

LHAP Strategy Design and Amendments

sponsored by
**Florida Housing Finance
Corporation's Catalyst Program**
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Catalyst Training Schedule

A banner for Catalyst Training. On the left, a black and white photo shows a group of people in a meeting. On the right, text reads "Fine Tune Your SHIP Program", "REGISTER NOW FOR", and "CATALYST TRAINING" in large bold letters. Below the photo, it says "Register Now for SHIP Catalyst Training!".

Fine Tune Your SHIP Program
REGISTER NOW FOR
**CATALYST
TRAINING**
Register Now for SHIP Catalyst Training!

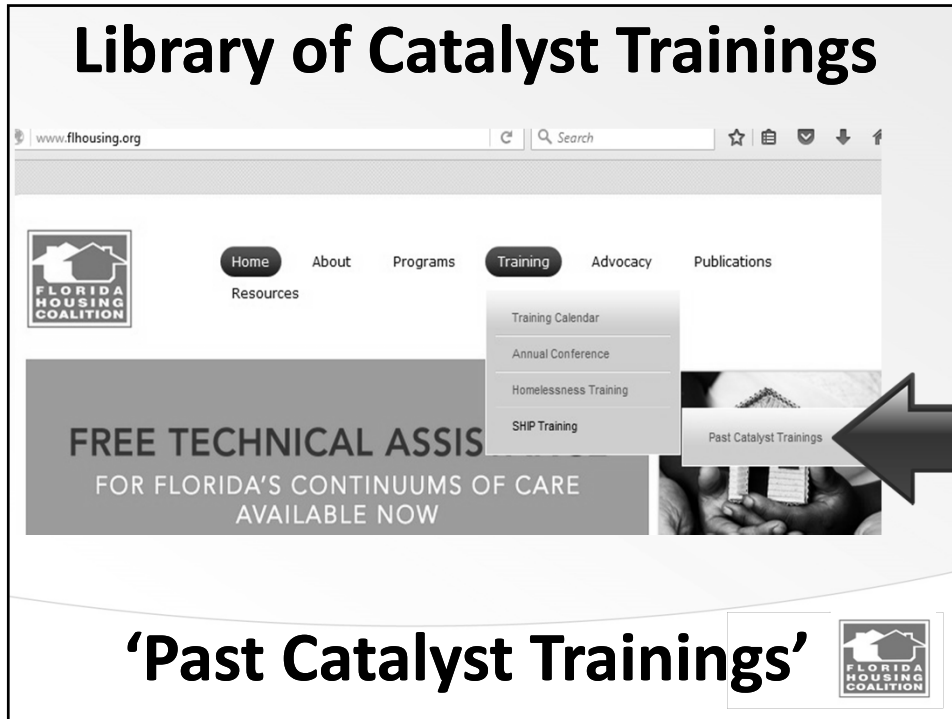
The Coalition is Florida's affordable housing training and technical assistance provider.

The Florida Housing Coalition is commonly acknowledged as the foremost authority in Florida on affordable housing, community development and related issues, as a clearinghouse for information, a provider of training and technical assistance, and an advocate at the state and national levels for people in need of affordable housing.

www.flhousing.org



Library of Catalyst Trainings



The screenshot shows the Florida Housing Coalition website. The navigation menu includes Home, About, Programs, Training, Advocacy, and Publications. The Training dropdown menu is open, showing options: Training Calendar, Annual Conference, Homelessness Training, SHIP Training, and Past Catalyst Trainings. A large black arrow points to the 'Past Catalyst Trainings' link. Below the navigation menu, there is a banner for 'FREE TECHNICAL ASSISTANCE FOR FLORIDA'S CONTINUUMS OF CARE AVAILABLE NOW'. The Florida Housing Coalition logo is visible in the top left and bottom right corners.

'Past Catalyst Trainings'

The LHAP Governs Specific SHIP Allocations

EXAMPLE

- Community completed LHAP for 16/17 through 18/19 funds
- New LHAP includes a new strategy
- Still working to expend 14/15 funds.
- **Question:** Spend 14/15 on new strategy?
- **Answer:** NO, 14/15 funds are governed by old LHAP.
- **Solution:** amend old LHAP



Amend the LHAP Anytime



- **Plan amendment:** add or delete a strategy, requiring review committee approval:
 - Approved (with no comments)
 - Approved with Comments
 - Tabled or Approval is Withheld
- **Technical Revision:** updating an existing strategy



Technical Changes to Existing Strategies

EXAMPLES


- Changing SHIP deferred loan from 10 years to 15 years
- Adding a priority to applicant selection
- Increasing Maximum Award amount
- TIP: Include updated Housing Delivery Goals Chart



Procedures for Amending the LHAP

- Initially submit documents electronically in their current file format (word, excel)
- Use underline/strikethrough for LHAP changes (different than when submitting whole LHAP)
- Send main LHAP document & exhibits affected
- Email robert.dearduff@floridahousing.org
Subject: LHAP Amendment & local gov't name
- In email, state if this as a **plan amendment** or **technical revision**.





we make housing affordable™

- ABOUT US
- BUSINESS & LEGAL
- CALENDARS
- DEVELOPERS
- DISASTER RELIEF
- EMPLOYMENT
- FOR INVESTORS
- FORECLOSURE PREVENTION
- HOMEBUYERS & RENTERS
- HOUSING PARTNERS
 - Affordable Housing Study Commission
 - Elected Officials
 - Lenders
 - Local Governments (SHIP)
 - Income Limits
 - Local Government Information
 - Local Housing Assistance Plans (LHAP)
 - LHAP Template and Exhibits
 - Current Local Government LHAPS
 - Program Staff
 - Purchase Price Limits

LHAP Template and Exhibits

www.floridahousing.org

- [2017 Submission List](#)
- [2017 Local Housing Assistance Plan Procedures](#)
- [SHIP Rule](#)
- [SHIP Statute](#)
- [2017 LHAP Template](#)
- [Administrative Budget](#)
- [Timeline](#)
- [Housing Delivery Goals Chart](#)
- [Certification Form](#)
- [Resolution](#)
- [LHAP Strategy Codes](#)
- [LHAP Amendment Procedures](#)
- [Sample 2017 LHAP](#)
- [Disaster Strategy](#)
- [Disaster Self-Certification Form](#)
- [LHAP Strategy Quick Guide](#)

New Template

“LHAPs submitted on out-of-date forms or in incorrect format will be rejected”

Guidance on Specific Strategies

Purchase Assistance

- Assistance = difference between what target market can afford and housing cost
- No statutory or regulatory cap on maximum assistance amount
- Do not include underwriting terms if first mortgage lender determines loan eligibility
- Rehab or Not Rehab?
- Define First Time Homebuyer



Owner-Occupied Rehabilitation

- Goals: work to fully repair home. May also be neighborhood improvement
- Challenges with Rehab often are in the implementation
 - Inspections
 - Managing Expectations of the Homeowner
 - Work Write Ups
 - Approaches to change orders
 - Evaluating Contractors



Strategy Recommendations: Developers of Homeownership

- How will funds be awarded to developer?
 - Terms of developer award
- What will be passed along to the buyer?
 - Terms of Buyer Assistance
- Recipient selection section describes buyer
- What is the sponsor selection criteria?
- Procurement policy – attach or describe



SHIP Rental Development

- New construction or repair of rentals
- Limited by statute to 25% of allocation
- Minimum Affordability Period: 15 years
- Monitoring:
 - required annually
 - if more than \$10,000 project
 - and no one else is doing it



SHIP Rental Assistance

Rental Assistance = Helping individual renter

- No Monitoring required
- Rent Deposit
- Eviction Prevention
- Rent Subsidy
 - Subsidy recipient must be Very Low Income and be homeless or special needs



Section II. Housing Strategies

Homeownership Codes

Code	Description
1	Purchase Assistance with Rehab
2	Purchase Assistance without Rehab
3	Owner Occupied Rehabilitation
4	Demolition/Reconstruction
5	Disaster Repair/Mitigation
6	Emergency Repair
7	Foreclosure Prevention
8	Impact Fees
9	Acquisition/Rehabilitation
10	New Construction
11	Special Needs

Confirm
Strategy Title
corresponds
with Code

Rental Codes

Code	Description
12	Special Needs-Rental
13	Rental Assistance (Tenant)-Rental
14	Rehabilitation-Rental



Section II. Housing Strategies

Summary of Strategy

- Concise and clear description
- Describe type of activity
- Do not include loan terms, selection, income categories, etc. required in other sections
- Strategies must be self contained (do not reference other strategies)



Fiscal Years Covered

- List all years covered. Do not use “all years”

Income categories to be served

- List one or all the defined income categories “very low, low and moderate”
- Do not use “all income groups”
- If not funding a specific group leave it off
- Consistent with Housing Delivery Goals Chart



Correct This Income Categories Text

BEFORE

Income Categories to be served:

- Very-Low Income - No contribution
- Low Income - \$100.00 contribution
- Moderate Income - \$250.00 contribution

AFTER Income Categories to be served:
Very-Low, Low, Moderate



Housing Strategies: Maximum Award

- List by income category, consistent with HDGC
- Rehab and Purchase Assistance: list maximum amount households may receive.
- Rental Development: include 'maximum per rental unit' as well as 'maximum for entire development'



Maximum Award Considerations

- Rehabilitation: Typical repairs and average costs
- Rental Housing: What is typical rent and availability?
- Purchase Assistance: Award driven by housing cost and what target market can afford



Terms of the Award

1. Repayment loan/deferred loan/grant
2. Interest Rate:
3. Years:
4. Forgiveness:
5. Repayment:
6. Default:



Terms 1. Loan or Grant

Loan, deferred loan or grant

- Loans: state “secured by a recorded mortgage & note”
- State ‘subordinate mortgage’, not 2nd mortgage

Grants must be approved by FHFC

- Usually limited to disaster/emergency repair, rental assistance, foreclosure prevention, barrier removal

Variations Available

- Deferred Payment Loans of Various Terms
- Direct Payment Loans at Various Terms
- Direct/Deferred Payment Loans at Various Terms
- Grants



Terms 2. Interest Rate

- Include interest rate for SHIP assistance if any
- If none state 0%. For grants, state N/A

Terms 3. Years

- State number of years loan is secured
- For grants, state N/A
- Put maturity date on the RECORDED LOAN.
- What is default # of years of vague mortgage, according to Statute 95.281 (1) (b)?



Sample Years Text Needs Improvement

BEFORE

Term: 10 years. The SHIP mortgage and loan agreement is forgiven after ten (10) years IF the owner maintains the home:

- a. As principal residence
- b. Property taxes paid in full every year
- c. Insurance kept on the unit paid and up to date during the life of the loan.

AFTER Term: 10 years.



Terms 4. Forgiveness

State if any portion of the loan will be forgiven

- Some never forgive: repaid upon property transfer
- Some forgive at end of term
- Some prorate forgiveness over the term

Do not refer to default situations in this section

- This section describes what happens when everything goes according to plan



Terms 5. Repayment

- State if payments are required during the term
- Another option: balloon payment at the end of the term
- Some forgive assistance, so no SHIP repayment is ever required.



Terms 6. Default

List situations where the loan does not remain in good standing through the term:

- Sale, transfer,
- Conversion to rental,
- Death of homeowner(s).

Use “outstanding balance” rather than “full loan amount” when addressing repayments.

Review of Policies when SHIP recipient dies



Housing Strategies: Recipient Selection Criteria

- Only for applicants, not developers
- At a minimum state “first-qualified, first-served”.
- Add any special conditions, priorities for selection specific to the strategy.
- Do not include priorities already stated in Section I, waiting list/priority section.
Reference to this section.



Housing Strategies: Sponsor/Developer Selection

- A sponsor is an entity to which an award of funds has been made.
- If this is done by an RFP process, please provide a general overview of that process and give a summarized list of requirements
- Selection criteria may include:
 - ❖ Experience ❖ Leveraged funds for project
 - ❖ Financial capacity ❖ Availability of land



Housing Strategies: Additional information

- Use this section to detail anything that is not covered in a section above.
- This includes restrictions against assisting mobile homes or households receiving SHIP funds more than one time, for example.
- If you are referencing a separate policy document in the LHAP, either summarize the policy in the affected strategies or attach the document as an exhibit.



Formally Update LHAP every 3 years

Two Entities must approve it

- City or County Commission
- Florida Housing Finance Corporation
 - LHAP Review Committee Members
 - FHFC Review may take 30 Days
- Proposed Rule revision increases to 45 days



Section I. General Information

- A. Interlocal Agreement
- B. Purpose of Program
- C. Fiscal Year Covered by the Plan
- D. Governance
- E. Local Housing Partnership
- F. Leveraging
- G. Public Input
- H. Advertising and Outreach
- I. Waiting List/Priorities



1st Qualified 1st Served OR Priority

- Use strategy language or insert new language. Does Priority apply to all or some strategies?
- Common: first priority for households qualifying as Special Needs
- Also: Essential Service Personnel



Section I. General Information

- J. Discrimination
- K. Support Services and Counseling
- L. Purchase Price Limits
- M. Income Limits, Rent Limits and Affordability
- N. Welfare Transition Program
- O. Monitoring and First Right of Refusal
- P. Administrative Budget: 5 or 10%?
- Q. Program Administration
- R. Project Delivery Costs
- S. Essential Service Personnel



New: Project Delivery Costs

Detail any Project Delivery Costs (PDC)

- “Cannot be any that would normally be included as administrative expenses”
- **Reasonable** Costs related to
 - Cost of the project, and
 - Type of strategy



Section I. Efforts

Get an “A” For Effort

- T. Efforts to incorporate Green Building
- U. Efforts to meet the 20% Special Needs set-aside
- V. Efforts to reduce homelessness

