



Proposition 123 Equity/Concessionary Debt not Paired with Housing Tax Credits - Compliance Monitoring Guidance

Move-in Income Certification and Verification	<ul style="list-style-type: none"> For all households, income must be verified and certified up to 120 days prior to move-in using CHFA's Tenant Income Certification (TIC). Income verification is required at move-in for all restricted units at all AMI levels. Tenant provided documents are permitted.
Annual Recertification	<ul style="list-style-type: none"> Income verifications are not required after move-in. Owners/agents will complete a Basic Annual Recertification (BAR) from the resident to document current income and complete the income portion of the Tenant Income Certification.
Asset Certification and Verification	<ul style="list-style-type: none"> Not required
Lease Term and Addendum	<ul style="list-style-type: none"> Initial lease term for new occupants must be six months or longer. Affordable Housing Lease Addendum is required. Mid-term rent increases prohibited. Owners may increase rent only at lease renewal and in accordance with Colorado State and local laws.
Gross Rent Definition and Compliance	<ul style="list-style-type: none"> Gross rent must be certified using CHFA's Tenant Income Certification. Refer to the development's Regulatory Agreement for specifics on what is included in gross rent. Unless otherwise specified in the Regulatory Agreement, any fees that must be paid as a condition to live at the property are required to be included in the gross rent calculation. Any allowed fees charged to the household must be reasonable and in line with those charged by similar income-/rent-restricted properties.
Utility Allowance	<ul style="list-style-type: none"> Follow CHFA's Specialized Multifamily Loan Programs Utility Allowance Policy and contact your Program Compliance Officer for further guidance.
File/Compliance Reviews	<ul style="list-style-type: none"> CHFA will conduct first file review within one year of closing. Reviews will take place at least every three years. Review will include the audit of unit leases, certifications, property rent roll, utility allowances, and include a management interview regarding policies and procedures, etc. At time of closing, CHFA will send ownership and management a welcome packet that includes, program guidelines, forms and Program Compliance Officer contact information.
Physical Inspection Standard and Frequency	<ul style="list-style-type: none"> CHFA will conduct first inspection within one year of closing to follow HUD's NSPIRE standard. Inspections will occur at least every three years.
Owner Reporting	<ul style="list-style-type: none"> Ownership should review the Regulatory Agreement for specific reporting requirements and due dates. Annual Owner Certification of Continuing Compliance due February 15th. Audited annual financial statements required to be submitted to CHFA no later than 90 days after FYE.
Occupancy and Demographic Data Reporting	<ul style="list-style-type: none"> Must be submitted online via CHFA's NextGen system once property begins leasing units. Annually: all records for the previous calendar year must be finalized for review by February 15th. Monthly: move-in's, move-outs, transfers, and re-certifications must be entered in the system as they occur, or by the last day of the month for the previous month.
Reserve Accounts	<ul style="list-style-type: none"> Refer to closing documents for reserve requirements and whether CHFA's approval is required to withdrawal funds from a reserve account. If CHFA's approval is required, reach out to your Program Compliance Officer for further guidance.
Hazard Insurance Claims	<ul style="list-style-type: none"> CHFA will defer to senior lender regarding hazard insurance. Should senior lender have no requirement, CHFA will follow standard hazard claim procedure.



VAWA Compliance	<ul style="list-style-type: none"> • Encouraged, not required, reach out to your Program Compliance Officer for further guidance.
Noncompliance	<ul style="list-style-type: none"> • Noncompliance may result in a not in good standing designation with CHFA that will be reported to OEDIT. • Owners who experience a loss of unit(s), common areas, etc., for any length of time must inform CHFA of the loss in writing within 10 days of the loss.
Insight	<ul style="list-style-type: none"> • Annual submissions and management review documentation must be uploaded in CHFA's secure Insight system. Owners can also use Insight to access property information and to view and download property documents and reports.