

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

FHFC CASE NO. 2014-077VW
Application No. 214-122B

TOWERS OF JACKSONVILLE, LP

Petitioner,

Vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent.

**PETITION FOR WAIVER OF 2014 NON-COMPETITIVE APPLICATION INSTRUCTIONS,
HOUSING CREDIT PROGRAM, PART A, SECTION 2(a)(2)**

Petitioner, Towers of Jacksonville, LP, a Florida limited partnership ("TOJLP") petitions Respondent Florida Housing Finance Corporation ("FHFC") for a waiver of the requirement that no material change (33.3% percent more of the Applicant, a general partner of the applicant, or a member of the applicant) in the ownership structure of the named Applicant shall result in disqualification from receiving funds (as defined below), *See* 2014 Non-Competitive Application Instructions, Part A, Section 2(a)(2).

Pursuant to FHFC Chapter 67-21 Rule 67-21.003 (8)(a) through 67-21.003 (8)(b) TOJLP requests a waiver of the Non-Competitive Application Instructions in order to allow the substitution of the General Partner. The organizational documents provided in the application clearly show Deland RHF Housing, Inc. as the General Partner with Retirement Housing Foundation appointing 7 Board members and Towers of Jacksonville, Inc appointing 3 Board members, attached hereto as Exhibit 1.

The substitution of Towers of Jacksonville, LLC with Deland RHF Housing, Inc. is required in order for the property to obtain a real estate tax exemption under Florida Statue 196.1975, which allows for a real estate exemption for affordable properties that are age restricted to 62 and over and have a 501(c)3 as the general partner. The entities that make up the ownership structure of the General Partner

will not change. Retirement Housing Foundation and Towers of Jacksonville, Inc. will continue as the only members of the General Partner.

A. THE PETITIONER

1. The name, address, telephone numbers and email address for TOJLP and its qualified representative are:

Towers of Jacksonville, LP
911 N Studebaker Road
Long Beach, CA 90815
Telephone: (562)257-5309
Facsimile: (562) 493-7042
E-mail: anders.plett@rhf.org

B. THE DEVELOPMENT

2. In 2014, TOJLP applied for Multifamily Mortgage Revenue Bonds (“MMRB”) and Non-Competitive Housing Tax Credits (“4 Percent HC”) pursuant to the 2014 Non-Competitive Application Instructions. See Application No. 214-122B.
3. TOJLP is a 194 unit affordable senior independent living community located in Jacksonville, FL (“Development”). It was constructed in 1972 and it is now in need of a significant renovation to extend the life of the building and preserve these affordable housing units.
4. The provisions of the 2014 Non-Competitive Application Instructions do not permit a change of more than 33.3% of a general partner in the Applicant. A change of more than 33.3% will result in the disqualification from receiving funds. TOJLP at the time of application had Towers of Jacksonville, LLC as the General Partner but the organization chart and supporting documents in the application showed Deland RHF Housing, Inc as the General Partner. TOJLP discovered the property could retain the property tax exemption if the General Partner was a 501(c)3 but at the time the application was submitted Deland RHF Housing, Inc was awaiting confirmation from the IRS of its 501(c)3 status so it was not admitted to TOJLP at the time of application.
5. The requested waiver will not adversely impact the Development. Retirement Housing Foundation and the Towers of Jacksonville, Inc are the members for Deland RHF Housing, Inc. and the Towers of Jacksonville, LLC. A denial of this Petition (a) would result in substantial and unnecessary economic hardship to TOJLP; and (b) delay and reduce the proposed renovations that will benefit the residents.

C. RULE FROM WHICH RELIEF IS REQUESTED

6. TOJLP realleges and incorporates Paragraphs 1 through 5 as set forth herein.
7. TOJLP requests a waiver of Part A, Section 2(a)(2) of the Non-Competitive Application Instructions that provides as follows:

2. Applicant:

- a. State the name of the Applicant.

- (2) If applying for MMRB, with or without Non-Competitive HC, the Applicant entity shall be the borrowing entity and cannot be changed until after the loan closing. Replacement of the Applicant or a material change (33.3 percent 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 loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval.

8. The Ownership of the Applicant will not be adversely impacted by the waiver. Retirement Housing Foundation and the Towers of Jacksonville, Inc are the members for Deland RHF Housing, Inc. and the Towers of Jacksonville, LLC.

D. JUSTIFICATION FOR PETITIONER'S REQUESTED WAIVER

9. TOJLP realleges and incorporates Paragraphs 1 through 8 as set forth herein.
10. Under Rule 67-21.003 (8)(a) through 67-21.003 (8)(b) the Board of Florida Housing Finance Corporation has the authority to approve a change in the Applicant based on the facts and circumstances of each Applicant's request.
11. In this instance, TOJLP feels the circumstances and facts support the approval to change the general partner.
12. The Towers of Jacksonville, LLC the general partner must be substituted from the limited partnership in order for the Development to qualify for a property exemption under Florida Statute 196.1975.

E. CONCLUSION

13. Florida Housing's Rules are designed to allow the flexibility necessary to provide relief from the rule requirements when strict application, in particular circumstances, would lead to an unreasonable, unfair or unintended result.
14. The Towers of Jacksonville, LLC, general partner must be substituted from the limited partnership in order for the Development to qualify for a property exemption under Florida Statute 196.1975.
15. The requested waiver will not adversely impact the Development. Retirements Housing Foundation and the Towers of Jacksonville, Inc are the members for Deland RHF Housing, Inc. and the Towers of Jacksonville, LLC. A denial of this Petition (a) would result in substantial, unnecessary economic hardship to TOJLP; and (b) delay and reduce the proposed renovations that will benefit the residents.
16. A denial of the requested waiver could result in a substantial hardship for TOJLP from higher construction and finance costs if the Applicant had to reapply for MMRB and Non-Competitive HC. The low income senior residents would also suffer from the delayed and reduced renovations.
17. Finally, by granting the requested waiver, Florida Housing would recognize the economic realities and principals of fundamental fairness in the development of affordable senior rental housing. This recognition would promote participation by experienced developer entities in the purpose of the Act through construction of projects in an economical and efficient manner.
18. Should Florida Housing require additional information, TOJLP is available to answer questions and to provide all information necessary for consideration of its Petition for Waiver of Part A, Section 2(a)(2) of the Non-Competitive Application Instructions.

WHEREFORE, Petitioner Towers of Jacksonville, LP respectfully requests that Florida Housing Finance Corporation provide the following relief:

- A. Grant the Petition and all relief requested herein;
- B. Approve the substitution of the Towers of Jacksonville, LLC with Deland RHF Housing, Inc; and
- C. Grant such further relief as may be deemed appropriate.

Respectfully submitted,

Towers of Jacksonville, L.P.,
a Florida Limited Partnership

By: Deland RHF Housing, Inc.,
a Florida Nonprofit Corporation
its Managing General Partner

By:

Name: Laverne R Joseph

Its: President

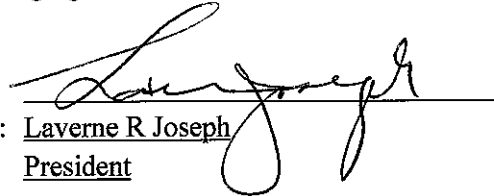
A handwritten signature in cursive script, appearing to read "Laverne R Joseph", is written over a horizontal line. The signature is fluid and extends slightly above and below the line.

Exhibit 1

Listing of Applicant Principals - Attachment #1

- A. Organizational Chart – Provides a breakdown of the percentage ownership interest of each Principal.

Towers of Jacksonville

