youth.

**Homeless Mentally Ill Program**—It is requested that Item 4260-118-0001 be added in the amount of \$50 million to support intensive outreach and treatment for homeless individuals with mental illness through multidisciplinary teams.

**CalWORKs Housing Support Program**—It is requested that Item 5180-101-0001 be increased by \$24,163,000 to reflect an augmentation to the CalWORKs Housing Support Program, which assists CalWORKs families in obtaining and retaining permanent shelter.

**Increase CalWORKs Homeless Assistance Program Payment Rate**—It is requested that Item 5180-101-0001 be increased by \$7,640,000 and Item 5180-141-0001 be increased by \$500,000 to reflect a proposed increase to the daily payment rate from \$65 to \$85 for temporary shelter support in the CalWORKs Homeless Assistance Program, effective January 1, 2019.

**Home Safe Program**—It is requested that Item 5180-151-0001 be increased by \$15 million to reflect one-time funding to pilot a new Home Safe Program within Adult Protective Services. The funding will be available to participating counties over a three-year period to provide housing-related supports to seniors experiencing homelessness or at risk of becoming homeless. Participating counties will provide a dollar-for-dollar match in local funds.

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 Mark Tollefson, Assistant Program Budget Manager, at (916) 445-3274.

MICHAEL COHEN  
Director  
By:

/s/ Amy M. Costa

AMY M. COSTA  
Chief Deputy Director

Attachment  
cc: On following page

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Nancy Skinner, Chair, Senate Budget and Fiscal Review Subcommittee No. 5  
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
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Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Shirley Weber, Chair, Assembly Budget Subcommittee No. 5  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President Pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Grace Koch, Chief Deputy Director, Office of Emergency Services  
Ms. Sara Stillwell, Deputy Director, Finance and Administration, Office of Emergency Services  
Ms. Tabitha Stout, Assistant Director, Office of Emergency Services  
Mr. Michael Wilkening, Undersecretary, California Health and Human Services Agency  
Ms. Michelle Baass, Undersecretary, California Health and Human Services Agency  
Ms. Julie Souliere, Assistant Secretary, California Health and Human Services Agency  
Ms. Jennifer Kent, Director, Department of Health Care Services  
Ms. Erika Sperbeck, Chief Deputy Director, Department of Health Care Services  
Ms. Brenda Grealish, Assistant Deputy Director, Department of Health Care Services  
Ms. Kathleen Dong, Budget Officer, Department of Health Care Services  
Ms. Alexis Podesta, Secretary, Business, Consumer Services and Housing Agency  
Ms. Tina Daley, Deputy Secretary, Fiscal Operations, Business, Consumer Services and Housing Agency  
Mr. Marko Mijic, Assistant Secretary, California Health and Human Services Agency  
Ms. Pat Leary, Chief Deputy Director, Department of Social Services  
Ms. Kären Dickerson, Deputy Director, Administration Division, Department of Social Services  
Mr. Jim O'Brien, Budget Bureau Chief, Department of Social Services

0515-101-0001-For local assistance, Secretary of Business, Consumer Services, and Housing Agency.....250,000,000

Schedule:

(1) 0260-Support..... 250,000,000

Provisions:

1. Up to \$750,000 of funds appropriated in this item may be transferred to Schedule (1) of Item 0515-001-0001, upon order of the Director of Finance, for the administration of block grants to Continuums of Care for emergency housing vouchers, rapid rehousing, emergency shelter construction, and use of armories to provide temporary shelter, among other activities.



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Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to, Addition of, and Eliminate Various Budget Bill Items and Reimbursements, Support and Local Assistance, Various Departments, Implementation of Cannabis Programs**

**Bureau of Cannabis Control: Licensing and Enforcement**—It is requested that Item 1111-002-3288 be increased by \$33,876,000 and 45 positions and reimbursements be increased by \$900,000 to continue implementation of cannabis licensing and enforcement programs. It is also requested that Item 1111-002-0702 be increased by 29 positions and Schedule (4) be increased by \$4,482,000 with a conforming decrease to Schedule (5). The positions will be phased in beginning in fiscal year 2018-19 for a total of 74 positions in 2019-20. Funding includes resources to establish a local liaison unit, regional licensing and enforcement offices, a public awareness campaign, and safety assurance and financial compliance activities. In addition, funding is provided for interagency agreements for cash collection, the track and trace system and proprietary plant and package tag costs, and the administration of microbusiness licensure.

It is also requested that provisional language be added to Item 1111-002-3288 for the Department of Consumer Affairs to have the flexibility to increase resources, subject to Department of Finance approval and not sooner than 30 days after written notification to the Legislature (see Attachment 1). This will allow the Department of Consumer Affairs to respond to increased licensing, compliance, and enforcement workload, should it materialize.

**State Department of Public Health: Medicinal and Adult Use Cannabis and Regulation Safety Act**—It is requested that Item 4265-001-0001 be increased by 3 positions and be amended by increasing reimbursements by \$533,000, and Item 4265-001-3288 be increased by \$10,568,000 and 25.5 positions to support cannabis manufacturing, licensing, and information technology activities at the State Department of Public Health. The positions will be phased in beginning in 2018-19 for a total of 38 positions in 2019-20 to implement the requirements of Chapter 27, Statutes of 2017 (SB 94), including establishing new offices for licensing and cash collection, information technology enhancements, and licensing and enforcement resources in anticipation of increasing licensing workload.

It is also requested that provisional language be added to Item 4265-001-3288 to give Public Health the flexibility to increase resources as needed, provided the workload needs are clearly demonstrated, subject to Department of Finance approval and not sooner than 30 days after written notification to the Legislature. This will allow Public Health to respond to increased licensing, compliance, and enforcement workload, should it materialize. Additionally, provisional

language is requested to make the cannabis manufacturing licensing information technology resources contingent upon Public Health working with the California Department of Technology to complete a Special Project Report (see Attachment 2).

**Department of Food and Agriculture: Continued Implementation of Cannabis Cultivation Licensing and Enforcement**—It is requested that Item 8570-001-3288 be increased by \$28,261,000 and 69 positions, and reimbursements be increased by \$18,160,000 to continue implementation of cannabis cultivation licensing and enforcement programs for recreational and medicinal cannabis. It is also requested that Item 8570-001-0001 be increased by 10 positions and Schedule (5) be increased by \$1,402,000 with a conforming decrease to Schedule (6). Funding for these activities has been phased-in based on the timing of statutory requirements, and these resources will primarily support the ramp-up of annual licensing, compliance, and enforcement activities, as well as costs for proprietary plant and package tags for use with the track-and-trace system.

It is also requested that provisional language be added to Item 8570-001-3288 for the Department of Food and Agriculture to have flexibility to increase resources, subject to Department of Finance approval and not sooner than 30 days after written notification to the Legislature (see Attachment 3). This will allow the Department of Food and Agriculture to respond to increased licensing, compliance, and enforcement workload, should it materialize.

**General Fund Loan**—It is requested that Item 1111-011-0001 be added in the amount of \$59,300,000 to provide cash for initial regulatory costs until sufficient license fee revenues are available (see Attachment 4).

**Department of Justice: Illegal Cannabis Enforcement**—It is requested that, through trailer bill language, expenditure authorization from the California Cannabis Tax Fund be established in Revenue and Taxation Code section 34019 (a), to support the enforcement of illegal cannabis activities by the Department of Justice. The Department of Justice will have expenditure authority of \$13,966,000 and 47 positions to establish one interdiction and four investigation teams located across the state to combat the illegal cannabis market by protecting against intrastate and interstate diversion activities by criminal organizations.

**Secretary of State: Cannabis Filings and Trademark Workload**—It is requested that Item 0890-001-0228 be increased by \$440,000 and 3 positions to address increased cannabis-related business filings and trademark registration workload. These resources will allow the Secretary of State (SOS) to provide support to complex business filings and trademarks in addition to providing internal legal cannabis expertise. In addition, these resources will allow the SOS to maintain adequate processing times for the increased business filings.

**Cannabis Control Appeals Panel**—It is requested that Item 1045-001-3288 be increased by \$1,435,000 and 5 positions to support the operations of the Cannabis Control Appeals Panel. The Cannabis Control Appeals Panel will be responsible for reviewing all appeals related to cannabis licensing decisions, including license issuance, renewal, probation, conditions, penalty assessments, cancelations, suspensions, or any other licensing disciplinary actions.

**Department of General Services: Cannabis Administrative Hearings**—It is requested that Item 7760-001-0666 be increased by \$13,034,000 and 26 positions to address increased cannabis-related administrative hearings workload. Of the amount requested, \$1.6 million is one-time funding for facility expansion costs. The Department of General Services, Office of

Administrative Hearings (OAH) conducts mediations and hearings for state and local agencies. There are four primary types of cannabis-related cases that will come to OAH for hearings: (1) appeal of a denial of an initial license or a renewal license; (2) discipline of a licensee; (3) citations for unlawful activity by a licensee; and (4) administrative citations for unlicensed activity. The requested resources will allow OAH to accomplish this workload.

**Employment Development Department**—Expenditure authority from the California Cannabis Tax Fund in the amount of \$3,707,000 and 16.5 positions will be provided pursuant to Revenue and Taxation Code section 34019 (a) to collect and process cash payments of employer taxes from businesses in the cannabis industry and to provide employment services to qualified job seekers. This includes information technology system enhancements, security upgrades to ten field offices where cash transactions are conducted, and California Highway Patrol security and armored car service contracts.

**California Department of Tax and Fee Administration**—It is requested that Items 7600-001-0001, 7600-001-0061, and 7600-001-3288 be amended to reallocate funding and provide support for the collection of cannabis tax payments. This includes resources for security updates to ten field offices where cash collections are handled, California Highway Patrol security and armored car contracts, and establishing an additional location to collect payments in Orange County.

It is requested that the following items be amended to conform to this action:

- Decrease Item 7600-001-0001 by \$45,000, and increase reimbursements by \$158,000
- Decrease Item 7600-001-0061 by \$5,000
- Decrease Item 7600-001-3288 by \$2,375,000 and 16.9 positions

Additionally, expenditure authority from the California Cannabis Tax Fund in the amount of \$4,766,000 and 15.8 positions will be provided to California Department of Tax and Fee Administration for the collection of cannabis tax payments.

**Franchise Tax Board**—It is requested that, through trailer bill language, expenditure authorization from the California Cannabis Tax Fund be established in Revenue and Taxation Code section 34019 (a), which will provide Franchise Tax Board \$193,000 to provide support for the collection of cannabis tax cash payments.

**Cannabis Control Fund Shift**—It is requested that Item 3940-001-0001 be decreased by \$2,279,000 and 43 positions and Item 3940-001-0140 be decreased by \$2,569,000. It is also requested that the following items be eliminated, and conforming technical adjustments be made to reflect a net-zero technical fund shift to realign appropriations for cannabis-related activities:

- Eliminate Item 3600-001-3288 in the amount of \$8,842,000 and 39.5 positions
- Eliminate Item 3930 001-3288 in the amount of \$1,273,000 and 1 position
- Eliminate Item 3930-101-3288 in the amount of \$1 million
- Eliminate Item 3940-001-3288 in the amount of \$2,729,000

This technical shift is consistent with the purposes outlined in Revenue and Taxation Code Section 34019 subdivision (a)(3), which authorizes the use of the California Cannabis Tax Fund for reasonable costs incurred by the Department of Fish and Wildlife, the State Water Resources Control Board, and the Department of Pesticide Regulation.

**Community Reinvestment Grants Program**—Expenditure authority from the California Cannabis Tax Fund will be provided to the Governor’s Office of Business and Economic Development (GO-Biz) to implement and administer a Community Reinvestment Grants Program pursuant to Revenue and Taxation Code section 34019 (d). Specifically, funding of \$400,000 and 3 positions will be provided for administrative efforts and an additional \$9.6 million will be distributed through grants. These resources will allow GO-Biz to fund grants to local health departments and qualified community-based nonprofit organizations that support various substance abuse treatment, job placement, legal services, and other cannabis use-related programs in California, pursuant to Proposition 64.

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 Tiffany Garcia, Principal Program Budget Analyst, at (916) 445-8913.

MICHAEL COHEN  
Director  
By:

/s/ Amy M. Costa

AMY M. COSTA  
Chief Deputy Director

Attachment

cc: On following page



cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1  
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3  
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4  
Honorable Nancy Skinner, Chair, Senate Budget and Fiscal Review Subcommittee No. 5  
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Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Alexis Podesta, Secretary, Business, Consumer Services and Housing Agency  
Ms. Tina Daley, Deputy Secretary of Fiscal Policy and Administration, Business, Consumer Services and Housing Agency  
Mr. Dean Grafilo, Director, Department of Consumer Affairs  
Ms. Lori Ajax, Chief, Bureau of Cannabis Control  
Ms. Janice Shintaku-Enkoji, Fiscal Officer, Department of Consumer Affairs  
Mr. Taylor Schick, Budget Officer, Department of Consumer Affairs  
Honorable Alex Padilla, Secretary of State  
Ms. Lizette Mata, Deputy Secretary of State, Operations, Secretary of State  
Ms. Betsy Bogart, Chief, Business Programs Division, Secretary of State  
Ms. Cindy Halverstadt, Chief, Management Services Division, Secretary of State  
Ms. Kristin Dagsher, Fiscal Affairs Manager, Management Services Division, Secretary of State  
Mr. Russell Vaneekhoven, Budget and Systems Section Manager, Management Services Division, Secretary of State  
Ms. Tina Daley, Deputy Secretary, Fiscal Operations, Business, Consumer Services and Housing Agency  
Ms. Panorea Avdis, Director, Governor's Office of Business and Economic Development  
Mr. William Koch, Chief Deputy Director, Governor's Office of Business and Economic Development  
Mr. James Teahan, Chief, Administrative Services Division, Governor's Office of Business and Economic Development  
Ms. Jenifer Henneke, Manager, Administrative Services Division, Governor's Office of Business and Economic Development  
Mr. Matthew Rodriguez, Secretary, California Environmental Protection Agency  
Mr. Eric Jarvis, Assistant Secretary, California Environmental Protection Agency  
Mr. Brian Leahy, Director, Department of Pesticide Regulation  
Ms. Anise Severns, Assistant Director, Administrative Services Division, Department of Pesticide Regulation  
Ms. Leslie Ford, Manager, Fiscal and Business Services, Department of Pesticide Regulation

Ms. Karen Munoz, Budget Officer, Department of Pesticide Regulation  
Ms. Eileen Sobeck, Executive Director, State Water Resources Control Board  
Ms. Susan Montoya, Budget Officer, State Water Resources Control Board  
Mr. Gabe Tiffany, Deputy Director, Administrative Division, Department of Fish and Wildlife  
Mr. Dan Reagan, Assistant Deputy Director, Administrative Division, Department of Fish and Wildlife  
Mr. Tyrone Williams, Budget Officer, Department of Fish and Wildlife  
Ms. Marybel Batjer, Secretary, Government Operations Agency  
Mr. Daniel C. Kim, Director, Department of General Services  
Mr. Andrew Sturmfels, Chief, Administrative Services, Department of General Services  
Ms. Rhonda Basarich, Chief, Office of Fiscal Services, Department of General Services  
Mr. Zackery Morazzini, Director, Office of Administrative Hearings, Department of General Services  
Mr. Bob Varma, Deputy Director, Office of Administrative Hearings, Department of General Services  
Ms. Jerianne Brennan, Budget Officer, Budgets and Planning Section, Department of General Services  
Mr. Nicolas Maduros, Director, California Department of Tax and Fee Administration  
Ms. Katie Hagen, Chief Deputy Director, California Department of Tax and Fee Administration  
Mr. Chris Holtz, Chief of the Business Management Bureau, California Department of Tax and Fee Administration  
Mr. Steve Mercer, Budget Officer, California Department of Tax and Fee Administration  
Ms. Jeanne Harriman, Chief Financial Officer, Franchise Tax Board  
Ms. Tiphonie Weiss, Director of the Financial Management Bureau, Franchise Tax Board  
Mr. David Lanier, Secretary, Labor and Workforce Development Agency  
Mr. Jay Sturges, Assistant Secretary, Fiscal Policy, Labor and Workforce Development Agency  
Mr. Tad Allred, Deputy Director, Administration Branch, Employment Development Department  
Mr. Caleb Horel, Chief, Fiscal Services, Employment Development Department  
Mr. Michael Wilkening, Undersecretary, California Health and Human Services Agency  
Ms. Michelle Baass, Deputy Secretary, California Health and Human Services Agency  
Ms. Janne Olson-Morgan, Assistant Secretary, California Health and Human Services Agency  
Ms. Samantha Lui, Assistant Secretary, California Health and Human Services Agency  
Dr. Karen Smith, Director and State Public Health Officer, California Department of Public Health  
Mr. Brandon Nunes, Chief Deputy Director of Operations, California Department of Public Health  
Mr. Alan Lum, Deputy Director, Administration Division, California Department of Public Health  
Honorable Karen Ross, Secretary, California Department of Food and Agriculture  
Ms. Jennifer Lester Moffitt, Undersecretary, California Department of Food and Agriculture  
Mr. Kevin Masuhara, Deputy Secretary, Administration and Finance, California Department of Food and Agriculture  
Ms. Kari Morrow, Division Director, Administrative Services, California Department of Food and Agriculture  
Mr. Nathan Johnson, Budget Officer, California Department of Food and Agriculture  
Mr. Chris Ryan, Deputy Chief, Office of Administrative Services, Department of Justice  
Mr. Michael Fong, Budget Officer, Department of Justice

Add the following provision to Item 1111-002-3288:

2. The Director of Finance may augment this appropriation, after review of a request submitted by the Bureau of Cannabis Control that demonstrates a need for additional resources for cannabis information technology, licensing, or enforcement activities. Any augmentation shall be authorized not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine. The written notification to the Chairperson of the Joint Legislative Budget Committee for funds for the purposes described above shall include justification to support the augmentation and a description of the risks associated with not having the additional resources.

Add the following provisions to Item 4265-001-3288:

1. The Director of Finance may augment this appropriation, after review of a request submitted by the State Department of Public Health that demonstrates a need for additional resources for cannabis information technology, licensing, or enforcement activities. Any augmentation shall be authorized not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine. The written notification to the Chairperson of the Joint Legislative Budget Committee for funds for the purposes described above shall include justification to support the augmentation and a description of the risks associated with not having the additional resources.
2. Of the funds appropriated in this item, \$1,500,000 is to support the continued development, enhancement, and maintenance activities for the cannabis manufacturing licensing system. This funding shall be available upon review and approval of a Special Project Report by the Department of Technology.

Add the following provision to Item 8570-001-3288:

1. The Director of Finance may augment this appropriation, after review of a request submitted by the California Department of Food and Agriculture that demonstrates a need for additional resources for cannabis information technology, licensing, or enforcement activities. Any augmentation shall be authorized not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine. The written notification to the Chairperson of the Joint Legislative Budget Committee for funds for the purposes described above shall include justification to support the augmentation and a description of the risks associated with not having the additional resources.

1111-011-0001—For transfer by the Controller, upon order of the Director of Finance, to the Cannabis Control Fund as a loan.....(59,300,000)

Provisions:

1. The Director of Finance may transfer up to \$59,300,000 as a loan to the Cannabis Control Fund, which shall be repaid by June 30, 2020. The Director of Finance shall order the repayment of all or a portion of this loan if he or she determines that either of the following circumstances exist: (a) the account from which the loan was made has a need for the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan.
2. This loan shall be augmented by an amount equivalent to the amount provided by Provision 2 of Item 1111-002-3288, Provision 1 of Item 4265-001-3288, and Provision 1 of Item 8570-001-3288.



May 11, 2018

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 2240-001-0001, Addition of Item 2240-011-0001, and Eliminate Items 2240-001-6084 and 2240-101-6084, Support and Local Assistance, Department of Housing and Community Development**

**Southern California Disaster Planning Assistance**—It is requested that Item 2240-001-0001 be increased by \$480,000 to provide technical assistance to counties affected by the 2017 Southern California natural disasters. These resources will fund contracts and associated state workload to support disaster recovery and complete housing needs assessments in the affected counties.

**No Place Like Home Program Implementation**—It is requested that Item 2240-011-0001 be added in the amount of \$1,238,000 to provide a General Fund loan for the Department of Housing and Community Development to implement the No Place Like Home program (see Attachment 1). The May Revision proposes that the No Place Like Home program be placed on the November 2018 ballot. The No Place Like Home program will develop permanent supportive housing for persons who are in need of mental health services and are experiencing or at risk of chronic homelessness. The Department of Housing and Community Development will issue an initial Notice of Funding Availability prior to November and make awards before the end of the calendar year if the measure is approved by voters. The General Fund loan will be repaid upon issuance of the bonds.

It is further requested that Items 2240-001-6084 and 2240-101-6084 be eliminated. No Place Like Home funds are continuously appropriated and removing these items from the Budget Act will accelerate the expenditure of funds for the No Place Like Home program.

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 Danielle Brandon, Principal Program Budget Analyst, at (916) 445-3274.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

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Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Alexis Podesta, Secretary, Business, Consumer Services and Housing Agency  
Ms. Tina Daley, Deputy Secretary, Business, Consumer Services and Housing Agency  
Mr. Ben Metcalf, Director, Department of Housing and Community Development  
Mr. Douglas McCauley, Chief Deputy Director, Department of Housing and Community  
Development  
Ms. Susan Goodison, Deputy Director, Department of Housing and Community Development



2240-011-0001—For transfer by the Controller, upon order of the Department of Finance, to the No Place Like Home Fund .....(1,238,000)

Provisions:

1. Notwithstanding Section 5849.4 of the Welfare and Institutions Code, the Department of Finance may transfer up to \$1,238,000 as a loan to the No Place Like Home Fund for cashflow purposes subject to the following conditions:

- (a) The loan is for program implementation activities by the Department of Housing and Community Development, including, but not limited to, drafting program procedures and notices of funding availability.
- (b) The Department of Housing and Community Development may expend up to the entire amount of the loan for administrative expenses.
- (c) The loan is short term, and shall be repaid within 30 days after the deposit of loan proceeds derived from the issuance of bonds into the fund pursuant to paragraph (1) of subdivision (b) of Section 5849.4 of the Welfare and Institutions Code.
- (d) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.
- (e) The Department of Finance may authorize an increase to this appropriation to address additional litigation costs involving the No Place Like Home program.