

# FREQUENTLY ASKED SHIP QUESTIONS

## State Housing Initiatives Partnership Program

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### Question: Does the SHIP program allow for rehabilitation assistance to a homeowner with a life estate?

Answer: Yes, you may assist a homeowner with a life estate or an enhanced life estate under certain parameters. A life estate is a legal arrangement that grants a close friend or loved one access to a property, providing the rights to the property eventually revert to the remainderman or their estate. The SHIP program uses HUD guidelines on providing rehabilitation assistance to applicants with a life estate. See the guidance in 24 CFR 92.254(c) regarding how to assist life estates with homeowner rehabilitation. Eligibility Criteria:

- The applicant should have the ability to mortgage the property.
- The property must be the applicant's primary residence.
- The applicant has the right to live on the property for the remainder of their life without paying rent.
- The applicant must meet income eligibility requirements.



File documentation should include a copy of the deed showing the life estate. Work with the applicant to confirm their ability to mortgage the property for SHIP purposes. By adhering to these parameters and guidelines, you can choose to have a

policy to assist homeowners with life estates in accessing rehabilitation assistance through the SHIP program.

### Question: When monitoring rental units built or repaired with SHIP funds, may we complete our review on a sampling of the SHIP-assisted units? Also, you noted rental housing subsidized with both SHIP and Low-Income Housing Tax Credits (LIHTC) will be monitored by Florida Housing Finance Corporation every three years. Should SHIP staff complete their own monitoring visits in the two interim years in between FHFC's three-year monitoring schedule?

Answer: Firstly, it is imperative to monitor each SHIP-assisted rental unit. The SHIP statute and rule do not provide the option to monitor only a subset of assisted units. SHIP staff must identify the number of rental units in an overall property that receive SHIP assistance and monitor all of them for a minimum of 15 years. Keep in mind that SHIP funds invested in a multifamily development do not have to be attributed to all of the units. You can choose to fund a portion of units with SHIP, reducing the number of units that will need to be monitored.

**Additional monitoring guidance is available in the recording and PowerPoint from the recent trainings, accessible at <https://flhousing.org/webinar-recordings/>**

Regarding the second question about Florida Housing's monitoring schedule, SHIP staff are not obligated to conduct monitoring in the interim years if they relied on FHFC monitoring.

This policy is stipulated in section 420.9075(4) (e) of the Florida Statutes, which states, "... to the extent another governmental entity or corporation program provides periodic monitoring and determination, a municipality, county, or local housing financing authority may rely on such monitoring and determination of tenant eligibility."

In instances where SHIP and LIHTC have similar requirements related to tenant income eligibility and rent affordability, SHIP staff may review and retain FHFC's monitoring reports that confirm SHIP compliance. However, it's essential to consider that your SHIP office may have requirements beyond the standard scope of an FHFC monitoring visit.

For instance, a specific SHIP community might mandate that SHIP-assisted units be leased to tenants with disabilities in support of SHIP's special needs set-aside. To confirm compliance with such requirements not covered in an FHFC monitoring visit, it is advisable to address them

in the agreement between the developer and SHIP office. An example of the text to include is:

*The developer agrees that, in consideration of the SHIP funds provided for this development, it will engage the compliance monitoring firm assigned to this project by FHFC to also monitor for compliance with the set-aside requirements for the SHIP funded units. Ten SHIP-Assisted units must be occupied by persons with special needs as defined in section 420.004 of the Florida Statutes. The term for compliance monitoring will be concurrent with the term required under the extended use agreement that is recorded in the public records.*

Florida Housing uses one of several monitoring firms for rental housing monitoring. When they are on-site for compliance monitoring of the project, they should be able to also monitor for compliance with the SHIP set-aside for a small additional cost paid by the developer.

### Question: We increasingly hear from low-income homeowners on a limited income about how unaffordable property taxes have become. What resources are available to address this?

Answer: Property taxes can indeed pose a significant burden for very low and low-income homeowners. FHC strongly encourages SHIP administrators to educate applicants about various exemptions designed to alleviate the strain of property taxes. In Florida, there are several types of exemptions available:

- Homestead exemption: Applies to your primary residence and can be up to \$50,000.
- Disability exemption: Applicable if you are permanently disabled.

- **Widow/Widower exemption:** Applies if your spouse has passed away.
- **Property tax benefits for persons sixty-five (65) or older:** Eligibility for property tax exemptions depends on certain requirements.
- **Save Our Homes assessment limitation:** Assists homeowners in saving money on their property taxes every year.
- **Property Tax Benefits for Active-Duty Military and Veterans.**
- **Tax Exemptions for Disabled First Responder and their Surviving Spouse.**
- **Calamity for homestead property:** In the event of a calamity (hurricane, fire, tornado, etc.), any changes, additions, or improvements made to the dwelling are protected from being assessed at full market value.

received Hurricane Housing Recovery Program (HHRP) funds to offer housing assistance to those impacted by these hurricanes. Communities must report these funds alongside the 21/22 allocation.

- **22/23 SHIP allocation:** The 21/22 spreadsheet is also used to track 22/23 expenses and encumbrances on rows labeled as "Interim 1" in Column U.
- **HHRP Funds from Hurricane Idalia:** Impacted communities received Hurricane Idalia HHRP funds during the 22/23 state fiscal year. They must track HHRP activity and label it "Interim 1" alongside the 22/23 allocation.

To discover more about these exemptions and others specific to your county, please reach out to your local property appraiser's office. They can provide detailed information and guidance tailored to your specific circumstances.



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### UPDATE ON DATA SPREADSHEET

The data spreadsheet for 21/22 SHIP funds has been recently updated and is available for download from the 'References' tab on the SHIP Annual Report website. Here is guidance about tracking a variety of funds:

- **21/22 SHIP allocation:** In 2023, your community closed out its 20/21 annual report by uploading a 20/21 SHIP data spreadsheet. This spreadsheet included 21/22 data labeled "Interim 1" in Column U. Copy and paste this data onto your new 21/22 spreadsheet.
- **HHRP Funds from Hurricane Ian/Nicole:** Several SHIP communities



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