

Working with Nonprofits, Sponsors & Subrecipients

May 8, 2024 at 10:00 am



Sponsored by
Florida Housing
Finance Corporation's
Catalyst Program



Presented by:
Tamara West
west@flhousing.org



Our Thanks to the Florida Housing Catalyst Program



AFFORDABLE HOUSING CATALYST PROGRAM

Sponsored by the
Florida Housing Finance Corporation



we make housing affordable™

THE FLORIDA HOUSING COALITION



Catalyst Training Schedule

A banner for SHIP Catalyst Training. On the left, a photograph shows a group of people in a meeting, with a woman in the foreground smiling. Overlaid on the photo is the SHIP logo, which consists of a green house icon above the text 'SHIP' and 'housing a stronger Florida'. To the right of the photo, the text reads 'Fine Tune Your SHIP Program' and 'REGISTER NOW FOR' in white, followed by 'CATALYST TRAINING' in large, bold, white letters. At the bottom left of the banner, it says 'Register Now for SHIP Catalyst Training!'. Below the banner is a white navigation bar with four small circles, the first of which is filled.

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

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Want to know more?

Visit us at
www.flhousing.org
to find housing
workshops, webinars,
and publications!

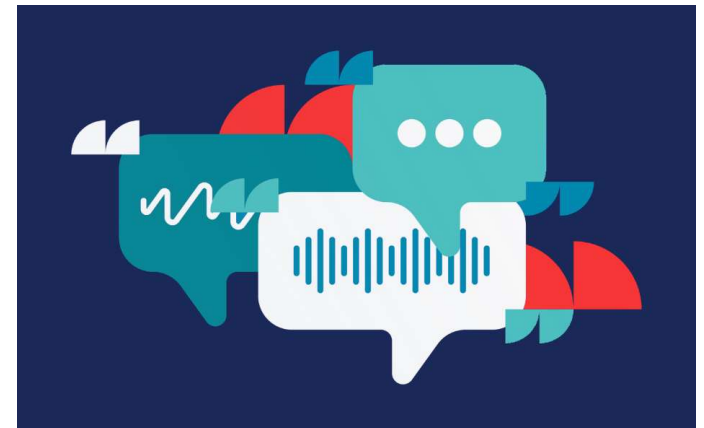


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Webinar Logistics

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



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Overview of Topics

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



Introduction to Presenters



Tamara West,
Technical Advisor
Florida Housing Coalition



Michelle Alford,
Housing Services Director
Citrus County



Justin Leech,
Chief Operations Officer
Habitat for Humanity Citrus County

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SHIP Statute 420.9072 1(a)

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

Goal: Create Local Partnerships



What is a Subrecipient?



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

Subrecipient Example

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

What is a Sponsor?

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

Types of Sponsors

SPONSORS

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

STRATEGIES

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

Contractors are not Sponsors

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

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

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

Selection Criteria

Recipient selection criteria

- Who identifies buyer
- First come, first qualified
 - Ranking Priority



Sponsor/Developer Selection Criteria

- Experience
- Capacity (staff, financial)
- Firm Commitment
- Leverage



Additional information

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Local Government Duties



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

Developer Duties

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



The Importance of Written Agreements



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



Effective Written Agreements

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

Parties to the Agreements

Local government and:

- Applicant
- Contractors
- Sponsors
- Subrecipients
- Developers



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Sponsor Agreements

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

Subrecipient Agreement

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

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

SHIP Agreement with Developer

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

SHIP Agreement continued

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

Maximum (per project and per unit)

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





Local Government

CITRUS COUNTY Division of Housing Services

MAKING A DIFFERENCE IN OUR COMMUNITY



Division *of* HOUSING SERVICES

Mission:

Housing Services Mission is to increase the quantity of quality of decent, safe and affordable housing stock for the County's very low, low, and moderate-income families.



SHIP PROGRAM

State Housing
Initiatives Partnership

NOT-FOR-PROFIT

FIRST TIME HOMEBUYER STRATEGY

- LHAP Strategy – New Construction (Code 10)
- Successful Strategy for 20+ Years
- Annual Funding Set-Asides Available
- Not-For-Profit Developers
of Affordable Housing
- New Home Construction for First-Time
Homebuyers



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FIRST TIME HOMEBUYER STRATEGY

- Provides a subsidy for development costs:
 - ✓ Impact Fees
 - ✓ Building Permits
 - ✓ Utility Fees
 - ✓ Wells, Septic and Site Preparation
- Any funds not used for development costs may be used for cost of construction of unit



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FIRST TIME HOMEBUYER STRATEGY

- NOT-FOR-PROFIT:
 - ✓ Client Referrals
 - ✓ Client Documentation
- SHIP ADMIN STAFF:
 - ✓ Client Intake
 - ✓ Income Certification



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SHIP PROGRAM

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FIRST TIME HOMEBUYER STRATEGY

- Mortgage loans are made directly to the purchaser of the home by the not-for-profit
- Serves as down payment assistance
- Maximum Award: \$20,000 per eligible applicant
- 0% deferred interest loan
- 20-year forgivable
- Secured by a recorded note and mortgage



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FIRST TIME HOMEBUYER STRATEGY

DEVELOPER CRITERIA:

- 501(c)3 agencies that build affordable housing
- Awarded on a competitive basis:
 - ✓ Capacity and history
 - ✓ Ability to obtain financing
 - ✓ Affordability of homes being built
 - ✓ Long term affordability



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FIRST TIME HOMEBUYER STRATEGY

RECIPIENT CRITERIA

- Must successfully complete an 8-hour HUD Certified First Home Homebuyers Class
- SHIP income eligible
- Up to 80% AMI, but will serve 120% AMI once set-asides are met
- Mortgage must meet affordability criteria



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FIRST TIME HOMEBUYER STRATEGY

- Loan May be Assumed
- Repayment = Program Income



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FIRST TIME HOMEBUYER STRATEGY

- Habitat for Humanity of Citrus County
- Habitat at Citrus Springs Community
- Planned 176 Unit Community
- Awarded \$1.7 in last 5 Years = 100 Families
- To Date: Approximately \$3.6 Million = 223 Families



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Nonprofit perspective as a
SUBRECIPIENT

Habitat at Citrus Springs



Habitat for Humanity[®]
of Citrus County

Habitat for Humanity of Citrus County Inc
PO Box 1041, Crystal River, FL 34423

352-563-2744

www.habitatcc.org



George Rusaw
President & CEO



Justin Leech
COO



Trudi Patuzzi
CAO



Christine Erick
Family Services
Director



Wendy Malik
Restore Operations Director



Jeff Bryan
Communications Manager



Harold "Harry" Bailey
Construction Project
Manager



Bob Swain
Restore Manger
Crystal River



Kimber DeMarco
ReStore Manager
Inverness



Lisa Whiting
Construction Office
Manager

Who We Are

Habitat for Humanity of Citrus County is a nonprofit, faith-based housing ministry who has served Citrus County since 1993 and who has assisted over 200 families achieve their dream of becoming homeowners.

How We Do It

"A hand-up, not a hand-out."

We work together with you to build a decent, affordable place to call home.

We provide an affordable mortgage.

We teach you skills to help you be a successful homeowner.

Current Community Project



Habitat at Citrus Springs



Discovery Model



Liberty Model



Union Model



- In spring of 2019, under the direction of our Board of Directors, we purchased unimproved lots in Citrus Springs to begin our second contiguous neighborhood.
- Three years later, in June of 2022, construction commenced on the first five homes.

MISSION STATEMENT

We are recognized as advocates and thought leaders in affordable housing, rehabilitation, and support services throughout our communities.



About our homes...

- Habitat for Humanity is not a custom homebuilder. You may not have everything you want, but you will have everything you need.
- Our typical house is a 3-bedroom, 2-bath house. 4-bedroom plans available based on family size and need.
- Homes will be built on property owned by Habitat.



Liberty Model

Habitat at Citrus Springs



Liberty Left

Liberty Right



1,380 SF including garage

Habitat for Humanity of Citrus County, Inc.

P.O. Box 1041
Crystal River, FL 34423
Office: (352) 563-2744
Fax: (352) 795-3027
Website: www.habitatcc.org



Discovery Model

Habitat at Citrus Springs



Discovery Left

Discovery Right



1,420 SF including garage

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Union Model

Habitat at Citrus Springs



Union Left

Union Right



1,380 SF including garage

Habitat for Humanity of Citrus County, Inc.

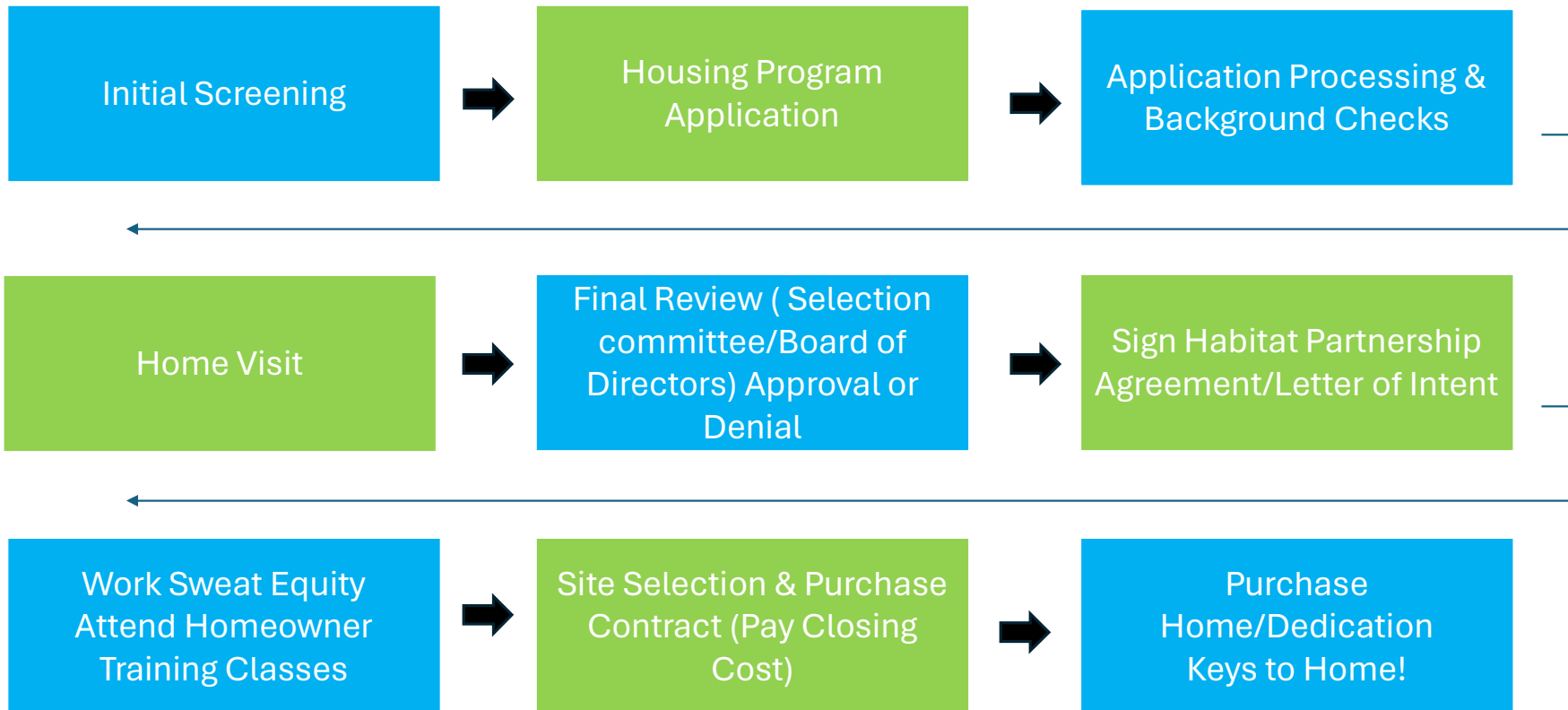
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We build modest,
affordable three-
and four-bedroom
homes

Path to Homeownership:

Applications are accepted at the administrative office by appointment only.



This program is NOT a "quick fix" for housing problems. It takes approximately 12-24 months to complete the process.



Sweat Equity – Feeling Empowered



- Partner families must be willing to complete a minimum of 350 sweat equity (volunteer) hours.
 - Sweat equity hours can be completed on the construction site, at the ReStore locations, at special events or projects, and by attending mandatory homeowner education classes.
 - All applicants must complete 100 construction, 50 ReStore, and education hours, including the first-time homebuyer workshop.
 - Remaining sweat equity may be completed by friends & family, after they have completed the volunteer vetting process.



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What it means to be a homeowner:

RESPONSIBILITIES!

- When things go wrong, you will have to take care of them yourself.
- It can get expensive. You will have to save to replace things when they wear out.
- You will have to take care of your yard (mowing, watering, trimming, raking, etc.)



Citrus County

- AMI- \$66,500 (30% affordable housing payment \$1,663)
- Average Home Sales - \$275,916 (estimated PITI \$2,373)
- Current Appraised Value of a 3-bedroom Habitat home - \$217,000
- DPA available for Low - Very Low income- \$48K – 82K
- Average payment for a 3-bedroom Habitat Home based on Habitat 0% financing - \$600-\$700



Limited Resources Available for DPA For Families Over 80% AMI

Example With the help of Ship we can provide an affordable mortgage

		Habitat Financing - 4 BR \$222,000 (L)					Habitat Financing - 4 BR \$222,000 (VL)		
		30YR	25YR	20YR			30 YR	25 YR	20 YR
Loan Amount		\$174,324.00			Loan Amount		\$139,324.00		
Principal		\$484.23	\$581.08	\$726.35	Principal		\$387.01	\$464.41	\$580.52
Escrow		\$215.00	\$215.00	\$215.00	Escrow		\$215.00	\$215.00	\$215.00
		\$699.23	\$768.08	\$941.35			\$602.01	\$679.41	\$795.52
AHP		\$-			AHP		\$25,000.00		
Ship		\$18,000.00			Ship		\$18,000.00		
HOP		\$25,000.00			HOP		\$35,000.00		
Impact fee		\$4,676.00			Impact fee		\$4,676.00		
Total DPA		\$47,676.00			Total DPA		\$82,676.00		
		Habitat Financing - 3 BR \$217,000 (L)					Habitat Financing - 3 BR \$217,000 (VL)		
		30YR	25YR	20YR			30 YR	25 YR	20 YR
Loan Amount		\$169,324.00			Loan Amount		\$134,324.00		
Principal		\$470.34	\$564.41	\$705.52	Principal		\$373.12	\$447.75	\$559.68
Escrow		\$215.00	\$215.00	\$215.00	Escrow		\$215.00	\$215.00	\$215.00
		\$685.34	\$779.41	\$920.52			\$588.12	\$663.75	\$774.68
AHP		\$-			AHP		\$25,000.00		
Ship		\$18,000.00			Ship		\$18,000.00		
HOP		\$25,000.00			HOP		\$35,000.00		
Impact fee		\$4,676.00			Impact fee		\$4,676.00		
Total DPA		\$47,676.00			Total DPA		\$82,676.00		

Ship funds and its impact for HFHCC

The county is a huge part of our program. The working relationship between Housing Services and Habitat has made the process of assisting our families with down payment and their dreams of homeownership reality.



Ships impact on Citrus

Springs

By end of FY2023-2024

\$18,000 per family

X 21 Families

\$378,000

Project to date

\$18,000 per family

X35 families

\$630,000

Families of Habitat of Citrus Springs as of May 8th, 2024



Habitat for Humanity of Citrus County Inc
PO Box 1041, Crystal River, FL 34423

352-563-2744

www.habitatcc.org

On behalf of Habitat for Humanity of Citrus County
and all our Homeowners

Thank
you





Selection

Advertising for Sponsors

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

Sponsor Selection

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

Sponsor Selection continued

Request for Proposal

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

Scope of Services

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

Sample Sponsor Selection Criteria

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

More Criteria

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

Advertising for Subrecipients

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



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Criteria for Sponsor/Subrecipients

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

Questions for Panelists

1

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

2

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



Monitoring

Why Monitor?



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

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Recommended Practice:



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



Looking for Trainings?

Visit Our Calendar of Trainings

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 for:

- ❖ Workshops
- ❖ Webinars

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Please Complete the Evaluation!



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Technical Advisor
west@flhousing.org

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