Updating Your Community's LHAP Part 1

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

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Our Thanks to the Florida Housing Catalyst Program

AFFORDABLE HOUSING CATALYST PROGRAM

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we make housing affordable™

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Catalyst Training Schedule

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

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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!

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Overview of Part 1

- General Guidance

- Logistics of Submitting the LHAP

- Review of LHAP Template: Section 1
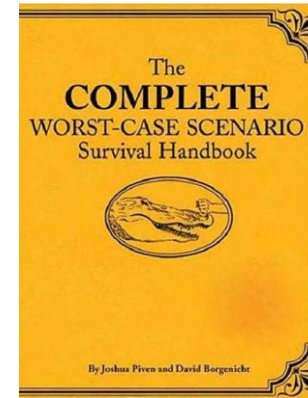
The 3 Year Cycle of LHAPs

- Updated LHAP is required to receive future funding

- SHIP Statute 420.9075:

  LHAP requirements

- May 2, 2022 all 58 LHAPs due

Two Entities must Approve LHAP

- City or County Commission

- Florida Housing Finance Corporation
  - LHAP Review Committee Members
  - FHFC Review may take 45 Days

Timeline Worst Case Scenario

Options for Submitting the LHAP

- **Formal Review:** provide all documents including executed certification and resolution

- **Conditional Review:** provide all but certification and resolution

REVIEW

Deadlines and Responsibilities in the LHAP Approval Process

- Initial submission procedures

- Courtesy reviews no longer available

- Begin now and submit by February

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Initially Emailing the LHAP

- Submit documents electronically in their current file format (word, excel)

- No underline/strikethrough format

- Email robert.dearduff@floridahousing.org Subject Line: LG Name, LHAP 2022-2025

- State: "Please find attached the LHAP for Fiscal Years 2022-2025. This plan is being submitted for review."

Email
Worst Case
Scenario

Email Subject Line:
LG Name, LHAP 2022-2025
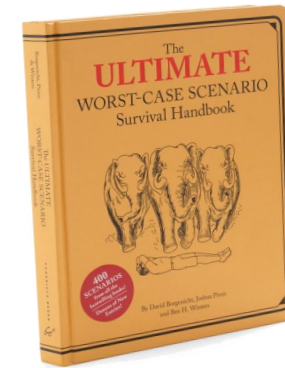
# Outcomes from the LHAP Review Committee

- Approved with no comments

- Conditional Approval with Comments and/or Pending Document Submission

    - Correct, email and state "Please find attached the revised approved LHAP incorporating comments".

    - Explain review committee recommendations not accepted.

- Approval Withheld

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Worst Case Scenario: Approval Withheld
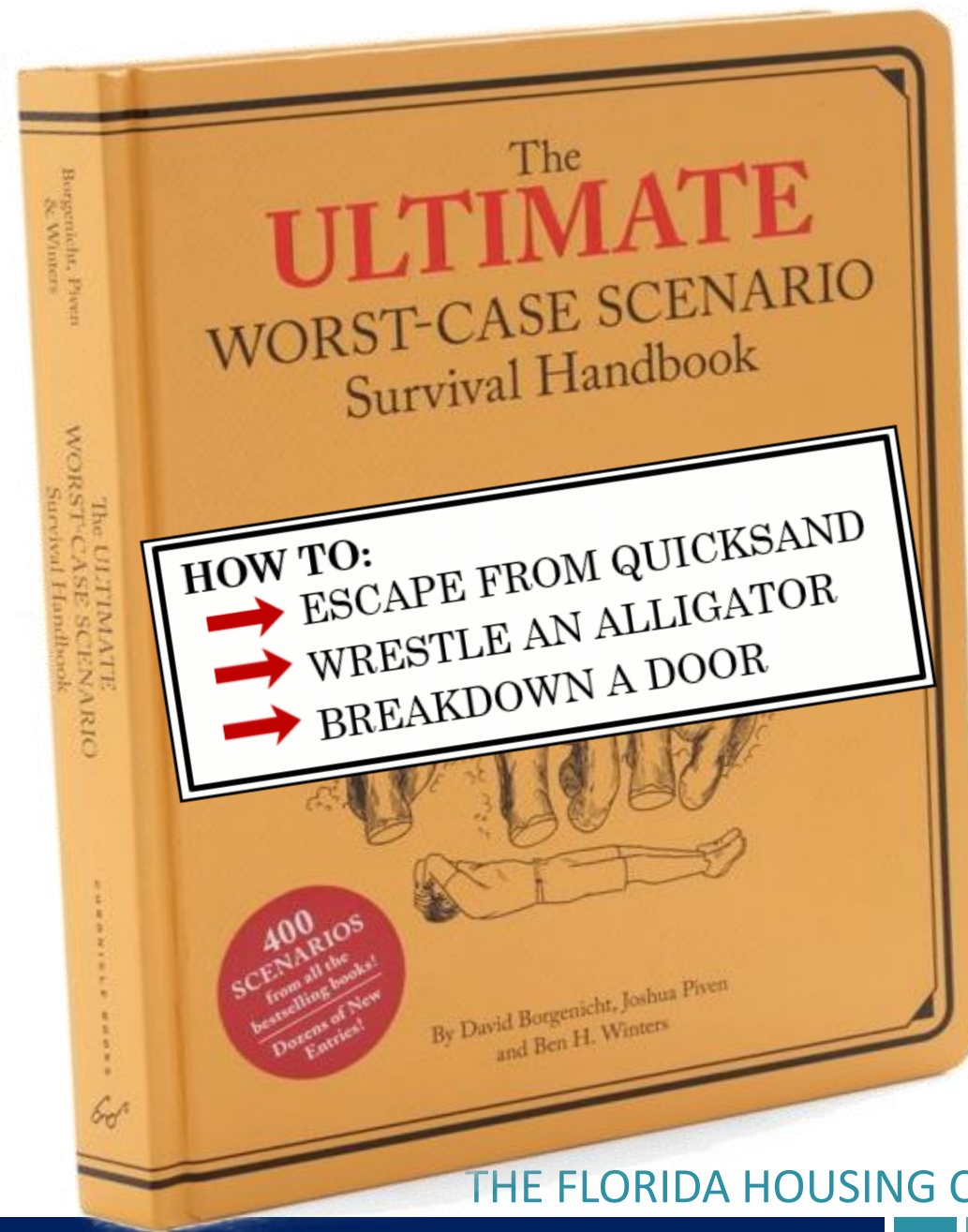
Final Submission

- Combine all into one PDF document

- Do not place cover letter or resolution first

- Certifications & Resolution include signatures and witnesses or "attest" seal.

- All underline/strikethrough removed. Incorporate all changes

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General Guidance

- LHAP is a public document that should consist of plain language.

- Include only strategies likely to be funded.

  - Exception: Disaster Recovery

- Benefits of maintaining consistency between LHAPs

When moving cases between fiscal years:

- Confirm that the strategy is eligible in the fiscal year the case is being moved to

- Make sure the terms and conditions are consistent

- Make sure the written agreement is correct

New Things for Recent LHAPs

- List Maximum Award in Strategy
- Strategy "Term" Subsections
- Waiting Lists/Priorities
- Project Delivery Costs

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New: Waiting List / Priorities

- Only when no funds are available

- Explain in clear detailed language how the waiting list will be kept

- Should be a list that cannot be compromised

- Save your list for the monitor

- Best practice: collect application when adding an applicant to the waiting list

Special Needs Priorities

- Does it apply to all strategies?
- Does it apply to only certain strategies?

Be Clear!

You do not need a special needs-specific strategy

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 and Very Low Income

Ranking Order Example

1. Special Needs Households
   a. Very low
   b. Low
2. Essential Services Personnel
   a. Very low
   b. Low
3. After Special Needs Set-asides, ESP and VLI, and LI goals are met
   a. Very Low
   b. Low
   c. Moderate

Project Delivery Costs

Detail any Project Delivery Costs (PDC)

Must be reasonable. List an amount or percentage

Costs are related to an applicant's specific project

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Tracking Administrative Expenses vs Project Delivery Cost

- If full time, SHIP staff should be paid from SHIP admin

- An employee working on several programs should keep detailed timesheets

- Prorate admin expenses by program based on timesheets

- Charge project delivery cost for work not covered by admin. Program dollars pay for this instead of SHIP admin funds

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Project Delivery Cost Examples

Rehabilitation:
- Initial Inspection
- Work Write Up/Cost Estimate
- Construction inspections/oversight

Outsource to 3rd Party:
- Service Delivery Fee

Purchase Assistance:
- Housing Counseling
- Inspection

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Administrative Costs

- Advertising

- Outreach and Pre-screening

- Applications and Eligibility Determination

- Office space, Utilities, Copier, Computers

- Tracking and Reporting

- LHAP Work

- Prep for the Monitor

Sample Text Needs Improvement

BEFORE

Project Delivery Costs: Project delivery costs are granted to the borrower. Only hard costs will be included on the mortgage.

AFTER

Project delivery costs will be granted to the borrower. These project delivery costs may include **an initial inspection, creation of a work write up and cost estimate, and construction oversight.** These project delivery costs are actual amounts of services and deliverables.

Sample Text Finalized

MORE: In cases where an activity is outsourced, a service delivery fee shall cover costs associated with providing the service to a household to offset the cost with managing the activity.
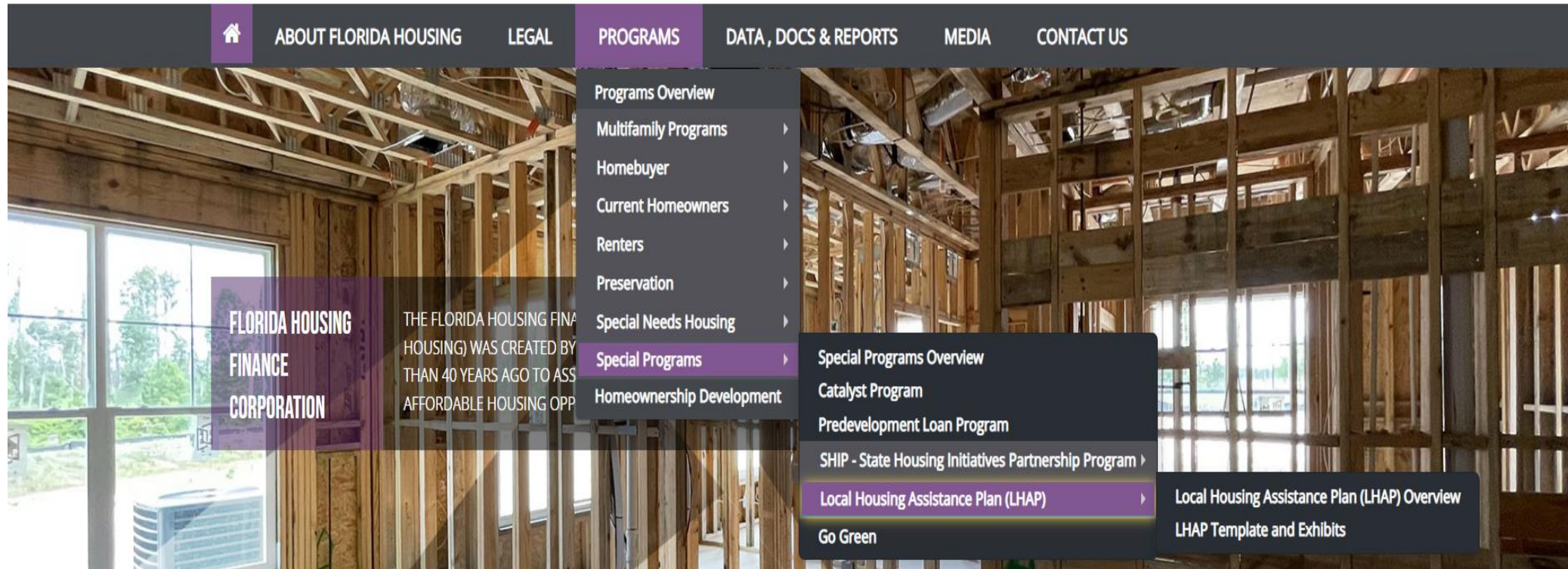These service delivery fees include **loan closing costs, inspections/testing and rehabilitation/construction management.**

LHAP Documents

www.floridahousing.org

NEW TEMPLATE: "LHAPs submitted on out-of-date forms or in incorrect format will be rejected"

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State Housing Initiatives Partnership (SHIP) Program
Local Housing Assistance Plan (LHAP) Procedures

Purpose

This procedures document is intended to provide assistance to local government (LG) staff that with the process of developing and submitting an LHAP for approval by Florida Housing Finance Corporation (FHFC). **If you follow the guidance in this manual, your LHAP will be more likely to be approved with fewer changes.**

Background

Every LG participating in SHIP is required to have an approved LHAP at all times. LGs are required to submit LHAPs by May 2nd once every three years covering the three fiscal years beginning July 1st of the year the plan is submitted. LHAPs are designed to detail how each LG will expend funds allocated to them for each fiscal year.

General Information

1. Plan submission will be completed according to one of the following:

    ✓ Submitted for **formal review**. This requires all documents in the LHAP including fully executed certifications and resolutions to be submitted

Section I. General Information

A. Local Government Information
- Interlocal Agreement: Two LG's operating under one LHAP

B. Purpose of Program

C. Fiscal Year Covered by Plan

D. Governance

E. Local Housing Partnership
- Are there other partners not listed?

F. Leveraging
- Other sources?

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Section I. General Information

G. Public Input

- Make sure this is accurate

H. Advertising and Outreach

- Other outreach methods?

I. Waiting List/Priorities

J. Discrimination

- Local ordinances?

Section I. General Information

K. Support Services and Counseling

Confirm that this template language is accurate for your community. Housing Counseling includes:

- Pre-purchase Classes
- Review Committee: Credit Counseling is needed
- Foreclosure prevention 1 on 1 sessions or classes
- Rehabilitation – home maintenance instruction
- Post-purchase Classes
- Rental Housing Counseling

Section I. General Information

L. Purchase Price Limits
- Do not state actual dollar amount (can change) Unless you have a more restrictive amount
- Methodology

M. Income Limits, Rent Limits and Affordability

N. Welfare Transition Program
- Don't forget this under sponsor selection

O. Monitoring and First Right of Refusal
- "to the extent another governmental entity provides periodic monitoring…. may rely on such monitoring"

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Section I. General Information

P. Administrative Budget: 5 or 10%?
- Exhibit A

Q. Program Administration
- City/County staff or third-party entity
  - Must specify duties and % of time

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R. First Time Homebuyer:

"For any strategies designed for first-time homebuyers, the following definition will apply":

An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned a home with a former spouse while married. An individual who is a displaced homemaker and has only owned with a spouse. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

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Section I. General Information

R. First Time Homebuyer

S. Project Delivery Costs
- Template: "State the percentage or dollar amount per applicant and which strategies are covered"
- They must be reasonable related to the cost of the project as well as the type of strategy.

T. Essential Service Personnel
- Skilled trades required
- Avoid "not limited to" or "other groups determine to be essential"

Item S: Sponsors vs. Sub-Recipients

SHIP
Technical Bulletin
2016-01

Sub-Recipients Administering SHIP

Any local government participating in SHIP that uses a Sub-Recipient to administer all or part of the SHIP program should be aware of the following facts:

1. The SHIP rule defines a Sub-Recipient (see below) broadly as any person or non-state entity. This would include any non-profit, consultant or other entity actively performing any administrative function of the program including application intake, income verification, contract oversight, counseling, etc. The term Sub-Recipient should not be confused with the statutorily defined Eligible sponsor (see below) which refers to an entity that receives a funding award. There may be situations where it is difficult to determine when an entity is "awarded" funds, but in practice carry out the administration function for those funds. In these cases, the entity should be considered as a Sub-Recipient.

Sponsors are developers
- Are selected under a sponsor selection process

Sub-Recipients administer your program
- Are paid with Admin funds and carry out administrative functions

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Section I. Efforts

Get an "A" For Effort

U. **Efforts** to incorporate Green Building and Energy Saving Product and Processes

V. **Efforts** to meet the 20% Special Needs set-aside

Which Strategies Mainly? Agency Partners working in area.

W. **Efforts** to reduce homelessness

Any Strategies? Agency Partners working in area.