

INTRODUCTORY MEMORANDUM FROM CHFA

November 2009

TO: Owners and Management Agents

FROM: CHFA Multifamily Asset Management Department

SUBJECT: Low-Income Housing Tax Credit Compliance Monitoring Manual

The Connecticut Housing Finance Authority (CHFA) is pleased to provide you with the Low-Income Housing Tax Credit Compliance Manual for the State of Connecticut. As Housing Credit Agency for Connecticut, CHFA has responsibility for allocation and compliance monitoring for the Low-Income Housing Tax Credit Program as prescribed in Section 42 (m)(1) of the Internal Revenue Code and 1.42-5 of the Treasury Regulations. As permitted in 1.42-5(f) of the Regulations, the Authority has retained Spectrum Enterprises as “Authorized Delegate” to perform many of the required compliance monitoring functions. CHFA retains the responsibility of reporting non-compliance to the Internal Revenue Service.

The Compliance Monitoring Manual is provided as a reference for Low-Income Housing Tax Credit compliance monitoring procedures and, to inform developers, owners and managers of the reporting requirements implemented by CHFA and SPECTRUM. This Manual is not a substitute for existing federal laws and regulations. **As stated in 1.42-5(g) of the Regulations, Compliance with the requirements of Section 42 is the responsibility of the owner of the building for which the credit is allowable. The Authority’s obligation to monitor for compliance with the requirements of Section 42 does not make the Authority liable for an owner’s noncompliance.**

The Low-Income Housing Tax Credit Program requires a qualified development team that is knowledgeable in both allocation and compliance. *“The price of credits is compliance.”* It is essential that owners retain staff with expertise in the program and provide for continuing education. Please direct any questions concerning the Manual or compliance monitoring to SPECTRUM at (207) 767-8000 or visit their web site at www.spectrumlihtc.com. Any additional issues or questions can be referred to Pat Gribko, CHFA Asset Management Technician at (860)-571-4256 or pat.gribko@chfa.org. Together with SPECTRUM, we look forward to working with you to ensure program compliance and provide quality affordable housing to the residents of the State of Connecticut.