STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: Fairfield Abbey Park LP FHFC Case No.: 2024-047VW
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ORDER GRANTING WAIVER OF RULE 67-21.025(7)(c), FLA. ADMIN. CODE (2019), AND RULE 67-21.003(8)(b), FLA. ADMIN. CODE (2019)

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 August 7, 2024, Florida Housing Finance Corporation ("Florida Housing") received a Petition for Waiver of Rule 67-21.0025(7)(c) and Consent Under Rule 67-21.003(8)(b) (the "Petition") from Fairfield Abbey Park LP ("Petitioner") to allow Petitioner to make certain changes to its Principal disclosures and waive the requirement to disclose the natural person principal disclosures for certain entities within the new organizational structure. Notice of the Petition was published August 8, 2024, in Volume 50, Number 155, 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 F. Adams 8/26/2024

2. Petitioner successfully applied for funding to assist in the rehabilitation of Brenton at Abby Park, a 160-unit development located in Palm Beach County, Florida (the "Development").

3. Rule 67-21.0025(7)(c), Fla. Admin. Code (2019), provides in relevant part:

> (7) Disclosure of the Principals of the Applicant must comply with the following:
>
> (a) The Applicant must disclose all of the Principals of the Applicant (first principal disclosure level). For Applicants seeking Housing Credits, the Housing Credit Syndicator/Housing Credit investor need only be disclosed at the first principal disclosure level and no other disclosure is required;
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> (b) The Applicant must disclose all of the Principals of all the entities identified in paragraph (a) above (second principal disclosure level);
>
> (c) The Applicant must disclose all of the Principals of all of the entities identified in paragraph (b) above (third principal disclosure level). **Unless the entity is a trust, all of the Principals must be natural persons**; and
>
> (d) If any of the entities identified in paragraph (c) above are a trust, the Applicant must disclose all of the Principals of the trust (fourth principal disclosure level), all of whom must be natural persons.

4. Rule 67-21.003(8)(b), Fla. Admin. Code (2019), provides in relevant part:

> (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. Section 6(b)(1) of the Non-Competitive Application Package (2019) ("NCA"), provides in relevant part:

> The Applicant entity shall be the recipient of the Housing Credits and cannot be changed in any way (materially or non-materially) until after the Preliminary Determination is issued. Once the Preliminary Determination has been issued, (a) replacement of the Applicant or **a material change in the ownership structure of the named Applicant will require Board approval prior to the change,** and (b) **any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change.** The Applicant entity may be changed without Board approval after a Final Housing Credit Allocation Agreement has been approved and the IRS Forms 8609 have been issued; however, the Corporation must still be notified in writing of the change. Changes to the Applicant entity prior to the issuance of the Preliminary Determination or without Board approval or Corporation approval, as applicable, prior to the approval of the Final Housing Credit Allocation and issuance of the IRS Forms 8609 shall result in a disqualification from receiving funding and shall be deemed a material misrepresentation. Changes prior to the issuance of the Preliminary Determination 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.

6. Petitioner requests a waiver of the above rule to allow Petitioner to make several changes to its Principal disclosures. The requested changes are fully described in the Petition. As part of the proposed changes, Petitioner seeks relief from the natural person principal disclosure requirement for four entities within its new ownership structure FRH 2021 PP LLC – JM Series, FRH 2021 PP LLC – AHF T1-T10 Series, FRH CI LLC – AHF LP3 Series, and FRH CI LLC – AHF GP1 Series (collectively, the "Profit-Sharing Entities"). Petitioner states that the employees of the Profit-Sharing Entities receive an ownership share of the company as part of their compensation. Petitioner explains that the employee-owners serve a passive ownership role, and requiring the Profit-Sharing Entities to report each employee and each change in employment status would not be practical. Control of the Profit-Sharing Entities is vested in their manager, FRH Manager, the natural person principals of which are still fully disclosed to the Corporation.

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 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 67-21.025(7)(c), Fla. Admin. Code (2019), and 67-21.003(8)(b), Fla. Admin. Code (2019) is hereby **GRANTED** to allow Petitioner to make the requested changes to the Applicant and Developer Entities and relieve Petitioner of the principal disclosure requirement for all employee-owners of the referenced Profit-Sharing Entities, unless requested by staff. Petitioner is advised that failure to provide staff requested information may result in staff withholding 8609s.

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

FLORIDA HOUSING FINANCE CORPORATION Tallahassee Florida

Florida Housing Finance Corporation

By: _____
Chairperson

Copies furnished to:

Andrew Bennett
Holly Croft
Nelson Mullins Riley & Scarborough
Counsel for Petitioner
drew.bennett@nelsonmullins.com
hollie.croft@nelsonmullins.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.