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Introduction

Beginning with the 2017 HOME Administrative Plan, the Housing Trust Fund program requirements are now included.

Whenever possible, IHFA has designed the HTF rental-housing activities to mirror the HOME program activities. Throughout the Plan (individual chapters), whenever HTF requirements differ from the HOME requirements, it is called out as an "HTF-Specific" section.

HOME Program Overview

The Cranston-Gonzales National Affordable Housing Act of 1990 created the HOME Investment Partnerships Program.

The intent of the HOME program is:

- To expand the supply of decent and affordable housing, with primary attention to rental housing, for very low-income and low-income persons.
- To mobilize and strengthen the abilities of state and local governments to design and implement strategies for achieving an adequate supply of decent, safe, sanitary and affordable housing.
- To develop and refine, on an ongoing basis, a selection of model programs incorporating the most effective methods for providing decent, affordable housing.
- To assure that federal housing services, financing, and other investments are provided to state and local governments in a coordinated, supportive fashion.
- To expand the capacity of nonprofits to act as owners, sponsors, and developers of affordable housing.

HOME regulations establish an allocation formula that reflects each Participating Jurisdiction's (PJ) share of HOME funds, based on the total need among eligible PJ's, for an increased supply of affordable housing for very low-income and low-income families. The formula encompasses age of units, substandard occupied units, number of families below the poverty rate, and population.

If funds available to a participating jurisdiction under this subchapter are not placed under binding commitment to affordable housing within 24 months, after the last day of the month in which such funds are deposited in the jurisdiction's HOME Investment Trust Fund, the jurisdiction's right to draw such funds from the HOME Investment Trust Fund shall expire. The Secretary shall reduce the line of credit in the participating jurisdiction's HOME Investment Trust Fund by the expiring amount and shall reallocate the funds by formula in accordance with section 12747(d) of title 24 CFR.

HOME is designed to be a partnership between the federal government, state and local governments and those who build, own, manage, finance and support low-income housing initiatives. The partnership features of HOME include:

- **Matching Funds**: HOME requires a 25% permanent match from non-federal sources.
- **Nonprofit Participation**: As the administrator of the State of Idaho's HOME Investment Partnerships program, Idaho Housing and Finance Association (IHFA) is required to maximize participation of the private sector, including nonprofit organizations and for-profit entities in the implementation of its housing strategy, including financing, development, rehabilitation, and management of affordable housing.
- **Monitoring for Compliance**: IHFA monitors compliance regarding HOME rents and HOME occupancy requirements to insure that HOME funds benefit low-income households. Through long-term enforceable agreements with owners and otherwise, IHFA ensures long-term compliance and affordability. The HOME Administrative Plan does intend not cover all statutory, regulatory, or program requirements.

National Housing Trust Fund Program-Overview

The National Housing Trust Fund (HTF) was created under Title I of the Housing and Economic Recovery Act of 2008 [24 CFR Part 93] to provide funding to State governments to increase and preserve the supply of rental housing for extremely low and very low-income families, including homeless families.

The initial HTF allocation is "non-appropriated" (defined an allocation from government-sponsored entities, i.e. Fannie Mae and Freddie Mac). Future allocations may also include "appropriated (congressionally approved transfer from Treasury)".

Idaho Housing and Finance Association is the designated Grantee for Idaho's HTF program. Annual allocation is formula based.

HTF- Specific Rental Housing Activities

Operating Assistance and Operating Assistance Reserves for HTF-assisted units

- The amount of operating cost assistance/reserves is limited to 1/3 of each annual grant
- Operating assistance may be provided over multiple years
- IHFA may renew operating assistance with future grants during the period of affordability
- Operating assistance Reserve funded with Non-appropriated funds
 - Reserve may be funded for the amount estimated to be necessary for the entire period of affordability up front
- Operating assistance reserve funded with Appropriated funds
 - For each grant, assistance is limited to the amount necessary for a period of up to 5 years.
- HTF follows the same eligible cost basis as the HOME program. HTF funds used for construction and operating reserve DO NOT have the effect of reducing eligible basis.

Minimum Annual Allocation

- \$3 million
- Alternative methodology if minimum funding is not available

Minimum Income Targeting

- 100% Extremely Low-Income households ($\leq 30\%$ Area Median Income) with incomes at or below the poverty line

Eligible Activities

- New construction of rental units
- Acquisition or acquisition/rehabilitation of rental units

Public Housing

- May be used on public housing units being constructed or rehabilitated in Choice Neighborhoods, Rental Assistance Program (RAD) or mixed finance/Low-income Housing Tax Credit projects

Rent Limits

- Rent plus utilities capped at 30% of the income of a household whose income is 30% AMI as determined by HUD, with adjustments for number of bedrooms. HUD will publish HTF rent limits on an annual basis.

IHFA Administrative Costs

- Up to 10% of annual grant and program income

Maximum Per-Unit Subsidy Limits

- Will use HOME Maximum Per-Unit Subsidy Limits

Affordability Period

- Not less than 30 years

Substantial Amendments the Administrative Plan

IHFA will amend its HOME Administrative Plan as necessary, to effectively administer the State of Idaho's HOME Program. Substantial amendments to the Plan will follow the adopted Public Participation Process. All HOME activities are subject to the HOME Administration Plan requirements in effect at the time the application was submitted.

Consistency with the Idaho Five-Year Strategic Plan

Idaho's HOME Program is designed to address the affordable housing needs in Idaho as described in the Five-Year Consolidated Plan. The Five-Year Consolidated Plan is the planning document through which HUD funds are approved for Idaho's **Non-Entitlement** areas. The Five-Year Consolidated Plan addresses Idaho's housing and community development needs, market conditions, demographics and strategies. The 2015-2019 Five-Year Consolidated Plan can be found at <https://www.idahohousing.com/federal-programs/legal-notice-plans-and-reports>

Idaho Housing and Finance Association as Administrator

As the designated Administrator of Idaho's HOME Program, IHFA must utilize HOME funds as effectively as possible to help meet Idaho's affordable housing needs. This responsibility requires the identification of critical housing needs and targeting the use of funding resources to meet

those needs through a strategic planning process.

In January 1991, the Idaho legislature designated IHFA as the administrator of all programs identified under the Cranston-Gonzales National Affordable Housing Act of 1990.

Idaho Housing and Finance Association was created by the Idaho State Legislature in 1972 for the purpose of providing "an adequate supply of safe and sanitary dwellings at prices or rents which persons and families of low income can afford." (Title 67, Chapter 62 of the Idaho Code as amended, the "Act".) IHFA is a quasi-governmental, not-for-profit, financial services and housing organization. IHFA is a self-supporting corporate body, which uses neither state funds nor state employees in its operations.

In addition to HOME funds, IHFA also administers the Continuum of Care for the state, the Emergency Shelter (ESG) grant program, and the Housing Opportunities for Persons with AIDS (HOWPA) grant program. IHFA is also the Housing Finance Agency for the State and administers multiple contracts with HUD for rental assistance programs in 34 of Idaho's 44 counties. The Association has the commitment, resources, and expertise to complete all contractual obligations in an efficient and effective manner.

The Housing Company, Inc.

The Housing Company, Inc. is a component unit of IHFA, legally separate but financially accountable to the Association. The relationship is such that their exclusion would cause the Association's financial statements to be misleading or incomplete. The Housing Company, Inc. is a separate non-profit organization and is an integral and material component of The Association's reporting entity.

HOME Consortia

HOME Regulations permit contiguous units of local government to create a consortium of governments for the purpose of meeting the threshold requirements for receiving a direct allocation of HOME funds. Funds awarded to a HOME consortium typically are shared on a pro rata basis by the participating governments. The formation of such consortia could reduce the overall amount of HOME funding IHFA awards to other agencies within the State of Idaho. Participation in a consortium could also cause the local jurisdiction to no longer be eligible to receive state HOME funds for affordable housing projects within its jurisdiction, thus severely limiting the amount of HOME funds that could be awarded within its borders. When asked to indicate its support of the formation of a HOME consortium, as required by the Regulations, Idaho Housing and Finance Association will respond according to how the formation of the consortium would affect the availability of HOME funds within the state as a whole and whether the formation of the consortium would have a detrimental effect on the administration of the state HOME Program Performance and Outcome Measurement Standards.

Eligible HOME Activities

The following activities, as defined in 24 CFR 92.205(a), 92.252 and 92.254:

- New construction of affordable multi-family rental housing, including units designed for the elderly and special needs populations

- Acquisition and/or rehabilitation of affordable multi-family rental housing
- Direct Down Payment Assistance to single-family homebuyers
- New construction, acquisition, acquisition and rehabilitation of homebuyer properties (sponsored by qualified non-profit organizations or units of local government)
- Transitional housing (non-emergency shelter)
- Single Room Occupancy (SRO) Housing (non-emergency shelter)

Ineligible HOME Activities

- Homeowner rehabilitation
- Tenant-based rental Assistance
- Land Trust homebuyer activities¹

Consistent with the Consolidated Plan, IHFA awards funds to specific activities. The table below lists the types of activities :

Eligible HOME Activities	
Homebuyer	<ul style="list-style-type: none"> • Direct Down Payment/Closing Cost Assistance • New construction, acquisition, acquisition and rehabilitation, of single-family housing units for homeownership.²
Rental Housing	<ul style="list-style-type: none"> • New construction • Acquisition • Acquisition and/or rehabilitation

HOME funds for project categories help ensure HOME funding is available to activities that meet the housing needs in Idaho. If additional funds are available and enough qualified applications are received, the actual award of funds to a particular category of housing could exceed the projected project category.

HOME Program administrative fees will be utilized as needed by IHFA for program design, administration, monitoring, training, and support of program activities.

Annual HOME Allocation

The IHFA annual HOME allocation is based on a HUD annual formula allocation. Each annual allocation is contingent on HUD’s approval of Idaho’s Consolidated Action Plan for the next Program Year. The IHFA's HOME Program Year is defined as April 1st - March 31st.

¹ IHFA uses the HOME Program's Recapture Option for its single-family activities, which allows a homebuyer to sell to anyone for whatever the market will bear. This option conflicts with the land trust model.

² Project/activity must be sponsored by IHFA-qualified non-profit housing development organization

Annual HOME Allocation	Activities
Up to 5%	CHDO Predevelopment Loans
Not less than 15%	CHDO Housing Development activities
Approximately 75%	Eligible HOME Activities
Up to 10%	IHFA Administrative Costs

Notice of Funding Availability (NOFA)

Multifamily Rental- IHFA utilizes the published NOFA (Notice of Funding Availability) process.

IHFA reserves the right, when necessary, to address identified housing needs by acting outside the framework of the application process to fund activities that demonstrate exceptional community value. If the need arises to use HOME funds in this way, IHFA will advertise the need and may act as the sponsor of the project or negotiate with a qualified entity to act as the project sponsor. Such actions require the review and approval of IHFA's Resource Allocation Committee.

USDA-Rural Development Set-Aside

Up to five percent (5%) of the annual HOME allocation may be set-aside for housing development financed and/or guaranteed by USDA-Rural Development.

Definition of Rural

For the purposes of this set-aside, IHFA's HOME/HTF program defines "Rural" as an area with a population up to 35,000 and rural in character. For qualifying areas, see the USDA Income and Property Eligibility website is found at

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

Geographic Distribution

IHFA recognizes the need to consider geographic distribution as part of the application process. However, HOME/HTF funds are awarded to qualified applicants for specific housing activities selected, based on a competitive application scoring and review process. Although HOME funds are not awarded based on geographic distribution, a specific area's population, poverty level, housing needs, and the affordable housing priorities may be considered in the final review process.

Funding Award Policy

Funds are awarded to applicants in amounts appropriate to the scope of the project and additional resources brought to the project by the applicants. IHFA reserves the right to adjust the amount of funds awarded to a project, as well as financing and/or repayment terms, and to negotiate the proposed work plan and budget, prior to executing a regulatory agreement. The terms of HOME/HTF loans are negotiated on a project-by-project basis and are subject to debt service coverage ratios, proposed rent levels, and the project's ability to meet the needs of the population served.