



STATE BOARD OF EQUALIZATION
 PROPERTY AND SPECIAL TAXES DEPARTMENT
 450 N STREET, SACRAMENTO, CALIFORNIA
 PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
 916 445-4982 • FAX 916 323-8765
 www.boe.ca.gov

BETTY T. YEE
 First District, San Francisco

MICHELLE STEEL
 Third District, Rolling Hills Estates

JEROME E. HORTON
 Fourth District, Los Angeles

JOHN CHIANG
 State Controller

BARBARA ALBY
 Acting Member
 Second District, Sacramento

RAMON J. HIRSIG
 Executive Director

No. 2010/040

August 27, 2010

TO COUNTY ASSESSORS:

2011-2012 INCOME LEVELS FOR THE WELFARE EXEMPTION

The listings reflecting the various income levels of households to qualify for the welfare exemption are developed by the California Department of Housing and Community Development (HCD). By statute, HCD obtains certain information from the U.S. Department of Housing and Urban Development (HUD) to compile the household income levels to be used by county assessors.

Enclosed are the *Moderate Income Family Household Income Limits* (Attachment A) and *Lower Income Family Household Income Limits* (Attachment B) listings issued by HCD which are to be used for affidavits filed for the 2011-2012 claim year. The moderate income limits should be used for elderly or handicapped rental housing eligible for the welfare exemption under Revenue and Taxation Code¹ section 214(f). The low-income limits should be used for low-income rental housing eligible for the welfare exemption as provided in section 214(g).

Welfare Exemption – Elderly and Handicapped Rental Housing

Section 214(f) provides that the welfare exemption is available for property used exclusively for housing and related facilities for elderly or handicapped families, provided that the property is owned and operated by qualifying organizations meeting all the requirements of section 214 under any of the following:

1. Care is provided such as skilled nursing or convalescent care; or services are provided to residents such as meals, transportation, and staff on premises available to assist residents.
2. The housing project is financed by the federal government pursuant to one of the following sections:
 - Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q)
 - Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v)
 - Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z)
 - Section 811 of Public Law 101-625 (42 U.S.C. Sec. 8013)
3. The property is used for housing and related facilities for low- and moderate-income elderly or handicapped families.

¹ All statutory references are to the Revenue and Taxation Code unless otherwise indicated.

If the claimant does not provide supplemental care or services and the property is not financed by the federal government, the property may qualify for the welfare exemption under section 214(f) only to the extent that the property is used for housing and related facilities for low- and moderate-income elderly or handicapped families. A home for the handicapped may include persons who are not elderly, such as housing for physically or mentally disabled. Nursing homes, sanitariums, etc., also may be eligible for exemption under section 214(f).

Low- and moderate-income has the same meaning as the term "persons and families of low- or moderate-income" as defined by section 50093 of the Health and Safety Code. Property which would otherwise be exempt, except that it includes some housing and related facilities for other than low- or moderate-income elderly or handicapped families, is entitled to a partial exemption. While limited partnership property may qualify for exemption as low-income housing under section 214(g), it cannot qualify for exemption under section 214(f).

Supplemental claim form BOE-267-H, *Welfare Exemption Supplemental Affidavit, Housing – Elderly or Handicapped Families*, provides the procedures that should be used to administer the income requirements. The claim form is to be filed on an annual basis to document the units that are eligible for the exemption. In order to be eligible for the exemption, the units must be rented within the prescribed rental levels to low- or moderate-income family households that do not exceed the maximum levels allowed.

Welfare Exemption – Low-Income Rental Housing

Section 214(g) provides an exemption for property owned and operated by qualifying organizations used exclusively for rental housing occupied by lower-income households. Qualifying organizations include nonprofit funds, foundations, corporations, limited liability companies, and limited partnerships with an eligible managing general partner. Low-income housing owned and operated by a limited partnership that includes for-profit partners may still be eligible for the welfare exemption if the managing general partner is an eligible nonprofit organization, or an eligible limited liability company that meets all the requirements for exemption in section 214(a) and has sufficient management authority and duties in the partnership operations.

Limited partnerships filing an exemption claim for low-income housing must certify and ensure that there is an enforceable and verifiable agreement with a public agency (regulatory agreement) or a recorded deed restriction that restricts the property for rental to low-income households. Low-income housing owned and operated by nonprofit corporations may be restricted with a regulatory agreement, deed restriction, or through the use of an *other legal document*.²

Under section 214(g)(1)(C), nonprofit organizations using an other legal document to restrict their property are subject to an exemption cap. A single property or multiple properties for any fiscal year may not exceed \$20,000 of tax. This limitation on the exemption of \$20,000 of tax applies solely to low-income housing properties owned by nonprofit organizations that are not financed by government loans, as specified in section 214(g)(1)(A), or do not receive low-

² See Property Tax Rule 140 for a definition of *other legal documents*.

income housing tax credits as provided in section 214(g)(1)(B). A limited partnership, with an eligible managing general partner, cannot claim the exemption through an other legal document which restricts property usage and rent levels (section 214(g)(1)(C).)

Supplemental claim form BOE-267-L, *Welfare Exemption Supplemental Affidavit, Housing – Lower-Income Households*, should be used to administer the income requirements. The claim form is to be filed annually to document the units eligible for the exemption. Eligible units are defined as those rented within the prescribed rent levels to low-income family households whose annual income does not exceed the maximum levels allowed.

Additionally, a qualifying organization claiming exemption under section 214(g)(1)(C) using an other legal document must complete Part E of form BOE-267-L to provide information concerning those properties subject to the \$20,000 tax exemption. The claimants must list all the counties in which such properties are located and the dollar amount of tax exemption, up to the \$20,000 cap, to be applied for each property.

All assessors' offices must provide the Board a list of properties on which all or a portion of the \$20,000 tax exemption cap has been applied and the tax dollar amount applied to each property. The Board will conduct a statewide match by corporate name and identification number to verify that the \$20,000 tax exemption cap has not been exceeded. The results of the matching process will be provided to those assessors' offices where the limit has been exceeded so that action can be taken to resolve the issue.

If the low-income housing property is owned and operated by a limited partnership with an eligible managing general partner meeting all of the requirements of section 214, supplemental claim form BOE-267-L1, *Welfare Exemption Supplemental Affidavit, Low-Income Housing of Limited Partnership*, is also required. The supplemental claim form must be filed annually to certify that the property satisfies the requirements of section 214(g).

Summary

The enclosed income limits are designed to be used for affidavits filed for the 2011-2012 claim year. The claimant is required to file affidavits listing the income levels of the tenants for the exemption. The tenant income levels should be reviewed and compared to the enclosed income limits to determine the portion of the property that is eligible for the welfare exemption. Determination of qualifying units should be based on the use of the property on the lien date. In all cases, the exemption from property taxes is available only to the extent that the household incomes of families do not exceed the specified limits, and the rents are within the prescribed limits in the statute or regulatory agreement. The property is entitled to an exemption of an amount equal to the percentage of the property serving low-income households. The exemption amount should be applied to the property's assessed value.

Vacant units may also qualify for exemption if the units are restricted by a deed, regulatory agreement, or other legal document. These documents are required to restrict the property usage to low-income housing by expressly stating that:

The units designated for use by low-income households are continuously available to or occupied by lower-income households at rents within the prescribed limits of the statutes or regulatory agreements.

If you have questions regarding the enclosed income levels or questions concerning the exemptions described in this letter, please contact the Assessment Services Unit at 916-445-4982.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:mds
Enclosures

MODERATE INCOME FAMILY HOUSEHOLD INCOME LIMITS FOR 2011
WELFARE EXEMPTION--HOMES FOR THE ELDERLY/HANDICAPPED
 (To be used for Affidavits to filed in 2011)

Number of Persons in Family

County	1	2	3	4	5	6	7	8
Alameda	75850	86700	97500	108350	117000	125700	134350	143000
Alpine	56550	64600	72700	80750	87200	93650	100150	106600
Amador	57050	65200	73350	81500	88000	94550	101050	107600
Butte	47300	54050	60800	67550	72950	78350	83750	89150
Calaveras	54100	61850	69550	77300	83500	89650	95850	102050
Colusa	47300	54050	60800	67550	72950	78350	83750	89150
Contra Costa	75850	86700	97500	108350	117000	125700	134350	143000
Del Norte	47300	54050	60800	67550	72950	78350	83750	89150
El Dorado	61400	70150	78950	87700	94700	101750	108750	115750
Fresno	47300	54050	60800	67550	72950	78350	83750	89150
Glenn	47300	54050	60800	67550	72950	78350	83750	89150
Humboldt	47300	54050	60800	67550	72950	78350	83750	89150
Imperial	47300	54050	60800	67550	72950	78350	83750	89150
Inyo	50600	57800	65050	72250	78050	83800	89600	95350
Kern	47300	54050	60800	67550	72950	78350	83750	89150
Kings	47300	54050	60800	67550	72950	78350	83750	89150
Lake	47300	54050	60800	67550	72950	78350	83750	89150
Lassen	48800	55750	62750	69700	75300	80850	86450	92000
Los Angeles	52900	60500	68050	75600	81650	87700	93750	99800
Madera	47300	54050	60800	67550	72950	78350	83750	89150
Marin	83500	95450	107350	119300	128850	138400	147950	157500
Mariposa	47950	54800	61650	68500	74000	79450	84950	90400
Mendocino	47300	54050	60800	67550	72950	78350	83750	89150
Merced	47300	54050	60800	67550	72950	78350	83750	89150
Modoc	47300	54050	60800	67550	72950	78350	83750	89150
Mono	56750	64900	73000	81100	87600	94100	100550	107050
Monterey	55500	63450	71350	79300	85650	92000	98350	104700
Napa	68700	78500	88350	98150	106000	113850	121700	129550
Nevada	58150	66450	74750	83050	89700	96350	103000	109650
Orange	73250	83700	94200	104650	113000	121400	129750	138150
Placer	61400	70150	78950	87700	94700	101750	108750	115750
Plumas	52100	59500	66950	74400	80350	86300	92250	98200
Riverside	54600	62400	70200	78000	84250	90500	96700	102950
Sacramento	61400	70150	78950	87700	94700	101750	108750	115750
San Benito	68100	77850	87550	97300	105100	112850	120650	128450
San Bernardino	54600	62400	70200	78000	84250	90500	96700	102950
San Diego	63400	72500	81550	90600	97850	105100	112350	119600
San Francisco	83500	95450	107350	119300	128850	138400	147950	157500
San Joaquin	53000	60550	68150	75700	81750	87800	93850	99900
San Luis Obispo	60900	69600	78300	87000	93950	100900	107900	114850
San Mateo	83500	95450	107350	119300	128850	138400	147950	157500
Santa Barbara	60000	68550	77150	85700	92550	99400	106250	113100
Santa Clara	86950	99350	111800	124200	134150	144050	154000	163950
Santa Cruz	70750	80850	90950	101050	109150	117200	125300	133400
Shasta	47300	54050	60800	67550	72950	78350	83750	89150
Sierra	48250	55100	62000	68900	74400	79900	85450	90950
Siskiyou	47300	54050	60800	67550	72950	78350	83750	89150
Solano	66550	76050	85550	95050	102650	110250	117850	125450
Sonoma	67550	77200	86850	96500	104200	111950	119650	127400
Stanislaus	50000	57100	64250	71400	77100	82800	88550	94250
Sutter	47300	54050	60800	67550	72950	78350	83750	89150
Tehama	47300	54050	60800	67550	72950	78350	83750	89150
Trinity	47300	54050	60800	67550	72950	78350	83750	89150
Tulare	47300	54050	60800	67550	72950	78350	83750	89150
Tuolumne	50150	57300	64500	71650	77400	83100	88850	94600
Ventura	72850	83250	93650	104050	112350	120700	129000	137350
Yolo	60900	69600	78300	87000	93950	100900	107900	114850
Yuba	47300	54050	60800	67550	72950	78350	83750	89150

**LOWER INCOME FAMILY HOUSEHOLD INCOME LIMITS FOR 2011
WELFARE EXEMPTION LOW-INCOME HOUSING**

(To be used with Affidavits filed in 2011)

Number of Persons in Family)

County	1	2	3	4	5	6	7	8
Alameda	45100	51550	58000	64400	69600	74750	79900	85050
Alpine	37700	43100	48500	53850	58200	62500	66800	71100
Amador	38050	43450	48900	54300	58650	63000	67350	71700
Butte	31550	36050	40550	45050	48700	52300	55900	59500
Calaveras	36050	41200	46350	51500	55650	59750	63900	68000
Colusa	31550	36050	40550	45050	48700	52300	55900	59500
Contra Costa	45100	51550	58000	64400	69600	74750	79900	85050
Del Norte	31550	36050	40550	45050	48700	52300	55900	59500
El Dorado	40950	46800	52650	58500	63200	67900	72550	77250
Fresno	31550	36050	40550	45050	48700	52300	55900	59500
Glenn	31550	36050	40550	45050	48700	52300	55900	59500
Humboldt	31550	36050	40550	45050	48700	52300	55900	59500
Imperial	31550	36050	40550	45050	48700	52300	55900	59500
Inyo	33750	38550	43350	48150	52050	55900	59750	63600
Kern	31550	36050	40550	45050	48700	52300	55900	59500
Kings	31550	36050	40550	45050	48700	52300	55900	59500
Lake	31550	36050	40550	45050	48700	52300	55900	59500
Lassen	32550	37500	41850	46500	50250	53950	57700	61400
Los Angeles	46400	53000	59650	66250	71550	76850	82150	87450
Madera	31550	36050	40550	45050	48700	52300	55900	59500
Marin	60200	68800	77400	86000	92900	99800	106650	113550
Mariposa	32000	36600	41150	45700	49400	53050	56700	60350
Mendocino	31650	36200	40700	45200	48850	52450	56050	59700
Merced	31550	36050	40550	45050	48700	52300	55900	59500
Modoc	31550	36050	40550	45050	48700	52300	55900	59500
Mono	38000	43400	48850	54250	58600	62950	67300	71650
Monterey	37050	42350	47650	52900	57150	61400	65600	69850
Napa	45100	51550	58000	64400	69600	74750	79900	85050
Nevada	38750	44300	49850	55350	59800	64250	68650	73100
Orange	52050	59450	66900	74300	80250	86200	92150	98100
Placer	40950	46800	52650	58500	63200	67900	72550	77250
Plumas	34750	39700	44650	49600	53600	57550	61550	65500
Riverside	36400	41600	46800	52000	56200	60350	64500	68650
Sacramento	40950	46800	52650	58500	63200	67900	72550	77250
San Benito	45100	51550	58000	64400	69600	74750	79900	85050
San Bernardino	36400	41600	46800	52000	56200	60350	64500	68650
San Diego	44000	50250	56550	62800	67850	72850	77900	82900
San Francisco	60200	68800	77400	86000	92900	99800	106650	113550
San Joaquin	35350	40400	45450	50500	54550	58600	62650	66700
San Luis Obispo	40600	46400	52200	58000	62650	67300	71950	76600
San Mateo	60200	68800	77400	86000	92900	99800	106650	113550
Santa Barbara	41450	47400	53300	59200	63950	68700	73450	78150
Santa Clara	56500	64600	72650	80700	87200	93650	100100	106550
Santa Cruz	54050	61800	69500	77200	83400	89600	95750	101950
Shasta	31550	36050	40550	45050	48700	52300	55900	59500
Sierra	34100	39000	43850	48700	52600	56500	60400	64300
Siskiyou	31550	36050	40550	45050	48700	52300	55900	59500
Solano	44350	50700	57050	63350	68450	73500	78600	83650
Sonoma	45050	51450	57900	64300	69450	74600	79750	84900
Stanislaus	33350	38100	42850	47600	51450	55250	59050	62850
Sutter	31550	36050	40550	45050	48700	52300	55900	59500
Tehama	31550	36050	40550	45050	48700	52300	55900	59500
Trinity	31550	36050	40550	45050	48700	52300	55900	59500
Tulare	31550	36050	40550	45050	48700	52300	55900	59500
Tuolumne	33450	38200	43000	47750	51600	55400	59250	63050
Ventura	48300	55200	62100	68950	74500	80000	85500	91050
Yolo	40600	46400	52200	58000	62650	67300	71950	76600
Yuba	31550	36050	40550	45050	48700	52300	55900	59500