STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: POINCIANA LEASED HOUSING ASSOCIATES I, LLLP
FHFC CASE NO.: 2022-004VW

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ORDER GRANTING WAIVER OF RULE 67-48.0072(4)(c) and (21)(b), FLORIDA ADMINISTRATIVE CODE

THIS CAUSE came on for consideration and final action before the Board of Directors of the Florida Housing Finance Corporation on March 4, 2022, pursuant to a "Petition for Waiver of Rule 21.003(1)(b), F.A.C. (2021) (the "Petition"). Florida Housing Finance Corporation ("Florida Housing") received the Petition on January 5, 2022, from Poinciana Leased Housing Associates I, LLLP (the "Petitioner"). Notice of the Petition was published on January 7, 2022, in Volume 48, Number 07, of the Florida Administrative Register. Florida Housing has received no comments concerning 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.

2. Petitioner, Poinciana Leased Housing Associates I, LLLP received a loan from the Osceola County Housing Finance Authority in the amount of $60,000,000 financed by the proceeds of multifamily housing revenue bonds to

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assist in the construction of a 383-unit Development serving elderly persons in Osceola County. Petitioner also applied for 4% Housing Credits to assist in the construction of this Development.

3. Rule 67-21.003(1)(b), Rule 67-21.003(1)(b), Fla. Admin. Code (2021) incorporates by reference the Non-Competitive Application Package (Rev. 03-2021) ("NCA"). Section A.6.a. of the NCA provides, in relevant part:

> 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).

4. Rule 67-21.0025(7)(c), Fla. Admin. Code (2021) provides, in relevant part:

> (7) Disclosure of the Principals of the Applicant must comply with the following:
>
> .....
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> (c) The Applicant must disclose all of the Principals of all 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; ...

5. Petitioner requests a waiver of the above Rules and NCA terms to permit the submission of Principals at the third disclosure level that are not natural persons. The Applicant Principals use a structure wherein natural persons (and ultimate owners) appear at the sixth level across their broader portfolio, as part of a strategy to streamline internal accounting practices.

6. Petitioner asserts that the gains being used to invest in this qualified opportunity zone for the Development are generated under this multi-level structure and that continuing this structure is necessary to prove out the gains in the qualified opportunity fund and to make the Principals' internal accounting manageable. Petitioner also asserts that the capital contributed to fund the Development as an opportunity zone investment was contributed at the closing of the financing for the Development.

7. If Petitioner is not granted this waiver and needs to modify the structure now that the capital has been contributed, it would be both costly and jeopardize the qualified opportunity fund investment and potentially incur additional tax penalties on the taxpayers. These financial hardships would affect the Petitioner's ability to construct the Development.

8. Notwithstanding Dominium's described typical structure, Florida Housing Finance Corporation expects even Applicants for non-competitive resources to comply with its principal disclosure requirements. The recommendation for approval of this waiver is solely limited to the circumstance of the Development being located in an opportunity zone. Should Dominium decide to continue to proceed with closing transactions financed with local tax-exempt bonds in a manner that is contrary to Florida Housing Rules applicable to 4%

housing credits, Dominium fully bears the risk of Florida Housing denying future requests for Rule waiver relief.

9. The Board finds that granting the waiver will not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development.

10. 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.

11. Petitioner has demonstrated that the waiver is needed to avoid substantial hardship and has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

12. The Board finds that strict application of the above Rule under these circumstances would cause substantial hardship to Petitioner, and that granting this request furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida.

IT IS THEREFORE ORDERED:

Petitioner's request for a waiver of Rule 67-21.0025(7)(c) and 67-21.003(1)(b), Fla. Admin. Code and the cited portion of the Non-Competitive Application Package is **GRANTED** to permit Petitioner to submit a Principal Disclosure Form modified as necessary to allow disclosure of all natural person principals by the sixth (6^{th}) disclosure level.

DONE and ORDERED this 4th day of March, 2022.

Florida Housing Finance Corporation

By: _____
Chair

Copies furnished to:

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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.