STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: Mandarin Trace Apartments, L.P. FHFC Case No.: 2023-059VW
_____/

ORDER GRANTING WAIVER OF
RULES 67-21.0025(7)(c), FLA. ADMIN. CODE (2022)

THIS CAUSE came for consideration and final action before the Board of Directors of the Florida Housing Finance Corporation (the "Board") on July 21, 2023. On June 30, 2023, Florida Housing Finance Corporation ("Florida Housing") received a Petition for Waiver of Rules 67-21.0025(7)(c), F.A.C. (07/06/2022) (the "Petition") from a) Mandarin Trace Apartments, L.P. (the "Petitioner") to allow natural person Principals to be disclosed beyond the third level. Notice of the Petition was published July 5, 2023, in Volume 49, Number 129, 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.

2. Petitioner successfully applied for funding to assist in the acquisition and rehabilitation of the Mandarin Trace Apartments, a 120-unit development located in Duval County, Florida (the "Development").

FILED WITH THE CLERK OF THE FLORIDA HOUSING FINANCE CORPORATION
/DATE: 7/21/2023

3. Rule 67-21.0025(7)(c), Fla. Admin. Code (2022), states, 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 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…

4. Petitioner seeks to complete a transaction that would change the ownership structure of the Applicant and, in doing so, requests a waiver of the above Rules to allow the Petitioner to make a future material change in the ownership structure, which may occur before the issuance of the Preliminary Determination and allow disclosure of natural person principals beyond the third principal disclosure level. As part of a larger transaction, Teachers Insurance and Annuity Association of America, through its wholly owned affiliate, TGA GP FL HoldCo LLC (collectively, "TIAA"), seeks to acquire an interest in the Petitioner's general partner, Omni Affordable Florida, LLC ("Omni"). TIAA's present business structure does not conform to the above Rules. Petitioner states that the TIAA has rearranged some of its business organization in order to better comply with Florida Housing requirements; however, because of TIAA's unique corporate structure (which includes a

Board of Governors as its sole shareholder and a Board of Trustees that operates as a traditional board of directors), TIAA cannot disclose all natural person principals by the third level. Petitioner states that TIAA will install a Board of Managers so that by the fourth level, TIAA will disclose all natural persons within a Board of Managers responsible for day-to-day operations and management. TIAA agrees it will not change those individuals without Florida Housing's written consent. TIAA provides a detailed description of its proposed ownership structure, the business transaction, and the individuals who will be disclosed within the attached Petition.

5. Petitioner and TIAA are currently undergoing diligence on this transaction, whereby, if/when the transaction closes, TIAA would acquire the ownership interest in Omni. Petitioner is submitting the Petition at this time because the purchasers would like confirmation that this requested rule waiver would be approved before completing the acquisition. The closing on the acquisition may occur at any time during construction or may occur after construction completion. Therefore, due to uncertainty of the timing of this transaction and because the closing of this transaction may occur prior to issuance of the Preliminary Determination, Petitioner has requested a waiver of the timing requirements so that the Applicant entity may be changed prior to the issuance of the Preliminary Determination, if necessary. As a condition

of this waiver, once the transaction is ready to occur, Petitioner has agreed to coordinate with Florida Housing staff for underwriter review of the new entities before completing the transaction.

6. 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.

7. 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.

8. 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 a waiver of Rules 67-21.0025(7)(c), Fla. Admin. Code (2022), is hereby **GRANTED** to allow the Petitioner to make a future material change to the ownership structure of the Applicant entity whereby disclosure of natural person principals would occur beyond the third principal disclosure level. The recommendation to allow a future material change in the Applicant ownership

structure is contingent upon receipt of a positive recommendation from the credit underwriter.

DONE and ORDERED this 21st day of July, 2023.

Florida Housing Finance Corporation

By: _____
Chairperson

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.