

SHIP Technical Bulletin

2008-02

As you know, the 2008 legislative session ended without the passing of an affordable housing bill. The bills which were considered included several minor changes to the SHIP Program which would have gone into effect after the rulemaking process. Since no bill was passed, the changes that were anticipated will NOT be incorporated into the SHIP program at this time. Fortunately, most of the changes were intended to clarify or further define terms in the program. The failure of this legislation will not affect the overall operation of the SHIP program.

However, a few items of note from the failed legislation that are consequently NOT in effect:

- **Definition of Recaptured funds and Program Income**

The proposed change would have clarified these definitions and removed the gray area in which determinations are often made as to what is recaptured and what is program income. As it reads in the statute, program income includes funds from loan repayments, recycled funds and all other income derived from the “use of funds”. Use of Funds is the key term as it refers to money that was actually expended for an eligible use. Recaptured funds specifically refers to funds that are recovered due to a default which does not produce an eligible unit or repayment due an ineligible activity.

- **AHAC Designee for Local Planning Agency member**

The requirement to have a member of the Local Planning Agency on the AHAC is still in effect. This is important to know since the AHAC must be in place by June 30, 2008.

- **AHAC report**

The report is required to be submitted to Florida Housing by rule, so this issue is not affected.

- **Definition of Annual Gross Income**

This change would have allowed for more methods for determining income eligibility. For now, you must still use one of the three methods described in the statutory definition of Annual Gross Income.

- **Definition of Eligible Housing**

This would have allowed for some use of funds, in a limited setting, on manufactured housing. Since this change was not made, there is still a prohibition on the use of SHIP funds for any manufactured housing.

- **Foreclosure Prevention Pool**

This change would have provided for the state to hold back funds for the use in purchasing homes assisted with SHIP in jeopardy of foreclosure. This will not be done at this time.

- **Income eligibility**

There are no changes at this time to the income eligibility categories or set-asides.