



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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2006/035

August 18, 2006

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

WELFARE EXEMPTION – LOW-INCOME HOUSING CLAIM FORMS REVISION

Letter To Assessors 2006/030 distributed four new Property Tax Rules regarding the welfare exemption, three of which pertained to low-income housing. These rule provisions necessitated revisions to claim forms involving low-income housing. Enclosed are revised claim forms filed with the State Board of Equalization (Board) and county assessors:

- BOE-277-L1, *Claim for Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property — Welfare Exemption* (Claim form filed with the Board)
- BOE-267-L, *Welfare Exemption Supplemental Affidavit, Housing — Lower Income Households*, (Claim form filed with Assessors)
- BOE-267-L1, *Welfare Exemption Supplemental Affidavit, Low-Income Housing Property of Limited Partnership*. (Claim form filed with Assessors).

The effective date of the rules was July 23, 2006. Therefore, the enclosed claim forms must be used for any claims filed on or after the effective date. As specified in subdivision (f) of Rule 140.1, organizations holding a *Supplemental Clearance Certificate* on a low-income housing property must be in compliance with the new Property Tax Rules by January 1, 2007. Organizations must certify compliance on the 2007 annual supplemental affidavits filed with the county assessors, forms BOE-267-L and BOE-267-L1

BOE-277-L1 is available on the Board's website (www.boe.ca.gov) and may be accessed by selecting (1) Property Tax, (2) Welfare and Veterans' Organization Exemptions, and (3) Claim Forms for Organizational Clearance Certificate or Supplemental Clearance Certificate For Managing General Partner. You may also request the form by contacting the Exemptions Section at 916-445-3524. BOE-267-L and BOE-267-L1 are available at the assessor's office in the county where the property is located. A listing of county assessors is available on the Board's website at the following link: <http://www.boe.ca.gov/proptaxes/assessors.htm>. If you have any questions, you may contact Ladeena Ford at 916-324-5839.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:lf
Enclosures

**CLAIM FOR SUPPLEMENTAL CLEARANCE CERTIFICATE
FOR LIMITED PARTNERSHIP, LOW-INCOME HOUSING
PROPERTY — WELFARE EXEMPTION**

[See Revenue and Taxation Code section 214(g) and Property Tax Rules 140, 140.1 and 140.2]

This form must be completed and filed with the Assessment Policy and Standards Division, Board of Equalization, PO Box 942879, Sacramento, California 94279-0064.

As a prerequisite to claiming the welfare exemption for low-income housing property with the county assessor, the limited partnership, in which the managing general partner is an eligible nonprofit corporation or limited liability company, must file this form with the Board of Equalization, Assessment Policy and Standards Division, to request a *Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property — Welfare Exemption* (BOE-277-SCC) (herein referred to as "SCC"). A separate form must be filed for each property for which the welfare exemption will be claimed. In addition to this form, the managing general partner of the limited partnership must separately file for and receive an *Organizational Clearance Certificate for Welfare or Veterans' Organization Exemption* (BOE-277-OCC) (herein referred to as "OCC") from the Board of Equalization if it does not currently hold an OCC. This form must be filed in order to receive an SCC and must also be filed with the managing general partner's BOE-277-P, *Periodic Filing for Organizational Clearance Certificate — Welfare or Veterans' Organization*.

ORGANIZATIONAL CLEARANCE CERTIFICATE FOR MANAGING GENERAL PARTNER

Please check one:

- Managing general partner of the limited partnership is filing form BOE-277, *Claim for Organizational Clearance Certificate — Welfare Exemption*, with this claim. (The managing general partner does not currently hold an OCC and does not have pending an application for OCC with the Board.)
- Managing general partner of limited partnership has filed an application for an OCC, which is currently pending with the Board.
- Managing general partner of the limited partnership currently holds an OCC. OCC No. _____.
- Limited partnership is filing this claim with the managing general partner's BOE-277-P, *Periodic Filing for Organizational Clearance Certificate — Welfare or Veterans' Organization Exemption*. Board-issued OCC No. for the managing general partner is _____. Board-issued SCC No. for this limited partnership property is _____.

THIS CLAIM IS FILED FOR FISCAL YEAR ____ - ____.

SECTION 1. Name of Limited Partnership and Property Information

- A. Name of the limited partnership that owns and operates the property: _____
- B. Property location: _____
(give complete situs address, including zip code)
- C. County in which property is located: _____
- D. Date property acquired by limited partnership: _____
(give complete date)

SECTION 2. Managing General Partner of the Limited Partnership

- A. Name of the managing general partner _____
- B. Corporate Identification or Limited Liability Company Number _____
- C. Mailing Address _____
(give complete address including zip code)
- D. Date admitted into the limited partnership as the managing general partner _____
(give complete date)

SECTION 3. Managing General Partner Designation — *The general partners of the limited partnership, including the managing general partner, certify that (check all applicable boxes):*

- A. Limited partnership agreement expressly designates the nonprofit organization as the managing general partner.
- B. Managing general partner is authorized to receive a partnership management fee or similar form of compensation payable in the amount and manner set forth in the limited partnership agreement or other agreement executed by all of the general partners.
- C. Managing general partner has material participation in the control, management and direction of the limited partnership's business (see Section 5).
- D. Officers and directors of the for-profit general partners, for-profit limited partners, or any of its for-profit affiliates, do not, as individuals or collectively, have a controlling vote or majority interest in the managing general partner.

SECTION 4. Government Financing or Tax Credits; Use Restriction. As to the low-income housing property for which this claim is made, the general partners of the limited partnership, including the managing general partner, certify that *(check all applicable boxes)*:

A. At least one of the following criteria is applicable:

- The acquisition, construction, rehabilitation, development, or operation of the property is financed with government financing in the form of tax exempt mortgage revenue bonds, general obligation bonds; local, state, or federal loans or grants; or any loan insured, held, or guaranteed by the federal government; or project-based federal funding under section 8 of the Housing Act of 1937. (The term *government financing* does not include federal rental assistance through tenant rent-subsidy vouchers under section 8 of the Housing Act of 1937).

Name of government agency _____

Date of agreement _____ Term of financing (years) _____

- The acquisition, construction, rehabilitation, development, or operation of the property is financed with state low-income housing tax credits pursuant to Revenue and Taxation Code sections 12205, 12206, 17057.5, 17058, 23610.4, and 23610.5 or federal low-income housing tax credits pursuant to section 42 of the Internal Revenue Code.

Name of government agency _____

Date of agreement _____ Term of tax credit receipt period (years) _____

B. There is a regulatory agreement with a government agency that has provided low-income housing tax credits or government financing, or a recorded deed restriction that restricts all or a portion of the property's usage for rental to lower income households and provides that the units designated for use by lower income households are continuously available to or occupied by lower income households at rents that do not exceed those prescribed in the terms of a regulatory agreement or recorded deed restriction, or to the extent that none are provided in the regulatory agreement or recorded deed restriction, at rents that do not exceed those prescribed by section 50053 of the Health and Safety Code. Yes No

If yes, please check the applicable box and provide the requested information below:

- Enforceable and verifiable agreement with a government agency.

Name of agency _____

Date of agreement _____ Term of financing (years) _____

- Recorded deed restriction Date recorded _____
(give complete date)

C. Funds that would have been necessary to pay property taxes are used to maintain the affordability of, or reduce rents otherwise necessary for, the units occupied by lower-income households. Yes No

SECTION 5. Material Participation: The general partners of the limited partnership, including the managing general partner, certify that as of the date that the nonprofit corporation or limited liability company was admitted into the partnership as the managing general partner, or as of the fiscal year for which this claim is made, the managing general partner is a general partner that has "material participation" in the control, management, and direction of the limited partnership's business, as set forth below *[please check applicable boxes and for each box checked identify the agreement and section(s) or page number(s) of the agreement granting or requiring the managing general partner such right, authority or duty]*:

- Managing general partner has a right to vote in all the major decisions, including any actions which require a vote of a majority in interest of the general partners.

- Limited partnership agreement dated _____ section(s) _____

- Amendment to limited partnership agreement dated _____ section(s) _____

- Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner performs substantial management duties *(see Section 6)*.

- Limited partnership agreement dated _____ section(s) _____

- Amendment to limited partnership agreement dated _____ section(s) _____

- Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner directly or indirectly, under its supervision, manages the limited partnership.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner annually conducts a physical inspection of the low-income housing property to ensure that the property is being used as low-income housing and meets all of the requirements of the welfare exemption for low-income housing properties.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner annually submits a certification to the county assessor for the county in which the property is located that the low-income housing property meets all welfare exemption requirements for low-income housing properties.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

SECTION 6. Substantial Management Duties: The general partners of the limited partnership, including the managing general partner, certify that as of the date that the nonprofit corporation or limited liability company was admitted into the partnership as the managing general partner, or as of the fiscal year on this claim, that the managing general partner is a general partner with "substantial management duties" as defined in Rule 140.1, subdivision (a)(10); specifically, the managing general partner actually performs the following partnership management duties checked below on behalf of the limited partnership (*please check only the duties the managing general partner actually performs, and identify the agreement requiring the performance of each duty, including the section of the agreement*).

- Managing general partner rents, maintains and repairs the low-income housing property, or if such duties are delegated to a property management agent, participates in hiring and overseeing the work of the property management agent.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner participates in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the limited partnership business.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner executes and enforces all contracts executed by the limited partnership.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner executes and delivers all partnership documents on behalf of the limited partnership.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner prepares or causes to be prepared all reports to be provided to the partners or lenders on a monthly, quarterly, or annual basis consistent with the requirements of the limited partnership agreement.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner coordinates all present and future development, construction, or rehabilitation of low-income housing property that is the subject of the limited partnership agreement.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner monitors compliance with all government regulations and files or supervises the filing of all required documents with government agencies.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner acquires, holds, assigns or disposes of property or any interest in property.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner borrows money on behalf of the limited partnership, encumbers limited partnership assets, places title in the name of the nominee to obtain financing, prepays in whole or in part, refinances, increases, modifies or extends any obligation.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner pays organizational expenses incurred in the creation of the partnership and all operational expenses.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner determines the amount and timing of distributions to partners and establishes and maintains all required reserves.
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
 - Other agreement executed by all of the general partners dated _____ section(s) _____

- Managing general partner ensures that charitable services or benefits, such as vocational training, education programs, childcare and after-school programs, cultural activities, family counseling, transportation, meals, and linkages to health and/or social services are provided or information regarding charitable services or benefits are made available to the low-income housing tenants.
- Limited partnership agreement dated _____ section(s) _____
- Amendment to limited partnership agreement dated _____ section(s) _____
- Other agreement executed by all of the general partners dated _____ section(s) _____

SECTION 7. Delegation of Authority:

A. The general partners of the limited partnership, including the managing general partner, certify that the limited partnership agreement (*please check applicable box and specify agreement and date*):

- Contains a delegation of authority clause
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____
- Does not contain a delegation of authority clause
 - Limited partnership agreement dated _____ section(s) _____
 - Amendment to limited partnership agreement dated _____ section(s) _____

B. If the limited partnership agreement contains a delegation of authority clause, such clause provides:

- i. The managing general partner may not delegate any of its partnership management duties as defined in Rule 140.1, subdivision (a)(10), and identified in Section 6. Yes No
- ii. The managing general partner may delegate its partnership management duties, identified in Section 6 to persons who, under its supervision, may perform such duties for the partnership subject to the supervision by the managing general partner. Yes No

C. The managing general partner has delegated some or all of its partnership management duties identified in Section 6. Yes No
If yes, please list each duty delegated, the date delegated, and the person or entity performing such duty (attach additional pages if necessary).

SECTION 8. Documents Which Must be Submitted:

- A. If you are filing this claim in order to receive a SCC for the limited partnership property you listed in Section 1.B. , submit all of the following:
 - i. For California limited partnerships, a copy of Secretary of State Form LP-1, *Certificate of Limited Partnership*, and, if applicable, Secretary of State form LP-2, *Amendment to Certificate of Limited Partnership*. For foreign limited partnerships, a copy of the formation documents, and, if applicable, amendment documents filed in the state of formation.
 - ii. Copy of the recorded regulatory agreement with a government agency or a copy of a recorded deed restriction, which verifies or evidences the receipt of low-income housing tax credits or government financing.
 - iii. Copy of the grant deed, or documents evidencing the limited partnership’s ownership of the improvements if the land is not owned by the limited partnership.
- B. If you are filing this claim with BOE-277-P, *Periodic Filing for Organizational Clearance Certificate — Welfare or Veterans’ Organization Exemption*, submit the following:
 - i. Copy of Secretary of State form LP-2, *Amendment to Certificate of Limited Partnership*, if the certificate of limited partnership has been amended since the last claim filing. For foreign limited partnerships, a copy of amendment documents filed in the state of formation.
 - ii. Copy of other agreement executed by all general partners if executed since the last claim filing.

SECTION 9. Certification: This form must be certified by the Managing General Partner and all of the General Partners of the Limited Partnership *(please attach additional pages if necessary)*.

CERTIFICATION

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

NAME OF LIMITED PARTNERSHIP _____

LOCATION OF LIMITED PARTNERSHIP PROPERTY _____

NAME AND TITLE OF MANAGING GENERAL PARTNER (please print) _____

SIGNATURE OF MANAGING GENERAL PARTNER	PHONE NUMBER	E-MAIL	DATE
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NAME AND TITLE OF GENERAL PARTNER (please print) _____

SIGNATURE OF GENERAL PARTNER	PHONE NUMBER	E-MAIL	DATE
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NAME AND TITLE OF GENERAL PARTNER (please print) _____

SIGNATURE OF GENERAL PARTNER	PHONE NUMBER	E-MAIL	DATE
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NAME AND TITLE OF GENERAL PARTNER (please print) _____

SIGNATURE OF GENERAL PARTNER	PHONE NUMBER	E-MAIL	DATE
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THIS FORM IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION

Claims for the welfare exemption, organizational clearance certificates and supplemental clearance certificates, and all supporting documents are subject to audit by the Board of Equalization and by the County Assessor.

**INSTRUCTIONS FOR FILING A CLAIM FOR
SUPPLEMENTAL CLEARANCE CERTIFICATE FOR LIMITED PARTNERSHIP
LOW-INCOME HOUSING — WELFARE EXEMPTION**

Revenue and Taxation Code, § 214(g)
California Code of Regulations, Title 18, §§ 140, 140.1 and 140.2

SUPPLEMENTAL CLEARANCE CERTIFICATE FOR LIMITED PARTNERSHIP

A limited partnership, in which the managing general partner is an eligible nonprofit corporation or limited liability company, which owns low-income housing property for which it will claim the welfare exemption is required to file with the State Board of Equalization (Board) a claim for a *Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing — Welfare Exemption* (SCC). This claim form must be filed in order to receive a SCC. This claim form must also be filed with the managing general partner's BOE-277-P, *Periodic Filing for Organizational Clearance Certificate — Welfare or Veterans' Organization*. The county assessor may not grant the welfare exemption for low-income housing property owned by a limited partnership unless the claimant holds a SCC for the particular low-income housing property. For additional information, see Property Tax Rules 140, 140.1, and 140.2, available on the Board's website at www.boe.ca.gov.

FILING OF CLAIM

The claim for the SCC must be filed with the Board's Assessment Policy and Standards Division, Exemption Section at the address provided on the SCC claim form. If you have any questions, you may contact the Exemption Section at (916) 445-3524. Supporting documents must be provided with each claim for SCC.

ALL QUESTIONS MUST BE ANSWERED

The failure to answer all of the questions on the claim form may result in the denial of the SCC.

FISCAL YEAR

The fiscal year for which the SCC is claimed is the state fiscal year the limited partnership is filing the claim form to receive a SCC, the fiscal year should correspond to the fiscal year in which the welfare exemption will be claimed with the county assessor. If the managing general partner is a limited liability company, the earliest fiscal year for which a claim for SCC may be filed is 2005-2006. The managing general partner must be a resident of California and must be authorized to qualify as a managing general partner. If the limited partnership has an SCC for the particular low-income housing property and this claim form is being filed with the managing general partner's BOE-277-P, *Periodic Filing for Organizational Clearance Certificate — Welfare or Veterans' Organization*, the fiscal year should correspond to the fiscal year of the BOE-277-P filing.

SECTION 1. Name of Limited Partnership and Property Information. Identify the name of the limited partnership that owns the low-income housing property, location of the low-income housing property, county in which the property is located, and date the property was acquired by the limited partnership.

SECTION 2. Managing General Partner of the Limited Partnership. Identify the name of the managing general partner, corporate identification number or limited liability company number, mailing address of the managing general partner, and the date the managing general partner was admitted to the limited partnership.

SECTION 3. Managing General Partner Designation. Check all applicable boxes. See Rule 140.1, subdivision (a)(6), which provides the definition of "managing general partner" of a limited partnership under Revenue and Taxation Code section 214(g).

SECTION 4. Government Financing or Tax Credits; Use Restriction. A limited partnership, in which the managing general partner is an eligible nonprofit corporation or limited liability company, may qualify for exemption for a particular low-income housing property provided that: (A) the limited partnership receives low-income housing tax credits or government financing for the property; (B) the property is subject to a recorded deed restriction or a regulatory agreement, which is recorded in the county in which the property is located (for purposes of the welfare exemption, the property has low-income housing tax credits or government financing for the period of time that a regulatory agreement or recorded deed restriction restricts the use of all or any portion of the property for rental to lower income households even if the initial government financing has been refinanced or has been paid in full, or the allocation of the low-income housing tax credits has terminated or expired, provided that the government agency that is a party to the regulatory agreement continues to monitor and enforce compliance with the terms of the regulatory agreement); and (C) funds not used to pay property taxes are used to maintain affordability of or reduce rents of units occupied by the lower income households [see Rule 140.2, subdivision (c)].

SECTION 5. Material Participation. A limited partnership, in which the managing general partner is an eligible nonprofit corporation or a limited liability company, may qualify for exemption for a particular property provided that the limited partnership agreement, or other agreement executed by all of the general partners, provides that the managing general partner is a general partner that has “material participation” in the control, management, and direction of the limited partnership’s business. Identify the agreement and the applicable provisions thereof, which authorize the managing general partner’s material participation in the limited partnership [see Rule 140.1, subdivision (a)(7)].

SECTION 6. Substantial Management Duties. A limited partnership, in which the managing general partner is an eligible nonprofit corporation or limited liability company, may qualify for exemption for a particular property provided that the limited partnership agreement, or other agreement executed by all of the general partners, provides that the managing general partner is a general partner with “substantial management duties” [see Rule 140.1, subdivision (a)(10)]. Check only the boxes for partnership management duties actually performed by the managing general partner and identify the agreement and the applicable provision thereof, which require the managing general partner to actually perform such duties.

SECTION 7. Delegation of Authority. If the limited partnership agreement contains a delegation of authority clause, it may provide either that: (1) the managing general partner may not delegate any of its partnership management duties; or (2) the managing general partner may delegate *some or all of* its partnership management duties to persons who, under its supervision, may perform such duties on behalf of the limited partnership [see Rule 140.1, subdivision (d)]. If the managing general partner is authorized to delegate its partnership duties and elects to delegate one or more of its duties, the managing general partner must demonstrate that it is actually supervising the performance of the delegated duties. Identify the agreement and the delegation of authority provisions thereof. If the agreement contains a delegation of authority clause and states that the managing general partner may delegate its partnership management duties, list each duty delegated, the date each duty was delegated, and person performing such duty.

SECTION 8. Documents That Must be Submitted. The limited partnership must provide the documents required to be submitted to the Board under Section 8 of the claim form. If such required documents are not submitted, it will result in the Board’s findings being issued to the limited partnership. The Board may require the limited partnership and its partners to determine whether the limited partnership meets the requirements of the Internal Revenue Code Section 214(g) and the corresponding tax Rules 140, 140.1, and 140.2.

SECTION 9. Certification. A general partner of the limited partnership, including the managing general partner, must sign the claim form and certify to the truth of the information provided both on the form and in the accompanying documents.

RECORDS AND DOCUMENTS MUST BE MAINTAINED BY THE MANAGING GENERAL PARTNER

A copy of the claim form and supporting documents should be retained by the managing general partner. The managing general partner must maintain records and documents evidencing the partnership management duties performed by the managing general partner. Such records and documents may include, but are not limited to:

- (1) accounting books and records;
- (2) tax returns;
- (3) budgets and financial reports;
- (4) reports required by lenders;
- (5) documents related to the construction or rehabilitation of real property;
- (6) legal documents such as contracts, deeds, notes, leases, and deeds of trust;
- (7) documents related to complying with government regulations and filings; documents related to property inspections;
- (8) documents related to property inspections;
- (9) documents related to charitable services or benefits provided or the information provided regarding such services or benefits;
- (10) reports prepared for the partners;
- (11) bank account records;
- (12) audited annual financial statement of the limited partnership; and
- (13) property management agreement.

**WELFARE EXEMPTION SUPPLEMENTAL AFFIDAVIT,
HOUSING — LOWER INCOME HOUSEHOLDS**

Carefully read and follow the accompanying instructions before preparing claim.

This affidavit is required under the provisions of sections 214(g), 214.15, 251, and 254.5 of the Revenue and Taxation Code for those properties where the income of the occupants must not exceed certain limits.

This affidavit supplements the claim for welfare exemption and must be filed with the county assessor by February 15. If you do not complete and file this form, you may be denied the exemption.

The claimant should provide each household living on the property with a copy of the attached form titled *Lower Income Households — Statement of Family Household Income*. (The organization claiming the exemption keeps the completed, signed statements in case of further audit.) The exemption cannot be granted unless all the information requested in this affidavit is provided and the signed affidavit is filed with the county assessor.

All nonprofit corporations or limited liability companies that are managing general partners of limited partnerships filing an exemption claim for low-income housing under section 214(g) are required to file BOE-267-L1, *Welfare Exemption Supplemental Affidavit, Low-Income Housing Property of Limited Partnership*.

*Please provide a copy of the regulatory agreement with a public agency, a copy of the recorded deed restriction, or a copy of an *other legal document* if you are filing a claim on this property for the first time (BOE-267). *Other legal document* applies to properties owned by nonprofit organizations, not to properties owned by limited partnerships with a nonprofit managing general partner.

_____ states:
(name of person making affidavit)

1. He/She is _____
(title, such as president, etc.)

2. of the _____
(corporate or organization name)

3. the mailing address of which is _____
(give complete address including zip code)

4. for the property located at _____
(give complete address including zip code)

5. That he or she makes this affidavit on behalf of this organization in support of a claim for exemption for the ____ - ____ fiscal year and certifies that:

A. There is an enforceable and verifiable agreement with a public agency or, a recorded deed restriction, or other legal document* that restricts the project's usage and that provides that the units designated for use by lower income households are continuously available to or occupied by lower income households at rents that do not exceed those prescribed by section 50053 of the Health and Safety Code, or, to the extent that the terms of federal, state, or local financing or financial assistance conflicts with section 50053, rents that do not exceed those prescribed by the terms of the financing or financial assistance.

B. The funds which would have been necessary to pay property taxes are used to maintain the affordability of, or reduce rents otherwise necessary for, the units occupied by lower income households.

C. At least one of the following criteria is applicable (check one):

(1) The acquisition, construction, rehabilitation, development, or operation of the property is financed with government financing in the form of tax-exempt mortgage revenue bonds; general obligation bonds; local, state, or federal loans or grants; or any loan insured, held, or guaranteed by the federal government; or project-based federal funding under section 8 of the Housing Act of 1937. (The term "government financing" does not include federal rental assistance through tenant rent-subsidy vouchers under section 8 of the Housing Act of 1937.)

(2) The owner is eligible and receives state low-income housing tax credits pursuant to Revenue and Taxation Code sections 12205, 12206, 17057.5, 17058, 23610.4, and 23610.5 or federal low-income housing tax credits pursuant to section 42 of the Internal Revenue Code.

(3) In the case of a claim, other than a claim with respect to property owned by a limited partnership in which the managing general partner is an eligible nonprofit corporation or limited liability company, that is filed for the 2000-01 fiscal year or any fiscal year thereafter, 90 percent or more of the occupants of the property are lower income households whose rent does not exceed the rent prescribed by section 50053 of the Health and Safety Code. The total exemption amount allowed under this subdivision to a taxpayer, with respect to a single property or multiple properties for any fiscal year on the sole basis of the application of this subparagraph, may not exceed twenty thousand dollars (\$20,000) of tax [section 214(g)(1)(C)].

CERTIFICATION

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 	TITLE	DATE
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A. ELIGIBILITY BASED ON FAMILY HOUSEHOLD INCOME

Section 214(g) of the California Revenue and Taxation Code provides that property owned by nonprofit organizations providing housing for lower income households can qualify for the welfare exemption from property taxes to the extent that the income of the households residing therein do not exceed amounts listed below:

NO. OF PERSONS IN HOUSEHOLD	MAXIMUM INCOME	NO. OF PERSONS IN HOUSEHOLD	MAXIMUM INCOME	NO. OF PERSONS IN HOUSEHOLD	MAXIMUM INCOME
1		4		7	
2		5		8	
3		6			

Note: If a dollar amount is not entered for each number of persons, contact the county assessor for the figures. The amounts are different for each county and change annually.

In order to qualify all or a portion of the property for the exemption, you must have: (1) a signed statement for each household that qualifies (you should keep the statement for future audits); and (2) you must complete the report below:

B. LIST OF QUALIFIED HOUSEHOLDS

Complete or attach list showing desired information for **only** those households that qualify; use additional sheets if necessary.

ADDRESS/UNIT NO. <i>(use two lines if there are two households in a unit)</i>	NO. OF PERSONS IN HOUSEHOLD <i>(may be more than one household in unit)</i>	MAXIMUM INCOME FOR HOUSEHOLD DOES NOT EXCEED
1.		\$
2.		
3.		

C. RECAP FOR ALL HOUSEHOLDS, ELIGIBLE AND INELIGIBLE

Note: The low-income exemption calculation under section 214(g) is the value of low-income households to the total area of the property.

	EXAMPLE	ACTUAL
1. Number of residential units designated for use by or serving lower income households.	40	
2. Total number of residential units.	100	
3. Area of qualified lower income households (square feet).	75,000	
4. Total area of building(s) (square feet).	150,000	

D. EXEMPTION CALCULATION

	EXAMPLE	ACTUAL
Percentage of the area of lower income households occupying the property to the total area of the property	75,000/150,000	/
Percentage of value of property eligible for exemption	50%	

E. APPLICATION OF LIMITATION ON EXEMPTION TO \$20,000 OF TAX [Revenue & Taxation Code section 214(g)(1)(C)]

See page S1F, No. 5, C.(3) of this form. This limitation on the amount of the exemption 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-income housing tax credits, as provided in section 214(g)(1)(B). Claimants with properties qualifying for exemption under 214(g)(1)(C) must list all the counties in which such properties are located; use additional sheets if necessary.

CORPORATE IDENTIFICATION NUMBER

LIST ALL LOW-INCOME PROPERTIES SUBJECT TO \$20,000 TAX EXEMPTION

COUNTY	APN	PROPERTY STREET ADDRESS	CITY/ZIP CODE	AMOUNT OF \$20,000 TAX EXEMPTION TO BE APPLIED
				\$

**LOWER INCOME HOUSEHOLDS
STATEMENT OF FAMILY HOUSEHOLD INCOME
(SUGGESTED FAMILY HOUSEHOLD INCOME REPORTING FORM)**

Section 214(g) of the California Revenue and Taxation Code provides that property owned by nonprofit organizations providing housing for lower income households can qualify for the welfare exemption from property taxes for those units whose family household income does not exceed the limits stated herein.

Promptly complete, sign and return this statement to the manager of the organization that provides the housing so the organization will have time to complete the form that must be filed with the county assessor.

ADDRESS OR UNIT NUMBER
(No P.O. Box Numbers)

NAME(S) OF OCCUPANTS	NUMBER OF PERSONS IN FAMILY HOUSEHOLD	INCOME LIMIT
	1	\$
	2	
	3	
	4	
	5	
	6	
	7	
	8	\$

1. Number of persons in family household _____ .

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 did not exceed \$ _____. *(Enter the amount of the income limit shown for the number of persons in family household.)*

SIGNATURE 	TITLE	DATE
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INSTRUCTIONS

SUGGESTED FAMILY HOUSEHOLD INCOME REPORTING FORM

1. Enter the address or unit number and the names of the persons who comprise your household.
2. Enter on line 1 the **number** of persons who comprise your household.
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 household income is the same as or less than the income limit.
5. Promptly return the statement to an officer or the manager of the organization on whose property you reside.

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 household 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 of Title 25 of the California Code of Regulations.

**WELFARE EXEMPTION SUPPLEMENTAL AFFIDAVIT,
LOW-INCOME HOUSING PROPERTY OF LIMITED PARTNERSHIP**

This affidavit is required under the provisions of section 214(g), 214.15, 251, and 254.5 of the Revenue and Taxation Code. This affidavit supplements the claim for welfare exemption and must be filed with the county assessor by February 15 to avoid a late filing penalty under section 270. If you do not complete and file this form, you may be denied the exemption.

As a prerequisite to being granted the welfare exemption for low-income housing property, the managing general partner of the limited partnership must qualify for an *Organizational Clearance Certificate for Welfare or Veterans' Organization Exemption* (BOE-277-OCC) (hereinafter referred to as "OCC") from the State Board of Equalization (Board). The limited partnership must also qualify for a *Supplemental Clearance Certificate for Limited Partnership for Low-Income Housing Property — Welfare Exemption* (BOE-277-SCC) (hereinafter referred to as "SCC") for the property.

ORGANIZATIONAL CLEARANCE CERTIFICATE AND SUPPLEMENTAL CLEARANCE CERTIFICATE INFORMATION

Please check one:

- Managing general partner of the limited partnership has an OCC and the limited partnership has an SCC for this property. Board-issued OCC No. for the managing general partner is _____. Board-issued SCC No. for this limited partnership property is _____. *Please attach a copy of the SCC with this affidavit.*
- Managing general partner of the limited partnership has an OCC but the limited partnership does not have an SCC for this property. An application is pending with the Board. Board-issued OCC No. for the managing general partner is _____.
- Managing general partner of the limited partnership does not have an OCC and the limited partnership does not have an SCC on this property. Applications are pending with the Board.

THIS CLAIM IS FILED FOR FISCAL YEAR _____ - _____.

SECTION 1. Name of Limited Partnership and Property Information

- A. Name of the limited partnership that owns the property _____
- B. Property location _____
(give complete situs address, including zip code)
- C. County in which property is located _____
- D. Date property was acquired by limited partnership _____
(give complete date)

SECTION 2. Managing General Partner of Limited Partnership

- A. Name of managing general partner _____
- B. Corporate Identification or Limited Liability Company Number _____
- C. Mailing Address _____
(give complete address including zip code)
- D. Date admitted to the limited partnership as the managing general partner _____
(give complete date)

SECTION 3. Managing General Partner Designation — *The general partners of the limited partnership, including the managing general partner, certify that (check all applicable boxes):*

- A. Limited partnership agreement expressly designates the nonprofit organization as the managing general partner.
- B. Managing general partner is authorized to receive a partnership management fee or similar form of compensation payable in the amount and manner set forth in the limited partnership agreement or other agreement executed by all of the general partners.
- C. Managing general partner has material participation in the control, management and direction of the limited partnership's business (see Section 5).
- D. Officers and directors of the for-profit general partners, for-profit limited partners, or any of its for-profit affiliates, do not, as individuals or collectively, have a controlling vote or majority interest in the managing general partner.

SECTION 4. Material Participation — The person making this claim certifies that as of the fiscal year for which this claim is made, the managing general partner is a general partner that has "material participation," as defined in Rule 140.1, subdivision (a)(7), in the control, management, and direction of the limited partnership's business, as set forth below (*please check if applicable*):

- The managing general partner is a general partner that has "material participation" in the control, management, and direction of the limited partnership's business, in that the managing general partner has a right to vote in all the major decisions, including any actions which require a vote of a majority in interest of the general partners; performs substantial management duties (at least 5 of the 12 duties listed in Section 5); directly or indirectly, under its supervision, manages the limited partnership; annually conducts a physical inspection of the low-income housing property to ensure that the property is being used as low-income housing and meets all of the requirements of the welfare exemption for low-income housing properties; annually submits a certification to the county assessor of the county in which the property is located that the low-income housing property meets all welfare exemption requirements for low-income housing properties.

SECTION 5. Substantial Management Duties — The person making this claim certifies that as of the fiscal year for which this claim is made, the managing general partner is a general partner with "substantial management duties" as defined in Rule 140.1, subdivision (a)(10); specifically, the managing general partner actually performs at least 5 of 12 partnership management duties below, on behalf of the limited partnership (*please check all applicable boxes*).

- Managing general partner rents, maintains and repairs the low-income housing property, or if such duties are delegated to a property management agent, participates in hiring and overseeing the work of the property management agent.
- Managing general partner participates in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the limited partnership business.
- Managing general partner executes and enforces all contracts executed by the limited partnership.
- Managing general partner executes and delivers all partnership documents on behalf of the limited partnership.
- Managing general partner prepares or causes to be prepared all reports to be provided to the partners or lenders on a monthly, quarterly, or annual basis consistent with the requirements of the limited partnership agreement.
- Managing general partner coordinates all present and future development, construction, or rehabilitation of low-income housing property that is the subject of the limited partnership agreement.
- Managing general partner monitors compliance with all government regulations and files or supervises the filing of all required documents with government agencies.
- Managing general partner acquires, holds, assigns or disposes of property or any interest in property.
- Managing general partner borrows money on behalf of the limited partnership, encumbers limited partnership assets, places title in the name of the nominee to obtain financing, prepays in whole or in part, refinances, increases, modifies or extends any obligation.
- Managing general partner pays organizational expenses incurred in the creation of the partnership and all operational expenses.
- Managing general partner determines the amount and timing of distributions to partners and establishes and maintains all required reserves.
- Managing general partner ensures that charitable services or benefits, such as vocational training, education programs, childcare and after-school programs, cultural activities, family counseling, transportation, meals, and linkages to health and/or social services are provided or information regarding charitable services or benefits are made available to the low-income housing tenants.

SECTION 6. Delegation of Authority

A. The person making this claim certifies that the limited partnership agreement (*please check applicable box*):

- Contains a delegation of authority clause
- Does not contain a delegation of authority clause.

B. If the limited partnership agreement contains a delegation of authority clause, such clause provides that:

- i. The managing general partner may not delegate any of its partnership management duties as defined in Rule 140.1, subdivision (a)(10) and identified in Section 5. Yes No
- ii. The managing general partner may delegate its partnership management duties, as identified in Section 5, to persons who under its supervision, may perform such duties for the partnership subject to the supervision by the managing general partner. Yes No

C. The managing general partner has delegated some or all of its partnership management duties identified in Section 5.

- Yes No

If yes, please list each duty delegated, the date delegated, and the person or entity performing such duty (attach additional pages if necessary):

CERTIFICATION

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

NAME AND TITLE OF PERSON MAKING AFFIDAVIT (*please print*)

SIGNATURE OF PERSON MAKING AFFIDAVIT	TELEPHONE NUMBER	E-MAIL	DATE

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

Claims for the welfare exemption, organizational clearance certificates and supplemental clearance certificates, and all supporting documents are subject to audit by the Board of Equalization and by the County Assessor.

**INSTRUCTIONS FOR FILING WELFARE EXEMPTION SUPPLEMENTAL AFFIDAVIT
LOW-INCOME HOUSING PROPERTY OF LIMITED PARTNERSHIP**

Revenue and Taxation Code, § 214(g)
California Code of Regulations, Title 18, §§ 140, 140.1 and 140.2

FILING OF AFFIDAVIT

This affidavit is required under the provisions of section 214(g), 214.15, 251, and 254.5 of the Revenue and Taxation Code. This affidavit supplements the claim for welfare exemption and must be filed with the county assessor by February 15 to avoid a late filing penalty under section 270. If you do not complete and file this form, you may be denied the exemption.

As a prerequisite to being granted the welfare exemption for low-income housing property owned by a limited partnership, the managing general partner of the limited partnership must qualify for an *Organizational Clearance Certificate for Welfare or Veterans' Organization Exemption* (BOE-277-OCC) (hereinafter referred to as "OCC") from the State Board of Equalization (Board). The limited partnership must also qualify for a *Supplemental Clearance Certificate for Limited Partnership for Low-Income Housing Property — Welfare Exemption* (BOE-277-SCC) (hereinafter referred to as "SCC") on the property. If the managing general partner holds an OCC, identify the certificate number or indicate whether or not an application is pending with the Board. If the limited partnership holds a SCC for the low-income housing property, identify the certificate number or indicate whether or not an application is pending with the Board. For additional information regarding the requirements, see Property Tax Rules 140, 140.1, and 140.2, available on the Board's website at www.boe.ca.gov.

FISCAL YEAR

The fiscal year for which the limited partnership is seeking exemption must be stated.

SECTION 1. Name of Limited Partnership and Property Information. Identify the name of the limited partnership that owns the low-income housing property, location of the low-income housing property, county in which the property is located, and date the property was acquired by the limited partnership.

SECTION 2. Managing General Partner of the Limited Partnership. Identify the name of the managing general partner, corporate identification number or limited liability company number, mailing address of the managing general partner, and the date the managing general partner was admitted to the limited partnership.

SECTION 3. Managing General Partner Designation. Check all applicable boxes. See Rule 140.1, subdivision (a)(6), which provides the definition of "managing general partner" of a limited partnership under Revenue and Taxation Code section 214(g).

SECTION 4. Material Participation. A limited partnership, in which the managing general partner is an eligible nonprofit corporation or a limited liability company, may qualify for exemption for a particular property provided that the limited partnership agreement, or other agreement executed by all of the general partners, provides that the managing general partner is a general partner that has "material participation" in the control, management, and direction of the limited partnership's business. Check if applicable [see Rule 140.1, subdivision (a)(7)].

SECTION 5. Substantial Management Duties. A limited partnership in which the managing general partner is an eligible nonprofit corporation or limited liability company, may qualify for exemption for a particular property provided that the limited partnership agreement, or other agreement executed by all of the general partners, provides that the managing general partner is a general partner with "substantial management duties" [see Rule 140.1, subdivision (a)(10)]. Check only the boxes for partnership management duties actually performed by the managing general partner. Check all applicable boxes.

SECTION 6. Delegation of Authority. If the limited partnership agreement contains a delegation of authority clause, it may provide either that: (1) the managing general partner may not delegate any of its partnership management duties; or (2) the managing general partner may delegate some or all of its partnership management duties to persons who, under its supervision, may perform such duties on behalf of the limited partnership [see Rule 140.1, subdivision (d)]. If the managing general partner is authorized to delegate its partnership duties and elects to delegate one or more of its duties, the managing general partner must demonstrate that it is actually supervising the performance of the delegated duties. If the agreement contains a delegation of authority clause and states that the managing general partner may delegate its partnership management duties, list each duty delegated, the date each duty was delegated, and person performing such duty.

RECORDS AND DOCUMENTS MUST BE MAINTAINED BY THE MANAGING GENERAL PARTNER

A copy of the claim form and supporting documents should be retained by the managing general partner. The managing general partner must maintain records and documents evidencing the partnership management duties performed by the managing general partner. Such records and documents may include, but are not limited to: accounting books and records; tax returns; budgets and financial reports; reports required by lenders; documents related to the construction or rehabilitation of real property; legal documents such as contracts, deeds, notes, leases, and deeds of trust; documents related to complying with government regulations and filings; documents related to property inspections; documents related to property inspections; documents related to charitable services or benefits provided or the information provided regarding such services or benefits; reports prepared for the partners; bank account records; audited annual financial statement of the limited partnership; and property management agreement.