



April 11, 2022

Re: March 23rd, 2022 workshop; suggested revisions to Rule 67-48.0072(17)(f) – Public Comment on Draft Rule Revision April 5<sup>th</sup>, 2022

The below proposed revisions to Rule 67-48.0072(17)(f) (the “Rule”) are being submitted to Florida Housing Finance Corporation (“FHFC”) as a follow up public comment to the workshop for Rule Development on March 25, 2022. The proposed comments are intended to provide support to the FHFC draft revisions (written below) to rule 67-48.0072(17)(f) with one important addition.

Ensure that no construction or inspection work is performed by the General Contractor, with the following exceptions: (i) the General Contractor may perform its duties to manage and control the construction of the Development; and (ii) the General Contractor may self-perform work of a de minimis amount, defined for purposes of this paragraph as the lesser of \$350,000 or 5 percent of the construction contract.

As confirmed in the rule workshop on March 23rd, 2022, and with additional public comments, the proposed rule is welcomed by most with the exception of the cap on the total allowed self-performed work of \$350,000. Although we understand the corporation’s position, we feel there should be a mechanism to exceed \$350,000 without a petition and waiver. The petition/waiver process is very costly and time consuming and may lead to situations where the teams avoid the petitions and potential savings.

Based on our experience and the written comments submitted, we believe the rule revision should be limited to \$350,000 or 5 percent of the total construction contract (whichever is less) but have a provision to go up to \$750,000 with staff approval (rather than via waiver.)

### **Proposed Revisions to Rule 67-48.0072(17)(f)**

*Existing Draft Rule:*

(17) The General Contractor must meet the following conditions:

(f) Ensure that no construction or inspection work is performed by the General Contractor, with the following exceptions: (i) the General Contractor may perform its duties to manage and control the construction of the Development; and (ii) the General Contractor may self-perform work of a de minimis amount, defined for purposes of this paragraph as the lesser of \$350,000 or 5 percent of the construction contract;



*Suggested Option:*

(17) The General Contractor must meet the following conditions:

(f) Ensure that no construction or inspection work is performed by the General Contractor, with the following exceptions: (i) the General Contractor may perform its duties to manage and control the construction of the Development; (ii) the General Contractor may self-perform work of a de minimis amount, defined for purposes of this paragraph as the lesser of \$350,000 or 5 percent of the construction contract; and (iii) the General Contractor may self-perform additional work in excess of \$350,000, provided the total performed under this paragraph does not exceed the lesser of \$750,000 or 5 percent of the construction contract and provided Corporation staff determines such additional work in excess of \$350,000 will result in cost savings to the project, or is necessary because a subcontractor has become insolvent or is unable to timely perform the work in accordance with the General Contractor's schedule.

NEI General Contracting appreciates the time and attention FHFC has already given to the interpretation of this rule, and looks forward to additional discussion.

Sincerely,



Richard Ionelli  
Vice President of Southeast Operations  
NEI General Contracting Inc.