

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

In Re: MONTEREY LAKE
LIMITED PARTNERSHIP

FHFC Case No. : 2005-003VW

**ORDER GRANTING PETITION FOR VARIANCE
OF RULE 67-21.008(1)(b), FLORIDA ADMINISTRATIVE CODE**

THIS CAUSE came for consideration and final action before the Board of Directors of Florida Housing Finance Corporation on June 10, 2005, pursuant to a Petition for Variance of Rule 67-21.008(1)(b), F.A.C., (the "Petition"). Florida Housing Finance Corporation ("Florida Housing") received the Petition on April 28, 2005, from Monterey Lake Limited Partnership ("Monterey Lake"). On May 13, 2005, the Notice of the Petition was published in Volume 31, Number 19, of the Florida Administrative Weekly. Florida Housing did not receive any comments regarding the Petition. After careful review of the record and being otherwise fully advised in the premises, the Board of Directors (the "Board") of Florida Housing hereby finds:

1. The Board has jurisdiction over the subject matter of this case and the parties hereto.
2. Monterey Lake is the developer of the Monterey Lake, a 504 unit apartment complex ("The Development"), which is being funded with \$21,965,000 in Multifamily Mortgage Revenue Bonds awarded by Florida Housing in 1985.
3. Monterey Lake has applied for 2005 Series Multifamily Mortgage Revenue Refunding Bonds ("MMRB") financing in order to refinance the Development. The financing structure for the Development consists of a first mortgage loan from Florida Housing for tax-exempt MMRB proceeds, with credit enhancement being provided from Freddie Mac.

FILED WITH THE CLERK OF THE FLORIDA
HOUSING FINANCE CORPORATION

M. O'Connell /DATE: 4/14/05

4. Monterey Lake seeks a variance of the requirement that the commencement date for the amortization of the MMRB refinancing loan begin on the earlier of 36 months after closing, stabilized occupancy or conversion to permanent financing under the loan documents, for a period of ten years.

5. Section 120.542(2), Florida Statutes provides in pertinent part:

Variations and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.

6. Rule 67-21.008(1)(b), Florida Administrative Code, states in pertinent part:

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

(b) Provide for a fully amortized payment of the Mortgage Loan in full beginning on the earlier of 36 months after closing, or stabilized occupancy, or conversion to permanent financing under the loan documents and ending no later than the expiration of the useful life of the property, and in any event, no later than 45 years from the date of the Mortgage Loan.

7. As grounds for granting this variance, Monterey Lake states that the new MMRB loan is in the same amount as the MMRB loan that it is replacing. The existing MMRB loan was issued with no amortization, and that the appraised value of the Development being pledged as collateral is more than twice the value of the proposed MMRB loan.

8. The purpose of the underlying statute will be served by granting this variance, in that granting this variance will further Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida. The AAA credit rating of Freddie Mac provides bondholders and Florida Housing with the assurance of principal safety for this project. Freddie Mac has structured the credit enhancement, so that after the first ten years, the remaining term of the enhancement will call for a match of the bond and amortization, a period of twenty years.

9. Moreover, not granting this variance will create a substantial hardship for Monterey Lake, in that it will be subjected to negative and unintended economic effects from having to pay the fully amortized payment and would affect the viability of the Development to remain as affordable housing in southwest Orange County, Florida.

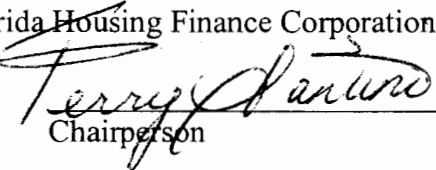
IT IS THEREFORE ORDERED:

The Petition for Variance of Rule 67-21.008(1)(b), Florida Administrative Code, is hereby **GRANTED** for a period of ten years from the date of the closing of the MMRB refinancing loan.

DONE and ORDERED this 10th day of June, 2005.

Florida Housing Finance Corporation

By:


Chairperson

Copies furnished to:

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Mr. Stephen G. Palms
Executive Vice President
Monterey Lake Limited Partnership
320 North Main Street, Suite 200
Ann Arbor, MI 48104

Joint Administrative Procedures Committee
Attention: Ms. Yvonne Wood
120 Holland Building
Tallahassee, Florida 32399-1300

NOTICE OF RIGHTS

A PARTY WHO IS ADVERSELY AFFECTED BY THIS FINAL ORDER IS ENTITLED TO JUDICIAL REVIEW PURSUANT TO SECTION 120.68, FLORIDA STATUTES. REVIEW PROCEEDINGS ARE GOVERNED BY THE FLORIDA RULES OF APPELLATE PROCEDURE. SUCH PROCEEDINGS ARE COMMENCED BY FILING ONE COPY OF A NOTICE OF APPEAL WITH THE AGENCY CLERK OF THE FLORIDA HOUSING FINANCE CORPORATION, 227 NORTH BRONOUGH STREET, SUITE 5000, TALLAHASSEE, FLORIDA 32301-1329, AND A SECOND COPY, ACCOMPANIED BY THE FILING FEES PRESCRIBED BY LAW, WITH THE DISTRICT COURT OF APPEAL, FIRST DISTRICT, 300 MARTIN L. KING, JR., BOULEVARD, TALLAHASSEE, FLORIDA 32399-1850, OR IN THE DISTRICT COURT OF APPEAL IN THE APPELLATE DISTRICT WHERE THE PARTY RESIDES. THE NOTICE OF APPEAL MUST BE FILED WITHIN THIRTY (30) DAYS OF RENDITION OF THE ORDER TO BE REVIEWED.