STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In re: Cardinal Oaks, LLC FHFC Case No.: 2025-048VW

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ORDER GRANTING WAIVER OF RULE 67-48.002(96), F.A.C. (2023), AND A PORTION OF THE 2023 QUALIFIED ALLOCATION PLAN

THIS CAUSE came for consideration and final action before the Board of Directors of the Florida Housing Finance Corporation (the "Board") on October 24, 2025. On October 7, 2025, Florida Housing Finance Corporation ("Florida Housing") received a Petition for Waiver of Rule 67-48.002(96), F.A.C. (6/28/2023) and the 2023 QAP (the "Petition") from Cardinal Oaks, LLC ("Petitioner") requesting a waiver to allow an early exchange of its 2024 Housing Credit allocation. Notice of the Petition was published October 9, 2025, in Volume 51, Number 197, of the Florida Administrative Register. Florida Housing received no comments regarding the Petition. After careful review of the record, the Board hereby finds:

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 construction of Cardinal Oaks, an 80-unit development located in Citrus County, Florida (the "Development").

FILED WITH THE CLERK OF THE FLORIDA HOUSING FINANCE CORPORATION
/DATE: 10/27/2025

3. Rule 67-48.002(96), F.A.C. (2023), incorporates by reference the 2023 Qualified Allocation Plan ("QAP"), which, at Subsection II.J, provides in relevant part:

> Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required pursuant to Section 42 of the IRC, or it is apparent that a Development will not be placed in service by the date required pursuant to Section 42 of the IRC, and the Applicant has returned its Housing Credit Allocation after the end of the second calendar quarter of the year in which it was otherwise required to be placed in service pursuant to Section 42 of the IRC, the Corporation will reserve allocation in an amount not to exceed the amount of Housing Credits returned, and will issue a Carryover Allocation Agreement allocating such Housing Credits to the Applicant for either the current year or the year after the year in which the Development was otherwise required to be placed in service pursuant to Section 42 of the IRC, provided the following conditions have been met:
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> (i) The sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and
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> (ii) A site inspection reflecting the percentage of Development completion must be completed. If the Development is at least fifty (50) percent completed, as reflected in the site inspection, the approval may be made by Corporation staff. If the Development is less than fifty (50) percent completed, as reflected in the site inspection, the approval must be made by the Board. In making such determination, the Board must find and determine that the delay was caused by circumstances beyond the Applicant's control, and that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay; and

(iii) The Corporation or Board, as applicable, must find that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

A Development located in a HUD-designated DDA or QCT at the time of original allocation may retain its designation as such.

4. Petitioner requests a waiver of the above rule to allow an early exchange of its 2024 Housing Credit Allocation. Petitioner accepted its invitation to credit underwriting on January 22, 2024, and staff executed a 2024 Carryover Allocation Agreement on or about May 8, 2024. Petitioner was granted an extension of its 10% Test deadline to November 8, 2025, and a placed-in-service date to December 31, 2027, under IRS Revenue Procedure 2014-49 which permitted extensions for developments located in a Federally declared disaster area for Hurricanes Helene, Milton, and Debby. Petitioner specifically seeks a waiver to return 2024 credits prior to the second quarter of 2026, which is otherwise prohibited under QAP Section II. J.

5. As justification for its requested waiver, Petitioner states that it will not be able to meet its present 10% Test deadline. Petitioner states that it has seen significant increases in construction costs and substantial delays due to multiple hurricanes. At the time of application, Petitioner anticipated construction costs of $16,077,129. However, in January 2025, Petitioner states that it received bids ranging from approximately $23-$24 million.

Petitioner attributes the rise in construction costs to uncertainty within the construction market and material escalation. Petitioner further cites the effects of Hurricanes Helene and Milton, which it asserts severely impacted the local area and have led to a high demand for construction labor and materials as the community rebuilds. The Development allegedly incurred direct damage to the project site, as well as indirect delays, due to what Petitioner characterizes as county officials' diversion of focus to disaster preparation and recovery.

6. Petitioner also states that it is experiencing a funding gap created by a combination of the high construction materials costs, increased predevelopment and construction period costs, and depressed Housing Credit pricing. To address the funding gap, Petitioner has implemented value engineering measures and is working with both a syndicator, who is corresponding with the Federal Home Loan Mortgage Corporation ("Freddie Mac"), and Bank of America ("BOA") to procure better pricing for its Housing Credits. Petitioner represents it expects to receive a letter of interest from either Freddie Mac or BOA by the end of November 2025 and represents the project will be permit ready within that same period.

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 strict application of the rule would impose a substantial hardship if the waiver is not granted.

9. 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 Rule 67-48.002(96), F.A.C. (2023), and the referenced portion of the 2023 Qualified Allocation Plan, is hereby **GRANTED** to permit Petitioner to return its 2024 Housing Credit Allocation and receive a new allocation of 2025 Housing Credits, with the following condition:

1. The Principals of Petitioner's Applicant and Developer entities are prohibited from submitting any Priority 1 Applications in RFA 2025-201, the next corresponding RFA from which Petitioner was awarded, or in any future corresponding RFA (20XX-201), until Petitioner has closed on its limited partnership agreement or limited liability company operating agreement.

DONE and ORDERED this 24th day of October, 2025.

Florida Housing Finance Corporation

By: _____
Chairperson

Copies furnished to:

Brian J. McDonough
Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
Counsel for Petitioner
bmcdonough@stearnsweaver.com

Laura J. 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. THE PETITION MUST BE FILED WITHIN TWENTY-ONE (21) DAYS OF RECEIPT OF THIS ORDER, CONSISTENT WITH SECTION 120.569(1), FLORIDA

STATUTES, AND RULE 28-106.111(2), FLORIDA ADMINISTRATIVE CODE.