STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: Block 55 Residential, LP FHFC Case No.: 2024-015VW

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ORDER GRANTING WAIVER OF RULE 67-21.025(7)(c), FLA. ADMIN. CODE (2020), AND A PORTION OF THE NON-COMPETITIVE APPLICATION (2020)

THIS CAUSE came for consideration and final action before the Board of Directors of the Florida Housing Finance Corporation (the "Board") on March 26, 2024. On March 7, 2024, Florida Housing Finance Corporation ("Florida Housing") received a Petition for Waiver of Rule 67-21.025(7)(c) and Non-Competitive Application Package (Rev. 04-2020) (F.A.C. 2020) (the "Petition") from Block 55 Residential, LP (the "Petitioner") to allow natural person principals beyond the third principal disclosure level. Notice of the Petition was published March 8, 2024, in Volume 50, Number 48, of the Florida Administrative Register. Florida Housing received no comments regarding the Petition. After careful review of the record and being otherwise fully advised on the premises, the Board 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: 3/27/2024

2. Petitioner successfully applied for funding to assist in the construction of Sawyer's Walk, a 578-unit development located in Miami-Dade County, Florida (the "Development").

3. Rule 67-21.0025(7), Fla. Admin. Code (2020), states in relevant part:

> (7) Disclosure of the Principals of the Applicant must comply with the following:
>
> (a) The Applicant must disclose all of the Principals of the Applicant (first principal disclosure level). For Applicants seeking Housing Credits, the Housing Credit Syndicator/Housing Credit investor need only be disclosed at the first principal disclosure level and no other disclosure is required;
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> (b) The Applicant must disclose all of the Principals of all the entities identified in paragraph (a) above (second principal disclosure level);
>
> (c) The Applicant must disclose all of the Principals of all of the entities identified in paragraph (b) above (third principal disclosure level). Unless the entity is a trust, all of the Principals must be natural persons; and
>
> (d) If any of the entities identified in paragraph (c) above are a trust, the Applicant must disclose all of the Principals of the trust (fourth principal disclosure level), all of whom must be natural persons.

4. The Non-Competitive Application (2020) ("NCA"), Section A.6.a., states in relevant part:

> 6. Principals Disclosure for Petitioner and each Developer:

> a. Provide the Principals of the Applicant and Developer(s) Disclosure Form in effect at the time of Application submission ("Principal Disclosure Form"), as "Exhibit 3" to the Application form…
>
> The Principal Disclosure Form must identify, pursuant to subsections 67- 21.002(86) and 67- 21.0025(7) and (8), F.A.C., the Principals of the Applicant and Developer(s)…

5. Petitioner was previously granted a waiver of the referenced rules on April 30, 2021 to allow the Petitioner's ownership structure to include entities at the fifth level of disclosure, with all natural person principals of these entities being disclosed by the sixth disclosure level. Petitioner states that it now requires a change in its business structure that will require entities at the sixth level of disclosure with all natural person principals of these entities being disclosed by the seventh disclosure level.

6. As justification for the waiver, Petitioner states that, in addition to the residential units, which will cover 11 stories of the building, there will be 3 stories of commercial/retail space, including retailers such as Aldi and Target, and the building will also include a 4-story, 955-car parking garage. The contemplated ownership structure for the development is anticipated to include condominium ownership for the various components, with partial common upper-tier ownership of the commercial/retail space and the residential units. The parking garage will be owned by a Community Development District.

7. Petitioner's ownership structure consists of a non-profit general partner, a Class B limited partner, and an investor limited partner. The Class B limited partner has three additional levels of entities before reaching the natural person owners, which creates noncompliance with the above rule and the NCA. Petitioner states that the multi-tier structure is necessary to accommodate the ownership and financing of the commercial components. Petitioner anticipates that several of its grants will be allocated to the commercial components through entities at the first through third levels and a private equity investment towards the commercial component is anticipated to be made through the second level (which is necessary so that such private investor is not directly a member of the Class B limited partner or the joint venture entity of the developers).

8. Petitioner states that creating wholly different entities for the residential and commercial components is not feasible and that the proposed business structure is crucial for the Development's overall success.

9. The Board finds that granting the requested waiver will not impact other participants in funding programs administered by Florida Housing, nor will it detrimentally impact Florida Housing.

10. The Board also finds that Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control and that it would suffer a substantial hardship if the waiver is not granted.

11. The Board further finds that Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state," would still be achieved if the waiver is granted. §420.5099, Fla. Stat.

IT IS THEREFORE ORDERED that Petitioner's request for waiver of Rule 67- 21.025(7)(c), Fla. Admin Code (2020), and section A.6.a of the Non-Competitive Application Package (2020), is hereby **GRANTED** to allow natural person principals beyond the third principal disclosure level.

DONE and ORDERED this 26th day of March, 2024.

Florida Housing Finance Corporation

By: _____
Chairperson

Copies furnished to:

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Joint Administrative Procedures Committee
Attention: Ms. Yvonne Wood
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NOTICE OF RIGHT TO ADMINISTRATIVE REVIEW

A PARTY WHO IS ADVERSELY AFFECTED BY THIS ORDER IS ENTITLED TO ADMINISTRATIVE 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.