

## Purpose

The Compliance Next Steps (CNS) process provides an opportunity to ensure all parties involved with Ohio Housing Finance Agency (OHFA)-funded properties initially placed in service are aware of federal and state regulations stemming from various funding sources. The purpose of CNS is to provide technical assistance and open the lines of communication between OHFA and owners/management agents. Compliance requirements vary significantly between Low-Income Housing Tax Credit (LIHTC) and Housing Development Assistance Program (HDAP) properties. Additionally, requirements differ between new construction and acquisition/rehabilitation housing developments. This policy outlines the CNS process that encompasses OHFA's review of CNS documents and may include a CNS meeting(s).

## Issuance of IRS Form 8609

The CNS process must be completed and closed before OHFA will issue an 8609. If owners/ management agents fail to complete the CNS process, not only will an 8609 not be issued, but the housing development may be referred to OHFA's Office of Multifamily Housing to determine if it remains in good partnership with the Agency.

## Compliance Next Steps Process

Owners/management agents are required to participate in the CNS process when either of the following thresholds is met:

- **New Construction and HDAP:** the housing development reaches the 50%-construction completion point. The construction completion point, or estimated point, is found on the [OHFA Quarterly Construction Monitoring Form](#), which owners complete.
- **Acquisition/Rehabilitation (acq./rehab.):** The property is transferred to a new ownership entity. Owners must indicate the date, or expected date, of this ownership transfer in [OHFA's Quarterly Construction Monitoring Form](#).

When a threshold, as outlined above, is met, OHFA staff will contact the owners or management agents to begin the CNS process. This threshold depends on owners submitting the Quarterly Construction Monitoring Form on time and reporting the construction completion percentage or any ownership change. If the form is not submitted in a timely manner, the CNS process cannot be completed promptly, which will delay the issuance of Form 8609.

## Required CNS Documents

To begin the CNS process, the following documents must be submitted by owners/management agents when a threshold, as outlined above, is met. The following list of required documents is subject to change and may not be all inclusive:

- [OHFA's Project Confirmation Form](#) (Ensure this form is completely filled out.)
- Tenant Selection Plan (TSP): must be compliant with [OHFA's TSP Guidelines](#).  
**Note:** *If a property has U.S. Department of Housing and Urban Development (HUD) subsidies, the TSP will reflect the Housing Opportunity Through Modernization Act of 2016 (HOTMA) Rule. Here is a [helpful link](#) to the HUD-mandated updates.*
- Violence Against Women Act (VAWA) of 2013 or Violence Against Women Act Reauthorization Act of 2022
- Emergency Transfer Plan
- Affirmative Fair Housing Marketing Plan (AFHMP)
- Relocation Plan (if applicable)

- Utility Allowance (UA)
- Lease
- Training certificates for the management agents showing a LIHTC training has been attended within the last two years
- Tenant tracking/transfer log used during the rehabilitation process (for acq./rehab. properties only) — Title this document “Tenant Tracking Log.”

When OHFA staff review the documents, any deficiencies/required corrections of them will be sent to the owners/management agents. If there are no deficiencies/required corrections and a CNS meeting is not mandated by OHFA, the CNS process will be closed and owners/management agents will receive a CNS close-out correspondence. Owners must include this correspondence in the 8609 packet, which is sent to OHFA’s Office of Multifamily Housing.

### **CNS Meeting** *(if a meeting is required)*

OHFA staff may determine owners/management agents attend a meeting in addition to submitting the required CNS documentation before the CNS process closes. A meeting may be required if owners/management agents are new to OHFA, have little to no housing program experience, have had systemic compliance issues with other OHFA-funded projects, or any other factor as determined by OHFA. The meeting agenda may vary and is tailored based upon the property funding sources and the owners’/management agents’ experience with housing programs. Generally, the meeting will be held virtually.

### **Sample Agenda**

- Discussion of submitted CNS documents
- Housing development- and funding-specific compliance requirements (i.e., HOTMA, 2025 HOME Investment Partnerships Program Final Rule)
- In-service requirements, including qualifying tenants
- Tenant relocation (acquisition/rehab only)
- OHFA policies and expectations
- OHFA audits and reporting requirements
- Trainings and resources

Once the meeting is held and all CNS documentation is approved by OHFA staff, the CNS process will be closed. The owners/management agents will receive CNS close-out correspondence. Owners must include the correspondence in the 8609 packet, which is sent to OHFA’s Office of Multifamily Housing.