



ANTONIO VAZQUEZ
CHAIRMAN
CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: November 30, 2023

To: Sally Lieber, Vice Chair
Ted Gaines, Board Member, First District
Mike Schaefer, Board Member, Fourth District
Malia M. Cohen, State Controller

From: Antonio Vazquez, Chairman

Re: **December 12, 2023, Board Meeting, Agenda Item 19, Affordable Housing Board Work Group Report: Statewide Informational Hearing for Modernizing California's Property Tax System, Part IV.**

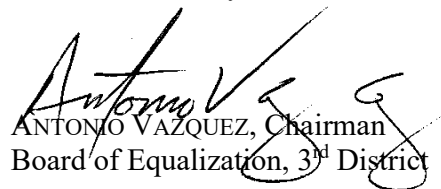
Members, submitted for our discussion and possible approval are the attached Minutes and Report of the October 19, 2023, Statewide Informational Hearing on Modernizing California's Property Tax System Part IV: Board Work Group Hearing on Affordable Housing. Upon your approval, we will use these as a resource document for developing a future Blueprint of Property Tax Related Affordable Housing Incentives.

In addition, below is a list of the key take-aways that the speakers as well as some Board Members urged us to consider as possible policy recommendations for addressing affordable housing issues, legislation and challenges in the coming year. They are provided for informational purposes and may be discussed, further developed, or possibly adopted at future meetings as the Board may decide.

1. Work with other state entities and the Legislature to help incentivize and build on the success of ADU production, especially for low-moderate income families;
2. Explain and emphasize property tax-related methods that help increase production of low and moderate-income housing by working with Legislators and educating stakeholders;
3. Work with other state and local entities to provide greater stability and certainty regarding funding for affordable housing, acknowledging that a critical issue in funding is the application of the welfare exemption;

4. Support, provide guidance on the reuse of public surplus lands for affordable housing, including the application of the welfare exemption for prefabricated modular housing;
5. Work with other state entities to address potential low-income housing tax credits and the requirements for the availability of the welfare exemption;
6. Help to align and streamline funding sources, including the application of the welfare exemption for affordable housing projects;
7. Support removing or increasing the cap on the welfare exemption for non-tax credit projects owned by non-profit organizations;
8. Work with Legislators and the Department of Insurance to help address skyrocketing insurance premiums and the adverse impacts on affordable housing properties;
9. Work with Legislators and stakeholders to revisit the concept of partial exemptions to incentivize and promote adaptive reuse commercial and other types of properties for affordable housing;
10. Help remove barriers to financing and to the application of the welfare exemption, including in the development phase of affordable housing projects prior to completion of construction;
11. Vice Chair Lieber: Help consolidate and simplify the funding sources at the state level. She will research and bring this back at a future Work Group meeting; and
12. Deputy Controller Emran: Find avenues to connect affordable housing developers to local surplus land.

I look forward to your comments, suggestions, and support.


ANTONIO VAZQUEZ, Chairman
Board of Equalization, 3rd District

Attachment: Minutes and Report of the October 19, 2023, State Board of Equalization's Statewide Informational Hearing on Modernizing California's Property Tax System Part IV:
Board Work Group Hearing on Affordable Housing

cc: Ms. Deborah Bautista-Zavala, Chief Deputy, Office of Chairman Antonio Vazquez
Mr. Gary Gartner, Chief Deputy, Office of Vice Chair Sally J. Lieber
Mr. Matt Cox, Chief Deputy, Office of Member Ted Gaines
Mr. Cody Petterson, Chief Deputy, Office of Member Mike Schaefer
Mr. Hasib Emran, Deputy State Controller
Ms. Yvette Stowers, Executive Director
Mr. Henry Nanjo, Chief Counsel