



SHIP CLIPS

STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM

Sub Recipient and Sponsor Distinction

A recent revision to SHIP Rule 67-37 requires SHIP Administrators to list all sub-recipients or consultants and report the administrative expenditures of these sub-recipients separately from the local government's administration. The rule defines a "Sub Recipient" as a person or non-state organization contracted by a SHIP eligible local government to provide administration of any portion of the SHIP program. The process of awarding funds therefore, requires housing administrators to understand the difference between a SHIP Sponsor and a Sub Recipient.

- A Sponsor receives a SHIP award under a specific strategy to produce affordable units. The Sponsor is developing affordable units whether they are newly constructed or rehabilitated single family homes or rental units. For example, a nonprofit developer may apply for funding from a Rental Development Strategy in the SHIP local housing assistance plan. The Strategy describes the sponsor selection method used by the local government to award funds. If this Sponsor receives a SHIP award, they agree to build several SHIP-funded rental units possibly in conjunction with Tax Credits or other Florida Housing Finance Corporation programs.
- By contrast, a Sub-recipient administers some portion of the local SHIP program and is paid a SHIP service delivery fee for this activity. The Sub Recipient negotiates a contract with the local jurisdiction to administer some part of the local SHIP program; such as Purchase Assistance or Housing Counseling. For this 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.

Florida Housing Finance Corporation has developed some additions to the 2008 Annual Report Form that will assist SHIP Administrators with reporting their Sub Recipient information, foreclosure rates, and recaptured and program income events as required by 67-37.008.

- (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 and consultants that will 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.*

The above report requirements are found on Form 4, Tabs 9, 10, 11a and 11b at the following FHFC site:

www.floridahousing.org/Home/HousingPartners/LocalGovernments/FormsAndDisburse.htm

Anyone having additional questions regarding this or any other SHIP topic may contact the Florida Housing Coalition at 1-800-677-4548.

Frequently Asked SHIP Questions

Q: *Our County has a small amount of HHRP funds remaining and the expenditure deadline is June 30, 2008; what should we do with these funds?*

A: Determine if the funds remaining are Program Income or Recaptured funds

rather than the HHRP Allocation you received from Florida Housing Finance Corporation. If you decide that the remaining funds are Program Income or Recaptured Funds, then according to Emergency Rule 67ER06-45 (10), you may transfer them into your Local Housing Assistance Trust Fund at the termination of the HHR Program.

However, if you find that the remaining funds are from the initial HHR program allocation, then 67ER06-45 (2) allows for a one year extension which requires approval by Florida Housing Finance Corporation HHR Program Administrator as set forth in subparagraph 67-37.005(6)(f)2, F.A.C. which states: Exceptions to this time

Have you got a question about the SHIP program? Free telephone technical assistance is available to help you successfully implement your SHIP funded work. Call the Florida Housing Coalition's SHIP telephone line at (800) 677-4548.



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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 delay.

When requesting an extension there are several questions you should consider and include within your request –

- Why were these funds not expended within the three year deadline (good cause)? Was there a lack of contractors, materials, flooding or other hurricane related delays?
- Have changes been made to the program or strategies to address these issues? If a strategy has not been working, have you redesigned it, replaced it, or reallocated funds to a strategy known to be successful?
- What is the likelihood that these funds will be expended within the one year extension? If you are granted an extension, do you believe the funds will be completely expended and the units occupied within the one year?

The Florida Housing Coalition Technical Advisors may be able to assist by reviewing the program and offer insight, ideas or solutions to meet your set-aside requirements and expenditure deadline. If we can be of assistance, please call our toll free number at **1-800-677-4548**.

Q: *There are times when I need to add a Doctor's letter to a SHIP file. For instance, our*

SHIP Rehabilitation strategy gives priority assistance to applicants that have a disabled household member so we obtain a letter from the applicant's doctor for certification. Also, when a woman in the applicant's household is pregnant, I obtain a letter from her doctor to document the unborn child as a household member. Is maintaining this information in a SHIP file, which is covered under Florida's open record law, a violation of the privacy requirements of HIPAA?

A: HIPAA is the Health Insurance Portability and Accountability Act of 1996. The HIPAA Privacy Rule creates national standards to protect individuals' medical records and other personal health information. HIPAA includes provisions designed to encourage electronic transactions and also requires new safeguards to protect the security and confidentiality of health information. Health plans, health care clearinghouses, and those health care providers who conduct certain financial and administrative transactions (e.g., enrollment, billing and eligibility verification) electronically are considered covered entities and are required to comply with the provisions of the Privacy Rule. See www.hhs.gov/news/facts/privacy2007.html for more information.

HIPAA does not prohibit housing administrators from requesting and receiving an applicant's medical information, provided proper authorization is given by the applicant. According to the health and human services' web site (www.hhs.gov/ocr/hipaa),

A covered entity is permitted to use or disclose protected health information pursuant to any Authorization that meets the Privacy Rule's requirements at 45 CFR 164.508. The Privacy Rule requires that an Authorization contain certain core elements and statements, but does not specify who may draft an Authorization (i.e., it could be drafted by any entity) or dictate any particular format for an Authorization. Thus, a covered entity may disclose protected health information as specified in a valid Authorization that has been created by another covered entity or a third party, such as an insurance company or researcher.

Florida has a very broad open records law. Although SHIP housing files are not exempt from this law it does provide an exemption for medical history records and other certain information that may be included in your housing assistance files. Section (3)(bb)1 of Chapter 119 of the Florida Statutes reads: "Medical history records, bank account numbers, credit card numbers, telephone numbers, and information related to health or property insurance furnished by an individual to any agency pursuant to federal, state, or local housing assistance programs are confidential and exempt."

Prior to requesting medical history records, housing administrators need to ensure that their Authorization for Release of Information and their file maintenance procedures meet all HIPAA requirements. The HIPAA rules are extremely complex. We strongly recommended that you check with your legal counsel to ensure compliance.

