

# Updating Your Community's LHAP: Part 2



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. On the left, a group of diverse people are smiling and looking at a laptop. On the right, a teal background contains white text. The SHIP logo is on the left side of the banner.

Fine Tune Your SHIP Program  
REGISTER NOW FOR  
**CATALYST  
TRAINING**

SHIP  
housing a stronger Florida

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)

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# Webinar Logistics

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- 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!

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# Overview of Part 2

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- More on Section II Housing Strategies
- Designing Housing Strategies that Work
- Review of LHAP Exhibits
- LHAP Guidance on Specific Strategies
- Affordable Housing Advisory Committee



# More Review of Template

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# Housing Strategies:

## f. Recipient Selection Criteria

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- Only for applicants, not developers
- At a minimum state “first-qualified, first-served”.
- Do not include priorities already stated in Section I, waiting list/priority section. Reference to this section.
- Add any special conditions, priorities for selection specific to the strategy.





# Housing Strategies:

## g. Sponsor/Developer Selection

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- A sponsor is an entity to which an award of funds has been made.
- If this is done by an RFA process, please provide a general overview of that process and give a summarized list of requirements



# Sponsor Selection Criteria

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- Experience
- Financial capacity
- Leveraged funds for project
- Availability of land
- Consider additional criteria



# Review of Handout: Outside Entities

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- **Sponsor:** applies for an award from the local government.  
**Common Example** - a sponsor is awarded SHIP funds to construct affordable housing units.
- **Sub-Recipient:** contracted by the local government to administer a portion of SHIP.  
**Common Example** - a nonprofit sub-recipient fully administers the SHIP Rehab strategy

**Resource:** "Working with Nonprofits, Sponsors and Sub-recipients"  
Webinar recording: <https://vimeo.com/355183467>

# More Types of Outside Entities

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- **Contractor:** an individual or company licensed by the state to perform construction activities.

**Common Example** - a contractor bids on owner-occupied rehabilitation work.

- **Project Deliverables Provider:** provides one or more functions and is compensated as a Project Delivery Cost

**Common Example** - Provides construction write ups, inspections or surveys

- **Consultant:** hired to administer the program in its entirety.

**Examples** - Suwannee County, Holmes County, Jackson County

# Housing Strategies:

## h. Additional information

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- Use this section to detail anything that is not covered in a section above.
- Examples: restrictions against assisting mobile homes or households receiving SHIP funds more than one time
- Referencing a separate policy: either summarize the policy in the affected strategies or attach the document as an exhibit

# Types of SHIP Awards

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Review of Handout “LHAP Strategies Worksheet”

Primary methods for expending SHIP funds:

- Directly to homeowners/homebuyers
- Homeownership awards to sponsors with a pass through to a homeowner/buyer
- Rental assistance awarded to/on behalf of tenants
- Awards to Developers of Rental Units

# Awards Directly to Homeowners/Homebuyers

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- Funds paid to mortgage holder for mortgage arrearages
- Funds paid to insurance company for deductible
- Funds paid to contractors
- Funds paid to government entity on behalf of homeowner/buyer
- Direct to homeowner/buyer

## Homeownership Awards to Sponsors, Homeowner/Buyer Pass Through

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- Detail the Developer's loan terms separately from terms for household receiving assistance

# Rental Assistance Awarded to/on Behalf of Tenants

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- Paid to landlord/management company/ service provider
- Paid to government entity
- Award Direct to tenant
- Provided as a Grant or Forgivable Loan



# Awards to Developers of Rental Units

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- Maximum Award per Unit and also per Property
- Monitoring Entity:  
Local Government,  
Landlord/Management  
Company, or Other



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# Awards to Developers

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- For new home construction, how does the benefit flow from the sponsor to the end user?
- Be clear if properties will be acquired or they are owned by the developer

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# Suggested Text for SHIP Agreements with Developers of Tax Credit Properties

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The developer agrees that, in consideration of the SHIP funds provided for this development, it will engage the compliance monitoring firm assigned to this project by FHFC to also monitor for compliance with the set-aside requirements for the SHIP funded units. The term for compliance monitoring will be concurrent with the term required under the extended use agreement that is recorded in the public records.

# Highlights from the Sample LHAP

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## STERLING COUNTY

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When You're Lost, You're  
Here...Sterling!

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# Designing Housing Strategies that Work

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# Considerations

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- Housing Stock
- Housing Needs
- Housing Cost
- Funding Sources
- Staffing

Housing Needs Assessment,  
December 2021 webinar  
<https://vimeo.com/655314610>

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# What Resources?

## Review Housing Stock/ Housing Needs Data

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- <http://shimberg.ufl.edu>
- <http://flhousingdata.shimberg.ufl.edu>
- <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>
- <https://www.huduser.gov/portal/datasets/cp.html>
- <https://www.hudexchange.info/consolidated-plan/con-plans-aaps-capers/>
- Local Comprehensive Plan



# Leverage your Resources

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- The ability to use other resources to support affordable housing programs
- Combining several funding sources to support the same activity
- Building partnerships
- Getting others to invest in your activities or projects

# Leveraging Different Funding Sources

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## Different funding sources have different:

- Loan positions
- Payment requirements
- Firm commitments
- Different long-term affordability requirements
- Different compliance monitoring requirements
  - ✓ Use of funds
  - ✓ Timing
- Different reporting requirements
- Definitions
- Regulatory requirements
- Rules related to beneficiaries
- Requirements related to default
- Program income

# Best Practices

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- Use Separate Agreements for each funding source
- Keep separate files
- Reference in your agreements that when more than one funding source is used the strictest rule will apply
- Create policies & procedures that apply to any of your funding sources to reduce compliance issues
- Allow for expenditures to be transferred across different funding sources



# Questions & Answers



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# 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

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- 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

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# 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

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- 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



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A	B	C	D	E	F	G	H	I	J	K	L	M
									\$0.00	\$0.00	\$0.00	0
	Total Homeownership		0		0		0		\$0.00	\$0.00	\$0.00	0
Purchase Price Limits:			New	\$ -	Existing	\$ -						
You must enter a purchase price limit above You must enter a purchahse 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	Units
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Rental		0		0		0		\$0.00	\$0.00	\$0.00	0
	Administration Fees		\$ -		#DIV/0!		#DIV/0!					
	Home Ownership Counseling		\$ -									
	Total All Funds		\$ -		OK							
Set-Asides												
	2022-2023	2023-2024	2024-2025									



	A	B	C	D	E	F	G	H	I	J	K	L	M
29										\$0.00	\$0.00	\$0.00	0
30		Total Rental		0		0		0		\$0.00	\$0.00	\$0.00	0
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													
2022-2023   2023-2024   2024-2025   +													

# Exhibits

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## 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 420.907-420.9079, 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 the 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

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- 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





# Public Comment on LHAP

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- 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.

# Green & Innovative Design

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**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/>**

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# Green Features

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Elements that enhance or increase:

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

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

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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

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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

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# How Jurisdictions Comply with the 20% Set-Aside

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- 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



# W. Efforts to Reduce Homelessness

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- 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](http://floridahousingsearch.org)





# Affordable Housing Advisory Committee (AHAC)

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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

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# Recommend Incentives for Affordable Housing

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“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

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(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.

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# More Guidance on Incentive Strategies

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Orientation to AHAC Members:

<https://vimeo.com/manage/videos/750704175>

AHAC Orientation Part 2:

<https://vimeo.com/manage/videos/750422266>



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# LHAP Guidance on Specific Strategies

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# Owner-Occupied Rehabilitation

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Come as close as possible to fully repairing a home

Challenges with Rehab often are in the implementation

- Inspections
- Managing Expectations of the Homeowner
- Work Write Ups
- Approaches to change orders
- Evaluating Contractors



**Scenario: home beyond repair requires demolition**

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

Is an applicant with no homeowner's insurance eligible?

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# Demolition/Reconstruction

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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).

# Strategy Recommendations: Developers of Homeownership

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1. How will funds be awarded to developer?
  - Terms of developer award
2. What will be passed along to the buyer?
  - Terms of Buyer Assistance
3. Recipient selection section describes buyer
  - What is the sponsor selection criteria?
  - Procurement policy – attach or describe





# Strategy Recommendations: Developers of Rental Housing

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- State FHFC program to be leveraged with SHIP
- An RFA issued by FHFC will not require a local government-issued RFP, but comply with local procurement policy
- Avoid specific terms: leave room to work with the developer. List Minimum number of years or refer to the most restrictive funding source
- Have a monitoring plan in place
- Separate strategy: Work on Group Homes is notably different than other rental development

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# Purchase Assistance

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- 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

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Rehab or Not  
Rehab?

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

Define  
First-Time  
Homebuyer



# Disaster Strategy Recommendation

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- 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



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# Amend the LHAP When It's Important

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**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

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## 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](mailto: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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