



ANTONIO VAZQUEZ
MEMBER, THIRD DISTRICT
CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: July 16, 2025

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

From: Antonio Vazquez, Board Member, Third District

Re: **July 29, 2025, Board Meeting Item – Proposal for August 20, 2025, Informational Hearing on the Property Tax Welfare Exemption and Affordable Housing Financing and Streamlining Options**

Honorable Members,

The purpose of this agenda item is to request approval for an informational hearing on August 20, 2025, to consider options for how the property tax welfare exemption can contribute to California's new efforts approved in the FY 2025-2026 state budget to streamline the affordable housing financing and approval process and increase affordability.

When Governor Newsom signed the budget on June 30, 2025, he announced that this budget enacts new laws that deliver the most consequential housing and infrastructure reform in recent state history, including Assembly Bill 130 (Committee on Budget) and Senate Bill 131 (Committee on Budget and Fiscal Review). In addition, the budget includes the funding for the Governor's Reorganization Plan (GRP), a proposed reorganization of the numerous housing programs administered by the executive branch into a new *California Housing and Homelessness Agency* (CHHA), to bring to life his vision of a faster, more efficient affordable housing approval process. The plan also proposes creating a new *Housing Development and Finance Committee* within the CHHA, which would oversee and consolidate the application and award process for affordable housing funding programs.¹

At the Board's meeting on May 28, 2025, the Board Members briefly discussed a UC Berkeley Turner Center for Housing Innovation publication ([Turner Center report](https://turnercenter.berkeley.edu/wp-content/uploads/2025/05/PropertyTaxExemptionsBrief2025.pdf)) showing that, on average, each additional public funding source added to a California-based Low Income Housing Tax Credit project adds four months to the pre-construction timeline, and is associated with an increase of over \$20,000 in per-unit total development costs. The Turner Center has also highlighted the role that property tax exemptions can play in decreasing costs and increasing the number of affordable housing developments.² The Board's discussion included references to several suggestions put forward by the authors about how property

¹ <https://www.bcsb.ca.gov/about/reorganization.html>

² <https://turnercenter.berkeley.edu/wp-content/uploads/2025/05/PropertyTaxExemptionsBrief2025.pdf>

taxation, and the welfare exemption in particular, could be amended or improved in order to more effectively incentivize affordable housing projects.

I believe that the GRP and recent legislation, considered in conjunction with the ongoing research of the Turner Center and other stakeholders highlighting the possible role of the welfare exemption in streamlining the affordable housing financing and approval process and incentivizing affordable housing developers, raises the following fundamental question:

How can the Board of Equalization, with its direct role in co-administering the welfare exemption and its oversight role over county assessors, contribute to the improvement and streamlining of California's affordable housing financing process?

By hosting speakers at a 1-2 hour informational hearing on this question in August, it is my hope that the Board can gain a better understanding of where our agency should engage and collaborate in the broader context of state-level coordination on housing policy – as well as how we may be able to leverage our agency's legal authority, technical knowledge, and resources to contribute to the resolution of the crisis of reducing the costs due to delays and increasing the availability of the exemption for housing affordability.

Sincerely,

A handwritten signature in blue ink that reads "Antonio Vazquez". The signature is stylized with a large, flowing "V" and "Z".

ANTONIO VAZQUEZ, Member
Board of Equalization, 3rd District

Mr. Alexander Fay, Staff Counsel, Office of Member Antonio Vazquez
Mr. Matt Cox, Chief Deputy, Office of Chairman Ted Gaines
Mr. Douglas Winslow, Chief Deputy, Office of Vice Chair Sally J. Lieber
Mr. Cody Petterson, Chief Deputy, Office of Member Mike Schaefer
Mr. Hasib Emran, Deputy State Controller
Ms. Yvette Stowers, Executive Director