

Preparing for Increased SHIP Funding

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Tamara West
Technical Advisor
Florida Housing Coalition
west@flhousing.org

Michael Chaney
Technical Advisor
Florida Housing Coalition
chaney@flhousing.org





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Webinar Logistics

- Participants are muted
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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

- Scheduling and completing assistance in a timely manner
- Creating project timelines
- Other deadlines during the year
- Additional LHAP strategies to Consider
- Staffing Considerations



Scheduling and completing assistance in a timely manner

1

Determine need for assistance and available funds (15-30 days)

2

Develop LHAP Strategy, get approval from FHFC and board (30-60 days)

3

Staffing Capacity- Who will administer new program (30-45 days)

4

Create policy & procedures, application and RFP if needed (45-60 days)

5

Issue Notice of Funding Availability (NOFA) (30-day period)

6

Open application and begin intake process (30-120 days)

Estimated timeline to launch program 6-7 months



SHIP Annual Report Season



Begin annual report

20/21 Close Out Annual Report,
include 21/22 Interim Year

1 Sep. 2023

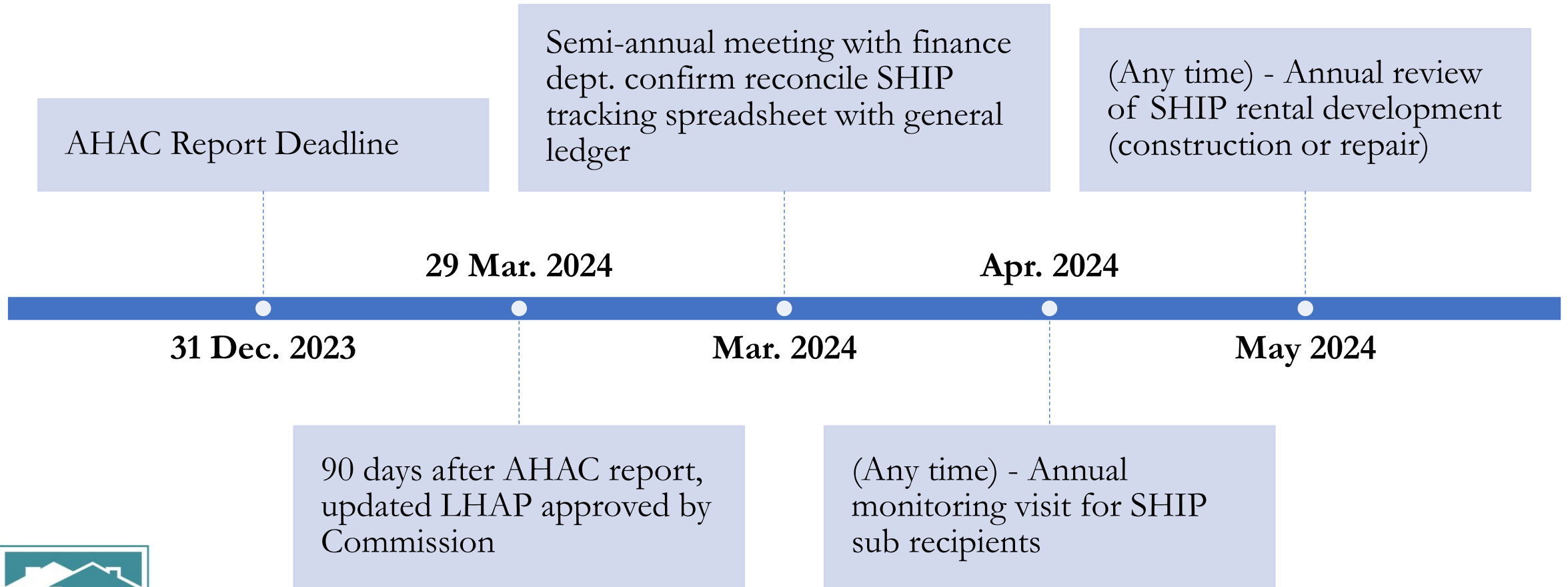
1 Aug. 2023

15 Sep. 2023

Annual Report Public review.
Certification signed by chief elected
official



More SHIP Related Dates



Timeline for RFP

- RFP launch date
- Due date for questions from vendors
- Date answers will be provided from your team
- Date, time, and location of bidder's conference (if applicable)
- Due date of the RFP
- Announcement of finalists
- Date of finalist presentations
- Final award





Written Documents

- LHAP
- Policies/Procedures
- Standards/Specifications
- Agreements/Contracts



Purchase Assistance Resource (Handout)

- Award Amounts
- Appraisal Gaps
- Earnest Money Deposits
- Home Inspections
- Homebuyer Education
- Purchase Price Limits
- Refinancing
 - <https://flhousing.org/wp-content/uploads/2023/08/Making-the-SHIP-Program-Market-Responsive-PUBLICATION.pdf>



Market Considerations in Policymaking

- Higher interest rates
- Multiple offer situations
- No seller concessions
- Limited seller repairs



- Decreased inspection period
- Higher escrow deposits
- Validity of comps
- Appraisal gaps

Purchase Assistance Considerations

Award Amounts

1. Increase maximum award amounts based on a market.
2. Make ALL closing costs allowable for assistance.
3. Provide the maximum amount of assistance, as needed.
4. Pair purchase assistance with housing rehabilitation.

Home Inspections

1. Consider inspection fees as allowable closing costs.
2. Determine assistance amounts based on current market rate for home inspections.
3. Set terms for the number of home inspections eligible for assistance.
4. Set minimum standards for inspections periods, preferably less than 7 days.



Purchase Assistance Considerations

Appraisal Gaps

1. Include appraisal gap financing.
2. Base appraisal gap assistance on insufficient sales comparisons.
3. Require buyer to request an appraisal reconsideration.
4. Provide an appraisal gap assistance cap based on true home value.

Purchase Price Limits

1. Conduct a market analysis to identify the current average area purchase price.
2. Determine assistance amounts based on current market rate for home inspections services.
3. Set terms for the number of home inspections eligible for assistance.
4. Set minimum standards for inspections periods, preferably less than 7 days.



Educating the Homebuyer for Success

- Pre-Purchase Topics:

- Qualifying Process
- Purchase Process
- Financial Management
- Credit Repair
- Loan Products
- Parties Involved

- Post-Purchase Topics:

- Home Maintenance
- Homestead Exemption
- Escrow Shortages (minimum balance)
- Shopping for Services
- Estate Planning

Steps in the Process for Rehabilitation

- Initial Inspection
- Due diligence
- Prepare work write up & cost estimate
- Bid process
- Contractor approval and selection
- Sign contracts



**LHAP
program
Description**



**Policies and
Procedures
manual**



Advertise



Waiting list



**Application
processed**



**Award
letter/Income
certification**



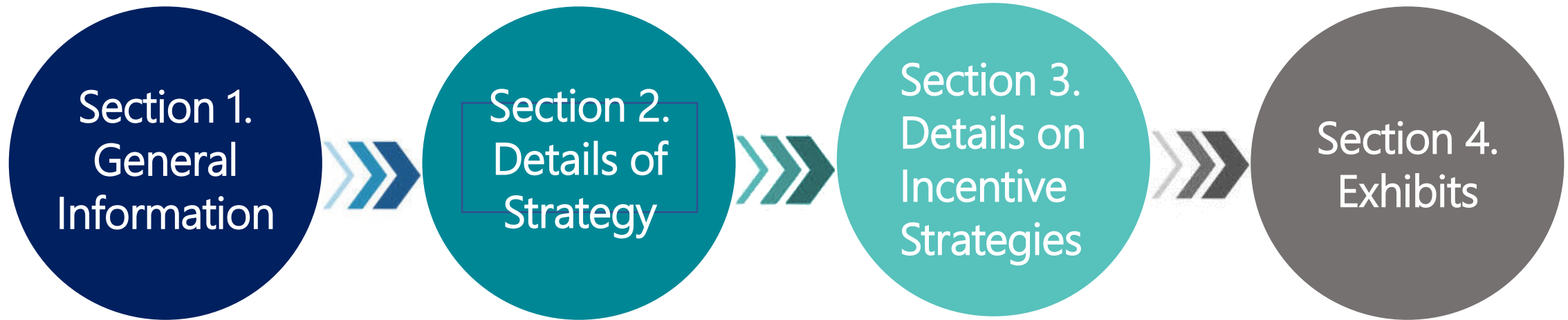
Stages of Rehabilitation

- Rehabilitation Process
- Program Design
- Policies and Procedures
- Staffing and Partners
- Owner/Contractor Conflict
- Rehabilitation Project
- Scope of Work
- Bid Process
- Inspection Process
- Change Orders
- Finding Qualified Contractors



Add Rehab link from August 14 training

Elements of the LHAP



A Variety of Assistance

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).

Amend the LHAP When It's Important

Make changes at any time to any section of the LHAP.

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

Changes are made in underline ~~strikethrough~~ format to the word document

Plans must be Amended by Resolution



- The governing body must submit its amended plan for Florida Housing review
- After being approved for funding, a local government may amend LHAP by resolution if it complies with program requirements.

Advertise New LHAP Strategies

- Advertise new strategies following SHIP requirements
 - Must wait 30 days to accept applications

Advertisement must include:

- ✓ Projected Amount of the Distribution
- ✓ Beginning and end date of application period (or instead of end date state “stop applications once funds are fully encumbered”)
- ✓ Local contact person. Where to apply

Exhibits

- Administrative Budget
- Resolution
- Housing Delivery Goals Chart
- Timeline

LHAP Exhibit C 2023

FLORIDA HOUSING FINANCE CORPORATION												
HOUSING DELIVERY GOALS CHART												
2023-2024												
Name of Local Government:												
Estimated Funds (Anticipated allocation only):			\$	-								
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
	Homeownership											
									\$0.00	\$0.00	\$0.00	C
									\$0.00	\$0.00	\$0.00	C
									\$0.00	\$0.00	\$0.00	C
									\$0.00	\$0.00	\$0.00	C
									\$0.00	\$0.00	\$0.00	C
									\$0.00	\$0.00	\$0.00	C
									\$0.00	\$0.00	\$0.00	C
									\$0.00	\$0.00	\$0.00	C
									\$0.00	\$0.00	\$0.00	C
									\$0.00	\$0.00	\$0.00	C
									\$0.00	\$0.00	\$0.00	C
									\$0.00	\$0.00	\$0.00	C
	Total Homeownership		0		0		0		\$0.00	\$0.00	\$0.00	C
Purchase Price Limits:			New	\$ -	Existing	\$ -						

Additional LHAP Strategies to Consider



FLORIDA HOUSING COALITION

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Trainings

2023

Proficiency in Income Qualification Part 1 – [Recording](#) – [PowerPoint](#) (July, 2023)

Getting Rapid Rehousing Right – [Recording](#) – [PowerPoint](#) (July, 2023)

Preparing and Submitting the SHIP Annual Report – [Recording](#) – [PowerPoint](#)

SHIP Rent Limits Policy – [Recording](#) – [PowerPoint](#) (June, 2023)

Dissecting the Land Use Tools and Property Tax exemptions in the Live Local

Addressing Heirs' Property Issues – [Recording](#) – [PowerPoint](#) (June, 2023)

New Annual Reporting of SHIP Applications – [Recording](#) – [PowerPoint](#) (May,

Tracking SHIP Activity Throughout the Year – [Recording](#) – [PowerPoint](#) (May,

- Restart an old program
- ...or add a new SHIP strategy
- Rental Housing Development
- Special Needs Strategies
- Homeownership New Construction
- More ideas: review webinar recordings at <https://flhousing.org/past-ship-trainings/>



Rental Housing – New Construction

SHIP Subsidy Makes Rental Housing Affordable

\$25.5 Million construction cost to build rental housing

Option 1: Borrow it, Collect high rents to pay monthly debt service

Option 2: SHIP and other subsidy pays for most. Borrow the rest

- BENEFIT: Pay back debt while collecting lower rents



Cathedral Terrace, Jacksonville

Source	Amount
Multifamily Mortgage Revenue Bond Loan	\$7,600,000 (monthly debt service, 5.76%)
SAIL Loan	\$3,200,000 (1% interest, annual interest payment based on cash flow)
ELI Gap (SAIL)	\$734,400 (0%, soft debt)
Housing Credits (4%)	\$8,999,264
SHIP	\$803,005
Additional Sources (HFA loan, Seller Loan, Deferred Developer Fee)	\$4,259,972
Total Development Costs	\$25,569,641



SET ASIDES

240 units total

216 for 60% AMI

24 for 33% AMI - ELI

224 Project-Based Vouchers

SHIP Available for Rental Housing New Construction/Rehabilitation

100 % Allocation

- 65% Homeownership Set aside
- 10% Admin

25% of Allocation Available for Rental new
construction or rehabilitation

PLUS all Program Income





Funding Sources for Rental New Construction and Rehabilitation

- LIHTC
- SAIL
- MMRB
- PLP
- HOME
- SHIP
- CDBG
- Resource: Publicly Owned Land

County (Metro)	Percentage Category	Income Limit by Number of Persons in Household										Rent
		1	2	3	4	5	6	7	8	9	10	
Hernando County (Tampa-St.Petersburg- Clearwater MSA) Median: 89,400	30%	18,250	20,850	24,860	30,000	35,140	40,280	45,420	50,560	Refer to HUD		456
	50%	30,450	34,800	39,150	43,450	46,950	50,450	53,900	57,400	60,830	64,306	761
	80%	48,650	55,600	62,550	69,500	75,100	80,650	86,200	91,750	97,328	102,890	1,216
	120%	73,080	83,520	93,960	104,280	112,680	121,080	129,360	137,760	145,992	154,334	1,827
	140%	85,260	97,440	109,620	121,660	131,460	141,260	150,920	160,720	170,324	180,057	2,131

10	Rent Limit by Number of Bedrooms in Unit					
	0	1	2	3	4	5
	456	488	621	814	1,007	1,199
	761	815	978	1,130	1,261	1,391
	1,216	1,303	1,563	1,807	2,016	2,224
	1,827	1,957	2,349	2,712	3,027	3,339
	2,131	2,283	2,740	3,164	3,531	3,895

SHIP Income and Rent Limits Chart

- See Maximum Rent PER Category on Rent Limits Chart
- NOT 30% of household's income



More on Rental Housing Development

Financing and
Monitoring Rental
Housing with SHIP
Webinar Recording:
[https://vimeo.com/
786654932](https://vimeo.com/786654932)



Special Needs Strategies

- Special Needs Set-Aside started with the 13/14 allocation
- Spend 20 percent of SHIP allocation on households that include one or more household members with special needs, defined in S.420.0004
 - Developmental Disabilities (DD)
 - Receives SSD/SSI or other Disability Benefits
 - Youth Aging Out of Foster Care
 - Survivor of Domestic Violence
 - Person with Disabling Condition requiring independent living services



Priority: Homeowners with Developmental Disabilities



A disorder or syndrome that is attributable to **retardation, cerebral palsy, autism, spina bifida, or Prader-Willi syndrome**; that manifests before the age of 18; and that constitutes a substantial handicap that can reasonably be expected to continue indefinitely.

Disabling Condition = Many Types of Applicants

- Chronic physical illness or disability
- Developmental Disability
- Serious mental illness
- Diagnosable substance abuse disorder



Some Strategies Focus on Special Needs

A Special Needs Strategy is NOT required in the LHAP

- Achieve Special Needs Set-Aside compliance with assistance from ANY strategy in the LHAP.

Examples of Special Needs-Oriented Strategies:

- Group Home Repair or New Construction
- Barrier Removal Strategy in collaboration with a Center for Independent Living



Special Needs Group Home



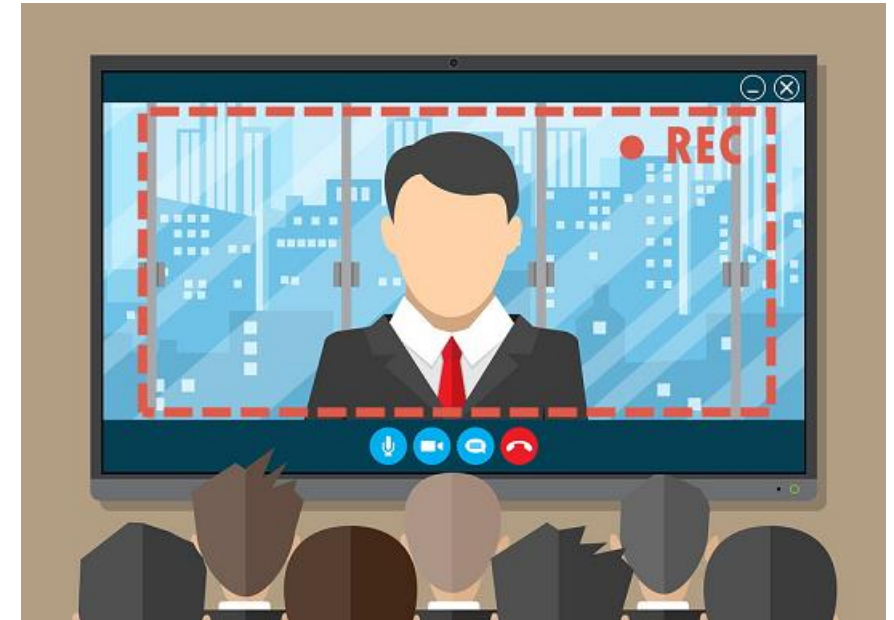
Escambia County SHIP and Gateway Arc

- New Construction Project
- \$289,000 of SHIP plus
\$30,000 Arc contribution



More on Special Needs

- Review the webinar “Special Needs Assistance with SHIP Funds” Recording:
<https://vimeo.com/329196837>
- Upcoming Webinar: “Best SHIP Practices in Serving Special Needs and Homeless Households” on September 28
- Registration:
<https://register.gotowebinar.com/register/6104884813896788826>



Single Family – New Construction

- Meets both the construction and homeownership set-aside
- Unit can be built to accommodate family needs
- Local government can set sales price

Can be assistance to a buyer to build on a lot they own or to a nonprofit or for profit developer.



Options for SHIP Assistance

- Upfront New Construction Subsidy
- Land Acquisition Assistance
- Donated Land from Surplus Land Inventory
- Pay for Infrastructure
- Pay All Hard and Soft cost
- Pay Developer Fee
- Pay Impact Fees
- (In addition: Down Payment Assistance to the Buyer)



Example of a Homeownership Subdivision

Each home is made affordable with **\$82,676** of subsidy:

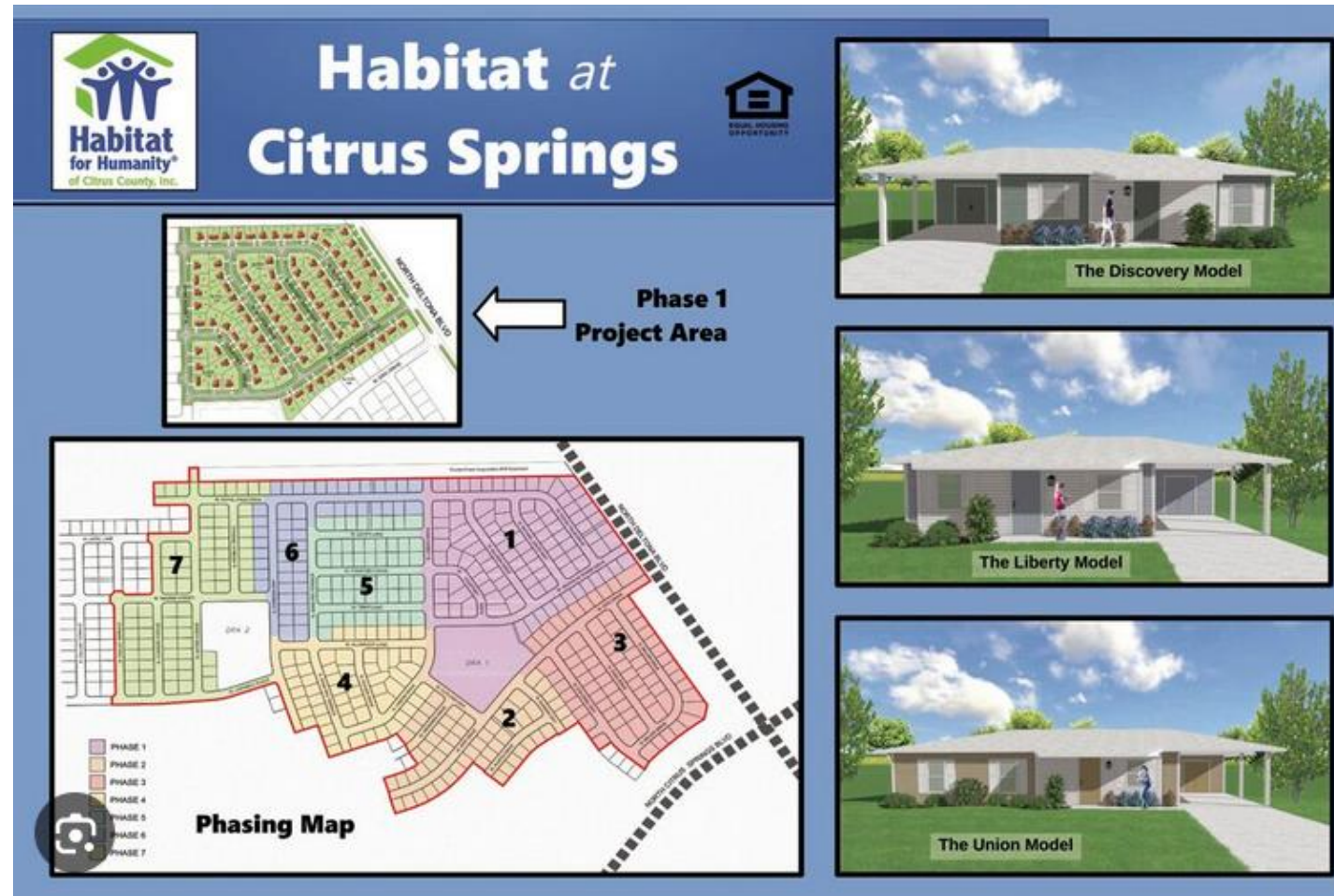
\$25,000 Affordable Housing Prog

\$18,000 SHIP

\$35,000 Homeownership Pool

\$4,676 Impact Fees deferred for
10 years

PLUS Donated Materials & Labor



Citrus Springs: 3 Bedroom Home for \$202,000

“A minimum wage worker can qualify for a new Habitat for Humanity home at Citrus Springs.”



Habitat Financing – 0% interest **EXAMPLE**

	30 YR	25 YR
Loan Amount	\$119,324.00	
Principal	\$332.00	\$398.00
Escrow	\$215.00	\$215.00
	\$547.00	\$613.00
AHP	\$25,000.00	
SHIP	\$18,000.00	
HOP	\$35,000.00	
Impact fee	\$4,676.00	
Total DPA	\$82,676.00	



Funding Sources for Homeownership

- SHIP
- CDBG
- HOME/HOP
- FHFC
- Rural Development
- Resource: Publicly Owned Land

More on Homeownership Development

- Review the webinar “New Construction Strategies and Partnerships”
- Recording:
<https://vimeo.com/812605057>



Estimating Staffing Needs

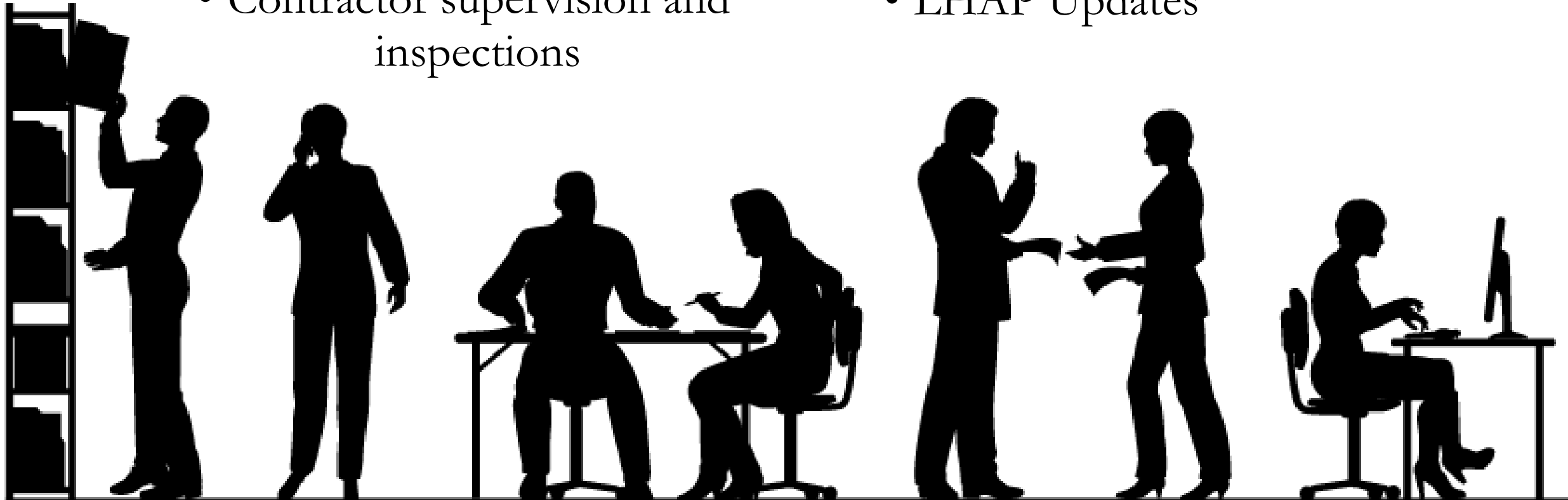
Factors to consider

- Compare your most recent SHIP distribution to the upcoming SHIP distribution
- Determining staffing needs is not a simple math calculation
 - Different strategies have different per unit award amounts
- Initial Calculation: Assume an average subsidy amount for each household assisted
Divide the SHIP distribution by this amount
 - Example: \$1 million divided by \$30,000 per household
 - 33 households in all
 - 1 per month for 3 years



Accounting for All Staff Activities

- Pre-screening/Complete an application
- Income qualification process
- Initial home inspection
- Contractor/Developer selection
- Contractor supervision and inspections
- Tracking & reporting activities
- Supervisor: quality control and periodic plan improvements
- File review and close-out
- Monitor rental units
- LHAP Updates



Staffing Option 1: Hire More Local Government Staff

- Benefit: you can directly hire and supervise the work of new staff members
- Consider: is the local political environment suitable for hiring more staff?
- Will your next SHIP allocation be large enough to sustain these additional staff members?
- **Option 1A:** Work with staff from nearby SHIP City and County Jurisdictions



Staffing Option 2: Hire Temporary Staff



- Work through a Temp Agency to identify workers with the skills you need.
- Consider: many local government personnel offices have rules about temporary workers.
- Check with your Personnel/Human Resources Department about local hiring policies.

Staffing Option 3: Work with Nonprofit Sub Recipients

- Provide a service delivery fee
- The LHAP must include “Sponsor Selection Criteria”
 - Years of experience, Leveraging of other funds
 - Economic feasibility of a project, Amount of fee
 - These criteria must mirror the text of your RFP
- Outsource one or more strategies OR
- Split up activities within one strategy
 - **Example:** County staff members complete intake and eligibility tasks while a nonprofit sponsor inspects homes and coordinates rehabilitation activities.



Option 4: Work with a Sponsor Developer



- Offer SHIP as a local contribution for developers applying for FHFC funding
- The developer can expend a large amount of SHIP funds by the expenditure deadline
- SHIP staff's work is on the front end: negotiating the arrangement, crafting a contract
- Form an Alternative Plan for expending funds if the developer is not awarded FHFC or other financing

A large silhouette of a house under construction. Three workers are on the roof: one at the peak holding a long beam, and two others further down the slope. A ladder leans against the side of the house. The background is white, and the house is dark grey.

Developing a Contract to work with a Sponsor or Sub Recipient

- Service delivery fee
- Responsible expenditure deadline
- Monitoring and inspections schedule
- Required forms
- Targeted income categories

More on Sponsors and Subrecipients

- Review the webinar “Working with Nonprofits, Sponsors and Subrecipients”
- Recording:
<https://vimeo.com/355183467>



Please complete the evaluation!



Tamara West

West@flhousing.org

850-518-2235



Michael Chaney

Chaney@flhousing.org

850-980-1307

Technical Assistance Hotline: 1-800-677-4548

