



STATE BOARD OF EQUALIZATION

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Executive Secretary

March 5, 1985

TO COUNTY ASSESSORS:

No. 85/28

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

Senate Bill 2109 (Chapter 1102, Statutes of 1984), which amends 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 2-6-85.

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 your (assessor's) name, return address, and 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 1984 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 1984 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 July 23, 1984. 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 1984 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. The amounts to be entered are the same as shown on the affidavit to be included with the claim for exemption.

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 2-6-85

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:

Example

- | | |
|--|-----|
| 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.

March 5, 1985

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 15, 1985, 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 William Grommet, Exemption Officer. His telephone number is (916) 445-4982.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:wpc
Enclosures
AF-03-2539A

HOUSING - ELDERLY OR HANDICAPPED FAMILIES

ELIGIBILITY BASED ON FAMILY HOUSEHOLD INCOME

Senate Bill 2109 (Chapter 1102, Statutes of 1984), which amends 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</u> (Use two lines if there are two families in a unit)	<u>No. of Persons in Family</u> (May be more than one family in unit)	<u>Maximum Income for Family Does Not Exceed</u>
1. _____	_____	\$ _____
2. _____	_____	\$ _____
3. _____	_____	\$ _____
4. _____	_____	\$ _____
5. _____	_____	\$ _____

RECAP FOR ALL FAMILIES, ELIGIBLE AND INELIGIBLE

	<u>Example</u>	<u>Actual</u>
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.	<u>110/120</u>	<u>/</u>
<u>Maximum Percentage of Value of Property Eligible for Exemption</u>	<u>91.66%</u>	<u>_____</u>

WELFARE EXEMPTION

Instructions for Completion of Supplemental Affidavit

Housing - Elderly or Handicapped Families
Eligibility Based on Family Household Income
SBE-ASD AH 267H, Income 2-6-85

Senate Bill 2109 (Chapter 1102, Statutes of 1984, which amends 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 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 <u>completed</u> 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, 2-6-85; the title of the schedule is Welfare Exemption - Family Household Income Limits for 1984 (to be used for affidavits to be filed in 1985), 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.

WELFARE EXEMPTION
 FAMILY HOUSEHOLD INCOME LIMITS FOR 1984
 (TO BE USED FOR AFFIDAVITS TO BE FILED IN 1985)

No. of Persons in Family	1	2	3	4	5	6	7	8
Alameda	\$26,900	\$30,700	\$34,550	\$38,400	\$40,800	\$43,200	\$45,600	\$48,000
Alpine	19,450	22,200	25,000	27,800	29,500	31,250	33,000	34,750
Amador	20,350	23,250	26,150	29,050	30,850	32,650	34,500	36,300
Butte	18,200	20,800	23,400	26,000	27,600	29,250	30,850	32,500
Calaveras	20,150	23,050	25,900	28,800	30,600	32,400	34,200	36,000
Colusa	19,550	22,350	25,150	27,950	29,700	31,450	33,200	34,950
Contra Costa	26,900	30,700	34,550	38,400	40,800	43,200	45,600	48,000
Del Norte	17,900	20,450	23,000	25,550	27,150	28,750	30,350	31,950
El Dorado	22,950	26,200	29,500	32,750	34,800	36,850	38,900	40,950
Fresno	20,000	22,850	25,700	28,550	30,350	32,150	33,900	35,700
Glenn	18,250	20,850	23,450	26,050	27,650	29,300	30,900	32,550
Humboldt	19,900	22,750	25,600	28,450	30,200	32,000	33,750	35,550
Imperial	18,250	20,850	23,450	26,050	27,650	29,300	30,900	32,550
Inyo	20,700	23,650	26,600	29,600	31,450	33,300	35,150	37,000
Kern	21,950	25,100	28,250	31,400	33,350	35,300	37,250	39,250
Kings	17,650	20,150	22,700	25,200	26,800	28,350	29,950	31,500
Lake	15,650	17,900	20,150	22,400	23,800	25,200	26,600	28,000
Lassen	18,900	21,600	24,300	27,000	28,700	30,400	32,050	33,750
Los Angeles	24,200	27,650	31,100	34,550	36,700	38,900	41,050	43,200
Madera	18,900	21,600	24,300	27,000	28,700	30,400	32,050	33,750
Marin	28,550	32,650	36,700	40,800	43,350	45,900	48,450	51,000
Mariposa	17,800	20,350	22,900	25,450	27,050	28,600	30,200	31,800
Mendocino	19,300	22,100	24,850	27,600	29,350	31,050	32,800	34,500
Merced	18,500	21,100	23,750	26,400	28,050	29,700	31,350	33,000
Modoc	17,050	19,500	21,900	24,350	25,900	27,400	28,950	30,450
Mono	22,700	25,900	29,150	32,400	34,450	36,450	38,500	40,500
Monterey	21,950	25,100	28,250	31,400	33,350	35,300	37,250	39,250
Napa	24,600	28,150	31,650	35,150	37,350	39,550	41,750	43,950
Nevada	20,700	23,650	26,600	29,600	31,450	33,300	35,150	37,000
Orange	29,550	33,800	38,000	42,250	44,900	47,500	50,150	52,800
Placer	22,950	26,200	29,500	32,750	34,800	36,850	38,900	40,950
Plumas	19,650	22,450	25,250	28,100	29,850	31,600	33,350	35,100
Riverside	21,850	24,950	28,100	31,200	33,150	35,100	37,050	39,000
Sacramento	22,950	26,200	29,500	32,750	34,800	36,850	38,900	40,950
San Benito	20,700	23,650	26,600	29,600	31,450	33,300	35,150	37,000
San Bernardino	21,850	24,950	28,100	31,200	33,150	35,100	37,050	39,000
San Diego	23,100	26,400	29,700	33,000	35,050	37,150	39,200	41,250
San Francisco	28,550	32,650	36,700	40,800	43,350	45,900	48,450	51,000
San Joaquin	21,550	24,600	27,700	30,800	32,700	34,650	36,550	38,500
San Luis Obispo	20,150	23,050	25,900	28,800	30,600	32,400	34,200	36,000
San Mateo	28,550	32,650	36,700	40,800	43,350	45,900	48,450	51,000
Santa Barbara	26,800	30,600	34,450	38,300	40,650	43,050	45,450	47,850
Santa Clara	31,000	35,400	39,850	44,300	47,050	49,800	52,600	55,350
Santa Cruz	23,950	27,350	30,800	34,200	36,350	38,500	40,600	42,750
Snasta	18,500	21,100	23,750	26,400	28,050	29,700	31,350	33,000

<u>No. of Persons in Family</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
Sierra	19,650	22,450	25,250	28,100	29,850	31,600	33,350	35,100
Siskiyou	18,050	20,650	23,200	25,800	27,400	29,050	30,650	32,250
Solano	24,600	28,150	31,650	35,150	37,350	39,550	41,750	43,950
Sonoma	23,750	27,150	30,550	33,950	36,100	38,200	40,350	42,450
Stanislaus	20,500	23,400	26,350	29,300	31,100	32,950	34,750	36,600
Sutter	18,200	20,800	23,400	26,000	27,600	29,250	30,850	32,500
Tehama	17,050	19,500	21,900	24,350	25,900	27,400	28,950	30,450
Trinity	17,650	20,150	22,700	25,200	26,800	28,350	29,950	31,500
Tulare	18,200	20,800	23,400	26,000	27,600	29,250	30,850	32,500
Tuolumne	19,050	21,750	24,450	27,200	28,900	30,600	32,300	34,000
Ventura	26,900	30,700	34,550	38,400	40,800	43,200	45,600	48,000
Yolo	22,950	26,200	29,500	32,750	34,800	36,850	38,900	40,950
Yuba	18,200	20,800	23,400	26,000	27,600	29,250	30,850	32,500

(Suggested Family Household Income Reporting Form for 1985)

WELFARE EXEMPTION

ELDERLY OR HANDICAPPED FAMILIES
(One person or two or more persons)

STATEMENT OF FAMILY HOUSEHOLD INCOME

Sign and file this statement by March 1, 1985 with an officer or the manager of the organization on whose property you reside.

Name(s) of Occupants: _____

Address or Unit No. _____
(No P.O. Box Nos.) _____

First, if there are more than one person residing in a unit, do you consider yourselves family? Yes No

If no, report on line 1 the number of persons in your family. EACH NONFAMILY MEMBER MUST COMPLETE A SEPARATE STATEMENT. (See instructions on reverse.)

Second, complete the statement and return it to the manager of the organization that provides the housing.

1. Number of persons in "family household." (See instructions.) _____
2. I certify (or declare) under penalty of perjury under the laws of the State of California that the family household income for the prior calendar year, 1984, did not exceed \$_____. (Enter the amount of the income limit, shown below, for the number of persons in family household.)

<u>Number of Persons in Family Household</u>	<u>Income Limit</u>
1	\$
2	\$
3	\$
4	\$
5	\$
6	\$
7	\$
8	\$

Date: _____, 19__ Signature: _____

(Suggested Family Household Income Reporting Form for 1985)

GENERAL INFORMATION

Senate Bill 2109 (Chapter 1102, Statutes of 1984), which amends 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.