



Full Time Resident Manager's Unit

The full time resident or on-site manager's unit may or may not be included in determining the applicable fraction depending on the circumstances. According to the IRS Revenue Ruling 92-61, the ways in which the on-site manager's unit may be considered are:

- For buildings that have been placed in service after September 9, 1992, the full time manager's unit **must be** treated as common space (i.e. it would not be included in either the numerator or denominator of the applicable fraction.)
- For buildings that were placed in service prior to September 9, 1992, the full time manager's unit may be treated as follows:
 - The full time manager's unit is considered a qualified low-income unit (the rent is restricted to a qualifying amount and the resident manager is a certified low income tenant); or
 - The full time manager's unit is considered common space. As common space, the unit would not be included in either the numerator or the denominator of the applicable fraction.

A full time manager or maintenance person must occupy a resident manager's unit. The number of hours worked does not define full time; rather it is defined that the manager's presence on site is reasonably required for the development. Some things to consider are: what is warranted by the type, size and/or location of the development, as well as what is needed in terms of the resident population. Some developments may need to employ more than one on-site manager or maintenance person. Full time is considered to be whatever is reasonably required to make operations run smoothly at the development. As a general guide, a manager who performs management functions such as leasing units, preparing certification paperwork, cleaning, general maintenance, preparing turnovers, collecting rents, etc., and is available to the site on an on call basis to respond to emergencies may be considered a full time manager under this ruling.

Example: A project contains 24 units and the applicable fraction is 100%. Credits were allocated on 23 units. This means that the manager's unit was treated as common space when the credit was allocated. The applicable fraction would be 23/23 or 100%.

All developments must request in writing to NHH as to the method in which the manager's unit will be considered. When notifying NHH, it is necessary to include the project name, address, Building Identification Number (BIN), unit number, the number of bedrooms in the unit, the square footage, the resident's name and a description of duties and time involved. If the unit was not previously considered as part of the allocation process, NHH will issue a letter acknowledging such manager's unit. For the most part, NHH will rely on the owner's determination of whether a full time unit is reasonably required by the development. However, if NHH becomes aware that a full time manager is represented by the owner and does not occupy the unit, it may become a noncompliance issue.