

SHIP Program Administration Part 1

Sponsored by the
Florida Housing Finance Corporation's
Affordable Housing Catalyst Program

Presented By:
Michael Chaney
Technical Advisor
Chaney@flhousing.org
850-980-1307

Aida Andujar
Technical Advisor
andujar@flhousing.org
954-593-8988

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Our Thanks to the Florida Housing Catalyst Program



AFFORDABLE HOUSING CATALYST PROGRAM

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SHIP Overview

- SHIP created by Sadowski Act in 1992
- Documentary Stamps fund the State Housing Trust Fund
- Distributed based on population
- 19/20 Allocation: \$46,560,000
- 20/21 Allocation: Governor Vetoed Funding
- 21/22 Allocation: \$146,700,000

2021-2022 Distributions

Projected SHIP 2021-2022

\$ 146,700,000

Local Government	County Total	County Share/ City Share
ALACHUA	1,814,478	911,957
Gainesville		902,521
BAKER	350,000	350,000
BAY	1,170,563	938,909
Panama City		231,654
BRADFORD	350,000	350,000
BREVARD	4,017,139	2,223,084
Cocoa		128,147
Melbourne		558,784
Palm Bay		784,949
Titusville		322,175
BROWARD	12,768,885	2,289,460
Coconut Creek		388,174
Coral Springs		854,238
Davie		694,627
Deerfield Beach		529,909
Fort Lauderdale		1,251,351
Hollywood		1,003,634
Lauderhill		478,833
Margate		392,005
Miramar		918,083
Pembroke Pines		1,116,001
Plantation		600,138
Pompano Beach		746,980
Sunrise		623,122
Tamarac		436,696
Weston		445,634
CALHOUN	350,000	350,000
CHARLOTTE	1,256,943	1,120,439
Punta Gorda		136,504
CITRUS	1,001,722	1,001,722
CLAY	1,468,960	1,468,960
COLLIER	2,568,332	2,428,615
Naples		139,717
COLUMBIA	479,528	479,528
DE SOTO	350,000	350,000
DIXIE	350,000	350,000
DUVAL	6,506,417	6,506,417
ESCAMBIA	2,152,133	1,783,257
Pensacola		368,876
FLAGLER	766,144	166,023
Palm Coast		600,121

SHIP allocation based on SB 2500

Local Government	County Total	County Share/ City Share
FRANKLIN	350,000	350,000
GADSDEN	350,000	350,000
GILCHRIST	350,000	350,000
GLADES	350,000	350,000
GULF	350,000	350,000
HAMILTON	350,000	350,000
HARDEE	350,000	350,000
HENDRY	350,000	350,000
HERNANDO	1,280,503	1,280,503
HIGHLANDS	711,188	711,188
HILLSBOROUGH	9,780,946	7,182,149
Tampa		2,598,797
HOLMES	350,000	350,000
INDIAN RIVER	1,072,404	1,072,404
JACKSON	350,000	350,000
JEFFERSON	350,000	350,000
LAFAYETTE	350,000	350,000
LAKE	2,434,832	2,434,832
LEE	4,971,231	3,116,962
Cape Coral		1,240,819
Fort Myers		613,450
LEON	1,999,017	673,269
Tallahassee		1,325,748
LEVY	350,000	350,000
LIBERTY	350,000	350,000
MADISON	350,000	350,000
MANATEE	2,650,794	2,260,862
Bradenton		389,932
MARION	2,438,749	2,027,820
Ocala		410,929
MARTIN	1,084,184	1,084,184
MIAMI-DADE	11,878,389	7,636,615
Hialeah		1,006,100
Miami		2,088,221
Miami Beach		394,363
Miami Gardens		479,887
North Miami		273,203
MONROE	526,649	526,649
NASSAU	605,166	605,166
OKALOOSA	1,359,020	1,218,633
Fort Walton Beach		140,387
OKEECHOBEE	350,000	350,000

Local Government	County Total	County Share/ City Share
ORANGE	9,349,048	7,374,529
Orlando		1,974,519
OSCEOLA	2,568,332	1,728,744
Kissimmee		501,852
St. Cloud		337,736
PALM BEACH	9,698,484	7,333,993
Boca Raton		629,432
Boynton Beach		518,869
Delray Beach		444,191
West Palm Beach		771,999
PASCO	3,597,023	3,597,023
PINELLAS	6,518,198	3,381,641
Clearwater		781,532
Largo		559,913
St. Petersburg		1,795,112
POLK	4,735,653	3,700,439
Lakeland		723,608
Winter Haven		311,606
PUTNAM	499,171	499,171
ST. JOHNS	1,743,796	1,743,796
ST. LUCIE	2,140,353	497,418
Fort Pierce		295,369
Port St. Lucie		1,347,566
SANTA ROSA	1,241,245	1,241,245
SARASOTA	2,909,905	2,527,252
Sarasota		382,653
SEMINOLE	3,165,125	3,165,125
SUMTER	938,903	938,903
SUWANNEE	350,000	350,000
TAYLOR	350,000	350,000
UNION	350,000	350,000
VOLUSIA	3,651,979	2,566,976
Daytona Beach		464,897
Deltona		620,106
WAKULLA	350,000	350,000
WALTON	514,869	514,869
WASHINGTON	350,000	350,000
TOTAL	141,136,400	141,136,400
DR Holdback		5,000,000
Catalyst		563,600
Total appropriation		146,700,000

A Statewide Network of SHIP

- Florida Housing Finance Corporation
 - Rob Dearduff, State SHIP Administrator
 - Cameka Gardner, Special Programs Manager
 - FHFC Compliance Staff = SHIP Monitors
 - FL Housing Coalition = TA Contractor
- SHIP distributed to 67 counties and 52 CDBG entitlement cities
- Local Partners: Contractors, Sponsors and Sub Recipients



SHIP
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Main SHIP Requirements: Minimum Set-Asides

Distributions and Recaptured

- 65% spent on Homeownership
- 75% spent on New Construction or Rehab

Distributions and Program income

- 30% spent on Very Low Income, while 60% must be spent on VLI or Low Income



SHIP 20% Minimum Set-Aside for Special Needs

Order of Priority

- Homeowner with Developmental Disabilities (DD)
- Other household members with DD
- Applicants with other special needs

Aging Out of Foster Care

Survivor of Domestic Violence

Disabling Condition

Receives SSI or Disability Payments

A Variety of Assistance

Homeownership

Code	Strategy Name	Instruction
1	Purchase Assistance with Rehab	Use only when SHIP funds are being used for DPA and rehab.
2	Purchase Assistance without Rehab	Use for new or existing homes, but no rehab paid with SHIP.
3	Owner Occupied Rehabilitation	Use for general rehab of owner-occupied homes.
4	Demolition/Reconstruction	Use for homes that are beyond reasonable repair.
5	Disaster Assistance	Use for immediate activities during/after a disaster or emergency. Can be combined with code 16 if rent assistance is being provided.
6	Emergency Repair	Use for a very specific list of items such as windows, roofing, etc. that cannot wait for more major rehab.
7	Foreclosure Prevention	Use for 3-6 months mortgage assistance.
8	Impact Fees	Use only to pay fees that are required to be paid prior to purchase.
9	Acquisition/Rehabilitation	Use if the LG is purchasing homes for rehab and sale within the expenditure period.
10	New Construction	Use this strategy only if you are awarding funds to a sponsor/developer who will build homes for resale to eligible buyers using some of the funds for DPA.
11	Special Needs	Use this code if you have a strategy for Special Needs that includes activities that are not eligible under any other strategy. For example, you can use code 11 if you have a barrier removal activity that only Special Needs are eligible for. Otherwise, that could be done under Code 3 or 6.

Rental

Code	Strategy Name	Instruction
12	Special Needs	Use this if you are awarding funds to a developer specifically for units for Special Needs.
13	Rental Assistance (Tenant)	Use this for eviction prevention payments up to 6 months for households that qualify under 420.9072 (7) (b).
14	Rehabilitation	Use if you are awarding funds to a developer/landlord to repair rental units for rent to eligible households. Can be combined with code 21.
15	Demolition/Reconstruction	Use only if you are awarding funds to a developer/sponsor to demolish and build new rental units for eligible households.
16	Disaster Assistance	Use for direct rental assistance to renters or to landlords/developers to repair rental units of eligible households.
17	Emergency Repair	Use for a very specific list of items such as windows, roofing, etc. that cannot wait for more major rehab.
18	Foreclosure Prevention	Use this only for assisting sponsors/landlords of units for eligible households.
19	Impact Fees	Use only to pay fees that benefit eligible units.
20	Land Acquisition	Use this only if funds are going to purchase land for units to be developed for eligible households. Keep in mind that this is very difficult to do within the expenditure deadline due to the timeline to develop large rental developments.
21	New Construction	Use if you are awarding funds to a developer/landlord to build rental units for rent to eligible households. Can be combined with code 14.
23	Security and/or Utility Deposits	Use in conjunction with codes 13 and 26.
26	Rapid Re-Housing	Use for rental subsidy up to 12 months for households that qualify under 420.9072 (7) (b).

Overview of Resources

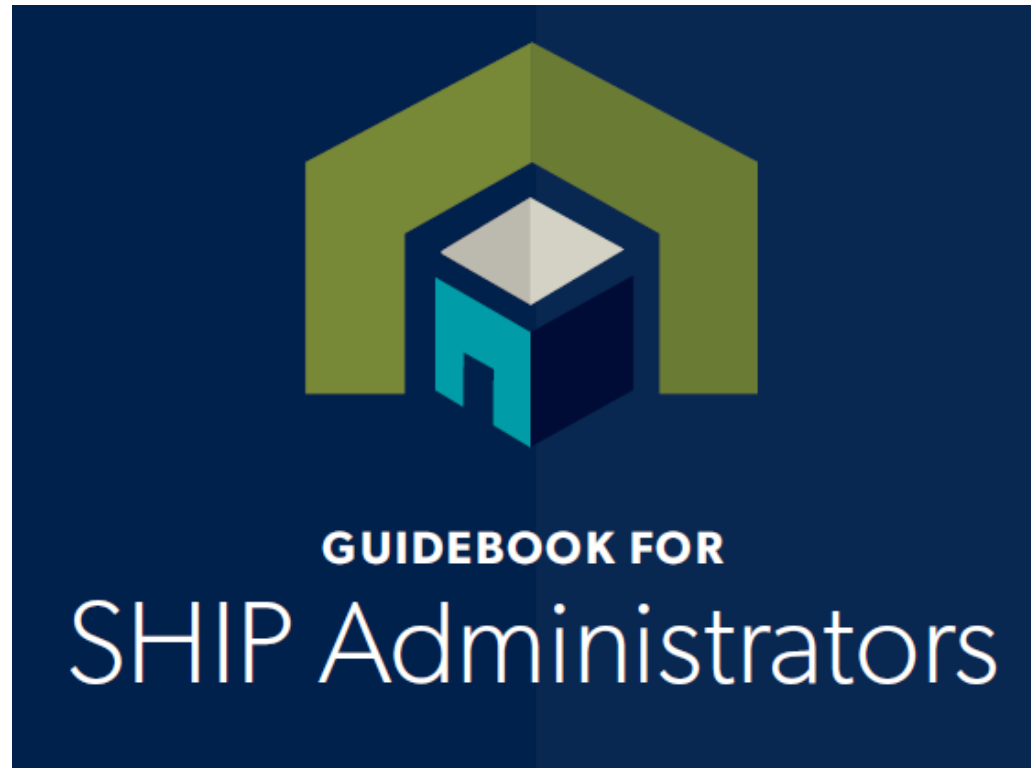
- SHIP Statute and Rule
- Income Limits Chart
- Code of Fed Regulation: 24 CFR Part 5
- HUD Handbook 4350.3: Chapters 3 and 5
- LHAP, Tracking, Upload forms
- More Resources at www.floridahousing.org

Resources from Florida Housing Coalition

- www.flhousing.org
- Training Calendar and registration
- Past Webinar recordings
- Publications like Guidebook for SHIP Administrators
- Resources: Housing Data, Development, etc.
- Technical Assistance hotline 1-800-677-4548



Resources from Florida Housing Coalition



Guidebook for SHIP Administrators

Elements of the LHAP

Section 1. General
Information

Section 2: Details of
Strategy

Section 3: Details on
Incentive Strategies

Section 4: Exhibits

Amend the LHAP When It's Important

Make changes at any time to any section of the LHAP.

Technical Revision: Save up for several updates to existing strategies

- State SHIP Administrator notifies if approved or that more information is needed

Plan amendment: add or delete a strategy, requiring review committee approval:

- Approved (with no comments)
- Approved with Comments
- Tabled or Approval is Withheld

Changes are made in underline ~~striketrough~~ format to the word document

Plans must be Amended by Resolution



- The governing body must submit its amended plan for Florida Housing review in order to ensure continued consistency with the requirements of the State Housing Initiatives Partnership program.
- After being approved for funding, a local government may amend by resolution its LHAP if the plan as amended complies with program requirements.

What happens after the amendment is approved?

- New strategies require advertising since there is no waiting list
- Follow SHIP regulatory requirements for advertising the NOFA
- Must wait 30 days to accept applications

Advertisement must include:

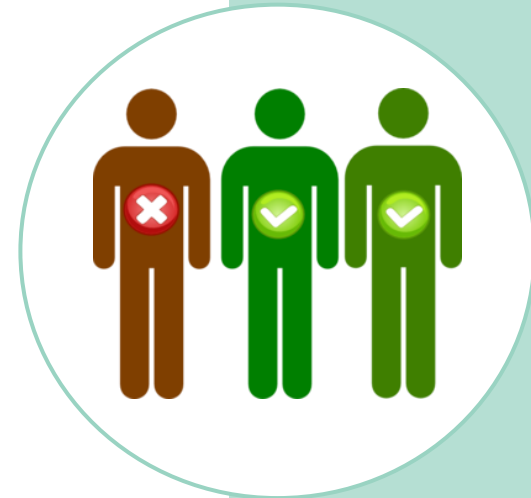
- ✓ Projected Amount of the Distribution
- ✓ Beginning and end date of application period (or instead of end date state “stop applications once funds are fully encumbered”)
- ✓ Local contact person. Where to apply

Anatomy of a Strategy

- Strategy Summary
- Applicant 1) income categories and 2) selection process
- Maximum Award
- Terms of the Award – Must be in Your Lien Documents
 1. Repayment loan/deferred loan/grant
 2. Interest Rate
 3. Years
 4. Forgiveness
 5. Repayment
 6. Default

Housing Strategies: Recipient Selection Criteria

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



Housing Strategies: Sponsor/Developer Selection

Selection Criteria

- Experience
- Financial capacity
- Leveraged funds for project
- Availability of land
- Etc.



Review of Handout: Outside Entities

- **Sponsor:** applies for an award from the local government.
Common Example- a sponsor is awarded SHIP funds to construct affordable housing units.
- **Sub-Recipient:** contracted by the local government to administer a portion of SHIP.
Common Example- a nonprofit sub-recipient fully administers the SHIP Rehab strategy

RESOURCE: “Working with Nonprofits, Sponsors and Sub-recipients” Webinar recording:
<https://vimeo.com/355183467>

MORE Types of Outside Entities

- **Contractor:** an individual or company licensed by the state to perform construction activities.

Common Example- a contractor bids on owner-occupied rehabilitation work.

- **Project Deliverables Provider:** provides one or more functions and is compensated as a Project Delivery Cost

Common Example- Provides construction write ups, inspections or surveys

- **Consultant:** hired to administer the program in its entirety.

Examples- Suwannee County, Holmes County, Jackson County

Eligible Housing

Document that the housing is eligible for assistance

- Real and personal property designed and intended for the primary purpose of providing decent, safe, and sanitary residential units that are designed to meet the standards of the **Florida Building Code** or previous building codes adopted under **chapter 553**, or manufactured housing constructed after **June 1994** and installed in accordance with the installation standards for mobile or manufactured homes contained in rules of the Department of Highway Safety and Motor Vehicles.
- Types of property identified in the LHAP.



Mobile Homes

- If LHAP states that “mobile homes are not eligible” you must document that property is not a mobile home--Add to checklist
- Must be affixed to the lot in accordance with installation standards. Document the sticker attached to the unit with installation date, along with the installer’s name and state license number
- Provide proof in file of type of structure
 - Tax roll
 - picture

2021 Treasury Value Limits have been posted

SHIP Purchase Price Limits (IRS 2021-17)	
County	Limit
BAKER	\$340,290
BROWARD	\$352,371
CLAY	\$340,290
COLLIER	\$402,710
DUVAL	\$340,290
MARTIN	\$334,249
MIAMI-DADE	\$352,371
MONROE	\$532,584
NASSAU	\$340,290
OKALOOSA	\$386,601
PALM BEACH	\$352,371
ST. JOHNS	\$340,290
ST. LUCIE	\$334,249
WALTON	\$386,601
All Other Areas	\$311,980



Sales Price or Value Limits

- Acquisition (new or existing) = executed sales contract.
- New construction = as built appraisal dated within 12 months of construction start.
- Rehabilitation or emergency repair = assessed value of the real property as determined by the county property appraiser or appraisal.
- Rehabilitation which adds new living space = assessed value plus the cost of the improvements or an appraisal.

Exhibits

- A. Administrative Budget (3 years)
- B. Timeline (3 years)
- C. Housing Delivery Goals Chart **Newer Format**
- D. Certification
- E. Resolution
- F. Ordinance (if changed)
- G. Interlocal Agreement
- H. Other, including referenced policies

Exhibit C: Housing Delivery Goals Chart

FLORIDA HOUSING FINANCE CORPORATION											
HOUSING DELIVERY GOALS CHART											
2019-2020											
Name of Local Government:											
Estimated Funds (Anticipated allocation only):			\$ -								
Code	Strategies	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	
	Homeownership										
									\$0.00	\$0.00	
									\$0.00	\$0.00	
									\$0.00	\$0.00	
									\$0.00	\$0.00	
									\$0.00	\$0.00	
									\$0.00	\$0.00	
									\$0.00	\$0.00	
									\$0.00	\$0.00	
									\$0.00	\$0.00	
									\$0.00	\$0.00	
									\$0.00	\$0.00	

- Chart shows Set-Aside Compliance and more
- Strategy titles within the plan text should match here
- Maximum awards should be consistent with plan text

Recently Revised Housing Delivery Goals Chart

- All cells marked in green can be filled out
- No access to white shaded cells
- All calculations will be made automatically for proper set-aside tracking
- Goals chart is based on anticipated allocation **ONLY**, not program income or recaptured funds

Using the Local Housing Assistance Plan Between Triennial Updates

- Recording of recent webinar:
<https://vimeo.com/612969104>



Financial Management Requirements



Tracking and Reporting

17/18



July 1, 2018

June 30, 2021

18/19



19/20



20/21



21/22



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Key Reporting Principles

- 3 years to spend SHIP, so you often have money from multiple FY allocations.
- Generally, “First received, First expended”
- Strive to pay recipient’s total assistance from only one SHIP allocation
- FY 18/19 (close-out) all funds must be **expended**
- FY 19/20 funds must be **expended or encumbered**
- FY 20/21 funds may be **expended, encumbered or unencumbered**

The difference between Encumbered and Expended

“Encumbered”

Deposits made to the local housing trust fund have been committed by contract, purchase order, or letter of commitment.

“Expended” or “Spent”

1. Activities are complete. Certificate of Occupancy or Completion
2. The unit is occupied by an Eligible Household
3. SHIP Funds have paid for the activity

Navigating through Two Different Fiscal Years

- **Local fiscal year: October-September**
State fiscal year: July-June
- **Be specific about dates when communicating with Finance Department**
 - **Example “What was the interest on the local housing trust fund from July 1, 2020, to June 30, 2021?”**

Use the SHIPDATA Spreadsheet

Available on the SHIP Annual Report website

[Form 3](#)[Form 4](#)[Form 5](#)[Interim Year Data](#)[Review](#)[References](#)

Related Links and Files

Annual Report Files and Links

Document/Website	Download Link
SHIP Webpage at Florida Housing Finance Corporation:	Florida Housing SHIP Page
Certification Document Click here for guidance on the certification	Certification Document
SHIP AR Data Upload Excel workbook (version 16-17.1 for use in 2016/2017 Closeout report) Last updated on 7/19/2019	SHIPDataUploadTemplate_V-01_2019-07-19.xlsx
SHIP AR Data Upload Excel workbook (Version 17-18.2 for use in 2017/2018 Closeout report) Last updated on 6/11/2020	SHIPARdataupload17-18.2.xlsx
SHIP AR Data Upload Excel workbook (Version 18-19.1 for use in 2018/2019 Closeout report)	SHIPARdataupload18-19.1.xlsx

Archived Closeout Reports:

Select a closeout year to download

1								
2	Local Government:					Closeout Year:		
3								
4	Applicant Information							
5	First Name	Last Name	Street Address	City	Zip	City/ Unincorporated	Structure Type	Income Category
6								
7								

Upload SHIPDATA to Annual Report

- Add data for Close Out allocation (18/19), as well as interim year 1 and 2 (19/20 and 20/21)
- Include activity through June 30, 2021
- ‘Applicant Level Data’ is primary tab: Enter expenditure/encumbrance data and related assistance details
- One row per household assisted

What To Do NOW

Expend

- Line up several projects to expend final 19/20 funds and beyond.

Encumber

- Commit 20/21 and 21/22
- Also, 22/23 is coming next

What To Do NOW

Track Set-Aside Compliance

Homeownership Set-aside

65% of Allocation + Recaptured Funds

- Housing Counseling expenditures do not count

Construction/Rehab Set-aside

75% of Allocation + Recaptured Funds

Income Set-aside

A) At least 30% of all Revenue for Very Low

**B) At least 60% for VLI and Low
combined**

What To Do NOW

Compare SHIP Tracking to General Ledger

Sum of Unencumbered plus
Unspent Encumbered money
on Tracking Spreadsheet

COMPARED WITH

Current balance of the SHIP
Local Housing Trust Fund



Reasons for Being “Out of Balance”

- Tracking expenses are not fully updated/accurate
- Track spreadsheet missing some recipients
- Finance accidentally charged HOME instead of SHIP

NO MATTER THE REASON...

- In-depth assistance available to update SHIP Tracking System



Guidance on 20/21 SHIP Revenue



There was no 20/21 Allocation, but other sources of 20/21 revenue include:

- Bank interest
- Monthly SHIP Loan Repayment
- SHIP Lien Triggers Repayment
- Reimbursements from CRF are 20/21 Program Income
- Recaptured funds

20/21 Scenarios

- **Scenario 1:** A community with only a small amount of program income
Carry forward to 21/22
- **Scenario 2:** A community with enough program income revenue to assist only one household
Set-asides still apply, so assist a VLI household
- **Scenario 3:** A community receives over \$100,000 of program income
Staff has 3 years to fully expend this

Avoid Common Administrative Mistakes

Administrative Procedures

- Exceeding maximum award
- Exceeding maximum income limits
- Lack of clear policies and procedures

Income Calculations

- Exceeding 120 day clock
- Inaccurate or Incomplete Verifications
- Missing or incomplete Income Certification

Administrative Costs

- Advertising
- Outreach and Pre-screening
- Applications and Eligibility Determination
- Subrecipient
- Office space, Utilities, Copier, Computers
- Tracking and Reporting
- LHAP Work
- Prep for the Monitor

Paying for Program Administration

- Administration Budget – 10% of allocation
- General Revenue subsidy
- A portion of Program Income
- Don't pay Program Costs with Admin Dollars



Admin from Program Income

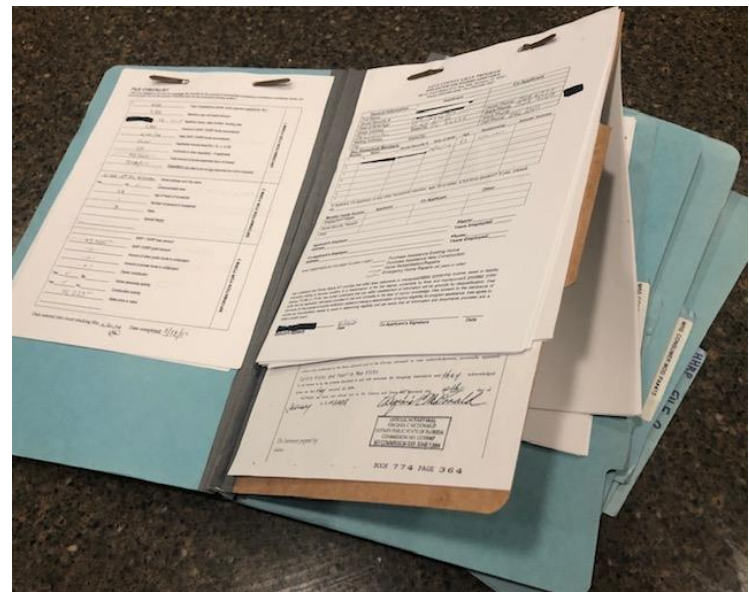
5% of Program Income for: Counties that are not a 'small county' with an unincarcerated population of 75,000 or less.

10% of Program Income for: Small counties and eligible municipalities receiving up to \$350,000, according to section 67-37.007 (5)(f) of the SHIP Rule.

Organize the File

Use folders that are sturdy since files have to be retained for 5 years after the affordability period.

Establish a numbering system for each case depending on the strategy.



File Guidance

- File Checklist
- Date stamp all verifications
- All documents: signed, dated
- Lien Agreement: signed, recorded
- Review old files to prepare for Monitoring
 - Missing info: do additional research
 - Notes on top of file



Problems with Files

- Incomplete application or other forms
- Common application errors
- Missing required documents
- Discrepancy between LHAP and Lien
- Missing proof of green initiatives stated in a strategy
- A Local Policy: missing proof that no mobile homes have been assisted

File Checklist

Create a file checklist identifying the documents required for client eligibility:

- 1.Application
- 2.Release of Information
- 3.Public Records statement in accordance with Chapter 119, FS
- 4.Social Security Records Disclosure statement
- 5.Value limits
- 6.Eligible property
- 7.Third party verifications
- 8.Resident Income Certification
- 9.Award letter

Other Requirements:

- 1.Met 120-day clock
- 2.Stamp verification documents received

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Application Documents

1. Application signed by all adult member 18 years of age or older
2. Release of information for all household members 18 years of age or older
3. Social Security collection signed form
4. Checklist
5. Notes
6. Proof of ownership and homestead (for rehab)
7. Property eligibility (type and value limits)
8. Proof of income
9. Proof of assets
10. Income group, special needs documented
11. Resident income certification signed by all adult household member 18 years of age or older and SHIP administrator
12. Award Letter issued or loan closed to stop the 120-day clock

SHIP File Retention Policy

Cases Assisted: Wait five years after loan has been released/satisfied, provided audits have been released, whichever is later.

Cases Not Assisted: Retain for four years after Closeout Annual Report for that SHIP Distribution has been submitted.



Retention Example 1

15/16 Emergency Recipient's assistance is granted.

- Audits are released after expenditure deadline of June 30, 2018.
- Keep file until June 30, 2023



Retention Example 2

Applicant receives 17/18 for Emergency Repairs

- Assistance was granted: 17/18 was closed out June 30, 2020. Keep records for five years until June 30, 2025
- Assistance as a loan: Keep for five years after the loan. If a five year loan is satisfied June 30, 2025, then keep records until June 30, 2030

Technical Assistance is Available

- Call us at 800 677 4548
- Request a site visit or training
- Complete training schedule
 - www.flhousing.org

