

April 9, 2019

Marisa Button, Multifamily Allocations
Florida Housing Finance Corporation
227 N. Bronough Street
Suite 5000
Tallahassee, Florida 32301

Re: Comments to Rule Chapters 67-21 and 67-48 FAC & Preference

Ms. Button:

Below are the comments provided during the workshops and I am providing to follow-up in writing to document those comments:

67-48.0072(17)(g), 67-21.014(2)(r)7, and 67-21.026(12)(f)

1. *General Contractor Conditions:*

Change the restriction " of no more than 20% of construction cost can be subcontracted to any entity or group of entities that share common ownership " to 25%

RULE CHAPTER 67-21

6-21.014(2)(h) and 67-21.026

Requirements for Capital Needs Assessment requirements when a 4% Application is submitted to the corporation and rehabilitation is complete or almost complete –

1. Clarification: For issuers other than FHFC and a local HFA?

If through a local HFA, and a CNA was not required or needed and the local utilized an approved Credit underwriter, it should not be required.

If other than an HFA and they did not used an approved Credit underwriter, than apply full CU and CNA requirement if a rehab.



In order for the FHFC to try to eliminate this as a possibility, the FHFC could include in the 4% LITC application or rules that if a developer intends to use 4% credits, they are required to notify the FHFC in writing that they will be applying for the 4% credits so that FHFC can provide them with the guidelines and requirements prior to construction. Consideration should be given to require/request that at an inducement/TEFRA at a local level (not an HFA) but county or city government or state notification to FHFC should be given if applying for 4% credits.

67-21.026(9)

- 1. For Tax Exempt Bonds issued by an entity other than the corporation or county Housing Finance Authority, appraisal must be ordered by the Credit Underwriter.**

If this is required, you should clarify that it must be approved by a FHFC approved Credit Underwriter. Developers that don't normally pursue FHFC or Local HFA bonds, hear the term "credit underwriting" and they view a credit underwriter as someone like Freddie Mac or a lender and do not understand it to be related to a separate third party FHFC credit underwrite and not the lender, guarantor, or private placement entity

Non-competitive Application:

67-21.028(2)(m)

- 1. Applicants for 4% HC with bonds issued by County HFA must complete underwriting before submitting the application**

The timing on submission has varied through the years. I assume in this instance that once it had completed CU at the local HFA level and was approved by the local Board, that the final credit underwriting report from that approval will be sufficient. Or are you contemplating at COI?

67-48.030

- 1. The provision suggests that transfer requirements will be determined by the rule in effect at the time of the transfer request.**

Language added in the 2-21-19 Draft regarding the Sale or Transfer of a Housing Credit Development, **the transfer requirements should be dictated by the original recorded agreements entered into by the parties.** The proposed rule change is objectionable that proposed to apply a requirement that the rule in effect at the time of the transfer request.

Recommendation:

Transfer or Sale at closing should dictated by original recorded legal agreements entered into by the parties and not by something else in effect years later.

Discussions Regarding Preference on RFA's:

Final Cost Certification

1. The current deadline requires Development Funding Cost Certification and the General Contractor Cost Certification to be complete within 90 days of Placed in Service. A developer cost certification cannot be completed without a general contractor certification. Final Construction draws aren't funded for 30-45 days after completion if all goes well.

Recommendation:

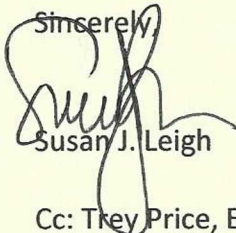
The Development Funding Cost Certification should be due within 180 days of Placed in Service versus the 90 days which would allow the functions to take place that have to occur in order for a developer to present the DFCC.

Preference vs. GEO's

Preference provided by Local Governments should take precedence over any particular GEO's the FHFC have created. For instance, in Jacksonville, the GEO's are all located in the beach areas where there is no priority for the City of Jacksonville or Duval County. The GEO choice should not eliminate the Preference if in the same County or community.

Thank you for giving me the opportunity to comment on the rulemaking and RFA process.

Sincerely,



Susan J. Leigh

Cc: Trey Price, Executive Director