

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

In Re: THE VILLAGE MIAMI
PHASE I, LTD.

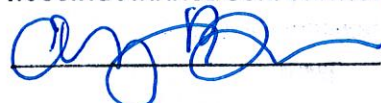
FHFC Case No.: 2014-091VW

**ORDER GRANTING WAIVER OF RULE 67-21.003(1)(a),
FLORIDA ADMINISTRATIVE CODE**

THIS CAUSE came on for consideration and final action before the Board of Directors of the Florida Housing Finance Corporation on January 30, 2015, pursuant to a “Petition for Waiver of Rule 67-21.003(1)(a) and Application Instructions, for a Change in Applicant Structure” (the “Petition”). Florida Housing Finance Corporation (“Florida Housing”) received the Petition on December 20, 2014, from The Village Miami Phase I, Ltd. (the “Petitioner”). On January 6, 2015, Notice of the Petition was published in Volume 41, Number 3, of the Florida Administrative Register. Florida Housing received no comments regarding the Petition. After careful review of the record and being otherwise fully advised in the premises, the Board of Directors (the “Board”) of Florida Housing hereby finds:

1. The Board has jurisdiction over the subject matter of this case and the parties hereto.

FILED WITH THE CLERK OF THE FLORIDA
HOUSING FINANCE CORPORATION

 /DATE: 01-30-15

2. Petitioner was selected to receive \$1,361,324 in non-competitive “4%” Housing Tax Credits to assist in the construction of a 150-unit High-Rise development serving the Family demographic in Miami-Dade County, Florida.

3. Petitioner seeks to change the ownership structure of the Applicant entity prior to final IRS approval of the tax credit allocation and issuance of IRS Form 8609. By removing the Applicant’s non-managing general partner, The Urban League of Greater Miami, Inc., a Florida not-for-profit corporation (“Urban League”), and assigning its interests to its wholly-owned affiliated entity, ULGM Village I, LLC a Florida limited liability company (“UGLM”).

4. If Urban League remains as general partner, a significant portion of the Petitioner’s assets will be considered “tax exempt use property” under the Internal Revenue Code and will be ineligible for the most favorable form of depreciation deduction, resulting in significant negative tax consequences to the Applicant’s Investor Limited Partner (“Syndicator”). These consequences may be avoided if the Applicant is structured such that Urban League is the 100% owner of a taxable entity that serves as the non-managing co-general partner instead of the Urban League owning such interest directly.

5. Additionally, Petitioner seeks approval of a transfer by Urban League of 21% of its membership interest in ULGM to Genesis Ventures International, Inc., a Florida not-for-profit corporation. This transfer is necessary to create a “tax disaffiliation” required by the Syndicator to avoid further negative tax consequences, a resulting reduction in the equity payable and a likely inability to proceed with the completion of the proposed Development.

6. The requested change would neither affect the scoring of Petitioner’s application nor allow Petitioner to gain an unfair advantage over other applicants.

7. Rule 67-21.003(1)(a), Fla. Admin. Code (Rev. 7-16-13) adopts and incorporates by reference the Non-Competitive Application Package (Rev. 3-13), which includes the following Instructions at Section A.2.a.:

(1) If applying for Housing Credits, the Applicant must be a limited partnership (including a limited liability limited partnership) or a limited liability company. The Applicant entity shall be the recipient of the Non-Competitive Housing Credits and may not change until after the Final Housing Credit Allocation Agreement has been approved and the IRS Forms 8609 have been issued...

8. Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been

achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.

9. The Board finds that to deny Petitioner's request for a waiver of the above incorporated Instructions would cause substantial hardship to Petitioner and violate the principles of fairness. The Board further finds that the granting of this request for waiver would serve the underlying purpose of Chapter 420, Part V, Florida Statutes.

IT IS THEREFORE ORDERED:

Petitioner's request for waiver of the Instructions set forth above and incorporated into Rule 67-21.003(1)(a), Florida Administrative Code is hereby **GRANTED**, to permit the requested changes in the Applicant's ownership structure.

DONE and ORDERED this 30TH day of January, 2015.



Florida Housing Finance Corporation

By: 
Chairperson

Copies furnished to:

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Joint Administrative Procedures Committee
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NOTICE OF RIGHT TO JUDICIAL REVIEW

A PARTY WHO IS ADVERSELY AFFECTED BY THIS ORDER IS ENTITLED TO JUDICIAL REVIEW PURSUANT TO SECTIONS 120.542(8), 120.569, AND 120.57, FLORIDA STATUTES. SUCH PROCEEDINGS ARE COMMENCED PURSUANT TO CHAPTER 67-52, FLORIDA ADMINISTRATIVE CODE, BY FILING AN ORIGINAL AND ONE (1) COPY OF A PETITION WITH THE AGENCY CLERK OF THE FLORIDA HOUSING FINANCE CORPORATION, 227 NORTH BRONOUGH STREET, SUITE 5000, TALLAHASSEE, FLORIDA 32301-1329.