California Property Tax Law

FOR

Community Land Trusts

Version 2

California Community Land Trust Network

Perpetual Home Affordability-Stewardship-Community Control

ABOUT THIS GUIDE

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— Scope of This Guide

This guide discusses key concepts in California property tax law for community land trusts (CLTs), with a particular focus on housing on CLT land. This guide will not address taxation issues for CLT-owned properties used for agriculture, wild land, open space, businesses, or other non-housing uses. This guide will cover various types of housing, including single family, multi-family, limited-equity housing cooperatives, rentals, and resident-ownership on CLT land. Note that property taxes are generally a matter of state law, and therefore, having 501(c)(3) tax-exempt status as determined by the IRS does not mean your CLT is also necessarily exempt from property tax; however, it is a prerequisite to apply for state property tax exemption. This guide assumes all CLTs will have 501(c)(3) status or will be in the process of applying for 501(c)(3) status.

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— Introduction to California Property Taxation for Community Land Trusts

Property in California is either taxable or exempt from taxation. The California Constitution provides a dichotomy: all property falls into one of two broad categories: taxable and exempt. This turns out to be a very difficult dichotomy for CLTs because each option has its advantages and disadvantages. Those properties which are taxable are supposed to be taxed based on the "**market value**" of the property per state law, however, the "market value" of a property owned by a CLT is a very nebulous concept since CLTs generally try to remove properties from the real estate market so they can be stewarded as community serving assets, not as investment vehicles. So in the case of taxable properties we have a challenging task of determining its market value. Additionally, when taxable properties experience a change in ownership (even a partial change in ownership), the "market value" is often reassessed, which can result in increases in the property tax. More details on taxable properties are discussed in the taxable properties chapter (page 8) of this guide. Certain CLT properties may be eligible for property tax exemption, known in the law as the "welfare exemption," meaning that some or all of the property tax bill is eliminated. The welfare exemption is a broad category of tax exemption that covers various charitable and public serving uses, including low-income rental housing. Not all CLT properties are eligible for the welfare exemption and those properties seeking exemption need to go through an initial lengthy application process and subsequently file renewal papers annually. Details about the "welfare exemption" begin on page 14 of this guide.

Definition of a Community Land Trust in California Property Tax Law

California Revenue and Taxation Code Secction 402.1(a)(11)(C)(ii) defines a **community land trust** as an organization with all of these attributes:

01. The CLT is a 501(c)(3) corporation;

02. It has as its primary purposes the creation and maintenance of permanently affordable housing;

03. It sells or rents dwelling units on its land to low or moderate income residents; and

04. It leases its land to residents for renewable terms of 99 years.

Anyone working on tax matters for their CLT should keep this definition in mind because it is applicable to properties which are taxable and in some limited cases it will be relevant to properties seeking a welfare exemption.

Property tax law is largely administered and enforced by local county Assessors who work closely with other county officers who collect property taxes and keep property records. The State Board of Equalization (BOE) sets some rules, standard forms, and provides guidance to local assessors on property tax law; therefore, BOE materials will be referenced throughout this guide.

TAXABLE PROPERTIES

— Taxation of CLT Properties

California's Proposition 13 governs taxation of all California housing and other real estate. Per California law, properties are generally taxed at 1% of their assessed value per year, called "ad valorem" tax. The assessed value is determined based on the "**market value**" of the property at the time the property was last purchased or otherwise acquired by the present owner, adjusted by an increase in value of up to 2% per year. Additionally, new construction or major rehabilitation on the property can trigger reassessment, even when there is no change in ownership. Because California's real estate market generally pushes the price of real estate up by more than 2% per year, someone who has owned their property for many years will often pay relatively lower property tax than someone who acquired a very similar property more recently. Thus, when properties are bought, otherwise undergo change in ownership, or undergo major construction, there is often a considerable increase in the property tax rate, unless an exemption from reassessment applies, such as a change in ownership between parents and children or between spouses. In addition to "ad valorem" taxes, property owners in California often pay additional taxes based on their location due to special taxes levied by cities and counties. Thus, the exact method of calculating property tax will vary from place to place.

Typically, tax assessors look at the purchase price of property to determine the "market value" and subsequently to calculate the "ad valorem" tax; however, one cannot simply avoid taxes by selling property at a discounted rate or donating a property. In situations where a property is sold at below "market rate," assessors can look at other indicators to determine the market value, such as what similar properties in the same area sold for around the same time.

Those CLT properties which are subject to property taxation may get some relief from California Revenue and Taxation Code Section 402.1(a)(11).[1] This law was created through a series of bills proposed and advanced by the California Community Land Trust Network (CACLTN) and allied organizations. Section 402.1(a)(11) requires tax assessors to consider the impact of affordability and re-sale restrictions imposed by the CLT on the property when assessing the property's "market value."

1 Link to Revenue and Taxation Code Section 402.1 (Subdivision (a)(11) begins midway down)

To be eligible for tax relief under Section 402.1(a)(11) the property must meet all of the following criteria:

01. The property is owner-occupied.
    While the CLT might own the land, the residents own their building or unit or residents collectively own the building(s) in the form of a limited-equity housing cooperative

02. There is a renewable 99-year ground lease between the CLT and the owner-occupants.

03. The owner-occupant(s) is/are low or moderate income at time of assessment, which typically means no more than 120% of area median income adjusted for family size.[2]

04. The 99-year ground lease contains affordability restrictions, including all of the following:
    I. The dwelling(s) or unit(s) can only be sold or resold to low or moderate income owners to be occupied as their principal place of residence.
    II. The sale or resale price of the dwelling or unit is determined by a formula that ensures the dwelling or unit has a purchase price that is affordable to qualified owners.[3]
    III. A CLT has the right to purchase the units when a resident wants to sell and move out, so as to preserve the dwelling or unit as affordable housing.

05. The contract is recorded in the county recorder's office and is provided to the assessor.

2 Per Health and Safety Code 50093, low or moderate income generally means no more than 120% of area median income, as adjusted by HUD, among other criteria. California Housing and Community Development (HCD) publishes tables of figures for each county in California on their website.

3 While "affordable" is not expressly defined in this section of the tax code, other state laws related to affordable housing generally indicate that affordable housing means the cost to a resident household is no more than 30% of household income in the respective income bracket, adjusted for family size. See Health and Safety Code Sections 50052.5 (regarding owner-occupied affordable housing) and 50053 (regarding affordable rental housing) which apply to many state-funded housing programs. A CLT which has government funding with contractual terms containing a different definition of affordable may be able to rely on that definition for purposes of property tax law.

06. One of the following public agencies or officials has made a finding that the affordability restrictions in the contract serve the public interest to create and preserve the affordability of residential housing for persons and families of low or moderate income:

   I. The director of the local housing authority or equivalent agency
   II. The county counsel
   III. The director of a county housing department
   IV. The city attorney
   V. The director of a city housing department

There is no precise formula for determining to what extent these restrictions affect the "market value" of a property, but the assessor is required by law to consider their impact when making an assessment. Thus, if a CLT bought a property on the open market for "market value" and then sells the building to low or moderate income residents (subject to a 99-year renewable ground lease), the assessor could reasonably conclude that the "market value" decreased and therefore the tax bill should decrease. However, this law regarding taxation of CLT properties only went into effect in 2016 and it leaves a lot of room for interpretation by local tax assessors. The California Community Land Trust Network is monitoring how it is being interpreted in various counties and welcomes reports from any CLTs in California regarding how this law is being applied in their county.

— Limited-Equity Housing Cooperatives on CLT Land

The Section 402.1(a)(11) discussed above can be applied to limited-equity housing cooperatives[4] on CLT land per paragraph (B)(5) of that Section. The members or shareholders in a limited-equity housing cooperative must qualify as low or moderate income, and all other requirements discussed in the prior section of this paper apply. Note, however, that among housing cooperatives, a change in ownership of just one membership or share can trigger reassessment.[5] In the case of a housing cooperative where just one share or membership is purchased or otherwise changes ownership, the interest transferred (not

4 What are limited-equity housing cooperatives? They are generally defined in Civil Code Section 817.

5 Revenue and Taxation Code Section 61 subdivision (i).

the entire property) must be reappraised and the tax bill adjusted proportionally.[6] This means that in California's increasingly expensive housing market, when a share in a housing cooperative changes hands, the property tax bill proportional to that share or membership will be higher. As a result of the higher tax bill, state law prescribes that the co-op should charge higher fees to the new occupant of the co-op.[7] However, assessors do not always know that a change in ownership has occurred in the context of a housing cooperative and there are some exceptions to the reassessment requirements for changes in ownership that constitute less than $10,000 and less than 5% of the value of the property.[8] Therefore, some LEHCs avoid reassessment even when there are changes in ownership. Assessors may require LEHCs (among other types of housing cooperatives, condominiums, and certain other shared ownership properties) to file a change in ownership report annually.[9] Thus, a cooperative or its individual members might receive a request to file BOE Form 266-E, which will trigger an annual reporting requirement, which may trigger property tax reassessment. There can be penalty fines imposed on the members of the cooperative for failure to file the form if the assessor has requested the cooperative file the form.[10]

— Exemption from Reassessment upon Change in Ownership

A longstanding exemption from the reassessment upon change in ownership allows for low-income housing cooperatives financed by the California Housing Finance Agency or financed or insured through the National Housing Act to be exempt from reassessment upon change in ownership of a membership or share in the cooperative. The California Community Land Trust Network is sponsoring legislation to expand the scope of this exemption to include housing cooperatives financed through other means such as other government funding programs or any housing cooperative situated on CLT land and subject to the provisions of Tax Code Section 402.1(a)(11) discussed previously in this paper.[11] As of this writing the legislation is pending.

6 Revenue and Taxation Code Section 65.1.
7 Revenue and Taxation Code Section 65.1 subdivision (b).
8 Revenue and Taxation Code Section 65.1 subdivision (a).
9 Revenue and Taxation Code Section 480.8.
10 Revenue and Taxation Code Section 482 subdivision (a).
11 See AB 1206 (Bennett) of 2021-2022 legislative session.

WELFARE EXEMPTION

General Information and Eligibility

— General Rental Housing Exemption

Most CLTs that seek a property tax exemption apply for the exemption based on Revenue and Taxation Code Section 214(g).[12] This specific part of the tax code applies only to low-income **rental** housing. Thus CLTs that wish to provide opportunities for residents to own their housing units may not be able to rely on having property tax-exemption in their budget. However, there is no clear legal precedent on this matter. Some CLTs design some or all of their housing projects as rental housing specifically so they can ensure the property will obtain a welfare exemption; in California's expensive real estate market sometimes it's vital that a property obtain property tax exemption in order for the CLT to make the property affordable to low-income residents.

— General Eligibility Criteria for Section 214(g) Welfare Exemption

For a CLT-owned property to be eligible for a welfare exemption via Section 214(g) for low-income rental housing, the property must be **all** of the following criteria:

01. Owned and operated by the CLT or by a limited liability company (LLC), corporation, or partnership in which a nonprofit organization is the managing general partner

02. Be used exclusively for rental housing and "related facilities," (e.g. a manager's unit or office, shared recreation areas, etc.)

12 Revenue and Taxation Code Section 214 subdivision (g).

Additionally, the property must meet **any** of the following criteria:

A. The property is funded by any form of government loans or grants and there is a **deed restriction** or **regulatory agreement** recorded against the property pursuant to the terms of the funding which restrict the rents of the occupants who are lower income.
   - Note that per this option for accessing the welfare exemption, not all residents need to qualify as "lower income," however, if some residents' incomes exceed "lower income" then the property will be taxed proportional to the percentage of the value of the property that is not serving lower income households.

B. The owner of the property receives low-income housing tax credits (LIHTC). Note that LIHTC financing is only utilized by a few CLTs in California as of this writing, and this source of financing is generally appropriate for larger scale developments.[13]

C. The property is entirely owned by a nonprofit corporation or charitable trust; **90% or more of the occupants of the property are lower income** households; and rents of lower income households are capped at the amount considered "affordable" for such households.[14]
   - Note that a single CLT or organization utilizing this specific part of the welfare exemption may not exceed twenty million dollars ($20,000,000) in assessed value of properties claiming the exemption and the CLT will need a board resolution called an "**Other legal document**" in Property Tax Rule 140(a)(3) restricting the property's use as low-income housing.[15]

D. The property is now owned by a 501(c)(3) nonprofit organization and was previously purchased by the Department of Transportation (Caltrans) by eminent domain.

13 This guide will not cover LIHTC financing in depth because there are numerous other legal and technical manuals available from HUD, Novogradac, and the Tax Policy Center, among other sources.
14 Affordable rent is prescribed by Section 50053 of the Health and Safety Code, generally it is capped at 30% of a household's income for that income bracket. Check the conditions of any applicable funding and Section 50053 for more precise instructions.
15 Property Tax Rule 140(b)(2) (18 CCR § 140(b)(2))

What counts as Lower Income?

Lower income households are generally those with incomes of no more than 80% of area median income, adjusted for family size. The US Department of Housing and Urban Development (HUD) sets rules for calculating these figures, and California Housing and Community Development (HCD) publishes tables of figures for each county in California and each family size. Note that in a family with two spouses earning incomes, for purposes of these income limits, the two spouses' incomes will be combined to determine household income. Sometimes Assessors will also count roommates sharing a unit as part of one "household" so the roommates' incomes will be combined for calculating household income; however, this is an example where the law is ambiguous and practices can vary greatly.

What counts as a deed restriction or regulatory agreement for purposes of the welfare exemption?

For purposes of the welfare exemption, a deed restriction "means a deed recorded as an encumbrance against title to the property in the official records of the county in which the property is located, which specifies that all or a portion of the property's usage is restricted to rental to lower income households and identifies the number of units restricted to use as low-income housing."[16] Note that in the law generally a deed restriction can refer to a document recorded in the official county property records imposing other types of terms, conditions, or restrictions on the use of a property.

For purposes of the welfare exemption specifically, a regulatory agreement is very similar to a deed restriction in that it is recorded against the property in the county records and it must specify the number of units restricted to low-income housing, however, a regulatory agreement must also specify the maximum rent allowed for those units, and it is typically used to reflect an agreement with a government agency that has provided low-income housing tax credits or government financing for the property for purposes of low-income housing.[17]

16 Property Tax Rule 140(a)(5) (18 CCR § 140(a)(5))
17 Property Tax Rule 140(a)(6) (18 CCR § 140(a)(6))

— Are LEHCs Eligible for Section 214(g) Welfare Exemption?

Numerous CLTs are interested in developing LEHCs and have wondered about the eligibility of LEHCs for the welfare exemption. The Section 214(g) tax code exemption is expressly written for **rental** housing only, so does that exemption apply to a housing cooperative where the residents are partial owners of the building? There is no clear and binding legal precedent on this question. We have heard of LEHCs having obtained a welfare exemption in the past, however, one BOE opinion letter suggested that housing cooperatives are not eligible for the Section 214(g) welfare exemption because they are more akin to resident owned housing than rental housing and the BOE does not recognize situations in which someone can be both a renter and a homeowner.[18] This BOE opinion is not legally binding precedent; it's merely an opinion expressed by the BOE, which means that your local tax assessor may come to a different conclusion; however, many assessors are likely to follow the BOE's opinion. In many LEHCs, while the residents own a membership or share in the cooperative making them partial owners in a certain sense, they also typically enter into a membership agreement or rental agreement allowing them to occupy a certain unit in exchange for a fee or rent to cover property maintenance costs, so in many LEHCs residents are technically renters of their unit, while also holding a very limited ownership share in the corporation which owns or leases the building. Thus, a sympathetic assessor may be willing to allow a welfare exemption for a LEHC property.

There is no set practice prescribed in the law regarding rental or occupancy agreements for LEHCs, so the terms of member occupancy vary from one LEHC to another. Having residents sign a rental agreement to occupy their unit might increase the likelihood of a tax assessor determining that the property is a rental property eligible for Section 214(g) welfare tax exemption. While there is an argument to be made that LEHC residents are indeed renters, especially if residents all sign a rental agreement, this does not guarantee that an LEHC can obtain a welfare tax exemption; therefore, CLTs which develop LEHCs should carefully consider the potential tax consequences of the LEHC model. Furthermore, perhaps one reason the tax law expressly limits the welfare exemption to rental housing (implicitly excluding resident ownership) is because the California Constitution sets parameters around what types of property can be exempt from property taxes to property which is owned by a nonprofit organization or trust and "no part of whose net earnings

18 State Board of Equalization Memorandum Opinion 880.0420, March 7, 1990

inures to the benefit of any private shareholder or individual."[19] Arguments have been made by assessors that LEHCs are categorically ineligible for a welfare exemption due to the prohibition against private benefit; some assessors have argued that even if all LEHC members sign a rental agreement making them renters, they are ineligible for a welfare exemption pursuant to the California Constitution's limitations on which properties may be eligible for a welfare exemption. In sum, the question of whether LEHCs are eligible for the Section 214(g) welfare exemption is an unsettled area of law and the structuring of a LEHC requires careful consideration of property tax implications (among other legal issues, such as corporations law, landlord-tenant law, and local zoning law, among other topics beyond the scope of this paper).

— Temporary Welfare Exemption for Properties Undergoing Construction or Rehabilitation based on Section 214.18

In addition to the Section 214(g) welfare exemption for rental housing discussed in the prior sections of this paper, **CLTs with properties not yet occupied by residents may apply for a temporary welfare exemption based on Revenue and Tax Code Section 214.18.**[20] This is a way for CLT properties to obtain a welfare exemption, at least temporarily, for properties undergoing new construction or rehabilitation for as long as about five (5) years, regardless of whether they will eventually be rental housing or homeownership housing. Properties which get a welfare exemption per Section 214.18 may later lose the exemption once they become occupied by resident owners (as opposed to used as rental housing) or if the facts and circumstances surrounding the property and its residents' incomes otherwise do not fulfill the requirements of the Section 214(g) rental housing exemption. Tax code Section 214.18 was also the result of advocacy by the California Community Land Trust Network to ensure that CLT properties undergoing construction or rehabilitation are not unduly taxed.

19 See California Constitution Article XIII Section 4 subdivision (b).
20 Link to Revenue and Taxation Code Section 214.18

To qualify for this exemption, the property must be owned by a CLT and it must generally fulfill the requirements of Revenue and Taxation Code Section 402.1(a)(11) (see Taxation of CLT Properties above starting on page 8), including having an opinion by a local official finding that the property is serving the public interest and having a deed restriction or similar document in effect and recorded on or before the January 1st following the acquisition of the property by the CLT. The requirements are discussed in the Taxation of CLTs part of this paper.

This exemption is intended to be for properties undergoing construction or rehabilitation, and therefore, the property can only claim this exemption for as long as approximately 5 years.

The CLT may be forced to pay back the taxes that were exempted if the development or rehabilitation is not completed or at least underway within 5 years of the lien date (i.e. January 1) following the acquisition of the property by the CLT.

CLTs should note that as of this writing, this code section is set to expire or "sunset" by January 1, 2025, therefore, CLTs are advised not to rely on it for properties they may acquire after that date, however, the California Community Land Trust Network intends to advocate for renewal of this law.

The process of applying for a welfare exemption per Revenue and Taxation Code Section 214(g) and Section 214.18 is mostly the same. While the property is unoccupied during construction or rehabilitation, the CLT won't need to demonstrate the low-income status of residents. As Section 214.18 is relatively new, we are unsure what additional documentation an Assessor may require for granting this exemption (e.g. documentation evidencing that construction is imminent or underday) therefore, we recommend contacting your local Assessor's office prior to submitting an application on the basis of the temporary Section 214.18 welfare exemption to learn what they may require.

OBTAINING A WELFARE EXEMPTION

— Obtaining a Welfare Exemption: A Two-Step Process

Obtaining the welfare exemption requires a two-step process. Subsequently, there will be ongoing requirements for maintaining a welfare exemption pursuant to Section 214(g).

First Step: OCC

A CLT must obtain an organizational clearance certificate (OCC) from the Board of Equalization (BOE). This step only needs to occur one time for the entire CLT, unless the CLT is holding title to real property through subsidiary or joint venture LLCs (discussed later) then each new entity will need an OCC. The OCC is obtained from the BOE and it establishes that organization's eligibility to own properties which may be eligible for a welfare exemption. Obtaining an OCC is not specific to any particular property.

To obtain an OCC, an organization must file Form 277 with the BOE along with a number of attachments, summarized below. The form itself contains a checklist with more detailed descriptions of required documentation.

- ☐ Articles of Incorporation (including original and all amended versions) certified by the Secretary of State. (Note that the Articles must contain a statement dedicating the assets of the corporation to charitable purposes.)
- ☐ Tax-exempt status letter from the IRS evidencing the CLT's 501(c)(3) tax-exempt status (called a "determination letter") or a California FTB letter evidencing state tax exemption.
- ☐ Financial statements for the calendar or fiscal year immediately preceding the claim year (likely the year when the CLT first owned any property eligible for exemption) and each subsequent year to date.
- ☐ Documentation of the activities of the organization (e.g. web page print-outs, etc.)

Second Step: Claim for Welfare Exemption for a specific property

The next step to obtain a welfare exemption for a specific property owned by a CLT is to file a Form 267 - Claim for Welfare Exemption with the County Assessor in the county where the property is located. This form will need to include a number of attachments, including:

- Financial statements for the specific property (not the entire CLT)
- Copies of rental lease agreements
- BOE Form 267-L which contains additional details about affordable housing
- Some Assessors require CLTs to submit BOE Form 267-LA which is filled out by individual residents to report their income while oftentimes the CLT must simply collect these forms and keep them in the CLT's records in case of an audit
- Other BOE forms as may be applicable (see resources at the end of this paper)

Ongoing Step: Maintain Your Exemption

After the initial Form 267 is filed, thereafter, each year the CLT must file the Form 267-A by February 15th to maintain their exemption.

Tips on Handling Income Certification

We know of some variation from one county to another in terms of documentation of incomes for purposes of the welfare exemption. Below are some suggestions based on CACLTN member experiences:

- When you have multiple unrelated adults sharing a unit, such as a large house with many bedrooms, laws and interpretations of laws vary in terms of what counts as a "household" for purposes of determining if the property is occupied by low-income households. In such situations, it may be best to have each resident sign and separate lease agreement to support an assertion that each resident is their own household; however check the rules of any government funding applicable to your property and be aware that Assessors' interpretations of the meaning of "household" can vary.
- Include a clause in lease agreements requiring residents' participation in income certification.
- Give residents as much advance notice about income certification as possible and make a point to remind them to file the forms numerous times.

LLCS as Subsidiaries of CLTs Apply for their own OCC

When a CLT is not the record owner of a property, but rather, the property is owned by an LLC subsidiary, partnership, or joint venture, the LLC should obtain its own OCC. Generally, the entity that is the record owner of the property must obtain its own OCC. Use the BOE Form 277-LLC for applying for an OCC for an LLC which is wholly owned by one or more nonprofit organizations or the BOE Form 277-L1 for properties owned by limited partnerships (a common legal structure used with LIHTC financing). The application for OCC is similar for an LLC to that of a 501(c)(3) nonprofit. The main difference for an LLC as an applicant will be that the LLC must demonstrate that it is entirely owned by 501(c)(3) nonprofits. See BOE Rule 136 for details on general requirements for the LLC to qualify for a welfare exemption prior to applying as there are numerous requirements for the Articles of Organization which may apply.

When an LLC owned by one or more nonprofits seeks a welfare exemption for any of its property, the application steps will be similar as described above for nonprofit corporations with 501(c)(3) tax-exempt status. The LLC will first need to obtain an OCC from the BOE and then the specific property owned by the LLC will apply for a welfare exemption. Note that a property owned by a partnership or joint venture involving a for-profit developer as a member is not eligible for property tax exemption.

Tips on Working with Assessors

If you are unsure how the property tax law might apply to any of your properties you should schedule a meeting with your local Assessor. County Assessors are elected officials so they are often willing to meet with constituents and local organizations, or if the elected official is personally not available usually they will make sure that someone from their staff is available to answer questions. In many Assessors offices there may be staff who specialize in welfare exemption applications so you might request to meet with someone from among those staff if you think your property might be eligible for a welfare exemption. It can be helpful to speak with someone in the Assessor's office in advance of submitting forms because while the BOE has standard forms used statewide, we are aware of some variation from county to county in terms of what specific documentation is required for welfare exemptions. You might get very important information and save yourself some time by requesting a short meeting early on in the development of a project, perhaps even before acquisition of a property.

Because the Section 214.18 exemption for CLT properties undergoing development is relatively new, it may be especially advisable to contact the local Assessor's office in advance of filing application materials for a project relying on this new exemption to learn what supporting documents, if any, the local Assessor will want to review with your application.

The BOE recently issued a Letter to Assessors (LTA), numbered 2021/052, regarding taxation of CLT properties.[21] This LTA covers assessment of taxable properties in which the CLT owns the land and it addresses the new 214.18 exemption for properties undergoing development or rehabilitation. If your Assessor seems unfamiliar with CLTs, bring their attention to the LTA.

21 BOE Letter to Assessors No. 2021/052 (December 1, 2021)

RESOURCES

— Links to BOE Forms for the Welfare Exemption

Form 277 - Claim for Organizational Clearance Certificate filed with the State BOE

BOE Form 277-LLC - Claim for Organizational Clearance Certificate filed with the State BOE by an LLC

Form 267 - Claim for Welfare Exemption (first filing) (filed with County Assessor)

Form 267-A - Claim for Welfare Exemption (filed annually after first filing)

Form 267-L - Welfare Exemption Supplemental for low-income housing filed in by CLT

Form 267-LA - Welfare Exemption Supplemental form for low-income housing filed by residents and collected by CLT

Other BOE Forms not mentioned in this guide may apply to your CLT depending on specific uses (examples include Form 267-H for elderly or handicapped housing and BOE 267-O might be applicable to a property where there is a commercial unit leased to a nonprofit organization).

— Other BOE Materials

BOE Publication 149: Property Tax Welfare Exemption

BOE Rule 136: Limited Liability Companies As Qualifying Organizations for Welfare Exemption.

BOE Rule 140: Welfare Exemption Requirements for Low-Income Housing Properties

BOE Letter to Assessors No. 2021/052 "Assessment and Exemption of Community Land Trust Housing," December, 2021