

Florida Housing Finance Corporation
2nd Rule Development Workshop
Rule Chapters 67-21, 67-48, and 67-60, F.A.C.
March 23, 2022, beginning at 2:00 p.m.

1. This workshop is to discuss proposed changes to the rules subsequent to the February 17, 2022 rule development workshop. The agenda and recording of the previous workshop is available on the website ([here](#)).

Drafts of the proposed rules, Non-Competitive Application Package, and 2022 QAP are available on the website ([here](#)). Attached to this agenda is a complete list of proposed rule changes.
2. Proposed Changes that affect both Rule Chapters 67-21 and 67-48, F.A.C.
 - a. General Contractor
 - b. Principal changes
 - i. Changes to Principals of the Developer(s) will now require Corporation approval
 - ii. Allowable replacements to Principals of a PHA or non-profit entity will apply to all awarded Applications or Applications pending final Board action that include the PHA or non-profit.
3. Proposed Changes to Rule Chapter 67-48, F.A.C.
 - a. Repeal of EHCL rules
 - b. Change in Development Type will require Corporation approval after the Applicant has been invited to enter Credit Underwriting.
4. Proposed Changes to Rule Chapter 67-21, F.A.C.
 - a. Non-Competitive Application
 - i. Updated MMRB fees will be made available on the Non-Competitive Website and effective with the revised Non-Competitive Application Package.
 - ii. The General Contractor Cost Certification portion of the Final Cost Certification Package (FCCAP) will be updated and the FCCAP re-incorporated in rule.
 - b. Requirement that Corporation-issued MMRB be in conjunction with 4% HC
5. Proposed Changes to Rule Chapter 67-60, F.A.C.

Removal of the word “Multifamily” from the title of the rule chapter
6. Qualified Allocation Plan
7. Public Comment

Written public comments received by the Corporation are available on the website ([here](#)).
8. Timeline
 - a. Notice of Proposed Rule presented to Board 4/29/22
 - b. Rule Hearings 5/25/22
 - c. File proposed rules for adoption 6/9/22
 - d. Rules effective 6/29/22

Changes to Rule Chapter 67-21, F.A.C.

67-21.002 Definitions

(57) “Housing Credit Period” means with respect to any building that is included in a Housing Credit Development, the period of 10 years beginning with:

- (a) The taxable year in which such building is placed in service; or
- (b) At the election of the Applicant Developer, the succeeding taxable year.

(89) “QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the 2022 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation’s website under the Multifamily Programs link or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or from _____.

67-21.003 Application and Selection Process for Developments.

(1) Unless otherwise set forth in a competitive solicitation pursuant to rule Chapter 67-60, F.A.C., Applicants shall apply for ~~MMRB~~, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC as set forth below. For purposes of this subsection only, the term NC Award shall refer to ~~MMRB~~, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC, and funding from the following Corporation programs will not be considered to be other Corporation funding: Predevelopment Loan Program (PLP) and Elderly Housing Community Loan (EHCL) Program.

(a) If the NC Award will be ~~in conjunction with other Corporation funding~~ made available, with or without other Corporation funding, through the competitive solicitation funding process outlined in rule Chapter 67-60, F.A.C., the Applicant shall apply for the NC Award using the forms and procedures specified in the applicable competitive solicitation for such other funding. Unless otherwise specifically provided in the solicitation, all of the substantive provisions of this chapter will continue to apply to the NC Award. Any references in this chapter to “Application” shall mean the application or response submitted for such other funding.

(b) If the NC Award will not be ~~in conjunction with other Corporation funding~~ made available through the competitive solicitation funding process outlined in rule Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the Application. The Non-Competitive Application Package or NCA (Rev. _____) (Rev. 03-2021) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation’s website under the Multifamily Programs link labeled Non-Competitive Programs or from _____ http://www.flrules.org/Gateway/reference.asp?No=Ref_13093, which shall be completed and submitted to the Corporation in accordance with this rule chapter.

(5) For purposes of the Non-Competitive Application Package, for Applications requesting ~~MMRB only or~~ MMRB and Non-Competitive HC, based on the availability of State Bond Allocation designated by the Board of Directors for multifamily housing, the Corporation will offer Applicants the opportunity to enter Credit Underwriting.

(8)(b) Principals of each Developer, including all co-Developers; notwithstanding the foregoing, the Principals of the Developer(s) may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation Board after the Applicant has been invited to enter Credit Underwriting. With regard to said approval, the Corporation Board shall consider the facts and circumstances of each Applicant’s request, inclusive of validity and consistency of Application documentation. ~~Natural person p~~Principals of a Public Housing Authority or officers and/or directors of a non-profit entity may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter Credit Underwriting. Any allowable replacement to the natural person Principals of a Public Housing Authority or officers and/or directors of a non-profit entity will apply to all awarded Applications or Applications pending final Board action that include the Public Housing Authority or non-profit entity. Any allowable replacement of a Principal that was identified as the

experienced Developer in a competitive solicitation must meet the experience requirements met by the original Principal;

(8)(l) The Applicant Application must execute the include a properly completed Applicant cCertification and acknowledgement form included in the NCA.

67-21.006 MMRB Development Requirements

(15) The Corporation must approve, pursuant to rule Chapter 67-53, F.A.C., the Applicant's selection of a management company prior to the leasing of any units in such company assuming responsibility for the Development. 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. ~~A key management company representative must attend a Corporation sponsored training workshop on certification and compliance procedures prior to the leasing of any units in the Development.~~

67-21.008 Terms and Conditions of MMRB Loans.

(18) The Corporation shall monitor compliance of all terms and conditions of the MMRB Loan and shall require that certain terms and conditions be embodied in the MMRB Land Use Restriction Agreement and recorded in the public records of the county wherein the Development is located. Violation of any material term or condition of the documents evidencing or securing the MMRB loan shall constitute a default during the term of the MMRB loan.

67-21.014 MMRB Credit Underwriting Procedures.

(2)(q) Developer Fee shall be limited to 18 percent of Development Cost excluding land and operating deficit reserves. Consulting fees, if any, and any financial or other guarantees required for the financing must be paid out of the Developer Fee. Consulting fees include payments for Application consultants, construction management or supervision, Local Government consultants and property acquisition brokerage fees when in excess of the appropriate limit. The maximum brokerage fees shall be limited to the lesser of \$300,000 or a percent of the acquisition price, which shall be set at 4 percent when the acquisition price is \$5 million or less, 3 percent when the acquisition price is \$10 million or less, and 2 percent when the acquisition price is in excess of \$10 million. Brokerage fees paid to an Affiliate of the Applicant or Developer or to employees on the Developer's payroll will be considered part of the Developer Fee. Fees of the Applicant's or Developer's attorney(s) awarded in conjunction with litigation against the Corporation with respect to a Development shall also not be included in Total Development Costs. Fees for services provided by architects, accountants, appraisers, engineers or financial advisors engaged by the Applicant as outlined in subsection 67-21.0045(5), F.A.C., may be included as part of the Total Development Costs, except that those fees for a financial advisor engaged by the Applicant that are in excess of \$18,000 must be paid out of the Developer Fee. In the event of extraordinary circumstances, Applicant may petition the Board for relief from the cap on financial advisor Investment Banker fees engaged by the Applicant. The Corporation shall not authorize fees to be paid for duplicative services or duplicative overhead.

(2)(r)6. Ensure that no construction or inspection work that is normally performed by subcontractors is performed by the General Contractor, apart from the General Contractor's duties to manage and control the construction of the Development, except that the General Contractor may self-perform work of a de minimis amount, defined for purposes of this paragraph as the lesser of \$100,000 or 5 percent of the construction contract,

67-21.017 Transfer of Ownership of a MMRB Development.

(4)(d) All requests which only require subordination of the regulatory agreements must be submitted in writing to the Multifamily Bonds/Loans Director Assistant Director of Multifamily Programs and contain the specific details of the subordination. In addition to any related professional fees, the Corporation shall charge a non-refundable subordination fee of \$1,000 for each regulatory agreement to be subordinated. The applicable fee will be determined by the rule in effect at the time of the subordination request.

Final paragraph: All transfer requests in which the MMRB Loan is not outstanding and/or not within the Qualified Project Period, need not comply with the above provisions but must be submitted in writing to the Multifamily Loans/Bonds Director Assistant Director of Multifamily Programs, contain the specific details of the transfer, and be subject to the fees set forth in paragraph (4)(c), above.

67-21.026 HC Credit Underwriting Procedures.

(12)(a) The Developer Fee shall be limited to 18 percent of Development Cost, excluding land and operating deficit reserves, for proposed Developments qualified for Non-Competitive Housing Credits pertaining to Tax-Exempt Bond-Financed Developments. Consulting fees, if any, and any financial or other guarantees required for the financing must be paid out of the Developer Fee. Consulting fees include payments for Application consultants, construction management or supervision, Local Government consultants and property acquisition brokerage fees when in excess of the appropriate limit. The maximum brokerage fees shall be limited to the lesser of \$300,000 or a percent of the acquisition price, which shall be set at 4 percent when the acquisition price is \$5 million or less, 3 percent when the acquisition price is \$10 million or less, and 2 percent when the acquisition price is in excess of \$10 million. Brokerage fees paid to an Affiliate of the Applicant or Developer or to employees on the Developer's payroll will be considered part of the Developer Fee; and,

(12)(e) Ensure that no construction or inspection work ~~that is normally performed by subcontractors is performed by~~ the General Contractor, apart from the General Contractor's duties to manage and control the construction of the Development, except that the General Contractor may self-perform work of a de minimis amount, defined for purposes of this paragraph as the lesser of \$100,000 or 5 percent of the construction contract;

(14) Contingency reserves which total no more than 5 percent of total actual construction costs (hard costs) and total general development costs (soft costs) for Redevelopment and Developments where 50 percent or more of the units are new construction may be included within the Total Development Cost for Application and underwriting purposes, unless otherwise recommended by the Credit Underwriter. Contingency reserves which total no more than 15 percent of total actual construction costs (hard costs) and no more than 5 percent of total general development costs (soft costs) for Rehabilitation and Preservation may be included within the Total Development Cost for Application and underwriting purposes, unless otherwise recommended by the Credit Underwriter; however, in the event financing is obtained through a federal government rehabilitation program, a contingency reserve up to 20 percent may be utilized if required by the program.

67-21.030 Sale or Transfer of a Housing Credit Development

In part: All requests which only require subordination of the regulatory agreements must be submitted in writing to the ~~Director of Special Assets~~ Director and contain the specific details of the subordination.

Other:

Re-corporation of the SR-1 throughout.

Re-incorporation of the FCCAP

Changes to Rule Chapter 67-48, F.A.C.

67-48.001 Purpose and Intent.

(1) Address loan amounts, make and service mortgage loans for new construction or rehabilitation of affordable rental units under the State Apartment Incentive Loan (SAIL) Program ~~and the Elderly Housing Community Loan (EHCL) Program~~ authorized by Section 420.5087, F.S., and the HOME Investment Partnerships (HOME) Program authorized by Section 420.5089, F.S.; and,

67-48.002 Definitions.

(67) “Housing Credit Period” means with respect to any building that is included in a Housing Credit Development, the period of 10 years beginning with:

- (a) The taxable year in which such building is placed in service, or
- (b) At the election of the Applicant Developer, the succeeding taxable year.

(96) “QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the ~~2022~~ 2021 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation’s website under the Multifamily Programs link or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or from _____
http://www.flrules.org/Gateway/reference.asp?No=Ref_13097.

(116) “Very Low-Income” means:

- (a) With respect to the SAIL Program ~~and EHCL Programs~~,

67-48.004 Selection Procedures for Developments.

(3)(b) Principals of each Developer, including all co-Developers; notwithstanding the foregoing, the Principals of the Developer(s) may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation Board ~~Board~~ after the Applicant has been invited to enter credit underwriting. With regard to said approval, the Corporation Board ~~Board~~ shall consider the facts and circumstances of each Applicant’s request, inclusive of validity and consistency of Application documentation. Natural person Principals of a Public Housing Authority or officers and/or directors of a non-profit entity may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter credit underwriting. Any allowable change to the natural person Principals of a Public Housing Authority or officers and/or directors of a non-profit entity will apply to all awarded Applications or Applications pending final Board action that include the Public Housing Authority or non-profit entity. Any allowable replacement of a Principal that was identified as the experienced Developer in a competitive solicitation must meet the experience requirements met by the original Principal;

(3)(g) Development Type; notwithstanding the foregoing, the Development Type may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter credit underwriting. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant’s request, inclusive of validity and consistency of Application documentation;

67-48.007 Fees.

Opening paragraph: The Corporation, the Credit Underwriter or the environmental provider shall collect via check, money order, or as otherwise provided in a competitive solicitation the following non-refundable fees and charges in conjunction with the SAIL, HOME, and HC, ~~and EHCL~~ Programs, as outlined in the competitive solicitation, the invitation to enter credit underwriting, the Preliminary Allocation, the preliminary commitment, the firm commitment, the Binding Commitment, the Carryover Allocation Agreement, or this rule chapter, as applicable:

Last paragraph, in part: All of the fees set forth above with respect to the SAIL Program ~~and EHCL Programs~~ are part of Development Cost and can be included in the Development Cost pro forma and paid with SAIL and EHCL loan proceeds.

67-48.0072 Credit Underwriting and Loan Procedures.

Opening paragraph, in part: The credit underwriting review shall include a comprehensive analysis of the Applicant, the real estate, the economics of the Development, the ability of the Applicant and the Development team to proceed, the evidence of need for affordable housing in order to determine that the Development meets the program requirements and determine a recommended SAIL, ~~EHCL~~, or HOME loan amount, Housing Credit allocation amount or a combined SAIL or HOME loan amount and Housing Credit Allocation amount, if any;

(2) For SAIL, ~~EHCL~~, and HOME Applicants, the invitation to enter credit underwriting constitutes a preliminary commitment.

(4)(b) For Competitive HC, SAIL, ~~EHCL~~, and HOME Applicants, failure to submit the required credit underwriting fee or the HC PRL fee, as applicable, by the specified deadline shall result in withdrawal of the invitation. For HOME Applicants that apply and qualify as a Non-Profit entity, the Corporation shall bear the cost of the credit underwriting review, environmental review, and legal counsel. However, if the HOME commitment is canceled for failure to adhere to rule deadlines or for reasons within the Applicant's control, the Development will be responsible for reimbursing the Corporation for fees incurred for credit underwriting, environmental review processing, and legal counsel.

(4)(c) For SAIL, ~~EHCL~~, and HOME, the credit underwriting process must be completed within the time frame outlined in subsection 67-48.0072(21), F.A.C., below and the loan must close within the time frame outlined in subsection 67-48.0072(26), F.A.C., below.

(11) in part: For SAIL, ~~EHCL~~, and HOME, the maximum debt service coverage shall be 1.50x for the SAIL, ~~EHCL~~, or HOME loan, including all superior mortgages.

(12) For Competitive HC, SAIL, and HOME, the Corporation's assigned Credit Underwriter shall require a guaranteed maximum price construction contract, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree, and shall order, at the Applicant's sole expense, and review a pre-construction analysis for all new construction units and a CNA for rehabilitation units and review the Development's costs. ~~If an EHCL Development has a General Contractor, the preceding requirement will also apply to the EHCL Development.~~

(14) For SAIL, ~~EHCL~~, HOME, and Competitive HC, the Credit Underwriter may request additional information, but at a minimum for SAIL, ~~EHCL~~, and HOME, the following will be required during the underwriting process:

(16)(a) addition: Brokerage fees paid to an Affiliate of the Applicant or Developer or to employees on the Developer's payroll will be considered part of the Developer Fee.

(17)(f) Ensure that no construction or inspection work that is normally performed by subcontractors is performed by the General Contractor, apart from the General Contractor's duties to manage and control the construction of the Development, except that the General Contractor may self-perform work of a de minimis amount, defined for purposes of this paragraph as the lesser of \$100,000 or 5 percent of the construction contract;

(19) Contingency reserves which total no more than 5 percent of total actual construction costs (hard costs) and total general development costs (soft costs) for Redevelopment and Developments where 50 percent or more of the units are new construction may be included within the Total Development Cost for Application and underwriting purposes, unless otherwise recommended by the Credit Underwriter. Contingency reserves which total no more than 15 percent of total actual construction costs (hard costs) and no more than 5 percent of total general development costs (soft costs) for Rehabilitation, Moderate Rehabilitation, Substantial Rehabilitation, and Preservation may be included within the Total Development Cost for Application and underwriting purposes, unless otherwise recommended by the Credit Underwriter; however, in the event financing is obtained through a federal government rehabilitation program, a contingency reserve up to 20 percent may be utilized if required by the program. Contingency reserves shall not be paid from SAIL or HOME funds.

(21)(a) For SAIL, ~~EHCL~~, and HOME Developments, the Corporation shall issue a firm loan commitment after approval of the Credit Underwriter's recommendation for funding by the Board.

(21)(b) For SAIL, ~~EHCL~~, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the twelve (12) month deadline. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan

commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the six (6) month extension deadline, to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

(24) For SAIL, ~~EHCL~~, and HOME, the Credit Underwriter's loan recommendations will be sent to the Board for approval.

(25) For SAIL, ~~EHCL~~, and HOME, the Corporation shall issue a firm loan commitment within seven (7) Calendar Days after approval of the Credit Underwriter's recommendation for funding by the Board.

(26) For SAIL, ~~EHCL~~, and HOME, unless stated otherwise in a competitive solicitation, these Corporation loans and other mortgage loans related to the Development must close within 120 Calendar Days of the date of the firm loan commitment(s), unless the Development is a Tax-Exempt Bond-Financed Development which then the closing must occur within 180 Calendar Days of the firm loan commitment(s). These deadlines may be automatically extended to the next scheduled meeting of the Board of Directors that is after the 120 or 180 Calendar Days deadline, as applicable. Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. Applicants may request one (1) extension of the loan closing deadline outlined above for a term of up to 90 Calendar Days, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the 90 Calendar Day extension deadline. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The Board shall consider the facts and circumstances of each Applicant's request, inclusive of the Applicant's ability to close within the extension term and any credit underwriting report, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one (1) percent of each Corporation loan amount if the Board approves the request to extend the loan closing deadline beyond the applicable 120 Calendar Day or 180 Calendar Day period outlined above. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original loan closing deadline. In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void and the funds shall be de-obligated.

67-48.0075 Miscellaneous Criteria.

(7) The Corporation must approve, pursuant to rule Chapter 67-53, F.A.C., the Applicant's selection of a management company prior to the leasing of any units in such company assuming responsibility for the Development. 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. ~~A key management company representative must attend a Corporation sponsored training workshop on certification and compliance procedures prior to the leasing of any units in the Development.~~

67-48.0095 Additional SAIL Selection Procedures.

(2) 10 percent of the funds for Developments in the Elderly category shall be made available ~~for the EHCL Program~~ to provide loans to Sponsors of housing for the Elderly for the purpose of making life-safety or security-related repairs or improvements to such housing which are required by federal, state or local regulation, ~~as further specified in Section 420.5087, F.S., and this rule chapter.~~

67-48.010 Terms and Conditions of SAIL Loans.

(15) After accepting a firm commitment ~~preliminary commitment~~, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without

prior approval of the ~~Corporation~~ Corporation's Board of Directors. With regard to said approval, the Corporation shall require an analysis from the Credit Underwriter and consider the facts and circumstances of the Applicant's request, inclusive of market circumstances outside of the Applicant's control. If the Corporation's decision is to deny the Applicant's request, the Board shall consider the facts and circumstances of the Applicant's request and the Corporation's denial, and make a determination of whether to grant the request. However, an Applicant may reduce the interest rate on any superior or inferior mortgage loan without the Board's permission, provided that no other terms of the loan are changed. The Corporation must be notified in writing of any such change.

(25) in part: All loan renegotiation requests must be submitted in writing to the ~~Director of Special Assets~~ Director.

67-48.0105 Sale, Transfer or Refinancing of a SAIL Development.

(2) in part: All assumption requests must be submitted in writing to the ~~Director of Special Assets~~ Director and contain the specific details of the transfer and assumption.

(4) in part: All loan renegotiation requests must be submitted in writing to the ~~Director of Special Assets~~ Director and contain the specific details of the renegotiation. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee of one-half of one percent of the SAIL loan principal amount. The applicable fee will be determined by the rule in effect at the time of the renegotiation request. All loan extension requests must be submitted in writing to the ~~Director of Special Assets~~ Director and contain the specific details of the extension.

Next to last paragraph, in part: All requests which only require subordination of the regulatory agreements must be submitted in writing to the ~~Director of Special Assets~~ Director and contain the specific details of the subordination.

Last paragraph, in part: All requests which only require extension of the affordability period under the regulatory agreements must be submitted in writing to the ~~Director of Special Assets~~ Director and contain the specific details of the extension.

67-48.014 HOME General Program Procedures and Restrictions.

(10)(k) Economic Opportunity for Low- and Very Low-Income Persons as implemented in 24 CFR Part 75 435.

67-48.020 Terms and Conditions of Loans for HOME Rental Developments.

(13) The Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the HOME mortgage without prior approval of the ~~Corporation~~ Corporation's Board of Directors. With regard to said approval, the Corporation shall require an analysis from the Credit Underwriter and consider the facts and circumstances of the Applicant's request, inclusive of market circumstances outside of the Applicant's control. If the Corporation's decision is to deny the Applicant's request, the Board shall consider the facts and circumstances of the Applicant's request and the Corporation's denial, and make a determination of whether to grant the request. However, an Applicant may reduce the interest rate on any superior or inferior mortgage loan without the Board's permission, provided that no other terms of the loan are changed. The Corporation must be notified of any such change.

67-48.0205 Sale, Transfer or Refinancing of a HOME Development.

Next to last paragraph, in part: All requests which only require subordination of the regulatory agreements must be submitted in writing to the ~~Director of Special Assets~~ Director and contain the specific details of the subordination.

Last paragraph, in part: All requests which only require extension of the affordability period under the regulatory agreements must be submitted in writing to the ~~Director of Special Assets~~ Director and contain the specific details of the extension.

67-48.030 Sale or Transfer of a Housing Credit Development.

In part: All requests which only require subordination of the regulatory agreements must be submitted in writing to the ~~Director of Special Assets~~ Director and contain the specific details of the subordination.

67-48.031 Qualified Contracts.

(5) All information contained in a Qualified Contract Package is subject to independent review, analysis and verification by the Corporation or its agents. The Corporation may request additional information to document the qualified contract amount calculated by the owner. The Corporation may also engage the services of its own certified public accountant (CPA) and real estate appraiser to assist in the review of a Qualified Contract Package. Real estate appraisers involved in the qualified contract process must be licensed by the state of Florida, be an MAI-designated ~~MAI-designated~~ general appraiser and be otherwise acceptable to the Corporation.

67-48.040 EHCL General Program Procedures and Restrictions.

Repeal

67-48.041 Terms and Conditions of EHCL Loan.

Repeal

Other:

SR-1 re-incorporated throughout

Changes to Rule Chapter 67-60, F.A.C.

Title: ~~MULTIFAMILY~~ COMPETITIVE SOLICITATION FUNDING PROCESS

67-60.001 Purpose and Intent.

(1) Administer the competitive solicitation funding process to make and service mortgage loans for new construction or rehabilitation of affordable rental units under the State Apartment Incentive Loan (SAIL) Program ~~and the Elderly Housing Community Loan (EHCL) Program~~ authorized by section 420.5087, F.S., the HOME Investment Partnerships (HOME) Program authorized by section 420.5089, F.S.;

67-60.002 Definitions.

Unless otherwise specifically provided, the definitions in section 67-48.002, F.A.C. and section 67-21.002, F.A.C., apply to this rule chapter.

Changes to Non-Competitive Application

Application Instructions:

Page 1 - ~~Corporation issued Multifamily Mortgage Revenue Bonds (MMRB) only. The Non-Competitive Application Form can be submitted to the Corporation any time after the effective date of Rule Chapter 67-21, F.A.C.;~~

To meet threshold, the following information Applicant must be received:

- ~~If requesting 4 Percent HC, The Application Package must be submitted electronically by clicking the login link found at <http://www.floridahousing.org/programs/developers-multifamily-programs/non-competitive>.~~

Note: A username and password must be entered. If the Applicant has not previously created a username and password, the Applicant will need to create one prior to the upload process.

After successfully logging in, click “Upload Application Package.” Enter the Development Name and click “Browse” to locate the completed documents saved on the Applicant’s computer. The average file size is 1.0 MB and should take a moment or two to upload. Larger files may take longer to upload. There is a file size limit of 15 MB, but this may be able to be reduced without reducing the number of pages submitted. Examples of factors that affect file size include the resolution of the scanner or scanning the documents in color or as a graphic/picture.

~~via email to 4HC@floridahousing.org. If requesting Corporation Issued MMRB, the Application Package must be submitted electronically via email to MFLoans@floridahousing.org. Once the complete Application Package, Application fee and, if applicable, TEFRA fee, is received by the Corporation, an invitation to the Procorem secure portal will be issued to the Applicant; and~~

- The Applicant Certification and Acknowledgement Form must be executed by the Authorized Principal Representative; and
- ~~Submit~~The required Application fee must be submitted to the Corporation; and
- If requesting Corporation-issued MMRB, with or without 4 percent HC, submit the required Tax Equity and Fiscal Responsibility Act (TEFRA) fee.
- The Application fee and, if applicable, TEFRA fee, may be submitted to the Corporation by check or money order, ACH or wire transfer. The ACH and wire transfer instructions are available on the website at <http://www.floridahousing.org/programs/developers-multifamily-programs/non-competitive>. In order to ensure the applicable fee is processed for the correct Application, Applicants must include the name of the proposed Development on the check, money order, ACH, or wire transfer. Checks or money orders must be mailed to the Corporation.

Once the complete Application Package, Application fee and, if applicable, TEFRA fee, is received by the Corporation, an invitation to the Procorem secure portal will be issued to the Applicant.

4.b. Enter Applicant’s Federal Employer Identification Number. If the Federal Employer Identification Number has not yet been obtained, provide a copy of the completed, submitted ~~a~~Application for Employer Identification Number (IRS Form SS-4) or, if the Federal Employer Identification Number has been obtained, provide a copy of the confirmation letter from the IRS assigning the number-that number as “Exhibit 1” to the Application form.

6.a. The Principals of the Applicant and Developer(s) Disclosure Form in effect at the time of Application submission (“Principal Disclosure Form”), must be submitted, in Excel format, as part of the Application package.

The Principal Disclosure Form must identify, pursuant to subsections 67-21.002(86) and 67-21.0025(7) and (8), F.A.C., the Principals of the Applicant and Developer(s). For Housing Credits, the investor limited partner of an Applicant limited partnership or the investor member of an Applicant limited liability company must be identified on the Principal Disclosure Form. A Principals Disclosure Form should not include, for any organizational structure, any type of entity that is not specifically included in the Rule definition of Principals. Pursuant to subsection 67-21.002(86), any Principal that is not a natural person must be a legally formed entity as of the Application Deadline.

6.b.(2) For Applicants requesting MMRB, with ~~or without~~ Non-Competitive Housing Credits:

The Applicant entity shall be the recipient of the Non-Competitive Housing Credits and the borrowing entity for the MMRB Loan and the ownership structure of the Applicant entity as set forth in the Principal Disclosure Form cannot be changed in any way (materially or non-materially) until after the MMRB Loan closing. After loan closing, (a) any material change in the ownership structure of the named Applicant will require review and approval of the Credit Underwriter, as well as Board approval prior to the change, and (b) any non-material change in the ownership structure of the named Applicant will require review and approval of the Corporation, ~~as well as Board approval~~ prior to the change. The Applicant must comply with Principal disclosure requirements outlined in Rule Chapter 67-21, F.A.C. for the duration of the Compliance Period. Changes to the ownership structure of the Applicant entity (material or non-material) prior to the loan closing or without Board approval after the loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes prior to loan closing to the officers or directors of a Public Housing Authority, officers or directors of a Non-Profit entity, or the limited partner of an investor limited partnership or an investor member of a limited liability company owning the syndicating interest therein will not result in disqualification, however, the Corporation must be notified of the change. Changes to the officers or directors of a Non-Profit entity shall require Corporation approval.

6.c. The Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation Board after the Applicant has been invited to enter Credit Underwriting. Principals of a Public Housing Authority or officers and/or directors of a non-profit entity may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter Credit Underwriting. Any allowable replacement to the natural person Principals of a Public Housing Authority or officers and/or directors of a non-profit entity will apply to all awarded Applications or Applications pending final Board action that include the Public Housing Authority or non-profit entity.

7.b.(1)(a) The Development must meet the definition of Redevelopment stated in Rule 67-21.002(95), F.A.C. ~~67-21.002(94), F.A.C.~~

7.b.(2)(c) The Development must also meet the definition of Rehabilitation stated in Rule 67-21.002(96), F.A.C. ~~67-21.002(95), F.A.C.~~

8.b. State the (1) address number, street name, and name of city, and/or (b) the street name, closest designated intersection, and either name of city or unincorporated area of county. ~~If the proposed Development consists of Scattered Sites, provide this information for each of the Scattered Sites.~~

8.c. Indicate whether the proposed Development consists of Scattered Sites, as defined in Rule 67-21.002(98) F.A.C. ~~67-21.002(97), F.A.C.~~ This will be verified during Credit Underwriting.

9.a. Note: The following unit limit applies only to Applications requesting Corporation-issued MMRB, with ~~or without~~ 4 percent HC:

9.d. State the total number of units that will have each of the following types of rental assistance: PBRA, ACC, and/or other federal assistance. If none, enter "0" or "N/A".

9.e. Note: Applications requesting Corporation-issued MMRB, with ~~or without~~ 4 percent HC, must be for a proposed Development consisting of two (2) or more dwelling units in each residential building.

9.f. Complete the Unit Mix Chart listing the total number of bedrooms per unit, the total number of bathrooms per unit (including half-baths, if applicable), and the total number of units per bedroom type. All units in the proposed Development must be listed, including all manager/employee units and all market rate units, if applicable.

10.d. Tenant Selection Plan

Unless the Development meets an exception outlined in (1) below, a Tenant Selection Plan must be submitted to the Corporation for approval within 21 Calendar Days of the date of the invitation to enter credit underwriting. The Tenant Selection Plan must be approved by the Corporation and, if required, HUD prior to the completion of the final credit underwriting report.

(1) Exceptions to Tenant Selection Plan requirements

- Developments financed with HUD Section 811;
- Developments financed with a United States Department of Agriculture RD program; or
- Applicants that select the Elderly ALF Demographic Commitment.

All other Applications must achieve Corporation approval and, if required, HUD approval prior to the completion of the final credit underwriting report.

(2) Achieving Corporation approval

To achieve approval by the Corporation, the Tenant Selection Plan must be submitted by the owner to the Corporation for approval within 21 Calendar Days of the date of the invitation to enter credit underwriting.

The Tenant Selection Plan Guidelines and Tenant Selection Plan Checklist can be found on the webpage <https://www.floridahousing.org/programs/developers-multifamily-programs/non-competitive>. Part D of this Application also describes requirements for tenant selection policies.

(3) Achieving HUD approval, if required

In addition to the Corporation's approval, if HUD approval is required because a Development has a Housing Assistance Payment and/or an Annual Contributions Contract with HUD, HUD approval of the Tenant Selection Plan must be demonstrated to the Corporation prior to the completion of the final credit underwriting report.

HUD's approval process may take several months. Owners should send the Corporation-approved Tenant Selection Plan to HUD for approval as soon as possible to meet this requirement.

11.a. Required Features and Amenities Commitments are outlined below for Applicants requesting (i) Corporation-issued MMRB; with ~~or without~~ 4 percent HC, or (ii) 4 percent HC only to be used with bonds issued by an entity other than the Corporation or a County HFA.

11.a.(1) At question 11.a.(1) of the Application form, Applicants requesting Corporation-issued MMRB; with ~~or without~~ 4 percent HC, must select enough of the Optional Features and Amenities for All Developments (set out in Item (3)(a) below) to achieve a total point value of at least 6 points.

11.b.(1) At question 11.b. of the Application form, Applicants requesting Corporation-issued MMRB; with ~~or without~~ 4 percent HC, must select at least five (5) of the Green Building Features outlined in Item (3) below.

12.a.(1) Applicants requesting Corporation-issued MMRB; with ~~or without~~ 4 percent HC, must select at least one (1) of the Qualified Resident Programs for All Applicants (outlined in Item c.(1) below).

12.c.(5) in part: 24 Hour Support to Assist Residents In Handling Urgent Issues (3 points)

13.c. in part: ~~If requesting Corporation-issued MMRB only, provide the information outlined in Sections (1) and (5) below.~~

16. The Applicant Certification and Acknowledgement Form ~~Application included in the Application form~~ must be ~~executed signed~~ by the Authorized Principal Representative ~~to indicate the Applicant's certification and acknowledgement of the provisions and requirements of this Application and provided as "Exhibit 10" to the Application form.~~ The Applicant Certification and Acknowledgement Form may be found on the Non-Competitive Application website.

Part B. Credit Underwriting Review, Rule and Section 42, IRC Requirements, and Fees

Part B.2. If requesting Corporation-issued MMRB, with ~~or without~~ 4 percent HC:

Part B.4. 4. Other Information

a. Gross Rent Floor Election

The Gross Rent Floor described in Section 42(g)(2)(A) of the IRC will take effect on the date the Corporation initially issues a determination letter unless the owner designates that the placed-in-service dated should be used. In order to make this election, the Gross Rent Floor Election form must be completed and returned to the Corporation prior to the placed-in-service date of the building. The form may be found on the Corporation's Website <https://www.floridahousing.org/programs/developers-multifamily-programs/non-competitive/related-forms>.

b. Other Related Forms, References and Links

Other information related to the Housing Credit and MMRB programs may be found on the Corporation's Website at <https://www.floridahousing.org/programs/developers-multifamily-programs/non-competitive>.

Part C.5.b. MMRB (with ~~or without~~ HC) – Annual fee is comprised of a base fee per month + an additional fee per set-aside unit per year, subject to a minimum monthly fee, and includes an automatic annual increase of 3 percent of the prior year's fee. Where a difference exists between set-aside requirements for MMRB and HC, the fees collected will be based upon the higher number of set-aside units.

Part D Tenant Application and Selection Requirements

Extremely Low Income (ELI) Household's Tenant Selection Criteria, if applicable

The Applicant must adhere to the following tenant selection criteria when evaluating the eligibility of a household applying for tenancy in a unit set aside for Extremely Low Income (ELI) Households:

- The credit history related to medical expenses, cable and internet services will not be taken into consideration when conducting credit checks.
- ELI Household's Income Requirement Policy – The household monthly income must not be required to be more than two times the monthly rent. (e.g., If the monthly rent is \$500, the household monthly income will not be required to exceed \$1,000.)
- The eviction history look-back period must not be more than 5 years. A household is permitted one eviction during the 5-year look-back period, unless the eviction was due to causing physical harm to development staff, tenants or intentional property damage.

Tenant Application Fees and Deposits (ELI Households Only, if applicable)

The Applicant must adhere to the following tenant application fees and deposits requirements for a household applying for tenancy in a unit set aside for extremely low income households:

- It is prohibited to charge a fee to a household that is applying for tenancy in a unit that is set aside for extremely low-income households for the purposes of reserving or holding a unit.
- The application for tenancy fee will be no more than \$35 per adult in a household.
- A security deposit for new tenant households will be not more than the amount of one month's rent.

Additional Tenant Selection Criteria for All Households

The Applicant must adhere to the following tenant selection criteria when evaluating the eligibility of all households applying for tenancy.

- The arrest record of a household member will not be considered when determining any household's application for tenancy.
- For households with publicly funded rental assistance, the income requirement will be based on the household's paid portion of the rent.

Application for Tenancy (All Households)

The Applicant must include and prominently place the following information in the Development's application for tenancy packet that is provided to all interested households:

- The tenant selection approach and criteria used to evaluate and determine a household's application for tenancy. The criteria under which a household was screened and evaluated, as well as the determination, must be included in each tenant household's file.

The approach regarding a household's notification and appeal process and timeline, if the household's application is rejected or determined ineligible.

- A description of reasonable accommodations or reasonable modifications for persons with disabilities, pursuant to Section 504 of the Rehabilitation Act of 1973. The description shall include accommodations that must be considered by the Development such as physical dwelling unit modifications for greater accessibility and use, as well as individualized assessments of mitigating factors related to a disability that adversely affected a household's credit, eviction or criminal history. The description shall also include the process for requesting a reasonable accommodation, the determination approach, and decision-making timelines.

A description of an applying household's or existing tenant's housing protections pursuant to the Violence Against Women Reauthorization Act of 2013 (VAWA). The description will include that applying households may request that the Development conduct an individualized assessment of mitigating factors related to being a victim of domestic violence, dating violence, sexual assault, and stalking that adversely affected the household's credit, eviction, or criminal history.

Notification of Rejection or Ineligibility for Tenancy

The Applicant must, at a minimum, notify any household that their application for tenancy was rejected or determined ineligible through a documented process such as a written letter or email to the address provided by the household.

The notification will be provided to a household within 5 business days from the day the determination is made.

The notice must include information regarding:

- The reasons a household's application for tenancy was rejected or determined ineligible.
- A household's right to appeal the Development's decision, as well as complete instructions regarding how a household may appeal the decision.

Excel Application form – changes to form that are not captured above:

8.e. – addition of email address for CEO

Features and Amenities and Resident Programs – formula to add points and/or number of items selected

Changes to Qualified Allocation Plan (QAP)

Item II C. – geographic percentages will be updated per statewide market study

Item III.A. - Developments that receive Tax-Exempt Bonds issued by FHFC, without any other FHFC competitive funding, will be deemed to have met the minimum threshold criteria by successfully completing a request for Housing Credits in their Non-Competitive Application, or through a competitive solicitation for the Bonds by the date specified in Rule Chapter 67-21, Florida Administrative Code or the competitive solicitation, as applicable.