



denver

1981 Blake Street
Denver, CO 80202

303.297.chfa (2432)
800.877.chfa (2432)

PO Box 60
Denver, CO 80201

800.659.2656 tdd
www.chfainfo.com

western slope

348 Main Street
Grand Junction, CO 81501

970.241.2341
800.877.8450

to: Owners/Property Management Agent of Low-Income Housing Tax Credit (LIHTC) Developments
from: CHFA Multifamily Program Compliance
subject: New LIHTC Property Compliance Monitoring Requirements

Congratulations on your development receiving an award of the Low-Income Housing Tax Credit (LIHTC) to increase the stock of quality affordable housing in Colorado! The following is a summary of CHFA's Multifamily Program Compliance monitoring highlights and tools we offer to ensure your development is off to a successful start:

LIHTC compliance training

For all newly placed in service LIHTC (paired with or without the Colorado Affordable Housing Tax Credit) developments, the Qualified Allocation Plan (QAP) requires all Owner representatives, their management agent representatives, onsite staff, and any other staff involved in qualifying households to successfully complete a compliance training session conducted or approved by CHFA prior to the release of IRS form 8609 for Federal Credits or the Allocation Certificate for State Credits.

If the owner is making the Average Income (A/I) set-aside election on the IRS 8609 form, CHFA requires the owner and management agent complete an A/I-specific training before the IRS form 8609 is issued. Refer to CHFA's QAP and A/I policy and compliance monitoring guidance for additional information:

[Averaging Income Policy](#)

[Average Income Compliance Monitoring Guidance](#)

To view chfareach LIHTC compliance training information and register for a training session, visit the online chfareach calendar at www.chfainfo.com/chfareach. For further assistance with registration, contact Belinda Waldron at 303.297.7394 or bwaldron@chfainfo.com or Capri Neely at 303.297.7497 or cneely@chfainfo.com.

CHFA LIHTC compliance manual and forms

For your reference, the CHFA LIHTC Program Compliance Manual and sample compliance forms are available at:

[LIHTC Compliance Manual](#)

[Compliance Forms](#)

tax exempt private activity bond funded developments

If your development is financed with Private Activity Bonds also referred to as tax exempt bonds, you may be subject to additional obligations. Please refer to the Written Procedures for Ongoing Tax Compliance (WPOTC) for owner obligations executed at closing, including the filing of an IRS Form 8703. Refer to the Regulatory Agreement or contact your CHFA Program Compliance Officer (PCO) with questions.

lease-up and nextgen

Once your buildings receive its Certificates of Occupancy (CO) or Temporary Certificates of Occupancy (TCO) and lease-up begins, management should begin entering each unit's occupancy and demographic data into the NextGen compliance system. CHFA Multifamily PCOs will then monitor lease-up and pull the initial occupancy report that is due to CHFA once the property reaches 50 percent occupancy or at the end of the first year of lease-up, whichever occurs first.

To begin using NextGen, [click here](#) to register for a username and password.

note: Tenant data must be updated in NextGen monthly, and all households must be entered, including those in market and employee units.

initial site visit

Once the owner has received CO or TCO for all buildings in the development, an initial site visit must be conducted prior to CHFA issuing the IRS form(s) 8609. Please email your COs or TCOs to Paula Harrison at pharrison@chfainfo.com as soon as they are received, then contact the CHFA PCO to schedule the initial site visit.

During the initial site visit, the PCO will inspect the development by taking pictures of the grounds, common areas, and a sample of vacant units. If lease-up has begun, the PCO will also review some files, provide feedback, and discuss any questions you have regarding LIHTC monitoring compliance.

irs form 8609

CHFA will issue the IRS form 8609 for each LIHTC building with "Part 1 Allocation of Credit" completed. Within 90 days of the end of the first year for which tax credits are claimed, the owner must:

1. Complete "Part II First-Year Certification" on each form, and
2. Provide to CHFA copies of the IRS forms 8609 as filed (or prepared for filing) with the Internal Revenue Service and executed by, or on behalf of, the owner.

utility allowance policy

The [Utility Allowance Policy](#) outlines CHFA's policy regarding the ways in which utility allowances and gross rents are determined. The Utility Allowance Policy can be accessed.

LIHTC compliance management review

A full management review (following the initial inspection) of resident files and a physical inspection of the property will be conducted within two years of the last placed-in-service date of the development. Your PCO will contact you to schedule the review.

annual submissions

By January 15th, the owner is required to submit the following information reflecting the compliance status of the property via CHFA's secure Insight system:

- **LIHTC Owner Certification of Continuing Program Compliance**
This form will cover the previous calendar year and must be completed and signed by the Owner.
- **Occupancy and Demographic Report**
All resident certifications effective in the previous year must be entered into the NextGen online system by January 15th. CHFA PCOs will then run annual reports for review and will contact you with questions.

chfa insight system

Owners are required to upload most annual submissions and management review documentation in CHFA's secure Insight system. Owners can also use Insight to access LIHTC and multifamily loan information and view property documents and reports.

The owner/agent must have an Insight username and password to use the online system. To register for an Insight account, complete an [enrollment form](#) and send to your Program Compliance Officer.

chfa enews

- Stay on top of compliance requirements and CHFA's latest news and updates by signing up for eNews. Click [here](#) to register and be sure to check the box for Multifamily Program Compliance updates.

coloradohousingsearch.com

List your available units on this free website for renters, buyers, and affordable housing property managers—also the State of Colorado's official disaster housing resource. Register your community at coloradohousingsearch.com.

questions

If you have any questions about Tax Credit Allocation, please contact Paula Harrison, Tax Credit Program Administrator at 303.297.7316 or pharrison@chfainfo.com. For questions about Program Compliance, please contact your Program

Compliance Officer or Manager of Multifamily Program Compliance, Chris Linton, at 303.297.7411 or clinton@chfainfo.com.

We look forward to working with you!

Best regards,

CHFA Multifamily Program Compliance