



MIKE SCHAEFER
MEMBER
CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: October 9, 2025

To: Ted Gaines, Chairman
Sally J. Lieber, Vice Chair
Antonio Vazquez, Board Member, Third District
Malia M. Cohen, State Controller

From: Mike Schaefer, Board Member, Fourth District

**Re: MINUTES AND POSSIBLE FUTURE ACCEPTANCE OF SEPTEMBER 16, 2025,
STATE BOARD OF EQUALIZATION INFORMATIONAL HEARING ON
WORKFORCE HOUSING BY PUBLIC AGENCIES**

SUMMARY: On September 16, 2025, the State Board of Equalization held an Informational Hearing to discuss the property taxation implications of and opportunities for the development of workforce housing by public agencies.

A. Greetings and Introductory Remarks

Member Schaefer provided brief opening remarks, recollecting fondly that, in his childhood, teachers could still afford to live in the communities in which they taught and he expressed his hope that the hearing would contribute to bringing teachers and other public employees back into the communities they serve. Vice Chair Lieber echoed Member Schaefer's sentiments and introduced Deputy State Superintendent Richard Barrera.

B. The State Superintendent of Public Instruction's Education Workforce Housing Initiative

Speaker: Richard Barrera, Deputy State Superintendent, California Department of Education

Deputy Barrera discussed a 2022 CSBA study at UCLA and UC Berkeley that identified 75,000 acres of land appropriate for education workforce housing, with the capacity to produce 2.3 million new housing units. He described Superintendent Thurmond's initiative to accelerate the production of education workforce housing. Deputy Barrera discussed the lack of affordable housing both for educators and for students and their families. He identified the provision of affordable housing as an important factor in attracting and retaining teachers and other staff.

Deputy Barrera summarized recent state legislation relevant to education workforce housing, including SB-1413 (2016), AB 1157 (2018), AB 3308 (2020), and AB 2295 (2022). He then provided an overview of district General Obligation Bonds that have included funds for education workforce

housing and a list of housing developments constructed to date. He then discussed impediments to the production of education workforce housing, including 1) lack of district experience and expertise in development of housing, 2) lack of financing for predevelopment costs, 3) need for legislative clarity, and 4) lack of subsidies and tax incentive for the production of moderate-income teacher housing.

Member Vasquez asked if bond funds could be used for predevelopment costs. Deputy Barrera acknowledged that districts with GO bond funds can and sometimes do use funds for this, but the majority of districts are small and without GO bonds and would benefit from a state fund for these costs.

Deputy Barrera also discussed the possibility that Regional Housing Finance Authorities, enabled by SB 440, can help catalyze agency workforce housing. Member Vasquez asked about the possibility of utilizing Joint Powers Authorities more broadly.

Deputy Controller Emran asked about the mix between classified and certificated employee housing. Deputy Barrera answered that there are additional challenges to build units for teachers, since they are generally moderate income and there are insufficient subsidies for middle income housing. Member Schaefer discussed UC Irvine's faculty housing. Chair Gaines expressed his belief in the value of home ownership and asked about the possibility of producing smaller starter homes for young families. Deputy Barrera discussed the possibility of credit products being devised to utilize rent savings to build equity for future downpayment or using a Community Land Trust model.

C. Affordable Education Workforce Housing at San Diego Unified School District

Speaker: Lee Dulgeroff, Senior Executive Director, Facilities, Planning & Construction, San Diego Unified School District

Vice Chair Lieber introduced Mr. Lee Dulgeroff. Mr. Dulgeroff explained that SDUSD uses a definition of housing affordability as requiring no more than 30% of an employee's household income. He noted that, in general, teachers fall into the moderate-income category (80% to 120% AMI (Area Median Income)). He reviewed the benefits of affordable education workforce housing, including retaining staff, reducing emissions, increasing enrollment, and potential revenue.

Mr. Dulgeroff described progress to date at SDUSD, including the commitment of \$205 million for EWH in its 2022 bond measure, employee needs survey, LIVIA project at Scripps Ranch, and Former Central Elementary project (270 units). SDUSD currently has 5 RFPs out, to be awarded in December, for roughly 1,500 units. He described best practices for housing development, including early community engagement to obtain buy-in, designs that are aligned with the site and the surrounding community, and transparency of evaluation and selection.

Member Vasquez asked about the possibility of repurposing structures rather than demolition. Mr. Dulgeroff described the balance between historic renovation, modernization of older structures, and demolition and new construction. Member Schaefer expressed admiration for the University Heights location (District Headquarters). Deputy Emran asked if outdated zoning was an impediment. Mr. Dulgeroff noted that the City of San Diego has already upzoned substantial property along thoroughfares, including many of SDUSD's properties. Chair Gaines asked if any of the current

projects at SDUSD include home ownership opportunities. Mr. Dulgeroff responded that they do not, but that there is interest in exploring ownership in the future.

D. Challenges and Opportunities for Public Agency Workforce Housing

Speaker: Holly Fraumeni De Jesus, Partner, Lighthouse Public Affairs

Vice Chair Lieber introduced Holly Fraumeni de Jesus. Ms. Fraumeni contextualized the current crisis in the wake of the dissolution of the state's than 400 Redevelopment Agencies in 2012. She highlighted 1) regulatory inconsistencies, 2) lack of home ownership subsidies, 3) the NIMBY (Not In My Back Yard) movement, 4) shortcomings in the RHNA (Regional Housing Needs Assessment) metrics, targets, and proxies for actual housing production, and 5) CEQA litigation. She emphasized the need to make housing units affordable in perpetuity rather than expiring deed restrictions. She talked about the possibility of future mechanisms similar to tax increment financing (TIF) and the role of the BOE in leading on tax relief.

Member Vasquez asked about the challenges to spurring the production of workforce housing. Ms. Fraumeni pointed to the tension between rental and home ownership and the possibility of combining workforce housing and home ownership. Deputy Emran asked about rising costs of production. Ms. Fraumeni asserted that the single most effective way of retaining families in California is assisting them with home ownership. Chair Gaines asked about the future of broad based CEQA reform. Ms. Fraumeni answered that last session's reforms were the most significant to date, particularly with regard to infill housing. Deputy Emran asked about the role that modular housing could play in affordable housing production. Ms. Fraumeni responded that she did believe in the scalability of modular housing, particularly for smaller units.

E. Board Discussion and Closing Remarks

Vice Chair Lieber providing a closing thank you to the speakers. Member Vasquez thanked Member Schaefer, Vice Chair Lieber, and the speakers for the hearing. He noted that as a former teacher, he is particularly cognizant of the impact of lack of affordable housing for our educators. Deputy Emran thanked participants and emphasized the importance of employee housing and especially the environmental benefits. Member Schaefer thanked his Chief Deputy Cody Petterson, his colleagues, and speakers for a successful hearing. Chair Gaines reiterated his support for home ownership opportunities.

POTENTIAL AREAS FOR FUTURE BOARD CONSIDERATION AS INDICATED BY TESTIMONY AND BOARD COMMENT

- Support for legislation establishing a fund to assist districts with predevelopment funds
- Exploration of role of Community Land Trusts in providing home ownership opportunities
- Examination of incentives to preserve affordability in perpetuity
- Examination of Surplus Land Act in relation to agency retention and development of affordable workforce housing
- Possibilities for utilizing Joint Occupancy model for non-educational agency workforce housing.