

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

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**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)(2) "Annual Report" or "Form SHIP AR/07" 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. Form SHIP AR/07 is adopted and incorporated herein by reference with an effective date of 4-24-08. A copy of Form SHIP AR/07 may be obtained at <http://www.floridahousing.org/Home/HousingPartners/LocalGovernments/>.

(4) "Assisted Housing" or "Assisted Housing Development" means Assisted Housing as defined in Section 420.9071(29), F.S.

(5)(3) "Catalyst" means the Affordable Housing Catalyst Program as described in Section 420.531, F.S.

(6)(4) "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)(5) "Default" means the failure to make required payments on a financial loan secured by a first mortgage which may lead to foreclosure and loss of property ownership.

(8)(6) "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)(7) "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)(8) "Essential Service Personnel" means 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.

(12)(9) "Expended" or "Spent" 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)(40) "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)(44) "Foreclosure" means the legal action by a mortgage holder to require repayment of a Loan through the sale of the subject property.

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

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

(17)(44) "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

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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, to meet the requirement of subsection (8).

~~(18)(45)~~ “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 pursuant to the provisions of Section 420.9072(5), F.S.

~~(19)(46)~~ “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 Who Have Special Housing Needs” means individuals who have incomes not exceeding moderate-income and, because of particular social, economic, or health-related circumstances, have greater difficulty acquiring or maintaining affordable housing. Such persons include: those who have encountered resistance to their residing in particular communities; suffered increased housing costs resulting from their unique needs and high risk of institutionalization; persons with developmental disabilities; persons with mental illnesses or chemical dependency; persons with Acquired Immune Deficiency Syndrome (“AIDS”) and Human Immunodeficiency Virus (“HIV”) disease; runaways and abandoned youth; public assistance recipients; migrant and seasonal farm workers; refugees and entrants; the elderly; and disabled adults.

~~(22)~~ “Preservation” means Preservation as defined in 420.9071(30), F.S.

~~(23)~~ “Recaptured Funds” means Recaptured Funds as defined in Section 420.9071(25), F.S.

~~(24)(47)~~ “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.

~~(25)(48)~~ “Review Committee” means the committee established pursuant to Section 420.9072(3)(a), F.S.

~~(26)(49)~~ “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.

~~(27)(20)~~ “State” means the State of Florida.

~~(28)(24)~~ “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.

~~(29)(22)~~ “Welfare Transition Program” means a program pursuant to the provisions of Section 445.006, F.S.

*Specific 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 9I-37.002, Amended 12-26-99, 9-22-03, 1-30-05, 11-5-06, 2-24-08.*

#### **67-37.005 Local Housing Assistance Plans.**

(1) 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 utilizing the LHAP Template ~~2009(6-06), No. 001~~ adopted and incorporated herein by reference with an effective date of ~~11/0911-5-06~~. A copy of the LHAP Template ~~2009(6-06), No. 001~~ may be obtained at <http://www.floridahousing.org/Home/HousingPartners/LocalGovernments/>. 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 are eligible for funding. No SHIP local housing distribution funds shall be distributed in any fiscal year to any county or eligible municipality unless and until an approved plan is in place with respect to such fiscal year.

(2) The effective period of a local housing assistance plan may be up to three years. Counties or eligible municipalities which receive plan 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.

(3) Each local housing assistance plan shall include a description of the local housing assistance plan and incentive strategies, shall reference the requirements of Section 420.907-.9079, F.S., et seq., and how each of those requirements shall be met, and shall describe the process which the local government has followed to develop the Plan. A county or eligible municipality may choose to use SHIP local housing distribution funds for one or more of the activities described in Rule 67-37.007, F.A.C.

(4) The county or eligible municipality shall provide in its local housing assistance plan a complete description of all strategies and activities to be undertaken as described in Rule 67-37.005, F.A.C.

(5) For each strategy or use of local housing distribution funds, the county or eligible municipality shall provide, in its local housing assistance plan, the following information:

(a) 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;

(b) The estimated number of households proposed to be served for each strategy and income category;

(c) 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;

(d) 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. The information required for paragraphs (a) through (d) shall be included on the "Housing Delivery Goals Chart #2002," and is adopted and incorporated herein by reference with an effective date of 9-22-03, which is required to be completed for each fiscal year. A copy of the "Housing Delivery Goals Chart #2002" may be obtained at [www.floridahousing.org](http://www.floridahousing.org). Click on: Housing Partners; then Local Governments (SHIP); then on Local Housing Assistance Plans <http://www.floridahousing.org/Home/HousingPartners/LocalGovernments/>;

(e) The 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;

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

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

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

(i) A description of how the strategies further the housing element, goals, policies, and objectives of the local government's comprehensive plan.

(6) Each local housing assistance plan shall also include a statement, and evidence thereof, that the county or eligible municipality:

(a) Has a plan to advertise a notice of funding availability of the housing assistance plan at least 30 days before the beginning of the application period in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods unless a waiting list of applicants exists. The advertisement shall:

1. Identify the amount of the distribution projected to be received from the state for the fiscal year;

2. List the beginning and end date of the application period;

3. Provide the name of the local plan contact person and other pertinent information including where applicants may apply for assistance.

(b) Include other such information that the local governments deem necessary such as:

1. An estimated amount of SHIP local housing distribution per strategy;

2. Income set asides for each strategy along with applicable income limits;

3. A description of the selection criteria for each strategy; or

4. The maximum housing value limitation for each strategy; ~~or~~

~~5. A statement that SHIP local housing distribution may not be used to purchase, rehabilitate, or repair mobile homes.~~

(c) Has 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.

(d) Has developed a 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, adopted criteria for 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 Sections 420.907-9079, F.S.;

(e) Certifies 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(11)(40), F.A.C.

(f) Has established a time line for the expenditure of SHIP local housing distribution funds in sufficient detail to allow for a

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comparison of such plan with actual expenditures. The time line must also provide, in sufficient detail, an alternate course of action should the local government determine it will not meet program encumbrance and/or expenditure requirements. The time line should include specific dates the local staff plan to review to determine plan efficiency and efficacy. The information submitted must be presented separately for each State fiscal year;

(g) Has established a procedure for the tracking and expenditure of program income and ~~R~~ecaptured ~~F~~unds from loan repayments, reimbursements, Foreclosures or other repayments, and interest earnings on the local housing distribution funds. Such provision shall evidence compliance with the provisions of Rule 67-37.007, F.A.C.;

(h) Has 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;

(i) Has 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 close of the applicable State fiscal year. In all cases, this will apply 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 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. 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. 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 Florida Housing Finance Corporation SHIP Program Administrator or a majority vote of the Review Committee 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 documentation detailing 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 granted, 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.

(7) Each local housing assistance plan shall include a detailed line-item budget of proposed Administrative Expenditures. These must be presented on an annual basis for each State fiscal year submitted;

(8) Each local housing assistance plan shall include 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

(9) Each local housing assistance plan shall include a disaster strategy describing activities to be undertaken in the event of an emergency or natural disaster which has been declared by executive order. The local government may use the Disaster Strategy (08/04) hereby adopted and incorporated by reference with an effective date of 1-30-05. A copy is available on Florida Housing's website at <http://www.floridahousing.org/Home/HousingPartners/LocalGovernments/>. 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 by executing a Disaster Self Certification of Income Form (08/04), hereby adopted and incorporated by reference with an effective date of 1-30-05 or a local government's form that requires the same information. A copy is available on the Corporation's website at <http://www.floridahousing.org/Home/HousingPartners/LocalGovernments/>. Pay check stubs and other forms of proof are required. 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.

(10) Each county and eligible municipality shall include 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 job categories as required by Section 420.9075(3)(a), F.S.

(11) Each county and eligible municipality may 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. If a county or eligible municipality creates a strategy as referenced above before the current plan expires, an amendment shall be submitted to the Corporation in underline and strikethrough format as provided in subsection 67-37.005(17)(9), F.A.C.

(12) A county or eligible municipality may 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; ~~or one hundred and fifty percent of the area median income, adjusted for family size, in areas designated as areas of critical concern, when the funds are allocated to a~~

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~~development that has been awarded funds under the Community Workforce Housing Innovation Pilot Program.~~ This use of funds does not relieve the local government from meeting the requirements of Section ~~420.9075 (5)(e)(d), 2 (2),~~ F.S.

(13) Each county or eligible municipality may 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.

(14) Each county and eligible municipality shall include initiatives in the local housing assistance plan 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 to promote greater affordability pursuant to Section 420.9075(3)(d), F.S.

(15) Each county and eligible municipality may develop a strategy within its local housing assistance plan for the Preservation of assisted rental housing.

(16) A county or eligible municipality may develop a strategy within its local housing assistance plan to provide a one-time relocation Grant up to \$5,000 to eligible households who are subject to eviction from rental property due to foreclosure of the rental property. At the time of application, eligible households must submit a notice of eviction, and proof that rent was paid at least 3 months before the date of eviction, including the month the eviction notice was served. This subsection expires July 1, 2010.

~~(17)~~(14) For plans adopted prior to the effective date of this rule, the Corporation shall not require submission of an amendment to include a strategy for Essential Service Personnel unit such time as the current plan expires. If a county or eligibility municipality creates a strategy as referenced above before the current plan expires, an amendment must be submitted to the Corporation in underline and strikethrough format as provided in subsection 67-37.005~~(18)(15),~~ F.A.C.

~~(18)~~(15) 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 pages shall be mailed to the Corporation 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. Each local housing assistance plan shall contain a table of contents or checklist, which specifies exactly where in the documentation required items shall be located. Each local housing assistance plan amendment shall be written with text which is being deleted shown in strikethrough format and text which is being added shown in underlined format. Within two weeks after receipt of final approval letter, the local government shall provide to the Corporation, via electronic submission, a complete clean copy (no strike through or underline) for Corporation files.

~~(19)~~(16) Any recently hired staff or new entity employed or contracted to administer any portion of the SHIP program having no previous experience with the SHIP program shall receive on site, telephonic and e-mail training through the Catalyst program. *Specific Authority 420.9072(9) FS., Ch. 2006-69, Laws of Florida. Law Implemented 420.9072(2), 420.9075 FS. History--New 11-26-92, Amended 5-2-93, 2-9-94, 12-28-94, 1-6-98, Formerly 9I-37.005, Amended 12-26-99, 9-22-03, 1-30-05, 11-5-06, 2-24-08,\_\_\_\_\_.*

#### **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 appointed by the Executive Director. In the event that a quorum is not convened for the review of a plan or an amendment to a plan, action can be taken with a simple majority vote of those members present for the review.

(2) Any county or eligible municipality desiring review of any plan or amendment prior to adoption by the local government body shall submit it for review to the Review Committee. The plan or amendment will be reviewed by the Review Committee, which will recommend it for approval 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 30 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 Review Committee 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. However, an amendment must at all times maintain consistency with SHIP program requirements. All amendments will be reviewed by the Review Committee.

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

*Specific 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 9I-37.006, Amended 12-26-99, 9-22-03, 2-24-08,\_\_\_\_\_.*

#### **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

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provided through the SHIP program must accrue to eligible persons occupying Eeligible 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) To implement the local housing assistance plan and incentive strategies that create or preserve affordable housing;
- (b) 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;
- (c) To provide local match to obtain federal housing grants or programs, such as HOME, established by 24 CFR, Part 92;
- (d) To fund emergency repairs by existing service providers under weatherization programs, pursuant to Sections 409.509-.5093, F.S.; and
- (e) To further the housing element of the local government comprehensive plan adopted pursuant to Section 163.3184, F.S., specific to affordable housing.

(2) SHIP local housing distribution funds may be used for both home ownership and rental housing activities. However, 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 a local government's SHIP local housing distributions must be used for construction, rehabilitation or emergency repairs of affordable, Eeligible Housing. 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 this requirement, unless otherwise extended as provided at paragraph 67-37.005002(6)(i), F.A.C. The expenditure of program income is exempt from this requirement. 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 which 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 Review Committee for review and approval.

(4) 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.

(5)(4) 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 plan. The salary allocated to SHIP Administrative Expenditures of any employee shall reflect activities involving administration of the SHIP program; no SHIP program funds are permitted to be expended for the administration of activities not involving SHIP funds.
- (b) Office expenditures of persons responsible for the administration of the local SHIP plan;
- (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.
- (e) Administrative Expenditures detailed in the local housing assistance plan which do not fit in these categories shall be analyzed by the Review Committee, which shall make a determination as to whether the proposed expenditures shall be approved as Administrative Expenditures.

(f) 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 costs.

~~(6)(5)~~ 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 to prospective home buyers and owners of homes assisted through the local housing assistance plan.

~~(7)(6)~~ 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)(e)~~, F.S.

~~(8)(7)~~ 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.

~~(9)(8)~~ 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 420.9075(4)~~(e)(4)~~2., F.S. The remainder may be reserved for eligible persons or eligible sponsors that will serve eligible persons.

~~(10)(9)~~ Monthly mortgage payments, including taxes and insurance, and monthly rental payments must be affordable for very low-, low- and moderate-income persons and households.

~~(11)(40)~~ Rental units constructed, rehabilitated or otherwise assisted from the local housing assistance trust fund must be monitored at least annually for 15 years or the term of assistance, whichever is longer, for compliance with tenant income and affordability requirements, 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.

~~(12)(44)~~ All Loans and Grants for houses constructed, rehabilitated or otherwise assisted from the local housing assistance trust fund shall be subject to recapture requirements as described by the county or eligibility 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.

~~(13)(42)~~ 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.

~~(14)(43)~~ 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.

~~(15)(44)~~ 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 or as rent subsidies.

(16) Pursuant to 420.9073(5), F.S. in the event of a disaster declared by an Executive Order of the Governor, counties and eligible municipalities may request funding for activities described in their ~~its~~ 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 on a first come, first-served basis pending availability of funds. Counties and eligible municipalities receiving additional funds for disaster that have unencumbered funds shall expend the unencumbered funds before

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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.

(17) Pursuant to 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(s) 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.

*Specific 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,\_\_\_\_\_.*

#### **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 shall be separately stated as a special revenue fund in a county's or eligible municipality's audited financial statements. Copies of such audited financial statements shall be forwarded annually to the Corporation no later than June 30th of the following 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(6), F.S.

(3) In addition to the Annual Report requirements outlined in Section 420.9075(10), F.S., local governments shall submit information as required 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) 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 subrecipient or consultant.

(e) Tracking of persons with disabilities and any other additional program information needed by the Corporation.

(f) Annual Reports shall be submitted to the Corporation via the internet using "Form SHIP AR/2009". "Form SHIP AR/2009" is adopted and incorporated herein by reference with an effective date of 11/2009. A copy of "Form SHIP AR/2009" may be obtained at [www.floridahousing.org](http://www.floridahousing.org). Click on Housing Partners; then Local Governments (SHIP); then click on SHIP Annual Reports.

(4) An interlocal entity shall have its local housing assistance trust fund separately audited for each State fiscal year. The audit shall be forwarded to the Corporation as soon as available, but no later than June 30th of the following fiscal year.

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

*Specific 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,\_\_\_\_\_.*

#### **67-37.010 Local Affordable Housing Advisory Committees and Incentive Strategies.**

(1) The affordable housing advisory committee, as established in Section 420.9076~~(3)(2)~~, F.S., must approve the local affordable housing incentive strategy recommendations at a public hearing by affirmative vote of a majority of the membership of the advisory committee.

(2) The affordable housing advisory committee shall evaluate established policies, procedures, ordinances, land development regulations, and the local government comprehensive plan submitted and report to the local government governing board including recommended changes as established in Section 420.9076, F.A.C. The initial report shall be submitted to the local government governing board by December 31, 2008. After this initial submission, the reports are required to be submitted triennially on



December 31 of the year preceding the submission of the local housing assistance plan. For local governments required to submit a local housing assistance plan on May 2, 2010, the report submitted by December 31, 2008 shall constitute the required report for December 31, 2009.

(3) The county or eligible municipality shall transmit to the Corporation an electronic copy of the report which has been submitted to the local governing board for consideration by May 2 of the year following the report due date.

(4) A county or eligible municipality which does not have an established affordable housing advisory committee shall establish said committee and appoint all required members by June 30, 2008.

(5) Local governments that administer the SHIP program under an Interlocal Agreement as established in Rule 67-37.011, F.A.C., and have one LHAP may request approval from the Corporation to use the same affordable housing advisory committee. When one advisory committee is utilized for the local governments participating in an Interlocal Agreement, the advisory committee shall comply with all requirements for advisory committees as established in Section 420.9076, F.S., for each of the local governments in the Interlocal Agreement separately.

*Specific Authority 420.9072(9) FS. Law Implemented 420.907, 420.9076 FS. History--New 2-9-94, 1-6-98, Formerly 91-37.010, Amended 12-26-99, Repromulgated 9-22-03, Amended 2-24-08.*

#### **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) New eligible municipalities which intend to become a member of an established interlocal entity must:

(a) Adopt an ordinance which 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 a 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 91-37.011, Amended 12-26-99, 9-22-03, 2-24-08.*

#### **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 which 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(6), 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 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 ~~A~~annual ~~G~~gross ~~I~~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) Annual income as reported under the census long form for the recent available decennial census; or

(c) 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 ~~A~~annual ~~G~~gross ~~I~~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 and 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 documented evidence to the Corporation or its designated monitoring agent, that:

(a) Permits, as defined in Sections 163.3164(7) and (8), 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 deficiencies 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 on the compliance monitoring review form scoring less than 70 percent, 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 the deficiencies.

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

(8) If Corporation staff or its designated monitoring agent determines that an eligible jurisdiction has established a pattern of violation of the criteria of its local housing assistance plan established under Sections 420.907-.9079, F.S., or that an eligible sponsor has established a pattern of violation of the applicable award conditions, the Corporation shall:

(a) Report such pattern of violation to the Executive Office of the Governor at which time the distribution of program funds to the county or eligible municipality shall be suspended.

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

(c) 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.

(d) 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.

(e) 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 which may have conflicting verification, certification, and monitoring requirements, shall comply with requirements of the most restrictive program.

(10) Any local government receiving SHIP funds which administers any portion of the SHIP program through a Sub Recipient shall bear responsibility for actions of the sub recipient and shall monitor all sub recipients to insure compliance is maintained on all

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SHIP funded activities. Any contract or agreement 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 a non-state organization which is a Sub Recipient receiving SHIP funds shall contain the standard audit language on Form DFS-A2-CL (Effective 7/05) of the Florida Single Audit Act in the document.

*Specific Authority 420.9072(9) FS. Law Implemented 420.907, 420.9075(3)(e) FS. History—New 2-24-08, \_\_\_\_\_.*