STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: Island Cove, LLC FHFC Case No.: 2025-026VW

_____/

ORDER GRANTING WAIVER OF RULES 67-48.0072(12) AND 67-21.026(10), F.A.C. (2020)

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 Waiver of Rules 67-48.0072(12) and 67-21.026(10), F.A.C. (2020) (the "Petition") from Island Cove, LLC ("Petitioner"). The Petition seeks a waiver of the referenced rules requiring a singular Guaranteed Maximum Price ("GMP") construction contract. 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
Ashley McGlamory DATE: 6/13/2025

2. Petitioner successfully applied for funding to assist in the construction of Island Cove Apartments, a 60-unit development located in Palm Beach County, Florida (the "Development").

3. Rule 67-48.0072(12), F.A.C. (2020) states in relevant part:

> (12) For Competitive HC, SAIL, and HOME, the Corporation's assigned Credit Underwriter shall require a guaranteed maximum price construction contract, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree, and shall order, at the Applicant's sole expense, and review a pre-construction analysis for all new construction units and a CNA for rehabilitation units and review the Development's costs. If an EHCL Development has a General Contractor, the preceding requirement will also apply to the EHCL Development.

Rule 67-21.026(10), F.A.C. (2020) states in relevant part:

> (10) The Corporation's assigned Credit Underwriter shall require a guaranteed maximum price construction contract, acceptable to the Corporation, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree, and shall order, at the Applicant's sole expense, and review a pre-construction analysis for all new construction units or a CNA for rehabilitation units and review the Development's costs.

4. Petitioner requests a waiver of the rules, asserting that a singular GMP construction contract was impractical for the Development. Petitioner and the General Contractor ("GC") executed a GMP construction contract in the fixed amount of $17,357,731 (the "GMP Contract"). The Development received its final certificate of occupancy on November 17, 2023, and has

been placed in service. Petitioner has initiated the Cost Certification process with Florida Housing. In addition to the GMP contract, Petitioner completed $105,915 in construction work outside the scope of the GMP contract, including installation of low-voltage cabling and installation of a required bus shelter and crosswalk (the "Outside Contractual Work"). The Outside Contractual Work could be interpreted as a second GMP construction contract. In order to finalize the Cost Certification process, Petitioner seeks to include the $105,915 in the total eligible construction costs

5. 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.

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 waiver of Rule 67-48.0072(12) and 67-21.026(10), F.A.C. (2020), requiring a

singular guaranteed maximum price construction contract with no further analysis or conditions based on the de minimis amount of the Outside Contractual Work is hereby **GRANTED**.

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.