

THE STATE OF IDAHO’s NEIGHBORHOOD STABILIZATION PROGRAM (NSP3) SUBSTANTIAL AMENDMENT is hereby updated to read as follows:

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B. Distribution and Uses of Funds – State NSP Goals and Impact

Program Requirements previous description is hereby deleted and amended to read as follows:

Program Requirements

- Activities must benefit middle and low-to moderate-income homebuyers and renters with household incomes not exceeding 120% of area median income. All rental households must have income levels that do not exceed 50% AMI.
- 25 percent of total grant funds must benefit low income households with incomes at or below 50% AMI.
- Homeownership Assistance is available, which can include closing costs, principal and/or interest write downs, and is based on borrower’s need with an amount of at least \$1.00 and a maximum of 20% or \$40,000, whichever is less. Federal funding imposes requirements on the properties to insure continued affordability. NSP funds will be structured as a 0% interest, no monthly payment 2nd mortgage, due at sale of the property. IHFA implements HUD’s Recapture option for repayment and therefore requires no less than \$1.00 of Homebuyer Assistance. Period of Affordability will not be terminated as a result of pay off of the loan, unless it is in conjunction with the sale of subject property.

Assistance Amounts:	Period of Affordability in years:
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

• **Income, Rent and Occupancy Restrictions for Rental Activities:**

(1) The NSP Assisted Units shall bear maximum rents as follows:

Low HOME rents established by HUD HOME regulations for persons at or below 50% AMI.

It is important that the rent charged is adequate to cover the operating costs of maintaining the rental property. Also, in determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, Subrecipient/developer must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant.

(2) The NSP Assisted Units shall be occupied only by households that qualify as Low-Income Families, defined as households with incomes no greater than 50% AMI, as published from time to time by HUD. Owners must verify and receive IHFA approval of income, assets, and all eligibility requirements prior to move-in and retain those records for the duration of the tenant. Tenant incomes must be certified as meeting the applicable income limits at initial occupancy and at any time a new tenant occupies a unit. Existing tenants are not required to recertify their incomes annually but new tenants must meet the prevailing income limits when taking occupancy of an NSP1-assisted unit throughout the Period of Affordability.

Rental Housing Activity:	Period of Affordability in years:
Rehabilitation or acquisition of existing housing per unit	5

amount of funds: Under \$15,000	
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15
New construction or acquisition of newly constructed housing	20

- Subrecipients/developers shall acquire properties at a minimum discount of 1 percent of the appraised value.
- Subrecipients/developers shall, to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity or contract with small businesses that are owned and operated by persons residing in the vicinity of projects funded with NSP3. Vicinity is defined as each NSP3 target area. The following are suggested procedures:
 - o Outreach to workforce services, commercial associations, local churches, civic clubs, and other agencies/organizations
 - o Identify business phone numbers, search zip code lists
 - o Develop email distributions or mailers
 - o Utilize employment agencies
 - o Develop documents such as flyers, program sheets, and other general materials that provide additional information to community members
 - o Citizen participation process.
- If subrecipients/developers are unable to develop hiring or business opportunities for residents in the vicinity of the project, they must encourage employment of Section 3 residents and Section 3 businesses.
- All persons purchasing NSP3-assisted homeowner housing must receive at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency. In addition, subrecipients/developers intending to use NSP funds for homeownership opportunities for low-income households (below 50% of area median) must describe steps that will be taken to promote successful homeownership,
 - o e.g. pre and post-purchase counseling and the costs of such services, and identify the providers of such services and the source of funding for the support services.
- Subrecipients/developers using NSP funds for demolition must describe short-term plans for the use of the land, including how and who will maintain the vacated property until it is redeveloped, and the timeframe for likely redevelopment of the property.
- Subrecipients must describe any continuing affordability restrictions that they may impose beyond the minimum required by IHFA.

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C. DEFINITIONS AND DESCRIPTIONS

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities previous description is hereby deleted and amended to read as follows:

Rehabilitation Standards:

Any identified deficiencies will require rehabilitation prior to sale to the homebuyer. Home Inspection reports are required to identify deficiencies based on the following:

- Local code/property standard/ordinances

- 2012 Idaho Residential Code for existing structures
- NSP property standard (HQS)
- IHFA Rehabilitation Standards as outlined in HOME Admin Plan Exhibit C