

STATE OF FLORIDA  
FLORIDA HOUSING FINANCE CORPORATION

WOODLAND PARK  
REDEVELOPMENT I, LLC

Petitioner,

CASE NO.: 2018-029VW

APPLICATION NO. 2016-008CS

v.

FLORIDA HOUSING FINANCE  
CORPORATION

Respondent.

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**PETITION FOR WAIVER OF RULE 67-48.0072(4)(c)**

Petitioner Woodland Park Redevelopment I, LLC, a Florida limited liability company (“Petitioner”) submits its Petition to Respondent Florida Housing Finance Corporation (the “Corporation”) for a waiver of certain provisions of its Request for Proposal 2015-106 (the “RFP”), and Rule 67-48.0072(4)(c)(2014), pertaining to the required closing date for a SAIL loan.

1. Pursuant to Section 120.542, Fla. Stat. (2017) and Rules 28-104.001 through 28-104.006, F.A.C., Petitioner requests a waiver of those portions of the RFP (described more fully herein) and of Rule 67-48.0072(4)(c) pertaining to the required closing date for a SAIL loan.

2. The name, address, telephone and facsimile numbers for Petitioner and its qualified representative are:

Woodland Park Redevelopment I, LLC  
c/o Pinnacle Housing Group, LLC  
9400 South Dadeland Boulevard  
Suite 100  
Miami, Florida 33156  
(305) 854-7100  
(305) 859-9858 (Fax)  
E-Mail: [David@pinnaclehousing.com](mailto:David@pinnaclehousing.com)

3. The name, address, telephone and facsimile numbers of Petitioner's attorneys are:

Gary J. Cohen, Esq.  
Shutts & Bowen LLP  
200 S. Biscayne Blvd., Ste. 4100  
Miami, Florida 33131  
305-347-7308 (telephone)  
305-347-7808 (telecopier)  
E-Mail: [gcohen@shutts.com](mailto:gcohen@shutts.com)

4. Pursuant to RFA 2015-106, Petitioner timely submitted its application for competitive housing credits and for loan funding under the State Apartment Incentive Loan program ("SAIL"). *See* Application Number 2016-008CS. Petitioner was preliminarily awarded SAIL funding, and received an invitation to enter credit underwriting on May 6, 2016. The invitation to credit underwriting represented a preliminary commitment for a SAIL loan in an amount up to \$3,840,000.00.

5. The proceeds of the above-referenced financing will be used for new construction of at least 96 low-income units (also financed with competitive 9% low-income housing credits) to be known as Woodland Park Phase I ("Development"). The Development will serve low-income residents in Gainesville, Alachua County, Florida.

6. Under Section 11.f. of Exhibit C to the RFA and Rule 67-48.0072(4)(c), the SAIL loan must close within twelve months of the date of the invitation to enter credit underwriting. Applicants may request one extension of up to twelve months. In the event the loan does not close by the end of the twelve-month extension period, the preliminary commitment or firm commitment, as applicable, for the SAIL loan will be deemed void and the funds will be de-obligated. Petitioner was previously granted a twelve-month extension to the closing deadline, extending such deadline to May 6, 2018.

7. Petitioner is requesting an extension of the SAIL loan closing date from May 6, 2018 to November 6, 2018, due to delays in the development process resulting from (i) the Administrative Complaint filed against certain of Petitioner's principals and affiliates on May 1, 2017, and the Temporary Order of Suspension subsequently entered by Respondent against those same principals and affiliates (both the Administrative Complaint and the Temporary Order of Suspension pertained to alleged actions unrelated to Petitioner's Application), and (ii) difficulty in securing equity financing after reduction in federal corporate income tax rates under the Tax Cuts and Jobs Act ("TCJA") enacted on December 22, 2017, which reduced pricing for low-income housing tax credits.

8. On September 22, 2017 a Settlement Agreement between Respondent and the above-referenced principals and affiliates was approved by Respondent. As a result, Petitioner may now freely move forward with the closing of the transaction with affiliates of Pinnacle Housing Group, LLC continuing as part of the ownership and development structure together with an affiliate of the Gainesville Housing Authority.

9. On October 27, 2017, Respondent granted Petitioner's request to exchange its allocation of 2016 low-income housing tax credits. It is anticipated that the Development will not be ready for commencement of construction and closing of SAIL funding until late 2018, due to the delays resulting from the Administrative Complaint and attributable to upheaval in the equity markets after the passage of TCJA.

10. The above-described delays were and are outside of Petitioner's control. But for such delays, Petitioner in good faith believed that the Development would have been ready for commencement of the construction and closing of the SAIL funding on or before May 6, 2018.

11. The requested waiver will not adversely affect the Development. A denial of the Petition, however, would (a) result in substantial economic hardship to Petitioner (as it has substantial funds at risk in this transaction); (b) deprive Gainesville and Alachua County of essential affordable rental units set aside for low-income and very-low income families, who need the housing which the Development will offer; and (c) violate principles of fairness.

12. Section 11.f. of Exhibit C of the RFP and Rule 67-48.0072(4)(c) sets forth the required timeline for closing upon SAIL financing. The loan must close within twelve months from the date of the invitation to enter credit underwriting, with Applicant able to request one extension up to twelve months. In the event the loan does not close by the end of the 12-month extension period, the preliminary commitment for SAIL funds will be deemed void and the funds will be deemed de-obligated. As discussed herein, Petitioner is requesting an additional extension of the SAIL loan closing date from May 6, 2018 to November 6, 2018, which request requires waiver of the foregoing rule. Petitioner respectfully requests that no further extension fee be imposed, given that the reason for the delay described herein was wholly outside of Petitioner's control.

13. The applicable Rule for which a waiver is requested is implementing, among other sections of the Florida Housing Finance Corporation Act (the "Act"),<sup>1</sup> the statute that created the SAIL loan program. *See* § 420.5087, Fla. Stat. (2017).

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<sup>1</sup> The Florida Housing Finance Corporation Act is set forth in Sections 420.501 through 420.517 of the Florida Statutes, (the "Act").

14. The requested waivers will ensure the availability of SAIL financing which will otherwise be lost as a consequence of development delays described herein.

15. The facts set forth in Sections 7 through 10 of this Petition demonstrate the hardship and other circumstances which justify Petitioner's request for Rule waiver; that is, the delay in commencement of construction of the Development attributable to the litigation described herein, the upheaval in the equity markets, the loss of a substantial sum of money should the transaction not go forward, and the loss of affordable housing for the low-income and very-low income families in Gainesville and Alachua County.

16. As demonstrated above, the requested waivers serve the purposes of Section 420.5087 and the Act as a whole, because one of their primary goals is to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income persons and households. Further, by granting the requested waivers, FHFC would recognize principles of fundamental fairness in the development of affordable rental housing.

17. The requested waivers will not adversely impact the Development or the Corporation.

18. The waivers being sought are permanent in nature.

Should the Corporation require additional information, Petitioner is available to answer questions and to provide all information necessary for consideration of its Petition.

WHEREFORE, Petitioner Woodland Park Redevelopment I, LLC, respectfully requests that the Corporation:

A. Grant the Petition and all the relief requested therein;

B. Waive the requirement that the SAIL loan close by May 6, 2018 and grant an extension of such closing date through November 6, 2018 with no further extension fee imposed; and

C. Award such further relief as may be deemed appropriate.



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GARY J. COHEN  
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200 S. Biscayne Blvd., Suite 4100  
Miami, Florida 33131  
(305) 347-7308  
ATTORNEYS FOR PETITIONER

**CERTIFICATE OF SERVICE**

The Original Petition is being served by facsimile and overnight delivery for filing with the Corporation Clerk of the Florida Housing Finance Corporation, 227 North Bronough Street, City Centre Building, Room 5000, Tallahassee, Florida 32399, with copies served by overnight delivery on the Joint Administrative Procedures Committee, Room 680, Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400 this ~~3rd~~ day of ~~March~~ April, 2018.

  
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GARY J. COHEN