

Considering New Strategies for your LHAP

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Aida Andujar
Technical Advisor
Florida Housing Coalition
andujar@flhousing.org

Michael Chaney
Technical Advisor
Florida Housing Coalition
chaney@flhousing.org





AFFORDABLE HOUSING CATALYST PROGRAM

Sponsored by the
Florida Housing Finance Corporation



we make housing affordable™



Catalyst Training Schedule

A banner for SHIP Catalyst Training. On the left, a group of diverse people are smiling and looking at a laptop. On the right, a teal background contains white text. The SHIP logo is on the left side of the banner.

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.

Hotline: 1-800-677-4548

www.flhousing.org



Webinar Logistics

- Participants are muted
- Enter your questions in the box in your webinar panel
- Forgot to ask a question or want to ask privately?

Email chaney@flhousing.org

This webinar is being recorded and will be available at
www.flhousing.org

- A survey will immediately follow the webinar; ***please*** complete it!



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 ~~strikethrough~~ 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 SHIP requirements.
- 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



COVID Housing Assistance



- SHIP may pay for monthly rent or mortgage and late fees
- Limited by 75% Construction Set-Aside:
 - Only 15% of SHIP Allocation available for COVID Housing Assistance if 10% used for Admin
- Program income may be spent entirely on COVID Housing Assistance

COVID-19 Assistance is Disaster-Related Aid



In the past, SHIP has helped residents displaced by disasters

- Pay rent for a month-to-month rental, or
- Shelter in a hotel, \$100 or more daily

Federal COVID Disaster order still in place

COVID-19 assistance recipients are not displaced

- SHIP may pay the rent/mortgage where eligible applicants currently live



COVID-19 Housing Assistance in Disaster Strategy

- COVID Rent and/or Mortgage Assistance is available through the SHIP Disaster Strategy
- Several communities have completed a technical revision to add the red text

a. Summary of Strategy: The Disaster Strategy aids households in the aftermath of a disaster as declared by the President of the United States or Governor of the State of Florida. This strategy will only be funded and implemented in the event of a disaster using any funds that have not yet been encumbered or with additional disaster funds allocated by Florida Housing Finance Corporation. SHIP disaster funds may be used for items such as, but not limited to:

- (a) purchase of emergency supplies for eligible households to weatherproof damaged homes;
- (b) interim repairs to avoid further damage; tree and debris removal required to make the individual housing unit habitable;
- (c) construction of wells or repair of existing wells where public water is not available;
- (d) payment of insurance deductibles for rehabilitation of homes covered under homeowners' insurance policies;
- (e) security deposit for eligible recipients that have been displaced from their homes due to disaster;
- (f) rental assistance for eligible recipients that have been displaced from their homes due to disaster.
- (g) temporary rent and utility payments for up to 12 months for eligible tenants
- (h) temporary mortgage and utility payments for up to 12 months for eligible homeowners
- (i) strategies included in the approved LHAP that benefit applicants directly affected by the declared disaster.
- (j) other activities as proposed by the counties and eligible municipalities and approved by Florida Housing.



Document a COVID Hardship

Types of Hardships

- Underemployed
- Temporarily Laid Off
- Unemployed

COMPARE

- Annual income before COVID Period
- Annual income with current circumstances

Collect written documentation or affidavits of reduced hours or unemployment



SHIP Mortgage Assistance differs from Rent Assistance



- State Rent Program is available, but Florida Dept of Economic Opportunity's Homeowner Assistance Fund (HAF) has not launched as of 11/16/21
- Mortgage companies announce forbearance whereas landlord usually does not
- Option to place a mortgage assistance lien against the property

COVID Mortgage Assistance

- SHIP pays past due mortgage payments as well as current payments for those with a hardship
- Pay Principal and Interest. Pay Taxes and Insurance whether or not they are escrowed
- Timing of Mortgage Assistance: Provide SHIP mortgage assistance now or at the end of forbearance period?



More on COVID Housing Assistance



- “Helping Homeowners with COVID-19 SHIP Emergency Assistance” Recording:
<https://vimeo.com/407646578>
- “COVID-19 Emergency SHIP Assistance for Renters” Recording:
<https://vimeo.com/403418248>

Special Needs Strategies

- Special Needs Set-Aside started with the 13/14 allocation
- Spend 20 percent of SHIP allocation on households that include one or more household members with special needs, defined in S.420.0004
 - Developmental Disabilities (DD)
 - Receives SSD/SSI or other Disability Benefits
 - Youth Aging Out of Foster Care
 - Survivor of Domestic Violence
 - Person with Disabling Condition requiring independent living services



Priority: Homeowners with Developmental Disabilities



A disorder or syndrome that is attributable to **retardation, cerebral palsy, autism, spina bifida, or Prader-Willi syndrome**; that manifests before the age of 18; and that constitutes a substantial handicap that can reasonably be expected to continue indefinitely.

Disabling Condition = Many Types of Applicants

- Chronic physical illness or disability
- Developmental Disability
- Serious mental illness
- Diagnosable substance abuse disorder



Some Strategies Focus on Special Needs

A Special Needs Strategy is NOT required in the LHAP

- Achieve Special Needs Set-Aside compliance with assistance from ANY strategy in the LHAP.

Examples of Special Needs-Oriented Strategies:

- Group Home Repair or New Construction
- Barrier Removal Strategy in collaboration with a Center for Independent Living
- Rent Subsidies for Households Experiencing Homelessness





DISABILITY ETIQUETTE

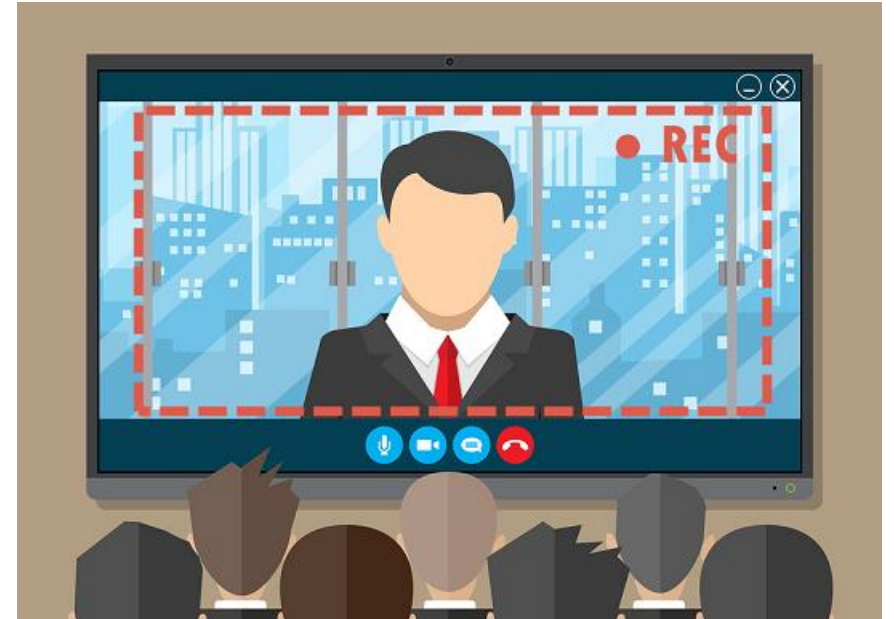
Tips On Interacting With People With Disabilities

Special Needs Handout

- Statutory Definitions for Special Needs and more
- SHIP Instructions for Documenting Special Needs Households.
- Disability Etiquette:
<http://www.unitedspinal.org/pdf/DisabilityEtiquette.pdf>

More on Special Needs

- Review the webinar “Special Needs Assistance with SHIP Funds”
- Recording:
<https://vimeo.com/329196837>



Rent Subsidies for Households Experiencing Homelessness



What may be paid for as part of Rent Subsidy Assistance (Code 26)?

- ✓ Rent and utility deposits paid
- ✓ Monthly rental assistance
- ✓ Renters receive housing stability counseling



FS 420.621 - Homeless Definition

“Homeless,” applied to an individual, or “individual experiencing homelessness” means:

- (a) An individual or family who lacks a fixed, regular, and adequate nighttime residence as defined under “homeless” in 24 C.F.R. s. 578.3; or
- (b) An individual or family who will imminently lose their primary nighttime residence as defined under “homeless” in 24 C.F.R. s. 578.3.



Rent Subsidies are NOT COVID-19 Rent Assistance

COVID-19 Rent Payments are available to eligible SHIP households of all income categories

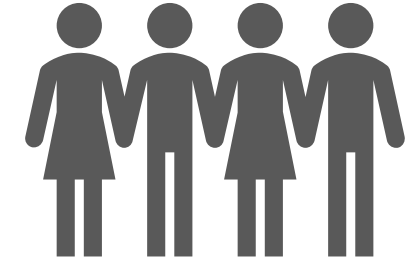
- This is help to **STAY** in a rental

“Rent Subsidies” are reserved only for specific types of **very-low-income** households

- This is help to **MOVE INTO** a rental



Recipient Selection



Recommended: Do not take self-referrals

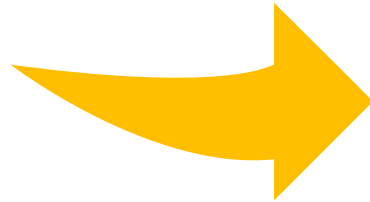
- Work with referral agencies to ensure collaboration, need, and eligibility

Applicants who are homeless:

- Referred through the local homelessness Continuum of Care (CoC) Coordinated Entry system

Rent Limit Compliance

Comply with the
Rent Limits Chart



Percentage Category	Rent Limit by Number of Bedrooms in Unit					
	0	1	2	3	4	5
30%	318	359	504	659	814	960
50%	531	569	683	789	881	971
80%	850	910	1,092	1,262	1,408	1,554
120%	1,275	1,366	1,641	1,894	2,115	2,332
140%	1,487	1,594	1,914	2,210	2,467	2,721

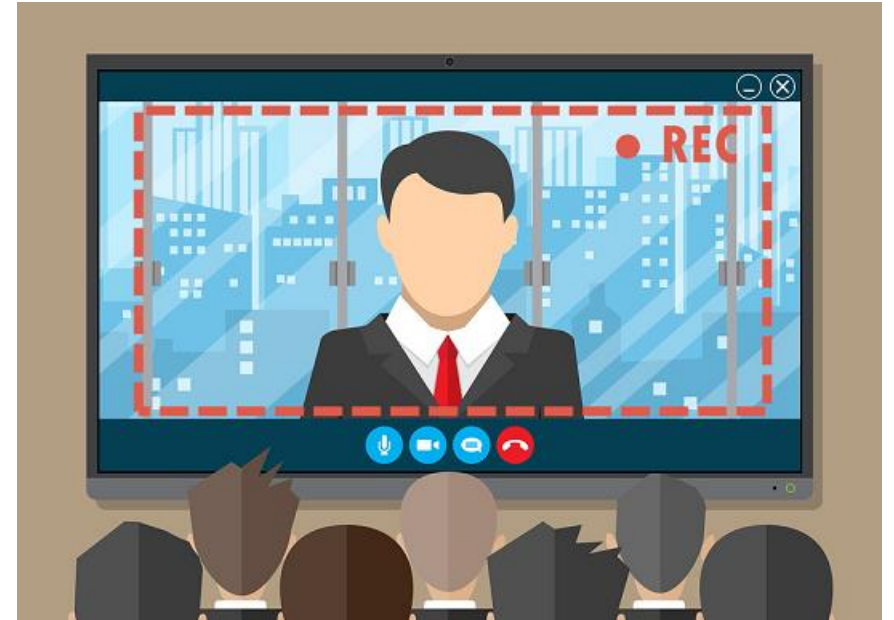
For Rent Subsidy Recipients **ONLY**: Regardless of household income, rent can be up to **120% SHIP**
Rent Limit adjusted for bedroom size



More on Rent Subsidies

Review webinars:

- “Housing Subsidies 101: An Introduction to Subsidized Housing” Recording: <https://vimeo.com/333413431>
- “Income Qualification Considerations when Working with Homeless Applicants” Recording: <https://vimeo.com/217516609>



Foreclosure Prevention

- SHIP pays for foreclosure prevention counseling
- SHIP pays past due amounts:
 - Delinquent mortgage payments (principal, interest, taxes and insurance),
 - Attorney's fees,
 - Late fees and other customary fees



Details of Foreclosure Prevention Assistance

- How much assistance?
- “Payments will be made directly to the lending institution”
- Grant or Loan?
- Possibly offer priority for past SHIP recipients



Time Period when Applicant is Eligible

- Sample Strategy Text:
 - “Applicants must be delinquent at least two full monthly mortgage payments”
 - “Provide a letter from the mortgage holder notifying the applicant of delinquency and/or intent to foreclose.”
 - “Bring payments current prior to the start of the foreclosure process”
- How past due is ‘too far gone’?



SHIP helps a certain type of Homeowner

- Recovered from temporary hardship
- Can maintain housing payments
- Sample Text
 - “There must be a reasonable prospect that the applicant will be able to resume full mortgage payments to the primary lender.”
 - “The applicant must show their ability to continue to maintain their mortgage payments after assistance is given.”



Another Eligibility Criteria: Not “At Fault” for Hardship

- Sample Text: “The default must have been caused by circumstances beyond the control of the applicant.”
- “Eligible reasons for mortgage nonpayment:”
 - Loss of employment
 - Sudden medical expenses
 - Divorce or separation
 - Death in the family
 - Unforeseen home repair bills



More on Foreclosure Prevention

Review webinars:

- “Foreclosure File Management and Counseling” Recording:

<https://vimeo.com/160873364>



Single Family – New Construction



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Why single-family new construction?

- Meets both the construction and homeownership set-aside
- Property will meet current codes
- Unit can be built to accommodate family needs
- Local government can set sales price

Can be assistance to a buyer to build on a lot they own or to a non-profit or profit developer.



Will it work in my community?

- Need vacant parcels
- Need sponsors, staff and contractors with expertise in new construction
- Need construction and sales prices that will not exceed the value limits
- Need buyers that will qualify for a first mortgage
- Need a substantial amount of SHIP funds for development



Strategy Design

- What type of housing is eligible
 - 1 unit, duplex, townhomes
- Maximum award
 - To developer
 - To buyer
- Who qualifies
 - Very low, low moderate up to 140%
 - FTHB
- Terms
 - to developer
 - To buyer



Options for SHIP Assistance

- Upfront New Construction Subsidy
- Land Acquisition Assistance
- Donated Land from Surplus Land Inventory (Sections 125.379 and 166.0451, Florida Statutes (an incentive strategy))
- Infrastructure
- All Hard and Soft cost
- Pay Developer Fee
- Pay Impact Fees
- Down Payment Assistance to the Buyer



Selection Criteria

- Recipient selection criteria
 - Who identifies buyer
 - First come, first qualified
 - Ranking Priority
- Sponsor/Developer Selection Criteria
 - Experience
 - Capacity (staff, financial)
 - Firm Commitment
 - Leverage



Maximum Value/Price Limit

Applies to single new construction, purchase assistance and rehabilitation strategies.

Homes may not exceed Maximum Purchase Price established in Local Housing Assistance Plan as determined by an appraisal/purchase contract.

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



Purchase Assistance Strategies



Types of SHIP Purchase Assistance

Gap financing, Down Payment, Closing Costs
Repairs

- Funded by SHIP
- Donated materials, volunteer labor, or another financial subsidy
- Other Cost
 - Inspections
 - Counseling

Only pay for assistance needed



SHIP Allows a Variety of Recapture Options

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



Buyer Eligibility Requirements Vary Among Communities

- Homebuyer attends credit counseling class
- No recent foreclosure or bankruptcy
- Up to 140% of median
- Must make a cash contribution
- Some only assist **First Time Homebuyers**
(not a SHIP Requirement)
 - *Must be defined in the LHAP*



Eligible Housing: Many Shapes & Sizes

- SF, Townhomes, Condos, Modular Homes (built to FL Building Code), Mobile Homes after 1994



Assistance to mobile homes limited to 20% of distribution

Preparing the Home Buyer

Housing Counseling may include

- Pre-purchase Classes
- Post-purchase Classes
- HUD approved
- Credit Counseling
- One on One counseling
- 8-hour class



More Ideas in Developing your Strategy

- LG's can hold meetings with the local board of Realtors to share information on their programs and get input
- Schedule meetings with the Community Reinvestment Act officer at local banks
- Develop guidelines in conjunction with Realtors and Lenders
- Create a list local of realtors and lenders
- Get input from your AHAC



Income Eligibility vs Mortgage Eligibility

Income Eligibility is based on
24 CFR part 5.609

Income

Assets

Pension

SSI

Unemployment

Mortgage Eligibility:

Can the applicant pay the mortgage?

- Can be determined by Lender
- Different loan products have different requirements
- The lender will review the income of borrowers and co-borrowers only
- The lender will look at the buyer's past history
- The lender only considers certain forms of income
- **The Lender is taking the biggest risk in relation to the loan**



COMMUNITY LAND TRUST



WHAT IS A COMMUNITY LAND TRUST?

- The vehicle of separating ownership of the land from the building
- The nonprofit that holds title to the land and administers a ground lease



HOW IT WORKS FOR HOMEOWNERSHIP

- A CLT acquires and retains ownership of land
- The improvements are sold to income eligible households
- Owners have the right to use the land by virtue of a 99-year lease agreement with the CLT (functional equivalent of ownership), requiring them to sell to other income-eligible purchasers at an affordable price



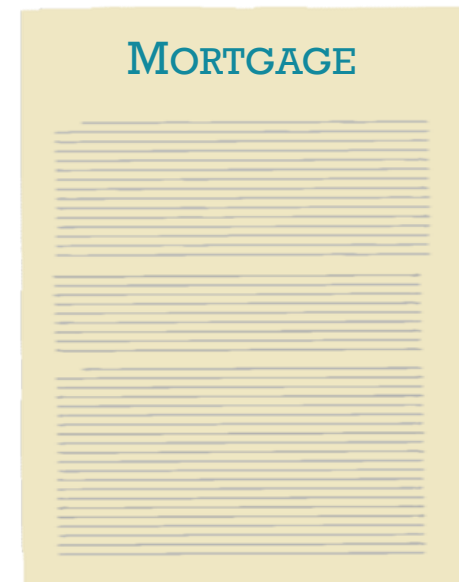
KEY BENEFITS OF THE CLT FOR THE PUBLIC

- Permanent stock of affordable housing is created
- Reduces the amount of subsidy needed to serve the same number of households
- A nonprofit is providing stewardship to help the homeowner to be successful
- Reduces the rental crisis by moving renters into CLT homeownership



KEY BENEFITS FOR THE HOMEBUYER

- Price of the home is now more affordable
- Staying in the community without being a renter means:
 - Mortgage payments instead of rent payments
 - Mortgage interest payments are deductible
 - Return of equity upon resale
 - Financial stability— able to save without fear of rent increases or loss of housing



Include CLT Language in the Purchase Assistance Strategy

- Does not have to be a separate strategy or program
- Include the language even if you do not have a CLT
- Allows flexibility in working with CLT's in the future
- Encourages participation by CLT's in your community
- See handout



Single Family Rehabilitation Strategies

Demolition/Reconstruction

Residential
Rehabilitation

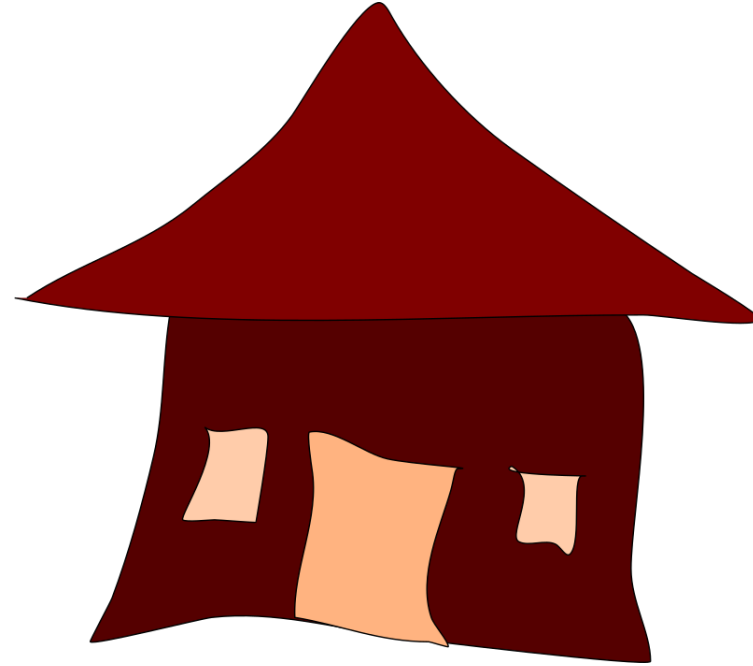
Emergency Repair



Program Design

What units will you repair?

- Single family
- Townhomes
- Condos
- Mobile homes



What Households Will You Serve

Household income

- 30%, 50%, 80%, 120% or 140% of median

Special populations

- Elderly
- Special needs
- Persons with disabilities
- Workforce housing
- Essential Service Personnel



Choose Terms of Assistance

Loan Terms

Grants

Loans

Deferred loans

Combination

Shared Equity

- Payments?
- Forgivable?
- Deferred over what length of time?
- Assumable?
- Owner's ability to refinance?
- What constitutes a default?



Architectural blueprints are shown on the left side of the slide, featuring various floor plans with dimensions and room layouts. The blueprints are rolled up and partially unrolled, showing detailed drawings of building structures.

Program Design

Type of Repairs

- Code violations
 - Incipient violations
 - Accessibility Improvements
 - Energy Efficiency Improvements
 - Mitigation improvements
 - Universal design
 - Cosmetic improvements
- 
- A decorative horizontal bar at the bottom of the slide, consisting of a teal base and a green top section with a geometric pattern.

What's an Emergency?

Hazardous, unsafe, unsanitary

- backed up, unsafe, unsanitary sewer, well or septic tank;
- severe roof leaks with structural damage;
- exposed wiring or hazardous or inadequate electrical services;
- Unsafe, hazardous or unsanitary plumbing leaks, lack of water services or toilet facilities;
- Replace or repair non-functioning HVAC

How does your program define an emergency?



Reconstruction Strategy Design

Home is substandard and not suitable for rehabilitation

- Who determines when a home qualifies
- What type of home will you build
- Will you provide relocation/storage
- What if property has a mortgage
- Consider green features, mitigation
- Value limits apply (appraisal required)



Disaster Mitigation Strategy



What is Housing Mitigation?

The act of retrofitting structures and the site with the purpose of reducing vulnerability to natural hazards.

- Mitigation is based on a risk assessment
- Hazards
- Vulnerability of **social structure, geography, and structural housing stock.**



The Disaster Management Cycle: Housing

- **Preparedness/Planning:** pre-disaster recovery planning
- **Mitigation:** reduce future vulnerability, lessen the impact of disasters
- **Response:** actions that must be carried out when an emergency exists or is imminent
- **Recovery:** bring a community back to a new normal after disaster



Housing Mitigation

**PAY ME NOW
OR PAY ME
LATER**



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Structural Vulnerability

- Homes built prior to 1994
- Homes with vulnerable materials or incomplete installations
- Mobile homes pre-1994
- Homes built at grade



Home Hardening

Retrofit, floodproofing or other strategies to reduce hazard exposure.

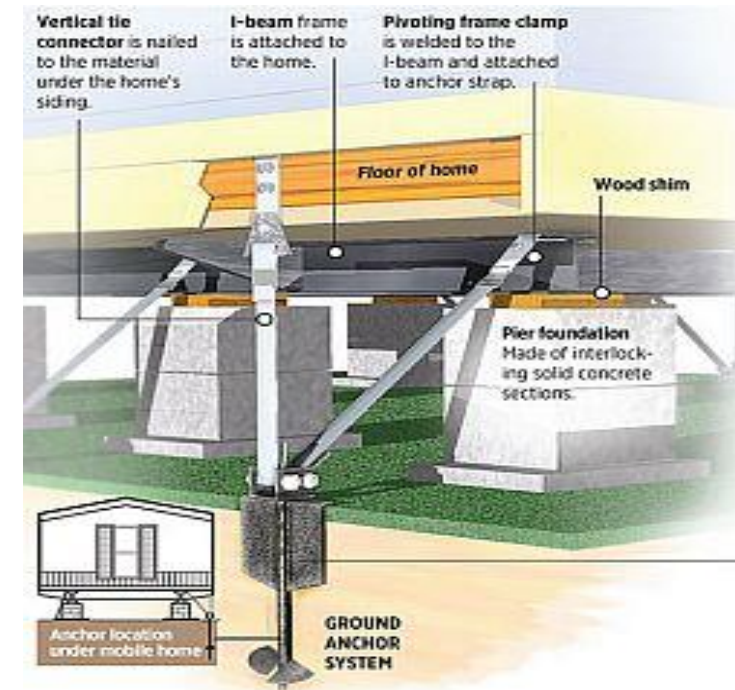
- Residents are able to shelter in place.
- Homes may qualify for reduced insurance.
- Green site standards reduce resilience risks.



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Mobile Homes Tie-Downs and Enhancements

- Replace older mobiles homes (pre-1994) with modern manufactured housing that meets current building codes.
- Make newer mobiles homes resilient with tie-downs, window films, and carport anchoring.



Source: Underhome Armor. Mobile Home Tie Downs.

Home Insurance: Wind and Flood

- Homes without mortgages in flood zones are vulnerable to catastrophic loss.
- Insurance supports resilience, allowing repairs and rebuild post disaster.
- The State Insurance of last resort- Citizens Wind Insurance- will be insolvent if two \$50B storms occur in one year. Irma was a \$50B storm.



Rental Deposit Strategy



Rent Deposit

- First and Last Month's Rent
- Security Deposit for Damages
- Utility Deposit



Rent Deposit Considerations

- Average rent, security and utility deposit in your community will determine the maximum award.
 - Do the math
- This will be a grant.
- Consider one time assistance.
- Make payments directly to the landlord and utility company.
- Require a 12 months lease.
- Consider the applicants ability to make monthly payments after assistance is provided.
- Consider working with non-profits such as a local CoC.
- Local decision: Consider inspecting the unit to make sure it is decent, safe and sanitary.



Rent Limits do not apply to all ways SHIP is used for Rental

- **YES:** Rental Development: new construction or repair
- **YES:** Eviction Prevention
- **NOT** for Disaster Assistance
- **NOT** for Rent Deposit



Please complete the evaluation!



Aida Andujar

Andujar@flhousing.org

954-593-8988



Michael Chaney

Chaney@flhousing.org

850-980-1307

Technical Assistance Hotline: 1-800-677-4548

