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Subject: Comments on Workshop regarding Rule Chapter 67-37, F.A.C., State Housing Initiatives Partnership Program (SHIP)

Hi Jean

Below are the comments related to potential changes to the SHIP program rule/statute:

1. Remove the requirement to advertise in local newspapers
2. Increase administrative budget
3. Change AHAC report back to every 3 years
4. Remove set-asides
5. Increase percent of program income funds spent on administrative activities to match administration budget caps

1. Removing the Requirement to Advertise in Local Newspapers

- **Dramatically Lowering Overhead Costs:** Print advertising requirements waste thousands of administrative dollars every cycle that could otherwise be used to directly fund housing assistance or client processing.
- **Reflecting Modern Information Gathering:** Low-income residents looking for housing assistance do not rely on local print newspapers; they search online or access local social service portals.
- **Enhancing Direct Digital Outreach:** Removing the print mandate allows local governments to reallocate funds toward targeted digital marketing, social media campaigns, and direct community partnerships (e.g., libraries, local non-profits, community centers) that actually reach eligible applicants.
- **Aligning with Broad Government Modernization:** Modern public notice guidelines recognize digital and website-first postings as sufficient and more accessible to working families who may not purchase daily or weekly print publications.

2. Increasing the Administrative Budget

- **Adapting to Escalating Operational Costs:** The cost of managing housing programs—including software licensing, compliance monitoring, background checks, and staff retention—has grown significantly with inflation.
- **Meeting Heightened Compliance & Audit Standards:** Strict state and federal reporting mandates require specialized personnel. Increasing the administrative cap ensures local staff can maintain audit-ready records, prevent fraud, and handle complex eligibility determinations without burning out.
- **Capacity Building for High-Demand Markets:** With affordable housing needs at record levels, case management teams are overwhelmed. Extra administrative capacity directly improves response times, application processing speed, and client counseling services.
- **Protecting Program Quality:** Cap restrictions force departments to stretch existing staff too thin, creating backlogs that delay grant disbursements to low-income homebuyers and renters who need immediate support.

3. Changing the AHAC Report to Every 3 Years

- **Aligning with Real Policy Change Cycles:** Local land development regulations (LDRs), comprehensive plan amendments, and zoning updates take significantly longer than 12 months to draft, pass, and evaluate. Annual reports force committees to re-examine the same incentives repeatedly without sufficient time to collect actionable implementation data.
- **Syncing with LHAP Cycles:** SHIP Local Housing Assistance Plans (LHAPs) are already updated on a 3-year cycle. Aligning the Affordable Housing Advisory Committee (AHAC) evaluation timeline directly with the 3-year LHAP window creates a unified strategic planning cycle.
- **Reducing Administrative Fatigue & Paperwork:** Eliminating the annual reporting cycle frees up local planning and housing staff to focus on *implementing* housing initiatives rather than continuously writing reports.
- **Improving Recommendation Quality:** A 3-year reporting cadence allows the committee to perform deeper evaluations, track multi-year trends, and present fully formed policy solutions to local elected officials rather than rushed yearly summaries.

4. Remove Set-Asides

1. Empowering True Local Decision-Making

- **One-Size-Fits-All Statutory Caps Fail Local Realities:** *Housing needs differ drastically between rural counties, high-density coastal metro areas, and entitlement cities. Forcing every jurisdiction to adhere to rigid national/state percentage ratios ignores local community priorities.*
- **True Local Autonomy:** *Removing mandatory percentage set-asides allows county and city commissions to deploy trust fund dollars exactly where their local housing market is failing—whether that is 100% rental assistance during an eviction crisis or 100% homebuyer assistance in a homeownership drive.*

2. Meeting the Crisis in Rental Housing Affordability

- **Overcoming the 65% Homeownership Lock-In:** *Mandatory spending rules currently require that at least 65% of funds go toward homeownership. In areas facing severe rent spikes and low apartment vacancy, local housing offices are forced to funnel funds into homebuyer down payments even when the most urgent threat is tenant displacement and skyrocketing rents.*
- **Allowing Agility in Rental Capital Stacks:** *Removing set-asides enables local governments to devote substantial multi-year capital funding toward new rental development or multi-family land acquisition when market conditions demand it.*

3. Preventing Unspent Funds & "Rule-Driven" Bottlenecks

- **Eliminating Artificial Pipeline Delays:** *Local housing offices often face situations where there is high demand for rental rehabilitation or eviction prevention, but zero eligible pipeline for homeownership construction. Strict set-aside rules force jurisdictions to hold onto money rather than spending it quickly on real people.*
- **Improving Fund Disbursement Rates:** *Removing rigid categorical requirements ensures funds flow continuously to immediate local needs, improving state compliance metrics and preventing local allocations from risking statutory expenditure deadlines.*

4. Streamlining Local Program Administration & Compliance

- **Reducing Complex Dual-Tracking Systems:** *Managing overlap between the 65% homeownership cap, the 75% construction cap, and low-income set-asides creates an overly complicated administrative maze for municipal housing officers.*

- **Focusing on Outcomes Over Ratios:** *Eliminating these compliance silos frees up staff time to process applications, assist applicants, and monitor projects rather than managing mathematical balances to satisfy audit rules.*

5. Increase percent of program income funds spent administrative activities to match administration budget caps

1. Equal Administrative Burden Requires Equal Operational Support

- **Program Income Processing is Labor-Intensive:** *Servicing re-paid loans, processing payoff requests, managing subordination agreements, and monitoring long-term compliance on recycled program income requires just as much administrative staff work as processing original state allocation dollars.*
- **Eliminating the Unfunded Administrative Gap:** *Halving the administrative allowance on program income (from 10% down to 5%) forces local housing staff to process high volumes of recycled dollars without adequate operational funding to cover required underwriting, legal support, and staff time.*

2. Aligning State Standards with Federal Best Practices

- **Consistent Rules Across Programs:** *Federal block grant programs—such as HUD’s HOME Investment Partnerships Program—allow jurisdictions to apply the exact same administrative allowance percentage (10%) to both the primary formula allocation and recycled program income.*
- **Simplifying Compliance & Accounting:** *Raising Florida’s program income administrative allowance from 5% to 10% aligns state SHIP rules with federal guidelines. This simplifies local trust fund accounting, cuts down on audit friction, and creates uniform bookkeeping across federal and state affordable housing grants.*

3. Incentivizing Active Loan Servicing & Recycling of Funds

- **Rewarding High-Performing Local Programs:** *Local governments that aggressively collect loan repayments, manage deferred payment loans, and structure revolving loan pools are penalizing themselves operationally because recycled income yields less administrative revenue relative to the work required.*
- **Encouraging Program Sustainability:** *Aligning the caps ensures local housing offices have the administrative budget necessary to build robust, ongoing loan-servicing operations that keep housing dollars continuously recycling through the local community indefinitely.*

4. Supporting Long-Term Portfolio Compliance & Oversight

- **Covering Long-Term Monitoring Costs:** Program income generated today often comes from long-term housing loans made decades ago. Increasing the administrative cap ensures local departments have the resources to conduct required long-term monitoring, land-covenant tracking, and fraud prevention across multi-decade affordable housing portfolios.



Hours of Operation Mon – Thurs 7am to 6pm