



STATE BOARD OF EQUALIZATION
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February 25, 2008

TO COUNTY ASSESSORS:

No. 2008/017

CALIFORNIA HOUSING FINANCE AGENCY

Due to the recent rise in the number of foreclosures, the California Housing Finance Agency (CalHFA) has had a corresponding increase in homes coming under its ownership. As such, the question has arisen of whether such property held by CalHFA as a result of deed foreclosure proceedings is tax exempt. For the reasons that follow, CalHFA-owned property is exempt from property taxation.

Subdivision (a) of section 3, article XIII of the California Constitution exempts property owned by the state. CalHFA is a public instrumentality and a political subdivision of the state as evidenced by section 50900 of the Health and Safety Code.

In addition, section 50954 of the Health and Safety Code states in relevant part:

The exercise of the powers specified in this division will be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions, and the agency shall not be required to pay any tax or assessment on any property owned by the agency under the provisions of this division or upon the income therefrom....

Accordingly, property owned or received as a result of deed foreclosure proceedings by CalHFA is exempt from property taxation under current constitutional and statutory authorities.

If you have any questions regarding this exemption, please contact our County-Assessed Properties Division at 916-445-4982.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

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