Date

The Honorable Chris Ward

1021 O Street, Suite 8320

Sacramento, CA. 95814

**RE: AB 84 - Support**

Dear Assemblyman Ward:

[**Name of Your Organization**] is pleased to support AB 1850, your bill to improve implementation of the welfare property tax exemption for affordable housing.

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,

Your name and title