STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In Re: Mandarin Trace Apartments, L.P. FHFC Case No.: 2025-040VW

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ORDER GRANTING WAIVER OF RULES 67-21.026(13)(g) AND (h), F.A.C. (2022)

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 Rule 67-21.026(13)(h), F.A.C. (2022) and for Board approval Pursuant to Rule 67-21.026(13)(g), F.A.C. (2022), (the "Petition") from Mandarin Trace Apartments, L.P. (the "Petitioner"). The Petitioner seeks a waiver of the referenced rules to allow subcontracting to an entity with common ownership with the General Contractor (GC) and to allow Petitioner to exceed the 20% subcontractor cap. 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
/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 construction of Mandarin Trace Apartments, a 120-unit development located in Duval County, Florida (the "Development").

3. Rules 67-21.026(13)(g) and (h), F.A.C. (2022) state in relevant part:

> (13) The General Contractor must meet the following conditions:
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> (g) For Developments with a Development category of Rehabilitation or Substantial Rehabilitation, unless otherwise approved by the Corporation for a specific Development, ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or pass-through fees paid by the General Contractor, is subcontracted to any one entity or group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to perform work on both the HVAC and electrical components of a building of at least seven (7) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall require an analysis from the Credit Underwriter and consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For the purpose of this paragraph, "Affiliate" has the meaning given in subsection 67-21.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor…."
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> (h) Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of with the General

Contractor or Developer. For purposes of this paragraph, "Affiliate" has the meaning given it in subsection 67-21.002(5), F.A.C., except that the term "Applicant" therein shall mean "General Contractor."

4. Petitioner states that during the General Contractor's Cost Certification, it discovered All Weather Contractors, Inc. (All Weather) exceeded the 20% limitation by 1.1%. Petitioner has no affiliation with All Weather. All Weather was initially contracted for HVAC work only. However, during construction Petitioner lost two subcontractors for concrete and in-unit work. Since All Weather was already on-site and had a proven record of efficiency, Petitioner extended the scope of its contract. Petitioner states that the General Contractor's Cost Certification revealed that the subcontractor for the Special Equipment trade, Reliant Safety, LLC (Reliant) temporarily shared common ownership with the General Contractor prior to construction of the Development. A purchase and sale agreement that would terminate the common ownership of the GC and Reliant was signed nearly three months before Reliant entered into the subcontract with the GC. However, the common ownership had not technically terminated when the subcontract was signed.

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 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, F.S.

IT IS THEREFORE ORDERED that Petitioner's request for waiver of Rules 67-21.026(13)(g) and (h), F.A.C. (2022), is hereby **GRANTED** to allow subcontracting to an entity with common ownership with the General Contractor, and to allow Petitioner to exceed the 20% subcontractor cap with the following conditions:

(1) No General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under rule 67-21.026(13)(g). To the extent any General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Development Final Cost Certification;

(2) No General Contractor Fee will be taken on the costs subcontracted to the affiliated entities; and

(3) An independent Certified Public Accountant will confirm and/or audit all payments between the affiliated entities in addition to the confirmations required under the GCCC instructions for the eight (8) subcontractors representing 40% of the costs.

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.