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Introduction

Beginning with the 2018 Annual Administrative Plan, the HOME, Housing Trust Fund, and **Neighborhood Stabilization program** requirements are now included.

Whenever possible, IHFA has designed the NSP and HTF (rental-housing activities only) to mirror the HOME program activities. Throughout the Plan (see individual chapters), whenever HTF or NSP requirements differ from the HOME requirements, it will be called out in a "HTF or NSP- Specific" section.

Overview

The intent of these programs covered in this annual plan 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 expand the capacity of nonprofits to act as owners, sponsors, and developers of affordable housing.

HOME and HTF regulations establish a formula that reflects each state's Participating share of HUD-CPD funds, based on the need 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.

- ***Nonprofit Participation:*** As the administrator of the State of Idaho's HOME Program, Idaho Housing and Finance Association (IHFA) is required to maximize participation of the private sector, specifically including nonprofit organizations in the implementation of its housing strategies, including financing, development, rehabilitation, and management of affordable housing.
- ***Monitoring for Compliance:*** IHFA must monitor for compliance during the Period of Affordability to insure the funds continue to benefit low-income households.
- The Annual Administrative Plan is not meant to cover all statutory or regulatory requirements.

HOME Program 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)

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 as 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

Neighborhood Stabilization Program

Assisting in the redevelopment of abandoned and foreclosed homes under the Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes.

Eligible Activities

1. Acquisition and Rehabilitation of foreclosed Properties
2. Redevelopment; Demolished or Vacant Properties.
3. Purchase and rehabilitate abandoned or foreclosed properties
4. Demolish blighted structures, (Blighted Properties are defined as objectively determinable deterioration that is a threat to human health, public safety, and public welfare as defined by the local unit of government).

NSP funds cannot be used by IHFA to buy tax foreclosed properties from themselves (e.g., properties already owned by the grantee and taken through local tax foreclosure). However, the grantee can pay for reasonable appraisal and title transfer costs for these properties.

Substantial Amendments the Administrative Plan

IHFA amends the Annual Administrative Plan as necessary each year, to effectively administer Idaho's HOME, NSP and HTF Program. Substantial amendments to the Plan follow the adopted Citizen Participation Process <https://www.idahohousing.com/documents/2016-public-participation-plan-hud-funded-affordable-housing-community-development-programs->

[amended.pdf](#)

Consistency with the Idaho Five-Year Strategic Plan

Idaho's HOME and HTF Programs are 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-notices-plans-and-reports>

The Program Year is defined as April 1st - March 31st. IHFA is the Lead Agency for HUD-CPD reporting and submissions requirements. Each year IHFA submits an Annual Action Plan, and Consolidated Annual Performance Evaluation Report. Every five years IHFA submits the Five-Year Consolidated Plan and Assessment of Fair Housing to HUD-CPD.

<https://www.idahohousing.com/federal-programs/legal-notices-plans-and-reports/>

Idaho Housing and Finance Association as Administrator

As the designated Administrator of Idaho's HOME, HTF, and NSP Programs, IHFA must utilize the 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.

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 IHFA's reporting entity.

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.

Single-Family Rental & Homebuyer Development- IHFA utilizes a publish RFP 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/NSP funds are awarded to qualified applicants for specific housing activities selected, based on a competitive application scoring and review process. Although these 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 and type of project as well as other resources brought to the project by the applicant. 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 a HOME/HTF/NSP loan are negotiated, subject to debt service coverage ratios, proposed rent levels, and the project's ability to meet the needs of the population served.