

**MATRIX  
ASSESSMENT AND EXEMPTION OF COMMUNITY LAND TRUST HOUSING  
ALTERNATIVE LANGUAGE/COMMENTS**

NO.	PAGE/LINES REFERENCE		SOURCE	PROPOSED LANGUAGE/COMMENTS	BOE STAFF POSITION
1	2	29-31	CA CLT Network	<p>Lines 29-31 of page 2 of the draft LTA state that “The rebuttable presumption may be overcome if the Assessor has evidence to establish that all or a portion of the market value of the leased land is not reflected in the sale or resale price of the home.” This language allows for a broad range of assessor interpretations since CLT properties are resale restricted and sell for below market prices in order to remain affordable to low income families. We believe that the language in the statute provides more clear cut guidance and should be used in the LTA. Revenue and Taxation Code Section 402.1(a)(11)(B) provides that the presumption may be overcome “if the assessor establishes by a preponderance of the evidence that all or a portion of the value of the leased land is not reflected in the sale or resale price of the dwelling or unit” (emphasis added). Because the restrictions on resale and permanent affordability of a home on CLT land must be considered per AB 2818 in valuation of the home and effectively removes the home from the market, it is important that mere evidence of comparable “fair market value” is insufficient; a preponderance of evidence is required by statute and this should be reflected in the LTA.</p> <p>We would welcome more specific guidance from the BOE regarding what might qualify as evidence sufficient to overcome a rebuttable presumption regarding the value of the leased land and the improvements in this context. We would suggest the LTA give examples, such as evidence of collusion in an attempt to lower the valuation of the home.</p>	<p>Accepted. See BOE rewrite.</p> <p>The rebuttable presumption may be overcome if the Assessor has <u>a preponderance of evidence</u> to establish that all or a portion of the market value of the leased land is not reflected in the sale or resale price of the home.</p> <p>Staff will maintain the comment received regarding the qualifications of sufficient evidence to overcome a rebuttable presumption. Comments may</p>

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					be revisited for future guidance.
2	3	19-26	CA CLT Network	<p>We suggest that the language on page 3 lines 19 through 26 be clarified. We found the use of the phrase “CLT LLC” in lines 22, 25, and 26 to be confusing. We understand that phrase as used in this context refers to a LLC which is a subsidiary of a CLT, however, upon an initial reading some members of our property tax working group thought this part of the letter could be interpreted as referring to a CLT organized as a LLC, which would be in contravention to the definition of a CLT found in Revenue and Tax Code section 402.1(a)(11)(C)(ii), where a CLT is expressly defined as a nonprofit corporation. In lieu of the phrase “CLT LLC” we’d suggest “CLT subsidiary LLC” or something similar, so as to avoid any possible confusion.</p>	<p>Accepted. See BOE rewrite.</p> <p>We note a nonprofit organization claiming the welfare exemption for its property may be a community chest, fund, foundation, or corporation. A Limited Liability Company (LLC), wholly owned by a qualifying CLT organization(s), that meets organizational and operating requirements is also a qualifying organization eligible for the section 214 or section 214.18 welfare exemption, consistent with Property Tax Rule 136. Additionally,</p>

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					<p>as with any other welfare exemption claim, an Organizational Clearance Certificate (OCC) must first be issued to the CLT (or the LLC wholly owned by the CLT) by the State Board of Equalization (BOE) in order to be eligible for the welfare exemption.</p>