



THE STATE OF IDAHO

NEIGHBORHOOD STABILIZATION PROGRAM

SUBSTANTIAL AMENDMENT

12/1/2008
REVISED 1/21/2009

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| Jurisdiction(s): State of Idaho Idaho Housing & Finance Association | NSP Contact Person: Julie Williams Address: PO Box 7899 Boise, ID 83707-1899 |
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The State of Idaho has received a total of \$19.6 million under the Housing and Economic Recovery Act of 2008 (HERA), Neighborhood Stabilization Program (NSP). The program has been funded under the Community Development Block Grant Program for the purpose of assisting in the redevelopment of abandoned and foreclosed homes to stabilize communities. It should be specifically noted that this funding is not for the purpose of foreclosure prevention, but to return foreclosed properties back to the market and stabilize neighborhoods. Idaho Housing & Finance Association (IHFA) is the only designated agency responsible for administration of Idaho's NSP program and will

allocate NSP funds to the areas of greatest need within the State. Although the Department of Commerce administers the CDBG Program for the State of Idaho, the role of providing affordable housing resources and administration on a statewide basis belongs chiefly to IHFA. Exhibit 1 of this Amendment contains the letter from Idaho's Governor designating Idaho Housing & Finance Association as the administering entity for NSP funds for the state.

The State of Idaho, although low in current national foreclosure rankings, is concerned about the future and acknowledges the possibility of a foreclosure tide in Idaho given the number of estimated subprime mortgages relative to the low population of the state. Out of 360,619 mortgages in the state, 31,934 are considered subprime loans. According to the Division of Financial Management in the April 2008 edition of Idaho Outlook, "66.9% of Idaho subprime mortgages are adjustable rate (ARM). Of these, 41.5% are scheduled to reset in 2008. Don't be surprised to hear that foreclosure activity increases in the months ahead." The number of foreclosure starts during the past 18 months alone has been 9,680—in a state where the total population is only 1.4 million. According to an article in the Idaho Press Tribune dated October 21, 2008, Canyon County had 207 notices of default filed in the month of September, which represents a 209% increase from the same month in 2007. Similarly, Ada County, Idaho's most populous county, had a 98% increase in defaults compared to September 2007, ending the month with 262 filings. Unfortunately, according to a local data provider cited in the article, the ongoing trends do not predict any slowing down in foreclosure filings.

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

***Note:** An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction's consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State's own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions' consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity's own plan.*

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult [this data](#), in developing this section of the Substantial Amendment.

Response:

IHFA in its efforts to establish statewide areas of greatest need consulted primarily the Foreclosure Needs Scores provided by the Foreclosure Response project through www.housingpolicy.org, HUD provided foreclosure and abandonment risk score data, the mapping resources of TRF Policy Map, and local news articles. Additional resources were reviewed on a supplemental level through Realty Trac and www.foreclosures.com.

IHFA has reviewed data that prioritized the statewide geographic areas of greatest need using the following criteria established in the NSP regulations:

1. Greatest percentage of home foreclosures;
2. Highest percentage of homes financed by a subprime mortgage; and
3. Likelihood of facing significant rises in the rate of home foreclosures.

The most specific data to be recently released came from the Foreclosure Response project obtained through HousingPolicy.org. This data set combined all the above criteria to form a single Foreclosure Needs Score and targeted the information at a zip code level across the state. IHFA reviewed the data and determined that Foreclosure Needs Scores ranging from 100.0 down to 10.5 represented the areas of greatest need around the state. Zip codes falling below 10.5 were considered below threshold. IHFA then took this data and performed a weighted analysis to calculate funding percentages. The data was then grouped into funding percentages by city and then county. It was decided that county-level funding would be the most effective method of distribution for NSP funds. County percentages that fell below 4.19% were grouped into a Balance of State percentage. **See Exhibit 2 of the NSP Amendment for this breakdown.** Funding requests received once NSP is operational will be weighted based on this data, as NSP regulations mandate that the funds must be targeted to the areas of greatest need. As a point of interest, it was a clear mandate, no matter what source of data was reviewed, that Canyon County—specifically Caldwell and Nampa, had the greatest percentages in the state by significant margins over other counties and therefore will receive the highest target of funds.

Contributing to the rise of Canyon County and Ada County to the areas of greatest need is the fact that the median price of single family homes from June 2007 to June 2008 dropped dramatically, while other areas of the state decreased only slightly or actually experienced increases in the price of housing. The median price of a single family home decreased by 11.51% in Canyon County and decreased by 10.94% for Ada County, compared to median price decreases in Kootenai County by 2.71% and Bannock County by 2.15%. (Statistics courtesy of Cornerstones, a publication of Idaho Housing & Finance.) In Canyon and Ada Counties, this has created situations where households are “upside down” in the value of their homes and find themselves facing foreclosure because selling the house is no longer a viable option.

As for low to moderate-income eligibility (120% of area median income or less), almost the entire State of Idaho is income eligible or at the very least, partially eligible. Qualifying households under NSP will not be an issue. **See Exhibit 3 for a geographic map of income eligibility status for Idaho.** Exhibit 4 also contains the Income Limits that will be used under the NSP program by county.

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. Note: The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Response:

NSP funds will be distributed across the state based on the areas of greatest need as established in Section A and listed in Exhibit 2 of the Amendment.

The funds will be used in the following four primary activities, including administration:

1. Foreclosed or abandoned property acquisition/rehab and resale to eligible homebuyers;
2. Foreclosed or abandoned property acquisition/rehab for use as long-term affordable rental properties. Eligible applicants are entitlement communities, cities, counties, PHAs, tribes and/or nonprofit housing providers.
 - a. It is anticipated that the 25% requirement to serve households at 50% or below AMI will be largely targeted in this activity and will be aimed at increasing the supply of special needs housing.
3. Foreclosed vacant lot acquisition and new construction for sale to eligible homebuyers, or for use as long term community rental housing owned by entitlement communities, cities, counties, PHAs, tribes or housing nonprofits.
 - a. Included in this activity would be the possibility of demolition.
4. Administration of the program will not exceed 10% of the NSP grant and 10% of program income.

It is anticipated that the funds will be distributed for the above activities in the following two ways:

1. IHFA will assume responsibility for managing a statewide NSP program via applications/proposals that would be open to entitlement communities, cities,

counties, PHAs, tribes and housing nonprofit entities for any of the above activities. Applications or proposals would be rated and funding based on targeting areas of greatest need and the amount of funding budgeted per activity above. It is likely to be on a “first come, first served” basis.

- a. IHFA will encourage and promote sub recipient relationships with CDBG Entitlement Communities and a preference for them will be established during the application stage. Entitlement communities will need to weigh several factors in making this decision, including whether the amount of funding available would be adequate to cover their costs and sustain a sub recipient role.
2. IHFA will create a statewide revolving loan fund program tool with NSP funds for homebuyer activity only. This activity will be open to those eligible entities as defined above and to IHFA as a direct administrator. Eligible entities could access the funds to acquire eligible properties, perform rehab, and sell to homebuyers (up to 120% AMI). At its discretion, IHFA may also utilize this activity and create a direct partnership with banking institutions holding eligible foreclosed portfolios that are willing to do the rehab in-house, discount the property upon completion, and sell to eligible homebuyers through community partnerships. This would take the form of bank/realtor partnerships in location set asides in risk-rated areas as previously identified. This method may be the most effective in quickly identifying and expending NSP funds and therefore IHFA may utilize this at its discretion, consistent with Exhibit 2, given the 18-month deadline to obligate NSP funds.

For clarification purposes, the definition of the term “applicant” used throughout the Amendment refers to those identified eligible entities that may apply for NSP funding. A “Sub Recipient” is further defined as an eligible Entitlement City that may enter directly into a contract with IHFA to administer NSP in their jurisdiction on behalf of IHFA.

Depending upon the type and volume of future applications to be received, it may become necessary for IHFA to establish maximum thresholds for single applications in order to discourage a single applicant from applying for all of the dollars available in their targeted area.

Non-city applicants working within a specific locale and anticipate submitting a project application for multiple units, will need to provide documentation with their application for NSP funds that they have notified the appropriate City of their NSP activities.

Timely Use of Funds and Redistribution:

All NSP funds must be initially obligated within 18 months or HUD will recapture the unused funds from the state. All activities are anticipated to be initiated upon the release of NSP funds which is expected in February, 2009. All funds must be spent within four years. Several of the NSP activities anticipate returning funds (program income) which

will continue to be used within the NSP guidelines as long as possible, currently until July 30, 2013

In accordance with NSP, “funds are obligated for an activity when orders are placed, contracts are awarded, services are received, and similar transactions have occurred that require payment by the state, unit of general local government, or sub recipient during the same or a future period. Note that funds are not obligated for an activity when subawards (e.g., grants to sub recipients or to units of local government) are made.”

In order to assure funds are expended within this strict time frame, IHFA will evaluate each recipient’s progress in obligating their NSP resources at nine months after award. Any recipient not on target to obligate all resources may be at risk of recapture of said funds by IHFA. IHFA will subsequently reallocate the unused NSP funds.

At nine months into the process IHFA may re-evaluate the overall state foreclosure and abandonment data. If significant changes occur, IHFA may update the priority areas and provide opportunity for redistribution of any remaining NSP resources and program income into these revised targeted areas. Additionally, the Governor’s NSP Steering Committee will have the option to readjust the allocation amounts every 60 days, as needed, to adjust to the rate of distribution.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

The State of Idaho does not define “blighted structure” in its statutes. For purposes under NSP, IHFA will use the national standard. “Blighted Structure” will be defined as: structures that have objectively determined signs of deteriorated conditions that are considered to be a threat to health, safety, and public welfare. Recent guidance has confirmed that “blighted” properties do not need to meet the definitions of foreclosed or abandoned properties under NSP. All “blighted” properties will be inspected by a qualified inspector to confirm that the property does indeed meet the program definition.

(2) Definition of “affordable rents.” ***Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.*

Response:

For rental activities under the NSP Program, “affordable rents” will be defined as 30% of the household’s adjusted income, less the utility allowance as established by either IHFA’s statewide Section 8 Program or by the applicable local housing authority that administers Section 8. HUD’s Fair Market Rent schedule for the state of Idaho will be used.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

Continued affordability will be ensured for the entire period of affordability through monitoring specific to the HOME monitoring requirements under 24 CFR Part 92 and IHFA's HOME Administrative Plan.

http://www.ihfa.org/grants_homeadmin.asp

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

IHFA or its contracted sub recipients will apply IHFA's HOME Program rehabilitation standards located in IHFA's 2009 HOME Administrative Plan or applicable local CDBG Program rehabilitation standards. In addition, all rehabilitation projects must correct any pre-existing code violations and/or health and safety repairs. Recipients are encouraged to utilize "green-building" techniques and energy efficiency into rehabilitated properties. All rehabilitation should contribute to and expand the overall long-term life of the property.

Due to the recent EPA Lead Based Paint Final Rule and the lack of *certified* contractors available to perform rehabilitation in homes where lead is present, it has been decided that Pre-1978 homes will not be eligible under Idaho's NSP program. Waivers to this rule will be allowed if an applicant's proposal can demonstrate that their area of greatest need is primarily pre-1978 homes and must document that a certified LBP contractor is a partner in their application process. A waiver may also be obtained if the applicant can demonstrate the above need and will agree to lead paint test all pre-78 homes and only move forward with those that test negative.

http://www.ihfa.org/grants_homeadmin.asp

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$_____.

Note: *At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.*

Response:

The amount of funds appropriated under NSP to meet the 25% target to house families and individuals whose incomes do not exceed 50% of AMI will be no less than **\$4,900,000** (25% of the State of Idaho's NSP allocation). To the greatest extent feasible, IHFA will support the acquisition of foreclosed properties by non profits and units of local government to be used as rental properties to support the expansion of *permanent* special needs housing. Models likely to be undertaken include rental housing units for special needs populations such as homeless, chronically mentally ill, developmentally disabled, and released offenders. The State of Idaho understands that NSP funds may be used for transitional housing, but since it is considered a public facility, transitional housing cannot be counted toward the 25% target.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., $\leq 120\%$ of area median income).

If so, include:

- *The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.*
- *The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).*
- *The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.*

Response:

At this time, it is unclear how many applicants may be interested in demolishing units. IHFA did not originally anticipate using NSP funds for the purposes of demolishing dwelling units and will look to the public comment period for further direction. IHFA, however, will consider it an eligible activity, but only as a replacement activity for housing. Demolition will be discouraged unless absolutely related to health and safety concerns regarding blighted property.

At this time, IHFA does not anticipate using NSP funds for the purposes of converting low- and moderate-income dwelling units. By definition, "conversion" as an eligible activity involves the conversion of an existing structure from another use to affordable residential housing. Given the requirement that properties purchased under NSP house low- and moderate-income households after redevelopment and therefore indicating it will be low-cost, affordable housing at the time of acquisition, it is likely that most units will have housed households earning 120% or less of area median income before becoming vacant. This is anticipated to be the case for each activity under the NSP Plan

with commencement beginning toward the end of February 2009 (after HUD's 45-day review period) and ending July 30, 2013.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Note: proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 15 calendar days for public comment.

Response:

The draft NSP Plan for the State of Idaho was made available for public comment on November 14, 2008 on IHFA's website. Legal notices were placed in all major newspapers across Idaho by November 14th requesting comments. A legal notice was also placed in Idaho's Spanish newspaper, Idaho Unido, in both Spanish and English to be run on November 21st which was the next available edition. Additionally, the Plan was emailed to stakeholders across the State for public comment and made available for review in local libraries and IHFA's branch offices located in Coeur d'Alene, Lewiston, Twin Falls, and Idaho Falls. The comment period will run from November 14th - November 29th, 2008.

Prior to the draft Plan, a meeting was held by the Governor's Steering Committee for NSP on October 30, 2008 to preliminarily discuss the model outline to use for the set-up and distribution of NSP funds. Three funding scenarios were presented: 1.) Direct funds specifically to CDBG Entitlement communities; 2.) Statewide NSP program distribution via applications and targeted to localities of greatest need; and 3.) Statewide revolving loan fund pool. It was decided at the meeting to incorporate Entitlement city sub recipients as an option under #2 and eliminate a direct fund to Entitlements.

Prior to posting for public comment, the Governor's Steering Committee met on November 13, 2008 to review the draft Plan before posting for public comment. The Committee unanimously approved the use of the county-level target data for distribution of NSP funds as presented. Some minor adjustments were made to activity budgets and additional clarifying language was recommended in regards to demolition and applicant notification requirements to local city government.

During the public comment period, the Steering Committee met again on November 24, 2008 to discuss the public comments received to date and to approve and discuss modifications to the Plan as a result of those comments and further input from the Committee. Primarily these were changes to clarify the definition of "sub recipient" vs. "applicant"; clarify administrative fees available to sub recipients and create a preference for entitlement cities; and describe in more detail the way in which NSP funds will factor

into a transaction—whether upfront or reimbursement basis. This was the last planned meeting of the Committee prior to submission to HUD.

Summary of Public Comments

IHFA received a phone call from a citizen who was sure that the State has had this money for 6 months and he wanted some of the “CDBG dollars”.

Neighborhood Housing Services emailed IHFA with questions related to clarification of the following as it would relate to their agency’s possible use of the funds: administration dollars available, possible uses for the NSP dollars, definition of shared equity loans, and rental income.

Teton County Housing Authority emailed to verify that they would fit the category of “Balance of State” and verification of the timeframe that funding may take place.

The City of Lewiston submitted a comprehensive letter of comments regarding the NSP draft amendment. Lewiston had 4 primary concerns: 1. That the funding amount available to them would be inadequate to meet their needs; 2. The elimination of pre-1978 housing from consideration; 3. Dilapidated housing should be allowed and included under the program; and 4. Concern that manufactured housing will not be allowed as replacement housing after demolition along with stick built and modular housing.

The City of Boise offered comment in relation to the method of making funds available to Entitlement Cities—there may be a question as to whether cities can go into debt without a vote of the residents, therefore the sub recipient agreement would probably be the most appropriate method.

IHFA received an email from a citizen who was concerned and stated that most of the foreclosed properties were in the \$300,000 to \$600,000 and did not see how a low income buyer could afford these type of homes and the taxes and upkeep. Concerned about how homeowners in these upscale neighborhoods would feel about having low income neighbors.

Thomas Development Company submitted a letter stating that they had reviewed the draft Amendment and found the activities to be undertaken a worthwhile use of the funds.

Southeastern Idaho Community Action Agency (SEICAA) also submitted a comprehensive list of concerns regarding the draft Amendment. SEICAA noted the following items: 1. Self-serving partnership with banks could be a concern; 2. Questioned whether IHFA is changing its policy on sub recipient relationships and that it

should be defined more clearly in the plan; 3. Concerned that there is no supportive services funding for organizations that utilize NSP funds to expand their inventory of special needs housing; 4. Rental housing activities should not be targeted just for those at 50% or below AMI; 5. In creating more rental housing, developers/owners could be left with empty rental units that have no market once the foreclosure crisis subsides; and 6. The funding should be sent directly to Entitlement Communities to administer.

IHFA received a letter on 11/26/08 from Boise City/Ada County Housing Authority recognizing IHFA's efforts in conceptualizing the draft plan and offered their comments and questions. In comment to the draft, BCACHA had the following concerns/questions:

1. In reference to a possible partnership with the bank/realtor community for homebuyer activity, BCACHA stated that they hope that it would only be employed at a time when it becomes the remaining best choice for program delivery. It those agencies whose mission it is to meet the housing needs of low and moderate income households who are best suited to provide program delivery for NSP;
2. Greater clarification is needed under the following topics: a. If IHFA will be conducting inspections or subcontracting that activity; b. the specifics of the deed restriction being implemented; c. further clarification on "reasonable developer's fee"; d. if the Shared Appreciation loan is required and their concern that buyers will be uneasy with that approach; e. whether environmental reviews are required for all activities and who will be conducting them; f. if an entity may request to keep the NSP proceeds rather than having it returned to the program; and g. if there will be any training provided and when entities may start applying for funds.

An email was received from Don Thompson with Pocatello Housing Authority stating that the plan put forward by IHFA failed to address the needs of neighborhoods with any real substance regarding foreclosures or revitalization. He went on to state that instead of partnering with banks, IHFA should be partnering with the communities and that "this plan is another example of the state allowing an agency to administer funds that should be handled by the state government." Mr. Thompson felt that IHFA's statewide distribution of tax credits allowed IHFA to place projects anywhere it wanted and that NSP seemed to be headed in the same "mis-direction".

A very lengthy email was received from the City of Pocatello's Neighborhood & Community Services Department. The email identified two major concerns and a list of 13 sub-concerns. The two major concerns were as follows:

1. It was stated that there appears to be no link between IHFA's proposed distribution model and HUD's risk factors. The City of Pocatello felt strongly that the dollars should be targeted toward LMMI neighborhoods as identified by

HUD and strongly suggests retaining HUD's risk ratings concerning Census Tracts and block Groups in the urbanized areas of the state.

2. IHFA's proposal to create partnerships with banking institutions raises concerns about the propriety of using Federal money with the same institutions that created the poor loans to begin with. Pocatello is concerned that there will not be sufficient oversight of this to make sure that federal regulations are adhered to (for example, contractor/material procurement).

Among the City of Pocatello's other concerns was that the Plan was too general in its approach and not specific enough. As already cited, another comment was made about the need to target high-risk, <120% AMI neighborhoods specifically and also that the price of the assisted homes should be defined more clearly, such as that they cannot exceed the area's median price. The city suggests that the "first come, first served" basis be changed to require the initial award to be committed to specific areas, with a "loss of claim" to the money if not used within a certain specified time. The city also wanted more specific information about being a sub recipient. They also proposed that program income be allowed to be retained by the applicant, rather than returning to the state NSP pool. Although the city feels secure that it will obtain the LBP waiver, it feels that the rest of the state will miss the opportunity to improve older housing stock with the disallowance of pre-78 homes under NSP. The city also stated that the proposed regulations for the <50% AMI group are too strictly focused on rental and/or special needs and anticipate this group to be included with homeownership activity. Regarding the breakdown of funding for activities, the city stated that it should be more heavily weighted, 65-70%, for home ownership activity and the city did not see the need for as much funding that is currently allocated under the vacant lot acquisition activity. The city also requested more specific information be included regarding the following: Shared Appreciation Loan Program; loan terms; types of deed restrictions used; and that the plan should be clear that only non-profit organizations/developers can participate in NSP.

A final public comment was received by email on Saturday, November 29th from Melanie Curtis with Supportive Housing and Innovative Partnerships, Inc. She stated that she took issue with IHFA's definition of transitional housing as a public facility—in particular as it relates to her own program which is often considered transitional, but does have lease agreements in place with tenants and serves the at or below 50% of AMI population.

IHFA would like to thank all entities and individuals who contributed to the public comment process.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

**SUMMARY OF ACTIVITIES
(Activity Detail Sheets on Following Pages)**

| | |
|-----------------------------|----------------------------------|
| Total Funds Allocated: | \$19,600,000 (Idaho Allocation)* |
| Administration (10%): | \$1,960,000 |
| Net for Program Activities: | \$17,640,000 |

| | |
|--|-----------------------|
| Acquisition/Rehabilitation and Resale—Homebuyer | \$10,584,000** |
|--|-----------------------|

The acquisition and rehabilitation (as needed) of foreclosed properties and resale to eligible homebuyers at 120% or below area median income. IHFA anticipates that this activity may partially satisfy the 25% target to those at 50% or below AMI and anticipate that up to \$980,000 may be used for that purpose.

(60%)

| | |
|--|----------------------|
| Acquisition/Rehabilitation—Rental | \$5,292,000** |
|--|----------------------|

The acquisition of foreclosed properties by non profits, units of local government and tribes to be used as rental properties for persons at $\leq 50\%$ AMI. This activity will specifically support the expansion of *permanent* special needs housing. Under this activity, at least \$3,920,000 will need to be expended to meet the 25% target of housing for those persons who are at 50% AMI or below. NSP funds may be used for transitional housing, but since it is considered a public facility, transitional housing cannot be counted toward the 25% target.

(30%)

| | |
|---|----------------------|
| Foreclosed Vacant Lot Acquisition & New Construction (Homebuyer or Rental) | \$1,764,000** |
|---|----------------------|

The acquisition of foreclosed vacant lots and new construction for sale to eligible homebuyers or for use as long term community rental housing owned by Entitlements, cities, counties, PHAs, tribes or housing nonprofits.

(10%)

| | |
|-----------------------|--------------------|
| Administration | \$1,960,000 |
|-----------------------|--------------------|

Ten percent of the NSP funds allocation is available for administrative use. It is anticipated that most of the administration will remain with IHFA. However, if applicants can demonstrate that they will have administration costs outside of project delivery costs, applicants may apply as necessary. Familiarity with CDBG administrative cost guidelines will be expected.

For Entitlement Cities under contract as Sub Recipients of NSP funds with IHFA, the Entitlement may receive up to 8% of their award in administration fees.

Program Implementation/Application Process

Project readiness criteria will be developed prior to program implementation and will be communicated to eligible and interested parties. A preference has been established in the application process for Entitlement cities wishing to contract as sub recipients. It is possible that additional project preferences may be included in the application review and evaluation process at a later date. In addition, IHFA will be working, in consultation with HUD, to refine a system for determining the maximum dollars allowed in any one application.

****Please note that these budgeted amounts are conceptual ideals and goals only. IHFA reserves the right to adjust these percentages in order to meet the 18 month obligation deadline and within consistency of Exhibit 2. IHFA plans to re-review budget and target-needs data after 9 months, but may review every 60 days under direction of the NSP Steering Committee if funds are obligated at a more rapid pace than anticipated.**

*25% of total funds must be used for housing persons whose income does not exceed 50% AMI. Designated amount for that purpose is \$4,900,000. IHFA is anticipating that 80% of this requirement will be met through rental acquisition/rehabilitation and 20% through homebuyer activities.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Acquisition/Rehabilitation and Resale—Homebuyers**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

The above activity incorporates the following NSP-Eligible Uses:

| NSP ELIGIBLE USE | CDBG ELIGIBLE ACTIVITY |
|--|--|
| Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds and shared-equity loans for low and moderate income homebuyers. | 24 CFR 570.206 Activity Delivery Costs, 24 CFR 570.201 (a) Acquisition, (i) relocation, (n) direct homeownership assistance, 24 CFR 570.202 rehabilitation and preservation including housing counseling for those seeking to take part in the activity. |
| NSP ELIGIBLE USE | CDBG ELIGIBLE ACTIVITY |
| Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. | 24 CFR 570.201(a) Acquisition (b) disposition (i) relocation, and (n) Direct homeownership assistance (as modified below) 24CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties. Rehabilitation may include counseling for those seeking to take part in the activity. |

(3) National Objective: *(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).*

Housing for low, moderate and middle-income persons. Beneficiaries will be restricted to low, moderate and middle-income persons, ≤ 120% of area median income, as defined by the NSP regulations.

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will

be used to meet the low income housing requirement for those below 50% of area median income.

This activity will provide affordable homeownership opportunities for households earning less than 120% of Area Median Income. All homes assisted under this program will be sold to low-, moderate-, and middle income households and must be their primary place of residence. Upon sale to income eligible households, the homes will also become subject to a deed restriction. Such programs will promote long term affordability within the assisted targeted area.

To implement this activity, IHFA will provide funds through an application/proposal process rated by targeted area served, budget, and capacity. This activity is likely to be on a “first come, first served” basis. IHFA will provide funds to developers, units of local government, or housing nonprofits to acquire vacant or foreclosed homes for a discount rate equal to at least 15%. The discounted price will need to be supported by a current appraisal. Acquisition/rehabilitation funds will be provided in the form of a 0% interest loan.

These loans will be evidenced by one or more agreements designed to ensure that the eligible entity complies with the discount rate and performs any necessary renovations to bring each home up to Housing Quality Standards within a reasonable timeframe. In addition, the agreements will ensure that the developer markets the homes within affirmative marketing guidelines, requires the buyer to attend Finally Home! homebuyer counseling program and receive certificate of completion before obtaining a mortgage loan, and sells the home to an eligible buyer.

IHFA will provide funds for the acquisition/rehabilitation of homes, which will include related eligible development and activity delivery costs, sales and closing costs, and reasonable developers fees, to the eligible entity. NSP funds provided for acquisition will be disbursed at closing and IHFA will establish a process for disbursing remaining funds as work is completed, similar to the process for its HOME Program.

The eligible entity/developer will sell each home to an eligible buyer as follows:

Shared Appreciation Loan Program—The entity/developer sells each home for an amount equal the cost of acquisition/rehabilitation of the home. The entity then repays IHFA with the sales proceeds. IHFA will then provide an NSP loan to the eligible buyer that will help fill the gap between the purchase price and the affordable price, thereby making the home affordable to the buyer. However, this loan cannot exceed 20% and will be based on need after the full amount of mortgage possible has been approved for the borrower by the lender. IHFA will approve the affordable price. Financing will be provided in the form of a 30 year, 0% interest, deferred loan due upon sale of the property or in the event that the owner fails to occupy the property as a principal residence. At the time of sale, IHFA will recapture the initial subsidy and a slight share of the appreciation (to be determined—possibly a share of appreciation that declines over

time). It is possible that there may be times when the soft-second financing may need to be forgiven and those will be reviewed on a case by case basis.

All funds recaptured at resale of assisted properties will be treated as program income and reinvested in Idaho's NSP funding pool until such time that NSP funds must be repaid to HUD.

Eligible buyers should be encouraged to utilize IdaMortgage loan products through IHFA or products offered through IHFA-approved lenders in order to discourage sub prime lending.

(5) Location Description: *(Description may include specific addresses, blocks or neighborhoods to the extent known.)*

Acquisition/rehabilitation and resale activity may be located in any of the high-need ranking areas listed in Exhibit 2, dependent upon rank and budget availability.

(6) Performance Measures *(e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).*

Please note that these are estimated figures only:

With this kind of revolving loan fund, IHFA expects to recycle funds at a minimum at least twice. Therefore IHFA estimates that approximately 148 homes at an average price of \$120,000 may be acquired to be sold to households at 120% or below AMI. It is anticipated that of the 148 units created, 15 may be able to go towards homeownership opportunities for households at 50% AMI or less; 66 units for households at 51 to 80 % AMI; and 67 units for households at 81 to 120 % AMI.

(7) Total Budget: *(Include public and private components)*

\$10,584,000

(8) Responsible Organization: *(Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)*

Idaho Housing & Finance Association will administer the revolving loan fund and be the lead entity to implement NSP activity. IHFA is located at 565 W. Myrtle, Boise, ID 83702. Administrator: Janet Lovell-Smith, 208-331-4760, janetl@ihfa.org.

Additional partners may be utilized in the form of sub grantee relationships with entitlement cities whose jurisdiction falls within areas of greatest need. Also, to fully

implement homebuyer opportunities, IHFA will likely form advisory partnerships with local banks to identify foreclosed property inventory.

(9) Projected Start Date: March 2009

(10) Projected End Date: July 30, 2013

(11) Specific Activity Requirements:

For acquisition activities, include:

- *discount rate*

All properties acquired using NSP funds must be purchased at 15% below market value, unless a waiver is requested and follows all stipulations under the NSP regulations. In such cases, discount rate will not be less than 5% below market value.

For financing activities, include:

- *range of interest rates*

All scenarios under acquisition/rehabilitation and resale assumes 0% interest rate with a Due-on-Sale loan structure. Program income will be recycled back into the Program until July 30, 2013.

For housing related activities, include:

- *duration or term of assistance;*
- *tenure of beneficiaries--rental or homeownership;*
- *a description of how the design of the activity will ensure continued affordability*

Please refer to above Activity Description.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Acquisition/Rehabilitation—Rental**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

| NSP ELIGIBLE USE | CDBG ELIGIBLE ACTIVITY |
|---|---|
| Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. | 24 CFR 570.201(a) Acquisition (b) disposition (i) relocation, and (n) Direct homeownership assistance (as modified below) 24CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties. Rehabilitation may include counseling for those seeking to take part in the activity. |

(3) National Objective: *(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income),*

Housing for low, moderate and middle-income persons. Beneficiaries will be restricted to low, moderate and middle-income persons, $\leq 50\%$ of area median income, as defined by the NSP regulations.

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

The purpose of the Acquisition/Rehabilitation—Rental activity is to provide units of local government, tribes and/or local housing nonprofits the opportunity to expand their existing supply of special needs housing within their jurisdictions by purchasing foreclosed or abandoned residential properties. This activity will serve those persons who are at 50% and below AMI only. NSP funds can be used to purchase the property and then bring the property up to set quality standards through rehabilitation, if needed. The maximum purchase price of the foreclosed property must be at least 85% of the current appraised value. NSP funds will be loaned in the form of a 0% interest, 30 year, due on sale loan. The maximum amount financed will not exceed purchase price plus rehabilitation costs and closing costs.

Tenant rents will be established at 30% of adjusted gross income minus the applicable utility allowance. Continued affordability will be maintained through Deed restriction and compliance monitoring.

In the event that the property is sold, the lien will provide recovery of the loan. If sold prior to July 2013, NSP funds will be returned to IHFA as program income to be recycled into the NSP pool. If sold after July 2013, NSP funds will be returned to the treasury as stated in the regulations.

All funds under this activity must be committed within 18 months of the NSP start date.

All properties assisted must undergo a HUD environmental review before any NSP funds can be used to assist the property. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and the EPA Lead Based Paint Final Rule (if waiver obtained for pre-1978 homes) will apply.

(5) Location Description: *(Description may include specific addresses, blocks or neighborhoods to the extent known.)*

Acquisition/rehabilitation activity may be located in any of the high-need ranking areas listed in Exhibit 2, dependent upon rank and budget availability.

(6) Performance Measures *(e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).*

Please note that these are estimated figures only:

IHFA estimates that approximately 44 homes at an average price of \$120,000 may be acquired to be used for households at 50% or below AMI. No units will be acquired for higher income levels.

(7) Total Budget: *(Include public and private components)*

\$5,292,000

(8) Responsible Organization: *(Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)*

Idaho Housing & Finance Association will be the lead entity to implement NSP activity. IHFA is located at 565 W. Myrtle, Boise, ID 83702. Administrator: Janet Lovell-Smith, 208-331-4760, janetl@ihfa.org.

Additional partners may be utilized in the form of sub grantee relationships with entitlement cities whose jurisdiction falls within areas of greatest need.

(9) Projected Start Date: March 2009

(10) Projected End Date: July 30, 2013

(11) Specific Activity Requirements:

For acquisition activities, include:

- *discount rate*

All properties acquired using NSP funds must be purchased at 15% below market value, unless a waiver is requested and follows all stipulations under the NSP regulations. In such cases, discount rate will not be less than 5% below market value.

For financing activities, include:

- *range of interest rates*

Acquisition/rehab NSP funds to nonprofit owners for long term rental use will be structured at 0% interest in the form of a 30 year, due on sale loan. It is likely the most households served under this component will be at or below 50% of AMI and the rent levels for a very low income population do not support typical debt levels.

For housing related activities, include:

- *duration or term of assistance;*
- *tenure of beneficiaries--rental or homeownership;*
- *a description of how the design of the activity will ensure continued affordability*

As stated, the duration of assistance will be a 30 year, due on sale mortgage. The tenure will be rental and continued affordability will be achieved through ongoing compliance monitoring that will be structured based on IHFA's HOME Program.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Foreclosed/Abandoned/Blighted Vacant Lot Acquisition & New Construction**

(2) Activity Type: *(include NSP eligible use & CDBG eligible activity)*

The above activity incorporates the following NSP-Eligible Uses:

| NSP ELIGIBLE USE | CDBG ELIGIBLE ACTIVITY |
|---|--|
| Demolish Blighted Structures | 24 CFR 570.201(d) Clearance for blighted structures only |
| NSP ELIGIBLE USE | CDBG ELIGIBLE ACTIVITY |
| Redevelop Demolished or Vacant Properties | 24 CFR 570.201(a) Acquisition and (b) Disposition. <ul style="list-style-type: none">• 24 CFR 570.201(d) Clearance for blighted structures only.• 24 CFR 570.201(a) Acquisition, (b) Disposition, (c) Public facilities and improvements, (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties, (i) Relocation, and (n) Direct homeownership assistance (as modified below).• 204 Community based development organizations. CDBDO 57204C |

(3) National Objective: *(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income).*

Housing for low, moderate and middle-income persons. Beneficiaries will be restricted to low, moderate and middle-income persons, $\leq 120\%$ of area median income, as defined by the NSP regulations.

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

The acquisition of foreclosed or abandoned vacant lots or blighted property and the immediate resulting new construction either for sale to eligible homebuyers or for use as long term community rental housing owned by entitlements, cities, counties, PHAs, tribes or housing nonprofits. This activity would follow the same descriptions as outlined for Homeownership and Rental activities as described in previous pages. Including the stipulation that rental activities will only serve those households who are at $\leq 50\%$ AMI.

It is possible that demolition may need to occur under this activity regarding blighted structures and IHFA will consider that an approved eligible use. However, demolition can only be used for replacement activity of housing and must be directly related to health and safety concerns regarding a blighted property.

New construction activities would need to be in compliance with all local building code standards. In absence of local standards, International Building Code Standards will apply. New construction may be stick built or modular construction (includes manufactured homes) and must be attached to a permanent foundation.

Projects must be in compliance with Davis Bacon requirements, The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Fair Housing Act, and Title VI of the Civil Rights Act of 1964. In addition, all properties assisted must undergo a HUD environmental review before any NSP funds can be used to assist the property.

All funds under this activity must be committed within 18 months of the NSP start date.

(5) Location Description: *(Description may include specific addresses, blocks or neighborhoods to the extent known.)*

Acquisition and/or demolition and resulting new construction activity may be located in any of the high-need ranking areas listed in Exhibit 2, dependent upon rank and budget availability.

(6) Performance Measures *(e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).*

Please note that these are estimated figures only:

IHFA estimates that approximately 12 units of housing to acquire a vacant lot and build new may be created through this activity. Since this can be a mix of homebuyer or rental

activity, IHFA estimates it is likely that 5 units will benefit those households at 81 to 120% AMI; 5 units for 51 to 80% AMI and 2 units for 50% and below AMI.

(7) Total Budget: *(Include public and private components)*

\$1,764,000

(8) Responsible Organization: *(Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)*

Idaho Housing & Finance Association will be the lead entity to implement NSP activity. IHFA is located at 565 W. Myrtle, Boise, ID 83702. Administrator: Janet Lovell-Smith, 208-331-4760, janetl@ihfa.org.

Additional partners may be utilized in the form of sub grantee relationships with entitlement cities whose jurisdiction falls within areas of greatest need.

(9) Projected Start Date: March 2009

(10) Projected End Date: July 30, 2013

(11) Specific Activity Requirements:
For acquisition activities, include:

- *discount rate*

All properties acquired using NSP funds must be purchased at 15% below market value, unless a waiver is requested and follows all stipulations under the NSP regulations. In such cases, discount rate will not be less than 5% below market value.

For financing activities, include:

- *range of interest rates*

All scenarios under vacant lot acquisition/new construction assumes 0% interest rate with a Due-on-Sale loan structure, whether rental or homebuyer. Program income will be recycled back into the Program until July 30, 2013.

For housing related activities, include:

- *duration or term of assistance;*
- *tenure of beneficiaries--rental or homeownership;*
- *a description of how the design of the activity will ensure continued affordability*

Duration will be established through 30 year loans. Tenure will benefit both rental and homebuyer households. Long term affordability will be established through compliance monitoring requirements. For rental housing, affordability requirements will be

maintained through a 30 year use deed restriction. For homebuyer activity, recorded deed restrictions defining affordability and NSP program requirements will be used.

H. WAIVER REQUEST (ADDITIONAL SECTION ADDED BY IHFA)

IHFA is requesting waivers for the following items:

1. The requirement that rental program income (operational income over and above expenses) must be returned to HUD and, instead, allow rental program income to remain within the individual project, to insure long term financial feasibility and viability. In order to make that happen, IHFA intends to direct net operating income towards reserve accounts; and
2. The requirement that program income from the sale of single family homes must be returned to HUD after July 30, 2013. IHFA requests that HUD allow this program income to be returned to the Idaho NSP program to continue funding NSP activities.

CERTIFICATIONS

- (1) **Affirmatively further fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds ≤ 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by

assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

***IHFA will adopt and enforce the Excessive Force documents used by Idaho's Department of Commerce's CDBG Program as applicable.**

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

Date

Title

NSP Substantial Amendment Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.

Contents of an NSP Action Plan Substantial Amendment

| | |
|--|---|
| Jurisdiction(s): <u>State of Idaho</u> | NSP Contact Person: Julie Williams |
| Lead Agency: Idaho Housing & Finance Association | Address: PO Box 7899 Boise, ID 83707-1899 |
| Jurisdiction Web Address: www.ihfa.org | Telephone: 208-331-4758 |
| | Fax: 208-331-4808 |
| | Email: juliew@ihfa.org |

The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

A. AREAS OF GREATEST NEED

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction?

Yes ☒ No ☐ Verification found on page 2.

B. DISTRIBUTION AND USES OF FUNDS

Does the submission contain a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes ☒ No ☐ Verification found on page 4.

Note: The grantee's narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

C. DEFINITIONS AND DESCRIPTIONS

For the purposes of the NSP, do the narratives include:

- a definition of "blighted structure" in the context of state or local law,
Yes ☒ No ☐ Verification found on page 6.

- a definition of "affordable rents,"
Yes ☒ No ☐ Verification found on page 6.

- a description of how the grantee will ensure continued affordability for NSP assisted housing,
Yes ☒ No ☐. Verification found on page 6.
- a description of housing rehabilitation standards that will apply to NSP assisted activities?
Yes ☒ No ☐. Verification found on page 7.

D. LOW INCOME TARGETING

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes ☒ No ☐. Verification found on page 7.
- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?
Yes ☒ No ☐. Verification found on page 7.
Amount budgeted = \$4,900,000.

E. ACQUISITIONS & RELOCATION

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?
Yes ☐ No ☒. (If no, continue to next heading)

Verification found on page 8.

Unknown—See further explanation page 8.

If so, does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?
Yes ☐ No ☐. Verification found on page ____.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?
Yes ☐ No ☐. Verification found on page ____.
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?
Yes ☐ No ☐. Verification found on page ____.

F. PUBLIC COMMENT PERIOD

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes ☒ No ☐ Verification found on page 9.

Is there a summary of citizen comments included in the final amendment?

Yes ☒ No ☐ Verification found on page 9.

G. INFORMATION BY ACTIVITY

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes ☒ No ☐ Verification found on page 15, 19, 22, 26.
- correlated eligible activity under CDBG,
Yes ☒ No ☐ Verification found on page 15, 19, 22, 26.
- the areas of greatest need addressed by the activity or activities,
Yes ☒ No ☐ Verification found on page 17, 20, 23, 27.
- expected benefit to income-qualified persons or households or areas,
Yes ☒ No ☐ Verification found on page 16, 19, 23, 26.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes ☒ No ☐ Verification found on page 17, 19, 23.
- appropriate performance measures for the activity,
Yes ☒ No ☐ Verification found on page 17, 20, 23, 27.
- amount of funds budgeted for the activity,
Yes ☒ No ☐ Verification found on page 17, 20, 24, 27.
- the name, location and contact information for the entity that will carry out the activity,
Yes ☒ No ☐ Verification found on page 17, 20, 24, 27.
- expected start and end dates of the activity?
Yes ☒ No ☐ Verification found on page 17, 21, 24, 27.
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,
Yes ☒ No ☐ Verification found on page 18, 21, 24, 28.

- If the activity provides financing, the range of interest rates (if any),
Yes ☒ No ☐ Verification found on page _18, 21, 24, 28____.
- If the activity provides housing, duration or term of assistance,
Yes ☒ No ☐ Verification found on page _16, 21, 24, 28____.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes ☒ No ☐ Verification found on page _16, 21, 24, 28____.
- does it ensure continued affordability?
Yes ☒ No ☐ Verification found on page _16, 21, 24, 28____.

H. CERTIFICATIONS

The following certifications are complete and accurate:

- | | | |
|--|---|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds \leq 120 of AMI | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

EXHIBIT 1



C. L. "BUTCH" OTTER
GOVERNOR

October 31, 2008

Mr. Stan Gimont, Director
Office of Block Grant Assistance
451 7th Street SW
Washington, D.C. 20410

Dear Mr. Gimont,

I am writing this letter to designate the Idaho Housing and Finance Association to receive and administer the one-time supplemental CDBG appropriation for the Neighborhood Stabilization Program (NSP) authorized by the Housing and Economic Recovery Act (HERA) of 2008 (H.R. 3221), for private residential foreclosed and/or abandoned properties.

The Housing and Community Development Act (HCDA) of 1974 gives the state, via the Governor, the authority to designate the administering state agency or quasi-governmental entity to receive federal Community Development Block Grant funds from U.S. Department of Housing and Urban Development (HUD). By means of this authority the State of Idaho is formally designating the Idaho Housing and Finance Association (IHFA) as the administering entity for the one-time supplemental CDBG appropriation for the NSP authorized by the HERA of 2008 (H.R. 3221).

The rationale for this designation is that the purpose of the NSP, offering financial assistance to private residential abandoned and/or foreclosed properties, is in complete alignment with IHFA's mission. IHFA is Idaho's Housing Finance Association that provides financial and program support to create and preserve opportunities for quality, affordable housing for Idahoans of lower and moderate income. By authority of Executive Order 2008-04 the Governor appointed a Steering Committee to oversee implementation of the NSP appropriation. It was the Steering Committee's recommendation that IHFA be designated the administering entity.

By signature of this letter, the President and Executive Director of IHFA certifies that IHFA has the staffing needed to successfully administer the CDBG NSP program and will be the responsible agency for administering the CDBG NSP program in compliance with the federal requirements. IHFA will consult as needed with Idaho's Department of Commerce's CDBG Program Manager, Dennis Porter, pertaining to the federal CDBG program technical requirements. The Idaho Department of Commerce is the state agency that receives and administers the annual CDBG non-entitlement allocation from HUD and therefore has the expertise to assist IHFA if needed in the implementation of the NSP program.


October 30, 2008
TO: Mr. Stan Gimont
Pg. -2-

As Governor, I certify that designating IHFA to receive the one-time CDBG NSP Supplemental Appropriation is in the best interest of the residents of Idaho and will streamline program implementation and delivery by aligning the program with the State Housing Finance Association.

Please contact IHFA President and Executive Director, Gerald M. Hunter at 208 331 4889, should you have any questions about this letter or need assistance in finalizing the arrangements for this delegation.

Idaho appreciates the efforts of the U.S. Department of Housing and Urban Development in supporting the Neighborhood Stabilization Program.

As Always – Idaho, “Esto Perpetua”

A handwritten signature in black ink, appearing to read "C.L. Butch Otter". The signature is fluid and cursive, with the first name "C.L." and the last name "Otter" clearly visible.

C.L. "Butch" Otter
Governor of Idaho

A handwritten signature in black ink, appearing to read "Gerald M. Hunter". The signature is fluid and cursive, with the first name "Gerald" and the last name "Hunter" clearly visible.

Gerald M. Hunter
President and Executive Director

c: Doug Carlson, Director
Community Planning and Development
HUD - Oregon State Office

EXHIBIT 2



TO: Steering Committee, State of Idaho's Neighborhood Stabilization Program

FROM: Janet Lovell-Smith

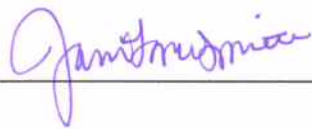
DATE: November 13, 2008

SUBJECT: NSP Dollar Distribution Recommendation

Idaho Housing & Finance Association is making a recommendation to the Steering Committee to use the newly revised Exhibit 2 formulary weighted breakdown for the distribution of NSP dollars throughout the state. IHFA further recommends that this be adopted at a county level for funds distribution and that after Bannock County, the remaining funds should be used for balance of state. Please see the following breakdown:

| | |
|-------------------|--|
| Canyon County | \$6,741,930 |
| Ada County | \$3,927,310 |
| Kootenai County | \$1,517,435 |
| Bonneville County | \$1,044,041 |
| Twin Falls County | \$949,648 |
| Bannock County | \$739,410 |
| Balance of State | <u>\$2,720,226</u> |
| TOTAL | \$17,640,000 Net Activity Amount Available |

The Steering Committee has the option of readjusting these amounts every 60 days, as needed, to adjust to the rate of distribution.



Idaho Housing and Finance Association

Neighborhood Stabilization Program

Foreclosure Needs Scores within Idaho Analysis

| Intrastate Foreclosure | | | | | | | | | | | | | |
|------------------------|-------------|----------------|------------|-----------|----------------------|------------|----------------|------------------|------------|----------------|---------|----|------------|
| Zip Code | Needs Score | City | County | Weighting | City Total | Percentage | Funding Amount | County Total | Percentage | Funding Amount | | | |
| 83687 | 100.0 | Nampa | Canyon | 8.11% | Nampa Total | 22.42% | \$ 3,954,484 | Canyon Total | 38.22% | \$ 6,741,930 | | | |
| 83605 | 99.5 | Caldwell | Canyon | 8.07% | Caldwell Total | 13.06% | 2,304,041 | Ada Total | 22.26% | 3,927,310 | | | |
| 83686 | 90.8 | Nampa | Canyon | 7.36% | Boise Total | 10.21% | 1,800,613 | Kootenai Total | 8.60% | 1,517,435 | | | |
| 83651 | 85.7 | Nampa | Canyon | 6.95% | Meridian Total | 6.57% | 1,158,456 | Bonneville Total | 5.92% | 1,044,041 | | | |
| 83642 | 63.8 | Meridian | Ada | 5.17% | Idaho Falls Total | 5.92% | 1,044,041 | Twin Falls Total | 5.38% | 949,648 | | | |
| 83607 | 61.6 | Caldwell | Canyon | 4.99% | Twin Falls Total | 4.47% | 788,036 | Bannock Total | 4.19% | 739,410 | | | |
| 83301 | 55.1 | Twin Falls | Twin Falls | 4.47% | Pocatello Total | 4.19% | 739,410 | Bingham Total | 2.46% | 434,779 | | | |
| 83709 | 46.7 | Boise | Ada | 3.79% | Kuna Total | 3.48% | 613,553 | Gem Total | 1.71% | 301,771 | | | |
| 83634 | 42.9 | Kuna | Ada | 3.48% | Post Falls Total | 3.07% | 542,043 | Jerome Total | 1.70% | 300,341 | | | |
| 83854 | 37.9 | Post Falls | Kootenai | 3.07% | Coeur D' Alene Total | 2.89% | 509,149 | Payette Total | 1.57% | 277,457 | | | |
| 83704 | 35.0 | Boise | Ada | 2.84% | Blackfoot Total | 2.46% | 434,779 | Elmore Total | 1.51% | 266,016 | | | |
| 83401 | 34.9 | Idaho Falls | Bonneville | 2.83% | Emmett Total | 1.71% | 301,771 | Nez Perce Total | 1.45% | 256,005 | | | |
| 83221 | 30.4 | Blackfoot | Bingham | 2.46% | Jerome Total | 1.70% | 300,341 | Jefferson Total | 1.44% | 253,144 | | | |
| 83201 | 22.9 | Pocatello | Bannock | 1.86% | Middleton Total | 1.68% | 296,050 | Washington Total | 1.35% | 238,842 | | | |
| 83617 | 21.1 | Emmett | Gem | 1.71% | Payette Total | 1.57% | 277,457 | Cassia Total | 1.30% | 228,831 | | | |
| 83338 | 21.0 | Jerome | Jerome | 1.70% | Mountain Home Total | 1.51% | 266,016 | Minidoka Total | 0.92% | 163,042 | | | |
| 83644 | 20.7 | Middleton | Canyon | 1.68% | Lewiston Total | 1.45% | 256,005 | | | | | | |
| 83661 | 19.4 | Payette | Payette | 1.57% | Rigby Total | 1.44% | 253,144 | | | | 100.00% | \$ | 17,640,000 |
| 83815 | 18.6 | Coeur D' Alene | Kootenai | 1.51% | Hayden Total | 1.40% | 247,423 | | | | | | |
| 83647 | 18.6 | Mountain Home | Elmore | 1.51% | Weiser Total | 1.35% | 238,842 | | | | | | |
| 83713 | 18.5 | Boise | Ada | 1.50% | Burley Total | 1.30% | 228,831 | | | | | | |
| 83501 | 17.9 | Lewiston | Nez Perce | 1.45% | Rathdrum Total | 1.24% | 218,820 | | | | | | |
| 83442 | 17.7 | Rigby | Jefferson | 1.44% | Star Total | 1.14% | 200,227 | | | | | | |
| 83835 | 17.3 | Hayden | Kootenai | 1.40% | Parma Total | 1.06% | 187,355 | | | | | | |
| 83646 | 17.2 | Meridian | Ada | 1.39% | Rupert Total | 0.92% | 163,042 | | | | | | |
| 83814 | 17.0 | Coeur D' Alene | Kootenai | 1.38% | Buhl Total | 0.92% | 161,612 | | | | | | |
| 83672 | 16.7 | Weiser | Washington | 1.35% | Eagle Total | 0.88% | 154,461 | | | | | | |
| 83264 | 16.6 | Pocatello | Bannock | 1.35% | | | | | | | | | |
| 83318 | 16.0 | Burley | Cassia | 1.30% | | 100.00% | \$ 17,640,000 | | | | | | |
| 83858 | 15.3 | Rathdrum | Kootenai | 1.24% | | | | | | | | | |
| 83705 | 14.9 | Boise | Ada | 1.21% | | | | | | | | | |
| 83406 | 14.3 | Idaho Falls | Bonneville | 1.16% | | | | | | | | | |
| 83669 | 14.0 | Star | Ada | 1.14% | | | | | | | | | |
| 83402 | 13.3 | Idaho Falls | Bonneville | 1.08% | | | | | | | | | |
| 83660 | 13.1 | Parma | Canyon | 1.06% | | | | | | | | | |
| 83202 | 12.2 | Pocatello | Bannock | 0.99% | | | | | | | | | |
| 83350 | 11.4 | Rupert | Minidoka | 0.92% | | | | | | | | | |
| 83316 | 11.3 | Buhl | Twin Falls | 0.92% | | | | | | | | | |
| 83616 | 10.8 | Eagle | Ada | 0.88% | | | | | | | | | |
| 83703 | 10.8 | Boise | Ada | 0.88% | | | | | | | | | |
| 83404 | 10.5 | Idaho Falls | Bonneville | 0.85% | | | | | | | | | |

1233.4

100.00%

Funding Resource \$ 17,640,000

Exhibit 2: Foreclosure Needs Scores within States by ZIP Code -- November 4, 2008

Source: Analysis by the Local Initiative Support Corporation provided by the Foreclosure Response project

For definitions and detailed documentation, see <http://www.housingpolicy.org/assets/foreclosure-response/zipmethodology.pdf>

| State | ZIP Code | Preferred Place Name for the ZIP Code | County of ZIP Code | Intrastate Foreclosure Needs Score | Ratio of Local Vacancy Rate to State Rate | Capped Vacancy Ratio | Intrastate Subprime Component Score | Intrastate Foreclosure Component Score | Intrastate Delinquency Component Score |
|-------|----------|---------------------------------------|--------------------|------------------------------------|---|----------------------|-------------------------------------|--|--|
| IDAHO | | | | | | | | | |
| | 83687 | NAMPA | CANYON | 100.0 | | 0.90 | 91.3 | 92.1 | 100.0 |
| | 83605 | CALDWELL | CANYON | 99.5 | | 0.90 | 100.0 | 100.0 | 82.6 |
| | 83686 | NAMPA | CANYON | 90.8 | | 0.90 | 85.1 | 77.1 | 94.0 |
| | 83651 | NAMPA | CANYON | 85.7 | | 0.90 | 93.5 | 65.0 | 81.6 |
| | 83642 | MERIDIAN | ADA | 63.8 | | 0.90 | 43.5 | 80.2 | 60.7 |
| | 83607 | CALDWELL | CANYON | 61.6 | | 0.90 | 71.2 | 50.9 | 51.0 |
| | 83301 | TWIN FALLS | TWIN FALLS | 55.1 | | 0.90 | 75.5 | 16.3 | 58.4 |
| | 83709 | BOISE | ADA | 46.7 | | 0.90 | 47.0 | 35.9 | 48.3 |
| | 83634 | KUNA | ADA | 42.9 | | 0.90 | 39.0 | 33.2 | 48.5 |
| | 83854 | POST FALLS | KOOTENAI | 37.9 | | 0.90 | 50.0 | 27.8 | 27.7 |
| | 83704 | BOISE | ADA | 35.0 | | 0.90 | 38.8 | 22.7 | 36.1 |
| | 83401 | IDAHO FALLS | BONNEVILLE | 34.9 | | 0.90 | 40.3 | 16.1 | 39.9 |
| | 83221 | BLACKFOOT | BINGHAM | 30.4 | | 0.90 | 33.7 | 12.6 | 37.4 |
| | 83201 | POCATELLO | BANNOCK | 22.9 | | 0.90 | 20.5 | 15.9 | 27.9 |
| | 83617 | EMMETT | GEM | 21.1 | | 0.90 | 24.5 | 12.3 | 21.8 |
| | 83338 | JEROME | JEROME | 21.0 | | 0.90 | 27.3 | 8.0 | 22.1 |
| | 83644 | MIDDLETON | CANYON | 20.7 | | 0.90 | 23.3 | 14.8 | 19.8 |
| | 83661 | PAYETTE | PAYETTE | 19.4 | | 0.90 | 30.0 | 5.3 | 17.3 |
| | 83815 | COEUR D ALENE | KOOTENAI | 18.6 | | 0.90 | 19.3 | 16.7 | 16.6 |
| | 83647 | MOUNTAIN HOME | ELMORE | 18.6 | | 0.90 | 16.8 | 7.2 | 27.4 |
| | 83713 | BOISE | ADA | 18.5 | | 0.90 | 20.8 | 13.2 | 17.8 |
| | 83501 | LEWISTON | NEZ PERCE | 17.9 | | 0.90 | 22.5 | 7.5 | 19.3 |
| | 83442 | RIGBY | JEFFERSON | 17.7 | | 0.90 | 15.8 | 14.4 | 19.8 |
| | 83835 | HAYDEN | KOOTENAI | 17.3 | | 0.90 | 20.3 | 11.5 | 16.4 |
| | 83646 | MERIDIAN | ADA | 17.2 | | 0.90 | 14.4 | 19.4 | 15.6 |
| | 83814 | COEUR D ALENE | KOOTENAI | 17.0 | | 0.90 | 25.1 | 8.7 | 13.0 |
| | 83672 | WEISER | WASHINGTON | 16.7 | | 0.90 | 20.2 | 11.9 | 14.6 |

| | | | | | | | |
|-------|-------------|------------|-------------|------|------|------|------|
| 83204 | POCATELLO | BANNOCK | 16.6 | 0.90 | 14.9 | 20.4 | 12.5 |
| 83318 | BURLEY | CASSIA | 16.0 | 0.90 | 14.1 | 12.8 | 18.2 |
| 83858 | RATHDRUM | KOOTENAI | 15.3 | 0.90 | 19.0 | 4.8 | 18.0 |
| 83705 | BOISE | ADA | 14.9 | 0.90 | 19.8 | 3.7 | 17.0 |
| 83406 | IDAHO FALLS | BONNEVILLE | 14.3 | 0.90 | 17.6 | 7.6 | 14.2 |
| 83669 | STAR | ADA | 14.0 | 0.90 | 9.4 | 20.9 | 10.6 |
| 83402 | IDAHO FALLS | BONNEVILLE | 13.3 | 0.90 | 17.3 | 3.0 | 15.7 |
| 83660 | PARMA | CANYON | 13.1 | 0.90 | 12.0 | 8.3 | 16.4 |
| 83202 | POCATELLO | BANNOCK | 12.2 | 0.90 | 11.4 | 4.7 | 17.6 |
| 83350 | RUPERT | MINIDOKA | 11.4 | 0.90 | 15.2 | 4.1 | 12.0 |
| 83316 | BUHL | TWIN FALLS | 11.3 | 0.90 | 17.1 | 1.9 | 11.4 |
| 83616 | EAGLE | ADA | 10.8 | 0.90 | 5.2 | 12.4 | 13.8 |
| 83703 | BOISE | ADA | 10.8 | 0.90 | 9.0 | 6.3 | 14.9 |
| 83404 | IDAHO FALLS | BONNEVILLE | 10.5 | 0.90 | 13.3 | 4.2 | 11.2 |

Data and Definitions: Foreclosure Needs Scores within States by CDBG Jurisdiction -- October 2008

Source: Analysis by the Local Initiative Support Corporation provided by the Foreclosure Response project

For definitions and detailed documentation, see <http://www.housingpolicy.org/assets/foreclosure-response/methodology.pdf>

| Label | Definition/Explanation | Source |
|---|---|--|
| Table 1: | | |
| Intrastate Foreclosure Needs Score | This is the relative foreclosure needs score for each jurisdiction. The neediest jurisdiction in each state receives a score of 100. Thus if a jurisdiction receives a score of 50, it is estimated to be one-half as needy as the worst-off jurisdiction. | LISC Calculation |
| Estimated Total Number of Loans | This number is an estimate of the number of first-lien residential mortgages, representing both owner- and renter-occupied units. Please see the methodology documentation for more details. | McDash Analytics, US Census Bureau |
| Estimated Number of Subprime Loans | Subprime loans are those that a servicer has coded specifically as subprime and if not already coded, loans made to borrowers with FICO scores below 620 who did not receive a government, Fannie Mae or Freddie Mac loan. This number was | McDash Analytics, Mortgage Bankers Association |
| Pct. of All Loans: Subprime | $(\text{Estimated Number of Subprime Loans} / \text{Estimated Total Number of Loans}) * 100$ | McDash Analytics |
| Estimated Number of Loans Delinquent 30+ Days | This indicator includes all loans that are at least 30 days delinquent and have not yet entered into judicial (a lis pendens filing) or non-judicial foreclosure. This number was adjusted to match Mortgage Bankers Association data if McDash count was lower. | McDash Analytics, Mortgage Bankers Association |
| Pct. of All Loans: 30+ Days Delinquent | $(\text{Est. Number of Loans Delinquent 30+ Days} / \text{Estimated Total Number of Loans}) * 100$ | McDash Analytics |
| Estimated Number of Foreclosed Loans | This includes loans in foreclosure and bankruptcy foreclosures prior to auction or trustee sale. This number was adjusted to match Mortgage Bankers Association data if McDash count was lower. | McDash Analytics, Mortgage Bankers Association |
| Pct. of All Loans: In Foreclosure | $(\text{Estimated Number of Foreclosed Loans} / \text{Estimated Total Number of Loans}) * 100$ | McDash Analytics |
| Ratio of Local Vacancy Rate to State Rate | This ratio calculated by dividing the local vacancy rate in high subprime areas by the state vacancy rate in high subprime ZIP codes. This value is missing for jurisdictions that do not have any high subprime ZIP codes. Please see the methodology documentation for the definition of high subprime ZIP codes. | USPS/HUD |
| Capped Vacancy Ratio | The local/state vacancy ratio is capped and jurisdictions are assigned a minimum value of 0.9 and a maximum value of 1.1. | USPS/HUD |

Data and Definitions: Foreclosure Needs Scores within States by CDBG Jurisdiction -- October 2008

Source: Analysis by the Local Initiative Support Corporation provided by the Foreclosure Response project

For definitions and detailed documentation, see <http://www.housingpolicy.org/assets/foreclosure-response/methodology.pdf>

| Label | Definition/Explanation | Source |
|----------------------------------|--|------------------|
| Local NSP Allocation Received | This is the amount of Neighborhood Stabilization Program funding received by CDBG jurisdictions and by State Programs who received a local allocation. Although State Program funding is listed the row "Outside of CDBG Areas" for each state, the funding can be used for any area in the state. | HUD |
| Statewide NSP Allocation | This is the amount of Neighborhood Stabilization Program funding received for the entire state. | HUD |
| Estimated Number of Loans in REO | This indicator is included for reference and is not part of the calculation of the Foreclosure Needs Rank. REO stands for real-estate owned and includes properties owned by lenders or banks after auction or trustee's sale. | McDash Analytics |
| Pct. of All Loans: In REO | $(\text{Estimated Number of Loans in REO} / \text{Estimated Total Number of Loans}) * 100$ | McDash Analytics |

Table 2:

| | | |
|--------------------------|--|------------------|
| Pct. of Subprime loans | See definitions above. However these percentages are not out of all loans but only the problem loan category. For example, Table 2 describes how all subprime loans in the state are distributed between CDBG jurisdictions and areas outside of CDBG jurisdiction | McDash Analytics |
| Pct. of Delinquent Loans | | McDash Analytics |
| Pct. of Foreclosed Loans | | McDash Analytics |
| Pct. of REO Loans | | McDash Analytics |

EXHIBIT 3

HUD Neighborhood Stabilization Program income eligibility status, as of 2008. [details](#)

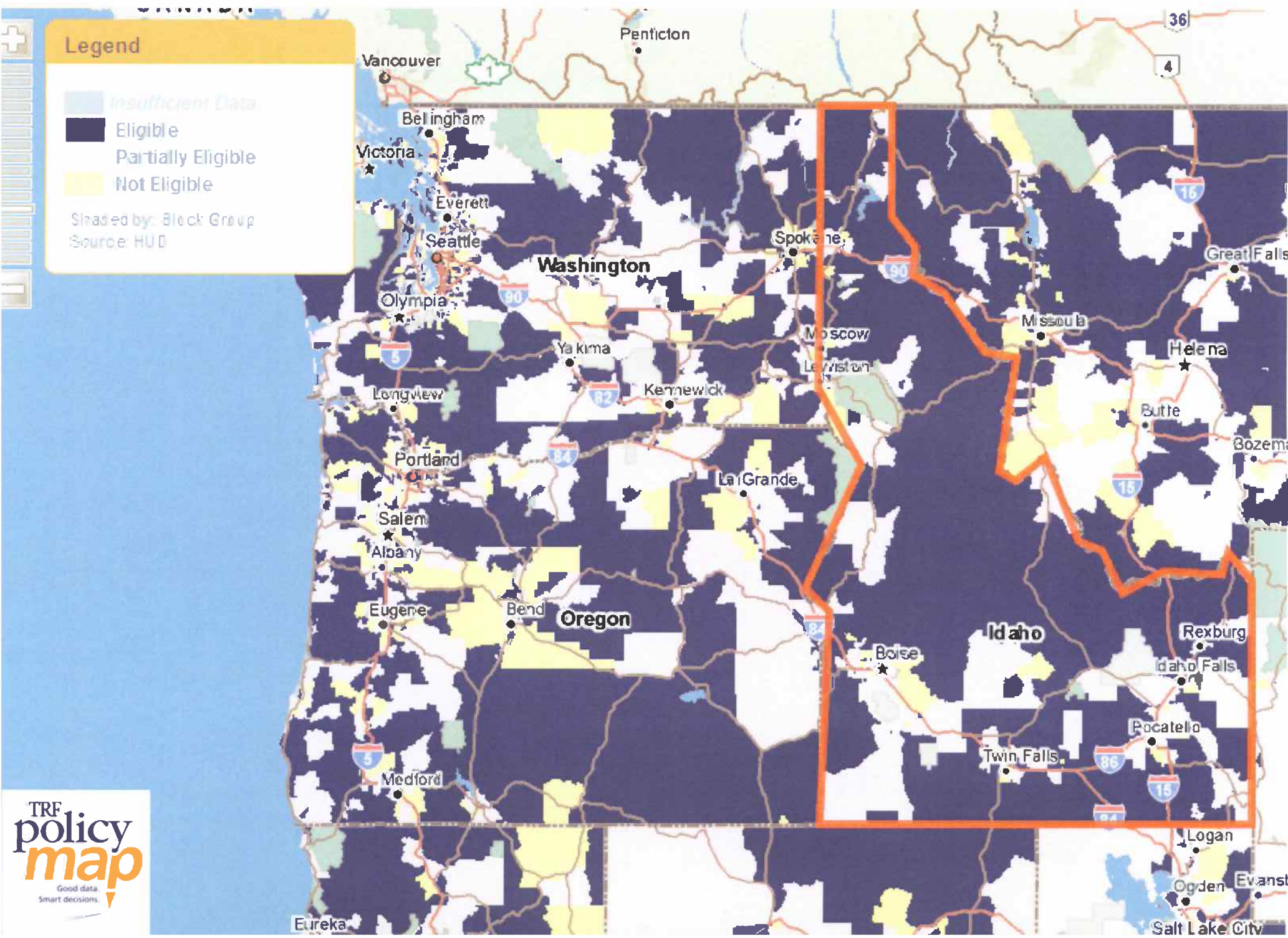


EXHIBIT 4

MEDIANS2

| | | FY 2008 Income Limits for 50% of HUD Area Median Income | | | | | | | |
|---|-------------------------|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>Areaname</u> | <u>County/Town Name</u> | <u>1 person household</u> | <u>2 person household</u> | <u>3 person household</u> | <u>4 person household</u> | <u>5 person household</u> | <u>6 person household</u> | <u>7 person household</u> | <u>8 person household</u> |
| Boise City-Nampa, ID HUD Metro FMR Area | Ada County | 21300 | 24350 | 27400 | 30450 | 32900 | 35300 | 37750 | 40200 |
| Adams County, ID | Adams County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Pocatello, ID MSA | Bannock County | 18750 | 21400 | 24100 | 26750 | 28900 | 31050 | 33150 | 35300 |
| Bear Lake County, ID | Bear Lake County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Benewah County, ID | Benewah County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Bingham County, ID | Bingham County | 17550 | 20050 | 22550 | 25050 | 27050 | 29050 | 31050 | 33050 |
| Blaine County, ID | Blaine County | 26200 | 29900 | 33650 | 37400 | 40400 | 43400 | 46400 | 49350 |
| Boise City-Nampa, ID HUD Metro FMR Area | Boise County | 21300 | 24350 | 27400 | 30450 | 32900 | 35300 | 37750 | 40200 |
| Bonner County, ID | Bonner County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Idaho Falls, ID MSA | Bonneville County | 19900 | 22750 | 25600 | 28450 | 30750 | 33000 | 35300 | 37550 |
| Boundary County, ID | Boundary County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Butte County, ID | Butte County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Camas County, ID | Camas County | 17550 | 20100 | 22600 | 25100 | 27100 | 29100 | 31100 | 33150 |
| Boise City-Nampa, ID HUD Metro FMR Area | Canyon County | 21300 | 24350 | 27400 | 30450 | 32900 | 35300 | 37750 | 40200 |
| Caribou County, ID | Caribou County | 19350 | 22100 | 24900 | 27650 | 29850 | 32050 | 34300 | 36500 |
| Cassia County, ID | Cassia County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Clark County, ID | Clark County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Clearwater County, ID | Clearwater County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Custer County, ID | Custer County | 18050 | 20650 | 23200 | 25800 | 27850 | 29950 | 32000 | 34050 |
| Elmore County, ID | Elmore County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Logan, UT-ID MSA | Franklin County | 18150 | 20700 | 23300 | 25900 | 27950 | 30050 | 32100 | 34200 |
| Fremont County, ID | Fremont County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Gem County, ID HUD Metro FMR Area | Gem County | 17200 | 19700 | 22150 | 24600 | 26550 | 28550 | 30500 | 32450 |
| Gooding County, ID | Gooding County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Idaho County, ID | Idaho County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Idaho Falls, ID MSA | Jefferson County | 19900 | 22750 | 25600 | 28450 | 30750 | 33000 | 35300 | 37550 |
| Jerome County, ID | Jerome County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Coeur d'Alene, ID MSA | Kootenai County | 18400 | 21050 | 23650 | 26300 | 28400 | 30500 | 32600 | 34700 |
| Latah County, ID | Latah County | 20000 | 22850 | 25700 | 28550 | 30850 | 33100 | 35400 | 37700 |
| Lemhi County, ID | Lemhi County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Lewis County, ID | Lewis County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Lincoln County, ID | Lincoln County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Madison County, ID | Madison County | 18000 | 20550 | 23150 | 25700 | 27750 | 29800 | 31850 | 33900 |
| Minidoka County, ID | Minidoka County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Lewiston, ID-WA MSA | Nez Perce County | 18400 | 21050 | 23650 | 26300 | 28400 | 30500 | 32600 | 34700 |
| Oneida County, ID | Oneida County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Boise City-Nampa, ID HUD Metro FMR Area | Owyhee County | 21300 | 24350 | 27400 | 30450 | 32900 | 35300 | 37750 | 40200 |
| Payette County, ID | Payette County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Pocatello, ID MSA | Power County | 18750 | 21400 | 24100 | 26750 | 28900 | 31050 | 33150 | 35300 |
| Shoshone County, ID | Shoshone County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |
| Teton County, ID | Teton County | 20500 | 23450 | 26350 | 29300 | 31650 | 34000 | 36350 | 38700 |
| Twin Falls County, ID | Twin Falls County | 17200 | 19700 | 22150 | 24600 | 26550 | 28550 | 30500 | 32450 |
| Valley County, ID | Valley County | 19050 | 21750 | 24500 | 27200 | 29400 | 31550 | 33750 | 35900 |
| Washington County, ID | Washington County | 17100 | 19500 | 21950 | 24400 | 26350 | 28300 | 30250 | 32200 |

MEDIANS2

FY 2008 Income Limits for 120% of HUD Area Median Income

| <u>1 person</u> | <u>2 person</u> | <u>3 person</u> | <u>4 person</u> | <u>5 person</u> | <u>6 person</u> | <u>7 person</u> | <u>8 person</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <u>household</u> | <u>household</u> | <u>household</u> | <u>household</u> | <u>household</u> | <u>household</u> | <u>household</u> | <u>household</u> |
| 51150 | 58450 | 65750 | 73100 | 78950 | 84750 | 90600 | 96450 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 44950 | 51350 | 57800 | 64200 | 69350 | 74450 | 79600 | 84750 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 42100 | 48100 | 54100 | 60100 | 64950 | 69750 | 74550 | 79350 |
| 62850 | 71800 | 80800 | 89750 | 96950 | 104100 | 111300 | 118500 |
| 51150 | 58450 | 65750 | 73100 | 78950 | 84750 | 90600 | 96450 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 47800 | 54600 | 61450 | 68300 | 73750 | 79200 | 84650 | 90150 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 42150 | 48200 | 54200 | 60250 | 65050 | 69900 | 74700 | 79500 |
| 51150 | 58450 | 65750 | 73100 | 78950 | 84750 | 90600 | 96450 |
| 46450 | 53100 | 59700 | 66350 | 71650 | 77000 | 82300 | 87600 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 43350 | 49550 | 55750 | 61900 | 66850 | 71850 | 76800 | 81750 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 43500 | 49750 | 55950 | 62150 | 67150 | 72100 | 77100 | 82050 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 41350 | 47250 | 53150 | 59050 | 63750 | 68500 | 73200 | 77950 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 47800 | 54600 | 61450 | 68300 | 73750 | 79200 | 84650 | 90150 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 44200 | 50500 | 56800 | 63100 | 68150 | 73200 | 78250 | 83300 |
| 47950 | 54800 | 61650 | 68500 | 74000 | 79500 | 84950 | 90450 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 43200 | 49350 | 55500 | 61700 | 66600 | 71550 | 76500 | 81400 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 44200 | 50500 | 56800 | 63100 | 68150 | 73200 | 78250 | 83300 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 51150 | 58450 | 65750 | 73100 | 78950 | 84750 | 90600 | 96450 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 44950 | 51350 | 57800 | 64200 | 69350 | 74450 | 79600 | 84750 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |
| 49200 | 56250 | 63300 | 70300 | 75950 | 81550 | 87200 | 92800 |
| 41350 | 47250 | 53150 | 59050 | 63750 | 68500 | 73200 | 77950 |
| 45700 | 52200 | 58750 | 65300 | 70500 | 75700 | 80950 | 86150 |
| 41000 | 46850 | 52700 | 58550 | 63250 | 67950 | 72600 | 77300 |

EXHIBIT 5

Application for Federal Assistance SF-424

Version 02

*1. Type of Submission:

☐ Preapplication☒ Application☐ Changed/Corrected Application

*2. Type of Application

☒ New☐ Continuation☐ Revision

* If Revision, select appropriate letter(s)

*Other (Specify)

3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: Idaho Housing & Finance Association

*b. Employer/Taxpayer Identification Number (EIN/TIN):

82-0302333

*c. Organizational DUNS:

070022439

d. Address:

*Street 1: 565 W. Myrtle

Street 2: _____

*City: Boise

County: Ada

*State: ID

Province: _____

*Country: USA

*Zip / Postal Code 83702

e. Organizational Unit:

Department Name:

Community Housing Services

Division Name:

Grant Programs Department

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: _____

*First Name: Janet

Middle Name: M.

*Last Name: Lovell-Smith

Suffix: _____

Title: Grant Programs Manager

Organizational Affiliation:

*Telephone Number: 208-331-4760

Fax Number: 208-331-4808

*Email: janetl@ihfa.org

Application for Federal Assistance SF-424

Version 02

***9. Type of Applicant 1: Select Applicant Type:**

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

Corporate Body and Politic

***10 Name of Federal Agency:**

U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.228

CFDA Title:

***12 Funding Opportunity Number:**

*Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

State of Idaho

***15. Descriptive Title of Applicant's Project:**

State of Idaho's Neighborhood Stabilization Program

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant: ID-All

*b. Program/Project: ID-All

17. Proposed Project:

*a. Start Date: 02/2009

*b. End Date: 07/30/2013

18. Estimated Funding (\$):

| | |
|--------------------|------------|
| *a. Federal | 19,600,000 |
| *b. Applicant | |
| *c. State | |
| *d. Local | |
| *e. Other | |
| *f. Program Income | |
| *g. TOTAL | 19,600,000 |

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on _____
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

☐ Yes ☒ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: _____ *First Name: Julie _____

Middle Name: H. _____

*Last Name: Williams _____

Suffix: _____

*Title: Sr. Vice President

*Telephone Number: 208-331-4758

Fax Number: 208-331-4808

* Email: juliew@ihfa.org

*Signature of Authorized Representative: 

*Date Signed: 11/26/08