

FLORIDA HOUSING FINANCE CORPORATION

COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 33, No. 39, September 28, 2007 issue of the Florida Administrative Weekly.

The changes are in response to written comments submitted by the staff of the Joint Administrative Procedures Committee and written comments received in response to the rule hearing on October 22, 2007. The changes are as follows:

PART I ADMINISTRATION

67-58.001 Purpose and Intent.

The purpose of this rule chapter is to establish the procedures by which the Corporation shall administer the Application process, credit underwriting and loan servicing of the Community Workforce Housing Innovation Pilot (CWHIP) Program (CWHIP) pursuant to Section 420.5095, F.S.

Specific Authority Section 420.5095, F.S. Law Implemented Section 420.5095, F.S. History-New 12-17-06, Amended- _____.

67-58.002 Definitions.

(1) through (5) No change

(6) "Applicant" means an entity seeking a loan from Florida Housing for the New Construction or Rehabilitation of housing under CWHIP which is a party to ~~member~~ of the Public-Private Partnership and has been designated by the Public-Private Partnership as having financial responsibility and which will execute all loan documents and will have the authority at closing to encumber the Project.

(7) through (21) No change

~~(22)(16) "Essential Services Personnel" means persons in need of affordable housing who are employed in occupations or professions in which they are considered essential services personnel, as defined by each county and eligible municipality within its respective local housing assistance plan pursuant to Section 420.9075(3)(a), F.S. For the purposes of CWHIP, Essential Services Personnel must meet the income requirements set forth in the definition of Workforce Housing.~~

(23) through (34) renumber as (22) through (33)

~~(35)(19) "Public Private Partnership" means any form of business relationship entity that includes substantial involvement of at least one county, one municipality, or one public sector entity, such as a school district or other unit of local government in which the Project is to be located, and at least one private sector for profit or not for profit business or charitable entity, and may be any form of business relationship entity, including a joint venture or contractual agreement.~~

(36) through (38) renumber as (34) through (36)

~~(37)(39) "Scattered Sites" for a single rental Project means a Project consisting of real property in the same county (i) any part of which is not contiguous ("non-contiguous parts") or (ii) any part of which is divided by a street or easement ("divided parts") and (iii) it is readily apparent from the proximity of the non-contiguous parts or the divided parts of the real property, chain of title, or other information available to the Corporation that the non-contiguous parts or the divided parts of the real property are part of a common or related scheme of the Project. For a homeownership Project, "Scattered Sites" means a Project developed on non-contiguous sites of five (5) or more housing units developed on sites that are more than 2,000 feet apart and there are not more than four (4) housing units on any one site.~~

(40) through (41) renumber as (38) through (39)

~~(42)(26) "Workforce Housing" means housing affordable to Eligible natural Ppersons or families whose total annual household income does not exceed 140 percent AMI, adjusted for household size, or 150 percent AMI, adjusted for household size, in Areas of Critical State Concern designated under Section 380.05, Florida Statutes (FS), for which the Legislature has declared its intent to provide affordable housing, and areas that were designated as Areas of Critical State Concern for at least 20 consecutive years prior to removal of the designation. For purposes of this rule, Workforce Housing includes affordable housing as defined in Section 420.0004 420.004, F.S.~~

Specific Authority Section 420.5095, F.S. Law Implemented Section 420.5095, F.S. History-New 12-17-06, Amended- _____.

67-58.003 Application and Selection Procedures for Projects.

(1) When submitting an Application, Applicants must utilize the Community Workforce Innovation Pilot (CWHIP) Program ~~(CWHIP)~~ Application in effect at the Application Deadline.

(a) The CWHIP Application Package (“CWHIP-816 (11/26/07)”) is adopted and incorporated by reference herein, and consists of the forms and instructions obtained from the Corporation, for a fee, at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329 or available, without charge, on the Corporation’s Website under the Workforce Housing link labeled 2007 CWHIP, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the CWHIP Program.

(b) No change

(2) No change

(3) Each submitted Application shall be evaluated and preliminarily scored using the factors specified in the Application Package and these rules. Preliminary scores shall be transmitted to all Applicants. This will include all threshold items identified by the Corporation to be addressed by the Applicant, which may include financial obligations for which the Applicant or party to the Public-Private Partnership, or Principal, Affiliate or Financial Beneficiary of an Applicant or party to the Public-Private Partnership, or a Developer is in arrears to the Corporation or any agent or assignee of the Corporation as of the Application Deadline.

(4) through (8) No change

(9) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of the Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:

(a) Parties ~~to~~ of the Public-Private Partnership; notwithstanding the foregoing, the parties ~~to~~ of the Public-Private Partnership may be changed only by approval of the Board after the Applicant has been invited to enter credit underwriting;

(b) Identity of the Applicant; notwithstanding the foregoing, the identity of the Applicant may be changed only by approval of the Board after the Applicant has been invited to enter credit underwriting;

(b) through (f) renumber as (c) through (g)

~~(h)(g)~~ Submission of one “Original” original hard copy with the required number of photocopies of the Application by the Application Deadline;

(h) renumber as (i)

~~(j)(i)~~ The Application labeled “Original” Hard Copy must include a properly completed Certification Statement reflecting an original signature; and

(j) renumber as (k)

All other items may be submitted as cures pursuant to subsection (4) above.

With regard to paragraphs (a), (b) ~~(c)~~ and ~~(f)(e)~~ above, the Board shall consider the facts and circumstances of each Applicant’s request and any credit underwriting report, if available, prior to determining whether to grant the requested change.

(10) and (11) No change

~~(12) When two or more Applications receive the same numerical score, t~~The Applications will be ranked as outlined in the Application instructions.

(13) through (15) No change

Specific Authority Section 420.5095, F.S. Law Implemented Section 420.5095, F.S. History–New _____.

67-58.006 General Program Procedures and Restrictions.

(1) Loans, excluding loans made pursuant to rule 67-58.015, F.A.C., shall be in an amount not to exceed 50 percent of the Total Project Cost attributable to the units set aside for Workforce Housing, or the minimum amount required to make the Project economically feasible, whichever is less, as determined by the Credit Underwriter.

(2) and (3) No Change

Specific Authority Section 420.5095, F.S. Law Implemented Section 420.5095, F.S. History–New _____.

67-58.015 Supplemental Loans for Green Building.

A supplemental loan is available to Applicants who have been awarded CWHIP funds under this application cycle and have committed to the requirements contained in Part III. C.3. b. and c. of the Application instructions. The supplemental loan is forgiven on a per set-aside unit basis as the certification is received for each set-aside unit. If certification is not obtained, the pro-rata supplemental loan amount attributed to that set-aside unit that did not receive certification becomes due and payable immediately with a penalty of 18 percent of the pro-rata amount.

Specific Authority Section 420.5095, F.S. Law Implemented Section 420.5095, F.S. History–New _____.

PART II MULTIFAMILY RENTAL PROJECTS

67-58.050 Construction Disbursements.

(1) CWHIP loan proceeds, including any supplemental loan pursuant to rule 67-58.015, F.A.C., shall be disbursed during the construction phase in an amount per Draw which does not exceed the ratio of the CWHIP loan to the Total Project Cost unless approved by the Credit Underwriter.

(2) through (8) No Change

Specific Authority Section 420.5095, F.S. Law Implemented Section 420.5095, F.S. History-New 12-17-06, Amended- _____.

PART III HOMEOWNERSHIP PROJECTS

67-58.080 Terms of the Loans to Applicants.

(1) through (11) No Change

(12) Loans, excluding any supplemental loan pursuant to rule 67-58.015, F.A.C., shall be assigned to Eligible Persons on a pro-rata basis with each set-aside unit closing.

(13) No Change

Specific Authority Section 420.5095, F.S. Law Implemented Section 420.5095, F.S. History-New 12-17-06, Amended- _____.

67-58.090 Disbursement of Funds, Draw Requests, and Construction Loan Servicing.

(1) CWHIP loan proceeds, including any supplemental loan pursuant to rule 67-58.015, F.A.C., shall be disbursed during the construction phase in an amount per Draw which does not exceed the ratio of the CWHIP loan to the Total Project Development Cost unless approved by the Credit Underwriter.

(2) through (8) No Change

Specific Authority Section 420.5095, F.S. Law Implemented Section 420.5095, F.S. History-New 12-17-06, Amended- _____.

67-58.100 Terms of the Loans to Eligible Persons.

(1) through (7) No change

(8) The Corporation will consider resubordinating its existing ~~second~~ mortgage loan to an Eligible Person to a first mortgage loan when a refinancing occurs. In making a determination, the Corporation will review the following terms of the new transaction: loan type; term of the loan; interest rate; type of interest rate (variable or fixed); principal balance of the loan; reason for requesting subordination of the loan; and whether or not the terms of the new loan are beneficial to the Eligible Person. Eligible Persons requesting resubordination are subject to the following:

(a) through (d) No Change

(9) through (11) No change

Specific Authority Section 420.5095, F.S. Law Implemented Section 420.5095, F.S. History-New 12-17-06, Amended- _____.

Application and Instructions

The following changes were made to the Application Package - CWHIP-816 (11/26/07):

• **Part II Applicant and Project Team:**

Section A. Applicant: Deleted “Relationship to Applicant” in Developer information section

- **Part III. Project:**

Section B. Unit Types: Added “Type of Unit, Rental, Condo, Townhome, SF Detached” in Unit Mix chart

Section C. Innovation: Revised scoring criteria in response to written comments received by FHFC

- **Part IV Contributions:**

Included waived Developer fees as an acceptable form of Contribution

Revised scoring criteria and calculation of points to include other forms of Contributions

- **Part V Financing:**

Section B. Leveraging: Clarified scoring criteria of leveraging range (no longer a tie-breaker)

Section C. Finance Documents: Clarified acceptable forms of documentation of Corporation funding commitments

Section D. Non-Corporation Funding Commitments: Clarified acceptable forms of documentation of Non-Corporation funding commitments

- **Threshold Requirements:** Revised Innovation threshold score from 67 to 60

- **Ranking and Selection Criteria:** Revised ranking and selection criteria

- **Project cost Pro Forma:** Deleted contradictory items:

“Supplemental Loan” line item in Rental Permanent Analysis section

“Supplemental Loan” line item in Homebuyer Permanent Affordability Analysis section

THE PERSON TO CONTACT REGARDING THE CHANGES TO THE PROPOSED RULE IS:

Bridget Warring, Homeownership Programs Manager, Florida Housing Finance Corporation, 227 North Bronough Street, Tallahassee, Florida 32301, (850) 488-4197.