

# Developing Selection Criteria for Recipients and Sponsors

February 15, 2023 at 10:00 am



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Presented by:  
Michael Chaney  
[chaney@flhousing.org](mailto:chaney@flhousing.org)

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# Webinar Logistics

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# Overview of Topics

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## Selecting Recipients

- Examples of Selection Criteria
- Purchase Assistance & Rehab Considerations
- Presenter: Linda Byars

## Selecting Sponsors and Sub Recipients

- Review of the eligibility criteria in an LHAP Strategy
- Homeownership and Rental Development Considerations
- Presenter: Avis Wilkinson



# Threshold Criteria

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All SHIP applicants must pass some criteria:

- Income eligible
- Rehab available only to homeowners within city or county limits
  - ❖ FYI: Residency requirements are not applicable to purchase assistance
- Asset Limit (required in some communities)

# Selecting Recipients

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The Local Housing Assistance Plan (LHAP) includes Selection Criteria

Section 1 Item I is “Waiting List/Priorities”:

- A waiting list is kept when no funds are available
- Priorities: Identified in some but not all SHIP communities
- Indicate if the priorities apply to all or some strategies

# Examples of Priorities

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- Elderly Applicants
- Cases with special needs household members
- Sort by Income Category



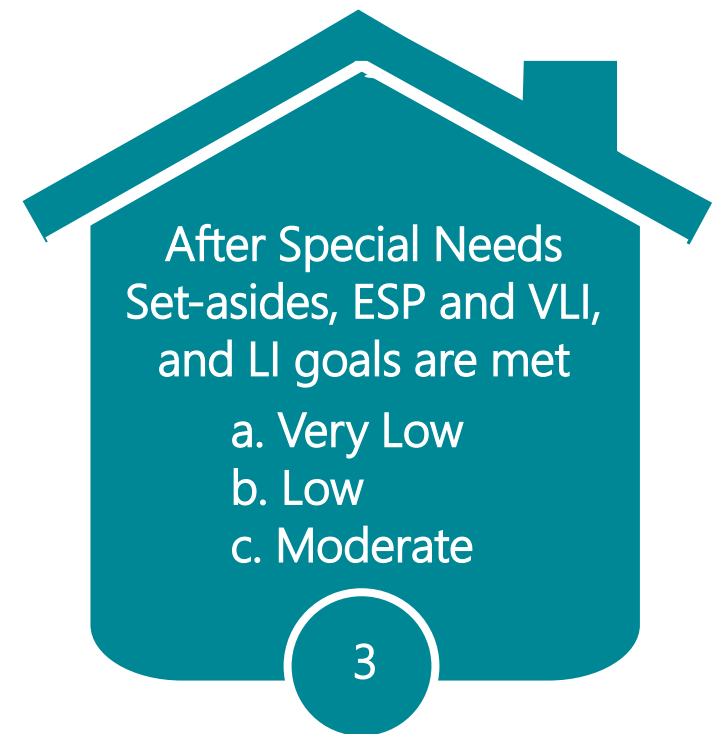
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# Ranking Order Example

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# Bad Examples

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Priority based  
on the condition  
of the home

Alternate city or  
county districts

AHAC has final  
approval of  
applicants

# Selection Addressed in Each LHAP Strategy

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## Section 2 of the LHAP includes Strategies for SHIP Funding

- Each strategy includes Section f. for 'Recipient Selection Criteria' to describe the requirements to receive assistance
- Some have criteria beyond income eligibility
- Some include conditions before receiving assistance
  - ❖ Home buyer examples: must attend class, must be pre-qualified with lender
- Selection process: "first-qualified first-served" or priority order

# Purchase Assistance Considerations

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- More threshold items in some communities:
  - Must be Pre-Approved or Pre-Qualified for a Mortgage
  - Lender Guidelines
- Allow co-signer?
- Don't require a large buyer contribution.



# Rehabilitation Considerations

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1

Estranged spouse

2

Avoid insurance  
requirement

3

Avoid Taxes Requirement



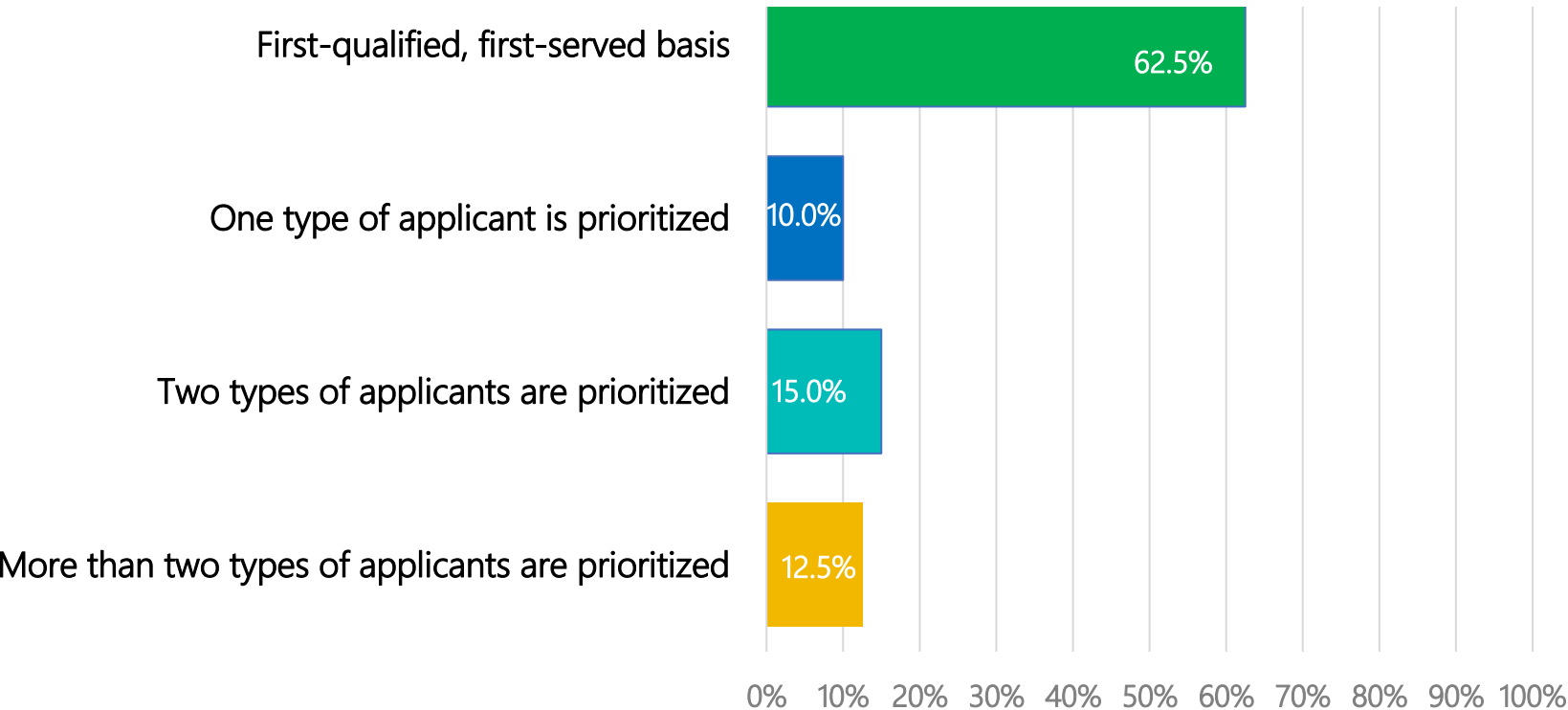
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# Review of Survey Results:

## What process do you use to select SHIP recipients?

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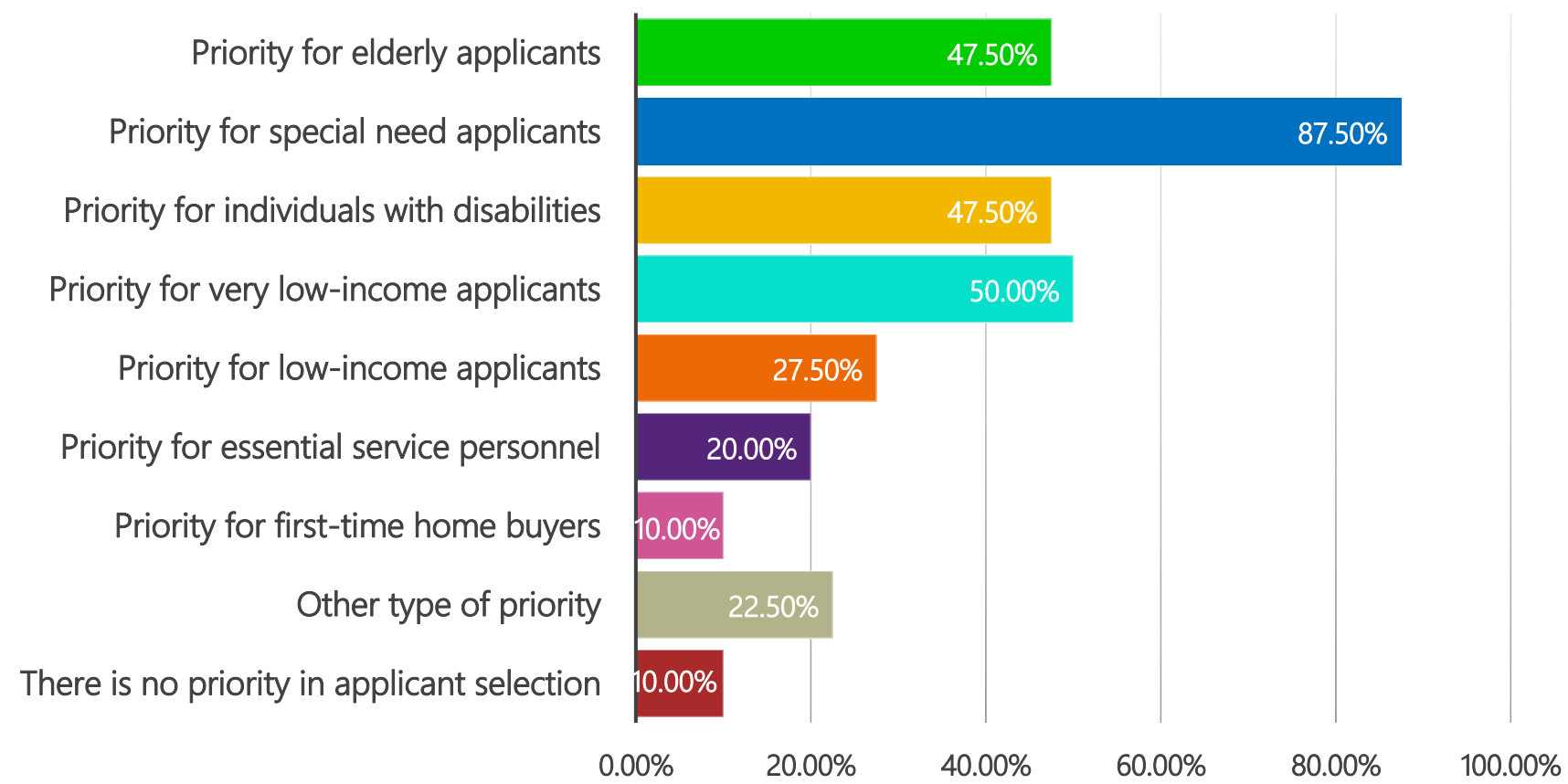


Answer Choices	Responses	
First-qualified, first-served basis	62.5%	25
One type of applicant is prioritized	10.0%	4
Two types of applicants are prioritized	15.0%	6
More than two types of applicants are prioritized	12.5%	5

# Review of Survey Results:

## What applicant selection priorities are listed in your LHAP?

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# Survey: If you selected "Other type of priority" on the previous question, please write details about the type of priority.

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- Emergency repairs that must be mitigated immediately
- Repairs resulting from a declared disaster
- Moderate-Income Applicants.
- Special needs disabled veterans
- Veterans
- Applicants in the target neighborhoods





# Questions?



# Topic Related to Applicant Selection:

## Keep applications that do not receive SHIP assistance

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- Determine the SHIP distribution that would have funded the application
- Keep application for 4 years after the end of 3-year period when closed out

### Example:

- Application would have received 19/20
- 19/20 closed out on June 30, 2022
- Retain unassisted application until June 30, 2026

**\* Also keep waiting lists until the SHIP fiscal year has been monitored and closed out**

# Topic Related to Applicant Selection: Track All Applications Received

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From the 2020 Florida Legislative session: **HB 1339** requires that the annual report submitted to FHFC include “the number of affordable housing applications submitted, the number approved, and the number denied.”



Starting with 20/21 Fiscal Year, SHIP Annual Report must include:

- The number of affordable housing applications submitted;
- The number approved; and
- Number denied.



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# Reasons for Tracking Applications

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- It shows the need if many applications are received while fewer are approved or denied
- Shows what portion of processed applications are approved and are denied
- Discover some difference between approved and denied applications



# When is an Application Submitted?

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Many SHIP communities have waiting lists:

- Some have households complete applications when added to waiting list.
- Others collect a pre-screening form instead. Only when the household is next in line is an application completed.
- **Best Practice:** Collect application when household is first added to the waiting list.
- **Reason:** All on the waiting list should be counted to document the need for housing assistance.



# More about Tracking SHIP Applications

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## Changes to the SHIP Annual Report

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Presenters: Michael Chaney [chaney@flhousing.org](mailto:chaney@flhousing.org)

Blaise Denton [denton@flhousing.org](mailto:denton@flhousing.org)

March 2021 Webinar Recording:

<https://vimeo.com/528035751>

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# Local Government Presentation: Selecting Assistance Recipients

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Presenter: Linda Byars

City of St. Petersburg

Housing and Community  
Development Department,  
Programs Division

Housing Finance Coordinator  
[linda.byars@stpete.org](mailto:linda.byars@stpete.org)



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# Linda Byars Presentation

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## Selection Considerations for:

### 1. Purchase Assistance:

- Type of Application
- TIF Purchase Assistance complements SHIP

### 2. Rehabilitation:

- Considerations include equity position, DTI
- What denial rate?

### 3. Accessibility Program

### 4. Demolition/Reconstruction



A photograph of two construction workers shaking hands over a table covered with architectural blueprints. One worker is wearing a white shirt and a high-visibility yellow safety vest, while the other is wearing a white shirt. A yellow hard hat and a yellow measuring tape are visible on the table. The background is a blurred outdoor scene with greenery.

# **Part 2: Selecting Sponsors and Sub Recipients**

# What is a Sub Recipient?

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- SHIP Rule definition: A “Sub Recipient” 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 sub-recipient’s staff may locate buyers, determine their SHIP eligibility and work with them until the day of purchase.

# What is a Sponsor?

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- 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

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## 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?

# What Funding Sources are Involved?

## Usually more than just SHIP

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1. State funding
2. Federal funding
3. Local government funding
4. Combined Sources of funding

Amount of SHIP Available  
for Rental Development

100 % Allocation

- 65% Homeownership Set aside

- 10% Admin

25% of Allocation Available for  
Rental New Construction or  
Rehabilitation

PLUS all Program Income

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# Documents Guiding Selection of Sponsors and Sub Recipients

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- Local Procurement Process
- LHAP: Selection Criteria in Strategies
- The requirements of other funding sources like SAIL, HOME, and Housing Credits



# Document Guiding Selection: Local Procurement Process

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## Types of Solicitations

- Request for Proposal
- Request for Qualifications
- Open-end Application

### Focus Targets:

- Incentives created by AHAC
- Local funding for single family or multifamily projects
- Local Government Contribution for FHFC RFA

# LHAP Selection Criteria: Section 2 of the LHAP includes Strategies for SHIP Funding:

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# Selection Criteria to Consider

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- Past development experience
- Experience building a specific type of housing
- Experience working with a specific type of household
- Developer's financial capacity
- Developer has site control of land
- Project Design



# MORE Selection Criteria

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- Leveraging: developer brings additional subsidy sources
- Local Preference
- Minority/Women owned-business
- Cost Reasonableness
- Amount of SHIP Requested
- Ability to complete units in short timeframe

# Homeownership Development Considerations

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- Market study
- Are income eligible buyers identified?
- Updated estimates of materials?
- Timeframes for material to be delivered
- Energy Efficiency

# Rental Development Considerations

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## Development team

- Nonprofit/ For Profit Joint Venture
- Licenses/Certificate of Corp./501 c (3)
- Nonprofit Board composition
- Resident Programs



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# Evaluation of Key Organizational Capacity Areas

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## Staff Capacity

- Key staff has qualifications needed to carry out the project
- Organizational chart indicates additional staff and report chain for key contacts

## Financial Capacity

- Audited Financial Statements show stable finances with strong internal controls
- Current finances and balance sheet in good shape

## Board Capacity

- Expertise of Board fills or augments knowledge and skills of staff
- Are there any conflicts of interest?

## Property Management

- In-house or business partner?
- Are properties fully leased?
- Are properties in good physical condition?

# Proposals Should Include:

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- Site address
- Site control  
(mandatory, contract, option)
- Budget
- Sources and Uses
- Leveraging
- Operating pro-forma
- Total units and # units/ per % AMI
- Demographic: Elderly, Family, Special Needs, Individuals Experiencing Homelessness
- Amenities/services
- Amount of funding requested
- Funding terms requested
- Availability of utilities
- Zoning status
- Platting status
- Affordability Period
- Timeline

# Local Government Presentation: Selecting Developers

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Presenter: Avis Wilkinson

**Ft. Lauderdale** Development  
Services Department

Assistant Housing &  
Community Development  
Manager/SHIP Administrator

[awilkinson@fortlauderdale.gov](mailto:awilkinson@fortlauderdale.gov)



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# THE CITY OF FORT LAUDERDALE SPONSOR SECTION CRITERIA

The City of Fort Lauderdale is in need of affordable homeownership and rental housing units. There is a great need for affordable homes for purchase for all income levels up to 140% of the AMI as well as a great need for affordable rental units for all income levels especially for low-income Seniors.

Currently We have two (2) SHIP Request for Proposals (RFP) in the process to address these issues: A Senior Rental RFP which includes a lot provided and \$250,000, and a New Construction-Homeownership RFP with \$1,304,001.30, These RFPs will be open to our CHDOs only. We want to give our CHDOs

opportunities to develop affordable housing in our communities. We currently have six(6) certified CHDOs.

The City also has 4 other RFPs for HOME-ARP(American Rescue Plan) but today I will only discuss the two(2) RFPs.



**In developing these RFPs, we want developers/sponsors who are:**

Experienced	Experience in constructing, selling affordable housing and managing affordable rental housing
Capacity	Sufficient staff, resources and finances to implement proposed project in a timely and efficient manner.
Provide a design that meets the City's housing element in the comprehensive plan	Design of Project conforms to the City's Building Code requirements.
Provide eligible purchase assistance clients	Provides list of income eligible clients /working with non-profit agency for homebuyers
Evidence of site control	Proof of ownership
Ability to proceed with shovel ready project	Project ready for construction
Ability to contribute a minimum of 10%-12.5% of the awarded amount in cash towards the total project.	Provide at least up to 12.5% cash leverage of the amount of funding provided by City.
Understand the Program Guidelines	Has clear understanding of SHIP Program Guidelines for Project
Understand the needs of the community	Clearly understands what, where and why of the Fort Lauderdale Community.
Good Leveraging -Use other funding sources not just rely on City's funding	Funding sources include a mix of sources identified in the Affordable Housing Resource Guide

**Best Practice:**

Always engage your Developers/CHDOs by keeping them inform of upcoming RFPs, new funding sources and City process changes.

# HANDOUTS

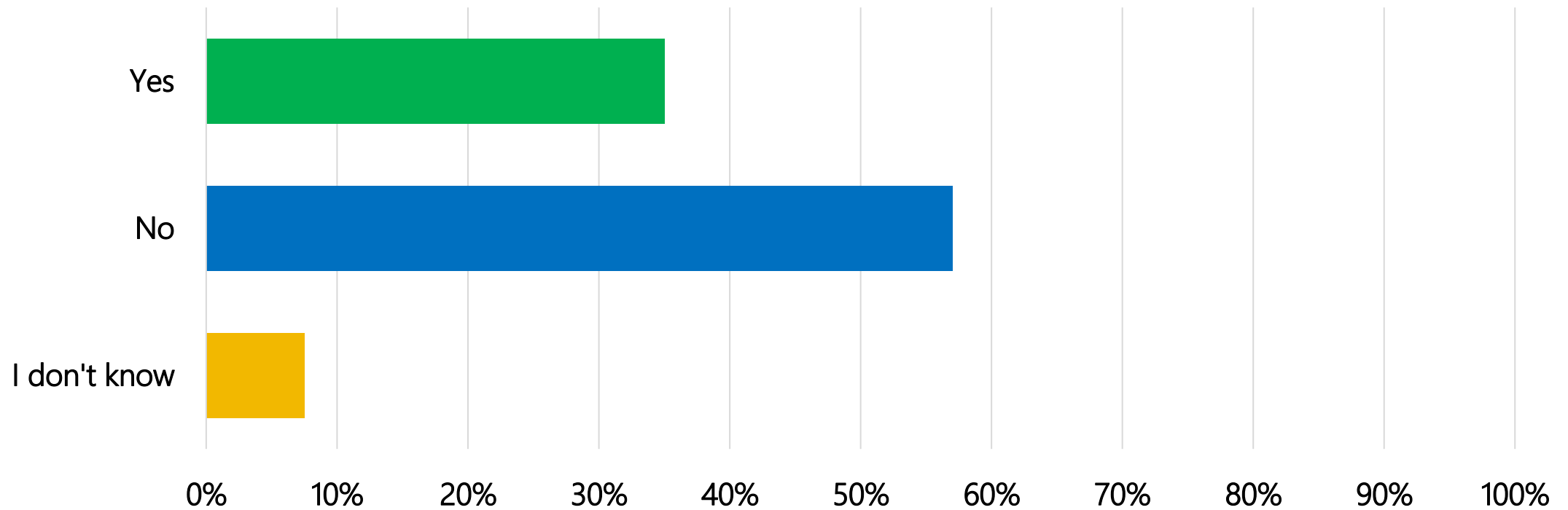
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- Review portions of the Ft. Lauderdale RFPs
- Sample RFP coordinated with FHFC's Housing Credits Application



# 40 Survey Responses: Has your community selected a homeownership or rental housing developer for SHIP work in the past 5 years?

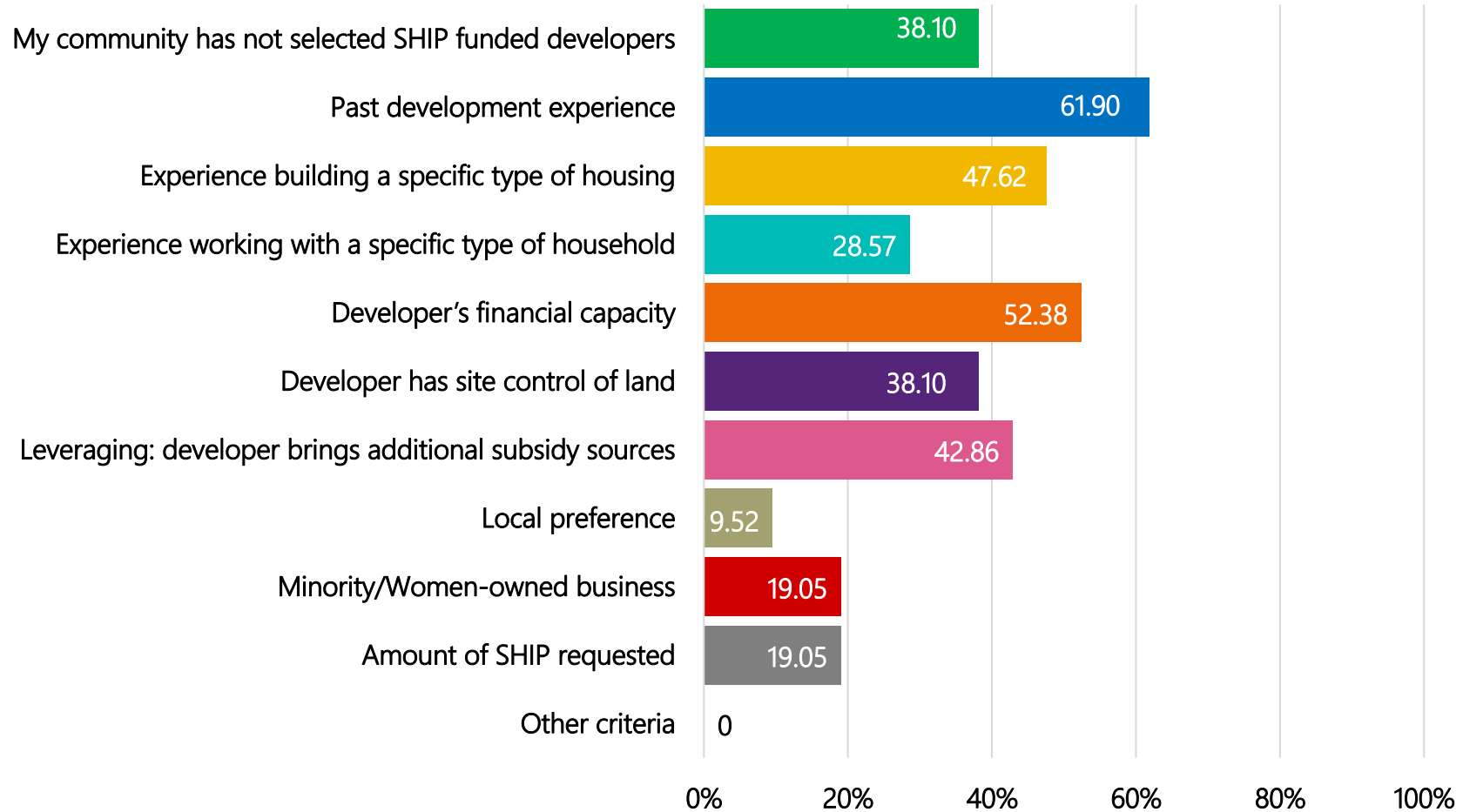
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# Review of Survey Results: If you have selected a SHIP-funded developer, what selection criteria did you use?

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# Survey: If you selected “Other type of priority” on the previous question, please write details about the type of priority.

- Proximity of schools, shopping
- **Webinar participants:** Type in Other Criteria you have used.



# More Guidance Available

Visit <https://flhousing.org/past-ship-trainings/> to review:

- Three-Part Webinar series: “The RFP Process”
  - Part 1 ‘Preparing for the RFP Process’
  - Part 2 ‘Designing the RFP’
  - Part 3 ‘RFP Process Review and Showcase’
- Also “Working with Nonprofits, Sponsors and Subrecipients”
- Also Development Webinars

# Questions?







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# Please Complete the Evaluation!

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Michael Chaney  
Technical Advisor  
[chaney@flhousing.org](mailto:chaney@flhousing.org)

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