

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

LIBERTY CENTER, LTD,
a Florida limited partnership,

Petitioner,

vs.

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation,

Respondent.

PETITION FOR WAIVER/VARIANCE

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FLORIDA HOUSING
FINANCE CORPORATION

Petitioner hereby petitions the Florida Housing Finance Corporation ("Florida Housing") for a waiver and/or variance from Rule 9I-28.006(7), Florida Administrative Code. This Petition is filed pursuant to Section 120.542, Florida Statutes and Chapter 28-104, Florida Administrative Code.

1. The address, telephone number and facsimile number of the Petitioner are:

Liberty Center, Ltd
c/o Liberty Center for the Homeless
909 North Liberty Street
Jacksonville, Florida 32206
904-353-2888
904-354-3022 (facsimile)

2. Petitioner was awarded a \$719,899 construction/permanent loan from the 1988-89 SAIL Cycle I. The SAIL loan was used to finance the substantial rehabilitation of the first phase of a homeless development in Jacksonville known as Liberty Center I. The SAIL loan closed on March 23, 1989 and matured on April 1, 2004. The Petitioner committed to extend the low income set-aside to 50 years. Pursuant to Rule 9I-28.006(7) (1988), \$486,286.84 of the total deferred interest of \$866,525.01, is eligible for forgiveness.
3. Although the SAIL loan required serving low income individuals, the Liberty Center I actually does even more than required. It provides housing for homeless men directly off the street, giving them clothing, shoes and a room with lock, key, mailbox and toiletries. Liberty Center for the Homeless, Inc. provides nutritional meals for a 13-week intake period. Later stages of the Liberty Center

development (Phases II and III) provide housing for homeless women and an intermediate facility for men for those who are successful at Liberty Center I to transition into the next level of independence. Liberty Center IV is for the “graduates”, both men and women, who are ready to re-enter the workforce. The rent at Liberty Center I is extremely limited due to the lack of income for almost all of the residents. Basically, residents pay 30% of their social security benefits.

4. Liberty Center desires to continue operating the Phase I portion of this development to serve the homeless and has been working with Florida Housing to renegotiate and extend the SAIL loan. Petitioner has requested that Florida Housing forgive all deferred interest on the maturing loan and renew the loan at 1% interest for fifteen years, with monthly amortization of principal and interest beginning on November 1, 2004.

The Rule from Which Waiver or Variance is Sought and Action Requested

5. Petitioner requests a waiver and/or variance from Rule 91-28.006(7), Florida Administrative Code, which provides:
 - (7) If, in their application, the Applicant agrees to a very low income set-aside for a term longer than that required by law, the deferred SAIL interest due pursuant to 91-28.006(5)(g), shall be forgiven in an amount equal to the amount of interest due pursuant to 91-28.006(5)(g) multiplied by .05 multiplied by the number of years, not to exceed 15, that the very low income set-aside was extended beyond that required by law.

Statute Implemented by the Rule

6. The statute that the Rule is implementing is section 420.507 and 420.5087, Florida Statutes.

Petitioner Requests a Variance of the Rule
Set Forth Above for the Following Reasons

7. The repayment of the unforgiven deferred interest would create a substantial hardship in that this development serves the homeless and cannot generate sufficient income to pay the interest due. The Petitioner cannot move forward with closing the SAIL loan for the graduation phase of the development (Phase IV) prior to resolving the workout plan for Phase I, which requires forgiveness of all outstanding interest.
8. The Florida Legislature recognized the hardship caused by requiring the homeless developments to pay this amount of interest and revised the SAIL statute to reduce the interest from 9% to 0% to 3%. Likewise, Florida Housing revised its rules to allow for 0% to 3% interest rates for homeless developments.

9. Waiver of the rule would allow Liberty Center I, Ltd. to begin amortizing the principal balance of the SAIL loan over for a 15-year term with a 1% interest rate.

Waiver and/or Variance Will Serve the
Underlying Purpose of the Statute

10. Petitioner believes that a waiver/variance of the Rule will serve the purposes of the underlying statute which is implemented by the Rule. The Florida Legislature created a goal for Florida Housing to develop housing for the homeless with no less than 5% of the SAIL funds each year and by authorizing lower interest payments for these loans. *Section 420.5087(22), Fla. Stat. (2003)*. The statute also authorizes Florida Housing to renegotiate any mortgage loan with a borrower in default, to waive any default or consent to the modification of the terms of any mortgage loan. *Section 420.507(17), Fla. Stat. (2003)*.

Type of Waiver/Variance

Petitioner requests a permanent waiver/variance of the Rule as set forth above.

A copy of this Petition has been provided to the Joint Administrative Procedures Committee, Room 120, The Holland Building, Tallahassee, FL 32399-1300.

Dated this 18th day of May, 2004.

PETITIONER
LIBERTY CENTER, LTD. A Florida limited
partnership

By: Harris Group, Inc., a Florida Corporation, its
general partner

By: Robert L. Harris Sr.
Robert L. Harris Sr., President