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FLORIDA HOUSING
FINANCE CORPORATION

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

FHFC CASE NO. 2026-017VW
Application No.: 2025-147C

THE FLATS ON MAIN STREET, LLC,

Petitioner,

vs.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

PETITION FOR WAIVER OF RULE 67-48.002(96) AND THE
2024 QUALIFIED ALLOCATION PLAN'S REQUIREMENT FOR
RETURNING HOUSING CREDIT ALLOCATIONS

The Flats on Main Street, LLC ("Petitioner"), by and through its undersigned counsel, hereby petitions Florida Housing Finance Corporation ("Florida Housing") for a waiver of the provisions of Florida Housing's Qualified Allocation Plan that would require Petitioner to wait until the end of the second calendar quarter of 2026 ("Initial Return Date") to return its Housing Credit Allocation ("Housing Credits"). The return of these Housing Credits is required before Florida Housing may reserve an allocation of future Housing Credits that Petitioner requests be immediately allocated. *See* Rule 67-48.002(96), Florida Administrative Code ("FAC") (7/72024) (the "Rules"), and 2024 Qualified Allocation Plan ("QAP"). Due to events outside of Petitioner's control, Petitioner cannot meet the "10% Test" deadline as required by the Carryover Allocation Agreement entered into on April 8, 2025. In support of this Petition, Petitioner provides as follows:

A. PETITIONER AND THE DEVELOPMENT

1. The name, address, e-mail address, and telephone number for Petitioner and its qualified representative are:

Brett Green
The Flats on Main Street, LLC
7575 Dr. Phillips Blvd, Suite 390
Orlando, Florida 32819
Telephone: (321) 689-8197
Email: bgreen@archway-partners.com

2. The name, address, e-mail address, and telephone number for Petitioner's counsel is:

Nelson Mullins Riley & Scarborough LLP
390 N. Orange Avenue, Suite 1400
Orlando, Florida 32801
Attention: Richard Schuler, Esq.

3. Pursuant to Section 120.542, Florida Statutes ("F.S.") (2024) and Rules 28-104.001 through 28-104.006, F.A.C., Petitioner requests a waiver of Rule 67-48.002(96), F.A.C. (7/7/2024), and of Section II.J. of the 2024 QAP to allow the immediate return of its 2025 Housing Credit Allocation, and an immediate allocation of new Housing Credits.

4. Pursuant to RFA 2024-202, Petitioner timely submitted its Application for competitive Housing Credits under the Low-Income Housing Tax Credit program ("LIHTC Program" or "HC Program") to be used for the construction of a 78 residential unit development located in Pinellas County, Florida to be known as The Flats on Main Street (the "Development").

5. Petitioner was selected for funding and soon after received an invitation from Florida Housing to enter into credit underwriting. Petitioner accepted its invitation into Credit Underwriting and Petitioner provided the documentation required within the required timeframe.

B. TYPE OF WAIVER

6. The waiver being sought is permanent in nature.

C. RULES FOR WHICH A WAIVER IS REQUESTED

7. Section 42(m) of the Internal Revenue Code requires each state allocating agency to adopt an allocation plan for the allocation and distribution of federal low-income housing tax credits. Florida Housing, as the allocating agency for the State of Florida, must distribute Housing Credits to applicants pursuant to its qualified allocation plan.

8. Florida Housing's 2024 Qualified Allocation Plan Section II.J. (incorporated by Rule 67-48.002(96), F.A.C. (7/7/2024)) provides that Housing Credits may be returned only after the second calendar quarter of the year in which a development is required to be placed in service:

... where a Development has not been placed in service by the date required pursuant to Section 42 of the IRC, or it is apparent that a Development will not be placed in service by the date required pursuant to Section 42 of the IRC, and the Applicant has returned its Housing Credit allocation after the end of the second calendar quarter of the year in which it was otherwise required to be placed in service pursuant to Section 42 of the IRC, the Corporation will reserve allocation in an amount not to exceed the amount of Housing Credits returned, and will issue a Carryover Allocation Agreement allocating such Housing Credits to the Applicant for either the current year or the year after the year in which the Development was otherwise required to be placed in service....

QAP at Section II.J.

D. STATUTES IMPLEMENTED BY THE RULES

9. Florida Housing has the authority pursuant to Section 120.542(1), Fla. Stat., and Chapter 28-104, F.A.C., to grant waivers to its rule requirements when strict application of such rules would lead to unreasonable, unfair and unintended results in particular instances. Waivers shall be granted when the person subject to the rule demonstrates that the application of the rule would (1) create a substantial hardship or violate principals of fairness, and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. § 120.542(2), Fla. Stat.

10. Pursuant to Rule 67-48.028(1), F.A.C. if an applicant cannot complete its Development by the end of the year in which the preliminary allocation of Housing Credits is issued, such applicant must enter into a "carryover allocation agreement" with Florida Housing by December 31 of the year in which the preliminary allocation is issued.

E. JUSTIFICATION FOR GRANTING WAIVER OF THE RULES

11. On April 8, 2025, Petitioner and Florida Housing entered into the 2025 Carryover Allocation Agreement (the "Agreement") for the Development. The Agreement requires satisfaction of the 10% Test by December 31, 2025, which may be extended upon Petitioner's request. The 10% Test deadline was extended to April 8, 2026 (collectively, the "Deadline").

12. As explained more fully below, the Development will not be able to meet the Deadline, and as such Petitioner is requesting an exchange of Housing Credits in order to effectuate an extension of such Deadline.

13. Since being preliminarily selected for funding and invited to Credit Underwriting, the Development has been delayed to an extent that makes it clear that the Development will not be able to meet the 10% Test. The closing for the Development has been delayed due to timing delays outside of Petitioner's control in receiving HUD approval to finalize the Subsidy Layering Review.

Petitioner submitted the Subsidy Layering Review on August 7, 2025. Following Petitioner's submission, HUD requested clarification on one issue on December 7, 2025, which Petitioner addressed promptly. The delay in approval may be a consequence of the government shutdown that occurred last year. Attempts to ascertain a timeline regarding HUD approval occurred on January 27, February 10, and February 23. However, as of February 25, 2026, Petitioner has yet to receive approval. Upon receipt of HUD approval, Petitioner is ready to close immediately.

14. As a result of the delays with the HUD approval, the Development will not meet the 10% Test deadline, and places in jeopardy Petitioner's ability to meet the placed in service deadline. To satisfy the 10% Test, Petitioner would need to spend approximately \$3,300,000. Petitioner has spent approximately \$750,000, of which approximately \$450,000 would constitute eligible costs for purposes of the 10% Test. Petitioner's auditors indicated that a portion of the developer fee could potentially be accrued to contribute to the 10% Test, but such costs are not clearly recognized by the IRS. Petitioner's general contractor evaluated whether the required level of eligible cost incurrence could be achieved within the necessary timeframe. The general contractor indicated it would not be feasible. Additionally, multiple predevelopment lenders have been contacted but it is not possible to secure financing for the land acquisition currently. Consequently, Petitioner does not possess sufficient unrestricted capital to satisfy the 10% Test prior to the Deadline.

15. Petitioner now seeks to return its 2025 Housing Credit allocation, rather than wait for the Initial Return Date, and obtain from Florida Housing an immediate allocation of new Housing Credits with a later required 10% test date and placed in service date.

16. The requested waiver will not adversely affect the Development. A denial of the Petition, however, would result in substantial economic hardship¹ to Petitioner as such denial would

¹ "Substantial hardship" means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver. Further, "principles of fairness" are violated when the literal application of a rule

otherwise cause the deal to fail by voiding the Florida Housing's commitment to fund the Development, in violation of principles of fairness, despite Petitioner receiving the necessary items it otherwise needed to close.

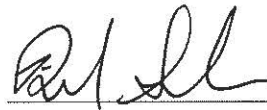
17. Petitioner believes that a waiver of this Rule will serve the purposes of Section 420.5089, Fla. Stat. and the Act that are implemented by Chapter 67-48 F.A.C., as one of the goals is for the proceeds of Florida Housing financing to be used to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income persons and households. The Act was passed in order to create inducements and opportunities for private and public investment in rental housing to increase the supply of affordable housing for low-income persons and households. By granting this Petition, Florida Housing would recognize the goal of increasing the supply of affordable housing units via the construction of new developments throughout Florida.

affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. *See* Section 120.542, *Fla. Stat.*

F. ACTION REQUESTED

18. For the reasons set forth herein, the Petitioner respectfully requests the Florida Housing (i) grant a waiver of the provisions of the Qualified Allocation Plan prohibiting Petitioner from returning the Housing Credit Allocations prior to the Initial Return Date; (ii) grant this Petition and all the relief requested herein; and (iii) grant such further relief as it may deem appropriate.

Respectfully submitted this 25th day of February, 2026.



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COUNSEL FOR PETITIONER

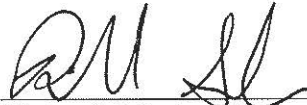
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Petition was filed by electronic delivery to:

Florida Housing Finance Corporation,
Attn: Corporation Clerk
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301
CorporationClerk@floridahousing.org,

Joint Administrative Procedures Committee
680 Pepper Building
111 W. Madison Street
Tallahassee, Florida 32399
Joint.admin.procedures@leg.state.fl.us

This 25th day of February, 2026.



Richard Schuler, Esq.
Fla. Bar No. 1021181