STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

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FLORIDA HOUSING FINANCE CORPORATION

Affordable Housing Solutions
for Florida, Inc., a Florida corporation
not for profit
Petitioner,

FHFC CASE NO.2025-067VW
Fannie Lou Hamer Commons
Application No. 2025-369SH

v.

FLORIDA HOUSING FINANCE
CORPORATION,
Respondent.
_____/

PETITION FOR BOARD APPROVAL
PURSUANT TO RULE 48.0072(17)(g), F.A.C. (08/27/24)

Petitioner, Affordable Housing Solutions for Florida, Inc., a Florida corporation not for profit (Petitioner") submits this Petition to Respondent Florida Housing Finance Corporation (the "Corporation") for Board approval pursuant to Rule 48.0072(17)(g), Florida Administrative Code ("F.A.C.") (08/27/24) which gives the Corporation discretion to allow more than 20% of the construction cost of a development to be subcontracted to a single subcontractor. If approved, Petitioner will cause Cazo Construction Corporation, the "General Contractor" for the Development, to enter into a Modular Product Purchase Agreement with SAILED HOMES LLC ("Subcontractor") for the purchase of modular units to be constructed by the Subcontractor the total value of which subcontract will be approximately seventy percent (70%) of the total hard costs for the project. In support, Petitioner states:

A. **THE PETITIONER:**

1. The address, telephone number and email address for Petitioner and its qualified representative are:

Debra Fleming
Affordable Housing Solutions for Florida, Inc.
7842 Land O' Lakes Blvd, #305
Land O' Lakes, Florida 34638
Phone: (813-956-4296
Email: president@ahsf.org

2. The name, address, telephone and facsimile numbers for Petitioner's attorney are:

Curtis D. Hamlin, Esq.
Icard, Merrill, Cullis, Timm, Furen & Ginsburg, P.A.
2033 Main St., Suite 600
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Telephone: 941-366-8100
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Email: chamlin@icardmerrill.com

B. THE DEVELOPMENT.

3. The following information pertains to the Development:

Development Name: Fannie Lou Hamer Commons

Development Address: High Drive South of Love Street, Crawfordville, FL 32327

County: Wakulla

Developers: Affordable Housing Solutions for Florida, Inc. and Stone Soup Development, Inc.

Number of Units: 43 (New Construction)

Demographic: Elderly Non-ALF

Type: Garden Apartments

Set Asides: As per RFA 2025-206
Funding: SAIL Base Loan: $1,500,000; HOME: $6,900,000

C. RULE PURSUANT TO WHICH BOARD APPROVAL IS SOUGHT.

4. Petitioner seeks Board approval to exceed the 20% subcontractor cap pursuant to Rule 48.0072(17)(g), F.A.C., which provides, in relevant part, as follows:

(17) The General Contractor must meet the following conditions:

.....

(g) For Developments with a Development category of new construction, 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 any 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):

1. Contracted to deliver the building shell of a building less than five (5) stories which may not have more than 25 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development; or

2. Contracted to deliver the building shell of a building of at least five (5) 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; or

3. Contracted to deliver the building shell of a Development located in the Florida Keys Area, which may not have more than 31percent 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 purposes of paragraph (g), "Affiliate" has the meaning given in subsection 67-48.002(5), F.A.C., except that the term "Applicant" therein shall
mean "subcontractor";"

See Rule 48.0072(17)(g), F.A.C. (08/27/24) (emphasis added)

D. JUSTIFICATION FOR BOARD APPROVAL.

5. If this approval is granted by the Board, Petitioner proposes to cause the General Contractor for the Development to enter into Modular Product Purchase Agreement with SAILED HOMES LLC ("Sailed"), a manufacturer and supplier certified under the Florida Modular Building Program, for the construction in its factory and delivery to the Development address, modular units, which the manufacturer refers to as "Kapsuls", in sufficient number to constitute the 43 residential Units for the Project along with the proposed Office/, Multipurpose Community Center. The contract amount with Sailed will be approximately seventy percent (70%) of the total hard costs for the Project. Petitioner believes that Kapsuls purchased from Sailed should be deemed to be permanent materials and that Sailed be considered to be a "supplier" rather than a "subcontractor" within the meaning of the Rule. Under the Agreement that will exist between the General Contractor and Sailed, Sailed will perform only off-site fabrication and manufacturing in a DBPR-approved facility, followed by certification/inspection and labeling by the State's authorized third-party inspection agency, Intertek, before the products are shipped to the Development site. Sailed will not perform any on-site construction, installation, or site supervision. All on-site tasks — including foundation work, concrete pours, crane set, structural tie-ins, MEP final hookups, weatherproofing, and final finishes are performed exclusively by the project General Contractor and its licensed subcontractors.

6. Board approval of this request is warranted because:

a. The integration of Modular production with on-site concrete fortified construction provides an enhanced structural resilient system, designed to withstand high winds and extreme weather conditions.

b. The modular supply method materially enhances project feasibility — reducing cost overruns, shortening construction schedule, increasing quality control, and reducing onsite MEP and construction risk.

c. The modular method directly supports the objectives of efficient, timely, cost-effective, and high-quality affordable housing delivery.

d. To avoid any misconception arising from the fact that approximately seventy percent (70%) of the Project's hard costs are allocated to the Sailed modular product purchase, it is important to clarify the composition of the Project's construction budget. The Development site was acquired as a fully improved, "pad-ready" site, with all major horizontal infrastructure already completed, including stormwater retention ponds and systems, paved internal roads, approximately 80 existing parking spaces, and all primary utility extensions and connections (water, sewer, and electric). As a result, a significant portion of typical hard-cost categories are already embedded in the land acquisition and do not reappear within the construction contract.

Accordingly, the remaining hard costs are concentrated almost entirely in the vertical construction of the apartment buildings themselves. In this context, a 70/30 modular production-to-site-installation ratio is standard within the modular construction industry and reflects a normal cost distribution when the sitework, utilities, and horizontal improvements are largely complete prior to commencement of vertical building activities. Thus, the percentage of hard costs attributable to Sailed's modular units should not be viewed as disproportionate but rather as consistent with the cost profile of a pad-ready modular development.

7. Petitioner therefore respectfully requests approval from the Corporation for the Modular Product Purchase Agreement to be entered into between the General Contractor and Sailed to exceed the Rule's 20% cap. Using the Kapsuls to be constructed in the Sailed factory and delivered to the project site for installation will promote the Petitioner's goal of maximizing value added to the Development. Utilizing the modular Units produced by Sailed should achieve economies of scale such that more will be achieved in the construction of the Project for each dollar spent. Additionally, because so much of the work related to the construction of the Units will lie with a single supplier / subcontractor, it will be easier for Petitioner to pursue any warranty issues in the future.

8. If this request is approved, it will not adversely affect the Development, any other applicant, or the Corporation. A denial, however, would result in significant economic hardship to Petitioner because, as a result of the denial, the funding awarded to the Development could be rescinded.

9. Should the Corporation require additional information, a representative of the Petitioner is available to answer questions and to provide all information necessary for the consideration of this Petition.

E. <u>ACTION REQUESTED.</u>

10. Petitioner respectfully requests the following:

(a) with respect to the proposed Modular Product Purchase Agreement to be entered into by the General Contractor with SAILED HOMES, LLC, that the Corporation allow it to exceed the 20% cap.

(b) that the Corporation grant the Petition and all the relief requested therein; and

(c) that the Corporation grant such further relief as may be deemed appropriate.

Respectfully submitted,

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Fax: 941-366-3684
Email: chamlin@icardmerrill.com

By: /s/ *Curtis D. Hamlin*
Curtis D. Hamlin, Esq.

CERTIFICATE OF SERVICE

This Petition is being served by electronic transmission for filing with the Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with copies served by U.S. Mail on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 16th of December, 2025.

By: /s/ *Curtis D. Hamlin*
Curtis D. Hamlin, Esq.