



SHIP

Technical Bulletin

2010-01

SHIP Program and LHAP Submission Reminders

Summary of Program Changes Related to LHAPS:

- Added a requirement to include initiatives for green building design and the techniques as referenced in Section 420.9075(3) (d), F. S.
- Allows counties and eligible municipalities to develop a strategy in their Local Housing Assistance Plans for the preservation of assisted rental housing in Section 420.9075 (3) (e).
- Allows counties and eligible municipalities to include a strategy in their Local Housing Assistance Plans for a one time relocation grant up to \$5,000 due to eviction or foreclosure of the rental property as referenced in Section 420.9072(7) (b), F.S. This section expires July 1, 2010.
- Allows counties and eligible municipalities to develop a strategy in their Local Housing Assistance Plans assisting young adults who leave the child welfare system.” This is not in the SHIP statute (it is in 420.628, F.S.), but does refer to SHIP.
- Allows counties and eligible municipalities to spend a limited amount (20%) of their SHIP distribution for manufactured housing constructed after June 1994, as referenced in Section 420.9075(5)(c), F.S.

LHAP Tips and Reminders:

Below are recommendations to keep in mind while preparing your LHAP for submission to Florida Housing Finance Corporation for review and approval by the SHIP Review Committee (reminder: no funds will be disbursed until an approved plan is in place).

- You must use the current LHAP template for new plans. The current LHAP template is posted on SHIP’s web page at: http://apps.floridahousing.org/StandAlone/FHFC_ECM/ContentPage.aspx?PAGE=0247
- Plans must be submitted to the Corporation via electronic submission (67-37.005(18), F.A.C. This includes New LHAPS, Amendments and Technical Revisions. For new plans and plan amendments, the original signed resolution and certification must be mailed to Florida Housing.

- Plans are due May 2, 2010. The review committee has 30 days to review and return comments back to you. If changes are required at the local level that may take some time, funding disbursement could be delayed. To avoid this situation, submit your LHAP as early as possible so that more time is available to make changes prior to July 1.
- Please maintain consistency throughout Plan text and the Housing Delivery Goals Charts. The strategy titles, income categories to be served and the maximum awards noted within the Strategies must be consistent with the strategy titles, maximum awards and income categories noted on the Housing Delivery Goals Charts.
- The definition of “eligible housing” has changed in the SHIP Statute. It now includes “manufactured housing constructed after June 1994” as eligible housing, so long as no more than 20% of a SHIP distribution is devoted to this type of housing. Consider whether or not SHIP funds should be expended on the repair or purchase of manufactured housing in your jurisdiction.
- Goals Chart: The Housing Delivery Goals Chart you create for each SHIP distribution is primarily designed to help you demonstrate plans to comply with the Income Set-aside, as well as the Homeownership and Construction/Rehab Set-asides. Estimate the amount of program income revenue you expect to collect and expend.
- Consider limiting your strategies. For example if the allocation for your jurisdiction is \$350,000 you may not need 10 strategies in your LHAP. Leave out strategies that you are not going to fund at this time (except for disaster strategies).
- If there are exhibits or referenced documents in your LHAP be sure to include those upon initial submission of your plan to FHFC. (For example: Program Summaries; Referenced Eligibility Requirements; Selection Criteria with point system).
- Include detailed information in the Terms, Recapture and Default section of each strategy. For example: What is the term of the loan or DPL in number of years? In the event of death are heirs able to assume the mortgage? Interest rate, if it is 0% then so state.
- Example of acceptable terms/recapture and default:

Terms, Recapture, & Default

Funding for this program will be provided on a first-come first-served basis in the form of a zero-interest, 10 year deferred payment loan. Payment in full is due upon sale if sold within the 10 year term. If sold after the 10 year term, no repayment is required. As long as the recipient continues to own the assisted property and live in the property as their principal residence during the term of the mortgage, then the loan will not have to be repaid. Any down payment, closing cost, or rehab assistance will be included in a recorded mortgage and will be subject to the above recapture provisions. Default of the loan occurs if the Mortgagor no longer resides in the home as the principal residence, or if any part of the Property or any interest in it is sold, transferred, gifted or otherwise conveyed, whether by voluntary act, involuntarily, by operation of law or otherwise, or if the Mortgagor is divested of title by judicial sale, levy or other proceeding, or if foreclosure action is instituted against the property, or if the Property is leased or rented. A subordination of this deferred payment mortgage will only be approved under the guidelines of the Subordination Policy established by the County's SHIP Program, [referenced copy is attached]. A portion of the deferred payment second mortgage shall be forgiven in cases where the loan-to-value ratio exceeds 100% and the home must be sold due to a catastrophic event (i.e. borrower's death or divorce, an extended illness of the borrower or a close family member who depends primarily on the borrower for support, etc. All repayments from this program shall be considered program income.

- For other examples of strategies, recapture, etc., you can access all current LHAP's on our website at www.floridahousing.org.