

SHIP Rent Limits Policy

Using SHIP for Rental Housing
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THE FLORIDA HOUSING COALITION



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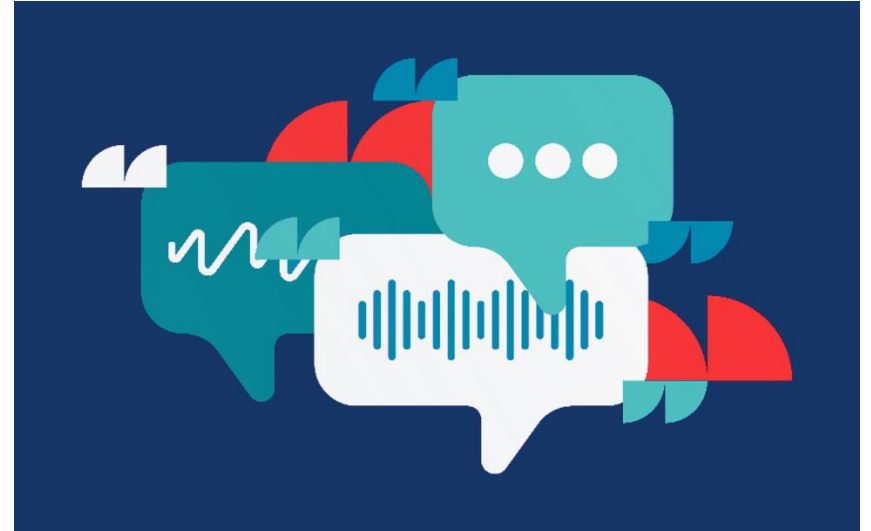


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- Participants are muted
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- Forgot to ask a question or want to ask privately?

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! Thanks!



Overview of Topics

- Ways SHIP Assists Rental Housing
- Rules for Using SHIP for Rental
- Rent Limits Policy
- SHIP for Ongoing Rental Assistance
- SHIP Rental Development
- Monitoring SHIP Rental Housing





GUIDE TO | Using SHIP
for Rental Housing

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Affordable Housing Contacts



Florida Housing Coalition
www.flhousing.org

- State-wide nonprofit membership organization
- Provides training, technical assistance on affordable housing
- Advocates for SHIP funding



Florida Housing Finance Corporation
www.floridahousing.org

- Administers SHIP, State HOME, Low Income Housing Tax Credits, Multifamily Revenue Bonds, Single Family Bond, Predevelopment Loan Program, Foreclosure Prevention, Special Initiatives



Ways that SHIP Assists Rental Housing

Rental Development:

- New Construction or Repair

Rental Assistance:

- Eviction Prevention
- Rent Subsidies
- Rent Deposit
- Disaster

Rental Assistance in SHIP Statute Section 420.9072 (7)(b)

(b) A county or an eligible municipality may not expend its portion of the local housing distribution to provide ongoing subsidies, except for:

1. Security and utility deposit assistance.
2. Eviction prevention not to exceed 6 months' rent.
3. A rent subsidy program for very-low-income households with at least one adult who is experiencing homelessness

Rent Deposit

Sample Strategy Attached:

- First and Last Month's Rent
- Security Deposit for Damages
- Utility Deposit
- Local policy: require a physical inspection of rental unit



Eviction Prevention



Sample Strategy Attached:

- Similar to Foreclosure Prevention for Homeowners
- Up to 6 months of past due rent & late fees

Eligible applicants must document:

- Recovery from temporary hardship (best practice)
- Ability to pay rent in the future (best practice)
- Not at fault for hardship (loss of employment, divorce, death, medical expenses)

Disaster-Related Temporary Rent Assistance



- Inspect damaged property to confirm applicant is disaster affected
- Pay rent for a month-to-month rental, or
- Shelter in a hotel, \$100 or more daily with no discounts.
- Find pet friendly hotels

Example of Temporary Rent Assistance: Hurricanes Ian, Nicole, and Idalia

- In some communities, SHIP paid for nights in a hotel
- Households documented that they were displaced, sometimes providing their FEMA application number.



Amount of SHIP Available for Rental Development

100 % Allocation

- 65% Homeownership Set aside
 - 10% Admin
-

25% of Allocation Available for
Rental New Construction or Rehabilitation
+ PLUS all Program Income



Less is Available for Rental Assistance

100 % Allocation

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

15% of Allocation Available for Rental Assistance
+ PLUS all Program Income



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Limitations caused by SHIP Income Set-Aside

- 30% of all SHIP funds for Very Low (50% AMI)
- 60% Very Low and Low (up to 80% AMI) - *includes 30% VLI above*
- Spend the Remainder for households up to 140% AMI

SHIP Rent Limits

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 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

County (Metro)	Percentage Category	Income Limit by Number of Persons in Household									
		1	2	3	4	5	6	7	8	9	10
Alachua County (Gainesville HMFA) Median: 96,700	30%	20,050	22,900	25,820	31,200	36,580	41,960	47,340	52,720	Refer to HUD	
	50%	33,350	38,150	42,900	47,650	51,500	55,300	59,100	62,900	66,710	70,522
	80%	53,400	61,000	68,650	76,250	82,350	88,450	94,550	100,650	106,736	112,835
	120%	80,040	91,560	102,960	114,360	123,600	132,720	141,840	150,960	160,104	169,253
	140%	93,380	106,820	120,120	133,420	144,200	154,840	165,480	176,120	186,788	197,462

Rent Limit by Number of Bedrooms in Unit					
0	1	2	3	4	5
501	536	645	847	1,049	1,250
833	893	1,072	1,239	1,382	1,525
1,335	1,430	1,716	1,982	2,211	2,440
2,001	2,145	2,574	2,974	3,318	3,660
2,334	2,502	3,003	3,470	3,871	4,270

Rent Limits Chart lists Maximum Rent by Number of Bedrooms and by Income Category

Rent Limits Details

- Included on Income Limits Chart on FHFC's website:
<https://www.floridahousing.org/owners-and-managers/compliance/income-limits>
- Rent Limits increase/decrease alongside the Income Limits
- Rent Limit is **Not** 30% of a specific household's income
 - Instead, chart lists Maximum Rent **Per Income Category**

Income Limits

2024 Income Limits	2023 Income Lim
2018 Income Limits	2017 Income Lim
2012 Income Limits	2011 Income Lim
2006 Income Limits	2005 Income Lim
2000 Income Limits	1999 Income Lim
1994 Income Limits	1993 Income Lim

 [Florida Housing Rental Programs - 2024 In](#)

 [CDBG-DR Program - Florida Housing 2024](#)

 [HOME Program - 2024 Income Limits \(Eff.](#)

 [NHTF Program - Florida Housing 2024 Inc](#)

 [SHIP and HHRP - 2024 Combined Income.](#)

Example: Rent Limit is NOT 30% of Household's Income

- 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

Rent Limit by Number of Bedrooms in Unit					
0	1	2	3	4	5
501	536	645	847	1,049	1,250
833	893	1,072	1,239	1,382	1,525
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2,001	2,145	2,574	2,974	3,318	3,660
2,334	2,502	3,003	3,470	3,871	4,270



Rent Limits do not apply to all ways SHIP is used for Rental

See Handout:
SHIP Clips

YES

Rental Development: new
construction or repair

YES

Eviction Prevention

NOT FOR

Disaster Assistance

NOT FOR

Rent Deposit

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Considerations for Rent Deposit Assistance

- SHIP Rent Limits do not apply for Rent Deposit Assistance, but affordability remains important
- Set a local rent affordability limit

Possible Alternative:

- Fair Market rents

<https://www.huduser.gov/portal/datasets/fmr.html>

- 40% (instead of 30%) of Income Categories

In some areas, Rent Limits Policy limits SHIP Rent Assistance



In areas with few rental units at the affordable rates on the Rent Limits Chart:

- Eviction Prevention is limited
- Rental Rehabilitation is limited

Detail about Rental Development

For Tax Credit Properties, higher rents may apply

“If both an award under the local housing assistance plan and federal low-income housing tax credits are used to assist a project and there is a conflict between the criteria prescribed in this subsection and the requirements of s. 42 of the Internal Revenue Code of 1986, as amended, the county or eligible municipality may **resolve the conflict by giving precedence to the requirements of s. 42 of the Internal Revenue Code** of 1986, as amended, in lieu of following the criteria prescribed in this subsection with the exception of paragraphs (a) and (g) of this subsection.”

Section 420.9075 (5)(n)3 of SHIP Statute

Questions and Answers



SHIP for Ongoing Rental Assistance aka **Rent Subsidies**

Distinguishing between
SHIP Rent Subsidies and
SHIP Eviction Prevention

Rent Subsidies

- This is help to MOVE INTO a rental: for applicants experiencing homelessness
- May pay rent ongoing for up to 12 months

Eviction Prevention

- This is help to STAY in a rental: Assistance for those currently renting
- One time payment, not ongoing assistance



SHIP Statute on Rent Subsidies

- Allows up to 12 months of rent subsidies
- Subsidies for very-low-income households only
- VLI households are eligible if
 - At least one adult who is a person with special needs as defined in s. 420.0004 or
 - A person who is **homeless** as defined in s. 420.621 when the person initially qualified for a rent subsidy.
- Today's focus is on assisting Homeless applicants with **Rapid Rehousing**

Rent Subsidies

What may be paid for as part of Rent Subsidy Assistance (SHIP Code 26)?

- Rent and Utility Deposits
- Monthly Rental Assistance
- Renters receive Housing Stability Counseling



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2,131	2,283	2,740	3,164	3,531	3,895

Do Rent Limits apply to Rent Subsidy Assistance?

Yes!

Use 120% AMI Row
regardless
of recipient's
VLI income level





FS 420.004: Special Needs Definition

“Person with special needs” means

- An adult person requiring independent living services in order to maintain housing or develop independent living skills and who has a disabling condition;
- A young adult formerly in foster care who is eligible for services under 409.1451(5);
- A survivor of domestic violence as defined in s. 741.28; or
- A person receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans’ disability benefits.



FS 420.621: Homeless Definition

“Homeless” means:

- (a) An individual or family who **lacks a fixed, regular, and adequate nighttime residence** as defined under “homeless” in 24 C.F.R. s. 578.3; or
- (b) An individual or family who will **imminently lose their primary nighttime residence** as defined under “homeless” in 24 C.F.R. s. 578.3.

Florida Housing Coalition has an **Ending Homelessness Team** working on **Solutions**

Consulting Expertise includes:

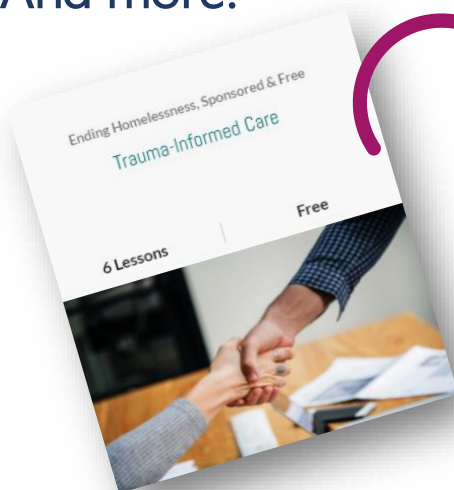
- Continuum of Care Board and Staff Training
- Strategic and Action Planning
- Housing and Homeless Service Provider Training
- 1:1 Consulting for Community Specific Needs
- Racial Equity in Homelessness Services
- Homelessness Data Analysis
- Program Policy and Procedure Development and Review
- And more!



ENDING
HOMELESSNESS IN
FLORIDA IS WITHIN
REACH



For more info contact Amanda Wander,
Ending Homelessness Team Director at
wander@flhousing.org



Check out our Trauma-Informed
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[See our courses on ELEVATE](#)

Rapid Rehousing Basics



- An approach that helps people who are homeless move into permanent housing as quickly as possible
- Permanent Housing - a rental unit where client signs a standard lease
- Low barriers to entry (e.g., no minimum income requirements)

1st Effort: Identify subsidized rental to support long term affordability

Using floridahousingsearch.org

- Call Center (800) 428-8844
- Inventory of rentals with vacancies
- Available online, via toll-free call center, phone, fax, mail and email
- Includes subsidized and private market-rate rentals affordable for households earning up to 120% AMI
- Barriers to obtaining this housing



The screenshot shows the Florida Housing Search.org website. The header features the site's logo, a navigation menu with links for Home, About Us, Find Housing, Tenant Tools & Links, and Resources, and a language selection dropdown. Below the header is a large image of a modern apartment building. To the right of the image is a sidebar with navigation options for tenants, property providers, and frequently asked questions.

Florida Housing Search.org
A Free Place to List & Find Affordable Housing in Florida

Home About Us Find Housing Tenant Tools & Links Resources

Login | English | Español | Select Language

FOR TENANTS

- Find Housing
- Find Assisted Living Facilities
- Find Adult Family Care Homes
- What can you afford to rent?
- Frequently Asked Questions
- How to Use This Site

PARA INQUILINOS

- Busque Propiedades de Alquiler

FOR PROPERTY PROVIDERS

- Register to List Rental Properties
- Log In to Your Existing Account
- Frequently Asked Questions
- How to Use This Site



Do Short-Term Rent Subsidies Really Work?

- YES! Lots of research documents success.
 - Will there be “failures”? Of course, but typically fewer than 15%.
- Reduces homelessness community-wide
- Reduces time people are homeless
- Reduces returns to homelessness
- Minimizes trauma due to being homeless

Questions and Answers



Rental Development: Subsidy Produces Affordable Rents

\$25.5 Million construction cost to build rental housing

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

Option 2: SHIP and other subsidy pays for most. Borrow the rest. The Benefit of this approach:
Pay back debt while collecting lower rents



Subsidy Makes Rentals Affordable: 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 30% AMI - ELI

224 Project-Based Vouchers

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Add a Rental Strategy to your LHAP



- Amount of award
- Form of award
 - Loan
 - ❖ Payback with or without interest
 - ❖ Deferred, 0% interest then forgiven
 - Grant: Rental Development is not provided as a Grant
- Lien position

Rental Strategy: Details in Rental Agreement

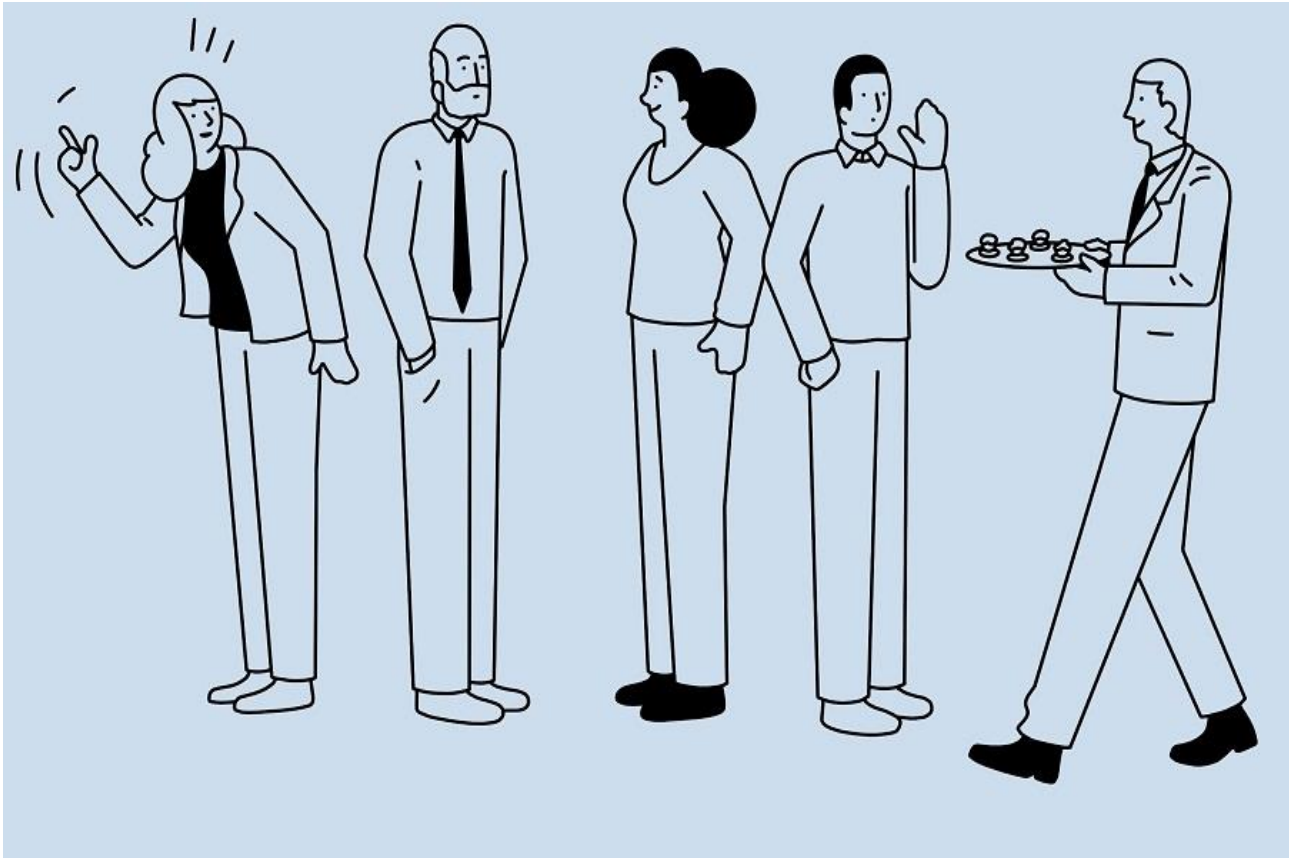
- Affordability Period – 15 years minimum
Best Practice –Extend to 50 Years
- Income categories served
- Special needs?
- Sponsor selection criteria

Sample Sponsor Selection Criteria



- Developer Capacity
 - Experience
 - Financial review
 - Reputation
 - Current Pipeline
- Commitment/award of other funding sources
- Property management experience
- Realistic timeline- ability to proceed

SHIP Rule: “First Right of Refusal”

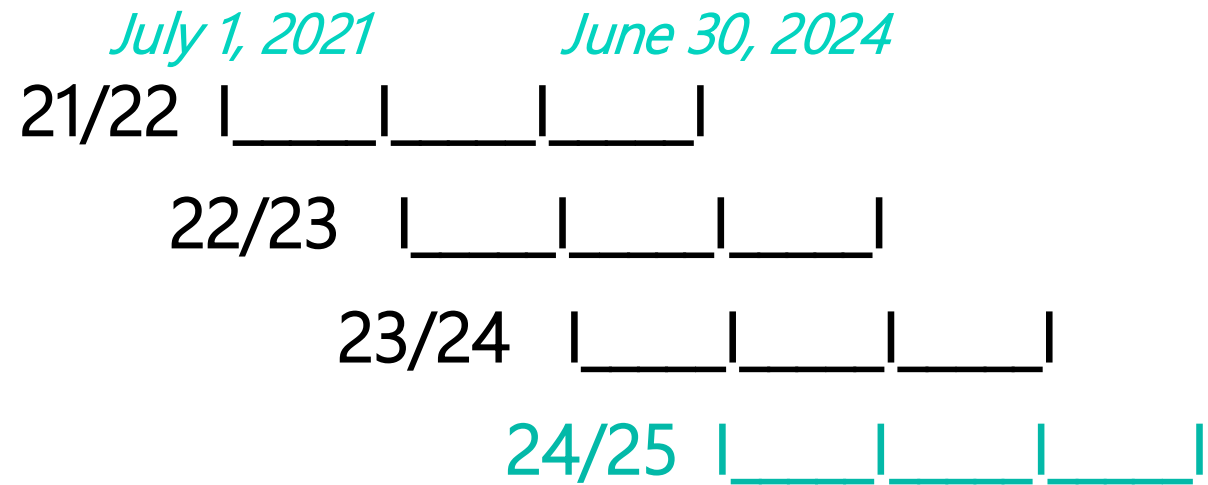


Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

Rental Development SHIP Timeline

- By expenditure deadline, rent units are completed and occupied

- One or more allocations may pay for a rental development



Monitoring SHIP-Funded Rental Housing Development

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.



Monitoring Income Eligibility

- Is the project owner using the correct income limits to determine eligibility of tenants?
- Is the project owner recertifying tenant income annually?



Monitoring Rent Affordability



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.

Common Findings



- Noncompliant with 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 (example 'Not Enough VLI')
- LHAP, Agreement, LURA, mortgage terms conflict

Questions and Evaluation





Looking for Trainings?

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Technical Assistance is Available

Call us at: **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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