

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

In re: Golden Acres Redevelopment Phase II, Ltd.

Case No. 2007-038VW

**ORDER GRANTING PETITION FOR WAIVER OF PART II.A.2.a.(1) OF
THE RENTAL RECOVERY LOAN PROGRAM APPLICATION
INSTRUCTIONS (2006)**

THIS CAUSE came on for consideration and final action before the Board of Directors of Florida Housing Finance Corporation ("Florida Housing") on September 21, 2007, pursuant to a "Petition for a Waiver of Part II.A.2.a.(1) of the Rental Recovery Loan Program Application Instructions to Change Petitioner's Ownership Structure" (the "Petition"), filed by Golden Acres Redevelopment Phase II, Ltd. ("Petitioner") on August 17, 2007. Notice of the Petition was published in Volume 33, Number 35, of the Florida Administrative Weekly. Florida Housing received no 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. During the 2006 Rental Recovery Loan Program ("RRLP") Cycle, Golden Acres Redevelopment Phase II, Ltd. ("Petitioner") applied for Rental Recovery

FILED WITH THE CLERK OF THE FLORIDA
HOUSING FINANCE CORPORATION

D. Green /DATE. 10-29-07

Loan Program funds to finance the construction of Golden Villas (the “Development”), a 120-unit apartment development in Broward County, Florida.

3. The 2006 RRLP Application Instructions at Part II.A.2.a.(1)¹, provides in pertinent part:

...The Applicant Entity shall be the borrowing entity and cannot be changed until after loan closing. Replacement of the Applicant or a material change (33.3% or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in ownership structure of the named Applicant prior to this time shall result in disqualification from receiving an allocation and shall be deemed a material misrepresentation. Changes after loan closing require Board approval.

4. 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.

5. The Housing Authority of Pompano Beach Affordable Housing Corporation (the “Authority”) is a co-general partner of the Applicant entity². The Investor, MMA Financial, Inc. (the “Limited Partner”) requests that the Authority’s ownership interest in the Applicant entity be transferred to its wholly-owned, for-

¹ Rule 67ER06-27(1)(a) adopts and incorporates the RRLP Application instructions as rules.

² Applicant does not request any change in the other co-general partner, PHG-Golden Acres II, LLC.

profit subsidiary, HAPB-Golden Villas in order to avoid negative tax consequences to the Limited Partner.

6. These tax consequences to the Limited Partner would adversely affect the Development by reducing the equity contribution by the Limited Partner.

7. Petitioner has demonstrated that strict application of the above Rule under these circumstances would cause substantial hardship to Petitioner and violate the principles of fairness. Petitioner has further demonstrated that permitting this change in Development would also serve the underlying purpose of the statute.

8. The Board finds that strict application of the above Rule under these circumstances, where the Petitioner is attempting an innocuous change in the ownership structure of its general partner for tax purposes would cause substantial hardship to Petitioner and violate the principles of fairness. Permitting this change in Development would also serve the underlying purpose of the statute by ensuring the Limited Partner's equity contribution to the Development does not decrease.

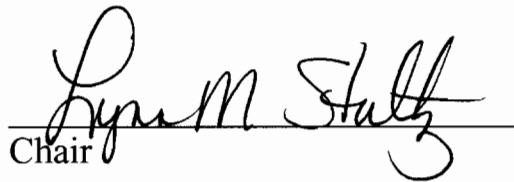
IT IS THEREFORE ORDERED:

The "Petition for a Waiver of Part II.A.2.a.(1) of the Rental Recovery Loan Program Application Instructions to Change Petitioner's Ownership Structure" is hereby **GRANTED** to permit Petitioner's co-general partner, the Housing Authority of Pompano Beach to transfer its ownership interest in the partnership to

HAPB-Golden Villas, its wholly-owned, for-profit subsidiary. All other relief requested in the Petition, if any, is denied.

DONE and ORDERED this 26th day of October, 2007.

Florida Housing Finance Corporation

By: 
Chair

Copies furnished to:

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Joint Administrative Procedures Committee
Attention: Ms. Yvonne Wood
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NOTICE OF RIGHTS

A PARTY WHO IS ADVERSELY AFFECTED BY THIS ORDER IS ENTITLED TO JUDICIAL REVIEW PURSUANT TO SECTIONS 120.542(8), 120.569, AND 120.57, FLORIDA STATUTES. SUCH PROCEEDINGS ARE COMMENCED PURSUANT TO CHAPTER 67-52, FLORIDA ADMINISTRATIVE CODE, BY FILING AN ORIGINAL AND ONE (1) COPY OF A PETITION WITH THE AGENCY CLERK OF THE FLORIDA HOUSING FINANCE CORPORATION, 227 NORTH BRONOUGH STREET, SUITE 5000, TALLAHASSEE, FLORIDA 32301-1329.