

**CLAIM FOR SUPPLEMENTAL CLEARANCE CERTIFICATE
FOR LIMITED PARTNERSHIP, LOW-INCOME HOUSING
PROPERTY—WELFARE EXEMPTION**

This form must be completed and filed with the State Board of Equalization,
County-Assessed Properties Division, P.O. Box 942879, Sacramento, CA 94279-0064.

CHECKLIST FOR CLAIM

THE FOLLOWING DOCUMENTS MUST BE SUBMITTED WITH THE CLAIM FORM.
IF ALL DOCUMENTS ARE NOT SUBMITTED, YOUR CLAIM MAY BE RETURNED.

 FORMATIVE DOCUMENTS

California limited partnerships (LP). A copy of Secretary of State Form LP-1, *Certificate of Limited Partnership*, and, if applicable, Secretary of State Form LP-2, *Amendment to Certificate for Limited Partnership*, certified by the Secretary of State.

Foreign LP. A copy of the formation documents, and, if applicable, amendment documents filed in the state of formation, certified by applicable state agency. A copy of California Secretary of State Form LP-5, *Foreign Limited Partnership Application for Registration*, certified by the Secretary of State.

 USE RESTRICTION

A copy of recorded regulatory agreement with a government agency or a copy of a recorded deed restriction, which verifies or evidences the receipt of low-income housing tax credits or government financing. The copy of the recorded regulatory agreement or deed restriction must contain the county recordation stamp as evidence of recording. (*Please note: If the property is under construction and the regulatory agreement and/or deed restriction is not yet recorded, you may file your claim without this document and provide a copy once recorded.*)

 TAX CREDITS AND/OR BONDS

If property is financed with state low-income housing tax credits or federal low-income housing tax credits pursuant to section 42 of the Internal Revenue Code, submit a copy of the tax credit award letter (for example, preliminary California Tax Credit Allocation Committee tax credit award letter, final California Tax Credit Allocation Committee tax credit award letter).

If property is financed with bonds, submit a letter identifying allocation of bonds (for example, California Debt Limit Allocation Committee).

 GRANT DEED

A copy of the recorded grant deed, or if the land is not owned by the LP, a copy of the recorded memorandum of ground lease and documents evidencing the LP's ownership of the improvements. The copy of the recorded grant deed and/or memorandum of ground lease must contain the county recordation stamp as evidence of recording.

 OCC CLAIM FORM

Obtaining an OCC Claim Form. Submit BOE-277, *Claim for Organizational Clearance Certificate – Welfare Exemption*, or BOE-277-LLC, *Claim for Organizational Clearance Certificate – Welfare Exemption – Limited Liability Company*, if the managing general partner (MGP) of the LP does not have an Organizational Clearance Certificate. Claim forms are available on the State Board of Equalization's website at www.boe.ca.gov. Select *Property Tax*, then *Welfare Exemption*. You may also obtain a claim form by contacting the Welfare Exemption Section at 1-916-274-3430.

FOR ADDITIONAL INFORMATION

Additional information on Supplemental Clearance Certificate filing requirements is available at:
www.boe.ca.gov/proptaxes/welfarelowinc.htm.

SUPPLEMENTAL CLEARANCE CERTIFICATE FOR LIMITED PARTNERSHIP

An LP, in which the MGP is an eligible nonprofit corporation or limited liability company (LLC) that owns low-income housing property for which it will claim the Welfare Exemption, is required to file with the State Board of Equalization (Board) a claim for a *Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing – Welfare Exemption*. This claim form must be filed in order to receive a Supplemental Clearance Certificate (SCC). The County Assessor may not grant the welfare exemption for low-income housing property owned by an LP unless the claimant holds an SCC for the particular low-income housing property. For additional information, see Property Tax Rules 140, 140.1, and 140.2, which are available on the Board's website at www.boe.ca.gov.

FILING OF CLAIM

The claim for an SCC must be filed with the Board of Equalization, County-Assessed Properties Division, P.O. Box 942879, Sacramento, CA 94279-0064. If you have any questions, you may contact the Welfare Exemption Section at 1-916-274-3430. Supporting documents must be provided with each claim for an SCC.

ALL QUESTIONS MUST BE ANSWERED

The failure to answer all of the questions on the claim form may result in the denial of an SCC.

FISCAL YEAR

The fiscal year for which the SCC is claimed must be stated. If the LP is filing this claim form to receive an SCC, the fiscal year should correspond to the fiscal year for which the Welfare Exemption will be claimed with the County Assessor. If the MGP is an LLC, the earliest fiscal year for which a claim for SCC may be filed is 2005-2006, which is the effective date of the statute authorizing LLCs to qualify as an MGP.

SECTION 1. Identification of LP and Property. Identify the name of the LP that owns the low-income housing property, location of the low-income housing property, county in which the property is located, and date the property was acquired by the LP. If the property is leased, enter the date the memorandum of ground lease was recorded.

SECTION 2. Identification of MGP. Identify the name of the MGP, corporate identification number or LLC number, mailing address of the MGP, and the date the MGP was admitted to the LP.

SECTION 3. MGP Designation. Check all applicable boxes. See Rule 140.1, subdivision (a)(6), which provides the definition of "MGP" of an LP under Revenue and Taxation Code section 214(g).

SECTION 4. Government Financing or Tax Credits; Use Restriction. An LP, in which the MGP is an eligible nonprofit corporation or LLC, may qualify for exemption for a particular low-income housing property, provided that: (A) the LP receives low-income housing tax credits or government financing for the property; (B) the property is subject to a recorded deed restriction or a regulatory agreement, which is recorded in the county in which the property is located (for purposes of the Welfare Exemption, the property has low-income housing tax credits or government financing for the period of time that a recorded regulatory agreement or recorded deed restriction restricts the use of all or any portion of the property for rental to lower-income households even if the initial government financing has been refinanced or has been paid in full, or the allocation of the low-income housing tax credits has terminated or expired, provided that the government agency that is a party to the regulatory agreement continues to monitor and enforce compliance with the terms of the regulatory agreement); and (C) funds not used to pay property taxes are used to maintain affordability of, or reduce rents of, units occupied by the lower income households. Effective October 11, 2023, financing can include qualified 501(c)(3) bonds as defined by United States Code Title 26 Section 145 **[see Rule 140.2, subdivision (c)]**.

SECTION 5. Material Participation. An LP, in which the MGP is an eligible nonprofit corporation or an LLC, may qualify for exemption for a particular property, provided that the LP agreement or other agreement executed by all of the general partners provides that the MGP is a general partner that has "material participation" in the control, management, and direction of the LP's business. Identify the agreement and the applicable provisions thereof, which authorize the MGP's material participation in the LP **[see Rule 140.1, subdivision (a)(7)]**.

SECTION 6. Substantial Management Duties. An LP, in which the MGP is an eligible nonprofit corporation or LLC, may qualify for exemption for a particular property, provided that the LP agreement or other agreement executed by all of the general partners provides that the MGP is a general partner with "substantial management duties" **[see Rule 140.1, subdivision (a)(10)]**. Check only the boxes for partnership management duties actually performed by the MGP and identify the agreement and the applicable provision thereof, which require the MGP to actually perform such duties.

SECTION 7. Delegation of Authority. If the LP agreement contains a delegation of authority clause, it may provide either that: (1) the MGP may not delegate any of its partnership management duties; or (2) the MGP may delegate some or all of its partnership management duties to persons who, under its supervision, may perform such duties on behalf of the LP **[see Rule 140.1, subdivision (d)]**. If the MGP is authorized to delegate its partnership duties and elects to delegate one or more of its duties, the MGP must demonstrate that it is actually supervising the performance of the delegated duties. Identify the agreement and the delegation of authority provisions thereof. If the agreement contains a delegation of authority clause and states that the MGP may delegate its partnership management duties, list each duty delegated, the date each duty was delegated, and the person performing such duties.

SECTION 8. Documents That Must be Submitted. Submit the documents, which are listed on the Checklist for Claim (Page 1) of this claim form. If such required documents are not submitted, it will result in incomplete findings being issued to the LP. The Board may audit the LP and its partners to determine whether the LP meets the requirements of Revenue and Taxation Code section 214(g) and Property Tax Rules 140, 140.1, and 140.2.

SECTION 9. Certification. All general partners of the LP, including the MGP, must sign the claim form. Signing the claim form certifies to the truth of the information provided, both on the form and in the accompanying documents.

RECORDS AND DOCUMENTS MUST BE MAINTAINED BY THE MGP

A copy of the claim form and supporting documents should be retained by the general partner. The MGP must maintain records and documents evidencing the partnership management duties performed by the MGP. Such records and documents may include, but are not limited to:

- (1) Accounting books and records;
- (2) Tax returns;
- (3) Budgets and financial reports;
- (4) Reports required by lenders;
- (5) Documents related to the construction or rehabilitation of real property;
- (6) Legal documents such as contracts, deeds, notes, leases, and deeds of trust;
- (7) Documents related to complying with government regulations and filings;
- (8) Documents related to property inspections;
- (9) Documents related to charitable services or benefits provided or the information provided regarding such services or benefits;
- (10) Reports prepared for the partners;
- (11) Bank account records;
- (12) Audited annual financial statements of the LP; and
- (13) Property management agreement.

CLAIM FOR SUPPLEMENTAL CLEARANCE CERTIFICATE FOR LIMITED PARTNERSHIP, LOW-INCOME HOUSING PROPERTY—WELFARE EXEMPTION

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Section 1. Identification of Limited Partnership (LP) and Property

NAME OF LP _____

PROPERTY LOCATION (number and street) _____

COUNTY _____

CITY, STATE, ZIP CODE _____

FISCAL YEAR OF CLAIM (see instructions)

20 ____ -20 ____

- LP owns land, date acquired: _____
- LP leases land, but owns improvements, date entered into ground lease: _____

Section 2. Identification of Managing General Partner (MGP)

NAME OF ORGANIZATION _____

CORPORATE ID NUMBER (or LLC number) _____

MAILING ADDRESS (number and street) _____

DATE ADMITTED INTO LP AS GP _____

CITY, STATE, ZIP CODE _____

Organizational Clearance Certificate (OCC) Number: _____ . If the MGP does not have an OCC, has the MGP filed a claim for an OCC with the State Board of Equalization?

- Yes No If No, see instruction on obtaining an OCC claim form.

Section 3. Managing General Partner Designation

The general partners of the LP, including the MGP, certify that (check all applicable boxes):

- A. (1) The LP has multiple general partners, but the LP agreement expressly designates the nonprofit corporation or LLC as the MGP.
-or-
 (2) The LP has one general partner.
- B. The MGP is authorized to receive a partnership management fee or similar form of compensation payable in the amount and manner set forth in the LP agreement or other agreement executed by all of the general partners.
- C. MGP has material participation in the control, management, and direction of the LP's business (see Section 5).
- D. Officers and directors of the for-profit general partners, for-profit limited partners, or any of its for-profit affiliates do not, as individuals or collectively, have a controlling vote or majority interest in the MGP.

Section 4. Government Financing or Tax Credits; Use Restriction.

As to the low-income housing property for which this claim is made, the general partners of the LP, including the MGP, certify that (check all applicable boxes):

- A. At least one of the following criteria is applicable:
 - The acquisition, construction, rehabilitation, development, or operation of the property is financed with government financing in the form of tax-exempt mortgage revenue bonds, qualified 501(c)(3) bonds, general obligation bonds; local, state, or federal loans or grants; or any loan insured, held, or guaranteed by the federal government; or project-based federal funding under section 8 of the Housing Act of 1937. (The term *government financing* does not include federal rental assistance through tenant rent-subsidy vouchers under section 8 of the Housing Act of 1937.)

Name of government agency: _____

Date of agreement: _____ Term of financing (years): _____

Section 4 continued on the next page

THIS DOCUMENT IS SUBJECT TO PUBLIC INSPECTION

Section 4. Government Financing or Tax Credits; Use Restriction. (continued)

- The acquisition, construction, rehabilitation, development, or operation of the property is financed with state low-income housing tax credits pursuant to Revenue and Taxation Code sections 12205, 12206, 17057.5, 17058, 23610.4, and 23610.5 or federal low-income housing tax credits pursuant to section 42 of the Internal Revenue Code.

Name of government agency: _____

Date of agreement: _____ Term of tax credit receipt period (years): _____

B. There is a recorded regulatory agreement with a government agency that has provided low-income housing tax credits or government financing, or a recorded deed restriction that restricts all or a portion of the property's usage for rental to lower-income households and provides that the units designated for use by lower-income households are continuously available to, or occupied by, lower-income households at rents that do not exceed those prescribed in the terms of a regulatory agreement or recorded deed restriction, or to the extent that none are provided in the regulatory agreement or recorded deed restriction, at rents that do not exceed those prescribed by section 50053 of the Health and Safety Code.

- Yes No

If yes, please check the applicable box, and provide the requested information below:

- Enforceable and verifiable agreement with a government agency (recorded regulatory agreement)

Name of agency: _____

Date of agreement: _____ Term of agreement: _____

- Recorded deed restriction. Date recorded: _____

C. Funds that would have been necessary to pay property taxes are used to maintain the affordability of, or reduce rents otherwise necessary for, the units occupied by lower-income household. Yes No

Section 5. Material Participation.

The general partners of the LP, including the MGP, certify that as of the date that the nonprofit corporation or LLC was admitted into the partnership as the MGP, or as of the fiscal year for which this claim is made, the MGP is a general partner that has "material participation" [as defined in Rule 140.1, subdivision (a)(7)] in the control, management, and direction of the LP's business, as set forth below **(please check applicable boxes and identify the agreement and section[s] or page number[s] of the agreement granting or requiring the MGP such right, authority, or duty):**

- A. MGP has a right to vote in all the major decisions, including any actions which require a vote of a majority in interest of the general partners.
- B. MGP performs substantial management duties (see Section 6).
- C. MGP directly or indirectly, under its supervision, manages the LP.
- D. MGP annually conducts a physical inspection of the low-income housing property to ensure that the property is being used as low-income housing and meets all of the requirements of the Welfare Exemption for low-income housing properties.
- E. MGP annually submits a certification to the County Assessor for the county in which the property is located that the low-income housing property meets all Welfare Exemption requirements for low-income housing properties.

Agreement name (title) and date, section(s), and/or page number(s): _____

Section 6. Substantial Management Duties.

The general partners of the LP, including the MGP, certify that as of the date that the nonprofit corporation or LLC was admitted into the partnership as the MGP, or as of the fiscal year for which this claim is made, the MGP is a general partner with "substantial management duties" as defined in Rule 140.1, subdivision (a)(10); specifically, the MGP actually performs the following partnership management duties on behalf of the LP **(please check only the duties the MGP actually performs, and identify the agreement requiring the performance of the duty, including the section of the agreement).**

Section 6 continued on the next page

Section 6. Substantial Management Duties. (continued)

- A. MGP rents, maintains, and repairs the low-income housing property, or if such duties are delegated to a property management agent, participates in hiring and overseeing the work of the property management agent.
- B. MGP participates in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the LP business.
- C. MGP executes and enforces all contracts executed by the LP.
- D. MGP executes and delivers all partnership documents on behalf of the LP.
- E. MGP prepares or causes to be prepared all reports to be provided to the partners or lenders on a monthly, quarterly, or annual basis consistent with the requirements of the LP agreement.
- F. MGP coordinates all present and future development, construction, or rehabilitation of low-income housing property that is the subject of the LP agreement.
- G. MGP monitors compliance with all government regulations and files or supervises the filing of all required documents with government agencies.
- H. MGP acquires, holds, assigns, or disposes of property or any interest in property.
- I. MGP borrows money on behalf of the LP, encumbers LP assets, places title in the name of the nominee to obtain financing, prepays in whole or in part, refinances, increases, modifies, or extends any obligation.
- J. MGP pays organizational expenses incurred in the creation of the partnership and all operational expenses.
- K. MGP determines the amount and timing of distributions to partners and establishes and maintains all required reserves.
- L. MGP ensures that charitable services or benefits, such as vocational training, education programs, child care and after-school programs, cultural activities, family counseling, transportation, meals, and linkages to health and/or social services are provided, or information regarding charitable services or benefits are made available to the low-income housing tenants.

Agreement name (title) and date, section(s), and/or page number(s): _____

Section 7. Delegation of Authority.

- A. The general partners of the LP, including the MGP, certify that the LP agreement (*check applicable box*):
 - Contains a delegation of authority clause.
 - Does not contain a delegation of authority clause.
- B. If the LP agreement contains a delegation of authority clause, such clause provides:
 - The MGP may not delegate any of its partnership management duties, as defined in Rule 140.1, subdivision (a)(10), and identified in Section 6.
 - The MGP may delegate its partnership management duties, identified in Section 6 to persons who, under its supervision, may perform such duties for the partnership subject to the supervision by the MGP.
- C. The MGP has delegated some or all of its partnership management duties identified in Section 6.
 - Yes
 - No

If yes, performance of the duties is delegated to: _____

Please list below each duty delegated as described previously in Section 6. Attach additional pages if necessary.

Section 8. Documents Which Must Be Submitted. Submit the documents which are listed on Page 1 of this form (Checklist).

Section 9. Certification. This form must be certified by the MGP and all of the general partners of the LP. Attach additional pages if necessary.

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information contained herein, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

NAME OF LP

LOCATION OF LP PROPERTY

NAME OF ORGANIZATION

NAME AND TITLE OF MGP <i>(typed or printed)</i>	TELEPHONE NUMBER	DATE
SIGNATURE OF MGP 	EMAIL ADDRESS	
NAME AND TITLE OF GENERAL PARTNER <i>(typed or printed)</i>	TELEPHONE NUMBER	DATE
SIGNATURE OF GENERAL PARTNER 	EMAIL ADDRESS	
NAME AND TITLE OF GENERAL PARTNER <i>(typed or printed)</i>	TELEPHONE NUMBER	DATE
SIGNATURE OF GENERAL PARTNER 	EMAIL ADDRESS	