



Updating Your Community's LHAP Part 3

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

A banner for SHIP Catalyst Training. The background shows a group of people in a classroom setting, with a woman in the foreground smiling. On the left is the SHIP logo, which consists of a green house icon with a blue cube inside, and the text "SHIP" in bold, with "housing a stronger Florida" in smaller text below it. On the right, the text "Fine Tune Your SHIP Program" is followed by "REGISTER NOW FOR" in smaller letters, and then "CATALYST TRAINING" in large, bold, white letters. At the bottom left of the banner, it says "Register Now for SHIP Catalyst Training!". Below the banner are four small, light gray circles.

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!

Overview

- Review of LHAP Exhibits
- LHAP Guidance on Specific Strategies
- Affordable Housing Advisory Committee

Exhibits

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

Exhibit A: Budget

Configured to automatically calculate your admin percentage and let you know if it is:

- “Over Budget,” or
- “OK”

Exhibit A (2022)	
Sterling County	
Fiscal Year: 2022-2023	
Estimated SHIP Funds for Fiscal Year:	\$ 350,000.00
Salaries and Benefits	\$ 32,000.00
Office Supplies and Equipment	\$ 1,000.00
Travel Per diem Workshops, etc.	\$ 1,000.00
Advertising	\$ 1,000.00
Other*	\$
Total	\$ 35,000.00
Admin %	10.00%
OK	
Fiscal Year 2023-2024	
Estimated SHIP Funds for Fiscal Year:	\$ -
Salaries and Benefits	\$

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Administrative Functions Include

- Day-to-day administration
 - Income qualification
- Contract management
- Tracking
- Monitoring
- Preparation of Reports
- Implementing LHAP



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Exhibit B: Timeline

2022

Exhibit B Timeline for SHIP Expenditures

_____ affirms that funds allocated for these fiscal years will
(local government)
meet the following deadlines:

Fiscal Year	Encumbered	Expended	Interim Report	Closeout Report
2022-2023	6/30/2024	6/30/2025	9/15/2024	9/15/2025
2023-2024	6/30/2025	6/30/2026	9/15/2025	9/15/2026
2024-2025	6/30/2026	6/30/2027	9/15/2026	9/15/2027

If funds allocated for these fiscal years is not anticipated to meet expenditure deadlines, Florida Housing Finance Corporation will be notified according to the following chart:

Fiscal Year	Funds Not Expended	Closeout AR Not Submitted
2022-2023	3/30/2025	6/15/2025
2023-2024	3/30/2026	6/15/2026
2024-2025	3/30/2027	6/15/2027

Requests for Expenditure Extensions (close-out year ONLY) must be received by FHFC by June 15 of the



Exhibit C: Housing Delivery Goals Chart

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	LHAP Exhibit C 2021												
2	FLORIDA HOUSING FINANCE CORPORATION												
3	HOUSING DELIVERY GOALS CHART												
4	2022-2023												
5	Name of Local Government:												
6	Estimated Funds (Anticipated allocation only):			\$ -									
7	Code	Strategies	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	Construction	Without Construction	Total	Units
8		Homeownership											
9										\$0.00	\$0.00	\$0.00	0
10										\$0.00	\$0.00	\$0.00	0
11										\$0.00	\$0.00	\$0.00	0
12										\$0.00	\$0.00	\$0.00	0
13										\$0.00	\$0.00	\$0.00	0
14										\$0.00	\$0.00	\$0.00	0
15										\$0.00	\$0.00	\$0.00	0
16										\$0.00	\$0.00	\$0.00	0

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

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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

A	B	C	D	E	F	G	H	I	J	K	L
									\$0.00	\$0.00	\$0.00
	Total Homeownership		0		0		0		\$0.00	\$0.00	\$0.00
Purchase Price Limits:			New	\$ -	Existing	\$ -					
	You must enter a purchase price limit above										
Code	Rental	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	Construction	Without Construction	Total
									\$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
	Total Rental		0		0		0		\$0.00	\$0.00	\$0.00
	Administration Fees		\$ -	#DIV/0!		#DIV/0!					
	Home Ownership Counseling		\$ -								
	Total All Funds		\$ -	OK							

Set-Asides

	A	B	C	D	E	F	G	H	I	J	
29										\$0.00	
30		Total Rental		0		0		0		\$0.00	
31											
32		Administration Fees		\$ -	#DIV/0!		#DIV/0!				
33		Home Ownership Counseling		\$ -							
34		Total All Funds		\$ -	OK						
35	Set-Asides										
36	Percentage Construction/Rehab (75% requirement)			#DIV/0!		#DIV/0!					
37	Homeownership % (65% requirement)			#DIV/0!		#DIV/0!					
38	Rental Restriction (25%)			#DIV/0!		#DIV/0!					
39	Very-Low Income (30% requirement)			\$ -	#DIV/0!	Does Not Meet Requirement					
40	Low Income (30% requirement)			\$ -	#DIV/0!	Does Not Meet Requirement					
41	Moderate Income			\$ -	#DIV/0!						
42											
43											
44											
45											
46											
47											
48											
49											
<div><div><div>2022-2023</div><div>2023-2024</div><div>2024-2025</div><div><div>+</div></div></div><div><div></div><div></div></div></div>											



Exhibits

D. Certification

- 12. Evidence of compliance with the Florida Single Audit Act, as referenced in Section 215.97, F.S. shall be provided

E. Resolution

F. Ordinance (if changed)

- Creates trust fund
- Establishes LHAP
- Designates who implements SHIP
- Creates Affordable Housing Advisory Committee

CERTIFICATION TO FLORIDA HOUSING FINANCE CORPORATION

Local Government or Interlocal Entity:

Certifies that:

- (1) The availability of SHIP funds will be advertised pursuant to program requirements in 420.90420.9079, Florida Statutes.
- (2) All SHIP funds will be expended in a manner which will ensure that there will be no discrimination on the basis of race, color, national origin, sex, handicap, familial status, or religion.
- (3) A process to determine eligibility and for selection of recipients for funds has been developed.
- (4) Recipients of funds will be required to contractually commit to program guidelines and loan terms.
- (5) Florida Housing will be notified promptly if the local government /interlocal entity will be unable to comply with any provision of the local housing assistance plan (LHAP).
- (6) The LHAP provides a plan for the encumbrance of funds within twelve months of the end of State fiscal year in which they are received and a plan for the expenditure of SHIP funds

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Exhibit G: Interlocal Agreement

- See definition for “Interlocal Entity” in SHIP Rule
- Interlocal Agreement is when two Local Governments that receive SHIP Funds operate under one LHAP



Additional LHAP Topics

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Public Comment on LHAP

- Public comment is required
- How public comment is solicited is a local decision
- Where you advertise for public comment is a local decision
- How long you advertise for public comment is a local decision
- The LHAP states **how** you will make the Plan available for public input in section 1.G.

Local Governments are encouraged to:

- Each county and each eligible municipality is **encouraged** to develop a strategy within its local housing assistance plan that emphasizes the **recruitment and retention of essential service personnel**. The local government is encouraged to involve public and private sector employers. Compliance with the eligibility criteria established under this strategy shall be verified by the county or eligible municipality.
- Each county and each eligible municipality is **encouraged** to develop a strategy within its local housing assistance plan that **addresses the needs of persons who are deprived of affordable housing due to the closure of a mobile home park or the conversion of affordable rental units to condominiums**.

Green & Innovative Design

SHIP Statute: Describe initiatives in the LHAP to encourage or require **innovative design, green building principles, storm-resistant construction,** or other elements that reduce long-term costs relating to maintenance, utilities, or insurance.

--Section 420.9075(3)(d), F.S

<http://floridagreenbuilding.org/>

Green Features

Elements that enhance or increase:

- Disaster resistance
- Excellent indoor air quality
- Universal design
- Resource efficient materials
- Low water use
- Reduced energy consumption
- Native landscaping

Green Building

Rental RFA
Construction

Be clear on Rental RFA
Construction Green
Feature Requirements

Include in RFA and
Written Agreement

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Efforts from Sample LHAP

U. Describe efforts to meet the 20% Special Needs set-aside:

The county will partner with social service agencies serving the designated special needs populations to achieve the goal of the special needs set-aside. The goals will be met through the owner-occupied rehabilitation, emergency repair and rental assistance strategies.



Special Needs



Make initial efforts to assist Homeowners with **Developmental Disabilities (DD)**

Fundamental requirement: spend 20 percent of allocation on households that include one or more household members with ***Special Needs***.

- SSD/SSI or Disability Benefits
- Disabling Condition
- Aging Out of Foster Care
- Survivor of Domestic Violence

How Jurisdictions Comply with the 20% Set-Aside

- You do not need a Special Needs specific strategy to comply
- Rehabilitation
- Rental assistance: deposits and more
- Purchase Assistance
- Specific Special Needs Strategies
 - Group Home Rehab or Construction
 - Rental Housing reserved for Special Needs



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W. Efforts to Reduce Homelessness

- Each SHIP Office is encouraged to develop a strategy for reducing homelessness.
- Mention Rent deposits or Eviction prevention SHIP strategy.
- Communicate with lead agency of continuums of care.
- Identify sources other than SHIP (including ESG or CDBG)
- Website floridahousingsearch.org



Affordable Housing Advisory Committee (AHAC)

AHAC members may assist in many ways:

- Review new strategies
- Enhance existing strategies
- Community Outreach and Feedback
- Help create SHIP Procedures

The LHAP is due every year by December 31. Statute provides 90 days to amend LHAP and incorporate changes.

AHAC Report is due if your jurisdiction receives more than \$350,000 of SHIP

Recommend Incentives for Affordable Housing

“Review the established policies and procedures, ordinances, land development regulations, and adopted local government comprehensive plan...”

- **Recommend** modification or repeal of **existing** policies, procedures, regulations;
- **Recommend** the **creation of exceptions** applicable to affordable housing;
- **Recommend** adoption of **new** policies or amendments to local **comprehensive plan**.

LHAP Includes Incentive Strategies

(list all Incentive Strategies on Annual Report)

Expedited Permitting:

- *“The processing of expedited permits or development orders to a greater degree than other projects for affordable housing.”*
- **Purpose:** Time is Money

Oversight: (Ongoing Review)

- *“A local government considers, before adoption: policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.”*
- **Purpose:** Oversight may help minimize additional development costs.

SHIP Changes to AHAC in 2016

- AHAC members no longer required to be appointed by resolution
- At least **8** members but not more than **11** members
- Must consist of **1** representative from at least **6** of the **11** categories

2020 AHAC Changes

During the 2020 legislative session, HB 1339 AHAC Statutory changes:

- Appoint an Elected Official by October 1, 2020
- Complete an AHAC Incentive Strategies report annually
- Must submit AHAC Report to FHC



An Elected Official on the AHAC

- An official with the Commission that oversees the city/county's Local Housing Assistance Plan (LHAP)
- Elected official counts as one of the 8--11 members but does not count under a statutorily defined category
- Elected official must participate in AHAC meetings as committee works to produce an AHAC report for 2021

AHAC Report Timeline



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LHAP Guidance on Specific Strategies

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Owner-Occupied Rehabilitation

- Designed to come as close as possible to fully repairing a home
- Goal 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

Rehabilitation: Strategy Recommendations

- What repairs qualify?
- Are manufactured homes allowed?
- Are special populations targeted?
 - Elderly
 - Special needs
 - Persons with disabilities
 - Workforce housing



More Rehabilitation Recommendations

Address the case when a home is beyond repair and requires demolition.

- How is this determined?
- Do you offer replacement housing assistance?

Is an applicant with no homeowner's insurance eligible?

- Sometimes repairs must be completed before eligible for insurance. Get this in writing from the insurance company

Demolition/Reconstruction

- Clearly explain how the local government will determine which properties can be rehabilitated and which properties will be demolished

Example

- The existing structure must be determined to be an unsafe structure in accordance with the Florida Building Code by the Building Official and the housing inspector.
- The Sponsor will qualify the need for replacement by cost benefit analysis (rehabilitation being above **50%** of the home value) or relocation due to site conditions (e.g. sinkhole or floodplain).

EXAMPLE: Replacement Housing LHAP Requirement

The requirements you include in your LHAP really matter.

See this SHIP Monitor's observation about not following the LHAP.

Observation #:	2		
Program Activity:	Demo/Reconstruction		
Client Name	Funding Source	Fiscal Year	Strategy
Esther C.	SHIP	2018-19	Demo/Reconstruction
Observation:			
The LG was unable to provide documentation showing that a local building official determined that the project "...is not feasible for rehabilitation, structurally or financially." as required under the LHAP.			
Recommendation:			
The LG will need to ensure for the Demo and Reconstruction activity the determination is to be made by proper authorities.			

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



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Strategy Recommendations: Developers of Rental Housing

- When referring to FHFC, state the program or funding
- An RFA issued by FHFC will not require a local government to issue an RFP, but comply with LHAP and local procurement policy
- Avoid specific terms to allow room to work with developer
 - Minimum number of years or refer to the most restrictive funding source
- Have a monitoring plan in place



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Rental Housing Developed with SHIP

- Limited by statute to an effective amount of **25%** of allocation
- Usually used as match for other programs, especially Housing Credits
- Minimum Affordability Period: **15 years**-- longer period recommended with Housing Credits
- Monitoring: required annually if assistance is more than **\$10,000** per project and no one else is doing it

Interest Rates on Rental Developments

If you are charging varying interest rates for rental development, you must:

- Describe what triggers the difference in interest rate for each project
- What is the formula or criteria being applied for determining the interest rates that will be charged to the project

Is it based on

- Debt to income
- Non-profit or for profit
- Equity/investment
- Number of affordable units

Be Clear!

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Separate Strategy for Group Homes

- Group Home repair or new construction is notably different than other rental development
- Address this with separate strategy, not in a general Rental Rehab or New Construction strategy (Codes 14 or 21)
- Use Code 12 for Special Needs Rental Housing
- Related Topic: Assist special needs households with ANY strategy



Purchase Assistance

- Assistance = difference between what target market can afford and housing costs
- No statutory or regulatory cap on maximum assistance amount
- Maximum award: driven by housing costs and what target market can afford

Purchase Assistance Strategy Recommendations

Rehab or
Not Rehab?

Do not include
underwriting terms
if first mortgage
lender determines
loan eligibility

Define
First-Time
Homebuyer

Disaster Strategy Recommendation



- Locally declared disaster not eligible
- Do not use the word “natural”
- Can have a general program description
- Sample Disaster Strategy includes a 4-Tiered system of recipient selection priority

For All Strategies: Subordination Policy

- Summarize in strategy with reference to more policy details
- Some allow no subordination
- Others allow this in cases that increase home affordability (refinancing 1st mortgage)

Amend the LHAP When It's Important

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



Amending the LHAP

Technical Revision Examples:

- Changing SHIP deferred loan from 10 years to 15 years
- Increasing Maximum Award amount

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)
- Email robert.dearduff@floridahousing.org
Subject: LHAP Amendment & local gov't name
- Send main LHAP document & exhibits affected (Housing Delivery Goals Chart)
- In email, state if this as a **plan amendment** or **technical revision**.

Please complete the evaluation!



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