



STATE BOARD OF EQUALIZATION  
PROPERTY AND SPECIAL TAXES DEPARTMENT  
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State Controller, Sacramento

JAMES E. SPEED  
Executive Director

February 5, 2003

TO COUNTY ASSESSORS:

No. 2003/012

WELFARE EXEMPTION CLAIM SUPPLEMENTAL AFFIDAVITS, HOUSING FOR  
LOWER-INCOME HOUSEHOLDS (FORMS BOE-267-L1 AND L2)

This is to advise you of a change in filing requirements for low-income rental housing properties eligible for the welfare exemption under section 214(g) of the Revenue and Taxation Code. On December 19, 2002, the Board of Equalization approved two new forms, Supplemental Affidavits BOE-267-L1 and BOE-267-L2, which are to be filed with exemption claims for qualifying low-income housing properties, owned by limited partnerships with an eligible nonprofit corporation as the managing general partner. The Board's Legal Staff developed the affidavits as part of a continuing effort to streamline the review process of exemption claims for low-income housing.

The forms permit a nonprofit corporation claimant to certify that its limited partnership agreement provides sufficient management authority and duties to qualify it as the managing general partner of the limited partnership, as required for the exemption. Such certification is in lieu of submitting limited partnership agreements/amendments with the exemption claims for staff review and approval. As such, this letter supersedes our CAO 2002/012 letter, which indicated that claimants could file a proposed amendment to their limited partnership agreements with the Board, for purposes of satisfying the requirements of section 214(g).

Claimants filing an exemption claim for the first time on a low-income housing property (Form BOE-267) should submit duplicate copies 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*. Claimants filing an annual exemption claim for a property already receiving the exemption (Form BOE-267-A) should submit Secretary of State Form LP-2, *Amendment To Certificate of Limited Partnership*, in duplicate, if the certificate of limited partnership has been amended since the filing of the prior year's claim.

All nonprofit corporations that are managing general partners of limited partnerships that have claimed welfare exemption for low-income housing under section 214(g) will receive a copy of the enclosed letter and attached forms. In future years, the assessors will provide Form BOE 267-L1 to low-income housing claimants, along with supplemental affidavit (BOE-267-L), and an annual claim form (BOE-267-A), or first-time filing claim form (BOE-267).

**Claimants are to use Form BOE-267-L1 for the 2003-2004 fiscal year and for each fiscal year thereafter.** Three forms must be filed in duplicate with the assessor's office in the county where the property is located, on or before the February 15<sup>th</sup> deadline<sup>1</sup> for filing welfare exemption claims:

<sup>1</sup> Rev. & Tax Code, §§ 254.5 and 255 provides that the statutory deadline is February 15; however, since the 15<sup>th</sup> falls on a Saturday, the deadline is extended to 5 p.m. the next business day, Tuesday, February 18, 2003.

**BOE-267-L1** *Welfare Exemption Supplemental Affidavit, Housing – Lower-Income Households Eligibility based on Family Household Income (2003 filing)*

**BOE-267-L** *Welfare Exemption Supplemental Affidavit – Housing – Lower- Income Households*

**BOE-267-A** *Claim for Welfare Exemption (Annual Filing), or BOE-267, Welfare Exemption (First Filing)*

**Form BOE-267-L2 must be filed in duplicate for each of the prior fiscal years (2000-2001, 2001-2002 and 2002-2003),** in which the property has not received the welfare exemption. This form is to be filed with the assessor's office in the county where the property is located, no later than February 18, 2003. This form is required in the following circumstances:

- (1) An exemption claim for the property has not yet been filed for one or more of the prior years.
- (2) The claim has been filed, but the assessor's office has not received Board findings stating that the property has qualified for exemption for a prior year.
- (3) The claim has been denied for a prior year, based on the insufficient management duties authorized to the nonprofit managing general partner in the limited partnership agreement or any amendment in effect.

The forms BOE-267-L and BOE-267-A or BOE-267 must also be filed for each of the prior fiscal years, if the claimant has not previously done so.

Limited partnership agreements/amendments for prior fiscal years, filed with exemption claims that are pending at the Board, will not be reviewed by Board staff for compliance with section 214(g). Please be advised that the Board's Exemptions Unit will no longer accept these documents with late-filed exemption claims for those prior years. As such, exemption claims for prior years are incomplete if the Claimant does not file Form BOE-267-L2. The assessors' staffs are requested not to forward exemption claims to the Board for prior years without Form BOE-267-L2, or without Form BOE-267-L1 for 2003 and years thereafter.

Assuming all other requirements for exemption under section 214 are satisfied, the claimant's filing of a completed and properly executed form will enable the Board Exemptions staff to issue "Been Met" findings of eligibility for the limited partnership's low-income rental housing property for the appropriate year or years. All claims and certifications would continue to be subject to audit by the Board and county assessors, who jointly administer the exemption pursuant to Revenue and Taxation Code section 254.5.

If you have questions concerning this matter, please contact Gordon Ferguson of the Board's Exemptions Unit at (916) 322-3815.

Sincerely,

/s/ David J. Gau

David J. Gau  
Deputy Director  
Property and Special Taxes Department

DJG:gf  
Enclosure



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Fourth District, Los Angeles

STEVE WESTLY  
State Controller, Sacramento

JAMES E. SPEED  
Executive Director

January 29, 2003

Dear Claimant:

This is to advise you of a change in filing requirements for low-income rental housing properties eligible for the welfare exemption under section 214(g) of the Revenue and Taxation Code. On December 19, 2002, the Board of Equalization approved two new forms, Supplemental Affidavits BOE-267-L1 and BOE-267-L2, which are to be filed with exemption claims for qualifying low-income housing properties, owned by limited partnerships with an eligible nonprofit corporation as the managing general partner. The Board's Legal Staff developed the affidavits as part of a continuing effort to streamline the review process of exemption claims for low-income housing.

The forms permit a nonprofit corporation claimant to certify that its limited partnership agreement provides sufficient management authority and duties to qualify it as the managing general partner of the limited partnership, as required for the exemption. Such certification is in lieu of submitting limited partnership agreements/amendments with the exemption claims for staff review and approval. As such, this letter supersedes our October 15, 2002 letter to you with a proposed amendment to limited partnership agreements, which could be filed with the Board for purposes of satisfying the requirements of section 214 (g).

Claimants filing an exemption claim for the first time on a low-income housing property (Form BOE-267) should submit duplicate copies 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*. Claimants filing an annual exemption claim for a property already receiving the exemption (Form BOE-267-A) should submit Secretary of State Form LP-2, *Amendment To Certificate of Limited Partnership*, in duplicate, if the certificate of limited partnership has been amended since the filing of the prior year's claim.

Our records indicate that you have filed a claim (or claims) for the welfare exemption for low-income housing owned by a limited partnership, in which you are the nonprofit managing general partner for the 2000-2001, 2001-2002 and/or 2002-2003 fiscal years. Limited partnership agreements/amendments for those fiscal years, filed with exemption claims that are pending at the Board, will not be reviewed by Board staff for compliance with section 214(g). Further, the Board's Exemptions Unit will no longer accept these documents with late-filed exemption claims for those prior years. Accordingly, you are required to file the appropriate form for each fiscal year from 2000 through 2003, in which exemption is claimed, for each low-income housing property.

**Claimants are to use Form BOE-267-L1 for the 2003-2004 fiscal year and for each fiscal year thereafter.** Three forms must be filed in duplicate with the assessor's office in the county where the property is located, on or before the February 15<sup>th</sup> deadline<sup>1</sup> for filing welfare exemption claims:

<sup>1</sup> Rev. & Tax Code, §§ 254.5 and 255 provides that the statutory deadline is February 15; however, since the 15<sup>th</sup> falls on a Saturday, the deadline is extended to 5 p.m. the next business day, Tuesday, February 18, 2003.

**BOE-267-L1**, *Welfare Exemption Supplemental Affidavit, Housing – Lower-Income Households Eligibility based on Family Household Income (2003 filing)*

**BOE-267-L**, *Welfare Exemption Supplemental Affidavit – Housing – Lower- Income Households*

**BOE-267-A**, *Claim for Welfare Exemption (Annual Filing)*, or **BOE-267** *Welfare Exemption (First Filing)*

**Form BOE-267-L2 must be filed in duplicate for each of the prior fiscal years (2000-2001, 2001-2002 and 2002-2003)**, in which the property has not received the welfare exemption, with the assessor’s office in the county where the property is located, no later than February 18, 2003. This form is required in the following circumstances:

- (1) The exemption claim for the property has not yet been filed for one or more of the prior years.
- (2) The claim has been filed for a prior year, but you have not received Board findings stating that the property has qualified for exemption.
- (3) The claim has been denied for a prior year, based on the insufficient management duties authorized to the nonprofit managing general partner in the limited partnership agreement or any amendment in effect.

The forms BOE-267-L and BOE-267-A or BOE-267 must also be filed for the specified prior years, if you have not previously done so.

Your exemption claim is not complete without the appropriate forms. Thus, failure to complete and return the BOE-267-L1 or BOE-267-L2 will result in additional delays in the processing of your exemption claim and the Board’s determination of exemption eligibility. The assessors’ staffs have been advised to forward only complete exemption claims to the Board’s Exemptions Unit for staff’s review and determination of exemption eligibility.

Assuming all other requirements for exemption under section 214 are satisfied, the filing of a completed and properly executed form will enable staff to issue “Been Met” findings of eligibility for your limited partnership’s property for the appropriate year or years. All claims and certifications would continue to be subject to audit by the Board and county assessors, who jointly administer the exemption pursuant to Revenue and Taxation Code section 254.5.

If you have questions concerning this matter, please contact Gordon Ferguson of the Board’s Exemptions Unit at (916) 322-3815.

Sincerely,

/s/ Dean R. Kinnee

Dean R. Kinnee, Chief  
Assessment Policy and Standards Division

DRK: gf  
Enclosure

cc: Ms. Mary Ann Alonzo  
Ms. Lisa Thompson  
Mr. Gordon Ferguson

**WELFARE EXEMPTION SUPPLEMENTAL AFFIDAVIT,  
HOUSING — LOWER-INCOME HOUSEHOLDS  
ELIGIBILITY BASED ON FAMILY HOUSEHOLD INCOME (2003 Filing)**

**LIMITED PARTNERSHIPS**

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 organizations 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 Assessor, in duplicate, by \_\_\_\_\_. If you do not complete and file this form, you may be denied the exemption.

\_\_\_\_\_ states:  
*(name of person making affidavit)*

1. He/She is \_\_\_\_\_  
*(title, such as president, etc.)*

2. of the \_\_\_\_\_  
*(corporate or organization name)*

3. which was admitted into the partnership as the managing general partner on \_\_\_\_\_  
*(give complete date)*

4. the mailing address of which is \_\_\_\_\_  
*(give complete address including zip code)*

5. for the property located at \_\_\_\_\_  
*(give complete address including zip code)*

6. acquired by the partnership on \_\_\_\_\_  
*(give complete date)*

7. 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:

on the January 1, 2003, lien date,

(1) the limited partnership agreement provides for and the organization as the managing general partner has full and exclusive control over the business, assets and affairs of the partnership, manages the day-to-day operations of the partnership, and participates in major management decisions of the partnership;

(2) the limited partnership agreement provides for and the organization as the managing general partner has two or more of the following specific partnership management duties: (i) execute and deliver all partnership documents on behalf of the partnership; (ii) acquire, hold, assign or dispose of property or any interest in property; (iii) borrow money on behalf of the partnership, encumber partnership assets, place title in the name of nominee to obtain financing; (iv) prepay in whole or in part, refinance, increase, modify or extend any obligation; (v) pay organizational expenses incurred in the creation of the partnership and all operational expenses; (vi) determine the amount and timing of distributions; (vii) function as the federal and state tax matters partner; (viii) monitor compliance with all government regulations and file or supervise the filing of all required documents with governmental entities; (ix) prepare and/or supervise preparation of all reports required by the lender; (x) prepare or cause to be prepared all reports to be provided to the partners; (xi) coordinate all present and future development, construction or rehabilitation of projects; (xii) maintain the partnership books and records; (xiii) maintain the partnership bank account; (xiv) prepare the annual partnership budget; (xv) obtain and maintain all required insurance coverage; (xvi) establish and maintain all required reserves; (xvii) enforce all contracts, including any agreements with property management firms; (xviii) employ at partnership expense all persons necessary for operation of the partnership business, including the property management agent, auditors, attorneys and other professionals rendering service to the partnership; and (xix) manage the property, rental of units, maintenance and repair; and

(3) the limited partnership agreement, if it contains a delegation of authority clause, provides either that the managing general partner may not delegate any of its partnership management duties, or that the managing general partner may delegate certain of its powers, rights, and obligations to persons who, under its supervision, may perform such acts or services for the partnership as the managing general partner may approve, provided that such delegation does not excuse the managing general partner from overseeing and supervising on an ongoing basis the activities being delegated.

OR

on the January 1, 2003, lien date, the limited partnership agreement does not provide for authority and management duties for the managing general partner and/or the managing general partner has no authority or management duties, as indicated in (1) and (2), above; and/or, on the January 1, 2003, lien date, the limited partnership agreement, if it contains a delegation of authority clause, does not provide limitations on the managing general partner's authority to delegate, as indicated in (3), above.

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**CERTIFICATION**

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*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

DATE

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**THIS AFFIDAVIT IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION**

*Welfare Exemption claims and supporting documents are subject to audit by the Board of Equalization and by the Assessor.*

**WELFARE EXEMPTION SUPPLEMENTAL AFFIDAVIT,  
HOUSING — LOWER-INCOME HOUSEHOLDS  
ELIGIBILITY BASED ON FAMILY HOUSEHOLD INCOME (2000-2002)**

**LIMITED PARTNERSHIPS**

This affidavit is requested in conjunction with the provisions of sections 214(g), 214.15, 251, and 254.5 of the Revenue and Taxation Code for those organizations where the income of the occupants must not exceed certain limits.

This affidavit supplements an existing claim or claims for welfare exemption currently on file.

\_\_\_\_\_ 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 or claims for exemption for the 2000-2001, 2001-2002, and/or 2002-2003 fiscal years and certifies (check one or more, as appropriate) that:

- on the January 1, 2000, lien date,
- on the January 1, 2001, lien date; and/or
- on the January 1, 2002, lien date,

- (1) the limited partnership agreement provided for and the organization as the managing general partner had full and exclusive control over the business, assets and affairs of the partnership, managed the day-to-day operations of the partnership, and participated in major management decisions of the partnership;
- (2) the limited partnership agreement provided for and the organization as the managing general partner had two or more of the following specific partnership management duties: (i) execute and deliver all partnership documents on behalf of the partnership; (ii) acquire, hold, assign or dispose of property or any interest in property; (iii) borrow money on behalf of the partnership, encumber partnership assets, place title in the name of nominee to obtain financing; (iv) prepay in whole or in part, refinance, increase, modify or extend any obligation; (v) pay organizational expenses incurred in the creation of the partnership and all operational expenses; (vi) determine the amount and timing of distributions; (vii) function as the federal and state tax matters partner; (viii) monitor compliance with all government regulations and file or supervise the filing of all required documents with governmental entities; (ix) prepare and/or supervise preparation of all reports required by the lender; (x) prepare or cause to be prepared all reports to be provided to the partners; (xi) coordinate all present and future development, construction or rehabilitation of projects; (xii) maintain the partnership books and records; (xiii) maintain the partnership bank account; (xiv) prepare the annual partnership budget; (xv) obtain and maintain all required insurance coverage; (xvi) establish and maintain all required reserves; (xvii) enforce all contracts, including any agreements with property management firms; (xviii) employ at partnership expense all persons necessary for operation of the partnership business, including the property management agent, auditors, attorneys and other professionals rendering service to the partnership; and (xix) manage the property, rental of units, maintenance and repair; and
- (3) the limited partnership agreement, if it contained a delegation of authority clause, provided either that the managing general partner could not delegate any of its partnership management duties, or that the managing general partner could delegate certain of its powers, rights, and obligations to persons who, under its supervision, could perform such acts or services for the partnership as the managing general partner might approve, provided that such delegation did not excuse the managing general partner from overseeing and supervising on an ongoing basis the activities delegated.

**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	DATE
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**THIS AFFIDAVIT IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION**

*Welfare Exemption claims and supporting documents are subject to audit by the Board of Equalization and by the Assessor.*