



## Frequently Asked SHIP & Hurricane Housing Recovery Questions

**Q:** *I know that many of Florida's counties will soon receive money from the new Hurricane Housing Recovery program. I have heard that this program is very similar to the SHIP program. In what specific ways is it the same? How does it differ from SHIP?*

**A:** The Florida Legislature recently created the Hurricane Housing Recovery (HHR) program based on recommendations from the Hurricane Housing Work Group that was chaired by Lt. Governor Toni Jennings. The Legislature has appropriated \$208 million of HHR funds for the 28 counties most severely affected by the Hurricanes according to FEMA data. This new funding is provided to assist with general housing recovery efforts. The program does not require households applying for assistance to document that their housing needs are a direct effect of the hurricanes, although a community receiving HHR funds may choose to prioritize assistance to such applicants.

The Hurricane Housing Work Group has recommended modeling the HHR program on many design aspects of the SHIP program, another state-funded housing program with a record of success. However, housing administrators are cautioned against simply regarding the HHR program as a supplemental SHIP appropriation to be spent on the current housing strategies in their communities' SHIP plans. HHR is a distinct program that requires a separate housing assistance plan and housing delivery goals chart, as well as separate tracking and annual reporting. Furthermore, considering that many communities will receive a very sizeable

allocation of funds--eight communities will each receive over \$10 million and another 14 communities will receive more than \$1 million--the HHR program offers an opportunity for housing strategies that may have never before been feasible.

While recognizing that HHR funds will likely be spent in a manner that is distinct from a community's ongoing SHIP program, it is notable how similar HHR rules and requirements are in comparison with SHIP. The programs share the same encumbrance and expenditure deadlines. Both programs are implemented in accordance with similar locally created housing assistance plans and housing delivery goals charts. The income eligibility of HHR applicants is calculated using the same income qualification procedures required by the SHIP program. The same general documentation must be assembled in the files of both SHIP and HHR applicants.

In several ways, however, HHR program requirements are different than SHIP. For example, each eligible community may request supplemental HHR funds that can only be expended to assist "extremely low income (ELI) households" with incomes below 30 percent of the area median income. HHR also includes a distinct provision related to rental housing. The local government will not be required to monitor a rental unit so long as no more than \$10,000 per unit (in contrast to \$3,000 per project for SHIP) has been provided to assist the unit, and the housing unit is located in a census block group in which more than 51 percent of the households have incomes at or below 80 percent of the area median income.

The HHR program outlines a different type of compliance with the requirements known as the "SHIP set-asides". A minimum of 65 percent of SHIP funds must be expended on homeownership activities. The separate HHR funding allocated for ELI households, for contrast, is entirely exempt from this homeownership set-aside requirement. Furthermore, a local entity may expend less than 65 percent of its base HHR allocation and supplemental community collaboration funds on homeownership activities if it provides information that justifies and supports the need for greater funding for a rental strategy. Each HHR jurisdiction must spend its HHR funding in compliance with the "income set-aside", with the exception of the supplemental ELI funds that may only assist extremely low income households. Finally, Section 4 of the HHR Rule states "with the exception of the income requirements and home ownership requirements, counties and eligible municipalities shall be allowed to apportion their funds across their housing strategies as dictated by local needs." This essentially exempts the HHR program from compliance with the "construction/rehabilitation set-aside" that reserves 75 percent of funds for new construction or rehabilitation activities. While this makes the program extremely flexible, it is anticipated that given the extensive damage caused by the storms, most communities will spend at least 75 percent of their funds on construction related activities.

In a very notable departure from SHIP requirements, HHR funds may be used to purchase, rehabilitate and relocate post-1994 manufactured homes. Even pre-1994 manufactured homes may be repaired or relocated on a case-by-case

*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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basis. Another noteworthy distinction involves the HHR “supplemental community collaboration funds”. These funds are designed to offer communities a financial incentive for bringing together business interests, government, social service, civic and faith-based organizations to assist in recovery efforts. By contrast, SHIP encourages such partnerships but does not require collaboration nor offer any financial incentive for forming such partnerships.

Each eligible jurisdiction must submit an annual report for its HHR funds that is separate and distinct from its SHIP report. Although the HHR report form is almost identical to the SHIP report, it requires each jurisdiction to provide the names and addresses of HHR recipients. The amount of funds available for administrative expenses is also different. Up to 15 percent of HHR funds may be used for administration, in contrast to the 5-10 percent permitted by the SHIP program. It is important to remember that each jurisdiction must independently track the administrative expenses associated with implementing its SHIP and its HHR programs.

The Hurricane Housing Recovery program is brand new, with an implementation rule that is effective on July 1 when funds are made available. Staff members at the Florida Housing Finance Corporation and Florida Housing Coalition are still considering all the specifics of how the program will operate, considering that some aspects of the program are different than SHIP. If you have questions about how the HHR program will operate in your community, call the Florida Housing Coalition at (850) 878-4219.

**Q:** **Follow-up Question:** *So Hurricane Housing Recovery funds may be used on manufactured homes (also called mobile homes). What is the significance of the “post-1994” distinction? What’s the best way to tell if a manufactured home was constructed after 1994?*

**A:** In the aftermath of last summer’s hurricane season, research of housing damage concluded that manufactured homes built after 1994 had an impressive record of resisting the storms. They weathered the hurricanes with damage levels comparable to stick-built homes. July 13, 1994, is a significant date for manufactured homes. All manufactured homes built after this date are constructed to a significantly improved standard. Since 1976, all manufactured homes have been built to construction and safety standards established by the U.S. Department of Housing and Urban Development. After the destruction caused by Hurricane Andrew in 1992, however, HUD recognized the need to improve this standard. The most significant improvement addressed wind resistance. The southern portion of Florida was upgraded to a “Wind Zone 3” region, and the HUD standard dictated that new manufactured homes must be engineered and constructed to resist a much more powerful wind load.

With regards to the HHR program, the most important lesson about manufactured homes relates to determining when a specific home was constructed. You cannot easily

determine a mobile home’s construction date based on a visual inspection. The HUD standard is a “performance code”, unlike Florida’s prescriptive code. There are few standard and prescribed construction methods that may be inspected to easily determine if the home was constructed before or after July 1994. Instead, the many manufacturers of these units in Florida may each create a slightly different construction approach that must ultimately perform in accordance with the HUD standard.

An easy option for learning a home’s construction date may be available, however. Each manufactured home must contain a “data plate” located in a closet or inside a kitchen cabinet door when it is constructed and sold. The data plate is an 8.5 by 11-inch piece of paper that includes the construction date and other information, including a list of appliances, roof loading specifications, the wind zone that the home was built to, and the unit’s serial number. After the home is initially sold, however, there is no guarantee that the occupants will not remove the data plate. If it is absent, you must consult the manufactured home’s title to learn the year of its construction.

Many housing administrators have no previous experience working with manufactured homes and may have additional questions. More information on this topic is available by contacting the Florida Department of Motor Vehicle’s Mobile Home Bureau in Tallahassee at (850) 413-7600. 