BEFORE THE FLORIDA HOUSING FINANCE CORPORATION

ROLLING ACRES CLUB, L.L.L.P,

Petitioner,

APPLICATION NO. 2007-127S

vs.

FHFC CASE NO.: 2008-003 V W

FLORIDA HOUSING FINANCE CORP.,

Responden	
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<u>PETITION FOR WAIVER FROM FLORIDA</u> <u>ADMINISTRATIVE CODE RULE 67-48.004(14)</u>

ROLLING ACRES CLUB, L.L.L.P. ("Petitioner"), by and through its undersigned attorney, hereby petitions the Florida Housing Finance Corporation (the "Corporation") for a waiver from Rule 67-48.004(14), Florida Administrative Code ("FAC"). This Petition is filed pursuant to Section 120.542, Florida Statutes and Chapter 28-104, Florida Administrative Code.

THE PETITIONER

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

Rolling Acres Club, L.L.L.P. c/o Atlantic Housing Partners 329 North Park Avenue, Suite 300 Winter Park, Florida 32789 407-741-8500 (telephone) (407) 551-2353 (facsimile)

2. The address, telephone and facsimile number of Petitioner's attorney is:

Kerey Carpenter AHG Group, LLC 1551 Sandspur Road Maitland, Florida 32751 407-741-8534 (direct line) 407-551-2353 (facsimile) 3. Petitioner successfully applied for financing from the State Apartment Incentive Loan ("SAIL") Program in the 2007 Universal Application Cycle that the Corporation administers pursuant to Chapter 67-48, Florida Administrative Code. The Petitioner's Application Number is 2007-127S (the "Application"). Petitioner applied for SAIL funds to finance a portion of the costs to develop a multi-family rental apartment community in Lake County, Florida, to be known as Rolling Acres - Phase I (the "Development"). At the time of the Application, it was anticipated that the Development would be an 88-unit apartment community consisting of 28 two bedroom and 60 three bedroom units.

THE RULES FROM WHICH A WAIVER IS SOUGHT

- 4. Petitioner requests a waiver from Rule 67-48.004(14) (j), as in effect for the 2007 Universal Application Cycle. Rule 67-48.004(14) provides in relevant part as follows:
 - (14) Notwithstanding any other provision of these Rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of the Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempt to make changes to these items will not be accepted. Those items are as follows:
 - (j) Total number of units;

STATUTES IMPLEMENTED BY THE RULE

- 5. The Rule implements, among other sections of the Florida Housing Finance Corporation Act¹, the statute that created the SAIL program. Section 420.5087, Florida Statutes.
- 6. The Corporation has authority pursuant to Section 120.542(1), Florida Statutes and Chapter 28-104, F.A.C. to grant waivers to its rule requirements when strict application of such rules would lead to unreasonable, unfair and unintended consequences in particular instances. Waivers shall be granted when the person subject to the rule demonstrates that

¹ The Florida Housing Finance Corporation Act is set forth in Section 420.501 through 420.526, Florida Statutes.

application of the rule would (1) create a substantial hardship or violate principals of fairness, and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. Section 120.542(2), Florida Statutes.

FACTS DEMONSTRATING ENTITLEMENT TO WAIVER

- 7. The provisions of the foregoing Rule prohibit a change in the total number of units and a change in the funding request amount. For the reasons set forth below, compliance with the foregoing provisions of the aforementioned Rule would give rise to substantial hardship to Petitioner and would violate principles of fairness.
- 8. The original SAIL application filed by Petitioner reflected an 88-unit apartment community consisting of 28 two bedroom and 60 three bedroom units. Petitioner desires to increase the size of development to 104 units consisting of 8 one bedroom, 20 two bedroom and 76 three bedroom units. The proposed increase in units was made possible by final architectural and engineering designs which provided an opportunity to increase the number of units in the Development. The proposed changes to Rolling Acres Phase I would have had no impact on the application's scoring, thus providing Petitioner with no advantage over its competitors.
- 9. In light of the considerable time that it takes to develop and construct multifamily rental housing, FHFC's statutes and rules are designed to allow the flexibility necessary to respond to changed circumstances, particularly when the change results in an improvement to the Development and a higher than anticipated number of affordable housing units being made available to serve with limited means. FHFC routinely approves such changes when they would not have otherwise affected the scoring of the application, because the Applicant thus derives no unfair advantage over its competitors in an application cycle. Indeed, the specific purpose of Rule 67-48.004(14) is to prevent an applicant from changing certain key elements in its

application after reviewing the applications of its competitors, thereby allowing the applicant to gain a possible advantage.

10. As explained above, the project changes requested by Petitioner increase the number of units being provided and they would have had no impact on the application's scoring, thus providing Petitioner with no advantage over its competitors.

WAIVER WILL SERVE THE UNDERLYING PURPOSE OF THE STATUTE

- 12. FHFC's approval of the requested waiver would serve the purpose of the underlying Florida Statute, Section 420.5087, as well as the SAIL Program. The purpose of both the Statute and the program is to facilitate and stimulate the development of multi-family rental housing that is affordable to families of limited means. If the requested waiver is granted, the SAIL funds in question will be used to fund an increased number of affordable multi-family rental housing units for which there is a desperate need in Lake County, Florida.
- 13. The violation of principles of fairness and imposition of a substantial hardship that would result from strict compliance with the provisions of FAC Rule 67-48.004(14) is obvious.
- 14. By granting a waiver and permitting Petitioner to increase the total number of units, Respondent would recognize the economic realities of developing and constructing affordable rental housing. This recognition would promote participation by owners and developers such as Petitioner in meeting Respondent's purpose by providing affordable housing, through new construction, in an economical and efficient manner.

TYPE OF WAIVER

15. The waiver being sought is permanent in nature.

ACTION REQUESTED

16. Petitioner requests a waiver from Rule 67-48.004(14) to permit a change in the total number of units from an 88-unit apartment community consisting of 28 two bedroom and 60 three bedroom units to 104 units consisting of 8 one bedroom, 20 two bedroom and 76 three bedroom units.

Respectfully submitted this ______day of February, 2008.

Kerey Carpenter AHG Group, LLC 1551 Sandspur Road Maitland, Florida 32751 407-741-8534 (direct) 407-551-2353 (facsimile) kearpenter@ahg-group.com Florida Bar No. 963781 Attorney for Petitioner

CERTIFICATE OF SERVICE

I hereby certify that an original and one copy of the foregoing have been filed with Corporation Clerk of the Florida Housing Finance Corporation, 227 North Bronough Street, Suite 5000, Tallahassee, Florida, 32301; and that a true and correct copy of the foregoing has been furnished to the Joint Administrative Procedures Committee, Room 120, The Holland Building, Tallahassee, Florida 32399-1300.

Kerey Carpenter