STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: Reserve at Eastwood I, LLC FHFC Case No.: 2025-039VW

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ORDER GRANTING WAIVER OF RULES 67-21.003(8)(c), 67-21.003(11), and 67-48.004(3)(c), F.A.C. (2024)

THIS CAUSE came for consideration and final action before the Board of Directors of the Florida Housing Finance Corporation (the "Board") on September 19, 2025. On September 3, 2025, Florida Housing Finance Corporation ("Florida Housing" or "Corporation") received a Petition for Waiver of Rules 67-21.003(8)(c), 67-21.003(11), and 67-48.004(3)(c), F.A.C. (2024) (the "Petition") from Reserve at Eastwood I, LLC ("Petitioner") to allow Petitioner to withdraw from its Live Local SAIL funding and the associated set-aside requirements without being deemed to have withdrawn from the remainder of its Corporation funding. Notice of the Petition was published on September 4, 2025, in Volume 51, Number 172, 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

BY: _____ DATE: 9/19/2025

2. Petitioner successfully applied for funding to assist in the construction of Reserve at Eastwood I, a 168-unit development located in Lee County, Florida (the "Development").

3. Rule 67-21.003(8)(c), F.A.C. (2024), provides in relevant part:

> Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application is deemed complete. Those items are as follows: ... (c) Program(s) applied for…

4. Rule 67-21.003(11), F.A.C. (2024), provides in relevant part:

> The withdrawal by the Applicant from any one program will be deemed by the Corporation to be a withdrawal of the Application from all programs.

5. Rule 67-48.004(3)(c), F.A.C. (2024), provides in relevant part:

> For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:.. (c) Program(s) applied for...

6. Petitioner requests a waiver of the above rules to allow Petitioner to withdraw from its Live Local SAIL and the associated set-aside requirements without also being deemed to have withdrawn from the remainder of its Corporation funding. Petitioner applied for, and was awarded, an allocation of $350,000 in State Apartment Incentive Loan ("SAIL"), $2,672,569 in 4% Housing Credits, and $55,000,000 in Corporation-issued

Multifamily Mortgage Revenue Bonds ("MMRB") as part of RFA 2024-213 ("RFA"). Prior to filing its RFA application, Petitioner was awarded $20,000,000 in CDBG-DR funds from Lee County (the "County") under the County's Affordable Housing Development & Preservation Program - Multifamily. Petitioner states that, at the time, the County lacked a sufficient bond volume cap to support the Development. Petitioner also elected in its application to set-aside its units for a total affordability period of 99 years to take advantage of the ad valorem tax exemption pursuant to 196.1978(4), F.S., which, at the time, only applied to developments restricted under a Florida Housing LURA. There was no minimum SAIL request amount within RFA 2024-213 and therefore, the Petitioner applied for $350,000 in Live Local SAIL funding.

7. The Live Local SAIL funding requires Petitioner to set aside 50% of its 168 units at 80% - 120% AMI. Petitioner applied with 84 of its 168 units at 80% AMI to meet the requirement. The RFA also requires a 10% market rent advantage over the highest AMI units, requiring Petitioner to have a 10% market rent advantage on the 80% AMI units. The RFA further requires that the applicants have a market study completed prior to the application deadline and submitted to the Corporation within 21 days after the applicant is invited to credit underwriting. Petitioner submitted its market

study as part of its 21-day submission, which showed a rent advantage between 11.2% and 13.7% on the 80% AMI units. However, since then, Petitioner states that rents in the area have declined to the point where there is no longer a market rent advantage for the 80% AMI units, creating lease-up risk and potentially reducing permanent loan sizing, thereby threatening the Development's feasibility. Petitioner states that, had it known this information earlier in 2025, it would have applied for Corporation-issued MMRB and 4% Housing Credits when the Board approved staff's recommendation to open the Non-Competitive Application Package for Corporation-issued MMRB and Non-Competitive Housing Credits for Applicants that could meet certain requirements at the March 28th Board Meeting.

8. 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.

9. 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.

10. The Board further finds that Petitioner has 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 Petitioner's request to waive the requirements of Rules 67-21.003(8)(c), 67-21.003(11), and 67-48.004(3)(c), F.A.C. (2024), is hereby **GRANTED** to allow Petitioner to withdraw from its Live Local SAIL funding and the associated 50% unit set-aside at 80% AMI, while preserving the remainder of its Corporation funding, under the following conditions:

1) While Petitioner will no longer be subject to RFA requirements, the Petitioner will be subject to all other applicable program requirements in 67-21, F.A.C. (2024), and the Non-Competitive Application Package (2024) as they apply to Corporation-issued MMRB and 4% Housing Credits;

2) Petitioner must maintain the committed Lee County CDBG-DR funding as a Permanent funding source;

3) Petitioner must complete credit underwriting by December 31, 2025, or Petitioner will be deemed withdrawn from funding, unless otherwise approved by the Board.

DONE and ORDERED this 19th day of September, 2025.

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.