



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  
 Acting Member  
 First District, San Francisco

BILL LEONARD  
 Second District,  
 Sacramento/Ontario

CLAUDE PARRISH  
 Third District, Long Beach

JOHN CHIANG  
 Fourth District, Los Angeles

STEVE WESTLY  
 State Controller, Sacramento

RAMON J. HIRSIG  
 Executive Director

April 28, 2006

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

INCOME LEVELS FOR THE WELFARE EXEMPTION

No. 2006/018

Enclosed are the *Moderate Income Family Household Income Limits* (Attachment A) and *Lower Income Family Household Income Limits* (Attachment B) listings issued by the California Department of Housing and Community Development which are to be used for affidavits filed for the 2006-2007 claim year. The moderate income limits should be used for elderly or handicapped rental housing eligible for the welfare exemption under Revenue and Taxation Code<sup>1</sup> section 214, subdivision (f). The lower income limits should be used for low-income rental housing eligible for the welfare exemption as provided in section 214, subdivision (g).

**Welfare Exemption – Elderly and Handicapped Rental Housing**

Section 214, subdivision (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 three different sets of criteria.

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.

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, subdivision (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, subdivision (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.

<sup>1</sup> All statutory references are to the Revenue and Taxation Code unless otherwise indicated.

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. Limited partnership property may qualify for exemption as low-income housing under section 214, subdivision (g); it cannot qualify for exemption under section 214, subdivision (f).

Supplemental claim form BOE-267-H, *Welfare Exemption Supplemental Affidavit, Housing – Elderly or Handicapped Families*, and procedures listed thereon, should be used for the administration of the income requirements. Claim form BOE-267-H is to be filed on an annual basis to document the units eligible for the exemption. The units eligible are those that are rented within the prescribed rent levels to low- or moderate-income family households that do not exceed the maximum income levels allowed.

### **Welfare Exemption – Low-Income Rental Housing**

Section 214, subdivision (g), provides exemption to property owned and operated by qualifying organizations and 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 nonprofit corporation as the managing general partner. Low-income housing owned and operated by a limited partnership, a for-profit entity, may still be eligible for the welfare exemption, if the managing general partner is an eligible nonprofit organization that meets all the requirements for exemption in section 214, subdivision (a), and has sufficient management authority and duties in the partnership operations.

Managing general partner claimants filing an exemption claim for lower 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 lower 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."

Under section 214, subdivision (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.<sup>2</sup> 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, subdivision (g)(1)(A), or do not receive low-income housing tax credits as provided in section 214, subdivision (g)(1)(B). A limited partnership, in which the managing general partner is a nonprofit corporation, cannot claim the exemption through an "other legal document" which restricts property usage and rent levels (section 214, subdivision (g)(1)(C).)

Supplemental claim form BOE-267-L, *Welfare Exemption Supplemental Affidavit, Housing – Lower Income Households*, and procedures listed thereon, should be used to administer the income requirements. Claim form BOE-267-L is to be filed **annually** to document the units eligible for the exemption, those rented within the prescribed rent levels to lower income family households that do not exceed the maximum income levels allowed.

---

<sup>2</sup> Section 214(g)(1)(C).

Additionally, a qualifying organization claiming exemption under section 214, subdivision (g)(1)(C), using an "other legal document," must complete part E of BOE-267-L to provide information concerning its properties subject to the limitation of exemption up to \$20,000 of tax. These claimants are to 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. The assessors' offices are required to provide to the Board a listing of all properties to 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 conducts a statewide match by corporate name and identification number to verify and ensure that the \$20,000 tax exemption cap has not been exceeded statewide, and provides the results of the matching process to the assessors' offices for further action, if needed.

If the low-income housing property is owned and operated by a limited partnership in which the managing general partner is an eligible nonprofit organization meeting all of the requirements of section 214, supplemental claim form BOE-267-L1, *Welfare Exemption Supplemental Affidavit, Housing-Lower-Income Households (Limited Partnerships)* is also required. Supplemental claim form BOE-267-L1 is filed by the managing general partner to provide an annual certification that the property satisfies the requirements of section 214, subdivision (g).

### **Summary**

The enclosed income limits are designed to be used for affidavits filed for the 2006-2007 claim year. The claimant is required to file affidavits listing the income levels of the tenants for the exemption. These income levels should be reviewed and compared to the enclosed income limits to determine the portion of the property that is eligible for exemption from property taxes. Determination of qualifying units is 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 household incomes of families residing therein do not exceed specified limits and the rents are within the prescribed limits in the statute or regulatory agreement. The property is entitled to an exemption amount that is equal to the percentage of the property's value that the portion of the property serving lower income households is of the total property.

Vacant units may also qualify for exemption if the unit is restricted by a deed, regulatory agreement, or other legal document. These documents are required to restrict the property usage to lower income housing by expressly stating that "the units designated for use by lower 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 any questions concerning the enclosed income levels or questions concerning the exemptions described in this letter, please contact the Exemptions Section at 916-445-3524.

Sincerely,

/s/David J. Gau

David J. Gau  
Deputy Director  
Property and Special Taxes Department

DJG:lf  
Enclosures

**MODERATE INCOME FAMILY HOUSEHOLD INCOME LIMITS FOR 2005**  
**WELFARE EXEMPTION--HOMES FOR THE ELDERLY/HANDICAPPED**  
 (To be used for Affidavits to be Filed in 2006)

COUNTY	Number of Persons in Family							
	1	2	3	4	5	6	7	8
Alameda	70,400	80,500	90,500	100,600	108,600	116,700	124,700	132,800
Alpine	54,300	62,000	69,800	77,500	83,700	89,900	96,100	102,300
Amador	52,600	60,200	67,700	75,200	81,200	87,200	93,200	99,300
Butte	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Calaveras	48,800	55,800	62,700	69,700	75,300	80,900	86,400	92,000
Colusa	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Contra Costa	70,400	80,500	90,500	100,600	108,600	116,700	124,700	132,800
Del Norte	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
El Dorado	55,000	62,800	70,700	78,500	84,800	91,100	97,300	103,600
Fresno	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Glenn	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Humboldt	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Imperial	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Inyo	45,900	52,400	59,000	65,500	70,700	76,000	81,200	86,500
Kern	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Kings	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Lake	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Lassen	44,100	50,400	56,700	63,000	68,000	73,100	78,100	83,200
Los Angeles	47,200	53,900	60,700	67,400	72,800	78,200	83,600	89,000
Madera	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Marin	79,800	91,200	102,600	114,000	123,100	132,200	141,400	150,500
Mariposa	43,100	49,300	55,400	61,600	66,500	71,500	76,400	81,300
Mendocino	42,900	49,000	55,200	61,300	66,200	71,100	76,000	80,900
Merced	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Modoc	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Mono	52,200	59,600	67,100	74,500	80,500	86,400	92,400	98,300
Monterey	52,200	59,700	67,100	74,600	80,600	86,500	92,500	98,500
Napa	63,000	72,000	81,000	90,000	97,200	104,400	111,600	118,800
Nevada	53,900	61,600	69,300	77,000	83,200	89,300	95,500	101,600
Orange	65,800	75,200	84,600	94,000	101,500	109,000	116,600	124,100
Placer	55,000	62,800	70,700	78,500	84,800	91,100	97,300	103,600
Plumas	47,000	53,700	60,400	67,100	72,500	77,800	83,200	88,600
Riverside	48,300	55,200	62,100	69,000	74,500	80,000	85,600	91,100
Sacramento	55,000	62,800	70,700	78,500	84,800	91,100	97,300	103,600
San Benito	62,200	71,100	80,000	88,900	96,000	103,100	110,200	117,300
San Bernardino	48,300	55,200	62,100	69,000	74,500	80,000	85,600	91,100
San Diego	54,500	62,300	70,100	77,900	84,100	90,400	96,600	102,800
San Francisco	79,800	91,200	102,600	114,000	123,100	132,200	141,400	150,500
San Joaquin	48,000	54,800	61,700	68,500	74,000	79,500	84,900	90,400
San Luis Obispo	53,600	61,300	68,900	76,600	82,700	88,900	95,000	101,100
San Mateo	79,800	91,200	102,600	114,000	123,100	132,200	141,400	150,500
Santa Barbara	55,300	63,200	71,100	79,000	85,300	91,600	98,000	104,300
Santa Clara	88,600	101,300	113,900	126,600	136,700	146,900	157,000	167,100
Santa Cruz	63,300	72,300	81,400	90,400	97,600	104,900	112,100	119,300
Shasta	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Sierra	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Siskiyou	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Solano	62,200	71,000	79,900	88,800	95,900	103,000	110,100	117,200
Sonoma	63,100	72,100	81,100	90,100	97,300	104,500	111,700	118,900
Stanislaus	45,700	52,200	58,800	65,300	70,500	75,700	81,000	86,200
Sutter	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Tehama	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Trinity	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Tulare	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500
Tuolumne	45,500	52,000	58,500	65,000	70,200	75,400	80,600	85,800
Ventura	66,800	76,300	85,900	95,400	103,000	110,700	118,300	125,900
Yolo	52,000	59,400	66,900	74,300	80,200	86,200	92,100	98,100
Yuba	42,700	48,800	54,900	61,000	65,900	70,800	75,600	80,500

**LOWER INCOME FAMILY HOUSEHOLD INCOME LIMITS FOR 2005**  
**WELFARE EXEMPTION--LOW INCOME HOUSING**  
 (To be used for Affidavits to be Filed in 2006)

COUNTY	Number of Persons in Family							
	1	2	3	4	5	6	7	8
Alameda	46,350	53,000	59,600	66,250	71,550	76,850	82,150	87,450
Alpine	36,200	41,350	46,550	51,700	55,850	59,950	64,100	68,250
Amador	35,100	40,100	45,150	50,150	54,150	58,150	62,200	66,200
Butte	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Calaveras	32,550	37,200	41,850	46,500	50,200	53,950	57,650	61,400
Colusa	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Contra Costa	46,350	53,000	59,600	66,250	71,550	76,850	82,150	87,450
Del Norte	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
El Dorado	36,600	41,850	47,050	52,300	56,500	60,650	64,850	69,050
Fresno	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Glenn	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Humboldt	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Imperial	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Inyo	30,600	34,950	39,350	43,700	47,200	50,700	54,200	57,700
Kern	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Kings	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Lake	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Lassen	29,400	33,600	37,800	42,000	45,350	48,700	52,100	55,450
Los Angeles	38,800	44,350	49,900	55,450	59,900	64,300	68,750	73,200
Madera	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Marin	63,350	72,400	81,450	90,500	97,700	104,950	112,200	119,450
Mariposa	28,750	32,850	36,950	41,050	44,350	47,600	50,900	54,200
Mendocino	28,650	32,700	36,800	40,900	44,150	47,450	50,700	54,000
Merced	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Modoc	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Mono	34,800	39,750	44,750	49,700	53,700	57,650	61,650	65,600
Monterey	34,900	39,900	44,850	49,850	53,850	57,850	61,800	65,800
Napa	41,700	47,700	53,650	59,600	64,350	69,150	73,900	78,650
Nevada	35,950	41,100	46,200	51,350	55,450	59,550	63,650	67,800
Orange	45,450	51,900	58,400	64,900	70,100	75,300	80,500	85,650
Placer	36,600	41,850	47,050	52,300	56,500	60,650	64,850	69,050
Plumas	31,300	35,750	40,250	44,700	48,300	51,850	55,450	59,000
Riverside	32,200	36,800	41,400	46,000	49,700	53,350	57,050	60,700
Sacramento	36,600	41,850	47,050	52,300	56,500	60,650	64,850	69,050
San Benito	41,500	47,450	53,350	59,300	64,050	68,800	73,550	78,300
San Bernardino	32,200	36,800	41,400	46,000	49,700	53,350	57,050	60,700
San Diego	38,650	44,150	49,700	55,200	59,600	64,050	68,450	72,850
San Francisco	63,350	72,400	81,450	90,500	97,700	104,950	112,200	119,450
San Joaquin	32,000	36,550	41,150	45,700	49,350	53,000	56,650	60,300
San Luis Obispo	35,750	40,850	45,950	51,050	55,150	59,200	63,300	67,400
San Mateo	63,350	72,400	81,450	90,500	97,700	104,950	112,200	119,450
Santa Barbara	36,850	42,100	47,400	52,650	56,850	61,050	65,300	69,500
Santa Clara	59,400	67,900	76,400	84,900	91,650	98,450	105,250	112,050
Santa Cruz	43,950	50,250	56,500	62,800	67,800	72,850	77,850	82,900
Shasta	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Sierra	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Siskiyou	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Solano	41,450	47,350	53,300	59,200	63,950	68,650	73,400	78,150
Sonoma	41,700	47,700	53,650	59,600	64,350	69,150	73,900	78,650
Stanislaus	30,450	34,800	39,150	43,500	47,000	50,450	53,950	57,400
Sutter	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Tehama	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Trinity	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Tulare	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650
Tuolumne	30,350	34,700	39,000	43,350	46,800	50,300	53,750	57,200
Ventura	45,150	51,600	58,050	64,500	69,650	74,800	79,950	85,100
Yolo	34,650	39,600	44,550	49,500	53,450	57,400	61,400	65,350
Yuba	28,450	32,500	36,600	40,650	43,900	47,150	50,400	53,650