Proposed Capital Needs Assessment and Rehabilitation Scope of Work Process

Applicant Performs Due Diligence re: Ability to Meet FHFC Accessibility Standards and Provide All Required **Construction Features Amenities** At Application, Applicants Proposing Rehabilitation Certify the Contemplated Budget is Within the Maximum Funding Limit Set by the RFA and is Adequate to Meet All Requirements Preliminary Award and Invitation to Credit Underwriting Servicer Engages CNA Provider (Selected From FHFC Approved List of Qualified Providers) Applicant/Property Management Provides CNA Provider with Information Related to Property Condition CNA Provider Inspects the Property and Evaluates its Current Physical Condition The CNA Provider Does not know the Applicant/Developer's Scope of Work Preferences CNA Report Delivered to Servicer and FHFC The CNA Reflects the Provider's Independent Professional Opinion Servicer Prepares Draft Rehabilitation Scope of Work Based on CNA Servicer Submits CNA Report and Draft Scope to Applicant/Developer who has 7 Days to Review and Comment The Servicer Submits the CNA Report, Draft Scope, Applicant's Comments, and Servicer's Responses to Florida Housing Florida Housing Determine that Report Shows All Requirements Can Be Met? Yes, Proceed with Underwriting No, Award Withdrawn Florida Housing Reviews and Approves Scope (Applicant may Request Yr 6-15 Measures be Included/Excluded from Scope) Applicant Develops Plans and Schedule of Values Applicant Submits Plans to Florida Housing for Review and Approval Prior to Closing or Construction Commencement Final Inspection Verifies that All Work Described in the Approved Scope has Been Completed Including All Required Features and Amenities and all Measures Necessary to Meet Florida Housing Accessibility Standards

Proposed Capital Needs Assessment and Rehabilitation Scope of Work Process

- During summer 2017, Florida Housing will Issue an RFQ to establish an approved list of qualified capital needs assessment (CNA) providers. Henceforth, Servicers may only engage approved providers (the solicitation will be reopened periodically to allow new professionals to qualify).
- Florida Housing will issue a Rehabilitation Guide for Existing Properties. The Guide will:
 - Establish minimum standards for all rehabilitations funded through Florida Housing;
 - Describe the standards for conducting a CNA (e.g. number of units to inspect, elements to inspect, protocol for interacting with the property owner);
 - Determine the appropriate standard for determining the remaining useful life of a building component;
 - Establish a method of prioritizing the measures which must be included in the rehabilitation scope of work; and
 - Prescribe a consistent format for all CNAs.
- All Florida Housing finance rehabilitations must:
 - Meet all Florida Housing accessibility standards (which may exceed the minimum required by law);
 - Cure all exigent needs (e.g. building code violations, threats to health and life safety, structural deficiencies);
 - o Provide all features and amenities required or agreed to in the RFA; and
 - o Include the replacement of all building components with 5 years or less of remaining useful life (unless otherwise established by Florida Housing).
- Beginning in 2017, all Applicants proposing Rehabilitation, or Acquisition and Rehabilitation
 must certify that they have performed appropriate due diligence to determine that <u>ALL</u> Florida
 Housing accessibility requirements, as well as any RFA specific requirements, can be met within
 the contemplated budget.
- Henceforth, it will be the Applicant's sole responsibility to determine that compliance with these
 application requirements is physically and financially feasible prior to submitting an application
 for finding.
- If the CNA Report shows that <u>ALL</u> requirements cannot be met, funding will be withdrawn.