

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

CASE NO. 2006 - 002

HPT-CYPRESS GROVE ASSOCIATES, LTD.
a Florida Limited Partnership,

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent.

**PETITIONER HPT-CYPRESS GROVE'S PETITION FOR WAIVER OF
RULE 67-48.004(14)(d) AND PART II. A.2(b), OF THE UNIVERSAL
INSTRUCTIONS TO CHANGE STATUS FROM NON-PROFIT TO FOR-
PROFIT ENTITY**

Petitioner HPT-Cypress Grove Associates, Ltd., a Florida limited partnership ("Applicant" or "HPT-Cypress Grove"), petitions Respondent Florida Housing Finance Corporation (the "Corporation") for a waiver of the Corporation's prohibition on changing status of an applicant designated as a non-profit entity for obtaining loan proceeds and throughout the development process. *See* Rule 67-48.004(14)(d), F.A.C. (the "Rule") and Part II, A.2.(b), Universal Application Instructions - Multifamily Mortgage Revenue Bonds Program ("Universal Instructions"). In support of its Petition, HPT-Cypress Grove states:

1. HPT-Cypress Grove, f/k/a Reliance-Cypress Grove Associates, Ltd., entered into a contract to purchase an 814-unit apartment rental complex (the "Development" or "Project") located in Lauderhill, Broward County, Florida. Intending to acquire and rehabilitate the Project

by using, in part, proceeds from the State Apartment Incentive Loan Program (“SAIL”), a Universal Application in the 2004 cycle for \$2 million, in SAIL loan proceeds, was timely submitted.

2. At that time, it was envisioned that the Project would be acquired and substantially renovated through the use of SAIL loan proceeds and equity raised by the sale of tax credits to a tax credit investor. The tax credits would be available to the Project by virtue of financing being obtained, i.e., tax exempt bonds to be issued by the Broward County Housing Finance Authority.

3. On November 2, 2004, Applicant’s predecessor sought a waiver to modify its ownership structure by substituting a non-related member for the sole member of Applicant’s general partner, and to change its name as well as the name of its general partner identified in the Universal Application. A true and correct copy of the November 2, 2004 Petition for Rule Waiver is attached as Exhibit A.

4. On December 6, 2004, the Corporation granted the requested waiver and, as a result, (a) the sole member of the general partner was replaced with Housing Preservation Trust, Inc. (“HPT”), a Florida not for profit corporation that was applying for 501(c)(4) status as defined in Rule 67-48.002(81), F.A.C.; (b) changed Applicant’s name from Reliance-Cypress Grove Associates, Ltd. to HPT-Cypress Grove Associates, Ltd.; and (c) changed its general partner from Reliance-Cypress Grove, LLC to HPT-Cypress Grove, LLC. A true and correct copy of the Order Granting Petition for Waiver of Rule 67-50.005(b), Florida Administrative Code, is attached hereto as Exhibit B.

5. HPT applied for 501(c)(4) status, and has diligently complied with all requirements for and requests, if any, from the Internal Revenue Service (“IRS”). As of this date, however, HPT-Cypress Grove has not received the IRS determination letter (“Determination Letter”), and there are no assurances that HPT will obtain non-profit status. Moreover, it may be a minimum of six months before IRS would issue its Determination Letter.
6. HPT-Cypress Grove’s credit underwriting report has been approved, and with the exception of the Determination Letter, all other conditions for closing on the SAIL loan have been satisfied.
7. Consequently, waivers are requested from the Corporation to allow a modification of HPT-Cypress Grove’s status from non-profit entity to for-profit entity and thereby enable HPT-Cypress Grove to close on the SAIL loan. The requested waiver will not adversely impact the Project. However, the denial of the requested waivers will create a substantial hardship for HPT-Cypress Grove by frustrating the purpose of the SAIL program, delaying planned renovations to the Project and thereby adversely impacting the Project.
8. The name, address, telephone and facsimile numbers of the Petitioner are:

HPT-Cypress Grove Associates, Ltd.
Attention: Deborah Dozier Blinderman
805 East Broward Boulevard, Suite 200
Fort Lauderdale, Florida 33301
Telephone: 954-927-4545
Facsimile: 954-764-7860
E-mail:dblinderman@reliancehousing.org

The name, address, telephone and facsimile numbers of HPT-Cypress Grove’s attorneys are:

Brian J. McDonough, Esquire
Mimi L. Sall, Esquire
STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.

Suite 2200
Museum Tower
150 West Flagler Street
Miami, Florida 33130
Telephone: 305 - 789-3200
Facsimile: 305 - 789-3395
E-mail: bmcdonough@swwmwas.com

9. The Florida Housing Finance Corporation Act¹ designates the Corporation as the State of Florida administrator for the SAIL program to establish application procedures for mortgage loans to provide housing affordable to very-low-income persons (the “Procedures”). §§420.501, 420.507 and 420.5087, Fla. Stat. (2001). These Procedures are established in Rule Chapter 67, Florida Administrative Code. Accordingly, as set forth below, the Rule subject to HPT-Cypress Grove’s waiver request are implementing, among other sections of the Act, the statutory authorization for the Corporation’s establishment of Procedures for the SAIL program.

Id. The prohibition on changing an HPT-Cypress Grove’s status from non-profit entity is found in Rule 67-48.004(14) which provides:

Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and **cannot be revised, corrected or supplemented after the Application Deadline**. Failure to submit these items in the Application at the time of the Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:

...

(d) Applicant applying as a Non-Profit or for-profit organization;

(emphasis added).

¹The Florida Housing Finance Corporation Act is set forth in Sections 420.501 through 420.516 of the Florida Statutes (the “Act”). See also Rule 67-40.020(1), F.A.C. (“‘Act’ means the Florida Housing Finance Corporation Act, section 420.501 through 420.516 of the Florida Statutes”).

10. Additionally, the Universal Instructions also require that “[i]f the Applicant applies as a Non-Profit entity it must remain a Non-Profit entity.” Part II, A.2.(b), Universal Application Instructions.

11. Under Rule 67-48.002(111), F.A.C., the Universal Instructions are adopted and incorporated into the administrative rules governing the Corporation as follows:

the forms and *instructions* obtained from the Corporation at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the ...Program.... ***The Universal Application Package is adopted and incorporated herein by reference, effective on the date of the latest amendment to the rule chapter.*** (Emphasis added).

As a result, the requirement to remain a non-profit entity is expressly incorporated into the Corporation’s administrative rules.

12. HPT-Cypress Grove’s requested waivers are required so that its Project can close on essential financing necessary for the rehabilitation of the Project that is of critical importance for low income families in Broward County, Florida. The following facts demonstrate the circumstances that justify the Rule waivers for this SAIL application:

- a. In the Universal Application, HPT-Cypress Grove’s predecessor applied as a non-profit organization. *See* Universal Application at Part II, A.2.c. and Part II, A.2.c.(2)(c) and (d).
- b. Although there was no advantage to a non-profit designation and a for-profit designation would not have altered its score, in its November 2, 2004 Petition for Rule Waiver, HPT-Cypress Grove advised that its general partner’s sole member, HPT, in fact, was a Florida non-profit entity applying for 501(c)(4) status.
- c. Based on prior experience, HPT-Cypress Grove had a good faith belief that the IRS would issue its Determination Letter before the SAIL loan was ready for closing.

- d. Although HPT-Cypress Grove has diligently pursued the non-profit determination, HPT-Cypress Grove has learned that IRS's determination would not be issued, if at all, for another six months. Consequently, without the requested waivers, HPT-Cypress Grove will be unable to close on its SAIL loan.
- e. By granting the requested waivers, HPT-Cypress Grove will be able to proceed with the rehabilitation of the Project in an efficient, economical manner. As a result, 814 affordable residential housing units will be improved and remain available for low-income families in Lauderhill, Florida.

13. As demonstrated above, the requested Rule and Universal Instruction waivers serve the purposes of Section 420.5087 and the Act, as a whole, because one of their primary goals is to provide "first, second, or other subordinated mortgage loans or loan guarantees to sponsors, including for-profit, nonprofit, and public entities, to provide housing affordable to very-low-income persons."

14. Further, by granting the requested Rule and Universal Instruction waivers, the Corporation would recognize principles of fundamental fairness in the development of such affordable rental housing. This recognition would promote participation by experienced developer entities in meeting the purpose of the Act by taking advantage of existing resources, i.e., older rental apartment complexes, rehabilitating the housing units and providing desperately needed affordable housing.

15. The requested waiver will not adversely impact the Project or the Corporation.

16. As HPT-Cypress Grove continues to seek its 501(c)(4) designation, the waiver being sought may be temporary in nature.

Should the Corporation require additional information, HPT-Cypress Grove is available to answer any questions and to provide any additional information necessary for consideration of this Petition.

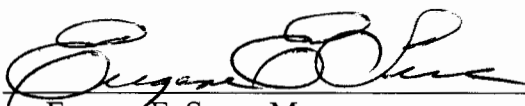
WHEREFORE, Petitioner HPT-Cypress Grove Associates, Ltd., respectfully requests that the Corporation:

- A. Grant the Petition and all the relief requested herein;
 - B. Waive the requirement that HPT-Cypress Grove remain a Non-Profit entity,
 - C. Modify the Application to reflect a change in HPT-Cypress Grove's status from Non-Profit to for-profit entity;
 - D. Allow HPT-Cypress Grove to close on its SAIL loan without the 501(c)(4) status;
- and
- E. Grant such further relief as may be deemed appropriate.

Respectfully submitted,

HPT-Cypress Grove Associates , Ltd., a Florida limited partnership

By: HPT-Cypress Grove, LLC, a Florida limited liability company, its general partner

By: 
Eugene E. Serra, Manager

CERTIFICATE OF SERVICE

The Original Petition is being served by facsimile and overnight delivery for filing with the Corporation Clerk for the Florida Housing Finance Corporation, 227 N. Bronough Street, Tallahassee, Florida 32301, with copies served by overnight delivery on the Joint Administrative

Procedures Committee, Room 120, The Holland Building, Tallahassee, Florida 32399-1300, on
February 14th, 2006.



Eugene E. Serra

cc: Joint Administrative Procedures Committee (via overnight deliver with encl.)

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

CASE NO. _____

RELiance-CYPRESS GROVE ASSOCIATES, LTD.
a Florida Limited Partnership,

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent.

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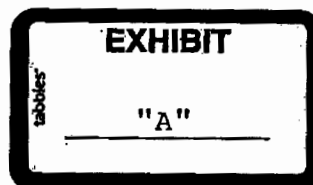
FLORIDA HOUSING
FINANCE CORPORATION

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**PETITIONER RELIANCE-CYPRESS GROVE'S PETITION FOR WAIVER
OF RULE 67-48.004(14)(a) AND PART II. A.2., OF THE GENERAL
INSTRUCTIONS FOR A CHANGE IN THE APPLICANT'S OWNERSHIP
STRUCTURE AND TO CHANGE THE NAMES OF APPLICANT AND ITS
GENERAL PARTNER**

Petitioner Reliance-Cypress Grove Associates, Ltd., a Florida limited partnership ("Applicant" or "Reliance-Cypress Grove"), petitions Respondent Florida Housing Finance Corporation (the "Corporation") for a waiver of the Corporation's prohibition on changes of an applicant's ownership structure and of an applicant's and that of its general partner. See Rule 67-48.004(14)(a), F.A.C. (the "Rule"); and Part II, A.2.(a)(2), Universal Application Instructions - Multifamily Mortgage Revenue Bonds Program ("Universal Instructions"). In support of its Petition, Reliance-Cypress Grove states:

1. Reliance-Cypress Grove entered into a contract to purchase an 814-unit apartment rental complex (the "Development" or "Project") located in Lauderdale, Broward County, Florida. Intending to acquire and rehabilitate the Project, in part, using proceeds from the State Apartment



Incentive Loan Program ("SAIL"), Applicant timely submitted its Universal Application in the 2004 cycle for \$2,000,000, in SAIL loan proceeds.

2. At that time, it was envisioned that the Project would be acquired and substantially renovated by Applicant through the use of tax exempt bond financing SAIL loan proceeds and equity raised by the sale of tax credits to a tax credit investor. The tax credits would be available to the Project by virtue of the form of financing being obtained by Applicant---tax exempt bonds to be issued by the Broward County Housing Finance Authority.

3. Subsequent to the filing of its application and prior to its closing on the September 2004 acquisition of the Project, Applicant was advised that its tax credit investor would not proceed with its approximately \$15,000,000 investment in the Project unless Applicant's ownership structure was modified by substituting a non-related member for the sole member of Applicant's general partner, as identified in the Universal Application. To reflect the changes in the ownership structure required by its tax credit investor and to provide further comfort to its tax credit investor relative to the related party rule, Applicant also seeks to change its name as well as the name of its general partner, as identified in the Universal Application.

4. Consequently, a waiver of the applicable Rules and Universal Instruction is necessary to (a) replace the sole member of the general partner with Housing Preservation Trust, Inc., a Florida not for profit corporation that is applying for 501(c)(4) status; and (b) change the names of Applicant from Reliance-Cypress Grove Associates, Ltd. to HPT-Cypress Grove Associates, Ltd. ("HPT Associates") and its general partner from Reliance-Cypress Grove, LLC to HPT-Cypress Grove, LLC.

5. Reliance Housing Services, LLC (the "Developer") will remain as the Project's developer.

6. The requested waiver to change Applicant's ownership structure and the names of Applicant and its general partner will not adversely impact the Project because the Developer has the requisite expertise and experience to successfully rehabilitate, operate, maintain and manage affordable rental housing projects. However, the denial of the requested waiver will create a substantial hardship for Reliance-Cypress Grove by frustrating the purpose of the SAIL program because a portion of the planned renovations to the Project could not proceed and thereby adversely impacting the Project.

7. The name, address, telephone and facsimile numbers of the Petitioner are:

Reliance-Cypress Grove Associates, Ltd.
Attention: Deborah Dozier Blinderman
516 N.E. 13th Street
Fort Lauderdale, Florida 33304
Telephone: 954-927-4545
Facsimile: 954-764-7860
E-mail: dblinderman@reliancehousing.org

The name, address, telephone and facsimile numbers of the Applicant's attorneys are:

Brian J. McDonough, Esquire
Mimi L. Sall, Esquire
STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.
Suite 2200
Museum Tower
150 West Flagler Street
Miami, Florida 33130
Telephone: 305 - 789-3200
Facsimile: 305 - 789-3395
E-mail: bmcdonough@swmwas.com

8. The Florida Housing Finance Corporation Act¹ designates the Corporation as the State of Florida administrator for the SAIL program to establish application procedures for mortgage loans to provide housing affordable to very-low-income persons (the "Procedures"). §§420.501, 420.507 and 420.5087, Fla. Stat. (2001). These Procedures are established in Rule Chapter 67, Florida Administrative Code. Accordingly, as set forth below, the Rules subject to Reliance-Cypress Grove's waiver request are implementing, among other sections of the Act, the statutory authorization for the Corporation's establishment of Procedures for the SAIL program. *Id.*

9. The prohibition on changing an applicant's name is found in Rule 67-48.004(14)(a).

10. The prohibition on changing an applicant's ownership structure is not found in either Chapter 420, Florida Statutes, or in the administrative rules governing the Corporation. Instead, the limitation is found in the Universal Instruction which provides that when an applicant is:

[A]pplying for MMRB, SAIL or HOME, Applicant shall be the borrowing entity and ***cannot be changed until after loan closing. Replacement of Applicant or a material change*** (33.3% or more of Applicant, a General Partner of Applicant, or a member of Applicant) in the ownership structure of the named Applicant prior to this time shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval. (Emphasis added).

Part II, A.2,(a)(2), Universal Application Instructions.

11. Under Rule 67-48.002(111), F.A.C., the Universal Instruction that is the basis for the requested change of the ownership's structure is adopted and incorporated into the administrative rules governing the Corporation as follows:

¹The Florida Housing Finance Corporation Act is set forth in Sections 420.501 through 420.516 of the Florida Statutes (the "Act"). See also Rule 67-40.020(1), F.A.C. ("Act" means the Florida Housing Finance Corporation Act, section 420.501 through 420.516 of the Florida Statutes").

the forms and *instructions* obtained from the Corporation at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the ...Program.... *The Universal Application Package is adopted and incorporated herein by reference, effective on the date of the latest amendment to the rule chapter.* (Emphasis added).

As a result, the prohibition on changing an applicant's ownership structure through the replacement of a member of the general partner is expressly incorporated into the Corporation's administrative rules.

12. Applicant's requested waivers are required so that its Project qualifies for critical financing necessary to finance the rehabilitation of the Project needed for low income families in Broward County, Florida. The following facts demonstrate the circumstances that justify the Rule waivers for this SAIL application:

- a. When the Universal Application was submitted, the Applicant's anticipated tax credit investor and the Applicant believed the structure of the entity, set forth in the Universal Application, was acceptable for all parties concerned;
- b. In the Universal Application, the structure of the Applicant provided for Reliance-Cypress Grove, LLC to act as the general partner of the Applicant, with Reliance Housing Foundation, Inc. ("RHF"), a qualified non-profit as defined in Section 42 of the Code, as its sole member. Reliance Housing Services, LLC, whose sole member is RHF, is identified in the Application as the Project's Developer;
- c. As the acquisition of the Project proceeded, the tax credit investor and its counsel expressed concern over the relationship between the Project's prior owner, Reliance-Sandalgrove, LLC, and the Applicant. Reliance-Sandalgrove, LLC was owned 100% by RHF who was its sole member. It was anticipated that RHF would own .01% of the Applicant by virtue of its general partner ownership interest in the Applicant. However, it was contemplated, as in many tax credit transactions, that RHF, as the general partner or otherwise, would receive significantly more than .01% of various items of partnership income. Under the related party rules of the Internal Revenue Code (Sections 42 and 707) ("Related Party Rule"), the property for which an acquisition credit is being claimed, the Project in this case, can not have been acquired by the Applicant from an entity that continues to have more than a 10% interest in the capital or profits of the Applicant.

- d. Because RHF owned all of the selling entity and could have an interest in excess of 10% in certain partnership items of the Applicant, counsel for the tax credit investor advised that the Related Party Rule presented a problem that, if not remedied to its satisfaction, would preclude the tax credit investor from investing in the Project.
- e. To resolve the related party issue and ensure the viability of acquisition credits on an approximate \$34,000,000 acquisition, the tax credit investor has required the Applicant to change its ownership structure by replacing its general partner's sole member with HPT. To reflect the change in the Applicant's ownership structure, the names of the Applicant and its general partner would be changed to HPT-Cypress Grove Associates, Ltd. HPT-Cypress Grove, LLC, respectively;
- f. RHF continues to manage and develop the Project through its affiliate, Reliance Housing Services, LLC.
- g. The Applicant recognizes that the replacement of RHF as the sole member of its general partner results in a change of more than 33.3% of the ownership of the general partner of the Applicant. Unfortunately, the only available solution to the related party issue that allowed the Applicant to acquire the Project and remain eligible for acquisition tax credits to protect the viability of the Project has now created the necessity for Rule waivers from the Corporation.
- h. The replacement of RHF's interest in the Applicant's general partner did not result in any economic benefit to the Applicant, i.e., no consideration was either paid or promised in the future. In fact, RHF suffered an economic loss on a mid to long term basis by giving up the stream of cash flow payable to the Project's general partner;
- i. The new member, HPT, a Florida not for profit corporation, has applied to receive its 501(c)(4) designation, and the Applicant agrees that the award of the SAIL loan would be contingent on HPT obtaining such status;
- j. The change in the Applicant's ownership structure was necessitated by requirements imposed by its tax credit investor. The Applicant did not actively seek such change. However, the failure to make the change required by the tax credit investor would have caused the proposed transaction to terminate as the Applicant could not obtain a confirming opinion that the acquisition credits, from which was raised approximately \$12,000,000 of the approximately \$15,000,000 in tax credit equity, would not be subject to recapture if reviewed by the IRS; and
- k. By granting the requested Rule waivers, the Applicant will be able to proceed with the rehabilitation of the Project in an efficient, economical manner. As a result, 814 affordable residential housing units will be improved and remain available for low-income families in Lauderhill, Florida.

13. As demonstrated above, the requested Rule and Universal Instruction waivers serve the purposes of Section 420.5087 and the Act, as a whole, because one of their primary goals is to provide “first, second, or other subordinated mortgage loans or loan guarantees to sponsors, including for-profit, nonprofit, and public entities, to provide housing affordable to very-low-income persons.”

14. Further, by granting the requested Rule and Universal Instruction waivers, the Corporation would recognize principles of fundamental fairness in the development of such affordable rental housing. This recognition would promote participation by experienced developer entities in meeting the purpose of the Act by taking advantage of existing resources, i.e., older rental apartment complexes, rehabilitating the housing units and providing desperately needed affordable housing.

15. The requested waivers will not adversely impact the Project or the Corporation.

16. The waivers being sought are permanent in nature.

Should the Corporation require additional information, Reliance-Cypress Grove is available to answer any questions and to provide any additional information necessary for consideration of this Petition.

WHEREFORE, Petitioner Reliance-Cypress Grove Associates, Ltd., respectfully requests that the Corporation:

A. Consider this Petition in conjunction with Reliance-Cypress Grove Associates, Ltd.’s Uniform Application for the Corporation’s State Apartment Incentive Loan Program;

B. Grant the Petition and all the relief requested herein;

C. Waive the prohibition on changing the Applicant's structure by allowing the replacement of the sole member of its general partner with Housing Preservation Trust, Inc.;

D. Waive the prohibition on changing the name of an applicant and its general partner by allowing the Applicant to change its name to HPT-Cypress Grove Associates, Ltd., and to change its general partner name to HPT-Cypress Grove, LLC; and

D. Grant such further relief as may be deemed appropriate.

Respectfully submitted,

Reliance-Cypress Grove Associates, Ltd., a Florida limited partnership

By: Reliance-Cypress Grove, LLC, a Florida limited liability company, its general partner

By: 
Eugene E. Serra, Manager

CERTIFICATE OF SERVICE

The Original Petition is being served by facsimile and overnight delivery for filing with the Corporation Clerk for the Florida Housing Finance Corporation, 227 N. Bronough Street, Tallahassee, Florida 32301, with copies served by overnight delivery on the Joint Administrative Procedures Committee, Room 120, The Holland Building, Tallahassee, Florida 32399-1300, on November 2, 2003.


Eugene E. Serra

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

In re: RELIANCE-CYPRESS GROVE
ASSOCIATES, LTD.,

Case No. 2004-049VW

**ORDER GRANTING PETITION FOR WAIVER
OF RULE 67-50.005(6), FLORIDA ADMINISTRATIVE CODE**

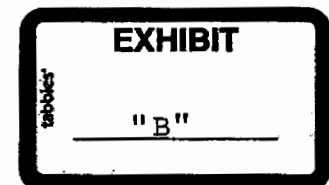
THIS CAUSE came on for consideration and final action before the Board of Directors of Florida Housing Finance Corporation ("Florida Housing") on September 10, 2004, pursuant to a Petition for Waiver of Rule 67-48.004(14)(a), Fla. Admin.Code (2004), (the "Petition"), filed by Reliance Cypress Grove Associates, Ltd., ("Petitioner") on November 3, 2004. Notice of the Petition was published in Volume 30, Number 46, 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. Petitioner is a not for profit Florida Limited Partnership whose General Partner is Reliance-Cypress Grove, LLC, and is the developer of an acquisition and rehabilitation of an 814-unit multifamily apartment project in Lauderhill, Broward County, Florida
3. Petitioner applied for SAIL funding in the 2004 Universal Cycle, intending to use that loan, along with tax-exempt bonds issued by Broward County and equity generated by the sale of tax credits associated with the bonds.

FILED WITH THE CLERK OF THE FLORIDA
HOUSING FINANCE CORPORATION

W. J. Olson

DATE: 12/7/04



Rec'd 12-7-04

4. Subsequent to filing its application and prior to its closing on the acquisition of the project, Petitioner learned that its tax credit investor would not proceed with its investment of approximately \$15,000,000, unless Petitioner's ownership structure was modified to substitute a non-related party for the sole member of Petitioner's General Partner, General Partner, Reliance-Cypress Grove, LLC. To reflect the structural changes required by its tax credit investor, Petitioner seeks to change its name as well as the name of its General Partner.

5. Petitioner requests a waiver to allow Petitioner to a) change its name from Reliance-Cypress Grove Associates, Ltd. to HPT-Cypress Grove Associates, Ltd. b) change the name of its General Partner from Reliance-Cypress Grove, LLC to HPT-Cypress Grove, LLC and c) change in the sole member of the Petitioner's General Partner from Reliance Housing Foundation, Inc. to Housing Preservation Trust, Inc."

6. 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.

7. Rule 67-48.004(14)(a), Fla. Admin. Code, provides:

(14) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of the Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:

(a) Name of Applicant;

8. The Universal Application Instructions ("Instructions") are part of the Universal Application Package, which is adopted by Rule 67-48.00(111), Florida Administrative Code, thus a deviation from the Instructions requires a variance or waiver of the rule.

9. Part II. A. 2(a)(2)., of the Universal Application Instructions provides:

If applying for MMRB, SAIL or HOME, 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 the ownership structure of the named Applicant prior to this time shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval.

10. Petitioner seeks a waiver of Rule 67-48.004(14)(a), Fla. Admin. Code, and Part II. A. 2(a)(2)., of the Universal Application Instructions, to the extent that the Rule and Instructions prohibit changing the Applicant's name, its General Partner, and its General Partner's name.

11. The purpose of the underlying statute will be served by granting this waiver, in that granting this waiver request will further Florida Housing's statutory mandate to provide safe, sanitary and affordable housing to the citizens of Florida.

12. Moreover, not granting this waiver will result in a substantial hardship to Petitioner, in that loss of the tax credit investor and the SAIL loan will halt the rehabilitation of this development, and will deprive the residents of Broward County of 814 units of badly needed affordable rental housing.

IT IS THEREFORE ORDERED:

The Petition for Waiver of Rule 67-48.004(14)(a), Florida Administrative Code, and Part II.A.2.(a)(2) of the Universal Application Instructions, is hereby GRANTED to the extent necessary to allow Petitioner to a) change its name from Reliance-Cypress Grove Associates, Ltd. to HPT-Cypress Grove Associates, Ltd. b) change the name of its General Partner from Reliance-Cypress Grove, LLC to HPT-Cypress Grove, LLC and c) change in the sole member of

the Petitioner's General Partner from Reliance Housing Foundation, Inc. to Housing Preservation Trust, Inc."

DONE and ORDERED this 3rd day of December, 2004.

Florida Housing Finance Corporation

By: 

Chair

Copies furnished to:

Wellington H. Meffert II
General Counsel
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Eugene E. Serra, Manager
Reliance Cypress Grove, LLC, General Partner
Reliance Cypress Grove Associates, Ltd.
516 NE 13th Street
Ft. Lauderdale, Florida 33304

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 MARTIL 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.

Housing Preservation Trust, Inc.

RECEIVED
FEB 15 AM 10:17
FLORIDA HOUSING
FINANCE CORPORATION

February 10, 2006

Corporation Clerk
Florida Housing Finance Corporation
227 North Bronough Street
Tallahassee, Florida 32301

Re: Petitioner HPT-Cypress Grove's Petition for Waiver of
Rule 67-48.004(14(d) and Part II., A.2(b), of the Universal
Instructions to Change Status from Non-Profit to For-Profit
Entity

Dear Clerk:

Enclosed please find the original and one copy of HPT-Cypress Grove's Petition for Waiver of Rule 67-48.004(14(d) and Part II., A.2(b), of the Universal Instructions to Change Status from Non-Profit to For-Profit Entity. We would appreciate your filing the Petition with the Florida Housing Finance Corporation, and returning a date stamped copy in the self-addressed envelope provided for your convenience.

Thank you for your prompt attention to this matter, and should you have questions or require additional information or documentation, please contact me at any time.

Respectfully submitted,

HPT-Cypress Grove Associates, Ltd., a Florida
Limited partnership

By: HPT-Cypress Grove, LLC, a Florida limited
liability company, its general partner

By:


Eugene E. Serra, Manager

Enclosures