



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

901 P Street, Suite 213A
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/ctcac

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MARINA WIANT

DATE: January 27, 2025

TO: Owners of Low-Income Housing Tax Credit Projects

FROM: Marina Wiant, Executive Director

RE: Relief from Certain Low-Income Housing Credit Requirements in Response to Major Disasters

Internal Revenue Service (IRS) Revenue Procedure [2014-49](#) provides temporary relief from certain requirements of Section 42 of the Internal Revenue Code (IRC) for Housing Credit Agencies and project owners upon issuance of the President's declaration of a major disaster. This revenue procedure also provides emergency housing relief for individuals displaced by a major disaster from their principal residences in certain major disaster areas.

Sections 12, 13 and 14 of the Revenue Procedure contain the requirements and restrictions for emergency housing relief. In accordance with Section 12.02 of the Revenue Procedure, this memorandum serves as "Agency Approval" from the California Tax Credit Allocation Committee (CTCAC) permitting the Owners of Low-Income Housing Tax Credit (LIHTC) projects in California to make vacant units available as temporary housing to individuals displaced by a presidentially declared major disaster.

This memorandum provides guidance for the temporary housing period of January 8, 2025 through January 8, 2026 for those individuals and households displaced due to the 2025 [California Wildfires](#).

Many of LIHTC projects in California have long waiting lists with few vacancies and may not be able to provide temporary emergency housing. Owners may not skip applicants on waiting lists in order to provide emergency housing relief to displaced individuals or households.

If an owner chooses to provide emergency housing relief to a displaced individual or household that cannot establish eligibility for Section 42, the income of that displaced individual or household may be disregarded during the temporary housing period and the unit will retain the status prior to occupancy by the displaced individual or household (Please see Section 13.04 regarding treatment of units in the first year of the credit period). However, the rent shall not exceed the applicable Section 42 rent limit and owner must obtain a statement signed by the displaced individual or all adult members

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of the household, under penalty of perjury, certifying to the information in Item 3 below. To suspend income limitations, the project owner must meet all of the following requirements:

1. The displaced individual or household must have resided in one of the counties designated for individual assistance by Federal Emergency Management Agency (FEMA) as a result of the California Wildfires.
2. The temporary housing period shall not extend beyond January 8, 2026, for displaced individuals or households due to the California Wildfires. CTCAC hereby determines that the project's temporary housing period is appropriate so long as it does not extend beyond the specified time period and the project owner is in compliance with the notice and CTCAC directives.
3. To comply with the requirements of Internal Revenue Code Section 1.42-5, project owners must maintain and certify certain information concerning each displaced individual or household temporarily housed in a LIHTC project. Specifically, the project owner must obtain and maintain a separate file designated for each displaced individual or household that contains the following information:
 - The name of the displaced individual or household members;
 - The address of the principal residence at the time of the major disaster of the displaced individual or household;
 - Each displaced individual's social security number (if possible);
 - A statement signed under penalties of perjury by the displaced individual or household, stating that he/she/they were displaced from his/her/their principal residence as a result of the 2025 California Wildfires and that his/her/their principal residence was located in a city, county, or other local jurisdiction covered by the President's declaration of a major disaster and designated as eligible for Individual Assistance by FEMA because of the major disaster;
 - Certification by the project owner certifying the start and end dates that the displaced individual or household will occupy the project as temporary housing, which shall not extend beyond January 8, 2026, for those displaced due to the California Wildfires; and
 - The project owner must maintain a record of this memorandum allowing temporary housing relief. The project owner must report to CTCAC at the end of the temporary housing period a list of the names of the displaced individuals or households and the dates of occupancy. If applicable, the project owner must also provide the date each unit occupied by a displaced individual or household becomes occupied by a subsequent tenant.

The project owner must maintain the records described above as part of the annual compliance monitoring process with CTCAC as required by Section 42 and provide this information to the IRS upon request.

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4. Rent for the LIHTC units housing displaced individuals or households shall not exceed the existing rent-restricted limits for the LIHTC units established in the project's recorded Regulatory Agreement.
5. Existing tenants in occupied LIHTC units may not be evicted or have their tenancy otherwise terminated solely to provide emergency housing relief for a displaced individual or household.
6. The occupancy of a LIHTC unit in a project by a displaced individual or household during the temporary housing period is treated as satisfying the non-transient use requirement under IRC Section 42(i)(3)(B)(i).
7. Project owners must submit an attachment detailing the information noted in Item 3 above and attach it with the Annual Owner Certification in 2026.

If a displaced individual or household wishes to continue to occupy a LIHTC unit at the end of the temporary housing period, the individual or household must be initially qualified for Section 42 requirements where all documentation and LIHTC rules apply. The project owner must complete a full and complete initial Tenant Income Certification and Annual Student Certification. The effective date shall be no later than January 9, 2026, the day after the end of the temporary housing period.

This memorandum is intended to summarize key points addressed in the Revenue Procedure 2014-49 and provide some guidance. Project owners must refer to Revenue Procedure 2014-49 or contact the IRS directly for specific information concerning suspension of income-limitation and non-transient requirements. If you have questions concerning this memorandum, contact Compliance Section Chiefs, Elizabeth Gutierrez-Ramos at egutierrez@treasurer.ca.gov or Mayra Lozano at mlozano@treasurer.ca.gov.