RENEWED PETITION FOR WAIVER OR VARIANCE FROM RULES 67-58.020(6) AND 67-58.070(6), F.A.C. AND REQUEST THAT CWHIP FUNDS NOT BE DE-OBLIGATED

Petitioner, WALTON COUNTY WORKFORCE HOUSING CORPORATION, ("WCWHC"), by and through its undersigned counsel, hereby again petitions the Florida Housing Finance Corporation ("FHFC") for a waiver or variance from Rules 67-58.020(6) and 67-58.070(6), Florida Administrative Code. This Petition is filed pursuant to Chapter 28-104, Florida Administrative Code and Section 120.542, Florida Statutes. Petitioner also asks that the Board of Directors not de-obligate CWHIP funding previously allocated to WCWHC.

THE PETITIONER
2. The address, telephone number, telefax number and e-mail address of Petitioner’s counsel is:

JON MOYLE
Anchors, Smith Grimsley Law Firm
The Perkins House
118 North Gadsden Street
Tallahassee, Florida 32312
Phone: (850) 681-3828
Telefax: (850) 681-8788
Email Address: jmoyle@asglegal.com

3. Petitioner successfully applied for funding during the funding during the FHFC’s 2006 funding period and was subsequently invited into credit underwriting. Petitioner’s 2006 CWHIP application was assigned application number CWHIP 06-31. Petitioner sought CWHIP funding to assist with financing a workforce housing project in Walton County, Florida that will consist of 242 home ownership units once completed.

THE RULES FOR WHICH A WAIVER OR VARIANCE IS SOUGHT

4. Petitioner requests of waiver or variance from Rules 67-58.020(6) and 57-58.070(6), Florida Administrative Code.

5. The language of both these rules is the same and is set forth below:

The Applicant has 14 months from the date of the acceptance of the letter of invitation to complete credit underwriting and receive Board approval unless an extension of up to 10 months is approved by the Board. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension.
Deputy Development Officer of FHFC to Lloyd Blue attached hereto as Exhibit 1.) Petitioner also seeks a waiver or variance of Rules 67-58.020(6) and 67-58.070(6), Florida Administrative Code, which imposes a 1% extension fee if additional time to secure CWHIP funding is provided. Specifically, Petitioner would ask that it not be required to pay a $50,000 extension fee and continue to have CWHIP funds available to it.

7. Petitioner, a not for profit entity, cannot afford to pay a $50,000 extension fee at this time and in this difficult economic environment. FHFC appears willing to help CWHIP projects, such as the Walton County workforce housing project, as it agreed to extend until May 2009 the timeframe for which CWHIP funds could be utilized. However, it is a hollow offer of assistance, especially during these difficult economic times in which capital is scarce and being hoarded, to force a not for profit to pay FHFC a $50,000 extension fee. It would create an undue hardship on Petitioner to require that it immediately pay a $50,000 extension fee or face losing $5,000,000 in CWHIP funding. Petitioner is being adversely affected by the current economic climate and constricted credit market, and its waiver request should be granted so that Walton County may continue to be eligible to benefit from much needed workforce housing. The portion of Rule 67-58.020(6) and 67-58.070(6) for which a waiver or variance is sought is underlined above in paragraph 5 above.

8. Waiving the 1% extension fee will reflect that FHFC is working with the non-profit development community in trying to salvage viable projects during these dire economic
Attachment 1 to Exhibit 2 of this Petition for specifics regarding the delay caused by FHFC finding the business plan submitted by Petitioner problematic.)

10. Additionally, FHFC previously represented to Petitioner that it would waive the 1% extension fee and provide it with additional time in which to secure its CWHIP funding. Relying on this representation, Petitioner withdrew its Petition for Waiver or Variance from Rule 67-58.020(6) and 67-58.070(6), Florida Administrative Code in which it previously sought the waiver of the 1% extension fee.

11. Specifically, Petitioner filed a Petition for Waiver or Variance from Rules 67-58.020(6) and 67-58.070(6), Florida Administrative Code with FHFC on June 6, 2008, a copy of which is attached hereto as Exhibit 2. The Petitioner requested that the 1%, $50,000 fee not be imposed by FHFC. On July 2, 2008, Mr. David Westcott, an attorney and the FHFC Deputy Development Director, wrote Lloyd Blue and advised him to withdraw his Petition for Waiver or Variance, which the undersigned had filed on behalf of Lloyd Blue and Walton County Workforce Housing Corporation. This letter, attached hereto as Exhibit 3, stated that upon further review of FHFC’s Legal Department that a waiver from the 1% fee “is an unnecessary procedure”. The letter further stated that, “Because of this determination, Florida Housing will not be imposing the one percent (1%) extension fee at this time.” The letter concluded by asking the Petitioner to withdraw its waiver request because the petition for a waiver is unnecessary.
Waiver or Variance would affect the request for additional time to close the CWHIP funding. Attorney Sirmans e-mailed FHFC Deputy Development Director David Westcott to make him aware of this concern. Attorney Sirmans asked Mr. Westcott what he should tell the undersigned. Mr. Westcott expressly stated that "We will grant both the additional time and the waiver of the fee for all applicants." See Attached Exhibit 4. Attorney Sirmans e-mailed the undersigned and stated "David Westcott is committed to granting additional time to complete underwriting for the CWHIP as well as waiving the 1% fee. We would appreciate your client withdrawing its petition." See Attached Exhibit 5. Based on these representations, the Petitioner for Waiver or Variance related to the 1% CWHIP extension fee was withdrawn.

13. Notwithstanding these representation and chain of events, staff recommended to its Board at the August 8, 2008 Board meeting that the 1% CWHIP extension fee be imposed. The Petitioner was completely surprised by the actions of FHFC staff, having relied upon the express FHFC representations that the fee waiver would be provided and the Petition was not needed.

14. The facts set forth above are an additional reason why Petitioner's renewed Petition for Waiver or Variance of Rule 67-58.020(6) and 67-58.070(6), F.A.C. should be granted, as Petitioner was not treated fairly. FHFC has an opportunity to right a wrong and should grant the renewed waiver request set forth herein.

STATUTES IMPLEMENTED BY THE RULE
grant relief from strict application of a rule in particular instances when application of the rule would lead to unintended consequences, an unreasonable result, or an unfair result. A waiver should be granted when the person subject to the rule demonstrates that the application of the rule would 1) create a substantial hardship or violate principles of fairness; and 2) the purpose of the underlying statute has been or will be achieved by other means. The Legislature has indicated that a “substantial hardship” means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver.

17. Petitioner seeks a waiver of that portion of Rules 67-58.020(6) and 67-58.070(6) which imposes a 1% extension fee.

18. WCWHC is a not-for-profit entity which is working hard to provide much needed workforce housing in Walton County, Florida. Its resources are limited and it has been funded and capitalized to date by contributions from the local community. The credit underwriting process has taken additional time due to unforeseen circumstances more fully explained in Exhibit 6. Imposing the 1% fee will burden the proposed project with additional costs in the amount of Fifty Thousand Dollars ($50,000) and will present an economic hardship to WCWHC. If the variance or waiver request is granted, these funds will be available for the project and assist in providing much needed workforce housing in Walton County. Given the above, coupled with the difficult economic circumstances which presently exist, an economic hardship is demonstrated and Petitioner’s request for a variance or waiver from Rule 67-58.020(6) should be granted.
19. Granting the variance or waiver as requested will serve the purpose of the underlying statute. Specifically, section 420.5095 which is implemented by the rules in question seeks to provide safe, sanitary and affordable workforce housing to essential services personnel of Walton County who are working and classified as income and occupational eligible workforce housing beneficiaries. The Representative Mike Davis Community Workforce Housing Innovation Pilot program specifically targeted counties, such as Walton County, that were facing critical shortages of affordable housing for teachers, fire fighters, police, health care workers and other essential personnel necessary for the economic well being of their communities. Specifically, Ch. 420.5095 identifies the need for funding for housing in high cost, high growth areas of Florida, like Walton County, where affordable housing for key employees is lacking.

20. Walton County was ranked in the Top Tier of High Growth Counties in the 2006 CWHIP application cycle, demonstrating to the dramatic need for workforce housing funding. Walton County is one of the fastest growing counties in the state and, coupled with the lack of available private and public land available for housing development, one of the most difficult in the state to develop workforce housing. In addition, the statute directed the Florida Housing Finance Corporation to award funding to high cost high growth counties that would agree to form creative public private partnerships and develop innovative solutions to their local housing needs. The WCWHC has demonstrated that it is a community wide public private partnership with a very innovative workforce housing solution to local housing needs.
21. In sum, acting favorably on WCWHC's Petition will promote the development of workforce housing in Walton County and serve the underlying purpose of the statute, Section 420.5095, Florida Statutes.

REQUEST FOR PERMANENT RELIEF

22. The variance or waiver being sought is permanent in nature.

RELIEF REQUESTED

23. Petitioner requests the following:
   a. WCWHC's request for a variance or waiver of Rule 67-58.020(6) be granted so that a $50,000 extension fee is not due and owing to FHFC, but can be used to assist WCWHC, a not-for-profit corporation, and the proposed project; and
   b. WCWHC requests such other relief as the Board deems appropriate.

24. A copy of this Petition has been provided by U.S. Mail to the Joint Administrative Procedures Committee, Room 120, The Holland Building, Tallahassee, Florida 32399-1300.

Respectfully submitted this 13th day of October, 2008.

JON MOYLE
Florida Bar No. 727916
Auditors, Smith Grimsley Law Firm
The Perkins House
118 North Gadsden Street
Tallahassee, Florida 32301
Phone (850) 681-3828
CERTIFICATE OF SERVICE

I hereby certify that this Petition was provided by hand-delivery for filing to the Corporation Clerk for the Florida Housing Finance Corporation, 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301 with a copy being provided by U.S. Mail to the Joint Administrative Procedures Committee, Room 120, 600 Calhoun Street, The Holland Building, Tallahassee, Florida 32399 this 13th day of October, 2008.

[Signature]
Jon Moyle
August 11, 2008

Mr. F. Lloyd Blue, Jr.
Walton County Workforce Housing Corp.
Post Office Box 1569
Santa Rosa Beach, FL 32459

Re: Wolf Creek / CWHIP06-31
Extension of Credit Underwriting

Dear Mr. Blue:

We have received your May 26, 2008 letter requesting an extension of the credit underwriting period.

At its August 8, 2008 meeting, the Board granted an extension of the credit underwriting period until May 8, 2009. However, the Board decided not to waive the 1% extension fee. Instead, the Board action requires the payment of the 1% extension fee within sixty (60) days. This fee is refundable, however, provided that you successfully complete the credit underwriting process by May 8, 2009 with a positive recommendation from the Credit Underwriter.

You have until October 11, 2008 to submit the 1% fee, or your project will be withdrawn and the CWHIP funds deobligated.

If I can be of further assistance, please call me at (850) 488-4197.

Sincerely,

David R. Westcott
Deputy Development Officer
Homeownership Programs

cc: Jan Rayboun, Loan Closing Coordinator
    Diane Carr, Loan Servicing
PETITION FOR WAIVER OR VARIANCE FROM
RULES 67-58.020(6) AND 67-58.070(6), F.A.C.

Petitioner, WALTON COUNTY WORKFORCE HOUSING CORPORATION, ("WCWHC"), by and through its undersigned counsel, hereby petitions the Florida Housing Finance Corporation ("FHFC") for a waiver or variance from Rules 67-58.020(6) and 67-58.070(6), Florida Administrative Code. This Petition is filed pursuant to Chapter 28-104, Florida Administrative Code and Section 120.542, Florida Statutes.

THE PETITIONER

1. The address, telephone number and telefax number of the Petitioner is:

WALTON COUNTY WORKFORCE HOUSING CORPORATION
P.O. Box 1616
Santa Rosa Beach, Florida 32459
Phone: (850) 231-3177
Fax: (850) 231-3178
Email Address: fran@pbmgmt.com
2. The address, telephone number, telefax number and e-mail address of Petitioner's
counsel is:

JON MOYLE  
Anchor, Smith Grimsley Law Firm  
The Perkins House  
118 North Gadsden Street  
Tallahassee, Florida 32312  
Phone: (850) 681-3828  
Telefax: (850) 681-8788  
Email Address: jmoyle@asglegal.com

3. Petitioner successfully applied for funding during the Community Workforce
Housing Innovation Pilot ("CWHIP") funding during the FHFC's 2006 funding period and was
subsequently invited into credit underwriting. Petitioner's 2006 CWHIP application was
assigned application number CWHIP 06-31. Petitioner sought CWHIP funding to assist with
financing a workforce housing project in Walton County, Florida that will consist of 242 home
ownership units once completed.

THE RULES FOR WHICH A WAIVER OR VARIANCE IS SOUGHT

4. Petitioner requests of waiver or variance from Rules 67-58.020(6) and 57-
58.070(6), Florida Administrative Code.

5. The language of both these rules is the same and is set forth below:

The Applicant has 14 months from the date of the acceptance of the letter
of invitation to complete credit underwriting and receive Board approval
unless an extension of up to 10 months is approved by the Board. All
extension requests must be submitted in writing to the program
administrator and contain the specific reasons for requesting an extension
and detail the timeframe to close the loan. The written request will be
submitted to the Corporation's Board for consideration. The Corporation
shall charge an extension fee of 1 percent of the CWHIP loan amount if
the Board approves the extension request.
6. Petitioner has previously provided a written request for a four month extension of time in which to complete credit underwriting and receive Board approval. That request, set forth in a letter dated May 26, 2008 is attached hereto as Exhibit 1 and incorporated by reference. Petitioner is specifically seeking a waiver or variance of that portion of the rule which authorizes FHFC to charge an extension fee of 1 percent of the CWHIP loan should the extension request be approved. The portion of Rule 67-58.020(6) and 67-58.070(6) for which a waiver or variance is sought is underlined above in paragraph 5.

STATUTES IMPLEMENTED BY THE RULE


8. FHFC has the express authority pursuant to section 120.542(1), Florida Statutes, to grant variances or waivers to its rules under certain circumstances. Specifically, FHFC may grant relief from strict application of a rule in particular instances when application of the rule would lead to unintended consequences, an unreasonable result, or an unfair result. A waiver should be granted when the person subject to the rule demonstrates that the application of the rule would 1) create a substantial hardship or violate principles of fairness; and 2) the purpose of the underlying statute has been or will be achieved by other means. The Legislature has indicated that a "substantial hardship" means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver.

9. Petitioner seeks a waiver of that portion of Rules 67-58.020(6) and 67-58.070(6) which imposes a 1% extension fee if the Board approves Petitioner's pending request for
10. WCWHC is a not-for-profit entity which is working hard to provide much needed workforce housing in Walton County, Florida. Its resources are limited and it has been funded and capitalized to date by contributions from the local community. The credit underwriting process has taken additional time due to unforeseen circumstances more fully explained in Exhibit 1. Imposing the 1% fee will burden the proposed project with additional costs in the amount of Fifty Thousand Dollars ($50,000) and will present an economic hardship to WCWHC. If the variance or waiver request is granted, these funds will be available for the project and assist in providing much needed workforce housing in Walton County. Given the above, an economic hardship is demonstrated and Petitioner's request for a variance or waiver from Rule 67-58.020(6) should be granted.

**GRANTING THE VARIANCE OR WAIVER WILL SERVE THE UNDERLYING PURPOSE OF THE STATUTE**

11. Granting the variance or waiver as requested will serve the purpose of the underlying statute. Specifically, section 420.5095 which is implemented by the rules in question seeks to provide safe, sanitary and affordable workforce housing to essential services personnel of Walton County who are working and classified as income and occupational eligible workforce housing beneficiaries. The Representative Mike Davis Community Workforce Housing Innovation Pilot program specifically targeted counties, such as Walton County, that were facing critical shortages of affordable housing for teachers, fire fighters, police, health care workers and other essential personnel necessary for the economic well being of their communities. Specifically, Ch. 420.5095 identifies the need for funding for housing in high cost, high growth areas of Florida, like Walton County, where affordable housing for key employees is lacking.
12. Walton County was ranked in the Top Tier of High Growth Counties in the 2006 CWHIP application cycle, demonstrating to the dramatic need for workforce housing funding. Walton County is one of the fastest growing counties in the state and, coupled with the lack of available private and public land available for housing development, one of the most difficult in the state to develop workforce housing. In addition, the statute directed the Florida Housing Finance Corporation to award funding to high cost high growth counties that would agree to form creative public private partnerships and develop innovative solutions to their local housing needs. The WCWHC has demonstrated that it is a community wide public private partnership with a very innovative workforce housing solution to local housing needs.

13. In sum, acting favorably on WCWHC's Petition will promote the development of workforce housing in Walton County and serve the underlying purpose of the statute, Section 420.5095, Florida Statutes.

REQUEST FOR PERMANENT RELIEF

14. The variance or waiver being sought is permanent in nature.

RELIEF REQUESTED

15. Petitioner requests the following:

a. WCWHC's request for additional time in which to complete credit underwriting and secure Board approval for the project be granted;

(1) The Legislature finds and declares that recent rapid increases in the median purchase price of a home and the cost of rental housing have far outstripped the increases in median income in the state, preventing essential services personnel from living in the communities where they serve and thereby creating the need for innovative solutions for
b. WCWHC's request for a variance or waiver of Rule 67-58.020(6) be granted so that a $50,000 extension fee is not due and owing to FHFC, but can be used to assist WCWHC, a not-for-profit corporation, and the proposed project; and

c. WCWHC requests such other relief as the Board deems appropriate.

16. A copy of this Petition has been provided by U.S. Mail to the Joint Administrative Procedures Committee, Room 120, The Holland Building, Tallahassee, Florida 32399-1300. Respectfully submitted this 6th day of June, 2008.

JON MOYLE
Florida Bar No. 72701
Anchors, Smith Grimsley Law Firm
The Perkins House
118 North Gadsden Street
Tallahassee, Florida 32301
Phone (850) 681-3828
Telefax (850) 681-8788
Email: jmoyle@asglegal.com

Counsel for Petitioner, WCWHC

CERTIFICATE OF SERVICE

I hereby certify that this Petition was provided by hand-delivery for filing to the Corporation Clerk for the Florida Housing Finance Corporation, 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301 with a copy being provided by U.S. Mail to the Joint Administrative Procedures Committee, Room 120, 600 Calhoun Street, The Holland Building, Tallahassee, Florida 32399 this 6th day of June, 2008.
May 26, 2008

Mr. David Westcott
Florida Housing Finance Corporation
227 N. Bronaugh Street, Suite 5000
Tallahassee, FL 32301

Re: CWHIPo6-31

Dear Mr. Westcott:

I am writing to you on behalf of the Walton County Workforce Housing Corporation (WCWHC), the developer for the 242 home ownership unit Wolf Creek Village community approved for funding under the 2006 CWHIP program. Due to a variety of circumstances, most of which were beyond our control, we are requesting an extension of our underwriting timeline for an additional 4 months and a waiver of rule 67-58.020(6) to waive the required 1% of CWHIP grant amount extension fee. The WCWHC is a nonprofit, sole purpose organization created to develop and construct the first major affordable housing community in Walton County. As you know, Walton County is one of the fastest growing counties in the state and, coupled with the lack of available private and public land available for housing development, one of the most difficult in the state to develop workforce housing.

The Corporation has been working diligently to move the project forward through underwriting with Seltzer Management, but has been delayed on several fronts. Our request for the underwriting extension is based on the following factors:

1. After paying the underwriting fee, WCWHC was informed for the first time by the underwriter that the business plan submitted, as part of the grant application, was no longer acceptable to the Housing Corporation. That plan had been carefully developed to provide essentially no risk to the CWHIP grant funds and would have made the underwriting much easier. Additionally, that rejection of our business plan was caused, according to the underwriter's discussions with the Housing
process and subsequently prove the risk added was not substantial, resulted in a great deal of delay.

2. The time consuming requirement for the corporation board to approve all elements of underwriting and development activities. Being a new organization with community wide membership, our goal has been to ensure broad stakeholder input and understanding. With CWHP being a new program and many of our board members representing major organizations in the community, we have strived to keep them engaged, informed and supportive. This has been successful but has required double the time we anticipated.

3. The unprecedented shifts in the regional housing market have required the board and local governments to be very methodical in their review and approval of the program. We have spent more time than anticipated on initiating and evaluating the Walton County affordable housing market study to ensure that there is adequate absorption capacity for the workforce housing homes. We are confident that this is the case, but went through a much more protracted due diligence to ensure the market was still viable.

4. As a public-private partnership created by the Walton County Commission, we were motivated to ensure an open government approach with total transparency of the Corporation's activities. This required us to make sure that any contracts for professional and construction services were publicly noticed, bid out in an open manner and evaluated by committee. We realize this may have been more bureaucratic than necessary compared to a project done totally in the private sector, but since this project was so highly visible in the community and supported by so many stakeholders, we felt this approach would ensure public trust and commitment to the workforce and affordable housing projects in the future in Walton County. This also extended our time for underwriting.

All of these factors combined, in addition to the learning curve our staff has been through in familiarizing itself with the FHFC underwriting process, has led us to exceed our projected time to get through underwriting and request the extension of time. We believe we can complete the remaining items required by the underwriting by September and be ready for board approval in October or sooner.

Our request for a waiver of rule 67-58.020(6) to waive the required 1% of CWHP grant amount is based on the limited availability of cash remaining in the Corporation’s budget for the project. The WCHC is a nonprofit sole purpose organization funded from contributions from the community. We are the developer. We allotted funds for the completion and writing fee, market study, engineering reports and limited staff.
required. We want to ensure that all funds possible are contributed to the project to make the housing extremely affordable.

The majority of this community realizes how important it is to provide innovative workforce housing for teachers, nurses, fire and police and other essential services workers to ensure the economic vitality of our region. The Corporation has recognized that Walton County continues to be one of the highest growth rate Counties in the State, and that we should all partner together to make sure this project is a success.

Thank you for your consideration of this request.

Sincerely,

F. Lloyd Blue Jr., Chairman
Walton County Workforce Housing Corp.

FLB/fbt
July 2, 2008

Mr. F. Lloyd Blue  
Walton Co. Workforce Housing Corp.  
P. O. Box 1569  
Santa Rosa Beach, FL. 32459

RE: CWHIP Petition for a Waiver of Rules per S. 120.542, F.S., Case No. 2008-041 VW  
Wolf Creek Village / CWHIP 06-31

Dear Mr. Blue:

Upon further review by Florida Housing’s Legal Department, it has been determined that a waiver from Rule 67-58.020(6), F.A.C. of the one percent (1%) extension fee charged in conjunction with the granting of a ten-month extension by Florida Housing to complete credit underwriting for the Community Workforce Housing Innovation Pilot (CWHIP) Program is an unnecessary procedure. Because of this determination, Florida Housing will not be imposing the one percent (1%) extension fee at this time.

Florida Housing will take your request for a ten-month extension to our Board of Directors Meeting scheduled for August 8, 2008.

As a petition for waiver is unnecessary, please send an e-mail to Florida Housing’s Corporation Clerk, Sherry Green, at Sherry.Green@floridahousing.org withdrawing your petition for a Rule Waiver by July 14, 2008.

Please feel free to contact me at (850) 488-4197 if you have any questions.

Sincerely,
From: Matt Simans
Sent: Friday, July 11, 2008 3:36 PM
To: David Westcott
Subject: Walton County Workforce waiver

David,

John Moyle left me a voicemail this afternoon. He's worried that if he withdraws the waiver that he will not get additional time to complete underwriting. He requests this in his petition, in addition to a waiver of the fee.

what should I tell him?

Matt

From: David Westcott
Sent: Friday, July 11, 2008 3:48 PM
To: Matt Simans
Subject: RE: Walton County Workforce waiver

We will grant both the additional time and the waiver of the fee for all applicants. Thanks.
From: Matt Simans [mailto:Matt.Simans@floridahousing.org]
Sent: Monday, July 14, 2008 9:39 AM
To: Jon Mayle
Subject: FW: Walton County Workforce waiver

John, as mentioned, David Westcott is committed to granting additional time to complete underwriting for the CWHIP as well as waiving the 1% fee. We would appreciate your client withdrawing its petition.

Matt

From: David Westcott
Sent: Friday, July 11, 2008 3:48 PM
To: Matt Simans
Subject: RE: Walton County Workforce waiver

We will grant both the additional time and the waiver of the fee for all applicants. Thanks.