

GENERAL CONTRACTOR COST CERTIFICATION
FORM AND INSTRUCTIONS

These instructions are designed to assist Housing Credit (HC) Applicants, General Contractors, and independent Certified Public Accountants in the preparation and submission of the General Contractor Cost Certification (GCCC) as part of the Final Cost Certification Application Package (FCCAP) required of the HC Applicant. The GCCC shall be completed, executed and submitted to Florida Housing in both hard copy format and electronic files of the Microsoft Excel spreadsheet for the General Contractor cost certification, along with the required Certified Public Accountant opinion letter regarding the General Contractor cost certification, and an unmodified audit report prepared by an independent Certified Public Accountant regarding the General Contractor cost certification.

The purpose of the General Contractor cost certification process is to establish the total actual costs incurred by the General Contractor in the delivery of a HC Development. This will assist Florida Housing in determining certain development costs, the amount of subsidy to be allocated to the HC Development, and the performance compliance of the General Contractor construction contract within specified requirements.

The cost certification process is required of all HC Applicants and all General Contractors. The HC Applicant is obligated to submit or cause to be submitted the GCCC in a timely manner with respect to its FCCAP submission deadline. The GCCC certification must be completed by the General Contractor and returned to Florida Housing along with an unmodified audit report from an independent Certified Public Accountant, each component of which must be reviewed and accepted by Florida Housing. The Certified Public Accountant's report must provide the findings of its audit of the General Contractor's construction contract costs and must be state the General Contractor's cost certification was completed according to proper regulatory procedures and professional standards, inclusive of the requirements provided herein. Within the submission package, the certified Public Accountant must inform Florida Housing of the names of the sub-contractors that have been verified and the amounts of the sub-contracts verified. At a minimum, the CPA shall confirm ~~verify~~ the amounts paid to the top three sub-contractors in terms of dollar amount as well as verify an additional five sub-contractors, selected randomly per the instructions below. The Corporation may request additional clarifying documentation, including the independent certified public accountant's audit documentation from the review of the development and construction costs, in order to timely review the final cost certification documentation.

The HC Applicant will receive a GCCC template as an electronic Microsoft Excel file to forward to the General Contractor or the General Contractor can obtain one directly from Florida Housing. Instructions for completing it begin on page 3. Please read the instructions before attempting to complete it.

The General Contractor is entitled to include in the General Contractor's cost certification costs,

all ordinary and necessary expenses directly related to the construction contract to deliver the HC Development, inclusive of amounts paid or owing to all sub-contractors, all labor and material required for the purpose of performing the contract, insurance premiums, and all types of ordinary and necessary costs related to the construction (light, power, telephone, water and other utilities furnished to the construction job, and all other ordinary expenditures of the contractor incidental to the performances of the contract). Labor can be aggregated in one total for each cost line item, but all sub-contractors/vendors paid for said labor must be identified and included in the information provided to the Certified Public Accountant as provided below, as well as to Florida Housing. In such a case, insert a comment under the 'Name of Subcontractor or Payee' column header indicating there are multiple payees for that cost line item. If a subcontractor is providing both labor and material for a specific line item and a separation of labor and material costs cannot be detailed, then the costs for that specific line item can be reported as a combined total. Each sub-contractor, or payee, must be identified as either being related, or not being related, to the General Contractor, Developer, or Applicant. In addition, each sub-contractor, or payee, must be identified as either being or not being related or affiliated with any other sub-contractor. If any sub-contractors or payees are found to be related or affiliated with any other General Contractor, Developer, or Applicant, the names must be provided and the relationship identified. Attachment A is a trade item listing, clarifying the desired trade item captions and a general description of what should be included in each of those trade items.

All expenditures must be reduced by the amounts of any rebates, allowances, trade discounts, reimbursements, adjustments, cost savings, or other sums that the General Contractor and/or the HC Applicant has received or is to receive. If the General Contractor paid sales tax and the sales tax has been or is to be refunded back to another entity (i.e., the Applicant or the Developer), the total amount paid by the General Contractor should reflect the sales tax paid and the amount of the refund will be reflected and identified separately in the FCCAP.

Florida Housing reserves the right to exclude any cost when the amount is determined to be so high as to be out-of-line with reasonable and necessary costs or not in compliance with any restrictions outlined in the application, credit underwriting, and/or allocation processes. Florida Housing also reserves the right to exclude any cost deemed not appropriate as provided by Section 42 of the Internal Revenue Code.

The General Contractor shall provide at least the following information to the Certified Public Accountant:

- 1) Completed Florida Housing's General Contractor cost certification forms, including any required descriptions of costs (see Attachment A: Trade Item Captions and Definitions);
- 2) Copy of construction contract and any change orders;
- 3) Listing of all sub-contractors utilized on the job, with amounts paid or to be paid;
- 4) Listing of all other costs and fees paid and/or incurred for the HC Development by the general contractor.

- 5) Listing of all sub-contractors related to the General Contractor utilized on the job.
- 6) Listing of all sub-contractors that are related or affiliated with any other sub-contractor utilized on the job.

The Certified Public Accountant performing the audit of the General Contractor's cost certification must send the following confirmation requests to the three largest dollar sub-contractors: When determining the three largest dollar sub-contractors, the combined cost of any group of entities that have common ownership or are Affiliates of any other subcontractor ("group of entities") should be considered and if the combined cost of the group of entities together constitutes one of the three largest dollar sub-contractors, confirmation requests should be sent to all of the entities within the group of entities.

- 1) Confirm the construction contract amount;
- 2) Confirm any change orders;
- 3) Confirm what additional costs were incurred outside of the contract, if any;
- 4) Confirm the type of services provided (trade breakdown);
- 5) Confirm amounts paid to date and balance(s), if any, to be paid;
- 6) Request to clarify if it is related to the General Contractor; and
- 7) Request to clarify if it is related or affiliated to any other sub-contractor utilized on the job.

In addition, the Certified Public Accountant must randomly select other sub-contractors sufficient in number (but in no event less than five other sub-contractors), when taken together with the three largest dollar sub-contractors, to account for at least 40% of the total contract construction cost, and verify the amounts paid to each sub-contractor by reviewing check copies, contract documents, change orders, and other supporting information to verify amounts included within the cost certification for each sub-contractor selected. Florida Housing reserves the right to require a higher standard of requirements for the audit from the Certified Public Accountant than those provided herein when there is a contractual agreement between Florida Housing and another entity or individual involved in the delivery of the HC Development where such agreement calls for such a higher standard requirement. The affected entity or individual would be required to inform the General Contractor of the higher standard requirement. ~~For any affiliated or related subcontractors whose combined costs place them among the three highest paid subcontractors, the CPA must perform confirmation procedures for each affiliated subcontractor as described in the instructions above.~~

A minimum rehabilitation investment is required to assure meaningful, rather than simply cosmetic, rehabilitation of properties. Rehabilitation or Preservation costs during any 24-month period with respect to the Housing Credit Program must equal or exceed an average of \$40,000 in hard

rehabilitation costs per unit. Hard rehabilitation costs include site improvements, off-site improvements, rehabilitation costs for physical improvements to the property, and do not include general contractor fees or overhead, general requirements, architect and engineering fees, permit fees, financing or soft costs, or developer fees. More specifically, costs that will be included to satisfy this test will include Total Actual Construction Costs as reflected in the General Contractor Cost Certification.

GENERAL CONTRACTOR COST CERTIFICATION INSTRUCTIONS

The General Contractor must use the Microsoft Excel file provided to complete the GCCC. The Microsoft Excel file provided via email is named “General Contractor Cost Certification Template”. **Open the file in Microsoft Excel and immediately save the file under another name to preserve the formulas in the original file.**

Many cells are protected, the computer will automatically generate these entries depending on your other entries, and you will not be able to enter anything into these areas. Many entries once entered are automatically incorporated into formulas throughout the template.

You will notice that the fonts have different colors:

- Items in a black font represent those items that are the template.
- An item in a brown font represents an item entered by you.
- An item in a dark blue font represents a copy of an item previously entered by you or a calculation made based on entries previously entered by you. You will be unable to enter anything into a cell that has a dark blue font.

Start at the top of the worksheet tab called ‘GC Cost Breakdown.’

Type in the Development Name, Development Location, Contractor Name, and Owner’s Name in the spaces provided.

There are six separate cost sections to this report: Site Improvements, Off-Site Improvements, Building, Furnishings/Appliances, Other Fees Paid by the General Contractor, and Contractor General Requirements, Overhead and Profit. Within each of these sections, there are various Trade Item areas which must be completed, as applicable, with each cost line item divided into new construction, rehabilitation, and commercial categories. The column to the right of the Trade Item description is reserved to designate each cost line item as being used for either an accessory building, recreational amenities, or existing common areas. If the cost line item is not to be designated as one of these three categories, leave the corresponding cell blank. These cost line items will be grouped accordingly within the Summary of Construction Costs section at the bottom of the template.

For each Trade Item area there are seven rows defaulted to be available for detailed input. If you need more than those seven rows, you may insert additional rows as needed. If a row is inserted, be sure to copy the formula in the ‘Total’ column from another row and paste it into the new row. In order to condense a print-out of the worksheet, you may hide a row that has no entry and does not need to be viewed. In all cases, at least the first line of each Trade Item area (showing the Trade Item description) and the corresponding ‘Subtotal’ row must be visible in a print-out.

When entering cost line items for the Trade Item description of ‘Demolition and Asbestos Abatement’, you can only enter those costs either under ‘New Construction’ or ‘Rehabilitation’ because the column designated for ‘Commercial’ is only supposed to represent the hard costs related to the delivery of that space.

All costs must be entered into one of the existing Trade Item areas. To appropriately detail the costs paid versus the costs owing to each subcontractor, report the costs that have been paid to a particular subcontractor on one line and then report the costs owing to that subcontractor on another line.

Under the Trade Item section for ‘Other Fees Paid by the General Contractor,’ you cannot designate the cost line items to fall under the categories of accessory building, recreational amenities, or existing common areas since these sections exist as their own separate category.

There are four pre-filled cost line items under ‘Other Fees Paid by the General Contractor’ and there are three empty spaces available for your own designation. Simply enter a description in the first column for that option. If additional rows are needed, additional rows can be inserted.

When entering the three detailed cost line items under ‘Contractor General Requirements, Overhead and Profit,’ the total of these are limited by the application process and cannot exceed the limit of 14% of the actual construction cost. There are certain costs, if and when incurred, must be placed within the ‘Contractor General Requirements’ allocation of costs and cannot be listed within any costs that are included within the ‘Total Actual Constr. Costs’ line item.

Once completed, the various cost line items will be automatically grouped together under the various construction cost categories provided under the ‘Summary of Construction Costs’ section. If the Certified Public Accountant believes the pre-set groupings are not correct for this section, comments can be provided in the ‘Exhibit A’ worksheet tab explaining the needed variances.

If any subcontractors or payees were identified as being related/affiliated to each other, they will need to be identified in the chart below the Summary of Construction Costs table.

If the General Contractor self-performed any work reflected in the GC cost breakdown details, the chart disclosing this information will need to be filled out. Please provide (1) the Trade Item that was self-performed, (2) the associated cost, (3) an explanation of why the General Contractor self-performed work and (4) the amount of profit, administrative fees or any other add-on charges that were included in the reflected cost (expected to be \$0).

If any comments are deemed necessary by the General Contractor or the Certified Public Accountant, they can be included in the ‘Exhibit A’ worksheet tab.

Once the ‘GC Cost Breakdown’ worksheet tab is completed and all necessary comments have been incorporated into the ‘Exhibit A’ worksheet tab, the GC Certification form found on the ‘Certification’ worksheet tab must be completed. All information in this worksheet tab can be

completed in the form itself. Signatures must be provided by the General Contractor's authorized representative and the Certified Public Accountant. Please remit the final, executed, General Contractor Cost Certification electronically in PDF form to Florida Housing along with the excel file of the General Contractor Cost Certification.

If you have any questions or comments, please call Florida Housing at (850) 488-4197.

Attachment A. Trade Item Captions and Definitions

Construction Cost Detail - Description of Trade Items

Trade Item	Description of line item
Earth Work	Site preparation (clearing and grubbing), top soil stripping and piling; rough site grading with cuts and fills; structure excavation and backfill; finish grading; footer trenching; soil testing; related field staking; site equipment rental fees.
Site Utilities	Labor and material and all pertinent costs related to installation of water, sewer, storm, electric, gas, telephone, cable, etc. Includes site staking/engineering for each, excavation of each, standby inspection fees for each, utility provider charges for each, removal of abandoned or relocated utility lines, and any other cost related to the installation of site utilities.
Roads, Walks and Paving	Includes labor and material related to the installation of all concrete and asphalt, including all areas outside the building including, but not limited to, roads, streets, alleys, parking areas, sidewalks, stoops, porches, and any other site hard surface. This includes the labor and material for the preparation work, the base, the actual hard surface, and related field staking and concrete testing.
Site Improvements	Labor and material related to the installation of equipment for playground and other special areas; fences; handrails; permanent exterior signs; dumpsters; trash enclosures; mailboxes; flagpoles; gazebos; and non-framing canopies; swimming pools and all pool accessories, and any other site amenity.
Lawns and Planting	Labor and material related to final grading of top soil, the planting of trees; tree walls; flowers; flower beds; shrubs; grass and other ground covers; irrigation systems; edging, sprinkler systems, and any other work related to the exterior finish product.
Demolition and Asbestos Abatement	Labor and material related to demolition, asbestos abatement and any other environmental related tasks.
Retaining Walls	Labor and material related to wood or stone retaining walls, bracing, etc.
Unusual Site Conditions	Labor and material related to any unusual site conditions. Contractor to provide description of such work.
Concrete	Labor and material related to footer concrete, cast-in-place or precast concrete work within a structure, including foundations, piers, floors, walls, etc.; formwork; reinforcement; cementations decks and toppings; gypcrete; related concrete testing; etc.
Masonry	Labor and material related to concrete block within a structure, including elevator shaft, mortar; reinforcement; wall ties; masonry window sill; grouting; cleaning; brick or stone work within a structure; mortar; grouting and cleaning; lintels, etc.

Attachment A. Trade Item Captions and Definitions

Construction Cost Detail - Description of Trade Items

Trade Item	Description of line item
Metals	Labor and material related to the installation of any type of metals.
Rough Carpentry	Labor and material related to wood framing; sheathing; sub flooring; wood decking; wood trusses; glued-laminated construction; stairs; framing steel; house wrap.
Finish Carpentry	Labor and material related to interior and exterior trim and millwork; shelving; counter tops; prefinished paneling; exterior shutters; custom casework; ornamental items; wood window sills; handrails; interior doors, hardware, wire shelving; and any other item to finish the interior of the units not noted herein. Includes temporary hourly labor, final cleaning, punch list labor.
Waterproofing	Labor and material related to sheet or panel waterproofing; bituminous or cementitious damp proofing; building paper; foundation drain tile; sealants and caulking; and any other type of waterproofing or damp proofing.
Insulation	Labor and material related to the installation of perimeter, floor, wall and ceiling insulation; vapor barriers; fireproofing; and any other type of insulation.
Roofing	Labor and material related to the installation of roofing felt; shingles; roofing tile; membrane roofing; attic/roof ventilators; drip edge; flashing; and any other types of roofing.
Sheet Metal (Siding, Soffit, Fascia, Exterior Sheathing, Gutters, Downspouts)	Labor and material related to the installation of vinyl, aluminum, wood, or concrete/cement siding; soffit, fascia, shutters, columns, handrails, gable vents; gutters, downspouts, fasteners and adhesives. All items related to the exterior finish of the buildings not included elsewhere herein.
Doors	Labor (unless included elsewhere) and material related to the installation of exterior doors; frames; garage doors; garage door openers; sliding doors; screen/storm doors; hardware; thresholds; weather-stripping.
Windows	Labor (unless included elsewhere) and material related to the installation of vinyl, wood, steel, aluminum, clad or any other type of windows; screens; storm windows; glazing; weather- stripping; hardware.
Glass	Labor and material related to the installation of store front glass; glass; glazing; special glazing; and any other type of glass not included in doors or windows.
Drywall	Labor and material related to gypsum board systems for walls and ceiling, taped and finished; resilient channels and clips; wall texture; and any other types of interior wall finishes prior to painting.

Attachment A. Trade Item Captions and Definitions

Construction Cost Detail - Description of Trade Items

Trade Item	Description of line item
Acoustical	Labor and material related to the installation of ceiling tiles; ceiling tile grids; sound absorbing panels in walls or floors; grid bracing and wiring; etc.
Resilient Flooring	Labor and material related to the installation of floor underlayment; all types of resilient tile or sheet good flooring; cove base; adhesives; stair treads and risers; edging; etc.
Tile Work and Wood Flooring	Labor and material related to the installation of any type of flooring tile or hardwood. Any type of flooring not included in 'Resilient Flooring or Carpeting.'
Carpeting	Labor and material related to the installation of carpet; carpet tile; padding adhesives; edging; etc.
Painting and Decorating	Labor and material related to the priming and painting of exterior and interior walls, ceilings, doors, windows, trim, lintels, and other surfaces; caulking; decorations; etc.
Cabinets and Countertops	Labor and material related to the installation of kitchen wall and base cabinets; bath vanities; hardware; special cabinets; laminate, granite or any other type of tops; and any other cabinetry and tops included.
Blinds and Shades, Artwork	Labor and material related to the installation of window blinds; shades; draperies; drapery rods; attached artwork.
Appliances	Labor and material related to the installation of refrigerators, ranges/stoves, range hoods, disposals, dishwashers, trash compactors, and any other appliances.
Elevators	Labor and material related to the installation of elevators.
Plumbing and Hot Water	Labor and material related to the installation of all water and gas piping and fittings within five feet of structures; pipe insulation; bathtubs; water closets; sinks; lavatories; laundry trays; water heaters; pumps; and any other items related to the plumbing therein.
Heating, Ventilation and Air Conditioning	Labor and material related to the installation of warm air heating systems, including boilers, furnaces and ducts; electric resistance heating systems; heat pumps systems; kitchen, bath, and laundry ventilation systems; duct insulation; individual room air conditioning units; stack- on air conditioning units; compressors and racks which hold compressors; and any other items related to the heating, ventilation and air conditioning therein.
Fire Suppression	Labor and materials related to installation of sprinkler system, fire extinguishers and cabinets, fire stop canisters, knox box, etc.

Attachment A. Trade Item Captions and Definitions

Construction Cost Detail - Description of Trade Items

Trade Item	Description of line item
Electrical	Labor and material related to the installation of service equipment; raceways; conductors; wiring devices; lighting; fire and smoke alarm systems; communications systems; telephone service; television systems, including signal reception devices; all finish electrical components; and any other item related therein.
Pest Control	Termite protection on the site, foundations and any other type of pest control.
Trash Chute	Labor and material related to the installation of any permanent trash chute.
Specialties	Labor (unless included elsewhere) and material related to the installation of toilet and shower compartments; bathroom accessories including, but not limited to grab bars, towel bars, toilet paper holders, soap dishes, medicine cabinets, bathroom mirrors, etc.
Special Equipment	Labor and material related to the installation of washers, clothes dryers, laundry equipment, furnishings, equipment for offices, and any other type of equipment.
Special Construction	Labor and material related to the installation of fire places, safety and life safety inspections, green certification, and energy rating costs not covered elsewhere.
Miscellaneous (Labor and Materials)	Contractor to describe costs included in this Trade Item. Total labor costs and purchases of materials amounting to less than \$1,000 may be included as a lump sum here.

OTHER FEES PAID BY GENERAL CONTRACTOR

Building Permit, Tap Fees and Impact Fees	Amounts paid for any type of permits, tap fees, and impact fees.
Construction Insurance (Builder's Risk Insurance)	Amounts paid for insurance during the construction period.
Bond Premium	Amounts paid for performance, payment and any other types of bonds.

CONSTRUCTION COSTS

General Requirements	Includes HC Development management and supervision (a mandatory item); field office expenses (including staff); field engineering, temporary items such as construction sign, facilities, roads, walkways, barricades, fences, portable restrooms, and utilities; cleanup and rubbish disposal activities; site security and/or theft and vandalism insurance; sidewalk and street rental, travel, lodging and meals; etc. Contractor to describe costs included in this Trade Item and cannot be included in any other cost line item. Amounts not audited.
Contractor Overhead	Amounts not audited.
Contractor Profit	Amounts not audited.