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STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

In re: Beacon at Creative Village – Phase II
Partners, Ltd.,

FHFC File No: 2025-284BS
FHFC Case No. 2025-037VW

Petitioner.

_____ /

PETITION FOR WAIVER OF RULES 67-21.008(1)(e) AND (f) AND 67-21.013
TO ALLOW PRIVATE PLACEMENT OF BONDS WITH ENTITY
OTHER THAN A QUALIFIED INSTITUTIONAL BUYER

Petitioner, BEACON AT CREATIVE VILLAGE – PHASE II PARTNERS, LTD. (“Petitioner” or “Beacon II”), a Florida limited partnership, hereby submits this Petition to the Florida Housing Finance Corporation (“FHFC” or “Corporation”) for a waiver of FHFC Rules 67-21.008(1)(e) and (f) and 67-21.013, Fla. Admin. Code (effective 6/28/23) in order to allow the purchase of the Corporation-issued Multifamily Mortgage Revenue Bonds for this Development by an entity which is not a Qualified Institutional Buyer.

A. NATURE OF REQUEST

1. As explained more fully in this petition, this Rule variance relates to the proposed purchase of the Florida Housing Multifamily Mortgage Revenue Bonds (“MMRB”) for an application that was awarded funding in RFA 2024-205. The Applicant proposes private placement of the Bonds with MSPJ Bond Holdings, LLC (“MSPJ”) as the purchaser. MSPJ does not meet Florida Housing’s rule definition of a Qualified Institutional Buyer, although MSPJ has previously purchased and currently holds tax-exempt bonds for affordable housing developments.

B. THE PETITIONER

2. In RFA 2024-205, Beacon II was awarded \$1,100,000 in base SAIL financing, a \$219,400 ELI loan, \$8.5 million in MMRB, and \$555,128 in annual Non-Competitive Tax Credits from FHFC for a 30 unit new construction development in Orange County. Beacon II would be

co-located in the same multistory building as Phase I of the Beacon development through condominium ownership of floors (or portions of floors) in the building. (Beacon I was awarded competitive (“9%”) housing credits in RFA 2021-202 for the construction of a 79 unit development, with 75 of the units as affordable Set-Aside Units; Beacon I recently received a Rule Waiver to transfer the four market rate units to Beacon II for conversion to affordable units.) Beacon II applied as a Self-Sourced Applicant and in the Development Cost Pro Forma selected “Self-Sourced Bond Financing” as a permanent funding source. The Self-Sourced Financing Commitment Verification Form included with the Application committing \$1,100,000 (equal to Beacon II’s base SAIL loan amount) was signed by W. Scott Culp. For purposes of this petition, Petitioner’s address is that of its undersigned attorney, M. Christopher Bryant, Oertel, Fernandez, Bryant & Atkinson, P.A., 2060 Delta Way, Tallahassee, Florida 32303 (telephone (850) 521-0700, fax (850) 521-0720, E-mail: cbryant@ohfc.com).

3. The Applicant Entity for Beacon II is Beacon at Creative Village – Phase II Partners, Ltd. Currently, the Co-General Partners are JAKS Management, LLC and SAS Beacon at Creative Village – Phase II Managers, LLC (“SAS Beacon LLC”). The Investor Limited Partner placeholder is Southern Affordable Development, LLC. There is currently pending before the Corporation a request to restructure the Applicant entity.

4. The Developer Entity for Beacon II is Atlantic Housing Partners, L.L.L.P. (“AHP, LLLP”), a Florida limited liability limited partnership. The natural person Principal of AHP, LLLP whose development experience was relied upon in the application process to establish General Development Experience was W. Scott Culp.

5. As noted above, Beacon II seeks to have the \$7.65 million in MMRB sold through private placement with MSPJ Bond Holdings, LLC, a Florida Limited Liability Company. The

Managers of MSPJ are Michael J. Sciarrino, Paul Missigman, and Tricia Doody. The Members of MSPJ are Florida CIS Housing Advisors, LP; JAKS Trust II, LLC; Firenze Housing, LLC; and JT Millenia I, LLC. These entities are comprised of individuals, and of entities (trusts, limited partnerships, and LLCs) that are in turn owned or controlled by such individuals, with extensive experience financing and investing in affordable housing developments in Florida. Those persons are Michael J. Sciarrino, Paul Missigman, W. Scott Culp, and Jonathan Thomas. A detailed listing of the structure of MSPJ is attached to this Petition.

C. RULE PROVISIONS

6. Rule 67-21.008(1), Fla. Admin. Code (eff. 6/28/23) sets forth the Terms and Conditions of MMRB Loans, and reads as follows:

(1) Each Mortgage Loan for a Development made by the Corporation shall:

(e) Have the initial review, approval, and origination process accomplished by a Qualified Lending Institution;

(f) Be serviced by such Qualified Lending Institution or other private entity engaged in the business of servicing mortgage loans in Florida as the Corporation shall approve; and,

7. Rule 67-21.013, Fla. Admin. Code (eff. 6/28/23) reads as follows:

Unless otherwise set forth in a competitive solicitation, any issuance of non-Credit Enhanced revenue Bonds shall be sold only to a Qualified Institutional Buyer or a Freddie Mac Multifamily Targeted Affordable Housing Lender. The Corporation shall engage the Investment Banker with respect to such Bonds. The Corporation, in its discretion, will allow only one of either an underwriting discount or a placement agent fee, but not both. Unless such Bonds are rated in one of the four highest rating categories by a nationally recognized rating service and are the subject of a Credit Enhancement instrument, such Bonds shall comply with at least one of the following criteria:

(1) The Bonds shall be issued in minimum denominations of \$100,000 (subject to reduction by means of redemption) and an

investment letter satisfactory to the Corporation and its counsel shall be obtained from each initial purchaser of the Bonds (including the underwriter and any purchaser purchasing the Bonds in an immediate resale from an underwriter), and all subsequent purchasers of the Bonds, or

(2) The Bonds shall be issued in minimum denominations of \$250,000 (subject to reduction by means of redemption) and an investment letter satisfactory to the Corporation and its counsel shall be obtained from each initial purchaser of the Bonds (including the underwriter and any purchaser purchasing the Bonds in an immediate resale from an underwriter), but an investment letter shall not be required of subsequent purchasers of the Bonds. Any investment letter shall state, among other things, that such purchaser is a Qualified Institutional Buyer or a Freddie Mac Multifamily Targeted Affordable Housing Lender, is purchasing such Bonds for its own account and not for immediate resale to a purchaser other than a Qualified Institutional Buyer or a Freddie Mac Multifamily Targeted Affordable Housing Lender, and has made an independent investment decision as a sophisticated or institutional investor.

8. FHFC Rule 67-21.002(91) defines Qualified Institutional Buyer, and notes that a Qualified Institutional Buyer is also sometimes called a “sophisticated investor.” The rule lists entities that the designation Qualified Institutional Buyer “specifically includes.” Generally, the rule lists such entities as insurance companies, regulated investment companies and mutual funds, state investment plans, pension plans, securities dealers, and certain banks or savings and loans.

9. Rule 67-21.002(92) defines “Qualified Lending Institution” to mean any lending institution designated by Florida Housing.

10. Petitioner requests a waiver of Rules 67-21.008 and 67-21.013 in order to allow for the issuance of Non-Credit Enhanced Revenue Bonds, to be sold by private placement to an entity which is not a Qualified Institutional Buyer: MSPJ.

11. MSPJ is not a type of entity listed in the rule definition of Qualified Institutional Buyer, although the rule definition does not expressly limit the term to those listed entities. MSPJ has not been designated a Qualified Lending Institution by Florida Housing.

D. REQUEST FOR RULE WAIVER

12. Beacon II seeks to have the \$7.65 million in Florida Housing – issued MMRB sold through a private placement to MSPJ. MSPJ and its Principals (closely-held Managers and Members, and individuals who own or control such Managers and Members) have significant experience with the purchase of tax-exempt bonds for affordable housing developments. MSPJ has to date purchased tax-exempt bonds relating to 10 different developments, totaling over \$30 million. About \$10 million of those tax-exempt bonds have been paid off, and MSPJ currently holds \$20 million in tax-exempt bonds. In addition, the Principals of MSPJ include Michael J. Sciarrino, W. Scott Culp, and Paul Missigman, who have collectively purchased over \$200 million in tax-exempt bonds for affordable multi-family rental housing through related entities over the years. The experience of the Principals and purchasing tax-exempt bonds spans a period of over ten years.

13. Pursuant to Rule 67-21.008(1)(f), Fla. Admin. Code, Beacon II requests that the Corporation approve a “private entity engaged in the business of servicing mortgage loans in Florida” to service the MMRB Loan. Beacon II requests that the underwriter assigned by FHFC for purposes of credit underwriting the Beacon II development perform the role of servicing the loan of MMRB proceeds.

14. It is also requested that FHFC waive the provision of Rule 67-21.008(1)(e) requiring the initial review, approval, and origination process for the mortgage loan accomplished by a Qualified Lending Institution, and, again, that the assigned credit underwriter and mortgage loan servicer accomplish those functions.

15. The MMRB amount for Beacon II is a relatively low bond issue amount: initially \$7.65 million (including \$1.1 million in Self-Sourced Bonds), with a projected permanent bond

amount after stabilization of only \$2,760,714 as identified in the Development Cost Pro Forma Permanent Analysis. The private placement of the bonds with MSPJ could be accomplished efficiently and with less expense than normally associated with a bond issue while still providing FHFC all assurances needed. MSPJ would agree to subordinate the bond interest to the SAIL loan, SAIL LURA, and the Extended Use Agreement (“EUA”) associated with the non-competitive housing credits that Beacon II will receive.

E. JUSTIFICATION FOR REQUESTED VARIANCE

16. Together, Beacon I and Beacon II comprise 115 residential units, all of which are affordable rental units. The combined Development cost is just under \$46 million, of which \$12.18 million is attributable to Beacon II. The primary source of funding for Beacon I (\$26.5 million of the \$33.6 million total sources) is housing credit equity from 9% Competitive Housing Credits; the primary source of funding for Beacon II is MMRB (\$6.55 million in the construction period, and \$1,660,714 million in the permanent period, plus the \$1.1 million in Self-Sourced Bonds), in addition to equity from the 4% Non-Competitive Housing Credits.

17. The “twinning” of the Beacon I and Beacon II developments, both physically and through the condominium ownership, and financially through the complementary financing structures, make these developments unique in Florida Housing’s portfolio. This brings a complexity that most Qualified Institutional Buyers would not find attractive. Private placement of the bonds with a sophisticated investor made up of experienced affordable housing developers and investors who already have a significant stake in the success of Beacon I and Beacon II would be appropriate and desirable.

18. At a minimum, a Qualified Institutional Buyer who may be interested would likely require substantial due diligence and legal opinions given the uncommon condominium ownership

structure of the Beacon I and Beacon II Developments. Conditions such as additional collateralization may also be imposed. These conditions would impose additional costs that are a substantial hardship for Beacon II given the small amount of the bonds.

19. Because Beacon II was selected for funding as a Self-Sourced Application, the Principals of the Beacon II Applicant entity are already committed to purchasing \$1.1 million of the tax-exempt bonds. The financing would be simplified if the balance of Beacon II's MMRB was also acquired by a sophisticated investor that is owned and managed by Principals of the Beacon II Applicant entity. Such Principals already have a strong commitment to the financing, construction, and successful lease up and operation of the development.

20. Private placement of the MMRB with MSPJ is requested because of the relatively small amount of tax-exempt bonds involved. MSPJ and its Principals are sophisticated investors, but do not fall within any of the categories of Qualified Institutional Buyers. The interests of the Corporation, the public, the tenants, and the bondholders can be adequately protected in this without requiring that private placement of the bonds with a Qualified Institutional Buyer. Likewise, such interests can be protected in this case without requiring that the initial review, approach, and origination be accomplished by a Qualified Lending Institution. Again, the bond issue is for relatively small dollar amount of bonds, and as noted previously in this petition, MSPJ, the specific entity has played a significant role in affordable housing finance through its purchase of tax-exempt bonds issued by local HFAs for the development of affordable housing.

F. RELIEF REQUESTED

21. Petitioner requests the following relief:

- a. That the Corporation grant a waiver of Rule 67-21.008(1)(e) to allow initial review, approval, and origination of the MMRB loan to be accomplished by an

entity other than a Qualified Lending Institution; and specifically, that the Corporation authorize the credit underwriter already retained for purposes of this development's funding requests to perform those functions;

- b. That the Corporation, pursuant to Rule 67-21.08(1)(f), authorize the servicing of the MMRB loan by the credit underwriter assigned to this development;
- c. That the Corporation waive Rule 67-21.013 to allow the sale of the Non-Credit Enhanced Revenue Bonds for Beacon at Creative Village – Phase II Partners, Ltd. to an entity other than a Qualified Institutional Buyer; and specifically, that the Corporation authorize the sale of such bonds by private placement to MSPJ Bond Holdings, LLC; and
- d. That the Corporation grant a waiver of the provisions of Rule 67-21.013(2) that would require MSPJ, as the initial Purchaser of the bonds, to provide an investment letter that states that MSPJ is a Qualified Institutional Buyer or Targeted Affordable Housing Lender.

G. STATUTORY PURPOSE SERVED

22. The issuance of revenue bonds by Florida Housing is governed by Part II of Rule Chapter 67-21. The rules are authorized in Part V of Chapter 420, Fla. Stat.; and particularly by Sections 420.507 and 420.508, Florida Statutes, and they implement various provisions of Sections 420.502, 420.507, 420.508, and 420.509.

23. The Legislative Findings of Section 420.502 recognize the need to create inducements for public and private investment in the development of affordable housing; the need for a stable supply of adequate funds for housing financing to encourage construction. Section 402.502, Fla. Stat.

24. The statutory powers of Florida Housing include to borrow money through the issuance of bonds, and to provide for and secure the payment of such bonds, and to provide for the rights of bondholders. Section 420.507(6), Fla. Stat.

25. Section 420.509(1) expressly authorizes the issuance of revenue bonds to achieve the purposes of Part V of Chapter 420. Section 420.509(12) expressly authorizes placement of the bonds through a designated underwriter instead of by public sale, if supported by the characteristics of the bond issue and prevailing market conditions.

26. The purposes of developing affordable housing issuing bonds and lending the proceeds to the Applicant, and performing underwriting, review, and organization services in a financially responsible manner so as to protect the corporation, its portfolio, tenants, and bondholders can all be satisfied through the alternate means set out in this petition.

H. AVOIDING SUBSTANTIAL HARDSHIP

27. As described previously in this Petition, Beacon II would experience substantial economic hardship if the rules at issue were not waived, and if the bonds had to be purchased by a Qualified Institutional Buyer. The small amount of bonds, along with the unique physical character of the development and the other aspects of the financing (such as the Self Sourced Bond Financing) make it unfeasible for a Qualified Institutional Buyer to participate as a bondholder under commercially reasonable terms. Allowing MSPJ Bond Holdings, LLC, to purchase the bonds through private placement would be economically and logistically efficient, with conditions that would mitigate any potential risk to Florida Housing, the public, the tenants, and the investors.

28. The waivers being sought are permanent in nature. However, the initial review, approval, and origination by a credit underwriter's service instead of a Qualified Lending Institution appears to be temporary in nature, with such tasks concluding upon issuance of the

bonds.

29. If Florida Housing has questions or requires additional information, Petitioner is available to provide any information necessary for consideration of this Petition.

WHEREFORE, Petitioner Beacon at Creative Village – Phase II Partners, Ltd., respectfully requests that the Florida Housing Finance Corporation provide the following relief:

- A. Grant the Petition for Wavier and all the relief requested herein; and
- B. Enter an order granting a variance of Rules 67-21.008(1)(e) and (f) and 67-21.013, Fla. Admin. Code (eff. 6/28/23).

RESPECTFULLY SUBMITTED this 15th day of July, 2025.

/s/ M. Christopher Bryant

M. Christopher Bryant

Fla. Bar Number 434450

OERTEL, FERNANDEZ, BRYANT

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*Counsel for Beacon at Creative Village – Phase II
Partners, Ltd.*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Petition for Waiver is being filed by electronic filing with the Corporation Clerk for the Florida Housing Finance Corporation, 227 North Bronough Street, Fifth Floor, Tallahassee, Florida 32301, CorporationClerk@floridahousing.org, and the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, Joint.admin.procedures@leg.state.fl.us, and by electronic transmission to Ethan Katz, Assistant General Counsel, Florida Housing Finance Corporation, 227 North Bronough Street, Fifth Floor, Tallahassee, Florida 32301, Ethan.Katz@floridahousing.org, this 15th day of July, 2025.

/s/ M. Christopher Bryant

Attorney

MSPJ Bond Holdings, L.L.C. Limited Liability Company

LEVEL 1

Manager	Michael J. Sciarrino	Natural Person
Manager	Paul M. Missigman	Natural Person
Manager	Tricia Doody	Natural Person
Member	Florida CIS Housing Advisors, LP	Limited Partnership
Member	JAKS Trust II, L.L.C.	Limited Liability Company
Member	Firenze Housing, L.L.C.	Limited Liability Company
Member	JT Millenia I, L.L.C.	Limited Liability Company

LEVEL 2

Florida CIS Housing Advisors, LP, Limited Partnership

General Partner	Florida CIS Housing Advisors, LLC	Limited Liability Company
Limited Partner	Michael J. Sciarrino Irrevocable Trust	Trust
Limited Partner	Suzanne Sciarrino	Natural Person

JAKS Trust II, L.L.C., Limited Liability Company

Manager	W. Scott Culp	Natural Person
Member	W. Scott Culp Family Trust	Trust
Member	Julie Culp Family Trust	Trust
Member	W. Scott Culp Irrevocable Trust	Trust

Firenze Housing, L.L.C., Limited Liability Company

Manager	Paul M. Missigman Revocable Trust	Trust
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JT Millenia I, L.L.C. Limited Liability Company

Sole Member	Jonathan Thomas	Natural Person
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LEVEL 3

Florida CIS Housing Advisors, L.L.C., Limited Liability Company

Manager	Michael J. Sciarrino	Natural Person
Member	Paul M. Missigman	Natural Person
Member	Michael J. Sciarrino Revocable Trust	Trust

Michael J. Sciarrino Irremovable Trust

Manager	Michael J. Sciarrino	Natural Person
Member	Paul M. Missigman	Natural Person
Member	Michael J. Sciarrino Revocable Trust	Trust

W. Scott Culp Family Trust

Trustee	W. Scott Culp	Natural Person
Beneficiary	W. Scott Culp	Natural Person

Julie Culp Family Trust

Trustee	W. Scott Culp	Natural Person
Trustee	Julie A. Culp	Natural Person
Beneficiary	Julie A. Culp	Natural Person

W. Scott Culp Irrevocable Trust

Trustee	Thomas A. Shaw	Natural Person
Beneficiary	Amanda Rockwood	Natural Person
Beneficiary	Katharine Culp	Natural Person
Beneficiary	Stephanie Kettinger	Natural Person

Paul M. Missigman Revocable Trust

Trustee	Paul M. Missigman	Natural Person
Beneficiary	Paul M. Missigman	Natural Person

LEVEL 4

Michael J. Sciarrino Revocable Trust

Trustee	Michael J. Sciarrino	Natural Person
Beneficiary	Michael J. Sciarrino	Natural Person