

BEFORE THE FLORIDA HOUSING FINANCE CORPORATION

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FLORIDA HOUSING
FINANCE CORPORATION

COMMUNITY CONNECTIONS OF JACKSONVILLE, INC.

Petitioner,

vs.

FHFC CASE NO. 2010-037VW

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent

**AMENDED
PETITION FOR WAIVER OF
RULES 9I-35.006(5) AND 9I-35.006(5)(B), FLORIDA ADMINSTRATIVE CODE**

Petitioner, by and through its undersigned counsel 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 as Respondent for a waiver of Rules 9I-35.006(5) and 9I35.006(5)(b), F.A.C (1994).

PETITIONER

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

Community Connections of Jacksonville, Inc.
327 E. Duval Street,
Jacksonville, FL 32202
904-350-9949
904-350-9775 (Fax)

THE RULE FROM WHICH WAIVER IS SOUGHT

2. The Petitioner seeks a waiver from the above described Rules 9I-35.006(5) and 9I-35.006(5)(b), F.A.C. (collectively, "Rule"), which provide:

"(5) If, in its application, the Applicant agrees to a very low income set-aside for a term longer that required by law, the deferred SAIL interest due pursuant to Rule 9I-35.006(10)

F.A.C. shall be forgiven in an amount equal to the amount of interest due pursuant to Rule 9I-35.006(10) 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.

...

(b)Only interest which is in excess of the base interest rates specified in Rule 9I-35.006(4)(d) shall be eligible for forgiveness.”

THE PETITIONER REQUESTS A WAIVER OF THE RULE SET FORTH ABOVE FOR THE FOLLOWING REASONS:

3. The Petitioner was awarded a \$288,200 SAIL Loan (the “Loan”) in connection with the renovations of the Florence N. Davis Center (the “Project”), a homeless housing facility located in Jacksonville, Florida. The term of the Loan commenced on December 28, 1995 and matures on June 28, 2012 (“Initial Maturity Date”).
4. The Petitioner has operated the Project as a homeless facility prior to the date of closing of the Loan, and consistently for that purpose since 1995, but the Project has not and does not generate sufficient cash flow to pay the deferred interest due under the Loan.
5. The Petitioner desires to continue operating the Project and has been negotiating with Respondent to forgive all deferred interest accrued under the SAIL Loan, to reduce the present interest rate to 0% and to re-amortize the outstanding principal balance of the SAIL Loan over an extended term of thirty five years from the Initial Maturity Date.
6. The repayment of the deferred interest, the payment at the existing interest rate of 9% and the requirement that the Loan be paid in full by June 28, 2012 would create a substantial hardship in that this Project serves homeless persons and it cannot generate sufficient income to pay the interest and principal due as presently required.
7. The Florida Legislature has recognized the hardship caused by requiring developments which serve homeless persons to pay this amount of interest and has revised the SAIL statute to include a homeless set aside and authorizes SAIL loans for homeless developments to be made at an interest rate of 0% to 3%, reduced from the 9% rate presently effective in the Loan. See Sections 420.507(22) (a) (1) and (2), 420.5087(3) (c) and 420.5087(6) (a), Florida Statutes. Likewise the Respondent, in its 2008 rules,

establishes a 0% interest on loans to developments that set aside at least 80% of the units for homeless residents. Rule 67-48.010(3) (a), F.A.C. (2009).

8. A waiver of the Rule will allow the Petitioner to continue to operate the Project and will facilitate a new loan structure wherein the outstanding principal balance of the Loan will be repaid in full over time.

A WAIVER WILL SERVE THE UNDERLYING PURPOSE OF THE STATUTE

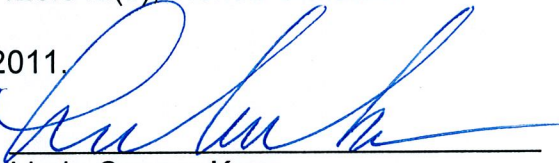
9. A waiver of the Rule will serve the purposes of the underlying statute. The Florida Legislature created a goal for Respondent to develop housing for the homeless with no less than 5% of the SAIL funds each year, and authorized the lower interest payments for such loans. Section 420.5087(3) (c) and Section 420.507(22) (a) (2), Florida Statutes. The statute also authorizes Respondent to renegotiate any mortgage loan with a borrower in default, to waive any default or consent to the modification of any mortgage loan. Section 420.507(17), Florida Statutes.
10. For the reasons set forth herein, Petitioner respectfully requests Respondent to grant the requested waiver of the Rule, to provide forgiveness of all outstanding SAIL interest and to permit a new loan structure with the principal balance amortized over an additional thirty five (35) year term at a 0% interest rate.

TYPE OF WAIVER

11. The waiver is requested to be permanent as to the Petitioner.

A copy of the Amended 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 17th day of February, 2011.



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