STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: Beacon at Creative Village-Phase II Partners, Ltd.

FHFC Case No.: 2025-037VW

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ORDER GRANTING WAIVER OF RULES 67-21.008(1)(e) AND (f) AND 67-21.013, F.A.C (2023)

THIS CAUSE came for consideration and final action before the Board of Directors of the Florida Housing Finance Corporation (the "Board") on August 1, 2025. On July 15, 2025, Florida Housing Finance Corporation ("Florida Housing") received a Petition for Waiver of Rules 67-21.008(1)(e) and (f) and 67-21.013, F.A.C. (2023), (the "Petition") from Beacon at Creative Village-Phase II Partners, Ltd. (the "Petitioner"). The Petition seeks a waiver of the referenced rules to allow the purchase of Florida Housing issued Multifamily Mortgage Revenue Bonds through a private placement by an entity that is not a Qualified Institutional Buyer. Notice of the Petition was published on July 17, 2025, in Volume 51, Number 138, 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:

FILED WITH THE CLERK OF THE FLORIDA HOUSING FINANCE CORPORATION

DATE: 8/4/2025

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 construction of Beacon at Creative Village - Phase II, a 39-unit mid-rise development located in Orange County, Florida (the "Development").

3. Rules 67-21.008(1)(e) and (f), F.A.C. (2023), state in relevant part:

> (1) Each Mortgage Loan for a Development made by the Corporation shall:
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> (e) Have the initial review, approval, and origination process accomplished by a Qualified Lending Institution;
>
> (f) Be serviced by such Qualified Lending Institution or other private entity engaged in the business of servicing mortgage loans in Florida as the Corporation shall approve.
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> Rule 67-21.013, F.A.C. (2023) states in relevant part:
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> Unless otherwise set forth in a competitive solicitation, any issuance of non-Credit Enhanced revenue Bonds shall be sold only to a Qualified Institutional Buyer or a Freddie Mac Multifamily Targeted Affordable Housing Lender. The Corporation shall engage the Investment Banker with respect to such Bonds. The Corporation, in its discretion, will allow only one of either an underwriting discount or a placement agent fee, but not both. Unless such Bonds are rated in one of the four highest rating categories by a nationally recognized rating service and are the subject of a Credit Enhancement instrument, such Bonds shall comply with at least one of the following criteria:

(1) The Bonds shall be issued in minimum denominations of $100,000 (subject to reduction by means of redemption) and an investment letter satisfactory to the Corporation and its counsel shall be obtained from each initial purchaser of the Bonds (including the underwriter and any purchaser purchasing the Bonds in an immediate resale from an underwriter), and all subsequent purchasers of the Bonds, or

(2) The Bonds shall be issued in minimum denominations of $250,000 (subject to reduction by means of redemption) and an investment letter satisfactory to the Corporation and its counsel shall be obtained from each initial purchaser of the Bonds (including the underwriter and any purchaser purchasing the Bonds in an immediate resale from an underwriter), but an investment letter shall not be required of subsequent purchasers of the Bonds. Any investment letter shall state, among other things, that such purchaser is a Qualified Institutional Buyer or a Freddie Mac Multifamily Targeted Affordable Housing Lender, is purchasing such Bonds for its own account and not for immediate resale to a purchaser other than a Qualified Institutional Buyer or a Freddie Mac Multifamily Targeted Affordable Housing Lender, and has made an independent investment decision as a sophisticated or institutional investor.

4. Petitioner seeks waiver of the referenced rules so that the $7.65 million in MMRB may be sold through private placement to MSPJ Bond Holdings, LLC (MSPJ). MSPJ is not a Qualified Institutional Buyer as defined in Rule 67-21.002(91), F.A.C., nor has it been designated as a Qualified Lending Institution by Florida Housing pursuant to Rule 67-21.002(92), F.A.C. However, MSPJ's managers and members have experience with the purchase of tax-exempt bonds for affordable housing developments in Florida. MSPJ has to date purchased tax-exempt bonds relating to 10

developments and currently holds $20 million in tax-exempt bonds through local issuers. Petitioner requests waiver of the provision in Rule 67-21.008(1)(e), F.A.C. requiring the initial review, approval, and origination process for the mortgage loan be accomplished by a Qualified Lending Institution to allow the assigned credit underwriter to perform those functions and authorize the assigned credit underwriter to service the MMRB loan pursuant to Rule 67-21.008(1)(f), F.A.C. The Development is paired both physically and financially with Phase I making these developments together very different and unique compared to others in Florida Housing's portfolio. Due to the complicated nature of twinning of the developments; a Qualified Institutional Buyer would likely impose conditions and additional costs that would be a substantial hardship for Petitioner.

5. Multifamily staff has worked closely with Bond Counsel and the assigned Credit Underwriter to ensure Florida Housing's interests are protected, which include among other items:

(1) Acknowledgement that Florida Housing staff are making this recommendation based solely on the unique twinning nature of this transaction and that moving forward, the Principals of the Petitioner will need to explore other financing structures, as staff will not make a positive recommendation for this waiver request again.

(2) Receipt of the following from the Bond Purchaser:

(a) Investor representation and suitability questionnaire;

(b) Investment letter from the bond purchaser at closing and in connection with any transfer of the bonds;

(c) Complete disclosure of ownership structure of the bond purchaser, including all Principals and their respective ownership interests; and

(d) Disclosure of any compensation of fees received by the investor from the Borrower, Developer, or Affiliates.

(3) Receipt of an independent legal opinion from outside counsel attesting that:

(a) The purchase does not violate securities laws; and

(b) The organizational structure/makeup of the Borrower, the Developer, the Equity Provider(s) and the Bond Purchaser do not reflect a related party /related person.

(4) After Florida Housing Bond Counsel (FHBC) review of the independent legal opinion (noted above in item 3) and FHBC's independent analysis of the ownership structure (as provided per item (2)(c)), FHBC must determine that the structure does not violate the

related party/persons test, which must be documented in bond closing documents.

(5) Appropriate closing document and/or legal opinion must include language that will require:

(a) Ongoing financial reporting from the investor through the construction period;

(b) Prohibition on bond resales to non-qualified parties without approval;

(c) A covenant that the investor will not receive any indirect return beyond stated interest, without express consent from Florida Housing staff; and

(d) Compliance certificate(s) regarding these matters, provided on at least an annual basis.

(6) Appropriate credit enhancement on the payment of principal and interest on the bonds must be provided, subject to review and recommendation from the credit underwriter and FHBC.

6. The Board finds that granting the requested waiver will not adversely impact other participants in funding programs administered by Florida Housing, nor will it detrimentally affect Florida Housing.

7. The Board also finds that Petitioner has demonstrated that strict application of the rule would impose 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, F.S.

IT IS THEREFORE ORDERED that;

(1) Petitioner's request for waiver of Rule 67-21.008(1)(e), F.A.C (2023), is hereby **GRANTED** to allow initial review, approval, and origination of the MMRB loan to be accomplished by an entity other than a Qualified Lending Institution; and that Florida Housing authorize the credit underwriter already retained for purposes of the Development's funding requests to perform those functions;

(2) Petitioner's request for waiver of Rule 67-21.008(1)(f), F.A.C. (2023), is hereby **GRANTED** to allow Petitioner's MMRB loan to be serviced by the credit underwriter assigned to the Development;

(3) Petitioner's request for waiver of 67-21.013, F.A.C. (2023), is hereby **GRANTED** to allow the sale of the Development's Non-Credit Enhanced Revenue Bonds to an entity other than a Qualified Institutional Buyer, specifically, that Florida Housing authorize the sale of said bonds by private placement to MSPJ; and

(4) Petitioner's request for waiver of the portion of Rule 67-21.013(2), F.A.C. (2023), is hereby **GRANTED** that would otherwise require MSPJ, as initial purchaser of the bonds, to provide an investment letter to Florida Housing stating that it is a Qualified Institutional Buyer or Targeted Affordable Housing Lender.

DONE and ORDERED this 1st day of August, 2025.



Florida Housing Finance Corporation

By: _____
Chairperson

Copies furnished to:

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Joint Administrative Procedures Committee
Attention: Ms. Yvonne Wood
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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.