



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE • BEVERLY HILLS, CALIFORNIA 90210

Lili Bosse, Mayor

June 7, 2022

The Honorable Henry Stern
Senator, 27th District
1021 O Street, Suite 7710
Sacramento, CA 95814

RE: **SB 1456 (Stern) Property taxation: welfare exemption: low-income housing
City of Beverly Hills SUPPORT**

Dear Assemblyman Bloom:

On behalf of the City of Beverly Hills, I am pleased to report that the City has adopted a **SUPPORT** position on **SB 1456**, your measure to incentivize the development of nonprofit affordable housing by eliminating the statewide cap on the value of property used for non-publicly financed affordable housing. Current law enacts a \$20-million cap on property tax exemptions, which drives up the cost per unit for certain affordable-housing projects. In addition, that cap burdens nonprofit builders with tax liabilities – money that would otherwise go towards funding more units of affordable housing.

Nonprofit developers that use public funds such as tax credits or state or federal grants and loans are eligible for a 100 percent property tax exemption. A nonprofit developer that privately finances low-income housing and uses no public funds is eligible for a property tax exemption up to a maximum of \$20 million in aggregate valuation.

An incentive like this could assist millions of low-income renters in California who are rent-burdened and need affordable housing, and homeless and low-income communities are disproportionately represented by people of color, which highlights vast inequities in the access of housing.

California is in the midst of a housing affordability crisis which has exacerbated the state's homelessness crisis. If California is to address these interconnected issues, the state will need to dramatically increase its stock of affordable housing.

SB 1456 will provide an additional tool that can help respond to the housing affordability crisis around the state and increase the development of affordable housing. Local jurisdictions need flexibility to provide critical infrastructure and more accessible forms of financing for these projects.

For these reasons, the City of Beverly Hills **SUPPORTS SB 1456.**

Sincerely,

A handwritten signature in black ink that reads "Lili Bosse". The signature is written in a cursive, flowing style.

Lili Bosse

Mayor, City of Beverly Hills

Cc: The Honorable Ben Allen, Senator, 26th District
The Honorable Richard Bloom, Assemblymember, 50th District
Andrew K. Antwih, Shaw Yoder Antwih Schmelzer & Lange