

STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM



by Michael Chaney

Local Housing Assistance Plan (LHAP)

Q: What is new for submitting an updated SHIP LHAP?

A: Updating the plan that governs your local SHIP Program is a responsibility that administrators undertake every three years. By May 2, 2013, about half of all SHIP jurisdictions are responsible for submitting updated plans to cover fiscal years 2013/2014, 2014/2015, and 2015/2016. Florida Housing Finance Corporation (FHFC) has included a new document: “2013 LHAP Submission Procedures” among the 2013 LHAP documents and exhibits available at: http://apps.floridahousing.org/StandAlone/FHFC_ECM/AppPage_ListPage.aspx?PageID=35.

The new procedures document offers quick reference tips to help you submit your LHAP, and if needed, later submit a corrected version after FHFC’s review. These tips include:

- All documents shall be submitted electronically to FHFC SHIP staff
- Make sure that strategy names are consistent throughout the document and exhibits
- Remember that since 2009 the requirement to include some

element in one or more SHIP strategies that encourages or requires “innovative design, green building principles, storm-resistant construction, or other elements that reduce long-term costs relating to maintenance, utilities, or insurance.” Each jurisdiction can address this in a way that best complements its local SHIP Program because there are no minimum strategy elements required by FHFC. Many existing LHAPs already address this requirement and the Coalition is available if you need guidance when submitting a new report.

Complying with the new 2013 LHAP Submission Procedures will assist you and also help Florida Housing’s staff with efficiently reviewing your plan. If possible, submit the plan a month before the May 2 deadline to allow sufficient time to respond to FHFC comments.

Q: Part of updating the LHAP entails creating a Housing Delivery Goals Chart for fiscal years 2013/2014, 2014/2015, and 2015/2016. What level of funding should I add to these Charts considering that we do not currently know the funding level to expect for the 2013-2014 fiscal year?

A: No one knows the future funding amount. It is likely that you will not know until well into the process of developing your LHAP. For this reason, FHFC’s staff will not examine the charts in great

detail, although these documents are required to be submitted as part of the whole updated plan. FHFC offers the following options for you as you estimate future funding on the goals charts. You can either:

1. Submit with a \$0 estimated allocation and then amend the charts if an allocation is appropriated;
2. Estimate only your projected program income for the fiscal year; or
3. Use the allocation amount from the last allocation received.

Q: Is there an Advisory Committee report due in conjunction with the updated LHAP?

A: An Advisory Committee in each SHIP jurisdiction is required to create a report every three years that considers if incentive strategies should be added or deleted from the LHAP. Incentive strategies are local government policies that offer builders and contractors some benefit or financial incentive to focus on affordable housing development.

Section 420.9076 of the SHIP Statute indicates which jurisdictions are excluded from this requirement to create triennial reports on a regular basis: “Local governments that receive the minimum allocation under the State Housing Initiatives Partnership Program shall perform the initial review (completed in

2008) but may elect to not perform the triennial review.”

As noted above, jurisdictions do not currently know the level of future SHIP funding. However, if you work for a county or municipality that traditionally receives more than the minimum SHIP allocation, you will need to submit an updated Affordable Housing Advisory Committee (AHAC) report in December prior to the updated LHAP May due date. If you are considering not submitting a report based on not receiving above the minimum because of no SHIP funding, then at a later date your jurisdiction receives new funding that exceeds the minimum SHIP allocation, your jurisdiction will not receive the new funding until Florida Housing receives the required AHAC report. For this reason, you are encouraged to begin the processes for completing the report as soon as possible.

Section 420.9076 (4) of the SHIP Statute outlines 11 potential types of incentive strategies that a SHIP AHAC must discuss when developing a report. The Coalition is available to provide you with details and guidance about the report.

Record Retention

Q What is the record retention policy for SHIP files?

A The SHIP Program record retention requirements are

outlined in the State of Florida General Records Schedule for State and Local Government agencies, which is available at the Florida Department of State's website www.dos.state.fl.us. Click on the link for Library and Info. Services.

First, you must retain applications that were not assisted with SHIP funds. Identify which SHIP distribution would have funded these applications. You must keep the application for four years after the end of the three-year period when this distribution is closed out. For example, Ms. Smith applies (but is not assisted) for SHIP assistance from the 11/12 distribution. This distribution will be closed out June 30, 2014, so Ms. Smith's file must be kept until June 30, 2018.

Second, you must retain documents for the households you assist with SHIP. Keep these documents for five years after the loan has been released or satisfied, provided audits have been released for the SHIP distribution that funded the assistance. For example, an applicant is assisted with 11/12 funds in July 2011. These funds will be audited in 2014. However, the applicant has a SHIP assistance loan that is forgiven in 2021 at the end of 10 years. Retain the applicant's file for an additional five years, until 2026. Records can be retained in electronic form or microfilm. The standards used must comply with the Florida Administrative Code. Your City or County Clerk has a record retention policy and will be able to provide you with

guidance on local record retention requirements. It is possible that your local requirements may be stricter than the State requirements.

Income Qualification

Eligibility determination is a fundamental task for every SHIP administrator. The following income-related question is one of many included on the Coalition's website of SHIP frequently asked questions: <http://www.shipfaq.blogspot.com/>. Visit the website to read this and other questions. You can test your own knowledge by answering the question before reading the answer.

Q An applicant has a 17-year-old son who works. His income is excluded now, but do I start counting it when he turns 18 within the next 12 months?

A Yes. You do not count the employment income of children under 18 years old, as required by 24 Code of Federal Regulations (CFR) Part 5F (c)(1). Once the applicant's son turns 18 count his employment income for the months remaining during the next 12-month period for which you are estimating annual household income. For example, an administrator may estimate a household's income August 1, 2012. The applicant's son turns 18 December, 2012. The administrator will count the son's employment income from the date of his birthday through July 31, 2013. **HNN**