

July 18, 2011

Kristen M. Arnold, CPD Representative
Office of Community Planning and Development
U.S. Department of Housing and Urban Development
400 SW 6th Avenue Suite 700
Portland, OR 97204-1632

RE: Modification to the NSP3 Final Substantial Amendment

Kristen,

We are excited to tell you that we have finished with our NSP3 application underwriting process. Because of the ever changing market conditions and also the rural nature of our targeted county, Canyon County, the process took longer than we had originally anticipated which is why you were contacted for an extension on June 16, 2011. Please accept this letter as a formal request for modification to the following items within the NSP3 Final Substantial Amendment:

1. Expansion of the specific subdivisions targeted within the NSP3 Final Substantial Amendment to actual Census Tracts. Attached to this letter, please find data from the National Community Stabilization Trust documenting that within the State of Idaho, it takes an average of one year from the time the Notice of Default is filed to the actual date of property listing for sale. The Notice of Defaults filed in Canyon County are numerous, however, the listings are limited. Because of the deadline for expending NSP3 funds, it is imperative that funds do not sit idle waiting for new properties to become available for purchase. By expanding the targeted areas to include an entire Census Tract, it would then be possible to meet HUD's recommended impact percentage by targeting all subdivisions within that Census Tract.
2. Approval to meet the 25% requirement to serve 50% AMI households via homebuyer activity rather than with rentals. Because of the availability of lower home prices in Idaho, the affordability of homeownership makes purchasing vs. renting more attractive to families seeking a residence. We have the opportunity to work with Canyon County Habitat for Humanity who serve 50% AMI and below households. Their award alone would satisfy this 25% requirement.
3. Confirmation that the above changes would not require a public comment posting. According to the State of Idaho's Public Participation Plan which is a supplement to the Five-Year Strategic Plan for Housing and Community Development, "*any substantial amendment to the plans will be announced and opened for a 30-day public comment period. A substantial amendment would involve significant alteration to the focus or priorities of actions and strategies adopted by the*

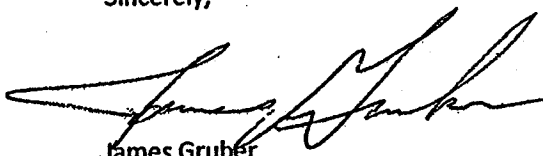
public and approved by HUD within the most current Five-Year Plan." Substantial amendment is defined as:

- a change in allocation priorities or a change in the method of distribution of funds; or*
- an activity not proposed in the most current Annual Action Plan; or*
- a change in the purpose, scope, location or intended beneficiaries of a specified program*

Since there has been no change in (1) allocation priorities, (2) the method of distribution of funds, (3) targeted activity, (4) purpose, (5) scope or (6) location, we do not believe the proposed expansion in targeted area constitutes a substantial amendment, and therefore, no public comment period is required. (Please note that this proposal has not been to change a location, but rather to allow the expansion of the targeted areas. These areas are over and above the minimum needs score of 12 and still within Canyon County).

Thank you very much for your continued guidance and we eagerly await your response so that we can move forward with NSP3 recipient awards.

Sincerely,



James Gruber
Grant Programs Manager

Cc: Julie Williams
Cc: Shelley Wallace
Cc: Karen Frings

Address	City	State	ZIP	NOD Date	Trustee's Sale Date	Date NCST Received from Seller	Days from NOD to Trustee's Sale	Days from Trustee's Sale to Foreclosure	Days from NOD to Foreclosure
503 W EMMA	COEUR D ALENE	ID	83814	9/2/2009	3/16/2010	5/25/2010	194	69	265
1211 E JEFFERSON ST	BOISE	ID	83712	5/18/2009	10/13/2009	7/28/2010	145	285	436
2660 S TRISTRAM WAY	MERIDIAN	ID	83642	7/28/2009	10/27/2009	8/5/2010	89	278	373
12720 WEST WOODVILLE STREET	BOISE	ID	83709	3/10/2010	6/28/2010	8/24/2010	108	56	164
3316 W TARGEE ST	BOISE	ID	83705	5/28/2009	8/28/2009	7/14/2010	90	316	406
3590 W VELA PLACE A AND B	POST FALLS	ID	83854	5/13/2009	9/22/2009	7/14/2010	129	292	421
17502 E NORTH SHORE LN	BAYVIEW	ID	83803	6/17/2009	9/28/2009	7/14/2010	101	286	387
2106 W SAGE SPRINGS CT	MERIDIAN	ID	83642	2/25/2009	1/27/2010	7/14/2010	332	167	499
5934 N ALDER POINT PLACE	GARDEN CITY	ID	83714	8/13/2009	11/24/2009	7/14/2010	101	230	331
6347 S GOZZER RD	HARRISON	ID	83833	10/9/2009	1/12/2010	7/14/2010	93	182	275
4718 E UPPER HAYDEN LAKE RD	HAYDEN	ID	83835	9/12/2008	12/17/2008	7/28/2010	95	581	676
2437 MOUNTAIN VISTA DR	COEUR D' ALENE	ID	83815	8/1/2009	11/12/2009	8/11/2010	101	269	370
4461 SOUTH SKYRIDGE WAY	BOISE	ID	83709	3/17/2009	10/13/2009	7/20/2010	206	277	483
5010N SPANGLE AVE	MERIDIAN	ID	83646	7/1/2009	10/15/2009	7/30/2010	104	285	389
955 SOUTH NEW SUMMER AVENUE	KUNA	ID	83634	10/15/2009	1/27/2010	8/18/2010	102	201	303
750 N DUNDEE DRIVE	POST FALLS	ID	83854	11/14/2008	2/20/2009	8/26/2010	96	546	642
9400 W LINFIELD DR	BOISE	ID	83704	2/27/2009	6/17/2009	7/14/2010	110	387	497
1340 W JACKSNIPE DR	MERIDIAN	ID	83642	4/20/2009	12/11/2009	7/14/2010	231	213	444
304 E 22ND AVE	POST FALLS	ID	83854	9/21/2009	1/4/2010	7/14/2010	103	190	293
3165 S TRABUCO AVE	BOISE	ID	83709	9/28/2009	12/29/2009	7/14/2010	91	195	286
7084 S SHADOW MOSS AVE	BOISE	ID	83709	9/29/2009	12/30/2009	7/14/2010	91	194	285
2915 N WYMOSSA STREET	BOISE	ID	83703	1/14/2010	4/8/2010	7/14/2010	84	96	180
3042 S CONDA AVE	MERIDIAN	ID	83642	7/1/2009	9/17/2009	8/6/2010	76	319	395
6651 W HARBOR DRIVE	COEUR D ALENE	ID	83814	2/10/2010	5/20/2010	7/27/2010	100	67	167

Average	124	249	374
Standard Deviation	58	127	128

Neighborhood ID: 6255035

NSP3 Planning Data

Grantee ID: 1699990N

Grantee State: ID

Grantee Name: ID NONENTITLEMENT

Grantee Address: 565 W Mrtle St. Boise ID 83707

Grantee Email: shelleyw@ihfa.org

Neighborhood Name: 16027020700

Date:2011-01-28 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 15.58

State Minimum Threshold NSP3 Score: 12

Total Housing Units in Neighborhood: 5051

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 79.09

Percent Persons Less than 80% AMI: 53.97

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 6107

Residential Addresses Vacant 90 or more days (USPS, March 2010): 203

Residential Addresses NoStat (USPS, March 2010): 314

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 3422

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 26.41

Percent of Housing Units 90 or more days delinquent or in foreclosure: 12.81

Number of Foreclosure Starts in past year: 290

Number of Housing Units Real Estate Owned July 2009 to June 2010: 81

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 58

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -24

Place (if place over 20,000) or county unemployment rate June 2005¹: 3.72

Place (if place over 20,000) or county unemployment rate June 2010¹: 10.6

¹Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-116.592751 43.604759 -116.542969 43.604510 -116.543655 43.598046 -116.513100 43.599538
-116.512756 43.604759 -116.473618 43.604759 -116.473618 43.530131 -116.523743 43.556013

Blocks Comprising Target Neighborhood

160270207004017, 160270207004016, 160270207004015, 160270207004014, 160270207004013,
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160270207003006, 160270207003021, 160270207003023, 160270207003024, 160270207003012,
160270207004018, 160270207004026, 160270207004034,

Neighborhood ID: 8981842

NSP3 Planning Data

Grantee ID: 1699990N

Grantee State: ID

Grantee Name: ID NONENTITLEMENT

Grantee Address: 565 W Mrtle St. Boise ID 83707

Grantee Email: shelleyw@ihfa.org

Neighborhood Name: 16027021000

Date:2011-01-28 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 15

State Minimum Threshold NSP3 Score: 12

Total Housing Units in Neighborhood: 3304

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 75.14

Percent Persons Less than 80% AMI: 54.09

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 6799

Residential Addresses Vacant 90 or more days (USPS, March 2010): 78

Residential Addresses NoStat (USPS, March 2010): 593

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 2939

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 23.3

Percent of Housing Units 90 or more days delinquent or in foreclosure: 11.76

Number of Foreclosure Starts in past year: 236

Number of Housing Units Real Estate Owned July 2009 to June 2010: 67

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 47

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -24

Place (if place over 20,000) or county unemployment rate June 2005': 3.74

Place (if place over 20,000) or county unemployment rate June 2010': 10.82

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-116.693001 43.633093 -116.686821 43.633218 -116.687164 43.636324 -116.685791 43.637566
-116.683216 43.636572 -116.683044 43.635330 -116.679783 43.635205 -116.679440 43.633466
-116.582623 43.633963 -116.573181 43.633963 -116.573181 43.605008 -116.593266 43.604883
-116.593437 43.590463 -116.652832 43.590090 -116.653004 43.604635 -116.692829 43.604262

Blocks Comprising Target Neighborhood

160270217002031, 160270217002032, 160270217002030, 160270217003071, 160270217003072,
160270217003067, 160270210002006, 160270210002022, 160270210002053, 160270210002052,
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160270210004011, 160270210004023, 160270210004024, 160270210004025, 160270210004014,

Neighborhood ID: 8032348

NSP3 Planning Data

Grantee ID: 1699990N

Grantee State: ID

Grantee Name: ID NONENTITLEMENT

Grantee Address: 565 W Mrtle St. Boise ID 83707

Grantee Email: shelleyw@ihfa.org

Neighborhood Name: 16027020500

Date:2011-01-28 00:00:00

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Neighborhood NSP3 Score: 15

State Minimum Threshold NSP3 Score: 12

Total Housing Units in Neighborhood: 4198

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 77.09

Percent Persons Less than 80% AMI: 52.37

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 4995

Residential Addresses Vacant 90 or more days (USPS, March 2010): 142

Residential Addresses NoStat (USPS, March 2010): 308

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 2313

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 22.5

Percent of Housing Units 90 or more days delinquent or in foreclosure: 12.21

Number of Foreclosure Starts in past year: 193

Number of Housing Units Real Estate Owned July 2009 to June 2010: 55

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 38

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -24

Place (if place over 20,000) or county unemployment rate June 2005¹: 3.77

Place (if place over 20,000) or county unemployment rate June 2010¹: 10.6

¹Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-116.592751 43.560989 -116.531296 43.561237 -116.532497 43.546931 -116.592751 43.547055

