

BEFORE THE FLORIDA HOUSING FINANCE CORPORATION

LIBERTY CENTER FOR THE HOMELESS, INC.

Petitioner,

vs.

FHFC CASE NO. 2006-081VW

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

**PETITION FOR WAIVER/VARIANCE OF
RULE 9I-35.006(6), FLORIDA ADMINISTRATIVE CODE**

Petitioner hereby petitions by and through its undersigned advisor and pursuant to Section 120.542, Florida Statutes and Chapter 28-104, Florida Administrative Code ("F.A.C."), hereby petitions the Florida Housing Finance Corporation ("Florida Housing") for a waiver and/or variance of Rule 9I-35.006(6), Florida Administrative Code.

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

Liberty Center for the Homeless, Inc.
PO Box 40126
Jacksonville, FL 32203
904.353.0446
904.353.7704 (facsimile)

2. Liberty Center III is a homeless housing development operating since 1996 in Jacksonville. The residents are all formerly homeless single adult women. Under the rules that applied to SAIL at that time, no provisions were made for the unique financial situations of homeless housing developments.

3. While the development has operated successfully for 10 years, it never generates significant cash flow—as the residents have incomes and rents are charged that barely cover

expenses of operation. There is no economic upside to a homeless development—by definition, SAIL interest (which is based upon cash flow) is highly unlikely to ever be paid in any significant amount. Therefore, there is no source of money to pay outstanding SAIL interest and there is no way to refinance the SAIL loan with other funding.

4. Liberty Center III desires to continue operating this development, and has been working with Respondent to renegotiate and extend the SAIL loan. Petitioner has requested that Florida Housing forgive all outstanding interest on the loan.

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

5. Petitioner seeks a waiver and/or variance from Rule 9I-35-006(6), Florida Administrative Code, which provides:

“(6) If, in its 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 9I-35.006 F.A.C. shall be forgiven in an amount equal to the amount of interest due pursuant to 9I-35.006 F.A.C. 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 Request a Variance and/or Waiver 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..

8. The Florida Legislature recognized the hardship caused by requiring homeless developments to pay this amount of interest and revised the SAIL statute to reduce the interest rate on homeless developments 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 and/or variance of the rule will allow Liberty Center III to continue to operate, and will facilitate a new loan structure wherein the principal balance of the loan will amortize.

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(3)(c), and Section 420.507(22)(a)(2), F.S.* 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), Florida Statutes.* For the reasons set forth herein, Petitioner respectfully requests Florida Housing to grant the requested variance of Rule 9I-35.006(6), to provide forgiveness of all outstanding SAIL interest.

Type of Waiver/Variance

11. The variance would be permanent as to the Petitioner.

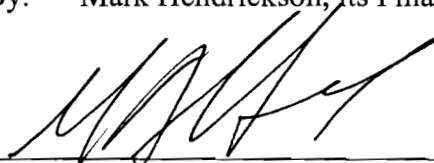
A copy of the Petition has been provided to the Joint Administrative Procedures Committee, Room 120, The Holland Building, Tallahassee, FL 32399-1300, as required by Section 120.542(5), Florida Statutes

Dated this 28th day of November, 2006.

PETITIONER

LIBERTY CENTER FOR THE HOMELESS, INC.

By: Mark Hendrickson, its Financial Advisor

A handwritten signature in black ink, appearing to read 'M. Hendrickson', written over a horizontal line.

MARK A. HENDRICKSON

Financial Advisor

Liberty Center for the Homeless, Inc.