

## HOME-ARP Activities – Substantial Allocation Plan Amendment

***Describe the method(s) that will be used for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors:***

After receipt of the HOME-ARP grant award from HUD, IHFA will develop an Administrative Plan specifically for HOME-ARP activities. The Administrative Plans will go through a public comment period prior to a competitive application for funding. ~~Where feasible, the HOME-ARP Administrative Plan for rental housing, will mirror the current Administrative Plan for development of rental housing.~~ During the competitive application cycles, developers and non-profits are eligible to apply for funding. Submitted applications will be reviewed for completeness, eligibility, and capacity to deliver on identified needs. ~~During the first two supportive services grant cycles of HOME-ARP, IHFA found a continued need to use these one-time funds for non-profit partners. The non-profit partners provide supportive services to households meeting a qualifying population definition. Year two continued to highlight the need for financial services to assist with the continued rise in rental costs and stagnant wages. To accomplish the goal of assisting the qualifying population in obtaining and maintaining stable housing, IHFA is completing a substantial amendment to the HOME-ARP Allocation Plan. This amendment will remove the funds originally allocated to the development of rental housing, reallocating those funds into the supportive service category. Once approved, IHFA will release a competitive RFP, selecting (up to) two lease-up providers and two arrears providers.~~

Awards will be made based on the applicant's project scope, qualifying populations that will be served, and ability to comply with all federal, state, and local requirements.

IHFA contracted with Root Policy for the development of the Allocation Plan. This included data gathering, outreach, stakeholder engagement, and meetings with IHFA program staff. Upon acceptance of the HOME-ARP plan, Root Policy's contract will be satisfied and no other services will be provided.

**Describe whether the PJ will administer eligible activities directly:**

IHFA will administer all eligible activities directly.

### Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	<del>\$ 5,000,000</del> 15,093,914.77		
Acquisition and Development of Non-Congregate Shelters	\$ 0		
Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	<del>\$ 9,598,369.0</del>		
Non-Profit Operating	<del>\$ 973,224.60</del> \$965,411.38	4.99 %	5%
Non-Profit Capacity Building	<del>\$ 973,224.60</del> \$377,624.50	2 %	5%
Administration and Planning	<del>\$ 2,919,673.80</del> \$2,900,638.35	15 %	15%
<b>Total HOME ARP Allocation</b>	<del>\$ 19,464,492</del> \$19,337,589*		

On January 14, 2025, IHFA received notification there was an administrative error in the original allocation of HOME ARP funding. HUD deobligated \$126,903.00 to the IHFA HOME ARP grant. The administration, operating, and capacity building budgets has been reduced to align with the regulatory requirements.

**Describe how the PJ will distribute HOME-ARP funds in accordance with its priority needs identified in its needs assessment and gap analysis:**

Feedback provided from consultations and survey results emphasized priority needs around supportive services. Once IHFA receives the HOME-ARP grant agreement (as previously mentioned), an Administrative Plan will be developed for HOME-ARP activities. At the conclusion of required public comment, grant trainings and a competitive application will open for eligible non-profits to apply for operating and capacity building assistance. It is anticipated that this will occur in late fall/early winter 2022. In late spring/early fall 2023, an application for direct supportive services will be made available. **In early spring 2026, a competitive application will be opened for direct supportive services, this application will be specifically for financial assistance including rental arrears and lease-up assistance.**

~~IHFA is evaluating a separate opportunity to support communities for development of Permanent Supportive Housing (PSH). This would be completed by providing technical assistance for communities to develop viable PSH projects. Viable PSH projects are defined as having the finances to ensure: supportive services, housing, and management to meet the needs of qualifying populations.~~

~~Finally, where feasible, the HOME ARP Administrative Plan for rental housing activities, will try to mirror the current Administrative Plan for development of rental housing. HOME ARP funds will be partnered with a separate 4%/9% tax credit competitive application cycle. Applications will be reviewed for capacity, operational proforma for 15 years, response to need in the community, and partnerships. This is anticipated to be available no later than early 2023.~~

**Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:**

IHFA was allocated \$19,464,492 **\$19,337,589** in HOME-ARP funding. Below is a breakdown of how that money will be allocated, as well as a rationale for each funding amount.

- ~~● Development of Affordable Rental Housing: \$9,598,369; 49% of the funding will be allocated to the development of affordable rental housing. Because this use was identified and prioritized by nearly all stakeholders, as well as confirmed during the data analysis, the near majority of funds will be assigned to this category. Based on an estimated average per unit cost of \$300,000.~~
- Supportive Services: **\$15,093,914.77** ~~5,000,000~~; **2678%** of the funding will be allocated to the provision of supportive services. ~~Following the production of affordable rental housing, This use was identified as being most critical to supporting qualifying populations find housing and remain stable, as well as support populations at risk of experiencing homelessness. This can support approximately 333 973 qualifying population households with an average of \$15,000 per year. The highest priority needs, during the data review and outreach in 2021, were child care and mental health services. Rates per child can range from \$538-623 per month; depending on age and full/part time status. The average mental health therapy cost in Idaho is \$135 per session; not including pharmaceuticals. However, during the first two years of the HOME ARP, the funds allocated to subrecipients demonstrated the needs of qualifying population households. This has significantly shifted toward financial assistance due to the continued increase in rents while wages remain stagnant. Due to these findings, IHFA is reallocating funds to continue to support vulnerable households in Idaho with the most effective use of resources.~~

- Administration and Planning: ~~\$2,919,673.80~~ **\$2,900,638.35**; 15% of the funding is allocated to administration and planning due to the HOME-ARP statutory limit.
- Non-Profit Operating: ~~\$973,224.60~~ **\$965,411.38**; ~~5~~ **4.99**% of the funding is allocated to non-profit operating expenses due to the HOME-ARP statutory limit. *Approximately 19 awards at \$50,000. Currently, there are 30 non-profits that receive funding through the Balance of State. Any Operating funds remaining, once the second grant cycle is closed in IDIS, will be reallocated to the Supportive Service category.*
- Non-Profit Capacity Building: ~~\$973,224.60~~ **\$377,624.50**; ~~5~~ **2**% of the funding is allocated to non-profit capacity building expenses due to the HOME-ARP statutory limit. *Approximately 19 awards at \$50,000. Currently, there are 30 non-profits that receive funding through the Balance of State. Any Capacity Building funds remaining, once the second grant cycle is closed in IDIS, will be reallocated to the Supportive Service category.*

IHFA will monitor the expenditure of supportive services, non-profit operating and non-profit capacity building. ~~By December 2025, if these are not being utilized as anticipated, IHFA reserves the right to reallocate the funds to rental housing development by August 2026.~~

## HOME-ARP Production Housing Goals

**Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:**

~~IHFA anticipates that 33 new rental units will be produced with HOME ARP funding for qualifying populations. This is estimated based on an average per unit construction cost of \$300k. The higher estimated cost is accounting for higher grade construction materials to provide a longer useful life. Further, costs of materials continue to be higher than prior to 2020 for the construction of housing.~~

N/A

**Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how the production goal will address the PJ's priority needs:**

~~IHFA anticipates that 33 new rental units will be produced with HOME ARP funding. It is anticipated that HOME ARP will be leveraged with the state's 4% and 9% Low Income Housing Tax Credit (LIHTC) programs and possibly, Section 8 Project Based Vouchers. While eligible projects may be financed solely with HOME ARP rental housing, all opportunities to leverage the funding with other resources available will be pursued. These units will help address the identified need for more affordable rental housing throughout the state.~~

N/A

## Preferences

**Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:**

In order to serve the greatest number of people in the qualifying populations through the HOME-ARP program and to ensure program flexibilities that allow subrecipient and contractors to respond to their specific community needs, IHFA will not incorporate any preferences.

**If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the**

**qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis:**

N/A

## **Referral Methods**

**Identify the referral methods that the PJ intends to use for its HOME-ARP projects and activities. PJ's may use multiple referral methods in its HOME-ARP program. (Optional):**

N/A

**If the PJ intends to use the coordinated entry (CE) process established by the CoC, describe whether all qualifying populations eligible for a project or activity will be included in the CE process, or the method by which all qualifying populations eligible for the project or activity will be covered. (Optional):**

N/A

**If the PJ intends to use the CE process established by the CoC, describe the method of prioritization to be used by the CE. (Optional):**

N/A

**If the PJ intends to use both a CE process established by the CoC and another referral method for a project or activity, describe any method of prioritization between the two referral methods, if any. (Optional):**

N/A

**Describe whether the PJ intends to limit eligibility for a HOME-ARP rental housing or NCS project to a particular qualifying population or specific subpopulation of a qualifying population identified in section IV.A of the Notice:**

N/A

**If a PJ intends to implement a limitation, explain why the use of a limitation is necessary to address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis:**

N/A

**If a limitation was identified, describe how the PJ will address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the limitation through the use of HOME-ARP funds (i.e., through another of the PJ's HOME-ARP projects or activities):**

N/A

## **HOME-ARP Refinancing Guidelines**

IHFA will not use HOME-ARP funds for refinancing purposes.