STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: Citrus Glen Preservation, Ltd. FHFC Case No.: 2024-029VW

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ORDER GRANTING WAIVER OF RULES 67-21.003(1)(b) AND 67-21.003(8)(a)-(b), FLA. ADMIN. CODE (2021) AND A PORTION OF THE NON-COMPETITIVE APPLICATION (2021)

THIS CAUSE came for consideration and final action before the Board of Directors of the Florida Housing Finance Corporation (the "Board") on June 28, 2024. On June 11, 2024, Florida Housing Finance Corporation ("Florida Housing") received a Petition for Waiver of Rule 67-21.003(1)(b) (5/18/2021) and the Non-Competitive Application Instructions (Rev. 03-2021) (the "Petition") from Citrus Glen Preservation, Ltd. (the "Petitioner") to allow Petitioner to change the Applicant Entity ownership structure prior to Multifamily Mortgage Revenue Bond (MMRB) loan closing and to change the structure of the Developer Entity. Notice of the Petition was published June 13, 2024, in Volume 50, Number 116, 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
Ann McGlamory /DATE: 6/28/2024

2. Petitioner successfully applied for funding to assist in the acquisition and rehabilitation of Citrus Glen Apartments, a 272-unit development located in Orange County, Florida (the "Development").

3. Rule 67-21.003(1)(b), Fla. Admin. Code (2021), incorporates by reference the Non-Competitive Application Package (2021) ("NCA"). The NCA provides in relevant part:

> (2) For Applicants requesting MMRB, with or without Non-Competitive Housing Credits:
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> The Applicant entity shall be the recipient of the Non-Competitive Housing Credits and the borrowing entity for the MMRB Loan and the ownership structure of the Applicant entity as set forth in the Principal Disclosure Form cannot be changed in any way (materially or non-materially) until after the MMRB Loan closing. After loan closing, (a) any material change in the ownership structure of the named Applicant will require review and approval of the Credit Underwriter, as well as Board approval prior to the change, and (b) any non-material change in the ownership structure of the named Applicant will require review and approval of the Corporation, as well as Board approval prior to the change. The Applicant must comply with Principal disclosure requirements outlined in Rule Chapter 67-21, F.A.C. for the duration of the Compliance Period. Changes to the ownership structure of the Applicant entity (material or nonmaterial) prior to the loan closing or without Board approval after the loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes prior to loan closing to the officers or directors of a Public Housing Authority, officers or directors of a Non-Profit entity, or the limited partner of an investor limited partnership or an investor member of a limited liability company owning the syndicating interest therein will not result in disqualification, however, the Corporation must be notified of

the change. Changes to the officers or directors of a Non-Profit entity shall require Corporation approval.

4. Rule 67-21.003(8)(a)-(b), Fla. Admin. Code (2021), 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:
>
> (a) Name of Applicant or Developer entity(s); notwithstanding the foregoing, the name of the Applicant or Developer entity(s) may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter Credit Underwriting. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant's request, inclusive of validity and consistency of Application documentation.
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> (b) Principals of each Developer, including all co-Developers; notwithstanding the foregoing, the Principals of the Developer(s) may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter Credit Underwriting. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of validity and consistency of Application documentation.

5. The NCA further provides in Part A, Section 6.c:

> The Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter Credit Underwriting.

6. Petitioner requests a waiver of the above rules to allow Petitioner to change the Applicant Entity ownership structure prior to MMRB loan closing and to change the structure of the Developer Entity. Petitioner requests several modifications to the Applicant Entity principals and their percentage of ownership. In addition, Petitioner requests approval to change its Developer organizational structure from a Limited Liability Company to a Limited Partnership and also to modify the Developer Entity principals and their percentage of ownership. As justification for the request, Petitioner states that allowing the modification will confer certain tax and other benefits to the Development that will make the Development more cost-effective while also providing more clear applicability of the IRS tax law treatment of Developer proceed distributions.

7. 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.

8. The Board also finds that Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control and that it would suffer a substantial hardship if the waiver is not granted.

9. 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 Rules 67-21.003(1)(b) and 67-21.003(8)(a)-(b), Fla. Admin. Code (2021), and the referenced provisions of the Non-Competitive Application Package (2021), is hereby **GRANTED** to allow Petitioner to change the Applicant Entity and the Developer Entity ownership structures prior to the Multifamily Mortgage Revenue Bond loan closing and to allow the Developer Entity to change from a Limited Liability Company to a Limited Partnership.

DONE and ORDERED this 28th day of June, 2024.

Florida Housing Finance Corporation

By: _____
Chairperson

Copies furnished to:

Brian J. McDonough
Stearns Weaver Miller Weissler Alhadeff & Sitterson
bmcdonough@sternsweaver.com

Laura Cox, on Behalf of the Office of the General Counsel
Ethan Katz, Assistant General Counsel
Melissa Levy, Managing Director of Multifamily Programs
Florida Housing Finance Corporation
Laura.Cox@floridahousing.org
Ethan.Katz@floridahousing.org
Melissa.Levy@floridahousing.org

Joint Administrative Procedures Committee
Attention: Ms. Yvonne Wood
Joint.admin.procedures@leg.state.fl.us

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.