



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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Executive Secretary

March 12, 1987

TO COUNTY ASSESSORS:

No. 87/26

WELFARE EXEMPTION -- HOMES FOR THE ELDERLY AND HANDICAPPED
INCOME STATEMENTS

Senate Bill 2109 (Chapter 1102, Statutes of 1984), which amended Section 214 of the Revenue and Taxation Code, provides that beginning in 1985, property owned by nonprofit organizations providing housing for low- and moderate-income elderly and handicapped families can qualify for the welfare exemption from property taxes only to the extent that household incomes of families residing therein do not exceed specified limits.

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, shall be entitled to a partial exemption. The partial exemption shall be equal to that percentage of the value of the entire property which is equal to the percentage which the number of qualifying low- and moderate-income elderly and handicapped families occupying the property is of the total number of families occupying the property.

Enclosed are the following forms and procedures to be used in the administration of the income requirements for homes for the elderly and handicapped:

1. The Supplemental Affidavit, Housing - Elderly or Handicapped Families, SBE-ASD AH 267H, Income 2-26-86.

This form must be filed by the claimant, in duplicate, at the same time that its duplicate claims for the welfare exemption are filed with the county assessor. This form has been prescribed by the Board.

2. A copy of the Supplemental Affidavit, referred to above, that includes the family household income limits based upon number of persons in families, to be specifically used for families occupying properties owned by claimants in your county. The set of eight income limits is different for each county. Your affidavit must not be used for filing in another county.
3. A copy of the Family Household Income Limits for 1985 showing the limits based upon number of persons in families for each of the 58 counties.

Amended Section 214 states, "as used in this section, '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." Thus, the Family Household Income Limits for 1986 are the "moderate income" limits taken from the Department of Housing and Community Development's Family Eligibility and Affordability Income Limits, promulgated pursuant to Section 50093 in California Administrative Code, Title 25, Part 1, Chapter 6.5, Subchapter 2, as Section 6932, and which became effective February 22, 1986. Per the Department, such moderate income limits were derived from HUD's income limits and, as you can see, are different for each county. Therefore, depending upon number of persons in families, the combined income(s) of such person(s) cannot exceed the corresponding amounts set forth on the Supplemental Affidavit and Family Household Income Limits for 1986 for your county.

4. A suggested form that you should provide to organizations so that the organization can provide the forms to each family occupying a portion of its property in order to determine if the household income of each family does not exceed the specified limit for the family. The suggested form is titled, "Statement of Family Household Income." The eight income limits, based upon number of persons in families, for your county must be included on each form.

Please note that the form does not ask for the amount of family income, only that the form be signed if family income does not exceed a stated amount.

PROCEDURES FOR PROCESSING THE SUPPLEMENTAL AFFIDAVIT,

Housing - Elderly or Handicapped Families,
SBE-ASD AH 267H, Income -1987

You must provide a copy of the affidavit to each home for the elderly and/or handicapped or the separate homes, convalescent homes, or other dwellings occupied by such individuals where the organization files for the welfare exemption. A home for the handicapped may include persons who are not elderly such as housing for physically disabled, mentally retarded, nursing homes, sanitariums, etc. The organization will not be allowed the exemption unless the proper information in a completed affidavit, in duplicate, is provided to the assessor, who will forward a copy of the affidavit, along with a copy of the welfare exemption claim, to the Assessment Standards Division, State Board of Equalization, for review under the provisions of Section 254.5, Revenue and Taxation Code.

It is imperative that the assessor provide adequate information and explanation to each claimant organization so the organization can properly complete the affidavit. The assessor should make certain that the income

limits provided to the occupants of the homes are exactly the same as the income limits shown on the claimant's affidavit. Though the form to be completed by occupants is NOT prescribed, the assessor may choose to provide copies of the form to the claimant organizations.

PROCESSING OF THE AFFIDAVIT BY THE CLAIMANT

- A. The claimant (organization) should complete the front of the affidavit; it must be filed, in duplicate, along with the copies of the claim for welfare exemption by March 15.
- B. The claimant must list on the affidavit the following information for only those elderly and/or handicapped families that qualify:
- 1) Home address, apartment number, room number, etc. Use two lines if there are two families at the same location, etc.
 - 2) The number of persons claimed to be in the family (one family for each line item).
 - 3) The maximum income limit reported by each family (this figure should agree with the income limit based upon number of persons in the family that is printed on the affidavit).

Note: No reporting by line item is necessary for vacant room (areas), families that did not report, families that may not be elderly or handicapped, or for families whose incomes exceed the applicable income limits.

- C. The claimant must complete the Recap section of the affidavit for all families, eligible and ineligible, by entering:

	<u>Example</u>
1) The total number of families.	120
2) The number of <u>qualified</u> families (one for each line item completed in B, above).	110
3) The number of nonqualified families (occupants did not sign statement; refused to report; amount of income, if reported, is over the limit; or unit was occupied by other than an elderly or handicapped family).	10

- D. The claimant must complete the Exemption Calculation Percentage and enter the Maximum Percentage of Value of Property Eligible for Exemption on the appropriate line.

The exemption calculation percentage is computed by:

- 1) Enter the number of low- and moderate-income elderly and handicapped families occupying the property; in the example above, the number is 110.
- 2) Enter the total number of families occupying the property; in the example above, the number is 120.
- 3) Divide the number in 1 (110) by the number in 2 (120) to obtain the Maximum Percentage of Value of Property Eligible for Exemption: $110/120 = 91.66\%$ (percent).

The assessor should determine that an officer or manager of the organization verified that:

- 1) The income limits used on each statement provided to each occupant were correct.
- 2) The correct number of names of family members is entered on each statement completed by an occupant, and that the same number of persons and corresponding income limit is entered on the claimant's affidavit.

As we are now in the new assessment year advise welfare exemption claimants to FILE THE CLAIM BY MARCH 16, 1987, the information requested in this letter should be received within a few days after that.

If you have any questions concerning these procedures, please contact our Exemption Unit at (916) 445-4982.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:wpc
Enclosures
AF-03-2539A

WELFARE EXEMPTION

Instructions for Completion of Supplemental Affidavit

Housing - Elderly or Handicapped Families
Eligibility Based on Family Household Income
SBE-ASD AH 267H, Income -1987

Senate Bill 2109 (Chapter 1102, Statutes of 1984, which amended Section 214 of the Revenue and Taxation Code), provides that beginning in 1985 property owned by nonprofit organizations providing housing for low- and moderate-income elderly or handicapped families can qualify for the welfare exemption from property taxes only to the extent that household incomes of families residing therein do not exceed certain specified limits.

INSTRUCTIONS

The claimant (organization) must follow the instructions listed below. The claimant should provide each "family" living on the property with a copy of the attached form titled "Elderly and Handicapped Families - Statement of Family Household Income". The organization's property will not be allowed the exemption unless the proper information in a completed affidavit, in duplicate, is provided to the assessor, who will forward a copy of the affidavit, along with a copy of the welfare exemption claim, to the Assessment Standards Division, State Board of Equalization, for review under the provisions of Section 254.5, Revenue and Taxation Code.

Processing of the Affidavit by the Claimant

- A. The claimant (organization) should complete the front of the affidavit; it must be filed, in duplicate, along with the copies of the claim for welfare exemption by March 16.
- B. The claimant must list on the affidavit the following information for only those elderly and/or handicapped families that qualify:
 - 1) Home address, apartment number, room number, etc. Use two lines if there are two families at the same location, etc.
 - 2) The number of persons claimed to be in the family (one family for each line item).
 - 3) The maximum income limit reported by each family (this figure should agree with the income limit based upon number of persons in the family that is printed on the affidavit).

Note: No reporting by line item is necessary for vacant room (areas), families that did not report, families that may not be elderly or handicapped, or for families whose incomes exceed the applicable income limits.

C. The claimant must complete the Recap section of the affidavit for all families, eligible and ineligible, by entering:

	<u>Example</u>
1) The total number of families.	120
2) The number of <u>qualified</u> families (one for each line item completed in B, above).	110
3) The number of nonqualified families (occupants did not sign statement; refused to report; amount of income, if reported, is over the limit; or unit was occupied by other than an elderly or handicapped family).	10

D. The claimant must complete the Exemption Calculation Percentage and enter the Maximum Percentage of Value of Property Eligible for Exemption on the appropriate line.

The exemption calculation percentage is computed by:

- 1) Enter the number of low- and moderate-income elderly and handicapped families occupying the property, in the example the number is 110.
- 2) Enter the total number of families occupying the property, in the example the number is 120.
- 3) Divide the number in 1 (110) by the number in 2 (120) to obtain the Maximum Percentage of Value of Property Eligible for Exemption: $110/120 = 91.66\%$ (percent).

Note: If a dollar amount is not entered in the upper portion of the second page of the affidavit for each number of persons, 1-8, contact the assessor for the figures which are found in schedule SBE-ASD AH 267H Income Limits, the title of the schedule is Welfare Exemption - Family Household Income Limits for 1986 (to be used for affidavits to be filed in 1987), the amounts are different for each county and they change annually.

Income includes but is not limited to:

- 1) Wages, salaries, fees, tips, bonuses, commissions and other employee compensation.
- 2) Net income from the operation of a business or profession or from rental of real or personal property.
- 3) Interest and dividends.
- 4) Periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or other similar types of periodic receipts.

- 5) Unemployment and disability compensation, workers compensation and severance pay.
- 6) Public assistance exclusive of any amount specified for shelter and utilities.
- 7) Alimony, child support payments and regular contributions or gifts from persons not residing in the dwelling.
- 8) All regular pay, special pay and allowances of a member of the Armed Forces who is head of the family or spouse.

The following items shall not be considered as income:

- 1) Casual, sporadic or irregular gifts.
- 2) Amounts specifically for or in reimbursement of the cost of medical expenses.
- 3) Lump sum additions to family assets such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses.
- 4) Amounts of educational scholarships paid directly to the student of educational institution and veteran benefits for costs of tuition, fees, books, and equipment.
- 5) The value of food coupons.
- 6) Payments received from the ACTION Agency, VISTA, Service Learning Programs, Special Volunteer Programs, National Older American Volunteer Program, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, SCORE and ACE.
- 7) Foster Child Care payments.

For a complete listing of income and deductions, see Department of Housing and Community Development Regulations, Section 6914.

(Suggested Family Household Income Reporting Form for 1987)

GENERAL INFORMATION

Senate Bill 2109 (Chapter 1102, Statutes of 1984), which amended Section 214 of the Revenue and Taxation Code, provides that beginning in 1985, property owned by nonprofit organizations providing housing for low- and moderate-income elderly or handicapped families can qualify for the welfare exemption from property taxes only in the percentage which the number of low- and moderate-income elderly and handicapped families occupying the property is of the total number of families occupying the property.

INSTRUCTIONS

FAMILY HOUSEHOLD INCOME

1. Enter the names of the persons who comprise your "family." Also, enter address or unit number.
2. Enter on line 1 the number of persons who comprise your family.
3. Enter on line 2 the income limit figure for the number of persons shown on line 1.
4. Sign the statement if your combined family income is the same as or less than the income limit.
5. Return the statement to an officer or the manager of the organization on whose property you reside by March 1 so the organization will have time to complete the form that must be filed with the assessor.

HOUSEHOLD INCOME

Income includes but is not limited to:

- (1) Wages, salaries, fees, tips, bonuses, commissions and other employee compensation.
- (2) Net income from the operation of a business or profession or from rental of real or personal property.
- (3) Interest and dividends.
- (4) Periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or other similar types of periodic receipts.
- (5) Unemployment and disability compensation, workers compensation and severance pay.
- (6) Public assistance exclusive of any amount specified for shelter and utilities.
- (7) Alimony, child support payments and regular contributions or gifts from persons not residing in the dwelling.
- (8) All regular pay, special pay and allowances of a member of the Armed Forces who is head of the family or spouse.

The following items shall not be considered as income:

- (1) Casual, sporadic or irregular gifts.
- (2) Amounts specifically for or in reimbursement of the cost of medical expenses.
- (3) Lump sum additions to family assets such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses.
- (4) Amounts of educational scholarships paid directly to the student or to the educational institution and veteran benefits for costs of tuition, fees, books, and equipment.
- (5) The value of food coupons.
- (6) Payments received from the ACTION Agency, VISTA, Service Learning Programs, Special Volunteer Programs, National Older American Volunteer Program, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, SCORE and ACE.
- (7) Foster Child Care payments.

For a complete listing of income and deductions, see Department of Housing and Community Development Regulations, Section 6914.

WELFARE EXEMPTION

Supplemental Affidavit

HOUSING - ELDERLY OR HANDICAPPED FAMILIES

ELIGIBILITY BASED ON FAMILY HOUSEHOLD INCOME

(Yearly Filing)

(Read instructions carefully before preparing claim.)

This affidavit is required under the provisions of Sections 251 and 254.5 of the Revenue and Taxation Code for those organizations where the income of the occupants must not exceed certain limits.

The affidavit must accompany the claim for welfare exemption and be filed with the assessor, in duplicate, by March 16. Failure to complete and file this form is grounds for denial of the exemption.

states:

(Name of Person Making Affidavit)

1. He is _____
(Title, such as President, etc.)
2. of the _____
(Corporate or Organization Name)
3. the address of which is _____
(Complete Mailing Address)
4. for the property located at _____
(Address of Property)
5. That he makes this affidavit in behalf of said organization in support of a claim for exemption for the 19__ - 19__ fiscal year.

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

Signature of Person making Affidavit

Date

THIS AFFIDAVIT IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION

HOUSING - ELDERLY OR HANDICAPPED FAMILIES

ELIGIBILITY BASED ON FAMILY HOUSEHOLD INCOME

Senate Bill 2109 (Chapter 1102, Statutes of 1984), which amended Section 214 of the Revenue and Taxation Code, provides that beginning in 1985 property owned by nonprofit organizations providing housing for low- and moderate-income elderly or handicapped families can qualify for the welfare exemption from property taxes only to the extent that household incomes of families residing therein do not exceed amounts listed below:

<u>No. of Persons in Family</u>	<u>Maximum Income</u>	<u>No. of Persons in Family</u>	<u>Maximum Income</u>	<u>No. of Persons in Family</u>	<u>Maximum Income</u>
1		4		7	
2		5		8	
3		6			

In order to qualify all or a portion of the total property for the exemption, you must have: (1) a signed statement for each family that qualifies (you keep the statement in case of further audit) and (2) you must complete the report below:

LIST OF QUALIFIED FAMILIES

(Complete or attach list showing desired information,
use additional sheets if necessary)

<u>Unit Number (Use two lines if there are two families in a unit)</u>	<u>No. of Persons in Family (May be more than one family in unit)</u>	<u>Maximum Income for Family Does Not Exceed</u>
1. _____	_____	\$ _____
2. _____	_____	\$ _____
3. _____	_____	\$ _____
4. _____	_____	\$ _____
5. _____	_____	\$ _____

RECAP FOR ALL FAMILIES, ELIGIBLE AND INELIGIBLE

Example Actual

Total number of families	120	_____
Number of qualified families (one for each line filled in above)	110	_____
Number of nonqualified families (occupant(s) did not sign statement, refused to report, amount of income is over the limit, or unit was occupied by other than an elderly or handicapped family)	10	_____

Exemption Calculation

Percentage which the number of low- and moderate-income elderly and handicapped families occupying the property is of the total number of families occupying the property.

110/120 /

Maximum Percentage of Value of Property Eligible for Exemption 91.66% _____

**WELFARE EXEMPTION
FAMILY HOUSEHOLD INCOME LIMITS FOR 1986
(TO BE USED FOR AFFIDAVITS TO BE FILED IN 1987)**

No. of Persons in Family	1	2	3	4	5	6	7	8
Alameda	\$ 30850	35250	39650	44050	46800	49550	52300	55050
Alpine	20650	23600	26550	29500	31350	33200	35050	36900
Amador	21650	24750	27850	30950	32900	34850	36750	38700
Butte	20100	22950	25800	28700	30450	32250	34050	35850
Calaveras	21400	24500	27550	30600	32500	34450	36350	38250
Colusa	24100	27550	31000	34450	36600	38750	40900	43050
Contra Costa	30850	35250	39650	44050	46800	49550	52300	55050
Del Norte	18800	21500	24200	26900	28550	30250	31900	33600
El Dorado	26550	30350	34150	37900	40300	42650	45050	47400
Fresno	23200	26500	29800	33100	35200	37250	39350	41400
Glenn	22450	25650	28850	32050	34050	36050	38050	40050
Humboldt	22600	25800	29050	32300	34300	36300	38350	40350
Imperial	19550	22350	25150	27950	29700	31450	33200	34950
Inyo	22000	25150	28300	31450	33400	35350	37350	39300
Kern	23600	27000	30350	33700	35850	37950	40050	42150
Kings	20350	23250	26150	29050	30850	32650	34500	36300
Lake	16150	18450	20750	23050	24500	25900	27350	28800
Lassen	20750	23700	26700	29650	31500	33350	35200	37050
Los Angeles	27900	31850	35850	39850	42350	44800	47300	49800
Madera	21850	24950	28100	31200	33150	35100	37050	39000
Marin	33450	38200	43000	47750	50750	53750	56700	59700
Mariposa	19000	21700	24400	27100	28800	30500	32200	33900
Mendocino	21250	24300	27300	30350	32250	34150	36050	37950
Merced	21250	24300	27300	30350	32250	34150	36050	37950
Modoc	18500	21100	23750	26400	28050	29700	31350	33000
Mono	24200	27650	31100	34550	36700	38900	41050	43200
Monterey	25700	29400	33050	36700	39000	41300	43600	45900
Napa	29050	33200	37350	41500	44100	46700	49300	51900
Nevada	22700	25900	29150	32400	34450	36450	38500	40500
Orange	33950	38800	43650	48500	51500	54550	57550	60600
Placer	26550	30350	34150	37900	40300	42650	45050	47400
Plumas	20400	23350	26250	29150	31000	32800	34650	36450
Riverside	24200	27650	31100	34550	36700	38900	41050	43200
Sacramento	26550	30350	34150	37900	40300	42650	45050	47400
San Benito	23850	27250	30650	34100	36200	38350	40450	42600
San Bernardino	24200	27650	31100	34550	36700	38900	41050	43200
San Diego	26400	30150	33900	37700	40050	42400	44750	47100
San Francisco	33450	38200	43000	47750	50750	53750	56700	59700
San Joaquin	24000	27450	30900	34300	36450	38600	40750	42900
San Luis Obispo	24450	27950	31450	34900	37100	39300	41450	43650
San Mateo	33450	38200	43000	47750	50750	53750	56700	59700
Santa Barbara	31400	35900	40400	44900	47700	50500	53300	56100
Santa Clara	36200	41400	46550	51700	54950	58200	61400	64650
Santa Cruz	28200	32250	36300	40300	42850	45350	47900	50400
Shasta	20850	23800	26800	29750	31600	33500	35350	37200
Sierra	21600	24650	27750	30850	32750	34700	36600	38550
Siskiyou	19750	22550	25400	28200	29950	31750	33500	35250
Solano	29050	33200	37350	41500	44100	46700	49300	51900
Sonoma	28150	32150	36200	40200	42700	45250	47750	50250
Stanislaus	23100	26400	29700	33000	35050	37150	39200	41250
Sutter	19050	21800	24500	27250	28950	30650	32350	34050
Tehama	18750	21400	24100	26750	28450	30100	31800	33450
Trinity	19050	21800	24500	27250	28950	30650	32350	34050
Tulare	20100	22950	25800	28700	30450	32250	34050	35850
Tuolumne	20250	23150	26050	28900	30750	32550	34350	36150
Ventura	30850	35250	39650	44050	46800	49550	52300	55050
Yolo	26550	30350	34150	37900	40300	42650	45050	47400
Yuba	19050	21800	24500	27250	28950	30650	32350	34050