

MZ. Ref. for BRD Dir. on Pub. of
Legal Annotation
880.0155.005, LOW-INCOME
Housing



November 19, 2013

BOARD of DIRECTORS

President
Erin Rank
Representing Habitat for
Humanity California

First Vice President
Cesar Covarrubias
The Kennedy Commission

Second Vice President
Sharon Rapport
Corporation for Supportive Housing

Secretary
Navneet Grewal
Western Center on Law & Poverty

Treasurer
Valerie Feldman
Legal Services of Northern California

Amy Anderson
California Housing
Partnership Corporation

Zalenne Cárdenas
Social Model Recovery Systems

Elissa Dennis
Community Economics

Mariano Diaz
Local Initiatives Support Corporation

Karen Flock
Representing NeighborWorks

Alan Greenlee
Southern California Association of
NonProfit Housing

Rich Gross
Enterprise

Stanley Keasling
Rural Community
Assistance Corporation

Michael Lane
Non-Profit Housing Association
of Northern California

Joan Ling
Representing Clergy and Laity United
for Economic Justice, Los Angeles

Christina Livingston
Alliance of Californians for
Community Empowerment

José Nuño
Representing National Council of
La Raza

Deanne Pearn
Representing EveryOne Home

Kalima Rose
PolicyLink

Susan Riggs Tinsky
San Diego Housing Federation

Rob Wiener
California Coalition for
Rural Housing

Anne Wilson
Community HousingWorks

900 J Street, 2nd Floor
Sacramento, CA 95814
(916) 447-0503
FAX (916) 447-1900
www.housingca.org

Dear Chairman Horton and Members of the Board of Equalization,

I am writing to express the concerns of Housing California about the proposed annotation 880.0155.005 regarding PILOTs and affordable home developments. We share the desire of the proponents of this annotation to protect affordable home developments that have entered into PILOT agreements but we are concerned that the annotation will create confusion about the legality of PILOT agreements and lead more local governments to force these agreements on developers.

Housing California is the voice in the state Capitol for children, seniors, families, people experiencing homelessness, and everyone who needs a safe, stable, affordable place to call home. Since 1988, Housing California has been working to prevent homelessness and increase the variety and supply of safe, stable, accessible and permanently affordable places to live.

The past opinions of the Board of Equalization (BOE) have made clear that there is no legal or constitutional authority for PILOT agreements. The proposed annotation effectively changes the stance of the BOE from PILOTs lack legal authority to a stance that the BOE has no position on their constitutionality or legality. This shift in position will encourage more cities to impose PILOT agreements on affordable home developments that are providing a public service. The end result will be fewer homes developed and less affordability as funds targeted to provide affordable homes are instead repurposed as general fund dollars.

The current situation where some affordable developments face insolvency if they lose their welfare exemption clearly needs a resolution. That residents and developers of affordable homes might bear the punishment for an illegal tax imposed by local government seems both an unjust outcome and contrary to good public policy.

Housing California believes that a solution can be crafted that protects the residents of communities that have paid PILOTs and avoids opening the floodgates to future PILOT agreements. We encourage the BOE to delay adopting the proposed annotation and seek a more comprehensive solution.

Sincerely,

Shamus Roller
Executive Director

STATE BOARD OF EQUALIZATION



Appeal Name: Public Comment

Case ID: _____ ITEM #. _____

Date: _____ Exhibit No: 11-03

TP FTB DEPT **PUBLIC COMMENT**