August 26, 2013

TO COUNTY ASSESSORS:

2014-2015 INCOME LEVELS FOR TRIBAL HOUSING EXEMPTION

The listings reflecting the various income levels of households to qualify for exemption of leased property used for low-income tribal housing are developed by the California Department of Housing and Community Development (HCD). By statute, HCD obtains certain information from the U.S. Department of Housing and Urban Development (HUD) to compile the household income levels to be used by county assessors.

Revenue and Taxation Code section 237 provides exemption for low-income rental housing owned and operated by an Indian tribe or a housing entity designated by a tribe meeting certain requirements. All claimants requesting the Tribal Housing Exemption must annually file claim form BOE-237, Exemption of Low-Income Tribal Housing, and form BOE-237-A, Supplemental Affidavit for BOE-237, Housing—Lower-Income Households Eligibility Based on Family Income (Yearly Filing). Claimants are required to submit the following information with the initial claim:

- Documents establishing that the designating tribe is federally recognized;
- Documents establishing that the housing entity has been designated by the tribe; and
- Documents establishing that there is a deed restriction, agreement, or other legally binding document requiring that the property be used in compliance with section 237(a)(2)(A).

Claimants must also provide a description of the property for which exemption is claimed. If the property includes units that do not qualify for the exemption, the description must list the qualifying and nonqualifying units. Vacant units may qualify for exemption if the units are restricted by a deed, regulatory agreement, or other legal document. These documents are required to restrict the property usage to low-income housing by expressly stating that:

The units designated for use by low-income households are continuously available to or occupied by lower income households at rents within the prescribed limits of the statutes or regulatory agreements.

Enclosed is the listing of the Lower Income Family Household Income Limits for 2013 issued by HCD which are to be used for affidavits filed for the 2014-2015 claim year on leased property used exclusively for tribal owned low-income rental housing as provided in...

1 See Property Tax Rule 140, Welfare Exemption Requirements for Low-Income Housing Properties, for a definition of other legal documents.
section 237. The income levels should be reviewed and compared to the enclosed income limits to determine the portion of the property that is eligible for exemption. Determination of qualifying units should be based on the use of the property on the lien date. In all cases, the exemption from property tax is available only to the extent that household incomes of families do not exceed the 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 total value that is serving low-income households.

If you have questions regarding the enclosed income levels or questions concerning the exemption described in this letter, please contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:kdk
Enclosure
To determine income limit for households larger than 8 persons: (1) multiply the 4-person income limit by 8%; (2) multiply result by number of persons in excess of 8; (3) add the amount to the 8-person income limit; and (4) round to nearest $50.