



## City of Paso Robles Planning Commission Agenda Report

From: Darcy Delgado, Assistant Planner

Subject: Conditional Use Permit 16-002 - St. James Episcopal Church meeting facilities  
514 14th Street  
Applicant - St. James Episcopal Church  
For the Planning Commission to consider a Conditional Use Permit to allow a private, non-church, meeting facility to be located at the St. James Episcopal Church.

Date: November 8, 2016

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### **Facts**

1. The site is located at 514 14<sup>th</sup> Street, which is in the T3-F (T3 Flex Uptown / Town Center Specific Plan) zoning district, see Attachment 1 and 1a. (Vicinity Map / Uptown / Town Center Specific Plan excerpts).
2. The site has served as the Saint James Episcopal Church since being founded in 1891. Table 5.3-1 of the Uptown Town Centre Specific Plan requires a Conditional Use Permit (CUP) for a church in the T3-F zone, however, the St. James Episcopal Church was established prior to the City's requirement for a CUP. The church is recognized as a legally established, historic use of the property and is not part of this Conditional Use Permit.
3. St. James Episcopal Church has offered its meeting facilities to be used by non-church related groups including Alcoholics Anonymous (AA), Narcotics Anonymous (NA), Al-Anon, Overeaters Anonymous (OA) and the Lunch Bunch. Over time, the use of the facilities by these groups has increased in frequency above what is typical accessory to the use of a church. Based on frequency and intensity, these meetings are not considered incidental or accessory to the Church. The current facility usage for these groups is provided in Attachment 2 (Project Description).
4. As indicated in Attachment 2, the Church is currently requesting a total of 28 meeting a week to start no earlier than 7:00 am and to end no later than 8:00 pm.
5. Table 5.3-1 of the Uptown Town Centre Specific Plan requires a Conditional Use Permit (CUP) for meeting facilities, public or private, in the T3-F zone.
6. The City was made aware of neighborhood concerns regarding non-church related meeting impacts on the surrounding neighborhood, specifically with regard to parking, noise, and hours of operation.
7. The Church has indicated attendees of the various meetings generally hold full time jobs that necessitate them attending either before or after getting off work, hence the early and late meeting times.
8. The City has been working with the surrounding neighbors and the Church to balance the needs of the non-church related groups with those of the surrounding neighborhood. As a result of the

applicant's request for a CUP, staff has given consideration to entrance/exit of attendees, parking considerations, hours of use, directional signage, and demonstration of good neighbor behavior.

9. Staff met with the surrounding neighbors on October 28, 2016 to review the proposed hours of use and meeting frequency that would be allowed by this CUP. The neighbors expressed concern over the frequency and intensity of the meetings. Letters have been received from Mark Brown (Attachment 5) and Vicki and Brian Bengard (Attachment 6) requesting a reduce meeting frequency to be more compatible with the residential setting.
10. The Development Review Committee (DRC) reviewed this project at their meeting on October 31, 2016. The DRC recognized the challenges between the meeting hall and the neighbors and indicated the full Planning Commission will need to review the request and make a determination.
11. This application is categorically exempt from environmental review per Section 15301 (existing building) of the State's Guidelines to Implement CEQA.

### **Options**

After consideration of any public testimony, the Planning Commission should consider the following options:

1. Approve the draft Resolution A approving the proposed Conditional Use Permit 16-002, subject to site specific conditions of approval;
2. Approve the draft Resolution A approving the proposed Conditional Use Permit 16-002, subject to site specific conditions of approval and modifying Condition of Approval #1 to reflect a reduced meeting frequency;
3. Amend the above noted options;
4. Refer back to staff for additional analysis;
5. Deny the conditional use permit with the adoption of findings of denial.

### **Analysis and Conclusions**

The main issue related to this request is the intensity of the meeting facilities are not typical for a Church. The Church was established prior to the City's requirement for a CUP, consequently there are no rules for the operation of the Church's meeting hall.

The T3-F zone allows for the establishment of private meeting facility uses with the approval of a CUP. The CUP gives the Planning Commission the ability to require special conditions of approval to insure that a particular use is compatible with surrounding uses/residences.

### Project Summary

For the Planning Commission to consider a Conditional Use Permit to allow a private, non-church, meeting facility to be located at the existing St. James Episcopal Church meeting hall. The Church is requesting a maximum of 28 meeting per week (average four meetings per day) starting no earlier than 7:00 a.m. and to end no later than 8:00 p.m.

### General Plan / Zoning Consistency

The zoning in the Oak and 14<sup>th</sup> Street area is T3-F (Flex) which is a transitional zone between the downtown and residential neighborhoods. The Specific Plan allows for private meeting halls in the T3-F

zone, subject to a CUP. Conditions have been provided that are intended to provide parameters to help regulate the private meetings to ensure compatibility with the surrounding residential neighborhood. Since this is flex zone that allows a variety of uses, the CUP is attempting to find a balance between Church's request to use an existing meeting hall for an important public service and the neighborhood's expectation of a peaceful and quiet residential environment.

#### Neighborhood Compatibility / Site Design Issues

The Church has provided a site plan that shows the locations of the meeting rooms, outdoor congregation areas and preferred on-street parking location. The site plan is Exhibit B of the CUP and will regulate where meeting attendees are allowed to congregate before and after meetings. Congregation outside, along the 14<sup>th</sup> Street right-of-way and adjacent to the church property will no longer be permitted under the conditional use permit., in order to minimize the impacts on the residential neighbors.

A condition of approval has been added that requires that the church prepare a Good Neighbor Brochure, that can be handed out to meeting attendees that it is very important that they recognize that the meeting facility is located within a residential neighborhood and that rules have been established to lessen the impact from the meetings on the residential neighbors. The Brochure will summarize the rules for meeting times, outdoor congregations, parking, trash clean-up and handling of pets.

#### Architecture and Appearance

The private meeting hall building currently exist. No new buildings or changes are needed to accommodate the proposed private meetings.

#### Options

Option 1 takes into account staff's consideration to entrance/exit of attendees, parking considerations, hours of use, directional signage, and demonstration of good neighbor behavior. Option 2 takes into account the neighbor's concerns by reducing meeting frequency that would be allowed by this CUP. The Planning Commission will need to review the CUP request to determine if the proposed use is compatible in the T3-F zone, as conditioned and proposed in Option 1, or if a reduced meeting frequency is more compatible with the surrounding uses/residences.

#### **Fiscal Impact**

None identified at this time.

#### **Recommendation**

Option 1. Approve the draft Resolution A approving the proposed Conditional Use Permit 16-002, subject to site specific conditions of approval.

#### **Attachments**

1. Vicinity Map
- 1a. Uptown / Town Center Specific Plan – T-3F excerpts
2. Project Description
3. Resolution Approving CUP 16-002
4. Newspaper notice and mail affidavits
5. Brown Letter to Planning Commission, Received October 31, 2016
6. Bengard Letter to Planning Commission, Received October 31, 2016

# Attachment 1 Vicinity Map



## 5.2 Regulating Plan and Zones

A. **Regulating Plan.** The Regulating Plan locates the zones within the Specific Plan area and identifies the specific parcels and rights-of-way as they existed in 2009 at the adoption of the Specific Plan. Land use regulations for each Zone are specified in Section 5.3 (Land Use Regulations). Standards for building placement, building design, and uses for each zone are specified in Section 5.4 (Urban Standards). The Regulating Plan is a synthesis of:

1. Community input, and the land use designations of the Land Use Element of the General Plan;
2. The findings and recommendations of the relevant analysis prepared by the Specific Plan design team;
3. Application of the planning principles identified in Chapter 1 of this Specific Plan (The Plan); and
4. An analysis of present and future market conditions.

**The Regulating Plan Map appears in Appendix 1 of this Specific Plan.**

B. **Zones and their Purposes.** The area subject to the Specific Plan shall be divided into the following zones, which shall be applied to property within the Specific Plan area as shown on the Regulating Plan:

1. **T-3 Neighborhood Zone (T-3N).** The T-3N is applied to areas currently occupied generally by 1- and 2-story, single family dwellings with large, landscaped front yard setbacks along tree-lined streets. Many of the buildings within the T-3N zone are historically significant. The intent of the T-3N zone is to preserve this small-scale, residential character. In addition, properties west of Vine Street and north of 21st Street are subject to the Hillside Development District (Chapter 21.14A of the Zoning Ordinance).
2. **T3 Flex Zone (T-3F).** The T-3F zone is applied to areas primarily along Spring Street between 16<sup>th</sup> and 21<sup>st</sup> Streets and on Vine and Oak Streets that are mainly occupied by 1- and 2-story, single family dwellings with large, landscaped front yard setbacks along tree-lined streets. Many of the buildings within the T-3F zone are historically significant. **The intent of the T-3F zone is to preserve the existing character, while allowing for higher residential densities and a more diverse use mix than the T-3N zone.**
3. **T-4 Neighborhood Zone (T-4N).** The T-4N is applied to areas currently occupied by a variety of building types ranging from single family dwellings to duplexes, triplexes, and larger apartment buildings. Many of the buildings within the T-4N zone are historically significant. The intent of the T-4N zone is to create vibrant, walkable, primarily residential neighborhoods.
4. **T-4 Flex Zone (T-4F).** The T-4F zone is applied to areas currently lining portions of Spring Street, 12<sup>th</sup> Street, 21<sup>st</sup> Street, and Vine Street, and occupied generally by 1- and 2-story, single family dwellings and flex block buildings. Some of the buildings within the T-4F zone are historically significant. The intent of the T-4F zone is to preserve this small-scale mixed-use character, while allowing for higher residential densities and a more diverse use mix than the T-4N zone.
5. **T-4 Neighborhood Center Zone (T-4NC).** The T-4NC zone is applied to the area along Spring Street between 34<sup>th</sup> and 36<sup>th</sup> Streets. The zone is currently occupied by 1- and 2-story commercial and multi-family residential buildings adjacent to parking lots. Few of the buildings within the T-4NC zone are historically significant. The intent of the T-4NC zone is to create a vibrant neighborhood and civic center.
6. **Town Center 1 Zone (TC-1).** The TC-1 zone applies to the area occupied by Paso Robles' historic Downtown. In general, buildings are 1-, 2-, and 3-story, zero-setback flex block buildings occupied by commercial and mixed-uses. Many of the buildings within the TC-1 zone are historically significant. The intent of the TC-1 zone is to preserve and augment Downtown's unique historical value while enhancing its economic vitality.
7. **Town Center 2 Zone (TC-2).** The TC-2 zone is applied to areas that are developed with strip centers and other suburban types of commercial buildings that cater to the automobile; many properties are relatively under-

# Attachment 1a

**Table 5.3-1 Allowed Land Uses and Permit Requirements**

Land Use Type	PERMIT REQUIRED BY ZONE										Specific Use Regulations
	T3-N	T3-F	T4-N	T4-F	T4-NC	TC-1	TC-2	RC	OS		
Carwashes	-	-	-	-	-	CUP*	CUP	CUP	-	-	* Only when accessory to an existing gas station, not as a primary use.
Drive-through sales/services: Banks, pharmacies, coffee kiosks and other similar uses as determined acceptable by the Development Review Committee. Excludes drive-through restaurants	-	-	-	-	P	P	P	P	-	-	
Food products, small scale manufacturing and retail (e.g. bakeries, gelato, etc.)	-	-	-	P*	P*	P*	P*	-	-	-	Food products must be available for retail purchase on site. Total floor area of the manufacturing and retail use shall not exceed 5,000 sq ft.
Fortune-telling and related services (card reading, psychics, palmistry, etc.)	-	CUP	-	CUP	CUP	-	CUP	CUP	-	-	
Hot Springs Resorts (may include restaurants & lodging)	-	-	-	-	-	-	-	-	-	CUP	
Indoor sports: racquetball courts, skating rink, etc.	-	-	-	-	-	CUP	P	P	-	-	
Market – Community	-	-	-	P	P	P	P	P	-	-	
Market - Neighborhood	-	-	-	P	P	P	P	P	-	-	
Meeting facilities, public or private	CUP	CUP	CUP	CUP	CUP	CUP	CUP	P	P	CUP	
Museums, art galleries	-	CUP	-	CUP	CUP	P	P	P	-	-	
Nurseries (garden supplies)	-	P*	-	P*	-	-	P	P	-	-	* On Spring St Corridor only
Offices: insurance, real estate, administrative, consulting professions such as accountants, architects, attorneys, engineers, etc.	-	P	-	P	P	P*	P	P	-	-	* Use allowed only on an upper floor, or behind a ground floor street-fronting use.

## 5.4.2 T-3 Flex (T-3F) Zone



### A. BUILDING FORM AND USE

Building Form	Use
Small, detached residential; small attached retail	Residential, flexible

### B. ALLOWED BUILDING TYPES AND HEIGHTS

The following building types and their particular maximum height are allowed in the T-3F Zone subject to compliance with all applicable requirements, including the requirements for each building type. Please see Chapter 5.5.1 for individual design standards and definitions.

Building Type	Maximum Height (Stories/Feet)	See Section
Single Dwelling <sup>3</sup>	2 <sup>1</sup> / 26 feet	5.5.1.E.1
Carriage House, RYDs <sup>4</sup>	2 <sup>2</sup> / 26 feet	5.5.1.E.2
Duplex, Triplex <sup>3</sup>	2 <sup>2</sup> / 26 feet	5.5.1.E.3
Bungalow Court	2 <sup>2</sup> / 26 feet	5.5.1.E.6
Rowhouse	2 <sup>2</sup> / 26 feet	5.5.1.E.7
Live-Work	2 <sup>2</sup> / 26 feet	5.5.1.E.8

- 1 Maximum number of accessory units: 1 unit per property.
- 2 Attic space may be occupied and not count as a story. Occupiable attic space shall not exceed 75% of the ground floor footprint area.
- 3 These buildings may accommodate commercial and mixed-uses, subject to Table 5.3-1 (Allowable Uses and Permit Requirements).
- 4 RYDs are Rear Yard Dwellings and Rear Yard Duplexes.

### C. BUILDING PLACEMENT

1. **Principal Buildings.** Each principal building shall be located in compliance with the following setback requirements.

Setback	Minimum	Maximum
Primary Street	15 feet	20 feet
Side Street	12 feet	15 feet
Side Yard - 1 story	5 feet	12 feet
- 2 story	8 feet; 5 feet for lots 50 feet wide or less	-
Rear Yard	10 feet	-

2. **Facade Plane.** Street facing facades shall be built parallel to the right-of-way.
3. **Accessory Buildings:** If permitted, each accessory building shall be located in compliance with the following setback requirements.

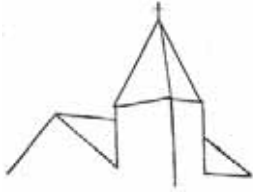
Setback	Minimum	Maximum
Primary Street	50 % of lot depth	-
Side Street	12 feet	-
Side Yard - 1 story	5 feet	-
- 2 story	8 feet	-
Rear Yard	5 feet	-

Rear Yard Single Dwellings and Rear Yard Duplexes shall be separated from the principal building by a minimum distance of 10 feet. Carriage Houses may be attached to the principal building per the provisions of Section 5.5.1.A.

### D. ENCROACHMENT INTO SETBACKS

1. Allowed encroachments into required setbacks shall be limited as shown in the table and illustration below.

# Attachment 2



The Episcopal Church of St. James the Apostle

514 – 14<sup>th</sup> Street Paso Robles, California  
805.238.0819 [office@stjamespasorobles.org](mailto:office@stjamespasorobles.org)

## **Project description**

Saint James' Episcopal Church is part of the fabric and history of El Paso de Robles, almost since the incorporation of the City itself. Being founded in 1891, the church has served the spiritual and temporal needs of the community for the past 125 years. Part of that commitment is not only providing a house of worship, but a safe haven for outside groups with a direct impact on the well-being of our citizens. The following narrative has been prepared to describe the historical uses of church property by outside groups, current use, recent changes to mitigate impacts on neighboring properties, zoning code conformance, and a request to continue providing space for these vital, but often overlooked, services that are a part of the very essence of the community.

## **History of outside group usage**

St. James' has a rich history of supporting outside groups to the benefit of the City and its citizens, both young and old.

During the World War II era, St. James' opened its Parish Hall to provide a safe gathering place for teenagers when there were few activities in town. The Teen Canteen served the needs of that population, even attracting such talent as Hoagy Carmichael, who performed for the young people in 1948.

12 Step Groups, such as Alcoholics Anonymous, have been meeting continuously at these facilities since approximately 1949. Numerous individuals and their families have been positively impacted over the decades by the hard work and caring of the individuals who provide the support network that make these programs so successful. We are grateful for the opportunity to provide space for so many years to these groups that directly affect the well-being of our friends and families.

Loaves and Fishes, our local food pantry, has provided emergency food and other services for transients, homeless, and residents in crisis since 1981. It was first opened in April of that year in the Parish Hall at St. James' and served many in need until it moved into the City owned Annex building at 910 Park Street in 1991.



## **Present use of Church facilities by outside groups**

Saint James' has continued to be a location for the meeting of outside groups that directly impact the well-being and stability of our community. Alcoholics Anonymous, Narcotics Anonymous, Al-Anon, and Overeaters Anonymous hold regular meetings at the facility. In addition, lunch is provided for the hungry of our City by the Lunch Bunch, a group of dedicated men and women not affiliated with Saint James'.

The following section describes the frequency of use by each group, the specific location within the Parish Hall where they meet, and an estimate of the number of people attending each regular gathering. A Plot Plan has been attached to demonstrate the locations of those meetings within the Parish Hall structure.

*Alcoholics Anonymous* (AA) holds regular meetings in the Parish Hall building beginning at 7:00 AM and ending at 8:30 PM each week. A total of 22 meetings per week are held, the majority of which are in the classroom across from the Parish Office. The average number of attendees is 25 people. Two of these 22 meetings are larger AA gatherings, held in the more spacious Parish Hall, with average attendance of 35 to 40 people. In addition to these 22 meetings, one regular meeting of approximately 45 people is held in the Parish Hall on the last Sunday of the month. Meeting frequency on a daily basis is: Monday - 3, Tuesday - 4, Wednesday -3, Thursday -3, Friday -3, Saturday -3, and Sunday -3.

*Narcotics Anonymous* (NA) holds a regular meeting once a week in the Parish Hall at 6:00 PM on Sunday evenings. Average attendance is approximately 35 people.

*Al-Anon* holds two meetings per week in the Parish Hall, one on Tuesdays at noon, and the second on Wednesday evenings at 7:30 PM. Approximately 25 people attend each of those gatherings.

*Overeaters Anonymous* (OA) holds one meeting per week at 5:00 PM on Mondays in the Library. Average attendance is approximately 10 people.

*The Lunch Bunch*, a group of dedicated, caring individuals use the kitchen and Parish Hall on Saturdays at noon to help feed the hungry of our community. Approximately 35 people show up for a free, nutritious meal.

The total number of regular uses of St. James' facilities by the above outside groups in a week is 27 (plus one monthly meeting as described above).

## **Recent changes to facilitate neighborhood concerns**

Concern was raised during 2015 over the use of the facilities and its impact on neighbors, specifically with regard to parking, noise, and hours of operation. Saint James' has attempted to alleviate some of these impacts through the following changes:

1. Outside groups have been asked to enter and exit through the side door of the Parish Hall (facing the patio between the Parish Hall and Church) to limit congregating on the 14<sup>th</sup> Street side of the building. Signage has been established on inside walls, and visible from the outside, to direct attendees to this entrance. This signage also requests attendees to avoid loud or objectionable language as we are part of a mixed use neighborhood. Anyone congregating before or after a meeting has been asked to remain on the patio between the buildings to minimize noise and visual impacts.
2. Attendees of meetings have been requested to limit parking on the 14<sup>th</sup> Street block to minimize the sounds associated with starting of vehicles and to allow parking for our neighbors. It should be noted that street parking, especially on Oak Street is limited due to the expansion of businesses in the area and use of on-street parking by employees of those businesses. The lack of off-street parking for employees has greatly impacted the neighborhood.
3. Hours of use by outside groups has been amended also. The one late night group relocated to another part of the City (July 2015), greatly reducing the number of people on site after dark. Currently the earliest group meets at 7:00 AM and the latest group meets at 7:30 PM. Evening meetings are scheduled to end by 7:30 PM, except for one group on Wednesdays that ends at 8:30 PM. It's important to note that many of the group attendees hold regular jobs that necessitate them attending either before or after getting off work, hence the early and late meetings.

## **Code Conformance Analysis**

Since the church was established prior to any City zoning ordinances, and has continuously operated as a church, the following code conformance analysis addresses only the use by non-church related groups.

Based upon the Uptown Town Centre Specific Plan (effective June 02, 2011), the facilities are located within the T3-F zoning district. Private and public meeting facilities are considered a conditional use in this zone

in accordance with table 5.3.1 of the Plan. Prior to that date, the facilities fell within the R2A zone, where quasi-public uses (such as meeting facilities) were still a conditional use (zoning code effective July 1997).

Although Alcoholics Anonymous has been helping our community through meetings at the church facilities since at least 1949, it is safe to assume that the frequency of meetings of this and other groups has increased in intensity. Unfortunately, good records were not kept by these groups, so actual data to substantiate frequency of meetings could not be determined. It is also clear by the charters of most of these groups, they are clearly not affiliated with any organizations where they meet, so they are not considered incidental and accessory to those primary uses (a church for example).

Given that these groups are not incidental and accessory to the church use, and that the intensity has most likely increased over the years, it appears that they cannot be considered part of the primary use, or pre-existing and non-conforming uses. A conditional use permit application appears to be in order for ongoing use of the facilities by these groups.

### **Code Condition Modifications**

No code condition modifications are requested by this application.

### **Environmental Information**

All group meetings take place within buildings and there are no impacts on the environment.

### **Public Notice Requirements**

As part of this application, all property owners within 300 feet of the property boundaries have been notified of the Conditional Use Permit application. The mailing certification has been attached.

### **Project Photographs**

Several photographs have been attached depicting the current parking conditions at certain times during the day, and certain days of the week. These photos have been included to demonstrate non-church related impacts on parking as well as the condition, in general, of the grounds. It is important to note that some of the photos demonstrate the parking conditions during times when no group is meeting, and yet street parking is limited due to the increase in nearby businesses and their impact on the parking situation.

## **Conclusion**

Meeting both the spiritual and temporal needs of Paso Robles defines the mission of our church and harkens to the most basic social responsibility that we as citizens are called to provide: basic care for each other. This mission must also be carried out with our dual responsibility to be a good neighbor to those with whom we share our geographical location. It is a balancing act that requires all parties to work closely together in the efforts to help those in need and to provide a safe and healthy neighborhood for all.

Through attention to facility use (including entrance/exit of attendees), parking considerations, and hours of use, we believe Saint James' is being a responsible neighbor and still providing for the vital needs of our community. We look forward to working closely with our neighbors and City government to be a beacon of hope for our friends and families in need for generations to come.

# Attachment 3

## Draft Resolution A

RESOLUTION NO: 16-XXX

A RESOLUTION OF THE PLANNING COMMISSION  
OF THE CITY OF EL PASO DE ROBLES  
TO APPROVE CONDITIONAL USE PERMIT 16-002  
ST. JAMES EPISCOPAL CHURCH  
514 14<sup>th</sup> Street (APNs: 009-035-002 & 009-035-003)

WHEREAS, Table 5.3-1 of the Uptown Town Center Specific Plan (Specific Plan) of the City of El Paso de Robles requires approval of a Conditional Use Permit for meeting facilities, public or private, in the T3-F (T3 Flex) zoning district; and

WHEREAS, the applicant, St. James' Episcopal Church, has filed a Conditional Use Permit (CUP) application to allow private non-church related meeting facilities within the existing church campus located at 514 14<sup>th</sup> Street; and

WHEREAS, this application is Categorically Exempt from environmental review per Section 15301 (existing building) of the State's Guidelines to Implement CEQA; and

WHEREAS, a duly noticed public hearing was conducted by the Planning Commission on November 8, 2016, to consider the facts as presented in the staff report prepared for this project, and to accept public testimony regarding this conditional use permit request; and

WHEREAS, based upon the facts and analysis presented in the staff report and public testimony received and subject to the conditions of approval listed below, the Planning Commission finds that the establishment, maintenance and operation for the requested use and building would be consistent with the General Plan and not be detrimental to the health, safety, morals, comfort, convenience and general welfare of the persons residing or working in the neighborhood of such proposed use, or be injurious or detrimental to property and improvements in the neighborhood or to the general welfare of the City.

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission of the City of El Paso de Robles does hereby approve Conditional Use Permit 16-002 subject to the following:

**Section 1 - Findings:** based upon the facts and analysis presented in the staff report, public testimony received and subject to the conditions listed below, the Planning Commission makes the following findings:

1. The proposed use is consistent with the General Plan and Uptown / Town Center Specific Plan; and
2. The proposed use satisfies the applicable provisions of this Paso Robles Zoning Ordinance; and
3. The establishment, and subsequent operation or conduct of the use will not, because of the circumstances and conditions applied in the particular case, be detrimental to the health, safety or welfare of the general public or persons residing or working in the neighborhood of the use, or be detrimental or injurious to property or improvements in the vicinity of the use; and

4. That the proposed project or use will not be inconsistent with the character of the immediate neighborhood or contrary to its orderly development; and
5. That the proposed use or project will not generate a volume of traffic beyond the safe capacity of all roads providing access to the project, either existing or to be improved in conjunction with the project, or beyond the normal traffic volume of the surrounding neighborhood; and

**Section 2- Environmental Determination:** This projects qualifies for as categorically exempt from environmental review per Section 15301 (existing building) of the California Environmental Quality Act Guidelines.

**Section 3 - Approval:** Conditional Use Permit 16-002 is approved subject to the following:

1. This Conditional Use Permit (CUP) authorizes the establishment and operation of private non-church related meeting facilities within the existing church campus located at 514 14<sup>th</sup> Street as shown on Exhibit B (Site Plan).
2. The project shall be constructed so as to substantially conform with the following listed exhibits established by this resolution:

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
A	Project Conditions
B	Regulating Site Plan

PASSED AND ADOPTED THIS 8<sup>th</sup> day of NOVEMBER, 2016 by the following Roll Call Vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
BOB ROLLINS, CHAIRMAN

ATTEST:

\_\_\_\_\_  
WARREN FRACE, SECRETARY OF THE PLANNING COMMISSION

# Exhibit A

## Conditions of Approval – CUP 16-002

**Planning Division Conditions:**

1. The use of Church facilities by non-church related groups will be subject to the following times and frequencies:

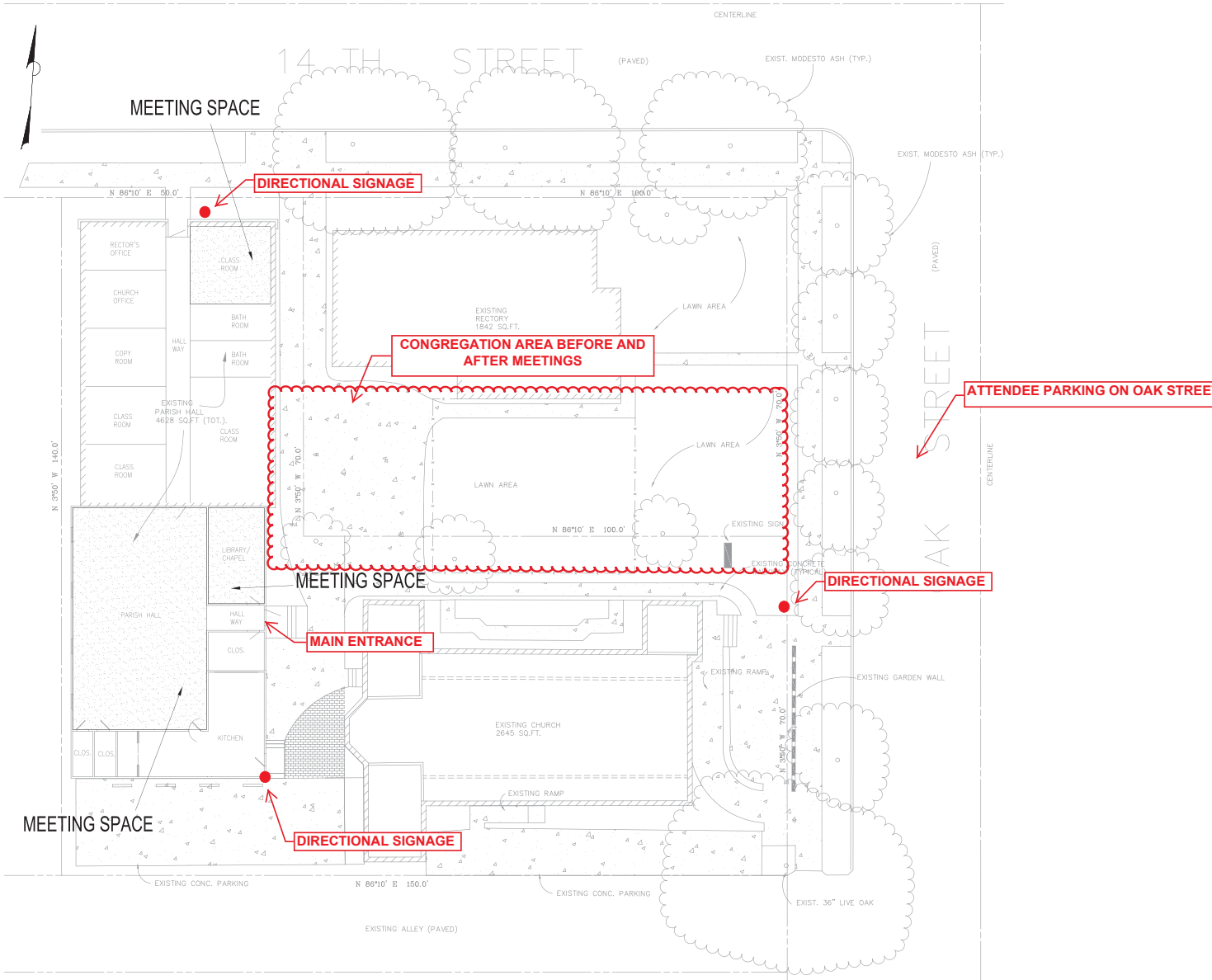
MEETING START/END TIMES	MAXIMUM NO. OF MEETINGS PER DAY	MAXIMUM NO. OF MEETINGS PER WEEK
Begin no earlier than 7:00 am	6 meetings	28 meetings
End no later than 8:00 pm		

2. Outdoor congregation of meeting participants will be limited to the location identified in Exhibit B (Site Plan) and will not occur longer than 30 minutes before or after any meeting.
3. Directional signage will be displayed and be visible from the outside directing attendees to enter and exit from the side door of Parish Hall directly opposite of the Church, as shown in Exhibit B (Site Plan). Directional signage will be reviewed and approved by Staff prior to installation.
4. The Church will prepare a “Good Neighbor” brochure informing both attendees of non-church related meetings as well as the neighbors of the provisions of CUP 16-002. The “Good Neighbor” brochure will be reviewed and approved by Staff prior to dissemination.
5. The Church shall designate a Church Administrator to be the principal contact for maintaining compliance with the all provisions of the Conditional Use Permit for each group meeting. Additional responsibilities of the designated individual will include the following:
  - a. Maintain daily records of each group meeting for compliance with Condition No. 1. Attendance records will be limited to head county only to retain anonymity for participants.
  - b. Disseminating the “Good Neighbor” brochure referenced in Condition No. 4.
  - c. Strongly encourage all participants to park on Oak Street.
6. The Church Administer will be responsible for enforcement of all conditions of this CUP. Complaints received by the City for noncompliance will be handled as follows:
  - a. First referred to the Church Administrator for resolution.
  - b. If not resolved, forwarded to the Development Review Committee (DRC) for resolution.
  - c. If not resolved, forwarded to the Planning Commission for enforcement.

7. Any condition imposed by the Planning Commission in granting this Conditional Use Permit may be modified or eliminated, or new conditions may be added, provided that the Planning Commission shall first conduct a public hearing in the same manner as required for the granting of the original permit. No such modification shall be made unless the Commission finds that such modification is necessary to protect the public interest and/or neighboring properties, or, in the case of deletion of an existing condition, that such action is necessary to permit reasonable operation and use under the Conditional Use Permit.



Exhibit B: Regulating Site Plan



SITE PLAN SCALE 1" = 10'

ST. JAMES' EPISCOPAL CHURCH

514 14TH STREET  
PASO ROBLES, CA 93446

NO.	DESCRIPTION	DATE

CUP SITE PLAN

C 1.0



**AFFIDAVIT**  
**OF MAIL NOTICES**  
**PLANNING COMMISSION/CITY COUNCIL PROJECT NOTICING**

I, Monica Hollenbeck, employee of the City of El Paso de Robles, California, do hereby certify that the mail notices have been processed as required for Conditional Use Permit 16-002, on this 28th day of October, 2016.

City of El Paso de Robles  
Community Development Department  
Planning Division

Signed: Monica C. Hollenbeck  
Monica Hollenbeck

# Attachment 4b

## THE Newspaper of the Central Coast TRIBUNE

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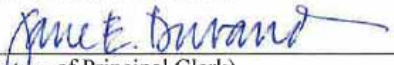
In The Superior Court of The State of California  
In and for the County of San Luis Obispo  
AFFIDAVIT OF PUBLICATION

AD # 2748475  
CITY OF PASO ROBLES

STATE OF CALIFORNIA  
ss.  
County of San Luis Obispo

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen and not interested in the above entitled matter; I am now, and at all times embraced in the publication herein mentioned was, the principal clerk of the printers and publishers of THE TRIBUNE, a newspaper of general Circulation, printed and published daily at the City of San Luis Obispo in the above named county and state; that notice at which the annexed clippings is a true copy, was published in the above-named newspaper and not in any supplement thereof – on the following dates to wit; OCTOBER 28, 2016, that said newspaper was duly and regularly ascertained and established a newspaper of general circulation by Decree entered in the Superior Court of San Luis Obispo County, State of California, on June 9, 1952, Case #19139 under the Government Code of the State of California.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

  
(Signature of Principal Clerk)  
DATED: OCTOBER 28, 2016  
AD COST: \$159.72

**NOTICE OF PUBLIC HEARING**

**NOTICE IS HEREBY GIVEN** that the Planning Commission of the City of El Paso de Robles will hold a Public Hearing on Tuesday, November 8, 2016, at 6:30 p.m. at the City of El Paso de Robles, 1000 Spring Street, Paso Robles, California, in the City Council Chambers, to consider the following project:

**Conditional Use Permit (CUP 16-002):** A request filed by the St. James Episcopal Church to allow private non-church related meeting facilities within the existing church campus located at 514 14th Street.

This application is Categorically Exempt from environmental review per Section 15301 of the State's Guidelines to Implement the California Environmental Quality Act (CEQA).

The application and staff report may be reviewed at the Community Development Department, 1000 Spring Street, Paso Robles, California. Copies may be purchased for the cost of reproduction.

Written comments on the project may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 or emailed to [planning@prcity.com](mailto:planning@prcity.com), provided that the comments are received prior to the time of the public hearing. Oral comments may be made at the hearing. Should you have any questions regarding this application, please call Darcy Delgado at (805) 237-3970 or by email at [dcdelgado@prcity.com](mailto:dcdelgado@prcity.com).

If you challenge the project in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at or prior to the public hearing.

Darcy Delgado  
Assistant Planner  
October 28, 2016 2748475

**Subject: St. James Episcopal Church CUP permit**

**Date: October 30<sup>th</sup> 2016**

## **Introduction;**

This letter pertains to the CUP sought by St. James Episcopal Church on 14<sup>th</sup> and Oak streets in Paso Robles, for non-church meeting use at St. James Hall, which is on Church property. It lists event chronology, and common views held by church neighborhood residents living in closest proximity to St. James Hall, on 14<sup>th</sup> street between Vine and Oak streets. Part of the packet submitted with this letter is a petition from residents, signed in unanimity, requesting CUP compliance from the Church, which at the time of petition submission had previously refused to comply with a request from the PR City planning department to comply with their request for a CUP.

This letter is written by myself, Mark Brown, whose family built the residence on the corner of 14<sup>th</sup> and Vine in 1925, and which has lived in it continuously since that time, while also maintaining ownership. At the present time I live in the residence, and I have lived in the residence continuously from 1960-1978, and again from 2004-2016, having also been at the residence very frequently in the interim years between the two periods. In the following body of this letter I refer to myself in the 3<sup>rd</sup> person.

The basic point at issue, and the basis for this letter, is that the rental of the Hall as a regular meeting place for Alcoholics Anonymous meetings, is an excessive use, and is invasive and deleterious of residents lives and neighborhood quality. Further, it is view of the residents that the CUP plan created in association of the Church with the PR City Planning department, is aligned completely with the Churches desires for use, and does not address the resident's opposed views to that plan in a manner that can be called a compromise.

It's the opinion of neighborhood residents, that the church has not in fact, taken neighbors grievances seriously, from a historical view. Registry of complaints goes back years, to the late 2000's, and to the residency of Pastor Mary and Father Rob, and almost nothing was done in response to these complaints, and certainly nothing lasting was at all. Correspondence and conversations with the church Warden in fall 2014 indicated that at that time, the Vestry had never considered these issues at any prior time. In a meeting at the church hall in winter of 2015 between the Vestry members and neighborhood residents Mark Brown and Vickie Bengard, it appeared that the issues presented, which had been elucidated clearly to the Pastors and Warden in prior years, had not been heard by the Vestry members before that night. And in fact, at that meeting, neighbor resident Mark Brown was told by Barbara Miller at the conclusion of presenting his views, that there was no chance the church would eliminate AA meetings. This was said with no consultation amongst the Vestry, and had therefore been pre-concluded. It is only since neighbors escalated their involvement to include meetings with the city, and presented a resident signed petition directly to the church, that an apparently appropriate motivation was provided such as to engage the Vestry in beginning to address neighbor's concerns.

In a fall 2014 meeting at the church office, between Mark Brown, Brian and Vickie Bengard, Ed Railsback, and AA member John Stephans, Mr. Stephans stated to all present that he had signed a rental contract with the church in 2002, that prior to that time AA meetings had been held on 9<sup>th</sup> and Spring, and that the property owner at 9<sup>th</sup> and Spring had asked AA that the meetings be relocated. It is the experience informed opinion of residents that the meetings, in the scope and scale presently seen, and which are the issue driving a CUP request, did not exist at Saint James hall prior to the signing of this rental contract.

Mark Brown, a resident whose family has lived on location since 1925, and has himself been personally present at the property since 1960, recalls a different state of affairs from one of continuous AA operations from 1949 through the present day, which the church presented in their letter to the City planning department initially declining a request for CUP compliance. To wit, AA meetings, if they were held prior to 2002, presented no outward manifestation to residents at all. Certainly, if meetings at the Hall existed prior to 2002, they bore no resemblance in neighborhood footprint burden to what was initiated with the 2002 rental contract signing, and what continues 365 days a year to the present day.

Since the proposed prior use of the hall by AA, does not match the scope and scale of use since the 2002 signing of the rental contract and relocation of AA to the hall as seen by the people living next door to it, and because of the actualized impact of the post-2002 meetings on the neighborhood reaching what are arguably “nuisance” levels, the residents feel that the appropriate question here was and remains, “do the AA meetings as presently instantiated, present a use that should require both the city in due diligence, and the church in neighborly conscientiousness, to verify the use is valid within the confines of this residential neighborhood, by CUP request compliance that is written to fairly balance both the churches desire to run a daily and nightly rental business from the Hall operating literally 365 days a year, and the residents desire for some measure or normalcy and privacy in the neighborhood?”. The position of the neighborhood residents is unequivocally, “yes, it does”. Further, it is the opinion of residents that the CUP plan as presently written by the City Planning department, does not accomplish a fair balance of interests, and rather simply works in the Church’s favor to allow a continuance of the present use.

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## Overall impact;

The impact on the neighborhood can be quantified and qualified, in sum, by saying the meetings are effectively continuous, and that there is almost no time at which people from AA are not gathering for, engaging in, or lingering before and after, meetings. The meetings are held 7 days a week, 52 weeks a year, during all holidays including Easter, Christmas, and Thanksgiving. There are 28 separate scheduled meetings weekly per the CUP, totaling 1,456 meetings in a calendar year.

Per the CUP, up to 6 meetings may be held daily, for periods of 1-2 hours each. The only morning without meetings is Sunday, presumably as to not conflict with church services. Meetings may start as early as 7am, and may last until as late as 8am, and may otherwise be held at various times throughout each day.

Presuming that meetings are of the current 1-1/2 hours' length, there are 42 hours of meetings per week, or an average of 6 hours per day. Taking into account that the CUP as presently written allows arriving ½ hour early and lingering ½ hour after any meeting, the average daily "meet time" is 8 hours per day, 7 days a week, 365 days a year. This continuous coming and going, is an extraordinary burden to place on residents who were never asked by anyone if it was acceptable, and who in fact still were not asked if they accepted the CUP plan as was written up by the planning department. The astounding nature of this use plan, is that the use is not for Church use proper, nor charity, but rather as a 365 day a year income generating rental business. In general terms, all through the year, the neighborhood is host to an AA event. 7 days a week, 52 weeks a year, without end.

In addition, given that few people walk to meetings and almost all people drive themselves individually, and that approximately 20 cars arrive per meeting, up to 120 cars per day can enter and leave the neighborhood for parking, 7 days per week. This is far more than any one of the neighborhood businesses, which do not also operate 365 days a year as the AA meetings do.

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**Nuisance instances;**

*(Reference codes italicized for clarity)*

**Paso Robles City Municipal Code Chapter 9.06, Nuisance Abatement.**

**9.06.030 - Nuisances.**

***B. It is declared unlawful and a public nuisance for any person owning, leasing, occupying or having charge or possession of any premises or land in this city to maintain such premises or land such that any one or more of the following conditions or activities exist:***

- 1. Any condition recognized in law or equity as constituting a public nuisance;***
- 5. Anything defined as a nuisance pursuant to state and federal law including but not limited to the California Civil Code, Division 4, Part 3 (Civil Code sections 3479 et seq.);***
- 9. Any condition that constitutes a visual blight. For purposes of this code, visual blight is any unreasonable ..... use of real property, premises or of building exteriors which by reason of its appearance as viewed at ground level from ..... neighboring premises, is detrimental to the property of others or to the value of property of others, offensive to the senses, or reduces the aesthetic appearance of the neighborhood.***

**State of California Civil Code, Section 3479-3486.5**

**Division 4. General Provisions**

**Part 3. Nuisance**

**Title 1. General Principles ..... 3479-3486.5**

***3479. Anything which is ..... offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property..... is a nuisance.***

***3480. A public nuisance is one which affects ..... an entire ..... neighborhood, or any considerable number of persons .....although the extent of the annoyance or damage inflicted upon individuals may be unequal.***

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AA meetings have created an unequivocal nuisance for neighborhood residents. The word “blight” can be accurately used to describe the visual and aural impact of AA meetings in the neighborhood.

Nuisance behavior has included;

- 1) Literal confrontation with residents’ over
  - a. parking
  - b. attitudes
  - c. opinions
- 2) free reign of pet dogs running loose in the neighborhood, including defecation.
- 3) Double parking, illegal parking, parking blocking driveways
- 4) Honking horns and gunning engines late at night
- 5) Loitering excessively on sidewalks and in driveways
  - a. smoking cigarettes and drinking coffee.
  - b. engaging in prolonged raucous conversations
- 6) Obstructing neighbors’ ingress and egress of homes
- 7) Dropping trash and cigarette butts in the street and sidewalk
- 8) Sitting in vehicles hours before meeting start times
- 9) Sleeping in vehicles overnight
- 10) Hanging around the Hall late at night using Hall Wi-Fi

## **Property usage in compliance with California State exempt status;**

The residents position has been from the start, that there are too many meetings, and that they are invasive and a nuisance as a result. The only thing that can change the invasive dynamic is a reduction in meeting count, and this has been requested by residents. But the plan submitted by the church and approved by the city planning department offers no reduction in meeting frequency. It is a completely asymmetrical and polarized alignment, decided on unilaterally by the church and the planning department, and has no features of compromise. This is unfair to residents, the people who live with the meeting blight.

There are state regulations for church organizations regarding use of church property for non-church meetings, and they are stated in documents pertaining to exemption status qualification. Religious organizations in California use land under either Church, Religious, or Welfare exemptions, and each one has specifications about what land use is therefore allowed.

State Church, Religious or Welfare exemption usage restrictions, should not be disregarded. If the CUP forms do not include a statement from an applicant organization which specifies the exemption status, then the allowed usage can’t be determined, and the city CUP forms are written deficiently.

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State Church Exemption status does not allow the use of property for anything but Churches and Church schools. The AA meetings are not Church or Church School use, and so the Church exemption land use regulation doesn't apply. State Religious Exemption allows "occasional use" with no rental except to cover "utilities and janitorial", and so the plan use of 28 meetings a week and the existence of a regular rental contract doesn't meet Religious Exemption qualifications. State Welfare Exemption allows 1 meeting a week, maximum, and none by "social clubs". AA is not a church use, and it is not "therapy" except in some imaginations. Physicians, psychologists and psychiatrists do not direct patients into AA. There are no licensed therapists at AA meetings, and it is not a systematic application of recognized therapy. It is a social club for alcoholics, recovering and otherwise. That is literally what it is.

Excerpts from State exemption qualification documents are listed below, and the full documents are part of the submitted data package.

## **Property value degradation;**

It is felt by residents to be true that improperly implemented exempt property use, violation of Civil Code nuisance laws, sometimes violation of fire safety codes, as well as periodically violation of trespassing, canine containment, public drunkenness laws, and curfew restrictions, lessens property values, property rentability and salability, and in general create a discomfoting atmosphere in the neighborhood.

## **Summary;**

It is not credible, by even the most extremely generous speculation, that this massive sweep of people into and out of the neighborhood, is transparent to the resident's quality of life. The neighborhood exists as an extension of AA, and not as much of anything else. There is effectively no time at which residents don't feel like they are being looked at, and trying to avoid looking at, strangers to the neighborhood, who regularly gather in idle clutches outside the building at any time of day, on the sidewalk, in the street, or in parking spaces. To put this in a plainly human perspective, one resident grew a hedge to block the view of the street, another kept his front room blinds continuously drawn, another planned their front yard landscaping specifically to block the view into and out of their front yard, others simply don't go outside, another does go outside but feels continuously and involuntarily drawn into engagements not otherwise sought. Activity is a normal thing to expect on a residential street, egregiously continuous and exaggerated activity is not.

It is the feeling of all residents of 14th street, between Oak and Vine streets, on both sides of the street, that the meetings are obtrusive, invasive, and present an onerous and intolerable burden to themselves and their properties.

The neighborhood residents are therefore united in agreement that the footprint of the AA meetings exceeds the logistical capacity of the neighborhood infrastructure to accommodate it, and that the ongoing actions of AA members, have by dint of affect and sheer abundance, unintentionally but unequivocally degraded the quality of life for neighborhood residents, all of whom except the renters are property tax paying Paso Robles citizens, almost all of long standing and in fact of longer standing than the meetings themselves.

It is not the least exaggeration to say that the AA meetings, by sheer size, frequency, and duration, dictate and control the character of the neighborhood, and that the interactions of neighbors are effectively annihilated by it. It is as much clubhouse as meeting place, and is a noisy and garish presence that never leaves the neighborhood, at any time, on any day of the year. It is our constant, and constantly obnoxious, companion.

It is the opinion of the neighborhood residents that there has to be a compromise written into the CUP. It's completely unfair for there to be none. The church and city planning department says 28 meetings a week is fine. Residents and state regulations say "occasional use" or 1 meeting a week. We request a real compromise and a reduction to the amount of meetings by ½, thus splitting the difference between exemption qualification requirements and the present CUP plan created by the planning commission working directly with the Church. Residents request the meetings count be 15, with no AA meetings on weekends at all - we residents should not have to put up with meetings 7 days a week 365 days a year, we should receive some break from it at our residences.

## **Acknowledgment;**

This letter is not a personal condemnation of anyone within the group that meets, or the organization in general, or the Episcopal Church that owns the hall or any of its members. Alcoholism is a serious issue that destroys lives, physically and spiritually, and any person who works to control destructive personal problems associated with alcohol abuse, within or without AA, should be acknowledged. There is no suspected or inferred malfeasance or malignance. It is presumably merely the simple absence of thought about how the neighbors might be affected by, or might have feelings about, the unendingly pervasive presence of the meetings, that induces the situation as it has existed.

I, Mark Brown, would like to state that I detest having to write letters like this, take clandestine evidentiary photos, fight with neighbors and point out their failures, act as an adversary towards the planning department, indirectly disparage people with behavioral issues, and generally be an unpleasant person. It is not in my nature. But, because no one will believe or accept there is a problem that is based on meeting overhead and that requires a reduction in meeting frequency, I have no other way to work to keep the area a respectable residential environment.

## RELIGIOUS EXEMPTION

### Property eligible for the religious exemption

#### *In general*

The religious exemption is available for certain real property owned by a church ("owner church"). It may also be available for personal property.

The exemption is available for the real and personal property of an owner church that:

- Conducts worship services on the property, or
- Conducts worship services on the property and operates one or more schools on the same property, specifically preschools, nursery schools, kindergartens, elementary schools, secondary schools, or any combination. The exemption is *not* available if the only school on the property is a college-level school. But it is available if the church operates a college-level school *and* schools of less than college level on the property.

#### **Other uses**

*Caution:* Before allowing another organization to use your property, you should first determine whether the proposed use will disqualify the property from the religious exemption. You may want to contact your assessor or the Board to determine whether the proposed use meets the requirements of the exemption.

Property used for religious worship or religious worship and school purposes may remain eligible for the exemption if the property is used for incidental purposes by nonprofit, charitable local civic groups on an occasional basis, for example, occasional meetings of Boy or Girl Scouts, 4-H, or nonprofit charitable groups. The incidental, occasional use may not interfere with the use of the property for religious worship or religious schools. In addition, the church may not charge the organizations for this use, except for the ordinary and necessary amounts the church pays to make the facility available for that use, such as janitorial and utility costs.

*Please note:* If the use of a church property by an unrelated nonprofit organization does not meet the conditions described on the previous page, the property would not be eligible for the religious exemption. However, the property might be eligible for the welfare exemption if both organizations claim and qualify for that exemption (see page 8).

conducts worship services in the church building and operates a K-12 school on the rest of the property. Alpha Church can file for the religious exemption for its real and personal property.

**Church conducting worship services and operating school on another church's property.** Alpha Church, described in the example above, allows Beta Church to conduct worship services in Alpha's church building on Sunday evening and to operate a preschool in one of its classrooms. Beta Church can file for the religious exemption for its personal property only. To receive an exemption, both churches must file claim forms.

#### *Additional eligible property*

In addition to the property described above, the following property is eligible for the religious exemption:

- Under certain conditions, property owned by the church and needed for church parking.
- Property owned by the church and leased to a public school for public school purposes, provided the church files an annual *Lessors' Exemption Claim* form.
- Buildings under construction or in the course of construction, land required for their convenient use, and equipment in them if the intended use would qualify the property for exemption. "Course of construction" includes the demolition of a building with the intent of replacing it with facilities that will be used exclusively for an eligible activity.
- Property acquired on or after the January 1 lien date, provided (1) a qualifying use or preparation for a qualify-

WELFARE EXEMPTION (RELIGIOUS ASPECT)

Property eligible for the welfare exemption

The welfare exemption is available for property owned by a religious organization that uses the property exclusively for religious purposes, including worship and school activities. While this publication discusses only how the welfare exemption relates to property owned by religious organizations, the exemption is also available for property owned by other organizations and used exclusively for charitable, scientific, or hospital purposes.

Property owned by a claimant and used by others

Property, or portions of the property, owned by a claimant and used by another organization is not eligible for the welfare exemption unless certain specific requirements are met. Some of these requirements are complex, especially for the first-time filer. Before allowing another organization to use the property you own, you should first determine whether the proposed use will disqualify the property from the welfare exemption. You may want to contact your assessor or the Board to determine whether the proposed use meets the requirements of the exemption.

Property owned by one organization and eligible for the welfare exemption may still qualify for the exemption when used by another organization ("user organization") provided the use of the property is incidental to the primary activities of the user organization and one of the following applies:

1. The user organization qualifies for the welfare exemption and the organization files for and receives the exemption.
2. The user organization is a public school or an exempt government entity that uses the property for an activity that would qualify for the exemption if carried out by the property owner. The property owner must file a copy of the lease agreement with the exemption claim form.
3. The user organization holds meetings on the property and all of the following apply:
  - ◆ The meetings are incidental to the organization's primary activities.
  - ◆ The meetings are not fundraising meetings or activities (the direct solicitation of money, property, or goods).
  - ◆ The meetings are not held more than once a week.
  - ◆ The user organization qualifies as a tax-exempt organization under Internal Revenue Code section 501(c)(3) or 501(c)(4) or California Revenue and Taxation Code section 23701d or 23701f.
  - ◆ The user organization and its use of the property meet all the legal requirements found in Revenue and Taxation Code section 214, subdivision (a), paragraphs (1) through (5).

Requirement number 3 above is the most complex. In general, the requirement permits some uses of the property by charitable and nonprofit fraternal and trade organizations. However, a group may not use the property for fraternal, lodge, or social club purposes or for fundraising since those purposes are not religious, hospital, scientific, or charitable.

Property under construction or demolition

Buildings under construction or in the course of construction, land required for their convenient use, and equipment in them may be eligible for the exemption if their intended use would qualify the property for the welfare exemption. "Course of construction" includes the demolition of a building with the intent to replace it with facilities that will be exclusively used for an eligible activity.

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Petition: In signature on this document, residents of 14<sup>th</sup> street, between Vine street and Oak street in Paso Robles California, agree in full that the prior established and current held residential occupation of the homes on street, is incompatible with the rental of St. James Hall to Alcoholics Anonymous for multiple daily meetings, and feel it is reasonable and fair to respectfully seek a formal CUP compliance from St. James Church, for the following reasons;

- 1) The use of the neighborhood as a site for residences precedes the construction of the Hall by decades, including one family that has lived continuously in residence since building a house there in 1925.
- 2) Initial use of the Hall prior to 2002, was not for AA meetings in any way shape or form in match of scope and scale with the meetings such as are held subsequent to 2002 or at the present time.
- 3) Use of the Hall for AA meetings at the present scope and scale began commensurate with the signing of a rental contract in 2002, at which point the meeting "footprint" became invasive.
- 4) 3 of 4 present residents (as of December 2015) lived in homes they owned, in the neighborhood, prior to rental of Hall for AA meetings under 2002 contract.
- 5) Prior to rental of the Hall to AA beginning in 2002, church did not consult residents for their opinions on the use of the Hall for AA meetings, or provide notification the Hall would be used for thrice daily meetings, 7 days a week, 365 days a year, .
- 6) The scope and scale, frequency and duration of the meetings exceeds what would normally be expected from any kind of residential or business use such as for which the neighborhood is zoned. Meetings are virtually continuously held, 7 days a week, 365 days a year, beginning at 7am and ending from up to 12-15 hours later.
- 7) The use of the Hall for AA meetings is not a church activity, or a use specifically engaged and attended as part of parish activities. AA is a fully separate organizational group from the church.
- 8) Residents have been personally opposed to use of the Hall for AA meetings since their inception.
- 9) Meeting attendees are often and regularly boisterous, loud, inconsiderate of residents, and hold informal lingering protracted discussions outside of the Hall and on sidewalks and streets. There have been verbal conflicts between residents and meeting attendees.
- 10) Pets are brought to meetings and allowed to roam loose unsupervised.
- 11) Illegal parking is commonplace
- 12) Beginning in 2010, numerous resident complaints to church regarding meeting impact were made, without producing any discernible effect
- 13) In general, the "footprint" of the meetings is larger than can be accommodated by the infrastructure of neighborhood streets, parking and sidewalks, without a continued negative impact on the neighborhood, and at such levels as to be qualified as a nuisance, contributing to diminishment of quality of life and a possible reduction in property values

Mark Brown Mark Brown 12/7/2015

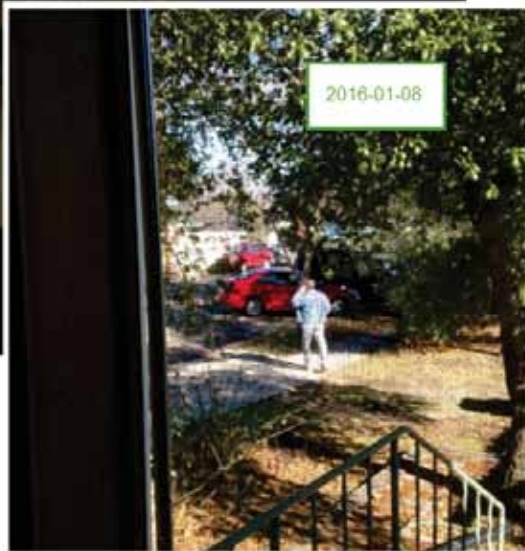
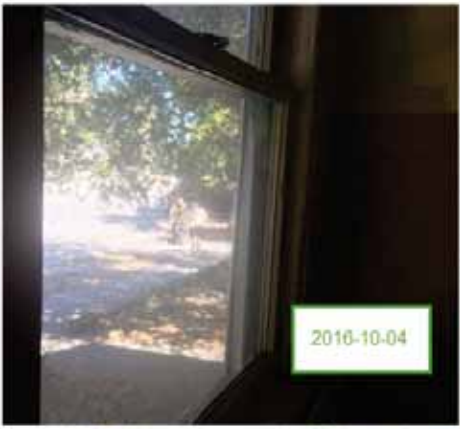
Lydia Burleson Lydia a Burleson 12-7-2015

Carl "Jerry" Delair Carl J. Delair 12-8-15

Brian Bengard Brian Bengard 12-8-15

Vickie Bengard Vickie Bengard 12/8/15

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# Property Tax Exemptions for Religious Organizations

## Church Exemption, Religious Exemption, and Religious Aspect of the Welfare Exemption

PUBLICATION 48 • LDA | APRIL 2011

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## INTRODUCTION

This publication is a guide for organizations that wish to file for and receive a property tax exemption on qualifying church property. It provides basic, general information on the California property tax laws that apply to the exemption of property used for religious purposes.

We use the word “church” in this publication as a generic term because the exemption for property used exclusively for religious worship is called the “church exemption” (see first bullet, below). The word is not meant to refer to any particular religious faith.

California property tax laws provide for three exemptions that may be claimed on church property:

- The *church exemption*, for property that is owned, leased, or rented by a religious organization and used exclusively for religious worship services.
- The *religious exemption*, for property owned by a religious organization and used exclusively for religious worship services or religious worship services, and certain school activities. The exemption may also apply to leased personal property.
- The *welfare exemption*, for property owned by a religious organization and used exclusively for one or more of the above activities or any other religious activities. The exemption may also apply to leased property if *both* the lessor and lessee qualify. In other words, both the organization and property use must qualify for the exemption.

The exemptions apply to property taxes but not to special assessments such as district taxes.

For purposes of these exemptions, the term “used exclusively” means that the property is used exclusively for the stated exempt purpose and excluding any other use. However, uses that are incidental to or reasonably necessary to accomplish the organization’s exempt purpose are also allowed. Incidental uses must be directly connected with the exempt purpose and advance that purpose.

The church exemption and religious exemption are administered by the assessor of the county where the property is located. The State Board of Equalization’s (Board) role is to establish the forms and procedures necessary to claim these exemptions and to provide guidance to county assessors and others. The welfare exemption is administered jointly by the county assessor and the Board.

In some cases, the requirements for obtaining a church, religious, or welfare exemption are complex for first-time filers. The county assessor and the Board will provide guidance to help you obtain exemptions. But the assessor can grant a full exemption *only* if you file the proper claim form on time and show that the use of the property (or intended use if the property is under construction or newly acquired) qualifies it for the exemption.

This publication includes chapters that explain the exemptions and filing dates. It also includes exhibits you may find useful. They contain forms lists and indexes to the laws that apply to each of the exemptions covered by this publication.

If you would like to read the actual laws you can find the code sections on the Internet at [www.leginfo.ca.gov/calaw.html](http://www.leginfo.ca.gov/calaw.html).

In addition, Assessors’ Handbook Section 267, *Welfare, Church, and Religious Exemptions*, discusses exemption requirements. The handbook is available on our website on the Assessors’ Handbook page: [www.boe.ca.gov/proptaxes/ahcont.htm](http://www.boe.ca.gov/proptaxes/ahcont.htm).

Exhibit F contains contact information for the State Board of Equalization and the 58 county assessors.

# Attachment 6

This publication discusses only property tax exemptions. If you have questions about sales tax, you may wish to obtain a copy of Board publication 18, *Nonprofit Organizations*. Ordering information is on page 14.

If you have questions after reviewing this publication, please contact your county assessor's office or the:

County-Assessed Properties Division, MIC:64  
State Board of Equalization  
PO Box 942879  
Sacramento, CA 94279-0064  
Phone: 916-274-3350

*Please note:* This publication contains general information and is current as of the cover date. The law is complex and subject to change. If there is any conflict between the text of this publication and the law, any decisions will be based on the law and not the publication.

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## TERMS USED IN THIS PUBLICATION

### Religion

The courts have defined a “religion” as having the following elements:

- A belief, not necessarily referring to supernatural powers,
- A cult involving a gregarious association openly expressing the belief (see *Note*, below),
- A system of moral practice directly resulting from adherence to the belief, and
- An organization within the cult designed to observe the tenets of the belief.

The *content* of a religious belief is not a matter of government concern. Neither the county nor the state should question the validity of a religious belief.

*Note:* In this context, a “cult” simply means a group of people who follow a system of religious beliefs and rituals.

### Worship

The courts have defined “worship” as the formal observance of religious tenets or belief. Activities eligible for the church exemption are limited to “traditional ceremonial functions.”

Traditional ceremonial functions include regularly scheduled services attended by the full congregation of the church. They also include services attended by only some members of the congregation, such as weddings, funerals, baptisms, confirmations, Bar and Bat Mitzvahs, and similar ceremonies.

### Real property

Real property means land or improvements. Real property is also the possession of, claim to, ownership of, or right to the possession of, land and improvements.

### Improvements

Improvements include buildings, structures, fixtures, and fences erected on or attached to the land. Improvements also include fruit, nut-bearing, or ornamental trees and vines that are not growing naturally and that are not otherwise exempt from property tax, except date palms less than eight years old.

### Personal property

Personal property is physical (“tangible”) property other than real property. Typical examples for purposes of this publication include furniture, instruments, books, banners, audiovisual equipment, candles, and other materials commonly used by religious organizations.

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## CHURCH EXEMPTION

### Property eligible for the church exemption

#### *In general*

The church exemption is available for buildings, the land they sit on, and personal property used *exclusively for religious worship* as of 12:01 a.m. on the January 1 property tax lien date. It is also available for property the church uses for parking.

Typical church activities that qualify property for the church exemption include the following:

- Regularly scheduled worship services with attendance and participation of the complete congregation.
- Sacramental activities such as baptisms, confirmations, Bar and Bat Mitzvahs, weddings, and funerals.
- Incidental and necessary uses of the property that support the primary religious worship use, such as administration, business meetings of the church governing body, religious instructional sessions, choir practice, and most activities of auxiliary organizations that answer to the local church authority.
- Sales of religious material to people attending worship services or from a church-operated reading room located on the same property as the church.
- Property *owned by the church* and needed to park the vehicles of those who attend or participate in religious worship provided that fees charged for parking do not exceed costs of operation and maintenance.
- Property *leased to the church* and needed to park the vehicles of those who attend or participate in religious worship when *all* of the following conditions are met:
  - ◆ The congregation has no more than 500 members.
  - ◆ The land and improvements are used only for qualified parking.
  - ◆ The lease requires the church to pay property taxes.
  - ◆ The county and the lessor (property owner) agree that the owner will pay real property taxes during a specified period if the leased property is used for a purpose other than qualifying parking.

*Exception:* The exemption may apply when other organizations use the church's property. Examples of uses that do not disqualify the property for the exemption include:

- Incidental use by nonprofit, charitable groups such as Boy or Girl Scouts, 4-H, or civic improvement groups. The incidental use may not interfere with the use of the property for religious worship. In addition, the church may not charge the organizations for the incidental use, except to recover the church's ordinary and necessary expenses for making the facility available for that use, such as janitorial and utility costs.
- Religious worship conducted by another church.

*Caution:* Before allowing another organization to use your church property, you should first determine whether the proposed use will disqualify the property from the church exemption. You may want to contact your assessor or the Board to determine whether the proposed use meets the requirements of the exemption.

#### ***Property under construction or demolition***

Buildings under construction or in the course of construction, land required for their convenient use, and equipment in them may be eligible for the exemption if the intended use would qualify the property for the church exemption. "Course of construction" includes the demolition of a building with the intent to replace it with facilities that will be used only for an eligible activity.

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## ***Property acquired after the January 1 lien date***

Property acquired by an existing or newly formed organization on or after the January 1 lien date may be eligible for a full or partial exemption (see *Note*, below). Both of the following conditions must be met:

- A qualifying use or preparation for a qualifying use (construction, painting, remodeling, and similar activities) must start immediately after the acquisition.
- The building must be completed and used in a way that qualifies it for the exemption without unnecessary delay.

*Note:* Newly acquired or constructed property is subject to two property tax assessments: a regular (“roll”) assessment and a “supplemental” assessment. The exemption rules are different for each assessment. Your county assessor can explain them to you.

## ***Property leased to church***

Whether owned by the church or leased to it, property is eligible for the church exemption as long as it is used only for religious worship or for parking by people attending a church activity (see [previous page](#)). Leased property will qualify for the exemption only if the church leases it *by the January 1 lien date*.

The law provides that the reduction in property taxes on leased property granted the church exemption must benefit the church. If the lease or rental agreement does not state that the rent has already been reduced to reflect the property tax exemption, the church must receive a future rent reduction in proportion to the tax reduction that results from the exemption. Or if the church has already paid rent on months covered by the exemption, the landlord must make a proportional, prorated refund.

## **Filing for the church exemption**

### ***Original filing***

To apply for the church exemption, a claim form must be filed *each year* with the assessor of the county where the property is located. If a church owns and uses property and also allows another church to use that property, *both churches* must file church exemption claim forms. In the case of leased property,

- The church or religious organization leasing the property (lessee) may file a church exemption claim form, or
- The owner/lessor may file a *Lessor’s Exemption Claim* form and have the user/lessee church complete the affidavit stating that the user/lessee church uses the property only for religious worship.

The appropriate forms are available from the county assessor. They are BOE-262-AH, *Church Exemption*, and BOE-263, *Lessor’s Exemption Claim*.

For filing deadlines, see [Filing deadlines](#), which begins on page 13.

### ***Annual filing***

You must file for the church exemption every year. After the exemption is originally granted, the county assessor will mail you an exemption form before the January 1 lien date. (*Exception:* The assessor will not mail forms to owners of property sold during the year.) If you have been granted a church exemption and do not receive a form in early January, be sure to contact the assessor immediately.

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## RELIGIOUS EXEMPTION

### Property eligible for the religious exemption

#### *In general*

The religious exemption is available for certain real property owned by a church (“owner church”). It may also be available for personal property.

The exemption is available for the real and personal property of an owner church that:

- Conducts worship services on the property, or
- Conducts worship services on the property and operates one or more schools on the same property, specifically preschools, nursery schools, kindergartens, elementary schools, secondary schools, or any combination. The exemption is *not* available if the only school on the property is a college-level school. But it is available if the church operates a college-level school *and* schools of less than college level on the property.

Property used *only* for school purposes does not qualify for the religious exemption, but it may qualify for the welfare exemption (see page 8).

The religious exemption is also available for property owned and operated by a church and used for religious worship or religious worship and school purposes when the owner allows another church (“user church”) to do any of the following:

- Use the property part-time for religious worship.
- Operate a school as described in the second bullet above.
- Use the property part-time for religious worship or to operate a school as described.

The user church may be able to obtain the religious exemption on its personal property. In this situation, both churches must file for the religious exemption.

#### *Examples*

**Church conducting worship services and operating a church school on its own property.** Alpha Church owns a church building, a dining/social hall, a gym, ball fields, parking, and classroom buildings. Alpha Church conducts worship services in the church building and operates a K-12 school on the rest of the property. Alpha Church can file for the religious exemption for its real and personal property.

**Church conducting worship services and operating school on another church’s property.** Alpha Church, described in the example above, allows Beta Church to conduct worship services in Alpha’s church building on Sunday evening and to operate a preschool in one of its classrooms. Beta Church can file for the religious exemption for its personal property only. To receive an exemption, both churches must file claim forms.

#### *Additional eligible property*

In addition to the property described above, the following property is eligible for the religious exemption:

- Under certain conditions, property owned by the church and needed for church parking.
- Property owned by the church and leased to a public school for public school purposes, provided the church files an annual *Lessors’ Exemption Claim* form.
- Buildings under construction or in the course of construction, land required for their convenient use, and equipment in them if the intended use would qualify the property for exemption. “Course of construction” includes the demolition of a building with the intent of replacing it with facilities that will be used exclusively for an eligible activity.
- Property acquired on or after the January 1 lien date, provided (1) a qualifying use or preparation for a qualify-

ing use (construction, painting, remodeling, etc.) starts immediately after the acquisition, and (2) the building is then completed and used in an exempt way without unnecessary delay.

## **Other uses**

*Caution:* Before allowing another organization to use your property, you should first determine whether the proposed use will disqualify the property from the religious exemption. You may want to contact your assessor or the Board to determine whether the proposed use meets the requirements of the exemption.

Property used for religious worship or religious worship and school purposes may remain eligible for the exemption if the property is used for incidental purposes by nonprofit, charitable local civic groups on an occasional basis, for example, occasional meetings of Boy or Girl Scouts, 4-H, or nonprofit charitable groups. The incidental, occasional use may not interfere with the use of the property for religious worship or religious schools. In addition, the church may not charge the organizations for this use, except for the ordinary and necessary amounts the church pays to make the facility available for that use, such as janitorial and utility costs.

*Please note:* If the use of a church property by an unrelated nonprofit organization does not meet the conditions described on the previous page, the property would not be eligible for the religious exemption. However, the property might be eligible for the welfare exemption if both organizations claim and qualify for that exemption (see page 8).

## **Filing for the religious exemption**

### **One-time filing**

You only need to apply one-time for the religious exemption. Once it is granted, the exemption remains in effect until it is terminated or the property is no longer eligible.

### **Original filing**

To apply for the religious exemption, the church must file a claim form BOE-267-S, *Religious Exemption*, with the county assessor where the property is located (see list of assessors on page 23). The form is available from the county assessor.

For filing deadlines, see *Filing deadlines*, which begins on page 13.

### **Annual change in eligibility or termination notice**

Once the religious exemption has been established, the county assessor must mail BOE-267-SNT, *Religious Exemption Change in Eligibility or Termination Notice*, each year to property owners who received the exemption in the prior year. The notice asks whether the property is still being used for an exempt purpose. It serves as a reminder to terminate or modify the exemption if:

- The property has been sold, or
- On January 1 of the current year, all or a portion of the tax-exempted property is used for an activity that does not qualify for the exemption.

If a portion of the property that was denied the exemption in the prior year is now being used for an eligible activity, you should notify the county assessor so that the exemption can be adjusted to reflect the change.

Penalties of up to \$250 apply if the property owner does not notify the county assessor and terminate the exemption when the property is no longer eligible.

You should return the form by the deadline specified on it. However, the law allows you to file a termination notice as late as February 15, or by 5 p.m. the next business day if February 15 is a Saturday, Sunday, or legal holiday.

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## WELFARE EXEMPTION (RELIGIOUS ASPECT)

### Property eligible for the welfare exemption

The welfare exemption is available for property *owned by a religious organization* that uses the property *exclusively for religious purposes*, including worship and school activities. While this publication discusses only how the welfare exemption relates to property owned by religious organizations, the exemption is also available for property owned by other organizations and used exclusively for charitable, scientific, or hospital purposes.

#### **Eligible property uses**

Certain uses of property by a church or religious organization do not qualify for the church or religious exemption. However, they may qualify for the welfare exemption. Eligible uses include, but are not limited to:

- Administrative offices for two or more churches (such as diocese or district headquarters).
- Social halls, community centers, and youth centers.
- The primary residence of clergy (for example, pastor, minister, rabbi, imam, or priest) when the use of the property is incidental to and reasonably necessary to accomplish the nonprofit religious organization's exempt purpose.
- Retreats, monasteries, convents, housing for missionaries on furloughs, and housing for certain other employees and volunteers.
- Reading rooms not located on the church premises.
- Novitiates and seminaries. *Please note:* Some seminaries should file for the college exemption instead—contact your county assessor for information.
- Homes for aged people or people with disabilities, orphanages, rescue missions, halfway houses for ex-addicts or parolees, and lower-income housing.
- Camps and conference grounds.
- Hospitals.
- Social welfare and relief for the needy (actual aid—money, meals, etc.).
- Emergency or temporary shelters and related facilities for homeless individuals and families.
- Regularly operated thrift stores *only* when they are part of a planned rehabilitation program for people with mental disabilities, physical disabilities, or both.

*Please note:* If you operate a thrift store and hope to make tax-exempt sales there, you must first obtain the welfare exemption on the property. See Board [publication 18, Nonprofit Organizations](#) (ordering information is found on [page 14](#)).

- Bingo, when allowed by local ordinances, provided the property is primarily used for exempt activities and the bingo proceeds are used for the organization's religious purposes. A property used primarily or solely for playing bingo, such as a bingo parlor, does not qualify.
- Property needed for parking the vehicles of people participating in a religious activity.

#### **Property under construction or demolition**

Buildings under construction or in the course of construction, land required for their convenient use, and equipment in them may be eligible for the exemption if their intended use would qualify the property for the welfare exemption. "Course of construction" includes the demolition of a building with the intent to replace it with facilities that will be exclusively used for an eligible activity.

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## ***Property acquired after the January 1 lien date***

Property acquired after the January 1 lien date may be eligible for the exemption provided both of the following conditions are met:

- A qualifying use or preparation for a qualifying use (construction, painting, remodeling, and so forth) starts immediately after the acquisition.
- The building is completed and used in a way that qualifies for the exemption without unnecessary delay.

## ***Real and personal property leased to a claimant***

Leased property is not eligible for the welfare exemption unless both the owner and operator are eligible organizations and both file and qualify for the exemption.

## ***Property owned by a claimant and used by others***

Property, or portions of the property, owned by a claimant and used by another organization is not eligible for the welfare exemption unless certain specific requirements are met. Some of these requirements are complex, especially for the first-time filer. Before allowing another organization to use the property you own, you should first determine whether the proposed use will disqualify the property from the welfare exemption. You may want to contact your assessor or the Board to determine whether the proposed use meets the requirements of the exemption.

Property owned by one organization and eligible for the welfare exemption may still qualify for the exemption when used by another organization (“user organization”) provided the use of the property is incidental to the primary activities of the user organization *and* one of the following applies:

1. The user organization qualifies for the welfare exemption and the organization files for and receives the exemption.
2. The user organization is a public school or an exempt government entity that uses the property for an activity that would qualify for the exemption if carried out by the property owner. The property owner must file a copy of the lease agreement with the exemption claim form.
3. The user organization holds meetings on the property and *all* of the following apply:
  - ◆ The meetings are incidental to the organization’s primary activities.
  - ◆ The meetings are not fundraising meetings or activities (the direct solicitation of money, property, or goods).
  - ◆ The meetings are not held more than once a week.
  - ◆ The user organization qualifies as a tax-exempt organization under Internal Revenue Code section 501(c)(3) or 501(c)(4) or California Revenue and Taxation Code section 23701d or 23701f.
  - ◆ The user organization and its use of the property meet all the legal requirements found in Revenue and Taxation Code section 214, subdivision (a), paragraphs (1) through (5).

Requirement number 3 above is the most complex. In general, the requirement permits some uses of the property by charitable and nonprofit fraternal and trade organizations. However, a group may not use the property for fraternal, lodge, or social club purposes or for fundraising since those purposes are not religious, hospital, scientific, or charitable.

The user organization or property owner must file with the assessor copies of current, valid letters or rulings from the Internal Revenue Service (IRS) and Franchise Tax Board and the organization’s latest applicable federal income tax return.

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## Filing for the welfare exemption

The welfare exemption is administered jointly by the county assessor and the Board. The Board determines whether an organization is *eligible* for the welfare exemption, and the county assessor determines whether an organization's property *qualifies* for the exemption, based on the use of the property. Filing for the exemption is a two-step process:

- Filing for an *Organizational Clearance Certificate* with the Board.
- Filing a welfare exemption claim with the county assessor.

### **Filing for an Organizational Clearance Certificate with the Board of Equalization**

To be eligible for the welfare exemption on its property, an organization must first obtain an *Organizational Clearance Certificate* from the Board.

**Qualifications.** To qualify for an *Organizational Clearance Certificate*, a religious organization must meet all of the following conditions:

- The claimant must be a nonprofit organization (corporation, association, trust, limited liability company [LLC]).
- The organization must be exempt from federal or state income taxes under Internal Revenue Code section 501(c)(3) or Revenue and Taxation Code section 23701d.
- The organization must be exclusively organized and operated for religious purposes.
- The religious organization's formative documents (articles of incorporation for corporations, articles of organization for LLCs, or comparable instruments for unincorporated entities: bylaws, trust, articles of association) must include two statements: an "irrevocable dedication" clause and a "dissolution clause." The irrevocable dedication clause must state that the organization's property is irrevocably dedicated to religious purposes. The "dissolution clause" must state that upon liquidation, dissolution, or abandonment of the owner, the organization's assets will be distributed to a fund, foundation, or corporation exclusively organized and operated for religious, charitable, hospital, or scientific purposes or any combination of those purposes.
- The organization's employee compensation is consistent with that provided for similar jobs in the same geographic area, and the organization uses its resources to further its exempt purpose rather than to provide significant personal benefit to anyone. Excessive compensation or the use of organizational resources for private benefit may be considered "private inurement," which means the improper transfer of the organization's income or assets to an individual solely because of a close association with the organization and not to further its exempt purpose.

**Filing process.** To request an *Organizational Clearance Certificate*, you must file claim form BOE-277, *Claim for Organizational Clearance Certificate – Welfare Exemption*, with the Board. The form is available on the Board's website at [www.boe.ca.gov/proptaxes/welfareclaimforms.htm](http://www.boe.ca.gov/proptaxes/welfareclaimforms.htm).

When you file for the first time, you must submit the following documents with your claim form:

- A certified copy of articles of incorporation, articles of organization, or comparable instrument for an unincorporated entity (bylaws, articles of association, constitution), with all amendments and revisions.
- A letter showing that the organization is exempt from federal income tax under Internal Revenue Code section 501(c)(3) or state franchise or income tax under Revenue and Taxation Code section 23701d. If your organization is a nonprofit, limited liability company (LLC), you must submit the tax-exempt letters for all LLC members (except a member that is a government entity).

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- Financial statements: balance sheet and income statement.
- Documents showing the type of activities conducted by your organization.

**Certificate issuance.** The Board will review the documents you submit and determine whether your organization is eligible for the welfare exemption. If it is, the Board will issue an *Organizational Clearance Certificate for Welfare or Veterans' Organization Exemption* (BOE-277-OC). The certificate is valid until the Board determines that your organization no longer meets the requirements. The Board maintains a list of organizations that have valid certificates, which is posted on its website and updated quarterly ([www.boe.ca.gov/proptaxes/welfareorgeligible.htm](http://www.boe.ca.gov/proptaxes/welfareorgeligible.htm)).

If the Board determines that your organization is not eligible for the exemption, staff will notify you on a *Welfare or Veterans' Organization Exemption, Organizational Clearance Certificate Finding Sheet* (BOE-277-F).

### **Original filing with the county assessor**

In addition to filing a claim for an *Organizational Clearance Certificate*, you must file a welfare exemption claim with the county assessor in the county where you own real or personal property and are seeking the welfare exemption. To request the welfare exemption, you must file BOE-267, *Claim for Welfare Exemption (First Filing)*. Welfare exemption claim forms, also known as affidavits, are available from the assessor.

For filing deadlines, see "Filing deadlines," which begins on page 13.

**Qualifications review.** The assessor will review your claim to determine whether the *use of the property* qualifies for the exemption. An eligible religious organization must use the property only for religious, or religious-charitable purposes and activities. The assessor may not approve a claim until the organization has a Board-issued organizational clearance certificate.

The assessor will check to see whether all of these required conditions apply:

- The real property is recorded in your organization's name (not required if you have a taxable "possessory interest" in [right to use] public property).
- The property is used for an eligible activity and does not exceed the amount of property reasonably necessary to accomplish the exempt purpose.
- The property is used for an eligible activity and, except for occasional fundraising activities, not for commercial, profit-making purposes unrelated to the organization's exempt purpose. See *Eligible property uses*, on page 8.  
*Note:* This restriction generally does *not* apply to income an organization generates in the course of carrying out its exempt purpose. For example, a hospital may charge its patients and a nonprofit school may charge tuition.
- The property, or any portion of it, is not leased to a person or entity for an unrelated purpose that does not qualify for the exemption.
- The property, or any portion of it, is not leased systematically to generate rental revenue.
- Your organization has a valid *Organizational Clearance Certificate* issued by the Board.

### **Annual filing**

You must file a claim for the welfare exemption every year. After you are granted exemption on a property, you will need to file BOE-267-A, *Claim for Welfare Exemption (Annual Filing)*, by the deadlines shown on page 13 (February 15 for full exemption, later for partial exemption). The assessor should send you a form each year. But you are required to file an annual form whether or not you receive one from the assessor.

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## PROPERTY THAT DOES NOT QUALIFY FOR ANY EXEMPTION

Contrary to common belief, some property owned by religious organizations does not qualify for any property tax exemption. Typical examples are explained below.

### Vacant, unused, or excess property

Property that is vacant, unused, or excess on the January 1 property tax lien date is not eligible for exemption for the following reasons:

- Revenue and Taxation Code section 206 requires exclusive use of property for *religious worship purposes*.
- Revenue and Taxation Code section 207 requires exclusive use of property for religious worship *and school activities*.
- Revenue and Taxation Code section 214, subdivision (a) requires *exclusive use of property for the organization's exempt purpose*. Section 214, subdivision (a)(3) requires *use of the property for the actual operation of an exempt activity*.

The intent to use the property at a later date does not make the property eligible. The assessor cannot allow an exemption until the January 1 lien date after a qualifying use begins.

In this context, "excess property" is property in excess of what your organization reasonably needs or is using for your exempt purposes and activities.

### Property under construction or demolition

**Property acquired before the January 1 lien date.** An exemption cannot be granted under Revenue and Taxation code sections 206, 207, 214.1, or 214.2 on property acquired before the January 1 property tax lien date of the year in which the exemption is first claimed if construction, demolition, or remodeling of an existing structure has not started as of that January 1 lien date.

However, property acquired *after* the January 1 lien date may qualify for a full or partial church, religious, or welfare exemption as of the acquisition date under Revenue and Taxation Code section 271 (see *Please note* below), provided both of the following conditions are met:

- Construction, demolition, remodeling, and so forth starts immediately after the acquisition.
- The building is then completed and used in a way that qualifies for the exemption without unnecessary delay.

The *intent* to begin construction, demolition, or remodeling, and a qualifying use at a later date does not qualify the property for the exemption.

*Please note:* Newly acquired or constructed property is subject to two property tax assessments: a regular ("roll") assessment and a "supplemental" assessment. The exemption rules are different for each assessment. Your county assessor can explain them to you.

### Property used for fundraising (commercial in nature)

An organization's use of its property on a regular basis for fundraising activities that are commercial in nature and compete with business enterprises may be grounds for denying an exemption. Competitive and commercial fundraising activities are viewed as revenue-generating activities unrelated to an organization's exempt purpose even when the proceeds are used for exempt purposes and activities.

### Thrift stores

Thrift stores are not eligible for exemption unless they are part of a planned, formal rehabilitation program. In those cases, they may be exempt under the welfare exemption (see [page 8](#)).

## FILING DEADLINES

The filing deadlines for the original filing for the church, religious, and welfare exemptions and the annual filing for the church and welfare exemptions are the same (see *Please note* below). All deadlines listed in this section are extended to the next business day if they occur on a Saturday, Sunday, or legal holiday. For mailed claims, the postmark date is considered the filing date.

*Please note:* You only need to apply one-time for the religious exemption. Once it is granted, the exemption remains in effect until it is terminated or the property is no longer eligible. A notice is sent to the property owners who received the exemption in the prior year. The assessor requests that you return the notice to verify that the property continues to be used for exempt activities or to provide notification to the assessor that the property is no longer eligible for exemption.

### Property owned or leased on the January 1 lien date

You must file a claim form with the county assessor by February 15 of the first year you claim the exemption to receive the full, 100 percent exemption for property you own or lease on the January 1 lien date.

For example, to receive the exemption for fiscal year 2011-12, which runs from July 1, 2011, through June 30, 2012, you must file by February 15, 2011.

### Late claims

You may receive a partial exemption for the year if you file the exemption claim after February 15. If you file:

- From February 16 through December 31, you may receive a 90 percent exemption.
- On or after the following January 1, you may receive an 85 percent exemption.

If property taxes have not been paid on property eligible for the exemption, you may file a late claim at any time to request exemption and cancel the back taxes due (see *Please note*, below).

If property taxes have been paid on property eligible for the exemption, you may file a late claim up to four years from the date the tax was originally paid. If the exemption is granted, the county will refund the taxes to whoever paid them (see *Please note*, below).

#### Example

On December 9, 2007, you paid the first installment for property tax assessed for fiscal year July 1, 2006, through June 30, 2007. To receive a refund of the tax you paid, you must file an exemption claim no later than December 8, 2011—four years after you originally paid the tax.

*Please note:* If you file a late claim, the assessor may charge you or retain up to \$250 in tax, penalty, and interest. The late-filing penalty does not apply to notice sent to property owners who received the religious exemption in the prior year unless the property is no longer eligible for exemption.

### Property acquired after the January 1 lien date

If your church or religious organization acquires property after the January 1 property tax lien date, you may file for the exemption provided you immediately use the property in a way that qualifies for the exemption. To receive the exemption, you must file by whichever one of these dates occurs first:

- Ninety days after the first day of the month following the month in which you acquired the property. For example, if you acquired the property on May 15, 2011, you would need to file within 90 days of June 1, 2011.
- February 15 of the following year.

If you file a claim for property acquired after this deadline, the assessor may refund 85 percent of any tax, penalty, and interest paid or cancel 85 percent of any tax, penalty, or interest due.

If your organization has not previously been granted an exemption for other property, you must file two claim forms for property you acquire between January 1 and May 31: one for a prorated exemption through June 30 (current fiscal year) and one for the full exemption for the fiscal year starting July 1.

Property that is not immediately used for an exempt purpose is taxable and may not be considered for the exemption until the next January 1 lien date.

## Organizations that form after the January 1 lien date

Organizations that form after the January 1 lien date may file for any of the exemptions effective the date they organized. See "Property acquired after the January 1 lien date," on the previous page, for deadlines and requirements.

## FOR MORE INFORMATION

### Publications and forms

#### **Publications**

The Board publishes a variety of publications that may interest you, including:

- 18 *Nonprofit Organizations (sales tax information)*
- 29 *California Property Tax; an Overview*
- 51 *Board of Equalization Resource Guide to Free Tax Products and Services*  
(includes full publications list)
- 70 *Understanding Your Rights as a California Taxpayer*
- 149 *Property Tax Welfare Exemptions*

*Assessors' Handbook Section 267, Welfare, Church, and Religious Exemptions*

These publications are available on the Internet at [www.boe.ca.gov](http://www.boe.ca.gov). To order a printed copy, use the online ordering form on the website or call the Board's Taxpayer Information Section at 800-400-7115 (TTY: 711).

Copies are also available at Board [field offices](#).

### Forms

While you should obtain exemption claim forms from your county assessor, some sample forms are on the Board's website at [www.boe.ca.gov/proptaxes/welfareorgexemp.htm](http://www.boe.ca.gov/proptaxes/welfareorgexemp.htm). A link to the *Organizational Clearance Certificate* application form is at [www.boe.ca.gov/proptaxes/welfareclaimforms.htm](http://www.boe.ca.gov/proptaxes/welfareclaimforms.htm).

### Website: [www.boe.ca.gov](http://www.boe.ca.gov)

In addition to copies of selected publications, the Board's website also includes an ordering system for forms and publications, Board meeting dates, county assessors' office information, and other helpful information about the Board and the programs it administers.

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## Taxpayers' Rights Advocate

If you have not been able to resolve a disagreement through normal channels, we encourage you to contact our Taxpayers' Rights Advocate for help:

Taxpayers' Rights Advocate, MIC:70  
State Board of Equalization  
PO Box 942879  
Sacramento, CA 94279-0070

Toll-free telephone: 888-324-2798  
Telephone: 916-324-2798  
Fax: 916-323-3319

## Board Member contact information

To contact your Board of Equalization Member, see [www.boe.ca.gov/members/board.htm](http://www.boe.ca.gov/members/board.htm).

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## EXHIBIT A

### Index to Church Exemption Laws

#### EXEMPTION LAWS

1. Nature of exemption — sections 3(f), 4(d), and 5, article XIII, California Constitution.
2. Qualifications — church, parking, leased property — sections 206, 206.1, and 206.2, Revenue and Taxation Code.
3. What qualifies
  - a. Church — section 3(f), article XIII, California Constitution, and section 206, Revenue and Taxation Code.
  - b. Church parking — section 4(d), article XIII, California Constitution, and section 206.1, Revenue and Taxation Code.
  - c. Leased property — section 206.2, Revenue and Taxation Code.
  - d. Under construction — section 5, article XIII, California Constitution.
4. Authority to prescribe, State Board of Equalization — section 33, article XIII, California Constitution, and section 251, Revenue and Taxation Code.
5. Procedure, time for annual filing
  - a. File affidavit annually — section 254, Revenue and Taxation Code.
  - b. Time to file, February 15 — section 255, Revenue and Taxation Code.
  - c. Assessor to mail form — section 256, Revenue and Taxation Code.
6. Late filing — section 270, Revenue and Taxation Code.
7. Property acquired after the January 1 lien date; Organizations formed after the January 1 lien date — section 271, Revenue and Taxation Code.
8. Exemption of supplemental assessments, sections 75.21, 75.22, 75.23, 75.24, Revenue and Taxation Code.
9. Waive exemption — section 6, article XIII, California Constitution and section 260, Revenue and Taxation Code.
10. Claim form
  - a. Public record — section 408, Revenue and Taxation Code.
  - b. Destroy — section 465, Revenue and Taxation Code.
11. Incorrect exemption — section 531.1, Revenue and Taxation Code.
12. Assessor's Denial of Exemption – Property Tax Rule 302(b). No county assessment appeals board hearing on assessor's denial of exemption.

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## EXHIBIT B

### Index to Religious Exemption Laws

1. Nature of exemption — sections 4(b) and 5, article XIII, California Constitution.
2. Qualifications — Church, church and school, parking, leased property — sections 206.1, 207, and 207.1, Revenue and Taxation Code.
3. What qualifies
  - a. Church, church and school — section 207, Revenue and Taxation Code.
  - b. Parking — section 206.1, Revenue and Taxation Code.
  - c. Leased personal property — section 207.1, Revenue and Taxation Code.
  - d. Under construction — section 5, Article XIII, California Constitution.
4. Authority to prescribe, State Board of Equalization — section 33, Article XIII, California Constitution, and section 251, Revenue and Taxation Code.
5. Procedure, time for filing
  - a. File affidavit, one-time filing — section 257, Revenue and Taxation Code.
  - b. Time to file, February 15 — section 255, Revenue and Taxation Code.
  - c. Assessor to mail notice — section 257.1, Revenue and Taxation Code.
6. Late filing — section 270, Revenue and Taxation Code.
7. Property acquired after the January 1 lien date; Organizations formed after the January 1 lien date — section 271, Revenue and Taxation Code.
8. Exemption of supplemental assessments, sections 75.21, 75.22, 75.23, 75.24, of the Revenue and Taxation Code.
9. Waive exemption — section 6, Article XIII, California Constitution, and section 260, Revenue and Taxation Code.
10. Claim form
  - a. Public Record — section 408, Revenue and Taxation Code.
  - b. Destroy — section 465, Revenue and Taxation Code.
11. Incorrect exemption — sections 257 and 531.1, Revenue and Taxation Code.
12. Property Tax Rule 302(b) — No county assessment appeals board hearing on assessor's denial of exemption.

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## EXHIBIT C

### Listing of Forms, Church, and Religious Exemptions

The following is a listing of claim forms for use by organizations filling with the assessor:

- BOE-262-AH, *Church Exemption*

Claim form filed to request exemption on property owned by the church or leased to the church if the property is used exclusively for religious worship or for parking by persons attending any church activity. Claim form must be filed on an annual basis.

- BOE-263, *Lessors' Exemption Claim*

Claim form filed by lessor to request exemption on property used by the church or religious organization if the property is used exclusively for religious worship or for parking by persons attending any church activity. Claim form must be filed on an annual basis.

- BOE-267-S, *Religious Exemption Claim*

Claim form filed to request exemption on property owned by the church or leased to the church if the property is used for religious worship or religious worship and church operates its own preschool, nursery school, kindergarten, elementary/secondary school, or both schools of collegiate grade and schools of less than collegiate grade. Claim form filed one time.

- BOE-267-SNT, *Religious Exemption Change in Eligibility or Termination Notice*

Notice annually mailed by the county assessor to recipients of the Religious Exemption. Claimant must file notice if the property has been sold or if all or a portion of the property that received the exemption in the prior year is used for an activity that no longer qualifies for the exemption.

Forms for filing purposes *must* be obtained from the assessor in the county in which the property is located (see listing of County Assessors on [page 23](#)). Additionally, a listing of county assessors is available on the Board's website ([www.boe.ca.gov](http://www.boe.ca.gov)) and can be accessed by selecting (1) Property Tax, (2) Assessors.

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## EXHIBIT D

## Index to Welfare Exemption Laws

1. Nature of exemption — sections 4(b) and 5, article XIII, California Constitution.
2. Qualifications
  - a. Religious, hospital, scientific, charitable purposes — section 214, Revenue and Taxation Code.
  - b. Qualifying organizations/entities — section 214(a), Revenue and Taxation Code, and Property Tax Rule 136.
  - c. Irrevocable dedication — sections 214(a)(6) and 214.01, Revenue and Taxation Code and Property Tax Rule 143.
  - d. Exemption from income tax — sections 214(a) and 214.8, Revenue and Taxation Code.
  - e. Recordation Requirement — section 261, Revenue and Taxation Code.
  - f. Financial statements — sections 254 (a), 254.5, and 254.6(c)(1), Revenue and Taxation Code.
3. What qualifies
  - a. Religious, hospital, scientific, charitable — section 214, Revenue and Taxation Code.
  - b. Occasional use by others — section 214(a)(3)(D), Revenue and Taxation Code.
  - c. Schools — sections 214(b), 214.4 and 214.5, Revenue and Taxation Code.
  - d. Nursery schools — sections 214(c) and 221, Revenue and Taxation Code.
  - e. Homes for the aged or handicapped — section 214(f), Revenue and Taxation Code.
  - f. Lower income housing — section 214(g), Revenue and Taxation Code, and Property Tax Rules 140, 140.1, and 140.2.
  - g. Leased to government — section 214.6, Revenue and Taxation Code.
  - h. Bingo — section 215.2, Revenue and Taxation Code.
  - i. Under construction, demolition — section 5, article XIII, California Constitution and sections 214.1 and 214.2, Revenue and Taxation Code.
  - j. Emergency shelter — section 214(h), Revenue and Taxation Code.
  - k. Housing for employees — section 214(i), Revenue and Taxation Code, and Property Tax Rule 137.
4. Authority to prescribe, State Board of Equalization — section 33, article XIII, California Constitution; sections 251(a) and 254.5(g), Revenue and Taxation Code; and sections 15606(c)(d)(e)(f), and (g), Government Code.
5. Procedure, time for annual filing
  - a. File affidavit annually — section 254, Revenue and Taxation Code.
  - b. Time to file, February 15 — sections 254.5 and 255, Revenue and Taxation Code.
  - c. Assessor to review property use, issue finding — section 254.5, Revenue and Taxation Code.
  - d. Board to review organization's qualifications, issue finding — section 254.6, Revenue and Taxation Code.
6. Late filing — section 270, Revenue and Taxation Code.
7. Property acquired after the January 1 lien date; Organizations formed after the January 1 lien date — section 271, Revenue and Taxation Code.
8. Exemption of supplemental assessments, sections 75.21, 75.22, 75.23, and 75.24, Revenue and Taxation Code.
9. Waive exemption — section 6, Article XIII, California Constitution and section 260, Revenue and Taxation Code.
10. Claim form
  - a. Public record — section 408, Revenue and Taxation Code.
  - b. Destroy — section 465, Revenue and Taxation Code.
11. Incorrect exemption — sections 531.1, 254.5(e), 254.5(f), and 254.6, Revenue and Taxation Code.
12. Denial of exemption — Board of Equalization: Organization may file an appeal, section 254.6, subd. (e)(3). Denial of Exemption — Assessor: Property Tax Rule 302(b) — no county assessment appeals board hearing on assessor's denial of exemption.

**EXHIBIT E****Listing of Forms, Welfare Exemption**

Forms Filed with the Board and Assessor and Notification Forms Pertaining to the Religious Aspect of the Exemption

**Claim Forms Filed by Organizations**

The following is a listing of claim forms for use by organizations filing with the Board of Equalization:

- BOE-277, *Claim for Organizational Clearance Certificate – Welfare Exemption*

Claim form filed by a nonprofit organization to request an Organizational Clearance Certificate, which is needed before the assessor can grant a welfare exemption.

- BOE-277-LLC, *Claim for Organizational Clearance Certificate – Welfare Exemption – Limited Liability Company*

Claim form filed by limited liability company to request an Organizational Clearance Certificate, which is needed before the assessor can grant a welfare exemption.

- BOE-278-OCC, *Verification for Continued Eligibility of Organizational Clearance Certificate – Welfare Exemption or Veterans' Organization Exemption*

Claim form filed by nonprofit organization, or limited liability company, upon request of the Board to provide updated information to ensure that the organization continues to meet the qualifications for exemption. (Only organizations that have previously met the organizational requirements of Revenue and taxation Code section 214 and hold a valid Organizational Clearance Certificate must file this form.)

The forms listed above are available on the Board's website ([www.boe.ca.gov](http://www.boe.ca.gov)) and can be accessed by selecting: (1) Property Tax, and (2) the "Claim Forms" bullet under Organizational Clearance Certificate (OCC) – Welfare Exemption.

**Notification Forms Issued by the Board**

The following forms are used by the Board to notify organizations of findings concerning eligibility for exemption:

- BOE-277-F, *Welfare or Veterans' Organization Exemption Organizational Clearance Certificate Finding Sheet*

Board form to notify organization of findings after review of claim for organizational clearance certificate and associated organizational information.

- BOE-277-F1, *Welfare or Veterans' Organization Exemption Organizational Clearance Certificate – Preliminary Notice*

Board form to notify organization as to specific findings of ineligibility and what action the organization may do in response to such findings.

- BOE-277-F2, *Welfare or Veterans' Organization Exemption Organizational Clearance Certificate – Final Notice*

Board form to notify organization of exemption eligibility after review of additional information submitted by organization in response to *Preliminary Notice* (BOE-277-F1), also provides information concerning appeal rights.

- BOE-277-OC, *Organizational Clearance Certificate for Welfare or Veterans' Organization Exemption*

Certificate issued to organizations by the Board if organizational requirements of section 214 are met. Form is submitted by claimants to county assessors with an exemption claim to indicate that the organization meets the qualifications for exemption.

A sample of each of the above listed notification forms are available on the Board's website [www.boe.ca.gov](http://www.boe.ca.gov) and can be accessed by selecting (1) Property Tax, (2) Organizational Clearance Certificate (OCC) – Welfare Exemption.

## EXHIBIT E (continued)

### Claim Forms Filed by Organizations

The following is a listing of claim forms for use by organizations filing with the assessor:

- **BOE-267, *Claim for Welfare Exemption (First Filing)***  
Claim form for initial request for Welfare Exemption for a specific property when the claimant is a new filer in a county or when seeking exemption on a new location in the county.
- **BOE-267-A, *Claim for Welfare Exemption (Annual Filing)***  
Claim form filed to request exemption on an annual basis after initial “been met” finding. May be filed on properties that were granted exemption in the prior year.
- **BOE-267-H, *Welfare Exemption Supplemental Affidavit, Housing – Elderly or Handicapped Families***  
Supplemental affidavit filed annually to certify eligibility for welfare exemption for housing used for elderly or handicapped families under Revenue and Taxation Code section 214(f), to document qualifying households within income limits and residential units eligible for exemption.
- **BOE-267-L, *Welfare Exemption Supplemental Affidavit, Housing – Lower-Income Households***  
Supplemental affidavit filed annually to certify exemption eligibility for property used for low-income housing under Revenue and Taxation Code section 214(g), document qualifying households within income limits and residential unit eligible for exemption.
- **BOE-267-R, *Welfare Exemption Supplemental Affidavit, Rehabilitation – Living Quarters***  
Supplemental affidavit filed annually to certify that the property is used for the claimant’s rehabilitation program for employees or to provide associated living quarters.

A sample of each of the above listed forms is available on the Board’s website ([www.boe.ca.gov](http://www.boe.ca.gov)) and can be accessed by selecting: (1) Property Tax, (2) Organizational Clearance Certificate (OCC) – Welfare Exemption, and (3) [Use Requirements and Exemption Claim Forms](#). Please note that the sample forms are provided solely for informational purposes. Forms for filing purposes *must* be obtained from the assessor in the county in which the property is located (see listing of county assessors on [page 23](#)). Additionally, a listing of county assessors is available on the Board's website ([www.boe.ca.gov](http://www.boe.ca.gov)) and can be accessed by selecting: (1) Property Tax, (2) [Assessors](#).

### Notification Form Issued by Assessors

The following is a form used by assessors to notify a claimant of findings concerning eligibility for exemption:

- **BOE-267-F, *Welfare or Veterans’ Organization Exemption, Assessor’s Finding on Qualification of Property Use***  
Assessors’ form to notify claimant of findings after review of property use only if the property or portion of the property is ineligible for exemption. The form is also used to notify claimants of exemption approval when the claimant is filing for exemption for the first time in a location or in a country.

A sample of the notification form is available on the Board’s website ([www.boe.ca.gov](http://www.boe.ca.gov)) and can be accessed by selecting: (1) Property Tax, (2) Organizational Clearance Certificate (OCC) – Welfare Exemption, and (3) [Denial of Welfare or Veterans’ Organization Exemption](#).

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**EXHIBIT F**

## Listing of Offices of Board of Equalization and County Assessors

### Board Members (updated January 2015)

District	Member	Office Addresses	Telephone
First	Sen. George Runner (RET.)	500 Capitol Mall, Suite 2340 Sacramento, CA 95814	916-445-2181
Second	Fiona Ma, CPA	455 Golden Gate Avenue, Suite 10500 San Francisco, CA 94102	415-557-3000
Third	Jerome E. Horton	1100 Corporate Center Drive, Suite 203 Monterey Park, CA 91754	323-980-1221
Fourth	Diane L. Harkey	16715 Von Karman Avenue, Suite 150 Irvine, CA 92606	949-724-2578
State Controller	Betty T. Yee	300 Capitol Mall, 18th Floor Sacramento, CA 95814	916-445-2636

### Executive Administration

Executive Officer	Office Addresses	Telephone
Executive Director Cynthia Bridges	450 N Street, MIC:73, P.O. Box 942879 Sacramento CA 94279-0073	916-445-1441
Chief Counsel Randy Ferris	450 N Street, MIC:83, P.O. Box 942879 Sacramento CA 94279-0083	916-445-4380
Acting Assistant Chief Counsel Tax and Fee Programs Division Christine Bisauta	450 N Street, MIC:82, P.O. Box 942879 Sacramento CA 94279-0082	916-324-2579
Taxpayers' Rights Advocate Todd Gilman	450 N Street, MIC:70, P.O. Box 942879 Sacramento Ca 94279-0070	916-324-2798

### Property and Special Taxes Department

District	Office Addresses	Telephone
David J. Gau, Deputy Director	450 N Street, MIC:63, P.O. Box 942879 Sacramento CA 94279-0063	916-445-1516
Dean Kinnee, Chief County-Assessed Properties Division	160 Promenade Circle, MIC:64, P.O. Box 942879 Sacramento CA 94279-0064	916-274-3350
Ken Thompson, Chief State-Assessed Properties Division	160 Promenade Circle, MIC:61, P.O. Box 942879 Sacramento CA 94279-0061	916-274-3270

## EXHIBIT F (continued)

## County Assessors

COUNTY	EQUALIZATION DISTRICT	ASSESSOR	ADDRESS	TELEPHONE
1. Alameda	First	Ron Thomsen	1221 Oak Street, Rm. 145 Oakland 94612-4288	510-272-3755
2. Alpine	Second	David S. Peets	P.O. Box 155 Markleeville 96120-0155	530-694-2283
3. Amador	Second	James B. Rooney	810 Court Street Jackson 95642-2132	209-223-6351
4. Butte	Second	Fred Holland	25 County Center Drive, Suite 100 Oroville 95965-3382	530-538-7721
5. Calaveras	Second	Leslie K. Davis	Government Center 891 Mountain Ranch Road San Andreas 95249-9713	209-754-6356
6. Colusa	First	Wayne Zoller	547 Market Street, Suite 101 Colusa 95932-2452	530-458-0450
7. Contra Costa	First	Gus S. Kramer	2530 Arnold Drive, Ste. 400 Martinez 94553-4359	925-313-7500
8. Del Norte	First	Louise Wilson	981 H Street, Ste. 120 Crescent City 95531-3415	707-464-7200
9. El Dorado	Second	Karl Weiland	360 Fair Lane Placerville 95667-4103	530-621-5719
10. Fresno	Second	Paul Dictos	2281 Tulare Street, Rm. 201 P.O. Box 1146 Fresno 93715-1146	559-488-3534
11. Glenn	Second	Sheryl Thor	516 West Sycamore St., 2nd Floor Willows 95988	530-934-6402
12. Humboldt	First	Mari Wilson	825 Fifth Street, Rm. 300 Eureka 95501-1153	707-445-7663
13. Imperial	Third	Roy D. Buckner	940 West Main Street, Ste. 115 El Centro 92243-2874	760-482-4244
14. Inyo	Second	Thomas W. Lanshaw	Courthouse, 168 North Edwards St. P.O. Box J Independence 93526-0609	760-878-0302
15. Kern	Second	James W. Fitch	1115 Truxtun Avenue, 3rd Floor Bakersfield 93301-4617	661-868-3485
16. Kings	Second	Ken Baird	1400 West Lacey Blvd. Hanford 93230-5997	559-582-3211
17. Lake	First	Douglas W. Wacker	255 North Forbes Street Lakeport 95453-4759	707-263-2302
18. Lassen	Second	Kenneth Bunch	220 South Lassen Street, Ste. 4 Susanville 96130-4324	530-251-8241
19. Los Angeles	Second/ Third/Fourth	John R. Noguez	500 W. Temple Street, Rm. 320 Los Angeles 90012-2770	213-974-3211



## EXHIBIT F (continued)

COUNTY	EQUALIZATION DISTRICT	ASSESSOR	ADDRESS	TELEPHONE
20. Madera	Second	Thomas P. Kidwell	200 W. 4th Street Madera 93637-3548	559-675-7710
21. Marin	First	Richard N. Benson	3501 Civic Center Drive, Rm. 208 P.O. Box C San Rafael 94913-3902	415-499-7215
22. Mariposa	Second	Becky Crafts	4982 Tenth Street P.O. Box 35 Mariposa 95338-0035	209-966-2332
23. Mendocino	First	Susan M. Ranochak	501 Low Gap Road, Rm 1020 Ukiah 95482-3738	707-463-4311
24. Merced	Second	Kent B. Christensen	2222 M Street Merced 95340-3780	209-385-7631
25. Modoc	Second	Cheryl Budmark	204 South Court Street, Rm. 106 Alturas 96101-4064	530-233-6218
26. Mono	Second	Jody Henning	Courthouse, Annex II 25 Bryant Street P.O. Box 456 Bridgeport 93517-0456	760-932-5510
27. Monterey	First	Stephen L. Vagnini	168 W. Alisal Street, 1st Floor P.O. Box 570 Salinas 93902-0570	831-755-5035
28. Napa	First	John Tuteur	1127 First Street, Rm. 128 Napa 94559-2931	707-253-4467
29. Nevada	Second	Sue Horne	950 Maidu Avenue Nevada City 95959-8600	530-265-1232
30. Orange	Third	Webster J. Guillory	625 N. Ross St., Rm 142 Santa Ana 92702-0149	714-834-2727
31. Placer	Second	Kirsten Spears	2980 Richardson Drive Auburn 95603-2640	530-889-4300
32. Plumas	Second	Charles W. Leonhardt	1 Crescent Street Quincy 95971-9118	530-283-5274
33. Riverside	Third	Lawrence W. Ward	4080 Lemon Street, 6th Floor P.O. Box 12004 Riverside 92502-2204	951-955-6200
34. Sacramento	Second	Kathleen Kelleher	3701 Power Inn Rd. Ste. 3000 Sacramento 95826-4329	916-875-0760
35. San Benito	First	Tom J. Slavich	440 Fifth Street, Rm. 108 Hollister 95023-3893	831-636-4030
36. San Bernardino	Second/Third	Dennis Draeger	172 West 3rd Street, 5th Floor San Bernardino 92415-0310	909-387-8307
37. San Diego	Third	Ernest J. Dronenburg, Jr.	1600 Pacific Highway, Rm. 110 San Diego 92101-2480	619-531-5507
38. San Francisco	First	Phil Ting	1 Dr. Carlton B. Goodlett Place, Rm. 190 San Francisco 94102-4698	415-554-5596

# Attachment 6

COUNTY	EQUALIZATION DISTRICT	ASSESSOR	ADDRESS	TELEPHONE
39. San Joaquin	Second	Kenneth W. Blakemore	44 N. San Joaquin St., Suite 230 Stockton 95202-3273	209-468-2630
40. San Luis Obispo	First	Tom J. Bordonaro, Jr.	1055 Monterey Street, Ste. D360 San Luis Obispo 93408-2070	805-781-5643
41. San Mateo	First	Mark Church	555 County Center, 3rd Floor Redwood City 94063-1655	650-363-4988
42. Santa Barbara	First/Second	Joseph E. Holland	105 East Anapamu Street Rm. 204 P.O. Box 159 Santa Barbara 93101-0159	805-568-2550
43. Santa Clara	First	Lawrence E. Stone	70 West Hedding Street, E. Wing San Jose 95110-1705	408-299-5500
44. Santa Cruz	First	Sean Saldavia	701 Ocean Street, Rm. 130 Santa Cruz 95060-4007	831-454-2002
45. Shasta	Second	Leslie Morgan (Mrs.)	1450 Court Street, Ste. 208-A Redding 96001-1667	530-225-3600
46. Sierra	Second	Laura Marshall	100 Courthouse Square P.O. Box 8 Downieville 95936-0008	530-289-3283
47. Siskiyou	Second	Mike Mallory	311 Fourth Street, Rm. 108 Yreka 96097-2984	530-842-8036
48. Solano	First	Marc C. Tonnesen	675 Texas Street, Ste. 2700 Fairfield 94533-6338	707-784-6210
49. Sonoma	First	Janice Atkinson	585 Fiscal Drive, Rm. 104F Santa Rosa 95403-2872	707-565-1888
50. Stanislaus	Second	David Cogdill	1010 10th Street, Ste. 2400 Modesto 95354-0847	209-525-6461
51. Sutter	Second	Todd Retzloff	1160 Civic Center Blvd., Ste. D Yuba City 95993-3007	530-822-7160
52. Tehama	Second	Dale Stroud	444 Oak Street, #B P.O. Box 428 Red Bluff 96080-0428	530-527-5931
53. Trinity	First	Dave Hunt	11 Court Street, 1st Fl. P.O. Box 1255 Weaverville 96093-1255	530-623-1257
54. Tulare	Second	Roland Hill	221 S. Mooney Blvd., Rm. 102-E Visalia 93291-4593	559-636-5100
55. Tuolumne	Second	Ken Caetano	2 South Green Street Sonora 95370-4618	209-533-5535
56. Ventura	Second	Dan Goodwin, MAI	800 South Victoria Avenue Ventura 93009-1270	805-654-2181
57. Yolo	First	Joel Butler	625 Court Street, Rm. 104 Woodland 95695-3490	530-666-8135
58. Yuba	Second	Bruce Stottlemeyer	915 8th Street, Ste. 101 Marysville 95901-5273	530-749-7820

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# Property Tax Welfare Exemption

PUBLICATION 149 | MAY 2012

**BOARD MEMBERS** (Names updated 2015)

SEN. GEORGE RUNNER (RET.)  
First District  
Lancaster

FIONA MA, CPA  
Second District  
San Francisco

JEROME E. HORTON  
Third District  
Los Angeles County

DIANE L. HARKEY  
Fourth District  
Orange County

BETTY T. YEE  
State Controller

CYNTHIA BRIDGES  
Executive Director

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Comptroller's Public  
Information Department (CIP)

# Attachment 6

To contact your Board Member, see [www.boe.ca.gov/members/board.htm](http://www.boe.ca.gov/members/board.htm)

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## INTRODUCTION

### What is the Welfare Exemption?

The California Legislature has the authority to exempt property (1) used exclusively for religious, hospital, or charitable purposes, and (2) owned or held in trust by nonprofit organizations operating for those purposes. This exemption is known as the **Welfare Exemption** and was first adopted by voters as a constitutional amendment on November 7, 1944. When the Legislature enacted section 214 of the Revenue and Taxation Code to implement the Constitutional provision, a fourth purpose—scientific—was added to the three mentioned in the Constitution.

The following information is intended as a guide for organizations that wish to file for a property tax exemption through the Welfare Exemption. The main purpose of this material is to provide basic information on the Welfare Exemption.

This information was prepared by the State Board of Equalization (BOE), which oversees the administration of California's property tax system. If, after reviewing this information, you have questions regarding:

- the eligibility requirements of an organization, or
- how to obtain an *Organizational Clearance Certificate*,

you may contact the BOE, County-Assessed Properties Division, P. O. Box 942879, MIC:64, Sacramento, CA 94279-0064, or telephone 916-274-3430.

If you have questions regarding:

- how to file a claim for the Welfare Exemption, or
- whether a particular use for a property would qualify for the exemption,

please contact the county assessor's office where the property is located.

A listing of county assessors is located on the BOE's website at [www.boe.ca.gov](http://www.boe.ca.gov). You may access the listing of county assessors by entering the term "assessor" in the search field at the top of the BOE homepage and then use the search function. The search results will give you a list of county assessors with links to assessor websites.

### BOE Website

Many of the claim forms and documents discussed in this publication are located on the BOE website at [www.boe.ca.gov](http://www.boe.ca.gov). You may access the Welfare Exemption information on the website by entering the term "Welfare & Veterans' Organization Exemptions" in the search field at the top of the BOE homepage then use the search function. The search results will give you a list of links to all the pertinent information on the BOE website.

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## PROPERTY ELIGIBLE FOR THE WELFARE EXEMPTION

### Who can qualify for the Welfare Exemption?

In general, the Welfare Exemption from local property taxes is available for property of organizations:

- Formed and operated exclusively for qualifying purposes (religious, scientific, hospital, or charitable),
- That use their property exclusively for those qualifying purposes, and
- That have a current tax exempt letter from the Internal Revenue Service or the Franchise Tax Board.

The above requirements, along with others, must be met for the exemption to be granted. The nonprofit organization must be a community chest, fund, foundation, corporation, or eligible limited liability company.

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## ADMINISTRATION OF THE WELFARE EXEMPTION

### Who administers the Welfare Exemption?

The Welfare Exemption is unique in that it is co-administered by the county assessors and the BOE. The BOE determines whether the *organization* itself is eligible for the exemption (that is, is the organization organized and operated exclusively for one or more of the qualifying purposes—religious, scientific, hospital, or charitable?). The county assessor determines whether an organization’s specific property *qualifies* for the exemption based on the property’s use (that is, is the property used exclusively for religious, scientific, hospital, or charitable purposes?).

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## QUALIFYING PURPOSES

California property tax law has its own requirements that may differ from other state and federal laws. One of these differences affects organizations applying for the Welfare Exemption. California property tax law requires that, in order to qualify for the Welfare Exemption, the organization must be organized *and* operated exclusively for one or more of the following purposes:

- Charitable
- Hospital
- Religious
- Scientific

California law further requires the organization's start-up (formation) documents to contain a statement that the organization's property is irrevocably dedicated to one or more of the above qualifying purposes, and that in the event the organization stops operating, that the assets will be transferred to another fund, foundation, or corporation organized and operated for similar purposes (see [Exhibit C](#), Irrevocable Dedication and Dissolution Clauses).

### My organization has a 501(c)(3) tax exemption letter from the IRS. Is the organization automatically exempt from property taxes?

Since tax-exempt status under the Internal Revenue Code includes organizations operated for a wider scope of purpose than what is allowed under California tax laws, not every organization with a 501(c)(3) Internal Revenue Code exemption will qualify for the Welfare Exemption. For example, nonprofit organizations exempt under 501(c)(3) include organizations operated for literary purposes and public purposes. These are examples of organizations that would not qualify for the Welfare Exemption.

Under the Welfare Exemption, an organization's *primary* operating purpose must be religious, hospital, scientific, or charitable. A qualifying organization's property may be exempted fully or partially from property taxes, depending on how much of the property is used for a qualifying purpose and activity.

### Charitable Purpose

#### What is meant by "charitable" purpose?

The term charitable includes all kinds of humanitarian activities for the care of the physical and mental well-being of the recipients. An organization's activities are charitable, and may qualify for the Welfare Exemption, when they benefit the community as a whole or an unspecified portion of the community. The term charitable is not confined to the relief of poverty.

Chambers of commerce or other business leagues, literary societies, scientific societies, college fraternities or sororities, lodges, or mutual benefit societies generally do not qualify for the Welfare Exemption. Such groups, although formed as nonprofit corporations exempt from state and federal income tax, are usually not organized and operated exclusively for charitable purposes, nor are their properties used exclusively for charitable activities.

The courts have broadly defined *charitable* to include some educational purposes and activities. However, not every educational purpose and activity is exempt. Charitable purposes include certain educational purposes and activities subject to the following requirements:

- The educational purposes and activities must benefit the community as a whole or an unspecified portion of the community.
- The educational activities include the study of relevant information and the distribution of that information to the general public.

## My organization is a nonprofit trade school. Is it eligible for the Welfare Exemption?

The courts have determined that the following are examples of educational activities that do not qualify for exemption because the activities do not provide a benefit to the community as a whole:

- An accredited junior college with a one-year course for morticians and funeral directors because it benefited only the funeral service industry by providing trained personnel.
- A construction industry vocational training school operated under a trust created by a labor union and construction industry employers because the school gave priority in admission to union members and to persons recommended by the employers, and sought to obtain jobs for graduates exclusively with the employers.

## Hospital Purpose

### What is meant by “hospital” purpose?

*Hospital*, as it is used for the Welfare Exemption, has been defined by the California Supreme Court in the following manner:

A hospital is primarily a service organization. It serves three groups: the patients, its doctors, and the public. It furnishes a place where the patient, whether poor or rich, can be treated under ideal conditions. It makes available room, special diet, X-ray, laboratory, surgery, and a multitude of other services and equipment now available through the advances of medical science. Essential to the administration of these techniques is the corps of highly trained nurses and student nurses who is on duty twenty-four hours per day. In the large hospitals there are the interns and residents whose presences make it possible for the hospital to do a better job. In addition, the hospital . . . must have administration to see that its services function properly and are coordinated, and that patients are received and cared for regardless of the hour or the patient’s condition. Nothing can be left to chance because a slip may mean a life or many lives. These facilities also stand ready to serve the community in times of epidemic or disaster.

Property may also be considered exclusively used for hospital purposes if it is owned and operated by a qualifying nonprofit organization and if it is exclusively used to provide support services for the hospital. Some examples of support services to hospitals include purchasing, food services, laundry, collections, or waste disposal.

## Religious Purpose

### What is meant by “religious” purpose?

The content of a religious belief is not a matter of governmental concern and should not be subject to an inquiry concerning its validity. The courts have defined *religion* as:

- A belief, not necessarily referring to supernatural powers,
- A cult involving a gregarious association openly expressing the belief,
- A system of moral practice directly resulting from adherence to the belief, and
- An organization within the cult designed to observe the tenets of the belief.

Three exemptions—Welfare Exemption, Church Exemption, and Religious Exemption—provide a means of exempting property from taxation for property used for religious purposes.

## My organization is a church. Do we need to file for the Welfare Exemption?

Most religious organizations qualify their property for exemption under the *Church Exemption*. The Church Exemption is limited to religious organizations using the property for worship only. *Worship* has been defined by the courts as the formal observance of religious tenets or beliefs. This limits activities eligible for the Church Exemption to traditional ceremonial functions.

Churches that use their properties for religious worship and operating schools of less than collegiate grade may be eligible for a full or partial *Religious Exemption*. The school must be owned and operated by the church. Churches

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that lease property to schools that are operated on their properties must file for the Welfare Exemption for those portions of the properties used by the schools. In addition, the school must also file for the Welfare Exemption as the operator of the property.

The Welfare Exemption must be claimed for uses of the property beyond the scope of religious worship and schools, or if the property also is used regularly by a charitable organization.

An advantage of the Church Exemption is that it is the sole exemption available to leased property. The Welfare Exemption covers the greatest number of uses. The Religious Exemption is generally more desirable for church-owned property because of its one-time filing provision. (See also BOE [publication 48](#), *Property Tax Exemptions for Religious Organizations*.)

## Scientific Purpose

### *What is meant by "scientific" purpose?*

In addition to complying with the general requirements for the exemption of charitable organizations, a scientific foundation or institution claiming exemption for its real and personal property used for scientific purposes must meet the following requirements to qualify for exemption (if the property is used for medical research, the following two requirements do not apply):

1. The scientific foundation or institution must be chartered by the U.S. Congress; and
2. The objectives of the scientific foundation or institution must be to encourage or conduct scientific investigation, research and discovery for the benefit of the community at large.

Additionally, the exemption for the scientific organization's real property (land, buildings, and fixtures) used for scientific purposes is exempt only if it is also used for religious, hospital, or charitable purposes. The California Constitution gives the power to the Legislature to exempt, in whole or in part, tangible personal property. However, only the Constitution can exempt real property (land, buildings, and fixtures). Since the Constitution only exempts real property used for religious, hospital, or charitable purposes, a scientific organization can only have its real property exempt from property taxation if the real property is also used for a religious, hospital, or charitable purpose.

Personal property used for scientific purposes does not need to qualify under religious, hospital, or charitable purposes. It is sufficient that personal property is used exclusively for scientific purposes.

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## GENERAL FILING REQUIREMENTS

Claims for the Welfare Exemption must be filed annually with the county assessor in the county in which the organization's property is located or being used. The claim form and any required supplemental affidavits may be obtained from the county assessor's office. The county assessor determines whether the property qualifies for the Welfare Exemption based on "how the property is used." However, the county assessor may not grant the exemption unless the organization already has a valid *Organizational Clearance Certificate* issued by the BOE (see the following section). In the case of some low-income housing property, the organization must also have a *Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property—Welfare Exemption*.<sup>1</sup>

**Therefore, an organization seeking exemption for the first time must:**

- File a claim for an *Organizational Clearance Certificate* and, where applicable, a *Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property—Welfare Exemption*, with the BOE; and
- File a claim for the Welfare Exemption with the county assessor in the county where the property is located or used. The local assessor's office will provide the forms to file for the Welfare Exemption.

<sup>1</sup> Please note the form title of BOE-277-SCC was changed in 2006 following the effective date of low-income housing rules pertaining to the Welfare Exemption. Thus, SCCs issued prior to September 2006 were titled Supplemental Clearance Certificate for Managing General Partner. These certificates remain valid; BOE is not issuing new certificates to organizations to replace SCC's that were issued prior to September 2006.

## ORGANIZATIONAL CLEARANCE CERTIFICATE

### General Information

BOE staff reviews claims for organizational clearance certificates to determine if the organization is *organized and operated* exclusively for one or more qualifying purposes, and otherwise meets the requirements of Revenue and Taxation Code section 214.

### Where can I get a claim form for an Organizational Clearance Certificate?

To request an *Organizational Clearance Certificate*, an organization must file claim form [BOE-277](#), *Claim for Organizational Clearance Certificate–Welfare Exemption*. The form is available on the BOE website. You may also request a claim form by calling the BOE Exemptions Section at 916-274-3430.

### How do I know if my organization is eligible for the Organizational Clearance Certificate?

To qualify for an *Organizational Clearance Certificate*:

1. The claimant must be a nonprofit organization or eligible limited liability company.
2. The organization must have a valid tax exemption letter either from the Internal Revenue Service or Franchise Tax Board, stating that the organization is exempt under their respective provisions of law during the years for which an Organizational Clearance Certificate is sought (Internal Revenue Code section 501(c)(3), Revenue and Taxation Code section 23701d). If the organization is a limited liability company and does not have a valid tax exemption letter, the LLC may meet this requirement if its member(s) hold a valid tax exemption letter.
3. The organization's start-up (formation) documents (for example, the articles of incorporation) must include both an acceptable statement of irrevocable dedication and a dissolution clause. The statement of irrevocable dedication is to expressly state that the property is irrevocably dedicated to religious, charitable, scientific, or hospital purposes. The dissolution clause must state that upon liquidation, dissolution, or abandonment by the owner, the organization's assets will be distributed to a fund, foundation, or corporation exclusively organized and operated for religious, hospital, scientific, or charitable purposes. (See [Exhibit C](#), Irrevocable Dedication and Dissolution Clauses.)
4. The operations of the organization may not directly or indirectly materially enhance the private gain of any individuals.
5. The organization must be exclusively organized and operated for one or more of the qualifying purposes—religious, hospital, scientific, or charitable.

Upon the BOE's determination that an organization qualifies, the BOE will issue an *Organizational Clearance Certificate* (Form [BOE-277-OC](#)) that will remain valid until the BOE determines that the organization no longer meets the requirements. The BOE maintains a list of organizations with a valid *Organizational Clearance Certificate*. This list is posted on the [BOE website](#).

### Filing Requirements for Claim Form [BOE-277](#)

A claim for an *Organizational Clearance Certificate* may be filed at any time during the year. The organization should complete all parts of the form in sufficient detail to allow the BOE staff to make an informed review of the organization's structure and purpose. The organization must indicate the first fiscal year in which the organization is seeking exemption (a fiscal year is from July 1 to June 30). The organization must submit all information requested on the form.

## Do I need to submit any documents with the claim for an Organizational Clearance Certificate?

The claim must be accompanied by the following documents:

- Organizational documents: An organization must attach a copy of the Articles of Incorporation certified by the Secretary of State (and any amendments to the original Articles), or comparable documents for unincorporated organizations. BOE staff will review the organization's start-up (formative) documents to verify that the documents include both an acceptable statement of irrevocable dedication and a dissolution clause.
- Tax exemption letter: An organization must include a copy of a valid federal or state tax exemption letter. The tax exemption letter may be either from the Internal Revenue Service or Franchise Tax Board, stating that the organization is exempt under their respective provisions of law during the years for which an Organizational Clearance Certificate is sought (Internal Revenue Code section 501(c)(3), Revenue and Taxation Code section 23701d).
- Financial statements: An organization must include a certified copy of its financial statements (balance sheet and income statement). The financial statements must be for the period immediately preceding the lien date (January 1) for the claim. For example, if the organization is requesting an *Organizational Clearance Certificate* on April 15, 2012, to be used for filing a Welfare Exemption claim for the 2012-2013 fiscal year (July 1, 2012, to June 30, 2013), the financial statements must represent the accounting period ending closest in time to January 1, 2012.
- Description of activities: An organization must provide detailed information about the activities conducted by the organization. Brochures, pamphlets, the organization's website address, and copies of newspaper articles are examples of documents that provide information that aids the BOE staff in determining whether the organization is exclusively organized and operated for one or more of the qualifying purposes for the Welfare Exemption.

If a claim is submitted that is incomplete (claim submitted without organizational documents, tax exemption letter, financial statements, or documents identifying the activities of the organization), the review time of the claim is extended because BOE staff cannot issue a final determination until all documents are received.

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## SUPPLEMENTAL CLEARANCE CERTIFICATE (LOW-INCOME HOUSING)

### General Information

***Our nonprofit organization is the managing general partner of a limited partnership that owns and operates low-income housing property. What claim form do we need to file?***

In addition to filing a claim for an Organizational Clearance Certificate, nonprofit corporations or eligible limited liability companies functioning as the managing general partner of limited partnerships that own and operate low-income housing, are also required to file a claim for a Supplemental Clearance Certificate (Form [BOE-277-L1](#), *Claim for Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property—Welfare Exemption*). The form is available on the BOE website. You may also request a claim form by calling the BOE Exemptions Section at 916-274-3430.

### Filing Requirements for Claim Form [BOE-277-L1](#)

***Do we need to submit any documents with the claim for Supplemental Clearance Certificate?***

A claim for *Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property—Welfare Exemption* may be filed at any time during the year. The claim form must indicate the first fiscal year (July 1 through June 30) in which the claimant is seeking exemption for the low-income housing property. A claim must be filed for each low-income property owned and operated by a limited partnership (with an eligible managing general partner) for which exemption is claimed.

The claim form requires a nonprofit corporation or eligible limited liability company and all general partners of the limited partnership to certify that its limited partnership agreement provides sufficient management authority and duties to qualify the nonprofit corporation or eligible limited liability company as the managing general partner of the limited partnership. The initial claim for a supplemental clearance certificate must be accompanied by the following documents:

- A copy of a recorded deed restriction or a copy of a regulatory agreement issued by a public agency, that provides verification that the property receives either government financing or federal tax credits, and restricts the property use to low-income housing, as required by section 214(g)(1)(A) and 214(g)(1)(B);
- A copy of the grant deed, or documents evidencing the limited partnership's ownership of the improvements if the land is not owned by the limited partnership; and
- A copy 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*, for each amendment.

Upon the BOE's determination that an organization qualifies, the BOE will issue a *Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property—Welfare Exemption* (Form [BOE-277-SCC](#)) that will remain valid until the BOE determines that the organization no longer meets the requirements. The BOE maintains a list of organizations with a valid *Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property—Welfare Exemption*. This list is posted on the [BOE website](#) and is updated on a quarterly basis.

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## WELFARE EXEMPTION CLAIMS

### General Filing Requirements

The [county assessor](#) is responsible for reviewing claims for the Welfare Exemption to determine whether the property of an organization qualifies for exemption based on its use (that is, is the property used exclusively for religious, hospital, scientific, or charitable purposes by an organization that has already received an *Organizational Clearance Certificate* from the BOE?).

#### *Where can we get a claim for a Welfare Exemption?*

Welfare exemption claim forms, also known as affidavits, are available from the county assessor of the county where the property is located or being used. Claims may be made on the following forms:

- BOE-267, *Claim for Welfare Exemption (First Filing)*, if the claimant is a new filer in a county or is seeking exemption on a new location in the county.
- BOE-267-A, *Claim for Welfare Exemption (Annual Filing)*, if the claimant is requesting exemption on an annual basis after initial exemption was granted for that property location.

The organization must complete the exemption claim form and return it to the county assessor on or before February 15 of each year to be eligible for the 100 percent exemption. If February 15 falls on a weekend or holiday, the deadline is extended to 5:00 p.m. on the next business day. A partial exemption may be allowed on a claim that is filed after the February 15 deadline (see following section).<sup>1</sup>

The exemption claim is a public record, and is subject to public review Public Records Act (Government Code section 6250 et. seq.); Revenue and Taxation Code section 408.2).

To qualify for the Welfare Exemption:

- The organization must have recorded its ownership interest in the real property in the recorder's office of the county where the property is located, if the claimant is seeking exemption on real property.
- The property must be used for an eligible activity and not for profit-making purposes.
- The organization must have a valid *Organizational Clearance Certificate* issued by the BOE.

### Late-Filing Provisions

#### *What if we file the Welfare Exemption claim form after February 15?*

When a claim is not filed on or before February 15:

1. 90 percent of any tax, penalty, or interest may be canceled or refunded if the claim is filed on or before January 1 of the next calendar year.
2. 85 percent of any tax, penalty, or interest may be canceled or refunded if the claim is filed after January 1 of the next calendar year.

For example, if a claim is filed with the county assessor between February 16 of the current calendar year and January 1 of the following calendar year, 90 percent of any tax, penalty, or interest may be canceled or refunded. If a claim is filed with the county assessor after January 1 of the next calendar year, 85 percent of any tax, penalty, or interest may be canceled or refunded. If a claim is not filed timely, the combined tax, penalty, and interest may not exceed \$250.

<sup>1</sup> Please contact the county assessor for filing deadlines to request exemption on property acquired after the lien date.

## Supplemental Affidavits

Some property uses require supplemental affidavits. The supplemental affidavits must be submitted, for the following properties, with both the first-time filing claim form and the annual claim forms.

**1. Thrift stores** in conjunction with rehabilitation and associated housing.

Form BOE-267-R, *Welfare Exemption Supplemental Affidavit, Rehabilitation-Living Quarters*. The “Rehabilitation” section of this supplemental affidavit requests detailed information about the claimant’s rehabilitation program and activities, number of persons in the program, length of their employment, hours worked, and salaries. If persons in a rehabilitation program reside on the property, the “Housing-Living Quarters” section of the form must be completed, with the number of persons residing on the property, length of stay, employment, fees paid for room and board, number of staff residing on the premises, and details concerning compensation.

**2. Housing for low-income households** owned and operated by a qualifying nonprofit organization.

Form BOE-267-L, *Welfare Exemption Supplemental Affidavit, Housing-Lower Income Households*. The eligibility is based on family household income. The supplemental affidavit requires the claimant to certify that:

- The property use is restricted to low-income housing by a regulatory agreement, recorded deed restriction, or other legal document;
- 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
- The property receives either state or federal low-income housing tax credits or government financing, or 90 percent or more of the tenants are qualified low-income tenants within the prescribed rent levels.

The supplemental affidavit also requests specific documentation of qualifying low-income tenants, number of persons in the household, their household incomes, identification of dwelling units used for qualifying tenants, and the total number of qualifying households.

**3. Housing for low or moderate income elderly or handicapped persons.**

Form BOE-267-H, *Welfare Exemption Supplemental Affidavit, Housing Elderly or Handicapped Families*. The eligibility is based on family household income. The supplemental affidavit requests specific documentation of qualifying elderly or handicapped tenants, number of persons in the household, their household incomes, identification of dwelling units used for qualifying tenants, and the total number of qualifying households.

**4. Housing for low-income households** owned by a limited partnership with a nonprofit corporation or eligible limited liability company as managing general partner.

Form BOE-267-L1, *Welfare Exemption Supplemental Affidavit, Low-Income Housing Property of Limited Partnership*. The eligibility is based on family household income. The supplemental affidavit requires the claimant to certify that:

- The property use is restricted to low-income housing by a regulatory agreement or recorded deed restriction;
- 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;
- The property receives either state or federal low-income housing tax credits or government financing; and
- The limited partnership agreement provides the claimant with sufficient management authority and duties in the partnership operations to qualify the property for exemption.

(A copy of the supplemental clearance certificate must be submitted with this supplemental affidavit when filing for the first time on a specific property.)

Similar to exemption claim forms, the supplemental affidavits must be obtained from the county assessor’s office of the county in which the property is located.

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## EXHIBIT A: FORMS FILED WITH BOE, BOE NOTIFICATION FORMS, AND CERTIFICATES ISSUED

A sample of each of the forms listed below is available on the BOE website.

### Claim Forms Filed by Organizations

The following is a listing of claim forms for use by organizations filing with the BOE. Claim form [BOE-277](#), [BOE-277-LLC](#), and [BOE-277-L1](#) may be printed from the BOE website. ([www.boe.ca.gov](http://www.boe.ca.gov))

- **BOE-277, Claim for Organizational Clearance Certificate – Welfare Exemption**  
Claim form filed by a nonprofit organization to request an Organizational Clearance Certificate, which is needed before the assessor can grant a welfare exemption.
- **BOE-277-LLC, Claim for Organizational Clearance Certificate – Welfare Exemption – Limited Liability Company**  
Claim form filed by limited liability company to request an Organizational Clearance Certificate, which is required for assessor to grant the welfare exemption.
- **BOE-277-L1, Claim for Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property – Welfare Exemption.**  
This supplemental claim form must be filed for each low-income housing property owned and operated by a limited partnership (with an eligible managing general partner) for which the exemption is claimed.
- **BOE-278-OCC, Verification for Continued Eligibility of Organizational Clearance Certificate – Welfare or Veterans' Organization Exemption**  
Claim form filed by nonprofit organizations to provide updated information to ensure that the organization continues to meet the qualifications for exemption. (Only organizations that have previously met the organizational requirements of section 214 and hold a valid Organizational Clearance Certificate must file this form upon request by the BOE.)
- **BOE-278-SCC, Verification for Continued Eligibility of Supplemental Clearance Certificate**  
Claim form filed by organizations to provide updated information to ensure that the organization continues to meet the qualification for exemption. (Only organizations that have previously met the organizational requirements of section 214(g), and Property Tax Rules 140, 140.1, and 140.2 and hold a valid Supplemental Clearance Certificate must file this form upon request by the BOE.)

### Notification Forms Issued by the BOE

The following is a listing of forms used by the BOE to notify organizations of findings:

#### Forms applicable to all organizations

- **BOE-277-F, Welfare or Veterans' Organization Exemption Organizational Clearance Certificate Finding Sheet**  
BOE form to notify an organization of findings after review of organizational information.
- **BOE-277-F1, Welfare or Veterans' Organization Exemption Organizational Clearance Certificate – Preliminary Notice**  
BOE form to notify an organization as to specific findings of ineligibility and what action the organization may do in response to those findings.
- **BOE-277-F2, Welfare or Veterans' Organization Exemption Organizational Clearance Certificate – Final Notice**  
BOE form to notify an organization as to findings resulting from BOE staff's review of additional information submitted by an organization in response to Preliminary Notice (BOE-277-F1), also provides information in regard to appeal rights.

## **Forms applicable to low-income housing property involving limited partnerships**

- **BOE-277-SF, Supplemental Clearance Certificate Finding Sheet for Limited Partnership Low-Income Housing Property Welfare Exemption**  
BOE form used to notify a limited partnership of findings after review of organizational information specific to a low-income housing property.
- **BOE-277-SF-1, Supplemental Clearance Certificate – Preliminary Notice for Limited Partnership Low-Income Housing Property Welfare Exemption**  
BOE form used to notify a limited partnership as to specific findings of ineligibility and what action the organization may do in response to findings specific to a low-income housing property.
- **BOE-277-SF-2, Supplemental Clearance Certificate – Final Notice for Limited Partnership Low-Income Housing Property Welfare Exemption**  
BOE form used to notify a limited partnership as to the finding's resulting from BOE staff's review of additional information received by organization in response to Preliminary Notice (BOE-277-SF-1), also provides information in regard to appeal rights.

## **Certificates Issued**

- **BOE-277-OC, Organizational Clearance Certificate for Welfare or Veterans' Organization Exemption**  
Certificate issued to a nonprofit organization or limited liability company by the BOE if BOE staff determines that organizational requirements of section 214 are met.
- **BOE-277-SCC, Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property – Welfare Exemption**  
Certificate issued to a limited partnership by the BOE for low-income housing property owned and operated by the limited partnership, with an eligible managing general partner, if BOE staff determines that organizational requirements of section 214(g) and Rules 140, 140.1 and 140.2 are met for a specific low-income housing property.

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## EXHIBIT B: FORMS FILED WITH COUNTY ASSESSOR AND ASSESSOR NOTIFICATION FORM

### Claim Forms Filed by Organizations

The following is a listing of claim forms for use by organizations filing with the county assessor:

- **BOE-267, Claim for Welfare Exemption (First Filing)**  
Claim form for initial request for Welfare Exemption for a specific property when the claimant is a new filer in a county or when seeking exemption on a new location in the county.
- **BOE-267-A, Claim for Welfare Exemption (Annual Filing)**  
Claim form filed to request exemption on an annual basis after initial “been met” finding. May be filed on properties that were granted exemption in the prior year.
- **BOE-267-FIR, Welfare Exemption Assessor’s Field Inspection Report**  
Form completed by county assessor’s staff to document the claimant’s property use observed during the field inspection.
- **BOE-267-H, Welfare Exemption Supplemental Affidavit, Housing – Elderly or Handicapped Families**  
Supplemental affidavit filed annually to certify eligibility for welfare exemption for housing used for elderly or handicapped families under Revenue and Taxation Code section 214(f), documents qualifying households within income limits and residential units eligible for exemption.
- **BOE-267-L, Welfare Exemption Supplemental Affidavit, Housing – Lower-Income Households**  
Supplemental affidavit filed annually by nonprofit organization to certify exemption eligibility for property used for low-income housing under Revenue and Taxation Code section 214(g), documents qualifying households within income limits and residential units eligible for exemption.
- **BOE-267-L1, Welfare Exemption Supplemental Affidavit, Low-Income Housing Property of Limited Partnership**  
Supplemental affidavit filed annually by limited partnership to certify eligibility for welfare exemption for low-income housing owned and operated by a limited partnership with an eligible managing general partner.
- **BOE-267-R, Welfare Exemption Supplemental Affidavit, Rehabilitation – Living Quarters**  
Supplemental affidavit filed annually to certify that the property is used for the claimant’s rehabilitation program for employees and/or to provide associated living quarters.

### Notification Form Issued by County Assessors

The following is a form used by the county assessor to notify the claimant of findings concerning eligibility for exemption:

- **BOE-267-F, Welfare or Veterans’ Organization Exemption, Assessor’s Finding on Qualification of Property Use**  
County assessors’ form to notify claimant of findings after review of property use only if the property or portion of the property is ineligible for exemption.

These forms are available at the county assessor’s office where the property is located or used.

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## EXHIBIT C: IRREVOCABLE DEDICATION AND DISSOLUTION CLAUSES

To be eligible for the welfare exemption, Revenue and Taxation Code section 214(a)(6) requires both that (1) property is irrevocably dedicated to religious, hospital, scientific, or charitable purposes, and (2) upon liquidation, dissolution or abandonment by the owner, property will not inure to the benefit of any private person except a nonprofit fund, foundation, or corporation organized and operated for religious, hospital, scientific, or charitable purposes. The organization's organizational document<sup>2</sup> must contain such statements in order to qualify for the welfare exemption. Section 214(j) provides that charitable purposes can include some educational purposes. (See discussion in [Assessors' Handbook Section 267, Welfare, Church, and Religious Exemptions](#) and [Property Tax Rule 143, Requirements for Irrevocable Dedication Clause and Dissolution Clause for Organizational Clearance Certificate for Welfare Exemption](#), for discussion of such purposes.)

### *Irrevocable Dedication Clause*

Property is deemed to be irrevocably dedicated exclusively to one or more qualifying purposes provided that a qualifying organization's organizational document contains a statement that irrevocably dedicates its property exclusively to one or more qualifying purposes of section 214 (qualifying purposes being religious, hospital, scientific, or charitable).

The following examples illustrate acceptable irrevocable dedication clauses:

#### **Example 1.**

The property owned by this organization is irrevocably dedicated to charitable purposes.

#### **Example 2.**

The property owned by this corporation is irrevocably dedicated to charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.

#### **Example 3.**

The property owned by this organization is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or the benefit of any private person.

#### **Example 4.**

The property of this organization is irrevocably dedicated to religious purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or the benefit of any private person.

### *Dissolution Clause*

The dissolution clause must specifically state that the organization's property will be distributed to another qualifying organization upon its liquidation, dissolution, or abandonment. The dissolution clause must specify that the qualifying organization is organized and operated for one or more qualifying purposes of Revenue and Taxation Code section 214 (qualifying purposes being religious, hospital, scientific, or charitable). Distribution to a government entity is acceptable because it is not a private person.

<sup>2</sup>"Organizational document" means the articles of incorporation of a corporation, or the articles of organization of a limited liability company, or the bylaws, articles of association, constitution or regulations of a community chest, fund, or foundation, or corporation chartered by an act of Congress. Please note that the copies of articles of incorporation and amendments must bear the endorsement of the California Secretary of State as proof of certification, or if the corporation is incorporated outside of California, certification by the appropriate state officer.

The following examples illustrate acceptable dissolution clauses:

## Example 1.

Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under section 501(c)(3) of the Internal Revenue Code.

## Example 2.

Upon the dissolution or winding up of the organization, its assets remaining after payment or provision of payment of all debts and liabilities of this organization, shall be distributed to a nonprofit organization which is organized and operated exclusively for charitable purposes.

## Example 3.

Upon the liquidation, dissolution or abandonment of this organization, its assets remaining after payment or provision of payment of all debts and liabilities of this organization, shall be distributed to a nonprofit organization organized and operated for religious purposes.

## Example 4.

Upon the liquidation, dissolution or abandonment of this organization, its assets, remaining after payment or provision of payment of all debts and liabilities of this organization, shall be distributed to an organization organized and operated for charitable and hospital purposes meeting the requirements of Revenue and Taxation Code section 214.

### *Use of Educational in Irrevocable Dedication and Dissolution Clauses*

Revenue and Taxation Code section 214(j) provides that for purposes of the welfare exemption charitable purposes include educational purposes and "educational purposes" means those educational purposes and activities for the benefit of the community as a whole or an unascertainable and indefinite portion thereof, and do not include those educational purposes and activities that are primarily for the benefit of the organization's shareholders. Section 214(j) further provides that educational activities include the study of relevant information, the dissemination of that information to the interested members of the general public, and the participation of interested members of the general public.

Given the provision of section 214(j), it is acceptable to include educational purposes in a statement of irrevocable dedication or dissolution in an organization's organizational document so long as such purposes are charitable. If educational purposes are used it should either be used in conjunction with charitable purposes and specify that it meets the requirements of section 214, or specify that it meets the requirements of section 214(j). Also, the statement may include other qualifying purposes of section 214.

**Acceptable Dedication Example:** *The property owned by this organization is irrevocably dedicated to charitable and educational purposes meeting the requirements of Revenue and Taxation Code section 214.*

**Acceptable Dissolution Example:** *Upon the liquidation, dissolution, or abandonment of this organization, its assets, remaining after payment or provision of payment of all debts and liabilities of this organization, shall be distributed to a nonprofit corporation organized and operated exclusively for charitable and educational purposes meeting the requirements of Revenue and Taxation Code section 214.*

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## FOR MORE INFORMATION

## Publications and Forms

The BOE publishes a variety of publications that may be of assistance to you, including:

- 29 *California Property Tax; An Overview*
- 48 *Property Tax Exemptions for Religious Organizations*
- 51 *Board of Equalization Resource Guide to Free Tax Products and Services* (includes a full publications list)
- 70 *Understanding Your Rights as a California Taxpayer*

All of these publications are available on the Internet at [www.boe.ca.gov](http://www.boe.ca.gov).

In addition to copies of selected publications, the BOE website also includes order forms for publications, Board meeting dates, county assessors' information, and other information about the BOE and the programs it administers.

## Property Tax Rules

Property tax rules are adopted by the BOE to allow us to interpret and apply Revenue and Taxation Code statutes that have been implemented by the Legislature. Each of these rules are available on our website at [www.boe.ca.gov](http://www.boe.ca.gov). Just type "Rule XXX" (insert the rule number you are looking for) in the search field, and it will lead you to the appropriate link. Here are the rules that apply to the welfare exemption:

- 136 *Limited Liability Companies as Qualifying Organizations for the Welfare Exemption.*  
Rule 136 specifies the requirements that a limited liability company must meet to qualify for the welfare exemption.
- 137 *Application of the Welfare Exemption to Property Used for Housing.*  
Rule 137 clarifies that the welfare exemption from property taxation applies to housing and related facilities owned and operated by qualified nonprofit organizations.
- 140 *Welfare Exemption Requirements for Low-Income Housing Properties.*  
Rule 140 defines and makes specific the terms "regulatory agreement," "recorded deed restriction," "low-income tax housing credits," "government financing," "lower income households," and "other legal document."
- 140.1 *Requirements for Managing General Partner of Limited Partnership for Welfare Exemption for Low-Income Housing Properties.*  
Rule 140.1 defines the term "managing general partner" of a limited partnership, and specifies the requirements the managing general partner must meet in order for the low-income housing property, owned and operated by the limited partnership, to qualify for the welfare exemption.
- 140.2 *Requirements for Supplemental Clearance Certificate for Limited Partnership for Welfare Exemption for Low-Income Housing Properties.*  
Rule 140.2 clarifies how it is determined that the limited partnership, in which the managing general partner is a qualifying nonprofit organization or eligible limited liability company, meets all the requirements of Revenue and Taxation Code section 214, subdivision (g), by requiring a supplemental clearance certificate, and sets forth the requirements for that certificate.
- 143 *Requirements for Irrevocable Dedication Clause and Dissolution Clause for Organizational Clearance Certificate for Welfare Exemption.*  
Rule 143 clarifies the irrevocable dedication clause and dissolution clause required to be in the organizational documents in order to qualify for the welfare exemption under Revenue and Taxation Code section 214.



## FOR MORE INFORMATION (CONTINUED)

**Other Useful Information on the BOE Website*****Assessors' Handbook Section 267, Welfare, Church, and Religious Exemptions***

Part I of this handbook section contains information relative to the administration and legal requirements of the welfare exemption. In addition, the handbook discusses the statutes, numerous judicial decisions, related legislation, and a number of requirements that must be met before property is eligible for exemption.

Part II of this handbook section contains information relative to the administration and legal requirements of the church, church parking areas, and religious exemptions.

***Property Taxes Law Guide***

This law guide contains those portions of the Revenue and Taxation Code relating to property taxes along with the Property Tax Rules developed by the BOE. Section 214 is the primary Welfare Exemption statute.

***Annotations***

These annotations (explanatory notes) are from BOE letters to county assessors, attorney general opinions, and staff correspondence.

***List of County Assessors***

This list contains all 58 California county assessors along with the office telephone number, address, and a link to the assessors' websites.

***Welfare and Veterans' Exemptions***

Additional information on the Welfare Exemption may be found on the BOE website at [www.boe.ca.gov](http://www.boe.ca.gov) including organizational and use requirements, claim forms, a list of eligible organizations, and frequently asked questions. Just type "Welfare & Veterans' Organization Exemptions" in the search field at the top of the BOE homepage and then use the search function.

**How do I get assistance?**

Main Exemption Telephone Line–916-274-3430.

**Your Taxpayers' Rights Advocate**

The BOE wants to make the property tax system as equitable as possible. Consequently, we have appointed a Taxpayers' Rights Advocate to help you with issues you cannot resolve at other levels. You can contact the Advocate at the following:

Taxpayers' Rights Advocate Office  
 State Board of Equalization  
 450 N Street, MIC:70  
 PO Box 942879  
 Sacramento, CA 94279-0070  
  
 Telephone: 916-324-2798  
 Toll Free: 888-324-2798  
 Fax: 916-323-3319

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# Attachment 6

To: Members of the City of Paso Robles Planning Commission  
From: Vickie and Brian Bengard  
529 14<sup>th</sup> Street, Paso Robles, CA 93446  
Date: October 31, 2016  
Re: Conditions of Approval; St. James Episcopal Church – St. James Hall

Dear Commissioners:

Our home is located at 529 14<sup>th</sup> Street, Paso Robles, California, directly across the street from the St. James hall.

We were provided the proposed Conditions of Approval relating to the CUP application by St. James Church on 10/28/16, and given until 10/31/16, to provide a response to be included in the Planning Commissioners' packet. In this short timeframe, we compiled the attached sample of photos, and the following comment.

After purchasing our home in 2011, we quickly became aware that living across from the church did not mean bible studies, church services, weddings, and funerals as we expected. It meant anywhere from 5 to 20 strangers gathered in front of our home smoking, yelling, using inappropriate language, honking horns, and generally carrying on from 6 am until well after 10:30 pm, 365 days a year. In addition to the constant comings and goings throughout the day of 20 to 35 people and their vehicles, also comes the trash left in the gutter, and in our yards, unattended dogs defecating in our yards, often forced to park blocks away from our homes.

The "good neighbor" rules proposed by the church have been in place for months, signs posted on the doors, and communication by the church to the attendees. This has primarily led to anger and resentment by the attendees. We have been directly verbally assaulted, and indirectly the subject of group rants made loud enough that unable to ignore their intentions. The group is ever changing making it impossible to enforce the proposed rules. The bullying by some of the members effects when we work in our yard, get into our cars, invite family and friends to our home.

The footprint of these meetings is so large, it has stomped any semblance of residential life, enjoyment of our property, ability to work in our yards without an audience or comments aimed in our direction. Our daily lives are altered by the almost constant presence of strangers, lack of parking in front of our homes, and the other byproducts mentioned above.

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## Conditions of Approval - Planning Division Conditions

Comments to Exhibit A as follows:

Items 1 and 2: The proposed six (6) meetings per day, with 30 minutes of gathering time before and after meetings, 365 days a year is absurdly unreasonable for this residential street. Attendees will be permitted to gather beginning at 6:30 a.m. (30 minutes prior) for 6 meetings throughout the day, ending at 8:30 p.m. (30-minute gathering after). This translates to our residential street being inundated with cars and people (20 -35) literally almost every waking hour of every day, an increase in fact to the already unbearable impact; keeping in mind this is 365 days a year because meetings include holidays, resulting in upwards of 150 people per day or 36,000 people per year. The footprint of the AA organization has altered our lifestyle, affected our property values, and created an intrusive, sometimes hostile living environment. We live here; these are our homes, our investments, where we should feel safe. Heaven forbid we choose to sleep in one day. The sanctity of our evenings at home are obstructed by the noise of group conversations, and the smell of cigarette smoke is so obtrusive at times, we have to close our front windows many summer evenings.

Where's the parking? There are 20 parking spots surrounding the church property on 14<sup>th</sup> and Oak streets. The employees/attendees of Action (building on corner leased to Action for adult day care) and church staff regularly occupy 8 of those spots throughout each week day. This leaves a deficit of 25 parking spots during the most heavily attended meetings. This means attendees take over all of the parking in front of the residents' homes. Attendees block access to our mail box, leading mail carriers to refuse delivery of our mail at times. Street sweepers are most often unable to access the street and gutters in front of our homes. We have to alter the times we put our waste cans out for pick up the next day. Driveways are blocked. These are not issues we can take up with our neighbors, these are daily issues caused by strangers we have no way of contacting.

The allowance of 13 hours of meeting use time in any given day rivals only gas stations, bars and restaurants when considering the 8 block radius surrounded by us. Please ask yourself – when is this reasonable on the street you live on or any residential street for that matter?

Who will be monitoring the arrival and departure times of meeting attendees? The burden falls on us, the residents. There is no church staff or administrator on site at 6:30 a.m. or 8:30 p.m. In fact, staff is hours away from arriving and has already left for hours when considering these times. It's worth noting the majority of meetings occur when there is no church staff/representation present.

# Attachment 6

Keys to St. James Hall are abundantly available to meeting attendees. We estimate over 20 different people having keys to the hall based on our observations of the locking and unlocking of the door. Keys are so abundant, we phoned police on August 19<sup>th</sup> at 9:40 p.m. to report people illegally entering/sleeping in the hall overnight. The police arrived and contacted them to move on. Homeless people sleeping in the Hall overnight had been going on for several weeks unbeknownst to the church. We have previously encountered attendees passing through town sleeping in their vehicles overnight. This further proves our point they have neither oversight nor control of the happenings at the hall.

Item 3: The directional signage referred to item 3 has been in place for several months. Some abide, most do not. On days when church staff is not present, Sunday evenings for example, the signs are disregarded, as shown by the photos attached taken in August, September, and October, as recent as Sunday, 10/30/16. This continues to be daily occurrence, the worst abuses occurring at each of the Sunday afternoon meetings, when church staff is not on the premises. This is another example of the burden falling upon the residents to report negligence due to the lack of oversight and inability of the church to neither monitor nor control the meeting attendees.

It's unreasonable to think the out-of-towners, those serving DUI sentences, and other new attendees will abide by the proposed CUP, especially when considering the regular, daily attendees refuse to abide by the past church requests. We encounter this on a weekly basis, new strangers bringing new problems to our neighborhood.

Item 4: The church's requests that the attendees park and congregate in certain areas have so far largely annoyed, and angered much of the group. This has been most apparent before and after the meetings where church staff is not on the premises. Groups are often observed, primarily before and after the Sunday evening meeting, loudly voicing their disapproval of the parking, gathering, and entrance rules, pointing across at our house, and directly at Mark Brown's home. The language, voice level, gesturing, and outright bullying are clearly meant to be heard.

Item 5: Will the Church Administrator be present for the early morning, evening, and weekend meetings, the meetings in which the "rules" are most disregarded?

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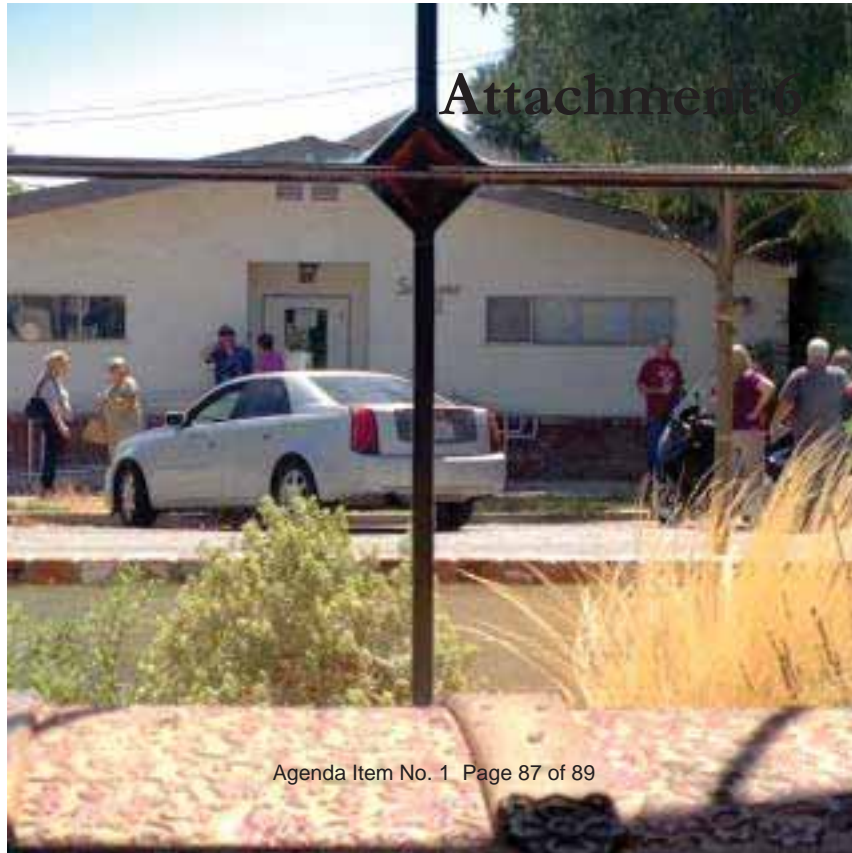
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St. James' Hall

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St. James'  
Hall



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