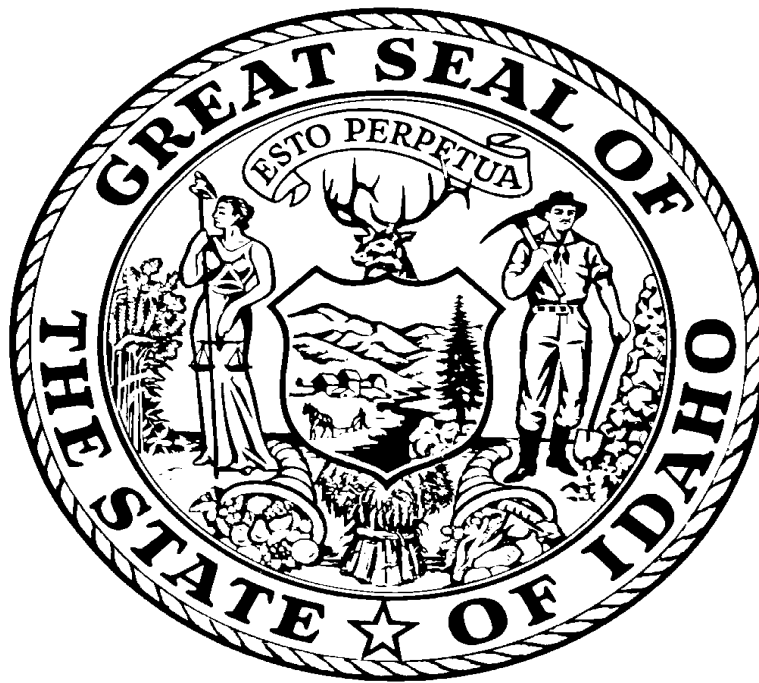


**2019 Annual Action Plan  
For  
Idaho's Federal Community Development and  
Affordable Housing & Development Programs**

**Unique Appendices**



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## **AP-05 EXECUTIVE SUMMARY**

### **Summary of Objectives and Outcomes**

See AP-20 of this Plan

### **Evaluation of Past Performance - Program Year 2018**

#### **CDBG**

Idaho Department of Commerce (IDC) awarded 21 projects (activities) a total of \$8,228,657 in 2018. Of the 21 projects, improvements were made to three senior citizen centers, two public parks, seven wastewater treatment systems, three water systems, two fire engines one medical clinic, one library and two downtowns. The 21 projects helped to achieve four of the five CDBG goals as established in the [2015-19] Five-Year Consolidated Plan.

Of the five CDBG goals, Commerce met four, as identified below. Under the public infrastructure and facilities goal, two objectives (new construction, and rehabilitation) exceeded their percentage of the obligation benchmark. However, the compliance objective benchmark was missed by \$150,000. Whereas, this is missing the objective by less than 10% and no intentional effort by Commerce to not fund non-compliance projects, Commerce does not deem this a concern at this time.

Under economic development, two downtown projects helped Commerce to exceed the goal of expending at least 10% (or \$720,000) of the annual allocation toward revitalizing downtowns. However, the job creation goal of 10% was not met. In fact, no applications were received in 2018. It is likely, part of the reason no applications were received is due to the existence of other state grant programs, such as Commerce's Rural Initiative Grant and Opportunity Funds Grant. These state job creation grants are more popular than CDBG for job creation, as they have fewer requirements. Even though for the last three years Commerce has not received any CDBG job creation applications, Commerce will continue to leave the goal at 10% because job opportunities are critical and necessary for low-to-moderate income individuals.

Based on achieving these goals Commerce will not be changing the CDBG obligation percentages for 2018.

#### **CDBG Goal Summary:**

Goal: Public Infrastructure and Facilities - Compliance: CDBG obligated / expended \$1,650,000 on activities. This did not meet the 25% goal of \$1.8 million.

Goal: Public Infrastructure and Facilities - New Construction: CDBG obligated / expended \$2,411,007 on activities. This exceeded the 25% goal of \$1.8 million.

Goal: Public Infrastructure and Facilities - Rehabilitation: CDBG obligated/expended \$3,200,000 on activities. This exceeded the 30% goal of \$2.1 million.

Goal: Economic Development - Job Creation: CDBG obligated/expended \$0 on job creation activities. This did not meet the 10% goal of \$720,000.

Goal: Economic Development - Downtown Revitalization: CDBG obligated/expended \$978,650 on downtown revitalization activities. This exceeded the 10% goal of \$720,000.

### **HOME and HTF Programs**

1. The HOME Program continued to help owner's acquire, construct, and rehabilitate affordable rental and homebuyer housing throughout Idaho in program year 2018. IHFA was able to commit HOME funds to non-profit developers for the acquisition and rehabilitation/new construction of single-family homebuyer and rental housing units. These single-family units are handicap visitable to the maximum extent feasible. The rental units serve 60% AMI tenants.
2. IHFA did not provide funds directly to homebuyers in 2018 under the HOME downpayment/closing cost assistance program. It was determined, that in the current housing market, it is very difficult for low-income homebuyers to purchase a Standard Condition unit. Many of the homebuyers that applied for DP/CC had made offers on homes that required substantial repair to meet the HOME Program Property standards. Most sellers are unwilling to do this, especially with the time needed to schedule the IHFA inspections and re-inspections.
3. IHFA awarded HOME funds to private developers as gap financing for the development of multifamily rental housing. IHFA also awarded funds to non-profit developers to acquire and/or rehabilitate or construct single-family rental units.
4. IHFA provided special assistance to its certified CHDOs with upfront costs to explore the feasibility of future potential activities with CHDO Predevelopment loans and provided general operating costs through CHDO Operating Assistance Grants.

Beginning April 1, 2018, IHFA has committed HOME & HTF funds rehabilitating eight single-family homebuyer units, constructing two multi-family LIHTC projects, and constructing six single-family rental properties.

<b>Type of Project/Program</b>	<b>Location</b>
Funded HOME Homebuyer Properties	Pocatello, Sandpoint, Moscow
Funded HOME & HTF Multifamily Rental Projects	Nampa, Caldwell
Funded HTF Single-family Rental Properties	Boise, New Meadows

As of December 1, 2018 completed projects: one HTF single-family rental activity, 2 multifamily new construction activities (9 HOME units), and seven single-family homebuyer units.

<b>Type of Project/Program</b>	<b>Location</b>
Completed HOME Homebuyer Properties	Caldwell, Pocatello, Post Falls, & Kootenai
Completed HOME Multifamily Rental Projects	Eagle, Lewiston
Complete HTF Single-family Rental Property	Rathdrum

### **Housing Trust Fund Certification**

The HTF written agreement identifies the requirements the owner, developer, and property management must comply with during pre-development, development, closeout, and the compliance phase of the activity.

The HTF written agreement also identifies the corrective actions IHFA would take if needed to bring the assisted project into compliance with the terms of the agreement.

### **Emergency Solutions Grant (ESG) Program**

IHFA administers the Emergency Solutions Grant statewide. During the 2018 Program Year, \$1,031,627 in Emergency Solutions Grant funds were allocated to 34 unique projects throughout the state. Funding helps support shelter operations and services, homelessness prevention, and rapid re-housing activities. In the 2018 program year, IHFA utilized ESG funds to help 1,521 households, consisting of 1,740 adults and 1,045 children, to receive shelter and/or services.

During the 2018 program year, Homeless Prevention and Rapid Re-housing funds were used to help prevent individuals and families from losing their housing, through rental and utility assistance. Each of the state's seven regions received homeless prevention and/or rapid re-housing funds, through either ESG or IHFA. This helped to ensure households in all areas of the state, rural and non-rural, had equal access to homeless prevention and rapid re-housing funds. The Home Partnership Foundation provided an additional \$207,000, supplementing ESG funds, and allowing subrecipients to have access to prevention and re-housing funding year round. The Foundation allocated private funds to several IHFA branch offices, providing one-time rental and utility assistance to households at risk of becoming homeless.

IHFA will also measure outcomes based on the annual desk risk analysis that considers the compliance of the project, management of expenditures and contract deadline.

### **Summary of Citizen Participation and Consultation Process**

IHFA and the Idaho Department of Commerce follow a Citizen Participation Plan for HUD-CPD Affordable Housing and Community Development Programs. Following the adopted Citizen Participation Plan, one 30-day comment period and one public hearing was held. Legal notices are published twice in Idaho's major newspaper, the first time prior to the comment period, the second prior to the public hearing. The legal notice included a link to a Spanish version of the legal notice on the IHFA and IDC websites. The Spanish and English version includes directions and contact information regarding how to request a reasonable accommodation, including language assistance and alternative formats. The notices are also sent the IHFA Branch Offices and major libraries around the state to be posted in a public area. A copy of the legal notices and draft action plan are available on the IHFA and IDC websites

Local and regional stakeholders, service providers, developers, owners, developers, and units of local government, and CoC members are invited to participate in the planning process.

The 30-day comment period for the 2019 Annual Action Plan is January 7-February 6, 2019. The Public hearing is January 29 at the IHFA office in Boise Idaho. Comments and IHFA/Commerce responses are located in the Action Plan as an attachment titled "Citizen Participation Comments".

Comments/ input- TBD

Public hearing Attendees- TBD

### **Analysis of Impediments**

The current 2017 Analysis of Impediments to Affirmatively Furthering Fair Housing (Assessment of Fair Housing) is available on IDC and IHFA websites at <https://www.idahohousing.com/documents/idaho->

[assessment-fair-housing-draft-report.pdf](#) and <http://commerce.idaho.gov/communities/community-grants/community-development-block-grant-cdbg/consolidated-planning-documents>

## **AP-25 ALLOCATION PRIORITIES**

### **CDBG**

See AP-20- Goals 2,3,4,5 and 6 goal descriptions.

### **HOME & Housing Trust Fund**

#### **Tenant Preference Populations**

Idaho's Five-Year Consolidated Plan identifies three "Priority Housing Needs" populations: Elderly (age 62+), Disabled, and Extremely-Low Income. A project owner can choose to provide a preference for one or more of these priority housing needs populations if the preference(s) is identified in the HOME/HTF written agreement and the owner does not otherwise violate Federal, State, and local fair housing laws, executive orders, or program regulations. The HOME, NSP & HTF Annual Administrative Plan and the Qualified Allocation Plan identify these populations as "Special Housing Needs Populations". Priority housing needs populations are re-evaluated as part of the next Consolidated Plan, which begins in Program Year 2020.

HOME/HTF multifamily rental housing applications receive additional points if the owner commits to a tenant preference of two of the three Special Housing Needs Populations.

#### **IHFA Visitability Design Components**

HOME and HTF single-family rental units will include at least one wider doorway to one main floor bathroom, other interior doorways, and one means of ingress/egress if feasible as part of a construction or rehabilitation activity.

#### **Eligible Activities**

- 1) IHFA will award HOME and HTF funds to eligible recipients (owner, owner-developer) to acquire and construct/rehabilitate permanent single-family and multifamily rental housing.
- 2) IHFA will award HOME funds to qualified nonprofits and units of local government to acquire and construct/rehabilitate single-family homebuyer properties then sold to HOME-eligible & IHFA qualified low-income homebuyers.
- 3) IHFA may award HOME-funded Operating Assistance Grants to IHFA-certified Community Housing Development Organizations (CHDOs).
- 4) IHFA may award up to 33% of each HTF allocation as operating/reserve assistance to HTF-funded permanent rental housing, if the owner is able to show it is needed.
- 5) IHFA may use up to 10% of each HOME and HTF allocation and eligible program income for HOME/HTF planning and administrative costs.

#### **Allocation Priorities**

- HTF- 100% to owners and developers to acquire and/or construct and rehabilitate permanent rental

housing activities targeting households with annual incomes  $\leq$  30% AMI.

- HOME- Approximately 40% to nonprofit developers and units of local government to acquire and rehabilitate or construct single-family structures then sell to HOME-eligible, IHFA- qualified homebuyers.
- HOME- Approximately 60% to private and nonprofit owners/developers to acquire and/or construct or rehabilitate single-family or multifamily permanent rental housing activities.

### **Emergency Solution Grant**

Prior to the HEARTH Act, Idaho allocated the majority of ESG funds to homeless shelter activities. While IHFA still places on emphasis on the importance of supporting shelter activities, which currently receives sixty percent (60%) of the annual award, this decreased upon HEARTH Act implementation due to limitations imposed. The remaining forty percent (40%) has been reserved for homelessness prevention and rapid re-housing activities, with majority support directed towards rapid re-housing. Due to the changes in program regulations and the need to prioritize resources in a new manner, IHFA felt it appropriate to impose a goal of ensuring that the changes in policy and regulations does not decrease the number of homeless households served. For that reason, IHFA would like to see at least consistent impact on Idahoans served. If a decrease in households served occurs while no waiting lists exist in emergency shelters, this would indicate a decreased need for emergency shelter beds, which could allow funds to be redirected towards homelessness prevention and rapid re-housing. This could be an appropriate and positive scenario of not meeting the goal set.

## **AP 30 METHOD OF DISTRIBUTION**

### **Homebuyer Properties Program**

#### ***General Requirements***

Funding proposals are accepted from qualified units of local government and community-based non-profit developers following a published Request for Proposals. Eligible activities under this program include acquisition and/or rehabilitation of Substandard (condition) single-family units, and acquisition and/or new construction of single-family units. When development phase is complete, the units are sold to qualified HOME-eligible, IHFA-qualified homebuyers within 9 months. If the unit is not sold within 9 months, it must be converted to a permanent HOME rental unit or the owner-developer must repay the entire amount (including IHFA project costs) of HOME funds expended on the activity.

The sales price to a low-income homebuyer cannot exceed the annual HOME Homeownership Value Limits for the area, published by HUD-CPD. The homebuyer(s) must provide evidence they have completed a homebuyer-counseling course that meets the HOME program's homebuyer education requirements, and submit a monthly budget that identifies recurring expenses, as part of an application for funding. This is in addition to the other IHFA requirements such as homebuyer household asset limitation, credit score, and minimum homebuyer investment. These and other requirements, including maximum subsidy amounts are identified in the [Annual Administrative Plan](#) @ Chapter 2. IHFA reviews and updates its Administrative Plan annually to address the market and program changes.

HOME-eligible homebuyers must have an annual household income  $\leq$  80% AMI, as defined by 24 CFR 5.609 (Annual Gross Income). HOME assistance is provided to the homebuyer as a 0% interest, due-on-sale or default loan. The homebuyer must reside in assisted unit as a primary residence during the HOME period of



affordability. IHFA does allow two exceptions to the primary residency rule: Military transfer or deployment and full-time student status at a post-secondary education institution located more than 50 miles from the assisted unit. The homebuyer must have a plan in place to return to the unit at a specified time to be considered for an exception. The residency requirements and loan terms are provided to the homebuyer at the time of application for funding, and again prior to loan closing in the homebuyer's Deed of Trust Note.

#### **Eligible Homebuyer Activities**

<b>Home Activity- Single-Family Housing</b>	<b>Regulatory Provision</b>
• Down payment/closing cost assistance (suspended)	Recapture
• Acquisition and new construction/ rehabilitation	Recapture
• New construction/rehabilitation of single-family housing on land owned by a land trust	Resale

#### **HOME Period of Affordability**

IHFA does not exceed the regulatory minimum.

<b>Home Investment Per Unit</b>	<b>Period Of Affordability</b>
Under \$15,000	5 years
\$15,000-\$40,000	10 years
Over \$40,000	15 years

#### **Methods used to Recapture HOME Funds**

##### ***1. Recapture Option***

Under the Recapture Option, a homebuyer can sell their HOME-assisted unit at any time, to any willing buyer, for whatever the market will bear, with no restrictions. However, when the title to the unit is transferred, IHFA will attempt to recapture the full amount of the homebuyer's HOME loan as available from the net proceeds of the sale as defined under the HOME Program's Recapture Option §92.254 (a)(ii)(A).

IHFA will also attempt to recapture the total amount of HOME subsidy provided to the homebuyer if the homebuyer fails to comply with the HOME program's primary residency requirements during the period of affordability. These requirements and conditions are described in the homebuyer's Deed of Trust Note.

When the period of affordability expires, the homebuyer is no longer required to comply with the primary residency requirements, however, the HOME loan remains in place as 0% interest, due on sale.

##### ***2. Resale Option***

IHFA will use the HOME Program's Resale Provision when a nonprofit owner-developer rehabilitates or constructs a homebuyer unit on land held in trust for at least 50 years. Under the IHFA's Resale Option, the land trust will repay the development subsidy only if the unit is rented without an IHFA-approved exception, or a low-income homebuyer no longer owns the unit, or the land on which the unit sits is no longer held in trust, or the title to the land under the unit is transferred.



Through the land-lease with the homebuyer and the Deed of Trust and MORC with IHFA, the land trust is required to use “first right of refusal” and other resale restrictions in order to keep the unit affordable in perpetuity.

### ***General Homebuyer Requirements***

IHFA follows the HOME program's ***Resale Provisions*** for approved homebuyer properties activities designed to allow the homeowner to hold title to the HOME-assisted unit, and the land under the unit is owned by a land trust for at least 50 years. The HOME program's primary residency requirements will apply. During the period of affordability, these requirements are enforced through a land-lease between the land trust and the homeowner, and a Memorandum of Restrictive Covenants and Deed of Trust between IHFA and the land trust. Under the Resale Option, the period of affordability is determined by the total amount of HOME funds expended on the unit (will always be 15 years), which includes rehabilitation/ construction costs, developer fee, and IHFA's project costs (salaries, inspections, title, etc.). The period of affordability and the primary residency requirements will never exceed the HOME Program's regulatory minimum.

### ***Homebuyer Provisions***

There is no presumption of affordability as defined at 24 CFR 92.254(a)(5)(i)(B).

The HOME program's Resale Provisions are enforced through restrictive covenants and a deed restriction between IHFA and the land trust, and a land-lease between the land trust and the homeowner.

The HOME Note and Deed of Trust with the land trust will require all homebuyers in the unit be  $\leq 80\%$  AMI at the time the purchase contract is signed. The sales price of the unit will include a price reduction equal to the HOME development subsidy and the estimated value of the land under the unit. During the period of affordability, to ensure each homebuyer during the period of affordability is  $\leq 80\%$  AMI, IHFA will require the land trust to submit an *Income Verification and Certification Form* for IHFA's review prior to transfer of title.

The long-term ground lease with the homeowner will enforce the HOME income limit, primary occupancy and sales price restrictions, and include corrective actions the land trust will take if the homeowner violates these restrictions on the unit. The land trust will also include additional restrictions, including the use of a purchase option, right of first refusal, and other legal means to intervene and preserve the affordability of a HOME-assisted unit.

During the period of affordability, the land trust will repay the HOME development subsidy when:

- The Unit is rented or leased or otherwise vacated by the homebuyer who has not received an IHFA-approved Primary Residency Exemption (click here [Primary Residency Requirement](#)) and refuses to return to the unit to occupy it as a primary residence;
- Title is transferred to a homebuyer who is not low-income ( $\leq 80\%$  AMI);
- Foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD

After the period of affordability has expired, the land trust will repay the HOME development subsidy only when the land, on which the assisted unit is located, is taken out of the affordable housing land trust, or title to the land under the unit is transferred.

## ***Definitions***

### ***Capital Improvements***

- (a) A major structure or system when (1) the cost of the specific improvement exceeds \$3000.00 and (2) work is completed within 5 years of the sale, and (3) approved by the land trust, and (4) the unit is sold to a qualified low-income homebuyer.
  - i. Major structure improvement- The addition of a bedroom, bathroom, or additional square footage, as approved by the land trust.
  - ii. Major system improvement- A new or replaced system, i.e. roof, shingles, HVAC, electrical, energy efficient windows, doors, and insulation, as approved by the land trust.
- (b) The cost must be incurred directly by a homeowner with no other reimbursement opportunity, i.e. insurance, gift, etc.
- (c) A receipt or other third-party proof of expenditure is required, i.e. cancelled check, credit card statement. The work must be properly permitted (as required), with workmanship conducted by a professional contractor experienced in the area of work. Workmanship and materials must comply with the current State of Idaho Residential code. The land trust or its designated representative must approve and inspect the workmanship, materials, and the finished product.
  - i. If the homeowner is a professional contractor with direct experience related to the type of work to be performed (i.e. can document direct experience installing the major system or structure in question), performs the work him/herself, and all other conditions are satisfied, then the cost of materials can be included in the Capital Improvement calculation.
- (d) For the purposes of determining a low-income seller's "investment" in the unit, general repairs, updates, and other improvements under \$3000, are not defined as a Capital Improvement.

### ***Development Subsidy***

Up to \$40,000/unit provided to the land trust as development subsidy at time the rehabilitated or constructed unit is sold to the first low-income homebuyer. This subsidy will remain with the land trust as long as a low-income homeowner owns the unit during the period of affordability. After the period of affordability end, the subsidy will remain with the unit as long as the land remains in the affordable housing land trust.

### ***HOME Subsidy during the Period of Affordability***

- No additional HOME subsidy provided to the land trust for the assisted unit
- No direct HOME subsidy provided to any homebuyer for the assisted unit

### ***Deed of Trust and Restrictive Covenants***

During the period of affordability, IHFA will enforce the primary residency requirement and the 80% AMI homebuyer requirement through a restrictive covenant with the homeowner and the land trust.

A deed of trust with the land trust is used to secure IHFA's right to recover the HOME development subsidy from the land trust in the event the land trust does not utilize its purchase option, right of first refusal, or other means at its disposal to intervene and preserve the affordability of the unit. The deed of

trust will remain in place after the period of affordability expires.

IHFA will allow the use of other notes and mortgages in addition to, but never in lieu the HOME MORC and Deed of Trust. The HOME MORC is always be filed in the most senior position.

### ***Fair Return on Investment ("FRI")***

When the assisted unit is sold to another low-income ( $\leq 80\%$  AMI) homebuyer during the period of affordability, a low-income seller is entitled to a fair return on their investment, only as available from the Net Proceeds of the sale (repayment of all senior liens and seller's closing costs).

#### ***Seller's Investment-Defined***

If the seller is  $\leq 80\%$  AMI, then the following items are defined as an "investment" for determining a Fair Return on Investment

- 1) Seller's Mortgage Equity (mortgage pay down amount); plus
- 2) 50% of Capital Improvement(s) costs for individual improvement was completed within 5 years of the sale (see Capital Improvement); plus
- 3) Up to a maximum of 1.5% CPI inflation rate (as determined by the Consumer Price Index calculator times (x) Seller's purchase price of the unit, times (x) the number of years Seller owned the unit.

*Consumer Price Index*<sup>1</sup> Inflation Calculator at [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm)

### ***Foreclosure, Transfer In Lieu Of Foreclosure, Or Assignment of an FHA Mortgage***

As described at 92.254(a)(5)(i)(A), the HOME resale option's restrictions may be extinguished by a senior lender in the event of foreclosure, transfer in lieu of foreclosure, or the assignment of an FHA mortgage in order to clear title. The land trust shall use a purchase option, right of first refusal, and other approved means to intervene and preserve the affordability of the unit.

### ***Homebuyer Preference Populations***

A homebuyer preference may be allowed when the population is deemed essential to the local community and does not violate Federal Fair Housing and Equal Opportunity laws, executive orders, or program regulations. Examples of an essential population would be education providers, firefighters, law enforcement, and medical/care providers. A homebuyer preference is allowed only if identified in the land trust's HOME written agreement and the memorandum of restrictive covenants.

### ***Seller's Initial Investment***

Earnest money and down-payment/closing costs when paid directly by the homebuyer when they purchased the HOME-assisted unit.

### ***HOME Income Limit***

At the time the purchase and sales contract is executed, the homebuyer's annual household income must be  $\leq 80\%$  AMI as defined at 24 CFR 5.609. IHFA annually publishes the household asset limitation,

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<sup>1</sup> A consumer price index (CPI) measures changes in the price level of a market basket of consumer goods and services purchased by households.

The CPI is a statistical estimate constructed using the prices of a sample of representative items whose prices are collected periodically.

maximum PITI and other homebuyer requirements. These requirements are reviewed along with the homebuyer's monthly budget or recurring expenses, prior to funding approval or denial.

Current limits and other requirements are available on the IHFA website, in the Annual Administrative Plan and under the Resources menu at <https://Www.Idahohousing.Com/Federal-Programs/Home-Program/>

### ***Reasonable Range of Low-Income Homebuyers***

An assisted unit must remain affordable to a reasonable range of low-income homebuyers during the period of affordability. IHFA defines "reasonable" as a household income of 50%-80% AMI. In some cases, IHFA may allow a lower AMI homebuyer if (1) additional subsidy is provided by other private or public sources, (2) has good credit and (3) a stable work history.

### ***Maximum PITI (Principal, Interest, Taxes, Insurance)***

During the period of affordability, a typical PITI is 35% of household's gross monthly income. However, under certain circumstances, IHFA may allow a higher PITI when the homebuyer has good-exceptional credit/history, a stable work history, approval from an IHFA-approved lender and the land trust.

### ***Net Proceeds***

The amount after repayment of all senior liens and the seller's closing costs.

### ***Sales Price Determination during the HOME Period of Affordability***

To determine the maximum sales price during the HOME Period of Affordability:

#### **Initial Sale Price Determination**

- Step #1** Determine the estimated value of property (land and unit combined) use one of two approved methods:
- Comparative Market Analysis or Broker's Price Opinion completed by a licensed real estate professional who is familiar with the local neighborhood market conditions
  - Appraisal
- Step #2** Deduct the following from the estimated value of the property
- Estimated value of the land
  - IHFA Development Subsidy
- Step #3** IHFA defines the Fair Market Value of an assisted unit as the negotiated sales price between the willing buyer and willing seller.

#### **Subsequent Sale Price & Limit- Determination**

Maximum Sales Price Limit is a total of the following:

- Amount of senior lien(s) repayment;
- Seller's closing costs

- Seller's Fair return on Investment (click here to go to [Fair Return on Investment](#))

### Examples of Resale Provision Calculation- Subsequent Sale(s)

Initial Sale	1 <sup>st</sup> Qtr. 2013
Estimated Value- \$200,000 -Value of Land- \$45,000 -IHFA Subsidy- \$40,000 Initial Sales Price	\$115,000
Subsequent Sale	2 <sup>nd</sup> Qtr. 2018
Seller's Equity (mortgage paid down)	\$15,000
Senior Lien payoff	-\$110,000
Capital Improvements (50% within 5 yrs.)	\$2,500
Seller's Closing Costs	-\$8,000
Maximum 1.5% CPI (x) Initial Sales Price	\$8,625

### **Consumer Price Index inflation calculator**

[https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm)

(example)

**CPI Inflation Calculator**

\$

in

has the same buying power as

in

### **Examples of Subsequent Sales Price Calculation**

No.	<b>Appreciating Housing Market</b> Sold 2 <sup>nd</sup> Qtr. 2018		No.	<b>Depreciating Housing Market</b> Sold 2 <sup>nd</sup> Qtr. 2018	
	Estimated Value Of Property- \$225,000 Less Value of Land- \$45,000 Less IHFA Subsidy- \$40,000 <b>Estimated Value of UNIT in 2018</b>	\$140,000		Estimated Value Of Property- \$190,000 Less Value of Land- \$20,000 Less IHFA Subsidy- \$40,000 <b>Estimated Value of UNIT at time of sale</b>	\$130,000
1	Less Senior Lien Repayment- \$110,000 Less Seller's Closing Costs- \$8,000	-\$118,000	1	Less Senior Lien Repayment- \$110,000 Less Seller's Closing Costs- \$8,000	-\$118,000
	<b>Estimated Net Proceeds=</b>	<b>\$22,000</b>		<b>Estimated Net Proceeds=</b>	<b>\$12,000</b>
2	<b>Owner's Investment</b> 1 <sup>st</sup> - Mortgage Equity- \$15,000 2 <sup>nd</sup> - Capital Improvements- \$2,500 3 <sup>rd</sup> - CPI 1.5% inflation rate- \$8,625 <b>Total Owner's Investment</b>	\$26,125	2	<b>Owner's Investment</b> 1 <sup>st</sup> - Mortgage Equity- \$15,000 2 <sup>nd</sup> - Capital Improvements- \$2,500 3 <sup>rd</sup> - CPI 1.5% inflation rate- \$8,625 <b>Total Owner's Investment</b>	\$26,125
	Owner's Fair return on Investment as available from Net Proceeds (cannot exceed Net Proceeds)	<b>\$22,000</b>		Owner's Fair return on Investment as available from Net Proceeds (cannot exceed Net Proceeds)	<b>\$12,000</b>

## 2019 Annual Action Plan- Unique Appendices

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	<b>Maximum Sales Price to next Low-income Buyer</b> (cannot exceed the total of No. 1+2 above)	\$144,125
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	<b>Maximum Sales Price to new Low-Income Buyer</b> (cannot exceed total of No. 1 + 2 above)	\$144,125
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## State Program No. 4- HOME & HTF Rental Housing Production

### Describe threshold factors and grant size limits

At application, submission of the following is required in order for the application to receive additional review and scoring:

- Most recent third-party financial statements from applicant, owner, and developer. Statement from owner is not required if a newly formed entity.
- A Physical Needs Assessment is required for acquisition and/or rehabilitation projects. The PNA determines the scope of rehabilitation. See Chapter 2, Annual Administrative Plan for additional information regarding a PNA <https://www.idahohousing.com/federal-programs/home-program/>
- A Capital Needs Assessment for all projects is required, with sufficient detail to determine the amount of funds needed for replacement reserve and major repairs during the life of the project. See Chapter 2, Annual Administrative Plan to additional information regarding CNA <https://www.idahohousing.com/federal-programs/home-program/>
- Annual operating costs and revenues, described in sufficient detail to compare line items against properties of similar type and size to allow IHFA to determine whether the planned expenditures are sufficient and reasonable. The budget should include general management expenses, maintenance and operating costs, any project paid utilities, taxes, insurance premiums, and adequate deposits to replacement reserves. In most cases, evaluation of total operating costs should be summarized in “per unit per year” amounts rather than as a percentage of projected revenue.
- Market study that meets the requirements described in Exhibit M-Annual Administrative Plan <https://www.idahohousing.com/federal-programs/home-program/>
- Fair Housing
  1. An Affirmatively Furthering Fair Housing Choice (AFFH) Resolution adopted by the proposed project’s unit of local government (City or County). If the local unit of government has not/will not adopt the AFFH resolution, the application/proposal will not meet minimum threshold.
  2. One of the following:
    - If the proposed activity is located in a CDBG Non-Entitlement area, then submit the local jurisdiction's most recent Fair Housing Assessment Plan reviewed by the State of Idaho's CDBG Program (Idaho Department of Commerce);  
Or
    - If the proposed activity is located in a CDBG Entitlement Area (Boise, Nampa, Meridian, Lewiston, Coeur d' Alene, Idaho Falls, Caldwell, and Pocatello), then submit that city's most recent Analysis of Impediments To Affirmatively Further Fair Housing If the city's Analysis of Impediments or Affirmative Housing Assessment document is available online, then applicant need only provide IHFA with the link to the online document (hard copy would not be required);  
Or
    - If the local jurisdiction in which the property will be located has never received State CDBG funds (and hasn't completed a Fair Housing Assessment Plan on their own), or the project will not be located in a CDBG Entitlement area, then applicant must request a



Fair Housing Assessment Plan be completed by the local jurisdiction. The plan must contain the same components as the State of Idaho's CDBG Program.

- Evidence applicant and developer have experience and capacity to begin construction within 12 months of the award, and complete the project within the specified timeframe.
- Evidence of site control that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and Environmental Review Procedure 24 CFR 58.22 (See Chapter 6, 9 and Exhibit O)
- Owner/Developer/Management Capacity Self-Certification Form (See Exhibit W)
- Pro forma that incorporates the following assumptions:
  1. 7% vacancy factor
  2. 2% annual increase in income
  3. 3% annual increase in expenses including replacement reserves
- Release of Information- See Exhibit X- Administrative Plan

#### **State Program No. 5- State of Idaho CDBG**

##### **Describe the state program addressed by the Method of Distribution**

State of Idaho Department of Commerce distributes CDBG funds on a competitive statewide basis where applications are ranked against each other for funding.

##### **Describe all the criteria that will be used to select applications and the relative importance of these criteria.**

There are five variables that define how Idaho prioritizes its projects and activities that will be eligible to receive CDBG funds.

First variable to prioritizing CDBG funds is to ensure the project will meet at least one required national objective.

- Activities benefiting low to moderate-income (LMI) persons.
- Prevention/Elimination of Slums and Blight
- Urgent Needs (Imminent Threat)

Second variable to prioritizing CDBG funds is ensuring the proposed project meets Idaho CDBG threshold factors. Applications must meet the following:

- Submission of an application
- Eligible applicant
- Eligible activities
- Executed citizen participation plan and hold public hearing
- Meet Consolidated Plan goals and objectives
- Applicant has administrative capacity
- Adopted fair housing plan
- Adopted Anti-displacement plan

Third variable to prioritizing CDBG funds is to score, rank, and fund projects that meet the following conditions:

- Have a need for CDBG funds
- A measureable impact and positive impact for lower income households
- Project is well planned and feasible
- Timely use of CDBG funds
- Grantee's ability to properly administer applicable CDBG requirements
- Grantee's or sub-recipients ability to maintain and operate system or facility

Fourth variable: Idaho's Economic Advisory Council review, assessment, and recommendation of the project. Determining if the project can demonstrate:

- Local ability to finance,
- Local effort and commitment, and
- Local and regional economic impact.
- The Governor of Idaho decides to fund or not to fund.

Fifth variable:

- 70% of Idaho's CDBG funds, aggregated over a two-year period, will fund projects that will principally benefit low to-moderate income persons.
- 100% of annual CDBG awarded will be obligated within 15 months of funding agreement date. These five variables cover public facilities, infrastructure for jobs, downtown revitalization, community centers, public parks, and imminent threat applications.

**If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)**

Idaho CDBG application handbook with specific scoring criteria is located on website [www.commerce.idaho.gov](http://www.commerce.idaho.gov) Describe how resources will be allocated among funding categories.

Idaho Department of Commerce distributes CDBG funds on a competitive statewide basis where applications are ranked against each other for funding. The ICDBG Application "A" handbook that details the application review procedures is available online at [www.community.idaho.gov](http://www.community.idaho.gov) IDC does set-aside the CDBG funds as follows:

- Two percent (2%) plus \$100,000 of the total allocation is reserved for the department's administrative costs;
- One percent (1%) of the total is reserved for technical assistance;
- Five percent (5%) or \$300,000, whichever is less, of the total allocation is set aside for imminent threat grants with a maximum grant amount of \$100,000. Applications are received quarterly.
- Ten percent (10%) or \$900,000, whichever is less, of the total allocation is set aside for senior citizen centers, community centers, and public park grants with a maximum grant amount of \$150,000; Applications are received annually.
- Fifty percent (50%) of the remaining allocation, plus 50% of the program income, recaptured funds, and carryover funds from previous program year is reserved for public facility and housing grants. Maximum grant amount available is \$500,000. Applications are received annually.

- Fifty percent (50%) of the remaining allocation, plus 50% of program income, recaptured funds, and carryover funds from the previous year is reserved for economic development grant for both job creation and downtown revitalization projects. Maximum grant amount available is \$500,000. Job creation applications are received quarterly and downtown revitalization applications are received annually.

Idaho State CDBG program rules allow for flexibility between these funding set-asides based upon public need in the various categories(i.e. if the State receives fewer requests for public facilities, and a larger than normal number of senior center funding requests, we may choose to increase the senior center funding above the projected set-aside). Historically Idaho Department of Commerce has moved more funds due to demand into the Public Facilities set aside.

### **Describe threshold factors and grant size limits**

For CDBG funds, applications must meet the following thresholds:

- Submission of an application (non-entitlement cities and counties)
- Meet a national objective
- Eligible applicant (51% LMI)
- Eligible activities
- Meet Consolidated Plan goal and objectives
- Executed citizen participation plan and hold public hearing
- Applicant has administrative capacity
- Adopted fair housing plan
- Adopted Anti-displacement plan

Idaho Department of Commerce distributes CDBG funds on a competitive statewide basis where applications are ranked against each other for funding. The ICDBG Application "A" handbook that details the application review procedures is available online at [www.community.idaho.gov](http://www.community.idaho.gov) IDC does set-aside the CDBG funds as follows:

- Imminent threat grants with a maximum grant amount of \$100,000. Applications are received quarterly.
- Senior citizen center, community center, and public park grants with a maximum grant amount of \$150,000; Applications are received annually.
- Public facility and housing grants. Maximum grant amount available is \$500,000. Applications are received annually.
- Economic Development job creation and downtown revitalization projects. Maximum grant amount available is \$500,000. Job creation applications are received quarterly and downtown revitalization applications are received annually.
- Idaho State CDBG program rules allow for flexibility between these funding set-asides based upon public need in the various categories(i.e. if the State receives fewer requests for public facilities, and a larger than normal number of senior center funding requests, we may choose to increase the senior center funding above the projected set-aside).

### **What are the outcome measures expected as a result of the method of distribution?**

Create suitable living environments and Expand Economic Development Opportunities in the following:

**Public Facilities Infrastructure-Compliance:** Activities that bring public facilities systems (infrastructure, community facilities, public utilities) into compliance with environmental laws, federal and state standards, and best management practices.

**Public Facilities Infrastructure- New Construction:** Activities that construct new public facilities (infrastructure, community facilities, and public utilities) system or extending a system to a new service area. This includes infrastructure to support affordable housing and related activities.

**Public Facilities Infrastructure-Rehabilitation:** Activities that include rehabilitation, replacement, or remodeling of a public facility (infrastructure, community facilities, public utilities, and housing) systems.

**Economic Development-Job Creation:** Activities that construct new public infrastructure to support businesses creating new low to moderate-income jobs.

**Economic Development-Downtown Revitalization:** Activities that improve public infrastructure and remove slum and blight in redevelopment areas.

## **AP-50- GEOGRAPHIC DISTRIBUTION**

### **HOME & HTF**

**Rental Activities-** Because HOME/HTF funds are awarded as gap financing; IHFA does not follow a geographic distribution model. For development activities, IHFA follows a published NOFA/RFP application process. Activities are selected following an application review and scoring process. This process allows IHFA to fund activities that best demonstrate long-term feasibility, owner, developer and management capacity, as well as market need, among other IHFA criteria.

- **Multifamily Rental** activity applications are submitted once each year. The application must meet minimum threshold requirements prior to scoring. Threshold requirement include: Market analysis including the current number and type of affordable and market rate housing units, age of current housing stock, rental vacancy rates, employment opportunity, percentage of low-income households to overall population, and proximity of the project to essential services (schools, medical, food), prior to scoring. Other threshold requirements include an alternative site analysis, a pro forma that includes the industry standard vacancy rates and an annual increase in expenses and income, site control that adheres to Uniform Relocation Act, Voluntary Sales Disclosure, and Environmental Review requirements. Owner must also submit evidence the local community in which the project will be located, is committed to affirmatively furthering fair housing choice.
  - Additional multifamily scoring categories: Geographic diversity (HTF Only), applicant/developer capacity, leverage, tenant preference for a priority housing needs population, IHFA green building design components, and site/unit amenities, match, and site suitability.
- **Single-Family Activities-** Non-profit owner-developers apply for funds to acquire and/or construct or rehabilitate single-family (homebuyer or rental) housing units once each year. Homebuyer properties must be sold to HOME-eligible homebuyers within 9 months of development completion. The

nonprofit's proposal must include an analysis of the local market, evidence of developer experience and capacity, including previously funded activities, the local community's commitment to fair housing choice, and the number, type, and scope of the proposed activity, and if a homebuyer activity, a sales plan, etc.

- **Housing Trust Fund-Specific**

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (The Act) as revised by HERA, provides for the distribution of funds to states based on four (4) Need factors [24 CFR 93.51(a)-(d)] and a local construction cost adjustment factor [§93.51(e)]. Need factors include

- Relative shortage of rental housing available to Extremely low-income individuals and families
- Relative shortage of rental housing available to very low-income individuals and families
- Relative number of extremely low-income (ELI) renters living in substandard, overcrowded and/or unaffordable housing in Idaho
- Relative number of very low-income renters living in substandard, overcrowded, and/or unaffordable housing.

*See AP-90 for a detailed response regarding geographic diversity*

**Emergency Solutions Grant**



**Counties represented in each region:**

Region 1: Benewah, Bonner, Boundary, Kootenai, Shoshone

Region 2: Clearwater, Idaho, Latah, Lewis, Nez Perce

Region 3: Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley, Washington

Region 4: Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, Twin Falls

Region 5: Bannock, Bear Lake, Bingham, Caribou, Franklin, Oneida, Power

Region 6: Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison, Teton

Region 7: Ada

## **AP-65- HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES**

***Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:***

***Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs:***

Due to the geographic diversity of being a balance of state continuum of care, and the rural nature and uniqueness of the many communities within the Idaho BoS, a “one size fits all” approach to conducting outreach to those experiencing homelessness to assess their individual needs is not efficient, practical or effective. Because of these considerations, the Idaho BoS CoC is divided into six regions, with each region having an active Regional Coalition and a Coordinated Entry Access Point. IHFA works with the six Regional Coalitions to help identify effective tools, methods and strategies to effectively conduct outreach to those experiencing homelessness. Additionally, each region works together with their own community partners to help identify the most effective outreach strategies for their unique location and to identify and address barriers within their geographic region. This approach allows flexibility within each geographic region to ensure the outreach is effective given the unique circumstances of each region, while also having the Idaho BoS CoC provide comprehensive coordination and oversight.

***Addressing the emergency shelter and transitional housing needs of homeless persons:***

IHFA implemented the Coordinated Entry System and assessment tools throughout the balance of state in January 2018. This system assesses the vulnerability, needs, and extent of barriers of those experiencing homelessness. The collection of this data allows homeless provider networks, such as the BoS CoC, understand the homeless population’s needs better. Using an objective assessment of each individual or family, allows IHFA to assess which housing component and service types Idaho needs most. “Right sizing”, or re-aligning resources with the population need, can then occur. This process will ensure that those experiencing homelessness persons are directed towards the resources that have the highest likelihood of reducing their extent of homelessness, or removing them from homelessness altogether. As this shift in resource priority is made, emergency shelters and transitional housing projects can be utilized as intended to reduce length of homelessness and reintroduce households to stable living environments. The BoS CoC has a committee that worked on the development of the Coordinated Entry System with a HUD-approved technical assistance provider. This work is continuing as evaluate the effectiveness of the processes that were put in place and we work to refine and monitor the system.

***Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again:***

In the absence of appropriate and effective intervention efforts and resources, many families and individuals will become homeless as life changes, such as loss of employment, lack of affordable housing, loss of support networks, exit from an institution or facility, and other severe circumstances present themselves. For those that experience these misfortunes, recovery can be extremely difficult when disability, controlled substance or alcohol dependency, or other extreme conditions exist. In some cases, long-term and ongoing permanent housing is the most appropriate housing solution. However, IHFA, the BoS CoC, and regional housing coalitions identify the need for services that focus on reducing shelter stays and diverting individuals and families away from homelessness altogether. The BoS CoC recently reallocated program funds to rapid re-housing projects that will contribute to Idaho’s effort in reducing the extent of homelessness for many. These



CoC-funded rapid re-housing projects began operation in July 2018. ESG funds also place an emphasis on the existence of rapid re-housing activities by reserving a higher percentage of ESG funds for rapid re-housing than those reserved for homelessness prevention.

IHFA and the BoS CoC acknowledge and support the commitment to preventing and ending homelessness displayed by HUD through *Home Together* and *Opening Doors*. Whether a participant receives housing and service support through transitional or permanent housing, each agency strives to provide individualized goal-based service planning to increase the likelihood for long-term success and self-sufficiency; ensure access to more stable housing situations; and establish support networks and habits that reduce the likelihood of recidivism.

***Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs:***

Of the ESG funding not associated with shelter activities, approximately forty (40%) is used towards homelessness prevention efforts. These funds can be leveraged with services which assist families or individuals in evaluating their primary cause(s) of becoming or being at risk of homelessness. Doing so increases the probability that those receiving assistance will learn to adapt and improve situations in an effort to avoid homelessness or being at risk of homelessness. All agencies operating COC, ESG, HOPWA, and other homeless-targeted programs will be strongly encouraged to offer services that educate and counsel individuals and families on skills that promote self-sufficiency.

## AP-75-BARRIERS TO AFFORDABLE HOUSING

### Analysis of Impediments to Affirmatively Furthering Fair Housing- 2019 Program Year

FAIR HOUSING ISSUES and CONTRIBUTING FACTORS ADDRESSED	GOAL	MILESTONES	RESPONSIBLE ENTITY
Higher housing needs of Hispanic, Native American, disabled and elderly households	<b>A. Support residents with disproportionate housing needs living in non-entitlement areas:</b> 1. Continue preferences for deeply subsidized rental housing. 2. Support tenant preferences that target priority housing needs populations as identified in the 5-Year Consolidated Plan. 3. Support partner efforts to develop a recurring source of state funding for the Idaho Housing Trust Fund, emphasizing the unique needs of non-entitlement communities. 4. Require affordable rental housing projects to be located in communities that are committed to Affirmatively Furthering Fair Housing Choice.	1. Complete 10 units of rental housing annually that target priority housing needs populations (disabled, elderly, ≤30% AMI. 2. Retain current preferences in LIHTC QAP for 2017 and 2018; evaluate effectiveness of income targeting during subsequent years based on applications received in 2017 and 2018. 3. Encourage efforts to provide state support for housing trust fund. 4. Three to five completed multifamily housing rental projects per year in communities that support affirmatively furthering fair housing.	IHFA
Disproportionately lower homeownership rates among Hispanic, Native American and African American households	<b>B. Help qualified renters attain homeownership:</b> Support credit counseling and homeownership readiness through affirmative marketing.	1. Continue Finally Home! Homebuyer Education classes in Moscow, Sandpoint, Coeur d Alene, Idaho Falls, Twin Falls, Nampa, and Boise, and online to reach 5,000 or more potential homebuyers. Continue bilingual outreach, training, and customer service efforts.	IHFA
Landlord lack of fair housing awareness resulting in fair housing complaints and higher use of publicly subsidized housing by minority residents	<b>C. Increase fair housing knowledge:</b> 1. Continue current fair housing capacity building and educational outreach activities, particularly among property owners and persons with disabilities. 2. Continue to provide information about and support expansion of state fair housing protections to include familial status. 3. Upon request from HUD or the State of Idaho, continue to award preferences points to CDBG applicants with fair housing protections that include familial status. 4. Require affordable rental housing projects to be located in communities that are committed to Affirmatively Furthering Fair Housing Choice or have adopted a Fair	1. With Idaho Fair Housing Forum partners, support 2 to 10 fair housing training events annually with landlord groups 2. Support efforts to add familial status to state protections as requested. 3. During program years 2017-2020, Commerce will continue to award preference points to CDBG applicants that include fair housing protections for familial status. 4. HOME and HTF written agreements specify Federal fair housing and nondiscrimination laws, including familial status as a protected class in accordance	IHFA -1,2,4 Commerce -3

	Housing Plan (CDBG non-entitlement areas).	with Title VIII of the Civil Rights Act of 1968.	
Housing in rural areas developed without handicapped visitable/accessible features due to limited development in rural areas and when housing was developed. Local policies that limit group homes	<p><b>D. Increase accessible, affordable housing options:</b></p> <ol style="list-style-type: none"> <li>1. Continue with HOME, HTF, and LIHTC application preference points for rental housing that benefits elderly, ≤30% AMI households, and persons with disabilities.</li> <li>2. Explore ways to incent Visitable housing.</li> <li>3. Explore peer states' efforts to create assisted living-like community supported environments in rural communities.</li> <li>4. Continue educational efforts to inform local jurisdictions of best practices and legal risks associated with land use and zoning laws, including requiring conditional use permits for group homes.</li> <li>5. Encourage use and completion of Transition Plans and prioritize CDBG to making identified needed accessibility improvements.</li> <li>6. Explore creation of a more coordinated and comprehensive effort to address the access needs of persons with disabilities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Retain current preferences in QAP and Administrative Plan.</li> <li>2. Provide funding preferences for Handicap Visability in single-family rental housing activities.</li> <li>3. Encourage regional partners to use Avenues for Hope and other private funding options to create accessible home modification in rural communities.</li> <li>4. Coordinate annual training on best practices in land use and zoning, focusing on group homes.</li> <li>5. Five percent of all new multifamily rental housing will be wheelchair accessible; two percent will accommodate persons living with sensory impairments.</li> <li>6 a. Continue to market ADA improvements as eligible activities for CDBG - Complete 15 projects that improve ADA accessibility during 2017-2021 assuming national objectives are being met.</li> <li>b. Ensure all CDBG grantees (cities and counties) have updated their ADA Transition Plans prior to project closeout.</li> <li>c. Increase CDBG application priority ranking points, for projects that focus on the removal of architectural barriers or improve ADA accessibility.</li> </ol>	<p>IHFA 1,2,3,4,5</p> <p>Commerce-6</p>
Gaps in educational achievement for students with disabilities; African American, Native American and Hispanic students; LEP students; and students in transition and at-risk and economically disadvantaged students	<p><b>E. Help address education proficiency gaps:</b></p> <ol style="list-style-type: none"> <li>1. Consider Utah's best practice of adding preferences for LIHTC location in areas with high proficiency schools*</li> <li>2. Engage with state and local institutions and support efforts to narrow gaps.</li> </ol>	<ol style="list-style-type: none"> <li>1. Explore effectiveness of Utah's LIHTC program in 2019 and 2020 (after it has been utilized for three years)</li> </ol>	<p>IHFA-1</p>
Low wages in economically disadvantaged rural areas due to limited economic growth and growth in low wage industries (e.g., service jobs)	<p><b>F. Increase employment in economically disadvantaged communities:</b></p> <ol style="list-style-type: none"> <li>1. Continue to allocate CDBG to job creation activities in rural communities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Use CDBG funds to leverage the creation of 30 moderate to high paying jobs created or retained annually, years 2017 through 2020</li> </ol>	<p>Commerce</p>

Inaccessible (pre-ADA) public buildings, commercial establishments, and infrastructure. Lack of funding for—and high cost of—accessibility improvements to streets, sidewalks, and other public infrastructure.	<p><b>G. Dedicate additional federal support to increase employment and accessibility in non-entitlement areas:</b></p> <p>1. Support federal efforts to expand infrastructure redevelopment in rural areas and ensure that these include creating environments that are more accessible.</p>	<p>1. Activities to be determined in future action plans depending upon federal activities to improve infrastructure.</p> <p>2. Promote community accessibility practices to increase awareness of access and opportunity.</p>	<p>Commerce-1</p> <p>IHFA-2</p>
Insufficient transportation services to support independent, integrated community living for seniors and persons with disabilities. Lack of public transportation in rural areas.	<p><b>H. Dedicate additional federal support to increasing employment and accessibility in non-entitlement areas—contingent on participation of Idaho Transportation Department and Federal Highway Administration):</b></p> <p>1. Encourage local government grantee's ability to play a role in transportation planning at the state and regional levels.</p> <p>2. Through AAAs, roundtable discussions, public-private partnerships, explore the demand to expand and create formal rideshare programs in rural communities with need.</p>	<p>1. Ensure CDBG grantees (cities and counties) located in resort communities or college towns have completed the transportation component of their comprehensive plan (as per Idaho's Local Land Use Planning Act). At a minimum, the transportation component should assess bicycle and pedestrian circulation and the existing (or feasibility of) public transportation - bus or van. Further, the city or county should address the transportation factors that are contributing to limiting opportunities for its residents in their fair housing assessment.</p> <p>2. Convey the importance of transportation alternatives in integrated community living to the Idaho Transportation Department's Public Transportation Interagency Working Group.</p>	<p>Commerce-1</p> <p>IHFA-2</p>
Challenges housing persons with criminal backgrounds who cannot qualify for publicly supported housing and for whom private sector may be reluctant to provide housing.	<p><b>I. Explore programs to provide housing options for persons with criminal backgrounds, particularly those who are disproportionately represented by certain protected classes:</b></p> <p>1. Explore best practices (e.g., Sponsors, Inc. in Oregon) to assist men and women in corrections re-integrating into communities.</p> <p>2. Educate PHAs and other housing partners statewide on appropriate language on criminal backgrounds in rental agreements.</p>	<p>1. Publish annual updates and information in Cornerstones and Rent Sense newsletters; include best practice information in correspondence to affordable housing providers.</p>	<p>IHFA</p>
	<p>*Utah uses a "high opportunity" areas indicator</p> <p><b>Note: Goals and Strategies focus on non-entitlement areas, which are covered by this AI.</b></p>		

## **AP-85- OTHER ACTIONS**

### **Actions planned to foster and maintain affordable Housing**

#### **Idaho Housing and Finance Association**

- 1) As the State of Idaho's legislated housing agency, IHFA maintains a highly visible presence in Idaho. This is accomplished through ongoing public affairs and media events, including the annual Regional Housing Roundtable (Lewiston, Coeur d' Alene, Boise/Nampa, Twin Falls and Pocatello) bi-annual Conference on Housing and Economic Development.
- 2) IHFA is the HUD grantee for the State of Idaho's federal affordable housing programs, including the Section 8 Housing Choice Voucher Program, the HOME Investment Partnerships Program, the National Housing Trust Program, the Neighborhood Stabilization Program, and the Low-Income Housing Tax Credit Program.
- 3) During the period of affordability, IHFA's Compliance Department conducts compliance monitoring on all rental housing projects as required at §92.504 (HOME) and §93.404 (HTF). Monitoring includes the following: Tenant files, annual owner certifications, unit mix (fixed/floating units), household income prior to occupancy and at recertification, rent and utility allowance calculations, tenant disclosure notices (lead-based paint and Section 504), tenant rights and protections are included in the lease agreement, marketing and outreach. At least once every 3 years, there is a physical inspection of the units, based on the appropriate unit sample, to ensure property standards at §92.251 (HOME) and §93.301 (HTF) are maintained.
- 4) Households who participate in the Section 8 Housing Choice Voucher program are eligible to be part of Idaho Housing's Family Self-Sufficiency (FSS) Program, a voluntary program that helps families become economically independent. The goals include assisting families to become free of all forms of state and federal welfare through employment. Participants may receive an interest-bearing escrow (savings) account that accrues as their household's portion of the rent increases because of an increase in earned-income. A tax-free account is provided to the family when they complete their FSS Contract of Participation and are free of welfare for 12 consecutive months. The program matches an individual's savings, up to \$2,000, dollar-for-dollar towards the down payment on a home.
- 5) When HUD funds create or preserve affordable housing, HUD's Section 3, and Minority and Women-Owned Business Entities (MBE/WBE) requirements help local economic development opportunities for low-income residents, business entities, Minority, and Women-Owned Business Entities (MBE/WBE). Section 3 outreach requirements are determined by the project's aggregate federal funding. Some examples of Section 3 and MBE/WBE outreach includes advertising potential employment in the area in which the project is located, and submitting the project information to Idaho's Section 3 Business Entity Registration. Section 3 and MBE/WBE requirements are included in the written agreement.
- 6) Financial Risk Assessment- To help ensure multifamily projects remain financially viable during their period of affordability, IHFA conducts an annual financial risk assessment on HOME/HTF properties with 10 or more assisted units. Additional financial oversight and corrective actions can be implemented, as required by the program regulation and included in the written agreement.
- 7) LIHTC Program- Twenty percent of the annual per capita tax credit will be set-aside for the rehabilitation of existing federally assisted rent-restricted developments and/or for the new

construction of developments financed or guaranteed by USDA-Rural Development. For rehabilitation developments, the scope of the rehabilitation must meet the per unit hard cost requirements identified in Section 4.17 of IHFA's annual LIHTC Qualified Action Plan. The set-aside is available on a statewide basis during the August Application Round if sufficient applications are received. Otherwise, it will be available for all other qualified non-targeted applications.

- 8) ESG- The Idaho Balance of State Continuum of Care has utilized a non-renewable planning grant to help expand current activities and establish governing structures and systems, which ensure proper oversight and coordination of HUD-funded homeless programs. The activities identified by the BOS COC are coordination activities, project evaluation, participation in the consolidated plan, COC application activities, and developing a COC system. Several of these activities include efforts that enhance coordination between public and private housing and service agencies. The COC has made itself more visible in regional planning and advocacy bodies to ensure all agencies and individuals connected to homelessness issues are familiar with resources available. This promotes and fosters relationships between housing and service providers. ESG and HOPWA providers are included in the COC's efforts.

## **AP-90 – PROGRAM SPECIFIC REQUIREMENTS**

**Refinancing of Existing Debt.** Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at a minimum demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.

### **HOME & HTF Programs**

IHFA may consider refinancing of existing debt if the debt **was not made or insured by any Federal Program** (CDBG, USDA-RD, VA, HUD-202 or 811 or 221(d(4), PHA Capitol Fund, FHA), and substantial rehabilitation will be the primary activity. Activity is eligible within Idaho, except the City of Boise.

#### **Requirements:**

- 1) Refinancing is necessary to permit the continued affordability of the project;
- 2) Affordability period is no less than 15 Years;
- 3) A review of the owner’s financial and property management practices clearly demonstrates there was no disinvestment in the property;
- 4) Feasibility of serving the current target population over an extended period is demonstrated by pro forma;
- 5) Substantial Rehabilitation of all units and tenant common areas is necessary as demonstrated by a Physical Needs Assessment.
  - a) “Substantial Rehabilitation” defined as  $\geq \$25,000$  per unit in hard rehabilitation costs. “Hard” rehabilitation costs for this activity is defined as site work, physical improvements, and construction contingency.
- 6) PNA must meet the following requirements:
  - a) Assessment must be conducted or updated within the previous 6 months;
  - b) Assess the physical condition of all major systems, structures, units, and tenant common areas;
    1. Identify any major system with a useful remaining life of less than 15 years. Any system with less than a 15-year useful remaining life must be replaced as part of the rehabilitation project.
  - c) Prepared by an independent architect/engineer who is licensed and certified by the State of Idaho;
  - d) Architect or Engineer must certify the PNA is an accurate assessment of the entire property and includes an assessment of the items needed to comply with the Property Standards:



Property Standards- State of Idaho's building codes, applicable local property standards and ordinances, Uniform Physical Condition Standards (UPCS), applicable federal crosscutting regulations (Fair Housing Act, Section 504, ADA, UFAS, HUD Lead Safe Housing Rule) and ASHRAE 90.1 for Multifamily buildings.

### ***PNA Inspectable Components***

1. Site- Topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, storm drainage, gas and electric utilities, playground, site furniture, irrigation system;
2. Assess potential impact of natural disasters, (e.g. earthquake, flooding, wildfires, drought) in accordance with state and local code;
3. Estimate the useful remaining life of all Major Systems and components based on current age and condition. *Major Systems defined as structural support, roofing, cladding and weatherproofing, plumbing, electrical, heating, and air conditioning.*
4. Exterior walls, balconies, exterior doors and windows, roofing system and drainage;
5. Interior finishes of all units and tenant common areas (carpeting, vinyl tile, plaster walls, paint condition, etc.), unit kitchen finishes and appliances, unit bathroom finishes and fixtures;
6. Lobbies and corridors

### ***PNA Must Also Address The Following***

- ***Critical Repair Items-*** Any health and safety deficiencies/violations of building code and local property standards/code that require immediate remediation.
- ***On-site inspection- All units and tenant common areas***
  1. Identify all physical deficiencies based on (i) visual inspection and survey, (ii) review of pertinent documentation, and (iii) interviews with the property owner, management staff, tenants, community groups, and government officials;
  2. Explain how the Project will meet handicap accessibility requirements;
  3. Identify physical obstacles and describe methods that can be taken to make the project accessible;
  4. Prepare a Scope of Work that follows the HOME Rehabilitation Standards [See Admin Plan Exhibit C](#);
  5. Determine the cost/benefit of each significant work item in the rehabilitation plan (items greater than \$5,000) that will reduce operating expenses and/or tenant expenses (e.g., individual utility metering, extra insulation, thermopane windows, and setback thermostats.

ESG

**Idaho Homelessness Coordinating Committee Written Standards**

<https://www.idahohousing.com/documents/written-standards-march-2017.pdf>