

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

IN RE: REDDING DEVELOPMENT
PARTNERS, LLC

FHFC CASE NO.: 2018-073VW

ORDER GRANTING WAIVER OF RULE 67-48.002(95)

THIS CAUSE came on for consideration and final action before the Board of Directors of the Florida Housing Finance Corporation on November 2, 2018, pursuant to an “Amended Petition for Waiver” (“Petition”). Florida Housing Finance Corporation (“Florida Housing”) received a Petition for Waiver on October 1, 2018, and an Amended Petition for Waiver on October 2, 2018 from Redding Development Partners, LLC (“Petitioner”). Notice of the Petition was published on October 3, 2018, in Volume 44, Number 193, of the Florida Administrative Register. 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. Petitioner successfully applied for an award of competitive housing credits under RFA 2015-106 to assist in financing the construction of a development known as Redding Redevelopment (the “Development”).

FILED WITH THE CLERK OF THE FLORIDA
HOUSING FINANCE CORPORATION

Thomas Delamater / DATE: 11/7/18

3. Petitioner requests waiver of Rule 67-48.002(95), Fla. Admin. Code and subsection II.K of the 2015 Qualified Allocation Plan (“QAP”), which provides as follows:

Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required or it is apparent that a Development will not be placed in service by the date required, and such failure is due to circumstances beyond the Applicant’s control, **and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service**, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may allocate such Housing Credits to the Applicant for the year after the year in which the Development was otherwise required to be placed in service, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

(emphasis supplied).

4. Petitioner has been previously granted an exchange of its credits in Florida Housing case number 2017-074VW, thereby exchanging its 2016 credits for 2017 credits and extending the placed in-service deadline from 2018 to 2019.

5. Petitioner now requests a waiver of the above provision of the 2015 QAP, to permit it to exchange its 2017 credits for an allocation of 2018 credits now, rather than wait until the last quarter of 2019.

6. Escalation of construction pricing required a lengthy process of restructuring the Development to mitigate the increased costs and the equity investor will not close on financing without an extension of the placed in-service deadline.

7. Petitioner anticipates that the Credit Underwriting Report will be submitted to the Board in December 2018 with all closings to follow immediately thereafter.

8. Petitioner has agreed to commence construction by May 1, 2019.

9. The Board finds that granting the waiver will not impact other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development.

10. 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.

11. Petitioner has demonstrated that the waiver is needed in order to efficiently serve elderly persons and that, if the waiver were not granted, Petitioner would suffer a substantial hardship. Petitioner has also demonstrated that the

purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

12. The Board finds that strict application of the above Rule and QAP provision under these circumstances would cause substantial hardship to Petitioner and violate the principles of fairness. Granting this request furthers Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida.

IT IS THEREFORE ORDERED:

Petitioner’s request for a waiver of Rule 67-48.002(95), Fla. Admin. Code and Section II.K. of the 2015 QAP is GRANTED to permit Petitioner to exchange its 2017 credits for allocation of 2018 credits now rather than in the last calendar quarter of 2019.

DONE and ORDERED this 6th day of November 2018.

Florida Housing Finance Corporation



By:

A handwritten signature in blue ink, appearing to read "Ray E. DeBuge".
Chair

Copies furnished to:

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NOTICE OF RIGHT TO JUDICIAL REVIEW

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.