STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: Roseland Gardens, LLLP FHFC Case No.: 2024-041VW
_____/

ORDER GRANTING WAIVER OF RULE 67-48.002(96), FLA. ADMIN. CODE (2022), AND CERTAIN PARTS OF THE 2022 QUALIFIED ALLOCATION PLAN

THIS CAUSE came for consideration and final action before the Board of Directors of the Florida Housing Finance Corporation (the "Board") on August 23, 2024. On July 30, 2024, Florida Housing Finance Corporation ("Florida Housing") received a Petition for Waiver of the 2022 Qualified Allocation Plan's Requirement for Returning Housing Credit Allocations and Rule 67-48.002(96), F.A.C. (07/06/2022) (the "Petition") from Roseland Gardens, LLLP ("Petitioner") to allow Petitioner to return its 2023 housing credit allocation prior to the second quarter of 2025 and receive an allocation of 2024 or later housing credits. Notice of the Petition was published August 1, 2024, in Volume 50, Number 150, 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.

FILED WITH THE CLERK OF THE FLORIDA HOUSING FINANCE CORPORATION
/DATE 8/26/2024

2. Petitioner successfully applied for funding to assist in the construction of Roseland Gardens, a 148-unit development located in Palm Beach County, Florida (the "Development").

3. Rule 67-48.002(96), Fla. Admin. Code (2022), incorporates the 2022 Qualified Allocation Plan (QAP) by reference. The QAP (2022) provides in relevant part:

> Notwithstanding any other provision of this QAP, 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 pursuant to Section 42 of the IRC, provided the following conditions have been met: (i) The sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) A site inspection reflecting the percentage of Development completion must be completed. If the Development is at least fifty (50) percent completed, as reflected in the site inspection, the approval may be made by Corporation staff. If the Development is less than fifty (50) percent completed, as reflected in the site inspection, the approval must be made by the Board. In making such determination, the Board must find and determine that the delay was caused by circumstances beyond the Applicant's control, and that the sponsor exercised due diligence in seeking

to resolve the circumstances causing delay; and (iii) The Corporation or Board, as applicable, must find that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs. A Development located in a HUD-designated DDA or QCT at the time of original allocation may retain its designation as such.

4. Pursuant to Section 42 of the Internal Revenue Code ("IRC"), the Development must be placed in service no later than the close of the second calendar year following the calendar year in which the housing tax credit allocation is made. In this case, the development received a 2023 allocation of housing tax credits, and the placed-in-service deadline for the Development is December 31, 2025. Under the IRC, the Development must also expend 10% of the Development's reasonably expected basis within 12 months of the effective date of its Carryover Allocation Agreement, in this case, October 20, 2024.

5. Petitioner requests a waiver of the above rule to allow Petitioner to return its 2023 housing credit allocation prior to the second quarter of 2025 and receive an allocation of 2024 or later housing credits. As justification for its request, Petitioner states that the Development has encountered unforeseen complications that will prevent Petitioner from satisfying the 10% test requirement by October 20, 2024. Petitioner states that the HUD Section 18 Demolition and Disposition process, which involves collaboration between

the US Department of Housing and Urban Development, the West Palm Beach Housing Authority, and the City of West Palm Beach's Department of Housing and Community Development, has taken much longer than Petitioner anticipated. Petitioner estimates that delays in connection with the HUD Section 18 Process have totaled approximately 7 months. Petitioner states that it continues to progress through the development process and anticipates closing on financing in December 2024 and completing construction of the Development within 18 months following such closing.

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 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 waiver of Rule 67-48.002(96), Fla. Admin. Code (2022) and the 2022 Qualified

Allocation Plan is hereby **GRANTED** to allow Petitioner to return its 2023 housing credit allocation prior to the second quarter of 2025 and receive an allocation of 2024 or later housing credits.

DONE and ORDERED this 23rd day of August, 2024.

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.