



SALLY J. LIEBER

CHAIR, CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: August 12, 2026

To: Hon. Ted Gaines, Vice-Chair, Board Member, First District
Hon. Antonio Vazquez, Board Member, Third District
Hon. Mike Schaefer, Board Member, Fourth District
Hon. Malia M. Cohen, California State Controller

From: Sally J. Lieber, Chair, Board Member, Second District

Re: Report on the July 22, 2026, Informational Hearing on Affordable Housing and Issues relating to the Property Tax Welfare Exemption.

On July 22, 2026, the Board of Equalization (BOE) held an Informational Hearing to discuss opportunities to increase the use of the Welfare Tax Exemption in promoting the development of affordable housing.

This Informational Hearing was held to hear from non-profit affordable housing organizations, affordable housing developers and providers, the California Assessors' Association (CAA), and County Assessors about the need for efficient implementation of the WTE, and to identify any barriers preventing a rapid uptake of credits for eligible affordable housing, and needed administrative, regulatory, and statutory changes.

Potential progress on this issue is grounded in two realities:

- 1. The Welfare Tax Exemption is a fundamental building block for making affordable housing financially viable in our state. Predictability, consistency, and efficiency in implementation will determine whether we succeed or fail at producing already needed affordable housing.**

2. **Affordable housing providers must currently devote resources and place burdens on their small staffs to cope with what can often be lengthy processes and county-to-county differences in implementation. This ‘static in the system’ impedes the creation of needed affordable housing.**

Participants in the hearing included:

J.T. Harechmak, Policy Director, Non-Profit Housing Association of Northern California
Tiyasha Watts, Associate Director of Policy Advocacy, California Housing Partnership
Bryan Dove, Senior Director of Asset Management, Eden Housing
Paul Shafer, Public Policy Manager, California Council for Affordable Housing
Jen Collins, Operations and Finance Director, Oakland Community Land Trust
Trent Eskew, Director of Asset Management, Pacific Housing Inc.
Heather Bromfield, Associate Director, Enterprise Community Partners
Hon. Kristen DePaul, Modoc County Assessor and President, CAA
Hon. Shelly Scott, Marin County Assessor and Vice President, CAA
Hon. Neysa Fligor, Santa Clara County Assessor

The following are recommendations that address the main points expressed by BOE Members and participants during the hearing.

1. The BOE should create and issue clear guidance on compliance with Assembly Bill 2353 (Ward, 2024). Witnesses suggested that the BOE create model language that assessors can use to confirm that penalty and interest holds are in place for qualifying properties. The BOE should also work with the affordable housing provider community to identify whether additional legislation is needed to communicate the provisions of AB 2353 to lenders and county tax collectors. Proactive education could reduce lengthy wait times for refunds and unneeded collections that result in additional work for tax collectors.
2. The BOE, working with the California Assessors’ Association, should work to promote faster, more efficient, approval or denial of WTE qualification by County Assessors. The BOE and CAA should work to set clear, consistent, statewide guidelines for what constitutes a complete application—encompassing local regulatory agencies’ documentation.
3. The BOE should participate with the housing developers/providers, the CAA, and others in seeking legislation to clarify performance standards, determine what can be included in the WTE, reduce penalties for no-fault delays, and harmonize required documentation for all counties. The BOE has taken a position of support on Assembly Bill 2089 (Ward, 2026), that includes language that allows the use of electronic signatures. If chaptered, the BOE should follow its implementation closely, and advocate funding for all counties to utilize electronic

signatures for this purpose and to support public posting of required forms both on the BOE's and counties' web sites.

4. The BOE, working with the California Assessors' Association, should work to enhance familiarity among counties with implementation of the WTE in projects that seek to preserve existing affordable housing, and should seek commonsense reductions in duplicative filings and work to institute protective and transparent standards for security of tenant data.

It is clear that achieving the full potential of the Welfare Tax Exemption will take ongoing, deliberative work of the BOE Board and staff, housing providers/developers, Assessors, the California Assessors' Association, the Legislature and others. I urge my fellow Board members to continue to work to make progress on this vital issue.

Sincerely,

A handwritten signature in black ink, reading "Sally J. Lieber". The signature is fluid and cursive, with the first name "Sally" being more prominent and the last name "Lieber" following in a similar style.

Hon. Sally J. Lieber, Chair

cc:

Matt Cox, Chief Deputy, Office of Vice-Chair Ted Gaines
Douglas Winslow, Chief Deputy, Office of Chair Sally J. Lieber
Juan Carlos Flores, Chief Deputy, Office of Member Antonio Vazquez
Hon. Cody Petterson, Chief Deputy, Office of Member Mike Schaefer
Hasib Emran, Deputy State Controller