

State of Florida
Division of Administrative Hearings
ANGEL HOUSE ASSISTED LIVING, INC.,
Petitioner,
v.
FLORIDA HOUSING FINANCE CORPORATION,
AGENCY FOR HEALTH CARE ADMINISTRATION,
Respondents.

CASE NO: 26-004378RU

**AMENDED PETITION CHALLENGING AN UNADOPTED
ADMINISTRATIVE RULE PURSUANT TO SECTION 120.56(4),
FLORIDA STATUTES**

Petitioner, ANGEL HOUSE ASSISTED LIVING, INC., pursuant to Sections 120.56(1), 120.56(4), and 120.57(1), Florida Statutes, and Florida Administrative Code Rule 28-106.201, hereby files this Amended Petition challenging an unadopted administrative rule enforced by the Respondents, FLORIDA HOUSING FINANCE CORPORATION (FHFC) and the AGENCY FOR HEALTH CARE ADMINISTRATION (AHCA). In support thereof, Petitioner states:

I. THE PARTIES, RESPONSIBLE ADDRESSES, AND STANDING

1. **Petitioner:** Angel House Assisted Living, Inc., is a active Florida small business corporation located at 10810 NW 20th Street, Pembroke Pines, FL 33026. Petitioner is an active, licensed provider of residential community care, holding a valid standard license from the Florida Agency for Health Care Administration (AHCA) to operate a home-scale, un-bifurcated 6-bed Assisted Living Facility. All official corporate and mailing communications for this action are secured directly at Petitioner's corporate home office located at 14190 SW 28th Street, Davie, FL 33330.
2. **Respondent Florida Housing Finance Corporation (FHFC):** The FHFC is a public corporation established within the Florida Department of Commerce pursuant to Chapter 420, Florida Statutes. Its principal office and legal address for administrative service is located at 227 N. Bronough Street, Suite 5000, Tallahassee, FL 32301-1329. Respondent FHFC is the public state entity responsible for administering state-backed housing funds, tax credits, and residential financing portfolios (including SHIP and SAIL) within the State of Florida.
3. **Respondent Agency for Health Care Administration (AHCA):** AHCA is a principal administrative agency of the executive branch of the State of Florida, established under Section 20.42, Florida Statutes. Its principal office and legal

address for administrative service is located at 2427 Mahan Drive, Building 3, Tallahassee, FL 32308-5403. Respondent AHCA is the public state entity responsible for health facility licensure, care-hour compliance mandates, and the master administration of the Statewide Medicaid Managed Care (SMMC) Long-Term Care (LTC) waiver program.

4. Substantial Interest Affected: Pursuant to Section 120.52(14), Petitioner is a "substantially affected person." Petitioner owns the underlying residential real estate deed and operates the care facility within a single, unified, un-bifurcated domestic Florida corporate identity. Respondent's enforcement of an unadopted underwriting rule automatically disqualifies Petitioner's corporate deed from standard residential financing pools, locking up Petitioner's land equity, imposing predatory commercial lending terms, and threatening the operational survival of a 17-year compliant care footprint.

5. Petitioner became aware of the unadopted administrative rule on or about September 2025, and through subsequent processing cycles ending in July 2026, upon receiving a series of automated underwriting mortgage blocks and direct lender rejections. These financial blocks were consistent across Conventional, Investor, SBA, DSCR and state-sponsored lending applications. Each application process resulted in summary denial to healthcare homes or commercial reclassification, explicitly citing the presence of an active corporate deed and an active AHCA health license on a 1-to-4 family residential folio as an automatic disqualifier for residential financing tracks.

III. STATEMENT OF FACTS AND AGENCY HYPOCRISY

6. Physical and Zoning Conformity: Petitioner's property is a standard single-family residential house that completely conforms visually, physically, and structurally to its surrounding neighborhood grid. A formal appraisal executed in September 2025 legally certified that the property's Highest and Best Use (HBU) is strictly a Single-Family Residence (SFR). The layout utilizes non-structural interior furniture configurations only, completely preserving the existing residential footprint, yard space, and patio lifestyle, providing a fully homelike environment.

7. The Statutory Homelike Mandate and Core Labor Disparity: Pursuant to Florida Statute Section 429.01(2), the Florida Legislature has established an explicit public policy mandate requiring that assisted living facilities be developed and maintained to provide a safe, sanitary, and "homelike environment" that protects the dignity and independence of vulnerable elders. Concurrently, under Florida Statute Section 419.001(2), the Legislature has decreed that a licensed

community residential care home housing 6 or fewer residents is legally deemed a non-commercial, single-family residential use by right under local zoning codes. To fulfill this residential mandate, the state's health regulatory hand (AHCA) actively licenses this footprint to deliver a mandatory weekly labor configuration of exactly 212 total facility staff hours. For Petitioner's 6-bed capacity limit—which represents the operational baseline for the vast majority of independent neighborhood providers—this state-enforced baseline requires a fixed density of 35.3 hands-on care hours per resident every single week.

- 8. The Unadopted Rule Exposed:** Respondent, FHFC, through its certified direct lending channels, correspondent networks, and state-backed portfolio portals, is actively enforcing an unwritten, unadopted policy that states: Any 1-to-4 family residential property that holds an active state health care license or whose deed is titled directly to an operating LLC, S-Corp or Non-Profit care entity must be summarily reclassified as a commercial property risk.

8A. The May 2026 Exclusionary RFP Window: In **May 2026**, Petitioner actively attempted to engage with Respondent Florida Housing Finance Corporation's open capital programs to secure equitable infrastructure funding. It was during this specific processing cycle that Petitioner exposed an unwritten, exclusionary Request for Proposal (RFP) hurdle designed to lock out community-scale 4-to-15 bed care assets from accessing state-backed State Apartment Incentive Loan (SAIL) and State Housing Initiatives Partnership (SHIP) allocations.

Respondent's **May 2026 RFP guidelines** mandate a tiny, closed-door application window that operates on a "by invitation only" basis, requiring any small business applicant to prove **millions of dollars in commercial development experience** within a strict past look-back period. This arbitrary capital requirement bears zero rational relationship to the maintenance or continuity of a protected, pre-existing single-family residential care home under **Section 419.001(2), Florida Statutes**. By setting these unfair commercial development barriers, Respondent FHFC enforces an unadopted rule that systematically capital-starves independent local providers and funnels public funds exclusively to high-density corporate warehouses.

8B. The Rejection of the Three-Pillar Legislative Remedy (Project MCGTT): Concurrently during the **May 2026** application tracking cycle, Petitioner drafted and formally transmitted a comprehensive legislative realignment dossier titled "**Project MCGTT (Ms. Campbell Goes to Tallahassee) – Part II**" directly to state lawmakers and Respondent

Florida Housing Finance Corporation's policy analysts. This three-pillar framework explicitly modeled a corrective blueprint to decouple state-backed elderly housing allocations from predatory multi-family developer multipliers.

Petitioner's proposal demanded structural realignment across available state engines, specifically detailing:

1. **Pillar 1: The Timing Stabilization:** Eliminating erratic, unadvertised, pop-up "Request for Applications" (RFA) windows by establishing fixed, semi-annual open calendar windows (every January 1 and July 1) paired with a mandatory 14-day technical cure window to protect small business applicants from automated data-routing rejections.
2. **Pillar 2: The Target Beneficiaries Calibration:** Waiving historical multi-family "unit-volume tracking records" since 2016 for independent healthcare community homes (15 beds or less) operating within conventional Fannie Mae 1-to-4 family guidelines. This pillar established a "Care-Hour Density Priority Engine," assigning 100 points to boutique community priority tracks that maintain high active-awake direct-care hours while assigning 0 points to institutional corporate dilution warehouses.
3. **Pillar 3: Permitted Preservation Uses:** Explicitly authorizing fund usage under the Elderly Housing Community Loan (EHCL) and State Small Business Credit Initiative (SSBCI) tracks for debt optimization and permanent mortgage takeouts. This mechanism was designed to legally empower independent providers to permanently swap destructive, high-interest interest-only commercial liens (such as **11% hard-money notes**) for stable, low-interest state preservation notes, while explicitly blocking capital from funding out-of-state corporate administrative windfalls.

Respondent FHFC's systematic refusal to adopt, evaluate, or implement this non-conforming small-business tiering framework demonstrates a continuous administrative practice of maintaining an uncoded, underground rule. This practice purposefully insulates high-density corporate warehouses while blocking transparent, independent neighborhood lifeboats from accessing vital state-backed credit infrastructure.

8C. The Historical Origin of Market Distortion (The 2018 Mandate Boondoggle):

Petitioner states that the unadopted underwriting exclusions and capital-starvation loops enforced by the Respondents are part of a continuous, multi-year administrative practice dating back to the 2018 emergency infrastructure mandates. Under the political direction of the executive branch at that time, public assurances were issued stating that the state would facilitate necessary financing pathways to assist licensed facilities in

complying with sudden generator infrastructure laws. In practice, no ring-fenced public capital channels or Small Business Tier shields were ever established.

Instead, state directives merely funneled independent providers directly into conventional commercial banking monopolies without establishing favorable terms or modifying restrictive underwriting overlays. Because the automated processing screens of the secondary mortgage market (FNMA) remained frozen against state-licensed single-family properties, independent 6-bed providers were locked out of standard consumer credit lines and forced to absorb brutal, predatory **10% to 11% interest-only commercial liens**. This artificial credit barrier functions identically to the predatory corporate "forbearance" mechanisms deployed during the pandemic era, where promised state-level administrative relief was systematically converted into private equity-stripping loops, compounding un-amortized debt overhead, and manufactured foreclosure traps designed to force independent local employers out of the market.

8D. The Violations of Agency Data Transparency and Small Business Accounting

Mandates: Petitioner explicitly states that the target of this challenge is not the technological architecture or formatting choices of the state's public web portals, which remain outside the direct micromanagement jurisdiction of the reviewing authority. Rather, the challenge targets the systematic violation of the Respondents' own statutory obligations to maintain transparent data tracking and account for small business regulatory impacts.

Following the implementation of the unadopted credit overlays and downward municipal delegations challenged herein, the state's public tracking portal—the Florida HealthFinder website—was modified to remove precise historical facility closure timelines, shunting all terminated licenses under a single, generic category labeled "closed since 2010." This administrative suppression of precise data directly violates internal agency rules requiring transparent public accounting of regulatory impacts on small business entities under the Small Business Regulatory Relief Act. By masking the post-pandemic survival metrics of Tier 1 neighborhood care homes, the Respondents have effectively insulated their underground underwriting guidelines from state-mandated cost reviews, using data suppression as an administrative shield to pretend compliance objectives are being met while independent local employers are systematically capital-starved and forced out of the market.

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- 9. The Practical and Ethical Nightmare:** Respondent's unadopted policy directly subverts the state's "homelike environment" mandate. It forces an artificial, highly impractical commercial configuration onto the smallest, most labor-

intensive form of elder care. To clear Respondent's automated data screens, a transparent provider would be forced to split their fully-accountable unbifurcated operation into a fake, multi-entity lease-back structure. This artificial setup forces an honest provider to look as if they are "gaming the system" through shell companies, while simultaneously triggering an invasive, business-destroying AHCA Change of Ownership (CHOW) audit and stripping away non-profit ad valorem property tax shields.

10. Bureaucratic Camouflage and Fact Tracking: On August 4, 2026, the Agency for Health Care Administration issued a formal tracking response (Corrflow Tracking #381536) containing Petitioner's exact financial definitions regarding the warehouse payment disparity. In said document, the Agency deployed self-serving administrative spin, framing the communication as a routine "recommendation" to mask that the file was generated through high-level legislative constituent channels.

The Unwritten Corporate Arbitrage Rule: While the state's public funding is explicitly mandated to pay for consumer care, the Agency's funding infrastructure enforces a rigid, flat-rate payment schedule under Billing Code T2030. Under this system, Petitioner is paid an identical baseline of \$1,950 to \$2,100 per month per resident as 100-bed corporate warehouses, completely ignoring that Petitioner expends an active \$2,300 per month per resident strictly on direct, high-density caregiving labor at a continuous operational deficit. Conversely, corporate warehouses restrict direct bedside care spending to an estimated \$450 per month per senior, pocketing the rest as pure profit while running on a skeletal state minimum of 5.8 care hours per resident, weekly.

10A. The Structural Architecture of the Out-of-State OpCo/PropCo Shell Game and the Multi-Family Apartment De-Conversion Loophole: Petitioner explicitly states that the predatory market compression challenged within this cause is directly enabled by the Respondents' uncoded tolerance of the bifurcated Operating Company and Property Company (OpCo/PropCo) corporate model. Under this manipulative structural framework, overbuilt commercial care syndicates artificially split their businesses into separate legal entities: an out-of-state real estate investment trust or property holding company (the PropCo) retains absolute ownership of the underlying physical real estate deed, while a separate, shell operating company (the OpCo) holds the actual state healthcare license to run the facility floor. This artificial bifurcation allows corporate groups to run skeletal direct-care shifts near zero payroll friction, utilizing the OpCo as

an insulation barrier against operational liability while systematically funneling hyper-inflated public care subsidies upward into the PropCo real estate ledger.

Crucially, large institutional bad actors operating commercial warehouses within the Tier 3 infrastructure tier (75+ beds) routinely execute a strategic mathematical trick—deliberately beginning their active census at exactly 99 beds to exploit a technical regulatory loophole and dodge the next added tier of mandatory direct-care labor levels, which only forces a paltry 40 additional hours of staffing per week for every 20 extra beds—amounting to an unconscionable two hours of care per week for each extra fragile life compared to the intensive 35.3 care hours weekly forced upon Tier 1 lifeboats. Because these overbuilt, thinly staffed facilities are structurally unsustainable, these out-of-state syndicates routinely use their hoarded, taxpayer-subsidized capital to survive commercial interest rate shocks, drop their healthcare licenses completely the moment operating margins compress, and immediately flip the physical structures into commercial multi-family apartment complexes. A prime, localized instance of this predatory practice is the shameful Oasis to Waterview de-conversion project in Broward County. By executing this entity-de-conversion flip on commercial-scale tracts, these corporate syndicates exploit the Live Local Act housing framework (F.S. § 196.1978(3)) to claim a 100% county ad valorem property tax erasure. This systemic manipulation actively bleeds local municipal infrastructure budgets in Miramar and Pembroke Pines, directly shifting the compounding civic deficit straight onto the shoulders of independent small businesses and traditional single-family neighborhood homeowners.

10B. The Systemic Disparate Impact Across the Three Infrastructure Tiers: Petitioner states that the unadopted underwriting exclusions and lopsided reimbursement filters challenged herein hit independent providers with severe disparate impact based on structural capacity tiers. While Tier 1 assets (4 to 8 beds) completely lack the capital scale to execute expensive, multi-entity OpCo/PropCo bifurcations on standard neighborhood single-family residential lots, Tier 3 institutional warehouses (75+ beds) utilize these structures as standard operating policy. Crucially, mid-scale Tier 2 properties (specifically facilities holding 30 to 50 beds) represent a critical structural borderline, where approximately half of active regional operations are already bifurcated into separate operating and property holding entities to shield underlying land deeds from healthcare care liabilities. While forward-looking public policy options

exist to incentivize local accountability within this mid-scale tier through per-bed fee modifications or stabilization bonds at renewal, such structural adjustments remain outside the immediate rule-challenge jurisdiction of the reviewing authority. The target of this action remains the complete invalidation of the Respondents' current, uncoded credit overlays that blindly punish non-bifurcated Tier 1 and Tier 2 residential footprints. By forcing small-scale community assets to navigate commercial lending tracks and absorb predatory, high-overhead notes simply because they hold a state care license, the Respondents' unadopted guidelines actively accelerate the closure of transparent local small businesses, directly clearing the market for overbuilt corporate syndicates to execute multi-family apartment de-conversion flips.

11A. The Dual-Enrollment Insurance Brokerage Scheme: To mask the true depth of the corporate arbitrage, the Respondent Agency for Health Care Administration (AHCA) permits private Statewide Medicaid Managed Care (SMMC) middlemen, specifically Simply Healthcare, to enforce a deceptive, multi-tiered payment system. While Simply Healthcare representatives routinely state that no provider is paid above the standard baseline, they actively maintain hidden premiums—paying favored, large-scale corporate facilities up to **\$2,400.00 per month** for identical care codes. This premium is directly conditional on the corporate facility acting as an unlicensed insurance broker, coercing vulnerable seniors to enroll in the HMO's secondary commercial Medicare "companion" or "dual enrollment" plans. Because transparent, independent 6-bed neighborhood lifeboats refuse to participate in these predatory referral schemes, they are systematically capped at the sub-baseline rate of **\$1,950.00 to \$2,100.00 per month**, forcing them to deliver high-density care hours at an intentional financial deficit while corporate entities scoop up unchecked taxpayer subsidies for driving commercial health plan shifts.

12. Systemic Disparate Impact and Labor Discrimination: Because public funding is legally restricted to care delivery rather than real estate room and board, this flat payment structure establishes an invalid, unwritten rule that actively pays corporate warehouses six times more per hour of actual care expended on each

resident than independent neighborhood homes. By allowing automated processing screens to use these lopsided funding parameters to block conventional capital on single-family residential deeds, the Respondent (FHFC) enforces an uncodified credit overlay that creates an absolute, conflicting contradiction with Chapter 429's residential care objectives. This practice systematically starves high-performing, independent small businesses of capital while corporate entities hoard hyper-inflated taxpayer subsidies on skeleton shifts.

12A. The Exclusionary RFP Racket and Commercial Development Barriers: Petitioner states that Respondent Florida Housing Finance Corporation (FHFC) systematically prevents independent, community-scale 4-to-15 bed care assets from accessing state-backed State Apartment Incentive Loan (SAIL) and State Housing Initiatives Partnership (SHIP) infrastructure funds. This exclusion is executed through specialized, short-window Requests for Proposals (RFPs) that operate on an unwritten, "by invitation only" basis.

To systematically redline neighborhood lifeboats, the Respondent's RFP guidelines mandate that any applicant must demonstrate **millions of dollars in commercial development experience** within a strict historical look-back period. This arbitrary capital requirement bears zero rational relationship to the maintenance, safety, or operational continuity of a protected, pre-existing single-family residential care home. By structuring public funding gates exclusively to favor large-scale corporate syndicates and multi-family developers, the Respondent enforces an unadopted rule that actively shunts state-sponsored infrastructure funds away from independent small businesses, directly causing localized capital-starvation and forcing vulnerable seniors into high-density institutional warehouses.

IV. THE REGULATORY JURISDICTIONAL MATRIX AND STATE-PERMITTED LOOPHOLES

13. Bifurcated Agency Responsibilities: To maintain proper administrative boundaries, the reviewing authority must distinguish between the separate statutory duties of the respective state entities. The Agency for Health Care Administration (AHCA) is solely responsible for health facility licensure, care-hour compliance (the 212-weekly staff hour mandate), and the administration of the Medicaid Long-Term Care (LTC) waiver program. Conversely, the Respondent, the Florida Housing Finance Corporation (FHFC), has zero jurisdiction over care delivery; its sole statutory mandate under Chapter 420 is to administer housing funds and ensure a clean, equitable lending environment completely free of

discriminatory underwriting redlining or uncodified credit barriers for residential properties.

14. The Permitted Local Municipal Loophole: While the state's health hand mandates a "homelike environment" and Chapter 419 deems a 6-bed footprint to be a residential use by right, the state has simultaneously allowed a destructive loophole to persist at the local level. Local city planning boards and county code enforcement officers are permitted by the state to weaponize local zoning ordinances, arbitrarily classifying a transparent, un-bifurcated residential care home as a "commercial property," an "unlicensed business activity," or an "unsafe over-capacity occupancy."

14A. The Local Municipal Rampage and BORA Overreach: While the state's health hand mandates a residential "homelike environment" under Chapter 429, the state has actively permitted local cities and Broward County administrative desks to run amok with arbitrary, extra-statutory restrictions. Local planning boards systematically weaponize local ordinances to slap transparent, un-bifurcated 6-bed residential lifeboats with punitive "commercial property" or "special daycare use" designations that do not apply to regular family households. Concurrently, the Broward County Board of Rules and Appeals (BORA) enforces severe, hyper-fancy commercial engineering and building code overlays onto standard 1-to-4 family residential footprints. These extra-statutory demands function as an administrative racket, penalizing the smallest neighborhood housing structures with massive compliance delays while corporate warehouses smoothly use taxpayer subsidies to clear local clipboards.

14B. The Manufacture of Domestic Infractions and Cross-Agency Dogpiling: This unadopted framework allows local cities—such as the City of Pembroke Pines—to play "boss" and enforce a predatory default reflex: if a residential activity is not explicitly permitted by a city clerk, it is prohibited. To collect an artificial city "vig," the municipality deploys private, for-profit compliance contractors like Calvin Giordano & Associates to manufacture commercial code violations out of routine household functions. These identical domestic activities are completely ignored when operated by a local business home meeting, a backyard gathering, or a large extended family. As a specific empirical instance of this cross-agency dogpiling, when Petitioner spent six weeks in a protected residential permitting track to install an emergency generator, the city abruptly shunted the file into a commercial category, demanding expensive architectural seals, initiating the fight of Petitioner's operational life, lasting almost a full year, with Petitioner's contractor ultimately threatening legal action and AHCA

threatening the Petitioner's ALF License. Compounding this structural duress, when Petitioner subsequently attempted to execute a routine, residential impact window installation to harden the facility envelope in 2026, the local building department restarted the exact same commercial shunting matrix. This parallel obstruction strategy subjected the frontline small business owner to extreme, ongoing operational stress and artificial administrative delays, weaponizing routine property preservation improvements to deliberately compromise the facility's mandatory 2026 Comprehensive Emergency Management Plan (CEMP) tracking and threaten its active state healthcare license again, running into the start of hurricane season with an open permit for no reason, on a property physically, structurally and otherwise residential.

14C. The Weaponization of Global Supply Chain Distortions: Petitioner states that the cross-agency dogpiling and commercial shunting executed by the municipality and its private compliance contractors occurred during the peak of the 2021–2023 global supply chain crisis. During this specific historical timeframe, the maritime shipping container industry faced unprecedented gridlock, characterized by historic import blockades where over seventy (77) major container ships continuously idled offshore at the Ports of Los Angeles and Long Beach for weeks and months at a time, trapping billions of dollars in industrial hardware away from the domestic ecosystem.

As a direct consequence of this global bottleneck, the manufacturing, delivery, and distribution of automated commercial backup generators and heavy transfer switches suffered catastrophic macro-delays, establishing wait times of six (6) to twelve (12) months for standard equipment delivery. While neighboring municipal jurisdictions adjusted their local enforcement postures to accept immediate, flexible, low-barrier residential mitigation strategies—such as the utilization of standard mobile wheeled generators to protect fragile elders—the City of Pembroke Pines and BORA refused to recognize these market realities. By holding Petitioner's file hostage within a manufactured "Commercial Lane" for nearly an entire calendar year, while concurrently demanding hyper-specific commercial features that were completely unavailable due to global shipping logjams, the local enforcement apparatus actively weaponized an international economic crisis to capital-starve a protected 6-bed residential care lifeboat and manufacture a compliance trap designed to destroy its operating license.

14D. The Resulting License Endangerment and Vested Economic Damages: Petitioner

states that the coordinated administrative delays and cross-agency dogpiling detailed above were directly weaponized by Respondent Agency for Health Care Administration (AHCA) to initiate immediate, punitive enforcement actions against Petitioner's active operating license. While the local municipality and its private compliance contractors intentionally held the critical emergency infrastructure permit hostage within a manufactured "Commercial Lane" for nearly an entire calendar year, Respondent AHCA simultaneously issued high-velocity non-compliance threats.

These threats targeted the structural existence of the facility's operating license and placed the physical ownership of the underlying residential homestead in immediate, catastrophic jeopardy. To halt this top-down regulatory squeeze, preserve her home, and prevent the immediate eviction of her vulnerable senior residents, Petitioner was forced to divert scarce operational care capital to retain private emergency defense counsel, incurring thousands of dollars in unrecoverable legal fees. This systemic cross-agency squeeze proves that Respondents' unadopted credit filters and downward abdications of regulatory authority do not operate in a vacuum; they function as an active, predatory machinery designed to capital-starve independent Tier 1 neighborhood lifeboats, force honest providers into structural default, and strip away localized property equity to clear the market for high-density corporate warehouses.

1. As another specific empirical instance of this cross-agency dogpiling, during the Petitioner's struggle to install a City-required emergency generator, (due to BORA and city interpretations of state building & life safety codes) the city abruptly shunted the file into a commercial category, demanding expensive architectural seals. Concurrently, an AHCA inspector aggressively demanded the installation of hazardous "Stored Fuel Tanks," blindly ignoring that the system is permanently tied to an indefinite supply of municipal natural gas via TECO Energy. When Petitioner requested critical structural clarification by the city to halt this conflicting pressure, the Office of the Deputy Fire Marshal took a zealous, adversarial position, flatly refusing to coordinate cross-agency safety metrics with state health regulators and stating on the administrative record that it was "not the local department's job to educate AHCA" on the Petitioner's behalf as to the difference between natural gas and propane storage tanks. This deliberate, top-down municipal interference forced the independent employer to expend extra thousands of dollars in emergency legal retainers simply to protect her baseline residential property rights from targeted local destruction.

2. **The FNMA Residential Reality vs. The True Commercial Warehouse:** This local **administrative** reclassification directly subverts federal secondary mortgage market rules. Under the official Fannie Mae (FNMA) Selling Guidelines, a 1-to-4 family structure operating as a community group home remains strictly residential collateral eligible for traditional long-term financing tracks. Conversely, a 100-bed corporate facility is, by its very physical and financial architecture, a massive, top-heavy commercial property built on a speculative real estate pro forma. By allowing local municipal clipboards to label a single-family house as "commercial" to trigger automated banking blocks, the Respondent (FHFC) is permitting local codes to override federal residential definitions, forcing small-home providers to absorb predatory commercial debt terms while corporate warehouses use their scale to secure abundant capital.

V. PRAYER FOR RELIEF

WHEREFORE, Petitioner, ANGEL HOUSE ASSISTED LIVING, INC., respectfully requests that the Division of Administrative Hearings assign an Administrative Law Judge to conduct an expedited hearing pursuant to Section 120.56(4), Florida Statutes, and subsequently enter a binding Final Order:

1. **Declaring Respondent Florida Housing Finance Corporation's automated corporate-deed lending exclusions, and Respondent Agency for Health Care Administration's flat-rate Medicaid LTC reimbursement framework under Billing Code T2030, as invalid, unadopted administrative rules that systematically violate Chapter 120;**
2. **Ordering both named Respondents to immediately cease and desist from enforcing these uncodified credit filters, discriminatory underwriting overlays, and predatory flat-dollar care allocations against compliant, independent neighborhood 6-bed care footprints;**
3. **Compelling Respondent Florida Housing Finance Corporation to build and implement a dedicated Residential Portfolio Lending pathway that evaluates un-bifurcated corporate and non-profit residential deeds using standard 1-to-4 family residential valuation and underwriting metrics;**
4. **Compelling Respondent Agency for Health Care Administration (AHCA) to immediately dismantle the unwritten corporate arbitrage rule that permits private insurance middlemen to hoard public care dollars on skeleton corporate shifts, and ordering AHCA to immediately deploy the direct Fee-for-Service (FFS) reimbursement rate structure mandated by the 2026 Legislature to compensate independent neighborhood homes based on real, state-mandated 35.3 care-hour density per resident, per week;**

5. **Compelling Respondent Agency for Health Care Administration to formally enforce state-level preemption by issuing a definitive administrative directive ordering all Florida counties, municipalities, and private compliance contractors to immediately cease and desist their parallel regulatory enforcement games against protected 4-to-15 bed or residential 1-4 family property neighborhood care assets;**
6. **Awarding Petitioner all reasonable costs, administrative filing expenses, and financial photocopying fees incurred in bringing and prosecuting this Unadopted Rule Challenge pursuant to Section 120.595(4), Florida Statutes; and**
7. **Granting such other and further relief as the Administrative Law Judge deems just and proper under the circumstances.**

VI. THE TRIAD OF ADMINISTRATIVE COMPRESSION: THE THREE ENEMIES OF INDEPENDENT HEALTHCARE ENTREPRENEURS

1. **The Three-Front Regulatory Vise:** The operational collapse and capital-starvation of independent, neighborhood-scale healthcare businesses in Florida is not the result of organic market forces. It is the direct consequence of a synchronized, three-front regulatory vise executed by:
 - **Respondent Agency for Health Care Administration (AHCA):** Through conflicting administrative mandates on the labor and reimbursement sides, paired with improper downward delegation.
 - **Respondent Florida Housing Finance Corporation:** Through underground, unadopted underwriting exclusions that redline independent residential assets from conventional capital markets.
 - **The Intervening Municipalities and County Boards (BORA and Local Cities):** Through arbitrary zoning harassment, commercial shunting, and the fabrication of domestic infractions designed to extract extra 'commercial' municipal fees ("the vig").
2. **The First Enemy: AHCA's Structural Labor and Compensation Paradox:**
 Respondent AHCA enforces conflicting and economically impossible regulatory codes. On one hand, AHCA mandates vastly different, highly intensive direct-care staffing standards for independent 4-to-15 bed residential lifeboats compared to corporate facilities. On the other hand, AHCA permits Managed Care HMOs to issue the exact same flat-rate checks—and sometimes less, through preferred-provider, back-room corporate deals. While independent neighborhood lifeboats endure massive spikes in operating expenses to deliver 35.3 direct care hours weekly, AHCA's reimbursement models actively favor corporate warehouses that ration care down to a skeletal 5.81 hours per resident week. This conflicting

paradox forces the small local employer to spend six times more on direct resident care without equivalent rate adjustments, effectively utilizing state administrative rules to run independent operators out of business and feed bifurcated PropCo/Opco structures for corporate profits disproportionately.

3. **The Second Enemy: The Finance Agency's Redlining Barriers:** Concurrently, the Florida Housing Finance Corporation maintains unadopted, underground underwriting rules that automatically flag small licensed ALFs as "commercial risks". This redlining forces deed transfers into personal names to clear automated secondary market filters, which then serves as the direct trigger for local county database resets that strip away small non-profit tax exemptions and induce property tax cliffs spiking overhead from \$450/year to over \$14,000/year for what are normally treated as residential rental properties unless owner-occupied, until they become AHCA licensed as 5 to 15 bed Residential Care Homes.
4. **The Third Enemy: Municipal Overreach and the Prohibition Reflex:** The third front consists of the counties and local cities themselves attempting to play "boss" over sovereign state healthcare environments. In the complete absence of explicit state authorization, these local entities operate under a predatory default enforcement reflex: *if a standard residential activity is not explicitly permitted by a city code clerk, it is prohibited by default.*
5. **The Double Standard of Local Enforcement:** This local prohibition reflex is applied strictly to independent care homes while standard domestic income property equivalents are completely ignored. Local building departments, code enforcement, and private compliance contractors like Calvin Giordano aggressively manufacture commercial code violations out of routine household functions—such as backup generator line connections, domestic kitchen setups, and interior furniture, daycare or yard seating layout choices. These identical domestic activities are never penalized or regulated when carried out by a local business home meeting, a backyard gathering, or a traditional large, multi-generational extended family living under one roof. Local municipalities are actively twisting safety codes to run a targeted financial extraction game against a protected class.
6. **The Demographics of Broward County's Silver Tsunami:** This systematic administrative compression is concentrated with devastating effect inside Broward County—the single most impactful and populous region in Florida for the fastest-growing demographic of elders over 80 years old. Broward's senior citizens heavily rely on the high-vigilance, holistic, and sunlit environment

provided by small 6-bed residential lifeboats. By allowing this triad of administrative compression to shut down independent homes, the Respondents are actively depriving Broward's seniors of their fundamental freedom to choose community-scale care, systematically forcing them out of their local neighborhoods and into high-overhead, out-of-state corporate warehouses.

VII. IDENTITY OF NON-PARTY ADMINISTRATIVE AGENTS AND "UNINDICTED OTHERS" ACTING UNDER COLOR OF IMPROPER DELEGATION

1. **The Intervening Local Enforcers:** While the primary Respondents named on the style of this cause remain the Agency for Health Care Administration (AHCA) and the Florida Housing Finance Corporation, the systemic execution of the unadopted rules and improper delegations challenged herein is carried out through a network of non-party county and municipal administrative agents acting as "unindicted others" under the color of state authority.
2. **The Broward Board of Rules and Appeals (BORA):** Non-party BORA operates as an independent, state-created regulatory body under the Broward County Charter. As detailed herein, BORA functions as the primary regional engine for unadopted rulemaking by issuing specialized building and safety code *interpretations* that strip independent 4-to-15 bed care assets of their pre-existing state residential preemptions, providing false legal cover for local cities to treat single-family homes as commercial structures.
3. **The City of Pembroke Pines Building and Fire Departments:** Non-party City of Pembroke Pines, acting through its municipal building clerks and the Office of the Deputy Fire Marshal, functions as the direct enforcement hand of the Respondents' improper delegation. The City utilizes its local ministerial permit-review powers to execute a default prohibition reflex—treating routine household safety installations, such as natural gas generator line feeds, as commercial hazards to extract administrative fees ("the vig") while flatly refusing to coordinate cross-agency compliance with state regulators.
4. **Calvin Giordano & Associates (Private Compliance Monopoly):** Non-party Calvin Giordano & Associates is a private, for-profit commercial consulting firm retained by local municipalities to manage, audit, and enforce local compliance protocols. Calvin-Giordano weaponizes BORA's unadopted commercial code *interpretations* to aggressively manufacture administrative infractions out of everyday residential life—penalizing routine domestic fixtures, kitchens, and laundry setups that are completely ignored when operated by a local business home meeting or a traditional large, extended family.

5. **The Requirement for State-Level Injunction:** The actions of these "unindicted others" are entirely dependent upon, and enabled by, the active silence, capital redlining, and improper downward delegation executed by the primary Respondents. Because these local entities are acting as de facto regulatory arms of the state, an administrative order from this Court commanding Respondents AHCA and Florida Housing Finance to cease their unadopted policies will legally and operationally call these local municipal agents to heel, restoring Petitioner's pre-existing property rights and residential preemptions under **Section 419.001(2), Florida Statutes**.

VIII. THE REGIONAL PATTERN OF SYSTEMIC COUNTY AND MUNICIPAL INTERFERENCE (BEYOND LOCALIZED BOUNDARIES)

1. **A Statewide and County-Wide Administrative Pattern:** The Petitioner explicitly states that the factual instances of municipal overreach detailed within this cause—including the actions of the City of Pembroke Pines—are not isolated local disputes or unique zoning friction. Rather, they represent a widespread, regional pattern of systemic county and municipal interference that functions in direct violation of existing Florida law. This pattern is actively enabled by the primary Respondents' unadopted rules and improper downward delegation of sovereign state healthcare power.
2. **The Target of the Invalidation:** Petitioner does not seek a localized remedy restricted solely to a single city's borders. The target of this Amended Complaint is the **complete invalidation of the unadopted regulatory framework** that permits *any* local municipality, county board, or private compliance contractor inside the State of Florida from executing a default prohibition reflex against a state-licensed residential care home. The Respondents must answer for the systemic failure to protect independent operators from top-down local interference across all jurisdictions.
3. **The Total Preemption Mandate and Federal Civil Rights Baseline:** Under **Section 419.001(2), Florida Statutes**, the Florida Legislature enacted a strict, non-discretionary statewide command: an independent, neighborhood-scale 6-bed residential care asset shall be deemed a ***single-family unit and a noncommercial, residential use for the purpose of local laws and ordinances***. This existing state law leaves zero room for local county boards (like BORA) or individual cities to invent parallel codes or claim these homes "may" be shunted into commercial tracks based on local administrative whim. Furthermore, this absolute statutory preemption ***is reinforced by federal anti-discrimination protections under the***

Fair Housing Amendments Act (FHAA) and established federal judicial precedent including Jeffrey O. v. City of Boca Raton, which flatly bars local municipalities from applying restrictive commercial building and fire code screens to individuals united in their shared frailty as a single housekeeping unit.

IX. THE "NO LOANS IN SIGHT" DOCTRINE: EVIDENCE OF TOTAL CAPITAL EXCLUSION AND SYSTEMIC REDLINING

1. The Pandemic-Era Genesis of Institutional Redlining and the February 2020 Baseline: Petitioner states that the complete freeze on conventional residential financing options for small, un-bifurcated 6-bed care assets is the direct result of an unbroken, multi-year administrative policy shift that initiated as a direct consequence of state-ordered pandemic lockdowns. Critically, in February 2020, Petitioner had already successfully cleared standard residential underwriting channels and held a formal, portfolio-approved 5.50% fixed-rate, 30-year fully amortized primary mortgage in the final two to three weeks of the closing process, maintaining a historically safe Loan-to-Value (LTV) cushion with zero federal disaster debt on the ledger. Upon the implementation of the emergency branch lockdown orders, commercial banking syndicates abruptly halted the execution of finalized residential funding tracks, deploying unadopted underwriting filters to manually block independent care homes under a speculative, industry-wide "Covid Loan Leper" scare. Rather than sunseting these emergency restrictions when the public health crisis subsided, lenders permanently integrated these discriminatory risk filters directly into their modern automated underwriting algorithms. This continuous, uncoded capital strike has never stopped. By leaving this panic-era programming hardcoded inside contemporary secondary market (FNMA) processing screens, the financial industry has institutionalized a permanent credit blockade that systematically treats high-performing, asset-heavy community homes as permanent commercial risks, keeping conventional primary market capital entirely out of sight regardless of the facility's real-world economic strength, pristine physical collateral, or pre-lockdown creditworthiness.
2. The Quadruple-Denial and Non-Conforming Portfolio Inventory (The Evidence Packet): Petitioner has compiled a verified evidentiary packet containing four (4) separate and distinct institutional loan rejections and non-conforming portfolio interest penalties. These documents span diverse sectors of the traditional

lending market, demonstrating that no standard residential financing track remains in sight for this asset class:

Exhibit D-1 (The Florida Community Loan Fund Rejection Ledger): Documented summary denial from Jim Walker at the Florida Community Loan Fund (FCLF), a dedicated community-focused financial institution, explicitly citing the presence of an active corporate/non-profit deed and a state healthcare license on a single-family residential parcel as an automatic bar to conventional funding tracks, despite a formal property appraisal executed in September 2025 certifying the Highest and Best Use strictly as a Single-Family Residence (SFR).

Exhibit D-2 (The Optimum Bank Non-Conforming Denial): A formal written rejection from Chaim Gordon and Stephanie Leyva at Optimum Bank, an active commercial/residential primary market lender. The institution flatly refused to evaluate the underlying real estate asset under conventional 1-to-4 family Uniform Residential Appraisal Report (URAR) parameters, instead shunting the file to high-fee commercial underwriting desks purely due to the state care license.

Exhibit D-3 (The TD Bank Direct Refusal & Ineligibility Record): A formal record of automated data-screen exclusion generated via direct asset-verification channels from Sandra Velez (Premier Banker, Weston South) at TD Bank. This document confirms that even when a provider maintains an immaculate, low-risk 33% Loan-to-Value (LTV) equity cushion and far exceeds required Debt Service Coverage Ratio (DSCR) thresholds, standard consumer-rate capital is entirely withheld by automated underwriting algorithms, leaving no viable residential lines in sight.

Exhibit D-4 (The September 2026 Non-Conforming Portfolio Premium Ledger): A formal private portfolio term sheet issued by Rick Cogswell at Land Home Financial Services dated September 2026. This document establishes that even when a provider maneuvers outside automated secondary market filters to secure a long-term amortized takeout, the system enforces a severe financial penalty—saddling an elite 33% LTV residential asset with a brutal 8.365% interest rate and extracting over nine thousand dollars (\$9,000.00) in artificial up-front broker fees and non-conforming closing costs to shunt the file to Velocity Mortgage Capital solely because the property holds a state healthcare care license.

3. The DSCR Paradox and Algorithmic Bias: Petitioner explicitly states that the institutional capital strike against Tier 1 neighborhood care assets is entirely decoupled from traditional financial risk analysis. Petitioner's operational ledger demonstrates that the facility's net operating income far exceeds the standard Debt Service Coverage Ratio (DSCR) thresholds (typically 1.25) mandated by primary and secondary market underwriters to verify debt-service capacity. In a

normalized economic market, an immaculate 33% Loan-to-Value (LTV) asset paired with a high-performing DSCR profile represents an elite, low-risk lending target. However, because the Respondents maintain unadopted underwriting filters and downward municipal code abdications, automated underwriting screens completely ignore these superior cash-flow realities. The moment the processing script flags an active AHCA healthcare registry attached to a standard residential property deed, the automated system executes a binary rejection. This algorithmic block forces multi-year, financially bulletproof small providers to be treated as "loan lepers," locking them out of the standard consumer interest tracks they are qualified to receive and leaving them with no conventional residential options in sight.

4. **The Exploitation of Pandemic Recovery Metrics and Relief Stigmatization:** Petitioner states that the Respondents' unadopted guidelines permit primary and secondary market underwriters to enforce a predatory evaluation standard regarding a facility's recent historical income and expense ledgers. Lenders systematically utilize data from the immediate post-pandemic recovery years to declare an independent provider's ledger "insufficiently strong" for residential financing. This administrative standard deliberately weaponizes the severe economic distortions caused entirely by state-mandated lockdown orders and prolonged regulatory compliance freezes. Furthermore, this underwriting filter actively penalizes and stigmatizes independent local employers for utilizing federal emergency survival infrastructure—specifically Paycheck Protection Program (PPP) loans and Small Business Administration (SBA) Economic Injury Disaster Loans (EIDL). These vital lifelines were legally mandated by the federal government to preserve payroll continuity and maintain resident metabolic safety during a global crisis. By allowing credit algorithms to treat the presence of emergency disaster debt or pandemic-era revenue compression as a binary disqualifier for conventional long-term residential lines, the Respondents are permitting private banking monopolies to punish small local healthcare providers for surviving a government-ordered economic shutdown, effectively using data insulation to force active community infrastructure into permanent capital starvation.
5. **The Impossibility of Market Access and Capital Extraction:** The bundled rejections and premium portfolio penalties inside this evidence packet prove that the banking industry's automated filters treat an active AHCA health license on a 1-to-4 family residential folio as a fatal commercial risk. This structural redlining leaves

independent providers completely stranded with no access to standard long-term amortized consumer credit markets.

6. The Deceptive Fallacy of State Lending Assistance: Petitioner states that while private portfolio products may offer a long-term amortization track to stop immediate foreclosure, they bear absolutely zero operational resemblance to genuine state assistance, small business relief, or affordable housing preservation credit. Forcing a premier, low-risk single-family asset holding a 33% LTV equity cushion into a high-overhead 8.365% note structure—while extracting over nine thousand dollars (\$9,000.00) in arbitrary processing fees and closing penalties—exposes the absolute failure of the state's lending infrastructure. Instead of building ring-fenced credit protections to insulate neighborhood lifeboats, the state's unadopted policies force independent operators to submit to private capital-extraction penalties at the closing table simply to survive. This systemic failure functions as an underground, predatory barrier that artificially jacks up operating costs, directly counteracting Chapter 429's residential care objectives and forcing independent local employers to absorb severe financial penalties while corporate warehouses use their scale to secure abundant public subsidies.
7. This system forces small local employers to either absorb predatory, high-interest interest-only short-term debt loops (such as 11% to 13% hard-money notes) or face total operational closure, demonstrating a clear, uncoded rule that systematically capital-starves independent neighborhood lifeboats.

Respectfully submitted this 5th day of September, 2026.

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