

# Updating Your Community's LHAP: Part 1



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



*Presented By:*  
Tamara West & Michael Chaney  
Technical Advisors  
Florida Housing Coalition  
[west@flhousing.org](mailto:west@flhousing.org)



# Our Thanks to the Florida Housing Catalyst Program



**AFFORDABLE HOUSING CATALYST PROGRAM**

Sponsored by the Florida Housing  
Finance Corporation



we make housing affordable™

THE FLORIDA HOUSING COALITION



# Catalyst Training Schedule

A banner for SHIP Catalyst Training. On the left, a woman with dark hair is smiling and looking towards the camera, while a man in a blue shirt is looking down at a document. The background is a teal gradient. On the left side of the banner is the SHIP logo, which consists of a green house icon with a blue cube inside, and the text 'SHIP' in bold black letters, with 'housing a stronger Florida' in smaller text below it. To the right of the logo, the text 'Fine Tune Your SHIP Program' is written in white, followed by 'REGISTER NOW FOR' in smaller white letters, and then 'CATALYST TRAINING' in large, bold, white letters. At the bottom of the banner, the text 'Register Now for SHIP Catalyst Training!' is written in white. Below the banner, there are four small circles, the first of which is filled with a teal color.

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](http://www.flhousing.org)

THE FLORIDA HOUSING COALITION



# 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](mailto:chaney@flhousing.org)
- This webinar is being recorded and will be available at [www.flhousing.org](http://www.flhousing.org)
- A survey will immediately follow the webinar;  
***please*** complete it! Thanks!

THE FLORIDA HOUSING COALITION



# Overview of Part 1

---

- General Guidance
- Logistics of Submitting the LHAP
- Review of LHAP Template: Section I
- Section II Housing Strategies



# The 3 Year Cycle of LHAPs

---

- Updated LHAP is required to receive future funding
- SHIP Statute 420.9075:  
LHAP requirements
- May 2, 2023 all 30 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

THE FLORIDA HOUSING COALITION



# Options for Submitting the LHAP

---

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





# Deadlines and Responsibilities in the LHAP Approval Process

---

- Initial submission procedures
- Courtesy reviews no longer available
- Begin now and submit by February



# Initially Emailing the LHAP

---

- Submit documents electronically in their current file format (word, excel)
- No underline/strikethrough format
- Email [robert.dearduff@floridahousing.org](mailto: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."

# 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

# 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



# 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

THE FLORIDA HOUSING COALITION



## 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

## 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

## 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**

THE FLORIDA HOUSING COALITION



# 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

# 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

# Project Delivery Cost Examples

---

## Rehabilitation:

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

## Outsource to 3<sup>rd</sup> Party:

- Service Delivery Fee

## Purchase Assistance:

- Housing Counseling
- Inspection



THE FLORIDA HOUSING COALITION



# 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



THE FLORIDA HOUSING COALITION



# 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

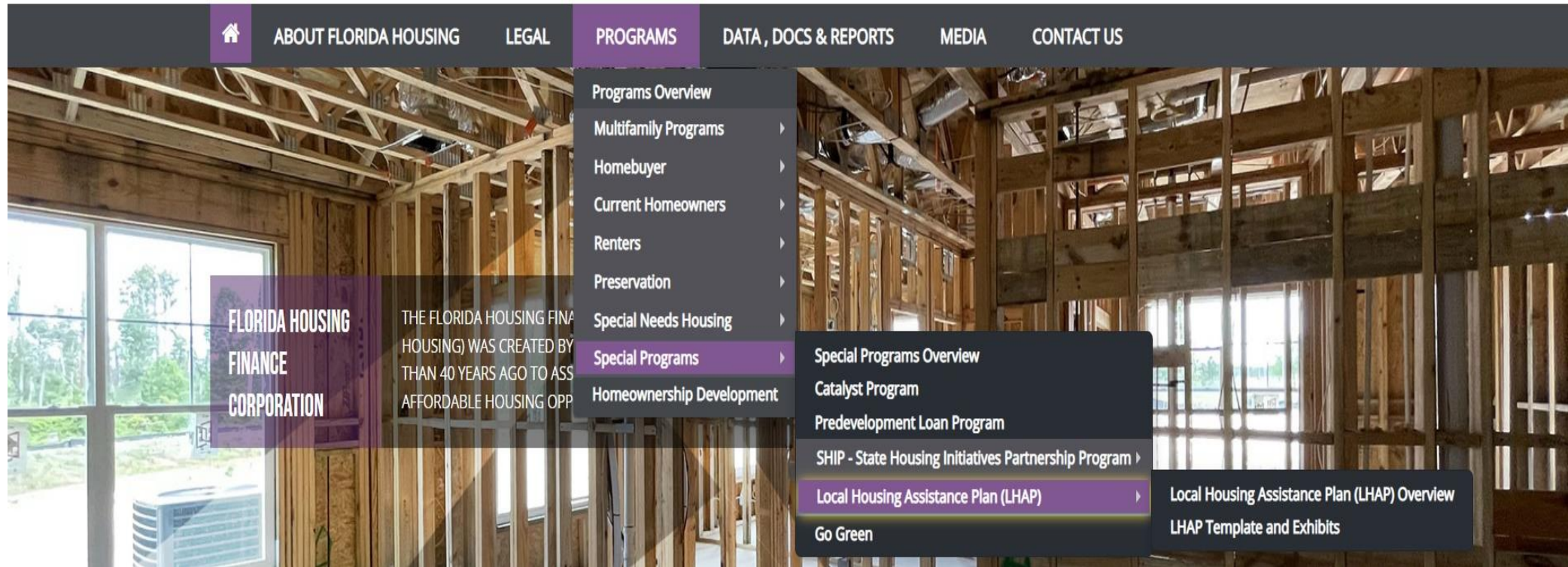
---

**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"

THE FLORIDA HOUSING COALITION





## 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 2<sup>nd</sup> once every three years covering the three fiscal years beginning July 1<sup>st</sup> 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.

THE FLORIDA HOUSING COALITION



# Elements of the LHAP

Section 1. General Information

Section 2: Details of Strategy

Section 3: Details on Incentive Strategies

Section 4: Exhibits

THE FLORIDA HOUSING COALITION





# Questions & Answers



# 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?



# 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"

# 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

THE FLORIDA HOUSING COALITION



# 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.

THE FLORIDA HOUSING COALITION





# 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

# 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.*

# Section II. Housing Strategies

## Confirm Strategy Title Corresponds with Code

### 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).  |

THE FLORIDA HOUSING COALITION



# How Many Strategies?

Consider Funding

Staffing

Capacity

Resources Available

It's Better to Have 1 or 2 Good Strategies

THE FLORIDA HOUSING COALITION



# Section II. Housing Strategies

## a. Summary of Strategy

---

- Concise and clear description – A few sentences
- Describe type of activity – *Normally one activity*
- Do not include loan terms, selection, income categories, etc. required in other sections

**Do Not Combine Several Strategies**

**Example: Owner Occupied Rehab and Rental Rehab**

### **Strategy Tip:**

- Strategies should be self contained
  - Do not reference other strategies

# Housing Strategies:

## b. Fiscal Years Covered

---

List all years covered. Do not use “all years”

All plans should cover:

2022-2023, 2023-2024, 2024-2025

### More Strategy Tips:

- Avoid acronyms and obscure language/terms
- Use consistent language between strategies

Example: Default Provisions, Sponsor Selection Criteria



# Housing Strategies:

## c. Income Categories to be Served

---

- List one or all the defined income categories:  
“very low, low and moderate”
- Do not use “all income groups”
- If not funding a specific group leave it off
- Be consistent with Housing Delivery Goals Chart
- Do not include ELI, it is not a defined income category
- Be specific about serving **121-140% AMI**

# Correct This Income Categories Text



## Before...

Income Categories to be served:

- Very-Low Income
- Low Income \$100.00 contribution required
- Moderate Income \$250.00 contribution required

## After...

Income Categories to be served:  
Very-Low, Low, Moderate

THE FLORIDA HOUSING COALITION



# Housing Strategies:

## d. Maximum Award

---

- List by income category, consistent with HDGC
- Maximum award includes all hard, soft and **delivery cost**
- Grants: usually \$15K or less and limited to disaster, rent subsidies, emergency repair, or foreclosure prevention
- Rental Development: include “maximum per rental unit” as well as “maximum for entire development”

# Maximum Award Considerations

---

- **Rehabilitation:** Typical repairs and average costs
- **Rental Assistance:** What is typical rent and availability?
- **Purchase Assistance:** Award driven by housing cost and what target market can afford – **Be Realistic**



## **e. 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

# Terms 1. Loan or Grant

---

## Loan, deferred loan or grant

- Loans: “secured by a recorded mortgage and note”
- State ‘subordinate mortgage’, not 2<sup>nd</sup> mortgage

## Variations Available

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

## Grants must be approved by FHFC

- Usually limited to disaster/emergency repair, rental assistance, foreclosure prevention, barrier removal

THE FLORIDA HOUSING COALITION



# Terms 2. Interest Rate

---

- Include interest rate for SHIP assistance if any
  - Avoid a range of rates (0% - 5%)
  - Be specific about why different recipients are charged different rates
- If none state 0%. For grants, state N/A
- Recorded document must be consistent with LHAP



# Terms 3. Years in Loan Term

---

- State number of years loan is secured
- For grants, state N/A
- Put maturity date on the RECORDED LOAN.
- Consistency with prior years helps when moving files in the annual report
- What is default # of years of vague mortgage, according to Statute 95.281 (1) (b)?

# Text Needs Improvement



## Before...

Term: 10 years. The SHIP mortgage and loan agreement is forgiven after ten (10) years **IF** the owner maintains the home:

- a. As principal residence
- b. Property taxes paid in full every year
- c. Insurance kept on the unit paid and up to date during the life of the loan.

## After...

Term: 10 years.

THE FLORIDA HOUSING COALITION



# Terms 4. Forgiveness

---

State if any portion of the loan will be forgiven

- Some never forgive - repaid at end of term
- Some forgive at end of term
- Some prorate forgiveness annually over the term

Do not refer to default situations in this section

- This section describes what happens when everything goes according to plan

# Terms 5. Repayment

---

- State if payments are required during the term
- Another option: balloon payment at the end of the term
- Some forgive assistance, so no SHIP repayment is ever required.

Example: No repayment required as long as the loan is in good standing

# Terms 6. Default

---

List situations where the loan does not remain in good standing through the term:

- Sale, transfer, loss of homestead
- Conversion to rental,
- Death of homeowner(s).

Use “outstanding balance” rather than “full loan amount” when addressing repayments.

What happens when SHIP recipient dies?

**Repayment or eligible heirs?**

# Sample Terms for Purchase Assistance

---

1. **Loan/grant:** Funds will be awarded as a deferred subordinate loan secured by a recorded mortgage and note.
2. **Interest Rate:** 0%
3. **Term:** 10 years (very-low and low), 30 years (moderate)
4. **Forgiveness:** For very-low and low income, funds will be forgiven on a prorated basis so that 10% of the principal is forgiven annually. For moderate, the loan will be due and payable at the end of the term.



# Sample Purchase Assistance Terms

---

**5. Repayment:** For very low and low income, no repayment of the assistance is required as long as the loan is in good standing. For moderate income repayment is due at the end of the loan term.

**6. Default:** The loan will be determined to be in default if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding balance will be due and payable.

# Please complete the evaluation!



**Tamara West**  
**[West@flhousing.org](mailto:West@flhousing.org)**  
**850 518-2235**



**Michael Chaney**  
**[Chaney@flhousing.org](mailto:Chaney@flhousing.org)**  
**850 980-1307**

**Technical Assistance Hotline: 1-800-677-4548**