

Frequently Asked SHIP Questions

State Housing Initiatives Partnership Program

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QUESTION: We know we need to advertise the AHAC public hearing at which the AHAC will approve the incentive plan recommendations. What is the time frame required between the advertisement of the public hearing and the date of the public hearing?

ANSWER: The SHIP rule and statute are silent on the time frame between advertising the public hearing and holding the public hearing. This is a local decision, so check with your City or County clerks' office for any local requirements related to timing of advertisements and meeting dates. As a general rule, advertise the public hearing for 30 days.

QUESTION: Due to the limited number of commission meetings scheduled in December, I do not know if I can have my AHAC incentive recommendations submitted to FHFC by December 31 of this year. What happens if I cannot meet this deadline?

ANSWER: FHFC has requested that all local governments submit the AHAC recommendations no later than December 31 of each year. A community that misses this deadline is out of compliance and will not receive any new SHIP funding until the report is submitted. If you cannot meet the December deadline, send an e-mail to FHFC SHIP Administrator Robert Dearduff at Robert.Dearduff@floridahousing.org informing him of the reasons for the delay and the new submission date.

Question: When calculating annual household income, do I count the recent child tax credits that some applicants are receiving as part of household income?

ANSWER: This is not income. HUD's Office of Multifamily Housing Programs (Multifamily), which oversees contracts with



private owners of HUD-assisted properties, emailed stakeholders in late April to clarify that the monthly child tax credit payment of up to \$300 per week provided by the "American Rescue Plan Act" (ARPA) from July 2021 through December 2021 is exempt from household income calculations. In addition, HUD has determined that **the \$300 per week Federal Pandemic Unemployment Compensation (FPUC) provided to individuals who are collecting regular unemployment insurance must be excluded from a household's annual income calculation.**

QUESTION: Are homes purchased with SHIP assistance exempt from documentary stamp tax and intangible tax?

ANSWER: Documentary stamp tax is owed on the deed, but there is no intangible tax on the note/mortgage. Documentary stamp taxes must be paid when purchasing a home with SHIP assistance. Chapter 201, F.S. addresses the documentary stamp tax. Florida law requires that conveyance documents, such as deeds, be subject to this tax unless a statutory exemption applies. Since Florida law does not provide a statutory exemption for SHIP transactions, documentary stamp taxes must be paid when purchasing a home with SHIP assistance.

However, intangible taxes do not have to be paid on SHIP mortgages. The statutory basis for addressing intangible taxation is outlined in Chapter 199, F.S. Section 199.183 (1), F.S. states that "[i]ntangible personal property owned by this state or any of its political subdivisions or municipalities shall be exempt from taxation under this chapter." Regarding SHIP transactions, conversations with the Florida Department of Revenue have confirmed that SHIP funds are the property of the state's municipalities and are considered to be "intangible personal property" for purposes of this statute. Therefore, SHIP mortgages are exempt from intangible taxation.

Question: Property values have increased in our area. Do you know if the treasury maximum value limits have been published for 2021?

ANSWER: Yes, the 2021 value limits have been published and are available on the FHFC website. The values have increased and can now be applied to all SHIP assisted units. SHIP administrators should also notify any sponsors and subrecipients administering SHIP funds of the current increase in the value limits. Please note that these new values represent 90 percent of the average sales price. This is required by section 420.9075 (5)(f) of the Florida Statutes, which note “the sales price or value of new or existing eligible housing may not exceed 90 percent of the average area purchase price in the statistical area in which the eligible housing is located.”

Question: Our jurisdiction does not currently have a home repair program coupled with our closing cost assistance SHIP strategy. Can we offer a home repair strategy to help buyers using SHIP closing cost assistance and count that towards our construction set-aside?

ANSWER: Yes, this is a local decision. Repairs funded by SHIP are carried out after the closing is held, and the local government will normally oversee the repairs to the home. SHIP funds are only considered expended once all repairs are completed and paid for.

There are other ways to meet the SHIP construction set-aside. SHIP allows local governments to count repairs paid for by other funding sources toward the SHIP construction set-aside. For example, if the seller replaces the roof of the home prior to closing, this repair will allow the SHIP funds to count towards the construction set-aside. Work to identify any repairs completed either 12 months before the sale or up to 12 months afterwards. This includes, repairs performed by the buyer after closing, which will also allow the SHIP funds to count towards the construction set-aside. The cost of repairs and improvements must be documented in the file regardless of who paid for the repairs. You can also set a cap on the amount of funds that can be used on this strategy for each home.

Question: Are homeowners required to have hazard insurance to receive assistance under the SHIP program?

ANSWER: The SHIP rule and statute are silent on this; therefore, it is a local decision. If a homeowner is purchasing a home with SHIP assistance, the first mortgage lender will require homeowners’ insurance. If an applicant is applying for other types of SHIP assistance and has a mortgage from a lender, the lender will require hazard insurance. In cases where the home has no existing mortgages, it will be up to the SHIP jurisdiction to decide if the homeowner’s insurance is required to receive SHIP assistance. Most local governments do not require insurance for strategies that provide assistance as a grant. SHIP funds can also be used to pay the first year of insurance for strategies that require homeowners’ insurance.



QUESTIONS 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 hotline at (800) 677-4548, Mon.-Fri. 8:30-5:00.

MORE GUIDANCE IN TECHNICAL BULLETINS | Florida Housing Finance Corporation provides SHIP-specific written guidance in Technical Bulletins. Some of the more recent bulletins have addressed the subjects of record retention, NOFA advertisements, and SHIP audit and monitoring requirements. You may access the bulletins on Florida Housing’s Website www.floridahousing.org. Find SHIP by selecting Programs and then Special Programs from the pull-down menu, advertisements, and SHIP audit and monitoring requirements.



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