STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: Southward Village Phase 2, L.P. FHFC Case No.: 2025-033VW

_____/

ORDER GRANTING VARIANCE FROM RULE 67-21.003(8)(i), 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 June 13, 2025. On May 28, 2025, Florida Housing Finance Corporation ("Florida Housing") received a Petition for Variance from Rule 67-21.003(8)(i), F.A.C. (2023) (the "Petition") from Southward Village Phase 2, L.P. ("Petitioner"). The Petition seeks a variance from the referenced rule to reduce the Total Set-Aside Percentage as stated in the Southward 2 Non-Competitive Application for MMRB and Non-Competitive ("4%") Housing Credits for the Development. Notice of the Petition was published on May 29, 2025, in Volume 51, Number 104, 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
6/13/2025

2. Petitioner successfully applied for funding to assist in the construction of Southward Village CNI Phase 2, a 151-unit development located in Lee County, Florida (the "Development").

3. Rule 67-21.003(8)(i), F.A.C. (2023) states in relevant part:

> (8) 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:
> ****
> (i) The Total Set-Aside Percentage as stated in the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application; notwithstanding the foregoing, the Total Set-Aside Percentage may be increased after the Applicant has been invited to enter Credit Underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant's request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development.

4. Petitioner seeks a rule variance to increase the number of market rate units and decrease the number of affordable units in the Development. The Development application was funded as a Non-Competitive application. It gained no advantage over other applicants by its original Set-Aside Commitment, and it would gain no advantage over other applicants by modifying that commitment. The three phases of the overall Southward Village CNI development that have already been awarded funding by Florida Housing currently account for 386 total units: 317 units for Low Income

Families (including 8 units at 80% AMI) and 69 market rate units. The remaining 81 units under the CNI designation would consist of 52 affordable units and 29 market rate units, making Phase 3 approximately 64% affordable and 36% market rate, a unit mix that would not align with competitive RFA expectations. Allowing the Non-Competitively funded Phase 2 application to be restructured to consist of 98 affordable units (plus 4 units at 80% AMI units) and 49 market rate units would leave 65 affordable units and 16 market rate units (an 80/20 split) for a Phase 3 application.

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

6. 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.

7. 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 for variance from Rule 67-21.003(8)(i), F.A.C. (2023), is hereby **GRANTED,**

allowing Petitioner to decrease the total percentage of Set-Aside Units in the Development.

DONE and ORDERED this 13th day of June, 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.