

FREQUENTLY ASKED SHIP QUESTIONS

State Housing Initiatives Partnership Program

QUESTION: I have heard the SHIP Annual Report requirements will soon be updated. Do you anticipate the changes will require significant additional work? What is being changed?

ANSWER: Yes, the SHIP Annual Report will soon be changed, but the update is expected to reduce the amount of time needed to prepare the report. The changes eliminate almost all reporting for the interim SHIP allocations and the updated report should reduce data entry-related errors when calculating set-asides. To accomplish this, the Florida Housing Finance Corporation (FHFC) will soon release a new spreadsheet that will help auto-populate the Annual Report. Essentially, Administrators will enter data into the spreadsheet and click an upload button.

Most report requirements in the Annual Report have not changed. The regular deadlines are in place, so you should continue to expend all 16/17 funds and encumber all 17/18 funds, report compliance with all set-asides, and track and report SHIP administrative expenses.

Now is also the time to research the data you need to complete the Annual Report Certification, which asks for an update on regulatory reform activities. The Annual Report Certification asks for a per-unit estimate of housing cost increases for new construction and rehabilitation as a result of local policies, ordinances, regulations, and more that your city or county commission recently considered. Research the review process during the 12 months of the recently completed fiscal year. If there are no new policies with associated cost increases, enter \$0. If there were, estimate the increased per-home cost resulting from the changes and retain backup material to justify the dollar amounts reported.

The Florida Housing Coalition will offer trainings on these changes and requirements in summer, 2019. To register for the two-part webinar, navigate to: www.flhousing.org/events

QUESTION: My question is related to our SHIP purchase assistance program. Our lending partners recently provided us with FHA Mortgagee Letter 19-06. It mentions the necessity of documenting the requirements for governmental entity down payment assistance in conjunction with FHA-insured single-family home mortgages. How should our local government respond?

ANSWER: No local government response is required at this time. The legal staff at FHFC is currently researching this and will issue additional guidance. Please share their initial response with your lenders and continue to provide SHIP purchase assistance as usual. Here is FHFC's initial response:

On April 18, 2019, the Department of Housing and Urban Development (HUD) issued FHA Mortgagee Letter 19-06 in an attempt to clarify the documentation requirements for governmental entity down payment assistance in conjunction with FHA-insured single-family home mortgages. Although our understanding is that the mortgagee letter was intended solely to address documentation requirements pursuant to HUD's December 12, 2012 Interpretive Rule, a number of questions and concerns were raised by lenders

regarding the application of Mortgagee Letter 19-06 to state housing agency down payment assistance programs. On April 25, 2019, HUD issued FHA Mortgagee Letter 19-07, which extends the effective date of ML 19-06 until July 23, 2019. We will continue to work with the National Council of State Housing Agencies, HUD and our Program partners with respect to clarifying the requirements in Mortgagee Letter 19-06.

QUESTION: I'm in a hurricane impacted county and need housing recovery assistance. Is there financial assistance available to me?

ANSWER: Yes. In 2019, the Florida legislature allocated \$65 million through the Hurricane Housing Recovery Program



(HHRP) and made those funds available in 12 hurricane-impacted counties. Each county must first develop a housing assistance plan that details how funds will be spent at the local level. Once the plans are finalized counties may begin distributing funds to impacted households.

For more information on HHRP, contact Michael Chaney at chaney@flhousing.org.

QUESTION: Is there an FHFC-approved CLT strategy I can adopt for my SHIP community?

ANSWER: Yes. Those interested in supporting CLTs do not need to adopt a new and separate CLT strategy. Instead, a SHIP community may replace its current purchase assistance strategy in the LHAP with the CLT purchase assistance strategy. If you don't have a copy of the FHFC pre-approved CLT down payment assistance strategy, contact the Florida Housing Coalition. Alternatively, SHIP staff can incorporate CLT purchase provisions into their existing home buyer strategy so long as it closely resembles the sample strategy. This would be done as a LHAP technical revision which may be adopted at any time by your city or county commission. You must also e-mail the revisions to Robert Dearduff, SHIP Program Administrator, for FHFC approval before it is adopted locally.

QUESTION: Is there a standard set of criteria or resource that my SHIP office can use to determine that an organization is an approved CLT?

ANSWER: Yes. But please note that an approved CLT does not have to be a stand-alone organization. An approved CLT may be one program, or line of business, that is operated by a 501 (c) (3) organization. Community Land Trusts come in a variety of shapes and sizes! The one thing they all have in common is that they use a long term renewable ground lease to keep property affordable in perpetuity to provide affordable home ownership.

The Florida Community Land Trust Institute (Florida CLT Institute) can assist you with assessing the capabilities and qualifications of a CLT. The Florida CLT Institute, a program of the Florida Housing Coalition, will be launching the Florida Community Land Trust Certification Program in August, 2019. The Certification Program, developed in collaboration with Freddie Mac, involves a comprehensive organizational assessment of CLTs.

As you support CLT-homeownership in your communities using SHIP or other funding sources, contact Ashon Nesbitt, nesbitt@flhousing.org or Kimberly Spence, spence@flhousing.org to learn how the Florida Housing Coalition can help with a review of CLTs or similar ground lease homeownership programs. **HNN**

MORE GUIDANCE IN TECHNICAL BULLETINS | Florida Housing Finance Corporation provides SHIP-specific written guidance in Technical Bulletins. Some of the most recent bulletins have addressed the subjects of record retention, NOFA advertisements, and SHIP audit and monitoring requirements. You may access the bulletins on Florida Housing's website, www.floridahousing.org. Find SHIP by selecting Programs and then Special Programs from the pull-down menu. advertisements, and SHIP audit and monitoring requirements. You may access the bulletins on Florida Housing's website, www.floridahousing.org. Find SHIP by selecting Programs and then Special Programs from the pull-down menu.



MICHAEL CHANEY

Michael Chaney is a Technical Advisor for the Florida Housing Coalition, specializing in SHIP, homebuyer counseling, and foreclosure prevention programs. He has 21 years of experience providing technical assistance to local government, nonprofit housing professionals, and consumers throughout Florida. Michael holds a Bachelor's degree from Loyola University in New Orleans and a Master's of Social Work Administration from Florida State University, where he has served as an adjunct faculty member of the housing department

QUESTIONS 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 hotline at (800) 677-4548, Mon.-Fri. 8:30-5:00.**