

March 15, 2023

The Honorable Chris Ward  
1021 O Street, Suite 8320  
Sacramento, CA. 95814

**Re: Support for AB 84 – Welfare Property Tax Exemption for Affordable Housing**

Dear Assemblyman Ward:

MidPen Housing Corporation is pleased to support AB 84, your bill to improve implementation of the welfare property tax exemption for affordable housing.

MidPen Housing is one of the nation’s leading nonprofit developers, owners, and managers of high-quality, affordable housing and onsite resident services. Since MidPen was founded in 1970, we have developed over 125 communities and 8,500 homes for low-income families, seniors and those with supportive housing needs throughout Northern California.

Reducing the cost of developing affordable homes is critical to stretching scarce state housing resources further and maximizing production. While the California Constitution exempts non-profit owned affordable rental housing from paying property taxes (known as the welfare exemption), inefficiencies in accessing the exemption result in owners making unnecessary but costly tax payments.

For example, most county assessors will not approve the welfare exemption back to the date the property is deed restricted for affordable housing, only to the start of construction. In addition, owners who apply for the exemption must pay the taxes up front and seek reimbursement after approval, requiring them to borrow and float hundreds of thousands of dollars in tax payments for as much as three years.

AB 84 reduces the cost of constructing affordable homes by ensuring that non-profit affordable rental housing can access the existing welfare property tax exemption from the date the property is restricted for affordable housing and without floating unnecessary tax payments while the application is under review. The bill benefits not just the developments but also the state, which currently funds the added costs. Ultimately, AB 84 will allow the state to finance additional affordable homes to meet its dire housing and homelessness needs.

Thank you for your leadership in authoring this important legislation.

Sincerely,



Matthew O. Franklin  
President and CEO  
MidPen Housing Corporation



Building Communities. Changing Lives.

cc:

Nevada V. Merriman, Director of Policy, MidPen Housing  
Senator Mike McGuire  
Senator Bill Dodd  
Senator Susan Eggman  
Senator Steve Glazer  
Senator Nancy Skinner  
Senator Aisha Wahab  
Senator Josh Becker  
Senator Dave Cortese  
Senator John Laird  
Senator Alex Padilla  
Senator Diane Feinstein  
Assemblymember Jim Wood  
Assemblymember Cecilia Aguiar-Curry  
Assemblymember Lori Wilson  
Assemblymember Damon Connolly  
Assemblymember Phil Ting  
Assemblymember Matt Haney  
Assemblymember Mia Bonta  
Assemblymember Rebecca Bauer-Kahan  
Assemblymember Liz Ortega  
Assemblymember Diane Papan  
Assemblymember Marc Berman  
Assemblymember Alex Lee  
Assemblymember Evan Low  
Assemblymember Ash Kalra  
Assemblymember Gail Pellerin  
Assemblymember Robert Rivas  
Assemblymember Dawn Addis