

# Financing and Monitoring Rental Housing with SHIP

January 16, 2024



Sponsored by  
Florida Housing Finance Corporation's  
Catalyst Program





## AFFORDABLE HOUSING CATALYST PROGRAM

**Sponsored by the  
Florida Housing Finance Corporation**



we make housing affordable™

# Catalyst Training Schedule



The banner features a photograph of a diverse group of people in a meeting setting. On the left, the SHIP logo is displayed, consisting of a green house icon with a white cube inside, above the text 'SHIP' and 'housing a stronger Florida'. The background of the banner is a teal gradient. Text on the banner includes 'Fine Tune Your SHIP Program', 'REGISTER NOW FOR', 'CATALYST TRAINING', and 'Register Now for SHIP Catalyst Training!'. At the bottom, a white box contains the text: 'The Coalition is Florida's affordable housing training and technical assistance provider.'

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)

# Free Live Local Act Trainings under the Catalyst Program

**Thanks to the support of the Florida Housing Finance Corporation, from July 1, 2023 – June 30, 2024, the Florida Housing Coalition will provide:**

- **Up to 8 Live Local Act site visits.** Free training and technical assistance (up to 15 hours) to local governments specifically on Live Local Implementation.
- **Five LLA-specific training webinars.**
- **200 hours of off-site technical assistance.** Each request typically of up to 10 free hours of assistance for local governments and nonprofit organizations covering all topics related to the Live Local Act and affordable housing best practices.
- **Seven regional workshops.** We will divide the state into seven regions and provide virtual roundtables for planners on the land use tool.

Contact Kody Glazer at [glazer@flhousing.org](mailto:glazer@flhousing.org) for more information.

THE FLORIDA HOUSING COALITION



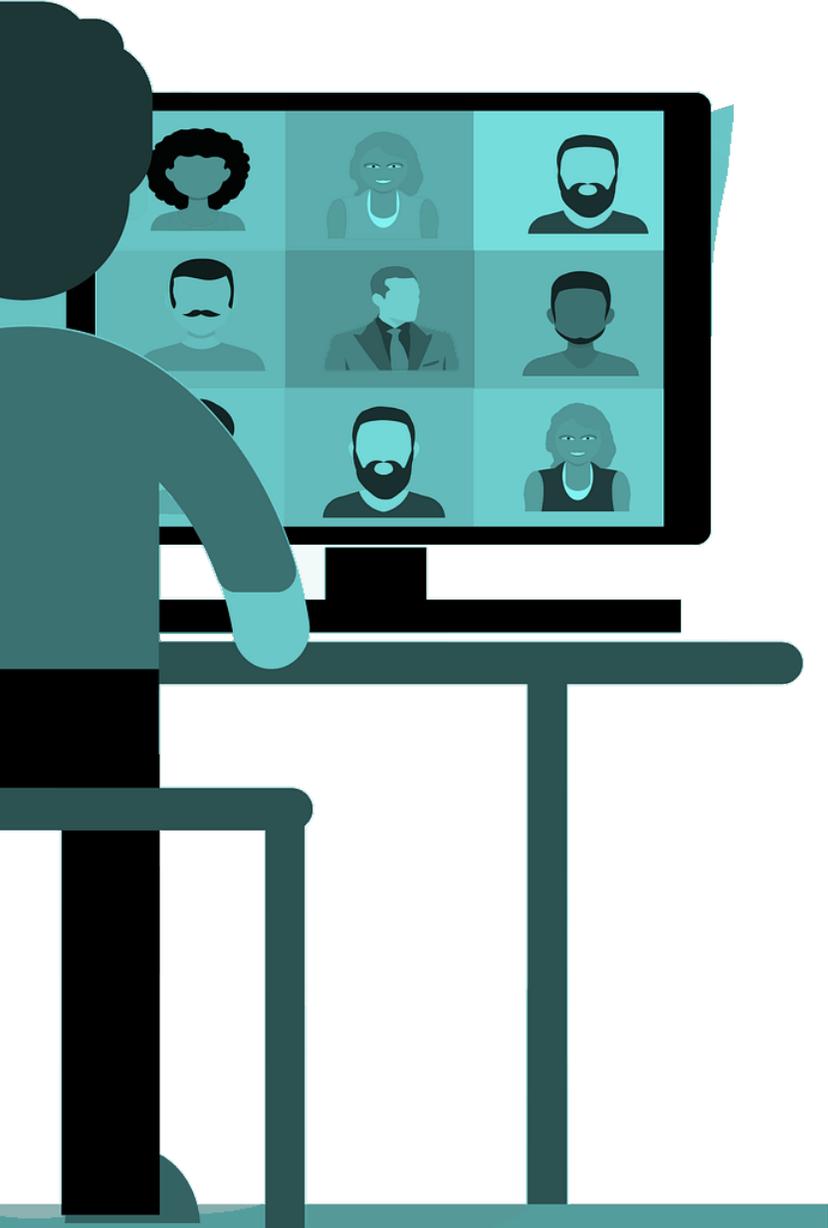
# Florida Housing Coalition (FHC) Technical Assistance is Available

- FHC Staff is Available **Daily**
  - ✓ 1-800-677-4548
- Options for Further Assistance Include:
  - ✓ Phone and Email Consultation
  - ✓ Site Visits
- Register at [www.flhousing.org](http://www.flhousing.org) for:
  - ✓ Workshops
  - ✓ Webinars
  - ✓ Previous trainings
  - ✓ Publications



# 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!

THE FLORIDA HOUSING COALITION



# Presenters from the Florida Housing Coalition

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Michael Chaney  
Catalyst Program Director  
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Elissa Plancher  
Director of Affordable Housing Development  
[plancher@flhousing.org](mailto:plancher@flhousing.org)

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# Register for: Monitoring Rental Housing

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- **January 24 at 10:00 am**
- Register at:  
[https://attendee.gotowebinar.com/  
register/618544992159273045](https://attendee.gotowebinar.com/register/618544992159273045)





# Overview of Topics

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- **Ways SHIP Assists Rental Housing**
- **SHIP as Rental Development Subsidy**
  - ❖ **Using SHIP and Housing Credits, SAIL, HOME**
- **Monitoring SHIP Rental Housing**

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# Monitor for Rental Development, **Not** Rental Assistance

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## Rental Development

- New Construction or Rehabilitation

## Rental Assistance for 1 Household

- Rent Deposit
- Eviction Prevention
- Rent Subsidies
- Disaster



More Training:  
"SHIP Rent Limits Policy"  
recording at  
<https://vimeo.com/285493623>

# Amount of SHIP Available for Rental Development

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100 % Allocation

- 65% Homeownership Set aside
- 10% Admin

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- 25% of Allocation Available for Rental New Construction or Rehabilitation

\*PLUS all Program Income



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# Less is Available for Rental Assistance

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100 % Allocation

- 75% Construction/ Rehab Set aside
- 10% Admin

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- 15% of Allocation Available for Rental Assistance

\*PLUS all Program Income



# SHIP's Role in ELI set aside

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- 10% of units for ELI (Extremely Low Income)
  - ❖ The ELI % AMI is different for each County
  - ❖ 50% of ELI units for special needs
- Help link developers with community services and meet your SHIP special needs set aside
  - ❖ LINK program
  - ❖ [www.floridahousing.org](http://www.floridahousing.org)
    - Serving Special Needs
      - LINK initiative

# Overview of FHFC Affordable Rental Housing Funding Sources



# Things to Know for Each Source

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- ✓ Program Rules-set aside requirements, income & rent limits
- ✓ The content of the RFA or RFP
- ✓ The funding agreements-for each source of funding
- ✓ The Credit Underwriting Report (CUR)
- ✓ The recorded documents
- ✓ Monitoring reports
- ✓ Know the team:
  - The project underwriter
  - The property manager
  - Monitoring entities

# Where to Find Information about LGAOs and Local Government Contributions

<https://www.floridahousing.org/>

Florida Housing Finance Corporation

Select Language

Powered by Google Translate

Search for the site

ABOUT FLORIDA HOUSING LEGAL PROGRAMS DATA, DOCS & REPORTS MEDIA CONTACT US

Please [click here](#) to visit Florida Housing's Disaster Relief Resources and information page.

# LIVE LOCAL

## About Florida Housing Finance Corporation

The Florida Housing Finance Corporation (Florida Housing) was created by the state Legislature more than 40 years ago to assist in providing a range of affordable housing opportunities for residents that help make Florida communities great places in which to live, work and do business. Our vision is to be recognized as an outstanding provider of innovative, measurable, data-driven and fiscally sustainable solutions that respond to the affordable housing challenges of our state.

- HOMEBUYERS**
  - Florida Hometown Heroes Housing Program
  - Homebuyer Program Overview
  - Homebuyer Programs Wizard
  - SHIP- Homeownership & Rental Programs
  - Mortgage Credit Certificates (FAQs)
- RENTERS**
  - Affordable Rental Housing Locator
  - Special Needs Housing
  - SHIP- Homeownership & Rental Programs
  - Disaster Relief Programs
- ASSISTANCE FOR HOMEOWNERS**
  - How to Request a Payoff
  - Insurance Claim Check Endorsement Request
  - Disaster Relief Programs
- LENDERS & REAL ESTATE AGENTS**
  - Lenders & Loan Officers
  - Real Estate Agents
  - Lender Advisory Board
  - Lender Award Winners
- DEVELOPERS**
  - Rental/Homeownership Development Programs
  - Request for Applications (RFAs)
  - Current Rules/Rule Development Process
  - Special Programs
  - Special Needs Housing
  - Grants for Persons with Development Disabilities
  - CDBG-DR Programs
- PROPERTY OWNERS AND MANAGERS**
  - Compliance Information
  - Rental Housing Income Limits
  - Rental Housing Rent Limits
  - Rental Property Reports

# FHFC Competitive RFAs

<https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2024/>



[Home](#) / [PROGRAMS](#) / [Multifamily Programs](#) / Competitive

OVERVIEW

2024

2023

2022

2021

2020

2019

2018

2017

2016

2015

2014

2013

2024-305

2024-215

2024-214

2024-206

2024-106

2024-103

2024-102

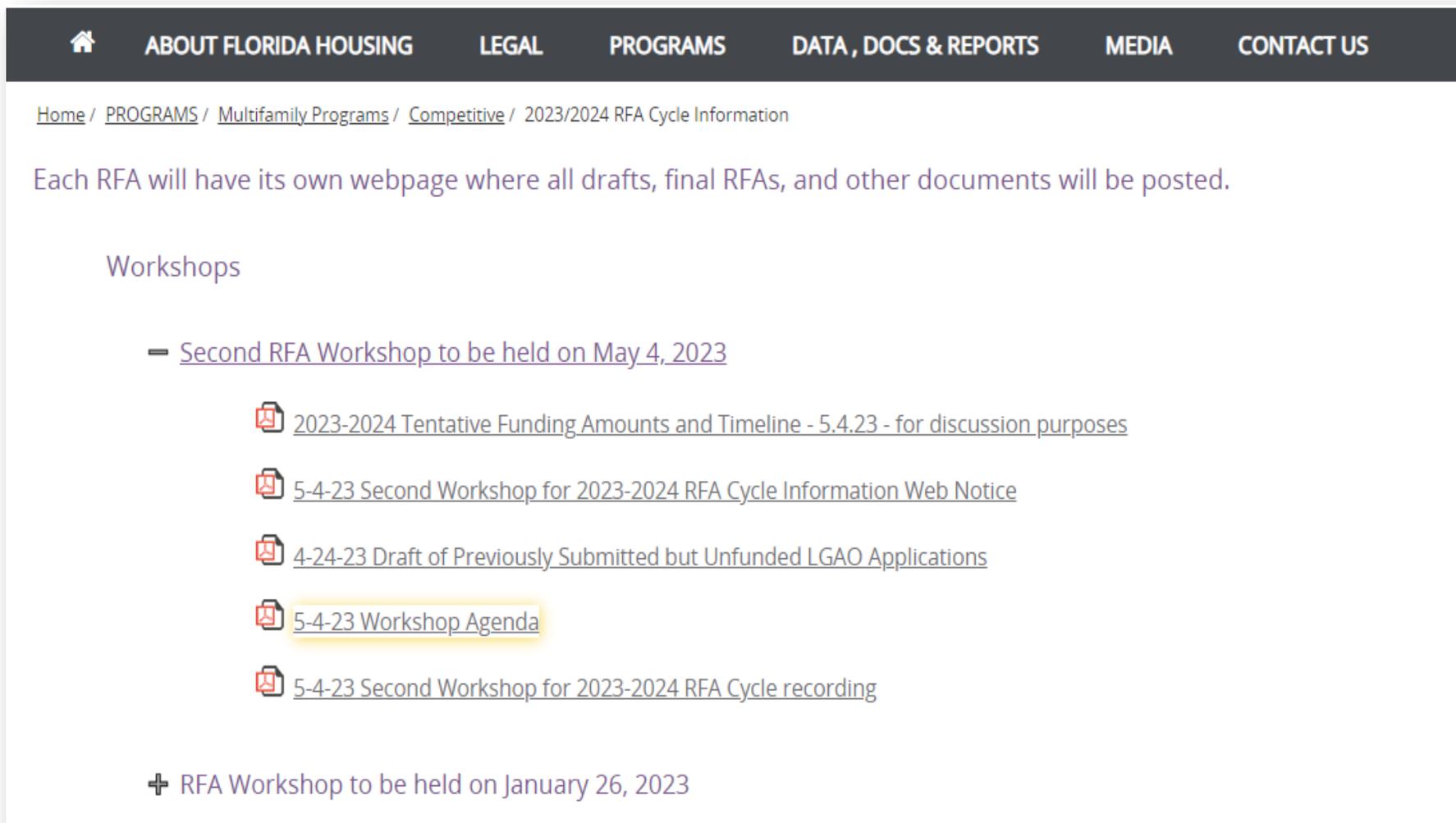
## Competitive Application Process

### Request for Applications (RFAs)

The Principals Disclosure requirements for each RFA are outlined on each specific RFA web page

- ▶ [RFA 2024-305 Community Development Block Grant-Disaster Recovery \(CDBG-DR\) Financing for Affordable Housing Developments located in Hurricane Sally Impacted Areas](#)
- ▶ [RFA 2024-215 SAIL Funding for Developments Near Military Installations Pursuant to the Live Local Act; 420.50871, FS](#)
- ▶ [RFA 2024-214 SAIL Funding for Live Local Redevelopment](#)
- ▶ [RFA 2024-206 HOME and Live Local SAIL Financing to be used for Rental Developments in Certain Hurricane Idalia Impacted Counties](#)
- ▶ [RFA 2024-106 Financing to Develop Housing for Persons with Disabling Conditions/Developmental Disabilities](#)
- ▶ [RFA 2024-103 Housing Credit and SAIL Financing to Develop Housing for Homeless Persons](#)
- ▶ [RFA 2024-102 SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs](#)

# FHFC RFA Cycle Workshops



The screenshot shows a website navigation bar with the following links: Home, ABOUT FLORIDA HOUSING, LEGAL, PROGRAMS, DATA, DOCS & REPORTS, MEDIA, and CONTACT US. Below the navigation bar is a breadcrumb trail: Home / PROGRAMS / Multifamily Programs / Competitive / 2023/2024 RFA Cycle Information. The main content area states: "Each RFA will have its own webpage where all drafts, final RFAs, and other documents will be posted." Under the heading "Workshops", there are two sections. The first section, titled "Second RFA Workshop to be held on May 4, 2023", contains a list of five documents: "2023-2024 Tentative Funding Amounts and Timeline - 5.4.23 - for discussion purposes", "5-4-23 Second Workshop for 2023-2024 RFA Cycle Information Web Notice", "4-24-23 Draft of Previously Submitted but Unfunded LGAO Applications", "5-4-23 Workshop Agenda" (highlighted in yellow), and "5-4-23 Second Workshop for 2023-2024 RFA Cycle recording". The second section, titled "RFA Workshop to be held on January 26, 2023", is partially visible at the bottom of the screenshot.

[Home](#) / [PROGRAMS](#) / [Multifamily Programs](#) / [Competitive](#) / 2023/2024 RFA Cycle Information

Each RFA will have its own webpage where all drafts, final RFAs, and other documents will be posted.

## Workshops

- [Second RFA Workshop to be held on May 4, 2023](#)
  - [2023-2024 Tentative Funding Amounts and Timeline - 5.4.23 - for discussion purposes](#)
  - [5-4-23 Second Workshop for 2023-2024 RFA Cycle Information Web Notice](#)
  - [4-24-23 Draft of Previously Submitted but Unfunded LGAO Applications](#)
  - [5-4-23 Workshop Agenda](#)
  - [5-4-23 Second Workshop for 2023-2024 RFA Cycle recording](#)
- + [RFA Workshop to be held on January 26, 2023](#)

# FHFC RFA Funding Amounts & Timeline

FLORIDA HOUSING FINANCE CORPORATION - Tentative RFA 2023-2024 Funding Amounts/Time Lines  
(All Information Subject to Change)  
As of December 22, 2023

Assigned RFA Number	Subject of RFA	2023-2024 Program Funding and <u>ESTIMATED</u> Funding Amount Available	Board Approval for funding designation	RFA Workshop	RFA Issue Date	RFA Due Date	Review Committee (make recommendations to Board)	Request Board Approval of Recommendations (at scheduled Board Meeting - all dates are tentative)
<b>2023</b>								
2023-201	Housing Credit Financing for Affordable Housing Developments Located in Small and Medium Counties	\$1,596,420 - 9% HC - Small County \$20,941,810 - 9% HC - Medium County	06/09/2023	06/6/2023 2:00 p.m.	07/07/2023	09/12/2023	10/11/2023 2:00 p.m.	10/27/2023
2023-202	Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties	\$24,011,243 - 9% HC	06/09/2023	06/6/2023 2:00 p.m.	07/07/2023	09/13/2023	10/10/2023 10:00 a.m.	10/27/2023
2023-203	Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County	\$9,481,390 - 9% HC	06/09/2023	06/6/2023 2:00 p.m.	07/07/2023	09/14/2023	10/10/2023 2:00 p.m.	10/27/2023
2023-204	SAIL Financing for the Preservation of Elderly Developments	\$4,533,638 SAIL *In conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits	06/09/2023	10/25/2023 2:00 p.m.	11/21/2023	12/14/2023	01/16/2024 2:00 p.m.	02/02/2024
2023-205	SAIL Financing of Affordable Multifamily Housing Developments	\$40,802,745- Elderly \$67,541,958 SAIL - Family \$18,860,876 M - NHTF or HOME-ARP *In conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits	06/09/2023	06/01/2023 2:00 p.m.	07/05/2023	08/03/2023	08/23/2023 2:00 p.m.	09/08/2023
2023-212	Housing Credit Viability Funding for Developments located in Monroe County that have an Active Award of SAIL Financing and 9 Percent Housing Credits	\$865,809 - 9% HC (portion of 5% High Priority Funding)	06/09/2023	06/21/2023 2:30 p.m.	07/19/2023	08/08/2023	08/24/2023 10:00 a.m.	09/08/2023
2023-213	SAIL Funding for Live Local Mixed Income, Mixed-Use, and Urban Infill Developments	\$100 M - SAIL *In conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits	06/09/2023	09/14/2023 2:00 p.m. 10/03/2023 2:00 p.m. 11/1/2023 10:00 a.m.	11/20/2023	12/20/2023	01/16/2024 10:00 a.m.	02/02/2024
<b>2024</b>								
2024-102	SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs	\$12,196,235 SAIL \$8,200,000 HOME-ARP	06/09/2023	11/01/2023 2:00 p.m.	12/07/2023	03/21/2024	04/25/2024 2:00 p.m.	05/10/2024

# Local Government Role in the RFA Funding Process

- Origin: “Qualified Local Government Funding Preference” (PILOT)
- Allows LG to target its funding and support to the priority project which will have a better chance of scoring and awarded funding
- LG must conduct annual preparation process with needs assessment, **Request for Proposals**, and Selection
- LG will provide contribution as well as designation

# RFA: Local Government Contribution

- Check each RFA-understand developer's requirement
- Amount varies by size of community
- Decide on NOFA or open applications per project
- Need not disburse until closing on award
- How much is too much?
- Not every RFA has a Local Government Contribution requirement, but the project may need gap funding

# Local Government Contribution - Value

## 11. Local Government Contributions (5 Points)

### a. Applicants Eligible for Automatic Points

Applicants that selected and qualified for the Development Category of Rehabilitation, with or without Acquisition, will automatically receive the maximum of five points without any requirement to demonstrate a Local Government contribution.

### b. Applicants Not Eligible for Automatic Points

In order for Applicants that selected the Development Category of New Construction to receive the maximum of five points, provide evidence of a Local Government grant, loan, fee waiver and/or fee deferral that is effective as of the Application Deadline, is in effect at least through December 31, 2023, and has a value whose dollar amount is equal to or greater than \$100,000. Those Applications that do not have the necessary contribution amounts to achieve maximum points will be scored on a pro-rata basis.

The only Local Government contributions that will be considered for the purpose of scoring are:

- Monetary grants
- Loans with the exception of USDA RD funds
- A one-year or more deferral of a fee beyond the date that it is routinely due
- Waiver of fees

## County Contribution List

Minimum Local Government Area of Opportunity Designation Funding Amounts	
County Size	Total Amount of Loan(s)/Grant(s)
Medium Large Counties* - Alachua, Brevard, Collier, Escambia, Lake, Lee, Leon, Manatee, Marion, Osceola, Pasco, Polk, Saint Johns, Saint Lucie, Sarasota, Seminole, Volusia	\$460,000
Medium Small Counties** - Bay, Charlotte, Citrus, Clay, Flagler, Hernando, Highlands, Indian River, Martin, Okaloosa, Santa Rosa, Sumter	\$340,000

\*Medium Large Counties have populations between 250,001 to 824,999

\*\*Medium Small Counties have populations between 100,001 to 250,000

## County Contribution List

County in Which the Development is to be Located	Value of Contribution Required to Achieve Maximum Points
Broward	\$100,000
Duval Hillsborough Orange Palm Beach Pinellas	\$75,000

# Local Government Contribution Forms

**FLORIDA HOUSING FINANCE CORPORATION**  
**LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION - GRANT FORM**

Name of Development: \_\_\_\_\_

Development Location: \_\_\_\_\_  
(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

The City/County of \_\_\_\_\_ commits \$ \_\_\_\_\_ as a grant to the Applicant for its use solely for assisting the proposed Development referenced above. The City/County does not expect to be repaid or reimbursed by the Applicant, or any other entity, provided the funds are expended solely for the Development referenced above. No consideration or promise of consideration has been given with respect to the grant. For purposes of the foregoing, the promise of providing affordable housing does constitute consideration. The commitment for this grant must be effective as of the Application Deadline for the applicable RFA, and is provided specifically with respect to the proposed Development.

The source of the grant is: \_\_\_\_\_

**FLORIDA HOUSING FINANCE CORPORATION**  
**LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION - FEE DEFERRAL FORM**

Name of Development: \_\_\_\_\_

Development Location: \_\_\_\_\_  
(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

The City/County of \_\_\_\_\_ commits to defer \$ \_\_\_\_\_ at face value in fee for the proposed Development referenced above.

Please note: In some competitive processes, Florida Housing will use the face value of the commitment minus the net present value of the commitment for scoring purposes. The net present value of the above-referenced commitment, based on its payment stream, inclusive of a reduced interest rate and designated discount rate (as stated in the applicable RFA) is: \$ \_\_\_\_\_.

**FLORIDA HOUSING FINANCE CORPORATION**  
**LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION - FEE WAIVER FORM**

Name of Development: \_\_\_\_\_

Development Location: \_\_\_\_\_  
(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

The City/County of \_\_\_\_\_ waives the following fees: \_\_\_\_\_  
(Reference Official Action, city Ordinance or Resolution Number and Date)

Amount of Fee Waiver: \$ \_\_\_\_\_

No consideration or promise of consideration has been given with respect to the fee waiver. For purposes of the foregoing, the promise of providing affordable housing does not constitute consideration. This fee waiver must be effective as of the Application Deadline for the applicable RFA, and is provided specifically with respect to the proposed Development.

**CERTIFICATION**

I certify that the foregoing information is true and correct and that this commitment is effective at least through the date required in the applicable RFA.

Signature: \_\_\_\_\_  
Print or Type Name: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

**NOTE TO LOCAL GOVERNMENT OFFICIAL:** Additional information is set forth in the applicable Request for Application under which the Applicant is applying for funding for the above referenced Development.

This certification must be signed by the chief appointed official (staff) responsible for such approvals, Mayor, City Manager, County Manager/Administrator/Commissioner, Chairperson of the City Council/Commission or Chairperson of the County Commission. Other signatures are not acceptable. The Applicant will not receive credit for this certification if the certification is improperly signed. The amount of the contribution stated on this form must be a precise dollar amount and cannot include words such as estimated, up to, maximum of, not to exceed, etc.

If there are alterations made to this form that change the meaning of the form, the form will not be accepted.

(Form Rev. 07-2022)

**FLORIDA HOUSING FINANCE CORPORATION**  
**LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION - LOAN FORM**

Name of Development: \_\_\_\_\_

Development Location: \_\_\_\_\_  
(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

The City/County of \_\_\_\_\_ commits \$ \_\_\_\_\_ at face value, (which may be used as an FHFC Non-Cooperation Funding Proposal in an Application for FHFC funding if it meets the proposed Development referenced above.)

Please note: In some competitive processes, Florida Housing will use the face value of the commitment minus the net present value of the commitment for scoring purposes. The net present value of the above-referenced loan, based on its payment stream, inclusive of a reduced interest rate and the designated discount rate (as stated in the applicable RFA) is: \$ \_\_\_\_\_.

No consideration or promise of consideration has been given with respect to the loan. For purposes of the foregoing, the promise of providing affordable housing does not constitute consideration. The commitment for this loan must be effective as of the Application Deadline for the applicable RFA, and is provided specifically with respect to the proposed Development.

**CERTIFICATION**

I certify that the foregoing information is true and correct and that this commitment is effective at least through the date required in the applicable RFA.

Signature: \_\_\_\_\_  
Print or Type Name: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

**NOTE TO LOCAL GOVERNMENT OFFICIAL:** Additional information is set forth in the applicable Request for Application under which the Applicant is applying for funding for the above referenced Development.

This certification must be signed by the chief appointed official (staff) responsible for such approvals, Mayor, City Manager, County Manager/Administrator/Commissioner, Chairperson of the City Council/Commission or Chairperson of the Board of County Commissioners. If the contribution is from a Land Authority organized pursuant to Chapter 380.0063, Florida Statutes, this certification must be signed by the Chair of the Land Authority. One of the authorized persons named above may sign this form for certification of state, federal or local government funds initially obtained by or derived from a Local Government, or a state-central Community Housing Development Organization (CHDO). Other signatures are not acceptable. The Applicant will not receive credit for this certification if the certification is improperly signed. The amount of the contribution stated on this form must be a precise dollar amount and cannot include words such as estimated, up to, maximum of, not to exceed, etc.

If there are alterations made to this form that change the meaning of the form, the form will not be accepted.

(Form Rev. 07-2022)

THE FLORIDA HOUSING



# Local Government Contribution

## Miami-Dade RFA 2023-205

- To receive the maximum of five points, provide evidence of at least \$250,000 in Local Government committed funding (i.e. grants and/or loans and/or fee waivers) that is effective as of the Application Deadline and is in effect at least through December 31, 2023.
- Fee deferrals cannot be counted towards the \$250,000 requirement.
- Applicants of proposed Developments located in Miami-Dade County with less than \$250,000 in committed funds from the Local Government will receive zero Local Government contribution points.

# All Other Counties Local Government Contributions RFA 2023-205

- In order for Applicants of proposed Developments located in counties other than Miami-Dade County that selected the Development Category of New Construction to receive the maximum of five points:
  - Provide evidence of a Local Government grant, loan, fee waiver and/or fee deferral that is effective as of the Application Deadline, is in effect at least through December 31, 2023
  - Has a value whose dollar amount is equal to or greater than the amount listed on the County Contribution List for All Counties Other than Miami-Dade County for the county in which the proposed Development will be located.
- Applicants of proposed Developments located in counties other than Miami-Dade County that do not have the necessary contribution values to achieve maximum points will be scored on a pro-rata basis.

# Local Government Contribution Minimums for 2023-205

[https://www.floridahousing.org/docs/default-source/programs/competitive/2023/2023-205/7-21-23-modified-2023-205-sail-f-e-clean-for-posting-bookmarked.pdf?sfvrsn=4f5f37b\\_0](https://www.floridahousing.org/docs/default-source/programs/competitive/2023/2023-205/7-21-23-modified-2023-205-sail-f-e-clean-for-posting-bookmarked.pdf?sfvrsn=4f5f37b_0)

County in Which the Development Is to be Located	Value of Contribution Required to Achieve Maximum Points	County in Which the Development Is to be Located	Value of Contribution Required to Achieve Maximum Points
Broward	\$100,000	Columbia Monroe	\$10,000
Duval Hillsborough Orange Palm Beach Pinellas	\$75,000	Nassau Putnam Sumter	
Brevard Lee Pasco Polk Sarasota Seminole Volusia	\$50,000	Bradford De Soto Gadsden Hardee Hendry Jackson Levy Okeechobee Suwannee Walton	\$5,000
Alachua Collier Escambia Lake Leon Manatee Marion	\$37,500	Baker Calhoun Dixie Franklin Gilchrist Glades Gulf	\$2,500
Bay Charlotte Citrus Clay Flagler Hernando Highlands Indian River Martin Okaloosa Osceola St. Johns St. Lucie Santa Rosa	\$20,000	Hamilton Holmes Jefferson Lafayette Liberty Madison Taylor Union Wakulla Washington	

# What is a Local Government Area of Opportunity (LGAO)?

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- A method where local governments have some say on where affordable housing developments will be built
- A method designed by FHFC so governments have some “skin in the game”
- Permanent source of funding
- Each local government can commit the LGAO funding to one application per RFA

# Local Government Area of Opportunity (LGAO)



**Goal to fund Local Government Areas of Opportunity Applications in certain RFAs**



**Larger contributions (grants or loans)**



**This is a permanent source of funding, which means that once committed, the Development cannot move forward without the contribution**



**Each Local Government can commit the LGAO funding to one Application per RFA**



**This also means that a city and county can partner to support the same development**



**If awarded, the Local Government(s) that provided the contribution will receive lower preference in the next year's RFA**

# For Developers, the LGAO Means...

- An Excellent Chance of Getting Tax Credits in Large Counties
- All large counties are guaranteed of receiving projects.
- A Good Chance of Getting Tax Credits in Medium Counties
- Cheaper Money
- Funds from local governments many times have a 0% or low interest rate if they are loans, or they are grants of forgiveness loans.
- Other programs, such as SAIL-needs match and Bonds-need subsidy.

# Minimum LGAO Designation Funding Amounts in Large Counties for RFA 2023-202

[https://www.floridahousing.org/docs/default-source/programs/competitive/2023/2023-202/8-15-23-modified-rfa-2023-202-6-county-lrg-clean-bookmarked.pdf?sfvrsn=c01af27b\\_0](https://www.floridahousing.org/docs/default-source/programs/competitive/2023/2023-202/8-15-23-modified-rfa-2023-202-6-county-lrg-clean-bookmarked.pdf?sfvrsn=c01af27b_0)

If the total face amounts of any cash loans and/or cash grants shown on the Local Government Verification of Contribution form(s) total less than the amounts listed in the table below, the Application will not qualify for the Local Government Area of Opportunity Designation.

Minimum Local Government Area of Opportunity Designation Funding Amounts	
County Size	Total Amount of Loan(s)/Grant(s)
Broward and Palm Beach Counties	\$640,000
Duval, Hillsborough, Orange, and Pinellas Counties	\$610,000

**12. Goals**

Note: Applicants may select a maximum of one of the following goals in which to compete, even if the Application qualifies for multiple goals. If more than one selection is made, the Application will not be eligible for any of the goals.

a. Local Government Revitalization Plan

The Corporation has a goal to fund one Application proposing a Development that is part of a Local Government Revitalization Plan with a preference that it is a Priority 1 Application. To qualify for this goal, all of the following criteria must be met:

- The question at 12.a. of Exhibit A must reflect confirmation that the Application is proposing a Development that is part of a Local Government Revitalization Plan;
- All criteria described in Section Four, A.5.f.(2) above must be met.

b. Geographic Area of Opportunity / SADDA

- (1) The Corporation has a goal to fund one Family Application proposing a Development located in Broward County that qualifies for the Geographic Areas of Opportunity / SADDA Goal as described in 10.a.(1)(d) above, with a preference that it is a Priority 1 Application.
- (2) The Corporation has a goal to fund one Family Application proposing a Development located in Pinellas County that qualifies for the Geographic Areas of Opportunity / SADDA Goal as described in 10.a.(1)(d) above, with a preference that it is a Priority 1 Application.

c. Local Government Area of Opportunity Designation Goal

# LGAO Contribution Minimums for RFA 2023-201

[https://www.floridahousing.org/docs/default-source/programs/competitive/2023/2023-201/8-15-23-modified-2023-201-med-geo---clean-bookmarked.pdf?sfvrsn=1e1af27b\\_0](https://www.floridahousing.org/docs/default-source/programs/competitive/2023/2023-201/8-15-23-modified-2023-201-med-geo---clean-bookmarked.pdf?sfvrsn=1e1af27b_0)

To qualify for the Local Government Area of Opportunity Designation, the face amounts of any cash loans and/or cash grants shown on the aforementioned Local Government Verification of Contribution forms shall be totaled and the total of these amounts must equal or be greater than the amounts listed in the table below. Applications of proposed Developments are not required to reflect the value (difference between the face amount and the net present value of the payment streams) on any Local Government Verification forms.

If the total face amounts of any cash loans and/or cash grants shown on the Local Government Verification of Contribution form(s) total less than the amounts listed in the table below, the Application will not qualify for the Local Government Area of Opportunity Designation.

**County Contribution List**

Minimum Local Government Area of Opportunity Designation Funding Amounts	
County Size	Total Amount of Loan(s)/Grant(s)
Medium Large Counties* - Alachua, Brevard, Collier, Escambia, Lake, Lee, Leon, Manatee, Marion, Osceola, Pasco, Polk, Saint Johns, Saint Lucie, Sarasota, Seminole, Volusia	\$460,000
Medium Small Counties** - Bay, Charlotte, Citrus, Clay, Flagler, Hernando, Highlands, Indian River, Martin, Okaloosa, Santa Rosa, Sumter	\$340,000

\*Medium Large Counties have populations between 250,001 to 824,999  
\*\*Medium Small Counties have populations between 100,001 to 250,000

b. Goal to fund six Applications that qualify for the Local Government Area of Opportunity Designation

There is a goal in the funding selection process to fund six Applications that qualify for the Local Government Area of Opportunity Designation. Applications that qualify for this Designation may receive additional preference as outlined below.

- (1) Preference to select two Applications that demonstrate continuous Local Government Area of Opportunity support since 2021 or earlier
  - As described in Section Five of the RFA, there is a preference to select two Applications that demonstrate continuous Local Government Area of Opportunity support since 2021 or earlier. To qualify for this preference, all of the following criteria must be met:
    - The question at 11.b.(1) of Exhibit A must reflect confirmation that the Development was submitted in RFA 2021-201 and RFA 2022-201, but not awarded;
    - The Application in RFA 2021-201, RFA 2022-201, and the current Application must have provided a Local Government Verification of Contribution – Loan

**Exhibit A to RFA 2022-201 Housing Credit Financing For Affordable Housing Developments Located In Medium And Small Counties**

RFA 2022-201 DEVELOPMENT COST PRO FORMA

(Page 5 of 7)

**CONSTRUCTION/REHAB ANALYSIS**

	AMOUNT	LENDER/TYPE OF FUNDS
<b>A. Total Development Costs</b>	\$ <u>30,774,771.00</u>	
<b>B. Construction Funding Sources:</b>		
1. First Mortgage Financing	\$ 25,500,000.00	Regulated Mortgage Lender
2. Second Mortgage Financing	\$ 600,000.00	Local Government Subsidy
3. Third Mortgage Financing	\$ _____	<select from menu>
4. Fourth Mortgage Financing	\$ _____	<select from menu>
5. Fifth Mortgage Financing	\$ _____	<select from menu>
6. Sixth Mortgage Financing	\$ _____	<select from menu>
Financing	\$ _____	Enter request on Funding Tab
Financing	\$ _____	Enter request on Funding Tab
Financing	\$ _____	Enter request on Funding Tab
Financing	\$ _____	Enter request on Funding Tab
7. HC Equity Proceeds Paid Prior to Completion of Construction which is Prior to Receipt of Final Certificate of Occupancy or in the case of Rehabilitation, prior to placed-in service date as determined by the Applicant.	\$ 2,814,919.00	
8. Other: _____	\$ _____	<select from menu>
9. Other: _____	\$ _____	<select from menu>
10. Deferred Developer Fee	\$ 3,000,000.00	
<b>11. Total Construction Sources</b>	\$ <u>31,914,919.00</u>	
<b>C. Construction Funding Surplus</b> (B.11. Total Construction Sources, less A. Total Development Costs):	\$ <u>1,140,148.00</u>	(A negative number here represents a funding shortfall.)

Met Construction Financing Threshold for sources equal or exceed uses: Yes

Each Attachment must be listed behind its own Tab. DO NOT INCLUDE ALL ATTACHMENTS BEHIND ONE TAB.

# Sources

# Previously Submitted and Unfunded LGAOs

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Florida Housing Finance Corporation

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[2023-304](#) [2023-303](#) [2023-213](#) [2023-212](#) [2023-211](#) [2023-205](#) [2023-203](#) [2023-202](#) [2023-201](#) [2023-108](#)

[2023-106](#) [2023-105](#) [2023-104](#) [2023-103](#) [2023-102](#)

## RFA 2023-201 Housing Credit Financing For Affordable Housing Developments Located In Small And Medium Counties

- [Complete RFA issued at 6:35 p.m. on July 7, 2023](#)
  - ▶ [Complete RFA 2023-201 as modified on 8-15-23, bookmarked](#)
  - ▶ [Complete RFA 2023-201 as modified on 8-15-23, redlined](#)
  - ▶ [First Modification of RFA 2023-201, issued at 10:10 AM on August 15, 2023](#)
  - ▶ [Complete RFA 2023-201 \(Bookmarked\)](#)
  - ▶ [9-8-23 List of Previously Submitted but Unfunded LGAO Applications](#)
- [Multifamily Mapping Application](#)
- [Questions and Answers for RFAs 2023-201, 2023-202, & 2023-203](#)
  - ▶ [2nd set of Q and A for RFA's 2023-201, 2023-202, and 2023-203](#)
  - ▶ [1st set of Q and A for RFA's 2023-201, 2023-202, and 2023-203](#)



# Designing Your Local Process

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- Develop guidelines in advance
  1. Coordinate your entire SHIP RFP process with FHFC timeline, OR
  2. Have open timeline for developers to apply for funding, OR
  3. Have separate RFP process for competitive HC proposals to align with FHFC's timeline
- Consider local needs, preferences, existing plans
- Consider preference for permanent affordability
- Keep in mind approval processes

# RFA Funding Process and Local Government Role

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- Track RFA funding timeline and prepare competitive cycle to coincide with due dates
- Understand each RFA and requirement for Local Government Contribution or Area of Opportunity
- Prepare other forms as needed:
  - ❖ Verification of Zoning and Land Use regulations
  - ❖ Verification of Infrastructure- sewer and water
  - ❖ Within 21 days of invitation to credit underwriting:
    - Verification of environmental safety Phase 1 ESA
    - Phase II ESA if required
    - Verification of infrastructure- electricity, roads

# LGAO, Local Gov, GAO Contribution Takeaways

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- Prioritize Geographic Areas of Opportunity in RFP process, as applicable
- Understand each RFA and requirements for Local Government Contributions and Local Government Area of Opportunity
- Track RFA funding timeline and prepare competitive cycle to coincide with due dates

# State Apartment Incentive Loan Program (SAIL)



# SAIL Basics

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- Sadowski Affordable Housing Trust Funds
  - State Housing Trust Fund: SAIL (30% of the HTF)
- Administered by Florida Housing Finance Corporation (FHFC)
  - SAIL Rule: Florida Administrative Code Chapter 67-48
- Accessed through Request for Applications (RFA) competitive solicitation process
  - <https://www.floridahousing.org/programs/developers-multifamily-programs/state-apartment-incentive-loan>
  - <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive>
- FHFC 2023 Tentative Funding Amounts & Timeline
  - [https://www.floridahousing.org/docs/default-source/programs/developers-multifamily-programs/competitive/2023-2024-tentative-funding-amounts-and-timeline---12-22-2023.pdf?sfvrsn=5d0f57b\\_38](https://www.floridahousing.org/docs/default-source/programs/developers-multifamily-programs/competitive/2023-2024-tentative-funding-amounts-and-timeline---12-22-2023.pdf?sfvrsn=5d0f57b_38)

# SAIL-Like Innovative Multifamily Program

**\*Additional \$150m/year for 10 years for SAIL-like program\***

70% for

- Redevelop existing affordable housing
- Addressing urban infill
- Provide for mixed-use housing
- Provide housing near military installations

30% for

- Use or lease public lands
- Address needs of adults aging out of foster care
- Meet needs of elderly persons
- Provide housing in Rural Area of Opportunity

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# Live Local Act Impact on VLI/ELI Households

## SAIL Funding

- \$109m required to serve households at 60% AMI and below
- \$150m ELI/VLI set-asides
- Up to \$100m for new Live Local Tax Donation Program for 60% AMI and below

## SHIP Funding

- LGs must spend at least 30% of their annual allocation on VLI households

## Local Option Property Tax Exemption

- Only for units that serve at 60% AMI and below

## Publicly Owned Land

- Opportunity to advocate for VLI/ELI units using publicly owned land

# SAIL RFAs

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- Eligible Activities
  - Acquisition
  - Construction
  - Rehab
- Stand Alone or usually paired with:
  - Multifamily Mortgage Revenue Bonds (MMRB)
  - Housing Credits 4% OR 9%
  - HOME
  - National Housing Trust Fund (NHTF)



Source: Banyan Court. Banyan Development Group.

THE FLORIDA HOUSING COALITION



# SAIL Loan Terms

Non-amortizing

First or subordinate position

Interest rate: 0-3%

Annual interest payment based on development cash flow and lien position of SAIL loan

Historically, part of gap financing that is based on cash flow of project

Not to exceed 25% of development costs/cap, with exceptions.

Not more than 15 years, unless

- Longer term required for housing credit investor
- Loan is in subordinate position – then may be coterminous with longest term of a superior loan
- Full balance due at maturity

Other options, such as sale, transfer or refinancing of the SAIL development, or extension of SAIL loan, are

- Subject to Board approval, Based on documentable facts and circumstances, Requirements set forth in Rule

SAIL loan assumable if requirements of original loan met, otherwise must be repaid from proceeds of sale

# Tenant Groups & Set Asides

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- Commercial fishing workers and farmworkers
- Families
- Persons who are homeless
- Persons with special needs
- Elderly persons
  - 10% made available for loans to sponsors of housing for the elderly for the purpose of making building preservation, health, or sanitation repairs or improvements.
  - Such a loan may not exceed \$750,000 per housing community for the elderly.
- Income Set Asides
  - Minimum 40% at 60% AMI with HC *or*
  - 20% at 50% AMI (unless otherwise stated in RFA)
  - Developments in the Florida Keys Area may use a minimum set-aside of 100% of the units at or below 120% AMI of the state or local median income, which ever is higher.

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# SAIL Compliance Procedures

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- Compliance Procedures Rule Chapter 67-53
  - [https://www.floridahousing.org/docs/default-source/programs/competitive/common-content/rfa-rules/rule-67-53-f-a-c---compliance-procedures-effective-8-20-2009.pdf?sfvrsn=bd62e97b\\_0](https://www.floridahousing.org/docs/default-source/programs/competitive/common-content/rfa-rules/rule-67-53-f-a-c---compliance-procedures-effective-8-20-2009.pdf?sfvrsn=bd62e97b_0)
  - 67-53.008 Compliance and Reporting Requirements for State Apartment Incentive Loan (SAIL) Program, HOME Investment Partnerships (HOME) Rental Program, Multifamily Mortgage Revenue Bond (MMRB) Program, Housing Credit (HC) Program, Rental Recovery Loan Program (RRLP), and Elderly Housing Community Loan (EHCL) Program.
- Compliance period – 50 years unless otherwise stated in RFA

# SAIL Compliance Procedures

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- Audited financial statements
  - Comparative balance sheet with prior/current year balances
  - Statement of revenue and expenses, charges in fund balances or equity, & cash flows
- Financial Reporting Form
  - Exceptions for first year of operations
- Set-asides and other key terms also included in LURA and monitored by FHFC
  - Household Income Certification
- Any other financial reporting detailed in the RFA
- Reporting requirements may include:
  - Financial statements, insurance certificates, location of tenant files, occupancy reports

# Occupancy Reports Compliance

Required monthly reporting on a calendar-month basis for all **SAIL**, Home Investment Partnerships (HOME) Rental Program, Multifamily Mortgage Revenue Bond (MMRB) Program, Housing Credit (HC) Program and Rental Recovery Loan Program (RRLP) participants.

<https://www.floridahousing.org/data-docs-reports/occupancy-reports>



The screenshot displays the Florida Housing Finance Corporation website. At the top left is the logo with the tagline "we make housing affordable™". To the right is a "Select Language" dropdown menu and a search bar. Below the logo is a navigation menu with links for Home, ABOUT FLORIDA HOUSING, LEGAL, PROGRAMS, DATA, DOCS & REPORTS, MEDIA, and CONTACT US. The main content area shows a breadcrumb trail: Home / DATA, DOCS & REPORTS / Occupancy Reports. The title "Occupancy Reports" is prominently displayed. The text below states: "Adopted on August 20, 2009, the amended Compliance Procedures Rule Chapter 67-53 requires monthly reporting on a calendar-month basis for all SAIL, Home Investment Partnerships (HOME) Rental Program, Multifamily Mortgage Revenue Bond (MMRB) Program, Housing Credit (HC) Program and Rental Recovery Loan Program (RRLP) participants." A disclaimer follows: "Florida Housing makes no representation that the information provided is complete, accurate, reliable, timely, or error-free. This information is provided 'AS IS' and without warranty of any kind, whether express or implied, including but not limited to warranties of merchantability or fitness for any particular use." At the bottom, the heading "PORTFOLIO OCCUPANCY REPORT" is visible.

# End of Loan Term

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- Full balance due at end of loan term
- Other options, such as sale, transfer or refinancing of the SAIL development, or extension of SAIL loan, are
  - Subject to Board approval
  - Based on documentable facts and circumstances
  - Requirements set forth in Rule
- SAIL loan assumable if requirements of original loan met, otherwise must be repaid from proceeds of sale

# Low Income Housing Tax Credit (LIHTC) Overview

- Tax Reform Act of 1986
- From Treasury Department
- Allocating Agency, Florida Housing Finance Corporation
- Qualified Allocation Plan (QAP)-Priorities/Selection Criteria
- 2023 Total Competitive HC Allocation \$57.5M
- Competitive solicitation



## SabalPlace

POPULATION	<input type="radio"/> Family <input type="radio"/> Homeless
ADDRESS	NE Corner of Williams Rd. & E Broadway Ave Seffner, FL
UNITS	112
COMPLETION	2021
WEBSITE	<a href="https://www.sabalplace.com/">https://www.sabalplace.com/</a>
FINANCIAL PARTNERS	Florida Housing Finance Corporation, Raymond James Tax Credit Funds, Hillsborough County, Chase Bank
DEVELOPMENT PARTNERS	Metropolitan Ministries – <a href="https://www.metromin.org">https://www.metromin.org</a>

Source: Blue Sky Communities, Sabal Place. <https://blueskycommunities.com/our-communities/sabalplace/>

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# Purpose of LIHTC

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Source: Broward Partnership for the Homeless & Green Mills Group, Seven on Seventh. <https://bphi.org/seven-on-seventh/>

- Awarded to developers of affordable multifamily rental projects
- Dollar for dollar reduction in federal tax liability
- Credits are “sold” to corporations to reduce their tax liability through syndication to become developer equity investments used to finance affordable rental units
- Results in less hard debt needed, reduces the TDC

# LIHTC Uses

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- New construction & acquisition/rehab
- Usually 60+ units
- Usually ALL units serve <60% AMI, be aware of recent updates to income averaging
- Additional set aside for ELI (30-35% AMI)
- Two types of LIHTC

- 9% (Competitive, must apply through RFA process)

<https://www.floridahousing.org/programs/developers-multifamily-programs/low-income-housing-tax-credits>

- 4% (Non-Competitive, open application cycle and combined with MMRB)

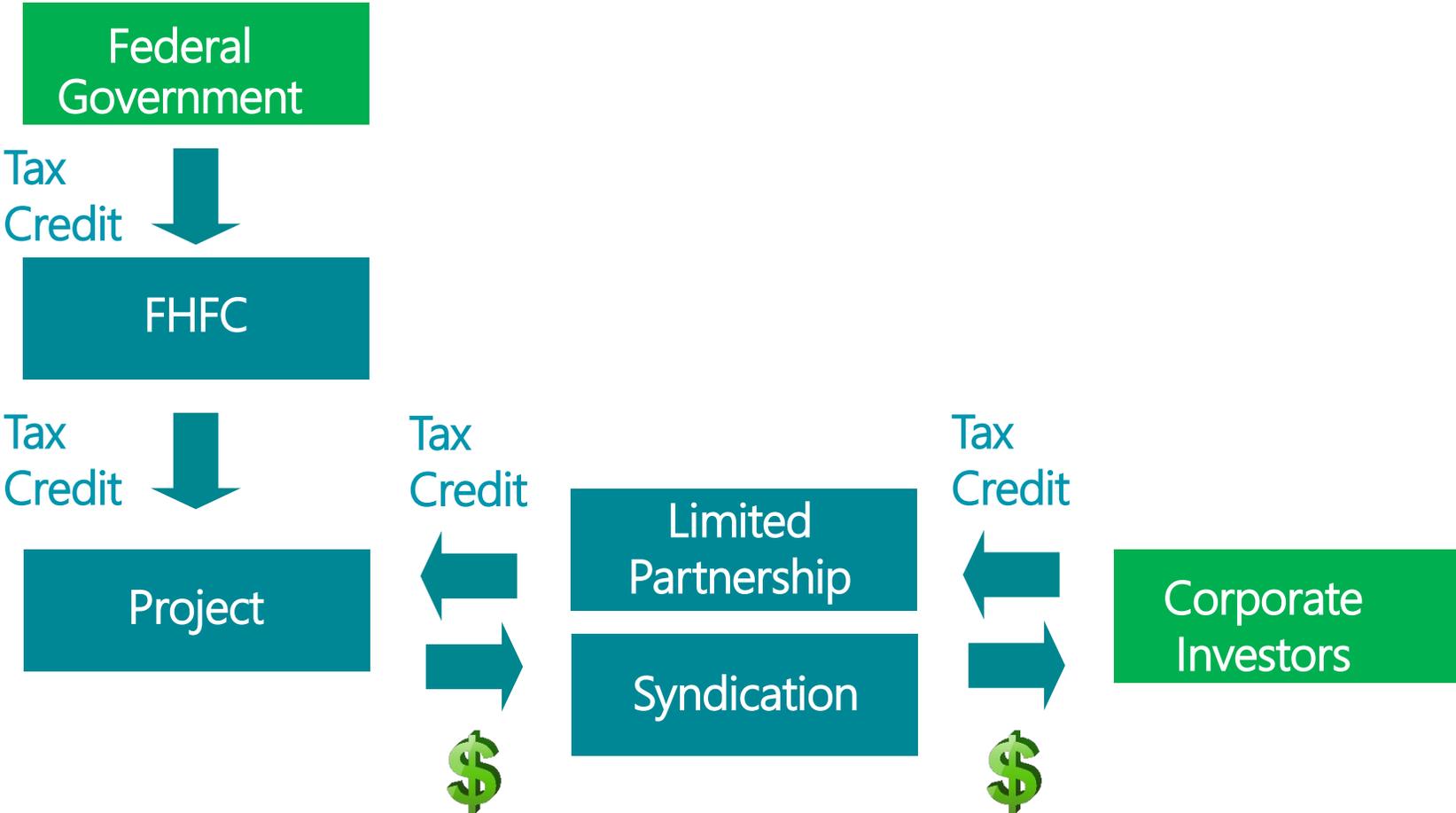
<https://www.floridahousing.org/programs/developers-multifamily-programs/non-competitive>

# Overview of How LIHTC Works

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- Developer receives federal income tax credits over a 10-year period in exchange for:
  1. Acquiring, rehabbing or building rental housing for low-income households, and
  2. Operating the project under LIHTC guidelines
- Developers sell the right to use these credits to investors who want to reduce their federal taxes.
- The investor's payment is a "capital contribution" to the project as it reduces development cost, increasing cash flow.

# How Tax Credits Become \$\$



# LIHTC Set Aside Requirements



## Demographic requirements

- ❖ Elderly or family
- ❖ Homeless
- ❖ Persons with disabling conditions
- ❖ Fishing/farmworker

## Income Set-aside Requirements

- ❖ Federal requirements: 20% at 50% AMI or 40% at 60% AMI
- ❖ Most developments 100% affordable
- ❖ New income averaging rules allows range of incomes up to 80% AMI
- ❖ 10% ELI requirement
  - 50% of the ELI units set-aside for special needs
  - Definition of ELI varies by County

# Non-Competitive Example: 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
<b>Total Development Costs</b>	<b>\$25,569,641</b>

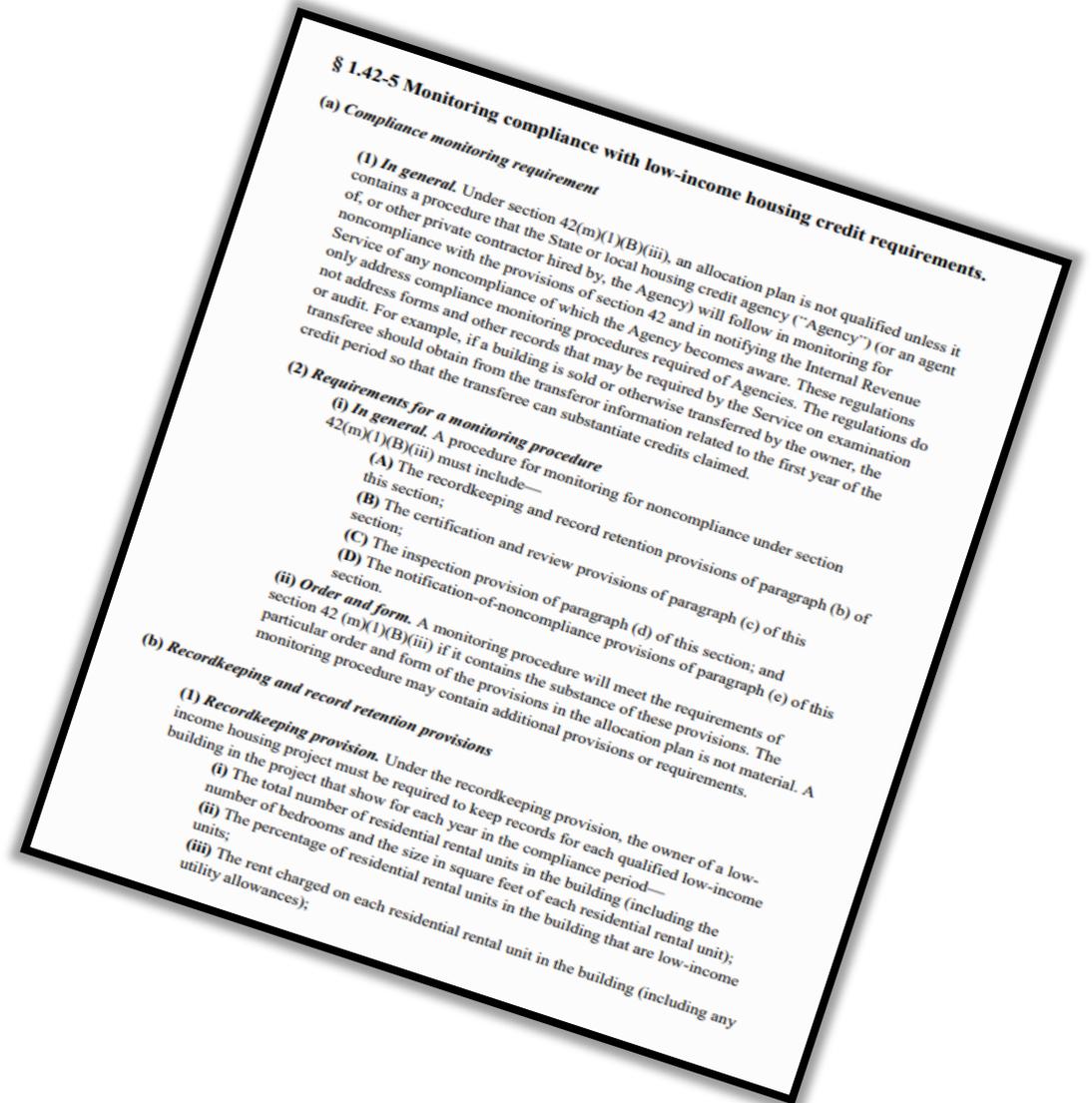


## SET ASIDE UNITS

- 240 units total
  - 216 for 60% AMI
  - 24 for 33% AMI - ELI
- 224 Project-Based Vouchers

# LIHTC Compliance Monitoring

- Monitoring is done to assess:
  - Program Performance
  - Financial Performance
  - Regulatory Performance
- Compliance period is 15 years with an extended use period of an additional 15 years per IRS, creating an extended use period of 30 years, AND...
  - Florida Housing requires 50 years compliance.
  - Development owners may agree to a longer extended use period in order to qualify for preference in the award of credits.



# Multifamily Mortgage Revenue Bonds (MMRB) Overview

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- Non-competitive
- MMRB with or without 4% credits
- Uses both taxable and tax-exempt bonds to provide below market rate construction loans to nonprofit and for-profit developers of affordable housing
- Can apply for SAIL for gap financing
- <https://www.floridahousing.org/programs/developers-multifamily-programs/multifamily-mortgage-revenue-bonds>

# HOME Investment Partnership (HOME)



# HOME Investment Partnerships Program

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- Governed by 24 CFR Part 92
  - HUD CPD, Consolidated Planning
- Funding exclusively to create affordable housing
- Participating Jurisdictions (PJ)
  - States
  - Local governments, and
  - Consortia
- Emphasizes partnership with local nonprofit and for-profit organizations, developers, lenders
  - Community Housing Development Organization (CHDO) Set-aside is 15% of allocation

# HOME Investment Partnerships Program Objectives

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- Provide decent, affordable housing for low-income persons (<80% AMI)
- Expand the capacity of nonprofit housing providers
- Strengthen the ability of state and local governments to provide housing
- Leverage private-sector participation



# HOME Eligible Activities

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- Homeowner rehabilitation
- Homebuyer activities
  - Acquisition and/or rehabilitation
  - New construction
- Rental housing
  - Rehabilitation and New Construction
- Tenant-based rental assistance (TBRA)



# HOME Specific Rules

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- HOME assisted units may be floating or fixed units in a project
  - Fixed units must be comparable to others.
- High HOME rent versus Low HOME rent
- Subsidy Layering-prior to award
- Cross Cutting Regs apply:
  - Davis Bacon, Section 3
  - Uniform Relocation Act (URA)

# State HOME Allocation – FHFC

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- Eligible Applicants: for-profit and non-profit developers; CHDOs; local governments (Non-entitlement communities)
- Eligible uses: Acquisition and/or new construction or rehabilitation of affordable rental housing to low-income families in **RURAL areas**
- Non-amortized, low interest loans
- Financing for first or subordinate mortgages with a simple interest rate of zero percent to nonprofit applicants and 1.5% per annum interest rate to for-profit applicants
- Loan terms are generally for 15 years for rehabilitation and 20 years for new construction.
- CHDO set-aside

# HOME Program Compliance

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- Income Targeting
  - 100% of HOME funds for households <80% AMI
  - Rental properties
    - Initially 90% of units for  $\leq$  60% AMI
    - 5+ units: 20% of units  $\leq$  50% AMI
  - Income Limits
    - <https://www.hudexchange.info/programs/home/home-income-limits>
- At Initial lease up 90% of all PJ's rental households must be @ or below 60% AMI & balance may be up to 80% AMI
- If project has more than 5 HOME assisted units 20% must be rented to households @ or below 50% AMI (throughout affordability period).

# Affordability: HOME Program Compliance

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- Affordability
  - Homebuyer assistance and rental projects
  - Depends on activity type and funding amount
  - Period of affordability = Period of compliance

HOME Assistance Per Unit or Buyer	Length of Affordability Period
Less than \$15,000	5 Years
\$15,000-\$40,000	10 Years
More than \$40,000	20 Years
New Construction of Rental Housing	20 Years
Refinancing of Rental Housing	15 Years

# HOME Compliance Factors

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- Unit Quality- physical inspections, based on # of units
- Minimum Investment Per Unit-\$1,000
- Maximum Subsidy Limit
- Maximum Property Value
- Ongoing Monitoring per schedule
- No Double-dipping (no additional HOME during compliance period for rental properties)

# HOME Timelines and Match

## Timelines

- 2-year commitment deadline
- 9-month homebuyer sales deadline
- 18-month lease up for rental housing
- 4-year project completion deadline
- 5-year expenditure deadline  
(eliminated for FY 2015 and later appropriations)

## Match

- 25% match of HOME funds expended during the fiscal year
- Non-federal sources

# HOME Rents

- **LOW HOME** units use LOW HOME rents- 30% of household income)
- **HIGH HOME** rents are lesser of Section 8 FMR or equal to 30% of household income for family 65% AMI

U.S. DEPARTMENT OF HUD  
STATE:FLORIDA

Cape Coral-Fort Myers, FL MSA

PROGRAM

LOW HOME RENT LIMIT  
HIGH HOME RENT LIMIT  
For Information Only:  
FAIR MARKET RENT  
50% RENT LIMIT  
65% RENT LIMIT

Crestview-Fort Walton Beach-Destin, FL HUD Metro FMR Area

LOW HOME RENT LIMIT  
HIGH HOME RENT LIMIT  
For Information Only:  
FAIR MARKET RENT  
50% RENT LIMIT  
65% RENT LIMIT

Walton County, FL HUD Metro FMR Area

LOW HOME RENT LIMIT  
HIGH HOME RENT LIMIT  
For Information Only:  
FAIR MARKET RENT  
50% RENT LIMIT  
65% RENT LIMIT

Deltona-Daytona Beach-Ormond Beach, FL HUD Metro FMR Area

LOW HOME RENT LIMIT  
HIGH HOME RENT LIMIT  
For Information Only:  
FAIR MARKET RENT  
50% RENT LIMIT  
65% RENT LIMIT

Palm Coast, FL HUD Metro FMR Area

LOW HOME RENT LIMIT  
HIGH HOME RENT LIMIT  
For Information Only:  
FAIR MARKET RENT  
50% RENT LIMIT  
65% RENT LIMIT

Levy County, FL HUD Metro FMR Area

LOW HOME RENT LIMIT  
HIGH HOME RENT LIMIT  
For Information Only:  
FAIR MARKET RENT  
50% RENT LIMIT  
65% RENT LIMIT

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

Effective: June 15, 2023

EFFICIENCY	2023 HOME PROGRAM RENTS					
	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
745	798	957	1106	1235	1362	1489
949	1018	1223	1404	1546	1688	1830
1134	1141	1451	1896	2157	2481	2804
745	798	957	1106	1235	1362	1489
949	1018	1223	1404	1546	1688	1830
815	873	1047	1210	1350	1490	1629
1039	1114	1314	1539	1698	1855	2012
1058	1126	1314	1539	1698	1855	2012
815	873	1047	1210	1350	1490	1629
1039	1114	1339	1539	1698	1855	2012
721	773	927	1071	1195	1318	1442
889	983	1138	1357	1495	1631	1767
721	773	927	1071	1195	1318	1442
916	983	1182	1357	1495	1631	1767
677	726	871	1006	1122	1238	1354
861	924	1111	1274	1401	1528	1655
871	1063	1302	1716	1773	2039	2305
677	726	871	1006	1122	1238	1354
861	924	1111	1274	1401	1528	1655
691	740	888	1027	1146	1264	1382
879	943	1134	1302	1433	1562	1691
937	1113	1401	1853	2156	2479	2803
691	740	888	1027	1146	1264	1382
879	943	1134	1302	1433	1562	1691
562	602	722	835	931	1028	1123
623	628	826	1052	1154	1255	1355
623	628	826	1052	1154	1255	1355
562	602	722	835	931	1028	1123
711	763	918	1052	1154	1255	1355

Source: [https://www.floridahousing.org/docs/default-source/developers-and-property-managers/compliance/limits/rent-limits/2023\\_rent\\_limits/home-program---2023-rent-limits-\(eff-6-15-2023\).pdf?sfvrsn=e1cbf37b\\_2](https://www.floridahousing.org/docs/default-source/developers-and-property-managers/compliance/limits/rent-limits/2023_rent_limits/home-program---2023-rent-limits-(eff-6-15-2023).pdf?sfvrsn=e1cbf37b_2)

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# Key Principles

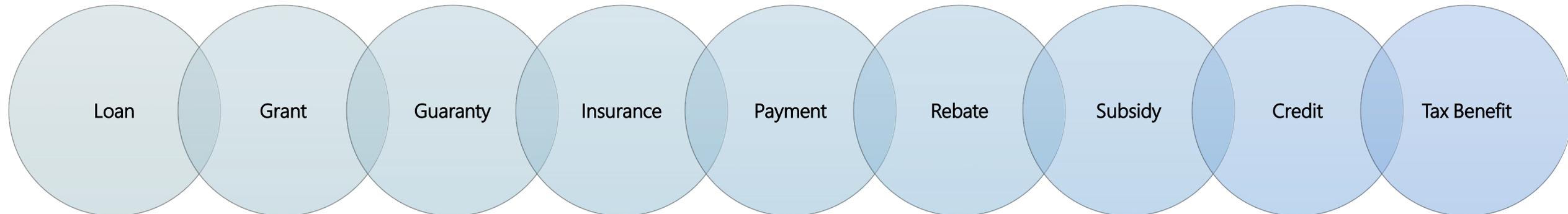
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- Don't invest more than necessary; but make sure project can operate for compliance period
- Each project must be evaluated to ensure that public investment fills a gap and is least amount needed
- Two sides of the same coin
  - **Underwriting v. Subsidy Layering**
  - CPD Notice 98-1
  - CPD Notice 15-11

# Applying Subsidy Layering

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- Projects financed with HOME funds with other public assistance must be evaluated in part by a subsidy layering test.
  - 24 CFR Part 92 assures no duplication in federal assistance
  - Using least amount required to achieve feasibility
- HUD establishes the amount of HOME funds that can be invested on a per unit basis.
- HOME funds are used only to fill a financing gap between committed sources



# State Housing Initiatives Partnership Program (SHIP)



# Elements of Monitoring

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## SHIP Requires Rental Monitoring:

Rental units constructed, rehabilitated or otherwise assisted from the local housing assistance trust fund must be monitored at least **annually for 15 years** or the term of assistance, whichever is longer, for compliance with tenant income and affordability requirements

---SHIP Rule: 67-37.007(11), F.A.C.



# SHIP Monitoring Rules

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- Tenant income of projects that receive more than \$10,000 must be monitored annually.
  - ❖ Used to be \$3,000
- May rely on monitoring report of another entity even if periodic.

*"...to the extent another governmental entity or corporation program provides periodic monitoring and determination, a municipality, county, or local housing financing authority may rely on such monitoring and determination of tenant eligibility."*
- Does not require utility allowances



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



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.

# Income Compliance on Small Rental Properties

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## Technical Bulletin Handout Highlights:

- Monitoring for at least 15 years is required even if property is owned by a sponsor or sub-recipient (non-profit partner)
- In this case, a contract must be executed
- Do not delegate the responsibility of performing inspections to the sponsor/sub-recipient

**SHIP**

**Technical Bulletin**

**2017-02**

**Income Compliance on Small Rental Properties**

# Prepare for Monitoring: Review SHIP Agreement with Owner of Rental

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- Amount of the award
- How many rental units?
- Tenants at what Income Level?
- Affordability period?  
15 Years? 50 Years?
- Other requirements?  
Special Needs, for example?



# Components of a Good Rental Monitoring Plan

## Who?

- 3<sup>rd</sup> party or internal staff

## When?

- Annually unless FHFC monitors  
(Get a copy of their report and review it!)

## What?

- Income Eligibility
- Rent Affordability
- Property condition
- Property performance

# Monitoring Income Eligibility

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- Is the project owner using the correct income limits to determine eligibility of tenants?
- Are tenants income-eligible at the time of initial occupancy?
- Is the project owner recertifying tenant income annually?
- As tenants vacate, are they replaced by tenants of the same income category?

# What if Tenant Income Increases?

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Low Income Definition in SHIP Statute: “While occupying the rental unit, a low-income household’s annual income may increase to an amount not to exceed 140 percent of 80 percent of the area’s median income adjusted for family size.”

Example:

$\$55,000 = 80\% \text{ AMI}$

$\$77,000 = 140\% \text{ of } 80\% \text{ AMI } (55,000 \times 1.4)$

# Monitoring Rent Affordability

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In determining the maximum allowable rents, *30 percent of the applicable income category* divided by 12 months shall be used based on the number of bedrooms...

A **rental limit chart** based on the above calculation adjusted for bedroom size will be provided to the local governments by the Corporation annually.

---SHIP Rule: 67-37.007(11), F.A.C.

# Rent Limit is NOT 30% of Household's Income

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Instead, Chart lists Maximum Rent **Per Income Category**

- Rent Limit for Low Income is calculated according to 80% AMI.
- Low Income Households include those earning 50% - 80% of AMI
- For a rental applicant with income at 55% AMI, the Rent Limit is **More** than 30% of household income



# Monitoring Physical Condition

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- SHIP BEST PRACTICE, but not actually addressed in SHIP monitoring by the State
- HOME property standards apply to the common areas and the building's exterior, not only the HOME units. Any deficiencies seen in these areas must be addressed.
- Use 'HUD Uniform Physical Condition Standards Checklist' (handout)

# HUD Uniform Physical Condition Standards Checklist

✓ - No Observed Deficiency	D - Observed Deficiency	P - Potential Noncompliance	N/A
Unit #			
OCCUPIED/VACANT			
Bathroom #1			
Bathroom #2			
Call for aid			
Ceilings			
Doors			
Electrical			
Floors			
Hot Water Heater			
HVAC System			
Kitchen			
Lighting			
Outlets/Switches			
Patio/Porch/Balcony			
Smoke Detector #1			
Smoke Detector #2			
Stairs			
Walls			
Windows			

# Use the Handout: 'Dictionary of Deficiency Definitions'

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Developed by  
HUD for its  
Section 8 and  
public housing  
portfolios

## **Market Appeal (Site)**

Evaluate only those areas or structures that are under the control of the housing provider.

This inspectable item can have the following deficiencies:

- Graffiti
- Litter

## **Graffiti (Market Appeal – Site)**

Deficiency: You see crude inscriptions or drawings scratched, painted, or sprayed on a building surface, retaining wall, or fence that the public can see from 30 feet away.

**Note:** There is a difference between art forms and graffiti. Do not consider full wall murals and other art forms as graffiti.

## Level of Deficiency:

*Level 1:* You see graffiti in 1 place.

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# HUD Uniform Physical Condition: Standards Checklist

<b>Building # (BIN)</b>
<b>Building Exterior</b>
Doors
Fire Escapes
Foundations
Lighting
Roofs
Walls
Windows
<b>Building System</b>
Domestic Water
Electrical System
Elevators
Emergency Power
Exhaust System
Fire Protection
HVAC
Sanitary System

<b>Common Areas</b>	
Basement/Garage/Carport	
Closet/Utility/Mechanical	
Community Room	
Day Care	
Halls/Corridors/Stairs	
Kitchen	
Laundry Room	
Lobby	
Office	
Other Community Space	
Patio/Porch/Balcony	
Pools & Related Structures	
Restrooms	
Storage	
Trash Collection Areas	

<b>Site</b>	
Fencing & Retaining Walls	
Grounds	
Lighting	
Mail Boxes/Project Signs	
Market Appeal	
Parking Lot / Driveways / Roads	
Play Areas & Equipment	
Refuse Disposal	
Storm Drainage	
Walkways & Steps	
<b>Health &amp; Safety</b>	
Air Quality	
Electrical Hazards	
Elevator	
Emergency/Fire Exits	
Flammable Materials	
Garbage & Debris	
Hazards	
Infestation	

# Common Findings

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- Noncompliant with initial rent limits
- Noncompliance with income limits
- Income certification completed incorrectly
  - ❖ Asset calculation, income calculation & documentation
  - ❖ Not signed, white out, no date stamp/inconstant dates
- Rental units not being monitored annually
- Noncompliance with set asides
- LHAP, Agreement, LURA, mortgage terms conflict

# Questions



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Looking for Trainings?

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# Technical Assistance is Available

Available Daily: **1 (800) 677-4548**

Options for Further Assistance Include:

- ❖ Phone and Email consultation
- ❖ Site Visits

Register at [www.flhousing.org](http://www.flhousing.org) for:

- ❖ Workshops
- ❖ Webinars

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**Please  
Complete the  
Evaluation!**

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