

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

In re: Pebble Hill Estates Limited Partnership

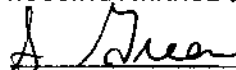
**ORDER GRANTING PETITION FOR A PARTIAL VARIANCE FROM SECTION 11
OF THE 2005 QUALIFIED ALLOCATION PLAN**

THIS CAUSE came on for consideration and final action before the Board of Directors of Florida Housing Finance Corporation ("Florida Housing") on April 27, 2007, pursuant to a "Petition for Variance of the 2005 Qualified Allocation Plan Requirements for Returning Housing Credit Allocations and for an Immediate Allocation of 2007 Housing Credits" (the "Petition"), filed by Pebble Hill Estates Limited Partnership ("Petitioner") on March 8, 2007. Notice of the Petition was published in Volume 33, Number 12, 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. During the 2005 Universal Application Cycle, Florida Housing awarded an allocation of low income housing tax credits to finance Pebble Hill Estates (the "Development").
3. Rule 67-48.002(83), Florida Administrative Code (2005), provides in pertinent part:

"QAP" or "Qualified Allocation Plan" means, with respect to the HC Program, the 2005 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits.

FILED WITH THE CLERK OF THE FLORIDA
HOUSING FINANCE CORPORATION

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4. Section 11 of the 2005 QAP provides, in pertinent part:

...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, 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...

5. Section 120.542(2), Florida Statutes provides in pertinent part:

Variances 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.

6. Petitioner requests a variance to the above provision of the 2005 QAP, to permit the return of its 2005 Housing Credit allocation now, rather than wait to the last calendar quarter of 2007, and to receive an allocation of 2007 Housing Credits rather than a reservation of 2008 Housing Credits.

7. As grounds for its request for a variance, Petitioner states that circumstances beyond its control, namely ongoing local government issues, have delayed the construction of the Development, and that without the granting of this variance request, will result in substantial hardship to Petitioner and will threaten the viability of the Development. Petitioner cites numerous delays introduced by modifications to the site plan required by the City of Marianna, which in turn required numerous variances for which Petitioner had to apply, as well as various administrative delays by the City. Specifically, a meeting of the Planning and Zoning Board and

the City Commission was originally contemplated for December 15, 2006, but the City Staff did not actually approve the Development Order until February 19, 2007. The delays resulted from factors beyond Petitioner's control, such as City Staff delays because of the Thanksgiving and Christmas holidays. Additionally, the City announced an additional prerequisite for the Development approval as late as February 9, 2007. Petitioner has noted that the Application for Development Approval was filed on October 19, 2006. Initially and throughout the pending matter, Petitioner reminded the City of Petitioner's need to close before Jan 2007. The Development Order was not approved until February 19, 2007.

8. More importantly, Petitioner states that the introduction of these delays has put the tax credit syndicator equity financing at risk, as they can no longer be assured that construction will be completed by the original placed-in-service date. Consequently, the tax credit syndicator has expressed "serious doubts" about the Placed-in-Service deadline, but has agreed to maintain the same dollar value if an extension can be obtained and closing completed by May 2007. Petitioner has provided a more detailed narrative of these events and issues in its Petition, and has provided supporting documentation thereof.

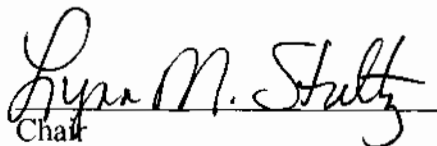
9. The Board finds that strict application of the above Rule under these circumstances beyond the Petitioner's control, namely ongoing local government issues that have delayed the construction of the Development, would cause substantial hardship to Petitioner and violate the principles of fairness. Permitting this change in Development would also serve the underlying purpose of the statute.

IT IS THEREFORE ORDERED:

The "Petition for Variance of the 2005 Qualified Allocation Plan Requirements for Returning Housing Credit Allocations and for an Immediate Allocation of 2007 Housing Credits" is hereby **GRANTED**, only to the extent that Petitioner shall be permitted to return its 2005 Housing Credit allocation now, rather than wait to the last calendar quarter of 2007, and to receive an allocation of 2007 Housing Credits rather than a reservation of 2008 Housing Credits. Petitioner's new placed-in-service deadline shall be December 31, 2008. All other relief requested in the Petition, if any, is denied.

DONE and ORDERED this 27th day of April, 2007.

Florida Housing Finance Corporation

By: 
Chair



Copies furnished to:

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Tallahassee, Florida 32399-1300

NOTICE OF RIGHTS

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.