

From: July 27, 2021 Board Meeting - Public Comment
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Public Comment

From: Leo Goldberg
Agenda Item: K3b. Welfare Exemption Program Review
Meeting Date: 07/27/21

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Agenda Item(s):

K3b. Welfare Exemption Program Review - Status update on the white paper for a review of the Welfare Exemption Program

Comment:

Chairman Vasquez and Members of the Board, We have been encouraged to learn of the Board's interest in studying how BOE policy can promote housing affordability in the State of California. As front-line affordable housing advocates and practitioners, we see the urgency in communities across the state, but particularly in our Black and Brown neighborhoods, for stable, safe, and affordable housing, close to jobs, and offering opportunities to build assets and community. The California Community Land Trust Network (CACLTN) is a membership organization representing 25 Community Land Trusts and collectively over \$220 million of community assets throughout the state. Community Land Trusts (CLT's) steward permanently affordable and community-controlled land and housing, creating an alternative to speculative investment and displacement from Humboldt County to San Diego. While most forms of subsidized housing in the state are subject to affordability requirements that expire after some number of years, CLT homes – whether rental apartments, shared equity single family homes, or limited equity cooperatives – remain affordable to low-income people in perpetuity. CLT achieve this by retaining ownership in the land under these homes and binding residents to affordability commitments through a renewable 99 year ground lease. Further, CLTs support their residents through financial counseling, foreclosure prevention, and other measures, resulting in stable housing that is resistant to the speculative investment and displacement that so many of our low-income neighborhoods experience. We feel that Chairman Vasquez's proposed convening around BOE policy and affordable housing is a promising first step in elevating affordable housing outcomes in BOE deliberations – are there any updates on plans for the convening or ways in which we can support it? In the convening, and other deliberations, we suggest that practitioners of shared equity homeownership and CLTs are engaged. With growing utilization of shared equity housing like Limited Equity Housing Cooperatives and CLTs, assessors will increasingly be confronted with the task of evaluating these structures. There is a need for increased dialogue and education as well as guidance to facilitate efficient and accurate assessments and, in some cases, efficient processing of Welfare Exemption (WE) applications. A focus on the application of the WE and reassessment practices is particularly needed for this expanding piece of the State's housing stock. There is an opportunity to evaluate the WE process to make it easier for assessors to apply SB 196's WE provision and to properly assess rental properties on a CLT. Some modest revisions to the BOE forms used in the welfare exemption process could help assessors quickly identify the applicable WE statutes for a particular property and smooth the process for correctly determining eligibility of some affordable housing properties. It would also be valuable for BOE to engage with the question of how Limited Equity Housing Cooperatives are assessed to ensure that low-income families living in resale restricted homes are not unduly taxed, stressing housing finances and making it difficult for the cooperative to service a low-income

community. Limited Equity Housing Cooperatives are a powerful mechanism for expanding access to homeownership and creating stable, affordable housing for low-income families, but unfair, or unclear, taxation policies jeopardize the whole model. We believe that BOE's expertise will be critical in identifying the best assessment methodology for these properties. Thank you again for your leadership and we look forward to starting a dialogue that will support our shared goal of increasing housing affordability for Californians. Sincerely, Leo Goldberg Co-Director, CA Community Land Trust Network