

## **SUMMARY OF THE 2022 WHAP PUBLIC FORUM**

**July 15, 2022**

The Idaho Housing and Finance Association (IHFA) held a public forum via teleconference using Zoom meeting software on July 15, 2022 at 10:00 AM. The purpose was to hear comments on changes to the draft of the Idaho Workforce Housing Allocation (WHAP).

### **GUESTS:**

April Wilke  
Julia Mai  
Robert Anderst Risch  
Maryann Prescott  
Gary Hanes  
Claire Casazza  
John Vance  
James Casper  
Mitchell Lee  
Angie Ferguson  
Idaho REALTORS  
Paige Olsen  
David Murray  
Greg Urrutia  
Corey Checketts  
Denise Caruzzi  
Cindy Ware  
Rick Skinner  
Matthew Wilke  
Advocates Against Family Violence  
Matt Fast  
Chace Slavin  
Nicki Olivier Hellenkamp  
Wendy Leonelli  
Lindsey Harris  
Wah Chen  
Liz Hatter  
Blake Jumper  
Evelyn Camp  
Alejandra Cerna Rios  
Lori Benfiet  
Tatum Clark  
Byron Lee Sanchez  
Doug Self  
Carissa Connelly

Thomas Mannschreck  
Sherry Maupin  
Rachel Cohen  
Ali Rabe  
Bart Cochran

STAFF PRESENT:

Cory Phelps, Vice President, Project Finance  
Jack Hawkins, Project Finance Manager & Credit Approval Officer  
Rhiannon Avery, HOME Programs Assistant Manager  
Cindy Lancaster, Senior Multifamily Finance Officer  
Honalee Thomas, HOME Asset Management Officer  
Brian Poe, HOME Multifamily Finance Officer  
Celia Espinoza, HOME Programs Admin Assistant  
Maudi Hernandez, Multifamily Tax Credit Officer  
Michael Leary, Multifamily Finance Officer  
Katie Kilgrow, Housing Compliance Manager  
Jason Lantz, Director of Marketing & Communications  
Benjamin Cushman, Communications Coordinator

OPENING REMARKS:

Mr. Phelps opened the Forum at 10:00 AM by introducing himself and welcoming guests. He explained that the purpose of the forum was to take comment from the development community and other interested parties for discussion in IHFA's internal processes regarding the creation of the Idaho Workforce Housing Fund's Workforce Housing Allocation Plan (WHAP). He requested those attending to indicate interest in making comment by typing in the teleconference chat box or using the teleconference raise hand function, and that electronic versions of comments or questions be sent via email to Ben Cushman <BenjaminCu@IHFA.org>. He then described the program parameters with regards to the state and federal requirements, the program's expected timeline, and provided a brief overview of how loan terms would work for the program. The brief loan overview explained the cost of funds calculation as required by Treasury and illustrated the gap in the loan that will need to be filled from other sources. He then opened the forum to public comment.

COMMENTS OF MARYANN PRESCOTT:

Ms. Prescott thanked IHFA for their work on the WHAP and commented that the fund will help address some of the housing issues facing Idaho.

She then requested additional preference points be considered for sidelined projects, or past projects that may have received an award of some sort that is now facing a financing gap due to increasing prices.

She further requested the preference points for section 6.4.9 be reduced if not removed to allow for projects, such as previously awarded, shovel-ready LIHTC projects, that would be an excellent project to fund with workforce housing funds but would be competitively precluded because of these points.

She finally requested that market study requirements be updated to be more in line with current market factors and that rural definitions be clarified.

Mr. Phelps thanked Ms. Prescott for her comments.

COMMENTS OF COREY CHECKETTS:

Mr. Checketts started by thanking IHFA for working so hard and quickly on assembling the WHAP.

Mr. Checketts wished to first clarify that it was the intent of IHFA to fully allocate the entire fund balance before the State of Idaho's allocation deadline of July 2023, and that to this end, would IHFA hold more than just one competitive application round to achieve this goal.

Mr. Phelps clarified that should unallocated funds remain beyond the initial application round, it would be assumable another application round would be held to allocate the funds.

Mr. Checketts then requested 2.5 of the WHAP be clarified as to when IHFA will waive fees if there are concurrent LIHTC/HOME/etc funds in a workforce housing award allocation. Further, he requested clarification as to the availability of HOME/HTF funds in the WH application round considering the

regular competitive round's deadline is in August prior to the WH round. He further requests clarification of the language regarding fees to the same effect in section 2.10.

He then commented that with regard to the equity contribution funding mechanism in section 2.11.1 that the tax credit flows to the investor may be problematic and that third party tax credit syndicators have indicated no interest in allowing an additional equity input for these types of deals. Therefore, he requested clarification and/or an example be made available as to how the structure would work for tax credit projects.

Mr. Phelps replied that equity input deals have been conducted by IHFA in the past and that IHFA would be willing to make available an example deal to illustrate the structure. He summarized that the equity input would be implemented into the general partner not the limited partner in the structuring.

Mr. Checketts requested that the expected loan terms be published for loan-structured deals to more effectively help forecast project feasibility. Further, he requested that section 2.11.2 include language to allow for WH funds be granted to a non-profit that would in turn loan the funds to the project to effectively maximize the allocation awards.

Mr. Phelps clarified that the loan terms will be per the example and that grants will be unlikely as they do not allow to the retainage of eligible basis in these projects. He thanked Mr. Checketts for his comments.

#### COMMENTS OF NICKI OLIVIER HELLENKAMP

Ms. Hellenkamp started by thanking IHFA for their work on the WHAP.

She then asked to broaden the definition of workforce housing to include those households making less than 60% area median income as the majority of the workforce in the Boise community earns less than 60%. Having an award from the city that requires units to be reserved for households making less than 60% would preclude the inclusion of WH funds from the state.

She then requested clarifying the timing of any potential round after the first round considering the tight timelines for the immediate 12 months.

Mr. Phelps clarified that a potential second round application deadline would likely be very early 2023 should there need to be another round.

Ms. Hellenkamp then thanked IHFA for the inclusion of the entire high-quality building requirements included in the WHAP and for the inclusion of the most populous region bonus set aside as both areas deeply resonate with helping the most people who need assistance and ensuring they are properly cared for, such as being protected from overpaying for energy and utility requirements due to poorly constructed homes.

Mr. Phelps thanked Ms. Hellenkamp for her comments.

#### ADDITIONAL COMMENTS OF COREY CHECKETTS

Mr. Checketts requested to make one additional clarification comment regarding the choice of using the Idaho Health and Welfare Department's regional map for the distribution of regional set-asides for the WH funds rather than county, city, or otherwise.

Mr. Phelps replied that it is too difficult to effectively distribute statewide at a city level, and that at a county level, it becomes too dispersed with regard to population. Therefore, to be more impartial, it was deemed effective to use the Idaho Health and Welfare regions as they were reasonably and fairly distributed with regard to population and size.

#### COMMENTS OF BART COCHRAN

Mr. Cochran began by thanking IHFA for their work on the WHAP.

He then requested clarification that it was IHFA intent to allow for both equity inputs and loans as eligible for LIHTC-transacted projects.

Mr. Phelps replied that both are acceptable, but it is likely that the loans will be for 4% LIHTC deals and the equity inputs will be for smaller, rural, developments that may have a more difficult time qualifying for LIHTCs or even traditional financing.

#### COMMENTS OF JOHN VANCE

Mr. Vance commented that due the longevity of the fund, and that there will likely be no more funding from the state or otherwise from July 2023, would IHFA consider adding preference points for projects owned/operated by a non-profit entity.

He then asked for clarification if the single-family homeownership funds would be available for developers in projects that are aimed for homeownership or if the funds are limited to individuals looking to purchase a home.

Mr. Phelps clarified that the funds could be used for developers completing projects for home ownership depending on the project characteristics.

Mr. Vance then requested that an example of the equity input as a funding mechanism be provided to interested parties.

Mr. Phelps confirmed that an example can be provided to those who are interested.

#### COMMENTS OF THOMAS MANNSCHRECK

Mr. Mannschreck thanked IHFA for their work on the WHAP.

He then asked for clarification regarding whether senior housing qualifies as eligible workforce housing.

Mr. Phelps replied senior housing qualifies as workforce housing as it is the income, not the age of tenants, that qualifies.

Mr. Mannschreck then asked that there be a section of preference points given for senior housing considering there is a preference for “family” housing in section 6.4.4.

Mr. Phelps thanked Mr. Mannschreck for his comments.

#### ADDITIONAL COMMENTS OF BART COCHRAN:

Mr. Cochran added that the addition of the single family awards was really valuable and that this section will likely be very impactful.

He also requested clarification of the award limitation in section 11.1 regarding the lesser of \$25,000 or other limits.

He further requested language be expanded in section 6.5.2 in the contribution section to include long-term land leases as they are currently a very popular method for cities and jurisdictions to contribute toward affordable projects and that currently this section does not include these types of contributions.

#### COMMENTS OF JAMES COOPER:

Mr. Cooper thanked IHFA for their work on the WHAP.

He requested including the single-family option be included in urban regions as this sort of assistance is direly needed and would allow for the best dollar per unit these funds could achieve.

Mr. Phelps thanked Mr. Cooper for his comments.

#### ADJOURN

There being no further comments, Mr. Phelps thanked the attendees and adjourned the public hearing at 10:45 AM.

#### ATTACHED FOR REVIEW IS THE WRITTEN CHAT FROM THE PUBLIC FORUM:

09:42:32 From Rhiannon Avery to Everyone:

Thank you for joining. All participants are muted upon entry. If you wish to provide comment, please place a comment in the chat. As you are called upon, please unmute yourself. When you have concluded your comment, please mute yourself.

10:05:16 From Denise Caruzzi-(She/Her) to Everyone:

Thanks for the briefing-will you make the slides available following meeting?

10:05:19 From Advocates Against Family Violence to Everyone:

Will this presentation be mailed out to attendees after this meeting?

10:05:53 From Claire Casazza to Everyone:

Will there just be one round?

10:06:03 From Maryann Prescott to Everyone:

Hi can I kindly be unmuted for comment

10:07:00 From Matt Fast - ICRC to Everyone:

Does rural = non-incorporated areas only? Or do small towns qualify? And do small towns need to provide dollar matching?

10:08:08 From Corey Checketts to Everyone:

I would like to provide comments.

10:09:15 From ecamp to Everyone:

Can the funds be used for senior developments?

10:09:55 From Idaho REALTORS to Everyone:

In Section 1.5 you outline that a jurisdiction must have a fair housing plan in place. This is in addition to the individual project having to meet the requirements, correct? (example would be in Idaho, the project has to serve as WH for 40 yrs, etc.)

10:10:50 From Maryann Prescott to Everyone:

Is that why the goods and services are tracking 1.5 miles and 3 miles i.e its a rural definition? if not possibly expanding distances?

10:13:28 From Nicki Olivier Hellenkamp to Everyone:

I would like to provide comment

10:13:28 From Idaho REALTORS to Everyone:

Section 2.5 & 4.6 Admin and Application Fees - How did IHFA come to these amounts? Agree these sections need to be clarified. Similarly to the industry fees in 7.3.4 down - are these industry standards?

10:13:37 From John Vance -NWRECC to Everyone:

Per Corey's comment on the application fee, Sections 2.5 and 4.7 provide different guidance on the fees if submitted with other funding requests.

10:16:11 From Robert Anderst Risch/Pisca to Everyone:

Here is the definition of Rural Area in Idaho Code 67-9003.

10:16:20 From Robert Anderst Risch/Pisca to Everyone:

5) "Rural area" means:

(a) All the territory of the state of Idaho that is not within the boundary of any standard metropolitan statistical area as defined by the United States office of management and budget;

(b) All territory within any standard metropolitan statistical area described in paragraph (a) of this subsection within a census tract having a population density of less than twenty (20) persons per

square mile, as determined according to the most recent census of the United States as of any date; and  
(c) Such areas as the partnership may identify as rural

10:21:05 From Matt Wilke to Everyone:

Is there any potential for funding a larger Multi-Use project in high density Urban areas like Boise that have great access to public transit and places to work on the development site?

10:21:11 From Corey Checketts to Everyone:

I did have two more comments on the set-asides.

10:22:57 From BYRON LEE SANCHEZ to Everyone:

I am representing the Heidt for Governor Campaign... we are very interested in solutions to the Idaho housing crisis...

10:23:31 From John Vance -NWRECC to Everyone:

Could I please provide a couple comments.

10:25:28 From Maryann Prescott to Everyone:

I had push back as well on the equity concept and intended to bring up at the Housing Forum Equity panel

10:27:40 From Matt Wilke to Everyone:

We are seeing final housing costs exceeding \$250k per door on new construction for Multi-Family in Ada and Canyon County. You are correct, \$50 Million doesn't go very far these days spread out equitably over the State. Maybe more bang for the buck could be had if put in 1 area with many more funding rounds for separate areas. Thank you for the work on this much needed help in our State. This is a great start!

10:29:24 From Laurie to Everyone:

I believe everyone would be interested in the 'equity' deals that you were referring to. Thank you.

10:30:39 From Claire Casazza to Everyone:

Cory, I'd be interested in seeing the equity structure IHFA has done prior, with any sensitive info redacted of course.

10:33:16 From Laurie to Everyone:

Thank you.

10:33:57 From Sherry Maupin to Everyone:

Thank you for the webinar. I am fully in support of this and how it can help rural Idaho solve our housing crisis!

10:37:36 From Matt Fast - ICRC to Everyone:

While I understand the energy around LIHTC compatibility, it's relevant to remember that all monies directed to LIHTC projects is incompatible with moving broadly toward affordable home



ownership. LIHTC also is difficult to make work for smaller multifamily (duplex to 20-plex). So pushing funds toward these smaller projects might be more efficient in getting neighborhood friendly projects done (i.e.: smaller ones that fit better into predominantly single family home communities).

10:44:03 From Claire Casazza to Everyone:

Thanks Cory and your team - it's great that we have this opportunity!

10:44:10 From Lindsey Harris - WCMEDC to Everyone:

Thank you for IHFA's time and efforts. Great questions, also.

10:44:13 From James Casper to Everyone:

Thanks to everyone for your work on this. The impact will be meaningful.

10:44:17 From Ali Rabe - Jesse Tree to Everyone:

Thank you Cory and all - this funding is much needed to address our affordable housing shortage!

10:44:28 From Bart Cochran to Everyone:

Thanks!

10:44:29 From Matt Wilke to Everyone:

Thanks Cory!

10:44:34 From Nicki Olivier Hellenkamp to Everyone:

Thank you!

10:44:36 From Gary Hanes to Everyone:

Thanks!

10:44:44 From John Vance -NWRECC to Everyone:

Thanks, IHFA

ATTACHED FOR REVIEW IS WRITTEN TESTIMONY FROM THE FOLLOWING:

Bart Cochran

Corey Checketts

Hilary Anderson

James Casper

Lauren McLean

Maggie Lyons

Max Pond

Sarah Michael

Thomas Mannschreck



208.391.2823  
1220 S VISTA AVE  
BOISE, ID 83705

**Dear Cory Phelps -**

Thank you to all who spent time and energy pulling together the Workforce Housing Allocation Plan. We appreciate the effort here and are very excited about this new resource available to be deployed for affordable housing creation.

A few written comments provided by LEAP Housing for your consideration:

-Thank you for the inclusion of single family home ownership. We want to affirm the importance of including this solution in the allocation plan and encourage the continued inclusion.

-Currently the max per unit for a single family unit is \$50,000. We would like to encourage a higher amount per/unit in rural communities that more similarly follows the multifamily guidelines. Due to lower incomes and often higher costs - homeownership will need additional support to make happen in rural communities.

-Max award per project. Considering the rural set aside and a limited number of practitioners operating in rural communities, we would like to encourage no single developer cap.

If a cap is necessary, please clarify section 11.1 which appears to set the cap at \$25,000. Otherwise it appears that developer max is 2 projects for a max of \$4 million. We would like to encourage it to be amended to 2 projects at \$8 million for multifamily with no cap on single family.

-There is reference in the allocation plan to a 120% rent calculator which when following the location description does not appear to be on the IHFA website.

-Section 6.5.2 - Long term leases are becoming more common. We would ask that a low or no cost lease be included as a potential source for contribution.

Thanks again for your consideration.

**Sincerely,**

A handwritten signature in blue ink, appearing to read "Bart Cochran".

**Bart Cochran**  
CEO + Founder

Friday, July 15, 2022

*Sent via email*

Mr. Ben Cushman – [BenjaminCu@IHFA.org](mailto:BenjaminCu@IHFA.org)  
Mr. Cory Phelps – [coryp@IHFA.org](mailto:coryp@IHFA.org)  
Mr. Jack Hawkins – [JackH@IHFA.org](mailto:JackH@IHFA.org)  
Idaho Housing and Finance Association  
PO Box 7899  
Boise, ID 83707-1899

RE: Idaho Housing and Finance Association (“IHFA”) Idaho Workforce Housing Allocation Plan (“IWHAP”) Written Comments

These written comments are submitted on the IWHAP and mirror comments made during the public hearing on July 15, 2022.

§2.1 – Application Round – Recommend IHFA open two rounds, one in fall (October – November 2022) and another in late winter (February – March 2023).

§2.5 – Administrative Fees – Will IHFA waive the fee for applications also submitted through other IHFA administrated programs (e.g., LIHTC)? The language states, “These fees, at the Association’s sole discretion, shall be waived in the event any other fees are incurred through the use of any other programs administered by the Association (LIHTC/HOME/HTF/etc.” The use of the caveat, “at the Association’s sole discretion,” creates interpretive doubt as to certitude of the waiver. Request that IHFA eliminate the caveat if it intends to provide a waiver for LIHTC projects.

§2.10 – Compliance Monitoring – A similar uncertainty as the one discussed above at §2.1 applies here. The use of the caveat, “at the Association’s sole discretion,” creates uncertainty. Request that IHFA eliminates this language.

§2.11 – Funding Mechanism –

2.11.1 Multifamily Equity Contribution –At face value, this proposed mechanism seems challenging with a LIHTC project, and may be difficult to get ILP/SLP buy-in. Request the opportunity to review a more concrete example of the proposed transaction structure.

2.11.2 Multifamily Loan Contribution – Request terms and conditions of the proposed loan; e.g., interest rate, repayment terms, maturity, etc..

Grant to nonprofit Sponsor and pass-through loan to LIHTC partnership. I understand during the public hearing this structure was briefly discussed, and participants were told this structure will simply not work with WH funds. Perhaps this is beyond the scope of the discussion surrounding the IWHAP, but I am curious, for my own education, as to why specifically this structure will not work for the allocation of WH funds.

§4.10.1 – Tie Breaker – Why set it at the county level over setting the preference at the City level?

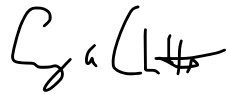
§5.2 – Regional Set-Asides – Curious behind the thought process of utilizing seven (7) geographical regions as determined by the Department of Health over utilizing geographical regions like MSAs, Counties, Political Districts, etc.

§5.3 - Most Populous Regions – Curious why IHFA only chose the two most populated regions to grant additional WH funds to, and why IHFA chose the allocation of 12% and 4%, respectively for those two regions.

§6.4 – Selection Criteria - Curious why IHFA has decided upon the selection criteria included in the IWHAP, most of which mirrors the LIHTC Selection Criteria. Curious about the LIHTC selection criteria that weren't included, e.g., in-unit amenities, development cost containment (not the same as the proposed criterion of WH Funds per unit), market rate units, tenant home ownership, under-served cities, etc. Curious about other possibilities for evaluating proposals, like differences between market rent and proposed rents (as demonstrated in the market study), capture rates / demand analysis, etc.

I greatly appreciate the opportunity to submit these comments, and I look forward to subsequent drafts of the IWHAP, and what these funds can do to alleviate the housing crisis in Idaho. Please feel free to contact me if you have any questions or would like to discuss these comments further.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. A. Checketts'.

Corey A. Checketts  
President  
Happy Home Capital Corporation,  
an Idaho nonprofit corporation  
&  
Manager  
Aleph Bet, LLC,  
an Idaho limited liability company  
[corey@alephbet.biz](mailto:corey@alephbet.biz)

IHFA –

Thank you for the opportunity to review the IDAHO WORKFORCE HOUSING FUND PROGRAM WORKFORCE HOUSING ALLOCATION PLAN FOR THE STATE OF IDAHO. I formally submit the following comments for consideration:

- The Draft Allocation Plan could be clarified in in Section 2.12 Workforce Housing Funds Withdrawal. It is unclear if affordability can terminate at a date certain. Later in the plan it refers to 20 year and awards points if the timeframe is 40 years. But that should be referenced earlier in the plan, such as in this section, to provide more clarity.
- Section 6.4.9 Federal Funding Sources in the Draft Allocation Plan implies that it is not appropriate to use federal funds, other than local ARPA funds. It awards 5 points for developments that include no other federal funding in the financing sources. The concern is that CDBG funds are federal funds and they are appropriate to use as a match for LMI for-sale and for-rent housing. We ask that the Plan clearly note that CDBG funds can be used as a local match and that this would awarded the additional 5 points. We encourage you to clarify in this section that local ARPA funds can also be used and refer readers to Section 6.5.1. Please note, Section 6.4.9 is missing from the Table of Contents.
- The Draft Allocation Plan was unclear regarding the application process in Exhibit B Applications under A.01 and B.01. It refers to “LIHTC/HOME/HTF/WH Funds Application.” It was also unclear under B in Exhibit B.
  - Is the applicant supposed to use the LIHTC/HOME/HTF/WH Funds Application form, or will a new application form be created for this fund? Where would these forms be located?
  - Under B. What qualifies as a Final Multifamily WH Funds Disbursements (Placed-In Service)? This needs to be explained somewhere in the plan.
- The Single Family Down Payment/Closing Costs Assistance Grants language is also unclear. It should be made more clear that the developer would be the one to pursue these funds. As written, it sounds like the home owner/buyer would apply initially, which presents logistical challenges.
- The Regional Housing & Growth Issues Partnership (RHGIP) in Kootenai County has been working for 17 months to address workforce housing issues, and other growth and pandemic-driven challenges, in our region. As a member of the RHGIP, our community would encourage the Governor’s office and IFHA to strongly consider allowing WH funds to be used for for-sale housing in additional to rental multi-family housing in urban areas of the state. Kootenai County has rural communities that would greatly benefit from having this gap funding available for 60-80% AMI for-sale housing. While affordable rental options are needed throughout the state, so are homeownership opportunities. Homeownership is proven to have numerous benefits related to economic stability, access to quality education, improved health, community engagement, etc. There are excellent project ideas being explored in Kootenai County to allow for single-family condominium home ownership opportunities for LMI community members utilizing land trust models and deed restrictions to ensure affordability over time, and the housing is being geared toward community members that are employed locally and are vital to the local workforce, such as health care workers, public safety, teachers, and others. It would be

desirable to make these funds available to support projects to apply for this gap financing to make them viable.

Please contact me if you need further clarification on my comments.

Sincerely,

Hilary

Hilary Anderson, Community Planning Director  
City of Coeur d'Alene  
710 E. Mullan Avenue  
Coeur d'Alene, Idaho 83814  
[handerson@cdaid.org](mailto:handerson@cdaid.org)  
208-769-2270



Check out our new [2042 Comprehensive Plan!](#)



176 W. Wyoming Ave., Hayden ID 83835 • Phone: (208) 762-4663 Fax: (208) 762-4574  
E-Mail: [info@northidahohabitat.org](mailto:info@northidahohabitat.org)  
Web: [www.northidahohabitat.org](http://www.northidahohabitat.org)

**James Casper**  
Executive Director

Project Finance Department  
Idaho Housing and Finance Association  
PO Box 7899  
Boise, ID 83707

**FY 2022 - 2023**  
**BOARD OF DIRECTORS**

Margaret Appleman  
Chair

Jeffrie Herrmann  
Vice Chair

Brock Olson  
Treasurer

Steven Anderson  
Secretary

Gary Louie

Doug Shoop

Richard Kelley

RE: Idaho Workforce Housing Fund Allocation Plan

Habitat for Humanity of North Idaho, Inc. respectfully submits the following comments on the Draft Allocation Plan for the Idaho Workforce Housing Fund.

1. Ownership model funding as described in section 2.11.3 ought to be available everywhere in the state. The maximum value per unit defined in section 7.4 for ownership model housing is \$50,000 compared to the maximum of \$250,000 per unit for rental projects. Whatever amount of single-family funding that could or would be utilized in urban designated areas would likely be the most efficient per unit implementation of the funds. More flexibility in the allowed uses of the funds provides the best-case scenario for quickly putting the funds to work. The Act as written makes no overtures regarding whether a specific format of housing ought to be prioritized and it would be tragic to see entire areas of the state limited to rental housing projects through this historic funding opportunity.
2. Exhibit J Item 5 seems overly restrictive. If housing is produced at a low cost, which would likely be the kind of housing developed by a firm applying for these funds that will agree to enforce affordability through deed restrictions, it's possible no borrower could prove they needed the down payment assistance. A better option would be to confirm the need based on the ability to pay a 20% down payment using their own funds or not. This is compatible with Item 6 which limits liquid household assets. This change would make sure that the Single-Family Funding can be utilized without worrying about whether the buyer will be able to shop for a maximum loan calculation from some specific lender or program that justifies their need based on that maximum loan qualification.

NMLS #1671552  
Idaho Contractor  
#RCE-10316





176 W. Wyoming Ave., Hayden ID 83835 • Phone: (208) 762-4663 Fax: (208) 762-4574  
E-Mail: [info@northidahohabitat.org](mailto:info@northidahohabitat.org)  
Web: [www.northidahohabitat.org](http://www.northidahohabitat.org)

**James Casper**  
**Executive Director**

**FY 2022 - 2023**  
**BOARD OF DIRECTORS**

Margaret Appleman  
Chair

Jeffrie Herrmann  
Vice Chair

Brock Olson  
Treasurer

Steven Anderson  
Secretary

Gary Louie

Doug Shoop

Richard Kelley

NMLS #1671552  
Idaho Contractor  
#RCE-10316



**Equal Housing**  
**Opportunity**





## OFFICE OF THE MAYOR

MAYOR: Lauren McLean

Director Gerald Hunter  
Idaho Housing and Finance Association  
565 W Myrtle St  
Boise, ID 83702

July 14, 2022

Dear Director Hunter,

Thank you for the opportunity for the City of Boise to provide comments on the draft Idaho Workforce Housing Allocation Plan.

First and foremost, we want to thank you and the staff at the Idaho Housing & Finance Association for the thoughtful work you have done through this draft allocation plan to ensure that the funding allocated by the Idaho Legislature accomplishes its intended purpose of providing much-needed affordable homes to residents across the state. These historic investments come at a critical time as local officials grapple with our statewide housing needs and how best to ensure our residents have access to affordable housing.

Below you will find the city's feedback on the draft allocation plan. These comments are structured to align with the format of the plan for greater ease in reviewing.

**1.6 Workforce Housing Definition:** While we understand that workforce housing is often defined using the 60-120% area median income (AMI) range included in the plan, we respectfully request that the definition of workforce housing for the purposes of this plan be adjusted to allow for incomes as low as 30% AMI, to reflect the economic realities of many of Idaho's working families. In Ada County, a single parent of two children who is working full time at a wage of \$20/hour would not make enough to qualify for workforce housing under the current definition. A couple with one child and both parents working full-time jobs at minimum wage would similarly not qualify. A lower income threshold for the workforce housing fund would allow it to provide much-needed relief to a broader spectrum of the state's workforce.

Additionally, the City of Boise is targeting its own funding to projects that serve households with incomes at or below 60% AMI, based on a recent housing needs analysis that showed that most of our housing need is for units affordable to households at or below that income level. Given the preference for a local match in the allocation plan's scoring criteria, projects in Boise that focus on serving those with incomes in the 60-120% AMI would be disadvantaged in their scoring because they will not have a local match. We are concerned that affordable housing projects that do have significant local government support will not well qualify for consideration for funding from the workforce housing fund or will be disincentivized from including units targeted

for our lowest wage earners – where the greatest need exists. A broader definition of workforce housing including incomes as low as 30% AMI, as is allowed by legislation, would allow us to better align our local funding with this important state funding source.

3.2 Availability of Workforce Housing Funds: The plan states that after one calendar year, any unallocated regional set-aside funds shall be added to the current year's non-targeted workforce housing funds and that any unallocated rural set-aside funds will be added to the non-targeted funds after two years. We would request that IHFA reassess the availability of unused funds in the months following the initial funding round so that any additional needed funding rounds can be executed in advance of the anticipated June 2023 reappropriation of unspent funds by the Idaho Legislature.

4.9.4 High Quality Building Threshold – The City supports IHFA's inclusion of 'high-quality building' certifiable program standards being interwoven in the proposed projects that are seeking funding. The City has long been a proponent of energy efficiencies in our building code to address consumer cost-savings and ensure the longevity of the physical structure. Above all, including 'high-quality building' standards means that future residents will have a safe and clean environment to call home, while also adopting energy efficiencies that can help reduce the overall costs of utility services for heating, cooling, electricity, water, etc.

5.3 Most Populous Regions Set Aside – As one of the least affordable housing markets in the United States and the most populous city in the state, the City of Boise is supportive and appreciative of the additional funding set-aside for Region 4. We would also encourage unused funds to be reallocated to affordable housing projects in Region 4, given the level of need present in our community.

As you continue to collect feedback on your allocation program and begin next steps in awarding these funds, please note that the City of Boise stands ready to partner and assist however best we can to ensure the success of this critical program.

If you have any questions about the comments provided above, please contact Nicki Hellenkamp at [nhellenkamp@cityofboise.org](mailto:nhellenkamp@cityofboise.org).

Thank you for your leadership in addressing the housing needs of our residents.



Lauren McLean  
Mayor, City of Boise





July 12, 2022

Project Finance Department  
Idaho Housing and Finance Association  
PO Box 7899  
Boise, Idaho 83707-1899

RE: Idaho Workforce Housing Fund (IWHF) Allocation Plan

Dear IHFA:

I currently serve as Executive Director for Panhandle Affordable Housing Alliance (PAHA), a non-profit housing organization in Kootenai County devoted to bringing homes, through rental and ownership, within reach for people of lesser means in our community. PAHA currently owns 20 low-to-extremely low-income rental homes funded through HOME, NSP and HTF programs.

There is tremendous need for housing that our local workers can afford. It is fabulous that Idaho has appropriated \$50mm of ARPA funds for helping to meet this need across our great state. Unfortunately, the intended use of these funds under the plan as drafted focuses almost entirely on multi-family rental development; home ownership development is virtually excluded.

The benefits of home ownership over renting are many. Home ownership has a stabilizing effect on communities. Data from multiple studies show that home ownership builds stronger, safer and more diverse neighborhoods, which in turn contributes to greater educational attainment, better employment opportunities and health outcomes. A small example of the pride that comes with living in a home is a PAHA tenant who recently told me that for the first time in her life, she's finally living in a home instead of an apartment.

In order to provide housing units that our workers earning 60-80% AMI (Area Medium Income) can afford to purchase, it is PAHA's view that the desired density for these ARPA funds could be achieved through condo developments. Unfortunately, such a project will not be considered for financing under the current plan as written.

In Kootenai County, our residents in the 60-80% AMI income brackets are making approximately \$49,000 to \$65,000 annually, or roughly \$24/hour to \$31/hour. These are considered good wages for many in our county and represent the compensation for many essential

PO Box 598  
Hayden, ID 83835  
[www.pahaid.org](http://www.pahaid.org)  
208-659-3477

jobs, including but not limited to, public safety, teachers, administrative staff, and hospitality workers. The increasing difficulty of home ownership for this population can be illustrated by a family of 4 making \$65,000 a year. Such a family is considered working poor, or ALICE: Asset Limited, Income Constrained, Employed. In 2016, 75% of Kootenai County could afford to purchase a home. At the end of 2021, only 24% could afford to buy a home and this was when interest rates were 3.1%. Tragically, without some assistance the American Dream for home ownership for the majority of our residents may well be unattainable during their lifetime.

Private/public partnerships like Community Land Trusts can ensure affordability in perpetuity, and private development options dedicated to higher density, affordable homes with deed restrictions to ensure long-term affordability for local workers are solutions that require initial funding to get started. These strategies do not require ongoing funding streams. The IWHF is ideally suited for helping launch viable and relatively quick-to-market home ownership solutions targeted and reserved for our local workers.

Some of PAHA's specific concerns in the current draft language are as follows:

1. The ownership model funding as described section 2.11.3 ought to be available everywhere in the state.
2. The maximum value per unit defined in section 7.4 for ownership model housing is \$50,000 compared to the maximum of \$250,000 per unit for rental projects.
3. Whatever amount of single-family funding that could or would be utilized in urban designated areas would likely be the most efficient per unit implementation of the funds.
4. More flexibility in the allowed uses of the funds provides the best-case scenario for quickly putting the funds to work, i.e. allowing funding for rental and home ownership development.

PAHA respectfully requests revising the current plan to include funding opportunities for single family home ownership. In our view, it would be extremely unfortunate to see entire areas of the state effectively limited to only rental housing projects through this historic funding opportunity.

Sincerely,



Maggie Lyons

Thank you for holding the hearing today! I submitted questions on the Zoom, but wanted to provide emailed questions.

- In Section 1.5 you outline that a jurisdiction must have a fair housing plan in place. This is in addition to the individual project having to meet the requirements, correct? (example would be in Idaho, the project has to serve as WH for 40 yrs, etc.)

- Sections 2.5 & 4.6 Admin and Application Fees - How did IHFA come to these amounts? Agree these sections need to be clarified. Similarly to the industry fees in 7.3.4 down - are these industry standards?

- What will be the best way for stakeholders to track where WH funds are going? I am thinking of this from an advocacy perspective.

- Have you had any comments or input from lenders?

- In 2.5 and other places, you mention something to the effect of "For single family housing where the final project is intended for sale with the intent of income qualified home ownership, there is no application fee." Would an example of this be a Habitat for Humanity home?

Thank you again!

--

**Max Pond**  
**Government Affairs Director**  
**Idaho Association of REALTORS**  
[208-230-6703](tel:208-230-6703)  
[mpond@idahorealtors.com](mailto:mpond@idahorealtors.com)

Dear Cory,

On behalf of the Blaine County Housing Authority, I am writing to concur with Michele Griffith of ARCH's comments about the need for state ARPA to help ARCH to build community workforce housing by covering the additional cost of the rapidly increasing construction. In Blaine County, inflation is making these projects difficult to have pencil out.

Also, the Blaine County Housing Authority agrees with the City of Ketchum's comments and their request for clarification of definitions provided as outlined.

We also want to see Difficult Development Areas considered separately from other areas and to note that land contributions are an important local contribution particularly in Blaine County where property values are so high that purchase of vacant land is outside our current affordability range.

The BCHA supports your definition which includes those with AMI of 120% This income level addresses the needs of many working families in our area.

In Blaine County, multiple community partners are stepping up to contribute to creating additional housing: land is being donated, employers are adding private dollars, local ARPA funds have been committed. State ARPA grants will help address many of our issues: the extremely high cost of development and the ability for some to apply for down payment and closing cost assistance.

The draft plan indicates that the 2023 WH funds will be allocated through a single funding round with an application deadline at a yet-to-be-determined date in fall, 2022. We look forward to receiving more information about the final draft plan and the application deadlines. State ARPA funds could leverage millions of dollars in local funds and result in dozens of additional workforce homes being built in the next 18 – 24 months in Blaine County.

Thank you for your consideration of these comments.

Sarah Michel



**Sarah Michael** | Interim Executive Director

*Blaine County Housing Authority*

T: 208.721.1593

E: [BCHAChair@bcoha.org](mailto:BCHAChair@bcoha.org)

Notice: This e-mail (including any attachments) is covered by the Electronic Communications Privacy Act, 18 U.S.C. 2510-2521, is confidential and may be legally privileged. If you are not the intended recipient, you are hereby notified that any retention, dissemination, distribution, or copying of this communication (including any attachments) is strictly prohibited. Please reply to the sender that you have received the message in error, then delete it.



420 W. Main Street, Suite 300  
Boise, Idaho 83702  
(208) 343-8877  
E-Mail:

[tmannschreck@thomasdevelopment.com](mailto:tmannschreck@thomasdevelopment.com)

July 12, 2022

Via Email: [jackh@ihfa.org](mailto:jackh@ihfa.org); [coryp@ihfa.org](mailto:coryp@ihfa.org)

Mr. Jack Hawkins  
HOME Programs Manager  
Idaho Housing and Finance Association  
565 West Myrtle Street  
Boise, ID 83702

Mr. Cory Phelps  
Vice President  
Idaho Housing and Finance Association  
565 West Myrtle Street  
Boise, ID 83702

RE: Idaho Workforce Housing Fund Program Workforce Housing Allocation Plan

Dear Cory and Jack:

The Thomas Development Co. family has reviewed the draft allocation plan and provide the following comments.

Angie Ferguson and Evelyn Camp will attend the July 15 meeting. Barbara and I will be out of Boise visiting grandchildren, but I will call in.

1.1

The US Treasury website link is not operative. Is there any substitute language?

1.6

The Workforce Housing definition we interpret as follows.

This is an either-or definition: which says that Workforce Housing is affordable housing which serves the "workforce" of Idaho – no definition of workforce

Or

Populations earning a household income between 60% AMI and 120% AMI.

There is no reference in either of the disjunctive definitions clarifying whether senior housing is eligible participating. Clearly, seniors have income from a variety of sources, most notably Social Security.

**Request:** Please provide clarification that Workforce Housing resources are available for senior housing.

2.11

Funding mechanism

2.11.1

Multifamily equity contribution.

Several thoughts here:

Total Development Costs – please define.

As we are working on proformas and applications, we will need to know what an "annual nominal investor asset management fee" and "all net income proceeds equitable to the percentage of ownership" mean.

If Workforce Housing is coupled with LIHTC financing structure, the tax credit investor limited partner, receives substantially all the tax benefits, so I presume we are talking here about cash flow only?

#### 2.11.2

**Request:** Please provide some definition and underwriting deal points relative to loan size, repayment terms, etc.

#### 2.12

Presuming there are no events of noncompliance, we read this as, again in a LIHTC execution, an insert in the waterfall associated with proceeds from sale or refinance which in broad terms looks like this:

From the gross proceeds of sale, the following shall be deducted:

Costs of sale

Payment of closing costs accounts payable, etc.

Payment of any and all secured debt including HOME, HTF.

Next, 100% of the multifamily equity contribution per 2.11.1

Next, a proportionate share of the remaining proceeds.

**Request:** Please clarify whether this analysis is correct or, if not, provide the correct waterfall analysis.

#### 6.4.4

Family units – preference points are given for family units of three bedroom or larger, much like both the LIHTC QAP and the HOME/HTF Administration Plans.

Noticeably absent is a quid pro quo preference point selection for senior units which preference exists in both the QAP and the HOME admin plan.

**Request:** Please add a section giving equivalent preference points for senior housing.



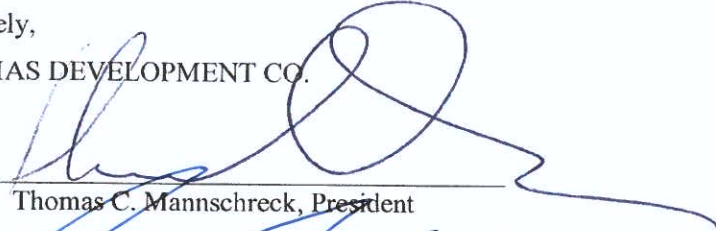
Hawkins  
July 12, 2022  
Page 3

Thank you for your continued efforts to provide additional resources for production of affordable housing.

Sincerely,

THOMAS DEVELOPMENT CO.

By

  
Thomas C. Mannschreck, President

By

  
Angie S. Ferguson, Director of Operations

TCM:sw/eac

cc: Evelyn Camp, Thomas Development Co.  
Rick Sullivan, Northwest Integrity Housing Co.



# Idaho Workforce Housing Fund

Allocation Plan Public Comment Forum

July 15, 2022



# About This Forum

## How It Works

- Intended to allow public comment on the allocation plan; not a Q&A session
- Forum will be recorded and published on IHFA's website
- Written comments accepted through 5 PM today at [multifamily@ihfa.org](mailto:multifamily@ihfa.org)
- Please address questions to:

Ben Cushman – [BenjaminCu@IHFA.org](mailto:BenjaminCu@IHFA.org)

## Program Timeline

- Expected final allocation plan – Summer 2022
- Expected application deadline – Fall 2022

# Program Requirements

## 1. Federal – Treasury ARPA/SLFRF

- Community engagement for program development
- Project justification – income eligibility / COVID-19 impacted
- Timing restrictions – funding mechanisms

## 2. State – Idaho Legislative Mandates

- Address workforce housing crisis
- Equitable distribution of funds throughout Idaho
- Give preference to projects with matching funds
- Require 20% of all funds be rural

# Multifamily Funding Mechanisms

## 1. Equity Contributions

- Single-purpose entity to facilitate transfer of funds

## 2. Loans

- Can only loan up to the “cost of the loan” (net present value [NPV] of future cash flows)

- Example loan terms

- \$1,000,000 principal
- 40-year maturity
- 0% interest
- No payments until maturity
- Lender’s cost of borrowing (COFI Index) : 5.00%

*Total Repaid Future Cash Flow: \$1,000,000*

- NPV of future cash flow:  $\$1,000,000 \div (1+0.05)^{40} = \$142,046$
- Cost of Loan =  $\$1,000,000 - \$142,046 = \$857,954$
- SLFRF may fund \$857,954 or 85.80% of loan; \$142,046 from another source

*\*Computation changes depending on terms*





**Thank You**