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Local Housing Assistance Plans – Tips, Reminders, and Updates

Q: *How do I know if our Local Housing Assistance Plan must be rewritten and submitted to FHFC this year?*

A: 62 SHIP jurisdictions, more than half of all funded communities, have Local Housing Assistance Plans expiring in 2010. Plans must be submitted to FHFC by May 2, preceding the end of the fiscal year in which the current plan expires. If your current plan only covers distributions through 2009/10, you must submit a new plan to the FHFC by May 2, 2010 to receive any upcoming SHIP funds. You can find out when your county, city or interlocal community's local housing assistance plan expires by visiting the "Programs" section of the Coalition's website, www.flhousing.org.

Q: *What number should we use as our distribution amount when completing the Housing Delivery Goals Chart?*

A: Although the Florida Housing Finance Corporation hopes to receive an estimated appropriation, they may not have it prior to a local jurisdiction needing to complete their Housing Delivery Goals Chart on May 2, 2010. Until an estimate is released, Florida Housing's staff suggests filling out the Housing Delivery Goals Chart with a figure representing 75% of your jurisdiction's 2008/09 funding distribution. FHFC will notify local jurisdictions once the amounts are known and will not require an amendment to the goals chart, unless you make changes to which strategies are funded.

Q: *Instead of writing an entirely new LHAP, can I just update my current LHAP and mail it into FHFC?*

A: No, the new plans require several changes. You must use the document "LHAP Template 2009-10 Plan Text", found on the SHIP LHAP section of Florida Housing's website.

Plans must be submitted to the FHFC via electronic submission according to section 67-37.005(18) of the SHIP Rule. The website also includes the Amendments and Technical Revision documents you will need. For new plans and plan amendments, the original signed resolution and certification must be mailed to FHFC.

Q: *Is there anything that I should try to avoid or include so that my LHAP is accepted by the FHFC Review Committee?*

A: Yes, be clear in defining a system or procedure. General terms to AVOID are "may," "case by case", and "at our discretion". When these terms are used, the procedure appears optional. FHFC's Review Committee will ask to see the criteria used to determine when and how one client may be assisted over another. Also, include detailed information in the Terms, Recapture and Default section of each strategy. For example, what is the term of the loan or DPL in number of years? In the event of death, are heirs able to assume the mortgage? If the interest rate is zero percent, state it as 0% or interest free; do not leave people guessing about your loan terms and requirements.

Q: *Were there any changes from Senate Bill 360 that may require additional strategies or an amendment to my LHAP?*

A: When Senate Bill 360 was signed into law last summer, it made several significant changes to the SHIP program. Even if your LHAP is not expiring in 2010, your jurisdiction should soon update your plan to respond to new requirements for integrating green housing and special housing needs work into one or more of your strategies. Furthermore, every jurisdiction should consider whether or not to provide SHIP assistance to manufactured homes, since these units are now included in the SHIP definition of eligible housing. All of the changes have been integrated into the newest LHAP template.

Q: *Can you explain the new "green" requirement for SHIP?*

A: Green housing initiatives are now required to be included within your plan by s. 420.9075; "Each county and each eligible municipality shall describe initiatives in the local housing assistance plan to encourage or require innovative design, green building principles, storm-resistant construction, or other elements that reduce long-term costs relating to maintenance, utilities, or insurance." There are a number of items that a local jurisdiction can include in a strategy to address innovative design, green building or storm-resistant construction. For instance, within your Rehabilitation strategy consider using all energy star appliances, compact fluorescent lights (cfl), low VOC paint, and light colored roofs and exteriors. At the very least, one strategy must include such a focus. Remember that green housing includes

Have you got a question about the SHIP program? Free telephone technical assistance is available to help you successfully implement your SHIP funded work. Call the Florida Housing Coalition's SHIP telephone hotline at (800) 677-4548.

water conservation, housing durability, healthy environment and more. The Coalition's website offers a variety of examples of how various Florida communities have addressed green design with SHIP funding.

Q: *I have heard that we can now assist mobile homes; can you explain how this works?*

A: The definition of "eligible housing" has changed in the SHIP Statute. It now includes "manufactured housing constructed after June 1994" as eligible housing, but no more than 20% of a SHIP distribution may be devoted to manufactured housing. Considerations in regard to using SHIP money on manufactured housing may include whether the manufactured home is on land owned by the SHIP recipient or is located on leased land and whether the manufactured home is treated as real property or personal property. The "Programs" section of the Coalition's website provides more detail to distinguish between the two and offers a lien for personal property units.

Q: *Do I need to make any changes to my LHAP to include households that have incomes up to 140% of the area median income?*

A: Although the SHIP Statute now allows cities and counties to assist households with incomes up to 140% AMI, but this is not a requirement. Prior to SB 360, you were permitted to serve moderate income households earning up to 120% of the area median income. Now you may assist households with income as high as 140% of the area median income. Whether your jurisdiction chooses to serve this higher income group is a local decision. The tracking spread-

sheet, which can be found on the Coalition web page, has been revised to address this issue along with the tracking of FHOP funds.

Q: *If I know that we are now required to assist persons who have special housing needs, how should I implement this requirement?*

A: The definition of Special Needs has been included in FAC 67-37. Additional text in 420.9075 now requires SHIP jurisdictions to provide affordable residential units for eligible households that include "persons who have special housing needs." Persons with special housing needs include, but are not limited to the homeless, elderly, migrant farm workers and persons with disabilities. Similar to green design, you are required to address this in your plan. Include language in one or more of your LHAP strategies that explains how you will assist persons who have special housing needs obtain affordable housing. Many jurisdictions already assist one or more groups with special housing needs and should confirm that their LHAPs specifically document this.

Q: *Can you explain what the Housing Preservation language that has been added to the SHIP statute means?*

A: SB 360 amends the SHIP statute to encourage counties and eligible municipalities to develop a strategy in their Local Housing Assistance Plan for the preservation of assisted rental housing. Assisted rental units are those that have project based rental assistance, usually section 8 or Rural Development housing subsidies. The properties are older and will likely need significant rehabilitation. Their affordability period has expired, or will soon expire, leaving the current owners

free to choose not to renew the rental subsidies. These units are at risk for conversion to market based rents. Without some action, these units will be lost to the pool of affordable housing. When developing your strategy, consider giving priority to any "Project Based rental assistance" projects. Provide your SHIP funds through a rental acquisition and rehabilitation strategy. Keep in mind that it is not a good idea to use SHIP funds for pre-development costs. These upfront expenses for a Capital Needs Assessment, a market study, and more can be paid for with other housing subsidies, including the Predevelopment Loan Program.

Final Note:

Take a moment to read the latest SHIP statute and rule as more changes and options are available than space allowed. For other examples of strategies, recapture, etc., you can access all current LHAP's on our website at www.floridahousing.org.

The Florida Housing Coalition has updated the SHIP Clips that are available for review on its website.

The Coalition's website, now includes the SHIP Clips content from the most recent several years in the "Programs" section.

With answers on SHIP topics about income qualification, eligible use, homebuyer strategies and more, the SHIP Clips content on the website has now more than doubled. You may also review this content—over 60 pages in all—by visiting www.shipfaq.blogspot.com.