

**Florida Housing Finance Corporation  
Rule Development Workshop Agenda  
Rule Chapters 67-21, 67-48, and 67-60 F.A.C.  
227 N. Bronough Street, 6<sup>th</sup> Floor Seltzer Room, Tallahassee, FL  
February 21, 2018, 2:00 p.m. EST**

**Call-In: 1.888.419.5570, Passcode 686 005 47**

**1. Revisions affecting only Rule Chapter 67-21, F.A.C.**

- a. 67-21.003(5): Clarification that the Non-Competitive Applications are approved by the Corporation rather than the Board.
- b. 67-21.008(18): Addition of the requirement that all MMRB Developments comply with Fair Housing Act, Section 504, and Titles II and III of the ADA. This addition is made to match the requirements in 67-21.027(3), F.A.C. and competitive solicitations.
- c. 67-21.014(q) and 67-21.026(12)(a): Reduce the Developer Fee limit from 18 percent to 16 percent.
- d. 67-21.027(6): Final Cost Certification Application Package will be updated and re-incorporated.
- e. 67-21.003: Changes to Non-Competitive Application:
  - i) Requirement of Authorized Principal Representative / Organizational Contact Person
  - ii) Principals of the Applicant and Developer(s) Disclosure Form (Rev. 08-2016)
  - iii) Development Location Point: requirement of latitude/longitude coordinates in the Application; no Surveyor Certification Form
  - iv) Revised Pro Forma
  - v) Addition of the requirement that exercise rooms be secure
  - vi) Limited Development Area (LDA) update
  - vii) Addition of Total Development Costs Per Unit limitations

**2. Revisions affecting only Rule Chapter 67-48, F.A.C.**

- a. 67-48.002(29): Addition of the definition of “Developer Fee” to match 67-21, F.A.C.
- b. 67-48.004(1)(c): If two or more Applications are considered submissions for same Development site, all such Applications will be rejected. In previous Rule, only the Application with the highest (worst) lottery number was rejected.
- c. 67-48.0072(21): SAIL, EHCL, and HOME firm loan commitment deadline extended to twelve (12) months.
- d. 67-48.0072(21) and 67-48.0072(26): if firm loan commitment or loan closing extensions are utilized, fee is due seven (7) days from original deadline. Non-Profits may pay extension fee at closing.
- e. 67-48.0105 and 67-48.0205: Special Assets fees, such as assumption fees, loan renegotiation fees, subordination fees added to Rule. The fee amounts have not changed.

### 3. Revisions affecting both Rule Chapters 67-21 and 67-48, FAC

- a. 67-21.014(n), 67-21.026(9), 67-21.028(2)(d) and 67-48.0072(10): Appraisals – to conform to the Uniform Standards of Professional Appraisal Practice in effect at the time of the appraisal and reported in a comprehensive format.
- b. 67-21.014(d), 67-21.026(11), and 67-48.0072(13): Replacement Reserves: greater of \$300 per unit per annum or the amount identified in the capital needs assessment.
- c. 67-21.014(2)(j)1. and 67-48.0072(14): The audited financial statements for Credit Enhancers may be waived if the Credit Enhancer is rated at least “A3” by Moody’s, or “A-“ by Standard and Poor’s or Fitch.
- d. 67-21.014(2)(e) and 67-48.0072(15): Guarantee for completion required for *each* general partner/manager/managing member.
- e. 67-21.014(q), 67-21.026(12) and 67-48.0072(16)(a): Reduce Developer Fee limit for acquisition costs to 4 percent.
- f. 67-21.014(q), 67-21.026(12)(a), and 67-48.0072(a): Maximum allowable brokerage fees; excess brokerage fees will be subset of Developer Fee.
- g. General Contractor conditions:
  - (i) 67-21.014(r)1., 67-21.026(13)(b), and 67-48.0072(17)(a): costs charged to the general requirements line item of the General Contractor’s budget to include the general requirement items related to construction costs identified in the final cost certification.
  - (ii) 67-21.014(r)4. and 67-48.0072(17)(d): allows a Corporation-approved alternate security for the General Contractor’s performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least “Baa3” by Moody’s, or at least “BBB-“ by Standard & Poor’s or Fitch, or a financial rating of at least 175 by IDC Financial Publishing.
  - (iii) 67-21.014(2)(r)7., 67-21.026(13)(f), and 67-48.0072(17)(g): Subcontractor: no more than 20 percent of construction cost to be subcontracted to any one entity or any group of related or affiliated entities.
- h. 67-21.014(2)(k) and 67-48.0072(18): ODR not released prior to final certificate of occupancy or, in the event a final certificate of occupancy is not routinely provided by the applicable jurisdiction, other information evidencing completion of the Development.
- i. 67-21.0025(3)(d) and 67-48.0075(3)(d): Attorney fees awarded in conjunction with litigation with respect to a Development not to be included in Total Development Costs. The addition of this is to match existing language in 67-21.014(q), FAC.
- j. 67-21.006(15), 67-21.027(9), and 67-48.0075(7): Clarification that the owner of a Development must notify the Corporation of an intended change in the management company prior to such company assuming responsibility for the Development. Language added to 67-48.
- k. 67-21.030 and 67-48.030: Sale or Transfer of a Housing Credit Development – added provision that the proposed transferee agrees to maintain all set-asides and other requirements in the EUA,

pay any and all compliance monitoring fees through the end of the EUA, and execute any assignment and assumption documents deemed necessary by the Corporation.

- I. 67-21.031 and 67-48.031: Qualified Contracts – Real estate appraisers involved in the QC process must be licensed by the state of Florida as MAI designated general appraisers (previous Rule only required that they be certified general appraisers). Also, adding requirement that the lower of the restricted and unrestricted appraised values be included in the QC price if the owner’s appraisal value is submitted. A revised Qualified Contract Package will be incorporated by Rule.

#### **4. QAP – General Discussion**

#### **5. Rule Chapter 67-60, FAC**

- a. 67-60.002: Definitions in Section 67-48.002, F.A.C. apply to this rule chapter
- b. 67-60.003:
  - (i) Notice of a competitive solicitation shall be published on the Website and shall constitute “electronic posting” pursuant to Section 120.57(3)(a), F.S.
  - (ii) The Corporation will post each notice of decision or intended decision concerning a competitive solicitation on the Website, which shall constitute “electronic posting”
- c. 67-60.008: clarification of the term “minor irregularities”
- d. 67-60.009(2):
  - (i) Those adversely affected by funding decisions may only protest pursuant to Section 120.57(3), F.S. and Chapters 28-106 and 28-110, F.A.C.
  - (ii) Any specifically named person whose substantial interests are being determined may make an appearance as a party. Others must do so in accordance with Section 28-106.205, F.A.C.
  - (iii) No submissions made after Application deadline which amend or supplement the Application shall be considered.

#### **6. Tentative Rule Development Time Line**

- March 16, 2018 - Submit Notices of Proposed Rulemaking to Board for approval
- April 11, 2018 - Rule Hearings (Tallahassee/Telephonic)
- May 16, 2018 - Rules become effective

#### **7. Other Discussion Items**