STATE OF FLORIDA

FLORIDA HOUSING FINANCE CORPORATION

ROHNERT CIVIC, LLC

Petitioner,

vs.

APPLICATION NO: _______________________

FLORIDA HOUSING FINANCE CORPORATION

Respondent,

PETITION FOR VARIANCE
FROM RULE 67-21.008(1)(b), F.A.C.

Rhonert Civic, LLC, a California limited liability company (which, together with any affiliated entity to which it may assign its interest in the Project is hereinafter referred to as "Petitioner"), which is under contract to purchase the Sterling Palms Apartments, located in Hillsborough County, Florida, the legal description of which is attached hereto as Exhibit "A" (the "Project"), hereby petitions Florida Housing Finance Corporation ("Corporation") for a variance from Rule 67-21.008(1)(b), Florida Administrative Code. This Petition is filed pursuant to Section 120.542, Florida Statutes, and Chapter 28-104.002, Florida Administrative Code.

The Petitioner

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

Rhonert Civic, LLC
500 Washington Street, Suite 700
San Francisco, California 94111
Attention: Mr. Jeff Jaeger
2. The address, telephone number and facsimile number of the Petitioner's representative are:

Randall M. Babcock, Esq.
Rumm & Tucker LLP
611 Anton Boulevard
Fourteenth Floor
Costa Mesa, California 92626
Telephone: (714) 641-3436
Facsimile: (714) 546-9035

3. Petitioner has applied for 2006 Series Taxable Multifamily Mortgage Revenue Bonds ("TMMRB") financing. This TMMRB financing is being obtained to defease the Florida Housing Agency’s $14,450,000 Housing Revenue Bonds 1996 Series D-1 (Sterling Palms Apartment Project) (the "Tax-Exempt Series 1996 Bonds") which currently finance the Project. The financing structure for the Project will consist of a first mortgage loan from the Corporation for MMRB proceeds, which will be placed in escrow to defease the Tax-Exempt Series 1996 Bonds, with credit enhancement for the MMRB being provided via a direct pay credit enhancement instrument from Fannie Mae. On or about November 1, 2006, tax-exempt refunding bonds (the "Tax-Exempt MMRB") will be issued. The Tax-Exempt MMRB will be credit enhanced with a direct pay credit enhancement instrument from Fannie Mae. It is anticipated that the proceeds of the Tax-Exempt MMRB will be used to defease the Tax-Exempt Series 1996 Bonds. The TMMRB will be paid off with a draw on the Fannie Mae credit enhancement. The defeasance escrow will be used to repay Fannie Mae for the draw on its credit enhancement instrument used to pay off the TMMRB. The TMMRB loan closing for the Project is intended to take place on or before May 1, 2006.
The Rule From Which Variance is Sought and Action Requested

4. Petitioner requests a variance from a portion of Rule 67-21.008(1)(b), Florida Administrative Code (the "Amortization Rule"). More specifically, Petitioner is seeking a variance from the requirement the amortization is required with respect to both the TMMRB and the Tax-Exempt MMRB, such that no amortization is required with respect to either of these loans. The Amortization Rule provides:

1) Each Mortgage Loan for a Development made by the Corporation shall:

2) (b) Provide for a fully amortized payment of the Mortgage Loan in full beginning on the earlier of 36 months after closing, or stabilized occupancy, or conversion to permanent financing under the loan documents and ending no later than the expiration of the useful life of the property, and in any event, no later than 45 years from the date of the Mortgage Loan.

Statute Implement By The Rule

5. The statute that the Rule is implementing is Section 420.5083(4)(a), Florida Statutes.

Petitioner Requests A Variance Of The Rule
Set Forth Above for the Following Reasons

6. The Petitioner will invest significant sums of its own capital in purchasing the Project. The requested "interest only" loan will improve the cash flow of the Project, thereby insuring adequacy of funds to properly operate and maintain the Project, provide for more flexibility in the event of any disruption in project revenues, and will decrease the chances that the Project could have cash flow issues at some point in time.
Variance Will Serve the Underlying Purpose Of the Statute

7. Petitioner believes that a variance of the Rule will serve the purposes of the Statute, which is implemented by the Rule. The AAA credit rating of the enhancer, Fannie Mae, provides the bondholders and the Corporation with the assurance of principal safety for the Development.

8. The Corporation has the authority pursuant to Sections 120.542(1) and (2), Florida Statutes, to provide relief from its rule if the purpose of the underlying statute will be or has been achieved by other means and when strict application of the rule would create a substantial hardship or would violate principles of fairness. Unless the Rule variance is granted, the Petitioner will be subject to a substantial hardship, which will have a negative and unintended effect on the viability of an otherwise economically reasonable project. Without approval of this request, quality affordable housing in Hillsborough could be sacrificed. In a market where several multifamily projects have converted to condominiums, Sterling Palms Apartments remains a viable and high quality alternative for affordable housing.

Type of Variance

9. The Petitioner requests a variance of the Rule as set forth above such that no amortization of the TMMRB or the Tax-Exempt MMRB would be required.

10. A copy of the Petition has been provided to the Joint Administrative Procedures Committee, Room 120, The Holland Building, Tallahassee, FL 32399-1300.

ROHNERT CIVIC, LLC,

a California limited liability company

By: The Gardner Family Trust U/D/T
April 19, 2022, its Member

By: ____________________________

Curtis Gardner, Trustee
EXHIBIT "A"

LEGAL DESCRIPTION

A parcel of land lying within Section 5, Township 36 North, Range 20 East, and Section 37, Township 36 North, Range 20 East, Hillsborough County, Florida, more particularly described as follows:

Commence at the Northeast corner of said Section 5; thence South 83° 28' 05" East, along the North line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence South 03° 15' 05" East, along the West line of said Section 5, a distance of 1,107.70 feet to the South line of said Section 5; thence South 83° 28' 05" West, along the South line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the Northeast corner of said Section 5. Thence South 03° 15' 05" East, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 03° 15' 05" East, along the West line of said Section 5, a distance of 1,107.70 feet to the South line of said Section 5; thence North 83° 28' 05" West, along the South line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the East line of said Section 5, a distance of 2,225.90 feet to the Southeast corner of said Section 5, and thence South 83° 28' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the Northwest corner of said Section 5, and thence South 03° 15' 05" East, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 83° 28' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the East line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 83° 28' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 83° 28' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 83° 28' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 83° 28' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 83° 28' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 83° 28' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 83° 28' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 83° 28' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 83° 28' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to the West line of said Section 5; thence North 83° 28' 05" West, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence South 83° 28' 05" East, along the West line of said Section 5, a distance of 2,225.90 feet to the West line of said Section 5; thence North 03° 15' 05" West, along the West line of said Section 5, a distance of 1,107.70 feet to

ALSO DESCRIBED AS FOLLOWS:

A portion of the Southeast 1/4 of the Southeast 1/4 of Section 5, Township 36 South, Range 20 East, and a portion of the Northwest 1/4 of the Northeast 1/4 of Section 5, Township 36 South, Range 20 East, Hillsborough County, Florida, being more particularly described as follows:

(CONTINUED ON NEXT PAGE)

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-5-
Commence at the Southeast corner of said Section 23; run thence along the Southward boundary line of said Section 31, North 89° 45' 46" West, a distance of 102.00 feet for a point of beginning; thence along a line 102.05 feet from and parallel to the East boundary of said Section 9, South 0° 19' 45" West, a distance of 225.82 feet; thence South 34° 37' West, a distance of 102.05 feet; thence South 25° 11' East, a distance of 262.75 feet along the arc of a curve to the left, said curve having a radius of 144.70 feet and a chord of 102.05 feet which bears South 84° 23' 13" West, to a non-tangent curve whose tangent bears South 83° 48' 34" West thence 83.54 feet along the arc of said curve to the left, said curve having a radius of 102.46 feet and a chord of 102.82 feet which bears South 67° 29' 50" West, thence 102.61 feet along the arc of a curve to the left, said curve having a radius of 102.86 feet and a chord of 102.35 feet which bears South 28° 15' 06" West; thence North 01° 37' 37" North, a distance of 89.72 feet by the Southward boundary line of said Section 23, thence along said Southward boundary line, North 89° 41' 05" East, a distance of 127.65 feet to the Southeast corner of the Southeast 1/4 of the Southeast 1/4 of said Section 23, thence North 01° 37' 58" East, a distance of 184.82 feet; thence North 78° 53' 49" West, a distance of 102.46 feet; thence North 64° 26' 07" West, a distance of 262.75 feet; thence North 60° 25' 35" West, a distance of 102.46 feet; thence North 65° 57' 10" West, a distance of 102.35 feet; thence North 65° 25' 57" West, a distance of 102.46 feet; thence North 86° 04' 33" East, a distance of 262.75 feet; thence North 89° 45' 32" East, a distance of 102.00 feet; thence North 89° 45' 46" West, a distance of 102.05 feet for a point of beginning; a distance of 488.28 feet to the Point of Beginning.

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