

BOARD OF EQUALIZATION

TRANSCRIPTION OF RECORDED BOARD MEETING

MAY 25, 2021

SACRAMENTO, CALIFORNIA

Present:

ANTONIO VAZQUEZ, Chair

MIKE SCHAEFER, Vice Chair

TED GAINES, Board Member

MALIA M. COHEN, Board Member

BETTY YEE, State Controller

YVETTE STOWERS, Deputy Controller

BRENDA FLEMING, Executive Director

Transcribed by: Klancie Garrel,

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Phoenix, Arizona

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1 United States of America and to the Republic for which it
2 stands, one nation, under God, indivisible with liberty
3 and justice for all.

4 **CHAIR VAZQUEZ:** Thank you.

5 With that, Members, let me just -- once again, a
6 friendly reminder that we are all sharing the one line
7 here, and if we would just have patience, which we've had
8 in the past. And just a friendly reminder again, because
9 we're all sharing the same line, please, if you could
10 just wait until after the item has been concluded to be
11 recognized. And then I will identify the speakers so our
12 transcriptionists can clearly hear and properly record
13 this meeting. Thank you for our patience and your
14 cooperation.

15 Members, do we have any opening remarks or comments
16 before we start our order of business? And I see a hand
17 already.

18 Member Cohen, yes, go ahead. And then Vice Chair
19 Schaefer, go ahead.

20 **MS. COHEN:** Vice Chair Schaefer you
21 can (indiscernible) to me.

22 **VICE CHAIR SCHAEFER:** Pardon me, Member Cohen? Are
23 you waiting for me to proceed?

24 **CHAIR VAZQUEZ:** I believe she said to go ahead.

25 **VICE CHAIR SCHAEFER:** Okay. Thank you.

1 Thank you, Mr. Chairman. This month, President Joe
2 Biden proclaimed May Asian American and Native Hawaiian
3 Pacific Islander Heritage month to celebrate the history
4 and the achievements of our Americans across the country
5 from these categories. This practice started back in
6 1978. When Jimmy Carter was our president, he proclaimed
7 the week of May 4th as Asian American -- Asian Pacific
8 American Week. They extended it to be the whole month of
9 May back in 1990.

10 This all arose because the first Japanese immigrant
11 to come to America arrived on May 7th, 1843. The
12 administration of President Biden and Vice President
13 Harris, the first AAPI person to serve as Vice President
14 of the United States, took decisive action to combat the
15 rising hate crimes directed against these communities by
16 signing a bipartisan COVID 19 crimes -- hate crimes act
17 into law just this last week.

18 I would like to take this moment to pay tribute to
19 some of my constituents who are members of the -- these
20 communities. We have Garden Grove Mayor Pro Tem Kim
21 Nguyen, one of the -- California's youngest elected
22 official who also serves on the California Film
23 Commission.

24 We also have members of our Board of Equalization
25 family who are members of this community, including our

1 Board colleague, State Controller Betty Yee; our legal
2 counsel, Henry Nanjo; David Yeung, Chief of our Assessed
3 Properties Division; and Peter Kim, our newly acquired
4 Chief Communications Officer; and Laura SooHoo,
5 accomplished executive assistant to our Executive
6 Director, Brenda Fleming, among the many outstanding
7 members that work for the people of California as part of
8 our talented Board of Equalization staff.

9 Your contributions to our community positively our
10 diverse culture, our economy, educational advancement and
11 many other attributes that enrich our state, cities, and
12 our communities large and small, such as Judy Ki, a
13 resident San Diego County who has served a distinguished
14 career in education for three decades, and is a tireless
15 advocate for voter and civic engagement and animal
16 protection lobbyist for the Humane Society, an
17 exceptional and inspiring member from the Asian and
18 Pacific Islander communities.

19 Judy Ki's also serves as commission of the
20 California Commission on Asian Pacific and Islander
21 American Affairs. She currently serves on Mayor Todd
22 Gloria's Asian and Pacific Islander advisory group in
23 Sand Diego. Mayor Gloria is the first person of these
24 communities to serve as mayor of San Diego.

25 Thank you, Mayor Gloria, for all you do for us.

1 I'd like to honor Congressman Mark Takano of
2 Riverside County, who was elected in 2012, also has the
3 honor being the first openly gay person of color to be
4 elected to congress. He serves as the stateman in our
5 41st Congressional District. In Orange County, where we
6 have the third largest Asian American population in the
7 United States, we have -- well I've already covered that.
8 We have a US Congressman Min from Orange County too --
9 State senator, pardon me, State senator.

10 I really should have (indiscernible).

11 I want to thank you all for your tremendous
12 contributions and service to California. And happy Asian
13 American and Native Hawaiian Pacific Islander Heritage
14 Month to each and all of you from all the counties in
15 District 4. Thanks.

16 **CHAIR VAZQUEZ:** Thank you, Vice Chair. And I would
17 extend it to the State of California, as well.

18 And with that, let me have Member Cohen. I think
19 you're muted. There you go.

20 **MS. COHEN:** Can you hear me? I'm having some
21 technical difficulties. I think I'm unmuted now. Is
22 that right?

23 **CHAIR VAZQUEZ:** I can hear you now.

24 **MS. COHEN:** Okay great.

25 Good morning, everyone. I'm excited to be here.

1 May has turned out to be a very beautiful month here in
2 San Francisco Bay area. I do look forward to one day
3 seeing you all in person, hopefully one day soon. But I,
4 Chair, just wanted to say a few remarks.

5 As we close out the month of May, I'd like to -- for
6 the Board to take a moment to celebrate the role of our
7 small businesses in our country during this month of May.
8 Also want to recognize that it's Asian Pacific Heritage
9 Month, as well, where we celebrate the contributions that
10 Asian Americans and Pacific Islanders have made to our
11 state, sometimes overlooked. But now is the time, more
12 than ever, for us to stand up and stop Asian hate and
13 stand with our Asian American brothers and sisters.

14 And also affirming small business month also falls
15 in May. And this year, acknowledging, uplifting, and
16 supporting all small businesses, particularly those that
17 have played a really critical function in the battle to
18 fight the pandemic. Many small businesses we have lost,
19 unfortunately, due to pandemic, due to finances for a
20 whole host of reasons. I do hope that they will come
21 back. I know San Francisco lost many of my favorite
22 restaurants.

23 And I see Betty Yee nodding her head. She's
24 probably very familiar with some of the restaurants --
25 old anchor restaurants, particularly in Chinatown, that

1 we have -- that we've lost.

2 So in California, just a note of a fact here, there
3 are over four million small businesses, and prior to the
4 pandemic, over 1.6 million were owned by individuals of
5 people of color. I think that's really important to note
6 the contributions that these communities of color are
7 making. Our small businesses -- we say it all the time,
8 they're the backbone of our economy and that they've
9 contributed greatly to the innovations of this country.

10 This year, our small businesses, as I've mentioned,
11 have faced, and continue to face, unprecedented
12 challenges and financial hardships. So as the state
13 begins to open up, let's go ahead and support our small
14 businesses as much as we can. Just want to also note
15 that we, as a Board, have taken various steps to assist
16 the small businesses. And I'm sure I am not alone when I
17 say that I remain committed to assisting the small
18 businesses community in making sure that we recover from
19 this pandemic fully.

20 Also, on a note, I'd like to recognize and uplift
21 the memory of George Floyd. The murder of this man
22 changed the -- I think the discussion of civil rights,
23 changed the course of police reform, not only in the
24 State of California, not only in Minnesota, but also
25 across the entire country. And for those of you that

1 don't know, when I'm not doing BOE work, I'm president of
2 the police commission in San Francisco. And so community
3 police reform is incredibly important to me, personally.
4 And as a member of the African American community, it's
5 wholeheartedly at the forefront of my mind and the core
6 of my life service.

7 So colleagues, I hope that will join me and the
8 governor, and the legislature and acknowledge small
9 business month -- small businesses during small business
10 month of May. Also recognizing API Heritage Month in the
11 month of May. And also the anniversary of the untimely,
12 tragic death of George Floyd.

13 That's a lot to celebrate and a lot to be able to
14 acknowledge, but as we continue to roll up our sleeves
15 and do our work, let's keep our hearts and our minds
16 focused on why, and for whom, we serve.

17 Thank you, Mr. Chair, I appreciate it.

18 **CHAIR VAZQUEZ:** Thank you. Thank you both. And --
19 oh I see another hand.

20 I see our Controller. Go ahead. Ready, Controller,
21 go ahead. I think you're muted. All right now.

22 **MS. YEE:** Thank you, Mr. Chairman.

23 First of all, to my colleagues, thank you for the
24 acknowledgements during this month of May.

25 I really just wanted to, first, just say how

1 grateful the AAPI community is to see so many communities
2 standing in solidarity with us to fight back hate and
3 discrimination. And really, I think that's a recognition
4 across all of our communities that the only way to beat
5 back hate and discrimination is to stand in solidarity.
6 And the allyship that our community has received has just
7 been so moving. And we're very grateful for that.

8 You know, it's -- this is a time when we celebrate
9 AAPI heritage month and yet -- and a time that we really
10 lift up the stories of our AAPI sisters and brothers who
11 came before us. And I particularly appreciated Member
12 Cohen's comments that, you know, there's so many stories
13 that are before us right now in our own communities. And
14 particularly, as we celebrate small business week and the
15 anniversary of the death of George Floyd, I hope that as
16 we continue to move forward to do our work together that
17 equity and justice is really the foundation and core from
18 which we do our work.

19 I know we are limited in terms of our scope but
20 equity and justice is always, always appropriate in terms
21 of how we create and implement good policy. So I very
22 much appreciate the comments from my colleagues this
23 morning. Thank you.

24 **CHAIR VAZQUEZ:** Thank you.

25 And I see a hand up from Member Gaines.

1 **MR. GAINES:** Oh great. Yeah. Thank you so much.

2 I, too, just wanted to recognize small business
3 owners. I am a small business owner and I was fortunate
4 in that our business was not affected nearly as harshly
5 as many of the small businesses throughout the State of
6 California, particularly restaurants and salons. And so
7 my hope is that the State will be opened sooner than
8 later and that people can get back to work and we can get
9 our lives pulled back together.

10 I think we've probably learned some things as a
11 result of the pandemic. The value of friends, and
12 spouses, and families. And may be time to reflect on our
13 lives and what we're doing in our lives. And I think our
14 economy's changing too, that we all figured out that a
15 lot of us can work out of the home and be just as
16 effective in doing so. And with respect to George Floyd,
17 my prayer would be for unity in our country. And we've
18 had challenges in the past and we continue to have
19 challenges. And that my hope would be that we could
20 overcome those as a united country.

21 And with regard to Asian American and Pacific
22 Islander Heritage month, big challenges have come up
23 recently. And there's a history of challenges in the
24 Asian community. So my hope, again, is that we would be
25 reaching out to one another and that we would make sure

1 that there is justice and that people -- that all people
2 are treated in a fair fashion, in terms of any injustice
3 that may be in their way, and that we would be willing to
4 recognize that and solve that.

5 And that's something that happens continuously and
6 should happen continuously here in California and in our
7 nation. And then just, finally, I'm just so thankful for
8 our grandchildren. We had a grandson delivered April
9 2nd. We've to three more on the way from our other three
10 daughters. And so I'm just grateful that -- for that
11 opportunity of life within our family, and the
12 opportunities that exist in this great nation of ours and
13 in this great state.

14 So I'm very happy and optimistic about 2021. I
15 think it's going to be a great year. So thank you.

16 **CHAIR VAZQUEZ:** Thank you and congratulations on
17 contributing to our population here in California, as we
18 shrink in some respects but grow in others.

19 Yes, I would like to just ditto on all the comments
20 that I've heard today from my colleagues. And the only
21 thing I would just add is that, as we speak, I understand
22 this week, the Assembly and the Senate will be taking up
23 an item -- a bill which talks about including ethnic
24 studies as part of the curriculum in our public schools.
25 And you know, as we hear about, not only this incident

1 that just took place, you know -- or the anniversary now
2 of Mr. Floyd, but then also, what we're seeing and
3 hearing now, what's going on in the Asian community, I
4 think the more we can do to understand each other's
5 cultures, language, the better off we're going to be.

6 But I understand there's been some pushback and I
7 think, you know, for all of us that represent different
8 parts of the State of California, we should definitely
9 reach out to our assembly members, our senators, to make
10 sure they support this because I think knowledge and
11 information is so powerful in these days. And I think,
12 until we begin to understand people's cultures and
13 language, we're going to continue to see these racist
14 attacks on different ethnic groups.

15 So with that, let me just turn it over the Ms.
16 Taylor. If you would, please, announce the first order
17 of business?

18 **MS. TAYLOR:** Certainly.

19 Our first order of business is an announcement
20 regarding our public teleconference participation.

21 Good morning and thank you for joining today's Board
22 of Equalization meeting via teleconference. Throughout
23 the duration of today's meeting, you will primarily be in
24 a listen-only mode. As you may know from our public
25 agenda notice and our website, we have requested that

1 individuals who wish to make a public comment, fill out a
2 public comment submission form found on our additional
3 information webpage in advance of today's meeting, or
4 alternatively, participate in today's meeting by
5 providing your public comment live.

6 After the presentation of an item has concluded, we
7 will begin by identifying any public comment requests
8 that have been received by our Board proceedings staff,
9 with the AT&T operator providing directions for you to
10 identify yourself. After all known public commenters
11 have been called, the operator will also provide public
12 comment instructions to the individuals participating via
13 teleconference.

14 Accordingly, if you intend to make a public comment
15 today, we recommend dialing into the meeting on the
16 teleconference line, as the audio broadcast on our
17 website experiences a one to three-minute delay. When
18 giving a public comment, please limit your remarks to
19 three minutes. We ask that everyone who is not intending
20 to make a public comment, please mute their line or
21 minimize background noise.

22 If there are technical difficulties when we are in
23 the public comment portion of our meeting, we will do our
24 best to read submitted comments into the record at
25 appropriate times. Thank you for your patience and

1 understanding.

2 **CHAIR VAZQUEZ:** Thank you Ms. Taylor. If you would,
3 please, call our next item?

4 **MS. TAYLOR:** Our first item is AA, State-Assessed
5 Properties Value Setting, Property Tax Matters,
6 constitutional function.

7 The Board sets the unitary values of state-assessed
8 properties annually on or before May 31st, pursuant to
9 constitutional and statutory law. Contribution
10 Disclosure forms are not required pursuant to Government
11 Code Section 15626. This is a constitutional function.
12 This item will be presented by Mr. McCool.

13 **MR. MCCOOL:** Good morning Chairman Vazquez and
14 Members of the Board. I'm Jack McCool, Chief of the
15 State Assessed Properties Division. With me as well
16 today is Michelle Cruz, Supervising Property Appraiser of
17 our Unitary Evaluation and Auditing Unit.

18 Today, we fulfill our constitutional obligation to
19 set the values for 341 public utility companies operating
20 in California. Before we begin, I would like to thank
21 the State Assessed Properties Division staff for their
22 continued hard work and dedication this appraisal season.
23 It's much appreciated.

24 Before you this morning is the value setting
25 workbook that was previously provided. The workbook is

1 arranged into five industry groups. An asterisk appears
2 next to the companies proposed as consent items.
3 Companies appear as a consent item when their lead value
4 and staff recommendation are the same. Non-consent items
5 are shaded in gray and represent companies whose staff
6 recommendation differs from their lead value.

7 The 2021 lead values are computed using the same
8 value indicator weightings as the 2020 final value
9 determined by the Board after appeals.

10 Mr. Chairman, if you are ready, I can introduce the
11 first industry. Thank you.

12 **CHAIR VAZQUEZ:** Yes, why don't you go ahead and do
13 that.

14 **MR. MCCOOL:** The first industry group is the
15 Electric Generation Industry.

16 **CHAIR VAZQUEZ:** Thank you.

17 You know, I would like to just comment on -- and
18 really just kind of compliment the entire staff, you
19 know, for your hard work in meeting this deadline. I
20 know that there's been extra challenges with COVID 19,
21 you know, and the shutdowns. But you guys did an amazing
22 job of putting all this thing together and remembering
23 that we are under a crunch here. And I just wanted to
24 recognize you and thank you for that.

25 And I see several hands going up. Let me take a

1 couple hands and then I have a couple comments that I
2 will add, as well.

3 I see our controller, Betty Yee, with her hand up.

4 **MS. YEE:** Thank you, Mr. Chairman. Wanted to add to
5 your comments and thanking the staff. This is always,
6 kind of, a compressed timeline with all the information
7 that's submitted. So very, very grateful for the staff
8 work to get the proposed valuations before us.

9 But I wanted to make a request -- and perhaps this
10 can happen -- we're kind of in the middle of a cycle now,
11 but perhaps it can happen the next cycle before we
12 actually convene in May. There are a lot of changes
13 happening in several of these industry groups and I'm
14 wondering if we could maybe have a little bit more of a
15 extended discussion about just some of the future trends
16 that are going to be affecting some of these industries?

17 I'm going to -- I know we'll -- I'll have some
18 comments on some of them, specifically, later but it
19 seems to me, particularly with -- and looking at electric
20 generation, for example, there were some impacts with
21 respect to supply and demand during COVID. But also, as
22 we're seeing municipalities, and certainly the debate
23 about the future of natural gas and what that means, you
24 know -- but potentially for evaluation in the future.

25 I guess I'm just wanting a little bit more of

1 flavor, with respect to trends that we may expect,
2 whether they're imposed by regulation or you know, from
3 other sources just to put some better perspective on
4 this. And I'm thinking more about the public process
5 that we go through to set these value and then,
6 obviously, to hear any appeals before the end of the
7 calendar year.

8 But I just don't want this to be an exercise of
9 where we're, you know, kind of, approving thirty-four
10 companies on a consent agenda and not really having more
11 flavor around what's happening with these companies and
12 what does it mean for -- for me, anyway. It's just
13 instructive in terms of the larger economic, you know,
14 kind of picture. But I think just to prepare ourselves
15 for what's to come in the future relative to the impacts
16 of the valuations for these properties -- unitary
17 properties of these companies.

18 As we look at environmental changes, certainly the
19 wildfires with -- particularly another one of our
20 industry groups. So I'm just request that when we're out
21 of the value setting appeals timeline, whether we can
22 have some more of that, you know, just contextual
23 discussion.

24 **CHAIR VAZQUEZ:** I agree. I appreciate your
25 comments. I was going to be kind of heading in that same

1 direction. But let me see what Member Gaines -- I
2 believe he has his hand up as well.

3 **MR. GAINES:** Yes, thank you, Chair Vazquez.

4 I just wanted to make a clarification in terms of
5 the vote that due to a financial interest, I will not
6 participate with respect to Pacific Corp. That's number
7 106 on the agenda, Sierra Pacific Power, number 146;
8 Kern River Gas Transmission Company, number 188; and BNSF
9 Railway Company, number 804. So I will not be voting on
10 those particular items, but I will be voting on the rest
11 if we move forward with a motion at the appropriate time.

12 And I also just wanted to echo the comments, both by
13 Chair Vazquez and Controller Yee. I like that idea that
14 we would kind of go through this and have a little bit
15 better understanding of what's going on with these
16 companies and what is the dynamic within our state would
17 be very helpful in the future. Maybe that's even
18 something we could do. You know, I'm wondering on the
19 timeliness of it as to what would be the best time in the
20 calendar year to do that too. But thank you.

21 **CHAIR VAZQUEZ:** Thank you.

22 Let me ask our Executive Director Brenda Fleming,
23 would it be appropriate to move forward with this and
24 have our discussion and vote, and then possibly, agendize
25 this; is this something we could agendize for our June

1 meeting or something later?

2 **MS. FLEMING:** Absolutely --

3 **CHAIR VAZQUEZ:** I see a nod from our controller.

4 **MS. YEE:** Mr. Chairman, if I could?

5 **CHAIR VAZQUEZ:** Yes, go ahead.

6 **MS. YEE:** I actually was proposing this for next
7 year. I think it's inappropriate to do it while we're in
8 the middle of our value setting and potential appeals
9 process for this year. But I'm think about January,
10 probably through March timeframe. I know we have a
11 hearing on the cap rate but we don't really, kind of,
12 back up and kind of look at it from a broader contextual
13 perspective. And these companies are undergoing
14 tremendous change. And maybe not for the lien date that
15 we're focused on before us but certainly for the future
16 in terms of what some of the trends to be expected might
17 be.

18 **CHAIR VAZQUEZ:** Thank you. Well, I think you
19 answered my question.

20 Let me -- why don't we do this though because I --
21 listening to Member Gaines, did the staff -- were they
22 able to take note of the ones he was not able to
23 participate. Maybe let's discuss and comment on those
24 that he can, take a motion on those, and then will allow

25 them to step out while we discuss the other I think -- I

1 believe there was three others that he will not
2 participate in.

3 **MR. MCCOOL:** Mr. Chairman --

4 **MR. GAINES:** Thank you, Chair Vazquez.

5 **MR. MCCOOL:** Mr. Chairman this is --

6 **CHAIR VAZQUEZ:** Yes, go ahead.

7 **MR. MCCOOL:** -- Jack McCool, once again. I've made
8 note of the companies. And as we approach those
9 industries, I will specifically refer to Mr. -- Member
10 Gaines's participation on those items. And none of the
11 affected companies are before the Board in the first
12 industry group, which is the electric generation group.

13 **CHAIR VAZQUEZ:** Okay. Why don't we take those up
14 then first, then.

15 **MS. YEE:** This is -- Mr. Chairman, I'm happy to move
16 the consent agenda for the thirty-four items that appear
17 on it in this industry group.

18 **VICE CHAIR SCHAEFER:** I would second that. Vice
19 Chair.

20 **CHAIR VAZQUEZ:** Okay. It's been move by our
21 Controller and second by our Vice Chair. Any hands? I
22 don't see any hands. Any comments, questions? Seeing
23 none.

24 If I could get Ms. Taylor to please call the roll on
25 that?

1 **MS. TAYLOR:** Chairman Vazquez?

2 **CHAIR VAZQUEZ:** Aye.

3 **MS. TAYLOR:** Vice Chair Schaefer?

4 **VICE CHAIR SCHAEFER:** Aye.

5 **MS. TAYLOR:** Member Gaines?

6 **MR. GAINES:** Aye.

7 **MS. TAYLOR:** Member Cohen?

8 **MS. COHEN:** Aye.

9 **MS. TAYLOR:** Controller Yee?

10 **MS. YEE:** Aye.

11 **CHAIR VAZQUEZ:** So that's unanimous of all those
12 present.

13 Mr. McCool, can you go on with the next group.

14 **MR. MCCOOL:** It would be non-consent items for the
15 electric generation industry.

16 **CHAIR VAZQUEZ:** And I'm assuming those don't include
17 any of the items that Member Gaines was referring to,
18 right?

19 **MR. MCCOOL:** Correct.

20 **CHAIR VAZQUEZ:** I'd like to entertain a motion to
21 approve those consent, non-consent.

22 **MS. YEE:** So those are non-consent items. I'll
23 approve the staff recommendation.

24 **CHAIR VAZQUEZ:** It's been moved by our Controller.
25 I will go ahead and second that. Seeing no hands, or

1 comments, or questions.

2 Ms. Taylor, if you'd please call the roll?

3 **MS. TAYLOR:** Chairman Vazquez?

4 **MR. NANJO:** I'm sorry, Chairman --

5 **CHAIR VAZQUEZ:** Oh --

6 **MR. NANJO:** Chairman Vazquez, before we take a vote

7 on these, we should make a call for public comment.

8 Again, public comment is generally advisable before each

9 vote.

10 **CHAIR VAZQUEZ:** Thank you, thank you. I wasn't sure

11 if we were going to do it at the end or between each

12 motion. You're probably correct, we should -- why don't

13 we -- let's back up.

14 So we need to go back to the first one?

15 **MR. NANJO:** That's correct. My apologies for not

16 being fast enough on the button.

17 **CHAIR VAZQUEZ:** Not a problem.

18 Ms. Taylor, do we have any written comments first on

19 our first motion?

20 **MS. TAYLOR:** We do not have any written comments on

21 our first motion.

22 **CHAIR VAZQUEZ:** Can we check with AT&T if there's

23 anybody on the line that wishes to speak on those consent

24 items first?

25 **MS. TAYLOR:** AT&T moderator, can you let us know if

1 there is anyone who would like to make a public comment
2 on this matter?

3 Each comment will have -- caller will have up to
4 three minutes to speak. For the record, a caller may
5 provide their name.

6 **AT&T MODERATOR:** Of course. If anyone wishes to
7 make a comment, please press 1 then 0. You hear a tone
8 and can be placed into the queue. You may remove
9 yourself from the queue at any time by pressing 1 then 0,
10 again. If using a speakerphone, please pick up the
11 handset before any of the numbers.

12 And I show that there are currently none queuing up
13 at this time.

14 **CHAIR VAZQUEZ:** Thank you. So just procedurally, do
15 we need to retake that first vote or are we okay to move
16 forward, Mr. Nanjo?

17 **MR. NANJO:** Was that -- I'm sorry, was that public
18 comment for both items? If it was and we had no public
19 comment, then we would not need to repeat the vote.

20 **CHAIR VAZQUEZ:** Actually, I was -- I think we were
21 just asking for the consent item on this one. The first
22 one.

23 **MR. NANJO:** So what I would recommend is, go ahead
24 and ask for public comment on the first item. If there
25 was none, then we will not have to retake the vote.

1 **CHAIR VAZQUEZ:** That's what we just did.

2 **MR. NANJO:** Okay. Then you should be good.

3 **CHAIR VAZQUEZ:** All right. So now, before we vote
4 on the non-consent items, let's ask if there's any
5 written comments, Ms. Taylor?

6 **MS. TAYLOR:** Thank you, Chairman. There are no
7 written comments.

8 **CHAIR VAZQUEZ:** Let's check with AT&T if there's
9 anybody on the line on the non-consent items?

10 **MS. TAYLOR:** AT&T -- yes.

11 AT&T moderator, can you let us know if there's
12 anyone who wants to make a public comment on the non-
13 consent matter?

14 Each item -- each caller will have up to three
15 minutes to speak. For the record, a caller may provide
16 their name.

17 **AT&T MODERATOR:** Of course. And once again, if you
18 wish to ask a question or make a comment, please press 1
19 then 0.

20 And there is still currently none queuing up.

21 **CHAIR VAZQUEZ:** Thank you.

22 Okay. Ms. Taylor, now let's a vote on the second
23 motion, which was the non-consent items that was moved by
24 the controller and second by myself?

25 **MS. TAYLOR:** Certainly.

1 Chairman Vazquez?

2 **CHAIR VAZQUEZ:** Aye.

3 **MS. TAYLOR:** Vice Chair Schaefer?

4 **VICE CHAIR SCHAEFER:** Aye.

5 **MS. TAYLOR:** Member Gaines?

6 **MR. GAINES:** Aye.

7 **MS. TAYLOR:** Member Cohen?

8 **MS. COHEN:** Aye.

9 **MS. TAYLOR:** Controller Yee?

10 **MS. YEE:** Aye.

11 **CHAIR VAZQUEZ:** So that's unanimous of those
12 present.

13 Mr. McCool, if you can continue?

14 **MR. MCCOOL:** Thank you, Mr. Chairman.

15 The second industry is the Energy Industry,
16 comprising gas and electric companies. The consent items
17 will not include Pacific Corp, number 106; Sierra Pacific
18 Power, number 146; and Kern River Gas Transmission
19 Company, number 188, due to Member Gaines not
20 participating.

21 **CHAIR VAZQUEZ:** Once again, you mentioned -- you
22 just mentioned which ones were not. Was that including
23 Edison or not including Edison?

24 **MR. MCCOOL:** Mr. Gaines did not specifically mention
25 Southern California Edison but that --

1 **CHAIR VAZQUEZ:** Okay.

2 **MR. MCCOOL:** -- is included in this industry group.

3 **CHAIR VAZQUEZ:** I just have one quick question then,
4 in regards to Southern California Edison's, you know, the
5 case regarding the allowance for insurance expenses. You
6 know, that has that SAPD pushed out the guidelines to
7 similar entities so that they understand fully how they
8 can properly account for insurance expenses on their
9 books so that we would allow -- so it'd be allowable in
10 the future. I just want to know if you had any comments
11 on that?

12 **MR. MCCOOL:** Yes, thank you for the question. Our
13 regular insurance expense is considered an allowed
14 expense, an allowed operating expense by SAPD. And that
15 is consistent with guidelines that are already published
16 in, both, the assessor's handbook and our unitary
17 evaluation methods handbook. So we do consider the
18 regular insurance expenses to be an allowed operating
19 expense. Thank you.

20 **CHAIR VAZQUEZ:** Thank you.

21 Any other comments or questions from any of the
22 members? Seeing and hearing none. I'd like to entertain
23 a motion to approve the staff recommendation on this.

24 **MS. YEE:** So moved, Mr. Chairman.

25 **MR. GAINES:** Second.

1 **CHAIR VAZQUEZ:** It's been moved by our controller
2 and second by our vice chair. Seeing no hands, or
3 comments, or questions.

4 Ms. Taylor, I guess, do we have any written comments
5 on this?

6 **MS. TAYLOR:** We do not have any written comments.

7 **CHAIR VAZQUEZ:** Can we check with AT&T is there's
8 anybody on the line that wishes to speak on this item
9 before --

10 **MR. GAINES:** Chair Vazquez?

11 **CHAIR VAZQUEZ:** Oh, I'm sorry. Member Gaines, go
12 ahead.

13 **MR. GAINES:** Clarification, I made the second. I
14 don't know if Member Schaefer also did too, but I just
15 want to clarify for the record.

16 **VICE CHAIR SCHAEFER:** I was --

17 **CHAIR VAZQUEZ:** Oh I'm sorry --

18 **VICE CHAIR SCHAEFER:** Vice Chair Schaefer. I defer
19 to Member Gaines because I was about to make a second but
20 I think his was already on record.

21 **MR. GAINES:** As long as we have it accurate --

22 **CHAIR VAZQUEZ:** So that's --

23 **MR. GAINES:** As long as it's accurate in the record,
24 either way. Thank you.

25 **CHAIR VAZQUEZ:** Not a problem. I didn't catch that.

1 Okay.

2 Ms. Taylor, did you say -- let's open up the line.

3 **MS. TAYLOR:** Yes. AT&T moderator, can you let us
4 know if there is anyone who wants to make a public
5 comment on this matter?

6 Each caller will have up to three minutes to speak.
7 For the record, a caller may provide their name.

8 **AT&T MODERATOR:** Of course. And once again, if you
9 wish to make a comment, please press 1 then 0.

10 And there's still currently no one queuing up to
11 comment.

12 **MS. YEE:** Mr. Chairman, I have a question.

13 **CHAIR VAZQUEZ:** Oh yes, Controller Yee, go ahead.

14 **MS. YEE:** I'm sorry, just kind of reading my notes
15 after reviewing the materials. And really a question to
16 staff on this particular industry group. And that is,
17 with the legislation, AB 1054, that was enacted that
18 requires electric companies to pay into wildfire fund.
19 My question really has to do with whether the re -- the
20 provisions of that bill, kind of, synched up with our
21 valuation practices. So in other words, were the terms
22 actually easily discernable, understandable,
23 comprehensible for purposes of how we characterize those
24 payments for valuation purposes?

25 **MR. MCCOOL:** Thank you for the question, Controller

1 Yee. Stretch but yes, our staff has poured a tremendous
2 amount of time analyzing AB 1054 and the language
3 therein. And for the -- really for the first time
4 between the PUC rate case decision in December of 2020,
5 along with AB 1054, We finally had some concrete guidance
6 that allowed our staff to make adjustments for the
7 increased risk due to climate change and wildfires.

8 So to the extent it was lining up with our
9 practices, we were able to finally have some framework
10 that the legislation and regulatory action provided.

11 **MS. YEE:** It was the combination of the two though,
12 right?

13 **MR. MCCOOL:** Correct.

14 **MS. YEE:** Okay. So no further legislative
15 clarification required?

16 **MR. MCCOOL:** Not from our perspective, from the
17 assessment perspective, no. And --

18 **MS. YEE:** Okay.

19 **MR. MCCOOL:** -- you know, it's something we will
20 continue to watch very, very closely.

21 **MS. YEE:** Okay. Good. I appreciate that. Thank
22 you.

23 Thank you, Mr. Chairman.

24 **CHAIR VAZQUEZ:** Thank you.

25 Any other comments? Questions? Seeing none.

1 Ms. Taylor, you said we had no written comments and
2 we already checked with the public on this one, as well.
3 Can you please call the roll on this motion?

4 **MS. TAYLOR:** Yes. Chairman Vazquez?

5 **CHAIR VAZQUEZ:** Aye.

6 **MS. TAYLOR:** Vice Chair Schaefer?

7 **VICE CHAIR SCHAEFER:** Aye.

8 **MS. TAYLOR:** Member Gaines?

9 **MR. GAINES:** Aye.

10 **MS. TAYLOR:** Member Cohen?

11 **MS. COHEN:** Aye.

12 **MS. TAYLOR:** Controller Yee?

13 **MS. YEE:** Aye.

14 **CHAIR VAZQUEZ:** So that's unanimous of those
15 present.

16 Mr. McCool, if you would continue with the third
17 industry?

18 **MR. MCCOOL:** Mr. Chairman, we have one non-consent
19 item for the energy industry remaining for the Board's
20 consideration.

21 **CHAIR VAZQUEZ:** And is that the pipeline companies;
22 is that what you're referring to?

23 **MR. MCCOOL:** We are still on the second industry
24 group, the --

25 **CHAIR VAZQUEZ:** Oh, I'm sorry.

1 **MR. MCCOOL:** -- energy group, gas companies. And we
2 have -- the Board has adopted the consent items. There
3 is one non-consent item in this industry group.

4 **CHAIR VAZQUEZ:** Alrighty. Now, are these ones that
5 Member Gaines is going to step out on?

6 **MR. MCCOOL:** No, that will be our next item. Thank
7 you.

8 **CHAIR VAZQUEZ:** Alrighty.

9 **MS. YEE:** Mr. Chairman?

10 **CHAIR VAZQUEZ:** Yes? Go ahead, Member --

11 **MS. YEE:** Sorry for interrupting. Yeah, this is the
12 non-consent agenda item, which I think involves a new
13 assessee for 2021. So I'm happy to move the staff
14 recommendation but I did have a question.

15 **CHAIR VAZQUEZ:** Sure, go ahead.

16 **MS. YEE:** Okay. So the question is, I guess I'm
17 surprised to see for this -- and I think there was
18 another industry group or two that had new assessees for
19 2021. I guess in my own head, I keep thinking that we're
20 kind of looking at these industries as moving in the
21 other direction where we're not having new assessees but
22 that, probably, consolidation or less numbers of them.
23 Any staff perspective on that?

24 **MR. MCCOOL:** Thank you for the question, Controller
25 Yee. Yeah, from -- generally, it's for -- from the

1 utility side, it is, perhaps, a little bit unusual to see
2 new utilities appear. I think in -- generally speaking,
3 we have instances where we have parent companies that may
4 operate multiple utilities and some sort of transaction
5 occurs within that parent company where individual
6 entities might be spun off and now have created a new
7 entity that, from our assessment perspective, has to be
8 given an assessee number and is considered a standalone
9 entity going forward.

10 **MS. YEE:** Oh, I see.

11 **MR. MCCOOL:** So generally speaking, we have quite a
12 lot of consolidation and mergers in for example the
13 telecom industry. But yes, for the energy companies and
14 pipeline companies, it tends to be related to activities
15 by parent companies.

16 **MS. YEE:** I got it. Okay. Thank you.

17 **CHAIR VAZQUEZ:** Thank you.

18 So that's been moved by our Controller and I will go
19 ahead and second that. Are there any other comments,
20 questions, concerns? Seeing and hearing none.

21 Ms. Taylor, do we have any written comments on this
22 one, this item?

23 **MS. TAYLOR:** Chair Vazquez, we do not have any
24 written comments.

25 **CHAIR VAZQUEZ:** Can we check with AT&T if there's

1 anybody on the line?

2 **MS. TAYLOR:** Yes.

3 AT&T moderator, can you let us know if there is
4 anyone who wants to make a public comment on this matter?

5 Each caller will have up to three minutes to speak.

6 For the record, a caller may provide their name.

7 **AT&T MODERATOR:** Of course.

8 Once again, if you wish to make a comment, please
9 press 1 then 0.

10 And there's still currently no one queuing up to
11 comment.

12 **CHAIR VAZQUEZ:** Thank you.

13 With that, Ms. Taylor, if you would please call the
14 roll on the motion?

15 **MS. TAYLOR:** Chairman Vazquez?

16 **CHAIR VAZQUEZ:** Aye.

17 **MS. TAYLOR:** Vice Chair Schaefer?

18 **VICE CHAIR SCHAEFER:** Aye.

19 **MS. TAYLOR:** Member Gaines?

20 **MR. GAINES:** Aye.

21 **MS. TAYLOR:** Member Cohen?

22 **MS. COHEN:** Aye.

23 **MS. TAYLOR:** Controller Yee?

24 **MS. YEE:** Aye.

25 **CHAIR VAZQUEZ:** So that's unanimous of all those

1 present.

2 Now, with that, let me have Mr. McCool go on. Now I
3 believe we're on the third industry, is that correct?

4 **MR. MCCOOL:** Not quite yet there yet, Mr. Chairman.
5 We have --

6 **CHAIR VAZQUEZ:** Oh, we're still missing one.

7 **MR. MCCOOL:** -- the non-participation items in the
8 energy industry. The non-participation companies for --
9 Mr. Gaines will not be participating in this vote. This
10 is for Pacific Corp, number 106; Sierra Pacific Power,
11 number 146; and Kern River Gas Transmission Company,
12 number 188.

13 **CHAIR VAZQUEZ:** Okay, Members, do we have any
14 comments or questions about these items?

15 **MS. YEE:** Mr. Chairman, I'm prepared to move the
16 staff recommendation on those three items.

17 **CHAIR VAZQUEZ:** Thank you.

18 **VICE CHAIR SCHAEFER:** Vice Chair Schaefer. I will
19 second that.

20 **CHAIR VAZQUEZ:** And then, it's been moved and
21 seconded by our vice chair. And with that, if there's no
22 other hands or comments, let me see if there's any
23 written comments on this.

24 Ms. Taylor?

25 **MS. TAYLOR:** We do not have any written comments.

1 **CHAIR VAZQUEZ:** Can we check with AT&T?

2 **MS. TAYLOR:** Yes.

3 AT&T moderator, can you let us know if there is
4 anyone who wants to make a public comment on this matter?

5 Each caller will have up to three minutes to speak.

6 For the record, a caller may provide their name.

7 **AT&T MODERATOR:** Of course. Once again, if you wish
8 to make a comment, please press 1 then 0.

9 And there is currently no one queuing up to comment.

10 **CHAIR VAZQUEZ:** Thank you.

11 With that, we will call the roll. And just for the
12 record, Member Gaines is not participating in this vote.

13 Ms. Taylor, if you'd please call the roll on the
14 motion?

15 **MR. GAINES:** Clarification if I could? Should I
16 abstain in this vote? Should I verbally abstain?

17 **CHAIR VAZQUEZ:** I guess that -- let me see. Let's
18 see if -- Mr. Nanjo, is that appropriate?

19 **MR. NANJO:** At this point, it would be more
20 appropriate -- the appropriate response for Member Gaines
21 would be for him not to participate.

22 **MR. GAINES:** Okay. Thank you.

23 **MR. NANJO:** Thank you.

24 **CHAIR VAZQUEZ:** Thank you.

25 All right. Member -- excuse me, Ms. Taylor, if

1 you'd please call the roll on the motion?

2 **MS. TAYLOR:** Yes.

3 Chairman Vazquez?

4 **CHAIR VAZQUEZ:** Aye.

5 **MS. TAYLOR:** Vice Chair Schaefer?

6 **VICE CHAIR SCHAEFER:** Aye.

7 **MS. TAYLOR:** Member Gaines, not participating.

8 Member Cohen?

9 **MS. COHEN:** Aye.

10 **MS. TAYLOR:** Controller Yee?

11 **MS. YEE:** Aye.

12 **CHAIR VAZQUEZ:** So that's unanimous of those that
13 are able to participate.

14 With that, Mr. McCool, if you would continue?

15 **MR. MCCOOL:** The third industry group is the
16 pipeline industry. We have both consent and non-consent
17 companies within the pipeline industry.

18 **CHAIR VAZQUEZ:** Okay, Members, this is now before
19 us. Any comments or questions about the pipeline
20 companies? Seeing and hearing none. I'd like to
21 entertain a motion to approve the staff recommendation on
22 this.

23 **MS. YEE:** Mr. Chairman, I'll move the consent
24 agenda.

25 **CHAIR VAZQUEZ:** It's been moved by our controller.

1 I will --

2 **MR. GAINES:** Second --

3 **CHAIR VAZQUEZ:** -- second that.

4 **MR. GAINES:** That's okay.

5 **CHAIR VAZQUEZ:** Oh Member Gaines, go ahead.

6 Member Gaines seconds this. Seeing no hands,
7 comments or questions.

8 Let's check, do we have any written comments on
9 this, Ms. Taylor?

10 **MS. TAYLOR:** Chairman Vazquez, we do not have any
11 written comments.

12 **CHAIR VAZQUEZ:** Can we check with AT&T for anybody
13 on the line?

14 **MS. TAYLOR:** Yes.

15 AT&T moderator, can you let us know if there is
16 anyone who wants to make a public comment on this matter?

17 Each caller will have up to three minutes to speak.

18 For the record, a caller may leave their name.

19 **AT&T MODERATOR:** Of course.

20 And as a reminder, if you wish to make a comment,
21 please press 1 and then 0.

22 And there's currently no one queuing up for -- at
23 this time.

24 **CHAIR VAZQUEZ:** Thank you.

25 Ms. Taylor, if you'd please call the roll on this

1 motion?

2 **MS. TAYLOR:** Yes.

3 Chairman Vazquez?

4 **CHAIR VAZQUEZ:** Aye.

5 **MS. TAYLOR:** Vice Chair Schaefer?

6 **VICE CHAIR SCHAEFER:** Aye.

7 **MS. TAYLOR:** Member Gaines?

8 **MR. GAINES:** Aye.

9 **MS. TAYLOR:** Member Cohen?

10 **MS. COHEN:** Aye.

11 **MS. TAYLOR:** Controller Yee?

12 **MS. YEE:** Aye.

13 **CHAIR VAZQUEZ:** So that's unanimous of all those
14 present.

15 Mr. McCool, if you would, please, continue?

16 **MR. MCCOOL:** We have a non-consent item for the
17 pipeline industry.

18 **CHAIR VAZQUEZ:** Mr. McCool, we're referring now to
19 the railroad companies; is that correct?

20 **MR. MCCOOL:** We have one non-consent company in the
21 pipeline industry that needs the Board's consideration.

22 **CHAIR VAZQUEZ:** Oh, I'm sorry. Okay.

23 Do we have any comments or questions about the last
24 item on the pipelines? Seeing and hearing none. I would
25 like to entertain a motion to move staff recommendation.

1 **MS. YEE:** So moved, Mr. Chair.

2 **CHAIR VAZQUEZ:** It's been moved by our Controller.

3 I will second that. Seeing no hands or comments.

4 Ms. Taylor, if you'd please -- well, do we have any
5 written comments on this on this one, Ms. Taylor?

6 **MS. TAYLOR:** We do not have any written comments.

7 **CHAIR VAZQUEZ:** Can we check with AT&T now, see if
8 anybody's on the line?

9 **MS. TAYLOR:** Yes, please.

10 AT&T moderator, can you please let us know if there
11 is anyone who wants to make a public comment on this
12 matter?

13 Each caller will have up to three minutes to speak.
14 For the record, a call may provide their name.

15 **AT&T MODERATOR:** Of course.

16 And once again, as a reminder, if you wish to make a
17 comment, please press 1 then 0.

18 And there is currently no one queuing up to comment.

19 **CHAIR VAZQUEZ:** Thank you.

20 With that, Ms. Taylor, if you'd please call the
21 roll?

22 **MS. TAYLOR:** Chairman Vazquez?

23 **CHAIR VAZQUEZ:** Aye.

24 **MS. TAYLOR:** Vice Chair Schaefer?

25 **VICE CHAIR SCHAEFER:** Aye.

1 **MS. TAYLOR:** Member Gaines?

2 **MR. GAINES:** Aye.

3 **MS. TAYLOR:** Member Cohen?

4 **MS. COHEN:** Aye.

5 **MS. TAYLOR:** Controller Yee?

6 **MS. YEE:** Aye.

7 **CHAIR VAZQUEZ:** So that's unanimous of those
8 present.

9 With that, Mr. McCool, if you would continue?

10 **MR. MCCOOL:** Thank you, Mr. Chairman. We are now on
11 to the railroad industry consent items, with the
12 exception of number -- of BNSF Railway Company, number
13 804, due to Member Gaines not participating.

14 **CHAIR VAZQUEZ:** Members, do we have any comments or
15 questions on the railroad companies, excluding the one,
16 BFN (sic)? Seeing and hearing none. I'd like to
17 entertain a motion to approve the staff recommendation.

18 **MS. YEE:** So moved --

19 **MR. GAINES:** So moved.

20 **MS. YEE:** -- Mr. Chairman.

21 **MR. GAINES:** Seconded.

22 **CHAIR VAZQUEZ:** Moved by our Controller. And I'll
23 have Member Gaines be the second since he was right
24 behind it on this one. Seeing no other hands or
25 comments.

1 If I could ask, Ms. Taylor, is there any written
2 comments on the railroad companies?

3 **MS. TAYLOR:** We do not have any written comments on
4 the railroad companies.

5 **CHAIR VAZQUEZ:** Can we check with AT&T?

6 **MS. TAYLOR:** Yes.

7 AT&T moderator, can you let us know if there is
8 anyone who wants to make a public comment on this matter?

9 Each caller will have up to three minutes to speak.
10 For the record, a caller may provide their name.

11 **AT&T MODERATOR:** Of course.

12 Once again, if you wish to make a public comment,
13 please press 1 then 0.

14 And there is currently no one queuing up to comment.

15 **CHAIR VAZQUEZ:** Thank you.

16 With that, Ms. Taylor, if you would please call the
17 roll?

18 **MS. TAYLOR:** Chairman Vazquez?

19 **CHAIR VAZQUEZ:** Aye.

20 **MS. TAYLOR:** Vice Chair Schaefer?

21 **VICE CHAIR SCHAEFER:** Aye.

22 **MS. TAYLOR:** Member Gaines?

23 **MR. GAINES:** Aye.

24 **MS. TAYLOR:** Member Cohen?

25 **MS. COHEN:** Aye.

1 **MS. TAYLOR:** Controller Yee?

2 **MS. YEE:** Aye.

3 **CHAIR VAZQUEZ:** So that's unanimous of all those
4 present.

5 Mr. McCool, if you would please continue?

6 **MR. MCCOOL:** Thank you, Mr. Chairman, we have one
7 non-consent item for the railroad industry.

8 **CHAIR VAZQUEZ:** This last item, do we have any
9 comments or questions on this item? Seeing and hearing
10 none. Like to entertain a motion to approve the staff
11 recommendation.

12 **MS. YEE:** I'll move the consent agenda, Mr.
13 Chairman.

14 **CHAIR VAZQUEZ:** It's been moved by our Controller.
15 I will second that. And on this one, is the one that
16 Member Gaines will not be participating in. so let's --
17 do we have any written comments on this?

18 **MR. MCCOOL:** Excuse me, Mr. --

19 **CHAIR VAZQUEZ:** Oh I'm sorry.

20 **MR. MCCOOL:** -- Mr. Chairman, just to clarify, this
21 is the one non-consent item for the railroad industry.

22 **CHAIR VAZQUEZ:** Yes, which is the BFM (sic) or
23 something -- is that the one you mentioned?

24 **MR. MCCOOL:** That is one part of the consent agenda.
25 I was going to take that up next.

1 **CHAIR VAZQUEZ:** Oh okay. So this is another one.
2 Alrighty.

3 **MS. YEE:** Oh okay. So did I make the wrong motion?
4 I'm sorry, I may have.

5 **MR. MCCOOL:** I believe so. Sorry for any --

6 **MS. YEE:** Okay.

7 **MR. MCCOOL:** -- confusion --

8 **MS. YEE:** So you're taking that -- okay.

9 **MR. MCCOOL:** Yes, we have one non-consent railroad
10 company.

11 **MS. YEE:** Okay. All right so the Goose Lake
12 Railway, the non-consent agenda item. I'll move the
13 staff recommendation on that.

14 **CHAIR VAZQUEZ:** Okay. It's been moved and then I'm
15 going to -- and then I will go ahead and second that
16 since Member Gaines won't be able to participate on this
17 one, I believe.

18 **MR. GAINES:** Clarification.

19 **CHAIR VAZQUEZ:** Yes?

20 **MR. GAINES:** I think I can vote on this is -- if
21 this is Gooseneck (sic).

22 **MS. YEE:** Yes.

23 **CHAIR VAZQUEZ:** Oh Gooseneck (sic), you're okay?

24 **MR. GAINES:** Right.

25 **CHAIR VAZQUEZ:** Okay. Absolutely

1 **MR. GAINES:** Yeah. Okay.

2 **CHAIR VAZQUEZ:** So --

3 **MR. GAINES:** Thank you.

4 **CHAIR VAZQUEZ:** So I'll retract. So you're the
5 second on this one then.

6 **MR. GAINES:** Sounds good. Thanks.

7 **CHAIR VAZQUEZ:** Alrighty. Is there any other
8 comments or questions? Seeing and hearing none.

9 Let me ask Ms. Taylor if there's any written
10 comments?

11 **MS. TAYLOR:** Chairman Vazquez, there are no written
12 comments.

13 **CHAIR VAZQUEZ:** Okay. Let's check with AT&T if
14 there's anybody on the line.

15 **MS. TAYLOR:** Thank you.

16 AT&T moderator, can you let us know if there is
17 anyone who wants to make a public comment on this matter?

18 Each caller will have up to three minutes to speak.
19 For the record, a caller may provide their name.

20 **AT&T MODERATOR:** Of course.

21 And ladies and gentlemen, as a reminder, if you wish
22 to make a public comment, please press 1 then 0.

23 Are there are currently no one queuing up at this
24 time.

25 **CHAIR VAZQUEZ:** Thank you.

1 With that, Ms. Taylor, if you'd please call the
2 roll?

3 **MS. TAYLOR:** Certainly.

4 Chairman Vazquez?

5 **CHAIR VAZQUEZ:** Aye.

6 **MS. TAYLOR:** Vice Chair Schaefer?

7 **VICE CHAIR SCHAEFER:** Aye.

8 **MS. TAYLOR:** Member Gaines?

9 **MR. GAINES:** Aye.

10 **MS. TAYLOR:** Member Cohen?

11 **MS. COHEN:** Aye.

12 **MS. TAYLOR:** Controller Yee?

13 **MS. YEE:** Aye.

14 **CHAIR VAZQUEZ:** So that's unanimous of all those
15 present.

16 Mr. McCool, if you would please continue?

17 **MR. MCCOOL:** Thank you, Mr. Chairman.

18 The final item for the railroad industry is BNSF
19 Railway Company, number 804, which Mr. Gaines -- Member
20 Gaines will not be participating in.

21 **CHAIR VAZQUEZ:** Okay.

22 Members, do we have any comments or questions about
23 this item? Seeing and hearing none --

24 **MS. YEE:** I move the staff recommendation, Mr.
25 Chairman.

1 **CHAIR VAZQUEZ:** It's been moved by our Controller.

2 I will go ahead and second that. And seeing no other
3 hand or comments.

4 Ms. Taylor, do we have any written comments on this
5 item?

6 **MS. TAYLOR:** Chairman Vazquez, we do not have any
7 written comments.

8 **CHAIR VAZQUEZ:** Can we please check with AT&T?

9 **MS. TAYLOR:** Certainly.

10 AT&T moderator, can you let us know if there is
11 anyone who wants to make a public comment on this matter?

12 Each caller will have up to three minutes to speak.
13 For the record, a caller may provide their name.

14 **AT&T MODERATOR:** Of course.

15 If you wish to make a public comment, please press 1
16 then 0 on your phone.

17 And there is still currently no one queuing up at
18 this time.

19 **CHAIR VAZQUEZ:** Thank you.

20 With that, Ms. Taylor, if you would please call the
21 roll?

22 **MS. TAYLOR:** Certainly.

23 Chairman Vazquez?

24 **CHAIR VAZQUEZ:** Aye.

25 **MS. TAYLOR:** Vice Chair Schaefer?

1 **VICE CHAIR SCHAEFER:** Aye.

2 **MS. TAYLOR:** Member Gaines, not participating.

3 Member Cohen?

4 **MS. COHEN:** Aye.

5 **MS. TAYLOR:** Controller Yee?

6 **MS. YEE:** Aye.

7 **CHAIR VAZQUEZ:** So that's unanimous of all those
8 that can participate.

9 And with that, Mr. McCool, if you would please
10 continue?

11 **MR. MCCOOL:** Thank you, Mr. Chairman.

12 Our final industry is the telecommunications
13 industry. We can begin with the consent items.

14 **CHAIR VAZQUEZ:** Members, do we have any comments or
15 questions about the consent items on this item?

16 **MS. YEE:** Mr. Chairman, I'm prepared to the move the
17 consent agenda.

18 **CHAIR VAZQUEZ:** It's been moved by our Controller.

19 **MS. COHEN:** Seconded.

20 **VICE CHAIR SCHAEFER:** It's been second by Member
21 Gaines. Seeing no hands, or comments, or questions.

22 Let me ask Ms. Taylor, do we have any written
23 comments on this item?

24 **MS. TAYLOR:** We do not have any written comments.

25 **CHAIR VAZQUEZ:** Can we check with AT&T?

1 **MS. TAYLOR:** Yes.

2 AT&T moderator, can you let us know if there is
3 anyone who wants to make a public comment on this matter?

4 Each caller will have up to the three minutes to
5 speak. For the record, a caller may provide their name.

6 **AT&T MODERATOR:** Of course.

7 And once again, ladies and gentlemen, if you wish to
8 make a comment over the phone, please press 1 then 0.

9 There's currently no one queuing up at this time.

10 **CHAIR VAZQUEZ:** Thank you.

11 Members, can we go ahead -- oh, Ms. Taylor, can you
12 please call the roll on this item?

13 **MS. TAYLOR:** Yes.

14 Chairman Vazquez?

15 **CHAIR VAZQUEZ:** Aye.

16 **MS. TAYLOR:** Vice Chair Schaefer?

17 **VICE CHAIR SCHAEFER:** Aye.

18 **MS. TAYLOR:** Member Gaines?

19 **MR. GAINES:** Aye.

20 **MS. TAYLOR:** Member Cohen?

21 **MS. COHEN:** Aye.

22 **MS. TAYLOR:** Controller Yee?

23 **MS. YEE:** Aye.

24 **CHAIR VAZQUEZ:** So that's unanimous of all those
25 present. Thank you.

1 And I believe -- Mr. McCool, is that -- I believe
2 that finishes or do we still have others? Or do we still
3 have --

4 **MR. MCCOOL:** The final group --

5 **CHAIR VAZQUEZ:** Oh the fifth industry, I'm sorry.

6 **MR. MCCOOL:** The final group -- the final group
7 would be the non-consent telecommunications companies.

8 **MS. YEE:** Mr. Chairman, I have a question on this.

9 **CHAIR VAZQUEZ:** Yes, go ahead, Controller Yee.

10 **MS. YEE:** Thank you. Not related to the specific
11 companies on the non-consent agenda, but I just had a
12 question for the staff about the experience of the
13 filings by companies this year and whether there were
14 delays or issues that came up with filings, particularly
15 of property statements, during the pandemic?

16 **MR. MCCOOL:** I thank you for the question,
17 Controller Yee. Actually, this year our penalty --
18 penalties for late filings was actually noticeably lower
19 than last year. I think just from our own experience
20 anecdotally, I think the mail delivery caused the delay
21 for staff receiving the filings. But as far as the
22 assessees are concerned, it appears that we actually have
23 fewer late filings than last year so --

24 **MS. YEE:** Oh, okay.

25 **MR. MCCOOL:** -- that may not be related to COVID. I

1 think we might have seen more of that last year.

2 **MS. YEE:** I see. Okay. So did it -- there were
3 postal service issues though, in terms of receipt?

4 **MR. MCCOOL:** Yes. Yes, that was a major issue for
5 our staff this year.

6 **MS. YEE:** Okay. Appreciate the response. Thank
7 you.

8 **MR. MCCOOL:** Thank you.

9 **CHAIR VAZQUEZ:** With that, Members, are there any
10 comments or other questions? Seeing, hearing none.

11 **MS. TAYLOR:** I'll move the staff recommendation, Mr.
12 Chairman.

13 **CHAIR VAZQUEZ:** It's been moved by our Controller.
14 I will go ahead and second that.

15 Ms. Taylor, do we have any written comments on this
16 item?

17 **MS. TAYLOR:** We do not.

18 **CHAIR VAZQUEZ:** Can we check with AT&T?

19 **MS. TAYLOR:** Certainly.

20 AT&T moderator, can you let us know if there is
21 anyone who wants to make a public comment on this matter?

22 Each caller will have up to three minutes to speak.
23 For the record, a caller may provide their name.

24 **AT&T MODERATOR:** Of course.

25 Once again, if you wish to ask a question over the

1 phone, please press 1 then 0.

2 There's currently no one queuing up at this time.

3 **CHAIR VAZQUEZ:** Thank you.

4 With that, Ms. Taylor, if you would please call the
5 roll on this motion?

6 **MS. TAYLOR:** Chairman Vazquez?

7 **CHAIR VAZQUEZ:** Aye.

8 **MS. TAYLOR:** Vice Chair Schaefer?

9 **VICE CHAIR SCHAEFER:** Aye.

10 **MS. TAYLOR:** Member Gaines?

11 **MR. GAINES:** Aye.

12 **MS. TAYLOR:** Member Cohen?

13 **MS. COHEN:** Aye.

14 **MS. TAYLOR:** Controller Yee?

15 **MS. YEE:** Aye.

16 **CHAIR VAZQUEZ:** So that's unanimous of all those
17 present.

18 Mr. McCool, I believe that's it, correct me if I'm
19 wrong.

20 **MR. MCCOOL:** No, you have it correct, Mr. Chairman.
21 We have made it -- our way through the entire unitary
22 value setting. Thank you.

23 **CHAIR VAZQUEZ:** Thank you.

24 With that, I believe now we were moving our agenda
25 and we were going to start with L.2. And I know we made

1 this change and I'm just going to task and offer up to
2 the members, do you all wish to take just, like, maybe a
3 five-minute break just to reorganize your papers or notes
4 because I know we're taking this out of order? And
5 Controller Yee wants to be able to participate. What's
6 the members' preference? Do we go straight in or should
7 we take a quick five-minute break?

8 Member Gaines, I --

9 **MR. GAINES:** I'll do whatever the Board wants to do.

10 **CHAIR VAZQUEZ:** I'm sorry?

11 **MR. GAINES:** I'll do whatever the Board wants to do
12 if there's no --

13 **CHAIR VAZQUEZ:** Okay.

14 **VICE CHAIR SCHAEFER:** I abide by the majority. Vice
15 Chair.

16 **CHAIR VAZQUEZ:** Everybody good? It looks like we're
17 all good to go. Okay.

18 Ms. Taylor, if you would call our next item?

19 **MS. TAYLOR:** Certainly.

20 The next item is L.2.a., Board Member Requested
21 Matters, Member Initiatives, policy development
22 opportunities for assisting with affordable housing
23 efforts, proposal for the Board to conduct a public
24 policy hearing regarding current and proposed affordable
25 housing efforts, including, but not limited to, statutory

1 changes and affordable housing initiatives, and the
2 development of policies to support and assist efforts to
3 increase affordable housing, as related to property tax
4 administration.

5 This matter will be presented by Chairman Vazquez.

6 **CHAIR VAZQUEZ:** Thank you.

7 Members, as a result of the concept approval last
8 month, I agreed to bring a proposal to you that would
9 outline in more detail the basic parameters of the public
10 policy hearing on affordable housing and provide a list
11 of potential topics. This proposal is submitted for your
12 consideration today. And I would like your feedback and
13 your vote to proceed forward on this. And basically, I'm
14 looking at a basic concept of the hearing would be
15 threefold.

16 One, to invite input from subject matter experts and
17 industry leaders on affordable housing bills, projects,
18 and efforts; two, discuss, identify, and develop
19 solutions to address property tax problems; and three,
20 recommend additional avenues in property tax context for
21 expediting affordable housing development.

22 The proposed outline of topics is also threefold.
23 Further details topics and speakers would be added in the
24 next two months. The first topic would be current and
25 proposed affordable housing legislation and projects with

1 property tax implications. Some examples are the 2021
2 building opportunities for a house -- for all housing
3 package announced by Senate Pro Tem Tony Atkinson and
4 ADUs -- junior ADUs of 50,000 new units withing the next
5 five years, announced by Assembly Member Phil Ting. And
6 then privately and publicly financed projects, such as
7 those by Watt Industries and others throughout the State
8 of California.

9 The second topic would be the challenges and hurdles
10 facing current and proposed bills, projects, and rules.
11 Three examples are challenges involving property tax
12 exemptions, challenges involving assessed value issues,
13 such as deed restrictions, leaseholds, change in use, new
14 construction, and changes involving change in ownership
15 exclusions.

16 The third topic would be developing possible
17 property tax recommendations for affordable housing
18 development. Some examples are recommendations as
19 legislations rule changes, constitutional amendment
20 involving exemptions, recommendations involving assessed
21 value issues, deed restrictions, leasehold interest, new
22 construction, and recommendations involving change and
23 ownership exclusions, such as ADUs.

24 Possible scheduling options for the hearing. The
25 earliest possible date, according to our xecutive

1 Director, would the second day of the July Board meeting,
2 July 28th. Confirmation would depend, in large -- in
3 part on the availability of the external speakers, such
4 as legislators, affordable housing industry leaders,
5 assessors, and internal speakers from the BOE staff.

6 Since legislation will likely be back in session in
7 late August, my preference would be to hold this hearing
8 before that. That we can case -- in the case of some
9 recommendations, they may want to move forward.

10 Members, with that, I welcome your additions or
11 further topics, refinements, or ultimately speakers to ad
12 and further develop this proposal. With that, let me
13 open it up to see if there's any comments, questions.
14 And right away, I see hand up from our controller, and
15 then Member Gaines.

16 Go ahead. I think you're muted. Controller? There
17 we go.

18 **MS. YEE:** Yes. Thank you, Mr. Chairman, for bring
19 the issue of affordable housing before this Board.
20 Obviously it's a significant issue facing all parts of
21 California today. And I appreciated the letter that
22 outlined your vision for the series of public hearings.

23 I have several comments and I'm not quite sure how
24 to put them forth. I spent, actually, quite a bit of my
25 professional time in the affordable housing space. And

1 so I think my first comment is just to really say I want
2 to caution against mission creep, in terms of just the
3 work that others are already doing in this space. It's a
4 complex area of work for the State of California. We
5 have a lot of different partners who are involved in this
6 and I'll elaborate on that in a moment. So that's kind
7 of my first set of comments.

8 The second set of comments is that I do think there
9 are discrete issues that properly are ripe for
10 consideration by this Board. I want to see if I can help
11 define that. They are included, in part, in the memo
12 that you shared with all of us.

13 And then thirdly, I think when it relates to trying
14 to take positions on legislation, particularly
15 legislation on housing that doesn't have a direct
16 property tax tie, I would hope that that's something that
17 each of us as members of a public body as elected
18 officials would feel like we have the ability to do
19 individually. But I do feel a little reluctant to do
20 that as a Board.

21 You explained some of the challenges with that, that
22 is certainly our board calendar, even if we were inclined
23 to take positions on bills that are outside of our scope,
24 is that -- our board calendar does not sync up with the
25 legislative calendar. And so that does become

1 challenging. But also, I do think that I want to, kind
2 of, bring it back to, you know, just what's properly
3 before this Board's jurisdiction.

4 So if I could, I just wanted to just maybe kind of
5 provide a lay of the land about what's happening in
6 housing now from the work that I do with our state
7 treasurer who heads up a lot of this work with our
8 governor, in terms of additional proposal he has. And
9 where I do think we have a particular jurisdiction around
10 some of the things that we currently provide as tools for
11 affordable housing that could be useful for the overall
12 conversation. So if that's all right, I'm happy to just,
13 kind of, provide that some context.

14 **CHAIR VAZQUEZ:** I'd appreciate it. No, go ahead.

15 **MS. YEE:** Okay. So housing is one of those things
16 that over the course of, certainly my career in state
17 service and in the legislature, has been one where we've
18 tended to be reactive rather than proactive. And I
19 think, if anything, over the past several. More
20 recently, we've been much more proactive, understanding
21 just what is coming in terms of the growing affordability
22 crisis here in California. The fact that close to half
23 of Californians are renters. And so just the needs that
24 they have, as was highlighted by the pandemic that we are
25 emerging from. But even before the pandemic, the

1 affordability issue generally.

2 And then also, I'd look at it from the perspective
3 of housing being an economic issue. Certainly has been a
4 drag on economic recovery when affordable housing is --
5 and affordable, meaning affordable to not even those that
6 are meeting the criteria for how we typically define
7 affordable housing. But just with respect to how much
8 households are devoting in terms of percentage of their
9 income to housing costs.

10 So currently, there are four state housing
11 departments. Obviously, the Department of Housing and
12 Community Development that administers most of the
13 state's affordable housing subsidy loan programs. And it
14 does oversee the local housing production goals. We have
15 the California Housing Finance Agency that provides first
16 mortgages to affordable housing projects and first-time
17 home buyers. And Cali HFA is also the agency that
18 administers the state's down payment assistance program
19 and does provide some multi-family subsidy loans, as
20 well.

21 The two bodies on which I serve, that is chaired by
22 our state treasurer, is the Tax Credit Allocation
23 Committee that administers the federal and the state low-
24 income housing tax credit programs. And then the Debt
25 Allocation Committee which administers the private

1 activity bond program.

2 And so these are, kind of, ongoing bodies that do a
3 lot with the housing financing sources that we have. The
4 ongoing allocated financing sources are estimated at
5 about \$4.5 billion annually in federal tax credits.
6 About \$4 billion annually in federal tax exempt bonds.
7 About 600 million annually in state tax credits. About
8 half a billion to about 1.5 billion annually for multi-
9 billion subsidy loans. And then \$100 million annually
10 for the first-time home buyer down payment assistance
11 loans.

12 And then we also need to recognize our partners in
13 this, our local governments. So city and county subsidy
14 loans total in the neighborhood of about one to two
15 billion dollars annually, as well. The federal
16 government plays a role in this, as well. In terms of
17 its subsidy loans, about \$750 million annually. And then
18 with respect to rental vouchers, those total about one to
19 about one and a half billion dollars annually.

20 So there's, like, a lot going on in terms of just
21 the financing sources. So some of the other, kind of,
22 implicit housing subsidies, particularly in the tax
23 arena, mortgage interest deductions. I know people view
24 that as an incentive for homeownership. About two to
25 four billion dollar annual state subsidy and about a five

1 to ten billion dollar federal subsidy.

2 And then, squarely before us, the welfare property
3 tax exemptions, which totals about \$1 billion annually.
4 We saw the governor in his May revision of the budget
5 include proposed housing allocations as one-time spending
6 proposals.

7 And very much appreciate the continuation of some of
8 the models that were put in place during the pandemic,
9 particularly Project Home Key: about \$3.5 million for
10 motel and hotel conversions for housing homeless
11 populations, our multi-family subsidy loans, about \$1.75
12 million in one -- of a one-time infusion to essentially
13 supplement the housing community development awarded
14 projects in need of more funding. These are shovel-ready
15 projects ready to -- ready to begin construction.

16 Infrastructure support, about \$1.1 billion for
17 infrastructure improvements to facilitate housing
18 development. We've got student hunger and housing
19 programs that's getting some attention, as well, about
20 \$450 million for college and university student housing
21 and food programs. And then our federal homelessness
22 support, about \$400 million in one-time federal funds for
23 homelessness reduction.

24 So you know, I list all that because really, except
25 for the property tax welfare exemption, none of the state

1 agencies or funding sources fall within the BOE's
2 jurisdiction.

3 And in reviewing your letter, I know there were six
4 potential topics for public policy hearings and just in
5 going through those, I do think that when we get into
6 issues around zoning and zone restrictions and the sequel
7 process, I get a little nervous about the BOE, kind of,
8 you know, heading into that particular area, particularly
9 with our limited resources to be able to do a deep dive
10 in those areas.

11 I'd also mentioned ADUs, accessory dwelling units,
12 and I know the goal of having 50,000 new ADUs is outside
13 of the Board's jurisdiction. I don't know that, again,
14 this is another area that would really be the most
15 efficient use of our resources. I talked about the
16 publicly and privately financed projects that are already
17 under the jurisdiction of the other state agencies and I
18 think, you know, the Board doesn't play a role in public
19 financing for affordable housing. So I think, again, not
20 necessarily the most appropriate for hearings.

21 What is appropriate, I think, and it really began
22 with the comments I think each of us made this morning,
23 is, you know, just looking at what some of the challenges
24 and hurdles are involving the welfare exemption -- the
25 property tax welfare exemption for affordable housing.

1 It plays a significant role in affordable housing.
2 Generally, about 15 or 20 percent of the project
3 development's cost is covered by capitalizing the welfare
4 exemptions, so about one percent per year in a mortgage.
5 And since the Board and the fifty-eight county assessors
6 jointly administered the welfare exemption, I think
7 conducting policy hearings on the challenges or hurdles
8 of the exemption would be an appropriate use of our
9 resources and time.

10 What I'd like to see the hearings address, with
11 respect to the exemption, is kind of a concept we spoke
12 about this morning. That is, can issues of equity be
13 addressed within the welfare exemption. I know we've
14 been tackling equity issues at our respective committees
15 over in the treasurer's office that I would like to see
16 to the extent that this is an affordable housing property
17 tax exemption. It generally requires the involvement of
18 a non-profit entity. And so I am really interested in in
19 whether this could be a tool for how to address issues of
20 equity. Whether the process needs to be streamlined and
21 any other challenges that may be identified.

22 But I also think, before we embark on a policy
23 hearing, I'd like to see if the staff could put together
24 some information about just our experience in
25 administering our portion of the program, some of the

1 common problems, some of the challenges. Is it a
2 programs that working effectively? There was -- I think
3 the last white paper issued on this was back in April
4 2016.

5 But just even some simple information like the
6 number of organizational clearance certificates that are
7 requested for low income or affordable housing. The
8 number of denials and kind of a flavor of what those are.
9 The number of appeals that are filed for organizational
10 certificate denials. And then, the general processing
11 time. Are we experiencing a backlog? Is this really an
12 efficiently run program?

13 And then I think we can also then pull in our co-
14 partners on this, our assessors. So I believe, like,
15 gathering this information in advance will provide
16 tremendous insight on whether there are any challenges an
17 then, of course, our hearings could, you know, delve more
18 deeply into that.

19 The second area where I think it's also squarely
20 within the jurisdiction of the Board are assessed value
21 issues, as you've enumerated in your memo. So deed
22 restrictions, leasehold interest, change in use, new
23 construction. So there definitely are challenges
24 involving those. And so they've been partially addressed
25 by stakeholders in legislation but I think really having,

1 you know, the county assessors help us just try to
2 identify an agenda around just how some of the recently
3 enacted legislation is working.

4 I know some of them are looking at restrictions on
5 use imposed by community land trusts, establishing a
6 bundle presumption that the purchase price of the land
7 trust home includes both the home and the lease land. So
8 I mean, there are a lot of kind of issues to unpack
9 there, and I think that would be helpful to look at that.
10 And then it may be that out of that comes some interested
11 parties meeting that really focus on some of these issues
12 that could inform further letters to assessors to provide
13 clearer guidance.

14 And then with respect to new construction and change
15 in ownership, I think before we launch into a policy
16 hearing on that, it may be beneficial to just have the
17 staff, our Executive Director, provide a report on
18 emerging issues involving these two areas.

19 So just to conclude, we have a role to play. I want
20 to be sure that we're staying within our means, relative
21 the efficient use of our resources. There is a limited
22 nexus to affordable housing in the BOE's property tax
23 administration. As such, I think, like I said,
24 conducting a series of public policy hearings on SQA, on
25 ADUs, on, you know, some of these other issues, would be

1 outside of our scope. But certainly want to look at how
2 we can be helpful and use our jurisdiction to provide the
3 best guidance possible, with respect to these other
4 areas. And I would focus on the welfare property tax
5 exemption. And to the extent that we can delve into the
6 deployment of that exemption to address equity issues, I
7 think that would be a tremendous public policy
8 contribution.

9 **CHAIR VAZQUEZ:** Now, thank you. Thank you for your
10 comments and your experience, and basically, kind of,
11 helping out and just giving us some focus on this. You
12 know, I kind of threw out all these items because I think
13 they're all needed.

14 **MS. YEE:** Okay.

15 **CHAIR VAZQUEZ:** And I think you're on -- I think,
16 you know -- and I appreciate the fact that each one of
17 us, individually, obviously, can weigh on some of this
18 legislation. But I think you are correct, as a body, we
19 need to be careful that we're not taking positions in
20 areas that we really have no jurisdiction.

21 But I'm really interested in and excited about
22 tapping your brain a little bit given you experience of
23 this field of affordable housing, especially on the
24 finance side. Because I was contacted by several of the
25 for-profit folks that, in the past, never really looked

1 at -- involved with for -- affordable projects. But
2 because there may be a potential tax credit for them,
3 they think it may pencil out for them, which, I think,
4 would be great because I know the governor's real excited
5 and is pushing.

6 He's got a pretty lofty goal there, you know, to try
7 to build so much affordable housing. And I just don't
8 see it happening if we just rely on the non-profit world.
9 I think we need to embrace and incorporate as many of
10 these folks, you know, on the for-profit as well, that
11 are willing to provide true affordable housing in the
12 State of California.

13 And that's where I'm kind of going. Let me see, I
14 see a hand there from Member Gaines.

15 **MR. GAINES:** Great. Thank you, very much, Chair
16 Vazquez and Controller Yee. I really appreciate your
17 comments. And I think that's well advised. We've got to
18 make sure that we stay in our lane but I think we still
19 have an opportunity to take a look at, you know, from the
20 BOE perspective, exemptions. And you know, we take a
21 look at affordable housing, it's just such a huge issue,
22 it's really magnified here, in the State of California.
23 The American dream is home ownership and yet, that is so
24 difficult here in California.

25 And people want to attain that, and I think it's

1 kind of ironic, but as a result of pandemic, look at the
2 impact of the change in the landscape of housing. And
3 people are moving to Sacramento, for instance, and other
4 places throughout the state, and even out of state, given
5 that they might have a job that permits them to work out
6 of a home.

7 And so I think Californians have more choices and
8 that could include moving out of the state, which
9 concerns me. You know, when we're growing at a much
10 lower rate than other states, it even has political
11 ramification with the census. And we're seeing that
12 we're losing a congressional seat. And then, when we
13 take a look at the median price of a home at -- it just
14 hit 800,000 and I can't believe that number. And half
15 the houses are selling below that median and half above.
16 So that is a -- that number scares me and I worry about a
17 hollowing out of the middle class in California, where
18 people are, maybe, retiring out of state or, for whatever
19 reason, even at younger ages are moving out of
20 California.

21 And so then it comes to what sort of relieve can we
22 provide because I really that a healthy democratic
23 republic has to include property ownership. And so what
24 are we doing to help -- to help expand that here in the
25 State of California. And that often becomes the -- that

1 could be the retirement for literally millions of people
2 in California that you spent thirty years paying off that
3 mortgage and now you have that next egg. You have that
4 asset. So anything that we can do to encourage that --
5 and I appreciate Controller Yee's kind of highlighting
6 all the programs that are available.

7 And so I think, it's nice for us as the Board to be
8 engaged. I see that, kind of, in that arena. You know,
9 I look at, you know, an exemption for homeownership,
10 here, in California. It's \$7,000. In the State of
11 Idaho, it's 100,000. You know, and that's just one
12 little element of things that we could do. And you could
13 even means test that to -- you know, because we want to
14 makes sure that people are able to afford that first home
15 and that people have the opportunity to rise up into the
16 middle class and be able to afford that home.

17 And I know it's a long time ago when I was growing
18 up, but I remember when there used to be \$10,000 homes in
19 the State of California. And you now, we'd have to -- I
20 guess you'd have to look at the statistics back in, say,
21 the 1960s and '70s on home ownership and affordability.
22 But I think it's commonly known that it's -- that housing
23 is just -- a home has become unaffordable over the
24 decades in the State of California.

25 And when we think of our children, we want to make

1 sure they can afford a home and that you don't have to be
2 pulling down a huge salary to do that. That you should
3 be able to have a decent job and be able to buy a home.
4 So I applaud your effort, Chair Vazquez, in bringing this
5 issue up. I know other members have talked about it too
6 and that it's an important issue. We need to stay in
7 that -- in the lane but I think we can do that. It's
8 just a matter of how we address the issue moving forward.

9 So thank you.

10 **CHAIR VAZQUEZ:** Thank you for your comments.

11 Anybody else, any other members wish to speak on
12 this? Seeing and hearing no others.

13 I would like to ask Member Controller if I could put
14 you on the spot but it sounds like you already have it
15 thought out anyway. Moving forward, obviously, one of
16 the things you caution -- and I think it's a good
17 caution -- is to be careful that we, obviously, stay in
18 our lane.

19 So when I was looking and kind of envisioning that
20 we would conduct this hearing, and it looks like, in
21 talking to the Executive Director, probably the earliest
22 would be in July, maybe our second day there. And that
23 we -- and maybe just ask, maybe I should ask the
24 Executive Director to find out if that's adequate time
25 for her to come back with, I think, what you suggested,

1 which I thought was a good point, is to come back with a
2 report, hopefully before that. And some of the things
3 they could gather to hopefully make this hearing not only
4 more effective, but more focused on exactly what we can
5 and cannot do under our jurisdiction that hopefully would
6 have an impact on the affordable housing crisis we have
7 in the city of California.

8 **MS. YEE:** I'm happy to speak to that, Mr. Chairman.

9 **CHAIR VAZQUEZ:** Please.

10 **MS. YEE:** And I certainly want to hear Ms. Fleming,
11 as well, on the time issue. No, and I think really the
12 report is important just to give us some context, some
13 background and to probably even spur some of the topics
14 that we want to explore. But I would recommend that we
15 start with the property tax exemption, the welfare
16 exemption, for low income and affordable housing.

17 The Board has not really done much with this for --
18 since my early days on the Board. And there was a, as I
19 said, a white paper on the welfare exemption back in
20 April 2016. So perhaps that could be a launching off
21 point. But just what's happened in this arena. You
22 know, just who's supplied the number of organizational
23 clearance certificates that have been requested, how many
24 have been denied, how many have been issued, the number
25 of appeals, the general processing time. Just so --

1 really, how the program is running and who's been
2 benefiting from it.

3 And I should probably say, you know, as I look at --
4 regardless of what financing source or financing tool
5 around housing and affordable housing, you know, this is
6 an arena where the State -- at the end of the day, it
7 always requires a public-private partnership. But these
8 are public resources and so I want to be mindful that as
9 we're doing this work, that we are looking at the welfare
10 exemption as a financing tool, and in that vein, would
11 want to explore the question of, is the State getting the
12 broadest public benefit from the deployment of the
13 exemptions. And I think that's a key question.

14 Then the second set of issues could then be another
15 series of hearing around the challenges and hurdles
16 involving assessed value issues. So these are the deed
17 restrictions, the leasehold interests, the change in use,
18 new construction. So that set of issues. So -- and
19 again, I would want to see, you know, kind of staff come
20 back with -- and probably working with our assessors on
21 this, be a great topic for our, you know, joint assessors
22 meeting. And maybe we do this a little bit more year-
23 round than just with respect to that one meeting that --
24 to look at just what some of the implementation issues
25 have been, whether these are areas that require further

1 guidance from the Board with respect to LTAs. And if so,
2 how we can target some of those issues via interested
3 parties meetings.

4 **CHAIR VAZQUEZ:** No, thank you. You know, as you
5 were talking -- I see a hand up from Member Cohen. But
6 before I recognize you real quick, as you're talking
7 about change of use, you know, one of the things I
8 thought, especially when working with the assessors,
9 there's a lot of properties that are owned by cities,
10 school districts, even government, you know, in the State
11 of California that we're not collecting taxes on now
12 anyway.

13 But if they were to turn into housing units, they
14 would get reassessed. So they'd put it on the roll. And
15 that's where I was thinking-- and correct me if I'm
16 wrong, I'm thinking if maybe there's a role change we can
17 do or something that we can do at the state level that
18 would allow them to do that if they provide true
19 affordable housing. And it could be a mixed use. You
20 know, in some cases, it still could have some educational
21 uses, maybe on the ground floor, and housing on the
22 second, third, fourth floor of a project, for example.

23 **MS. YEE:** Yeah, I mean -- yeah, I think we're going
24 to start to see all kinds of innovations relative to how
25 we --

1 **CHAIR VAZQUEZ:** Yes.

2 **MS. YEE:** -- address the housing crisis. So those
3 topics are definitely in order.

4 **CHAIR VAZQUEZ:** Member Cohen? I think you're muted.

5 **MS. COHEN:** Hi. I just wanted just to correct the
6 record that the memo that I put out forth to lay out the
7 memo was in 2019. That's all I wanted to -- just correct
8 that record. Thank you. Thank you, Mr. Chair.

9 **CHAIR VAZQUEZ:** Thank you.

10 Is our Executive Director Brenda Fleming on the
11 line? Are you available?

12 **MS. FLEMING:** Yes, Chairman Vazquez and Members, I'm
13 available. This is a great discussion. We do have some
14 of the information on our welfare exemptions as it
15 relates to the certificates, the OCCs, and the SCCs, et
16 cetera. So some of the information is available. What
17 would like to do -- because I think the more that this
18 discussion occurs, it's one that has a number of layers
19 of onions, if you will. So what I would suggest is, I
20 think on a broader scope, I suggest that we could
21 probably come back with the white paper in the July time
22 frame.

23 But what I'd like to propose, if the Board would
24 approve, is having the opportunity to flesh it out a
25 little bit more with staff and the chair's office

1 because, again, some of this information we're going to
2 need to work with the assessors also because of our joint
3 partnership in the administration of the welfare
4 exemption program. And then, perhaps, what we could do
5 is take an opportunity to do some of the initial work and
6 at least come back at the June meeting with an update on
7 what's possible and how much we've achieved, in terms of
8 collecting the information and preparing for the white
9 paper.

10 If positive, then we could try to target doing the
11 white paper by the July board meeting. But just in case,
12 perhaps, the assessors and others need a little bit more
13 time frame, perhaps even August, if the Board will
14 consider that. But I think there are a number of
15 different issues related to this and I think it would be
16 prudent for us to just flesh it out a little bit more
17 working with our partners and then come back with a
18 pretty good product for you in July. But no later than
19 the August time frame. Again, if the Board would be open
20 to that approach.

21 **CHAIR VAZQUEZ:** So it sounds like you're prepared
22 to, at least, begin this process and come back and report
23 out some progress in our June meeting. And then, at that
24 point, we can make a decision or determination if it's
25 possible to do something in July or August. Is that

1 correct?

2 **MS. FLEMING:** That is correct, yes.

3 **CHAIR VAZQUEZ:** And I'm seeing heads nod.

4 Member Cohen, you still have you hand up. Is that
5 an old hand? Okay.

6 So if people are comfortable with that -- do we need
7 an official motion for that? I don't think so. Do we?
8 That's good direction, I think. No? Okay, I'm looking
9 at --

10 **MS. FLEMING:** I think to the extent that -- yeah, I
11 think to the extent that the Board is comfortable with us
12 returning in June with at least -- to report out with an
13 update as to what the time frame is and what's delivered,
14 that piece would be helpful. And then really, at the
15 June meeting we would make a more final decision as to
16 the next steps regarding July or August time frame. So
17 I'm fully prepared to receive that assignment, sir.

18 **CHAIR VAZQUEZ:** I appreciate it. And I'm seeing
19 nods and hands from folks. So that'll be the course.
20 And really appreciate your time and willing to stay in
21 and hang in there with this, Controller, because I think
22 you're really gave us some good history and some guidance
23 on this one. Because I think it's much needed in the
24 State of California. And whatever we can do to weigh in
25 and help, I think we should do it. But thank you. Thank

1 you all.

2 **MS. YEE:** Thank you for the flexibility in moving
3 this item up on the agenda.

4 **CHAIR VAZQUEZ:** Not a problem.

5 With that, Ms. Taylor, if you can call the next
6 item?

7 **MS. TAYLOR:** Certainly. The next item is G.1., Chief
8 Council Matters, Rulemaking, proposed property tax rule
9 462.540, staff request authorization to publish property
10 tax rule 562.540, change in ownership, base year value
11 transfers, to implement and make specific provisions of
12 section 2.1 of article 13(a) of the California
13 Constitution.

14 This item will be presented by Mr. Moon.

15 **CHAIR VAZQUEZ:** Is Mr. Moon available?

16 **MR. MOON:** Yes, I am. Good morning, Chair Vazquez,
17 Members of the Board. This is Richard Moon with the
18 legal department.

19 As you know, since Prop 19 was passed by voters on
20 November 3rd, staff has working on providing guidance to
21 all interested parties. And that guidance has come in the
22 various forms, FAQs on the website, letter to assessors.
23 And at the February 24th meeting, the Board authorized
24 staff to begin the regular rulemaking process for Prop
25 19. And as you know, there are two major parts to Prop

1 19. One dealing with intergenerational transfers and one
2 dealing with base year value transfers.

3 We're here today to request that the Board
4 authorized to publish the notice of proposed action to
5 begin the official rulemaking process on the base year
6 value transfer part of Prop 19. And that would be
7 proposed rule 462.540. As reported by staff in February,
8 we have completed drafting the proposed rules. We've
9 received comments by interested parties. Those comments
10 were reviewed by staff. Some of those comments made
11 their way into revisions to the rule itself, some of
12 those comments we will be incorporating into future
13 guidance and some of those comments we will be holding to
14 see if it's appropriate to include them in any future
15 possible amendments to the rule.

16 So the rule before you today is consistent with the
17 structure of existing property tax rules and reflects
18 what staff believes to be a version of the rule that
19 meets the direction given to staff by the Board. That it
20 address fundamental necessary guidance for implementation
21 and administration, and that it be done expeditiously.
22 And therefore, we're requesting that you approve the
23 publication of the notice of proposed action for this
24 rule.

25 Thank you. And I'm happy to take any questions.

1 **CHAIR VAZQUEZ:** Thank you, Mr. Moon.

2 And just for the record, I see Ms. Stowers has now
3 joined us. Welcome, Ms. Stowers, and give our best to --
4 I forgot to thank the Controller. I know that she had to
5 step out for another meeting, herself.

6 But with that, do we have any questions or comments
7 for Mr. Moon? Seeing that -- I have one quick one. And
8 my question is would you add a sentence or I guess,
9 informative digest, you know, not the rule itself, but on
10 the policy statement, clarifying that Prop 19 did not
11 repeal or replace any part of Section 69 or 69.3?

12 **MR. MOON:** Yes, we could make that change to the
13 notice of proposed actions. As you know, the
14 legislature, in its latest iteration of SB 539, has
15 added -- has added intent language essentially stating
16 that. And I think that would make us comfortable enough
17 to put it into a statement to that effect, into the
18 informative digest section of the -- of the notice of
19 proposed action.

20 **CHAIR VAZQUEZ:** I appreciate it. I think that would
21 really help the public, especially as they log into our
22 website on this issue.

23 And I see Member Gaines's hand is up

24 **MR. GAINES:** Yeah. Thank you, Chair Vazquez. I
25 just - just wanted to make a general comment in reference

1 to Tax Rule 462.540. You know, this is the base year
2 value transfer. This is the positive aspect of Prop 19
3 and it really provides that flexibility for homeowners
4 over age fifty-five, or fire victims, or those who are
5 disabled the opportunity to move anywhere else in the
6 state within the same price -- as the house was sold at.

7 So that just provides flexibility for folks so that
8 they can anywhere that they want. Maybe it's moving
9 closer to family or friends and not having a big tax
10 impact that would hurt them financially. Maybe as
11 they're preparing for retirement, or maybe they're
12 already retired, or they're on a limited income.

13 So I just wanted to remind our constituents that
14 this is the best part of Prop 19. I know we're still
15 struggling with the other aspect on -- you know, we're
16 trying to get clarification through the legislature on
17 some of the exemptions that were lost and they'll wrangle
18 through that. But this is clearly a benefit for
19 homeownership in California. Thank you.

20 **CHAIR VAZQUEZ:** Thank you.

21 Any other comments or questions of Mr. Moon? Seeing
22 none and hearing none.

23 Ms. Taylor, do we have any public comments on this
24 item?

25 **MS. TAYLOR:** Chairman Vazquez, we do not have any

1 written comments, and I can find out from the AT&T
2 moderator.

3 AT&T moderator, can you let us know if there is
4 anyone who wants to make a public comment on this matter?

5 Each caller will have up to three minutes to speak.
6 For the record, we request that callers provide their
7 name.

8 **AT&T MODERATOR:** Of course.

9 And ladies and gentlemen, if you wish to make a
10 public comment, please press 1 then 0.

11 And there is currently no one queuing up at this
12 time.

13 **CHAIR VAZQUEZ:** Thank you.

14 Member Gaines, I'm assuming that hand is an old hand
15 that you have sitting up there?

16 **MR. GAINES:** Yes, it is. Thank you.

17 **CHAIR VAZQUEZ:** Okay.

18 With that, Members, I would like to move that we
19 authorize publication of the proposed rule and authorize
20 staff to add a clarifying sentence to the informative
21 digest reflecting that certain current statutes will
22 continue to be an option for taxpayers, in addition to
23 Prop 19.

24 **MR. GAINES:** I'll second that.

25 **CHAIR VAZQUEZ:** It's been seconded by Member Gaines.

1 Any comments or question from the members? Seeing none.

2 Ms. Taylor, did you say we had a written comment on
3 this or we don't?

4 **MS. TAYLOR:** We do not.

5 **CHAIR VAZQUEZ:** And can we check -- well, you
6 already checked with AT&T, right?

7 **MS. TAYLOR:** Uh-huh. Yes, we have.

8 **CHAIR VAZQUEZ:** With that, can you please call the
9 roll then on this one?

10 **MS. TAYLOR:** Certainly.

11 Chairman Vazquez?

12 **CHAIR VAZQUEZ:** Aye.

13 **MS. TAYLOR:** Vice Chair Schaefer?

14 **VICE CHAIR SCHAEFER:** Aye.

15 **MS. TAYLOR:** Member Gaines?

16 **MR. GAINES:** Aye.

17 **MS. TAYLOR:** Member Cohen?

18 **MS. COHEN:** Aye.

19 **MS. TAYLOR:** Deputy Controller Stowers?

20 **MS. STOWERS:** Aye.

21 **CHAIR VAZQUEZ:** So that's unanimous all those
22 present. Thank you, Members.

23 With that, Ms. Taylor, if you would please call our
24 next item?

25 **MS. TAYLOR:** The next item is J.1., Administrative

1 Consent Agenda, approval of the board meeting minutes for
2 April 27th, 2021. Contribution disclosure forms are not
3 required.

4 **CHAIR VAZQUEZ:** Thank you, Ms. Taylor.

5 Members, do you have any comments, questions on the
6 minutes or changes? Seeing and hearing none.

7 Ms. Taylor, we don't have any written comments on
8 this, do we?

9 **MS. TAYLOR:** We do not.

10 **CHAIR VAZQUEZ:** Any do we have any public on the
11 lines on this?

12 **MS. TAYLOR:** Let me check.

13 AT&T moderator, can you let us know if there is
14 anyone who wants to make a public comment on this matter?

15 Each caller will have up to three minutes to speak.
16 For the record, we request that the callers provide their
17 name.

18 **AT&T MODERATOR:** Of course.

19 Ladies and gentlemen, if you wish to make a public
20 comment, please press 1 then 0 on your phone.

21 And there is currently no one in the queue at this
22 time.

23 **CHAIR VAZQUEZ:** Thank you.

24 Members, I'd like to entertain a motion to adopt the
25 Board hearing minutes.

1 **MR. GAINES:** Motion to approve. Member Gaines.

2 **CHAIR VAZQUEZ:** It's been approved by Member Gaines.

3 **MS. STOWERS:** Second.

4 **CHAIR VAZQUEZ:** It's been second by Stowers. Seeing
5 no other hands, or comments, or questions.

6 Ms. Taylor, if you'd please call the roll on that?

7 **MS. TAYLOR:** Certainly.

8 Chair Vazquez?

9 **CHAIR VAZQUEZ:** Aye.

10 **MS. TAYLOR:** Vice Chair Schaefer?

11 **VICE CHAIR SCHAEFER:** Aye.

12 **MS. TAYLOR:** Member Gaines?

13 **MR. GAINES:** Aye.

14 **MS. TAYLOR:** Member Cohen?

15 **MS. COHEN:** Aye.

16 **MS. TAYLOR:** Deputy Controller Stowers?

17 **MS. STOWERS:** Aye.

18 **CHAIR VAZQUEZ:** So that's unanimous of all those
19 present.

20 With that, Ms. Taylor, if you'd please call the next
21 item?

22 **MS. TAYLOR:** The next item is J.2., Administrative
23 Consent Agenda, Adoption of the Property Tax Forms.

24 **CHAIR VAZQUEZ:** Excuse me.

25 Thank you, Ms. Taylor.

1 Members, do you have any questions or comments on
2 this matter?

3 **MR. GAINES:** Comment, if I could? Member Gaines.

4 **CHAIR VAZQUEZ:** Yes, Member Gaines, go ahead.

5 **MR. GAINES:** So yeah, it looks like what we've done
6 is we're just making some adjustments here because of the
7 passage of Prop 19. And then in addition, it -- we're
8 just making some updates on different -- whether it's an
9 exemption or base year transfer through here. So I think
10 this is exactly what the BOE should be doing. We're
11 reflecting the passage of Prop 19 and then updating other
12 property tax forms.

13 So I'd be willing to make a motion at the
14 appropriate time.

15 **CHAIR VAZQUEZ:** Appreciate that.

16 Let me just check with Ms. Taylor if we have any
17 written comments or public comments on this item?

18 **MS. TAYLOR:** Chairman Vazquez, we do not have any
19 written comments. And I can check with the AT&T
20 moderator.

21 **CHAIR VAZQUEZ:** Thank you.

22 **MS. TAYLOR:** AT&T moderator, can you let us know if
23 there is anyone who wants to make a public comment on
24 this matter?

25 Each caller will have up to three minutes to speak.

1 For the record, we request that the callers provide their
2 name.

3 **AT&T MODERATOR:** Of course.

4 Ladies and gentlemen, once again, if you wish to ask
5 a question or make a comment, please press 1 then 0 on
6 your phone.

7 There is currently no one in the queuing up at this
8 time.

9 **CHAIR VAZQUEZ:** Thank you.

10 And Member Gaines, you're moving this item?

11 **MR. GAINES:** Yes. And so moved for the adoption of
12 property tax forms.

13 **CHAIR VAZQUEZ:** It's been moved by Member Gaines. I
14 will go ahead and second that. And seeing no other
15 hands, or comments, or questions.

16 Ms. Taylor, if you'd please call the roll on that?

17 **MS. TAYLOR:** Chair Vazquez?

18 **CHAIR VAZQUEZ:** Aye.

19 **MS. TAYLOR:** Vice Chair Schaefer?

20 **VICE CHAIR SCHAEFER:** Aye.

21 **MS. TAYLOR:** Member Gaines?

22 **MR. GAINES:** Aye.

23 **MS. TAYLOR:** Member Cohen?

24 **MS. COHEN:** Aye.

25 **MS. TAYLOR:** Deputy Controller Stowers?

1 **MS. STOWERS:** Aye.

2 **CHAIR VAZQUEZ:** So that's unanimous of all those
3 present.

4 Ms. Taylor, if you'd please call the next item?

5 **MS. TAYLOR:** The next item is K.1.a., Director's
6 Report, Organizational Update, report on the status of
7 pending and upcoming organizational issues.

8 This matter will be presented by Ms. Fleming.

9 **MS. FLEMING:** Good morning, Chairman Vazquez and
10 Honorable Members. I'm Brenda Fleming, Executive
11 Director.

12 Today's report will provide updates on our
13 priorities and significant accomplishments since last
14 month's report -- last month's meeting. The operation
15 team will report on their operational teams and project
16 in their respective areas of responsibility. Since our
17 last meeting, one of our top priorities continues to be
18 the implementation of Proposition 19. Additionally, our
19 other priorities also include our other tax
20 administration functions, specifically state assessed
21 property valuation, our county training program, our
22 training and certification programs, guidance, legal
23 opinions, litigation matters, et cetera. And of course,
24 the implementation of our strategic goals and objectives
25 is to rebuild and modernize our programs.

1 Members, I'm grateful that during this pandemic our
2 workforce has remained healthy with very few positive
3 COVID 19 cases and minimal staff impacted. We continue
4 to adhere to state mandates for social distancing, mass
5 guidance, and statewide reporting protocols. Overall,
6 the agency continues to successfully perform our tax
7 administration functions and duties while we continue
8 under COVID restrictions.

9 As you know, we continue to rebuild and modernize
10 our agency, which included enhancing our transparency and
11 the value of information on our BOE website. In addition
12 to the continual updates on the Proposition 19
13 information, another very important update is to our
14 litigation roster. The updated roster was posted on
15 Friday, May 21st. It can be easily found under the legal
16 resources, current litigation section, located on the
17 bottom of the BOE website.

18 Moving to the next items, Members, as you are aware,
19 over the last few months, there have been a number of
20 board assignments to the Executive Director. To keep you
21 informed, staff is making good progress on these
22 projects, which will be scheduled for presentation to you
23 at upcoming meetings. We look forward to reporting out
24 on these projects that continue to our strategic goals.
25 We do want to make sure that we're completing work that's

1 assigned to us, but again, we also would like to make
2 sure that we're doing quality work for you. So we
3 appreciate your support and your patience as we work
4 through that material.

5 Members, moving to the next item and finally, on
6 behalf -- Members, just allow me to publicly thank the
7 California Taxpayers Association and CalTax president,
8 Rob Gutierrez, for the invitation to participate in their
9 95th annual meeting. We appreciate the opportunity to
10 continue the annual tradition of meaningful discussion
11 and Q and A with the CalTax Board and its members on very
12 important property tax administration topics.

13 The CalTax annual meeting is an excellent forum,
14 Members, for feedback and input that we use to better
15 serve our taxpayers constituents and improve our
16 services. Members, as you know, as I report each month,
17 there are many, many other organizational activities but
18 again, I don't want to steal staff thunder, so they will
19 provide the updates on the great work that they are
20 accomplishing. And that will be coming up next.

21 Members, if I could continue. K.l.b., which is the
22 Extension of Time to Complete the Local Assessment Role.
23 Revenue and Taxation Code 616 requires county assessors
24 to annually complete their local assessment roles by July
25 1. Section 155 provides that the Board or its Executive

1 Director may extend, by thirty days, the deadline for any
2 official act by the assessor. In the case of public
3 calamity, the deadline may be extended by forty days.
4 Section 155 also requires that the Executive Director
5 inform the Board of any such extensions at its next
6 regular meeting. This report is to inform you that
7 Colusa, Los Angeles, Mariposa, and Yuba County assessors
8 have requested and have been granted a thirty-day
9 extension for completing their 2021 local assessment
10 role.

11 And then again, Members, lastly -- again, I just
12 want to always thank the staff for the good work and
13 their dedication to BOE success. Members, if there are
14 no questions, the real fender and the real quality
15 information will be coming now from the staff who will
16 report on their operational priorities and projects.

17 Members, if there are no questions, I'll turn it
18 over to Ms. Renati.

19 **CHAIR VAZQUEZ:** Seeing no hands or comments.

20 Go ahead, Brenda.

21 **MS. FLEMING:** Thank you, Ms. Renati.

22 **MS. RENATI:** Thank you, very much.

23 Good morning, Chair Vazquez and Honorable Members.

24 My name is Lisa Renati, Chief Deputy Director. Today I
25 will report on the agency's Operational Priorities and

1 projects since last month.

2 As you are well aware since the passage of Prop 19,
3 a considerable amount of the agency's activities are to
4 ensure the successful implementation of Prop 19 and to
5 keep taxpayers and the public informed. Concurrently we
6 are -- we continue to concentrate on our operational
7 priorities to make progress in achieving our strategic
8 goal to rebuild, revitalize, and modernize our agencies.

9 The first item I will report on today is our
10 workforce capacity. Since my last report, we have filled
11 nine vacant positions. As a result, in the last eleven
12 months, we have filled a total of thirty-six positions.
13 98 percent of the agency's remaining vacant positions are
14 in the various stages of the active recruitment process.
15 Through the collective efforts of the management team,
16 increasing progress has been made to reduce our
17 vacancies. And we expect to continue this momentum in
18 the coming months.

19 Due to our recruitment activities, over 65 percent
20 of the filled positions are individuals new to the Board
21 of Equalization. So we are investing time in onboarding
22 activities to ensure our new staff are well trained and
23 have the tools they need to succeed.

24 Members, this concludes my report. I'm available to
25 answer any questions you may have.

1 **MR. GAINES:** (Indiscernible) if I could?

2 **CHAIR VAZQUEZ:** Thank you.

3 Member Gaines, go ahead.

4 **MR. GAINES:** Yes, thank you. More of a comment
5 really. I just wanted to thank Brenda and the team and
6 Lisa Renati for all their effort here because we're
7 making a lot of progress. And so it's nice to see that
8 we've moved through, kind of, the phase of promotion and
9 now we're filling in a lot of those empty spots. And I
10 think it's interesting that some of those folks are
11 coming from, perhaps, other state agencies, but also
12 folks coming from the private sector, from local
13 government.

14 And I just think that that's a great opportunity
15 because if people are coming from outside the
16 organization that can provide a fresh perspective. And
17 yet, through the promotion phase, we're keeping our
18 talent within the organization. So it seems like a good
19 combination. And it's just encouraging to see that we
20 are making progress for filling those positions. I know
21 it's been a priority of this board over the last couple
22 of years. So thank you.

23 **CHAIR VAZQUEZ:** Thank you.

24 Any other comments? I see a hand there.

25 Member Cohen?

1 **MS. COHEN:** Thank you.

2 I have a question. Lisa Renati, before you joined
3 the team, we were in pursuit of getting our HR delegation
4 reinstated. I wanted to know what the status is or the
5 update is on the Board of Equalization being an agency
6 that can stand up on its own two feet?

7 And Ms. Renati, my apologies if -- I know I directed
8 the questions towards you, but maybe Ms. Fleming is the
9 best person to answer the question.

10 **MS. RENATI:** Thank you, Member Cohen. I'll take a
11 stab at it. And I know Ms. Fleming is listening, so
12 she'll jump in if I miss anything.

13 The agency's restored delegation is definitely one
14 of our goals in our strategic plan so that we can get
15 that restored delegation back and continuing to build our
16 workforce capacity more quickly. Right now, we are in
17 process of asking for restored delegation back. We've
18 done the work and have the information on hand to show
19 that we have made great achievements in how we are
20 managing our recruitments. And the information that was
21 included in the past investigation that led to losing the
22 delegation, those items are no longer something that we
23 are shown to have any problems with.

24 We don't have any nepotism issues. We are not
25 finding, you know, any types of illegal hires. We are

1 doing everything based on the State's merit principles.
2 So we are moving forward trying to get that restored
3 delegation back. And I hope to bring back information in
4 the coming months showing that progress to you and with,
5 you know, success in getting that restored delegation
6 back. And hopefully I've answered your question. Moving
7 forward --

8 **MS. COHEN:** Maybe you could describe to me what
9 efforts you have taken. I mean, you just said a lot of
10 that you'll get back to me. But I want to know where we
11 are today. What's happening? What calls have been made?
12 What is the State and DHR saying to us? I mean, what --

13 **MS. RENATI:** We are current -- so steps --

14 **MS. COHEN:** One thing I want to know is --

15 **MS. RENATI:** The steps are that we have gathered the
16 documentation on hand that we need to prove with a series
17 of all the information of all the hires we've done in the
18 past, showing those documentation of all the hires that
19 we've done. Getting the agreement from both CDTFA and
20 from Cal HR that all of our hiring packages have been
21 clean and that we have no issues to report. And that
22 documentation will be used to schedule an appointment to
23 get on a hearing with SPB to present that documentation,
24 along with our partners at Cal HR and CDTFA, who will
25 come forth and provide testimony that we have met the --

1 you know, the benchmarks to request and possibly gain
2 back our restored delegation.

3 **MS. COHEN:** And what are those benchmarks?

4 **MS. FLEMING:** And Members --

5 **MS. COHEN:** What are those benchmarks --

6 **MS. FLEMING:** Members, this is Brenda --

7 **MS. COHEN:** -- that we need to reach?

8 **MS. FLEMING:** So thank you for your question, Ms.
9 Cohen. This is Brenda Fleming, Executive Director. Let
10 me offer a little bit of help here. So specifically, in
11 order to get the delegation back, we have to first prove
12 with evidence of consistent practices of all the
13 transgressions that existed in the original document that
14 caused it to be loosed.

15 As Ms. Renati indicated, some of those items
16 included illegal hires. All the appropriate
17 documentation that is consistently needed for new hires,
18 which includes the hiring packages of information, making
19 sure probes are done, making sure training's done. So
20 there's a list of material there. We're more than happy
21 to give you that list again.

22 What happens, then, is you really just have to go
23 back and just show, over a period of time, that you are
24 consistently demonstrating that the issues that you had
25 before have been completely resolved. Subsequent to

1 that, as the next step, the normal routine process
2 included in this is that there is a compliance review
3 that all state agencies go through. In our specific
4 case, we've just recently been going through, just a
5 routing compliance audit. State Personnel Board is using
6 that compliance review to just reassess and redetermine,
7 and sort of recheck us as to how well we're doing.

8 We're very fortunate in that there were a number of
9 issues that we -- we are basically in a pretty healthy
10 status. The issue there, specifically, and what -- we'll
11 be sending you this information. The issue with the
12 compliance review, which is, again, part of the step to
13 demonstrate that we are -- that we're complying, the
14 bigger issues that we're finding now are that our
15 relationship and working with the California Department
16 of Tax and Fee Administration, by statute, they are
17 required to provide our administrative and HR functions.
18 That language is articulated in Government Code 15600,
19 based the AB102 legislation that passed in July of 2017.

20 As a result of that, the CDTFA has the HR
21 professionals, which the BOE currently does not have.
22 Again, as you know, under AB102, all of our HR
23 professionals are transitioned to CDTFA. Since CDTFA has
24 the HR professionals, there is a body of work that it is
25 exclusive to them because of the HR professional

1 classifications. That said, for some of the items where
2 we are not quite in compliance, based upon this recent
3 compliance audit, based upon that current status, CDTFA
4 is the group that is responsible for that. And so that
5 charge or that offense has been therefore a charge to
6 CDTFA.

7 So when we're doing this review, Members, the seat
8 with State Personnel Board, CDTFA has been involved with
9 us because, again, the State Personnel Board has
10 recognized that a lot of the challenges that are
11 currently existing, which are mostly process, basically.
12 There's no transgressions or any illegalities or
13 problems. Most of it's just a process issue. That work
14 is under CDTFA. And so the report is when it -- as we're
15 working with them now -- will come out just to basically
16 indicate which category of HR work is in the jurisdiction
17 of BOE and which categories of HR work and those
18 transactions are CDTFA.

19 So based upon those recent conversations with the
20 State Personnel Board, with CDTFA, with Cal HR, they are
21 indicating, at this point, that we're looking green to
22 get the opportunity to get our delegation back. Now, the
23 next step following that is, we will write another letter
24 to the State Personnel Board, again, requesting the
25 opportunity to come before the State Personnel Board

1 hearing. And our goal is to -- as Ms. Renati alluded to,
2 our goal is to finalize this current compliance report
3 and then come back with a letter to the State Personnel
4 Board to see if we can get on a hearing this year.

5 To the extent that we have that hearing this year,
6 we would go before the hearing, present our case as to
7 the documentation that confirms that we are, in fact, in
8 compliance with those things that are under our control.
9 It's the State Personnel Board that would then grant the
10 delegation or some level, either full or some level of
11 delegation of that authority being delegated back to us.

12 What we've been doing in these working
13 relationships, which in state service, you know, the
14 realities are it does take time, we've been working very
15 closely with CDTFA and with Cal HR because having their
16 documentation, that supports our compliance and all
17 things being green successful. We would also request,
18 and they fundamentally agreed to write, also letters of
19 endorsement on our behalf.

20 So our goal, at this point, would be to finish up
21 the compliance documentation. And once that's last
22 finalized, Members, you'll also get a copy of that
23 material, of course. Once that's done, it's that
24 documentation, that would be the next gate, if you will,
25 that we would go through to begin the process with the

1 hearing -- with the State Personnel Board. So it is much
2 more optimistic this year than it has been in prior
3 years. But this compliance review was one of the
4 significant steps that we needed to accomplish.

5 I'm more than happy to answer your questions.

6 **MS. COHEN:** Thank you.

7 **CHAIR VAZQUEZ:** You're muted. Member Cohen, you're
8 muted. I'm sorry.

9 **MS. COHEN:** Oh my God. Thank you very much. Thank
10 you for letting me know.

11 So I'm personally impacted by the gaps that exist in
12 HR. Ms. Fleming, I was wondering if it's possible that
13 we can -- or if we need to amplify CDTFA's inability to
14 meet our needs and an immediate need to build our own HR
15 team. The other part of my question -- I don't think
16 Lisa Renati heard it -- but is the procurement authority.
17 Where are we on that? And these are two questions that
18 are processes that we started back in 2019.

19 **MS. FLEMING:** '19. Uh-huh.

20 **MS. COHEN:** Right. And so we are still impacted by
21 it and so although your report seems to be thorough, it's
22 just to allude that we are moving forward. But I just
23 don't understand why we're moving so slowly on it.

24 **MS. FLEMING:** No, and I appreciate the comment. And
25 it feels slow to us also. Ms. Cohen and Members, it's a

1 good part of the State process, unfortunately.

2 But so if I may direct me response back to your
3 question on procurement. The procurement delegation is
4 also -- I have to go back because I think that's
5 something that we have to address through legislation.
6 So I'll be happy to drill down on that detail for you,
7 Members, come back with the scope of what the basis of
8 that loss of delegation.

9 Just to clarify, the delegation, right now, is
10 through -- for all things for Board Member purposes are
11 we're required under AB102 to go through DGS for those
12 services. And so we would have to go back, and I'll
13 revisit the specific details on the legislation and to
14 confirm the exact language. And then, Members, will be
15 happy to come back with a proposal as to how we might be
16 able to look at some legislative changes to give remedy
17 to this.

18 I think, overall, we're approaching that time and I
19 applaud this Board for their attention to this matter and
20 will welcome with open arms your assistance. I think
21 we're reaching a point where we may need to look at some
22 legislative remedies for the restrictions that are on the
23 board, based upon the AB102 issues. So to the extent
24 that we are, you know, being -- as you can demonstrate
25 that the issues and concerns have been remedied, then

1 that might be a path forward. And Members, I would be
2 more than happy to have to some conversations with you in
3 one-on-one discussions as to how we might approach that
4 issue.

5 But I think we're reaching the point where we are,
6 as you may or may not recall, as of July 1 of 2021, we
7 will be reaching our four-year milestone with that
8 legislation. And as you know, just to walk a little bit
9 down memory lane, in July 1 of 2017, BOE was -- it was
10 pretty radically restructured. And so this time has
11 gone, I think going to your concern and some of the
12 others, it really has been a pretty significant
13 rebuilding of an organization, which fundamentally it's
14 almost as though, in some respects, in terms of state
15 administrative practices, we were rebuilding it from
16 bottom up.

17 So yes, it has taken a bit of time but it was
18 important to make sure that as we're moving forward we
19 have to stop the bleeding first and concentrate on those
20 things that we were mandated to do to make sure that we
21 have the infrastructure in place to do so. I think now
22 we basically have, you know, plugged the holes in the
23 levee and now prepared to finish strengthening our
24 organization and completely rebuilding so we can move
25 forward.

1 So I'll be more than happy, Members, to work with
2 you to look at some legislative proposals. We definitely
3 have had some internal conversations about where we see
4 these restrictions. Again, I don't want to be, you know,
5 throw any other agency under the bus, in terms of in our
6 state partnerships. But it's an issue with the recent
7 arrangement with the other government agency that
8 provides our services because they are, too, are not --
9 weren't staffed or funded to take on these additional
10 services.

11 So I think there are some legislative remedies that
12 could help correct this condition.

13 **MS. COHEN:** Okay. (Indiscernible) --

14 **CHAIR VAZQUEZ:** Member Cohen, are you good? I'm
15 sorry, go ahead.

16 **MS. COHEN:** Yeah, processing everything.

17 So Members, I'm bringing this up because just -- I
18 don't know where your offices are but I have pers -- my
19 personal needs are within my office and you know, there's
20 public criticism that we've received from the state
21 auditor that I believe is unfounded. That public
22 criticism from the auditor is just about our inability to
23 fill our vacancies and address other HR needs. So it's
24 almost like it's such a cyclical catch. Right? We can't
25 fulfill our -- we can't fulfill our HR needs but yeah, we

1 get criticized for it. But we can't fulfill it because
2 it was taken away.

3 And you know, one of the things I was trying to do
4 back in 2019 was to establish this and quickly to move
5 forward. And so here we are in 2021 and you know, we're
6 -- I don't know if you guys are aware of this, but
7 there's criticisms out there about this -- excuse me, the
8 legislative analyst office, not the auditor's office.
9 The legislative analyst office, they're criticizing us as
10 we go through this budget process. We have to defend the
11 fact that we haven't spent any money.

12 We haven't spent any money because we haven't hired.
13 We haven't hired because there's a gap in the way our
14 hiring process works. So it's really entire -- incredibly
15 frustrating, and I just wanted to bring it to your
16 attention. I don't know you're all aware of it or not,
17 but it is what it is.

18 I'll rest here. Thank you.

19 **MS. FLEMING :** Thank you --

20 **CHAIR VAZQUEZ:** And I --

21 **MS. FLEMING:** -- thank you for your comments, Ms.
22 Cohen. This is Executive Director Fleming. You're
23 correct in that there have been some -- you know the
24 standard state reports that when you're going through the
25 budget process where, for example, the ledger analyst

1 office will weigh in in terms of, you know, looking at
2 each agency and a ledge analyst's role is to provide
3 input on, you know, the status of those agencies and
4 where they are.

5 And long, and lots of conversations with the ledge
6 analyst office, they're also acknowledging that they
7 understand that much of the challenge that we're having
8 is related to the relationship through statute with how
9 we do HR practices. So there is more criticism of
10 this -- or acknowledgement of this is a problem with some
11 of -- basically, we could leverage some of that material
12 to assist us with the legislative changes we're needing.
13 Because I think what they're acknowledging there is that
14 yeah, they've got a problem, their hands are tied.

15 And so there was lots of discussion about, you know,
16 the delayed processes and the inefficiencies of the
17 current process getting these services through another
18 agency, along with the delegation issue. Because
19 actually, the loss of delegation is an issue, the real
20 issue is going through multiple agencies to get the
21 serviced done being able to -- versus being able to
22 directly administer the work like we did in prior years.

23 So right now, to handle a legislative process -- or
24 I'm sorry, an HR process, we, for the most part, are
25 working through three agencies similarly for procurement.

1 So again, legislation might be the remedy to address
2 those issues to look for more efficient and more
3 streamlined, more cost effective approach.

4 **CHAIR VAZQUEZ:** Thank you --

5 **MS. FLEMING:** Members, I hope I addressed your
6 question --

7 **CHAIR VAZQUEZ:** -- for bringing that up -- back up
8 to our attention, Member Cohen. I think we need to step
9 it up. And if it's legislation, let's work on some
10 legislation.

11 I do see a hand up from Ms. Stowers. Go ahead, Ms.
12 Stowers.

13 **MS. STOWERS:** Thank you Chair Vazquez and Member
14 Cohen. I think Ms. Fleming actually hit it on the head
15 when -- why I raised my hand, as far as HR is a two-prong
16 problem, it's the loss of the HR delegation. And it's
17 also the current statute that says we receive our HR
18 services from another agency. And you know, all due
19 respect to the CDTFA, they, too, lost their delegation
20 but they were able to gain it back.

21 So Ms. Fleming, are you doing a two-prong approach,
22 get the delegation back and in the near future, looking
23 for law changes, budget change proposals to establish our
24 own HR shop?

25 **MS. FLEMING:** So yes, we are using a, you know,

1 multiple-tiered process. The first issue is to pursue
2 the delegation. And then, the predecessor step to that
3 is just compliance review that we've just -- that we're
4 in the process, again, routine reviews that all agencies
5 go through. So we're going to leverage that and the
6 conversations and partnerships that we've established
7 there and some specific conversations we've had with the
8 State Personnel Board.

9 Again, then the next step would be to go before the
10 State Personnel Board to get the delegation back for HR.
11 That's their jurisdiction. Then concurrent to that, what
12 we have been having is conversations about how to remedy
13 the issues with CDTFA. And so it would be at that point
14 that we would work with staff and then be able to sit
15 down with you to come back with all of you as members, to
16 come back with some recommendations for some proposed
17 legislation, because I think that would be the next step.
18 So that's on our radar to pursue that.

19 We wanted to get delegation out of the way, it's
20 just taking longer than any of us would have anticipated.
21 And a lot of that has to do with the relationships and
22 working with the other state agencies. So they're so
23 tightly coupled and so co-mingled and it's a little --
24 it's easy to describe it. It's a little bit more
25 challenging when you're actually working through it on a

1 day-by-day basis. But there are definitely some
2 complexities related to the statutory issues and that is
3 going to be -- require a legislative remedy. So that
4 would be the second step in this process. Delegation and
5 then legislation. And the third portion of that would be
6 the delegation for the procurement item.

7 **CHAIR VAZQUEZ:** Okay.

8 **MS. FLEMING:** So it's going to take -- it's
9 definitely a phase process. And all of those will have
10 to work concurrently. Again, and we'll work as
11 expeditiously as possible to get through this, in
12 addition to, you know, the other workload. So the
13 blessing of this whole thing, in my opinion, is that one
14 of the things that the staff have been working on is
15 filling the vacancies. And so our objective is to fill
16 the vacancies. So by filling the vacancies, we fill
17 critical roles in our internal administrative areas.

18 So hiring those support services staff gives us the
19 additional capacity that we need to do the paperwork and
20 the documentation and all that material to address these
21 issues. We've now got the increased capacity to take on
22 that work. So to Ms. Cohen's point, some of this delay
23 has been -- you know, when you've got just one or two
24 people doing the work, that contributes to the slowness
25 of the effort. We've now addressed that issue.

1 Increased capacity will allow us to expedite these
2 remedies.

3 **CHAIR VAZQUEZ:** Thank you.

4 Thank you, Staff and Members. And this, obviously,
5 is an issue that we'll have to continue to keep our focus
6 on and hopefully, regain all our authority back,
7 especially as it relates to the HR department.

8 With that --

9 **MS. FLEMING:** Members, I thank you. And again, you
10 have my commitment to move through this item to get us
11 back to being fully restored. Thank you.

12 **CHAIR VAZQUEZ:** Thank you.

13 Ms. Taylor, I think we can just continue on and then
14 we'll do the public comment at the end.

15 **MS. TAYLOR:** Certainly. Our next item is K.1.c.2.,
16 Executive Director's Report, Proposition 19 operational
17 priorities, report on the Proposition 19 implementation
18 project. This item has six sub-items, as indicated on
19 the agenda. This matter will be introduced by Chairman
20 Vazquez and presented by Ms. Renati.

21 **CHAIR VAZQUEZ:** Yes, thank you.

22 Members, Ms. Renati will first provide an update on
23 the first sub-item, the Prop 19 implementation action
24 plan. And when she's finished, I will ask her to
25 introduce the next speaker and sub-item on the agenda.

1 As previously stated, we will hold all public
2 comment on this until the completion of the entire
3 report.

4 Ms. Renati, if you would please proceed with your
5 presentation of the Prop 19 action plan.

6 **MS. RENATI:** Thank you, Chairman Vazquez.

7 Members, the next item is an overview of the BOE's
8 implementation action plan for Prop -- Proposition 19.
9 Our Prop 19 implementation project is organized to
10 optimize success, minimize risk, and allows for
11 flexibility to organize workloads and resources. Our
12 implementation project for Prop 19 is currently expected
13 to take approximately three to five years. At this point
14 in our project, we will be reporting on the major phases
15 and work plan through 2022.

16 A high-level implementation plan is attached to
17 today's agenda. This plan highlights seven of the
18 project work categories. Within each of the seven work
19 categories are identified activities. In a moment, each
20 team leader will provide you with a report on activities
21 completed to date and additional information regarding
22 the implementation plan actions for their areas.

23 Before we move to the informative report, I am happy
24 to report that the status of our Prop 19 implementation
25 project is green, which indicates we have no issues or

1 concerns to report. The team has spent a great deal of
2 time working on these important efforts. And I would be
3 remiss if I did not commend each of them for the
4 continued actions to ensure that we stay on plan.

5 Members, unless you have any questions for me, I
6 would like to give the floor to the team so they can
7 provide you with specific information on Prop 19
8 implementation action.

9 The first report will be provided by Mr. David
10 Yeung, Deputy Director of the Property Tax Department and
11 Ms. Patty Lumsden, Chief of County Assessed Properties
12 Division, who will provide a report on the department's
13 implementation actions, including updates on guidance.

14 Mr. Yeung, if you're available.

15 **MR. YEUNG:** Yes. Good afternoon, all. Good
16 afternoon, Chair Vazquez and Honorable Members of the
17 Board.

18 I will provide an update as to the property taxes
19 efforts so far implementing Proposition 19. They
20 concentrate mainly on four areas at this point. Our
21 first major area of work is still -- we still have a fair
22 amount of inquiries coming in. We get -- staff has been
23 responding to inquiries that we receive, either by phone,
24 email, or written letters. The volume has decreased
25 since January and February but there is still some

1 workload attached to it. And staff is spending a good
2 amount of time answering those inquiries. We're getting
3 to them in a quick fashion and we're turning those
4 answers around as quickly as we can.

5 The next area that we are concentrating on is
6 guidance through LTA. As you all know, we've completed
7 two LTAs already and are -- already been published. The
8 first one dealt with the intergenerational transfer
9 provision of Prop 19. And the second one dealt with the
10 base year transfers as it relates to those that are
11 seniors fifty-five or older and those that are -- and
12 those disabled persons. The LTA, those are already
13 released and available on our website. The next LTA
14 staff is working on right now will deal with the second
15 aspect of the base year transfer. And that is for
16 disaster relief.

17 So right now, the guidance has been drafted and it's
18 going through internal review. We expect to have that
19 out in very -- in the very near future.

20 Our third area, where we're concentrating much of
21 our effort, has to do with the tracking system. As you
22 all know, Proposition 19 requires the Board to track base
23 year transfers. There is a limit -- there's a three-time
24 limit in which you can transfer your base year value. We
25 already currently do a tracking for the old Proposition

1 6090110. It is -- that is a one-time limit. You get to
2 do it one more time if you become disabled after you have
3 a -- after you do it for age.

4 The new system -- the new Prop 19 expands that
5 opportunity to three times. And so we are working with
6 our partners in CDTFA and their technology department in
7 expanding and updating our system in order to be able to
8 track that. That will remain a Board function. Once the
9 development system is done, BOE and staff will maintain
10 the tracking system for Prop 19 base year transfers.

11 And the last area that we've been concentrating our
12 efforts on is monitoring legislation. So right now, we
13 are following legislation as it works its way through.
14 We've been working with the legislature on -- behind the
15 scenes on review and providing our technical expertise
16 and insights on proposed legislations.

17 So that is the highlight of our main focus and what
18 we are concentrating on so far in the property tax
19 department. I'm available for any questions you may
20 have.

21 **CHAIR VAZQUEZ:** Mr. Yeung, were we going to -- were
22 you going to allow Ms. Lumsden to go on or you pretty
23 much covered it?

24 **MR. YEUNG:** I think I covered it.

25 But Ms. Lumsden, you are more than welcome to add

1 anything that I may have -- I may have missed on our
2 implementation process.

3 **MS. LUMSDEN:** No, Dave, I believe you've covered
4 everything but I am definitely here in case you need
5 assistance in answering any questions that might come up.

6 **MR. YEUNG:** Thank you.

7 **MS. RENATI:** Thank you, Mr. Yeung and Ms. Lumsden.
8 Members, the next report will be provided by Chief
9 Counsel Henry Nanjo and Tax Counsel Richard Moon, who
10 will provide a report on the legal department's
11 implementation actions.

12 **CHAIR VAZQUEZ:** Can we hold that for just a second?

13 **MS. RENATI:** Yes.

14 **CHAIR VAZQUEZ:** Yeah. Ms. Taylor, real quick, I
15 just had one quick question and it's related to the LTA
16 on base year value transfers. Number, I guess, it's
17 20 -- 21-019. We state that it must be read in
18 conjunction with LTA Number 2020 061, which also
19 describes Proposition 19 base year value transfers. We
20 also state that, to the extent that LTAs Number 2020/061
21 is inconsistent with LTA Number 2021-019. The more
22 recent LTA supersedes the older one.

23 When my staff and I looked at both the LTAs, it was
24 very difficult to determine what details were
25 inconsistent between the two LTAs. Is there a way to --

1 for you to clarify this and make it easy for the taxpayer
2 to determine what is the superseded?

3 **MR. YEUNG:** Of course. I'd be more than happy to
4 address that, Chair Vazquez. I've taken a look at our
5 first LTA, the one in 2020/061, and it provides general
6 guidance to all of Prop 19. Our latter LTA, the one that
7 you mentioned on -- in this year, was specific to base
8 year transfers. There are a couple of items we found
9 that were inconsistent and we've already, basically,
10 notated on the first one, on the 2020. There are two
11 items already on there. One has to do with whether the
12 sale -- when you sell a property and purchase it, its
13 replacement, whether it has -- both of those transactions
14 have to happen before the April 1 date.

15 We've already made the notation that that has been
16 superseded by a legal a memo. It's on the 2020/061 LTA.
17 And we made one more notation on an issue of what is --
18 what will qualify as a family home. And we advised in
19 the 2020 LTA, that a family home includes a family farm
20 that contains a principal residence. And in the -- in
21 the legal memo, we've also said that we've actually said
22 no, a family farm does not need to contain a principal
23 residence and that notation's already been made on that
24 LTA.

25 I will have staff, final wise, one more look through

1 to make sure there is no other conflicting or
2 inconsistent information between the two LTAs. And if we
3 find anything else, I won't have -- I will have the first
4 annotated -- put some emphasis annotation on there to
5 note that portion has been superseded by more recent
6 guidance.

7 **CHAIR VAZQUEZ:** I appreciate that.

8 With that, Members, do we have any other questions
9 or comments for Mr. Yeung? Seeing and hearing none.

10 Before we move on, Ms. Taylor, let me just take a
11 quick check with the members here, because I did get
12 a little note from one of the members about possibly a
13 lunch break.

14 How do the members feel, should we try to slip in a
15 break now or later, or how do people feel? Is there a
16 preference?

17 **MS. COHEN:** I'd like one.

18 **CHAIR VAZQUEZ:** Is that Member Cohen?

19 **MS. COHEN:** That's Member Cohen.

20 **CHAIR VAZQUEZ:** Yes --

21 **MS. COHEN:** And I'm asking on behalf of Madison
22 (phonetic). She'd like to eat lunch.

23 **CHAIR VAZQUEZ:** I'm hearing it, that sounds good.

24 **MR. GAINES:** Yeah, that would be great.

25 **UNIDENTIFIED SPEAKER:** Are we taking a break?

1 **CHAIR VAZQUEZ:** You guys want to do it now? Is this
2 appropriate, should we do it now?

3 **MR. GAINES:** Sure.

4 **CHAIR VAZQUEZ:** I'm seeing a --

5 **MS. COHEN:** Yes.

6 **CHAIR VAZQUEZ:** -- a thumbs up. Okay. So what are
7 we looking at, is thirty minutes sufficient?

8 **MR. GAINES:** That's fine.

9 **CHAIR VAZQUEZ:** Is that good.
10 Member Cohen, is thirty minutes enough?

11 **MS. COHEN:** Yes. Perfect. Perfect.

12 **CHAIR VAZQUEZ:** Okay. Why don't we take a break.
13 It's 12:33 so we'll say just maybe two, three minutes
14 after one, we'll regroup?

15 **MS. COHEN:** Yep.

16 **MR. GAINES:** Great. Thank you.

17 **CHAIR VAZQUEZ:** All righty. Thanks, we'll see you
18 all back in thirty minutes.

19 (Whereupon, a recess was held)

20 **CHAIR VAZQUEZ:** I think we might go ahead and get
21 started. I mean, we have everybody but Member Schaefer.
22 I think he'll be back in a minute here.

23 **MR. GAINES:** Member Schaefer is with us. Did you
24 see that, Mr. --

25 **CHAIR VAZQUEZ:** Oh, is he there?

1 **MR. GAINES:** Yes.

2 **VICE CHAIR SCHAEFER:** Yeah, my -- Vice Chair
3 Schaefer. Hello.

4 **CHAIR VAZQUEZ:** Oh, you know, I don't -- oh, there,
5 I see -- I couldn't see you on the screen. Now I see
6 you. All right. Sorry. Let's go ahead and we'll
7 reconvene.

8 Ms. Renati, if you're available, why don't you
9 please introduce the third sub-item?

10 **STAFF - VICE CHAIR SCHAER OFFICE :** It's more
attractive than this.

11 **MS. RENATI:** Thank you, Chairman Vazquez and
12 Honorable Members. I'll --

13 **VICE CHAIR SCHAEFER:** Okay.

14 **CHAIR VAZQUEZ:** -- continue with K.1.c.2., Prop 19
15 Implementation Project. The next report will be provided
16 by Chief Counsel Henry Nanjo and Tax Counsel Richard
17 Moon, who will provide a report on the Legal Department's
18 Implementation Actions.

19 **CHAIR VAZQUEZ:** Please, don't forget to mute. There
20 you go, mute your mics. Thank you. Okay.

21 Go ahead, Mr. Moon.

22 **MR. NANJO:** Actually, it's Mr. Henry Nanjo here.

23 **CHAIR VAZQUEZ:** Oh, Mr. Nanjo. Go ahead.

24 **MR. NANJO:** Good afternoon, Chairman Vazquez. Not a

25 problem. Good afternoon, Chairman Vazquez, members of

1 the Board. I'm Henry Nanjo, Chief Counsel of the BOE's
2 legal department, and I am here with Richard Moon, our
3 Tax Attorney 4. The legal department is continuing to
4 provide legal support to the other departments at BOE,
5 and we're working diligently on the Board's two
6 Proposition 19 regulation rule-making efforts.

7 I'm happy to report that both rule-making efforts
8 are on track with the timeline the Board authorized in
9 January, and I have nothing but extreme appreciation to
10 my team to be able to keep it on track in spite of all
11 the other calls on their time and many other important
12 functions that we have to do in legal there. They're
13 admirably keeping everything going at the same time.

14 At this time, I'll provide an overview of the status
15 of each rule-making effort. As you may remember at the
16 April meeting, we discussed and received authorization
17 from the Board for Rule 462.520, Exclusion from Change in
18 Ownership - Intergenerational Transfers. This was when
19 the Board authorized publication of the new property tax
20 rule initiating the formal rule-making process and also
21 authorizing us to submit the package to DO -- Department
22 of Finance, DOF, and Office of Administrative Law for
23 initial processing.

24 We are currently in the written comment period for
25 this rule-making effort, and we're welcoming any

1 interested party's input and comments. This week, an LTA
2 will go out to interested parties recirculating the
3 proposed rule, and specifically soliciting input, and
4 this comment period will last until July 27th, 2021 at
5 the July Board meeting, where the Board will hold a
6 public hearing on the proposed rule.

7 The rule that we just got the Board's approval for
8 today is Rule 462.540, Exclusion from Change in Ownership
9 - Base Year Value Transfers. Earlier today, the Board
10 authorized publication of the new Property Tax Rule
11 462.540, initiating the formal rule-making process for
12 this regulation. Over the next few days, staff will
13 expeditiously work to submit the approved package to both
14 DOF and OAL for processing. And additionally, we have
15 stated in the Notice of Proposed Action that the
16 attached -- that was attached to this month's meeting,
17 that we have begun the formal written comment period for
18 this rule. We'll make the changes that the Board asked
19 us to do in the Notice of Proposed Action, and we will
20 welcome interested parties' input and comments.

21 Just as a note, we've already solicited comments
22 prior to the formal comment period from the Assessor's
23 Association and various assessors and other interested
24 parties to kind of get a jumpstart on their input so we
25 are familiar with their thoughts, and we'll be

1 implementing them and guiding that in continuation of the
2 rule-making process. Similar to Rule 462.520, within the
3 next month an LTA will go out to interested parties,
4 recirculating the proposed rule and soliciting input.
5 For this particular rule at this time, the written
6 comment period will last until August 24th, 2021, where
7 at the Board's August meeting, the Board will hold a
8 public hearing on the proposed rule and get any
9 additional public comments at that time.

10 This -- these roles are implementing the guidance
11 that the Board has approved and that the department has
12 been issuing through both LTAs and various forms of
13 guidance. This, again, is making these rules consistent
14 with the changes that were directed via Proposition 19.
15 We continue to address and respond to inquiries from the
16 public. And we also have been working very closely with
17 the Property Tax Department and the Assessor's
18 Association to discuss with them and share with them our
19 thoughts on any changes, any proposed legislation, and
20 any other questions and guidance they have regarding the
21 implementation of Proposition 19.

22 That concludes my report as to what legal has been
23 doing vis-a-vis Proposition 19 implementation. Please
24 let me know if there are any questions. I'm more than
25 happy to address them, or Mr. Moon is also available to

1 address any question.

2 Mr. Moon, is there anything that I have neglected to
3 mention in my report?

4 **MR. MOON:** No, nothing to add from my end. But as
5 you stated, I'm here to help answer any questions that
6 the Board may have.

7 **MR. NANJO:** Great. Thank you, Chairman Vasquez. We
8 stand ready to answer any questions the Board may have.

9 **CHAIR VAZQUEZ:** Thank you. I have a quick one, if
10 nobody else has a hand up. I don't see a hand.

11 I've noticed that there are still questions on when
12 a transfer actually takes effect, you know, under Prop
13 19? Is it the date of the deed, the date it was
14 notarized, or the date it was recorded? Would we be able
15 to work with the department to develop some plain
16 language that really clarifies this? It impacts lots of
17 folks, including assessor staff. Just wondering if we
18 can get into it, maybe possibly in some kind of an LTA
19 that may be coming out in the near future. Is that a
20 possibility?

21 **MR. MOON:** This is Richard Moon with the legal
22 department. We're of course happy to work with the
23 department to clarify answers to any questions. With
24 regard to this specific one on the date of transfer when
25 property is transferred for Prop 19 purposes, I guess I'd

1 first note that there are a couple questions and answers
2 related exactly to this topic, both on the Board's FAQ
3 portion of the website for Prop 19 and also in one of the
4 LTAs that have already been issued. But of course, I'd
5 be happy to take a look at those questions with the
6 department again, and if there's any need to clarify
7 anything or if any of the terms are not clear, then of
8 course we'd be happy to edit those -- the answers to
9 those.

10 **CHAIR VAZQUEZ:** I appreciate that. Thanks.

11 Any other comments or questions from any of the
12 members?

13 Seeing and hearing none, Ms. Renati, would you
14 please introduce the next speaker for the fourth sub-
15 item?

16 **MS. RENATI:** Thank you, Chairman Vasquez. This is
17 Lisa Renati, Chief Deputy Director. The next report will
18 be provided by BOE's Chief Communications Officer Mr.
19 Peter Kim, who will provide a report on the
20 Communications Department's implementation actions.

21 **MR. KIM:** Thank you, Ms. Renati, Chairman Vasquez
22 and Honorable Members. This is Peter Kim, Chief
23 Communications Officer. Members, today I will provide a
24 brief report on the communications department's efforts
25 in implementing Proposition 19. I'm continuing to

1 closely collaborate with our Taxpayers' Rights Advocate
2 Lisa Thompson to explore additional ways in communicating
3 with taxpayers. Along with the rest of the executive
4 management team, we are closely monitoring pending
5 legislation, so any significant changes can be shared
6 with taxpayers.

7 The Proposition 19 webpage is continually being
8 updated and enhanced to provide the latest information in
9 real time for taxpayers. Since last month, we've updated
10 the webpage, such as adding the LTA on base year value
11 transfers, updates to the FAQ page, updates to the
12 guidance issue tab to include the rulemaking process,
13 updates to the related legislation tab, and recently
14 adding general property tax information such as
15 exemptions, change in ownership, and information about
16 property tax bills.

17 As of yesterday, we have received a total of
18 approximately 156,957 unique external visits since
19 November 10th, 2020. Since last month's Board meeting,
20 that's an additional 13,881 unique external visits.

21 Finally, we're continuing to use our social media
22 channels such as Facebook, Twitter, and Instagram to
23 expand our audience and direct followers to the BOE
24 website for the latest updates and resources. This
25 concludes my report. And I'm available to answer any

1 questions the Board may have. Thank you.

2 **CHAIR VAZQUEZ:** Thank you, Mr. Kim.

3 If we -- oh, I see a hand, Member Gaines. Go ahead,
4 Member Gaines.

5 **MR. GAINES:** Yes. Thank you very much. I just want
6 to thank Peter Kim for all the work he's done in terms of
7 communications. I think it's exciting when we revamp our
8 website and make information available to our
9 constituents. And it's -- there's a means of tracking it
10 because when he looks at the number of hits that are
11 coming in just even on, you know, Prop 19, where we've
12 had I think 160,000 plus hits on that particular issue.
13 It's a means of measurement. Right? Are we being
14 effective in terms of how we reach out to our
15 constituents? So I'm encouraged by that. Thank you.

16 **CHAIR VAZQUEZ:** Thank you. Anybody else? Seeing no
17 other hands.

18 I just had a quick question for you, Mr. Kim.

19 And it's -- do we have any updates really on the
20 potential, I guess, of, you know, this how-to webinars?
21 Is there anything the assessors have that we may be able
22 to adapt that can be a little bit more user friendly, I
23 guess?

24 **MR. KIM:** Yes, Mr. Chairman, thank you for your
25 question. At last month's Board meeting, I shared with

1 the Board that I would collaborate with the Taxpayer
2 Rights Advocate Ms. Lisa Thompson to assess if there was
3 a need for webinar. We've completed our initial
4 assessment, and if possible, we would like to first
5 circle back with your office offline. We did review some
6 important considerations, including existing available
7 information, timing, logistics, and resources.

8 Also, I just wanted to remind the public that the
9 existing resources we have available now on our
10 Proposition 19 webpage for taxpayers include a PowerPoint
11 presentation, a fact sheet, comparison charts, frequently
12 asked questions, and a one-stop shop on all guidance
13 issued by the BOE. And as previously noted in my report,
14 we've also recently included links on general property
15 tax information, on exemptions, change in ownership, and
16 basic information about property tax bills.

17 So that, hopefully, is my answer. And if you have
18 any other follow up questions, I'd be happy to answer
19 them.

20 **CHAIR VAZQUEZ:** Yeah, I appreciate it. That's
21 helpful.

22 Any other comments or questions from the members?

23 Member Gaines, I'm assuming that's an old hand.

24 **MR. GAINES:** Yes, I will take -- I will take my hand
25 down. Thank you.

1 **CHAIR VAZQUEZ:** Thank you. Okay. With that, Ms.
2 Renati if you would please move on to -- I believe now it
3 is our fifth item, right?

4 **MS. RENATI:** Thank you, Chairman Vasquez. Yes. The
5 next report will be provided by the Taxpayers' Rights
6 Advocate Ms. Lisa Thompson, who will provide a report on
7 the implementation actions of the Taxpayers' Rights
8 Advocate Office.

9 **MS. THOMPSON:** Good afternoon, Chairman and
10 Honorable Board Members. I'm Lisa Thompson, the agency's
11 Taxpayers' Rights Advocate. I'm pleased to report on the
12 Proposition 19 implementation and action plan for the
13 Taxpayers' Rights Advocate Office.

14 The Taxpayers' Rights Advocate Office is monitoring
15 progress on the property tax rules, addressing the
16 various exclusions, and base year value transfers of
17 Proposition 19. We are also reviewing guidance issued by
18 the property tax department, such as letters to
19 assessors, frequently asked questions with answers, and
20 draft rule. As you are aware, there is extensive
21 information on our website concerning Proposition 19. As
22 the rulemaking progress continues, we will review and
23 familiarize ourselves with those provisions.

24 The Taxpayers' Rights Advocate Office workload plan
25 focuses on two main areas. One is to review and update

1 existing taxpayer information sheets and to create new
2 information sheets. This is in addition to assisting
3 taxpayers with Proposition 19 issues that they have.

4 As indicated previously, our office is monitoring
5 the progress towards the proposed property tax rules, as
6 well as implementing legislation. With key information
7 from the rules and statutes, our office will begin
8 revising the four existing information sheets published
9 by the Taxpayers' Rights Advocate Office that were
10 affected by Proposition 19, the parent-child transfer
11 exclusion, grandparent-grandchild exclusion as well as
12 the base year value transfer for seniors and base year
13 value transfers for disabled persons.

14 With respect to the second item that we focus on, as
15 far as our implement -- our implementation plan, that is
16 to create new information sheets once the revisions have
17 been made to the existing information sheets. The TRA
18 Office will also -- will be drafting new information
19 sheets, one to address the base year value transfers for
20 disaster victims, as well as an information sheet
21 addressing intergenerational transfers involving family
22 farms.

23 As will be discussed in my next update on the next
24 agenda item, the Taxpayers' Rights Advocate Office also
25 continues to work with the Communications Officer on

1 various aspects of Proposition 19 to ensure taxpayers are
2 informed.

3 The TRA Office continues to work in collaboration
4 with the Communications Officer on education and
5 outreach, which will be the topic of my next agenda item.
6 This concludes my update for the TRA Office
7 implementation plan.

8 **CHAIR VAZQUEZ:** Thank you. Members, do we have any
9 questions or comments for Ms. Thompson on the Taxpayers'
10 Rights Advocate Office Prop 19 implementation?

11 Seeing no hands or comments.

12 Ms. Renati, if you would please continue.

13 **MS. RENATI:** Thank you, Chairman Vasquez. The final
14 report will be provided by Taxpayers' Rights Advocate Ms.
15 Lisa Thompson, who will provide a report on
16 implementation actions regarding education and outreach.

17 Ms. Thompson?

18 **MS. THOMPSON:** Hello, Lisa Thompson again, chief of
19 the Taxpayers' Rights Advocate Office. I am pleased to
20 report on the Proposition 19 Implementation and Action
21 Plan for Education and Outreach. The Education and
22 Outreach Implementations Action focus on two main areas
23 for workload to complete. They are to create a
24 Proposition 19 Fact Sheet, develop presentation
25 materials, and assess the need for additional educational

1 materials.

2 As indicated in last month's Board meeting, we have
3 completed some work in this regard, Proposition 19 Fact
4 Sheet and Proposition 19 PowerPoint presentation. They
5 were both completed and posted to our website on February
6 1st, 2021. The Taxpayers' Rights Advocate Office worked
7 collaboratively with the Communications Officer Peter Kim
8 on the material.

9 The material provides information on the
10 intergenerational transfer exclusion that was effective
11 February 16th, and provides information on the base year
12 value transfer exclusions that were effective April 1st.
13 Once implementing legislation is passed and property tax
14 rules adopted, the communications officer and the
15 Taxpayers' Rights Advocate Office will work together to
16 update that PowerPoint presentation and Fact Sheet.

17 Additionally, talking points were created for use
18 with the PowerPoint presentation that could be used by
19 Board members' offices when presenting to constituents.

20 They -- the communications officer and the
21 Taxpayers' Rights Advocate Office are in continued
22 communications to ensure that taxpayers have sufficient
23 information concerning the effects of Proposition 19.

24 And as Peter Kim indicated in his update, several
25 documents have been posted to the Board of Equalization

1 website under the Proposition 19 tab.

2 This concludes my update for the Education and
3 Outreach Implementation Plan. I'm available if you have
4 any questions.

5 **CHAIR VAZQUEZ:** Thank you, Ms. Thompson.

6 Members, do we have any comments or questions of Ms.
7 Thompson on the Education and Outreach Program?

8 Seeing and hearing none, we will go -- we will move
9 on.

10 Ms. Taylor, if you would -- now that we finished
11 this, I believe now we're at the end. Ms. Taylor, do we
12 have any written comments on these items that we've
13 discussed so far?

14 **MS. TAYLOR:** Yes, we do. Yes, we have one written
15 comment, which I'll go ahead and read.

16 **CHAIR VAZQUEZ:** Thank you.

17 **MS. TAYLOR:** This is a written -- this is a written
18 comment from Kathleen Siemont's attorney. "Hello, please
19 provide additional comment to the public on the following
20 questions. Why is there an additional two years
21 permitted for the Prop 19 impact on commercial
22 properties? Why was this drafted as a constitutional
23 amendment? Who determined that this should be presented
24 in this manner and was any member of the advisory Board

25 of BOE?

1 Why did Mullen's office never returned any phone
2 calls, emails, or requests for information about his
3 involvement in Prop 19? Dude, you drafted it. You
4 created this. Grow up and own up to your own actions at
5 least. How much did Mullins pocket from the 38 million
6 spent by the California Department of Realtors? Did the
7 California Department of Realtors draft the legislation
8 for him in part, in essence, or by suggestion over one of
9 their regular three martini lunches?

10 Where can one find a copy of the ethical duties of
11 all state officials, including the members advising the
12 BOE? What is the process for review of qualifications of
13 those appointed to the BOE Advisory Board? By what
14 process did each of the current BOE Advisory Board
15 members obtain their positions? What ethical watchdog is
16 responsible for overseeing the BOE's Advisory Board and
17 preventing some self-interested politician, asterisk
18 cough asterisk Mullen asterisk, cough asterisk from
19 lining their pockets with the public's money?

20 How are seniors, the highest risk of fatality from
21 COVID-19 and the highest population group for home
22 ownership, benefited from any law which requires them to
23 leave their homes during a worldwide pandemic? How does
24 the fact that every public building was closed impact the
25 BOE's position against the argument that this is an

1 unlawful taking, as any efforts to comply with the
2 process were intentionally frustrated by a statewide
3 shutdown order?

4 What are the estimated tax benefits to the state as
5 a result of this removal of Prop 13 protections? As the
6 concern was for the Lebowski loophole, exactly how many
7 homeowners would even come close to a profile of a movie
8 star? No, there aren't because it's a red herring. It's
9 a completely false narrative.

10 Who drafted this legislation? Who is the one lining
11 the pockets to make this happen? What groups have their
12 hands in drafting this legislation? I've called multiple
13 sources and no one will admit to drafting this hydra of
14 tax parasite legislation, including its intentionally
15 misleading and deceptive title.

16 I would also like to comment from the BOE Legal
17 Department on why Mullin received so much money. How
18 does his representation on the BOE's Advisory Board not
19 create a reeking stench of unethical behavior? His
20 office dodges calls on Prop 19 while he fills his
21 political coffers. Is this the same Mullins who claims
22 to be from San Mateo? Shouldn't the fact that the entire
23 country was involved in a major political upheaval,
24 provide a basis for pausing the impact of tax regulation,
25 costing taxpayers directly billions of dollars?

1 The entire country was shut down and time had
2 already passed for complying with the deadline. Many
3 courts in Northern California do not have online filing.
4 They don't even take credit cards, or debit cards, or
5 cash. Have any of the advisors personally attempted to
6 file a deed transfer with the counties of Solano, Butte,
7 San Mateo, Napa, Contra Costa counties? Of course not.
8 That's for little people.

9 Multiple documents were submitted in exactly the
10 same format. Some were accepted, some were denied. Each
11 county has its own rules and they are not consistent.
12 Finally, I would like to know if any members of the BOE's
13 Advisory Board are members of the State Bar, are
14 accountants, or subject to other -- any other licensing
15 or disciplinary agency. Thank you. Kathleen Siemont,
16 State Bar number 225601."

17 **CHAIR VAZQUEZ:** Thank you. Was there any other
18 written comments, Ms. Taylor, or was that the only one?

19 **MS. TAYLOR:** That's the only one for this item.

20 **CHAIR VAZQUEZ:** Do we have anybody, any assessors or
21 anybody from the public that wants to comment on this?

22 **MS. TAYLOR:** I'll ask the moderator.

23 **CHAIR VAZQUEZ:** Okay.

24 **MS. TAYLOR:** AT&T moderators, can you let us know if
25 there is anyone on the line who would like to make a

1 public comment regarding the K1a through K1c items,
2 including Prop 19 sub-items just discussed? Each caller
3 will have up to three minutes to speak. For the record,
4 we request that callers provide their name.

5 **AT&T MODERATOR:** Of course. Ladies and gentlemen,
6 if you wish to make a public comment, please press 1 then
7 0. And there is currently no one queuing up at this
8 time.

9 **CHAIR VAZQUEZ:** Thank you. Just for the record, and
10 I think it was stated, but just to make sure it's clear,
11 you know, the BOE has nothing to do with legislation. So
12 we obviously had nothing to do with creating Prop 19,
13 much less had any input in that.

14 But they did meant -- the caller -- or the written
15 comment also mentions this advisory council which I'm not
16 aware of, you know, who all sits on that. But if staff
17 wants to respond to that or any of the members, please
18 let me know.

19 Hearing none and seeing none, then we'll go ahead.

20 Ms. Taylor, if you would please call the next item.

21 **MS. TAYLOR:** The next item is K.3.a., Property
22 Tax

23 Deputy Director's Report, Operational Updates, a report
24 on the status of pending and upcoming projects,
activities, and departmental issues. This matter will be

1 **MR. YEUNG:** Yes, good afternoon again, Chair Vasquez
2 and honorable members of the Board. This is David Yeung,
3 deputy director of the property tax department.

4 Today I have for you an update of the operational
5 going-ons in the property tax department. I will start
6 out with the State-Assessed Properties Division.

7 Staff has completed 341 appraisals for this season.
8 And that was brought before you earlier today in the
9 value setting of state-assessed properties. This
10 represents a major component of staff's work in the last
11 three months, so I wanted to say thank you and commend
12 staff for their tremendous work and their dedication in
13 getting that done in these trying times.

14 So next, staff will be pivoting from the appraisal
15 season to the allocation, the property values that the
16 Board adopted this morning, they will be allocated into
17 the counties in which those properties are located and
18 they will be brought back before the Board for the final
19 adoption of the 2021 Board Roll of State-Assessed
20 Properties in the July Board meeting. So that will -- it
21 will come back one more time in its finished form.

22 Also, staff in SAPD has begun the process of the
23 assessment of the private railroad cars. So that is
24 another key function within the State-Assessed Properties
25 Division. Work has already started on that and the

1 values will also be brought before the Board for action.

2 I will now switch to our State -- our County-
3 Assessed Properties Division. Work continues on our
4 community land trust project as you will recall, I have
5 been bringing this topic to the Board almost on a monthly
6 basis. It basically chronicles our development of
7 guidelines for the assessment and valuation of low income
8 housing built on community land trust land. It is a --
9 it has been a long-term project. It started in 2018 and
10 we've gone through a couple of iterations of guidance.

11 We have gone -- we have done one more redraft and it
12 went out for interested parties to review and comment.
13 It was sent out on LTA 2021/016, released on April 30th.
14 Comments are due back to the Board on June 4th.

15 Hopefully we'll be able to bring this project to
16 fruition soon and be able to issue some guidance. If you
17 recall, this guidance has been in development for quite a
18 while and the issues that needed to be solved required
19 legislative amendments. So they were sought and actually
20 received that two -- there is three legislative -- three
21 bills that actually went through that as gone into this
22 guidance.

23 Next, I will shift to --

24 **MS. STOWERS:** Chairman Vasquez?

25 **CHAIR VASQUEZ:** Yes, Ms. Stowers. Go ahead.

1 **MS. STOWERS:** Thank you. You didn't see my golden
2 hand. Before --

3 **CHAIR VASQUEZ:** I'm sorry.

4 **MS. STOWERS:** -- we move to the next topic, I wanted
5 to kind of make sure I'm clear on the community land
6 trust in the LTA that Mr. Yeung just talked about. Since
7 it has the ongoing project, man, before you guys got
8 here, and it is based on several law changes. I just
9 want to clarify, Mr. Yeung, that you will be bringing
10 this LTA back to the Board for public discussion and
11 approval before issuing it out the assessors?

12 **MR. YEUNG:** Thank you, Deputy Controller Stowers.
13 Yes, it will be brought back before the Board.

14 **MS. STOWERS:** Thank you. I appreciate it.

15 **MR. YEUNG:** Of course. Of course.

16 **CHAIR VASQUEZ:** Is that it, Ms. Stowers?

17 **MR. YEUNG:** Okay, if I --

18 **CHAIR VASQUEZ:** Thank you. Go ahead, continue, Mr.
19 Yeung.

20 **MR. YEUNG:** Oh, thank you. Okay. Next I will
21 (audio interference) we last met the property tax
22 department has issued six of them. So I will give you a
23 brief out -- highlight of each one. I've already
24 mentioned the first one. I've already mentioned is 2021-
25 016. And that LTA released the draft of the guidelines

1 for communal and trust property.

2 The next one is 2021-017, or number 17. That is an
3 announcement LTA. Annually, the Board announces those
4 counties that have adopted a 69.3, which is an
5 inter-county disaster relief provision. We announced it
6 to make sure all stakeholders know which counties are
7 currently able to receive a transfer from another county,
8 a base year transfer from another county because of the
9 disaster relief.

10 The next LTA is 018, and that is the Disabled
11 Veterans Increase in their -- it is another LTA which we
12 release annually. It basically announces the dollar
13 limit for the disabled veteran's exemption for the
14 low-income portion of it. So that goes up every year and
15 is provided by code -- Revenue and Taxation Code 205.5.
16 We actually announce what the household incomes are for
17 disabled veterans in the -- for the disabled veteran's
18 exemption.

19 Our next LTA that we've issued is 019, and that is
20 the Proposition 19 base year transfer guidance LTA. Once
21 again, that was in the Q and A, the question and format,
22 and it deals with base year transfers.

23 Two more to go through. LTA 020, published the
24 Alpine County Assessment Practices Report. That was
25 issued May 14th.

1 And the last one is LTA 021. And that LTA announces
2 the assessment appeals filing period for this year; for
3 2021.

4 Next, I will give you a brief look forward as to
5 what LTA will be -- that we are in the -- that's in
6 development right now. And it should be released in the
7 next about thirty days or so. We have a summary of
8 litigation. It is currently in review right now and it
9 should be out within the next 30 days. And that is
10 basically a summary of all the litigation planning the
11 property taxes for the year 2020.

12 And we're also - the next LTA we're working on also
13 too will basically publish the Orange County Assessment
14 Practices Survey. So those are in development right now.

15 I will switch now to our training and certification
16 department. Since we last met, the training
17 certification unit has given two more classes remotely
18 via the Teams environment. The course -- we gave a
19 course three, which is a residential appraisal procedures
20 class. That was done on May 10th through the 13th. And
21 we also conducted a course five, which is an income
22 approach to value, also through Teams. That was done in
23 May 17th to the 21st, so just last week.

24 In -- to prepare for future courses, actually the
25 training and certification unit was able to adapt three

1 more courses to the Teams environment to be given
2 remotely. They were successful in adopting Course 2-A,
3 which is a replacement cost estimating class for
4 residential structures. A Course 52, which devaluation
5 of restricted lands. And a Course 56. That is a course
6 on advanced sales comparisons and income capitalization
7 approaches.

8 I'm particularly excited over the last two courses:
9 the course 52 and the 56. Those are the advanced courses
10 and they are part of the requirement to fulfill for an
11 appraiser to basically fulfill in order to get their
12 advanced certification.

13 So so far, for the remainder of this year, we have
14 twelve more remote classes scheduled. And an additional
15 five more scheduled for next year. So in total,
16 seventeen have been scheduled so far of those courses,
17 and we look forward to perhaps being able to develop more
18 and offer more when we're able to.

19 Okay. Let me take a quick look in -- one more area
20 I wanted to cover was our assessment practices survey
21 function. I've already mentioned that we just issued the
22 report for Alpine County. And we are in the process of
23 finalizing Orange County, and that is to be released
24 probably in the next thirty days.

25 I just wanted to recognize the staff in their

1 efforts in -- since COVID, going to the assessor's office
2 has been severely limited, and actually, basically
3 stopped. So we've been having -- we've been adapted in
4 our -- in the way we gather information. We've worked
5 with the county assessors in being able to get much of
6 that information remotely and direct access to some of
7 their information. And where we cannot or we're not able
8 to, we've worked with the assessors and they have
9 provided some of it for us.

10 So we are cognizant that this working out of how to
11 get and receive this information shifts around a little
12 bit of the work and we try to minimize our impact on any
13 of the assessors. And we are thankful that we've been
14 able to work with them and get the information we need in
15 order to make these assessment practices surveys under
16 our sample continue.

17 We look forward to future engagements. We've
18 actually been able to schedule out some of our next
19 engagements already. And we're hoping to be able to get
20 and fulfill our duties on the assessment practices survey
21 in a timely manner.

22 This concludes my update. I'm available for any
23 questions you may have.

24 **CHAIR VASQUEZ:** Thank you. I see a hand up from
25 Member Gaines.

1 **MR. GAINES:** Yes, thanks, Chair Vasquez. And thank
2 you, David Yeung for your presentation. And I'm just
3 curious, in terms of the surveys that are being
4 conducted, are we being effective given the coded --
5 COVID environment that we've been living in? You haven't
6 been able to go on the premises, so I'm just asking how
7 effective are we in those surveys?

8 **MR. YEUNG:** Thank you for the question, Board Member
9 Gaines. I fully believe we are being effective. It's --
10 we've had to adapt the course. Some assessors have the
11 ability to and have the actual systems in which we're
12 able to get at least some of the information remotely.
13 Either review, copy, download, and staff has been able to
14 work with that information with minimal impact.

15 Some of the assessor's office either their
16 technology is not capable, or because of -- because of
17 internal policies have been unable to share access to
18 their systems. And in that case, we've been strategic.
19 And we've worked with them and had them provide some of
20 the files. They've been able to get us the files
21 remotely, digitally, and we've been able to basically do
22 it -- get the exchange.

23 We have the assessor's portal available. It is a
24 secure and confidential site where they can actually
25 download information for us, and actually we use it to

1 exchange information, too. So there are stuff that we do
2 provide to the assessors from that portal.

3 So with a little bit of technology and a little bit
4 of the spirit of compromise and trying to find a way to get
5 our goals met and completed, I think we've been able to
6 minimize some of the impact. I think we've been
7 effective.

8 **MR. GAINES:** Okay. Great. Thank you. And then
9 getting on to the training and certification --

10 **MR. YEUNG:** Yes.

11 **MR. GAINES:** You know, I represent a lot of smaller,
12 rural counties, along with Member Cohen. And when I met
13 with a lot of my assessors, there were real concerns
14 about their accessibility to classes. And that, you
15 know, they were so far, so remote that they just weren't
16 able to get to the classes that might be in Sothern
17 California or Sacramento. And so you gave a pretty good
18 overview of a number of scheduled classes that is on
19 that -- the Teams platform.

20 And can you give me a -- just a kind of a little bit
21 of a review in terms of how that has changed as a result
22 of the pandemic?

23 **MR. YEUNG:** Of course.

24 **MR. GAINES:** For instance, how many classes did we
25 provide prior to the pandemic on Teams verses what we're

1 doing now and what your projecting for the future?

2 **MR. YEUNG:** Of course. I'd be more than happy to.
3 Prior to the pandemic we did not give any classes on the
4 Teams environment. Our classes were either live
5 in-person or through one of our other formats.

6 We have self-study courses in which you can go ahead
7 download information and when you have to review them
8 there are a series of questions to answer, and when you
9 answer those and send them in our staff basically grades
10 them. And if you pass, you get continues hours of
11 education for those. We also had a couple of courses
12 where you can actually take them online through our --
13 that we administer, and we actually host.

14 There are two more options that are online. One is
15 through the American River College, and that is actually
16 a class developed by the Board. But it is hosted and is
17 actually a junior college class. Registration is through
18 the junior college and so are the rate fees.

19 **MR. GAINES:** But that class -- excuse me, David.
20 Did that class go online as a result of the pandemic, or
21 was that always the case?

22 **MR. YEUNG:** It did not go online because of the
23 pandemic. It was ongoing already.

24 **MR. GAINES:** Okay. Okay.

25 **MR. YEUNG:** So the only thing that we've added

1 online basically remotely are the classes that we used to
2 give in person. We've adapted them and we've actually
3 been able to work with the Teams environment and actually
4 present them.

5 I -- they've been well received, and for the
6 counties that you mentioned, the smaller counties, that
7 either one find it a struggle to free up time for
8 somebody to travel to Southern California or somewhere
9 else, or to budget it takes to send somebody down there
10 or house them, put them up in a hotel and to pay their
11 per diem. I think these online -- these Teams
12 environment classes, I think would help tremendously.

13 **MR. GAINES:** Um-hum.

14 **MR. YEUNG:** One, our classes -- you don't have the
15 -- you don't have that expense of going to another county
16 and having to incur the expense of a hotel and meals and
17 whatnot. You're in your own office, or in many cases
18 probably in your home and you can take them. They don't
19 take up -- it's not a full-full day. I don't believe its
20 eight hours so that you do have some time before and
21 after in which to answer emails. So it does allow a lot
22 of flexibility for some counties that either had a
23 struggle with being able to spare a person. If you are a
24 county of only eight staff members and two of them go,
25 and that's a quarter of your staff that's out of your

1 office. I just I think it alleviates some of that. And
2 then also addresses some of the issues of expense.

3 So I think right now, I mean, we're looking at more.
4 At some point we will probably begin to offer to
5 in-person classes again. But this remote through either
6 Teams environment or whatever platform that we have, I
7 think it's a good compromise. I think it's a -- I think
8 it will probably stay an option for quite a while.

9 **MR. GAINES:** Oh, that's great. That's great. Now,
10 can you tell me. You said we have twelve classes
11 scheduled this year and another five next year. So
12 that's seventeen classes.

13 **MR. YEUNG:** Yes.

14 **MR. GAINES:** Seventeen so far. How many of those
15 are on Teams?

16 **MR. YEUNG:** So far they're on going to -- they're
17 all projected to be on Teams. We gave two this month.
18 We have two in April. So so far, seventeen and our four,
19 so far we have twenty-four -- twenty-one scheduled, of
20 which we've already given four. So we have -- we got a
21 little bit more work ahead of us. But I think we're
22 making some really good improvements in this area.

23 **MR. GAINES:** Okay. And out of those twenty-one
24 scheduled, or no, twenty-one total, excuse me.

25 **MR. YEUNG:** Yeah.

1 **MR. GAINES:** How many would that -- how many classes
2 would that have been prior to the pandemic? Would that
3 number increase at all?

4 **MR. YEUNG:** These are all since -- so these are all
5 since the pandemic. We have not given -- we have not
6 given it in a Teams environment. We only started giving
7 them in -- we started development work on them earlier
8 this year.

9 **MR. GAINES:** Okay.

10 **MR. YEUNG:** I think our first class was in the first
11 part of April.

12 **MR. GAINES:** Okay. So we're -- we ought to be
13 reaching a lot people. I guess that's my point is, you
14 know, are we educating folks within assessor's offices
15 and property appraisers and making that -- it sounds like
16 we're making it more efficient.

17 **MR. YEUNG:** Yes.

18 **MR. GAINES:** It takes less time, costs less money,
19 and you know, this is big issue when were we're talking
20 about Prop 15 and if it passed. But as a result of the
21 pandemic, it's you know, this is a benefit. This is
22 something that we've learned that we can educate online
23 and give employees the opportunity to get the right
24 training that they need. And I think that's very
25 encouraging. So thank you for providing that overview.

1 I appreciate it.

2 **MR. YEUNG:** Of course. Thank you. It's one of the
3 few silver linings in -- of this pandemic.

4 **MR. GAINES:** Right. Thank you.

5 **MR. YEUNG:** Thank you.

6 **CHAIR VASQUEZ:** Any other comments or questions from
7 the members?

8 Saying and hearing none, Mr. Yeung, I think you
9 mentioned that right at the beginning, you were talking
10 about the Community Land Trust Housing Exclusion, (AB)
11 1206?

12 **MR. YEUNG:** Yes.

13 **CHAIR VASQUEZ:** You know, I understand that's moving
14 along. And I'm in support of that, but I was just
15 wondering if the Department's provided any information or
16 data to the legislature regarding it?

17 **MR. YEUNG:** Wow, gosh. I think I'm pretty sure our
18 part of our team actually initiated contact with the
19 legislature on that. I -- we were actually looking for
20 some information. But as I am -- as a matter of routine,
21 they usually do contact us later on if nothing else to
22 get our technical input on it, and to work with us on a
23 revenue estimate. So initial contact has been made. And
24 we are standing and ready to provide any support they may
25 need on that issue.

1 **CHAIR VASQUEZ:** Thank you.

2 **MR. YEUNG:** Of course.

3 **CHAIR VASQUEZ:** With that, if I don't see any other
4 hands or comments.

5 Ms. Taylor, do we have any comments from assessors
6 or the public at this item?

7 **MS. TAYLOR:** Not that I'm aware of.

8 **CHAIR VASQUEZ:** Can we check with AT&T on this?

9 **MS. TAYLOR:** Certainly. AT&T, can you let us know
10 if there's anyone who wants to make a public comment on
11 this matter? Each caller will have up to three minutes
12 to speak. For the record we request that the callers
13 provide their name.

14 **AT&T MODERATOR:** And if you'd like to make a comment
15 please press 1 and then 0 at this time.

16 And we have no one queuing up at this time.

17 **CHAIR VASQUEZ:** Thank you. If there's no other
18 further discussion or comments, Ms. Taylor, if you would
19 please call the next item?

20 **MS. TAYLOR:** The next item is K.3.b., Property Tax
21 Deputy Director's Report for our act equalization ratio
22 for fiscal year 2021 to '22. Adoption of the 4-R Act
23 equalization ratio for the current fiscal year ensures
24 that rail transportation property is assessed at the same
25 percentage of market value as all other commercial

1 industrial property. This matter will be presented by
2 Mr. McCool.

3 **MR. MCCOOL:** Good afternoon, Chairman Vasquez and
4 members of the Board. Jack McCool with the
5 State-Assessed Properties Division. The item before you
6 is the 4-R Act Equalization Ratio, The Railroad
7 Revitalization and Regulatory Reform Act, enacted by
8 Congress in 1976. Revenue and Taxation Code 1817
9 requires the Board to conduct a study and determine the
10 statewide and
11 county-by-county ratio of assessed value to fair market
12 value of commercial and industrial real property.

13 The OEs research and statistic staff conducted this
14 study using the 2019-2020 property roll and it yielded
15 and estimated statewide ratio of 58.79 percent. This is
16 a decrease of one percentage point from last years 59.79
17 percent. Staff recommends that the Board assess rail
18 transportation property at 58.79 percent of the market
19 value for the 2021 roll.

20 Thank you.

21 **CHAIR VASQUEZ:** Thank you, Mr. McCool. I have one
22 quick question for you. You know, based on the Act,
23 which you clarified in the effect on the assessed
24 property value, when the ratio increases a percentage
25 point or two as opposed to when it decreases. What is

1 the -- you mentioned, what was the actual impact of that?

2 **MR. MCCOOL:** So a (audio interference) ratio of
3 assessed value to fair market value. So as the ratio
4 were to increase then the effect would be the railroad
5 assessing assessed role as well as our private railroad
6 cars. If the ratio increases the values that appear on
7 the rolls that are adopted by the Board in July will be
8 higher. As the ratio goes down, then the assessed value
9 to those companies will be lower.

10 **CHAIR VASQUEZ:** Thank you. Any other comments or
11 questions of Mr. McCool?

12 Seeing and hearing none, we did to have a motion on
13 this one, I believe, right?

14 **UNIDENTIFIED SPEAKER:** Yes, Mr. Chairman. The
15 motion before the Board is to adopt the 58.79 percent for
16 our equalization ratio.

17 **CHAIR VASQUEZ:** Before we move forward on that, Ms.
18 Taylor, do we have any written comments on this?

19 **MS. TAYLOR:** Chairman Vasquez, at this time our
20 close captioning seems to have been stopped, and we're
21 trying to resolve that.

22 **CHAIR VASQUEZ:** Oh.

23 **MS. TAYLOR:** But we do not have any written comments
24 that we are aware of.

25 **CHAIR VASQUEZ:** Do we need to take a break, or can

1 we just wait?

2 **MS. TAYLOR:** We might need to take a short recess so
3 we can ensure the captioning restarts.

4 **MR. NANJO:** Chairman Vasquez, this Henry Nanjo. To
5 ensure that we're being fully acceptable to the public I
6 would recommend we take a short break to see if we can
7 get close captioning up and running. Thank you, sir.

8 **CHAIR VASQUEZ:** Is five minutes sufficient?

9 **MS. TAYLOR:** Yes, that should be.

10 **CHAIR VASQUEZ:** Okay. It's 2:01. Why don't we take
11 a five-minute break and see if we can recapture that?
12 We'll try to reconvene at 2:05 or 2:06. Thank
13 you.

14 **MR. VAZQUEZ:** With that members -- Ms. Taylor, we
15 didn't check with the public though, right? We're still
16 looking for public comment on this one?

17 **MS. TAYLOR:** Yes. Yes. We are still ready to go to
18 public comment when you are.

19 **CHAIR VAZQUEZ:** Let's go ahead and do that.

20 **MS. TAYLOR:** Okay. AT&T moderator, can you let us
21 know if there is anyone who wants to make a public
22 comment on this matter?

23 Each caller will have up to three minutes to speak.
24 For the record, we request that the callers provide their
25 name.

1 **AT&T MODERATOR:** Of course. Ladies and gentlemen,
2 once again, if you wish to ask a question, please press 1
3 then 0.

4 There are currently none queuing up at this time.

5 **CHAIR VAZQUEZ:** Thank you.

6 With that, Members, this item is before us. I would
7 like to entertain a motion to consider the staff's
8 recommendation.

9 **VICE CHAIR SCHAEFER:** Vice Chair Schaefer. So move.

10 **CHAIR VAZQUEZ:** It's been moved by our Vice Chair.

11 I will go ahead and second that. If there's no other
12 comments or questions, Ms. Taylor, if you would please
13 call the roll.

14 **MS. TAYLOR:** Chairman Vazquez?

15 **CHAIR VAZQUEZ:** Aye.

16 **MS. TAYLOR:** Vice Chair Schaefer?

17 **VICE CHAIR SCHAEFER:** Yes.

18 **CHAIR VAZQUEZ:** Yes.

19 **MS. TAYLOR:** Member Gaines? Member Gaines?

20 **STAFF MEMBER GAINES OFFICE:** He stepped out to use
the restroom.

21 Will be back shortly, here.

22 **MS. TAYLOR:** Member Cohen?

23 **MS. COHEN:** Aye.

24 **MS. TAYLOR:** Deputy Controller Stowers?

1 **CHAIR VAZQUEZ:** So that's unanimous -- well, that's
2 unanimous of those present, and we may add Member Gaines
3 in a minute here. I guess we could hold the vote until
4 he returns, and while we're doing that --

5 **MR. NANJO:** Chairman Vazquez?

6 **CHAIR VAZQUEZ:** Yes, go ahead.

7 **MR. NANJO:** Chairman Vazquez, this is Henry Nanjo,
8 chief counsel. I would recommend that it pleases the
9 board, just hold the roll open, and then that way when
10 he's back, Ms. Taylor can get his vote.

11 **CHAIR VAZQUEZ:** I think he's back.

12 **MR. GAINES:** Yes, thank you.

13 **CHAIR VAZQUEZ:** Member Gaines, go ahead.

14 **MR. GAINES:** Yes. Aye vote.

15 **CHAIR VAZQUEZ:** He just voted aye.

16 **MS. TAYLOR:** Thank you.

17 **CHAIR VAZQUEZ:** So that's unanimous of all those
18 present.

19 With that, Ms. Taylor, if you would please call the
20 next item.

21 **MS. TAYLOR:** Certainly. The next item is K.4.a.,
22 Legislative Research & Statistic Division Chief's Report,
23 update on legislative issues, update on administrative
24 and program related legislative bills impacting the BOE;
25 and K.4.b., update on legislative actions associated with

1 the implementation of Proposition 19. This matter will
2 be presented by Ms. Renati and Ms. Fleming.

3 **MS. RENATI:** Chairman Vazquez and Honorable Members,
4 I am Lisa Renati, Chief Deputy Director. Today I will
5 provide a report on the legislation that may impact the
6 Board of Equalization.

7 I provide you with -- attached to the plan today is
8 a report which includes a list of all legislation. We
9 continue to monitor bills which affect the BOE, including
10 those regarding property tax, alcoholic beverage tax, and
11 the tax on insurers.

12 For bills which directly affect the BOE, the team
13 continues to prepare analysis of proposed legislation,
14 including revenue estimates, if applicable. These
15 analysis are made available for view on our website.

16 Members, today I will provide you with a status
17 update on two Board supported legislative proposals,
18 regarding the extension of the valuation of intercounty
19 pipeline rights of way and multijurisdictional assessment
20 appeals boards. Both items are included in a committee
21 bill, Senate Bill 825, introduced by the Senate
22 Governance and Finance Committee. This bill passed the
23 Senate, and is currently with the Assembly Revenue &
24 Taxation Committee. We will provide you with updates as
25 they are available.

1 This concludes my legislative update and I am
2 available for questions. Thank you.

3 **CHAIR VAZQUEZ:** Thank you.

4 Members, do we have any questions for Ms. Renati?

5 If not, I have just a couple quick ones for you.

6 One, do you know if the California Assessors' Association
7 has taken a position on SB 824, which mandates that all
8 assessors must disclose information or permit records
9 access to the California Department of Tax & Fee
10 Administration?

11 **MS. RENATI:** Mr. Chairman, thanks for the question.
12 Senate Bill 824 is a committee bill that makes technical
13 changes to reflect the shift of duties from BOE to CDTFA
14 as a result of AB 102 in 2017. Right now, there's no
15 registered opposition to the bill. I regularly check in
16 with CAA and last time I spoke with CAA they have not
17 expressed a position either way on this bill, but I'd be
18 happy to reach out and confirm this is the case.

19 **CHAIR VAZQUEZ:** I'd appreciate that.

20 And then on -- and then my second one is regarding
21 AB1206, which would expand and change the ownership
22 exclusion for community land trust housing and the
23 welfare exemption for low-income rental housing. Do you
24 know if there's any opposition to this?

25 **MS. RENATI:** Thank you for the question. AB 1206, I

1 believe you said, Mr. Chairman.

2 **CHAIR VAZQUEZ:** Yes.

3 **MS. RENATI:** Generally speaking, as you know, we
4 monitor bills that are directly or indirectly related to
5 our tax programs. For this bill, it was referred to the
6 Assembly of Revenue and Taxation and Housing Development
7 Committees in early March 2021. However, the bill has
8 yet to be set for a hearing by either committee.

9 Due to the fact that certain legislative deadlines
10 have already passed, staff -- you know, we presume that
11 this bill will not move forward in the 2021 legislative
12 session. And because it has not been set for a hearing,
13 neither committee prepared an analysis which would have
14 included official opposition to the bill. So I don't
15 have any information on whether anyone had opposition to
16 the bill, but at this point, it doesn't look like this
17 bill will move forward.

18 **CHAIR VAZQUEZ:** Okay. Thank you.

19 With that, if there's no other comments or questions
20 from the members, we can move on. I believe it's Ms.
21 Fleming is going to be reporting on Prop 19 legislation
22 as well.

23 **MS. FLEMING:** Yes. Chairman Vazquez and Honorable
24 Members, as of today, Members, there are about three
25 measures related to the implementation of Prop 19. They

1 are Senate Bill 539, which we've spoken about before;
2 Senate Bill 668, which we've also reported on previously;
3 and then now ACA 9, Assembly Constitutional Amendment 9.

4 Regarding Senate Bill 539, again, introduced by
5 Senator Hertzberg. It's a property tax bill regarding
6 intergenerational transfers of real property and base
7 value transfers. It is -- still remains, as I reported
8 last month, it is still remaining on the Senate's third
9 reading file, which means that it's pending Senate floor
10 discussion and/or vote. So no action from -- on that
11 bill from last month to this month.

12 The next item, Members, Senate Bill 668, which was
13 introduced by Senator Bates is a property taxation bill
14 regarding change in ownership and inheritance exclusion.
15 This bill was introduced in February of 2021, and it
16 seeks to delay the onset of specific provisions of
17 Proposition 19 governing the purchase or transfer of real
18 property between parents or grandparents and their
19 children or grandchildren until February 16, 2023. So
20 it's a two-year extension. This bill was indeed heard on
21 May 6th, and the Senate and Finance Committee for
22 presentation only. No vote was taken.

23 Chairman McGuire, the chair of the Senate Governance
24 and Finance Committee said that he would be arranging a
25 meeting with the bill's author, Senator Bates, along with

1 himself and authors -- Senator Hertzberg who authored
2 Senate Bill 539. They'll convene, have some discussion
3 and possible additional public hearings on this matter.

4 The final, third measure that we're tracking for
5 Prop 19 specifically is ACA 9, which was introduced by
6 Assembly Member Kiley. This measure was introduced on
7 May 3rd, 2021. It seeks to repeal provisions of Prop 19
8 and reinstate the prior rules, excluding from
9 classification as a purchase or change in ownership
10 requiring reappraisal and the purchase or transfer of the
11 principal residence and the first million dollars of the
12 other real property. This measure --

13 **MS. TAYLOR:** Ms. Fleming? Ms. Fleming, this is Ms.
14 Taylor. I'm sorry to interrupt, but our captioning has
15 ceased again.

16 **MS. FLEMING:** Ah. Thank you for letting us know.
17 Chair, if you don't mind, if you would just give us
18 five minutes to try to get it reset. We apologize for
19 the inconvenience.

20 **CHAIR VAZQUEZ:** Sure. No problem. We'll take
21 another five-minute break. Is that sufficient?

22 **MS. FLEMING:** We'll be very quick on this one.
23 Thank you.

24 **CHAIR VAZQUEZ:** Thank you.

25 (Whereupon, a recess was held)

1 **CHAIR VAZQUEZ:** Member Cohen, I think is the only
2 one we're waiting for now.

3 (Whereupon, a recess was held)

4 **CHAIR VAZQUEZ:** I see her. She's back. Okay.

5 Ms. Fleming, I think we cut you off. Do you want to
6 finish your comments?

7 **MS. FLEMING:** Actually, that -- the timing was --
8 the last sentence was just this bill may be heard -- and
9 again, this is referring to measure AC 9 -- ACA 9. And
10 this bill may be heard in committee on or after June 4th,
11 2021. So it's still working itself through the
12 legislative process.

13 And Members, that concludes my update on measures
14 related to Proposition 19.

15 **CHAIR VAZQUEZ:** Thank you.

16 Members, do we have any comments or questions on the
17 content of this legislation for Ms. Fleming on this?

18 Seeing and hearing none, Ms. Taylor, do we have any
19 written comments or any comments from assessors or the
20 public?

21 **MS. TAYLOR:** Not that we're aware of.

22 **CHAIR VAZQUEZ:** Can we check with AT&T?

23 **MS. TAYLOR:** Certainly.

24 AT&T Moderator, can you let us know if there is
25 anyone who wants to make a public comment on this matter?

1 Each caller will have up to three minutes to speak.
2 For the record, we request that the callers provide their
3 name.

4 **AT&T MODERATOR:** Of course. Ladies and gentlemen,
5 if you wish to make a public comment, please press 1 then
6 0.

7 Currently there are none in the queue at this time.

8 **CHAIR VAZQUEZ:** Thank you.

9 With that, Ms. Taylor, if you would please call the
10 next item.

11 **MS. TAYLOR:** The next item is K.5., Taxpayers' Rights
12 Advocate Office's report, update on the activities of the
13 Taxpayers' Rights Advocate Office. This matter will be
14 presented by Ms. Thompson.

15 **MS. THOMPSON:** Good afternoon, Chair Vazquez and
16 Honorable Board Members. I am Lisa Thompson, Chief of
17 the Taxpayer Rights Advocate Office. I am here to
18 provide you with an update of the activities of the
19 Taxpayer Rights Advocate Office to keep you informed.

20 First, I would like to update you on preparation for
21 the upcoming Taxpayer Bill of Rights Hearing that will be
22 held August 24th, 2021 at that board meeting. Our forms
23 and publications section completed the design for the
24 posters and flyers for the event. It will be posted to
25 our website shortly and will be printed. Once printed,

1 we will be distributing them to county agencies involved
2 in the property tax system for them to post in public
3 areas. Largely assessors and tax collectors.

4 Currently, we are updating the mailing list, working
5 with the mailroom to ensure there is sufficient supplies
6 for mailing. I will also be working with Peter Kim, the
7 Communications Officer, to publish the event on social
8 media platforms.

9 Additionally, I will be reaching out directly to
10 taxpayer organizations asking if they could notify their
11 members of the TRA Bill of Rights Hearing. Historically
12 I have contacted the following six taxpayer
13 organizations: CalTax, Howard Jarvis Taxpayer
14 Association, Fideli Publishing, CalChamber, California
15 Society of CPAs, and California Enrolled Agents.

16 Next, I will be sharing some statistics on the cases
17 completed by the Taxpayer Rights Advocate Office next
18 month to provide some insight on the types of cases.

19 In April 2021, we completed twenty-three cases.
20 Eight were in Board Member Gaines' district, six on Board
21 Member Cohen's district, two in Board Member Vazquez's
22 district, and seven in Board Member Schaefer's district.

23 Of the twenty-three completed cases, four were in
24 the administrative category and nineteen were in the
25 valuation category. The administrative category includes

1 topics such as creating and mailing of tax bills,
2 refunds, penalty cancellations, defaulted taxes, access
3 to data, special assessments, and direct levies on the
4 property tax bill. The valuation category includes
5 topics such as change in ownership, declines in value,
6 appraisal methodology, exclusions, exemptions, new
7 construction, actual enrollment of values, general
8 property taxation, and assessment appeals.

9 With respect to the administrative category, two
10 cases involved a tax bill penalty for not paying the
11 property tax installment timely. One case involved
12 special assessment charges included on the property tax
13 bill, and one involved access to records.

14 The Taxpayer Rights Advocate Office assisted the
15 taxpayers by providing information about special
16 assessments and requirements of the tax collector to add
17 penalty when payments are not made timely due to -- or
18 past the delinquency date. The TRA Office also helped
19 the taxpayer understand the provisions under which the
20 tax collector can cancel penalties and how to submit a
21 penalty cancellation request.

22 Additionally, the Taxpayer Rights Advocate Office
23 provided information about how to access parcel maps on
24 an assessor's website and provided contact information
25 for additional resources.

1 With respect to the valuation category and it's
2 nineteen cases in total, four addressed various aspects
3 of change in ownership. Of the change in ownership
4 cases, two cases addressed transfers of interest in
5 property, which resulted in reappraisal when a party was
6 removed from title, and one case involved property held
7 in trust that was reassessed to market value following
8 the death of a trustee. One of the cases involved
9 supplemental assessments when property transferred from
10 state assessment to local assessment as a result of the
11 sale of the property.

12 The TRA Office assisted these taxpayers by providing
13 information about when transfers of interest in real
14 property are exempt from reassessment and on Property Tax
15 Rule 462.200, as to miscellaneous arrangements considered
16 to be security interest which would not constitute a
17 change in ownership.

18 For the property that was held in trust, we
19 explained that the death of a trustee results in
20 reassessment unless the beneficiary of the trust is
21 someone where an exclusion could apply such as an
22 interspousal or a parent-child.

23 With respect to the case involving supplemental
24 assessment, the Taxpayer Rights Advocate Office directed
25 the taxpayer to resources explaining that a supplemental

1 assessment can result from property changing from state
2 assessment to local assessments.

3 And ten of these cases from the valuation category
4 addressed exclusions from reassessments and exemptions,
5 of which three pertained to the base year value transfer
6 for persons aged 55 and over, two pertained to the
7 parent-child exclusion, and two cases involved the
8 grandparent-grandchild exclusion.

9 For the exemption cases, one pertained to the
10 welfare exemption and the remaining two involved the
11 historical aircraft exemption and low value exemption.

12 The Taxpayer Rights Advocate Office helped these
13 taxpayers by explaining the exclusion requirements,
14 documentation needed to demonstrate qualification, and
15 that a claim could be submitted requesting the parent-
16 child exclusion, since the property had not yet been
17 reassessed.

18 Additionally, the Taxpayer Rights Advocate Office
19 explained how to submit the parent-child claim form along
20 with a change in ownership statement reporting the change
21 in ownership due to the death of a trustee for several
22 high value properties for which the trustee died a decade
23 ago.

24 With respect to historical aircraft case, the
25 Taxpayer Rights Advocate Office explained the

1 requirements for an aircraft to qualify for exemption
2 under the Aircraft of Historical Significance provision
3 as to replicas. For the low value exemption case, the
4 Taxpayer Rights Advocate Office explained that each
5 county board of supervisors determines by ordinance if
6 its county exempts certain types of property up to the
7 threshold permitted by law.

8 The remaining six cases in the valuation category
9 concerned assessment appeals and general property tax
10 information. The Taxpayer Rights Advocate Office
11 assisted these taxpayers by explaining information on
12 appeal scheduling procedures, appeal filing deadlines,
13 and remedies if a taxpayer disagrees with an assessment
14 appeals board decision.

15 For the cases pertaining to general property tax
16 questions, the Taxpayer Rights Advocate Office explained
17 the limitations of Proposition 19 on increases to the
18 factored base year value, but the increases beyond two
19 percent a year complies with the law if a property is
20 assessed at market value under a decline in value status
21 below its factored base year value.

22 Additionally, the Taxpayer Rights Advocate Office
23 provided information on the property tax postponement
24 program to assist a disabled person in seeking property
25 tax savings.

1 That concludes my update, and I'm available if you
2 have any questions. Thank you.

3 **CHAIR VAZQUEZ:** Thank you. I see a hand from Member
4 Gaines. Go ahead, Member Gaines.

5 **MR. GAINES:** Yeah. Thank you, Chair Vazquez. I
6 just wanted to take a moment here. I will not mention
7 the constituent's name, but we got an email related to
8 this. I'd just like to read it to the Board.

9 "Thank you so much, Matt. Lisa was great and
10 worked everything out with the county. I can't
11 believe it was fixed in only three weeks. We
12 have been dealing with this issue for years.
13 Thank you again for Lisa Thompson. She was
14 great."

15 So I just wanted to say that publicly. It's nice
16 when we hear back from our constituents if an issue was
17 resolved. And so I want to thank Lisa and the whole team
18 for their efforts in making sure that we're responding to
19 constituents' needs.

20 **MS. THOMPSON:** Thank you. I appreciate that
21 (indiscernible).

22 **CHAIR VAZQUEZ:** Thank you for the positive note. I
23 know we always throw out the negative stuff, right.

24 **MR. GAINES:** We do, yeah. We've got to balance
25 that, right.

1 **CHAIR VAZQUEZ:** Yes. Any other comments or
2 questions?

3 Seeing and hearing none. Ms. Taylor, can we -- do
4 we have any comments -- oh, I just see, yeah excitement.
5 Are there any comments from any of the --

6 **MS. STOWERS:** I do have a comment.

7 **CHAIR VAZQUEZ:** I'm sorry. Go ahead. Ms. Stowers,
8 go ahead. I thought you were just cheering us on.

9 **MS. STOWERS:** Is it okay if I make this shameless
10 plug -- is my mic muted?

11 **CHAIR VAZQUEZ:** No, I can hear you. Go ahead.

12 **MS. STOWERS:** Okay. Great. I just wanted to kind
13 of piggyback on Ms. Thompson's comment that she provided
14 to constituents some information about the property tax
15 postponement deadline.

16 So I just wanted to make a little plug from the
17 State Controller's Office that this is a program that is
18 monitored by the State Controller's Office, and those who
19 qualify, they have until June 1st to put in their
20 applications. If you need any information, you can go to
21 the State Controller's website at sco.ca.gov for
22 additional information. That's all.

23 **CHAIR VAZQUEZ:** Thank you.

24 With that, Ms. Taylor, can we check if there's any
25 comments from any assessors or the public who wish to

1 speak on the TRA Report?

2 **MS. TAYLOR:** Sure. We do not have any written
3 comments.

4 But AT&T Moderator, can you let us know if there is
5 anyone who wants to make a public comment on this matter?
6 Each caller will have up to three minutes to speak. For
7 the record, a caller may provide their name.

8 **AT&T MODERATOR:** Of course. And once again, ladies
9 and gentlemen, if you wish to make a public comment,
10 please press 1, then 0.

11 And there are currently none queuing up at this
12 time.

13 **CHAIR VAZQUEZ:** Thank you. With that, Ms. Taylor,
14 if you would please call the next item.

15 **MS. TAYLOR:** Our next Item is M.1., public policy
16 hearings, Proposition 19 discussion, the Home Protection
17 for Seniors, Severely Disabled, Families, and Victims of
18 Wildfire or Natural Disasters Act of 2020. There are no
19 planned staff reports or external speakers for this item.
20 Persons who wish to address the Board may do so under
21 this item on the agenda. The matter will be presented by
22 Chairman Vazquez.

23 **CHAIR VAZQUEZ:** Thank you. Members, consistent with
24 our decision several months ago, we reserve the M.1. Item
25 on every agenda to engage in discussion of Prop 19 issues

1 and concerns. And we encourage residents and officials
2 throughout the state to bring forward any issues that
3 will need attention or further policy development.

4 With that, Members, do you have any comments or
5 questions before we open up this to the public hearing,
6 here?

7 Seeing and hearing none, Ms. Taylor, do we have any
8 comments from any of the assessors or the public who wish
9 to speak on Prop 19?

10 **MS. TAYLOR:** I have one written comment from
11 Attorney Kathleen Siemont.

12 "I would request that the Board address the
13 following. Why was Prop 19 intentionally
14 titled to mislead the public? Who actually
15 drafted? Has BOE reviewed the public response
16 to Prop 19 and the lack of transparency by BOE?
17 None of the implementing forms were made
18 available to the public prior to the February
19 deadline. Why was that? Was there any type of
20 training manual dated prior to the
21 implementation date of Prop 19? Why was there
22 no training for Prop 19 for any of the county
23 recorder's offices? Why are so many recorder's
24 offices in multiple counties providing
25 conflicting information? What training has

1 been undertaken to implement Proposition 19
2 now? Where is the link to publicly available
3 state and county employee's training manuals?
4 These are public records. One of the letters
5 from BOE states that even if the transfer's
6 incomplete, as long as there is a notice of
7 intent to transfer. What exactly does this
8 mean considering that recorder's offices were
9 closed for the pandemic? Why is the public
10 being given conflicting information on what is
11 needed to transfer a property from BOE? Why
12 was there no response from Mullin's office to
13 several requests for information? How much
14 money did Mullin pocket of the thirty-eight
15 million paid by the California Department of
16 Realtors in political contributions? Why did
17 Mullin's office disclaim involvement in Prop
18 19? I have the receipts. Who is in charge of
19 the drafting, the regulations, and how can they
20 be contacted? My apologies for the
21 frustration. I can find literally no one who
22 will take responsibility for creating this
23 morass of regulations intentionally designed to
24 fleece and mislead taxpayers about their
25 property rights. Thank you for your attention.

1 Kathleen Siemont."

2 And that concludes our written comments.

3 **CHAIR VAZQUEZ:** Thank you. Do we have anybody on
4 the line that wishes to speak on this item?

5 **MS. TAYLOR:** AT&T Moderator, can you let us know if
6 there is anyone who wants to make a public comment on
7 this matter? Each caller will have up to three minutes
8 to speak. For the record, we request that the callers
9 provide their name.

10 **AT&T MODERATOR:** Of course. Ladies and gentlemen,
11 once again, if you wish to make a public comment, please
12 press 1, then 0.

13 And there are currently none queuing up at this
14 time.

15 **CHAIR VAZQUEZ:** Thank you. And thank you to the
16 member of the public who wrote his or her public
17 comments. I understand and I feel the frustration that
18 you're feeling. But once again, we just encourage you to
19 continue to engage and work with us on this as we move
20 forward.

21 The only thing I'd like to just mention to our staff
22 is more to kind of -- and the public to encourage
23 everyone to review Rule 462.540, base year value
24 transfers, that is attached to the LTA number 2021/012
25 posted on Proposition 19 webpage.

1 We really look forward to your comments and concerns
2 as we try to clarify and define the impacts of such
3 transfers on your property.

4 With that, if there's no other comments or
5 questions, Ms. Taylor, if you would please call the next
6 item.

7 Oh, wait a minute. Mr. Gaines, I'm sorry, I saw
8 your hand.

9 **MR. GAINES:** Thank you. I just -- I wanted to just
10 comment because I think in terms of the ballot in summary
11 and title, I think we could work on that. I'd be nice to
12 have more clarity on these ballot initiatives so that the
13 voters understand them. And you know, I think that needs
14 to be addressed. We need to figure out a way to provide
15 a clearer description of any ballot initiative that moves
16 forward in the future.

17 In terms of the BOE and its reaction to Prop 19, I
18 think, you know, we did not endorse Prop 19. It was
19 passed by a vote of the people. And so we as electeds of
20 the BOE have to implement this initiative. It falls
21 under our jurisdiction with the Board of Equalization.
22 So we've tried to get information out as quickly as
23 possible. We've updated our website. We've created a
24 special tab for Prop 19. We've had tens of thousands of
25 people trying to gather new information as it was coming

1 forward.

2 And we do have our public hearings as we move
3 forward with regulation. And we invite comments on
4 regulations as we move forward. So we'll continue to do
5 that and want the engagement of the public. Thank you.

6 **CHAIR VAZQUEZ:** Thank you. Thank you for that
7 clarification. If there's no other comments or
8 questions, let me ask Ms. Taylor to please call the next
9 item.

10 **MS. TAYLOR:** The next item is in Public Comment on
11 Matters not on the Agenda. Persons who wish to address
12 the Board of Equalization regarding items not on the
13 agenda, please note that the Board cannot take action on
14 items not on the agenda, however the Board can schedule
15 issues raised by the public for consideration at future
16 meetings.

17 **CHAIR VAZQUEZ:** I'm sorry, Ms. Taylor, did you
18 say -- do we have any written comments on hand or no?

19 **MS. TAYLOR:** No, we do not have any written
20 comments.

21 **CHAIR VAZQUEZ:** Can we check with AT&T on that?

22 **MS. TAYLOR:** Certainly. AT&T Moderator, can you let
23 us know if there's anyone who wants to make a public
24 comment on this matter? Each caller will have up to
25 three minutes to speak. For the record, we request that

1 the callers provide their name.

2 **AT&T MODERATOR:** Of course. And once again, ladies
3 and gentlemen, if you wish to make a public comment,
4 please press 1, then 0.

5 There is currently no one queuing up at this time.

6 **CHAIR VAZQUEZ:** Thank you. With that, Ms. Taylor,
7 if you would please call the next item.

8 **MS. TAYLOR:** Our next item is O, Closed Session,
9 discussion and action on personnel matters. The Board
10 Members will now go into closed session to discuss
11 personnel matters.

12 **CHAIR VAZQUEZ:** Thank you. And Ms. Fleming, I
13 believe there's -- do we need to officially sign off and
14 sign back on on this one?

15 **MS. FLEMING:** Yes. Thank you, Members. Thank you,
16 Chairman. So Members, if you would please, for the Board
17 Members only, if I could ask you to use your leave
18 buttons, you're actually going to exit from this public
19 meeting. If you would kindly click out of this meeting,
20 you then have on your calendars a second and unique Teams
21 Meeting invitation, which is identified as a unique
22 meeting for closed session purposes. Please,
23 immediately, as soon as you can, join that closed session
24 meeting. Again Board Members only have access to that
25 like and the unique identifying information.

1 We will convene -- once you're all there, we'll
2 confirm that everyone is inside that meeting and confirm
3 that the confidentiality is intact. At that point, we
4 will convene the closed session. We will remain in that
5 session for the duration of your discussion. We will
6 then exit and I'll give you instructions on how to exit
7 and rejoin the public meeting upon adjournment of the
8 closed session.

9 So again, just exit this public meeting and please
10 join the closed session. Thank you.

11 **CHAIR VAZQUEZ:** Thank you. So we'll all leave now
12 and then check your calendars and you can resign into the
13 private closed session, just for members only. Thank
14 you.

15 (Whereupon, a recess was held)

16 **MS. TAYLOR:** Okay. The Board Members met in closed
17 session to discuss personnel matters and no action was
18 taken.

19 **CHAIR VAZQUEZ:** Thank you. And with that, Ms.
20 Taylor, I believe we are all finished with our business
21 today and we can officially adjourn this meeting.

22 I just would like to thank the members and Ms.
23 Fleming and staff for your continued dedicated work on
24 Prop 19 as well as other business that we handled today.

25 And with that, once again, I'd like to adjourn in

1 memory of all the members -- I know the numbers are
2 shrinking, but I know we're still losing lives due to
3 this COVID, and I would just like to adjourn in their
4 memory.

5 And I believe Member Schaefer might have maybe
6 another adjournment motion, and if anybody else does,
7 please let me know.

8 Member Schaefer?

9 **VICE CHAIR SCHAEFER:** No, I had no adjournment
10 motion. I just was -- I was impressed today to hear from
11 Member Gaines that we have a \$7,000 homeowner exemption
12 and it's \$100,000 in Idaho. I just wondered if anybody
13 in our legislature is evaluating that issue.

14 I'm very excited that the governor signed a new law,
15 704.730ccp, setting a \$300,000 to \$600,000 median
16 exemption for homesteading in California, which has
17 always been under \$100,000. So we're making great
18 strides this year in homestead increase on behalf of the
19 taxpayers, and I think it's high time the legislature
20 does something about the ridiculous \$7,000 exemption
21 California has. And if I knew who in the legislature was
22 interested in that, I'd send them a contribution.

23 **MR. GAINES:** Thank you.

24 **CHAIR VAZQUEZ:** Thank you. With that, Members, if
25 there's no other adjournment motions, I would like to

1 officially adjourn our meeting at 4 o'clock today and
2 remind the public that our next meeting is scheduled for
3 June 29th and 30th.

4 Thank you all and thank you all for your patience
5 and looking forward to regrouping in June. Have a good
6 time and hope that everybody can stay healthy.

7 **MR. GAINES:** Right. Thanks so much. Take care.

8 **CHAIR VAZQUEZ:** Take care, everybody.

9 **MS. STOWERS:** Thank you, Members. Thank you, staff.

10 **CHAIR VAZQUEZ:** Thank you, Staff. Thank you,
11 Brenda.

12 (End of recording)

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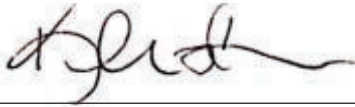
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STATE OF CALIFORNIA

This is to certify that I transcribed the foregoing pages 1 to 184 to the best of my ability from an audio recording provided to me.

I have subscribed this certificate at Phoenix, Arizona, this 4th day of June, 2022.



Klancie Garrel
eScribers, LLC

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