



STATE BOARD OF EQUALIZATION

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April 11, 1988

TO COUNTY ASSESSORS:

No. 88/29

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

Section 214(f) of the Revenue and Taxation Code provides that 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 - 1988.

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 1987 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 1988 are the "moderate income" limits taken from the Department of Housing and Community Development's Family Eligibility and Affordability Income Limits. 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 1987 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 - 1988

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.

The instruction for processing the affidavit by the claimant are included in the following section.

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, 1988. 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