

**State Housing Initiatives Partnership  
(SHIP) Program**

**Program Overview**

**and**

**Procedures Manual**



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## Section One SHIP Overview

### 1-A State Housing Initiatives Partnership (SHIP) Program Overview

The State Housing Initiatives Partnership program (SHIP) provides funds to eligible local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low, low and moderate income families.

SHIP funds are distributed on an entitlement basis to all 67 counties and 52 Community Development Block Grant (CDBG) entitlement cities in Florida based on population. SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, short-term acquisition of property for affordable housing, matching dollars for federal housing grants and programs, homeownership counseling, and other activities as required by legislative action.

### 1-B SHIP Program Governance and Requirements

1. **Legislative Authority:** [Chapter 420, Part VII, Florida Statutes](#)  
[Rule Chapter 67-37, Florida Administrative Code](#)

2. **Funding:**

Funds are allocated on a population-based formula. The minimum allocation is:

- \$350,000 per county.
- SHIP funds are distributed by FHFC on an entitlement basis to all 67 counties and 52 CDBG entitlement cities.
- When available, funds are disbursed at least quarterly to eligible communities as documentary stamp revenues are deposited into the Local Government Housing Trust Fund.

Total actual disbursements are dependent upon documentary stamp collections.

3. **Targeted Population:** Households with area median incomes (AMI) that are categorized as very-low (at or below 50% AMI), low (at or below 80% AMI), moderate (at or below 120% AMI) and incomes up to 140% AMI.

4. **Statutory Requirements:** For initial participation in the SHIP Program, a Local Government must:
  - a. Establish a Local Housing Assistance Plan (LHAP) by ordinance. The template for this document can be found as Appendix D.

- b. Submit the LHAP to Florida Housing Finance Corporation (FHFC) and receive approval of the LHAP.
- c. Within 12 months, an amendment to the LHAP must be adopted to incorporate Local Housing Incentive Strategies. The Local Housing Incentive Strategies must be recommended by the Affordable Housing Advisory Committee.
- d. Within 24 months of adopting the Local Housing Incentive Strategies, amend the land development regulations or establish local policies and procedures, as needed, to implement the incentive strategies.
- e. Encourage the involvement of appropriate public and private sector partners to form a partnership in order to combine resources to reduce housing costs.

#### 5. Targeting Requirements of Funds:

- a. A minimum of 65% of the allocation, plus recaptured funds, must be spent on eligible homeownership activities.
- b. A minimum of 75% of the allocation, plus recaptured funds, must be spent on eligible construction/rehab activities.
- c. At least 30% of funds from all SHIP sources must be reserved for very-low-income households (up to 50% of median income).
- d. An additional 30% of funds from all SHIP sources may be reserved for low-income households (up to 80% of median income).
- e. The remaining funds may be reserved for households up to 140% of median income.
- f. No more than 5% of SHIP funds may be used for administrative expenses. If a local government makes a finding of need by resolution, a local government may use up to 10% for administrative expenses. Additionally, a portion of program income may be used for administrative expenses. **5% of program income** for Cities with a large allocation, and for Counties that are not a small county as defined in s. 120.52(19) "Small county" means any county that has an un-incarcerated population of 75,000 or less according to the most recent decennial census. **10% of program income** for small counties and eligible municipalities that receive a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs, according to section 67-37.007 (5)(f) of the SHIP Rule.
- g. For additional requirements for specific fiscal years, please see the chart located at Appendix A.

#### 6. Eligible Housing:

SHIP Funds assist only housing meeting the standards of Chapter 553, *Florida Statutes*. SHIP funds may also be used to assist mobile homes or manufactured housing constructed after June of 1994 and are limited to expending 20% of the overall allocation on this activity.

**7. Maximum Purchase Price or Value:**

Must not exceed 90% of the Average Area Purchase Price established by the U.S. Department of Treasury or determined by the most recent 12-month period for which sufficient statistical information is available. Current limits can be found at: <http://www.floridahousing.org/programs/special-programs/ship---state-housing-initiatives-partnership-program/purchase-price-limits>

**8. Loan Terms:**

Local governments provide assistance in the form of grants (for certain approved strategies), deferred payment loans, or direct (hard pay) loans. The terms are established by each local government. Local governments must provide for recapture of funds in the event that the household receiving assistance ceases to meet the requirements of the loan or grant. For rental units, the owner must agree to set aside the units for affordable housing for a minimum of 15 years.

**9. Housing Strategies:** The Statute requires the program provide the maximum flexibility to local governments to determine the use of SHIP program funds. Some of the strategies developed by local governments include:

Down Payment Assistance	Purchase Assistance
Housing Rehabilitation/Emergency Repair	Foreclosure Prevention
New Construction	Disaster Mitigation/Recovery

**10. Financial Allocation/Disbursements:** A list of yearly allocations to each SHIP local government can be found at:

<http://www.floridahousing.org/programs/special-programs/ship---state-housing-initiatives-partnership-program/ship-collections-and-disbursements>

**11. Corporate Staff Contacts:**

Policy Director-Bill Aldinger:  
[bill.aldinger@floridahousing.org](mailto:bill.aldinger@floridahousing.org)  
Assistant Director – Robert Dearduff:  
[robert.dearduff@floridahousing.org](mailto:robert.dearduff@floridahousing.org)  
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**12. Web Based SHIP Information**

Information may be found under the “Programs/Special Programs/SHIP” section on the internet at:

<http://www.floridahousing.org/programs/special-programs/ship---state-housing-initiatives-partnership-program>

The SHIP portion of the website includes posting of all current local government LHAP's, purchase price limits, income qualification limits, allocation amounts and other pertinent program information.

Additionally, local governments receiving SHIP funds are now required to submit their Annual Reports (AR) through a web based portal designed and hosted by FHFC. This new system allows for real time review of reports and up to the minute reporting capabilities. The system can be accessed at:

<http://www.floridahousing.org/programs/special-programs/ship---state-housing-initiatives-partnership-program/ship-annual-report>

### **1-C Mission Statements**

Florida Housing Finance Corporation Mission Statement:

*The mission of the Florida Housing Finance Corporation (Florida Housing) is to help our fellow Floridians obtain safe, decent housing that might otherwise be unavailable to them.*

SHIP Program Mission Statement:

*To create a strong partnership with local governments to promote the creation and preservation of affordable housing by assisting in the development and refinement of creative local housing assistance and incentive plans.*

### **1-D Core Philosophy**

FHFC's guiding philosophy is to target and facilitate the production of safe, affordable housing for all Floridians by aggressively fostering public-private partnerships and maximizing our efforts through efficient leveraging of limited resources.

Central to these efforts, FHFC will continue to provide incentives and assistance through its array of programs which are designed to meet the critical housing needs of Florida's low to moderate income residents.

### **1-E FHFC History**

Seventeen years after the [Florida Housing Finance] Agency's founding, another page in its history was written with the passage of a landmark bill that reconstitutes the Agency as the Florida Housing Finance Corporation, beginning January 1, 1998.

The decision to pursue the corporation structure was the next logical step toward assuring that Florida's acute shortage of affordable housing is addressed through programs that create safe, decent, affordable housing for all Floridians, as well as to provide opportunities for work, and job creation for Florida's citizens.

The adopted legislation which was signed into law by Governor Chiles on May 29, 1997, further streamlines internal processes to ensure that affordable housing properties financed through the Corporation in the future are built faster and more cost effectively.

On July 1, 2011, FHFC was transferred to the newly created Department of Economic Opportunity directly under the Executive Office of the Governor.

FHFC provides affordable housing efficiently by:

1. Eliminating duplication in the release of funds process;
2. Being the issuer of its own bonds;
3. Establishing an outcome based performance measurement system for release of funds;
4. Creating real savings to the state in the elimination of duplicated state services; and
5. Expanding the scope of technical assistance programs.

The resulting flexibility advances FHFC's effort to work collaboratively with local governments and the private sector to build and preserve affordable housing for Floridians. Having earned the distinction as one of Florida's largest real estate lenders, FHFC serves as the state's leading provider of affordable housing and sole issuer of federal tax credits. Key to the growth and performance of FHFC is the guidance it receives from a nine-member Board of Directors, which establishes the Corporation's operating policies. Appointed by the Governor and confirmed by the Senate, members serve four-year terms. The Secretary of the Department of Economic Opportunity serves as an ex-officio, voting member. The allocations of the Corporation's revenue from both state and federal sources are directed by the Board and are based upon a determination of need, program goals and the availability of those resources.

#### **1-F Description of Operations**

To maximize its service to the citizens of Florida, FHFC must successfully interact with and operate in the private sector arena. Therefore, to the greatest degree possible, the *Corporation's operating philosophy and procedures should approximate those of successful lending entities.*

#### **1-G Governance**

FHFC operates under the governance of Chapter 420, Part V, F.S.

The SHIP program operates under the governance of Chapter 420, Part VII, F.S. and Rule Chapter 67-37 of the Florida Administrative Code.

Pertinent information from the statutes and the rule are detailed in section two of this manual.

## **Section Two SHIP Governance**

**2-A Chapter 420, Part VII, F.S. is included in its entirety as [Appendix B](#)**

**2-B Rule Chapter 67-37, F.A.C. is included in its entirety as [Appendix C](#)**

## **Section Three SHIP Staff**

### **3-A Policy Director**

The Policy Director oversees the administration of the SHIP program.

Responsibilities of the position include:

1. Review recommendations of the SHIP Administrator.
2. Present recommendations to the FHFC Board of Directors.
3. Resolve issues presented by the SHIP Administrator.
4. Present relevant information to the Executive Director and Board of Directors.

### **3-B SHIP Administrator**

The SHIP Administrator oversees the day-to-day operation of the SHIP program and acts as Liaison to Local Government SHIP Administrators.

Responsibilities of the position include:

1. Work as liaison between FHFC and Local Government SHIP Administrators.
2. Oversee LHAP process.
3. After the Review Committee has reviewed the LHAP, prepare and deliver review committee comments with recommended revisions to each local government.
4. Distribute pertinent information regarding SHIP program allocations to Local Governments.
5. Oversee contract for Catalyst Program (section four) and coordinate the activities under the program with contracted provider.
6. Presentation of program at various conferences, trainings and meetings.
7. Oversee annual report process.
8. Maintain updated information on SHIP web page.
9. Management of program staff.
10. Management of program budgets.

### **3-C SHIP Program Manager**

The SHIP Program manager manages the daily business of the SHIP program.



Responsibilities of the Manager include:

1. Establish and maintain exception reporting logs to include Local Government LHAP's, Purchase Price Limits, Expenditure Extension Request, Consolidated Annual Financial Reports, and Florida Single Audit Act.
2. Provide technical assistance (client/customer service) to local government SHIP administrators.
3. Plan, direct and coordinate the review of annual reports.
4. Establish and maintain performance reporting to include Financial Sources and Uses Report, Leveraging Report, and Characteristics Report.
5. Coordinate and act as liaison to FHFC Staff and the Florida Housing Coalition.

### **3-D Finance Department**

The Finance department processes all financial transactions for the program. For SHIP, this primarily takes the form of disbursing funds to local governments as those funds are made available to FHFC from the state.

### **3-E Compliance/Finance Departments**

1. The Compliance and Finance Departments monitor the activities of local governments to determine compliance with program requirements. This is accomplished through desk and on-site reviews, examining the records, documents and processes established and maintained by local governments in the SHIP program.

### **3-F Legal**

Legal Counsel concerning the operation of the SHIP program is performed through FHFC's General Counsel's office. This may include:

1. Review and consultation on rule development and changes.
2. Interpretations of statute and rule.
3. Review of local government client file documents such as loan agreements, mortgages in cases of disputes.
4. Other documents or facts related to disputes between homeowners and local governments.

### **3-G Inspector General**

The Inspector General's office provides guidance and investigatory services in cases where there is a dispute between a SHIP client and a local government that involves an accusation/suspicion of fraud or malfeasance.

### **3-H Executive Director**

The Executive Director has authority over all FHFC programs including SHIP.

## **Section Four Affordable Housing Catalyst Program**

### **4-A Technical Assistance and Training Available**

Technical assistance (TA) and training is provided to local housing partnerships in the areas of SHIP, State HOME, and other affordable housing programs through the Affordable Housing Catalyst Program. The Florida Housing Coalition is currently contracted to provide guidance on SHIP program design and assistance with housing regulation compliance.

1. Telephone and email technical assistance: available Monday through Friday at 1(800) 677-4548 and [info@flhousing.org](mailto:info@flhousing.org). The Coalition can answer immediate questions or offer longer-term guidance to assist throughout the stages of a project or program management.
2. Webinars and Workshops: the Coalition delivers an array of topics to help with administering SHIP, State HOME, and other affordable housing programs. These sessions typically last around 90 minutes and cover a specific topic such as Income Compliance. Email [info@flhousing.org](mailto:info@flhousing.org) to be added to the list for announcements of upcoming trainings.
3. On-site technical assistance is available to assist staff and their local housing partners with a number of topics, including but not limited to:
  - a. Affordable Housing Program Design and Implementation
  - b. Income Compliance and Eligibility Determination
  - c. Compliance with Regulations and Administration
  - d. Preparation of Policies and Procedures Manuals
  - e. Implementation of systems to maintain records, tracking, reporting, and monitoring of programs
  - f. Forming public/private partnerships
  - g. Meeting Low-Income Set-Asides for Extremely Low Income and Special Needs Housing
  - h. Working effectively with lending institutions

### **4-B Steps for receiving On-site Technical Assistance**

1. Local Government (LG) staff calls the TA provider or FHFC and explains the assistance needed.
2. The assigned Technical Assistance Team member will interview the LG staff on the phone to complete the intake process, and a recommendation will be submitted to Florida Housing.
3. Once approved, during the TA visit, the LG staff will receive one-on-one individualized assistance, tailored to meet specific needs of the LG. After the site visit, the Technical Assistance provider will follow up by telephone to resolve any outstanding issues or to perform additional research as needed.
4. After the on-site visit, the LG staff may be asked to evaluate the technical assistance the LG received in reference to the on-site request. The Department and

the Coalition staff will use the information provided to evaluate how services can be improved.

## **Section Five Local Housing Assistance Plans**

### **5-A LHAP Description**

The LHAP for each local government describes the methods (housing strategies) by which they will expend the SHIP funds allocated to the jurisdiction. Generally, the LHAP is submitted once every three years and covers three fiscal years funding. The LHAP can be amended at any time.

### **5-B Local Housing Assistance Plans Process**

1. Local Government adopts Local Housing Assistance Plan by Resolution.
2. Local Housing Assistance Plan is submitted electronically to FHFC staff which reviews and prepares the LHAP for the SHIP Review Committee.
3. Plan is logged into the “Plans Log” when received.
4. Plan is uploaded to the Review Committee folder on the Intranet for review by committee members.
5. Plan is reviewed and: approved, approved with comments, tabled or not approved.
6. Local government is notified of decision and related comments regarding the Plan if required, or notified of approval via e-mail.
7. Local government resubmits Plan with revisions to SHIP program staff within required time frame.
8. Plan is again reviewed with revisions and approved if all requirements are met. If the plan is not approved, the process continues as described above.

Approvals are sent to local governments electronically. The above procedures also apply to plan amendments. Technical revisions to a Plan are reviewed by the SHIP administrator and approved electronically. Changes to the LHAP are considered a plan amendment when a strategy is added or deleted and require approval of the SHIP review committee. All other changes can be made as technical or clarifying revisions and can be approved by the LG governing board and submitted to the SHIP Administrator for the purpose of notification.

### **5-C Review Committee**

The SHIP Review Committee is made up of five FHFC staff members appointed by the Executive Director. The committee members bring a wide array of experience and perspective in the affordable housing arena including: federal programs, homeownership programs, multifamily programs, compliance and quality assurance.

### **5-D LHAP Template**

The LHAP template (Appendix D) and all exhibits are the required format for submission of the Plan. The documents can be located at:

[http://www.floridahousing.org/programs/special-programs/local-housing-assistance-plan-\(lhap\)](http://www.floridahousing.org/programs/special-programs/local-housing-assistance-plan-(lhap))

This page also contains instructions on completing and submitting the LHAP.

## **Section Six Program Administration**

### **6-A Advertising**

SHIP requires that funds be advertised before taking applications for assistance (SHIP Rule 67-37.005 (6) (a) & (b), F.A.C). Funds must be advertised through a notice of funding availability at least 30 days prior to taking applications. The exception to this requirement is if funds are not available due to a waiting list that is adequate to expend all anticipated funds. Advertising the availability of funds from multiple SHIP allocation years can be especially helpful. The SHIP program requires advertising in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods. At a minimum, the advertisement shall contain:

1. The amount of funds projected to be received from the state for the fiscal year(s).
2. The beginning and ending date of the application period.
3. The name of the contact person and other pertinent information where applicants may apply for assistance (phone #, address, email, and hours of operation).
4. Additional information may also be included in the advertisement, but these items are not mandated by the SHIP program requirements. These might include an estimated amount of funds available per strategy, the maximum per unit award amounts, income set-asides for each strategy and local income limits, the maximum unit value, and a description of the selection criteria.
5. When advertising for sponsors to assist with the implementation of local programs, many communities prefer an advertisement that is separate from the advertisement announcing housing services and strategies that the city or county government staff members implement in-house. Advertisements should include the selection criteria used to evaluate proposals from potential sponsors, and should include the total amount of funds available for the activity that requires a sponsors.
6. When awarding funds for assistance to individuals, sponsors, sub recipients or providers of housing-related services, it is important for the local government to establish a fair and equitable process for selection. For awards to individual applicants, criteria are established by the program requirements, income set-asides and local preference, such as targeting to special needs populations or elderly. Eligibility for individuals is based upon annual household income and also sometimes by a first-qualified/first-served system. Some communities prefer to use a ranking and scoring system or a lottery system for selecting individual applicants.

### **6-B Sponsors and Sub Recipients**

1. The process of awarding funds requires housing administrators to understand the difference between a SHIP Sponsor and a Sub recipient:

- a. A Sponsor receives a SHIP award to be spent on a specific housing service or construction activity. For example, a nonprofit developer may apply for funding from a Rental Development strategy in the SHIP local housing assistance plan. If awarded funds, this Sponsor will build SHIP-funded rental units.
  - b. A Sub-recipient administers some portion or all of the local SHIP program and is paid a SHIP service delivery fee for this activity. For example, a nonprofit organization may fully implement a SHIP purchase assistance strategy. The Sub recipient's staff may locate buyers, determine their SHIP eligibility and work with them through the day of purchase.
2. When awarding funds to sponsors or sub-recipients:
    - a. A selection process is established to solicit participation in the local program. Section 420.9075 (4)(a), Florida Statutes and SHIP Rule 67-37.005 (6)(d).
    - b. A Request for Proposals (RFP) details the threshold criteria (minimum requirements for selection) and other desired qualifications.
    - c. Local governments create their own unique requirements, which are based on the project activities and other local preferences. These may include project feasibility, ability to proceed, project timetable, leveraging of funds, and past performance on similar projects.
    - d. Funds are usually awarded using a ranking and scoring system.
    - e. The criteria in the RFP serve as the basis for the scope of work to be included in the contract between the local government and the selected sponsor-developer.
  3. Advertising for other services, such as for individual contractors to repair a specific unit in the local rehabilitation program, providers of credit and home ownership counseling services, or any other professional services needed in conjunction with administering the local program, should follow all local procurement procedures.
  4. If any portion of the SHIP program will be administered by a sub recipient you must:
    - a. Provide FHFC with the name of the person or organization, the type of business, a description of the strategies, policies, procedures and responsibilities of each sub recipient or consultant managing any portion of the SHIP program.
    - b. The agreement with the sub recipient shall also contain the standard audit language from the single audit act.
    - c. The City or County receiving SHIP funds is responsible for the actions of the sub recipient and should therefore monitor the sub recipient on a regular basis to ensure that they are complying with all of the SHIP program requirements.

#### **6-C Affordable Housing Advisory Committee (AHAC)**

All communities shall name at least 8 members but not more than 11 member affordable housing advisory committee established as outlined in 420.9076 (2), F.S. The committee must consist of one representative from at least six of the eleven representative categories lists in the SHIP statute. The AHAC has the responsibility to review established policies, procedures, ordinances, land development regulations, and the local government comprehensive plan and make recommendations on initiatives that will encourage affordable housing. Every three years after the initial report, a new

report must be submitted to the local government governing board by the AHAC by December 31 of the year preceding the Local Housing assistance plan due date.

**For example, you are required to submit a new local housing assistance plan on May 2, 2019. The AHAC must submit its recommendations to the local government governing board by December 31, 2018. Even though the committee must review all 11 items listed in the Statute, two incentives must be implemented at a minimum:**

1. An expedited permitting process for affordable housing projects.

For implementing the expedited permitting process you can have a unique color folder for those permits, a stamp that lets the building department know that this is an affordable housing project, or a form that is attached that will state that this permit is for affordable housing. You can also designate a staff member that will be responsible for expediting permits for affordable housing. This person will answer all questions related to the permit and ensure that the permit is not delayed while it is being processed.

2. An ongoing process for review of local policies, procedures, ordinances, regulations or plan provisions that increase the cost of housing, prior to adoption.

Some ways that you can comply with this requirement is to designate your AHAC or your planning board to review these documents on a regular basis and report back to the governing board. You can also designate one or several staff members to be responsible on an ongoing basis to conduct these reviews and bring this information to the attention of the governing board. The certification that is submitted with the annual reports will ask you to list the actual financial impact of those local policies, procedures, ordinances, regulations or plan provisions that increase the cost of housing per unit for existing housing and new construction. This must be reported on an annual basis.

Remember to submit an electronic copy of the reports submitted to the governing board to FHFC by May 2 of the year after your board received the recommendations from the Affordable Housing Advisory Committee.

More guidance on the responsibilities of the AHAC is available in the publication "Affordable Housing Incentive Strategies: A Guidebook for Affordable Housing Advisory Committee Members and Local Government Staff". It is available at <http://www.flhousing.org/wp-content/uploads/2012/03/AHAC-Guidebook-2017.pdf>.

## **6-D Applicant Intake**

Traditionally, local housing offices or non-profit sub-recipients are the point of contact for anyone seeking local program information and housing assistance. Applicants may be referred via Realtors, lenders or social service agencies. Regardless of the initial point of contact, it is the responsibility of the local government program administrator to ensure that applicant eligibility is correctly determined.

Eligibility primarily refers to household income being within the prescribed program limits (see the definition of “eligible household” in Section 420.9071 (10), Florida Statutes).

1. It is important to ensure:
  - a. That the SHIP program does not discriminate against any class of potential applicants.
  - b. All persons are treated equally when serving affordable housing needs.
  - c. That the Fair Housing Act is adhered to. The Act is the term commonly used to describe the provisions of Title VIII of the Civil Rights Act of 1968, as amended in 1988.
  - d. The Act which states that it is unlawful to discriminate on the basis of race, color, religion, sex/gender, familial status, national origin, or handicap is followed.
  - e. That the Florida Statute ss.760.20-760.37 which prohibits discrimination on the basis of marital status, and age in the award application process for eligible housing is adhered to.
  - f. An informed applicant will help minimize future misunderstandings. To this end, applicants should be informed early in the process of the program’s income limits, benefits, stipulations for assistance, repayment terms (if applicable) and anticipated timeline from application to assistance.
  
2. The application for assistance should contain all the necessary information to determine whether an applicant household is potentially eligible for SHIP assistance. At a minimum, an application for program assistance should contain the following items for each household members:
  - a. The number of people residing in the household including name, age, relationship to head of household, current address and home phone number;
  - b. Name and address of employer(s), work phone number(s), position title and number of years on job with employer;
  - c. Sources of annual income, including earned, unearned and asset income, and a statement signed by all of the adults who reside in the household consenting to the disclosure of information for the purpose of verifying income and assets for determining income eligibility for program assistance.
  - d. A signed statement indicating that the applicant understands that all information provided is subject to Florida’s public records laws.
  - e. A statement that it is a first-degree misdemeanor to falsify information for the purpose of obtaining assistance.
  - f. NOTE: Sometimes SHIP is leveraged with other funds which require an alternative income definition and an alternative application process. In such cases, you may need to contact the Florida Housing Coalition to help confirm if the alternative application process collects the following details, since some data may not be on an application form but instead be among other documentation for the SHIP assistance.
  
3. When scheduling the eligibility interview:
  - a. Inform the applicant of the necessary documents to bring to the interview.

- b. It is always preferable to complete the application for assistance in a scheduled, face-to-face interview where the applicant can be prompted to provide accurate and comprehensive income and household information.
  - c. It is common for applicants to misunderstand what items to count toward annual income. Housing administrators should review the application carefully to ensure that the applicant has provided all sources of income, including total household assets and asset income.
4. A waiting list for assistance should be established when it is appropriate for a particular strategy for which all available funding is committed. This waiting list should be sorted according to income limits (very low-, low-, moderate-and over income), as well as type of assistance requested (owner-occupied rehabilitation, purchase assistance, etc.). This will make it easier to assist applicants on a first-come, first-eligible, scoring and ranking, or lottery system, while complying with income targeting requirements for SHIP.

#### **6-E Income Calculations**

A full detail of what to include in the applicant income determination can be found at Appendix E.

### **Section Seven Annual Reports**

#### **7-A General Description**

All jurisdictions participating in the SHIP Program must submit an annual report of its local affordable housing program expenditures, leveraging and beneficiary characteristics (demographics). Annual Reports include the close out year and two interim years. Since 2009, this reporting has been completed via the Florida Housing website's SHIP Annual Reporting System.

#### **7-B Annual Report Process**

**Since the inception of the web based portal for submission of SHIP Annual Reports (AR), the procedure for submission is as follows:**

1. AR's are required to be submitted through the web based portal by local governments at <http://www.floridahousing.org/programs/special-programs/ship---state-housing-initiatives-partnership-program/ship-annual-report>
2. AR is reviewed by SHIP staff for completeness and compliance with set-asides and other program requirements.
3. Web based system will not allow local government to submit a report with errors or that is incomplete.
4. Local government works with SHIP staff to make corrections, if revisions are required.



5. A Certification (located under the “References” tab) is required 3 working days after the electronic submittal of the AR.
6. TRAK forms are located under the “References” tab along with archived ARs.
7. The “Review & Submit” tab is located on the last Fiscal Year (FY) being submitted (submits all 3 FYs).

The benefits of the online AR reporting system are:

1. Real time submission and review of AR data
2. AR data can be utilized to generate:
  - a. Close out report
  - b. Data requests from the Legislature

*Information submitted on the AR is provided by the local government and is not verified by FHFC until compliance monitoring is conducted. It is the responsibility of the local government SHIP administrator to verify and ensure that the information provided on the reports is accurate and has been reconciled to the SHIP tracking and the general ledger.*

**7-C Annual Report Forms 1-5 Screen Shots**

**Form 1 SHIP Distribution Summary**

Form 1 requires detail related to the distribution of funds, a breakdown of strategies (along with codes), other uses of funds and a “balance sheet” of program revenues. For a closeout year, all funds must be shown as expended. The form includes:

- a chart for Homeownership and Rental strategies (along with codes) populate (dollars/units) form 1.
- a chart for additional Use of Funds to record Administrative, Homeownership Counseling, Admin from PI and if applicable Admin from Disaster funds.
- a chart to detail total Revenue accounts for the State Annual Allocation, Program Income (interest/payments), Recaptured Funds (funds that went to an ineligible applicant/unit), Disaster Funds (if Applicable), Other Funds and Carryover Funds from Previous Year. The carry-forward to next year (amount that cannot fund a unit) will be stated on this form as well.

Settings | Logout  
 MFP Suite | SHIP LG User |

Florida Housing Finance Corporation  
**EXTRANET**

Account Maintenance | LG Selection | **Annual Reporting** | SHIP Contact Info | User Administration

**SHIP Annual Report**  
 Chaneyville

Report: 2011-2021 Closeout (Unsubmitted) [Click Here for Support Contact Information](#) [Save Changes](#)

Form 1 | Form 2 | Form 3 | Form 4 | Review | References [Click here for a printer-friendly copy of Form 1](#)

**SHIP Distribution Summary**

Homeownership

Code(s)	Strategies	Expended Amount	Units	Encumbered Amount	Units	Unencumbered Amount	Units
Homeownership Totals:							

Rentals

Code(s)	Strategies	Expended Amount	Units	Encumbered Amount	Units	Unencumbered Amount	Units
21							
Rental Totals:							

## Form 2 Rental Information, Leveraging and Set-asides

Form 2 serves as a back-up to form 1. The form requires information on:

- Rental information
- Leveraging Information (dollars)
- Statutory Homeownership (65%)
- Construction/Rehab Set-Asides (75%)
- Income Set-Asides (ELI/VLI 30%, LI 30%) and
- Expended funds Break-down by Mortgage Loans/DPLs and Grants.

Settings | Logout  
 MFP Suite | SHIP LG User | Florida Housing Finance Corporation  
**EXTRANET**

Account Maintenance | LG Selection | **Annual Reporting** | SHIP Contact Info | User Administration

SHIP Annual Report  
 Chaneyville

Report: 2011-2012 Closeout (Unsubmitted) [Click Here for Support Contact Information](#) [Save Changes](#)

Form 1 | **Form 2** | Form 3 | Form 4 | Review | References [Click here for a printer-friendly copy of Form 2](#)

**Rents and Compliance Summary**

Rental Unit Information

Description	Eff.	1 Bed	2 Bed	3 Bed	4 Bed

Recap of Funding Sources for Units Produced ("Leveraging")

Source of Funds Produced through June 30th for Units	Amount of Funds Expended to Date	% of Total Value
SHIP Funds Expended		
Public Moneys Expended		
Private Funds Expended		

### Form 3 Demographics

Form 3 details demographics including the number of households assisted/Units Produced, Age, Family Size, Race, Special Needs and Special Target Areas.

The screenshot displays the SHIP Annual Report web application. The browser address bar shows the URL <https://apps.floridahousing.org/Star>. The page header includes the Florida Housing Finance Corporation logo and the text "EXTRANET". Navigation tabs include "Account Maintenance", "LG Selection", "Annual Reporting", "SHIP Contact Info", and "User Administration". The main content area is titled "SHIP Annual Report Chaneyville" and shows a report for "2011-2021 Closeout (Unsubmitted)". A "Save Changes" button is visible. Below this, there are tabs for "Form 1", "Form 2", "Form 3", "Form 4", "Review", and "References". A link for a printer-friendly copy of Form 3 is also present.

**Household Characteristics**

Number of Households/Units Produced

Strategy	List Unincorporated and Each Municipality	ELI	VLI	Low	Mod	Over 120%-140%	Total
							0
							0
Totals:							
Totals from Form 2		0	0	0	0	0	0

Characteristics/Age (Head of Household)

The Windows taskbar at the bottom shows the system clock as 9:47 AM on 1/28/2015.

## Form 4

Form 4 includes information on Incentive Strategies, Support Services, Homeownership Default/Foreclosure, Expended Funds, Admin Expenses, Sub Recipients, Program Income, Recaptured Funds and Rental Developments.

The screenshot shows a web browser window displaying the SHIP Annual Report Form 4 in the EXTRANET system. The browser address bar shows the URL: <https://apps.floridahousing.org/Star>. The page title is "SHIP Annual Report Chaneyville". The report is for the "2011-2012 Closeout" and is marked as "(Unsubmitted)". The user is logged in as "SHIP LG User". The page has a navigation menu with tabs for "Account Maintenance", "LG Selection", "Annual Reporting", "SHIP Contact Info", and "User Administration". The "Annual Reporting" tab is active. Below the navigation menu, there are tabs for "Form 1", "Form 2", "Form 3", "Form 4", "Review", and "References". The "Form 4" tab is selected. The main content area is titled "Status of Incentive Strategies" and contains the following text: "Please provide information on the implementation status of Incentive Strategies in your Local Incentive Plan. **Note:** Please list each incentive individually on its own line in the box below." There are three text input fields: "Incentive Strategy:", "Adopting Ordinance or Resolution Number or identify local policy:", and "Implementation Schedule (Date):". A "Save Changes" button is located in the top right corner of the form area. The Windows taskbar at the bottom shows the time as 9:48 AM on 1/28/2015.

## Form 5 Special Needs Breakdown by Strategy

Includes information on expended and encumbered funds, Special Needs category information.

The screenshot displays a web browser window with the URL <https://apps.floridahousing.org/Star>. The page header includes "Settings | Logout" and "MFP Suite | SHIP LG User |". The main navigation bar contains "Account Maintenance", "LG Selection", "Annual Reporting", "SHIP Contact Info", and "User Administration". The "Annual Reporting" section is active, showing the "SHIP Annual Report Chaneyville" for the "2013-2014 Interim-2" period, which is "Unsubmitted". A "Save Changes" button is visible. Below the navigation tabs, the "Form 5" tab is selected, displaying the "Special Needs Breakdown" section. This section includes the heading "SHIP Expended and Encumbered for Special Needs Applicants" and a message: "There are currently no Strategies on Form 1 that qualify." Below this, the "Special Needs Category Breakdown by Strategy" section is shown with the message: "There are currently no Strategies to display. Click this symbol to add a strategy name along with data on expenditures and encumbrances >". The Windows taskbar at the bottom shows the date and time as 9:48 AM on 1/28/2015.

## Allocation of Funds

### 8-A General Description

SHIP funds are distributed on a population basis to all 67 counties and 52 Community Development Block Grant entitlement cities in Florida. The minimum allocation is \$350,000 when funds are allocated through the trust fund by the Legislature. The amounts are based on a population formula calculation.

Funds are generally distributed on a quarterly basis once they are made available to Florida Housing. Special allocations for specifically declared disasters, special legislative initiatives, etc. may be distributed on a formula other than the population formula. This will generally be based on need and only be allocated to local governments affected by or included in the special allocation.

Local governments that are in non-compliance with program regulations may be subject to having these funds withheld until the issue is rectified. If they are unable to rectify the issue, they risk having the funds permanently discontinued.

### 8-B Fiscal Years with No Allocation

When there is no allocation of funding to SHIP from the local government housing trust fund by the legislature, local governments may still encumber and expend funds from “open” years funding that has not previously been expended or from funds that are generated as program income or recaptured funds. The local government must have an approved local housing assistance plan in place covering the applicable fiscal year in order to expend these funds.

## Section Nine Reports and Compliance Monitoring

### 9-A Consolidated Annual Financial Reports (CAFR)

Each local government is required to submit an electronic (PDF) or link to website containing the Consolidated Annual Financial Report to the SHIP program. The reports detail all financial aspects of their SHIP program.

### 9-B CAFR Process

1. Local Government submits CAFR and Florida Single Audit Act (FSAA) to FHFC SHIP staff for review.
2. CAFRs are reviewed for any SHIP findings (CSFA 40.901) and a separately stated Trust Fund for SHIP.
3. Findings are reviewed by SHIP staff and Inspector General Staff to determine if the issues related to SHIP are serious management issues that require action on FHFC’s part.

### 9-C Compliance

1. Compliance monitoring by local governments participating in SHIP is the responsibility of FHFC's Compliance and Finance Departments. This monitoring is accomplished through desk and on-site reviews of local government SHIP programs. The Compliance and Finance staffs provide a written report with recommendations.
2. Once the report is complete and the response received from the local governments, the report and response are posted to an internal site available to all FHFC staff. A copy of the report and response are also sent to the Florida Housing Coalition for its review.
3. In some cases, local governments will be required to work with a technical assistance advisor to assist in complying with the necessary steps to correct the issues. If it is determined that the local government created the problems through a lack of management oversight, the corporation may request that the local government pay the fees of the technical assistance advisor.
4. When the issues cannot be resolved through corrective action or technical assistance, the local government's funds may be suspended until such time that the local government is able to prove that systems and policies are in place to prevent the issue from occurring again.

#### **9-D File Management and Record Retention**

1. A separate file should be maintained for every applicant, regardless of whether the request was approved or denied. It is critical to overall program accountability that there be sufficient and legible documentation. Documents should be secured within the file, and should be organized systematically. For instance, one section could hold the household's income eligibility information, one section can hold legal documents such as contracts and security agreements, and another section may be designated for information on the unit, such as appraisals, property tax records, and information on construction and rehabilitation.
2. Record Retention: As per the Florida Department of State, local governments are required to retain an applicant's records and other relevant documentation for (5) five fiscal years after funds have been expended and accounted for and/or satisfaction of loans, whichever is later, provided applicable audits have been released. If the applicant receives 2011/2012 funds, for example, the close out date for that allocation year is June 30, 2014. Records must be kept for five years from this date—until June 30, 2019 or for five years after the loan has been satisfied, whichever is later.
3. For more information, see "The General Schedule for Local Governments GS1-L" located at the Florida Department of State's web site [www.dos.state.fl.us](http://www.dos.state.fl.us) Click on the link for "Library and Info. Services."
4. The minimum requirements for documentation of award depend upon the type of assistance awarded and the funding sources. For instance, units that have received rehabilitation require documentation that is fairly extensive for all aspects of the construction process. Awards for purchase assistance will need to have copies of the



first mortgage loan closing documents, purchase contract and a signed HUD 1 settlement statement or Closing Disclosure Statement. The signed HUD 1 or Closing Disclosure Statement should clearly state the funding sources of the assistance being provided. There are homebuyers that receive assistance from several funding sources. The signed HUD 1 or Closing Disclosure Statement will identify the funding sources as SHIP, HOME, CDBG, Bond or any other assistance that is provided.

5. Every file should contain a section of notes and a file checklist, which tracks the efforts and progress of obtaining necessary documents. The checklist is a useful tool for all persons who must have access to the file. However, this checklist may be modified to accommodate a local government's need for additional documentation.
6. Sponsor-developers who are awarded funds have the responsibility for maintaining clear and accurate files on project recipients and activities. The local government should monitor the sponsor-developers files on a regular basis to ensure that all information is collected that will be needed for reporting. The local government housing administrator should also review the file documentation to ensure that assistance is awarded to eligible persons and that all project activities conform to program requirements.
7. Remember that even when a sponsor developer is used, the SHIP jurisdiction is ultimately responsible for program compliance. It is a good idea to require sponsor/developers to attend SHIP training and workshops so that they can carry out the program in accordance with the statutory requirements.
8. All other housing records that document the award or expenditure of SHIP funds must be retained for 5 fiscal years after the funds have been expended and accounted for and/or satisfaction of loans, whichever is later, provided applicable audits have been released. This means that for cases that were assisted you must retain all records no less than 5 years after the loan has been satisfied, provided audits have been released, whichever is later.
9. Housing records of this type include, but are not limited to: applications; program and set-aside records; housing agreements; income verifications and other records required by s. 420.907-9079, F.S., and Rule 67-37, F.A.C.
10. Records must be retained in electronic form. The standards used must comply with the Florida Administrative Code. Your City or County Clerk will have a record retention policy and will be able to provide you with guidance on local record retention requirements. Remember that your local government may have stricter record retention requirements than the State.

#### **9-E Monitoring Preparation**

1. When preparing for a compliance monitoring visit, housing administrators should review all applicant and program files for completeness of documentation.

- a. Special attention should be given to ensure that the income eligibility documentation is mathematically accurate and legible.
- b. All files should be orderly and systematically organized.
- c. All financial information relevant to the transaction should be easily found, and the files should have copies of invoices and proof of payment.
- d. The files should be accessible and a comfortable space should be provided for a thorough file review.

## **9-F Tracking and Reporting**

1. The SHIP Rule requires that each SHIP jurisdiction “develop a tracking system to ensure that the local housing distribution funds disbursed from the local housing assistance trust fund are at all times expended in accordance with the set-aside requirements.” Program income and recaptured funds from loan repayments, reimbursements, foreclosure and other re-payments and interest earned on funds deposited in the trust account must be systematically tracked.
2. A community that does not properly track SHIP funds will be determined to be in non-compliance with SHIP requirements. SHIP communities are required to track funds that they administer and those that are administered under an agreement by a sub-recipient or a sponsor-developer.
3. Income must be tracked for extremely low, very low, low and moderate income applicants.
4. The administrator must also collect demographic information on each applicant to be included in the SHIP annual report. The annual report also requires:
  - a. Number of SHIP loans that have been foreclosed.
  - b. Administrative expenses (stated separately for local government and sub recipient administering the program).
  - c. Program income and recaptured funds.
5. Other required information includes the value and types of assisted units and the amount of funds used in assisting each unit. Many communities, have developed a case summary form that is used to enter this information into the tracking and then maintained in the file.
6. The automated tracking system developed for the SHIP program can be a useful tool for maintaining encumbrance, expenditure, and demographic information. Input fields of system includes all of the information needed for completion of the SHIP Annual Reports (due annually on September 15). By entering the information on a regular basis, the annual reporting process becomes substantially less cumbersome. A copy of the most current SHIP tracking report can be found at:  
<http://www.floridahousing.org/programs/special-programs/ship---state-housing-initiatives-partnership-program/ship-annual-report>
7. The tracking systems also keeps running totals for the statutorily mandated income, homeownership and construction set asides, enabling the program administrator to spot potentially problematic trends.
8. The SHIP program has defined eligible administrative expenses within the Rule (see 67-37.007 “Uses of and Restrictions upon SHIP Local Housing Distribution Funds for

Local Housing Assistance Plans”). Generally speaking, administrative costs may include salaries and benefits for housing personnel, training and travel related expenses for increasing the capacity of the local program staff, and office expenses and overhead that are directly related to operating the local housing program.

9. The tracking system and the annual reports generated by each SHIP jurisdiction must comply with the requirements of Florida’s Single Audit Act (SAA). SHIP administrators, therefore, are required to regularly reconcile their tracking system with the local finance department’s general ledger.

## **Section Ten Income and Rent/Purchase Price Limits**

### **10-A Income Limits**

1. Income limits are based on each Metropolitan Statistical Area (MSA) and adjusted for household size (number of residents in a home).
2. The current and past years income limits can be found at:  
<http://www.floridahousing.org/owners-and-managers/compliance/income-limits>

### **10-B Rent Limits**

1. Rent limits for each county can be found at:  
<http://www.floridahousing.org/owners-and-managers/compliance/rent-limits>

### **10-C Purchase Price Limits**

1. Purchase Price Limits are established based on 90% of the U.S. Treasury limit and are adjusted for each MSA. Local HFA established limits can also be used.
2. Purchase Price Limits can be found at:  
<http://www.floridahousing.org/programs/special-programs/ship---state-housing-initiatives-partnership-program/purchase-price-limits>

## **Section Eleven Disaster Recovery**

### **11-A Disaster Declarations**

1. SHIP has often been vital in providing local communities affected by Federally or State declared disasters with funding for short and long term housing recovery. These funds

can be allocated from an annual set-aside of up to \$5 million that Florida Housing holds back from the statewide distribution of funds (in years when SHIP is fully funded) or from special allocations of funds from the Legislature.

When a disaster is declared, affected SHIP local governments:

- a. May activate their disaster recovery strategies in their approved LHAPs or choose to utilize the disaster strategy incorporated in the SHIP program rule.
  - b. May also undertake any additional activities approved through the Executive Order or any accompanying Supplemental Orders issued at the state level. For example, a Supplemental Order may be issued to allow local governments to provide rental assistance to residents displaced by the declared disaster.
2. If Florida Housing has funding available to allocate to affected local governments:
- a. Florida Housing will determine the amount to be allocated to all affected counties and cities (if included). This will include collection and analysis of data from the FEMA and the Florida DEM related to data on damage.
  - b. Once the allocation amounts are determined, local governments will be notified of:
    - i. The amount of the allocation which may take into account unencumbered funds currently held at the local level.
    - ii. Any special restrictions or permissions for expending the funds.
    - iii. Deadlines for encumbering and expending funds.
  - c. Local governments may then request funding from Florida Housing. The request, required by program guidelines, may include:
    - i. A formal letter from the chief elected official detailing the amount and purpose of the request.
    - ii. Evidence of the amount of current SHIP funds that are encumbered.
    - iii. A list of strategies that will be employed (must be approved as part of the disaster strategy or allowed by the Executive Order or Supplemental Order).
    - iv. Agreement with the timeline for the expenditure of funds set by Florida Housing for the disaster.
3. Once Florida Housing has verified the submitted documentation and determined the need for the disaster recovery funding, funds are made available to be allocated and disbursed to any LG determined eligible for disaster funding. Any funds not expended by the approved expenditure deadline will be recaptured by Florida Housing for future disaster needs.
4. Funds designated for disaster recovery not expended in the fiscal year are disbursed to all eligible local governments on a population basis according to statutory guidelines.

## **Section Twelve Complaints and Inquiries**

Florida Housing occasionally receives complaints and inquiries regarding the SHIP program. These complaints/inquiries may come to Florida Housing from:

1. A program participant
2. A potential or rejected applicant to the program
3. A local government staff member or elected official
4. A legislative office
5. The Office of the Governor
6. A social service provider agency
7. A state agency
8. A media outlet

## **12-A Complaints**

1. Complaints from homeowners, whether they come to Florida Housing directly from the homeowner or one of the other sources listed above, generally center around a homeowner's dissatisfaction with:
  - a. The quality of work being performed in rehabilitation of their home
  - b. The performance/attitude of the contractor performing the work
  - c. Work items that are not being included in the rehabilitation
  - d. The length of time taken to complete the work
2. When these complaints are submitted, any or all of the following steps may be followed:
  - a. Speak to or contact the homeowner (if the call did not come directly from them) to hear his/her side of the story related to the complaint. Let the homeowner know you will follow up with the local government and look into the complaint and follow up with a call/email.
  - b. Contact the local government to discuss the issue and request any documents, timelines, etc. related to the complaint.
  - c. Evaluate any submitted documents.
  - d. Contact internal staff as necessary. This may include: Inspector General, General Counsel, Compliance, or Communications.
  - e. Follow up with homeowner, and other involved parties as needed, via letter, e-mail or phone to explain the determination of Florida Housing.
  - f. Save any related documents/emails, etc. to [intranet.floridahousing.org/sites/sp/SHIP/SHIP Main/Complains-Inquiries](http://intranet.floridahousing.org/sites/sp/SHIP/SHIP%20Main/Complains-Inquiries). A separate folder for each complaint is established using the name of the local government and the last name of the SHIP recipient.
3. These situations often go on at great length as the homeowner does not understand or agree on the role of Florida Housing, the nature of the contract they signed with the local government or other factors of miscommunication.

## **12-B Inquiries**

1. Florida Housing receives a number of inquiries from various sources (those listed above as well as industry representatives and other interested parties). These inquiries may be very general in nature related to the regulations of the program or more specific to how a particular local government administers their program. These inquiries can often be handled quickly via phone or e-mail, but others need input from other staff prior to responding.

2. This may be a request for specific program data which can be gathered by SHIP staff and provided as appropriate. If the request is submitted as a public records request (PRR), it will be handled by the Corporation Clerk and no new documents are created.

### **Section Thirteen Frequently Asked Questions**

**Q: Do I have to advertise if the city later funds a strategy that is currently unfunded, like our disaster strategy?**

**A:** Yes, you should advertise. When you first advertise upon receiving your new SHIP allocation in July, you can advertise that the city has a disaster strategy that will be funded pending a disaster or need. This will fulfill the requirement in Florida Statutes: "The county or eligible municipality or its administrative representative shall advertise the notice of funding availability in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required." Section 420.9075 (3) (b) Florida Statutes.

However, even in this case, you might still want to further advertise and inform your community about the disaster strategy once a disaster occurs.

**Q: May I advertise for my next year's funds in May, in order to take applications in June and then provide assistance on July 1 when I receive more funds from the next allocation year?**

**A:** Yes you may. The advertisement requirements are outlined in the Statute and in greater detail in the Rule: 67-37.005 (6) (a).

**Q: How does the Sunshine Law apply to our SHIP advisory committee?**

**A:** When dealing with an advisory committee it is very important to keep in mind the requirements of Florida's open meetings laws. Any Board of County Commission appointed committee that is part of a fact finding commission, or any board or committee that has final decision making authority is covered by these laws. There is a strong legislative and judicial presumption in favor of openness. If you have any questions about these requirements, consult with your city attorney, county attorney, or other appropriate legal counsel.

**Q: Does Florida's Open Records law include an exemption for documents associated with individuals receiving SHIP housing assistance?**

**A:** No, SHIP housing files are not exempt from the Florida Open Records law. However, the law provides for a very limited exemption of certain information that may be included in the files of your housing assistance applicants. Chapter 119 of the Florida Statutes outlines

what is commonly referred to as the open records law. The law is stated most directly in section 119.07.

**Q: Is the installation of central air conditioning an eligible SHIP expense?**

**A:** Yes. In most parts of Florida air conditioning is a necessity for the health and safety of the occupants living in the units. Previous experience with housing programs that do not allow for the installation of air conditioning has shown that people will find a way to cool their home. This often means the purchase of very old, very inefficient window units. These window air conditioners can greatly increase a family's monthly utility bills, drastically reducing a family's ability to meet their other monthly bills.

**Q: Can SHIP funds be used for demolition and site clearance?**

**A:** Yes, as long as an eligible unit which serves an eligible household is put on the site.

**Q: Can SHIP funds be used to pay for a shortage in the escrow account for a homebuyer?**

**A:** SHIP funds can be used to pay for any and all costs associated with closing, unless otherwise specified in the LHAP. Since the closing has already occurred, it would be difficult to award these funds without another closing. Minimum escrow balances are mandated by Federal laws and/or the mortgage agreements. Since the lender made the error, you should encourage the homeowner to negotiate a more reasonable amount for escrow. Since the increased monthly mortgage payment may result in putting the homeowner in a potential default position on the first mortgage, the lender should be agreeable to alternative arrangements.

**Q: Can I help an applicant more than once with the SHIP program?**

**A:** There is nothing in the SHIP rule or statute that specifically addresses this issue. It is a local policy decision. Many local communities have added a provision to their Local Housing Assistance Plans noting that an applicant cannot be assisted more than once with the SHIP program. If only one-time assistance is available, however, it is important to consider if the SHIP assistance provided is thorough and fully addresses an applicant's needs. If an applicant purchases an existing home, for example, are there resources available to make needed repairs, or will the applicant be back soon to apply for assistance from your rehabilitation strategy? Similarly, when providing rehabilitation services, review the initial home inspection and consider whether repair priorities—including health hazard concerns, code violations, upgrading of electrical systems, and even energy efficiency—can be addressed with one-time assistance.

**Q: Funds have been encumbered for housing rehabilitation, but not completely spent. The housing activity is not complete. Are the funds expended?**

**A:** No, funds remain encumbered until the rehabilitation activities are completed, the work inspected, the contractor paid, and the unit occupied by an eligible person. Refer to the definition of "expenditure" in the SHIP Rule, 67-37.002 (8), which notes that funds are considered expended "when the project is completed as evidenced by documentation of

final payment to the contractor and release of all lien waivers, issuance of the certificate of occupancy by the local building department, and occupancy by an eligible person or eligible household.”

**Q: What are the time limits on expenditure of interest earned on our local trust fund account?**

**A:** Interest earned falls under the same time limits as all other SHIP funds. The interest earned must be spent within 24 months from the end of the applicable State fiscal year in which the interest was earned. The "applicable State fiscal year" is determined by when the interest was earned. For example, interest earned during the 2014/2015 state fiscal year must be expended by June 30, 2017, which is the expenditure deadline for all 14/15 funds.

**Q: My jurisdiction has not yet expended all the funds in the close out distribution. How do I request an extension for turning in my annual reports after September 15, so we can finish expending funds?**

**A:** There is no available extension for the annual report, which must be turned in on or before September 15th. By this date, you must turn in a report that illustrates that your jurisdiction has not yet finished expending funds. You can, however, request an extension to your expenditure deadline for your close out distribution.

First, recognize that it is common to have a small amount of unspent SHIP funds from a close out distribution; this is not a violation of the expenditure deadline. Whether the amount is \$300 or \$3000, this small unencumbered amount is insufficient to fully assist the next recipient for any of your strategies. In such a case, you may simply “carry forward” these remaining dollars. The Web Annual Report identifies these unencumbered funds as the carry forward amount and automatically adds this amount as the carry forward revenue on the close out report.

If your jurisdiction has tens or hundreds of thousands of SHIP dollars left to spend, this is not considered carry forward funds. Instead, you have exceeded the expenditure deadline and should request an expenditure deadline extension from the Florida Housing Finance Corporation. This written request should include:

1. The exact amount of funds still encumbered and/or unencumbered, and the number of months for which an extension is requested.
2. A brief explanation of why these funds have not been expended within the three year deadline. Was there, for example, a lack of contractors or materials, or is the jurisdiction still working to achieve some set-aside compliance?
3. Outline your plan to expend funds quickly, along with a timeline and estimate of when the funds will be fully expended. Indicate if changes have been made to SHIP strategies to address the delays. If a strategy has not been working, have you redesigned it, replaced it, or reallocated funds to a strategy known to be successful?

**Q: Please explain: "First Dollar In, First Dollar Out?"**



**A:** The SHIP rule requires that all program funds be spent within 24 months from the end of the applicable State fiscal year. Exceptions to this are very limited. Many communities have Housing Assistance Plans that continue the same strategies from year to year. In these instances, SHIP administrators should consider spending all of the money in a given strategy from a given year before moving on to the subsequent years' funds allocated to that strategy.

**Q:** **How does the SHIP Rule define first-time homebuyer? Also, may a person who currently owns a mobile home but is requesting assistance to replace the mobile home be counted as a first-time homebuyer?**

**A:** The SHIP Rule does not define first-time homebuyer, but leaves that definition up to each local jurisdiction. The Federal Mortgage Revenue Bond program defines a first-time homebuyer as someone who has not owned a home for the last three years. This definition can be used as a guide. Several programs also include displaced homemakers as eligible first time buyers. Many communities have targeted mobile homes for replacement, and allow assistance to mobile home owners under their definition of first-time homebuyer.

**Q:** **At what point in the process of rehabilitating a house should I place a security instrument on the homeowner's property?**

**A:** As a best business practice, secure the property prior to starting rehabilitation. This is the same practice that any home improvement contractor would follow. It prohibits the home owner from selling his or her house while construction is in process without resolving the debt incurred using public funds. Before your contractor starts repairs, have the home owner sign a security agreement for the amount of the contractor's bid. To be fair to the home owner and to be mindful of careful spending of public funds, always file an updated security instrument when the final cost of repairs is actually less than initially anticipated. In some instances, however, change orders will increase the final cost of the rehabilitation. You can choose to file an updated security instrument that accurately records the larger repair amount, especially if the additional amount is several hundred dollars or more. You can, however, choose to simply leave the original security instrument in place and provide the extra SHIP funds in the form of a grant. (This is a different policy than federal programs like CDBG or HOME, which require the security instrument to accurately document the final cost of repairs).

**Q:** **My community's SHIP second mortgage states that if the property is sold, refinanced, or transferred, the owner or estate must repay the entire amount of the loan. There is nothing specific about paying off the loan at the end of 30 years, however. If one of our homebuyers lived in a home for 30 years and paid off the first mortgage, does he or she have to pay back the funds borrowed from SHIP?**

**A:** Section 95.281(1) (b), F.S., states that a lien without a specified term automatically terminates after 20 years, unless it is renewed by the lien holder. In this case, the lien had no term and was not renewed after 20 years. Therefore, no SHIP assistance would be repaid.

**Q: An applicant has asked me if the SHIP assistance she receives is considered taxable income that must be reported on her income taxes.**

**A:** The Florida Housing Finance Corporation (FHFC) has indicated that SHIP assistance would not be considered income. This is based on a similar issue regarding the pilot program using Section 8 funds to help pay for a mortgage. The FHFC compliance office concluded that this Section 8 assistance is not income since the Section 8 program placed a deferred payment loan lien on the recipient's house. Similarly, your SHIP funds are provided as a deferred payment loan. In addition, the legal counsel at the FHFC issued a legal opinion memorandum in 1997 indicating that SHIP assistance is not taxable income. "Because SHIP funds are analogous to a gift rather than a quid pro quo, they can be characterized as general welfare or welfare assistance payments. As such, they are not includible in the recipient's income and local governments need not file Form 1099-C's".

**Q: Should documentary stamps and intangible taxes be paid on the SHIP second mortgage when assisting a home buyer?**

**A:** Documentary stamps must be paid on SHIP second mortgages. However, intangible taxes do not have to be paid on SHIP second mortgages.

**Q: What are the responsibilities of the local jurisdiction when a qualified sponsor is utilized for performing eligible SHIP activities?**

**A:** The local jurisdiction has ultimate responsibility in assuring that all program requirements are met. Rule 9I-37.002(15) defines an eligible sponsor as a person or private or public for-profit or not-for-profit entity that applies for an award under the Local Housing Assistance Plan for the purpose of providing eligible housing for eligible persons. A qualified sponsor who receives an award from the local SHIP program is required to contractually commit to the local jurisdiction that it will comply with all SHIP requirements, and it is the local jurisdiction's responsibility to ensure that the sponsor follow all state and local program requirements.

The local jurisdiction must have a system in place which ensures that all applicant files are complete and that the income verifications and certifications are in order, that there is adequate documentation to support expenditures for work performed, and that all SHIP funds are encumbered and expended in accordance with the deadlines as stated in the SHIP Rule.

**Q: Is there a limit to the number of amendments a local jurisdiction may file and does the time frame for filing an amendment to a Local Housing Assistance Plan (LHAP) ever expire?**

**A:** No. There is no limit to the number of amendments a local jurisdiction may file. Amendments to an approved LHAP must be adopted by local government resolution and a copy submitted to the FHFC's Review Committee within 21 days after adoption by the local government. A local jurisdiction may amend its LHAP at any time if it is determined that a strategy will not be used, or when adding another strategy. Note: an amendment is not necessary when shifting funds between approved strategies in the LHAP, but a copy of

the new Housing Delivery Goals Chart reflecting the changes should be submitted to the corporation.

**Section Fourteen  
 Acronyms**

<b>Acronym</b>	<b>Meaning</b>
<b>AGI</b>	<b>Annual Gross Income</b>
<b>AHCP</b>	<b>Affordable Housing Catalyst Program (Catalyst)</b>
<b>AMI</b>	<b>Annual Median Income</b>
<b>AR</b>	<b>Annual Report</b>
<b>CAFR</b>	<b>Consolidated Annual Financial Report</b>
<b>CBO</b>	<b>Community Based Organization</b>
<b>CDBG</b>	<b>Community Development Block Grant</b>
<b>DEM</b>	<b>Department of Emergency Management (Florida)</b>
<b>FEMA</b>	<b>Federal Emergency Management Agency</b>
<b>HDGC</b>	<b>Housing Development Goals Chart</b>
<b>LG</b>	<b>Local Government</b>
<b>LHAP</b>	<b>Local Housing Assistance Plan</b>
<b>MSA</b>	<b>Metropolitan Statistical Area</b>
<b>NOFA</b>	<b>Notice of Funding Availability</b>
<b>SHIP</b>	<b>State Housing Initiatives Partnership</b>
<b>TA</b>	<b>Technical Assistance</b>
<b>TAP</b>	<b>Technical Assistance Provider</b>

## Section Fifteen General Information

### 15-A Filing

1. Most SHIP documents are produced, transmitted, and stored in electronic format. These files are stored on SharePoint (the “intranet”).
2. Any paper SHIP program files are maintained by the Corporation’s SHIP staff at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301.

### 15-B Florida Single Audit Act

Most local governments participating in SHIP are subject to the Florida Single Audit Act (FSAA) which details specific audit requirements for any local government receiving at least \$750,000 in **any** state funds total. More detail about this requirement can be located at:  
<http://www.floridahousing.org/programs/special-programs/ship---state-housing-initiatives-partnership-program>

Appendix A

SHIP Restrictions by Allocation Years

SHIP Fiscal Year Funding		2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
State Allocation		\$40,000,000	\$96,000,000	101,000,000	129,461,250	100,000,000
<b>Expenditure Requirements in Statute</b>						
1	30% of funds expended for households @50% or below AMI*	Yes	Yes	Yes	Yes	Yes
2	30% of funds expended for households @80% or below AMI*	Yes	Yes	Yes	Yes	Yes
3	65% of funds expended for Homeownership activities	Yes	Yes	Yes	Yes	Yes
4	75% of funds expended for Construction activities	Yes	Yes	Yes	Yes	Yes
5	20% Special Needs Expenditures	N/A	N/A	N/A	Yes	Yes
<b>Administrative Costs</b>						
6	5%/10% Administrative Costs	No	Yes	Yes	Yes	Yes
7	3% Administrative Costs	Yes	No	No	No	No
<b>Legislative Mandates</b>						
8	20% Special Needs Expenditures	Yes	Yes	Yes	No	No
9	New Construction Prohibition	Yes	No	No	No	No
*	Remainder of funds may be expended to assist households earning up to 140% of the AMI.					
1	<b>420.9075 (5) (e) 2, F. S.:</b> At least 30 percent of the funds deposited into the local housing assistance trust fund must be reserved for awards to very-low-income persons or eligible sponsors who will serve very-low-income persons (50% AMI).					
2	<b>420.9075 (5) (e) 2, F. S.:</b> At least 30 percent of the funds deposited into the local housing assistance trust fund must be reserved for awards to very-low-income persons or eligible sponsors who will serve low-income persons (80% AMI).					
3	<b>420.9075 (5) (a), F. S.:</b> At least 65 percent of the funds made available in each county and eligible municipality from the local housing distribution must be reserved for home ownership for eligible persons.					

4	<p><b>420.9075 (5) (b), F. S.:</b> At least 75 percent of the funds made available in each county and eligible municipality from the local housing distribution must be reserved for construction, rehabilitation, or emergency repair of affordable, eligible housing.</p>
5	<p><b>420.9075 (5)(d), F.S.:</b> Each local government must use a minimum of 20 percent of its local housing distribution to serve persons with special needs as defined in s. 420.0004. A local government must certify that it will meet this requirement through existing approved strategies in the local housing assistance plan or submit a new local housing assistance plan strategy for this purpose to the corporation for approval to ensure that the plan meets this requirement. The first priority of these special needs funds must be to serve persons with developmental disabilities as defined in s. 393.063, with an emphasis on home modifications, including technological enhancements and devices, which will allow homeowners to remain independent in their own homes and maintain their homeownership.</p>
6	<p><b>420.9075 (7), F. S.:</b> The moneys deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan. The cost of administering the plan may not exceed 5 percent of the local housing distribution moneys and program income deposited into the trust fund. A county or an eligible municipality may not exceed the 5-percent limitation on administrative costs, unless its governing body finds, by resolution, that 5 percent of the local housing distribution plus <b>5 percent of program income</b> is insufficient to adequately pay the necessary costs of administering the local housing assistance plan. The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.</p>
7	<p><b>Chapter 2013-106, L.O.F. Section 10 (4):</b> Local governments may not use more than 3 percent of their allocations under this section for administrative costs.</p>
8	<p><b>Chapter 2013-106, L.O.F. Section 10 (3), Specific Appropriation 2247 (2014) 2241 (2015):</b> Each local government must use a minimum of 20 percent of its allocation to serve persons with special needs as defined in s. 420.0004, Florida Statutes. Before this portion of the allocation is released by FHFC, a local government must certify that it will meet this requirement through existing approved strategies in the local assistance plan or submit a new local housing assistance plan strategy for this purpose to the FHFC for approval to ensure that it meets these specifications. The first priority of these special needs funds must be to use them for persons with developmental disabilities as defined in s. 393.063, Florida Statutes, with an emphasis on home modifications, including technological enhancements and devices, which will allow homeowners to remain independent in their own homes and maintain their homeownership.</p>

9

**Chapter 2013-106, L.O.F. Section 10 (2):** (a) Rehabilitating or modifying owner-occupied houses, including blighted homes or neighborhoods.  
(b) Assisting with purchases of existing housing, with or without rehabilitation.  
(c) Providing housing counseling services.  
(d) Providing lease-purchase assistance.  
(e) Implementing strategies approved by FHFC which are related to assisting households and communities impacted by foreclosures, using existing housing stock.

## Appendix B

### PART VII

#### STATE HOUSING INITIATIVES PARTNERSHIP

420.907 Short title.

420.9071 Definitions.

420.9072 State Housing Initiatives Partnership Program.

420.9073 Local housing distributions.

420.9075 Local housing assistance plans; partnerships.

420.9076 Adoption of affordable housing incentive strategies; committees.

420.9079 Local Government Housing Trust Fund.

**420.907 Short title.**—Sections 420.907-420.9079 may be cited as the “State Housing Initiatives Partnership Act.”

**History.**—s. 32, ch. 92-317.

**420.9071 Definitions.**—As used in ss. 420.907-420.9079, the term:

(1) “Adjusted for family size” means adjusted in a manner that results in an income eligibility level that is lower for households having fewer than four people, or higher for households having more than four people, than the base income eligibility determined as provided in subsection (19), subsection (20), or subsection (28), based upon a formula established by the United States Department of Housing and Urban Development.

(2) “Affordable” means that monthly rents or monthly mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in subsection (19), subsection (20), or subsection (28). However, it is not the intent to limit an individual household’s ability to devote more than 30 percent of its income for housing, and housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark.

(3) “Affordable housing advisory committee” means the committee appointed by the governing body of a county or eligible municipality for the purpose of recommending specific initiatives and incentives to encourage or facilitate affordable housing as provided in s. 420.9076.

(4) “Annual gross income” means annual income as defined under the Section 8 housing assistance payments programs in 24 C.F.R. part 5; annual income as reported under the census long form for the recent available decennial census; or adjusted gross income as defined for purposes of reporting under Internal Revenue Service Form 1040 for individual federal annual income tax purposes or as defined by standard



practices used in the lending industry as detailed in the local housing assistance plan and approved by the corporation. Counties and eligible municipalities shall calculate income by annualizing verified sources of income for the household as the amount of income to be received in a household during the 12 months following the effective date of the determination.

(5) “Award” means a loan, grant, or subsidy funded wholly or partially by the local housing assistance trust fund.

(6) “Community-based organization” means a nonprofit organization that has among its purposes the provision of affordable housing to persons who have special needs or have very low income, low income, or moderate income within a designated area, which may include a municipality, a county, or more than one municipality or county, and maintains, through a minimum of one-third representation on the organization’s governing board, accountability to housing program beneficiaries and residents of the designated area. A community housing development organization established pursuant to 24 C.F.R. s. 92.2 and a community development corporation created pursuant to chapter 290 are examples of community-based organizations.

(7) “Corporation” means the Florida Housing Finance Corporation.

(8) “Eligible housing” means any real and personal property located within the county or the eligible municipality which is designed and intended for the primary purpose of providing decent, safe, and sanitary residential units that are designed to meet the standards of the Florida Building Code or previous building codes adopted under chapter 553, or manufactured housing constructed after June 1994 and installed in accordance with the installation standards for mobile or manufactured homes contained in rules of the Department of Highway Safety and Motor Vehicles, for home ownership or rental for eligible persons as designated by each county or eligible municipality participating in the State Housing Initiatives Partnership Program.

(9) “Eligible municipality” means a municipality that is eligible for federal community development block grant entitlement moneys as an entitlement community identified in 24 C.F.R. s. 570, subpart D, Entitlement Grants, or a nonentitlement municipality that is receiving local housing distribution funds under an interlocal agreement that provides for possession and administrative control of funds to be transferred to the nonentitlement municipality. An eligible municipality that defers its participation in community development block grants does not affect its eligibility for participation in the State Housing Initiatives Partnership Program.

(10) “Eligible person” or “eligible household” means one or more natural persons or a family determined by the county or eligible municipality to be of very low income, low income, or moderate income according to the income limits adjusted to family size published annually by the United States Department of Housing and Urban Development based upon the annual gross income of the household.

(11) “Eligible sponsor” means a person or a private or public for-profit or not-for-profit entity that applies for an award under the local housing assistance plan for the purpose of providing eligible housing for eligible persons.

(12) “Grant” means an award from the local housing assistance trust fund to an eligible sponsor or eligible person to partially assist in the construction, rehabilitation, or financing of eligible housing or to provide the cost of tenant or ownership qualifications without requirement for repayment as long as the condition of award is maintained.

(13) “Loan” means an award from the local housing assistance trust fund to an eligible sponsor or eligible person to partially finance the acquisition, construction, or rehabilitation of eligible housing with requirement for repayment or provision for forgiveness of repayment if the condition of the award is maintained.

(14) “Local housing assistance plan” means a concise description of the local housing assistance strategies and local housing incentive strategies adopted by local government resolution with an explanation of the way in which the program meets the requirements of ss. 420.907-420.9079 and corporation rule.

(15) “Local housing assistance strategies” means the housing construction, rehabilitation, repair, or finance program implemented by a participating county or eligible municipality with the local housing distribution or other funds deposited into the local housing assistance trust fund.

(16) “Local housing incentive strategies” means local regulatory reform or incentive programs to encourage or facilitate affordable housing production, which include at a minimum, assurance that permits for affordable housing projects are expedited to a greater degree than other projects, as provided in s. 163.3177(6)(f)3.; an ongoing process for review of local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption; and a schedule for implementing the incentive strategies. Local housing incentive strategies may also include other regulatory reforms, such as those enumerated in s. 420.9076 or those recommended by the affordable housing advisory committee in its triennial evaluation of the implementation of affordable housing incentives, and adopted by the local governing body.

(17) “Local housing distributions” means the proceeds of the taxes collected under chapter 201 deposited into the Local Government Housing Trust Fund and distributed to counties and eligible municipalities participating in the State Housing Initiatives Partnership Program pursuant to s. 420.9073.

(18) “Local housing partnership” means the implementation of the local housing assistance plan in a manner that involves the applicable county or eligible municipality, lending institutions, housing builders and developers, real estate professionals, advocates for low-income persons, community-based housing and service organizations, and providers of professional services relating to affordable housing. The term includes initiatives to provide support services for housing program beneficiaries such as training to prepare persons for the responsibility of homeownership, counseling of tenants, and the establishing of support services such as day care, health care, and transportation.

(19) “Low-income person” or “low-income household” means one or more natural persons or a family that has a total annual gross household income that does not exceed 80 percent of the median annual

income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever amount is greatest. With respect to rental units, the low-income household's annual income at the time of initial occupancy may not exceed 80 percent of the area's median income adjusted for family size. 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.

(20) "Moderate-income person" or "moderate-income household" means one or more natural persons or a family that has a total annual gross household income that does not exceed 120 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever is greatest. With respect to rental units, the moderate-income household's annual income at the time of initial occupancy may not exceed 120 percent of the area's median income adjusted for family size. While occupying the rental unit, a moderate-income household's annual income may increase to an amount not to exceed 140 percent of 120 percent of the area's median income adjusted for family size.

(21) "Personal property" means major appliances, including a freestanding refrigerator or stove, to be identified on the encumbering documents.

(22) "Plan amendment" means the addition or deletion of a local housing assistance strategy or local housing incentive strategy. Plan amendments must at all times maintain consistency with program requirements and must be submitted to the corporation for review pursuant to s. 420.9072(3). Technical or clarifying revisions may not be considered plan amendments but must be transmitted to the corporation for purposes of notification.

(23) "Population" means the latest official state estimate of population certified pursuant to s. 186.901 prior to the beginning of the state fiscal year.

(24) "Program income" means the proceeds derived from interest earned on or investment of the local housing distribution and other funds deposited into the local housing assistance trust fund, proceeds from loan repayments, recycled funds, and all other income derived from use of funds deposited in the local housing assistance trust fund. It does not include recaptured funds as defined in subsection (25).

(25) "Recaptured funds" means funds that are recouped by a county or eligible municipality in accordance with the recapture provisions of its local housing assistance plan pursuant to s. 420.9075(5)(j) from eligible persons or eligible sponsors, which funds were not used for assistance to an eligible household for an eligible activity, when there is a default on the terms of a grant award or loan award.

(26) "Rent subsidies" means ongoing monthly rental assistance.

(27) "Sales price" or "value" means, in the case of acquisition of an existing or newly constructed unit, the amount on the executed sales contract. For eligible persons who are building a unit on land that they own, the sales price is determined by an appraisal performed by a state-certified appraiser. The appraisal must include the value of the land and the improvements using the after-construction value of the property

and must be dated within 12 months of the date construction is to commence. The sales price of any unit must include the value of the land in order to qualify as eligible housing as defined in subsection (8). In the case of rehabilitation or emergency repair of an existing unit that does not create additional living space, sales price or value means the value of the real property, as determined by an appraisal performed by a state-certified appraiser and dated within 12 months of the date construction is to commence or the assessed value of the real property as determined by the county property appraiser. In the case of rehabilitation of an existing unit that includes the addition of new living space, sales price or value means the value of the real property, as determined by an appraisal performed by a state-certified appraiser and dated within 12 months of the date construction is to commence or the assessed value of the real property as determined by the county property appraiser, plus the cost of the improvements in either case.

(28) “Very-low-income person” or “very-low-income household” means one or more natural persons or a family that has a total annual gross household income that does not exceed 50 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever is greatest. With respect to rental units, the very-low-income household’s annual income at the time of initial occupancy may not exceed 50 percent of the area’s median income adjusted for family size. While occupying the rental unit, a very-low-income household’s annual income may increase to an amount not to exceed 140 percent of 50 percent of the area’s median income adjusted for family size.

(29) “Assisted housing” or “assisted housing development” means a rental housing development, including rental housing in a mixed-use development, that received or currently receives funding from any federal or state housing program.

(30) “Preservation” means actions taken to keep rents in existing assisted housing affordable for extremely-low-income, very-low-income, low-income, and moderate-income households while ensuring that the property stays in good physical and financial condition for an extended period.

**History.**—s. 32, ch. 92-317; s. 12, ch. 93-181; s. 3, ch. 96-332; s. 1046, ch. 97-103; s. 34, ch. 97-167; s. 14, ch. 98-56; s. 14, ch. 2000-353; s. 21, ch. 2006-69; s. 26, ch. 2009-96; s. 12, ch. 2011-15; s. 66, ch. 2011-139; s. 8, ch. 2016-210.

**420.9072 State Housing Initiatives Partnership Program.**—The State Housing Initiatives Partnership Program is created for the purpose of providing funds to counties and eligible municipalities as an incentive for the creation of local housing partnerships, to expand production of and preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing, and to increase housing-related employment.

(1)(a) In addition to the legislative findings set forth in s. 420.6015, the Legislature finds that affordable housing is most effectively provided by combining available public and private resources to conserve and improve existing housing and provide new housing for very-low-income households, low-income households, and moderate-income households. The Legislature intends to encourage partnerships in order to secure the benefits of cooperation by the public and private sectors and to reduce the cost of housing for

the target group by effectively combining all available resources and cost-saving measures. 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. Extending the partnership concept to encompass cooperative efforts among small counties as defined in s. 120.52(19), and among counties and municipalities is specifically encouraged. Local governments are also intended to establish an affordable housing advisory committee to recommend monetary and nonmonetary incentives for affordable housing as provided in s. 420.9076.

(b) The Legislature further intends that the State Housing Initiatives Partnership Program provide the maximum flexibility to local governments to determine the use of funds for housing programs while ensuring accountability for the efficient use of public resources and guaranteeing that benefits are provided to those in need.

(2)(a) To be eligible to receive funds under the program, a county or eligible municipality must:

1. Submit to the corporation its local housing assistance plan describing the local housing assistance strategies established pursuant to s. 420.9075;
2. Within 12 months after adopting the local housing assistance plan, amend the plan to incorporate the local housing incentive strategies defined in s. 420.9071(16) and described in s. 420.9076; and
3. Within 24 months after adopting the amended local housing assistance plan to incorporate the local housing incentive strategies, amend its land development regulations or establish local policies and procedures, as necessary, to implement the local housing incentive strategies adopted by the local governing body. A county or an eligible municipality that has adopted a housing incentive strategy pursuant to s. 420.9076 before the effective date of this act shall review the status of implementation of the plan according to its adopted schedule for implementation and report its findings in the annual report required by s. 420.9075(10). If, as a result of the review, a county or an eligible municipality determines that the implementation is complete and in accordance with its schedule, no further action is necessary. If a county or an eligible municipality determines that implementation according to its schedule is not complete, it must amend its land development regulations or establish local policies and procedures, as necessary, to implement the housing incentive plan within 12 months after the effective date of this act, or if extenuating circumstances prevent implementation within 12 months, pursuant to s. 420.9075(13), enter into an extension agreement with the corporation.

(b) A county or an eligible municipality seeking approval to receive its share of the local housing distribution must adopt an ordinance containing the following provisions:

1. Creation of a local housing assistance trust fund as described in s. 420.9075(6).
2. Adoption by resolution of a local housing assistance plan as defined in s. 420.9071(14) to be implemented through a local housing partnership as defined in s. 420.9071(18).

3. Designation of the responsibility for the administration of the local housing assistance plan. Such ordinance may also provide for the contracting of all or part of the administrative or other functions of the program to a third person or entity.

4. Creation of the affordable housing advisory committee as provided in s. 420.9076.

The ordinance must not take effect until at least 30 days after the date of formal adoption. Ordinances in effect prior to the effective date of amendments to this section shall be amended as needed to conform to new provisions.

(3)(a) The governing board of the county or of an eligible municipality must submit to the corporation one copy of its local housing assistance plan. The transmittal of the plan must include a copy of the ordinance, the adopting resolution, the local housing assistance plan, and such other information as the corporation requires by rule; however, information to be included in the plan is intended to demonstrate consistency with the requirements of ss. 420.907-420.9079 and corporation rule without posing an undue burden on the local government. Plans shall be reviewed by a committee composed of corporation staff as established by corporation rule.

(b) Within 45 days after receiving a plan, the review committee shall review the plan and either approve it or identify inconsistencies with the requirements of the program. The corporation shall assist a local government in revising its plan if it initially proves to be inconsistent with program requirements. A plan that is revised by the local government to achieve consistency with program requirements shall be reviewed within 45 days after submission. The deadlines for submitting original and revised plans shall be established by corporation rule; however, the corporation shall not require submission of a new local housing assistance plan to implement amendments to this act until the currently effective plan expires.

(c) The Legislature intends that approval of plans be expedited to ensure that the production of needed housing and the related creation of jobs occur as quickly as possible. After being approved for funding, a local government may amend by resolution its local housing assistance plan if the plan as amended complies with program requirements; however, a local government must submit its amended plan for review according to the process established in this subsection in order to ensure continued consistency with the requirements of the State Housing Initiatives Partnership Program.

(4) Moneys in the Local Government Housing Trust Fund shall be distributed by the corporation to each approved county and eligible municipality within the county as provided in s. 420.9073. Distributions shall be allocated to the participating county and to each eligible municipality within the county according to an interlocal agreement between the county governing authority and the governing body of the eligible municipality or, if there is no interlocal agreement, according to population. The portion for each eligible municipality is computed by multiplying the total moneys earmarked for a county by a fraction, the numerator of which is the population of the eligible municipality and the denominator of which is the total population of the county. The remaining revenues shall be distributed to the governing body of the county.

(5)(a) Local governments are encouraged to make the most efficient use of their resources by cooperating to provide affordable housing assistance. Local governments may enter into an interlocal agreement for the purpose of establishing a joint local housing assistance plan subject to the requirements of ss. 420.907-420.9079. The local housing distributions for such counties and eligible municipalities shall be directly disbursed on a monthly basis to each county or eligible municipality to be administered in conformity with the interlocal agreement providing for a joint local housing assistance plan.

(b) If a county or eligible municipality enters into an interlocal agreement with a municipality that becomes eligible as a result of entering into that interlocal agreement, the county or eligible municipality that has agreed to transfer the control of funds to a municipality that was not originally eligible must ensure through its local housing assistance plan and through the interlocal agreement that all program funds are used in a manner consistent with ss. 420.907-420.9079. This must be accomplished by:

1. Providing that the use of the portion of funds transferred to the municipality meets all requirements of ss. 420.907-420.9079, or
2. Providing that the use of the portion of funds transferred to the municipality, when taken in combination with the use of the local housing distribution from which funds were transferred, meets all requirements of ss. 420.907-420.9079.

(6) The moneys that otherwise would be distributed pursuant to s. 420.9073 to a local government that does not meet the program's requirements for receipts of such distributions shall remain in the Local Government Housing Trust Fund to be administered by the corporation.

(7)(a) A county or an eligible municipality must expend its portion of the local housing distribution only to implement a local housing assistance plan or as provided in this subsection.

(b) A county or an eligible municipality may not expend its portion of the local housing distribution to provide ongoing rent 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 a person with special needs as defined in s. 420.0004 or homeless as defined in s. 420.621. The period of rental assistance may not exceed 12 months for any eligible household.

(8) Funds distributed under this program may not be pledged to pay the debt service on any bonds.

(9) The corporation shall adopt rules necessary to implement ss. 420.907-420.9079.

<sup>1</sup>(10) Notwithstanding ss. 420.9071(26) and 420.9075(5) and subsection (7), for the 2016-2017 fiscal year:

(a) The term "rent subsidies" means ongoing monthly rental assistance.

(b) Up to 25 percent of the funds made available in each county and each eligible municipality from the local housing distribution may be used for rental assistance and rent subsidies as provided in paragraph (c).

(c) A county or an eligible municipality may expend its portion of the local housing distribution to provide the following types of rental assistance and rent subsidies:

1. Security and utility deposit assistance.
2. Eviction prevention subsidies not to exceed 6 months' rent.
3. Rent subsidies for very-low-income households with 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. The period of rental subsidy may not exceed 12 months for any eligible household or person.

(d) This subsection expires July 1, 2017.

**History.**—s. 32, ch. 92-317; s. 13, ch. 93-181; s. 35, ch. 97-167; s. 81, ch. 2000-153; s. 22, ch. 2006-69; s. 19, ch. 2008-104; s. 27, ch. 2009-96; s. 14, ch. 2011-3; s. 13, ch. 2011-15; s. 67, ch. 2015-222; s. 103, ch. 2016-62; s. 9, ch. 2016-210.

<sup>1</sup>**Note.**—Section 103, ch. 2016-62, amended subsection (10) “[i]n order to implement Specific Appropriation 2224 of the 2016-2017 General Appropriations Act.”

**420.9073 Local housing distributions.—**

(1) Distributions calculated in this section shall be disbursed on a quarterly or more frequent basis by the corporation pursuant to s. 420.9072, subject to availability of funds. Each county's share of the funds to be distributed from the portion of the funds in the Local Government Housing Trust Fund received pursuant to s. 201.15(4)(c) shall be calculated by the corporation for each fiscal year as follows:

(a) Each county other than a county that has implemented chapter 83-220, Laws of Florida, as amended by chapters 84-270, 86-152, and 89-252, Laws of Florida, shall receive the guaranteed amount for each fiscal year.

(b) Each county other than a county that has implemented chapter 83-220, Laws of Florida, as amended by chapters 84-270, 86-152, and 89-252, Laws of Florida, may receive an additional share calculated as follows:

1. Multiply each county's percentage of the total state population excluding the population of any county that has implemented chapter 83-220, Laws of Florida, as amended by chapters 84-270, 86-152, and 89-252, Laws of Florida, by the total funds to be distributed.

2. If the result in subparagraph 1. is less than the guaranteed amount as determined in subsection (3), that county's additional share shall be zero.

3. For each county in which the result in subparagraph 1. is greater than the guaranteed amount as determined in subsection (3), the amount calculated in subparagraph 1. shall be reduced by the guaranteed amount. The result for each such county shall be expressed as a percentage of the amounts so determined for all counties. Each such county shall receive an additional share equal to such percentage multiplied by the total funds received by the Local Government Housing Trust Fund pursuant to s. 201.15(4)(c) reduced by the guaranteed amount paid to all counties.



(2) Distributions calculated in this section shall be disbursed on a quarterly or more frequent basis by the corporation pursuant to s. 420.9072, subject to availability of funds. Each county's share of the funds to be distributed from the portion of the funds in the Local Government Housing Trust Fund received pursuant to s. 201.15(4)(d) shall be calculated by the corporation for each fiscal year as follows:

(a) Each county shall receive the guaranteed amount for each fiscal year.

(b) Each county may receive an additional share calculated as follows:

1. Multiply each county's percentage of the total state population, by the total funds to be distributed.

2. If the result in subparagraph 1. is less than the guaranteed amount as determined in subsection (3), that county's additional share shall be zero.

3. For each county in which the result in subparagraph 1. is greater than the guaranteed amount, the amount calculated in subparagraph 1. shall be reduced by the guaranteed amount. The result for each such county shall be expressed as a percentage of the amounts so determined for all counties. Each such county shall receive an additional share equal to this percentage multiplied by the total funds received by the Local Government Housing Trust Fund pursuant to s. 201.15(4)(d) as reduced by the guaranteed amount paid to all counties.

(3) Calculation of guaranteed amounts:

(a) The guaranteed amount under subsection (1) shall be calculated for each state fiscal year by multiplying \$350,000 by a fraction, the numerator of which is the amount of funds distributed to the Local Government Housing Trust Fund pursuant to s. 201.15(4)(c) and the denominator of which is the total amount of funds distributed to the Local Government Housing Trust Fund pursuant to s. 201.15.

(b) The guaranteed amount under subsection (2) shall be calculated for each state fiscal year by multiplying \$350,000 by a fraction, the numerator of which is the amount of funds distributed to the Local Government Housing Trust Fund pursuant to s. 201.15(4)(d) and the denominator of which is the total amount of funds distributed to the Local Government Housing Trust Fund pursuant to s. 201.15.

(4) Funds distributed pursuant to this section may not be pledged to pay debt service on any bonds.

(5) Notwithstanding subsections (1)-(4), the corporation may withhold up to \$5 million of the total amount distributed each fiscal year from the Local Government Housing Trust Fund to provide additional funding to counties and eligible municipalities where a state of emergency has been declared by the Governor pursuant to chapter 252. Any portion of the withheld funds not distributed by the end of the fiscal year shall be distributed as provided in subsections (1) and (2).

(6) Notwithstanding subsections (1)-(4), the corporation may withhold up to \$5 million from the total amount distributed each fiscal year from the Local Government Housing Trust Fund to provide funding to counties and eligible municipalities to purchase properties subject to a State Housing Initiative Partnership Program lien and on which foreclosure proceedings have been initiated by any mortgagee. Each county and eligible municipality that receives funds under this subsection shall repay such funds to the corporation not later than the expenditure deadline for the fiscal year in which the funds were awarded. Amounts not repaid

shall be withheld from the subsequent year's distribution. Any portion of such funds not distributed under this subsection by the end of the fiscal year shall be distributed as provided in subsections (1) and (2).

(7) A county receiving local housing distributions under this section or an eligible municipality that receives local housing distributions under an interlocal agreement shall expend those funds in accordance with the provisions of ss. 420.907-420.9079, rules of the corporation, and the county's local housing assistance plan.

**History.**—s. 32, ch. 92-317; s. 36, ch. 97-167; s. 15, ch. 98-56; s. 49, ch. 99-247; ss. 82, 83, ch. 2000-153; s. 28, ch. 2009-96; s. 14, ch. 2011-15; s. 78, ch. 2015-229.

**420.9075 Local housing assistance plans; partnerships.—**

(1)(a) Each county or eligible municipality participating in the State Housing Initiatives Partnership Program shall develop and implement a local housing assistance plan created to make affordable residential units available to persons of very low income, low income, or moderate income and to persons who have special housing needs, including, but not limited to, homeless people, the elderly, migrant farmworkers, and persons with disabilities. Counties or eligible municipalities may include strategies to assist persons and households having annual incomes of not more than 140 percent of area median income. The plans are intended to increase the availability of affordable residential units by combining local resources and cost-saving measures into a local housing partnership and using private and public funds to reduce the cost of housing.

(b) Local housing assistance plans may allocate funds to:

1. Implement local housing assistance strategies for the provision of affordable housing.
2. Supplement funds available to the corporation to provide enhanced funding of state housing programs within the county or the eligible municipality.
3. Provide the local matching share of federal affordable housing grants or programs.
4. Fund emergency repairs, including, but not limited to, repairs performed by existing service providers under weatherization assistance programs under ss. 409.509-409.5093.
5. Further the housing element of the local government comprehensive plan adopted pursuant to s. 163.3184, specific to affordable housing.

(2)(a) Each county and each eligible municipality participating in the State Housing Initiatives Partnership Program shall encourage the involvement of appropriate public sector and private sector entities as partners in order to combine resources to reduce housing costs for the targeted population. This partnership process should involve:

1. Lending institutions.
2. Housing builders and developers.
3. Nonprofit and other community-based housing and service organizations.
4. Providers of professional services relating to affordable housing.

5. Advocates for low-income persons, including, but not limited to, homeless people, the elderly, and migrant farmworkers.

6. Real estate professionals.

7. Other persons or entities who can assist in providing housing or related support services.

8. Lead agencies of local homeless assistance continuums of care.

(b) The specific participants in partnership activities may vary according to the community's resources and the nature of the local housing assistance plan.

(3)(a) Each local housing assistance plan shall include a definition of essential service personnel for the county or eligible municipality, including, but not limited to, teachers and educators, other school district, community college, and university employees, police and fire personnel, health care personnel, skilled building trades personnel, and other job categories.

(b) Each county and each eligible municipality is encouraged to develop a strategy within its local housing assistance plan that emphasizes the recruitment and retention of essential service personnel. The local government is encouraged to involve public and private sector employers. Compliance with the eligibility criteria established under this strategy shall be verified by the county or eligible municipality.

(c) Each county and each eligible municipality is encouraged to develop a strategy within its local housing assistance plan that addresses the needs of persons who are deprived of affordable housing due to the closure of a mobile home park or the conversion of affordable rental units to condominiums.

(d) Each county and each eligible municipality shall describe initiatives in the local housing assistance plan to encourage or require innovative design, green building principles, storm-resistant construction, or other elements that reduce long-term costs relating to maintenance, utilities, or insurance.

(e) Each county and each eligible municipality is encouraged to develop a strategy within its local housing assistance plan which provides program funds for the preservation of assisted housing.

(f) Each county and each eligible municipality is encouraged to develop a strategy within its local housing assistance plan which provides program funds for reducing homelessness.

(g) Local governments may create regional partnerships across jurisdictional boundaries through the pooling of appropriated funds to address homeless housing needs identified in local housing assistance plans.

(4) Each local housing assistance plan is governed by the following criteria and administrative procedures:

(a) Each county, eligible municipality, or entity formed through interlocal agreement to participate in the State Housing Initiatives Partnership Program must develop a qualification system and selection criteria for applications for awards by eligible sponsors, adopt criteria for the selection of eligible persons, and adopt a maximum award schedule or system of amounts consistent with the intent and budget of its local housing assistance plan, with ss. 420.907-420.9079, and with corporation rule.

(b) The county or eligible municipality or its administrative representative shall advertise the notice of funding availability in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.

(c) In accordance with the provisions of ss. 760.20-760.37, it is unlawful to discriminate on the basis of race, religion, color, age, sex, marital status, familial status, national origin, or handicap in the award application process for eligible housing.

(d) As a condition of receipt of an award, the eligible sponsor or eligible person 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 by the county or eligible municipality must prescribe the contractual obligations required to ensure compliance with award conditions.

(e) The staff or entity that has administrative authority for implementing a local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, 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. However, any loan or grant in the original amount of \$10,000 or less is not subject to these annual monitoring and determination of tenant eligibility requirements.

(5) The following criteria apply to awards made to eligible sponsors or eligible persons for the purpose of providing eligible housing:

(a) At least 65 percent of the funds made available in each county and eligible municipality from the local housing distribution must be reserved for home ownership for eligible persons.

(b) Up to 25 percent of the funds made available in each county and eligible municipality from the local housing distribution may be reserved for rental housing for eligible persons or for the purposes enumerated in s. 420.9072(7)(b).

(c) At least 75 percent of the funds made available in each county and eligible municipality from the local housing distribution must be reserved for construction, rehabilitation, or emergency repair of affordable, eligible housing.

(d) Each local government must use a minimum of 20 percent of its local housing distribution to serve persons with special needs as defined in s. 420.0004. A local government must certify that it will meet this requirement through existing approved strategies in the local housing assistance plan or submit a new local housing assistance plan strategy for this purpose to the corporation for approval to ensure that the plan meets this requirement. The first priority of these special needs funds must be to serve persons with developmental disabilities as defined in s. 393.063, with an emphasis on home modifications, including technological enhancements and devices, which will allow homeowners to remain independent in their own homes and maintain their homeownership.

(e) Not more than 20 percent of the funds made available in each county and eligible municipality from the local housing distribution may be used for manufactured housing.

(f) The sales price or value of new or existing eligible housing may not exceed 90 percent of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs or as otherwise established by the United States Department of the Treasury.

(g)1. All units constructed, rehabilitated, or otherwise assisted with the funds provided from the local housing assistance trust fund must be occupied by very-low-income persons, low-income persons, and moderate-income persons except as otherwise provided in this section.

2. At least 30 percent of the funds deposited into the local housing assistance trust fund must be reserved for awards to very-low-income persons or eligible sponsors who will serve very-low-income persons and at least an additional 30 percent of the funds deposited into the local housing assistance trust fund must be reserved for awards to low-income persons or eligible sponsors who will serve low-income persons. This subparagraph does not apply to a county or an eligible municipality that includes, or has included within the previous 5 years, an area of critical state concern designated or ratified by the Legislature for which the Legislature has declared its intent to provide affordable housing. The exemption created by this act expires on July 1, 2013, and shall apply retroactively.

(h) Loans shall be provided for periods not exceeding 30 years, except for deferred payment loans or loans that extend beyond 30 years which continue to serve eligible persons.

(i) Loans or grants for eligible rental housing constructed, rehabilitated, or otherwise assisted from the local housing assistance trust fund must be subject to recapture requirements as provided by the county or eligible municipality in its local housing assistance plan unless reserved for eligible persons for 15 years or the term of the assistance, whichever period is longer. 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.

(j) Loans or grants for eligible owner-occupied housing constructed, rehabilitated, or otherwise assisted from proceeds provided from the local housing assistance trust fund shall be subject to recapture requirements as provided by the county or eligible municipality in its local housing assistance plan.

(k) The total amount of monthly mortgage payments or the amount of monthly rent charged by the eligible sponsor or her or his designee must be made affordable.

(l) The maximum sales price or value per unit and the maximum award per unit for eligible housing benefiting from awards made pursuant to this section must be established in the local housing assistance plan.

(m) The benefit of assistance provided through the State Housing Initiatives Partnership Program must accrue to eligible persons occupying eligible housing. This provision shall not be construed to prohibit use of the local housing distribution funds for a mixed income rental development.

(n) Funds from the local housing distribution not used to meet the criteria established in paragraph (a) or paragraph (c) or not used for the administration of a local housing assistance plan must be used for housing production and finance activities, including, but not limited to, financing preconstruction activities or the purchase of existing units, providing rental housing, and providing home ownership training to prospective home buyers and owners of homes assisted through the local housing assistance plan.

1. Notwithstanding the provisions of paragraphs (a) and (c), program income as defined in s. 420.9071(24) may also be used to fund activities described in this paragraph.

2. When preconstruction due-diligence activities conducted as part of a preservation strategy show that preservation of the units is not feasible and will not result in the production of an eligible unit, such costs shall be deemed a program expense rather than an administrative expense if such program expenses do not exceed 3 percent of the annual local housing distribution.

3. 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.

4. Each county and each eligible municipality may award funds as a grant for construction, rehabilitation, or repair as part of disaster recovery or emergency repairs or to remedy accessibility or health and safety deficiencies. Any other grants must be approved as part of the local housing assistance plan.

(6) Each county or eligible municipality receiving local housing distribution moneys shall establish and maintain a local housing assistance trust fund. All moneys of a county or an eligible municipality received from its share of the local housing distribution, program income, recaptured funds, and other funds received or budgeted to implement the local housing assistance plan shall be deposited into the trust fund; however, local housing distribution moneys used to match federal HOME program moneys may be repaid to the HOME program fund if required by federal law or regulations. Expenditures other than for the administration and implementation of the local housing assistance plan may not be made from the fund.

(7) The moneys deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan. The cost of administering the plan may not exceed 5 percent of the local housing distribution moneys and program income deposited into the trust fund. A county or an eligible municipality may not exceed the 5-percent limitation on administrative costs, unless its governing body finds, by resolution, that 5 percent of the local housing distribution plus 5 percent of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan. The

cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.

(8) Pursuant to s. 420.531, the corporation shall provide training and technical assistance to local governments regarding the creation of partnerships, the design of local housing assistance strategies, the implementation of local housing incentive strategies, and the provision of support services.

(9) The corporation shall monitor the activities of local governments to determine compliance with program requirements and shall collect data on the operation and achievements of housing partnerships.

(10) Each county or eligible municipality shall submit to the corporation by September 15 of each year a report of its affordable housing programs and accomplishments through June 30 immediately preceding submittal of the report. The report shall be certified as accurate and complete by the local government's chief elected official or his or her designee. Transmittal of the annual report by a county's or eligible municipality's chief elected official, or his or her designee, certifies that the local housing incentive strategies, or, if applicable, the local housing incentive plan, have been implemented or are in the process of being implemented pursuant to the adopted schedule for implementation. The report must include, but is not limited to:

(a) The number of households served by income category, age, family size, and race, and data regarding any special needs populations such as farmworkers, homeless persons, persons with disabilities, and the elderly. Counties shall report this information separately for households served in the unincorporated area and each municipality within the county.

(b) The number of units and the average cost of producing units under each local housing assistance strategy.

(c) The average area purchase price of single-family units and the amount of rent charged for a rental unit based on unit size.

(d) By income category, the number of mortgages made, the average mortgage amount, and the rate of default.

(e) A description of the status of implementation of each local housing incentive strategy, or if applicable, the local housing incentive plan as set forth in the local government's adopted schedule for implementation.

(f) A concise description of the support services that are available to the residents of affordable housing provided by local programs.

(g) The sales price or value of housing produced and an accounting of what percentage was financed by the local housing distribution, other public moneys, and private resources.

(h) Such other data or affordable housing accomplishments considered significant by the reporting county or eligible municipality or by the corporation.

(i) A description of efforts to reduce homelessness.

(11) The report shall be made available by the county or eligible municipality for public inspection and comment prior to certifying the report and transmitting it to the corporation. The county or eligible municipality shall provide notice of the availability of the proposed report and solicit public comment. The notice must state the public place where a copy of the proposed report can be obtained by interested persons. Members of the public may submit written comments on the report to the county or eligible municipality and the corporation. Written public comments shall identify the author by name, address, and interest affected. The county or eligible municipality shall attach a copy of all such written comments and its responses to the annual report submitted to the corporation.

(12) The corporation shall review the report of each county or eligible municipality and any written comments from the public and include any comments concerning the effectiveness of local programs in the report required by s. 420.511.

(13)(a) If, as a result of the review of the annual report or public comment and written response from the county or eligible municipality, or at any other time, the corporation determines that a county or eligible municipality may have established a pattern of violation of the criteria for a local housing assistance plan established under ss. 420.907-420.9079 or that an eligible sponsor or eligible person has violated the applicable award conditions, the corporation shall report such pattern of violation of criteria or violation of award conditions to its compliance monitoring agent and the Executive Office of the Governor. The corporation's compliance monitoring agent must determine within 60 days whether the county or eligible municipality has violated program criteria and shall issue a written report thereon. If a violation has occurred, the distribution of program funds to the county or eligible municipality must be suspended until the violation is corrected.

(b) If, as a result of its review of the annual report, the corporation determines that a county or eligible municipality has failed to implement a local housing incentive strategy, or, if applicable, a local housing incentive plan, it shall send a notice of termination of the local government's share of the local housing distribution by certified mail to the affected county or eligible municipality.

1. The notice must specify a date of termination of the funding if the affected county or eligible municipality does not implement the plan or strategy and provide for a local response. A county or eligible municipality shall respond to the corporation within 30 days after receipt of the notice of termination.

2. The corporation shall consider the local response that extenuating circumstances precluded implementation and grant an extension to the timeframe for implementation. Such an extension shall be made in the form of an extension agreement that provides a timeframe for implementation. The chief elected official of a county or eligible municipality or his or her designee shall have the authority to enter into the agreement on behalf of the local government.

3. If the county or the eligible municipality has not implemented the incentive strategy or entered into an extension agreement by the termination date specified in the notice, the local housing distribution share



terminates, and any uncommitted local housing distribution funds held by the affected county or eligible municipality in its local housing assistance trust fund shall be transferred to the Local Government Housing Trust Fund to the credit of the corporation to administer.

4.a. If the affected local government fails to meet the timeframes specified in the agreement, the corporation shall terminate funds. The corporation shall send a notice of termination of the local government's share of the local housing distribution by certified mail to the affected local government. The notice shall specify the termination date, and any uncommitted funds held by the affected local government shall be transferred to the Local Government Housing Trust Fund to the credit of the corporation to administer.

b. If the corporation terminates funds to a county, but an eligible municipality receiving a local housing distribution pursuant to an interlocal agreement maintains compliance with program requirements, the corporation shall thereafter distribute directly to the participating eligible municipality its share calculated in the manner provided in ss. 420.9072 and 420.9073.

c. Any county or eligible municipality whose local distribution share has been terminated may subsequently elect to receive directly its local distribution share by adopting the ordinance, resolution, and local housing assistance plan in the manner and according to the procedures provided in ss. 420.907-420.9079.

(14) If the corporation determines that a county or eligible municipality has expended program funds for an ineligible activity, the corporation shall require such funds to be repaid to the local housing assistance trust fund. Such repayment may not be made with funds from the State Housing Initiatives Partnership Program.

**History.**—s. 32, ch. 92-317; s. 14, ch. 93-181; s. 5, ch. 95-153; s. 9, ch. 95-396; s. 81, ch. 97-103; s. 37, ch. 97-167; s. 15, ch. 2000-353; s. 14, ch. 2001-98; s. 7, ch. 2002-160; s. 24, ch. 2004-243; s. 23, ch. 2006-69; s. 20, ch. 2008-104; s. 29, ch. 2009-96; s. 15, ch. 2011-15; s. 10, ch. 2016-210.

**420.9076 Adoption of affordable housing incentive strategies; committees.—**

(1) Each county or eligible municipality participating in the State Housing Initiatives Partnership Program, including a municipality receiving program funds through the county, or an eligible municipality must, within 12 months after the original adoption of the local housing assistance plan, amend the plan to include local housing incentive strategies as defined in s. 420.9071(16).

(2) The governing board of a county or municipality shall appoint the members of the affordable housing advisory committee. Pursuant to the terms of any interlocal agreement, a county and municipality may create and jointly appoint an advisory committee. The local action adopted pursuant to s. 420.9072 which creates the advisory committee and appoints the advisory committee members must name at least 8 but not more than 11 committee members and specify their terms. The committee must consist of one representative from at least six of the categories below:

- (a) A citizen who is actively engaged in the residential home building industry in connection with affordable housing.
- (b) A citizen who is actively engaged in the banking or mortgage banking industry in connection with affordable housing.
- (c) A citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing.
- (d) A citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing.
- (e) A citizen who is actively engaged as a for-profit provider of affordable housing.
- (f) A citizen who is actively engaged as a not-for-profit provider of affordable housing.
- (g) A citizen who is actively engaged as a real estate professional in connection with affordable housing.
- (h) A citizen who actively serves on the local planning agency pursuant to s. 163.3174. If the local planning agency is comprised of the governing board of the county or municipality, the governing board may appoint a designee who is knowledgeable in the local planning process.
  - (i) A citizen who resides within the jurisdiction of the local governing body making the appointments.
  - (j) A citizen who represents employers within the jurisdiction.
  - (k) A citizen who represents essential services personnel, as defined in the local housing assistance plan.
- (3) All meetings of the advisory committee are public meetings, and all committee records are public records. Staff, administrative, and facility support to the advisory committee shall be provided by the appointing county or eligible municipality.
- (4) Triennially, the advisory committee shall review the established policies and procedures, ordinances, land development regulations, and adopted local government comprehensive plan of the appointing local government and shall recommend specific actions or initiatives to encourage or facilitate affordable housing while protecting the ability of the property to appreciate in value. The recommendations may include the modification or repeal of existing policies, procedures, ordinances, regulations, or plan provisions; the creation of exceptions applicable to affordable housing; or the adoption of new policies, procedures, regulations, ordinances, or plan provisions, including recommendations to amend the local government comprehensive plan and corresponding regulations, ordinances, and other policies. At a minimum, each advisory committee shall submit a report to the local governing body that includes recommendations on, and triennially thereafter evaluates the implementation of, affordable housing incentives in the following areas:
  - (a) The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects, as provided in s. 163.3177(6)(f)3.
  - (b) The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.
  - (c) The allowance of flexibility in densities for affordable housing.

- (d) The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.
- (e) The allowance of affordable accessory residential units in residential zoning districts.
- (f) The reduction of parking and setback requirements for affordable housing.
- (g) The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.
- (h) The modification of street requirements for affordable housing.
- (i) The establishment of a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.
- (j) The preparation of a printed inventory of locally owned public lands suitable for affordable housing.
- (k) The support of development near transportation hubs and major employment centers and mixed-use developments.

The advisory committee recommendations may also include other affordable housing incentives identified by the advisory committee. Local governments that receive the minimum allocation under the State Housing Initiatives Partnership Program shall perform the initial review but may elect to not perform the triennial review.

(5) The approval by the advisory committee of its local housing incentive strategies recommendations and its review of local government implementation of previously recommended strategies must be made by affirmative vote of a majority of the membership of the advisory committee taken at a public hearing. Notice of the time, date, and place of the public hearing of the advisory committee to adopt its evaluation and final local housing incentive strategies recommendations must be published in a newspaper of general paid circulation in the county. The notice must contain a short and concise summary of the evaluation and local housing incentives strategies recommendations to be considered by the advisory committee. The notice must state the public place where a copy of the evaluation and tentative advisory committee recommendations can be obtained by interested persons. The final report, evaluation, and recommendations shall be submitted to the corporation.

(6) Within 90 days after the date of receipt of the evaluation and local housing incentive strategies recommendations from the advisory committee, the governing body of the appointing local government shall adopt an amendment to its local housing assistance plan to incorporate the local housing incentive strategies it will implement within its jurisdiction. The amendment must include, at a minimum, the local housing incentive strategies required under s. 420.9071(16). The local government must consider the strategies specified in paragraphs (4)(a)-(k) as recommended by the advisory committee.

(7) The governing board of the county or the eligible municipality shall notify the corporation by certified mail of its adoption of an amendment of its local housing assistance plan to incorporate local housing incentive strategies. The notice must include a copy of the approved amended plan.

(a) If the corporation fails to receive timely the approved amended local housing assistance plan to incorporate local housing incentive strategies, a notice of termination of its share of the local housing distribution shall be sent by certified mail by the corporation to the affected county or eligible municipality. The notice of termination must specify a date of termination of the funding if the affected county or eligible municipality has not adopted an amended local housing assistance plan to incorporate local housing incentive strategies. If the county or the eligible municipality has not adopted an amended local housing assistance plan to incorporate local housing incentive strategies by the termination date specified in the notice of termination, the local distribution share terminates; and any uncommitted local distribution funds held by the affected county or eligible municipality in its local housing assistance trust fund shall be transferred to the Local Government Housing Trust Fund to the credit of the corporation to administer the local government housing program.

(b) If a county fails to timely adopt an amended local housing assistance plan to incorporate local housing incentive strategies but an eligible municipality receiving a local housing distribution pursuant to an interlocal agreement within the county does timely adopt an amended local housing assistance plan to incorporate local housing incentive strategies, the corporation, after issuance of a notice of termination, shall thereafter distribute directly to the participating eligible municipality its share calculated in the manner provided in s. 420.9073.

(c) Any county or eligible municipality whose local distribution share has been terminated may subsequently elect to receive directly its local distribution share by adopting an amended local housing assistance plan to incorporate local housing incentive strategies in the manner and according to the procedure provided in this section and by adopting an ordinance in the manner required in s. 420.9072.

(8) The advisory committee may perform other duties at the request of the local government, including:

(a) The provision of mentoring services to affordable housing partners including developers, banking institutions, employers, and others to identify available incentives, assist with applications for funding requests, and develop partnerships between various parties.

(b) The creation of best practices for the development of affordable housing in the community.

(9) The advisory committee shall be cooperatively staffed by the local government department or division having authority to administer local planning or housing programs to ensure an integrated approach to the work of the advisory committee.

**History.**—s. 32, ch. 92-317; s. 15, ch. 93-181; s. 38, ch. 97-167; s. 24, ch. 2006-69; s. 19, ch. 2007-198; s. 117, ch. 2008-4; s. 30, ch. 2009-96; s. 16, ch. 2011-15; s. 67, ch. 2011-139; s. 11, ch. 2016-210.

**420.9079 Local Government Housing Trust Fund.—**

(1) There is created in the State Treasury the Local Government Housing Trust Fund, which shall be administered by the corporation on behalf of the department according to the provisions of ss. 420.907-420.9076 and this section. There shall be deposited into the fund a portion of the documentary stamp tax revenues as provided in s. 201.15, moneys received from any other source for the purposes of ss. 420.907-

420.9076 and this section, and all proceeds derived from the investment of such moneys. Moneys in the fund that are not currently needed for the purposes of the programs administered pursuant to ss. 420.907-420.9076 and this section shall be deposited to the credit of the fund and may be invested as provided by law. The interest received on any such investment shall be credited to the fund.

(2) The corporation shall administer the fund exclusively for the purpose of implementing the programs described in ss. 420.907-420.9076 and this section. With the exception of monitoring the activities of counties and eligible municipalities to determine local compliance with program requirements, the corporation shall not receive appropriations from the fund for administrative or personnel costs. For the purpose of implementing the compliance monitoring provisions of s. 420.9075(9), the corporation may request a maximum of one-quarter of 1 percent of the annual appropriation per state fiscal year. When such funding is appropriated, the corporation shall deduct the amount appropriated prior to calculating the local housing distribution pursuant to ss. 420.9072 and 420.9073.

**History.**—s. 32, ch. 92-317; s. 40, ch. 97-167; s. 16, ch. 98-56; s. 25, ch. 2006-69; s. 11, ch. 2009-2; s. 32, ch. 2009-96; s. 18, ch. 2011-15; s. 87, ch. 2015-229.

## Appendix C

### CHAPTER 67-37 STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM

FLORIDA HOUSING FINANCE CORPORATION  
CHAPTER 67-37 FLORIDA ADMINISTRATIVE CODE  
STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM

- 67-37.002 Definitions.
- 67-37.005 Local Housing Assistance Plans.
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- 67-37.008 Local Housing Assistance Trust Fund.
- 67-37.011 Interlocal Entities.
- 67-37.019 Compliance Procedures

#### **67-37.002 Definitions.**

As used in this rule chapter, the following definitions shall apply:

- (1) "Administrative Expenditures" means those expenditures directly related to implementation of the Local Housing Assistance Plans.
- (2) "Annual Gross Income" means Annual Gross Income as defined in Section 420.9071(4), F.S.
- (3) "Annual Report" means a report required to be completed and submitted to the Corporation by September 15 of each year pursuant to Section 420.9075(10), F.S.
- (4) "Assisted Housing" or "Assisted Housing Development" means Assisted Housing as defined in Section 420.9071(29), F.S.
- (5) "Catalyst" means the Affordable Housing Catalyst Program as described in Section 420.531, F.S.
- (6) "Debt Service" means the amount required in any fiscal year to pay the principal of, redemption premium, if any, and interest on bonds and any amounts required by the terms of the documents authorizing, securing, or providing liquidity for bonds necessary to maintain in effect any such liquidity or security arrangements.
- (7) "Default" means the failure to make required payments on a financial loan secured by a mortgage that may lead to foreclosure and loss of property ownership.
- (8) "Deferred Payment Loan" means funds provided to a borrower under terms that calls for repayment to be delayed for a certain length of time, until certain circumstances change, or a certain threshold is met.
- (9) "Eligible Housing" means as defined in Section 420.9071(8), F.S.
- (10) "Encumbered" means that deposits made to the local affordable housing trust fund have been committed by contract, or purchase order, letter of commitment or award in a manner that obligates the county, eligible municipality, or interlocal entity to expend the amount upon delivery of goods, the rendering of services, or the conveyance of real property by a vendor, supplier, contractor, or owner.
- (11) "Essential Service Personnel" means persons in need of affordable housing who are employed in occupations or professions in which they are considered essential service personnel, as defined by each county and eligible municipality within its respective local housing assistance plan pursuant to Section 420.9075(3)(a), F.S.
- (12) "Expended" means the affordable housing activity is complete and funds deposited to the local affordable housing trust fund have been transferred from the local housing assistance trust fund account to pay for the cost of the activity.
- (13) "Extremely Low Income Household" or "ELI" means one or more natural persons or a family that has a total annual gross household income that does not exceed 30 percent of the area median income adjusted for family size for households within the metropolitan statistical area, the county, or the non-metropolitan median for the state, whichever is greatest.

(14) "Foreclosure" means the legal action by a mortgage holder to require repayment of a Loan through the sale of the subject property.

(15) "Forgivable Loan" means a loan with no repayment obligation if requirements of the loan are met for a specified period of time.

(16) "Grant" means Grant as defined in Section 420.9071(12), F.S.

(17) "Home Ownership Activities" means the use of the local affordable housing trust fund moneys for the purpose of providing owner-occupied housing. Such uses include construction, rehabilitation, purchase, and lease-purchase financing where the primary purpose is the eventual purchase of the housing by the occupant within twenty-four months from initial execution of a lease agreement or within twenty-four (24) months of the applicable fiscal year, whichever occurs first.

(18) "Interlocal Entity" means an entity created pursuant to the provisions of Chapter 163, Part I, F.S., for the purpose of establishing a joint local housing assistance plan between two or more SHIP eligible local governments pursuant to the provisions of Section 420.9072(5), F.S.

(19) "Loan" means Loan as defined in Section 420.9071(13), F.S.

(20) "Local Housing Incentive Strategies" means Local Housing Incentive Strategies as defined in Section 420.9071(16), F.S.

(21) "Persons With Special Needs" means Persons with Special Needs as defined in 420.0004 (13).

(22) "Preservation" means Preservation as defined in Section 420.9071(30), F.S.

(23) "Program Income" means Program Income as defined in Section 420.9071(24), F.S.

(24) "Project Delivery Costs" means those costs related to the delivery of housing related services to an eligible applicant that are not included as part of Administrative Expenditures.

(25) "Recaptured Funds" means Recaptured Funds as defined in Section 420.9071(25), F.S.

(26) "Rehabilitation" means repairs or improvements which are needed for safe or sanitary habitation, correction of substantial code violations, or the creation of additional living space.

(27) "Review Committee" means the committee established pursuant to Section 420.9072(3)(a), F.S.

(28) "SHIP" or "SHIP Program" means the State Housing Initiatives Partnership Program created pursuant to the State Housing Initiative Partnership Act, Sections 420.907-.9079, F.S.

(29) "Sponsor" means eligible sponsor as defined in 420.9071 (11)., F.S.

(30) "State" means the State of Florida.

(31) "Sub Recipient" means a person or non-state organization contracted by a SHIP eligible local government and compensated with SHIP funds to provide administration of any portion of the SHIP program.

(32) "Welfare Transition Program" means a program pursuant to the provisions of Section 445.006, F.S.

*Rulemaking Authority 420.9072(9) FS., Ch. 2000-69, Laws of Florida. Law Implemented 420.9072 FS. History—New 11-26-92, Amended 2-9-94, 12-28-94, 1-6-98, Formerly 91-37.002, Amended 12-26-99, 9-22-03, 1-30-05, 11-5-06, 2-24-08, 11-22-09, 5-23.17.*

#### **67-37.005 Local Housing Assistance Plans (LHAP).**

##### **(1) General Requirements:**

(a) To be eligible for SHIP funding for a state fiscal year, a county or eligible municipality shall submit and receive approval of its local housing assistance plan and amendments thereto as provided in Rule 67-37.006, F.A.C. Plans must be submitted to the Corporation by May 2 preceding the end of the fiscal year in which the current plan expires. New Plans must be submitted using the LHAP Template 2016-001, effective October 1, 2016, including all required exhibits, which is adopted and incorporated herein by reference. A copy of the LHAP Template 2016-001 and required exhibits may be obtained at <http://www.floridahousing.org> or by contacting the Corporation. In the case of new eligible municipalities, plans must be submitted to the Corporation by May 2 of the state fiscal year prior to the state fiscal year they seek to become eligible for funding. No SHIP local housing distribution funds shall be distributed in a

fiscal year to a county or eligible municipality unless and until an approved LHAP is in place with respect to applicable fiscal year.

(b) The effective period of an LHAP may be up to three state fiscal years. Counties or eligible municipalities that receive LHAP approval for more than one fiscal year shall not be required to resubmit a new plan until May 2 of the year in which the approved plan expires.

(c) A copy of the local housing assistance plan shall be submitted to the Corporation, via electronic submission. The local housing assistance plan's certification and resolution, which are part of LHAP Template 2016-001, shall be submitted and shall bear the original signature of the authorized official which includes: Mayor, Commissioner, County Manager or City Manager or the authorized official's designee and a certification that the document being submitted is the county's, eligible municipality's or interlocal entity's local housing assistance plan and that all provisions of the plan conform to the requirements of Section 420.9072, F.S., et seq., and Rule Chapter 67-37, F.A.C.

(d) Within two weeks after receipt of final approval of the LHAP from the Corporation, the local government shall provide, via electronic submission, a complete clean copy (no strike through or underline) including all required exhibits to the Corporation.

(e) The Corporation shall be notified by a county or eligible municipality of any recently hired staff or any new entity employed or contracted to administer any portion of the SHIP program having no previous experience with the SHIP program. Those staff or entity shall be required to receive technical assistance and training through the Affordable Housing Catalyst Program.

(f) The funds deposited to the local housing assistance trust fund must be spent within twenty-four months from the end of the applicable State fiscal year. Exceptions to this time frame must be approved by the Corporation SHIP Program Administrator on a case-by-case basis. Exceptions will only be granted for good cause. Examples of good cause are natural disasters, requirements of other State agencies, adverse market conditions, and unavoidable development delays. Adequate explanation of the reasons for the requested extension as well as a timeline for completing the expenditure of funds must be submitted to the Corporation before an extension will be approved, e.g., project status, work plan and completion schedule, commitment of funds, etc. The Corporation may require a local government requesting an expenditure extension to receive technical assistance through the Catalyst program to evaluate the need for an extension.

(g) Each LHAP must include a disaster strategy describing activities to be undertaken in the event of an emergency or disaster that has been declared by executive order. A copy of a sample Disaster Strategy is available on the Corporation's website at <http://www.floridahousing.org> or by contacting the Corporation. Local governments may use unencumbered SHIP funds to carry out activities of disaster relief. Recipients of SHIP funds under a local government's disaster strategy shall be required to verify income using certifications, pay check stubs or other forms of proof. Documentation required for SHIP income qualification may be waived if unavailable. The county or eligible municipality shall make every effort reasonable to insure that the recipients of SHIP funds are income qualified.

(2) A county or eligible municipality is permitted to:

(a) Develop a strategy within its local housing assistance plan that emphasizes the recruitment and retention of Essential Service Personnel pursuant to Section 420.9075(3)(b), F.S.

(b) Use SHIP funds for persons or families whose total annual household income does not exceed one hundred forty percent of the area median income, adjusted for family size; this use of funds does not relieve the local government from meeting the requirements of Section 420.9075(5)(g) 2., F.S.

(c) Develop a strategy within its local housing assistance plan that addresses the needs of persons who are deprived of affordable housing due to the closure of a mobile home park or the conversion of affordable rental units to condominiums pursuant to Section 420.9075(3)(c), F.S.



(d) Develop a strategy within its local housing assistance plan for the Preservation of assisted rental housing.

(3) Notice of Funding Availability

(a) Each county or eligible municipality shall advertise a notice of funding availability of SHIP funds at least 30 days before the beginning of the application period in a newspaper of general circulation and periodicals serving ethnically and racially diverse populations unless a waiting list of applicants exists that will exhaust all allocated funding.

1. The advertisement shall:

- a. Identify the amount of the distribution projected to be received from the state for the fiscal year;
- b. List the beginning and end date of the application period;
- c. Provide the name of the local plan contact person and other pertinent information including where applicants may apply for assistance.

2. The advertisement may also include information that the local governments deem necessary such as:

- a. An estimated amount of SHIP local housing distribution per strategy;
- b. Income set asides for each strategy along with applicable income limits;
- c. A description of the selection criteria for each strategy;
- d. The maximum housing value limitation for each strategy;

(4) Each local housing assistance plan shall be submitted on the LHAP template and include:

- a. A description of the local housing strategies and incentive strategies;
- b. A statement that monthly rents or monthly mortgage payments, including taxes and insurance, do not exceed 30 percent of an amount representing the percentage of the area's median Annual Gross Income for the household as indicated in Section 420.9071(19), (20) or (28), F.S. However, it is not the intent to limit an individual household's ability to devote more than 30 percent of its income for housing. Housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size established by the Corporation;

(c) A description of the extent to which a strategy is implemented by combining resources through a partnership in order to leverage the cost of housing;

(d) A description of the support services that will be made available to the residents of the housing; and

(e) A description of the initiatives that will be used to conduct outreach and to attract applicants for assistance;

(f) A statement that strategies further the housing element, goals, policies, and objectives of the local government's comprehensive plan.

(g) A policy stating that once a waiting list has been exhausted and funds remain unencumbered, the local government will advertise as instructed in Section 420.9075(4)(b), F.S.

(h) A statement that the staff or entity that has administrative authority for implementing a local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility throughout the 15 year compliance period as described at subsection 67-37.007(15), F.A.C.

(i) A definition of essential service personnel for the county or eligible municipality. Such definition may include teachers and educators; other school district, community college, and university employees; police and fire personnel; health care personnel; skilled building trades personnel; and other specifically defined job categories as required by Section 420.9075(3)(a), F.S.

(j) A description of initiatives identifying current and emerging green building and design techniques and explain how these techniques are to be integrated into its housing strategies both for sustainability and promote greater affordability pursuant to Section 420.9075(3)(d), F.S.

(k) A complete description of all strategies and activities to be undertaken as described in this section.

(l) A description of the qualification system and selection criteria for applications for awards to eligible sponsors, which includes a description that demonstrates how eligible sponsors that employed personnel from the Welfare Transition Program will be given preference in the selection process,

(m) A description of the criteria for selection of eligible persons,

(n) Maximum Award amounts for each strategy listed in the local housing assistance plan,

(o) A timeline for the expenditure of SHIP local housing distribution funds in sufficient detail to allow for a comparison of such plan with actual expenditures. The information submitted must be presented separately for each State fiscal year;

(p) A detailed line-item budget of proposed Administrative Expenditures. These must be presented on an annual basis for each State fiscal year submitted;

(q) A copy of the ordinance and its amendments, if the original ordinance has been amended from its original submission, as required by Section 420.9072(2)(b), F.S.; and

(r) A housing delivery goals chart hereby incorporated by reference as an exhibit to the LHAP template for each fiscal year, which includes the following information for each strategy:

1. The proposed dollar amount of the local housing distribution to be used for each strategy, stated for each State fiscal year in a multi-year plan;
2. The estimated number of households proposed to be served for each strategy and income category;
3. The maximum amount of funding per unit for each strategy, and the estimated amount of funding for new construction, rehabilitation or non-construction activities. On a multi-year plan, this information must be stated separately for each State fiscal year;
4. The maximum sales price of new and existing units. For community land trust purposes the value of the land is not included in the purchase price.

(5) Each LHAP shall contain a certification form, which is included as an exhibit to LHAP Template 2016-001, which requires the county or eligible municipality to certify to all statements on said form, including that:

(a) There is an established procedure for the tracking and expenditure of program income and Recaptured Funds from loan repayments, reimbursements, Foreclosures or other repayments, and interest earnings on the local housing distribution funds.

(b) There is a plan to Encumber the local housing distribution funds deposited into the local housing assistance trust fund for each State fiscal year by June 30 one year following the end of the applicable State fiscal year;

(c) There is a plan for the local housing distribution deposited into the local housing assistance trust fund to be Expended for eligible persons or eligible sponsor within 24 months of the end of the applicable State fiscal year. Expended is defined as:

1. The project is completed as evidenced by documentation of final payment to the contractor and release of all lien waivers;
2. Issuance of the certificate of occupancy by the local building department in the case of a new home or proof of the final building inspection for housing rehabilitation, and occupancy by an eligible person or eligible household;-
3. For assistance to tenants of rental housing or foreclosure assistance payments, funds are Expended upon transfer of funds to a tenant, resident, lending institution, utility provider or landlord; and
4. In the case of a loan guarantee strategy, the deposits to the local housing assistance trust fund will be considered expended when they are deposited from the local housing assistance trust fund into the guarantee fund.

**67-37.006 Review of Local Housing Assistance Plans and Amendments.**

(1) Local housing assistance plans and amendments shall be reviewed and approved by a Review Committee of Corporation employees appointed by the Executive Director.

(2) Any county or eligible municipality desiring review of a new plan or plan amendment prior to adoption by the local government body may submit it for review to the Corporation. The plan or amendment will be reviewed by the Corporation, which will recommend it for conditional approval pending local approval and submission of all required documents or identify inconsistencies with the requirements of the SHIP program Rule Chapter 67-37, F.A.C., and Sections 420.907-.9079, F.S., within 45 days after receipt.

(3) Amendments to an approved local housing assistance plan must be adopted by resolution and the county or eligible municipality must provide a copy to the Corporation within 21 days after adoption. A county or eligible municipality must amend its plan if at any time a strategy will be deleted or a new strategy will be added. Amendments that do not add, delete or significantly alter a strategy are considered technical and are not subject to the amendment review process.

(4) A county or eligible municipality which has adopted a Plan or an amendment that has been determined by the Corporation to be inconsistent with the requirements of the SHIP program, shall make necessary revisions identified within 45 days of receipt of the Committee's comments.

*Rulemaking Authority 420.9072(9) FS. Law Implemented 420.9072(2) FS. History—New 11-26-92, Amended 2-9-94, 12-28-94, 1-6-98, Formerly 91-37.006, Amended 12-26-99, 9-22-03, 2-24-08, 11-22-09, 5-23-17.*

**67-37.007 Uses of and Restrictions Upon SHIP Local Housing Distribution Funds for Local Housing Assistance Plans.**

(1) SHIP local housing distribution funds shall be used to implement the local housing assistance plan. The benefit of assistance provided through the SHIP program must accrue to eligible persons occupying Eligible Housing. This provision shall not be construed to prohibit use of the local housing distribution deposited into the local housing assistance trust fund for a mixed-income rental development. SHIP local housing distribution funds may be used:

(a) All local housing distribution funds shall be Encumbered by June 30 of the State fiscal year following the end of the applicable State fiscal year.

(b) The funds deposited to the local housing assistance trust fund must be Expended within 24 months from the end of the applicable State fiscal year. Requests for extensions for good cause must be submitted by the local government to the Corporation and will be reviewed and approved or denied by the Corporation on a case-by-case basis. Examples of good cause include disasters, requirements of other State agencies or housing programs, adverse market conditions, and unavoidable development delays. The Corporation may require a local government requesting an expenditure extension to receive technical assistance through the Catalyst program.

(c) If funds remain unexpended after the original or extended deadline, the County or eligible municipality will be deemed to be in non-compliance and funds will be subject to recapture by the Corporation.

(d) SHIP local Housing distributions may be used:

1. To implement the local housing assistance plan and incentive strategies that create or preserve affordable housing;

2. To supplement Corporation programs, for example: the State Apartment Incentive Loan Program established under Section 420.5087, F.S., the Community Workforce Housing Innovation Pilot Program and Home Ownership Assistance Program (HAP) established under Section 420.5088, F.S., with the SHIP local housing distribution funds directed to uses within the local government jurisdiction;

3. To provide local match to obtain federal housing grants or programs, such as HOME, established by 24 CFR, Part 92; and

4. To further the housing element of the local government comprehensive plan adopted pursuant to Section 163.3184, F.S., specific to affordable housing.

(2) At least sixty-five percent of each local government's local housing distributions must be used for Home Ownership Activities. The expenditure of program income is exempt from this requirement.

(3) At least seventy-five percent of each local government's local housing distributions must be used for construction, rehabilitation or emergency repairs of affordable, Eligible Housing. The expenditure of program income is exempt from this requirement. Construction, rehabilitation, or emergency repairs must be completed either within one year immediately preceding the date of conveyance of title (i.e., closing) or within 24 months of the close of the applicable State fiscal year to satisfy the Expenditure requirement, unless otherwise extended by the Corporation. For purposes of this rule, SHIP recipients may rely on the following expenditures to be considered construction, rehabilitation or emergency repair costs:

(a) Those hard costs which are typically or customarily treated as construction costs by institutional lenders;

(b) Payment of impact fees;

(c) Infrastructure expenses typically paid by the developer;

(d) Construction soft costs such as engineering studies and appraisals, if directly related to housing construction, rehabilitation or emergency repairs;

(e) Relocation costs associated with rehabilitation of the residence usually occupied by a tenant or home owner; and

(f) Financing, or "buy-down" costs, if directly attributable to assisting eligible persons to own a home or obtain rental occupancy (e.g., security and utility deposit assistance) in a home or unit that has obtained a certificate of occupancy in the 12-month period immediately preceding the contract for sale and purchase or has never been occupied or lease of the premises. When used to purchase an existing housing unit, closing costs and down payment assistance will be considered toward fulfilling the 75 percent construction requirement only if the housing unit receives rehabilitation. Any other costs may be submitted to the Corporation for review and approval.

(4) At least 20 percent of each local government's local housing distribution must be used to serve persons with special needs as defined in Section 420.0004, F.S. A local government must meet this requirement through existing approved strategies in the local housing assistance plan or submit a new local housing assistance plan strategy for this purpose. The first priority of these special needs funds must be to serve persons with developmental disabilities as defined in Section 393.063, F.S., with an emphasis on home modifications, including technological enhancements and devices, which will allow homeowners to remain independent in their own homes and maintain their homeownership.

(5) A county or eligible municipality may spend up to 20 percent of the funds made available in each county and eligible municipality from the local housing distribution for manufactured housing as referenced in Section 420.9075(5)(c), F.S.

(6) A county or eligible municipality may spend funds to provide ongoing rent subsidies for:

(a) Security and utility deposit assistance;

(b) Eviction prevention not to exceed 6 months' rent; and-

(c) A rent subsidy program for very-low-income households with at least one adult who is a person with special needs as defined in Section 420.0004, F.S. or is homeless as defined in Section 420.621, F.S. The period of rental assistance may not exceed 12 months for any eligible household.

(7) The Corporation shall review and approve expenditures for the following categories as Administrative Expenditures:

(a) Salaries of persons directly responsible for preparation of the plans or reporting required as part of the administration of the local SHIP program. The salary allocated to SHIP Administrative Expenditures of any employee shall reflect activities involving administration of the SHIP program, but no SHIP program funds are permitted to be expended for the administration of activities not involving SHIP funds.

(b) Office expenditures affiliated with the administration of the local SHIP program;

(c) Studies conducted by the county or eligible municipality or by consultants selected by the county or eligible municipality to provide data on affordable housing need and demand in the area; and

(d) Expenditures related to travel, training, education, and public information initiatives necessary for the

administration of the SHIP program.

(8) Additional Expenditures detailed in the local housing assistance plan that do not fit in these categories shall be analyzed by the Corporation, which shall make a determination as to whether the proposed expenditures shall be approved as Administrative Expenditures or Project Delivery Costs.

(9) Small counties and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative expenditures.

(10) The balance of the local housing distribution funds and other funds deposited into the local housing assistance trust fund must be used for housing production and finance activities, including: financing preconstruction activities, financing the purchase of existing units, providing rental housing, and providing home ownership training or counseling to prospective home buyers and owners of homes assisted through the local housing assistance plan.

(11) The sales price or value of new or existing homes which are sold or rehabilitated under the SHIP Program shall not exceed 90 percent of the average area purchase price in the statistical area in which the housing is located. The local government at its discretion may set the sales price or value below the 90 percent benchmark. The maximum area purchase price shall not exceed the limit established by the United States Department of Treasury or that calculated in accordance with Section 420.9075(5)(d), F.S.

(12) Loans issued using local housing distribution funds deposited to the local housing assistance trust fund may not have terms exceeding 30 years, except for Deferred Payment Loans or Forgivable Loans that extend beyond 30 years which continue to serve eligible persons.

(13) All units constructed, rehabilitated, or otherwise assisted with local housing distributions provided from the local housing assistance trust fund must be occupied by eligible persons as required by Section 420.9071 (10), F.S. The remainder may be reserved for eligible sponsors that will serve eligible persons.

(14) Monthly mortgage payments, including taxes and insurance, and monthly rental payments must be affordable for very low, low- and moderate-income persons and households.

(15) Rental units constructed, rehabilitated or otherwise assisted from the local housing assistance trust fund must be monitored annually by the local government, or to the extent another government entity or Corporation program provides periodic monitoring, the local government may rely on that entity's monitoring for 15 years or the term of assistance, whichever is longer, for compliance with tenant income and affordability requirements, except as referenced in Section 420.9075(4)(e), F.S. 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 one-person household shall be used for an efficiency unit, and for units with separate bedrooms, one and one-half persons per bedroom shall be used. A rental limit chart based on the above calculation adjusted for bedroom size will be provided to the local governments by the Corporation annually.

(16) All Loans and Grants for units constructed, rehabilitated or otherwise assisted from the local housing assistance trust fund shall be subject to recapture requirements as described by the county or eligible municipality in its local housing assistance plan. Any strategy proposed that will award funds as a Grant without any recapture requirements shall be submitted to the Corporation denoted as a Grant as part of the local housing assistance plan for approval by the Review Committee.

(17) Developers receiving assistance from both SHIP and the Low-Income Rental Housing Tax Credit (LIHTC) Program shall be required to comply with the income, affordability and other LIHTC requirements. Similarly, any units receiving assistance from SHIP and other federal, State or local programs shall be required to comply with any requirements specified by the other program in addition to SHIP program requirements. In the event both programs have restrictions on the same issue, the more restrictive regulation shall take precedence. If one program is silent on an issue, the program with a regulation on the issue shall apply.

(18) The local government may require that housing units receiving assistance from local housing distribution funds deposited to the local housing assistance trust fund be located within the boundaries of the local government's jurisdiction which has been approved for receipt of local housing distribution funds.

(19) Local housing distribution funds deposited to the local housing assistance trust fund shall not be used as a pledge of the Debt Service on bonds.

(20) Pursuant to Section 420.9073(5), F.S., in the event of a disaster declared by an Executive Order of the President or Governor, counties and eligible municipalities impacted by the disaster and included in the Executive Order may request funding for activities described in their local housing assistance plans or under the disaster strategy. Requests for additional funds shall be submitted in writing and shall include the name of the local government and amount of funds requested and a schedule of when the funds being requested are to be expended. The request shall also include the number of households to be assisted, addresses, damage assessment performed by FEMA, the Department of Emergency Management, or other local agency performing disaster assessments and dollar estimate of repairs. Disaster funds shall be disbursed to local governments based on demonstrated need pending availability of funds. Counties and eligible municipalities receiving additional funds for disaster that have unencumbered funds shall expend the unencumbered funds before requesting disaster funds. Disaster activities shall be included in the Annual Report submitted by local jurisdictions by September 15 following the close of the fiscal year.

(21) Pursuant to Section 420.9073(6), F.S., counties and eligible municipalities may request funds to be used for the purchase of properties subject to a SHIP lien on which foreclosure proceedings have been initiated. Counties and eligible municipalities receiving these funds shall repay these funds to the Corporation no later than the expenditure deadline for the fiscal year in which the funds were expended. Any funds not repaid shall be withheld from the subsequent year's distribution. Requests for these funds shall be submitted in writing and shall include the name of the local government, amount of funds requested, address of property(ies) being acquired, cost of purchase, amount of existing SHIP subsidy and a schedule of when the funds being requested are to be expended. These funds will be disbursed to local governments on a first come, first served basis pending availability of funds.

*Rulemaking Authority 420.9072(9) FS. Law Implemented 420.9072 FS. History—New 11-26-92, Amended 2-9-94, 12-28-94, 1-6-98, Formerly 9I-37.007, Amended 12-26-99, 9-22-03, 11-5-06, 2-24-08, 11-22-09. 5-23-17.*

**67-37.008 Local Housing Assistance Trust Fund.**

(1) Amounts on deposit in each local housing assistance trust fund shall be invested as permitted by law for the local housing distribution funds of the applicable local government(s). All investment earnings shall be retained in such fund and used for the purposes thereof.

(2) The local housing assistance trust fund for all local governments including interlocal entities shall be separately stated as a special revenue fund in a county's or eligible municipality's audited financial statements. Electronic copies of such audited financial statements or a hyperlink to the website where the report is posted shall be transmitted annually to the Corporation no later than June 30th of the following state fiscal year. In addition to providing audited financial statements, all participating jurisdictions must provide evidence of compliance with the Florida Single Audit Act, as referenced in Section 215.97(7) and (8), F.S.

(3) All Expended funds reported on the SHIP Annual Report shall be reconciled to the general ledger for each State fiscal year prior to submission of the SHIP Annual Report.

(4) In addition to the Annual Report requirements outlined in Section 420.9075(10), F.S., local governments shall submit information as required by the Corporation on the annual report for:

- (a) Foreclosure rates on SHIP loans;
- (b) Administrative Expenditures separately stated for the costs of the local government and any Sub Recipients administering the program;
- (c) Total Recaptured Funds and program income separately stated for event type (Foreclosure, sale of property, refinance);
- (d) Total amount of unexpended funds that will be carried forward to the next SHIP fiscal year;
- (e) A list of Sub Recipients that administer any portion of the SHIP program. The list shall include name of person or organization, business type, a description of the strategies and responsibilities for each sub recipient or consultant;
- (f) Tracking of Persons with Special Needs; and
- (g) Responses to requests for information from the Legislature or Governor's office.

(5) Annual Reports shall be submitted to the Corporation electronically using the SHIP Annual Report

system. The SHIP Annual Report system can be accessed at [www.floridahousing.org](http://www.floridahousing.org).

(6) Local governments that have had an audit, review or investigation involving SHIP funds shall send the Corporation a copy of any related report within 10 days of the issuance of such report.

*Rulemaking Authority 420.9072(9) FS. Law Implemented 420.9075(5) FS. History—New 11-26-92, Amended 2-9-94, 1-6-98, Formerly 9I-37.008, Repromulgated 12-26-99, Amended 9-22-03, 1-30-05, 11-5-06, 2-24-08, 11-22-09, 5-23-17.*

#### **67-37.011 Interlocal Entities.**

(1) The interlocal agreement shall specify whether a single report for all jurisdictions or individual reports for each participating local government shall be submitted pursuant to Section 420.9075(10), F.S.

(2) Eligible municipalities that intend to become a member of an established interlocal entity must:

(a) Adopt an ordinance that creates the affordable housing advisory committee, establishes responsibility for plan administration and, if applicable, establishes the local affordable housing trust fund.

(b) Adopt by resolution one local housing assistance plan and adopt by resolution the appointments to the advisory committee.

(3) All members of the existing interlocal entity must adopt by resolution an amendment to the local housing assistance plan to include the new eligible municipality.

*Specific Authority 420.9072(9) FS. Law Implemented 420.9072(5) FS. History—New 11-26-92, Amended 2-9-94, 1-6-98, Formerly 9I-37.011, Amended 12-26-99, 9-22-03, 2-24-08, 5-23-17.*

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

(1) The local government staff or entity with administrative authority for a local housing assistance plan shall maintain a financial tracking system that ensures that the local housing distribution funds disbursed from the local housing trust fund are expended in accordance with the set-aside requirements in Rule 67-37.007, F.A.C., within deadlines established in subsection 67-37.005(5) (b) and (c), F.A.C. and in compliance with Section 420.9075, F.S. Failure by the local government staff or entity with administrative authority to properly track SHIP funds or reconcile the funds to the general ledger shall result in the local government being deemed in non-compliance with the SHIP program. In this circumstance, the local government or administrative entity shall be required to receive technical assistance through the Catalyst program.

(2) The combined household Annual Gross Income of an applicant who is applying as an owner/occupant of a residence shall be verified and certified by the SHIP program administrator or designee using one of the following methods:

(a) Section 8 housing assistance payments programs in 24 C.F.R. part 5; or

(b) Adjusted gross income as defined for purposes of reporting under Internal Revenue Service Form 1040 for individual federal annual income tax purposes.

(3) Income shall be calculated by annualizing verified sources of income for the household as the amount of income to be received in a household during the 12 months following the effective date of the determination. Whichever income verification and certification method is used, the Annual Gross Income, as defined in Section 420.9071(4), F.S., must be used and the SHIP Program income limits cannot be exceeded. SHIP funds Expended on households that are determined to not be income qualified through a compliance monitoring or audit shall be repaid in full to the local housing trust fund from non-SHIP funds to be reallocated to an eligible SHIP activity. In this circumstance, the local government or administrative entity may be required to receive technical assistance through the Affordable Housing Catalyst Program.

(4) The local government staff or entity with authority for administering a local housing assistance plan assisting rental developments shall monitor annually, or to the extent another government entity or Corporation program provides periodic monitoring, the local government may rely on that entity's monitoring to determine tenant eligibility and the amount of subsidy using the same guidelines as specified at subsection (2) above, at least annually for 15 years or the term of assistance, whichever is longer. The Corporation shall monitor the activities of the local governments to determine compliance with program requirements as defined in Section 420.9075(4)(e), F.S.

(5) The local government staff or entity with administrative authority for a local housing assistance plan shall provide documentation to the Corporation upon request that details:

(a) Permits, as defined in Sections 163.3164(15) and (16), F.S., for affordable housing projects are expedited to a greater degree than other projects; and

(b) There is an ongoing process for review of local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption.

(6) The Corporation, or any duly authorized representative shall be permitted to inspect the local housing assistance plan, advertisements, applications, income verifications and certifications, plan participation contracts, financial records, tracking system records, construction cost verification including receipts and contracts, rental development annual reviews, Eligible Sponsor and Sub Recipient reviews, Eligible Sponsor and Sub Recipient award lists, SHIP fund recipient lists, and any other applicable documents at any reasonable time with or without notice. Such records shall be maintained within the participating county or eligible municipality at a place accessible to the Corporation staff or its designated monitoring agent.

(7) Subsequent to a local government SHIP program being monitored by the Corporation or its designated agent and receiving a copy of the compliance monitoring report, the local government shall submit a written response to any findings or observations documented in the monitoring report to the Corporation and the designated monitoring agent. The required response shall be submitted within 30 days and shall include an explanation and/or remedy for each item in the compliance monitoring review, including:

(a) An explanation of the plan for correcting the issue including changes in policies, procedures, staff responsibilities, technical assistance and training;

(b) For physical inspection findings or deficiencies, an explanation of the corrective work that will be completed to remedy the finding or deficiencies;

(c) A timeline for correcting any observed deficiencies.; and

(d) A plan for repayment of ineligible expenses, if any is required.

(8) If the Corporation issues a written report pursuant to Section 420.9075 (13) (a), F.S., finding that an eligible jurisdiction has violated program criteria, the Corporation shall:

(a) Submit such report to the Executive Office of the Governor at which time the distribution of program funds to the county or eligible municipality shall be suspended; or

(b) Require the local government to work with technical assistance provider through the Catalyst program, to develop a corrective action plan (CAP).

1. The CAP shall be submitted to the Corporation within 60 days of the date of the letter from the Corporation notifying the eligible jurisdiction of the pattern of violation.

2. The CAP must describe the proposed corrective action for each violation and how the correction actions will be implemented within 3 months of an approval of the CAP by the Corporation.

3. The Corporation shall have 30 days to review and approve or recommend changes to the CAP. Upon approval of the CAP, any undisbursed funds due to the local government shall be distributed.

(9) Projects receiving assistance from the local housing assistance plan and from other State or federal programs that may have conflicting verification and certification, shall comply with requirements of the most restrictive program.

(10) Any local government receiving SHIP funds that administers any portion of the SHIP program through a contracted Sub Recipient shall bear responsibility for actions of the sub recipient and shall monitor all sub recipients to insure compliance is maintained on all SHIP funded activities. The required contract between the local government and sub recipient shall detail the policies and procedures that shall be adhered to in the management of the SHIP activities.

(11) Any contract or document establishing the relationship between a SHIP eligible local government and an organization that is a Sub Recipient receiving SHIP funds shall contain the standard audit language on Form DFS-A2-CL (Effective 7/05) as required by the Florida Single Audit Act, Section 215.97, F.S.

*Rulemaking Authority 420.9072(9) FS. Law Implemented 420.907, 420.9075(3)(e) FS. History—New 2-24-08, Amended 11-22-09, 5-23-17.*



**Appendix D**  
**LHAP Template**

All current LHAPs can be located and reviewed at:

[http://www.floridahousing.org/programs/special-programs/local-housing-assistance-plan-\(lhap\)/current-local-government-lhaps](http://www.floridahousing.org/programs/special-programs/local-housing-assistance-plan-(lhap)/current-local-government-lhaps)

*Insert local government name here*

**SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)**

**2018-2019, 2019-2020, 2020-2021**

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<b>Exhibits</b>	
A. Administrative Budget for each fiscal year covered in the Plan B. Timeline for Estimated Encumbrance and Expenditure C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan D. Signed LHAP Certification E. Signed, dated, witnessed or attested adopting resolution F. Ordinance: (If changed from the original creating ordinance) G. Interlocal Agreement	

**I. Program Details:**

A. Name of the participating local government:

\_\_\_\_\_

Is there an Interlocal Agreement: Yes \_\_\_\_\_ No \_\_\_\_\_

If “Yes”, name local government(s) in the Interlocal Agreement:

\_\_\_\_\_

B. Purpose of the program:

1. To meet the housing needs of the very low, low and moderate income households;
2. To expand production of and preserve affordable housing; and
3. To further the housing element of the local government comprehensive plan specific to affordable housing.

C. Fiscal years covered by the Plan: 2018-2019, 2019-2020, 2020-2021

D. Governance: The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code. Cities and Counties must be in compliance with these applicable statutes, rules and any additional requirements as established through the Legislative process.

E. Local Housing Partnership: The SHIP Program encourages building active partnerships between government, lending institutions, builders and developers, not-for-profit and community based housing providers and service organizations, providers of professional services related to affordable housing, advocates for low-income persons, real estate professionals, persons or entities that can provide housing or support services and lead agencies of the local continuums of care.

F. Leveraging: The Plan is intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership and using public and private funds to reduce the cost of housing. SHIP funds may be leveraged with or used to supplement other Florida Housing Finance Corporation programs and to provide local match to obtain federal housing grants or programs.

G. Public Input: Public input was solicited through face to face meetings with housing providers, social service providers and local lenders and neighborhood associations. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability.

H. Advertising and Outreach: SHIP funding availability shall be advertised in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.

- I. **Waiting List/Priorities:** A waiting list will be established when there are eligible applicants for strategies that no longer have funding available. Those households on the waiting list will be notified of their status. Applicants will be maintained in an order that is consistent with the time applications were submitted as well as any established funding priorities as described in this plan.

The following priorities for funding described/listed here apply to all strategies unless otherwise stated in the strategy:

\_\_\_\_\_.

- J. **Discrimination :** In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing.
- K. **Support Services and Counseling:** Support services are available from various sources. Available support services may include but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling and Transportation.
- L. **Purchase Price Limits:** The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units, which can be lower but may not exceed 90% of the median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

\_\_\_\_\_ U.S. Treasury Department  
\_\_\_\_\_ Local HFA Numbers

- M. **Income Limits, Rent Limits and Affordability:** The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and posted at [www.floridahousing.org](http://www.floridahousing.org).

“Affordable” means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071, F.S. However, it is not the intent to limit an individual household’s ability to devote more than 30% of its income for housing, and housing for which a household devotes more than 30% of its income shall be deemed Affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

- N. **Welfare Transition Program:** Should an eligible sponsor be used, a qualification system and selection criteria for applications for Awards to eligible sponsors shall be developed, which includes a description that demonstrates how eligible

sponsors that employ personnel from the Welfare Transition Program will be given preference in the selection process.

- O. Monitoring and First Right of Refusal: In the case of rental housing, the staff and any entity that has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for no less than 15 years or the term of assistance whichever is longer unless as specified above. 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.
- P. Administrative Budget: A line-item budget of proposed Administrative Expenditures is attached as Exhibit A.  
(city/county name) finds that the moneys deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan.

**Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, states:** “A county or an eligible municipality may not exceed the 5 percent limitation on administrative costs, unless its governing body finds, by resolution, that 5 percent of the local housing distribution plus 5 percent of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan.”

**Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states:** “The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.” The applicable local jurisdiction has adopted the above findings in the resolution attached as Exhibit E.

- Q. Program Administration: Administration of the local housing assistance plan will be wholly performed and maintained by the (city/county) or

A third party entity or consultant will be contracted for all or part of the administrative of the program. The name of the entity is:

\_\_\_\_\_. The administrative duties they will provide are:

- R. Project Delivery Costs:
- S. Essential Service Personnel Definition:
- T. Describe efforts to incorporate Green Building and Energy Saving products and

processes:

U. Describe efforts to meet the 20% Special Needs set-aside:

V. Describe efforts to reduce homelessness:

**Section II. LHAP Strategies:**

<i>A. Strategy Name</i>	<i>Code</i>
-------------------------	-------------

- a. Summary of Strategy:
- b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020-2021
- c. Income Categories to be served:
  - d. Maximum award:
  - e. Terms:
    - 1. Repayment loan/deferred loan/grant:
    - 2. Interest Rate: %
    - 3. Years in loan term:
    - 4. Forgiveness:
    - 5. Repayment:
    - 6. Default:
- f. Recipient Selection Criteria:
  - g. Sponsor/Developer Selection Criteria:
  - h. Additional Information:

<i>B. Strategy Name</i>	<i>Code</i>
-------------------------	-------------

- a. Summary of Strategy:
- b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020-2021
- c. Income Categories to be served:
  - d. Maximum award:
  - e. Terms:
    - 1. Repayment loan/deferred loan/grant:
    - 2. Interest Rate: %
    - 3. Years in loan term:
    - 4. Forgiveness:

- 5. Repayment:
- 6. Default:
- f. Recipient Selection Criteria:
  - g. Sponsor/Developer Selection Criteria:
- h. Additional Information:

<i>C. Strategy Name</i>	<i>Code</i>
-------------------------	-------------

- a. Summary of Strategy:
- b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020-2021
- c. Income Categories to be served:
- d. Maximum award:
- e. Terms:
  - 1. Repayment loan/deferred loan/grant:
  - 2. Interest Rate: %
  - 3. Years in loan term:
  - 4. Forgiveness:
  - 5. Repayment:
  - 6. Default:
- f. Recipient Selection Criteria:
  - g. Sponsor/Developer Selection Criteria:
- h. Additional Information:

<i>D. Strategy Name</i>	<i>Code</i>
-------------------------	-------------

- a. Summary of Strategy:
- b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020-2021
- c. Income Categories to be served:
- d. Maximum award:
- e. Terms:
  - 1. Repayment loan/deferred loan/grant:
  - 2. Interest Rate: %
  - 3. Years in loan term:
  - 4. Forgiveness:

- 5. Repayment:
- 6. Default:
- f. Recipient Selection Criteria:
  - g. Sponsor/Developer Selection Criteria:
- h. Additional Information:

<i>E. Strategy Name</i>	<i>Code</i>
-------------------------	-------------

- a. Summary of Strategy:
- b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020-2021
- c. Income Categories to be served:
  - d. Maximum award:
  - e. Terms:
    - 1. Repayment loan/deferred loan/grant:
    - 2. Interest Rate: %
    - 3. Years in loan term:
    - 4. Forgiveness:
    - 5. Repayment:
    - 6. Default:
- f. Recipient Selection Criteria:
  - g. Sponsor/Developer Selection Criteria:
- h. Additional Information:

### III. LHAP Incentive Strategies

In addition to the **required Incentive Strategy A and Strategy B**, include all adopted incentives with the policies and procedures used for implementation as provided in Section 420.9076, F.S.:

- A. Name of the Strategy: **Expedited Permitting**  
 Permits as defined in s. 163.3177 (6) (f) (3) for affordable housing projects are expedited to a greater degree than other projects.

Provide a description of the procedures used to implement this strategy:

- B. Name of the Strategy: **Ongoing Review Process**  
 An ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.

Provide a description of the procedures used to implement this strategy:



C. Other Incentive Strategies Adopted:

**IV. EXHIBITS:**

- A. Administrative Budget for each fiscal year covered in the Plan.
- B. Timeline for Estimated Encumbrance and Expenditure.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan.
- D. Signed LHAP Certification.
- E. Signed, dated, witnessed or attested adopting resolution.
- F. Ordinance: (If changed from the original creating ordinance).
- G. Interlocal Agreement.
- H. Other Documents Incorporated by Reference.

**Appendix E  
Applicant Qualification**

This appendix offers guidance about eligibility determination and the documentation of income, assets and other household details. The guidance pertains to the Section 8 income definition that is commonly used by SHIP administrators. However, SHIP allows for several methods of defining income, which are listed in Section 420.9071 of the Florida Statutes: *“Annual gross income” means annual income as defined under the Section 8 housing assistance payments programs in 24 C.F.R. part 5; annual income as reported under the census long form for the recent available decennial census; or adjusted gross income as defined for purposes of reporting under Internal Revenue Service Form 1040 for individual federal annual income tax purposes or as defined by standard practices used in the lending industry as detailed in the local housing assistance plan and approved by the corporation.*

Those who administer SHIP using an alternative income definition may need to contact the Florida Housing Coalition for guidance specific to that alternative income definition.

**A. Determining Household Size**

Even before beginning to count the household’s income, it is important to properly count the number of people in the household. It is essential to accurately determine household size, since program eligibility is “adjusted for family size” (as defined in Section 420.9071 (1) of the Florida Statutes). The median income is based on a four-person household. The income eligibility level is lower for households having fewer than four people, and higher for households with more than four people.

1. An eligible household is comprised of one or more natural persons determined by the county or eligible municipality to be of very low income, low income or moderate income according to the income limits adjusted for family size. The HUD Handbook 4350.3 Chapter 3 Section 3-6 (E) outlines several scenarios and provides guidance on whether or not to count an individual as a household member. Whenever the handbook indicates that an individual is a household member, the individual's full income must be included in annual income:
  - a. **Temporarily absent family members** are still considered family members. For example, an administrator may consider a family member who is working in another state on assignment or who is on active military duty to be temporarily absent.
  - b. The HUD Handbook outlines how to address a **family member who is permanently confined to a hospital or nursing home**. In this situation only, the family may choose to either include the absentee individual and thus his or her income, or exclude the absentee individual and his or her income. Individuals who are temporarily in a hospital or rehabilitation center are household members.
  - c. Do not count individuals as **household members if they are scheduled to be incarcerated** during all of the next 12 months. Document in the applicant's file the length of time that these individuals are scheduled to be incarcerated. In Florida's prisons, information on the incarceration status of an individual and the person's anticipated date of release is public information. Obtain this information on the Internet at the Department of Corrections' website: [www.dc.state.fl.us](http://www.dc.state.fl.us).
  - d. Florida law does not legally recognize **marital separation**. Furthermore, unless legally divorced, Florida's joint property laws will likely entitle the estranged spouse to legal claim of ownership of any house that the applicant purchases, and most lending institutions will require the spouse to sign the mortgage. When an applicant is married and separated, count the estranged spouse as part of the household unless it is possible to properly document that the separation is permanent. In some situations, it seems clear that the applicant has no plan to reunite with the estranged spouse. The local housing administrator may make a determination about a permanent separation and should obtain supporting documents and include them in the SHIP recipient's file. In cases of permanent separation, the applicant and the estranged spouse maintain separate residences and file separate tax returns.
  - e. **Unborn children** of pregnant women are considered household members.
  - f. The Compliance Office of the Florida Housing Finance Corporation has determined that any individual that is anticipated to be married (**fiancé**) to a household member in the future is not counted as a household member unless the marriage occurs before SHIP assistance is provided. A future marriage is an anticipated event, but not verifiable. Therefore, the fiancé cannot be counted as part of the household. There are two exceptions to this policy:
    - i. Count the fiancé if his or her income is provided to a first mortgage lender to qualify the household to purchase a home.

- ii. Count the fiancés as a household member including his or her income if he or she currently dwells within the household.
- g. **Foster children or foster adults** are counted as family members. HUD Handbook 4350.3 Chapter 3 states: “The owner must also count all anticipated children. Anticipated children include the following: Foster children who will reside in the unit;” Furthermore, the HUD Handbook 4350.3 Chapter 5 addresses the subject: “Payments received by the family for the care of foster children or foster adults are not counted.”
- h. The HUD Handbook instructs administrators to count as household member’s **children in joint custody** arrangements who are present in the household 50% or more of the time. Properly document this custody with school records, court documents, income taxes or other records that indicate that the child’s permanent address is with the applicant.
- i. An applicant’s children who are **away in college or school** should be counted as household members if they live with the family during school recesses. Do not count children who are away at school who have established residency at another address or location as evidenced by a lease agreement. The new address or location is considered the student’s principle place of residence.
- j. **Live-in Aides** are not counted as household members. An aide is a person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities, and who is 1) determined to be essential to the care and well-being of the person; 2) is not obligated for the support of the person; and 3) would not be living in the unit except to provide the necessary supportive services. A relative may be considered to be a live-in aide, but must meet the above requirements.
- k. Some adults in the household may be currently **unemployed**. Remember to still count them as household members. Include any source of income that they do provide, including unemployment compensation. It is not necessary to fill out an “affidavit of unemployment” or similar form which indicates that a job is being sought. Sufficient documentation of the unemployed adult is included on the applicant’s signed application. Simply remind the individual to let you know if a job is obtained before SHIP assistance is provided.
- l. Some households include an individual renting a room. Tenants are not household members, while roommates are. Roommates share household expenses, while a tenant is an individual who has signed a rental agreement/lease with the homeowner. The tenant is not considered a household member, and his or her income is not aggregated with that of the other members. The rent paid to the homeowner by the tenant would be counted as income of the homeowner. This scenario is not found in the HUD 4350.3 publication because Section 8 tenants are not permitted to rent out rooms in their assisted apartments.

#### B. Income Qualification

(A complete list of income inclusions and exclusions as defined in 24 CFR 5.609 (b) (c) are listed in page 86-90 of this manual) *Source:* HUD Handbook 4350.3, Chapter 5, Exhibit 5-1 (November 2013).

1. Include Income from the following sources:
  - a. Annual income (both earned and unearned) of the head of the household, spouse or co-head and other adult members of the household, 18 years or older.
  - b. Annual income of individuals under the age of 18, who have entered into a lease under state law and are acting as the head, co-head or spouse for the household. Such persons are sometimes referred to as emancipated minors (e.g., a person under the age of 18 who is married).
  - c. The first \$480 in earnings of a full-time student over the age of 18 who is not the head, co-head or spouse. Note: All of the full-time student's asset income is counted.
  - d. Other income (any income that is not employment income, such as Social Security, SSI, AFDC benefits) of children under the age of 18 who are members of the household (dependents) as well as all adults.
  - e. Also include any income of:
    - i. Children who are temporarily absent due to placement in a foster home.
    - ii. Children who are Students who are away at school but who live with the family during school recesses.
    - iii. Emancipated minor(s), residing with the household as a member (and as a dependent), rather than the head, spouse or co-head.
    - iv. Income of temporarily absent family members who are still considered household members.
    - v. Income of persons confined to a hospital or nursing home and considered a household member.
2. Do Not Include the Following:
  - a. Any income of a live-in aide or attendant.
  - b. Any income attributable to the care of a foster child or adult. Foster adults are considered to be individuals with disabilities, unrelated to the tenant family, who are unable to live alone.
  - c. Any earned income from employment of minors, age 17 or under. However, remember that unearned income attributable to the minor, such as child support, AFDC payments, and other benefits, are counted.
3. Annual Income Defined
  - a. Annual income is a combination of the gross amounts, before any deductions, of earned, unearned and asset income of all household members. Annual income is income anticipated to be received in the 12-month period following initial determination of eligibility (or reexamination of income, for annual re-certification on rental properties). Source: 24 CFR Part 5, Subpart F, Section 5.609.
  - b. The SHIP Statute defines "annual gross income" in a fashion that provides local governments with the flexibility of determining annual income using one of three definitions. While each of these definitions shares similarities, there are slight variations in the following three methodologies:
    1. Most common: "Annual income" as defined in Title 24 of the Code of Federal Regulations section 5.609 (commonly referred to as 24 CFR Part 5); or

2. Annual income as reported under the Census long-form for the most recent available decennial Census; or
3. Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual federal annual income tax purposes.
4. Annual income includes income from members currently in or intending to reside in the household. This Appendix will define and discuss income issues according to the most commonly used definition for annual income, defined under HUD 24 CFR Section 5.609. According to this source, income means all amounts, monetary or not, which:
  - a. Are received by or paid on behalf of the family head or spouse, even if temporarily absent from the unit, or to any other family member; and/or
  - b. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
  - c. Are derived (during the next 12-month period) from assets to which any member of the family has access; and
  - d. Are not specifically excluded (as stated on the income inclusion and exclusion section).
5. To annualize full-time employment, multiply the type of wage by the following periodic amounts:
  - a. Hourly wages by 2,080 hours;
  - b. Weekly wages by 52;
  - c. Bi-weekly (every two weeks) amounts by 26;
  - d. Semimonthly (every half month) amounts by 24; or,
  - e. Monthly amounts by 12.
6. To annualize income from anything other than full-time employment, multiply:
  - a. Hourly wages times the number of hours the household expects to work annually; or,
  - b. Average weekly wages times the number of weeks the household expects to work; or,
  - c. Other periodic amounts (monthly, bi-weekly, etc.) by the number of periods a household member expects to work.
7. Annual wages should always reflect the entire 12-month period, regardless of the pay schedule. For example: a teacher is paid \$25,000 per year. Use the \$25,000 figure whether the payment is made in 12 monthly installments, nine installments or some other payment schedule.
8. Always use current circumstances to project income, unless verification forms indicate that an imminent change will occur over the course of the 12-month period.

**From HUD Handbook 4350.3 Chapter 5 Exhibit 5-1:  
Income Inclusions and Exclusions  
24 CFR 5.609(b) and (c)**

Examples included in parentheses have been added to the regulatory language for clarification.

### **INCOME INCLUSIONS**

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (4) The full amount of periodic amounts received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (e.g., Black Lung Sick benefits, Veterans Disability, Dependent Indemnity Compensation, payments to the widow of a serviceman killed in action). See paragraph (13) under Income Exclusions for an exception to this paragraph;
- (5) Payments in lieu of earnings, such as unemployment, disability compensation, worker's compensation, and severance pay, except as provided in paragraph (3) under Income Exclusions;
- (6) Welfare Assistance.
  - (a) Welfare assistance received by the family.
  - (b) If the welfare assistance payment includes an amount specifically designated for shelter and assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

- (c) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
- (d) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
- (7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; and
- (8) All regular pay, special pay, and allowances of a member of the Armed Forces, except as provided in paragraph (7) under Income Exclusions.
- (9) For Section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph "financial assistance" does not include loan proceeds for the purpose of determining income.  
(Note: This paragraph also does not apply to a student who is living with his/her parents who are applying for or receiving Section 8 assistance.)

**INCOME EXCLUSIONS:**

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, except as provided in paragraph (5) under Income Inclusions;
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in 24 CFR 5.403;
- (6) The full amount of student financial assistance paid directly to the student or to the educational institution (see Income Inclusions (9), above, for students receiving Section 8 assistance);

- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire (e.g., in the past, special pay included Operation Desert Storm);
- (8)
  - (a) Amounts received under training programs funded by HUD (e.g., training received under Section 3);
  - (b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of supplemental security income eligibility and benefits because they are set-aside for use under a Plan to Attain Self-Sufficiency (PASS);
  - (c) Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
  - (d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the project. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident- initiative coordination. No resident may receive more than one such stipend during the same period of time; or
  - (e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as a resident management staff person. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.
- (9) Temporary, nonrecurring, or sporadic income (including gifts);
- (10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. (Examples include payments by the German and Japanese governments for atrocities committed during the Nazi era);
- (11) Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;
- (13) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts;
- (14) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;



- (15) Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- (16) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the *Federal Register* and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:
  - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 [b]);
  - (b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058) (employment through AmeriCorps, Volunteers in Service to America [VISTA], Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
  - (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626[c])
  - (d) Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
  - (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624[f]);
  - (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552[b]; (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 [29 U.S.C. 2931], e.g., employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs, career intern programs, AmeriCorps);
  - (g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L- 94-540, 90 Stat. 2503-04);
  - (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);
  - (i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
  - (j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056[f]), e.g., Green Thumb, Senior Aides, Older American Community Service Employment Program;

- (k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent-product liability litigation*, M.D.L. No. 381 (E.D.N.Y.);
  - (l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
  - (m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);
  - (n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991, including advanced earned income credit payments (26 U.S.C. 32[j]);
  - (o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);
  - (p) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637[d]);
9. Child support: In some cases, a household is not receiving child support, even though it is court ordered. The full amount of court ordered child support must be included in household income whether or not it is regularly received by the household.
- a. A divorce decree is a legal document mandating the payment of child support.
  - b. A household that is not receiving court ordered child support has legal recourse to force payment of the support.
  - c. Such a household can schedule a contempt of court hearing or contact the Department of Revenue's Child Support Enforcement office (the contact phone number is (800) 622-5437). Housing administrators can only exclude child support as an income source when they document that a household has exhausted legal means for trying to obtain the support and is still not receiving the child support. Some applicants may be receiving non-court ordered child support.
  - d. Some applicants may be receiving non-court-ordered child support. Use a "verification of cash contribution" form to document this income. If non-court ordered child support is not being received, it is simply not a source of income to be included in overall household income.

## 2. Consideration of Assets

- a. **Assets Defined:** Assets are items of value, other than necessary personal items, and are considered along with verified income in determining the eligibility of a household. Even if the applicant elects not to access the asset's principal or interest, the potential annual income that can be earned from assets is taken into consideration when calculating annual income. All asset income is considered, including asset income of minors. The income that could potentially be earned—or actually is earned—from assets is annualized based on what is anticipated to be received during the 12 months following eligibility determination.
- b. **No Asset Limit:** The SHIP program does not set a limit on the value of assets that a household can possess. An applicant possessing many assets may still be eligible for SHIP assistance. For example, a person nearing retirement age may have thousands of dollars saved in retirement accounts. Such a person could still be assisted, as long as the income from his or her assets – along with other income

sources – does not exceed SHIP’s income limits. Some local SHIP jurisdictions choose to establish asset limits, a maximum value of assets that an applicant can possess and still be considered eligible for SHIP assistance. This is a local policy decision that must be written in the Local Housing Assistance Plan.

- c. Calculating income from assets.
  - i. First calculate the cash value of the asset. This is what the applicant would receive if the asset were converted to cash. The cash value of an asset is its market value minus reasonable costs to be incurred in converting the asset to cash. Expenses, which may be deducted, include:
    1. Penalties for withdrawing funds before maturity
    2. Broker/legal fees assessed to sell or convert the asset to cash
    3. Settlement costs for real estate transactions
    4. Loans on the asset. This includes any outstanding mortgage on a rental home.
    5. The next step to determining income from assets is to identify assets that generate an actual, tangible income. Savings accounts and certificates of deposit generate interest, for example. Rental properties generate rent. For any such asset, document the estimated actual income that it will generate during the next 12 months. Deduct any expenses anticipated to be incurred by the owner during the next 12 months such as property taxes and property insurance payments.
    6. Because some assets do not produce an actual income, but appreciate in value, the SHIP program requires that administrators track the increase in asset value by calculating the “imputed income” for assets. This calculation is a “passbook rate” formula created by the Department of Housing and Urban Development. Administrators must calculate imputed income by multiplying the cash value of an asset by .06 percent.
    7. The HUD Handbook establishes the following policy for determining income from assets:
      - a. If the asset value is \$5,000 or less, add together the amounts of actual asset income and include this with the total verified anticipated annual income for the household.
      - b. When assets exceed \$5,000, add the greater of 1) the actual annual income to be derived from these assets, or 2) the cash value of the asset multiplied by the imputed amount currently .06%.
- d. Assets and Calculation methods: The following is a list from HUD Handbook 4350.3 Chapter 5, Exhibit 5:
  - i. Cash in checking, savings, etc. For savings accounts, calculate annual income to be earned using the current balance. For checking accounts, use the average balance for the last six months. If the assets are held in foreign countries, they are still counted as an asset. The applicant’s lender must complete a verification of assets form that provides the cash value of the account and its rate of return, if there is one. The SHIP administrator

- multiplies the cash value of each account by its rate of return to calculate its actual income during the next 12 months.
- ii. Revocable trusts. Include the cash value of any revocable trust available to the household. In cases where a trust fund has been established and the trust is not under the control of any member of the family, the value of the trust fund will not be considered an asset as long as the fund continues to be held in trust. Any income distributed from the trust fund should be counted when determining annual income. Furthermore, the administrator should contact the company that manages the trust to receive written documentation of the cash value of the trust and its rate of return. Multiply the cash value of each account by its rate of return to calculate its actual income.
  - iii. Equity (such as property). Take the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as penalties, broker fees, etc.) that would be incurred in selling the asset. In the case of equity, there is no actual rate of return on the property. For homeowner rehabilitation assistance, equity in the family's primary residence is not considered. Further, if the person's main business is real estate, then any income earned should be considered as business income, not asset income.
  - iv. Stocks, bonds, treasury bills, CD, Money Market and other investment accounts. The administrator should contact the company that manages the investment account to receive written documentation of the cash value of the account. In some cases, the company may also be able to state a rate of return. If a rate of return is available, multiply the cash value of each account by its rate to calculate its actual income. Sometimes a rate of return cannot be predicted for an investment account. In such instances, it is not possible to calculate the actual income from an asset. If the cash value of the investment account plus the value of the applicant's other assets is more than \$5,000, multiply the total value of assets by the passbook rate of .06 percent to determine the imputed income from the assets.
  - v. IRA, Keogh, etc. These are included because the holder has access to the funds, even though a penalty may be assessed. Determining the value and income from retirement accounts is similar to the process noted above for investment accounts. Contact the company managing the account(s) to learn the cash value, minus penalties, transaction fees, etc. Use the rate of return to calculate actual income of the asset. A rate of return may not be available, making it impossible to calculate the actual income from the asset. If the cash value of the account(s) plus the value of the applicant's other assets is more than \$5,000, multiply the total value of assets by the passbook rate of .06 percent to determine the imputed income from the assets.
  - vi. Retirement and pension funds: Include only amounts that the applicant has access to, less any penalties or transaction costs. Do not count as an

asset any retirement account that an applicant must retire or resign from work to access. The income from these accounts is determined with the process outlined above for individual retirement accounts.

- vii. At retirement, termination of employment OR withdrawal of funds:
  - 1. Periodic receipts from pension and retirement funds are counted as income and should be annualized. Lump sum receipts from pension and retirement funds are counted as assets. These receipts will either be invested or deposited in savings or checking accounts. Follow the procedures outlined above for determining income from the specific type of asset.
- viii. Cash value of life insurance: Do not include a value for term insurance, which has no cash value to the individual before death. The value and income from whole life insurance policies is determined with the process outlined above for individual retirement accounts.
- ix. Personal property held as investment. This includes gems, jewelry, coin collections, boats, or antique cars held as an investment. Count the value of the asset as determined by an appraisal. Neither an applicant's personal jewelry (such as a wedding band), nor necessary property (such as furniture or a car) are considered assets. Personal property does not generate income at a specific rate of return. Therefore, if the cash value of the account(s) plus the value of the applicant's other assets is more than \$5,000, multiply the total value of assets by the passbook rate of .06 percent to determine the imputed income from the assets.
- x. Lump sum/one-time payments. These include inheritances, capital gains, one-time lottery winnings, victim's restitution, settlements on insurance claims (including health and accident insurance, workers' compensation, and personal or property losses), and any other amounts that are not intended as periodic payments. These receipts will either be invested or deposited in savings or checking accounts. Follow the procedures outlined above for determining income from the specific type of asset.
- xi. Mortgage or deed of trust held. Payments on this type of asset are often received as one combined payment of principal and interest with the interest portion counted as income from the asset. This combined figure needs to be separated into specific principal and interest portions of the payment. This can be determined by referring to an amortization schedule that relates to the specific term and interest rate of the mortgage. The principal portion of the payment is a cash asset that will either be invested or deposited in savings or checking accounts. Follow the procedures outlined above for determining income from the specific type of asset.

**e. Assets Excluded from Calculation**

- i. Necessary personal property such as clothing, furniture, cars, wedding ring, and vehicles specially equipped for persons with disabilities;
- ii. Interests in Indian trust land;
- iii. Term life insurance policies (i.e., where there is no cash value);
- iv. Equity in the cooperative unit in which the family lives;
- v. Assets that are part of an active business (does not include rental properties held as investment and not as a main occupation);
- vi. Assets that are not effectively owned by the applicant (e.g., when assets are held in an individual's name but income earned accrues to someone else who is not a member of the household and this other person is responsible for income taxes incurred on income generated by the assets); and,
- vii. Assets that are not accessible to the applicant nor provide any income to the applicant.

**f. Final Income Calculation**

When the applicant completes the SHIP application, the local housing administrator should do a calculation of the applicant's total annual income and compare to the applicable income limits for jurisdiction and household size. (Use the Income Certification Form as a "worksheet"). If the applicant's total annual income is well above the income limits, the verification process may be unnecessary. At that time, inform the applicant that it appears that the total household income exceeds the program's limits, which would make the household ineligible for assistance.

When providing SHIP assistance, always use the most current income limits chart as provided annually by the Florida Housing Finance Corporation. Generally, these charts are updated in February or March every year.

**g. Income Verification**

- i. As a condition of admission to a SHIP-assisted unit (or continued occupancy of a SHIP-assisted rental unit), the local government must obtain source documentation to verify each source of annual income.
- ii. First, an executed release of information form must be obtained from all adult household members. This authorizes the release of information from any depository, employer, or federal, state or local agency.
- iii. The release form should state that the applicant permits the provision of any documentation from income sources for the purposes of determining or auditing the household's eligibility for housing assistance. This includes information such as earned, unearned and asset income, employment history, hours worked, frequency of pay, type of payment, commissions, bonuses, interest, etc., on all members currently or intending to reside in the household. Only request information that is necessary to determine the household's eligibility for program assistance.

- h. Send release and verification forms directly to source (with a return envelope) via mail or facsimile. Do not send the forms through the applicant.
  - i. The three acceptable methods of verifying income are:
    - 1. written third-party verification;
    - 2. oral third-party verification; and,
    - 3. documentation for self-employed applicants.

#### 10. Third party Verification

- a. Written third-party verification is the most reliable and preferred of the three types of income verification methods. Written third-party verification ultimately involves an income verification form mailed or faxed to the employer (or other income source) from the housing administrator. The verification form should request information about the amount of income that the applicant is anticipated to receive in the next 12 months.
- b. Start the procedure for obtaining third-party verification by faxing or mailing an information request to the income source.
- c. State the reason for the information request and include a signed statement from the applicant authorizing the release of information.
- d. Include a section for the employer or other third-party source to provide the information requested.
- e. Provide space for a signature of the employer or other third-party source, along with their job title and date.
- f. On occasions, the employer or other third-party source may not return the written verification form. Make additional attempts to obtain written verification by sending another form. Document all efforts in the notes section of the applicant file.
- g. At this point and as a last resort, the administrator can obtain the information required by calling the income source.
- h. If efforts to obtain oral verification also fail, use any written income information (include tax returns, pay stubs and bank statements) to document sources of income. When using paystubs use the most recent 4 to 6 consecutive pay stubs.
- i. This latter option involving pay stubs and tax returns should only be used as a last resort and on very rare occasions. Make a note in the applicant's file of all of your attempts to obtain third party verification.
- j. Upon receiving the income verifications, date-stamp each one and compare information on the verifications with information on the application and make any necessary notations to enable accurate determination of income eligibility.
- k. Defined in Section 5-13 of HUD Handbook 4350.3, Chapter 5 States that tenant provided documents such as "the work number" are considered 3rd Party Verifications and can be used if dated within last 120 days.
- l. Talk with the applicant if there are significant differences between the amounts reported on the application and the verification form. Ultimately, the administrator must rely on information from the third party source, but reviewing discrepancies may cause the administrator to call the third party to ask clarifying questions to ensure that income information is complete.
- m. Do not augment the third party information received with data on tax returns or pay stubs, which only provide historical—not current—information. The third

party source provides the most accurate information available to estimate income that will be earned in the next twelve months.

- n. The verification of employment form may indicate that the applicant will soon receive a raise. Determine when the raise will take effect during the next 12 months. Calculate employment income at the current pay rate until the estimated month of the raise. Calculate income at the higher pay rate for the remainder of the twelve-month period.
- o. The information to be verified refers to the upcoming 12-month period. Always request information on income anticipated over the next 12 months from income sources and stress the importance of a timely reply unless it cannot be obtained.

In cases where an applicant is self-employed, the net income anticipated to be derived by the applicant is considered annual income and first-hand documentation is necessary (Source: HUD 24 CFR Section 5.609 Part 4 (b) (2), additional information is provided in HUD Handbook 4350.3 (11/2013) chapter 5-6 (H). This is the only instance in which net income—instead of gross income—is used to determine eligibility. The applicant's net income will be calculated by subtracting expenses from gross income in the same manner permitted by Schedules C, E, or F of the IRS Tax Return Form 1040. Have the applicant provide copies of tax returns for one or two years. In addition, the applicant or his or her bookkeeper should supply an income and expense report (also called a profit and loss statement, or a quarterly audited statement from a bookkeeper) for at least the past three months. Use the amount of net income from this report to anticipate the amount of income for the business in the next 12 months. If the report indicates the net income generated in the past three months, for example, multiply this figure by 4 to estimate the income from the business in the next 12 months. If the net income from a business is negative, it must be counted as zero income.

- p. Sometimes an applicant's business is seasonal, with busy and slow months. The business income indicated in the income and expense report may not accurately estimate the income to be received in the next 12 month period. In such a case, ask the applicant to provide a signed statement stating why his or her income will be higher or lower in the next 12 months than you would estimate it to be based solely on the information in the income and expense report.
- q. The SHIP administrator should then verify this information by looking at the amount of business income reported on one or two years of the applicant's tax returns.
- r. Except when addressing self-employed applicants, do not use the applicant's income tax return for verification of income if the selected methodology used is 24 CFR Part 5.
- s. Verification of Income policy in the HUD Handbook 4350.3 was updated in 2013 to allow for 'tenant provided income'. It must be generated by a third-party source dated within last 120 days. This is considered third-party verification although in the possession of the applicant. The following quote from the Handbook provides further guidance:  
HUD Handbook 4350.3, Chapter 5  
5-13 Acceptable Verification Methods  
b. Third-party verification from source (written)



(1) An original or authentic document generated by a third party source that is dated within 120 days from the date of receipt by the owner. Such documentation may be in possession of the tenant (or applicant), and commonly referred to as tenant-provided documents. These documents are considered third-party verification because they originated from a third-party source.

Examples of tenant-provided documentation that may be used includes, but is not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

Owners must consider the following when using tenant provided documentation:

(a) Is the document current? Documentation of public assistance may be inaccurate if it is not recent and does not show any changes in the family's benefits or work and training activities.

(b) Is the documentation complete? Owners may not accept pay stubs to document employment income unless the applicant or tenant provides the most recent four to six, consecutive pay stubs to illustrate variations in hours worked. Actual paychecks or copies of paychecks should never be used to document income because deductions are not shown on the paycheck.

(c) Is the document an unaltered original? The greatest shortcoming of tenant-provided documents as a verification source is their susceptibility to undetectable change through the use of high quality copying equipment. Documents with original signatures are the most reliable. Photocopied documents generally cannot be assumed to be reliable.

(2) Written documentation sent directly by the third-party source by mail or electronically by fax, email or internet.

#### **11. The 120 Day Rule for Third Party Verification**

- a. Completed income verification forms do not stay "fresh," up-to-date, and accurate indefinitely. Over time, a household's income can change—the applicant may, for example, get a raise, lose a job, or take a second job. The HUD Handbook 4350.3 recognizes that verification forms can only be considered accurate and current for a certain length of time:
- b. "Verifications are valid for 120 days from the date of receipt by the owner. If verifications are more than 120 days old, the owner must obtain new verifications." (*Source:* HUD Handbook, 4350.3, Chapter 5, Section 3, Paragraph 5-17, B (1-2).
- c. You may stop the 120 day clock by encumbering SHIP funds before the 120 days have expired. "Encumbered" is defined in 67-37.002 (7), which states that "deposits made to the local affordable housing trust fund have been committed by contract, or purchase order, letter of commitment or award in a manner that obligates the county, eligible municipality, or interlocal entity to expend the

- encumbered amount upon delivery of goods, the rendering of services, or the conveyance of real property by a vendor, supplier, contractor, or owner.”
- d. Once you have committed SHIP funds to your applicant, the 120 day clock stops and you can continue on to provide assistance. You must re-verify an applicant’s income if 120 days have elapsed between the time when you received completed verification forms and the time of encumbrance of SHIP funds.
  - e. After you and the applicant sign the income certification form and you issue a letter of commitment, you no longer have to actively ask any income eligibility questions. However, someone may approach you with information that household size or income has changed since the certification form was signed. For example, an applicant may tell you that she has received a raise to work, or a lender may tell you about a part time job that the applicant reported in the mortgage application, but not the SHIP application. If you receive such information, you are obligated to re-calculate and re-certify that the applicant’s household is eligible for assistance until such point as you provide down payment assistance at closing or until you initiate the rehabilitation work.

## 12. Calculation and Verification of Income

- a. Use the income information from the third party verification forms to calculate the annual gross income for the household in the next 12 months.
- b. A signed certification form must be obtained from the applicant in order for the eligibility process to be complete. Housing administrators cannot calculate and certify household income until all verifications are received and the housing administrator determines that the household is income eligible.
- c. The certification form must indicate the annual household income and family size and a statement regarding the completeness and accuracy of the information.
- d. The income certification form must be prepared by the housing administrator and then properly executed by both the applicant, household members over 18 and the housing administrator or local government representative.
- e. The effective date of the income certification is the date the last person signs the income certification. Also, the income certification is a legal document establishing income eligibility. White out should not be used to make changes to this document. Cross out the incorrect information and write in the correct information.
- f. The homeowner and the SHIP Administrator should both initial the changes. The income certification should be signed by the homeowner in front of the SHIP Administrator.
- g. If the income certification is mailed to the homeowner for signature, the SHIP administrator should require that the signature be notarized before the document is returned to the SHIP administrator.
- h. A signed certification form must be obtained from the applicant in order for the eligibility process to be complete.

## **Appendix F**

### **Program Eligibility and Feasibility**

#### **A. Homeownership Units**

1. Concurrent to the income qualification process is the determination of unit eligibility. For assistance using SHIP funds, the unit must conform to the definition of “eligible housing” as defined in Chapter 420.9071(8) of the Florida Statutes. All SHIP-assisted units must comply with all Florida Building Code provisions outlined in Chapter 553 of the Florida Statutes. For this reason, SHIP funds cannot be used to purchase or rehabilitate mobile homes which are constructed to the HUD code.
2. Unit eligibility considers the value of the unit. Section 420.9075 (5)(c) of the Florida Statutes indicates that “the sales price or value of new or existing eligible housing may not exceed 90 percent of the average area purchase price in the statistical area in which the eligible housing is located. Average area purchase price may be calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs or as otherwise established by the United States Department of the Treasury.” The definitions section of the SHIP Statute outlines exactly how to determine the “sales price or value” of several types of units:
  - a. When a new or existing home is purchased, the value is the amount on the executed sales contract.
  - b. For households building a unit on land they own, the sales price is determined by an appraisal performed by a state-certified appraiser. The appraisal must include the value of the land and the improvements using the after-construction value of the property and must be dated within 12 months of the date construction is to commence.
  - c. For existing units being rehabilitated without the creation of additional living space, the value is determined by a recent appraisal performed by a state-certified appraiser or the assessed value of the real property as determined by the county property appraiser.
  - d. For rehabilitated units that include the addition of new living space, value means the value of the real property plus the cost of the improvements.
3. There are unit eligibility criteria that are specific to rehabilitation activities. First, consider whether the unit can be repaired up to the jurisdiction’s locally adopted standard at a cost that does not exceed the maximum per unit award that is stated in the Local Housing Assistance Plan. Also, if SHIP funds are used on a unit along with CDBG, HOME or other federal funds, adherence to all applicable federal requirements, including but not limited to federal lead based paint standards is also required. When combining different funding sources, the strictest rule will apply.

#### **B. Rental Units**

1. There are also unit eligibility criteria specific to using SHIP funds on rental units. The amount of monthly rent charged on the unit cannot exceed the rental limits for the community, as published annually by the Florida Housing Finance Corporation. Furthermore, the affordability of the rental unit must be maintained for at least 15 years (Source: SHIP Rule Chapter 67-37.007 (10) F.A.C.). However, any loan or grant in the original amount of \$10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements.

### **C. Special Needs Housing**

1. Some uncommon unit eligibility criteria apply to certain types of special needs housing. Typically when SHIP funds are used on group homes, temporary housing, or transitional housing, count each bed in the facility as a separate unit. These facilities are not considered home ownership units. They must comply with all the provisions in the SHIP Rule relating to rental housing (Chapter 67-37.007 (10) F.A.C.). However, like all rental property, the sales price or value of group homes, temporary housing, or transitional housing may exceed the maximum sales price or value outlined in the Local Housing Assistance Plan.

### **D. Program Eligibility**

1. Determination of “program eligibility” must also occur concurrent to the income qualification process. Program eligibility considers if the assistance requested by the applicant is an eligible activity under both the state’s guidelines and the Local Housing Assistance Plan. Some local jurisdictions impose additional eligibility criteria on SHIP recipients that are not outlined in the SHIP Rule or Statute. For example, some local SHIP programs deny assistance to applicants who are not current on payment of all municipal taxes and fees.
2. Consideration of program eligibility must also account for the Income, Homeownership and Construction/Rehabilitation “Set Asides” outlined in Chapter 420.9075 (5) (a-d) of the Florida Statutes. The SHIP Rule and Statute include set aside requirements that dictate how SHIP funds must be spent. A minimum of 30 percent of the funds deposited into the local housing assistance trust fund must assist very low-income persons. At the same time, 60 percent of all funds deposited in the housing trust fund must assist very low- or low-income persons. This must be considered when screening new applicants. The SHIP program could not currently help a moderate income applicant, for example, if the local jurisdiction’s funds are nearly depleted and if the jurisdiction had not yet complied with the Income Set Aside by expending at least 60 percent of SHIP funds on very low- and low-income households.
3. The same consideration applies to the Home Ownership and Construction/Rehabilitation Set Asides. At least 65 percent of the annual SHIP distribution and funds recaptured during the fiscal year must be devoted to homeownership (as opposed to rental) activities, while at the same time at least 75 percent of the distribution “and recaptured funds” must be devoted to either new construction or rehabilitation activities. Therefore, if a SHIP program has already spent 10 percent of funds on administration and 25 percent of a certain year’s allocation on non-home ownership activities, it could not provide assistance under a rental strategy from that particular year. Homeownership activities include assistance to existing owner occupants as well as purchase assistance to new homebuyers.

### **E. Affordability Test**

1. The program administrator must also perform an “affordability test” on recipients of SHIP purchase assistance, as well as those living in SHIP-assisted rental units.
  - a. For SHIP-assisted rental units, the Florida Housing Finance Corporation annually publishes maximum levels of rent that can be charged. This establishes a standard of affordability for all SHIP-assisted renters.

- b. When assisting homebuyers, the program administrator should determine if the buyer's monthly mortgage payment is considered affordable as the term "affordable" is defined by the SHIP program in Section 420.9071 (2) of the SHIP statute.
- c. Consider if the applicant's housing costs exceed an amount representing 30 percent of the maximum monthly income allowed for the applicant's income category (very low, low, or moderate income). Remember that you may still help an applicant purchase a home if the monthly mortgage payment exceeds this 30 percent mark, so long as the first mortgage lender is satisfied that the arrangement is reasonable. At the same time, the SHIP administrator should also review the details of the mortgage terms as the homebuyer's advocate, to ensure that the loan is consistent with the community's lender guidelines.

#### **F. Housing Assistance Activities**

1. Once the income, program and unit eligibility processes have been completed and the applicant has been deemed eligible to receive assistance, housing assistance activities can begin. If the award is for purchase assistance, the first mortgage lender may require a commitment letter from the local government that specifies the amount of assistance.
2. For rehabilitation of owner-occupied housing, the process of developing the work write-up, contractor selection and other related activities may begin.
3. For home purchase assistance, there should be coordination of the income-eligibility process. For instance, it is a good idea to coordinate with the first mortgage lender to ensure credit worthiness and a firm commitment from the lender for the first mortgage. Similarly, the rehabilitation specialist should ensure that repairs to the unit are feasible and cost-effective.
4. Providers of housing counseling services should ensure that the applicant is ready for home ownership and has already placed or will soon place a contract on a home. If sound practices for coordination and communication are in place, there will be fewer problems throughout the process and the applicant will be confident that his or her needs have been effectively addressed by the local program.
5. If the award is for purchase assistance, the first mortgage lender may require a commitment letter from the local government that specifies the amount of assistance.

## **Appendix G Glossary of Housing Terms**

1. **Adjusted for Family Size** — Adjusted in a manner that results in an income eligibility level that is lower for households having fewer than four people, or higher for households having more than four people. The base income is based upon a formula established by the U.S. Department of Housing and Urban Development.
2. **Administrative Expenditures** — those expenditures directly related to implementation of the Local Housing Assistance Plan.
3. **Affordable** — Monthly rents or monthly mortgage payments including taxes and insurance that do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households. The SHIP statutory definition of affordable states, however, that it is not the intent of the SHIP program to limit an individual household's ability to devote more than 30 percent of its income for housing. Housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark.
4. **Americans with Disabilities Act (ADA)** — Provides federal civil rights protection to individuals who are physically or mentally disabled. The ADA prohibits discrimination against the disabled in employment, public services, public accommodations, and telecommunications. Entities that are covered by the ADA must make reasonable accommodation, which involves adapting programs, facilities, or work places to allow disabled individuals to participate in the program of services.
5. **Amortization** — a plan for paying off a financial obligation by making periodic installment payments over a set period of time, at the end of which the loan balance is zero. Often mortgages have a 30-year amortization, requiring the borrower to make 360 equal monthly payments.
6. **Appreciation** — the value of property due to improvements made to the property or surrounding area/neighborhood by the owner or other parties, including the government and/or more general market forces. Commonly, and incorrectly, used to describe an increase in value through inflation.
7. **Audit** — an examination of the financial or administrative records of an organization or governmental entity to ensure that they are complete and accurate.
8. **Back-End Ratio** — (i.e., debt ratio) a calculation used by the lender to determine if the amount of income less debt is sufficient to afford the monthly payment. It is calculated by taking the monthly mortgage payment (PITI) and dividing it by the sum of the gross monthly income minus the total monthly debt payments of the applicant. The maximum ratio varies depending on the loan and program applied for.

9. Balance Sheet — A financial statement showing a “snap-shot” of the assets, liabilities and net worth (fund balance) of an organization on a given date.
10. Cash Flow — Revenue less expenditures over a set period of time.
11. Closing — the final procedure in a real estate sale, in which property ownership is transferred in exchange for an agreed upon payment.
12. Collateral — Assets pledged to secure a loan.
13. Community Action Agency (CAA) — CAAs were organized in the 1970s with the goal of eliminating the causes, conditions, and effects of poverty. A CAA may be a private, non-profit, tax-exempt corporation or a department within local government. CAAs may operate a variety of programs that serve low income and elderly residents of the community, including emergency home repair, weatherization, food distribution, employment counseling, homeless assistance, transportation and Head start. CAAs generally receive funding from a variety of federal, state, local, and private sources. Sometimes referred to as Community Action Program (CAP) agencies.
14. Community-based organization (CBO) — A nonprofit organization that has among its purposes the provision of affordable housing to persons who have special needs or have very low income, low income, or moderate income within a designated area, which may include a municipality, a county, or more than one municipality or county, and maintains, through a minimum of one-third representation on the organization's governing board, accountability to housing program beneficiaries and residents of the designated area. A community housing development organization established pursuant to 24 C.F.R. part 92.2 and a community development corporation created pursuant to chapter 290 are examples of community-based organizations.
15. Community Development Corporation (CDC) — A CDC is usually a local, non-profit entity organized to address long-term community revitalization by building affordable housing, assisting or starting small businesses, and creating jobs.
16. Community Housing Development Organization (CHDO) — Under the HOME Program, a CHDO is a private, non-profit, 501(c) (3) tax-exempt organization that has, among its purposes, the provision of decent, affordable housing to low- and moderate-income persons. CHDOs must, among other things, have demonstrated capacity for carrying out activities funded with HOME funds, and must maintain at least one-third of its governing board's membership for residents of low income neighborhoods, other low income community residents, or elected representatives of low income neighborhood organizations. Further information can be found in the HOME Rule, 24 CFR, Parts 91 and 92.
17. Community Reinvestment Act (CRA) — Enacted by Congress in 1977, states that banks and savings institutions have an affirmative obligation to serve the public, and especially to help meet the deposit and credit needs of local communities in which they are chartered, including the needs of residents in low- and moderate-income neighborhoods. Failure of

- an institution to meet these needs can result in a financial institution being unable to expand or merge with another lender.
18. Consolidated Plan — A plan developed by a local government that describes the needs, resources, priorities, and proposed activities to be undertaken with funds provided under various federal programs. A consolidated plan is required by HUD for all participating jurisdictions and grantees.
  19. Credit Underwriting — A process used by lenders (including government lenders) to evaluate the feasibility of a development (i.e., whether project income will be sufficient to pay the loan and operating expenses).
  20. Debt Service — Loan principal and interest payments.
  21. Deed — a legal instrument that transfers property ownership from one party to another.
  22. Default — the failure to make required payments on a financial loan secured by a first mortgage which leads to foreclosure and loss of property ownership.
  23. Demographic Data — Information about the characteristics of human populations, including size, income, age, wealth, race, ethnicity, gender, housing conditions, etc.
  24. Developmental Disability — Florida Statute 393 defines “developmental disability” as a disorder or syndrome which is attributable to retardation, cerebral palsy, autism, or spina bifida and which constitutes a substantial handicap that can be reasonably be expected to continue indefinitely.
  25. Development of Regional Impact (DRI) — Large-scale developments that are required to undergo a comprehensive regional impact review prior to local government approval. The review process is coordinated by a Regional Planning Council (RPC).
  26. Entitlement Jurisdiction-- This is used to describe a city or county that receives funding from the Community Development Block Grant program or the HOME Investment Partnership Funds program. These communities meet certain program requirements and are eligible or ‘entitled’ to receive funding under these programs.
  27. Equity — the market value of real property, less the amount of existing debt or liens.
  28. Essential Service Personnel — Pursuant to Chapter 2006-69, Laws of Florida, persons in need of affordable housing who are employed in occupations or professions in which they are considered essential service personnel, as defined by each county and eligible municipality within its respective local housing assistance plan pursuant to Section 420.9075(3) (a), F.S.
  29. Evaluation and Appraisal Report (EAR) — this is a report that each local government must initially prepare five years after the adoption of its local government comprehensive plan to look at how the plan is working. It is required to be reviewed periodically thereafter. The EAR is intended to reflect changes in state policy on planning and growth management. The EAR must set forth the “actions” or “plan amendments” that are



necessary to respond to changes in growth policies and updated information on local conditions.

30. **Extremely Low Income** — this term describes a person or household that has an income that is below 30 percent of the area median income for a specific city or county. The term is described in more detail in the definitions section of the SHIP Statute.
31. **Fair Housing Act** — The Fair Housing Act makes it illegal to deny housing, refuse to rent, sell, or negotiate, or offer different terms and considerations because of race, color, religion, sex, national origin, handicap, or familial status. If you suspect violation of the Fair Housing Act or want more information, you may contact the U.S. Department of Housing and Urban Development, Fair Housing, 451 7th Street, SW, Washington, D.C. 20410, (800) 669-9777.
32. **Fair Housing Ordinance (FHO)** — A FHO is required of all localities participating in federal programs. It makes illegal any discrimination based on race, color, ancestry, religion, sex, national origin, familial status or handicap.
33. **Federal Housing Finance Agency (FHFA)**. The federal housing agency created in 2008 to take over the functions of the Office of Federal Housing Enterprise Oversight (OFHEO) and the Federal Housing Finance Board (FHFB). It oversees and regulates Freddie Mac and Fannie Mae, as well as the Federal Home Loan Banks.
34. **Financial Statements** — Written record of the financial status of an individual, organization or governmental entity. Statements commonly include income statement, balance sheet, cash flow statement, and if the organization is a non-profit, a funds balance statement.
35. **Financing Fee** — Money charged by a lender to originate a loan. The fees are based on a percentage of the loan amount, and one point is equivalent to 1 percent.
36. **501(c) (3)** — Section of the Internal Revenue Code that addresses the requirements that an organization must meet in order to be considered a tax-exempt organization. Many people refer to agencies that have obtained a tax-exempt status as a “501(c) (3).”
37. **Foreclosure** — the legal process a lender uses to exercise its right to force the sale of a property to gain repayment of mortgage debt. Generally, lenders exercise this right when a borrower has failed to make timely payments. When money is borrowed to pay the purchase price of a home, the home is used as collateral for the loan and the evidence of that collateral is a mortgage recorded in the public records of the county where the real property is located. If the borrower fails to make the required payments on the mortgage, the lender brings a court action to take possession of the property in order get its loan repaid. That legal action in Florida is a judicial foreclosure.
38. **Front-End Ratio**—(i.e., income ratio) — A calculation used by the lender to determine if an applicant’s income is sufficient to afford the monthly payment. It is calculated by taking the monthly mortgage payment (principal, interest, taxes, and insurance) and dividing it by the gross monthly income of the applicant.

39. Grants — Gifts of money given by foundations, or federal or state government, without expectation of repayment.
40. Gross Income — See Annual (Gross) Income.
41. HOME Investment Partnerships Program (HOME) — The Home Investment Partnerships Program was enacted in 1990 as part of the Cranston-Gonzalez National Affordable Housing Act.
42. Home Ownership Activities — the use of the local affordable housing trust fund moneys for the purpose of providing owner-occupied housing.
43. Household — Individual, family, or group of individuals living together in a unit.
44. Housing Credits— a competitive federal program administered by the state, which grants income tax credit to developers who build or substantially rehabilitate affordable rental housing. The tax credits are used to raise project equity.
45. Inclusionary Zoning-- This is a land use regulation that a city or county may use to require that a certain proportion or number of housing units are affordable in an otherwise market rate development. In this way, an apartment complex that is not considered an affordable apartment complex (such as one financed by the Florida Housing Finance Corporation) may have some units that are affordable.
46. Income Statement (Profit and Loss) — Summary of revenues, costs, and expenses for a business over a period of time.
47. Institutional First Mortgage Lender — any financial institution or governmental agency authorized to conduct business in this state and which customarily provides service or otherwise aids in the financing of mortgages on real property located in this state.
48. Interest — the financing fee for a loan, usually calculated on a percentage of the amount loaned spread over the term of the loan.
49. Investor — an organization, corporation, individual or other entity that acquires an ownership position in a project, thus assuming risk of loss in exchange for anticipated returns.
50. Lease-up Period — the amount of time it takes for a building, such as multi-family housing, to reach a stable occupancy rate and income stream.
51. Leveraging — using a small amount of funds to attract other funds, including loans, grants and equity investments. The premise of leveraging is to use public dollars in conjunction with private dollars to increase the number of affordable housing units that can be produced.
52. Liabilities — A general term encompassing all types of debts and obligations.

53. Lien — Recorded claim against a property whereby the property is security for a debt. Under certain circumstances, the holder of the lien is entitled to have the property sold to satisfy the debt. A lien is an encumbrance against the property.
54. Loan Guarantees — A pledge by a third party that, in case of default by the borrower, promises to repay all or a portion of the borrowed amount. State and local governments and non-profit intermediaries are often sources of loan guarantees, with the Federal Housing Administration (FHA) being one of the most well-known.
55. Loan-To-Value Ratio — the loan amount(s) as a percentage of the property's appraised value or sales price, whichever is less. For example, a loan amount of \$57,000 on a home that has a sales price of \$60,000 has a 95 percent loan-to-value ratio ( $\$57,000/\$60,000$ ). A lender will use a loan-to-value ratio to determine the maximum amount it will lend on a property.
56. Local Housing Partnership — The implementation of the local housing assistance plan in a manner that involves the applicable county or eligible municipality, lending institutions, housing builders and developers, real estate professionals, advocates for low-income persons, community-based housing and service organizations, and providers of professional services relating to affordable housing.
57. Low Income -- This term describes a person or household that has an income that is below 80 percent of the area median income for a specific city or county. The term is described in more detail in the definitions section of the SHIP Statute.
58. Market Value — the price a property would sell for in a competitive market when there has been a normal offering time, no coercion, arms-length bargaining, typical financing, and informed buyer and sellers.
59. Match — the commitment of non-federal funds to supplement HOME Investment Partnerships Program funds for affordable housing.
60. Mortgage — A temporary and conditional pledge of property to a creditor as security for the repayment of a debt. The borrower (mortgagor) retains possession and use of the property.
61. Mortgage Revenue Bonds (MRB) — State and local housing finance agencies (HFAs) sell tax-exempt bonds and use the money that is raised to lend to first-time homebuyers. Because buyers of these bonds accept a lower rate of return on their investment than if the bonds were taxable, HFAs can lend proceeds to the homebuyers at interest rates below conventional mortgage rates.
62. National Affordable Housing Act (NAHA) — In October 1990, Congress approved the National Affordable Housing Act, the most comprehensive housing legislation since 1974.
63. Neighborhood Housing Services (NHS) — NHS is a national network of locally funded and operated, autonomous, self-help programs which are revitalizing declining neighborhoods.

64. Net Operating Income (NOI) — Gross profits minus operating expenses and taxes.
65. Non-profit Corporation — a corporation established under state law for purposes other than making profits that would be distributed to the owners, directors, members or officers.
66. Participating Jurisdiction (PJ) — the term given to any state or local government that HUD has designated to administer an allocation of HOME Investment Partnerships Program funds.
67. Personal Property — Major appliances, including a freestanding refrigerator or stove, to be identified on the encumbering documents.
68. Principal — the currently unpaid balance of a loan, not including interest.
69. Private Mortgage Insurance (PMI or MI) — Coverage that, in instances of default, guarantees a lender the partial payment of an outstanding loan balance.
70. Pro Forma — Projected annual income and expenses for a rental development for a given period (usually 15 years).
71. Property Tax Abatement — Reduction or exemption from ad valorem tax for a specified time period.
72. Public Housing Authority (PHA) — Created by local governments pursuant to Chapter 421, Florida Statutes, local PHAs develop, own, and operate public housing and administer Section 8 programs.
73. Purchase Option — the right to buy a property at a specified price within a specified time. A purchase option or “option to purchase” is different from a purchase and sale contract in that the option money is not refundable and is usually not credited toward the purchase price at closing.
74. Real Estate Owned (REO) — Property that is owned by a lender, usually acquired through a foreclosure, or through a deed in lieu of foreclosure.
75. Real Estate Settlement Procedures Act (RESPA) — RESPA requires that lenders give all borrowers of federally-related mortgage loans an estimate of settlement costs and a HUD-prepared booklet with information about real estate transactions, settlement services, cost comparisons, and relevant consumer protection laws.
76. Real Property — Land, including all things permanently attached to the land, such as buildings and infrastructure, commonly referred to as appurtenances.
77. Reconstruction — rebuilding of a structure, usually on the same foundation as the existing housing which will be demolished.
78. Regional Planning Council (RPC) — RPCs provide planning and technical assistance to local governments on federal and state issues such as housing, growth management,

emergency management, and intergovernmental coordination. The State of Florida has 11 RPCs.

79. Rehabilitation — Repairs or improvements which are needed for safe or sanitary habitation, correction of substantial code violations, or the creation of additional living space. Local plans may more specifically define local rehabilitation standards.
80. Rent Subsidies — ongoing monthly rental assistance. The term does not include initial assistance to tenants, such as grants or loans for security and utility deposits.
81. Reserves — Funds held to pay future liabilities. Typical reserves include replacement reserve for major repairs, operating reserve for covering negative cash flow and contingency funds.
82. Rural Development (RD) - formerly known as Farmers Home Administration.
83. (FmHa) — Provides funding for mainly rural housing programs.
84. Secondary Market — Markets into which originating lenders sell their loans to investors who are seeking longer-term investments (e.g., Fannie Mae).
85. Section 504 — Section of the Handicapped Accessibility/Architectural Barriers Act that requires all public buildings to be designed, constructed, or renovated to provide access for physically handicapped persons.
86. Single Room Occupancy (SRO) — SROs provide housing for elderly, disabled, the working poor and others who, without SROs might otherwise be homeless. An SRO room typically has a sink, closet, and sleeping space. Bathroom, shower, and kitchen spaces are generally shared with others.
87. Strategic Plan — A plan of action that guides how a goal, such as developing affordable housing, will be accomplished.
88. Subordinated (Secondary or Tertiary) Debt — If more than one lender has a lien on a property, the subordinated debt is paid after the debt of lien holders in superior (or first) positions.
89. Sub Recipient — Means a person or non-state organization contracted by a SHIP eligible local government and compensated with SHIP funds to provide administration of any portion of the SHIP program.
90. Subsidy — Financial assistance in the form of government loans, grants, or other contributions that are used to make housing affordable.
91. Sweat Equity — the value of volunteer labor in producing affordable housing.
92. Targeting — Federal, state or local requirements of the CDBG Small Cities, HOME or SHIP Programs relating to the use of funds for units that assist certain income groups or fund

particular activities (i.e., home ownership, hard construction costs, etc.). Can also be used to refer to a situation where funds are spent only in a specific geographic area.

93. Title Insurance Policy — Insurance paying monetary damages for loss of property from superior legal claims not excepted by the policy.
94. Unsecured — a loan that has no collateral pledged as security.
95. Very Low Income -- This term describes a person or household that has an income that is below 50 percent of the area median income for a specific city or county. The term is described in more detail in the definitions section of the SHIP Statute.
96. Veterans Administration (VA) — a mortgage guaranty program begun after World War II to enable returning service personnel to purchase homes, offering 100 percent financing and requiring no down payment or insurance premium on the loan.
97. Welfare Transition Program — A program pursuant to the provisions of Chapter 2000-165, Laws of Florida.

**Appendix H**  
**Forms for Applicant Information**

1	<a href="#"><u>Applicant Document Checklist</u></a>
2	<a href="#"><u>Application for Assistance</u></a>
3	<a href="#"><u>Third Party Verification (Assets)</u></a>
4	<a href="#"><u>Authorization for Release of Information</u></a>
5	<a href="#"><u>Verification of Child Support Payments</u></a>
6	<a href="#"><u>SHIP Rehabilitation Checklist</u></a>
7	<a href="#"><u>Resident Income Certification (Homeowner)</u></a>
8	<a href="#"><u>Resident Income Verification (Renter)</u></a>
9	<a href="#"><u>Verification of Business Income</u></a>
10	<a href="#"><u>Verification of Pensions and Annuities</u></a>
11	<a href="#"><u>Third Party Verification (cash Contributions)</u></a>
12	<a href="#"><u>SHIP Tracking Checklist</u></a>
13	<a href="#"><u>Verification of Social Security benefits</u></a>
14	<a href="#"><u>Third Party Verification of Unemployment Benefits</u></a>
15	<a href="#"><u>Third Party Verification of Employment</u></a>
16	<a href="#"><u>Verification of Verbal Verification</u></a>
17	<a href="#"><u>Verification of Veterans Benefits</u></a>

## APPLICANT'S DOCUMENT CHECKLIST

Dear Applicant:

On \_\_\_\_\_ you have an appointment with \_\_\_\_\_ to determine eligibility for \_\_\_\_\_ assistance.

For Existing Home Owner (Rehabilitation Assistance), please bring items A through E to your appointment. For Home Buyer Assistance, please bring items A and B only.

- A. Completed Application Form
- B. Proof of Property Ownership (this may include a copy or original of one of the items below):
- |                 |                     |
|-----------------|---------------------|
| Warranty Deed   | Homestead Exemption |
| Quit-Claim Deed | Tax Records         |
| Long-term Lease | Life Estate         |
- C. Proof that you are current in your property taxes to the city (this may include a copy or original of one of the items listed below):
- Property tax payment receipt from the city
  - Cancelled check to the city for property taxes
  - Affidavit certifying payment of property taxes
  - Mortgage statement from lenders indicating taxes were paid
- D. Proof of hazard insurance (which may include a copy of your home owner's insurance or fire insurance policy).
- E. Proof of Identity  
A social security card is not used as proof of identity. Instead, a driver's license, birth certificates, utility bills, and a voter's registration card are acceptable forms of proof of identity.  
Proof of number of dependents claimed by bringing your Federal Income Tax Return and one of the following:
- Birth certificate on which the parent/applicant's name is listed
  - School records which provide the parent/applicant's name and address
  - Court-ordered letter of guardianship
  - Divorce decree
  - Letter of adoption

Should you have any difficulty in obtaining any of the above documents, please contact \_ at phone number \_\_\_\_\_ or e-mail \_\_\_\_\_ for assistance.



**APPLICATION FOR HOUSING ASSISTANCE**

Type of Assistance: \_\_\_\_\_

Annual Income: \$ \_\_\_\_\_  
 Income Category (VL, LI, MI): \_\_\_\_\_

Applicant/Co-Applicant General Information	Applicant	Co-Applicant
Full Name:		
E-mail:		
Date of Birth/Age:		
Street Address:		Phone:
City:		State/Zip:
Mailing Address:		Phone:
City:		State/Zip:

**Other Household Members:**

Name(s)	Date of Birth/Age	Relationship to Applicant

Is Applicant, Co-Applicant, or any other household member, age 18 or older, a full-time student? If yes, please list: \_\_\_\_\_

Does Applicant/Co-Applicant own a home? Yes \_\_\_\_\_ No \_\_\_\_\_

Monthly rent/mortgage: \$ \_\_\_\_\_

If No, type of unit to be purchased? \_\_\_\_\_ existing unit \_\_\_ newly constructed unit

**Applicant/Co-Applicant Employment Information:**

Employee Name:	Employer Name:
Position:	Supervisor:
Address/Phone:	Time Employed:
Pay Rate:	Pay Frequency:
Annual Income (gross salary, overtime, tips, bonuses, etc.): \$ _____	

Employee Name:	Employer Name:
Position:	Supervisor:
Address/Phone:	Time Employed:
Pay Rate:	Pay Frequency:
Annual Income (gross salary, overtime, tips, bonuses, etc.): \$ _____	

**NOTE: Attach additional sheets as necessary for all household members 18 years and over**

**Other Sources of Income (For ALL Household Members including minors, List Business or Rental Net Income, Child Support, Alimony, Social Security, Pensions, Unemployment or Workers Compensation, Welfare Payments, etc.)**

	<u>Name</u>	<u>Type of Income</u>	<u>Gross Annual Amount</u>
1.			
2.			
3.			
4.			
			Total: \$ _____

**Assets and Asset Income (For ALL Household Members, Including Minors, List Checking and Savings Accounts, IRA, CD, Bonds, Stocks, Equity in Properties, etc.)**

	<u>Type of Asset</u>	<u>Asset Value</u>	<u>Bank/Account #</u>	<u>Annual Asset Income</u>
1.				
2.				
3.				
4.				
		Total: \$ _____		Total: \$ _____

**Liabilities (For ALL Household Members 18 and Over, List Credit Card Debt, and Auto, Real Estate and Mortgage Loans, etc.)**

	<u>Type Credit/Loan</u>	<u>Creditor's Name</u>	<u>Balance Owed</u>	<u>Monthly Payment</u>
1.				
2.				
3.				
4.				
				Total Annual Payments: \$ _____

**Ethnicity/Special Needs (For reporting purposes only, please check all that apply for Head of Household Only):**

White \_\_\_\_\_ Black \_\_\_\_\_ Hispanic \_\_\_\_\_ Asian/Pacific Islander \_\_\_\_\_

Native American \_\_\_\_\_ Farmworker \_\_\_\_\_ Disabled or Disabled Minor \_\_\_\_\_ Elderly \_\_\_\_\_

Homeless \_\_\_\_\_ Special needs \_\_\_\_\_ other \_\_\_\_\_

I/we understand that Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 or 775.083. I/we further understand that any willful misstatement of information will be grounds for disqualification. I/we certify that the application information provided is true and complete to the best of my/our knowledge. I/we consent to the disclosure of information for the purpose of income verification related to making a determination of

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my/our eligibility for program assistance. I/we agree to provide any documentation needed to assist in determining eligibility and are aware that all information and documents provided are a matter of public record.

_____ Applicant Signature	_____ Date	_____ Co-Applicant Signature	_____ Date
_____ Household member (over 18)	_____ Date	_____ Household member (over 18)	_____ Date
_____ Household member (over 18)	_____ Date	_____ Household member (over 18)	_____ Date

### THIRD-PARTY VERIFICATION OF ASSET INCOME

***(To Be Completed For All Household Members, Including Minors)***

State and/or Federal Regulations require us to verify asset income information for the person who has provided authorization below, in order to determine their eligibility for program assistance. Your cooperation in providing the requested information below is most appreciated. A self-addressed return envelope is enclosed or you may fax to:

***Authorization:***

I hereby authorize the release of requested information. A copy of the executed "Authorization for the Release of Information" is attached which indicates my agreement with the release of information requested for the sole purpose of determining eligibility for program assistance.

\_\_\_\_\_  
Signature of Applicant/Co-Applicant/Household Member      Print Name      Date

***Please return information to:***

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Department: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

***Complete the (applicable) Sections below:***

Institution Name: \_\_\_\_\_ Checking Account #: \_\_\_\_\_

Average Monthly Balance (last 6 months): \$ \_\_\_\_\_ Interest Rate: \_\_\_\_\_

Savings Account #: \_\_\_\_\_ Balance/Interest Rate: \$ \_\_\_\_\_, \_\_\_\_\_ %

Certificate of Deposit #: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Interest Rate: \_\_\_\_\_ Withdrawal Penalty: \$ \_\_\_\_\_

IRA, Keogh, Retirement Account #: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Interest Rate: \_\_\_\_\_ Withdrawal Penalty; \$ \_\_\_\_\_

Other Account #: \_\_\_\_\_ Amount/Interest Rate: \$ \_\_\_\_\_, \_\_\_\_\_ %

Signature of authorized representative: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Phone: \_\_\_\_\_

**WARNING:** Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 or 775.083.

**NOTE:** For ALL Household Members, including minors, obtain a signed copy of this form for each verification to be completed. Send form directly to depository institution; do not send form through applicant. Upon receiving verification, date-stamp, and compare information to that received on application. Make any necessary notations, date and initial. If significant differences exist between amount reported and verified, obtain a written explanation from applicant and attach to file.

### AUTHORIZATION FOR THE RELEASE OF INFORMATION

I \_\_\_\_\_, the undersigned, hereby authorize \_\_\_\_\_ to release without liability, information regarding my employment, income, and/or assets to \_\_\_\_\_, for the purposes of verifying information provided as part of determining eligibility for assistance under the \_\_\_\_\_ program. I understand that only information necessary for determining eligibility can be requested.

*Types of Information to be verified:*

I understand that previous or current information regarding me may be required. Verifications that may be requested are, but not limited to: employment history, hours worked, salary and payment frequency, commissions, raises, bonuses, and tips; cash held in checking/savings accounts, stocks, bonds, certificated of deposits, Individual Retirement Accounts, interest, dividends; payments from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, unemployment, disability or worker's compensation, welfare assistance, net income from the operation of a business, and alimony or child support payments.

*Organizations/Individuals that may be asked to provide written/oral verifications are, but not limited to:*

Past/Present Employers	Alimony/Child Support Providers
Banks, Financial or Retirement Institutions	Social Security Administration State
Unemployment Agency	Veteran's Administration
Welfare Agency	Other: _____

*Agreement to Conditions:*

I agree that a photocopy of this authorization may be used for the purposes stated above. I understand that I have the right to review this file and correct any information found to be incorrect.

---

Signature of Applicant/  
Co-applicant

Printed Name

Date

Note: This general consent may not be used to request a copy of a tax return. If one is needed, contact your local IRS office or go online for Form 4506-T, "Request for Copy of Tax Return" and prepare and sign separately.



**FILE CHECKLIST FOR SHIP REHABILITATION OR PURCHASE ASSISTANCE**

General Documents	Date Received/ Initials	Comments
Authorization for the Release of Information Form		
Income Verification Form(s)		
Income Certification Form		
Proof of Property Ownership (i.e. Deed or tax assessor document for rehabilitation assistance)		
Application for Program Assistance		
Letter of Commitment		
Lien Document with Recapture Provisions		
<b>Rehabilitation Documents</b>		
Initial Property Inspection		
Work Write-up and Cost Estimate		
Documentation of Contractor Eligibility or Licensure and Certification of Non-Debarment		
Contractor(s) Bid or Proposals		
Contractor/Home Owner or Home Buyer Contract		
Contractor Warranty Notice		
Work Inspection Reports		
Construction Payment Requests		
Certificate of Occupancy or Completion		
Final Payment Release		
Change Orders (if applicable)		
<b>Purchase Assistance Documents</b>		
HUD 1 Settlement or Closing Disclosure		
Copy of First Mortgage Document		
Release of Liens (for any repairs performed)		
Title Policy for Title Insurance		
Final Inspection Report		

**RESIDENT INCOME CERTIFICATION - HOME OWNER**

**FLORIDA HOUSING FINANCE CORPORATION**

227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301

**RESIDENT INCOME CERTIFICATION - HOME OWNER  
 State Housing Initiatives Partnership (SHIP) Program**

Effective Date: \_\_\_\_\_ Allocation Year: \_\_\_\_\_

**A. Recipient Information** (select one)

- a.  Current homeowner
- b.  Home buyer       Existing Dwelling       Newly Constructed Dwelling

**B. Subsidy Use** (check all that apply)

- Down Payment Assistance       Principal Buy Down
- Closing Costs       Rehabilitation
- Interest Subsidy       Emergency Repair
- Loan Guarantee       Other

**C. Household Information:** Include all household members

Member	Full Name	Relationship to Head	Age
1		HEAD	
2			
3			
4			
5			
6			
7			
8			

**D. Assets:** All household members including assets owned by minors

Member	Asset Description	Cash Value	Income from Assets
1			
2			
3			
4			
5			
6			
7			
8			
Total Cash Value of Assets		D(a) \$	
Total Income from Assets		D(b)	\$
If line D(a) is greater than \$5,000, multiply that amount by the rate specified by HUD (applicable rate <u>.06 %</u> ) and enter results in D(c), otherwise leave blank.		D(c)	\$



E. **Anticipated Annual Income:** Includes unearned income and support paid on behalf of minors.

Member	Wages / Salaries (include tips, commission, bonuses and overtime)	Benefits / Pensions	Public Assistance	Other Income	Asset Income
1					(Enter the greater of box D(b) or box D(c), above, in box E(e) below)
2					
3					
4					
5					
6					
7					
Totals	(a)	(b)	(c)	(d)	(e)
Enter total of items	\$				
					\$

F. **Recipient Statement:** The information on this form is to be used to determine maximum income for eligibility. I/we have provided, for each person set forth in Item C, acceptable verification of current and anticipated annual income. I/we certify that the statements are true and complete to the best of my/our knowledge and belief and are given under penalty of perjury.

**WARNING:** Florida Statute 817 provides that willful false statements or misrepresentation concerning income and assets or liabilities relating to financial condition is a misdemeanor of the first degree and is punishable by fines and imprisonment provided under S 775.082 or 775.83.

_____	Date _____
Signature of Head of Household	
_____	Date _____
Signature of Spouse or Co-Head of Household	
_____	Date _____
Signature of Household Member (over 18 years)	
_____	Date _____
Signature of Household Member (over 18 years)	
_____	Date _____
Signature of Household Member (over 18 years)	

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G. **SHIP Administrator Statement:** Based on the representations herein, and upon the proofs and documentation submitted pursuant to item F, hereof, the family or individual(s) named in item C of this Resident Income Certification is/are eligible under the provisions of Chapter 420, Part V, Florida Statutes, the family or individual(s) constitute(s) a: (check one)

\_\_\_\_\_ **Extremely Low Income (ELI) Household** means individuals or families whose annual income does not exceed 30% of the area median income as determined by the U.S. Department of Housing and Urban Development with adjustments for household size.

Maximum Income Limit: \_\_\_\_\_

\_\_\_\_\_ **Very Low Income (VLI) Household** means individuals or families whose annual income does not exceed 50% of the area median income as determined by the U.S. Department of Housing and Urban Development with adjustments for household size.

Maximum Income Limit: \_\_\_\_\_

\_\_\_\_\_ **Low Income (LI) Household** means individuals or families whose annual income does not exceed 80% of the area median income as determined by the U.S. Department of Housing and Urban Development with adjustments for household size.

Maximum Income Limit: \_\_\_\_\_

\_\_\_\_\_ **Moderate Income (MI) Household** means individuals or families whose annual income does not exceed 120% of the area median income as determined by the U.S. Department of Housing and Urban Development with adjustments for household size.

Maximum Income Limit: \_\_\_\_\_

Based upon the \_\_\_\_\_ (year) income limits for \_\_\_\_\_ (Metropolitan Statistical Area (MSA) or County), Florida.

**Signature of the SHIP Administrator or His/Her Designated Representative:**

Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Name \_\_\_\_\_ Title \_\_\_\_\_  
 (print or type) \_\_\_\_\_

H. **Household Data** (to be completed by Head of Household only)

<b>Household elects to not participate.</b>						_____ (Initials of Household Head)			
<b>Head of Household Data</b>									
<b>By Race / Ethnicity</b>						<b>By Age</b>			
White	Black	Hispanic	Asian	American Indian	Other	0 - 25	26 - 40	41 - 61	62 +
<b>Household Members Data</b>									
<b>Special Target / Special Needs</b> (Check all that apply to any member)									
<b>Farm worker</b>	<b>Developmentally Disabled</b>	<b>Homeless</b>	<b>Elderly</b>	<b>Special Needs (define)</b>	<b>Special Needs (define)</b>				

NOTE: Information in this Section H is being gathered for statistical use only. No resident is required to give such information unless they desire to do so. Refusal to provide information in this Section will not affect any right household has as residents. There is no penalty for households that do not complete the form.



E. **Anticipated Annual Income:** Includes unearned income and support paid on behalf of minors.

Member	Wages / Salaries (include tips, commission, bonuses and overtime)	Benefits / Pensions	Public Assistance	Other Income	Asset Income
1					(Enter the greater of box D(b) or box D(c), above, in box E(e) below)
2					
3					
4					
5					
6					
7					
8					
	(a)	(b)	(c)	(d)	(e)
Totals					
Enter total of items E(a) through E(e). This amount is the <b>Annual Anticipated Household Income</b>					\$

F. **Recipient Statement:** The information on this form is to be used to determine maximum income for eligibility. I/we have provided, for each person set forth in Item C, acceptable verification of current and anticipated annual income. I/we certify that the statements are true and complete to the best of my/our knowledge and belief and are given under penalty of perjury.

**WARNING:** Florida Statute 817 provides that willful false statements or misrepresentation concerning income and assets or liabilities relating to financial condition is a misdemeanor of the first degree and is punishable by fines and imprisonment provided under S 775.082 or 775.83.

_____	Date _____
Signature of Head of Household	
_____	Date _____
Signature of Spouse or Co-Head of Household	
_____	Date _____
Signature of Household Member (over 18 years)	
_____	Date _____
Signature of Household Member (over 18 years)	
_____	Date _____
Signature of Household Member (over 18 years)	
_____	Date _____
Signature of Household Member (over 18 years)	

G. **SHIP Administrator Statement:** Based on the representations herein, and upon the proofs and documentation submitted pursuant to item F, hereof, the family or individual(s) named in item C of this Resident Income Certification is/are eligible under the provisions of Chapter 420, Part V, Florida Statutes, the family or individual(s) constitute(s) a: (check one)

\_\_\_\_\_ **Extremely Low Income (ELI) Household** means individuals or families whose annual income does not exceed 30% of the area median income as determined by the U.S. Department of Housing and Urban Development with adjustments for household size.

Maximum Income Limit: \_\_\_\_\_

\_\_\_\_\_ **Very Low Income (VLI) Household** means individuals or families whose annual income does not exceed 50% of the area median income as determined by the U.S. Department of Housing and Urban Development with adjustments for household size.

Maximum Income Limit: \_\_\_\_\_

\_\_\_\_\_ **Low Income (LI) Household** means individuals or families whose annual income does not exceed 80% of the area median income as determined by the U.S. Department of Housing and Urban Development with adjustments for household size.

Maximum Income Limit: \_\_\_\_\_

\_\_\_\_\_ **Moderate Income (MI) Household** means individuals or families whose annual income does not exceed 120% of the area median income as determined by the U.S. Department of Housing and Urban Development with adjustments for household size.

Maximum Income Limit: \_\_\_\_\_

**Number of Bedrooms:** \_\_\_\_\_ **Rent Limit:** \_\_\_\_\_ **Tenant Rent Contribution:** \_\_\_\_\_

Based upon the \_\_\_\_\_ (year) income limits and rent limits for the following Florida Metropolitan Statistical Area (MSA) or County: \_\_\_\_\_

**Signature of the SHIP Administrator or His/Her Designated Representative:**

Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Name \_\_\_\_\_ Title \_\_\_\_\_  
 (print or type) \_\_\_\_\_

**H. Household Data** (to be completed by Head of Household only)

<b>Household elects to not participate.</b>						_____	(Initials of Household Head)			
<b>Head of Household Data</b>										
<b>By Race / Ethnicity</b>						<b>By Age</b>				
White	Black	Hispanic	Asian	American Indian	Other	0 - 25	26 - 40	41 - 61	62 +	
<b>Household Members Data</b>										
<b>Special Target / Special Needs</b> (Check all that apply to any member)										
Farm worker	Developmentally Disabled	Homeless	Elderly	Special Needs (define)	Special Needs (define)					

NOTE: Information in this Section H is being gathered for statistical use only. No resident is required to give such information unless they desire to do so. Refusal to provide information in this Section will not affect any right household has as residents. There is no penalty for households that do not complete the form.

**THIRD-PARTY VERIFICATION OF INCOME FROM BUSINESS**

State and/or Federal Regulations require us to verify business income information for the person that has provided authorization below, in order to determine their eligibility for program assistance. Your cooperation in providing the requested information below is most appreciated. A self-addressed return envelope is enclosed or you may fax to: \_\_\_\_\_ or email to: \_\_\_\_\_

**Authorization:**

I hereby authorize the release of requested information. A copy of the executed "Authorization for the Release of Information" is attached which indicates my agreement with the release of information requested for the sole purpose of determining eligibility for program assistance.

\_\_\_\_\_  
Signature of Applicant/Co-Applicant/Household Member      Print Name      Date

**Please return information to:**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Department: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

**Complete the (applicable) Sections below:**

Dates Business Transacted from: \_\_\_\_\_ Gross Income: \_\_\_\_\_

**Expenses (Provide Amounts for Applicable Expenses):**

Interest on Loans:	\$	Costs of goods/materials:	\$
Rent:	\$	Utilities:	\$
Wages/Salaries:	\$	Employee Contributions:	\$
Federal Withholding Tax:	\$	State Withholding Tax:	\$
FICA:	\$	Sales Tax:	\$
Other:	\$	Other:	\$

Straight Line Depreciation: \$      Total Expenses:

Net Income: \$

Signature of Authorized Representative: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Phone: \_\_\_\_\_

**WARNING:** Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 or 775.083.



**THIRD-PARTY VERIFICATION OF REGULAR CASH CONTRIBUTIONS**  
**(i.e. Paying Rent, Regular Family Assistance, Alimony, etc.)**

State and/or Federal Regulations require us to verify regular cash contributions made to the person who has provided authorization below, in order to determine their eligibility for program assistance. Your cooperation in providing the requested information below is most appreciated. A self-addressed return envelope is enclosed or you may fax to: \_\_\_\_\_ or email to: \_\_\_\_\_

**Authorization:**

I hereby authorize the release of requested information. A copy of the executed "Authorization for the Release of Information" is attached which indicates my agreement with the release of information requested for the sole purpose of determining eligibility for program assistance.

\_\_\_\_\_  
Signature of Applicant/Co-Applicant/Household Member      Print Name      Date

**Please return information to:**

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Department: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_

**Complete the Sections below:**

Type of Cash Contribution: \_\_\_\_\_ Amount: \$ \_\_\_\_\_  
Frequency of Contribution (Wk., Mo): \_\_\_\_\_ Will Payments Continue (Y or N): \_\_\_\_\_  
Signature of Authorized Representative: \_\_\_\_\_  
Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_ Phone: \_\_\_\_\_

**WARNING:** Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 or 775.83.

*NOTE: For ALL applicable Household Members 18 years or over, obtain a signed copy of this form for each verification to be completed. Send form directly to the appropriate person/agency; do not send form through applicant. Upon receiving verification, date-stamp, and compare information to that received on application. Make any necessary notations, date and initial. If significant differences exist between amount reported and verified, obtain a written explanation from applicant and attach to file.*



**SHIP Tracking File Checklist**

*(This is not designed to be used as a complete file checklist for the purpose of successfully completing a compliance monitoring review, but should be used only for the purpose of inputting data into the automated tracking system.)*

<p>_____ Type of assistance (rehab, down payment assistance, etc.)</p> <p>_____ Amount of funds initially encumbered for applicant</p> <p>_____ Applicant name or project identifier</p> <p>_____ Amount of SHIP funds encumbered</p> <p>_____ Date SHIP funds encumbered</p> <p>_____ Applicants income level (ELI, VLI, Low or Moderate)</p> <p>_____ Contractor's draw request(s) – if applicable</p> <p>_____ Total amount of funds expended (sum of draws)</p> <p>_____ Expenditure date (date funds are <u>fully</u> expended and unit is occupied)</p>	<p><b>INFORMATION FOR FORM 1</b></p>
<p>_____ Street address and City name</p> <p>Yes _____ No _____ Unincorporated area</p> <p>_____ Age of head of household</p> <p>_____ Number of persons in household</p> <p>_____ Race</p> <p>_____ Special Needs</p> <p># of BR _____ Rent Rate _____ # of bedrooms and monthly rental rate – if applicable</p>	<p><b>INFORMATION FOR FORM 2</b></p>
<p>_____ SHIP loan amount</p> <p>_____ SHIP grant amount</p> <p>_____ Amount of other public funds in unit/project</p> <p>_____ Amount of private funds in unit/project</p> <p>_____ Owner contribution</p> <p>Yes _____ No _____ Home ownership</p> <p>activity Yes ___ No _____ Construction activity</p> <p>_____ Sales price or value</p>	<p><b>INFORMATION FOR FORM 3</b></p>

### THIRD-PARTY VERIFICATION OF SOCIAL SECURITY BENEFITS

State and/or Federal Regulations require us to verify Social Security Benefit income for the person who has provided authorization below, in order to determine their eligibility for program assistance. Your cooperation in providing the requested information below is most appreciated. A self-addressed return envelope is enclosed or you may fax to \_\_\_\_\_ or email to: \_\_\_\_\_

**Authorization:**

I hereby authorize the release of requested information. A copy of the executed "Authorization for the Release of Information" is attached which indicates my agreement with the release of information requested for the sole purpose of determining eligibility for program assistance.

\_\_\_\_\_  
Signature of Applicant/Co-Applicant/Household Member      Print Name      Date

**Please return information to:**

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Department: \_\_\_\_\_ Phone: \_\_\_\_\_  
email \_\_\_\_\_  
Address: \_\_\_\_\_

**Complete the Sections below:**

Date of Birth: \_\_\_\_\_ Social Security #: \_\_\_\_\_  
Type of Social Security Benefit: \_\_\_\_\_ Gross Monthly Amount: \$ \_\_\_\_\_  
Type of Supplemental Security Benefit: \_\_\_\_\_ Gross Monthly Amount: \$ \_\_\_\_\_  
Deduction for Medicare (Y or N): \_\_\_\_\_ If yes, Amount Deducted: \$ \_\_\_\_\_  
Signature of Authorized Representative: \_\_\_\_\_  
Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_ Phone: \_\_\_\_\_

WARNING: Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 or 775.83.

NOTE: For ALL applicable Household Members 18 years or over, obtain a signed copy of this form for each verification to be completed. Send form directly to the appropriate administration; do not send form through applicant. Upon receiving verification, date-stamp, and compare information to that received on application. Make any necessary notations, date and initial. If significant differences exist between amount reported and verified, obtain a written explanation from applicant and attach to file.

### THIRD-PARTY VERIFICATION OF UNEMPLOYMENT BENEFITS

State and/or Federal Regulations require us to verify unemployment benefit income for the person who has provided authorization below, in order to determine their eligibility for program assistance. Your cooperation in providing the requested information below is most appreciated. A self-addressed return envelope is enclosed or you may fax to: \_\_\_\_\_ or e-mail to \_\_\_\_\_

*Authorization:*

I hereby authorize the release of requested information. A copy of the executed "Authorization for the Release of Information" is attached which indicates my agreement with the release of information requested for the sole purpose of determining eligibility for program assistance.

\_\_\_\_\_  
Signature of Applicant/Co-Applicant/Household Member      Print Name      Date

*Please return information to:*

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Department: \_\_\_\_\_ Phone: \_\_\_\_\_ email  
\_\_\_\_\_

Address: \_\_\_\_\_

*Complete the Sections below:*

Are Benefits being paid now (Y or N): \_\_\_\_\_ If Yes, Gross Weekly Payments: \$ \_\_\_\_\_

Date of Initial Payment: \_\_\_\_\_ Duration of Benefits: \_\_\_\_\_

Claimant Eligible for Future Benefits (Y or N): \_\_\_\_\_ If Yes, provide # of weeks: \_\_\_\_\_

If No, Provide Date of Benefits Termination: \_\_\_\_\_

Signature of authorized representative: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Phone: \_\_\_\_\_

WARNING: Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 or 775.083.

*NOTE: For ALL applicable Household Members 18 years or over, obtain a signed copy of this form for each verification to be completed. Send form directly to the appropriate agency; do not send form through applicant. Upon receiving verification, date-stamp, and compare information to that received on application. Make any necessary notations, date and initial. If significant differences exist between amount reported and verified, obtain a written explanation from applicant and attach to file.*

### THIRD-PARTY VERIFICATION OF EMPLOYMENT

**Note to employer: Please provide information about anticipated income during the next 12 months only.**

State and/or Federal Regulations require us to verify employment history and income information for the person who has provided authorization below, in order to determine their eligibility for program assistance. Your cooperation in providing the requested information below is most appreciated. A self-addressed return envelope is enclosed or you may fax to: \_\_\_\_\_ or  
email to: \_\_\_\_\_

**Authorization:**

I hereby authorize the release of requested information. A copy of the executed "Authorization for the release of Information" is attached which indicates my agreement with the release of information requested for the sole purpose of determining eligibility for program assistance.

\_\_\_\_\_  
Signature of Applicant/Print Name  
Date Co-Applicant/Household  
Member

**Please return information  
to:**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Department: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Position: \_\_\_\_\_ Date of hire: \_\_\_\_\_ Probability of continued employment (Y or N)

Current Pay Rate: \_\_\_\_\_ Pay Frequency (Hr., Wk., Mo): \_\_\_\_\_ per \_\_\_\_\_

Overtime Pay Rate: \_\_\_\_\_ Expected overtime hours during the next 12 months: \_\_\_\_\_

Total anticipated Annual Base Pay Earnings for the next 12 months: \_\_\_\_\_

Total anticipated Overtime Base Pay Earnings for the next 12 months: \_\_\_\_\_

Probability and expected date of any pay increase \_\_\_\_\_ Amount of increase \_\_\_\_\_ New rate of Pay \_\_\_\_\_

Amount of Other Compensation anticipated during the next 12 months (bonus, commission, tips): \$ \_\_\_\_\_

Vacation Pay (Y or N): \_\_\_\_\_ if yes, number of days: \_\_\_\_\_

Retirement Account (Y or N) Amount Accessible to Employee: \_\_\_\_\_

Penalty for withdrawal (Y or N) Penalty Amount \_\_\_\_\_

Total anticipated Gross Annual Income, including other compensation, for next 12 months: \_\_\_\_\_

Signature of authorized representative: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Phone: \_\_\_\_\_

*NOTE: For ALL applicable Household Members 18 years or over, obtain a signed copy of this form for each verification to be completed. Send form directly to the appropriate employment source; do not send form through applicant. Upon receiving verification, date-stamp, and compare information to that received on application. Make any necessary notations, date and initial. If significant differences exist between amount reported and verified, obtain a written explanation from applicant and attach to file.*

**WARNING:** Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 or 775.083.

### Verification of Verbal

#### APPLICANT INFORMATION

Name: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Type of Assistance: Homebuyer \_\_\_\_\_ Homeowner Rehab \_\_\_\_\_ Emergency Repair \_\_\_\_\_

Other:

Type of Information being verified: Employment \_\_\_\_\_ Household \_\_\_\_\_ Assets \_\_\_\_\_

Other:

Name of Entity being contacted: \_\_\_\_\_ Phone number: \_\_\_\_\_

Name of person contacted: \_\_\_\_\_ Title: \_\_\_\_\_

Notes:

\_\_\_\_\_  
Signature (Receiving Verbal Verification)

\_\_\_\_\_  
Date of Verbal Verification

\_\_\_\_\_  
Time

**WARNING:** Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 or 775.83.

### Verification of Veteran's Benefits

State and/or Federal Regulations require us to verify veteran benefits made to the person that has provided authorization below, in order to determine their eligibility for program assistance. Your cooperation in providing the requested information below is most appreciated. A self-addressed return envelope is enclosed or you may fax to: \_\_\_\_\_ or email to: \_\_\_\_\_

*Authorization:*

I hereby authorize the release of requested information. A copy of the executed "Authorization for the Release of Information" is attached which indicates my agreement with the release of information requested for the sole purpose of determining eligibility for program assistance.

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Signature of Beneficiary	Print Name	Date
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Address of Beneficiary: \_\_\_\_\_

*Please return information to:*

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Department: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

email \_\_\_\_\_

*Complete the Sections below:*

Name of Veteran: \_\_\_\_\_

Address: \_\_\_\_\_

Claim No. \_\_\_\_\_ Date of Birth \_\_\_\_\_

Service dates: From \_\_\_\_\_ to \_\_\_\_\_

Benefits paid to \_\_\_\_\_ current benefit amount \_\_\_\_\_

Original start date: \_\_\_\_\_ this amount will \_\_\_\_\_ increase \_\_\_\_\_ decrease

Date change takes effect: \_\_\_\_\_ new amount\$ \_\_\_\_\_

Benefit Type:

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Signature of authorized representative:

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Phone: \_\_\_\_\_

**WARNING:** Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 and 775.083.