STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: Citrus Glen Preservation, Ltd. FHFC Case No.: 2025-042VW
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ORDER GRANTING WAIVER OF RULES 67-21.003(1)(b), AND 67-21.014(2)(d), F.A.C. (2021), AND THE NON-COMPETITIVE APPLICATION INSTRUCTIONS (2021)

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") received a Petition for Waiver of Rules 67-21.003(1)(b), and 67-21.014(2)(d), F.A.C. (2021), and the Non-competitive Application Instructions (2021) (the "Petition") from Citrus Glen Preservation, Ltd. ("Petitioner") to (i) allow Petitioner to change its ownership structure prior to its Multifamily Mortgage Revenue Bond closing, and (ii) reduce the required annual per unit replacement reserve deposit identified in the plan and cost review ordered by the Credit Underwriter. 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:

FILED WITH THE CLERK OF THE FLORIDA HOUSING FINANCE CORPORATION
Anne Glamoz DATE: 9/19/2025

1. The Board has jurisdiction over the subject matter of this case and the parties hereto.

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

3. Rule 67-21.003(1)(b), F.A.C. (2021) incorporates by reference the Non-Competitive Application Package (2021) ("NCA"). The NCA requires, in relevant part:

> (2) For Applicants requesting MMRB, with or without Non-Competitive Housing Credits:
>
> 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 nonmaterial 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 67-21.014(2)(d), F.A.C. (2021), provides in relevant part:

> In addition to operating expenses, the Credit Underwriter must include an estimate for replacement reserves when calculating the final net operating income available to service the debt. A minimum amount of $300 per unit per annum must be deposited annually in the replacement reserve account for all Developments. In the case of rehabilitation, with or without acquisition, the greater of $300 per unit per annum or the amount identified in the plan and cost review ordered by the Credit Underwriter will be used.

5. Petitioner requests a waiver of Rule 67-21.003(1)(b), F.A.C. (2021), and the NCA to allow Petitioner to change its ownership structure prior to its Multifamily Mortgage Revenue Bond closing. Petitioner states that internal project staff assignments were revised to provide more Florida-specific experience for the Development. As a result, the ownership interests of Reverb 94, LLC, and Lost Moose Holdings LLC must also be revised. As justification for its request, Petitioner states that allowing the modification at this time will enable a more experienced team to operate the Development and will confer certain tax and cost benefits to the Development. A more detailed representation of the changes to the Applicant and Developer Entities is included in the Petition.

6. Petitioner also requests a waiver of Rule 67-21.014(2)(d), F.A.C. (2021), to reduce the replacement reserve annual deposit identified in the plan and cost review ordered by its Credit Underwriter. The annual amount that Petitioner must deposit into a replacement reserve is determined by the plan and cost review ordered by the Credit Underwriter and must be, at a minimum, $300 per unit per annum. For this Development, the Credit Underwriter's plan and cost review imposed a reserve requirement of $913 per unit per annum. Petitioner states that the plan and cost review ordered by its lender and equity provider, Wells Fargo, resulted in a reserve analysis of $302.14 per unit per annum. Petitioner argues that utilizing the Credit Underwriter's reserve requirement would create a financial shortfall, making the development financially infeasible.

7. Staff has reviewed both the Credit Underwriter's and Wells Fargo's plan and cost reviews and recommends a reconciliation between the two analyses, applying the 15-year replacement schedule from the Credit Underwriter's review with cost estimates from Wells Fargo's review, resulting in a required replacement reserve deposit of $425 per unit per annum. Petitioner has further agreed to an initial deposit of $250,000 into the replacement reserve account.

8. 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 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(1)(b), 67-21.014(2)(d), F.A.C. (2021), and the Non-competitive Application Instructions (2021), is hereby **GRANTED**

1) allowing Petitioner to change its ownership structure prior to its Multifamily Mortgage Revenue Bond closing; and

2) reducing the required $913 per unit annual replacement reserve deposit identified in the Credit Underwriter's plan and cost review to $425 per unit per annum, with an initial deposit of $250,000 into the replacement reserve account.

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.