



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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DATE: February 18, 2022

TO: Owners and Management Companies of Low-Income Housing Tax Credit (LIHTC) Projects

FROM: California Tax Credit Allocation Committee – Compliance Section

RE: Manager/Exempt Unit Change Requests

This Memorandum (“Memo”) serves as guidance from the California Tax Credit Allocation Committee (“CTCAC” or “Committee”) to owners and management companies of LIHTC properties in California regarding the process and procedure for exempt or manager unit change requests.

Changes to exempt units may include the following:

- Location change of manager or exempt unit to a different building
- Bedroom size change of manager or exempt unit
- Add an exempt unit to the property
- Converting an exempt unit to a tax credit unit

For change requests involving the location or bedroom size of a manager or exempt unit, please submit a formal letter outlining the change requested. The letter shall include:

- Project name
- CTCAC number
- Current and proposed location and unit bedroom size(s) of manager/exempt unit(s)
 - Building(s) and unit bedroom size(s)
- Explanation and reason for requested change
- Brief description of the job duties for the resident who will be occupying the unit
 - Manager and exempt units may only be occupied by the property manager, assistant manager, or maintenance staff who work primarily at the property they reside

100% Tax Credit Units Projects

The change in location of the manager/exempt unit within the same building does not require CTCAC approval and may be done at the owner's discretion. Projects not yet issued their Regulatory Agreement or Form 8609(s) shall contact the [Placed-in-Service](#) staff for requested changes to the manager/exempt unit.

Mixed Income Projects (Tax Credit Units and Market Rate Units)

The changes to the manager/exempt unit(s) cannot be made if the exempt unit(s) are included in the Tax Credit portion of the project and identified in the Regulatory Agreement.

All request letters shall be submitted to the attention of Compliance Program Analyst, Stephen Bellotti by email at stephen.bellotti@treasurer.ca.gov with a CC: to Shannon Nardinelli at shannon.nardinelli@treasurer.ca.gov and Elizabeth Gutierrez-Ramos at elizabeth.gutierrez@treasurer.ca.gov

The average processing time for manager/exempt unit change requests for a single project is 3-4 weeks and requests are processed in the order received. Any request for changes at multiple projects may result in additional processing time. CTCAC will only process manager/exempt unit change requests at a specific property no more than once every two years.

Changes to stated policies or procedures on this Memo may be changed or revised in accordance with subject matter changes, regulatory changes, or updates to the program. If you have any questions regarding the policies or information noted above, please contact CTCAC Compliance Section Senior Program Managers Elizabeth Gutierrez-Ramos at elizabeth.gutierrez@treasurer.ca.gov or Shannon Nardinelli at shannon.nardinelli@treasurer.ca.gov.