

Working with Nonprofits, Sponsors & Subrecipients

April 19, 2023 at 10:00 am



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Presented by:
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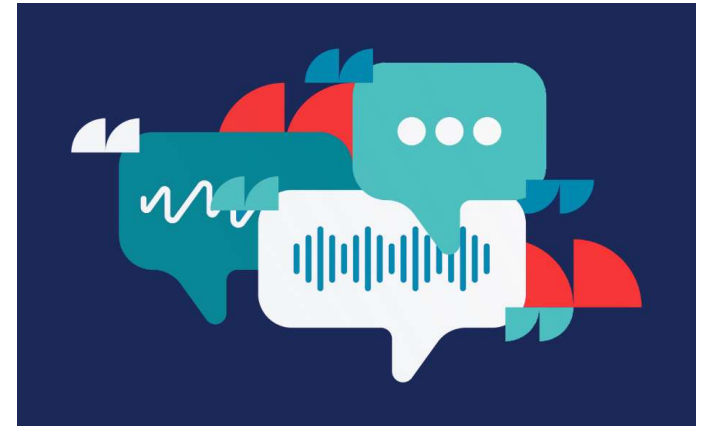


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Webinar Logistics

- Participants are muted
- Enter your questions in the box in your webinar panel
- If non typing capability, click raise your hand button
- Handouts are available for your review.
- This webinar is being recorded and will be available at www.flhousing.org
- Use headphones for best audio
- A survey will immediately follow the webinar; *please* complete it! Thanks!



Overview of Topics

- Review of Subrecipients & Sponsors
- Local Government
- Non-profit perspective
- Selection Criteria
- Elements of Monitoring



Introduction to Presenters



Tamara West,
Technical Advisor
Florida Housing Coalition



Janice Hayes,
Minority Builders Coalition, Inc.,
Director of Housing &
Community Development



Rowena Elliott,
Manatee County Government,
Affordable Housing
Development Coordinator



Darrell Starling,
City of Lake Wales,
Past CRA Manager

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SHIP Statute 420.9072 1(a)

The Legislature further intends that local governments achieve this combination of resources by encouraging active partnerships between government, lenders, builders and developers, real estate professionals, advocates for low-income persons, and community groups to produce affordable housing and provide related services.

Goal: Create Local Partnerships



What is a Subrecipient?



- SHIP Rule definition: A “Subrecipient” is ‘a person or non-state organization contracted by a SHIP eligible local government to provide administration of any portion of the SHIP program.’
Section 67-37.002 (31) of the FL Administrative Code
- The subrecipient’s staff may locate buyers, determine their SHIP eligibility and work with them until the day of purchase.

Subrecipient Example

- A SHIP jurisdiction enters into a contract/agreement with a Subrecipient to implement the SHIP Purchase Assistance Program.
- The responsibilities include advertising, keeping a waiting list, processing applications, tracking, and annual reports.
- The subrecipient will perform applicant intake, counseling, income qualification, issuing award letters, underwriting, agreements and coordinating closing with the first mortgage lender.

What is a Sponsor?

- A Sponsor receives a SHIP award under a specific strategy to produce affordable units
- Development may include new construction or rehabilitation of homeownership units or rental housing
- Example: a nonprofit developer applies for funding from a Rental Development SHIP Strategy

Types of Sponsors

SPONSORS

- Nonprofit Organization
- For-Profit Developer/Contractor
- Limited Partnership –
Nonprofit & For-Profit Developers

STRATEGIES

- Homeownership New Construction
- Rental New Construction
- Acquisition/Rehab/Resale
- Rental Rehabilitation
- Special Needs Housing Construction
- Any others?

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Contractors are not Sponsors

Persons /firms entering a written agreement/contract to perform a specific task.

- Appraisal firm
- Lead based paint testing firm
- Title insurance company
- Construction work

They generally have no ownership or other ongoing interest in the project/job once their task is completed.

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



Additional information

Local Government Duties



- Selection of Developer
- Details of Contract
- Provide SHIP subsidy at right time in development process
- **Pay SHIP dollars in last payment**
- Provide update of income limits
- Monitoring and Provide training

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Developer Duties

- New Construction or Rehabilitation
- Selecting eligible households
- Maintain SHIP files with proper documentation
- Keep to the Timeline to avoid exceeding Expenditure Deadline



The Importance of Written Agreements



- A written agreement serves as a legally binding contract between the local government and any other party
- Serves as a management, accountability and enforcement tool for the local government
- Serves as the basis for compliance monitoring

Effective Written Agreements

- 1 Specify the activity to be carried out (who, what, where, when)
- 2 What the funding source is
- 3 How they are carried out
- 4 Roles, responsibilities and options of all parties involved
- 5 What changes are allowed and process to incorporate those changes

Parties to the Agreements

Local government and:

- Applicant
- Contractors
- Sponsors
- Subrecipients
- Developers



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Sponsor Agreements

- As a condition of receipt of an award, the eligible sponsor must contractually commit to comply with the affordable housing criteria provided under ss. 420.907-420.9079 applicable to the affordable housing objective of the award.
- The plan criteria adopted must prescribe the contractual obligations required to ensure compliance with award conditions.

Subrecipient Agreement

Any local government receiving SHIP funds which **administers** any portion of the SHIP program through a Subrecipient shall bear **responsibility** for actions of the sub recipient and shall monitor all sub recipients to ensure compliance is maintained on all SHIP funded activities. Any **contract or agreement** between the local government and subrecipient **shall detail the policies and procedures that shall be adhered to in the management of the SHIP activities.**

67-37.019 Compliance Monitoring for Housing Developed
With SHIP Local Housing Distribution Funds.

SHIP Agreement with Developer

- Amount of the award
- Timeframe for expenditure/project completion
- # of SHIP assisted units
- Fixed or floating units?
- Required SHIP set aside
 - (ELI, VLI, LI, MI)
 - special needs
- Affordability period – 15 years or longer- 50 years is BEST PRACTICE
- Security documents- LURA - Land Use Restriction Agreement + Mortgage/Note if loan

SHIP Agreement continued

- Rent limits
- Initial Income verification
- Annual recertification
- Lease provisions
 - Florida Residential Landlord and Tenant Act (Chapter 83, Part II of the Florida Statutes)

Maximum (per project and per unit)

- Marketing and advertising (fair housing)
- Property standards
- Energy /Green requirements
- Other construction requirements
- SHIP sign






Local Government

Working with Sponsors and Subrecipients

April 19, 2023



Agenda

- **Introduction – The Development Side to working with Sponsors and Subrecipients**
 - **Strategies for Sponsoring Development**
 - **County-owned Surplus Property**
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Countywide Housing Development Efforts



Strategies

- Data Collection & Analysis
- Develop & implement Guidelines and Policies
- Funding Sources and Terms
- Community Engagement



Programs

- Livable Manatee Incentive Program
- Surplus Property Sale and Development



Compliance

- Land Development Code
- Comprehensive Planning
- Annual Monitoring

The Development Side of working with Sponsors and Subrecipients

Several aspects to sponsoring developments

- Location of a project

- Financing wherewithal

- Potential Environmental Issues

- Feasibility

- How does the project contribute to the surrounding community

Strategies for Sponsoring Developments

Project Scoping

This system helps the subrecipient understand what they can or cannot develop based on code and what they need to do before applying for permits.

Financing Analysis & Feasibility

A review of the developer's finances (pro forma) is necessary to check for the over statement of costs and other issues.

Review of environmental reports

A review of the ER provides insight on the state of the site prior to disbursement of funds.





HELPS IN
DETERMINING
THE VIABILITY OF
THE PROJECT

ASSESS RISK AND
PROPOSE
SOLUTIONS

CONCLUDES IF
THE PROJECT FITS
THE LOCATION &
FILLS THE
COMMUNITY'S
NEED

Funding Sources used in Manatee County to sponsor developments

SW TIF District

Governed by Ordinance No. 14-028

Affordable Housing Subsidy Fund

Governed by resolution R-22-158 Livable Manatee Incentive Program

Surplus Properties

Governed by FS 125.379 and codified by County Resolution R-21-089

No current allocation provided in R-21-089


ARPA Funds

Governed by Department of the Treasury

Used for gap financing; no designated allocation - Requires 20 yr.+ affordability and loan term

County Owned Surplus Property

Making Site shovel ready for development

- Work with the Planning Staff
 - Financing site work for potential development
 - Surplus parcels through Board approval process
 - Advertise the available parcels to developers/contractors for partnership to develop affordable housing
-
- 



Working With Partners

LAKE WALES CRA

Re-Development within Lake Wales CRA Area III

Affordable Housing Program

Downpayment Assistance

Legacy Housing Rehabilitation Program

Economic Development

Community Development Block Grant

Community Engagement

Affordable Housing Program

- ▶ Non-Profit Organization
 - ▶ Keystone Challenge Fund
- ▶ For-Profit Organizations
 - ▶ Florida Development Corporation
- ▶ Public Sector
 - ▶ Polk County – Housing and Neighborhood Development

Downpayment Assistance

- ▶ SouthState Bank
- ▶ Lake Wales CRA
- ▶ Community Partners

Legacy Housing Rehabilitation Program

- ▶ Keystone Challenge Fund
- ▶ Home Depot
- ▶ Aetna Medicare Solutions
- ▶ Lake Wales Police Department
- ▶ Roosevelt Academy
- ▶ Wells Fargo

Economic Development

- ▶ Florida Development Corporation
 - ▶ LINC Plaza
 - ▶ BizLINC
- ▶ Wauchula State Bank
 - ▶ 5-for-5 Business Development Program
- ▶ Business Development Workshop
 - ▶ Florida Development Corporation
 - ▶ South State Bank
 - ▶ Ridge Mortgage
 - ▶ Small Business Development Center

Community Development Block Grant (CDBG)

- ▶ CDBG – Housing Rehabilitation
 - ▶ \$750,000
 - ▶ Five Homes Rehabbed
 - ▶ One Home Rebuilt
- ▶ CDBG-CV
 - ▶ \$1.2 Million

Community Engagement – “The Grove” Community Garden

- ▶ Florida Department of Health
- ▶ Health Council of West Central Florida
- ▶ Boys & Girls Club of East Polk
- ▶ Central Florida Health Care
- ▶ Kids Pack
- ▶ B-Street Community Center
- ▶ Roosevelt Academy
- ▶ Lake Wales CRA
- ▶ City of Lake Wales

Thank You

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A photograph showing two people shaking hands over a table covered with architectural plans. In the background, a construction worker wearing a high-visibility vest and a hard hat is visible. The scene is brightly lit, suggesting an indoor setting with large windows. The text "Nonprofit perspective as a SUBRECIPIENT" is overlaid on the image in a white, sans-serif font.

Nonprofit perspective as a SUBRECIPIENT



Minority Builders Coalition, Inc.

Minority Builders' Coalition, Inc. (MBC)

Our History

- 501 (C) 3 Non-Profit
- Founded 1971
- E. Pat Larkins
- Mission





Minority Builders Coalition, Inc.

Community Affiliations

Work Collaboratively with others in our Community:

- Volunteers
- Referrals
- Social Services Agencies
- Maintain Active Data Base
- Respond During Disaster
- Training, Trends & Technical Support



- ❖ Subrecipient/Partner
- ❖ SHIP
- ❖ Other Funding (Local, State & Federal)
- ❖ Other Programs (Home Touch, Membership, Development SFH, HUD Section 3, ETP)
- ❖ Full-Service Provider



Minority Builders Coalition, Inc.

Benefits of NPO Partnerships

Leverage Resources:

- ❖ Reduced Administrative Costs
- ❖ Staff Capacity Increases
- ❖ Office Supplies
- ❖ Office Space
- ❖ Storage Space
- ❖ Phones, Utilities, Computers



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More Benefits of NPO Partnerships

- ✓ Share Responsibilities
- ✓ Improved Efficiency/New Ideas
- ✓ Increase Range Of Services
- ✓ Increase Visibility (Advertising)
- ✓ Strengthening Advocacy
- ✓ Increases Potential New Hires
- ✓ Attract More Funding-Layers



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Other Benefits of NPO Partnerships

- ✓ Better Monitoring Outcomes
- ✓ Increase Credibility
- ✓ Promotes Inclusivity
- ✓ Convenient Locations
- ✓ Convenient Office Hours
- ✓ Flexibility During Emergencies



Minority Builders Coalition, Inc.

Tips on choosing an NPO

- ✓ Experience In Similar Scope Of Work/Services
- ✓ Sufficient Resources To Manage Program
- ✓ Staff Capacity & Skill
- ✓ Continued Training
(FHC Workshops, Webinars, Inter-Office, Municipal Office)
- ✓ Board Interconnectivity
- ✓ Mission Relevancy
- ✓ Expertise In Relevant Disciplines
- ✓ Local Preference



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Cohesive Partnership Tips

- ▶ Clear Written Agreement
- ▶ Define Roles and Responsibilities
- ▶ Provide Accurate Data (Expenditure Deadlines, Funding Amt, etc.)
- ▶ Update on New Policy, Regulations, Etc.
- ▶ Regularly Scheduled Meetings
- ▶ Periodic File Review/Pre-Monitoring
- ▶ Establish Open Communication (Keep Abreast Changes)



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The Bottom Line

Affordable Housing Programs are sometimes the Bridge between Homelessness and Homeownership, Sheltered and Unsheltered



It's Not an easy-breezy task, and it requires skills and care
Using every resource available helps everyone succeed
Tap into all of your resources, especially your NPO Partners
All Partnerships require each partner to be invested in work
and reward of helping families & individuals
Survive and Thrive



THANK YOU

QUESTIONS/COMMENTS



Janice Hayes

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A photograph of a man with short dark hair, wearing a blue and white plaid button-down shirt, sitting in an office. He is holding a silver pen in his right hand and looking towards a woman whose back is to the camera. The woman has long blonde hair and is wearing a dark blue top. In the background, there are whiteboards covered with yellow sticky notes. The word "Selection" is overlaid in white text on a dark grey semi-transparent bar across the middle of the image.

Selection

Advertising for Sponsors

- 1 Request for Applications
- 2 Usually separate from ad for program participants for housing services
- 3 Include selection criteria and scoring used to evaluate proposals
- 4 Include funds available for activities that require a sponsor
- 5 Use a fair and equitable selection process

Sponsor Selection

- Selection process is outlined in the LHAP
- They apply for an award through an application process
- Agreement should include a scope of work
- Agreement should have an award amount
- Local governments must include in LHAP the terms to the developer as well as the terms to the beneficiary which are two distinct and separate items
- Explain how benefits flow from sponsor to buyer

Sponsor Selection continued

Request for Proposal

- Specific in nature
- Measurable
- Evolves into the Scope of Services (as proposed by the respondent)
- Follows LHAP criteria

Scope of Services

- Conforms to specific criteria detailed in RFP
- Includes what will be delivered, when, how, and by whom

Sample Sponsor Selection Criteria

- 1 Developer Capacity
 - Experience
 - Funding source
 - Similar project
 - Financial review
 - Reputation
 - Current Pipeline
 - Bonding ability
- 2 Commitment/award of other funding sources
- 3 Property management experience

More Criteria

- 4 Budget
 - Construction / Predevelopment
 - Cost reasonableness
- 5 Realistic timeline- ability to proceed
 - SHIP expenditure deadline:
24 months from close of
State Fiscal year
 - CO
 - At least 1 unit occupied
- 6 Subsidy Layering review
- 7 Proforma
(1.1- 1.5 Debt Service Coverage)
- 8 Market study

Advertising for Subrecipients

- **Best Practice:** A selection process not required but highly recommended
- Request for Qualifications
- Detail minimum requirements for selection and other required qualifications
- Include specific requirements based on local preferences
- Negotiate the terms of the award



Criteria for Sponsor/Subrecipients

Financially Sound	Program	Project Team	Outcomes
Experience	Staff/Board Capacity	Program Budget	Timeline
Funding Source	Reputation	Program Description	Other Funding Sources

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Questions for Panelists

1

Do you have to respond to an annual RFP/RFA? Is it very competitive? What helped you get the contract?

2

How did you hear about the opportunity for this work or other opportunities? Where did you register to receive notifications?

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Monitoring

Why Monitor?



*Monitoring is a key component of providing technical assistance to your developers

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Recommended Practice:



- SHIP Administrators **should** monitor **ALL** Sponsors
- When: during construction and after homes are purchased
- SHIP Administrators must develop a written plan which describes all monitoring activities for each Sponsor.

Questions?





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- ❖ Phone and Email consultation
- ❖ Site Visits

Register at www.flhousing.org for:

- ❖ Workshops
- ❖ Webinars

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Please Complete the Evaluation!



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