



Frequently Asked SHIP & Hurricane Housing Recovery Questions

Q: *My community has recently received Hurricane Housing Recovery funds. Until now, SHIP was our only housing program. I know that SHIP and HHR have separate and distinct program and administrative budgets, but my co-worker and I will work with both programs. What system should we use to account for the program and administrative expenses associated with each grant program?*

A: Many cities and counties across Florida receive more than one type of housing grant. Each community has devised some system of distinguishing between the expenses associated with each grant. At a minimum, this cost allocation system must help you account for the time you devote to implementing each of the SHIP and HHR programs. On some occasions, you will spend both SHIP and HHR funds on the same housing unit. Your cost allocation system must first identify the direct program costs paid by each program used to rehabilitate, purchase, construct or otherwise assist the housing unit. The system must next account for the staff time that was devoted to completing that unit. The HHR and SHIP grants will pay for staff expenses in the same proportion as the amount of direct program costs for which each grant paid. For example, you may spend \$28,000 of Hurricane funds and \$12,000 of SHIP funds to rehabilitate a house. Some staff activities like the initial inspection and work write-up are program expenses, while other activities like applicant intake will be paid for from your two administrative budgets. In both cases, however, you will charge 70 percent of your staff expenses to the HHR program and 30 percent to SHIP. To receive

additional assistance creating a cost allocation system for your community, contact the Florida Housing Coalition at 1(800) 677-4548.

FOLLOW-UP QUESTION: TRACKING HHR EXPENDITURES

Q: *I know that Hurricane Housing Recovery Program funds must be tracked separately from my community's SHIP funds. What tips do you have as I set up a tracking system? Are there differences in how SHIP and HHR funds must be tracked?*

A: For all of its similarity to the SHIP program, the new HHR program is a distinct funding source that requires a separate housing assistance plan, as well as separate tracking and annual reporting. There are several differences between SHIP and HHRP that will affect the HHRP tracking system that you create. One readily apparent difference is related to the income levels of households assisted. Each HHRP community has received a portion of money to specifically assist “extremely low income (ELI) households” with incomes below 30 percent of the area median income. Your ELI funds must be tracked separately from your Collaboration Funds and your Base HHRP allocation, since only the latter two sources must be expended in compliance with the traditional SHIP “income set-aside”. ELI funds must also be tracked separately since they do not have to be expended in compliance with the “homeownership set-aside”. While you must track how Collaboration Funds and your Base HHRP allocation comply with the homeownership and income set-

asides, remember that all HHRP funds are exempt from compliance with the “construction/ rehabilitation set-aside”. Section 4 of the HHRP Rule states “with the exception of the income requirements and home ownership requirements, counties and eligible municipalities shall be allowed to apportion their funds across their housing strategies as dictated by local needs.”

The HHRP Rule also departs from the SHIP program in one aspect of its annual reporting requirements. Section 6(2) of the HHRP Rule indicates that you “must provide a list of recipients by strategy including names and addresses”. Make sure your tracking system collects the full address of each household assisted—and remember to include the zip code.

Also consider the other minor differences between SHIP and HHRP tracking. There are no HHRP carryover funds, since you have received a one-time-only allocation of these funds. The HHRP administrative budget is 15% of the total of all HHRP funds, in contrast to the 10% budget that SHIP communities commonly take. Since HHRP is a one-time-only allocation, your program income and recaptured funds will build up gradually over three years. Most likely, the amount of program income and recaptured funds you report will grow larger over the course of the three HHRP annual reports you submit to the state. Finally, the HHRP allocation in many communities is much larger than any annual SHIP distribution they have ever received. Get used to accounting for large amounts of money.

The Florida Housing Coalition has just finished creating a HHRP tracking system that uses an Excel spreadsheet. Based on the SHIP tracking spreadsheet used by many SHIP communities, this HHRP

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 line at (800) 677-4548.



Michael Chaney

HHR Program Tracking Spreadsheet
As of June 30, 0 For State Fiscal Year :

ACTUAL NUMBERS																		
Expended Funds/Units																		
A	B	C	D	E	F	G		H		I		J	K	L	M			
Strategy	Amount of Total Funds per Strategy	% of Total Funds	Amt. Expended as of 6/30	Dollar Amount Home Ownership	Dollar Amount Construction	ELJ No. of Units	ELI Dollars	VLI No. of Units	VLI Dollars	LJ No. of Units	LJ Dollars	Mod No. of Units	Mod Dollars	Total No. of Units	Amt. Encumbered not Expended at 6/30	Dollar Amount Home Ownership	De C	
		#DIV/0!	\$0.00		\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00			
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“FHC HAS CREATED A NEW TRACKING SYSTEM FOR THE HURRICANE HOUSING RECOVERY PROGRAM. REQUEST YOUR FREE COPY TODAY.”

spreadsheet has been enhanced with the changes outlined above. While this HHRP Excel spreadsheet is not a standard system required for use by all HHRP communities, we encourage you to try it out. Email me (chaney@flhousing.org) at the Florida Housing Coalition office to receive a free electronic copy. Call the Coalition at (850) 78-4219 if you have further questions about this topic.

**AND SPEAKING OF DISASTERS....:
THE USE OF AN EMERGENCY RULE
DURING A DISASTER**

Q: We are responding to assistance requests from those affected by Hurricane Wilma. Our current Local Housing Assistance Plan (LHAP) includes a disaster assistance strategy that only indicates that we may provide emergency repair assistance to affected, income-eligible households. We are now noticing, however, that many displaced households require rent and utility deposit assistance—an activity that is not mentioned anywhere in our current LHAP.

I noticed, however, that the general disaster strategy that Florida Housing Finance Corporation has adopted into the SHIP Rule allows for the following assistance: “security deposit, rental assistance for the duration of a Florida Office of the Governor Executive Order”. May we, therefore, start providing rent and utility deposit assistance to applicants without making any changes to our LHAP?

A: Yes you may begin to immediately provide rent and utility deposit assistance, while also beginning to advertise the availability of this assistance. Starting with the hurricane disasters during 2004, Florida Housing Finance Corporation created a general disaster assistance strategy for the SHIP program (available on their website). This language is referenced in the regular SHIP Rule and is also adopted into any Emergency SHIP Rule authorized by the Governor during a disaster. For the period when an executive order or emergency rule is active, any jurisdiction may provide the

disaster assistance outlined in the emergency rule—even if no such strategy or language currently exists in the jurisdiction’s current LHAP and even if the jurisdiction does not have a disaster strategy.

After the disaster has passed and you have provided assistance, adopt a disaster strategy into your LHAP, just in case there is a future disaster. Section 67-37.005(7) of the SHIP rule now provides that each local housing assistance plan shall include a disaster strategy. Consider adopting Florida Housing’s standard strategy language, or a strategy that offers multiple types of disaster assistance. Make sure not to include in your plan any emergency rule language about assistance that is not normally allowed under the regular SHIP Rule or Statute. For example, one recent emergency rule provided authorization for “homeownership and rental activities, including activities related to manufactured housing”—yet the regular SHIP Rule does not allow us to offer any assistance on manufactured housing (mobile homes).

