EF-267-L1-R10-0611-42000651-1

BOE-267-L1 (P1) REV. 10 (06-11)

**Joseph E. Holland**
**County Clerk, Recorder and Assessor**
P.O. Box 159, Santa Barbara, CA 93102-0159
Santa Barbara (805) 568-2550
Santa Maria (805) 346-8310

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

This Claim is Filed for Fiscal Year 20_____ -20_____ .

This is a Supplemental Affidavit filed with
- ☐ BOE-267, Claim for Welfare Exemption (First Filing)
- ☐ BOE-267-A, Claim for Welfare Exemption (Annual Filing)

If filed with BOE-267-A, check applicable boxes below
- ☐ Secretary of State Form LP-2 filed within the last year
- ☐ Limited Partnership Agreement, or other agreement, amended within the last year

## Section 1. Identification of Limited Partnership (LP) and Property

Name of Limited Partnership

Property Location (number and street) | Date Property Acquired by LP

City, County, State, Zip Code

Supplemental Clearance Certificate (SCC) No. _____ (Provide copy of certificate with this claim and a copy of the Finding Sheet issued by the State Board of Equalization if filing with BOE-267. If you do not have an SCC, have you filed a claim for an SCC with the BOE?

☐ Yes ☐ No

If No, see instructions for information on obtaining an SCC claim form.

## Section 2. Identification of Managing General Partner (MGP)

Name of Organization | Corporate ID No. (or LLC No.)

Mailing address (number and street) | Date Admitted into LP as GP

City, State, Zip Code

Organizational Clearance Certificate (OCC) No. _____ (Provide copy of certificate with this claim if first filing). If the MGP does not have an OCC, has the MGP filed a claim for an OCC with the BOE?

☐ Yes ☐ No

If No, see instructions for information on obtaining an OCC claim form.

## Section 3. 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. There is an enforceable and verifiable agreement with a public agency or a recorded deed restriction that restricts the projects'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, 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 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.

| FOR ASSESSOR'S USE ONLY | Whom should we contact during normal business hours for additional information? | |
|---|---|---|
| Received by _____ *(Assessor's designee)* | NAME | |
| of _____ *(county or city)* on _____ *(date)* | DAYTIME PHONE NUMBER ( ) | EMAIL ADDRESS |

**THIS DOCUMENT IS SUBJECT TO PUBLIC INSPECTION**

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## Section 4. Household Information

### A. Eligibility Based on Family Household Income

Section 214(g) of the California Revenue and Taxation Code provides that low-income housing property owned and operated by a limited partnership with a nonprofit corporation or eligible limited liability company as managing general partner 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 | $44,600 | 4 | $63,700 | 7 | $79,000 |
| 2 | $51,000 | 5 | $68,800 | 8 | $84,100 |
| 3 | $57,350 | 6 | $73,900 | | |

**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. Please indicate which vacant units are held for low-income housing tenants.

| ADDRESS / UNIT NUMBER *(Use two lines if there are two households in a unit)* | NO. OF PERSONS IN HOUSEHOLD *(May be more than one household in unit)* | 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 in square feet of qualified lower income households | 75,000 | |
| 4. Total area in square feet of building(s) | 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% | |

**Section 5. Managing General Partner Requirements**

A. Managing General Partner Designation.

☐ (1) Limited partnership agreement expressly designates the nonprofit corporation as the managing general partner.
☐ (2) 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.
☐ (3) Managing general partner has material participation in the control, management and direction of the limited partnership's business (see Section 5.B.).
☐ (4) 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.

B. Material Participation.

☐ 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 partner; performs substantial management duties (at least 5 of the 12 duties listed in Section 5.C.); 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.

C. Substantial Management Duties.

☐ The managing general partner actually performs at least 5 of 12 following partnership management duties:

(1) 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.
(2) 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.
(3) Managing general partner executes and enforces all contracts executed by the limited partnership.
(4) Managing general partner executes and delivers all partnership documents on behalf of the limited partnership.
(5) 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.
(6) 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.
(7) Managing general partner monitors compliance with all government regulations and files or supervises the filing of all required documents with government agencies.
(8) Managing general partner acquires, holds, assigns or disposes of property or any interest in property.
(9) 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.
(10) Managing general partner pays organizational expenses incurred in the creation of the partnership and all operational expenses.
(11) Managing general partner determines the amount and timing of distributions to partners and establishes and maintains all required reserves.
(12) 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:

☐ The managing general partner may not delegate any of its partnership management duties, as identified in Rule 140.1, subdivision (a)(10) and defined in Section 5 or
☐ 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.

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):

**THIS STATEMENT IS SUBJECT TO AUDIT**

**Section 7. Certification:**

The 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 (or declare) 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 *(typed or printed)* | TELEPHONE ( ) | DATE |
| SIGNATURE OF MANAGING GENERAL PARTNER ▶ | E-MAIL ADDRESS | |
| NAME AND TITLE OF GENERAL PARTNER *(typed or printed)* | TELEPHONE ( ) | DATE |
| SIGNATURE OF GENERAL PARTNER ▶ | E-MAIL ADDRESS | |
| NAME AND TITLE OF GENERAL PARTNER *(typed or printed)* | TELEPHONE ( ) | DATE |
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| NAME AND TITLE OF GENERAL PARTNER *(typed or printed)* | TELEPHONE ( ) | DATE |
| SIGNATURE OF GENERAL PARTNER ▶ | E-MAIL ADDRESS | |

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

## FILING OF AFFIDAVIT

This affidavit is required under the provisions of sections 214(g), 214.15, 251, and 254.5 of the Revenue and Taxation Code and must be filed when seeking exemption on low-income housing property owned and operated by a limited partnership. The income of the occupants must not exceed certain limits (see section 4 of the claim form). 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. The claimant should provide each household living on the property with a copy of form BOE-267-L-A, *Lower Income Households, Family Household Income Reporting Worksheet*.

**The organization claiming the exemption keeps the completed, signed statements in case of further audit.** Do not submit the worksheets with your filing.

## FISCAL YEAR

The fiscal year for which an exemption is sought must be entered correctly. The proper fiscal year follows the lien date (12:01 a.m., January 1) as of which the taxable or exempt status of the property is determined. For example, a person filing a timely claim in February 2011 would enter "2011-2012" on line four of the claim; a "2010-2011" entry on a claim filed in February 2011 would signify that a late claim was being filed for the preceding fiscal year.

**SECTION 1. Identification of Limited Partnership (LP) and Property.** 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. As a prerequisite to being granted the Welfare Exemption for low-income housing property owned by a limited partnership, the limited partnership must 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 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.*

**SECTION 2. Identification of Managing General Partner (MGP).** 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. 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). If the managing general partner holds an OCC, identify the certificate number or indicate whether or not an application has been filed with the Board.

**SECTION 3. Government Financing or Tax Credits; Use Restriction.** Check all applicable boxes to certify if (1) the property use is restricted to low-income housing by a recorded regulatory agreement or recorded deed restriction, and (2) the funds that would have been necessary to pay property taxes are used to maintain the affordability of the housing or to reduce the rents for the units occupied by lower-income households, and (3) the property receives either federal low-income housing tax credits or government financing.

**SECTION 4. Household Information.** Include a list of households that qualify for exemption based on the maximum income level for the county for the claim year where the property is located (see dollar amount on above table). Also, please indicate which vacant units are held for low-income housing tenants.

**SECTION 5.A. 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 5.B. 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.C. 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 if 5 of the 12 management duties are performed by the managing general partner.

**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 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.

## OBTAINING CLAIM FORMS FROM THE STATE BOARD OF EQUALIZATION

Claim form BOE-277, *Claim for Organizational Clearance Certificate - Welfare Exemption*, and claim form 277-L1, *Claim for Supplemental Clearance Cerficate for Limited Partnership, Low-Income Housing Property-Welfare Exemption* are both available on the Board's website (www.boe.ca.gov) or you may request the forms by contacting the Exemptions Section at 916-274-3430.