



MIKE SCHAEFER
MEMBER
CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: July 16, 2025

To: Honorable Ted Gaines, Chair, Board Member, First District
Honorable Antonio Vazquez, Board Member, Third District
Honorable Malia M. Cohen, State Controller

From: Mike Schaefer, Board Member, Fourth District
Honorable Sally J. Lieber, Vice Chair, Board Member, Second District

RE: Scheduling an Informational Hearing on the Property Taxation Implications of
and Opportunities for the Development of Workforce Housing by Public
Agencies

We are requesting an Informational Hearing on the 'Property Taxation Implications of and Opportunities for the Development of Workforce Housing by Public Agencies' to hear from practitioners, experts, and policymakers about how California public agencies, including school and other districts, municipalities, and counties are developing, considering development, or might in the future develop affordable employee housing and how these efforts may impact property taxation and/or be assisted by changes in property taxation.

We are requesting to hold this hearing on Tuesday, September 16, 2025, from 10 am to 12 noon during the scheduled Board meeting in Sacramento, CA.

The Members of this Board are acutely aware that our state is in the throes of a critical shortage in housing and, in particular, housing that is affordable to working families. Across the state, developers, nonprofits, activists, researchers, and policymakers at all levels of government have advocated and attempted to implement a wide variety of solutions to this crisis. It is clear that the "solution" to the crisis will involve many different technical, financial, and policy changes operating in parallel, in aggregate, and synergistically.

One of the emerging approaches to spurring the production of affordable housing is the utilization of public properties, funds, and staff to plan, develop, and construct workforce housing that is affordable to agency employees at multiple income levels, from low to moderate.

These efforts have the potential to leverage excess un- or under-utilized public properties and/or facilities or general revenue bonds--with a publicly deliberated concept, design, and community benefits--to house public employees and provide services and amenities to surrounding communities.

Property taxation is and will be an essential element of these projects in two distinct ways. On the one hand, public workforce housing projects will have complex impacts on property tax receipts (and assessments) for local jurisdictions. On the other hand, adjustments in tax and assessment policy at the state level could be used to incentivize and channel the development of affordable workforce housing by public agencies.

This Board is in a unique position to convene a hearing to assess the current state of policy and practice, help foster consensus around opportunities and impediments, and, if appropriate, eventually propose policy and legislative solutions to spur the development of affordable public workforce housing.

Sincerely,



Mike Schaefer
Board Member, Fourth District



Sally Lieber
Vice Chair, Second District

cc: Mr. Matt Cox, Chief Deputy, Office of Chair Ted Gaines
Mr. Douglas Winslow, Chief Deputy, Office of Vice Chair Sally Lieber
Mr. Juan Flores, Assistant to Board Member, Office of Member Vazquez
Mr. Cody Petterson, Chief Deputy, Office of Member Mike Schaefer
Mr. Hasib Emran, Deputy State Controller
Ms. Yvette Stowers, Executive Director