STATE OF FLORIDA

FLORIDA HOUSING FINANCE CORPORATION

ROHNERT CIVIC, LLC

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION

Respondent,

APPLICATION NO. FHC C03-2006-087VW

PETITION FOR VARIANCE
FROM RULE 67-21.008(1)(a), 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)(g), 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. Babush, Esq.
Kamen & Tucker LLP
611 Anton Boulevard
Fourteenth Floor
Costa Mesa, California 92626
Telephone: (714) 641-3458
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 MMRTB 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 refinance 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)(g), Florida Administrative Code (the "Audited Statements Rule"). More specifically, Petitioner is seeking a variance from the requirement that the audited financial statements are required with respect to both the TMMRB and the Tax-Exempt MMRB, such that Petitioner will provide certified financial statements in all events and audited financial statements only to the extent required by Fannie Mae as the credit enhancement provider. The Audited Statements Rule provides:

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

(g) Require the submission to the Corporation of an annual audited financial statement for the Development, and for the Applicant if revenue from multiple projects is being pledged. An annual financial statement compiled or certified by a licensed Certified Public Accountant may be submitted in lieu of an audited financial statement for the Development prior to the issuance of a certificate of occupancy for any unit in the Development, provided that the subsequent annual audited financial statement shall include all operations since inception.

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

5. The Petitioner will invest significant sums of its own capital in purchasing the Project. The requested waiver of the Audited Statements Rule 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

6. 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.

7. The Corporation has the authority pursuant to Sections 120.54(1) and (2), Florida Statutes, to provide relief from its rules 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, Starling Palms Apartments remains a viable and high quality alternative for affordable housing.

Type of Variance

8. 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.

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

ROHNER7 CIVIC, LLC,
a California limited liability company

By: The Gardner Family Trust U/D/T
April 19, 2007, its Member

By: Curtis Gardner, Trustee
EXHIBIT "A"
LEGAL DESCRIPTION

A parcel of land lying NE1/4 SE1/4 Sec. 5, Township 30 South, Range 20 East, and Section 31, Township 29 South, Range 20 East, Hillsborough County, Florida, more particularly described as follows:

Commences at the northeast corner of said Section 5, thence South 89° 28' 46" East, along the north line of said Section 5, a distance of 110.60 feet to the northly right of way line of Goodwin Road for a point of reference, thence South 56° 59' 52" East, along said northly right of way line, a distance of 252.80 feet to the northwesterly right of way line of Providence Ridge University Road along said northwesterly right of way line the following course (4) contours: (4) North 72° 01' 53" West, a distance of 287.85 feet to the beginning of a curve, having a radius of 1344.95 feet and a central angle of 31° 12' 53" DP; (2) Wastally along the arc of said curve to the left, a distance of 203.70 feet, and arc subtended by a chord which bears South 23° 47' 24" West, a distance of 283.64 feet to the beginning of a non-circular curve, having a radius of 181.44 feet and a central angle of 14° 31' 17" DP; (3) Wastally along the arc of said curve to the left, a distance of 231.74 feet to the beginning of a co-planar curve, having a radius of 234.53 feet and a central angle of 14° 57' 43" DP; (4) Wastally along the arc of said curve to the left, a distance of 80.42 feet, and arc subtended by a chord which bears North 69° 39' 43" West, a distance of 146.16 feet to the northeast corner of STEERING HORSE, Lots 1, 2, 3, as recorded in Book 55, Page 5, Public Records of Hillsborough County, Florida, thence North 60° 57' 08" East, along said northerly boundary line of said Goodwin Road, thence South 8° 23' S 72° 05' 14" East, along said north boundary line, a distance of 137.85 feet to the southeast corner of the southeast 1/4 of the southeast 1/4 of said Section 5, thence North 0° 57' 08" West, along the southerly boundary line of said southeast 1/4 of the southeast 1/4, a distance of 189.13 feet; thence North 77° 21' 53" East, a distance of 91.70 feet; thence North 64° 43' 01" East, a distance of 106.50 feet, thence North 67° 29' 50" East, a distance of 113.70 feet; thence North 62° 47' 15" East, a distance of 113.20 feet; thence North 64° 09' 56" East, a distance of 123.10 feet; thence North 0° 57' 08" East, a distance of 26.90 feet; thence North 60° 56' 36" East, a distance of 28.31 feet; thence North 60° 37' 19" East, a distance of 48.28 feet, to the point of beginning.

ALSO DESCRIBED 36 FEET:
A portion of the southeast 1/4 of the southeast 1/4 of Section 31, Township 30 South, Range 20 East, and a portion of the north 1/2 of the northeast 1/4 of Section 5, Township 30 South, Range 20 East, Hillsborough County, Florida, being more particularly described as follows:

[continued on next page]
Commence at the Southeast corner of said Section 12; run thence along the Southerly boundary line of said section 12, North 80° 31' 45" East, a distance of 122.05 feet for a belt at beginning; thence along a line 112.00 feet true and parallel to the East boundary of said Section 9, South 2° 43' 05" West, a distance of 247.48 feet; thence South 64° 34' 31" West, a distance of 247.48 feet; thence North 80° 31' 45" East, a chord of 335.06 feet which bears South 44° 58' 11" West, to a non-tangent curve whose tangent begins South 44° 58' 11" West; thence 12.99 feet along the arc of said curve to the left, said curve having a radius of 143.07 feet and a chord of 307.65 feet which bears South 44° 58' 11" West, to a non-tangent curve whose tangent begins South 44° 58' 11" West; thence 183.10 feet along the arc of said curve to the left, said curve having a radius of 129.16 feet and a chord of 254.65 feet which bears North 83° 30' 08" East; thence North 01° 19' 50" East, a distance of 895.24 feet to the Southerly boundary line of said Section 12; thence along said Southerly boundary line, South 83° 30' 08" East, a distance of 137.95 feet to the Southeast corner of the Northwest quarter of the Northeast 1/4 of the middlehalf 1/4 of said Section 12; thence along the Northwest boundary line of the Northwest 1/4 of said Section 12, North 01° 19' 50" East, a distance of 895.24 feet; thence South 83° 30' 08" East, a distance of 137.95 feet; thence North 83° 30' 08" East, a distance of 895.24 feet; thence South 83° 30' 08" East, a distance of 137.95 feet; thence North 83° 30' 08" East, a distance of 895.24 feet; thence South 83° 30' 08" East, a distance of 137.95 feet; thence South 20° 04' East, a distance of 458.22 feet to the Point of Beginning.

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