

**Florida Housing Finance Corporation
Rule Development Workshop – Rule Ch. 67-53
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 6000
Tallahassee, Fl. 32301
March 13, 2014
Agenda**

**CHAPTER 67-53
COMPLIANCE PERIOD MONITORING PROCEDURES**

- 67-53.0035 Florida Housing Finance Corporation (Repealed)
- 67-53.004 Right to Inspect and Monitor Elderly Housing Community Loan (EHCL) Funded Developments (Repealed)
- 67-53.006 Compliance and Monitoring Procedures for the Pre-Development Loan Program (PLP) (Repealed)
- 67-53.008 Compliance and Reporting Requirements for State Apartment Incentive Loan (SAIL) Program, HOME Investment Partnerships (HOME) Rental Program, Multifamily Mortgage Revenue Bond (MMRB) Program, Housing Credit (HC) Program, Rental Recovery Loan Program (RRLP), and Elderly Housing Community Loan Program (EHCL) (Repealed)
- 67-53.009 Compliance and Monitoring for Homeownership Assistance Program (HAP) and Homeownership Programs (Repealed)

PART I ADMINISTRATION

- 67-53.011 Purpose and Intent
- 67-53.012 Definitions
- 67-53. Right to Inspect and Monitor Records and Facilities
- 67-53. Noncompliance
- 67-53. Monitoring Agent
- 67-53. Income Limits and Rent Limits
- 67-53. Determination, Documentation and Certification of Annual Income
- 67-53. Exempt Units
- 67-53. Ownership Change
- 67-53. Name Change
- 67-53. Management Company Approval
- 67-53. Fair Housing
- 67-53. Reporting Requirements
- 67-53. Corporation Forms
- 67-53. Record Keeping Requirements

PART II MULTIFAMILY MORTGAGE REVENUE BOND PROGRAM

- 67-53. Management Reviews and Physical Inspections
- 67-53. Non-compliance
- 67-53. Reporting Requirements

PART III ELDERLY HOUSING COMMUNITY LOAN PROGRAM

- 67-53. Management Reviews and Physical Inspections
- 67-53. Non-compliance
- 67-53. Reporting Requirements

PART IV PREDEVELOPMENT LOAN PROGRAM

- 67-53. Management Reviews and Physical Inspections
- 67-53. Non-compliance
- 67-53. Reporting Requirements

PART V STATE APARTMENT INCENTIVE LOAN PROGRAM

67-53.	<u>Management Reviews and Physical Inspections</u>
67-53.	<u>Non-compliance</u>
67-53.	<u>Reporting Requirements</u>
<u>PART VI HOME INVESTMENT PARTNERSHIPS PROGRAM</u>	
67-53.	<u>Management Reviews and Physical Inspections</u>
67-53.	<u>Non-compliance</u>
67-53.	<u>Affirmative Fair Housing Marketing Plans</u>
67-53.	<u>Reporting Requirements</u>
<u>PART VII HOUSING CREDIT PROGRAM</u>	
67-53.	<u>Management Reviews and Physical Inspections</u>
67-53.	<u>Noncompliance</u>
67-53.	<u>Utility Allowance</u>
67-53.	<u>Reporting Requirements</u>
<u>PART VIII RENTAL RECOVERY LOAN PROGRAM</u>	
67-53.	<u>Management Reviews and Physical Inspections</u>
67-53.	<u>Noncompliance</u>
67-53.	<u>Reporting Requirements</u>

1. Incorporate HOME 2013 Rule changes.

a. Long-Term Viability of Rental Projects

- i. During the affordability period, FH must examine the financial condition of projects with 10 or more HOME-assisted units at least annually, and must take action where feasible to correct problems that threaten a project's financial viability. [*§92.504(d)(2)*]
- ii. Utilize a risk-based monitoring system and adjust the schedule of ongoing rental unit inspections as part of a risk-based monitoring system, but inspections must occur no less frequently than every 3 years. The first on-site inspection must occur within 12 months of project completion. *§92.504(d)*
- iii. FH is permitted to charge ongoing rental monitoring fees. The cost of inspections and income determinations for Tenant-Based Rental Assistance (TBRA) recipients may be charged as project soft costs. [*§92.214(b)(1)* and *§92.209(a)*]

b. Property Standards

- i. Updated to reference current national codes and to require that FH establish standards that will sustain quality assisted housing for at least the affordability period. [*§92.251*]
- ii. HUD will issue guidance to identify for FH the minimum required inspectable elements based on the Uniform Physical Conditions Standards. [*§92.251(g)*]

- c. Procedures
 - i. Risk-based monitoring system for HOME projects includes on-site monitoring schedules and financial oversight protocols for rental properties. [*§92.504(a) and §92.504(d)(2)*]
- 2. Update form reference for:
 - a. Financial Reporting Form (SR1)
 - b. Program Report (PR1).
 - c. Tenant Income Certification (TIC)
 - d. Annual Owner Certificate (AOC)
 - e. Certificate of Continuing Program Compliance (CCPC)
 - f. Annual Contact Certification (ACC)
- 3. Replace “Compliance Administrator” with “Asset Management and Compliance Department”.
- 4. Replace “tenant files to be housed within 50 miles of the development” with “No matter the location of the file review, the owner is responsible for providing all required tenant files and records at the time of the management review”.
- 5. Add - Annual Reviews and Noncompliance:
 - a. Correction period - Period not to exceed 90 days from date of notice to the owner during which an owner must bring a development into compliance.
 - b. Correction extension period – Period not to exceed 6 months from date of notice to the owner during which an owner must bring a development into compliance.
- 6. Change – Program Report correction period extension from 60 day extension to period not to exceed 6 months from date of notice to the owner.
- 7. Requests for extensions to the 90 day correction period – Replace send to Florida Housing with send to monitor.
- 8. Add - Exempt unit
- 9. Add – If an Applicant or Developer or any Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer has any existing Developments participating in any Corporation programs that remain in non-compliance with Section 42 of the IRC, Title 67, F.A.C., or applicable loan documents, and any applicable cure period granted for correcting such non-compliance has ended as of the time of submission of the Application or at the time of issuance of a credit underwriting report, the requested allocation will, upon a determination by the Board that such

non-compliance substantially increases the likelihood that such Applicant or Developer will not be able to produce quality affordable housing, may be denied and the Applicant or Developer and the Affiliates of the Applicant or Developer may be prohibited from new participation in any of the Corporation's programs until such time as all of their existing Developments participating in any Corporation programs are in compliance.

10. Add reference to the Compliance Guidebook.

11. Management company selection process changes:

- a. Add definition of management company – the company hired by the owner that is responsible for day to day operational and management oversight, marketing and leasing, collections and evictions, tenant relations and services, maintenance, compliance and reporting for a multifamily affordable rental housing property.
- b. Add - In the event that a property or properties managed by the management company are included on the most recent Noncompliance Report, the Corporation shall consider the following in the approval process.
 - i. Whether noncompliance is due to the examination of records, administrative procedures or the physical inspection and whether noncompliance is a life threatening hazard or a Health & Safety issue as defined in the Federal Register, Vol. 77, No. 154, August 9, 2012.
 - ii. and if the noncompliance has been uncorrected for at least six (6) months from the date of owner notification.

12. Public Comment