

**OCTOBER 19, 2023, MINUTES OF THE STATE BOARD OF EQUALIZATION'S STATEWIDE INFORMATIONAL HEARING ON MODERNIZING CALIFORNIA'S PROPERTY TAX SYSTEM PART IV: BOARD WORK GROUP ON AFFORDABLE HOUSING**

The Board Chairman convened the Board of Equalization's Statewide Informational Hearing on Modernizing California's Property Tax System Part IV: Board Work Group on Affordable Housing at 1685 Main St, Santa Monica, CA 90401 at approximately 9:30 a.m., with Mr. Vazquez, Chairman, Mr. Gaines, and Mr. Schaefer present, and Mr. Emran present on behalf of Ms. Cohen. Ms. Cohen appeared in a pre-recorded video wherein she provided opening remarks. Ms. Lieber, Vice Chair joined the meeting at approximately 1:15 p.m.

Purpose: Chairman Vazquez presided, summarizing the overall purpose of the Work Group, which is to gather technical and testimonial data from key leaders and experts on the critical issues and challenges of the low-income housing crisis, discuss milestones, and identify needed improvements. Information received will enable the preparation of a blueprint of incentives to increase the availability of homes for those in extreme and immediate need, which will be compiled and ultimately distributed to stakeholders, the Governor, and the legislature, fully documenting the data and recommending solutions and other action items.

Speakers: Hon. Antonio Vazquez, Chairman and Member, Third District; Hon. Ted Gaines, Member, First District; Hon. Sally Lieber, Vice Chair and Member, Second District; Hon. Mike Schaefer, Member, Fourth District; Hasib Emran, Deputy State Controller on behalf of Malia Cohen, State Controller; Lana Negrete, Mayor Pro Tem of Santa Monica; Christopher Koontz, Community Development Director of the City of Long Beach, on behalf of Long Beach Mayor Rex Richardson; Hon. Senator Ben Allen, 24th Senate District; Susie Shannon, Policy Director, Housing is a Human Right of the AIDS Healthcare Foundation and Commissioner, 14th Council District of the Los Angeles City Health Commission; Tara Barauskas, Executive Director, Community Corporation of Santa Monica; Rene Buchanan, Resident Council Leader, Community Corporation of Santa Monica; Noah Marty, Senior Legislative Aide for the Hon. Assemblymember Jesse Gabriel, 46th Assembly District; Maya Douglas, District Director for the Hon. Assemblymember Mike Gipson, 65th Assembly District; Antonio Castro, Jr., Chief Appraiser of the Hon. Jeffrey Prang, Los Angeles County Assessor; Shane Phillips, Housing Initiative Project Manager for the Lewis Center for Regional Policy Studies of the University of California, Los Angeles; Hon. Assemblymember Rick Chavez Zbur, 51st Assembly District; Hon. Claude Parrish, Orange County Assessor; Katherine Peoples, Founder and Executive Director of HPP CARES; Amy Bodek, Director of the County of Los Angeles Department of Regional Planning; and Emilio Salas, Executive Director of the of the Los Angeles County Development Authority.

Summary: At the conclusion of his opening remarks, Chairman Vazquez explained that all agenda items would be initially read into the record by the clerk Mary Cichetti to accommodate all speakers' schedules and allow speakers to address any agenda item in their presentations. All items on the agenda were addressed and PowerPoint presentations were made by Mr. Koontz, Ms. Barauskas, and Mr. Castro (links to presentations unavailable).

Recommendation and Findings: At the end of the hearing, Chairman Vazquez summarized several of the key recommendations and conclusions provided by all the speakers, including, but not limited to, working with other state entities to provide greater stability, certainty, and streamlining of affordable housing funding sources; supporting adaptive reuse policies; increasing the cap for the property tax welfare exemption on non-tax credit projects; and others. Chairman Vazquez requested the other Members to provide any other recommendations they heard from speakers to be included in the Board Work Group Report.

The Board Work Group was adjourned at 3:32 p.m.

**REPORT ON THE OCTOBER 19, 2023, STATE BOARD OF EQUALIZATION'S STATEWIDE INFORMATIONAL HEARING ON MODERNIZING CALIFORNIA'S PROPERTY TAX SYSTEM**  
**PART IV: BOARD WORK GROUP ON AFFORDABLE HOUSING**

1. **Greetings and Introductory Remarks** ..... Mr. Vazquez, Ms. Negrete, Mr. Gaines, Mr. Schaefer, Ms. Cohen, Mr. Emran, Mr. Allen

**Hon. Antonio Vazquez, Chairman and Member, Third District**

Chairman Vazquez made opening remarks regarding the goal of the informational hearing: to gather technical and testimonial data for every speaker on the critical challenges of low-income housing, the low-income housing crisis, identifying milestones and process improvements. The information received will be used to prepare a blueprint of incentives designed to use the property tax exemption and other means of increasing the availability of homes for those in need. Ultimately, the plan will be distributed to all stakeholders: the Governor, legislators, and the speakers that have participated in this and previous hearings over the last two to three years. Chairman Vazquez asked for the speakers' top recommendations on how the Board and its property tax responsibilities and oversight can develop a blueprint for affordable housing moving forward.

**Lana Negrete, Mayor Pro Tem of Santa Monica**

Mayor Pro Tem Negrete expressed that the City of Santa Monica was pleased to host the informational hearing on affordable housing, a topic that is at the forefront of many local municipalities, not just in California but across the nation. Meetings such as these set the blueprint to go forward and listen to those that have created opportunities that have been successful—where to find gaps and create solutions to move forward to create more affordable housing.

**Hon. Ted Gaines, Member, First District**

Member Gaines stated that he looked forward to the testimony that would be provided about affordable housing during the hearing. He reflected on the situation in the Middle East, in Israel, and his hope for peace in that area.

**Hon. Mike Schaefer, Member, Fourth District**

Member Schaefer reflected on his past experiences in Santa Monica and his support of individual single-family neighborhoods and stated his support of doing whatever the Board can do to develop more housing.

**Malia Cohen, State Controller**

Controller Cohen framed the reason for the informational hearing in terms of data: in Los Angeles the median home value is near \$1 million and that home values have increased more than 30 percent in just five years. Other Southern California cities are close behind—including San Diego, Oxnard, and San Luis Obispo—all of which are experiencing sharp increases in their home values. There is not one metropolitan area in the state where a family making minimum wage can afford to buy a home. California has an ambitious housing goal calling for the creation of 2.5 million new homes by 2030, so this hearing provides a real opportunity to listen and learn from those on the front lines doing the hard work.

## **Hasib Emran, Deputy State Controller**

Deputy Controller Emran noted that even in a time of economic growth and record employment, too many Californians are threatened with high housing costs, a housing crisis a half century in the making. Supply has not kept up with demand, and too many Californians are only one housing payment away from losing their home, or to make ends meet they live in overcrowded conditions that are often unsafe and unsanitary. The hearing is a unique opportunity to form bold short- and long-term strategies to address the housing crisis and emphasized the importance of producing “new age” housing in areas with high access to opportunities and services while keeping existing residents in their homes, investing in climate efficient homes, providing housing units that are affordable for all Californians, lowering housing development costs, and working with local governments to set attainable housing goals. The Board of Equalization is in a unique position to confront the housing crisis as the administrators of California’s \$85 billion property tax system and the only elected tax board in the country, and has a duty to those who are relying on the Board to start doing so.

## **Hon. Senator Ben Allen, 24th Senate District**

Senator Ben Allen made general complimentary remarks about the Board of Equalization, especially his friend and former colleague in the legislature, Member Gaines. He also expressed his concern regarding the situation in the Middle East and his hope for peaceful outcomes there, and that he looked forward to the hearing and the speakers.

### **2. Housing Production and Streamlining.**

This Item considered input on laws, policies, best practices, and property tax incentives for increasing housing production and streamlining by entitling project developments, improving the review of applications for building permits; ensuring methods for project funding, reducing the costs and time required, and other opportunities.

### **3. Lessons Learned: What Works and What Hinders Projects**

This Item considered how laws, policies, procedures, and practices, including property tax processes and program, reflect and meet population needs in terms of affordability, product type, and location; and when to revise or re-align.

### **4. Incentives, Tax Credits, Exemptions, Financing**

This Item considered input on public and private investments; state/local bond measures, financial subsidies, land donations, grants, and loans; inclusionary zoning policies, density bonus ordinances, property tax exemptions; low-income housing tax credits, and other methods to make low-income housing economically possible. Ms. Cichetti, what is the next Item?

### **5. New Initiatives, Models, and Active Solutions that Work**

This Item considered housing innovations; effective initiatives for the homeless; permanent supportive housing; faith-based, veterans, senior and other focused housing projects and initiatives that reduce the risk of homelessness and promote stability.

## **Speakers for Items 2-5**

### **Christopher Koontz, Community Development Director of the City of Long Beach, on behalf of Rex Richardson, Mayor of Long Beach**

On behalf of Mayor Richardson, Mr. Koontz explained that the City of Long Beach is recognized under the Department of Housing and Community Development's (DHCD) Prohousing Designation Program, which gives it additional points for grants and keeps it focused on building housing for purposes of planning, development, and use of funds. To tackle the housing crisis both in Southern California and throughout the state, greater certainty, predictability, and speed in financing development both for the homeless and for moderate income families is required; the financing process especially at the state level is disjointed and sometimes backwards and therefore needs adjusting. There is also not uniform advice from assessors about the application of the welfare exemption to accessory dwelling units (ADUs) and insufficient law on the application of the welfare exemption to rent controlled low-income units rented to moderate families and rental housing including housing for college students.

**Conclusions and recommendations for the Board:** (1) provide clear uniform guidance to assessors and local agencies on the application of the welfare exemption to ADUs; (2) explore options for applying the welfare exemption to rental housing for college and community college students on college or school district owned property; and (3) explore options for restricted low-income units rented to families whose income increased over time and for rent restricted moderate income family rental housing.

### **Hon. Senator Ben Allen, 24th Senate District**

Senator Allen stated Californians have made it clear by their support for statewide and local measures up and down the state that they are willing to raise taxes to address the housing problem. The state owes it to taxpayers to use funds from all such measures, in addition to allocations from the state budget to use the money as intentionally and efficiently as possible. With the \$13 to \$14 billion allocated, there is still a shortfall, as the legislature sees the cost of permanent housing projects increasing, rents increasing (and only 20 percent of units under rent control), and thousands of people rent-burdened, at risk of homelessness, or homeless. California still has only 22 rental units available for every 100 extremely low-income households.

**Conclusions and recommendations for the Board:** (1) support important housing legislation; for example, AB 1482 and SCA 2 to repeal Article 34 in the California Constitution so that more low rent housing can be built and be eligible for the welfare exemption, and SB 588, removing the cap on the welfare exemption for nonprofits that adaptively reuse old building and reconstruct them for low income housing, and SB 1444 to pool funding in a regional housing trust for constructing housing for the homeless on vacant or repurposed commercial properties, and SB 4 streamlines approvals (including the application of the welfare exemption) for constructing low income housing on properties owned by religious organizations and nonprofit colleges; (2) consider, evaluate and weigh in on the "care court" bills and Proposition 1, the Behavioral Infrastructure Bond Act, supported by the Governor and on the March 2024 ballot to provide housing for the gravely disabled, those who live on the street and are without the capacity to care for themselves (about 25 percent of the homeless population); and (3) partner with the legislature and Governor to increase dialogue on the Board's unique position and knowledge of property tax—focusing on the incentives that are or could be made available through legislation and the hurdles.

**Susie Shannon, Policy Director of Housing is a Human Right of the AIDS Healthcare Foundation and Commissioner of the 14th Council District of the Los Angeles City Health Commission**

Ms. Shannon discussed how adaptive reuse of vacant hotels and buildings is the most cost effective and efficient way to permanent housing with a cost of \$100,000 per unit rather than \$500,000 to \$700,000 per unit for new construction and enables them to be rented at \$400 to \$800 per unit. Removing the cap on the welfare exemption is critical because the property taxes on these buildings are prohibitive, and if the rent is increased by even 5 percent, many people will need to move out and go back on the street.

**Conclusions and recommendations for the Board:** (1) incentivize nonprofit developers of low- and very low-income housing by providing the full exemption, as they operate these properties at a loss and are saving the state money by preventing homelessness; and (2) support and incentivize rent control for low- and very low-income housing by applying the welfare exemption and not allowing them to be assessed at market rents.

**Tara Barauskas, Executive Director of Community Corporation of Santa Monica**

Ms. Barauskas discussed Community Corporation's support of SB 4, SB 423, and AB 84 as important tools to help apply and streamline the welfare exemption, critical for affordable housing; however, she stressed that more needs to be done, especially since insurance costs have tripled. Ms. Barauskas also cautioned that the state's funding system for affordable housing projects is disjointed and time-consuming, often taking three to four years for each project, which greatly increases project costs.

**Conclusions and recommendations for the Board:** (1) align the state's funding system and all state approvals (including the welfare exemption) to keep projects moving; (2) adjust welfare exemption for people who initially qualified as low income but later obtained jobs and increased their income to a moderate level; and (3) provide guidance on SB 4—which allows religious institution properties and public surplus lands for the production of affordable housing—to understand how the welfare exemption will apply and whether it is available right away or at the beginning of construction.

**Rene Buchanan, Resident Council Leader of Community Corporation of Santa Monica**

Ms. Buchanan provided an overview of the process of building Community Corporation's affordable housing projects, wherein all parties are aware that the final project will not be just another multi-family building, but also a community that will provide their residents with a place to build a meaningful life. Every decision involved in the planning, design, and construction of each building flows from the belief that thriving communities are essential to the health and well-being of not only their residents but also of surrounding neighborhoods, cities, etc. She also discussed her personal experiences and her views of the value of having a home.

**Noah Marty, Senior Legislative Aide for the Hon. Assemblymember Jesse Gabriel, 46<sup>th</sup> Assembly District**

Mr. Marty highlighted the crippling housing crisis currently facing California, noting the need for 2.5 million housing units over the next eight years and 1.2 million affordable housing units over the next decade, both of which the state is currently not on track to produce. Mr. Marty spoke about Assemblymember Gabriel's most recent housing legislation signed by Governor Newsom--AB 529, AB 1386, and AB 1053—which focused on eliminating bureaucratic red tape and eliminating unintended consequences of existing policies that were preventing

housing development. For example, AB 529 encourages local jurisdictions to provide incentives for adaptive reuse housing and creates a state working group to identify challenges to, and opportunities that help support, the creation and promotion of adaptive reuse residential projects. Mr. Marty also spoke about AB 1386, which establishes a process to fill vacant veterans' supporting housing units with otherwise eligible veterans who are just outside the eligibility threshold. Lastly, Mr. Marty spoke about AB 1053, which authorizes developers to use affordable housing loans during the construction period of projects, which seeks to reduce capital expenses and is estimated to reduce project costs by at least \$1 million per project and free up additional funds for additional affordable housing projects. Mr. Marty emphasized that existing policies, codes, and procedures, while well intentioned, may unintentionally frustrate the purpose they serve, and stressed the importance of legislation to reduce barriers to accessing, financing, and developing affordable housing.

**Maya Douglas, District Director for the Hon. Assemblymember Mike Gipson, 65<sup>th</sup> Assembly District**

Ms. Douglas noted the importance of addressing the affordable housing crisis, as over half of Assemblymember Gipson's constituents are considered overburdened with housing costs. Ms. Douglas discussed Assemblymember Gipson's bill AB 1528, which was signed by Governor Newsom this year. AB 1528 exempts from property taxes any property held by a nonprofit public benefit corporation owned by a public housing authority. Ms. Douglas additionally discussed Assemblymember Gipson's prior bill AB 1199, which sought to create opportunities for first-time homebuyers and limit corporations from buying foreclosed housing. While AB 1199 was not enacted into law, Assemblymember Gipson is interested in exploring similar legislation in the future. Ms. Douglas also spoke about the ongoing revitalization project for the Jordan Downs housing project in Watts which is creating additional affordable housing while ensuring no displacement of the existing community. Ms. Douglas highlighted grants that DHCD has awarded in Assemblymember Gipson's district, including the Regional Early Action Planning Grants of 2021 (REAP 2.0) in the amount of \$237 million to the Southern California Association of Governments. REAP 2.0 expands the focus of prior grant programs by integrating housing, equity, and climate goals, and is intended to address infill development, housing for all incomes, vehicle miles traveled reduction, and affirmatively further fair housing. Lastly, Ms. Douglas spoke about the 65<sup>th</sup> District's receipt of \$4.9 million in grants from DHCD's Prohousing Incentive Pilot Program, which the City of Los Angeles will use to provide loans to rehabilitate properties with affordability covenants as necessary to extend long-term affordability restrictions and provide gap financing for affordable housing projects. Ms. Douglas closed by emphasizing the importance of collaborating with local, state, and federal partners in funding, developing, and building affordable housing.

**Antonio Castro, Jr., Chief Appraiser, on behalf of Hon. Los Angeles County Assessor Jeffrey Prang**

Mr. Castro gave a presentation on the property tax welfare exemption and requirements for filing claims, including the history, qualification requirements, and administration of the exemption. Mr. Castro's presentation also discussed ways the Los Angeles County Assessor assists the public in navigating the welfare exemption process and suggestions for streamlining the process, including the following: providing checklists and flowcharts; providing workshops and prerecorded or live webinars; having quicker lead times for obtaining clearance certificates from the State Board of Equalization; improving claimant resources, outreach, and customer service; etc. Mr. Castro also highlighted the Board of Equalization's Assessor's Handbook and website, as well as the Los Angeles County Assessor website and email address, as resources for the welfare exemption. Mr. Castro also addressed recently enacted SB 4 as a way in which religious institutions and nonprofit

organizations may build affordable housing on their properties through a streamlined approval process.

**Shane Phillips, Housing Initiative Project Manager, UCLA Lewis Center for Regional Policy Studies**

Mr. Phillips discussed the Lewis Center's research, which has found that there is no way to meet the current affordable housing demand by exclusively building subsidized housing; rather, subsidized housing developments must be part of a series of complementary housing solutions that include market-rate housing. Specifically, Mr. Phillips discussed the fiscal and practical limitations of building the number of affordable housing units currently estimated to be needed in the state, which would theoretically cost the state approximately \$1 trillion. Although new market-rate housing is not affordable, it has a cascade affect across people moving from their affordable housing to less affordable housing, thereby opening affordable housing to incoming residents. Mr. Phillips explained that stabilizing rents will also have a direct effect on stabilizing housing development and construction costs. Mr. Phillips stated that developers will build market-rate housing at no cost to the public, which can complement the building of affordable housing and does not need to compete with it. Mr. Phillips also noted that the affordable housing developers have been some of the biggest beneficiaries of the recent streamlining processes for housing development. Mr. Phillips also argued that Proposition 13 has unintentionally discouraged redevelopment of "prime" properties by allowing property owners to have their property appreciate while maintaining relatively low property tax appraisal values.

**Hon. Assemblymember Rick Chavez Zbur, 51st Assembly District**

Assemblymember Zbur highlighted the California homelessness crisis and how the state can do more to prevent more people from being unhoused. The homelessness epidemic in the state is higher than West Virginia, Louisiana, and Arkansas spurred on by the high cost of housing that is driving people into poverty. California has the lowest functional poverty rate of any state in the country. He summarized some of the bills that he authored and/or sponsored such as the California Housing Security Act that would create a new rent subsidy program that provides \$2,000 a month in rental assistance. Another bill, SB 423, would streamline multifamily housing production for developers while at the same time protecting sensitive animal habitats and high-risk fire zones, while AB 1620, allows physically disabled tenants to move to the first floor of an apartment building without having their rent reset.

**Conclusions and recommendations for the Board:** (1) emphasize prevention to mitigate homelessness; the state needs to fund resources and build subsidized affordable housing units using the current resources available; (2) allow market rate housing with density bonus incentives rather than exclusively focusing on subsidized affordable housing; and (3) build consensus with neighborhoods targeted for affordable housing developments through public discussions, involvement, and visual renditions of the affordable housing project.

**Hon. Claude Parrish, Orange County Assessor**

Assessor Parrish emphasized the importance of the State Board of Equalization where constituents can bring up tax issues and problems to their elected member. He also offered his thoughts and concerns on the causes of the current homelessness crisis in California.

**Conclusions and recommendations for the Board:** (1) offer new homebuyers a low-interest, down payment assistance program; and (2) address the drug and addiction problems because of their relationship to the homelessness crisis.

### **Katherine Peoples, Founder and Executive Director of HPP CARES**

Ms. Peoples provided an overview of HPP Cares' background, purpose, and services available to the public. HPP Cares organizes placement and supportive services for citizens placed in interim housing to find permanent housing arrangements. HPP Cares is also a United States Department of Housing and Urban Development (HUD)-approved housing counseling agency for the entire state that is composed of housing counselors, ADU specialist, constructions contractors, architects, etc.

**Conclusions and recommendations for the Board:** provide supportive services (e.g., mental health counseling and therapy, financial assistance, job placement services) for individuals and connect them to ADU owners for permanent housing.

### **Emilio Salas, Executive Director of the of the Los Angeles County Development Authority**

Mr. Salas provided background and history the Los Angeles County Development Authority (LACDA), its purpose, and its services that focus on affordable housing production. LACDA receives 70 percent of its funding from federal grants and HUD and receives funding from sales taxes from Measure H. The Los Angeles County Board of Supervisors is currently focused on increasing affordable housing production with emphasis on creating supportive housing, special needs housing for persons experiencing homelessness and mental illness, as well as the disabled and seniors. LACDA also works on streamlining processes for various projects throughout the county. However, the biggest challenge is the financing aspect for developers where developers must gather financing from various sources.

**Conclusions and recommendations for the Board:** (1) consolidate funding sources at the state and federal level because each funding source comes with their own separate criteria and requirements; (2) establish a subsidy or program for developers, as well as renters so that such projects are viable in the long term; (3) eliminate barriers to affordable housing programs where landlords are incentivized to accept individuals with no rental history, no or limited employment history, no physical identification cards, or were formerly homeless (e.g., support incentive programs for landlords with sign-on bonuses to accept more low-income renters); and (4) provide more permanent supportive housing and increase general affordable housing for all.

### **Amy Bodek, Director of the County of Los Angeles Department of Regional Planning**

Ms. Bodek provided a brief overview and mission of the Los Angeles County Department of Regional Planning. Ms. Bodek's focus is on the unincorporated areas of Los Angeles County serving 1.1 million people and 125 distinct communities that range from unincorporated Catalina Island to unincorporated Antelope Valley. Her unit is the planning agency for those 125 communities and works with LACDA on various housing projects located on county land. Her agency is also under the direction of the Los Angeles County Board of Supervisors. The agency has been aggressive in promoting rapid affordable housing developments by lowering the permitting process for affordable housing projects and ADU production to 60 days.

**Conclusions and recommendations for the Board:** (1) consolidate funding sources at the state and federal level because each funding source (e.g. TCAC) comes with their own separate criteria and requirements; (2) eliminate the ability to appeal and sue under a statutory exemption related to affordable housing projects; (3) explore needed changes to affordable housing parking requirements, as developers are constrained by banks and their financing requirements to provide sufficient parking (often more than is required under the



law); (4) explore needed changes to; although ADU laws were streamlined to increase housing availability, many property owners see ADUs as an income source and not necessarily for affordable housing; (5) increase density bonuses to 100 percent; (6) provide incentives to improve older homes to keep property owners in their homes; (7) provide a sustainability program that requires investments in green infrastructure (i.e. solar, new roofing, insulation, windows) in urban areas; (8) provide home improvement grants to homeowners who have owned their home for more than 30 years; (9) change commercial building codes to be more flexible for converting commercial office space to housing; (10) ensure affordable housing units are cost effective and built for the long term, and that units are sufficient in amenities and size where people want to live; and (11) streamline and expedite permitting process for all agencies (i.e. public works, parks and recreation, public health, fire, etc.) involved in the development of housing and business centers.

**6. Recommendation for Solutions, Action Items, and Wrap Up..... Mr. Vazquez, Ms. Lieber, Mr. Emran**

Chairman Vazquez expressed his gratitude to the speakers for their insights, recommendations, and collaborative spirit during the hearing. He noted that the speakers provided a variety of recommendations and action items and wanted to acknowledge and summarize those key points. He read the following recommendations from the speakers and concluded by asking the other Board Members to add any he may have missed:

- (1) Work with other state entities to build on the success of ADU production;
- (2) Emphasize production of moderate-income housing;
- (3) Work with other entities to provide greater stability and certainty regarding the funding of affordable housing;
- (4) Support adaptive reuse policies and use of prefabricated modular housing;
- (5) Work with other state entities to address potential low-income housing tax credits;
- (6) Align and streamline funding sources for affordable housing projects;
- (7) Increase cap for welfare exemption on non-tax credit projects;
- (8) Work with legislators and Department of Insurance to address skyrocketing premiums insurance premiums;
- (9) Work with legislators and other stakeholders to revisit building standards for commercial and residential properties to promote adaptive reuse policy policies; and
- (10) Remove barriers to financing for production of affordable housing.

Vice Chair Lieber noted another recommendation to add to the Chairman's list: consolidation and simplification of the funding sources at the state level. She recalled how it had been very hard to do that with education funds, but now the legislature, legislative staff, and agencies have gained the experience of consolidating and simplifying state level funding sources with funds for education. She stated that she would research and think more about this topic and bring it back to a future Work Group meeting.

Deputy Controller Emran provided another recommendation: finding avenues to connect affordable housing developers to local surplus land. He stated his belief that the Board of Equalization has a large role to play in this effort.

**Chairman Vazquez adjourned the Work Group at 3.32 p.m.**