

Public Hearing Transcript
2026 Low-Income Housing Tax Credit Qualified Allocation Plan
10 A.M. (MDT)
March 19, 2026
Idaho Housing and Finance Association

Cory Phelps, Idaho Housing and Finance Association

Good morning to everybody that's on the virtual call for the public comment to the proposed 2026 Idaho Housing and Finance Association qualified allocation Plan. We're right at the top of the hour, but I'm going to give it 2 or 3 more minutes to see if we've got others who want to join us on the call. So we're going to hold tight for a minute or two, and then we'll get started.

So, in the interest of time and knowing everybody has a lot going on, we'll go ahead and officially get our hearing underway. Any written comments that we've received or that we will receive through 5 PM today, will be included, of course, with the minutes from this public hearing and be made part of the record of the public hearing along with the minutes.

Just real briefly, we are on a two-year QAP cycle, but we, after going through the round felt that there was some clean up that was necessary, and some clarification that we thought would be helpful. And also, primarily as it pertains to the 4% low-income housing tax credits and the respective private activity volume cap, thought that we needed to do some cleanup as well due to some contradictory language between the qualified allocation plan and the multifamily bond administrative plan. So that's primarily the reason as to why we made some changes to the proposed 2026 QAP, which we don't feel are any huge changes. Anyway, with that, I'm going to pause and then open it up for anybody that would like to provide comments to the proposed qualified allocation plan.

Ian Peterson, Horizon Development

I have a quick question about the red lines about the PSH units. Having zero projected income on our application, where did this idea come from? Is Idaho seeing a lot of zero rental unit PSH that I'm not aware of?

I'd like to know where the this idea originated before I openly state my opinion.

Cory Phelps, Idaho Housing and Finance Association

Well, I think the thought there, Ian, was that we just wanted to be conservative. If it truly is a [person at] 30% or below, let's say it's somebody that's homeless, that really does not have the ability to afford the rent at that 30%, so we were just going to be conservative in underwriting them because I think the thought is that...and somebody on staff can always correct me if I'm speaking out of hand, but, the 30% and below PSH are meant to be kind of a scattered site approach to housing the chronically homeless. So, if we're putting folks into those units that don't have the ability to make a rent payment, that, I think, was the rationale was behind what we were trying to accomplish there.

Ian Peterson, Horizon Development

Okay, but I mean, I guess it just seems like a huge penalty on a developer for something that likely won't happen, where all of my PSH units are not going to be paying rent in some form or another. I mean, there's so many different vouchers and things that they could get, or the service providers. It just seems like an unnecessary burden on the developer. For example, if I do a 40-unit project, that's 10% of my units not paying, and I understand it's not 10% of the income, these are the lowest rent tiers, but, I mean 10% of my units I have to put on my application make no money, but I also need to pay for the service provider and then I don't get any income on that and these units also have much higher expenses. They're prone to much larger damages and cleaning fees and things of that nature. So it seems like... I just feel like there's a better approach to this. If this was like a serious systemic issue that Idaho was seeing, I could see it, but it sounds like you're just approaching this in an effort to be conservative.

Uh, am I mistaken?

Cory Phelps, Idaho Housing and Finance Association

No, but if you have a different approach that you would propose, we're always open to taking that into consideration.

Ian Peterson, Horizon Development

Okay. Okay.

Cory Phelps, Idaho Housing and Finance Association

That's why we're having this public hearing, so...

Ian Peterson, Horizon Development

Sure, sure. Okay, yeah, I guess my opinion is that there's plenty of vouchers, and that voucher prospective tenants that would qualify for these units. So I think to require that these units have no income is unrealistic of what would really happen in the development.

Cory Phelps, Idaho Housing and Finance Association

Yeah, we'll take that into consideration.

Ian Peterson, Horizon Development

Awesome.

Casey Mattoon, Our Path Home/City of Boise

This is Casey from the Continuum of Care in Ada County, and I've maybe comments in two sections.

The first on the special housing needs set-aside. I think I would like to see IHFA go back to including a special needs set-aside, specifically a statewide set-aside and have that be kind of a multi-year commitment from IHFA?

I don't currently see another way that developers have enough of a feasible North Star to work towards the development of necessary scaled, permanent supportive housing across the state that, I think, is informed by data, so I think it'd be easy for IHFA to conclude at their discretion that there is a special housing needs statewide. IHFA's own commission study in 2021 said, yes, we definitely need more scattered site and single site, and we need single site specifically as an option for six of seven counties in the state, so I think IHFA's data is already telling us that we need to think about how to address single-site PSH support, which we know is specifically catalyzed by special housing needs set aside in the state of Idaho based on our experience. And that recommendation for that to be a multi-year commitment to provide developers and communities sufficient time, especially in rural communities where the solution is desperately needed, the runway that they need to prepare competitive applications, is consistent with the Idaho Behavioral Health Council's Strategic Action Plan 2024-2028, in which they recommend including the special needs set aside for at least 5 years. So, I think that would definitely be our first recommendation. Like, the data's there; alignment with other statewide agencies that recognize IHFA's role in this could help spur some special housing need creation across the state, and feels like an opportunity to me.

Then our second comment, my second comment, I guess, would be in the PSH incentives. I think, first, the creation of PSH units in Ada County and LIHTC properties has been a huge benefit to our community. We are able to match those units with individuals that are in different supportive housing programs as referred from coordinated entry, so it's really been an opportunity for those providers to limit the number of days from when somebody is enrolled into a program, to when they can actually access housing and end their homelessness, and then providing that stable environment for those services to be delivered. I recognize that there are challenges at this across the state for different developers, but I guess I don't see how the changes are related to the challenges that I understand to be true. One, I think that the adjustment decreases the incentive, literally. You're decreasing the number of points that are scored in this criteria section for PSH units. I think already you're having developers looking at that score and making a decision about are the points worth it, and how many points between 1 to 4?

When you combine that with requiring parking with no flexibility for the units, I don't think that that's true across the state that parking is a difficult issue for these units at large. I think creating no flexibility around that from the jump feels a little bit difficult, and then I, as we just heard from one of the developers, forcing a zero rental income projection on these units, at least from my experience here, doesn't match what the biggest issue is. The biggest issue tends to be the ability to refer qualified individuals into the unit and match them with support services. And those support services, especially in more rural areas, but also here in Ada County, part of what we've had to do as a system is identify lead staff individuals to provide backup support services and have funding mechanisms in place so that they can provide that at the right time and scale to make sure that IHFA's LIHTC compliance requirements for monthly case management are met. So, I think I understand that the adjustments are trying to address some of the challenges experienced with the units, but I would say from my read, they're not addressing how we see that program being successful, or the challenges that we most acutely are trying to solve as a community. And that, combined with decreasing the incentive, I think what we're actually going to see is reduction in the total number of PSH units that we see statewide, and when we know that we need both single-site and scattered site, I think as drafted right now, not including the special needs set aside doesn't allow for the development of housing, the matching of support services, collaboration on rental assistance, that is

desperately needed in 6 of 7 counties. And then matching it with this squeeze down on incentives for scattered site PSH, I think overall, if there aren't any changes, we'll see a reduction of how LIHTC is leveraged to create some of these desperately needed units across the state.

Cory Phelps, Idaho Housing and Finance Association

Thanks, Casey.

Ryan Hackett, Desert Ridge Investments

This is Ryan Hackett with Desert Ridge Investments. I had come prepared with some additional thoughts about the PSH units, but maybe I won't rehash that as much. I think the difficulty there, obviously, is the service providers maintaining the case management and things, so that's where we're struggling, especially in those rural places and the smaller areas where the case management just doesn't work out as well. So, I'm not sure exactly how to do that. I guess one of my [questions is] I was trying to figure out whether or not there would be a consideration for smaller projects, maybe there's a tiering on how we integrate, because I agree, a couple of units is appropriate for projects, but, there's no, tiering, I guess for smaller projects, when points are offered in QAPs, it's a tendency for developers to have to go after them to be competitive. So, when you're starting smaller you know, senior projects or something like that, and you're having to put in four in order to be competitive, that takes that's a bigger burden on some of those smaller projects, so curious if there would be consideration to maybe have, you know, maybe a 5% or something like that, and maybe some kind of a tiering for small and large projects, because large projects obviously can take on those four units way easier than a smaller project can take on 4 PSH units.

One other thing I had a comment on, and let me know if I'm reading this incorrectly, is the property management company. Are we required now, prior to every application, to get the property management company approved prior to submitting an application?

Cory Phelps, Idaho Housing and Finance Association

Ryan, I think that that is, yes, the intent, just to make sure with compliance that there isn't any issues with the property management. That's primarily also the reason that we took out the watchlist out of the negative points, is that really just wasn't I don't think what we were trying to accomplish.

So, yes. But I don't see it as being a burdensome process.

Ryan Hackett, Desert Ridge Investments

So, I guess I see it a little bit differently as there's been this big rash of negative points coming out with property management companies. Which is basically forcing us, as the developers, to be competitive, to scramble and find, I guess, property management companies that haven't done any business in Idaho in order to maintain points, which I think is counterintuitive to what IHFA really wants to happen. I think the negative points were there because maybe there weren't some responses. That IHFA was probably frustrated with some of the responses, or the lack of response to some questions and some inspections and things like that. But I believe that most of the incumbent property management companies are doing they're very best in managing, you know, thousands of units, and that because they

are managing multiple projects and multiple units, they are you know, having to hire staff, and sometimes, with turnover in staff and things like that, there's a problem with emails not working and things like that, so I think that there has been a little bit of frustration with IHFA trying to ensure that everything is kind of smoothed out, but I would ask IHFA to reconsider some of those negative points, because, you know, it's the competitive nature of what we're trying to do as a developer is trying to maximize those points, everybody has a great project, but then we're scrambling to pull in property management companies that nobody knows about because they haven't had a negative point, because they haven't actually done anything in Idaho. Whereas, I think some of those negative points are being harshly instigated onto the management companies.

So, I think that's a little bit more difficult. I guess I would encourage, and maybe I'll put something in writing, but I think it's just been very difficult and not intuitive on how we get to where there's an agreement with IHFA and the property management companies, but allowing us to kind of move forward with incumbent management companies rather than finding one-offs and things just to get projects funded.

So I guess, I don't know. I guess I'm just frustrated with that process a little bit, and now even more of the tightening of the screws on the property management company to ensure that there's no problems there.

When I think a lot of the Idaho property management companies are doing a great job in, and they have the hardest job, let's be honest, the 15 years of compliance and the day-to-day management is probably the hardest job there is in this program.

So, I'll follow up with something in writing, but just wanted to put that out there, because I know there's some frustration in the industry, and with how that's been handled right now.

Cory Phelps, Idaho Housing and Finance Association

Yeah, thanks for the comments, Ryan. Feel free to send us, today, some written comments.

Corey Checketts, Aleph Tav, Inc.

Hi, this is Corey Checketts. I'll go ahead and start my comments.

First off, I'd like to thank you and IHFA staff for the revisions, you know, at large, and generally speaking, I feel like a lot of these changes, as you alluded to at the beginning, are welcomed changes from my perspective to clarify things.

I appreciate that, and am trying to view everything from the lens of, you know, where you all are coming from with the difficult task of having to evaluate everyone's proposals and kind of like Ryan said, you know, everyone's presenting really good proposals, and so you guys have a very difficult role to fill.

With that said, I also would kind of echo Ryan's comments on the intent behind the property management agent change. I'm just thinking of the bottleneck that you all, and you all have probably had these discussions internally, but just the bottleneck of, you know, 15 or so developers each round reaching out to you all on, you know, possibly up to 15 different management companies and just that kind of scramble of putting those things in. The questions I have on that specific category, in addition to kind of Ryan's comments, would be, it's unclear right now as drafted, what documentation is going to be required in the pre-application approval. I think we can all take a guess, but would

encourage you guys to clarify exactly what you're wanting beyond, you know, the threshold items in the application, like resume, management plan, tenant selection plan, etc.

On Section 4.1, I would just ask that you all read that section again. The middle tier appears to also include the first tier on the credit limit? So, as proposed in the draft I have, it says the revised or the reserved competitive tax credits in excess of \$1,350,000 for developments with 50 or less affordable units? In my read, that would also include developments that have 40 or less affordable units, so I don't think that was the intent at 4.1 of separating out, you know, 3 different credit limits by project size. So I'd just ask that maybe you revise that language if the intent was to cover properties with 41 to 50 affordable units in that middle tier. I would suggest a revision at that if that's what we're getting after.

I already have a draft of written comments that I will, uh, submit later today.

Some of my other comments would be in sections 6.4, which are the selection criteria.

I was curious about, and similar to the management request, I was curious about the sort of intent behind 6.4.9, where it says for every affordable development outside of Idaho, the sponsor must include written acknowledgement from the allocating agency that awarded the development that the sponsor developments are free from any issues that would otherwise qualify as substantial noncompliance.

Just trying to think exactly the potential challenges for probably some of my peers who've developed in multiple states, and just kind of working through non-responsive state agencies, or sort of best practices, you know, we typically, in the past, I believe, have included, an authorization or waiver for written authorization, that we would send out. So, like, if you've done business in Wyoming or Montana, you would list that business on your REO, and then provide the contact information for the state allocating agency. It seems, as proposed, that you all are wanting to developers to provide that written acknowledgement. I guess I was just curious, Cory, if you had maybe some context or feedback on sort of what you're getting at? I'm just thinking that it might be difficult. If we're reaching out to state agencies in July or June, and obviously there's a balancing act there, we don't want to do it necessarily in January before, you know, annual audits occur, right? So, I'm just trying to think, since most audits and compliance stuff occurs in the summer months when weather permits, at least in the Mountain West, that could create some bottlenecks with some of these outside agencies. So I can pause there if you had any comments or thoughts on that section.

Cory Phelps, Idaho Housing and Finance Association

Yeah, I think we're going to have to look at that, Corey, but primarily the problem is that we reach out and then we don't get anything from the states for those properties. So it's really difficult for us to make a determination as to whether or not, you know, proceed if we reach out and get no response, and I think that that's primarily why we were trying to add something that is just to address the non-responsive state agencies.

Corey Checketts, Aleph Tav, Inc.

No, I appreciate the color there, and that makes sense, and yeah, it's a difficult subject, because I would imagine we're going to have just as much of a difficulty as you all. But understood.

Let's see, what else did I have? I also appreciated Casey's earlier comments, as well as Ian's, on the PSH. I'll put some comments on those categories in writing as well. I would like, in light of Casey's comments, to maybe consider if IHFA is going to add a special housing needs category, and if it's going to be more dedicated to PSH-related units for a single site, and maybe looking at providing that for rural areas.

I think it has to go kind of hand-in-hand with 5.6, which is where IHFA has its discretionary basis boost. I would definitely make sure that if you are all going to open up a special needs category, that you make those projects eligible for the basis boost. That's oftentimes, as probably everyone on this call knows, the one of the first big drivers for feasibility is whether or not a project's located in a QCT or DDA. Those areas change annually. It's a quote in rural areas., as everyone knows, because A there's not a lot of DDAs in the state, generally speaking, and B, there's also not a lot of QCT sometimes in some of these smaller towns because you have less, you know, less people, and over a larger geographical area. So, I would generally be more supportive if IHFA was open to expanding the discretionary basis boost that's allowed under code to include rural towns, but understand that that's, you know, kind of a policy-level decision, and that may be beyond the scope, you know, of the purpose of these changes, you know, as Cory, you laid out in the beginning. I think the intent of these changes was more related to clarification in general. But if you are going to, you know, open up, potential other changes to the QAP, that would be an area that I would look at.

This is, I believe, the Cost containment, oh, sorry, municipality eligibility for points, sorry. I would encourage at 6.4.13, which is the award for projects that are located in towns that have not received an award in the last 5 years. I would encourage IHFA to exclude preservation and acq/rehab projects from counting against that category. It doesn't necessarily, in my view, seem right to put a city at a disadvantage if they were awarded credits under an acq/rehab, because that, in and of itself isn't necessarily creating additional units, so it's not going to impact demand like a new construction project would. So I would encourage an acq/rehab exclusion from that.

At 6.4.14, I would also encourage IHFA to eliminate adaptive reuse projects from being eligible for cost containment points or maybe adjust the amount of points that they're eligible for. But I can understand that, as it is, that that may be a policy decision that IHFA wants.

At 6.4.20, and I think I say this at every hearing, I would encourage IHFA to eliminate the point category on awarding points for projects placed in service in the last 5 years. Obviously, the intent behind that is you all want to make sure and incentivize and reward developers that, you know, have placed projects in service in more recent years, though, I think that potentially could result in some unintended consequences or disadvantage or disincentivize developers that may have comparable or more experience, but just hasn't placed in service in recent years.

I'll follow this up with written comments. I appreciate the forum and the opportunity, and, on the whole, am pretty welcoming of these changes, and thanks for the chance for a public hearing.

Cory Phelps, Idaho Housing and Finance Association

Yeah, thanks, Corey. I appreciate the comments.

Ian Peterson, Horizon Development

I'd like to second two of Corey's comments. One was, I guess, the first one is more of an add-on to 6.4.13, which is the city's awarded competitive tax credits. As we all know, like, efficiencies at scale are very important for the financial health of these developments, and projects that are more financially healthy are easier to be maintained in the long run, which avoids them needing to be re-syndicated and taking up tax credits later. I think what this rule is accidentally doing is disincentivizing any multi-phase projects? Which, at scale, developers, managers, and owners are able to, you know, these efficiencies and scales are super helpful in order to maintain these, and that's for the life of the project, like I already stated. I guess I'm repeating myself, but I think what would be helpful is if there was additional points separate from this rule, that as long as a project was contiguous and a subsequent phase, that it wouldn't be negatively impacted. These points are negatively impacting any subsequent phase that you're doing, because you get awarded, and now you're down 5 points. Your town's down 5 points, so now you have a subsequent phase that you can't build, and it's more incentivizing to just do 40-unit projects all over the state, which don't quite hit any sort of efficiencies yet. And so, I think it would be wise for the financial health of these in the long run, if there's additional points for a subsequent and contiguous. So, it's not just a scattered site, if it was contiguous and subsequent, so that those aren't disincentivized, I think it'll be in IHFA's interest.

The other one, I wanted to second Corey about the experience points. I think there are many experienced and sophisticated developers, and that perhaps, you know, those experience points kind of preclude them on accident. They have large portfolios and are able to operate very, very well, but only because they haven't placed in service one in Idaho or in a different state in recent years, all of a sudden they're penalized, even though they would likely be great operators. so those are my two comments.

Cory Phelps, Idaho Housing and Finance Association

Yeah, I appreciate that, Ian. You know, really, the points for the outside of areas, if you have a better recommendation as to how to try and have equitable distribution of the resource around the state, I'm happy to take that into consideration, but really, what becomes problematic at our level is when we're getting multiple projects, and we're not getting distribution of the tax credits around the state. So that was really what we were trying to accomplish under that point category, was trying to get projects throughout the state and not just concentrated in certain cities or certain counties.

Ian Peterson, Horizon Development

Sure, and that makes sense. I mean, and you can even have alternative points for a subsequent contiguous phase, like, you can put a cap on whether it's a number of phases or units or whatever so it's not just a 500-unit, 9-phase whatever; I'm exaggerating. You know, the real efficiencies really become beneficial, it's just 40, 45 unit projects one-offs are a lot more susceptible to market shifts, and those are the ones that are acquired later because they're struggling. So to avoid that, and to avoid any instability financially for these projects to protect the deed restriction, those efficiencies should be met, I think. So, if you just put a cap on it, then I think you'd be able to hit efficiencies, but not have resource hogs, I

guess, or ball hogs, or whatever the proper word is...I'm not able to catch it right now... maybe I'm still waking up, but I think then you wouldn't have too much concentration if there was a cap on that.

Corey Checketts, Aleph Tav, Inc.

Hey Cory, this is Corey Checketts again. On your specific question about maybe a different way of approaching it, and I'm not saying this is better, right? It's always... there's always trade-offs. The state of Nevada, and I'm sure there's other peers of IHFA that do it this way, they historically have done sort of geographical-based set-asides to address diversity in the state, and so in Nevada, they have a Reno Carson set aside, and I believe they have a Vegas set aside, and then they have a balance of state. I'm not necessarily suggesting that that's what you should do, anytime you make changes, there's always going to be unintended consequences to these things, but that may be something for you all to discuss, and you maybe have already discussed it, I'm guessing you probably have, but there are, you know, states that do it at the set-aside level, and that's how they try to address, you know, spreading projects and spreading credits across the state.

Cory Phelps, Idaho Housing and Finance Association

Yeah, Corey, we can take that into consideration. I think what becomes the challenge is, you know, we start doing all these set-asides, and we've got a finite amount of credit. So, if you're in a state that has a lot more credit, maybe that's a better approach, and yeah, we are familiar with kind of that as something to consider, but you know, when you have to do the non-profit, and then we do the acq/rehab and rural set-asides, you just get down to you've got nothing left to set aside.

Corey Checketts, Aleph Tav, Inc.

100% agree. It becomes a challenge, yeah. That's why I said I don't know that it's a a better solution than what you've proposed.

Cory Phelps, Idaho Housing and Finance Association

Yep.

Erin Anderson The Housing Company

Hi, this is Erin Anderson with The Housing Company. Just wanted to kind of echo some of the comments on the permanent supportive housing changes. I think that we might want to consider looking at some better solutions for ensuring that the permanent supportive housing is successful. Instead of instead of suggesting that we take the income out, just making sure that there is a good plan for how services are going to be paid for, and what the plan is for rental assistance, I think would be a [good] way. I feel like what's being proposed is just disincentivizing the permanent supportive housing component in general, and so if there's a way that, you know, you could kind of encourage

developers instead to put together a really great proposal for how the permanent support housing would work, that could be more successful in terms of furthering the program.

And the comments that are being made about the distribution, and how we can get additional housing in rural and other communities that have typically been overlooked. You know, just really looking at how we historically, or at least in the last few years, everything has been pretty concentrated in the larger communities. And some communities, I'll just use McCall, you know, as an example, would it make sense to consider things like basis boost or set-aside?

And some of the things that have been suggested today, as a potential solution for getting the credits distributed better. Of course, understanding, as discussed, that there are trade-offs with that, but thank you.

Cory Phelps, Idaho Housing and Finance Association

Yeah, thanks, Erin. Yep, appreciate the comments

Maryann Prescott, Whitewater Development

Good morning, everyone. It's Maryann Prescott. Thank you for hosting the conference. It was really actually quite a process to learn. I really appreciated it and an opportunity to speak with other developers.

I'm going to limit just to a few more overarching comments.

With regards to property management, I don't think we're going to see the effect of that take place until another year. And the reason I say that is this upcoming year is going to be one of the bigger challenges for property management companies, in interpretation of HOTMA, as well as INSPIRE. I know HOTMA we pretty much have nailed down, but I think INSPIRE might catch some of the older properties off guard. I know there's been significant training in it, and we do appreciate that, but I just wanted to give a comment to that. It's not of concern, personally, to me. I'm just looking overall to the program that could catch management companies pretty off-guard, and it takes a lot of interaction in order to understand how things are being interpreted. And you go to these HOTMA training classes, and everyone says every state is treating it slightly differently. So, I just would like to make that suggestion that it's a valid point selection, but we might consider when that should be in place just because of the transition. You know, we haven't had change like this in underwriting in, what, 15, 20 years, so...that's one comment.

And then the second one is on the permanent supportive housing. I was hoping we could get some clarification, because right now, I'm seeing a huge need for homeless youth and a lot of dollars there and I want to make sure that the permanent supportive housing program includes the set-aside, or includes the homeless youth programs as well. We have a good agreement with compliance on how we do this with St. Vinnies and such, and I know that there's been some significant awards and grants for funding for dollars for those programs, so I'd like to consider that.

And then my last comment is on the negative points. The concept of the 15% max increase in cost. As you all know, I mean, with the last inflationary period, 15% was like a very small project increase. I would just suggest that we add discussion that or comments in there with regards to it being unfunded cost increases, because if the developers do what they do best, and they come up with solutions for these cost increases, if they've done so, I think they should actually be incentivized, because it shows their ability to get these programs and these units in the ground.

And then actually, I do have one additional comment that I would like to make, and it's with regards to the reporting, negative points for reporting. I wanted to verify that if extensions were properly received, that that is not considered against negative points. We have a situation in one of our projects where there was a technical issue on the procorum side, and we were able to obtain an extension. And so I wanted to just make sure that that doesn't go against negative points.

So those are my only comments.

Thank you, everyone.

Cory Phelps, Idaho Housing and Finance Association

Yeah, thanks, Maryann.

So, any further comments here regarding...

Ryan Hackett, Desert Ridge Investments

I'm sorry, it's Ryan Hackett again, I think there's been a couple of us that have kind of been more vocal today, I'm sorry about that.

I've seen on the point scoring, the contributions, I've seen that there was some change there to redefine, like, who's involved in the project with the land donations specifically. I'm curious, Cory, if you can, kind of see why you've made the change; because there's something that's happened, probably? So, I'm just curious as to what the background is in that you're trying to avoid as it's redefined.

Cory Phelps, Idaho Housing and Finance Association

Yeah, we're just trying to tighten up, really, Ryan, and prevent, you know, manipulation there. It really needs to be an unrelated contribution, and so, again, our intent and what we're trying to accomplish is just, you know, to be very, I guess, black and white into what will count towards that.

If you see something problematic, include it in your written comments.

Ryan Hackett, Desert Ridge Investments

No, I'm just trying to [understand]. Do you have a... [example]?

Can you talk about what a manipulation would be? I guess I'm just trying to understand.

Cory Phelps, Idaho Housing and Finance Association

Oh, somebody who would transfer it. We've had problems where they've tried to manipulate it where they truly do have an identity of interest, but they still want to get credit for those leveraged points. So, again, we're just trying to firm that up.

Ryan Hackett, Desert Ridge Investments

Okay. Thank you.

Carissa Conley, Housing Director for the City of Ketchum

This is Carissa Conley, Outgoing Housing Director for the City of Ketchum, now consultant. Good morning.

Few comments. One, sort of following up on the permanent supportive housing comments. I support a lot that has been said so far. I think one thing to note is that, at least in a lot of the rural areas that I'm familiar with, there's a lot of homeless folks who don't necessarily need permanent supportive housing, so highly functional, going to work, their kids are going to school, they're just sleeping in cars or unheated garages. So, for example, in Blaine County, we have over 750 individuals experiencing homelessness, and less than 15 that actually need permanent supportive housing. So what one thing that I could see being helpful is, yes, keep the permanent supportive housing incentive, but maybe have an option, maybe only in rural areas where you could say have double the amount where it's prioritizing unhoused people. And that would help, especially in our area. I know this was touched on before, but I want to second it; we have a really challenging time meeting the needs of providing services for permanent supportive housing participants, even those that we are able to house in LIHTC. It's really, really hard to find service providers who are willing to go on-site. They don't have the insurance to do it, and most of them don't have the capacity because we have such few resources here. And most of them already have relationships with the people that they're serving. So they have check-ins on the phone, or those people already come in the office, so I would ask for alternative options, whether it be, you know, the inhabitant doing a little video walk through with their case manager, or something like that, just getting a little bit more creative on that side. I think it is really important to note that it, especially if you are housing people who really need permanent supportive housing, some of these units will get damaged, which can really damage the relationship with other tenants and their interest in living there. So having those sorts of wraparound services is key, but again, it's super challenging in rural areas. I do recommend that, if you have the time, meet with the IHFA Housing Committee, I was on for a while, that looks at creating new Permanent supportive housing and housing for the unhoused. That's run by Heidi Sellick-Diaz in IHFA, because they're actively trying to create more PSH.

Then lastly, one thing I want to note is I know and I understand the value of having unhoused people go through the continuum of care, to be eligible for permanent supportive housing, but I just want to note that that is very challenging when there's only one per region. So trying to get unhoused people in Blaine County to register with an organization in Twin Falls, which is over an hour and a half away, is really hard. It's really hard to convince them to do that. It's hard to just for them to conceptualize why they would need to, and that relates to my second point, which is on the preference for people on a Housing Authority waitlist. I know I made this comment before, but there's only 9 official, certified public housing authorities in the state. So, Blaine County's closest one is an hour 45 away. They don't have anyone from Blaine County on their waitlist. So, I think it really is important to look at alternatives for that. I don't believe that the intent of that when Congress was designing that was to create a geographic disadvantage, but in practice, it is. So I would really

urge you to consider including the housing authorities that are created under state regulation. Because there are more of those, and that's still honoring the intent of having people move off of a Housing Authority waitlist and a localized waitlist., And in some places, there are housing trusts that sort of fill that gap where there aren't either a state Regulated housing authority or a certified public housing authority through HUD.

My third comment is on non-related contributions, so 6.4.8, and sorry, that last one was 6.4.3., but on ground leases, when that's through with a city or other public entity, it's typically for a nominal amount, so that ground lease isn't going to show the actual in-kind contribution. So I just ask that you explicitly include alternative ways of documenting that.

And then my last comment is on 6.5.3, the points for 45% AMI. We very much need to be able to use income averaging. It's just way easier on the operations of the development for leasing up. We have need across income levels. But that 45% AMI point structure means that whoever's going for those points, and everyone's gonna go for those points, isn't going to be able to do income averaging. I don't think that 45% AMI incentive is really meeting the intent of having more contiguity between income levels, and that being able to do income averaging is actually more productive in doing that.

Thank you for the consideration, and again, thank you for that conference earlier this week, it was very informative.

Cory Phelps, Idaho Housing and Finance Association

Thanks, Carissa.

Maryann Prescott, Whitewater Development

If I may just highlight one of Carissa's comments, [we're] just leasing up our project in Sandpoint, the registering with the Continuum of Care was very problematic. We had homeless certified by the local agencies, people ready to move in, and even providing them transportation, it was very problematic. That unit took an extra 30 days to fill on an initial lease-up, which, you know, it's a 30% AMI unit, because we had to pick someone off of the list versus someone [else], and the list isn't well kept for the outlying counties. It's not well subscribed to, I should say. And so it was really [difficult], when you had an applicant there ready to go, and programmatically, you couldn't get them in. So, any type of consideration, I don't understand the full federal guidelines behind it, so there might be something precluding it, but I would like to, you know, in these rural communities, if you're going to have PSH units, it sure would be much more effective if there was another mechanism that we could also pull off of, not from our own, but, you know, maybe a local organization, or, in this case, you know, Angels over Sandpoint.

Thank you. I just wanted to reiterate that that has been a big consideration, and we have PSH units in many of our complexes, and that was by far the most challenging.

Cory Phelps, Idaho Housing and Finance Association

Thanks, Maryann.

Casey Mattoon, Our Path Home/City of Boise

Sorry, this is Casey, and I'll provide written comments, but I just [have] a couple more end notes.

I would say we, locally, using coordinated entry to refer to these units has been extraordinarily helpful, so if there's a statewide issue, I'd hope it wouldn't come at the change in a policy that is absolutely working for us locally.

I would double down on some of those increased flexibility about how service requirements are met, which I think can include, especially in rural areas, the ability for telehealth or virtual appointments to count, and increased flexibility for client choice if the clients reject services. What is IHFA going to require in terms of regular follow-up that maybe isn't monthly if they said that they don't need those services to sustain the unit? So, I think my understanding is a lot of the challenges are around that support services component and the provisions of those requirements, so flexing around that, as opposed to de-incentivizing and some of the other changes would be great.

And then I guess one comment I'd be remiss not to make, on the set-aside, I don't really understand the eligible basis increase connection, but if there's anything that makes projects more feasible statewide, we would really encourage that to be correlated to any special needs set aside, and the reason, I think, it's hyper-relevant for us locally is obviously we have projects that we're working on, but we really need rural areas of the state to have the tools and consistent access to develop some permanent supportive housing themselves. Over 28% of our coordinated entry queue is filled with people that are coming outside of Ada County. And so I think while we develop tools here, and use them as cost-effective solutions to address homelessness, some of what we are dealing with is the reality that the dearth of statewide resources and tools to enable them to develop with them in their own communities does create some pressure points where we end up serving folks who say that their last permanent address are from counties around the state. And so I think it would really be helpful to us if there is a tool consistently enough in place for those communities to galvanize resources and address issues locally.

Cory Phelps, Idaho Housing and Finance Association

Thanks, Casey.

Just one comment. I believe, and I'd have to go back and look, I don't have it in front of me right now, but I believe in the eligible basis boost, I think if it's part of a special needs set-aside, it's automatically eligible for the basis boost, but I will double-check that.

All right, well, I appreciate everybody's comments and feedback.

So, I think we're at the end of our time here this morning, but again, appreciate it. We'll take all of the comments provided here, as well as any written comments that we receive by end of business today, into consideration as we put a QAP, forward for 2026.

And with that, we'll conclude today's public hearing, and I hope everybody has a great rest of the Thursday.

Public Hearing Chat Transcript
2026 Low-Income Housing Tax Credit Qualified Allocation Plan
10 A.M. (MDT)
March 19, 2026
Idaho Housing and Finance Association

Casey Mattoon, Our Path Home/City of Boise

What email should I send written comment to?

Michael Leary, Idaho Housing and Finance Association

Written comments can be sent to MichaelLe@IHFA.org

Cory Phelps, Idaho Housing and Finance Association

Send them to MichaelLe@ihfa.org

Casey Mattoon, Our Path Home/City of Boise

Copy, told you I didn't understand it enough lol

Thanks for the opportunity to comment, appreciate it and all of the work from the IHFA team on this

Baron Hollowell, Mako Capital, LLC

Will the recording be emailed out?

Michael Leary, Idaho Housing and Finance Association

Baron, it will not, but minutes and written comments will be published.



Idaho Housing and Finance Association
565 W Myrtle St Boise, Idaho 83702
Project Finance Department
March 19, 2026

RE: Comment on Draft Qualification Allocation Plan 2026

Thank you for the opportunity to provide comments on the draft Qualified Action Plan (QAP). Our Path Home (OPH) would like to see Idaho Housing and Finance Association (IHFA) adjust the QAP to better position housing developers to build needed supportive housing.

In Idaho, the need for supportive housing across the state is ongoing and leveraging the Low-Income Housing Tax Credits (LIHTC) can change the equation.

In 2019, Idaho was predicted to need an additional 3,347 supportive housing unitsⁱ across the state. In 2021, IHFA commissioned an Idaho Permanent Supportive Housing Comparative Analysisⁱⁱ prepared by the Idaho Policy Institute. The report recommended an expansion of both scattered-site and single-site PSH to support underserved populations across Idaho.

The lack of sufficient affordable units which are accessible to our community members with the most severe service needs continues to be a pressing concern for the homelessness response system and reactive service providers statewide. The QAP has two mechanisms, a Special Housing Need Set-Side and a criteria selection that incentivizes inclusion of Permanent Supportive Housing (PSH) units, that IHFA can use to catalyze developer utilization of LIHTC to address special housing need within the state.

OPH requests that IHFA include a multi-year commitment to have Special Housing Need Set-Aside in the QAP, as done previously in 2016 and 2019, to support the development of additional single-site PSH statewide.

The first single-site PSH projects in the state were successful in large part due to the QAP including a set-aside, reserving a specific percentage of the given year's tax credit allocation in both 2016 and 2019. The inclusion of the set-aside in the QAP provided the community and development partners with sufficient pathway to feasible funding tools and confidence to spend the incredible time and resources needed to put together complex PSH projects. Despite these demonstrations of success and an ongoing need, IHFA has not included a set-aside since.

IHFA's 2021 study of PSH specifically concluded that single-site PSH development could be beneficial in six of seven regions throughout the state - Ada (Region 7), Kootenai (Region 1), Canyon (Region 3), Twin Falls (Region 4), Bannock (Region 5), and Bonneville (Region 6) Counties. The authors of the analysis also point to specific benefits of single site programs including lower monthly costs, higher rates of service utilization, and better ability to support a higher need population.

Current data from both Continuum of Care (CoC) that cover the entire state support the density of this type of special housing need in many Idaho communities. The data provides sufficient basis for IHFA to determine it appropriate to include a statewide Special Housing Need Set-Aside, and OPH would recommend that it be included for several years of LIHTC allocations.

This would be consistent with the Idaho Behavioral Health Council's Strategic Action Plan 2024-2028ⁱⁱⁱ, developed by the Idaho Department of Health & Welfare, which recommend that IHFA use a dedicated set-aside for at least five years of LIHTC to incentivize the building of PSH units across Idaho. Letting the data drive decision making for the set-aside and pairing that resource with a runway long enough to allow communities and development partners statewide to prepare for single-site PSH project applications. This decision would be the most feasible pathway for Idaho's rural areas to see PSH scale at the level necessary to address statewide need.



To improve financial feasibility of projects, especially in rural communities, IHFA could consider a corresponding adjustment to the Eligible Basis Increase (up to 30%) for Certain State Designations for this special project type, if not already provided to a project that would apply under a set-aside.

Further, OPH requests that IHFA revisit the PSH incentives to ensure it continues providing needed PSH units and addresses challenges experienced with existing units.

PSH units from LIHTC funded projects have provided Coordinated Entry (CE) and supportive housing providers in Ada County access to affordable units for households exiting homelessness. The implementation has occurred with some challenges, but on the whole it has been incredibly beneficial to people and programs serving our most vulnerable neighbors in Ada County.

The adjustments in the QAP seemingly decrease the incentive to include PSH units by lowering the number of points they will receive when scored, in addition to the developer being required to commit to free parking without flexibility and forcing the unit to have zero projected rental income. We believe that this will create a disincentive to include the units and could result in a net reduction of scattered-site units created statewide through this LIHTC allocation round.

The changes do not necessarily address the primary challenge we see locally, and from what we have heard is consistent in more rural areas, of matching and paying a service provider that can meet the compliance needs for support services associated with PSH units. More direct changes to address service provision to tenants in the units, potentially options like more flexibility in how those requirements are met (allow for virtual visits) and include components of client choice (ability for clients to reject services without requiring monthly follow-up for a set amount of time), could better align the services delivery model with how the units operate now and realities with service staffing challenges that are hard for developers and partners to manage.

Before the draft is approved, it is important to reconsider what challenges the change in scoring criteria for PSH units is trying to address and ensure that it will be meaningful to solve the intended issues without decreasing the incentive for developers to include PSH units in projects.

Thank you again for the opportunity to provide comments.

Sincerely,

Casey Mattoon, Our Path Home Manager

ⁱ <https://www.idahohousing.com/app/media/pdf/i/ID-Supportive-Housing-Medicaid-Crosswalk-December-2022.pdf>

ⁱⁱ https://scholarworks.boisestate.edu/ipi_reports/51/

ⁱⁱⁱ <https://behavioralhealthcouncil.idaho.gov/wp-content/uploads/2024/10/IBHC-Strategic-Action-Plan-2024-2028.pdf>

aleph tav, Inc.
7154 W State St STE 148
Boise, ID 83714

corey checketts
corey@alephbet.biz
208.918.4454

Date: Wednesday, March 18, 2026

To: Idaho Housing and Finance Association
Project Finance Department
Attn: Mr. Michael Leary
565 W Myrtle St
Boise, ID 83702

Sent via email to MichaelLe@IHFA.org

RE: Idaho Housing and Finance Association (“IHFA”) notice of Public Hearing with respect to the 2026 Low-Income Housing Tax Credit (“LIHTC”) Qualified Allocation Plan (“QAP”) and proposed amendments to the LIHTC Program QAP

Dear Michael, et al

I appreciated the opportunity to attend the Public Hearing. Contained herein are my public comments with respect to the proposed amendments to the LIHTC Program QAP.

Where appropriate, my comments will cite the appropriate QAP subsection for ease of reference.

Beginning of Public Comments:

- 2.5 I appreciate the proposed clarification language, including the physical submission addresses broken out for mail carriers. This is welcomed clarifying language.
- 3.1 This may need to be an offline discussion. I’m not sure I’m understanding the intent of the clarifying note.

Is the intent of the clarifying note proposed in this subsection to indicate that the assessment of negative points will only be considered for events arising on or before the application round deadline? If the application deadline is, for example, August 7, the assessment of negative points will be related to matters and events arising on or before August 7?

- 4.1 I believe that the middle tier should be revised as follows –

“- Reserved competitive tax credits in excess of \$1,350,000 for developments ***with 41 to 50*** affordable (tax credit) units; or”

Emphasis added

The language as proposed, under my reading, only creates two tiers of credit limits per individual development, which I do not believe is IHFA's intent. As an individual development project with "40 or less affordable (tax credit) units" would also technically be an individual development project with "50 or less affordable (tax credit) units," and thus logically would be eligible for up to \$1,350,000 in competitive tax credits.

4.2, 4.3, 4.4, and 4.5, as proposed are welcomed changes.

4.9.5 I appreciated the additional context during the public hearing around these proposed changes.

"Pre-application approval by the Association will be processed, at a minimum, within ten (10) business days following complete submission of required documents."

What documents are required in the "Pre-application approval?" I would appreciate additional clarifying language to highlight what items will be submitted at this stage. I presume that it will be the various management threshold items, but would think confirmation of this, perhaps referencing the specific documents, would be helpful.

My read is that this language will be leveraged to address underperforming management companies ahead of the application, and I welcome efforts for improved transparency as well as eliminating unknowns upfront.

4.9.7 The proposed language here is interesting, and I believe I am following the stated intent. However, I wanted to note that there's going to be approximately a +/- 18 to 36 month delay between application submission and lease up. Market conditions could materially change in that time period.

One question here is if a "reconfiguration" places a hard ceiling on the rent levels for proposed development, but should market conditions materially improve such that there is an increased delta between the market rents for comparable units and the maximum tax credit rents will this "reconfiguration" be memorialized in the Tax Credit LURA? Or instead is it a situation where, for example, IHFA is merely underwriting 60% AMI units at 50% AMI rent levels, but were market conditions to improve a development could still charge up to the 60% AMI rent levels? Clarity around these questions would be welcomed.

I discourage IHFA from including the following language in the QAP, under this section:

“The Association will not accept or utilize any speculative values for future rents. Any applicable contract rent values presented in the application must be those of the current contract or must be pre-approved by the authorizing contract entity.”

In my view, this proposed amendment will have a materially adverse effect on proposals that involve federally subsidized projects that receive project-based rental assistance to the extent that these projects, most likely under this proposed change, not be determined financially feasible from the initial IHFA underwriting. While I understand, and candidly I appreciate a more conservative underwriting approach, I discourage discounting reasonable and independently supported rent analysis suggesting potential contract rent upside in a post-rehab scenario.

By similar logic, the concluded market rate rents are always speculative going into an application. And arguments could then be made that unrestricted units should be underwritten at the 60% AMI level, as opposed to the market rate rent values included in the market study or appraisal.

In my view, there already are enough difficulties and challenges facing our aging existing affordable housing stock, that IHFA should take the opposite approach and support post-rehab speculative values for future rents if they are well demonstrated by an independent expert third party appraiser.

4.11 The proposed language here is welcomed.

6.4 I welcome the adjustments at criterion 3 and 5, to balance out the adjustment made to criterion 17.

6.4.8 I would appreciate some color around the following proposed language:

“Contributions in this category shall contribute to the acquisition, construction, and/or rehabilitation of the residential building(s) of the project. Contributions that do not contribute directly to the residential building will not be considered.”

I believe the intent here is to clarify and explicitly state that the use of operational, supportive service, or rental assistance support is ineligible as a source for purposes of this scoring category. I discourage IHFA from taking this position, especially in light of the later proposed underwriting adjustments made at criterion 17 related to Permanent Supportive Housing Units. Were a sponsor to obtain a committed rental assistance contract for dedicated units, I would encourage IHFA to count that as a source of funds eligible for points in this category.

As written, it is unclear, to me at least, that a land donation would “contribute directly” to the residential building. Clearly, IHFA has historically counted the value of the land “contributed” as a source eligible for points in this category, but one could

argue that a direct land donation or ground lease structure does not technically “contribute directly” to the residential building.

- 6.4.9 “For every affordable development outside of Idaho, the Sponsor must include written acknowledgement from the Allocating Agency that awarded the development that the Sponsor(s)/Development(s) are free from any issue that would otherwise qualify as Substantial Noncompliance.”

This request could be burdensome for Sponsor(s)/Developer(s) and for the Allocating Agency. Furthermore, Substantial Noncompliance could occur from matters and events arising that have nothing to do with the development of the affordable housing. Furthermore, Sponsor(s)/Developer(s) may no longer be involved with the development, perhaps only involved during the development period but stepped out following close out. I appreciated the insights behind this request, though I would hope that IHFA will not penalize Sponsor(s)/Developer(s) who are unsuccessful in getting written responses from other Allocating Agencies. Perhaps it would be beneficial to clarify that the Sponsor(s)/Developer(s) will not be penalized in this category if they can at least document that good faith efforts were made to obtain this information from other Allocating Agencies.

- 6.4.17 “For evaluation purposes, the Association will underwrite any designated PSH units as having zero (0) projected rental income to reflect the Sponsor’s commitment to providing supportive services.”

I would discourage IHFA from adopting this language. I would recommend a less extreme underwriting position. I would recommend underwriting a higher economic loss associated with these dedicated units that’s based on existing portfolio data. Perhaps these units should be underwritten at 20% economic loss, as opposed to presuming 100% economic loss, as proposed, to better reflect the economic realities of this development commitment. This introduces a potential disconnect between IHFA’s underwriting position and that of the LIHTC investors and lenders.

“Contracts need to specifically acknowledge Sponsors are to cover all costs associated with providing Supportive Services.”

What is the intent and thought process behind this proposed amendment? What if a third party organization is willing, able, and capable of covering these costs. Perhaps I’m just misunderstanding the intent here with this proposed language. Perhaps this language is merely to inform Sponsors of the potential that they are, at the end of the day, ultimately responsible for ensuring these costs are covered.

- 6.6.1 I discourage IHFA from making the revision of 12% to 15%.

I encourage developers to be conservative in their budgeting, but ultimately that's a business decision. I understand that we could face an inflationary environment where we're seeing 5% year-over-year inflation, and during the life cycle of a development that could quickly materialize resulting in 15% cost overages, but think the negative point category incentivizes more conservative budgeting, and encourages developers to account for potential inflationary pressures.

6.6.2 This was discussed in part with the comments at 4.9.5.

7.5 I support the proposed amendments in this subsection.

11.2, 11.4, and 11.5

Would appreciate additional context behind the proposed amendments here, which appear to remove the waitlist structure. Are bond projects going back to a rolling application?

13.1.1 I support the proposed amendments in this subsection.

14.4 I support the proposed amendments in this subsection.

14.6 I support the proposed amendments in this subsection.

15.3 I support the proposed amendments in this subsection.

Other Proposed amendments:

5.6 I would recommend that IHFA expand on developments eligible for the discretionary basis boost. Consideration for 30% boost to developments that bring the average AMI level for the affordable (tax credit) units to 50% AMI. Perhaps also open the discretionary basis boost for developments located in rural communities, especially in light of the changes in underwriting of PSH units.

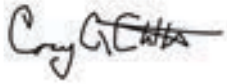
6.4.13 I request that IHFA exclude preservation, or acq/rehab that brings vintage existing units into the program from the tracking of municipality eligibility. We encourage only tracking new construction developments for purposes of determining a community's eligibility/ineligibility.

6.4.14 I encourage IHFA to explicitly state that Adaptive Reuse Developments are ineligible from being eligible for points in this category.

6.4.20 I encourage IHFA to eliminate this point category.

Thank you for the opportunity to provide feedback on the QAP. On the whole, I welcome the changes, and efforts to provide clarity. I appreciate IHFA's continued commitment and efforts towards alleviating the housing burdens facing many Idahoans.

Sincerely,

A handwritten signature in black ink, appearing to read "Corey Checketts". The signature is written in a cursive, somewhat stylized font.

Corey Checketts
President
Aleph Tav, Inc.



1277 Shoreline Ln. • Boise, ID 83702 • 208-336-4510

Facsimile: 208-345-8990 • TDD# 1-800-545-1833 Ext 298

March 8, 2026

Idaho Housing and Finance Association
Project Finance Department
Attn: Michael Leary
565 W. Myrtle St.
Boise, ID 83702

Dear IHFA:

Thank you for the opportunity to provide comments on the proposed 2026 Qualified Allocation Plan (QAP). I appreciate my long-standing and positive working relationship with IHFA throughout my more than 45-year career in affordable housing and property management. I have been involved in the Low Income Housing Tax Credit (LIHTC) program since its inception, and my comments are offered in the spirit of supporting continuous improvement and strengthening our collaborative efforts to ensure high-quality housing for Idaho communities.

In the 2025 round, one of my development partners was informed that my property management company had accumulated 22 negative points with IHFA. This information was provided to the partner before it was communicated to me, and only shortly before the application deadline. As a result, our organization was placed at a significant disadvantage, affecting not only a development in which I was a principal, but also other applications for which our company had been selected as the management agent. At least one project was unable to meet the competitive scoring threshold, and others were required to quickly identify alternative management partners just days before the deadline.

These negative points were assessed due to non-receipt of reporting for TCEP and TCAP properties. Unfortunately, we were unaware of this reporting lapse because the employee previously responsible for these submissions had left our company, and their email address—still active—was not being monitored. Had IHFA notified us at the time the points were assessed, we would have had the opportunity to identify the cause, correct the oversight, and avoid the unintended consequences that followed. Given that these reports were unrelated to LIHTC compliance performance, the impact on our competitive standing was significant and, from our perspective, disproportionate.

I am concerned that several of the proposed 2026 QAP changes may unintentionally create the perception of a more adversarial or subjective compliance environment. Because compliance outcomes can materially affect a management company's ability to participate in both development and ongoing management, it is important that determinations be transparent, consistent, and subject to a structured review process.



If a point assessment or compliance finding has the potential to affect an organization's ability to conduct business, I respectfully recommend that IIFFA provide a clear mechanism for appeal or review by senior IIFFA leadership or another established body. Such safeguards would help ensure fairness, consistency, and objectivity in the evaluation process.

The newly proposed requirement in Section 4.9.5 for pre-approval of the management company prior to application also raises concerns. To promote transparency and uniformity, it may be beneficial to publish the criteria used in the approval process and to include individuals beyond a single department in the review. This would help ensure that management company evaluations are balanced and equitable.

Additionally, management firms with larger portfolios may face a higher likelihood of findings simply due to the number of properties and staff involved. Experience in Idaho and with IIFFA should be considered an asset, and I encourage IIFFA to consider how scoring practices might acknowledge scale and experience without unintentionally disadvantaging established firms.

I would also like to comment on the proposed revisions to the Permanent Supportive Housing (PSH) unit requirements. The addition of "one accessible parking space per PSH unit" may not reflect the needs of the population served, many of whom do not have mobility impairments. It may be helpful to revisit this requirement to ensure alignment with actual tenant needs.

In addition, the statement that "sponsors are to cover all costs associated with providing Supportive Services" could benefit from clarification. As currently written, it implies that sponsors must independently fund all supportive services, rather than using allowable project resources. Clarifying this language would help prevent confusion and ensure realistic expectations for project sponsors.

On page 37 of the proposed QAP, the language stating that "compliance will be determined by the Association's Compliance Department at its sole discretion" may unintentionally introduce concerns regarding subjectivity. Incorporating a formal process for reconsideration or appeal would help provide checks and balances and reinforce confidence in compliance determinations.

I understand and appreciate that compliance oversight is a core responsibility of HFAs in administering the LIHTC program. All management organizations strive to maintain good standing, and there are times when additional discussion, clarification, or response time may be necessary to resolve questions or findings. I am hopeful that through continued communication and collaborative problem-solving, management organizations and IIFFA

can work together in a cooperative and supportive environment that promotes both compliance and partnership.

Thank you for your consideration of these comments and for the ongoing work IHFA undertakes to support affordable housing in Idaho.

Cordially,

A handwritten signature in blue ink, appearing to read "Dianne Hunt", with a long horizontal flourish extending to the right.

Dianne Hunt, CPM®
President

Michael Leary

From: Maryann Prescott <maryannp@whitewatercreek.com>
Sent: Thursday, March 19, 2026 5:18 PM
To: Cory Phelps; Maudi Hernandez; Michael Leary
Cc: Todd Prescott
Subject: [EXTERNAL] QAP Bullet Points

CAUTION: This email originated outside IHFA. Do not click links or open attachments unless you recognize the sender

Overall - Property Management Co - we have no horse in this race as our compliance reviews are all exemplary. But we are trying to foresee the challenges that lay ahead in 2026. We are in transition to the new Inspire inspections. These are drastically different in focus, and in other states we are seeing large deviation from the REAC inspections of the past. We would suggest implementation of Inspire and a year of experience with it as we as a property management company believe there will be a lot of interpretation in Year 1 until everyone is comfortable.

Negative points for 15% or more cost increases. We would like to request that if the developer was able to find financing for this increase, no negative points should be assigned. Each year the construction trades seem to have a short supply of some product. We saw lumber prices skyrocket, then drywall, one of our projects hit all major increases, but we were able to find ways to cover these gaps. I would think rewarding versus a disincentive for developers to solve their issues is an approach more consistent with greater production of affordable units.

Finally, due to issues beyond both IHFA and our control, we had reporting difficulties with Procorem. We have yet to recover several years of data. Hence, we requested extensions of reporting. 99.9% of our projects were timely but if we have an approved extension request, that is not counted as negative points.

Thanks again and what a great conference.

Maryann Prescott
Whitewater Creek, Inc.
P.O. Box 1478
8421 N. Government Way
Hayden, ID 83835
208-772-0108
208-691-5660 Cell

Michael Leary

From: ryan@desertridgeinvestments.com
Sent: Thursday, March 19, 2026 11:48 AM
To: Michael Leary
Subject: [EXTERNAL] QAP Comments

CAUTION: This email originated outside IHFA. Do not click links or open attachments unless you recognize the sender

Michael,

I am following up with some comments to the redline of the QAP:

1. 6.4.9 – The extra language is asking for the full previous participation of all projects outside of Idaho. However, to be considered for the points it is stated that “at least one LIHTC development” must be placed in service for no less than 3 years. Both IHFA and the development community knows that getting other HFAs to comment on these things is very difficult. Oklahoma used to send out certified mail to every HFA on the previous participation list to ensure that everyone was in compliance, but they never received any feedback from the HFAs. I would argue that even IHFA staff would rather not be bothered by having to address these issues with other states. Can the language be changed to just document the “one LIHTC development” that meets the criteria of the 3 years. We would have a better chance to obtain a response related to the one project from the HFA rather than a blanket of everything.
2. 6.4.17 – Could IHFA consider tiering the PSH according to small and large projects. Especially considering that IHFA will be underwriting the PSA units at \$0. Four PSH units in small projects will severely strain the project. IHFA knows that developers will try to take “all the points” to be competitive. But smaller projects that take the points, will come back to IHFA when it becomes too burdensome and ask for waivers. Consider making the PSH units a threshold, but ensure that they are not a huge burden on the project. Consider 1 PSH unit for every 30 income producing units. The burden would be much less invasive on Management and the community within the project and would financially be able to handle the 0-income unit.
3. One more thought about PSH projects. I don’t know that I totally agree with Casey Mattoon’s comments about having special set asides for PSH projects. I don’t believe that designated “special needs” projects work in the long run. The financials, case management, and wear and tear on the buildings eventually cause a fully designated special needs project to fail. Integrating small numbers of units into healthy projects is much better long term. Utah has done several targeted PSH projects. Utah is now amending the current QAP to include other units into those projects. I don’t believe that special set asides or targeted developments is the answer to solve homelessness. The LIHTC program has been around for a long time and has tried these types of projects without long term success. There is a much larger need for middle AMI housing and the LIHTC program should be used to support middle AMI income families. Vouchers and HUD should be the means to focus on severely low AMI/Homeless tenant projects.
4. Management negative points and management approval – I believe that IHFA is severely hurting local Idaho management companies. The compliance department is overzealous with inspections, causing ridiculous updates that are normal wear and tear items. Additionally, the local Idaho management companies are managing thousands of units and have staff that are working diligently to maintain, to answer IHFA’s compliance and to be good stewards of our properties. Sometimes, with staff changes, communication gets lost. But that doesn’t mean that the management companies are not trying to communicate with IHFA. IHFA is now asking for preapproval before every application which is both burdensome and nonsensical on both sides of the application. IHFA has created the problem with the negative points, forcing developers to scramble to find non-local management companies that have not worked in Idaho. I don’t know this for sure, but I would guess that most of the Idaho management companies currently have

some negative points. This will make developers look for alternatives. Not only does this policy take business away from local Idaho management companies, but it will also be a mess when the non-local companies start failing and receiving negative points as well. I guarantee that IHFA will start to see this as last year's projects start to lease up with these new management companies. The negative points need to be removed and if they are removed, then IHFA won't have to chase ways to approve all the outside management companies that developers will bring in to avoid the negative points. As an industry we could sit down with compliance to fix the communication issues that they feel like they are having, rather than continue to punish Idaho businesses.

Thank you for your consideration with these comments. Thank you for all your good work!

Thank you,

Ryan W. Hackett
President

Desert Ridge Investments, Inc.
3390 Crestbrook Lane
Salt Lake City, UT 84109
801-554-1912



March 19, 2026

Michael Leary, Multifamily Finance Officer
Idaho Housing and Finance Association
P.O. Box 7899, Boise, ID 83707

Re: **Public Comment -2026 Qualified Allocation Plan Proposed Revisions (QAP)**

Dear Michael,

Thank you for the opportunity to review and provide feedback on the draft 2026 Qualified Allocation Plan. We appreciate IHFA's continued commitment to advancing affordable housing throughout the state. After reviewing the proposed changes, I respectfully submit the following comments for your consideration:

1. Section 6.4, Item 8: Non-Related Contributions

The draft excludes contributions that do not directly fund residential buildings. Realizing we may not understand or agree with the intent of this change, we request reconsideration or clarification. Limiting eligibility to building-only costs may reduce use of valuable sources like CDBG, which are often more financially effective for land acquisition or infrastructure due to wage regulations. Allowing these uses may reduce reliance on tax credits and support project feasibility.

2. Section 6.4, Item 9: Out-of-State Agency Compliance Acknowledgements

We share concerns expressed at the March 19, 2026, public hearing regarding the requirement for written acknowledgements from out-of-state allocating agencies. This may prove difficult to satisfy due to factors outside a developer's control, including agency response time. This could unintentionally penalize otherwise compliant sponsors. We encourage consideration of alternative approaches to achieve similar outcomes such as Sponsor certification or other approaches.

3. Section 6.4, Item 17: PSH Units Underwritten at \$0 Income

We support comments expressed at the March 19, 2026, public hearing. Please reconsider the requirement to underwrite PSH units at zero rent. In our experience, residents often receive SSI/SSDI and/or rental vouchers. A \$0 rent (revenue) assumption may not adequately reflect reality while hindering project feasibility as well as the ability to provide such critical housing.

Thank you for your time and consideration. We appreciate the Agency's efforts in providing clarification to the QAP, particularly the revisions affecting property management companies. We look forward to continuing to partner and meeting our shared mission of delivering high-quality affordable housing to Idaho communities.

Sincerely,

A handwritten signature in blue ink that reads "Shellan M. Rodriguez".

Shellan M. Rodriguez
Owner

Michael Leary

From: Tiffer Higgs <tiffer@horizonutah.net>
Sent: Thursday, March 19, 2026 10:59 AM
To: Michael Leary; MultiFamily
Subject: RE: [EXTERNAL] Public Hearing

You don't often get email from tiffer@horizonutah.net. [Learn why this is important](#)

Michael,

I would like to share my perspective on the anticipated impact to PSH units. I agree with Casey that classifying PSH units as having \$0 income in applications will likely result in fewer PSH units overall.

Based on our next two projects, we have already seen this effect—our plans shifted from including four PSH units per project to none, as we were unable to meet the required 1.20 debt coverage ratio with zero income assigned to those units.

As Ian mentioned, using 30% AMI for PSH units is consistent with what we have seen across our portfolio. In my view, reflecting 30% AMI in the application should not place an undue burden on the project. Any variance in actual income can be managed over time, as rents increase and having additional funding sources available for these units.

Thank you for your time and consideration.

Tiffer Higgs
Project Manager



1466 North HWY 89, STE 220
Farmington, UT 84025
Ph: (801) 698-6082

From: Michael Leary <MichaelLe@IHFA.ORG>
Sent: Thursday, March 19, 2026 9:30 AM
To: Tiffer Higgs <tiffer@horizonutah.net>; MultiFamily <MultiFamily@IHFA.ORG>
Subject: RE: [EXTERNAL] Public Hearing

Hi Tiffer,

Please see the attached.

Thanks,

Michael Leary | Multifamily Finance Officer
Idaho Housing and Finance Association
P.O. Box 7899, Boise, ID 83707-1899

Michael Leary

From: Wah Chen <wah@rndhouse.com>
Sent: Wednesday, March 18, 2026 1:35 PM
To: Cory Phelps
Cc: Michael Leary; Katie Vila
Subject: [EXTERNAL] QAP 2026 Draft Changes Comments

CAUTION: This email originated outside IHFA. Do not click links or open attachments unless you recognize the sender

Dear Mr. Phelps,

This correspondence is in response to IHFA's draft changes to the 2026 QAP. Thank you for the time and effort and this opportunity to share our comments:

1. Section 6.4 (9) "For every affordable development outside Idaho, the Sponsor must include written acknowledgement from the Allocating Agency that awarded the development that the Sponsors/Developments are free from any issues that would otherwise qualify as Substantive Noncompliance.

For deeply experienced LIHTC developers in high volume states like California, the California Tax Credit Allocation Agency (CTCAC) does not have the capacity or manpower to realistically do this. Nor does the Sponsor have any control to make CTCAC do any certification in a timely manner. CTCAC is the highest volume allocating agency in the US with reportedly one of the lowest staff to project ratios. The proposed compliance certification information is an outside review process that seems unlikely to be fulfilled in a timely manner or fulfilled at all.

Perhaps the QAP requirement can be revised to denote a history of Idaho LIHTC Sponsor compliance? And if there is no previous history of LIHTC sponsorship in Idaho, IHFA could require Sponsors/GPs seeking experience points to submit certification from a third party certified public accountant that the projects who which it is requiring points have maintained a positive operating cash flow from residential income per its last financial statement and have funded reserves. Applicants get points on a sliding scale for the number of projects placed in service for more than three years, and if any of them are in Idaho. This might be a more realistic way to ensure GP/Owners have the fiduciary experience and the minimum number of years (3 years) that the parties have LIHTC experience? Just a suggestion.

2. Section 6.4 (20) "To receive points in this category, a copy of the initial award with a specified award date and acknowledgement from the allocating agency specifying the receipt date of the

application for the IRS Form 8609 must be included with the application." CTCAC has not and does not give dated receipts or acknowledgement for IRS Form 8609s applications, so it would be difficult to provide this external certification. Similarly, an outside housing agency's timely turnaround is entirely outside any applicant's control.

Thank you for you and your team's continued good work in helping and housing Idaho.



Roundhouse

Wah Chen
Managing Partner - Affordable, Roundhouse

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