

STATE OF FLORIDA

FLORIDA HOUSING FINANCE CORPORATION

THE LANDINGS AT SUGARLOAF KEY, LLC

Petitioner,

v.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

FHFC CASE NO.: 2026-037VW

APPLICATION NO. 2024-064CS

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FLORIDA HOUSING
FINANCE CORPORATION

PETITION FOR WAIVER OF RULE 67-48.0072(26)

Petitioner, The Landings at Sugarloaf Key, LLC, a Florida limited liability company (the “Petitioner”) submits its petition to Respondent, Florida Housing Finance Corporation (the “Corporation”), for a waiver of Rule 67-48.0072(26), F.A.C. (2023) in effect at the time Petitioner submitted its application in response to the Corporation’s Request for Applications 2023-212 (the “RFA”), to allow Petitioner to extend the loan closing deadline for the State Apartment Incentive Loan (“SAIL”) funding allocated to Petitioner pursuant to the RFA. In support of this petition (the “Petition”), Petitioner states as follows:

A. Petitioner and the Development.

1. The name, address, telephone, and facsimile numbers for Petitioner and its qualified representative are:

The Landings at Sugarloaf Key, LLC
c/o Rural Neighborhoods, Inc.
19308 SW 380th Street
Florida City, FL 33034
(305) 242-2142
SteveKirk@ruralneighborhoods.org

The name, address, telephone, and facsimile numbers of Petitioner's attorneys are:

Gary J. Cohen, Esq.
Shutts & Bowen LLP
200 S. Biscayne Blvd., Ste. 4100
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2. Pursuant to the RFA, Petitioner timely submitted its application for low-income housing tax credits ("Credits") and SAIL funding. See Application Number 2024-064CS ("Application"). Petitioner was preliminarily awarded \$4,900,400.00 in SAIL funding under the RFA (the "SAIL Award"). The SAIL Award Firm Loan Commitment issuance deadline was originally September 15, 2024, which was twelve (12) months from the invitation to enter credit underwriting, which date was extended (i) at the October 22, 2024 meeting of the Board of Directors of the Corporation ("Board") to March 15, 2025, (ii) at the March 28, 2025 meeting of the Board to September 15, 2025.

3. On August 1, 2025, the Board approved the final credit underwriting report and directed staff to proceed with the issuance of a firm commitment and closing activities. On August 4, 2025, staff issued a firm commitment to the Petitioner giving them a loan closing deadline of February 2, 2026. On February 23, 2026, Petitioner requested an extension of the loan closing deadline from February 2, 2026 to May 4, 2026, which extension was granted at the March 20, 2026 Board meeting. It is the Corporation's policy that, since, the extended deadline did not expire until after the Corporation's May 1, 2026 Board meeting, this Petition for further extension of the loan closing deadline is timely filed for consideration at the June 26, 2026 Board meeting.

4. The SAIL Award is a critical part of the financing for the new construction of affordable family/workforce housing to be known as The Landings at Sugarloaf Key, serving income qualifying persons (the "Development"). The development is located in Monroe County.

5. For the reasons explained more fully below, closing of the SAIL Loan will not occur by the May 4, 2026 deadline.

B. Rules from Which the Waiver is Sought.

6. The relevant portions of the Rules in effect at the time the SAIL funds were awarded for which this waiver is sought, provide as follows:

(b) Rule 67-48.0072 provides that “(26) For SAIL and HOME, unless stated otherwise in a competitive solicitation, these Corporation loans and other mortgage loans related to the Development must close by the Board of Directors meeting immediately following one hundred eighty (180) Calendar Days of the firm loan commitment. Unless an extension is approved by the Board, failure to close the loan(s) by the deadline outlined above shall result in the firm loan commitment being deemed void and the funds shall be de-obligated. Applicants may request one extension of the loan closing deadline outlined above for a period of up to ninety (90) Calendar Days. All extensions or requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The Board shall consider the facts and circumstances of each Applicant’s request, inclusive of the Applicant’s ability to close within the extension term and any credit underwriting report, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one (1) percent of each Corporation loan amount if the Board approves the request to extend the loan closing deadline beyond the applicable period outlined above. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the Board approves the request to extend the original loan closing deadline. In the event the Corporation loan does not close by the end of the extension period, the firm loan commitment shall be deemed void and the funds shall be de-obligated.” Rule 67-48.0072(26), F.A.C. (2023).

C. Statute Implemented.

7. The Rules for which a waiver is requested are implementing, among other sections of the Florida Housing Finance Corporation Act (the “Act”), the statute that created the SAIL

program and provides for the allocation of Housing Credits. See §§ 420.5087 and §§ 420.5099(2), Florida Statutes (2023).

8. Pursuant to Chapter 120.542(1), Florida Statutes, “strict application of uniformly applicable rule requirements can lead to unreasonable, unfair, and unintended results in particular instances. The Legislature finds that it is appropriate in such cases to adopt a procedure for agencies to provide relief to persons subject to regulation.” Therefore, under Section 120.542(1), Florida Statutes and Chapter 28-104, F.A.C., the Corporation has the authority to grant waivers to its requirements when strict application of these requirements would lead to unreasonable, unfair, and unintended consequences in particular instances. Specifically, Section 120.542(2) states:

“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. For purposes of this section, “substantial hardship” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, “principles of fairness” are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.” Section 120.542(2), Florida Statutes.

9. In this instance, Petitioner meets the standards for a waiver.

D. Justification for Petitioner’s Requested Waiver

10. Petitioner was previously granted a 90 day extension to close the SAIL loan, extending such deadline to May 4, 2026. A further extension of the deadline to close the SAIL loan may not be granted without a waiver of the Rule.

11. Petitioner is requesting an extension of the deadline to close the SAIL loan from May 4, 2026 to October 9, 2026. The reasons for this request are as set forth below.

12. Rural Neighborhoods, Inc. (the “Developer”) and the Applicant have been delayed by the extended credit underwriting review and third party studies undertaken by its key capital sources; National Equity Fund (its tax credit syndicator) and Community Housing Capital (its construction and permanent mortgage lender). Those parties concluded that the past market studies and appraisals undertaken by the Corporation in its credit underwriting approval process were not acceptable for their purposes, given their issuance dates. As such, those parties sought professional service consultants to provide new, independent analyses. These reports were commissioned and the market study is now complete; the appraisal is due to be completed on June 15, 2026.

13. Updated financial information was requested from the Developer and Keys Workforce Corporation, a co-developer and co-member of the Applicant. The Developer’s “real estate owned” schedule (part of such financial statement information) was dependent upon audited property financials recently obtained.

14. The tax credit syndicator and first mortgage lender also required Applicant to obtain from the Corporation an interpretation of the “placed in service” date requirement for the development before issuance of their underwriting recommendation to their respective committees and investors. The Corporation provided this information on April 8, 2026. Finally, the equity provider and lender asked Developer to obtain utility impact fee and cost commitments from Keys Energy Services and Florida Keys Aqueduct Authority given their material impact on the project’s total development cost. The last of this cost information was obtained on May 19, 2026.

15. Significant progress has been made in reaching the financial commitments and closings enabling the project to move forward. In addition to the progress cited above, legal counsel has been assigned to the anticipated loan closing by the Corporation, and is expected forthwith from the tax credit syndicator and lender. The first mortgage lender has scheduled loan

committee action on June 10 and June 17, 2026. Negotiations on the tax credit equity documents will commence in mid-June. Applicant believes the loan closings and tax credit equity closing will occur in September 2026.

16. The requested waiver will not adversely affect Petitioner, the Development, any other party that applied to receive SAIL funding in the RFA or the Corporation. A denial of the Petition, however, would (a) result in substantial economic hardship to Petitioner, as it has incurred substantial costs to date toward ensuring that the Development proceeds to completion; (b) deprive Monroe County of the provision of much needed affordable workforce housing; and (c) violate principles of fairness. §120.542(2), F.S.

17. As discussed above, the delays have been caused by circumstances outside Petitioner's control. As a result, the delay makes it impossible to meet the May 4, 2026 deadline for closing the SAIL loan.

18. The requested waiver will ensure the availability of SAIL and Housing Credit equity funding which will otherwise be lost as a consequence of the development delays described herein.

E. Conclusion

19. The facts set forth in Sections 10 through 16 of this Petition demonstrate the hardship and other circumstances which justify Petitioner's request for a Rule waiver.

20. As demonstrated above, the requested waiver serves the purposes of Sections 420.5087 and 420.5089, Florida Statutes, and the Act, as a whole, because one of their primary goals is to facilitate the availability of decent, safe, and sanitary housing in the State of Florida to low income persons and households. Further, by granting the requested waiver, the Corporation would recognize principles of fundamental fairness in the development of affordable rental housing.

21. The waiver being sought is permanent in nature. Should the Corporation require additional information, a representative of Petitioner is available to answer questions and to provide all information necessary for consideration of this Petition.

WHEREFORE, Petitioner respectfully requests that the Corporation:

- A. Grant this Petition and all the relief requested therein;
- B. Grant a waiver of the Rule to extend the deadline to close the SAIL loan from May 4, 2026 to October 9, 2026; and
- C. Award such further relief as may be deemed appropriate.

Respectfully submitted,



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CERTIFICATE OF SERVICE

The original Petition is being served by overnight delivery, with a copy served by electronic transmission for filing with the Corporation Clerk for the Florida Housing Finance Corporation, 227 North Bronough Street, Tallahassee, Florida 32301, with copies served by overnight delivery on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 3rd day of June, 2026.



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