

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

ANDREWS PLACE II, LLC

Petitioner,

Vs.

CASE NO.: 2006-057VW

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

PETITION FOR WAIVER OF SAIL RULE 67-48.010(6)(a)

Pursuant to Section 120.542, Florida Statutes, and Rule 28-104.002, Florida Administrative Code ("F.A.C."), Andrews Place II, LLC (the "Petitioner") hereby petitions the Florida Housing Finance Corporation (the "Corporation") for Waiver of Rule 67-48.010(6)(a), F.A.C., and in support, states the following:

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

Andrews Place II, LLC
2002 Summit Blvd. Suite 1000
Atlanta, GA 30319
(404) 250-4093
(404) 745-0530 (Fax)

2. The contact person, along with contact information, for the Petitioner are:

Eric Buffenbarger, CPA
C/o Rea Development Company
2002 Summit Blvd. Suite 1000
Atlanta, GA 30319
(404) 250-4093
(404) 745-0530 (Fax)
ericbuffenbarger@readevelop.com

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3. For purposes of this Petition, the address, telephone number and facsimile number of the Petitioner's counsel are:

Harrison Coleman
Coleman, Talley, Newbern, Kurrie, Preston & Holland,
LLP
7000 Central Parkway NE Suite 1150
Atlanta, GA 30328
(770) 698-9556
(770) 698-9729 (Fax)

4. The Petitioner received a State Apartment Incentive Loan (SAIL) from the Corporation of One Million Dollars (\$1,000,000.00) evidenced by a promissory note dated June 30, 2005. This loan provided funds for construction of Andrews Place II Apartments, a 120 unit affordable housing development located in Bay County, Florida.
5. Pursuant to the terms of the Florida Housing Rule Chapter 67-48.010(6)(a), F.A.C., all borrowers receiving loan proceeds under the SAIL program are required to submit the SAIL Cash Flow Reporting Form SR-1 and Audited Financial Statements by May 31st of each year for the purpose of determining the amount of the annual interest payment due.
6. The basis for the Petitioner's request for variance and rule waiver is based upon the following: Of the five buildings that contain the 120 units, only three buildings had been placed-in-service at the end of 2005. The Certificate of Occupancy dates for those buildings were December 7, 2005, December 15, 2005 and December 30, 2005. As a result of having only three building placed-in-service for half a month or less, there are

only Six Thousand and One Dollars (\$6,001.00) in gross rental receipts for 2005. The Petitioner has obtained a bid for a certified financial audit in the amount of Eight Thousand Five Hundred Dollars (\$8,500.00).

7. The Petitioner's limited partner, MMA Financial, Inc., has agreed to waive the certified financial audit requirement for the year ending December 31, 2005.
8. Article VII, Section 7.04 of the Trust Indenture By and Between the Housing Finance Authority of Bay County (Florida) and Regions Bank as Trustee, dated as of June 1, 2005, does not require certified annual audited financial reports of the operations of the development until December 31, 2006.
9. No tax credits are being claimed for the 2005 year.
10. The facts stated in Paragraphs 4 through 9 above demonstrate the circumstances that justify the waiver to Rule 67-48.010(6)(a) not to require certified audited statements for the year ending December 31, 2005.
11. The requested waiver of Rule 67-48.010(6)(a) will not adversely impact Development or the Corporation or be prejudicial to the Development or to the market to be served by the Development, because Petitioner continues to be obligated to provide audited financial statements to be prepared by accepted accounting principles for the 12 months ending December 31, 2006. However, the denial of the requested waiver will create an undue financial hardship for the Petitioner, in that Rule 67-

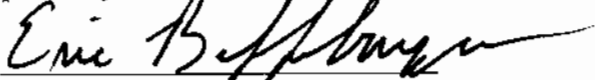
48.010(6)(a) would require the Petitioner to pay Eight Thousand Five Hundred Dollars (\$8,500.00) for certified audited financials for a period of time where only Six Thousand and One Dollars (\$6,001.00) in gross rental receipts have been collected.

- 12 The waiver being sought is temporary in nature and only applies to the audited financial statements required by May 31, 2006.
- 13 Should the Corporation require additional information, the Petitioner is available to answer any questions and to provide any additional information necessary for consideration of this petition.

WHEREFORE, the Petitioner respectfully requests that the Corporation:

- A. Grant this Petition and all the relief requested herein;
- B. Waive the requirement of Rule 67-48.010(6)(a) that Petitioner provides audited financial statement for the year ending December 31, 2005 and instead allow SAIL annual reporting form, Cash Flow Reporting Form SR-1, to be based on unaudited financial statements (attached), prepared by a third party management company, Royal American Management, Inc.

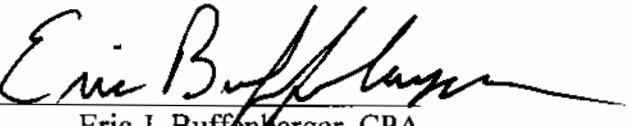
Respectfully submitted,

By: 

Eric J. Buffenbarger, CPA
Rea Development Company
2002 Summit Boulevard
Suite 1000
Atlanta, GA 30319

CERTIFICATE OF SERVICE

The Original Petition is being served by overnight delivery, with a copy being served by electronic transmission, for filing with the Corporation Clerk for the Florida Housing Finance Corporation, 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301, with copies served by overnight delivery on the Joint Administrative Procedures Committee, Room 120, 600 Calhoun Street, The Holland Building, Tallahassee, Florida 32399-1300, on September 18, 2006.

By: 
Eric J. Buffenbarger, CPA

**ANDREWS PLACE II
Balance Sheet
December 31, 2005**

	Current Activity	Prior Balance	Balance End Last FY
ASSETS			
ASSETS			
Cash in Bank	\$ 5,518	\$ 192	\$ 0
Tenant Security Deposits	3,093	0	0
TOTAL ASSETS	<u><u>\$ 8,611</u></u>	<u><u>\$ 192</u></u>	<u><u>\$ 0</u></u>
LIABILITIES & PARTNERS' CAPITAL			
LIABILITES			
Accounts Payable	\$ 30	\$ 250	\$ 0
Tenant Security Deposits & Int	2,943	0	0
Unearned Rents	29	0	0
Other Liabilities	1,350	0	0
TOTAL LIABILITIES	<u><u>\$ 4,352</u></u>	<u><u>\$ 250</u></u>	<u><u>\$ 0</u></u>
PARTNERS' CAPITAL			
Profit (Loss) Current Year	\$ 4,259	\$ (58)	\$ 0
TOTAL PARTNERS' CAPITAL	<u><u>\$ 4,259</u></u>	<u><u>\$ (58)</u></u>	<u><u>\$ 0</u></u>
TOTAL LIABILITIES & CAPITAL	<u><u>\$ 8,611</u></u>	<u><u>\$ 192</u></u>	<u><u>\$ 0</u></u>

As Of:
January 23, 2006

Design: APT-BS

ANDREWS PLACE II
Schedule of Balance Sheet Activity
For the month ended December 31, 2005

	End of Last Fiscal Year	Current Period Activity	Year to Date Activity	Current Balance
CASH IN BANK				
Cash Operating Site		5,325.93	5,267.68	5,267.68
Cash Petty Checking			250.00	250.00
Total Cash In Bank		<u>\$ 5,325.93</u>	<u>\$ 5,517.68</u>	<u>\$ 5,517.68</u>
OTHER RECEIVABLES				
Total Receivables				
RESERVE/RESTRICTED FUNDS				
Total Reserve/Restricted Funds				
OTHER ASSETS				
Total Other Assets				
NOTES RECEIVABLE				
Total Pre-Paids				
ACCOUNTS PAYABLE				
Accounts Payable		(220.17)	29.83	29.83
Total Accounts Payable		<u>\$ (220.17)</u>	<u>\$ 29.83</u>	<u>\$ 29.83</u>
ACCRUED INTEREST				
Total Accrued Interest				
ACCRUED LIABILITIES				
Total Accrued Liabilities				
OTHER LIABILITIES				
Misc Current Liabilities		1,350.00	1,350.00	1,350.00
Total Other Liabilities		<u>\$ 1,350.00</u>	<u>\$ 1,350.00</u>	<u>\$ 1,350.00</u>
MORTGAGE PAYABLE				
Total Mortgage Payable				
NOTE PAYABLE OTHER				
Total Note Payable Other				

Design: NOTES-APT

ANDREWS PLACE II
Statement of Operations
For the Period Ending
December 31, 2005

	Monthly Actual	Monthly Budget	Fav (Unfav) Variance	Same Month Last Year	YTD Actual	YTD Budget	Fav (Unfav) Variance	YTD Last Year
INCOME								
Rent								
Apartments	71,184	0	71,184	0	71,184	0	71,184	0
Loss/Gain to Lease	(19)	0	(19)	0	(19)	0	(19)	0
Application Fees	1,530	0	1,530	0	1,530	0	1,530	0
Non Refundable Pet F	300	0	300	0	300	0	300	0
Vacancy Loss	(67,199)	0	(67,199)	0	(67,199)	0	(67,199)	0
Total Rent	5,796	0	5,796	0	5,796	0	5,796	0
Service/Financial								
Other Income	205	0	205	0	205	0	205	0
Total Service/Fin.	205	0	205	0	205	0	205	0
Total Revenue	6,001	0	6,001	0	6,001	0	6,001	0
EXPENSES								
Renting								
Credit Reports	1,095	0	(1,095)	0	1,095	0	(1,095)	0
Total Renting Exp.	1,095	0	(1,095)	0	1,095	0	(1,095)	0
Administrative								
Memberships/Seminars	27	0	(27)	0	27	0	(27)	0
Office Equipment/Sup	232	0	(232)	0	263	0	(263)	0
Postage Fax & Freigh	2	0	(2)	0	2	0	(2)	0
Bank Service Charges	15	0	(15)	0	43	0	(43)	0
Total Admin. Exp.	277	0	(277)	0	335	0	(335)	0
Operating/Utility								
Total Utility Exp	0	0	0	0	0	0	0	0
Maintenance								
Fire Safety Protecti	168	0	(168)	0	168	0	(168)	0
Uniforms	18	0	(18)	0	18	0	(18)	0
Repair Exterior	127	0	(127)	0	127	0	(127)	0
Total Maint. Exp.	312	0	(312)	0	312	0	(312)	0
Taxes and Insurance								
Total Tax /Ins Exp	0	0	0	0	0	0	0	0
Total Operating Exp	1,684	0	(1,684)	0	1,742	0	(1,742)	0
NET OPERATING INCOME	4,317	0	4,317	0	4,259	0	4,259	0
Partnership								
Total Partner Exp	0	0	0	0	0	0	0	0
NET INCOME								
BEFORE SYND/DEF	4,317	0	4,317	0	4,259	0	4,259	0

ANDREWS PLACE II
Statement of Operations
For the Period Ending
December 31, 2005

	Monthly Actual	Monthly Budget	Fav (Unfav) Variance	Same Month Last Year	YTD Actual	YTD Budget	Fav (Unfav) Variance	YTD Last Year
NET INCOME	<u>4,317</u>	<u>0</u>	<u>4,317</u>	<u>0</u>	<u>4,259</u>	<u>0</u>	<u>4,259</u>	<u>0</u>

Design: APT-IS

ANDREWS PLACE II
Statement of Operating Activity
For the Period Ending
December 31, 2005

	Monthly Activity	Monthly Budget	Same Month Last Year	Year to Date Activity	YTD Budget	YTD Last Year
INCOME						
Renting Income	\$ 5,796	\$ 0	\$ 0	\$ 5,796	\$ 0	\$ 0
Service Income	205	0	0	205	0	0
Financial Income	0	0	0	0	0	0
Total Income	6,001	0	\$ 0	6,001	0	\$ 0
EXPENSES						
Renting Expenses	1,095	0	\$ 0	1,095	0	\$ 0
Administrative Expenses	277	0	0	335	0	0
Operating Expenses	0	0	0	0	0	0
Maintenance Expenses	312	0	0	312	0	0
Taxes & Insurance	0	0	0	0	0	0
Total Operating Expenses	1,684	0	\$ 0	1,742	0	\$ 0
NET OPERATING INCOME	4,317	0	\$ 0	4,259	0	\$ 0
Mortgage Expense	0	0		0	0	
Mortgage Principle Redu	0	0		0	0	
Increase in Reserve Acc	0	0		0	0	
NET OPERATING ACTIVITY	\$ 4,317	\$ 0		\$ 4,259	\$ 0	
<hr style="border-top: 1px dashed black;"/>						
Other Cash Activity	1,009	0		1,259	0	
NET CHANGE IN CASH	\$ 5,326	\$ 0		\$ 5,518	\$ 0	
Cash at Beg of Period/Beg	192			0		
Current Cash Balance	5,518			5,518		
Net Change In Cash	\$ 5,326			\$ 5,518		

AS OF: January 23, 2006

Design: APT-MS

ANDREWS PLACE II
Cash Flow Statement
For the Period Ending
December 31, 2005

	Monthly Activity	Monthly Budget	Year to Date Activity	Year To Date Budget
Income From Operations	6,001	0	6,001	0
Less: Exp from Stmt of Operations	1,684	0	1,742	0
Net Income From				
Statement of Operations	4,317	0	4,259	0
Adjustment to Net Income from Statement of Operations				
Adjusted Net Income from				
Statement of Operations	4,317	0	4,259	0
Adjustments to Convert Adjusted Net Inc to Net Cash Flow from Operations				
Dec (Inc) Prepays/Other Asset	(3,093)	0	(3,093)	0
Inc (Dec) Ap/Other Liabilities	4,102	0	4,352	0
Dec in Reserve Account	0	0	0	0
(Inc) in Reserve/Restricted Accounts	0	0	0	0
Net Cash Flow From Operations	5,326	0	5,518	0
Inc (Dec) in Notes Payable	0	0	0	0
Net Inc (Dec) in Cash	5,326	0	5,518	0
Cash at Beg of Period/Beg of Year	192		0	
Net Chg in Cash Current/YTD	5,326		5,518	
Cash at End of period Check Figure	5,518		5,518	
Petty Cash	\$ 250	Home Purch Reserve Balance		\$ 0
Site Operating Balance	5,268	GP Reserve Balance		0
Amsouth Operating Balance	0	Tenant Receivable Balance		0
Investment Savings Balance	0	Due To RAM		0
Tax & Insurance Account Balance	0	Replacement Reserve Acct Bal		0
Accounts Payable Balance	(30)	Due to Payables Balance		0
Total Mortgage Payment	0	Residual Receipts Balance		0
Reserve Expenses				
Total Reserve Expenses	0	0	0	0

Design: APT-CF