



**ANTONIO VAZQUEZ**  
CHAIRMAN  
CALIFORNIA STATE BOARD OF EQUALIZATION

**MEMORANDUM**

**Date:** May 13, 2021

**To:** Mike Schaefer, Board Vice Chair  
Ted Gaines, Board Member  
Malia M. Cohen, Board Member  
Betty T. Yee, State Controller

**From:** Antonio Vazquez, Board Chairman

**Re:** **Item L.2.a. May 25, 2021 Board Member Initiatives: Update on Public Policy Hearing Concept on Affordable Housing Efforts.**

At the April 27, 2021 meeting, the Board adopted a motion approving the concept of conducting a public policy hearing on current and proposed affordable housing efforts, including but not limited to statutory or rule changes and housing advocate initiatives to increase affordable housing in the state and our development of policies to support and assist in these efforts, with the scheduling of such hearing to be coordinated with the Executive Director. Following discussions with the Executive Director, the information below is an update and further development of the concept for Board Member consideration and discussion.

**Basic Concept.** As proposed, the basic concept and purpose of the hearing is to:

1. Invite input, and gather information from subject matter experts and affordable housing industry leaders on current and proposed affordable housing legislation, specific projects and proposed efforts that have or may have property tax implications or challenges;
2. Discuss, identify, and develop solutions to help address any property tax problems or hurdles; and
3. Recommend and report on additional avenues in the property tax context for expediting affordable housing development.

**Outline of Potential Public Policy Hearing Topics.** Following is a possible outline of potential topics for the public policy hearing on affordable housing that the Board may wish to consider. Further details, topics, refinements and, ultimately, speakers would be added over the next two months:

1. **Current and Proposed Affordable Housing Legislation and Projects with Property Tax Implications.**

- The “*Building Opportunities for All Housing Package*” for 2021, announced by Senate President Pro Tempore Toni Atkins
- ADUs and Jr. ADUs (50,000 new units within next 5 years)
- Privately/publicly financed projects

2. Challenges and Hurdles of Current and Proposed Legislation, Projects and Rules.

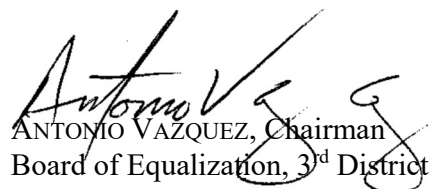
- Challenges/ hurdles involving property tax exemptions
- Challenges/ hurdles involving Assessed Value Issues: Deed Restrictions, Leasehold Interests, Change in Use (new construction)
- Challenges/hurdles involving Change in Ownership Exclusions

3. Developing Possible Property Tax Recommendations for Affordable Housing Development.

- Recommendations (legislation, rule changes, constitutional amendment) involving property tax exemptions
- Recommendations (legislation, rule changes, constitutional amendment) involving Assessed Value Issues: Deed Restrictions, Leasehold Interests, Change in Use (new construction)
- Recommendations (legislation, rule changes, constitutional amendment) (such as ADUs) involving Change in Ownership Exclusions

**Possible Scheduling Options for Public Policy Hearing.** In discussions with the Executive Director, the earliest possible date for scheduling the public policy hearing on Affordable Housing would be the second day of the July Board meeting, July 28, 2021. Confirmation of the date would, however, depend in large part on the availability of both external speakers, such as Legislators or their staff, affordable housing industry leaders and representatives, Assessors, and internal speakers from the BOE staff. In the event that there is insufficient availability of speakers for the July date, we would suggest scheduling it for August. We anticipate that the hearing would probably take three to four hours, including Board Member questions and discussion and input from the public.

I look forward to your comments, additions and modifications as we move forward to make this public hearing a vibrant, informative and meaningful reality. Please feel free to suggest any changes via email memo to the Executive Director; your contributions will be greatly appreciated.

  
ANTONIO VAZQUEZ, Chairman  
Board of Equalization, 3<sup>rd</sup> District

cc: Ms. Kari Hammond, Chief Deputy, Office of Chairman Antonio Vazquez  
Mr. Gary Gartner, Chief Deputy, Office of Vice Chair Mike Schaefer  
Mr. Matt Cox, Chief Deputy, Office of Member Ted Gaines  
Ms. Regina Evans, Chief Deputy, Office of Member Malia M. Cohen  
Ms. Yvette Stowers, Deputy State Controller  
Ms. Brenda Fleming, Executive Director  
Mr. Henry Nanjo, Chief Counsel