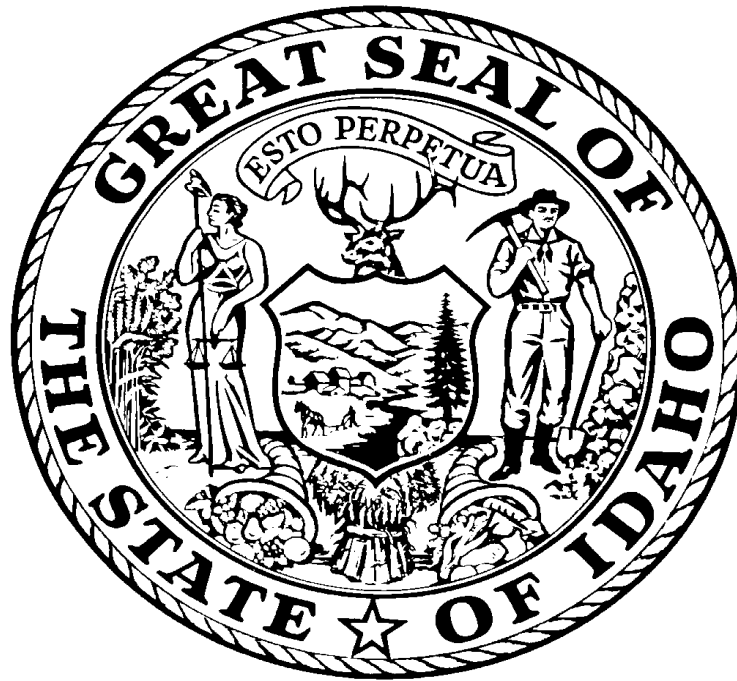


2026 Annual Action Plan
For
Idaho's Federal Community Development and
Affordable Housing & Development Programs

Unique Appendices



Contents

AP-05- Executive Summary-	3
Summarize the objectives and outcomes identified in the Plan.....	3
CDBG.....	3
Evaluation of Past Performance - Program Year 2025	4
HOME INVESTMENT PARTNERSHIPS PROGRAM.....	5
HOUSING TRUST FUND PROGRAM.....	5
Housing Trust Fund Certification.....	5
Emergency Solutions Grant (ESG) Program.....	6
Summary of Citizen Participation and Consultation Process	6
Analysis of Impediments	6
AP-25 Allocation Priorities.....	7
CDBG.....	7
HOME & Housing Trust Fund.....	7
IHFA Visitability Design Components	7
Eligible Activities.....	7
Allocation Priorities	8
<i>AP-30 Method of Distribution</i>	8
State of Idaho CDBG	8
State of Idaho HOME/HTF	11
AP-50- Geographic Distribution.....	20
HOME & HTF.....	20
AP-75-Barriers to Affordable Housing.....	23
<i>AP-90 - PROGRAM SPECIFIC REQUIREMENTS</i>	27
Emergency Solutions Grant	27
HOME & HTF Programs	27

AP-05- Executive Summary-

Summarize the objectives and outcomes identified in the Plan

See AP-20 for Annual goals and objectives

CDBG

Over the next five years, the goals and indicators for the CDBG program are as follows:

Public Facilities / Infrastructure - Compliance: Obligate/Expend 25% of the five-year allocation on activities that brings public facilities systems (infrastructure, community facilities, public utilities) into compliance with environmental laws, federal and state standards, industry standards, building codes, and best management practices. These activities over a five-year period should benefit approximately 60,000 individuals.

Public Facilities / Infrastructure - Rehabilitation: Obligate/Expend 30% of the five-year allocation on activities that include the rehabilitation, replacement, and/or remodeling of public facilities (infrastructure, community facilities, public utilities, and affordable housing) systems. These activities should benefit approximately 85,000 individuals.

Public Facilities / Infrastructure – New Construction: Obligate/Expend 25% of the five-year allocation on the new construction of a public facility (infrastructure, community facilities, and public utilities) or extension of public facilities to an eligible service area. This includes new infrastructure to support affordable housing and housing related activities. These activities should benefit approximately 60,000 individuals.

Economic Development – Job Creation: Obligate/Expend 10% of the five-year allocation on public infrastructure improvements for business expansion and subsequent job creation for low-to-moderate income persons. These activities should create 250 jobs.

Economic Development – Downtown Revitalization: Obligate/Expand 10% of the five-year allocation on public infrastructure improvements to prevent blighted downtown areas. These activities should improve ten (10) downtowns.

Public Service – At this time Commerce has chosen to not establish goals under public service but reserves the option to establish goals for CDBG funding in the future.

Technical Assistance- These activities will include furthering fair housing education and outreach and CDBG technical assistance and training.

CDBG changes and highlights:

- Revised scoring of Downtown Revitalization projects by placing more emphasis on projects that are improving ADA accessibility and public transportation. Approved December 2021.
- In October 2023 bonus points were added to fire engine applications. The additional 40 points will help fire engine applications compete on a more level playing field with water and sewer infrastructure applications.
- Increased funding levels from \$500,000 to \$650,000 for public facilities and downtown revitalization projects. Approved May 2025.

Evaluation of Past Performance - Program Year 2025

The grantees prepare and submit a Consolidated Annual Performance Evaluation Report (CAPER) to HUD 90 days after the start of the next program year. Because of these submission requirements, the evaluation of past performance in this Annual Action Plan will include the first year in the current 2025-2029 Consolidated Plan at the time of submission to HUD.

CDBG Program

In 2025 Commerce received \$8,658,249 in CDBG funding. 26 projects have been approved for funding or funded. Since a number of the projects (10) have not yet completed their environmental reviews nor executed a CDBG funding contract it would be premature for Commerce to report on past performance goals. The goals will be reported in next year's annual action plan.

In 2024 Commerce received \$8,236,180 in CDBG funding. Of this total amount, minus state administration and technical assistance, here is the breakdown of the five goals and indicators:

Public Facilities / Infrastructure – Compliance:

Total amount of CDBG obligated = \$715,000
Number of projects = 3
Number of people who benefit = 3,325
Number of LMI individuals who benefit = 1,870
This does not exceed the 25% goal of \$1,828,079.

Public Facilities / Infrastructure – Rehabilitation:

Total amount of CDBG obligated = \$1,730,450
Number of projects = 5
Number of people who benefit = 7,880
Number of LMI individuals who benefit = 4,633
This does not exceed the 30% goal of \$2,193,695.

Public Facilities / Infrastructure – New Construction:

Total amount of CDBG obligated = \$4,057,660
Number of projects = 12
Number of people who benefit = 56,908
Number of LMI individuals who benefit = 33,660
This exceeds the 25% goal of \$1,828,079.

Economic Development – Job Creation:

Total amount of CDBG obligated = \$0
Number of projects = 0
Number of people who benefit = 0
Number of LMI individuals who benefit = 0
Obviously, this did not meet the 10% goal of \$731,231.

Economic Development – Downtown Revitalization

Total amount of CDBG obligated = \$1,555,000

Number of projects = 3

Number of people who benefit = 22,353

This exceeds the 10% goal of \$731,231.

HOME INVESTMENT PARTNERSHIPS PROGRAM

IHFA received \$5,214,838.88 in HOME funding in 2025. Of this total amount, minus state administration, here is the breakdown of the five goals and indicators:

Rental Housing:

Total amount of HOME obligated = \$1,948,000

Goal- 17 Units

Completed – 11

Direct Financial Assistance to Homebuyers:

Total amount of HOME obligated = \$1,178,536.16

Goal- 25 Units

Completed – 9

HOUSING TRUST FUND PROGRAM

IHFA received \$3,001,259.36 in 2025 through the Housing Trust Fund. Of this total amount, minus state administration, here is the breakdown of the goals and indicators:

Rental Housing:

Total amount of HTF obligated = \$8,913,274

Goal- 13 Units

Completed – 38 Units

Housing Trust Fund Certification

The HTF written agreement identifies the requirements the owner, developer, and property management must comply with during pre-development, development, closeout, and the compliance phase of the activity. The HTF written agreement also identifies the corrective actions IHFA would take if needed to bring the assisted project into compliance with the terms of the agreement.

Emergency Solutions Grant (ESG) Program

IHFA administers the Emergency Solutions Grant statewide. During the 2025 Program Year, \$1,141,854 are dedicated to 29 unique projects throughout the state. Funding helps support shelter operations and services, homelessness prevention, rapid re-housing activities, street outreach, data collection, and administrative costs.

During the 2025 program year, Homeless Prevention and Rapid Re-housing funds are being used to help prevent individuals and families from losing their housing, through rental and utility assistance. Each of the state's seven regions received homeless prevention and/or rapid re-housing funds through ESG. This helps to ensure households in all areas of the state, rural and non-rural, have equal access to homeless prevention and rapid re-housing funds. The Home Partnership Foundation provides additional supplementing ESG funds, and allows subrecipients to have access to prevention and rehousing funding year round. The Foundation allocates private funds to several IHFA branch offices, providing one-time rental and utility assistance to households at risk of becoming homeless. IHFA will also measure outcomes based on annual monitoring, which considers the compliance of the project, management of expenditures, and contract deadline.

Summary of Citizen Participation and Consultation Process

IHFA and the Idaho Department of Commerce follow a Citizen Participation Plan for HUD-CPD Affordable Housing and Community Development Programs. Following the adopted Citizen Participation Plan, one 30-day comment period and one public hearing was held. Legal notices are published twice in Idaho's major newspaper, the first time prior to the comment period, the second prior to the public hearing. The legal notice included a link to a Spanish version of the legal notice on the IHFA and IDC websites. The Spanish and English version includes directions and contact information regarding how to request a reasonable accommodation, including language assistance and alternative formats and notices are sent to IHFA branch offices around the state to be posted in a public area. A copy of the legal notices and draft action plan are available on the IHFA and IDC websites

Local and regional stakeholders, service providers, developers, owners, developers, and units of local government, and CoC members are invited to participate in the planning process.

The 30-day comment period for the 2026 Annual Action Plan is March 6- April 6, 2026. The hybrid in-person and virtual Public hearing is March 26th. Comments and IHFA/Commerce responses are located in the Action Plan as an attachment titled "Citizen Participation".

Comments/ input- 0

Public hearing Attendees- 0

Analysis of Impediments

The current 2022 Analysis of Impediments to Affirmatively Furthering Fair Housing (Assessment of Fair Housing) is available on IDC and IHFA websites at <https://www.idahohousing.com/documents/state-of-idaho-analysis-of-impediments-2022-draft.pdf> and <http://commerce.idaho.gov/communities/community-grants/community-development-block-grant-cdbg/consolidated-planning-documents>

AP-25 Allocation Priorities

CDBG

See AP-20- Goals 1,2,3,4, and 5 goal descriptions.

HOME & Housing Trust Fund

Idaho's Five-Year Consolidated Plan identifies three "Priority Housing Needs" populations: Elderly (age 62+), Disabled, and Extremely-Low Income. A project owner can choose to provide a preference for one or more of these priority housing needs populations if the preference(s) is identified in the HOME/HTF written agreement and the owner does not otherwise violate Federal, State, and local fair housing laws, executive orders, or program regulations. The HOME, NSP & HTF Annual Administrative Plan and the Qualified Allocation Plan identify these populations as "Special Housing Needs Populations".

HOME/HTF multifamily rental housing applications receive additional points if the owner commits to a tenant preference of two of the three Special Housing Needs Populations.

IHFA Visitability Design Components

HOME and HTF single-family rental units will include at least one wider doorway to one main floor bathroom, other interior doorways, and one means of ingress/egress if feasible as part of a construction or rehabilitation activity.

Eligible Activities

- 1) IHFA will award HOME and HTF funds to eligible recipients (owner, owner-developer) to acquire and construct/rehabilitate or preserve permanent single-family and multifamily rental housing.
- 2) IHFA will award HOME funds to qualified nonprofits and units of local government to acquire and/or construct/rehabilitate single-family homebuyer properties then sold to HOME-eligible & IHFA qualified low-income homebuyers.
- 3) Down payment/closing cost assistance to the HOME-eligible and IHFA qualified low-income homebuyers throughout Idaho to purchase a Standard condition single-family unit. May utilize recapture or resale models, depending on needs.
- 4) IHFA will partner with CDBG entitlement municipalities for the use of HTF as a subrecipient to further the creation of housing for extremely low income beneficiaries.
- 5) IHFA may use up to 10% of each HOME and HTF allocation and eligible program income for HOME/HTF planning and administrative costs.
- 6) Homeowner Rehabilitation assistance may be provided to HOME eligible homeowners throughout Idaho to finance repairs to existing units, per applicable local codes and housing quality standards. This may be achieved through a competitive RFP with experienced developers.

- 7) HOME/HTF may authorize an experienced subrecipient or development partner to administer funding for eligible development, rehabilitation, or down payment assistance activities. This will be through a competitive RFP.

Allocation Priorities

- HTF- 100% to owners and developers to fund rental construction and/or preservation housing activities targeting households with annual incomes \leq 30% AMI.
- HOME- Approximately 50% to nonprofit developers and units of local government to acquire and/or rehabilitate or construct single-family structures then sell to HOME-eligible, IHFA- qualified homebuyers. Includes down payment/closing cost assistance activity for HOME-eligible and IHFA qualified low-income homebuyers throughout Idaho to purchase a Standard condition single-family unit.
- HOME- Approximately 50% to private and nonprofit owners/developers to acquire and construct multifamily permanent rental housing activities.

AP-30 Method of Distribution

State of Idaho CDBG

Describe the state program addressed by the Method of Distribution

Commerce distributes CDBG funds on a competitive statewide basis where applications are ranked against each other within their applicable set-aside for funding. The six set-aside are public facilities, infrastructure to jobs, downtown revitalization, senior / community centers, and public parks. Post-disaster applications are not reviewed and funded under a competitive basis.

Describe all the criteria that will be used to select applications and the relative importance of these criteria.

There are five variables that define how Idaho prioritizes its projects and activities that will be eligible to receive CDBG funds.

There are five variables that define how Idaho prioritizes its projects and activities that will be eligible to receive CDBG funds.

First variable to prioritizing CDBG funds is to ensure the project will meet at least one required national objective.

- Activities benefiting low to moderate-income (LMI) persons.
- Prevention/Elimination of Slums and Blight
- Urgent Needs (Imminent Threat)

Second variable to prioritizing CDBG funds is ensuring the proposed project meets Idaho CDBG threshold factors. Applications must meet the following:

- Submission of an application
- Eligible applicant

- Eligible activities
- Executed citizen participation plan and hold public hearing
- Applicant has the administrative capacity to properly administer a CDBG
- Adopted fair housing resolution
- Grantee's execution of the CDBG certifications

Third variable to prioritizing CDBG funds is to score, rank, and fund projects that meet the following conditions:

- Have a need for CDBG funds
- A measurable and positive impact for lower income households
- Project is well planned and feasible
- Local commitment and match
- Project has a high degree of readiness to proceed
- Grantee's or sub-recipient's ability to maintain and operate the system or facility

Fourth variable: Idaho's Economic Advisory Council review, evaluation, and recommendation of the project. Determining if the project can demonstrate:

- local ability to finance,
- local effort and commitment, and
- local and regional economic impact.
- The Governor of Idaho decides to fund or not to fund.

Fifth variable:

- 70% of Idaho's CDBG funds, aggregated over a three-year or two-year period, will fund projects that will principally benefit low-to-moderate income persons.
- 100% of annual CDBG awarded will be obligated within 15 months of funding agreement date.

These five variables cover public facilities, infrastructure for jobs, downtown revitalization, senior / community centers, public parks and post-disaster applications.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

Idaho CDBG application handbook with specific scoring criteria is located on website [Community Development Block Grant \(CDBG\) - Idaho Commerce](#)

Describe how resources will be allocated among funding categories.

Commerce distributes CDBG funds on a competitive statewide basis where applications are ranked against each other for funding. The ICDBG Application Handbook details the application review procedures and is available online at [Community Development Block Grant \(CDBG\) - Idaho Commerce](#). Commerce does set-aside the CDBG funds as follows:

- Two percent (2%) plus \$100,000 of the total allocation is reserved for the department's administrative costs;
- One percent (1%) of the total is reserved for technical assistance;
- \$300,000 is set aside for post-disaster grants with a maximum grant amount of \$150,000. Applications are received quarterly.
- Twenty-five percent (25%) of the remaining allocation is set aside for senior citizen center, community center, and public park grants with a maximum grant amount of \$245,000. Applications are received annually.
- Sixty percent (60%) of the remaining allocation, plus 100% of the program income, recaptured funds, and carryover funds from previous program year is reserved for public facility grants. Maximum grant amount available is \$650,000. Applications are received annually.
- Forty percent (40%) of the remaining allocation, for both job creation and downtown revitalization projects. Maximum grant amount available is \$650,000. Job creation applications are received quarterly, and downtown revitalization applications are received annually.

Describe threshold factors and grant size limits

Commerce distributes CDBG funds on a competitive statewide basis where applications are ranked against each other for funding. The ICDBG Application Handbook details the application review procedures and is available online at www.community.idaho.gov . Commerce does set-aside the CDBG funds as follows:

- Two percent (2%) plus \$100,000 of the total allocation is reserved for the department's administrative costs;
- One percent (1%) of the total is reserved for technical assistance;
- \$300,000 is set aside for post-disaster grants with a maximum grant amount of \$150,000. Applications are received quarterly.
- Twenty-five percent (25%) of the remaining allocation is set aside for senior citizen center, community center, and public park grants with a maximum grant amount up to \$300,000. Applications are received annually.
- Sixty percent (60%) of the remaining allocation, plus 100% of the program income, recaptured funds, and carryover funds from previous program year is reserved for public facility grants. Maximum grant amount available is up to \$750,000. Applications are received annually.
- Forty percent (40%) of the remaining allocation, for both job creation and downtown revitalization projects. Maximum grant amount available is up to \$750,000. Job creation applications are received quarterly, and downtown revitalization applications are received annually.

What are the outcome measures expected as a result of the method of distribution?

Create Suitable Living Environments and Expand Economic Development Opportunities in the following:

- Public Facilities Infrastructure – Compliance - Availability: Activities that bring public facilities systems (infrastructure, community facilities, public utilities) into compliance with environmental laws, federal and state standards, and best management practices.

- Public Facilities Infrastructure – Rehabilitation - Affordability: Activities that include rehabilitation, replacement, or remodeling of a public facility (infrastructure, community facilities, public utilities, and housing) systems.
- Public Facilities Infrastructure - New Construction - Sustainability: Activities that construct new public facilities (infrastructure, community facilities, and public utilities) system or extending a system to a new service area. This includes infrastructure to support affordable housing and related activities.
- Economic Development - Job Creation - Availability: Activities that expand or construct new public infrastructure to support businesses creating new low to moderate-income jobs.
- Economic Development - Downtown Revitalization - Affordability: Activities that improve public infrastructure and remove slum and blight in redevelopment areas.

State of Idaho HOME/HTF

Homebuyer Properties Program

General Requirements

Funding proposals are accepted from qualified units of local government and community-based non-profit developers following a published Request for Proposals. Eligible activities under this program include acquisition and/or rehabilitation of Substandard (condition) single-family units, and acquisition and/or new construction of single-family units. When development phase is complete, the units are sold to qualified HOME-eligible, IHFA-qualified homebuyers within 9 months. If the unit is not sold within 9 months, it must be converted to a permanent HOME rental unit or the owner-developer must repay the entire amount (including IHFA project costs) of HOME funds expended on the activity.

The sales price to a low-income homebuyer cannot exceed the annual HOME Homeownership Value Limits for the area, published by HUD-CPD unless alternative limits are approved by HUD. The homebuyer(s) must provide evidence they have completed a homebuyer-counseling course that meets the HOME program's homebuyer education requirements, and submit a monthly budget that identifies recurring expenses, as part of an application for funding. This is in addition to the other IHFA requirements such as homebuyer household asset limitation, credit score, and minimum homebuyer investment. These and other requirements, including maximum subsidy amounts are identified in the [Annual Administrative Plan](#) @ Chapter 2. IHFA reviews and updates its Administrative Plan annually to address the market and program changes.

HOME-eligible homebuyers must have an annual household income \leq 80% AMI, as defined by 24 CFR 5.609 (Annual Gross Income). HOME assistance is provided to the homebuyer as a 0% interest, due-on-sale or default loan. The homebuyer must reside in assisted unit as a primary residence during the HOME period of affordability. The residency requirements and loan terms are provided to the homebuyer at the time of application for funding, and again prior to loan closing in the homebuyer's Deed of Trust Note.

Eligible Homebuyer Activities

Home Activity- Single-Family Housing	Regulatory Provision
<ul style="list-style-type: none"> • Acquisition and/or new construction/ rehabilitation 	Recapture
<ul style="list-style-type: none"> • Acquisition and/or new construction/rehabilitation of deed restricted single-family housing 	Resale

HOME Period of Affordability

IHFA does not exceed the regulatory minimum

Assistance to Homebuyer	Period of Affordability
Less than < \$25,000	5 years
\$25,001-\$50,000	10 years
Greater than >\$50,001	15 years

Methods used to Recapture HOME Funds

Resale and Recapture Policies

Introduction

IHFA is a participating jurisdiction in HUD's HOME Investment Partnerships Program. When undertaking HOME-assisted homebuyer activities, which IHFA does, federal regulations must establish written resale and recapture policies that comply with HOME statutory and regulatory requirements. **These policies are to be set forth in the Annual Administrative Plan (Admin Plan) and clearly describe the terms of the resale and recapture provisions, the specific circumstances under which these provisions will be used, and how IHFA will enforce the provisions for HOME-funded ownership projects.** HUD reviews and approves the provisions as part of the Annual Action Plan process. The purpose of this section is to provide the Resale and Recapture policies for IHFA's HOME Investment Partnerships Program. As stated above, HOME requires jurisdictions to utilize resale and/or recapture policies to ensure continued affordability for low to moderate-income homeowners and as a benefit to the public through the wise stewardship of federal funds. IHFA has used HOME funds for different types of programs to assist with single-family housing units:

- Down Payment Assistance provided to new homebuyers;
- Acquisition and Development provided to developers of new single-family housing for ownership;
- Acquisition and Development provided to developers of new single-family housing for rent;
- Community Land Trust acquisition of a parcel of land under an existing single-family home to provide affordable ownership;
- Community Land Trust development of homes on an existing parcel of land placed in a trust to provide affordable ownership;

Not all of these programs are always available; program providers are able to apply for funding on an annual basis based on RFP notifications and may or may not receive an award.

General HOME Property Restrictions

For a homebuyer or homeowner to be eligible for HOME assistance, they must have a low to moderate income, at or below 80% of area median income, as provided by HUD. The household must be purchasing a home to maintain as their primary residence. Depending on the amount of HOME assistance provided to the residence, the property must remain affordable for the number of years indicated according to HOME's Period of Affordability outlined in the Annual Administrative Plan and the executed loan documents between IHFA and the household. If the property is sold during this time, or if it is no longer the primary residence of the household, either resale or recapture restrictions will be enforced.

Resale Policy

IHFA's Resale policies ensure HOME-assisted units remain affordable throughout the entire affordability period. The Resale method is used in cases where HOME funding is provided directly to an eligible household, making the price of the home affordable to an eligible buyer. Deed restricted housing is generally purchased from a nonprofit whose mission ensures long-term affordability.

Specific examples where IHFA would use the resale method for homeowner assistance include:

- Providing HOME funds to acquire property to be developed or to acquire affordable owner units;
- Providing HOME funds for site preparation or improvement, including demolition; and
- Providing HOME funds for construction materials and/or labor; and
- Providing HOME funds for direct buyer loans for assistance with financing down payments and closing costs.
- Providing HOME funds for homeowner rehabilitation (homeowners must meet basic HOME regulatory requirements)
- Providing HOME funds to a subrecipient to administer eligible activities

Resale Policy Notification to Prospective Buyers

The resale policy is explained to prospective homebuyers (Owner) prior to signing a contract to purchase a HOME-assisted unit. The prospective homebuyers sign an acknowledgment that they understand the terms and conditions applicable to the resale policy as they have been explained. This document is executed prior to purchase.

Enforcement of Resale Restrictions

The resale restrictions are enforced by executing loan documents between IHFA and the household, and an IHFA approved HOME addendum containing required provisions. A ground lease may be utilized in some cases to enforce HOA/condo overlay requirements. The ground lease (if applicable), HOME addendum, and loan documents are signed by the homebuyer at closing and recorded with the County. This document will specify:

- The length of the affordability period is based on the dollar amount of HOME funds invested in the unit; either 5, 10, or 15 years, or as otherwise required under HOME regulations; and
- The home remains the Owner's principal residence throughout the affordability period; and
- The conditions and obligations should the Owner wish to sell before the end of the affordability period, including:
 - The Owner must contact IHFA in writing if intending to sell the home prior to the end of the affordability period;
 - The subsequent purchaser must be low-income as defined by HOME and occupy the home as their primary residence for the remaining years of the affordability period; and
 - Whether or not a subrecipient or nonprofit has adopted a targeted population policy which can prioritize eligible buyers within the marketplace.

Fair Return on Investment

IHFA will administer the resale restrictions to ensure the Owner receives a fair return on investment and the home will continue to be affordable to a specific range of incomes.

The resale formula used by IHFA provides a fair return to the homeowner at resale, based on an objective standard that is publicly accessible and can be easily measured, both at the time of initial purchase and at resale.

IHFA uses an appraisal based resale formula to achieve its dual goals of providing a fair return to the original homeowner/seller at resale and ensuring an affordable price to the incoming, low-income homebuyer. IHFA may permit a subrecipient to use their own resale model, provided it meets applicable HOME regulations, and is approved by IHFA at the time of any funding award. IHFA will encourage using one of the four approved HUD methods found in the new HOME rule.

IHFA's resale formula stipulates the homeowner, should they choose to sell, will be able to sell the home for the value of the original price paid plus 25% of any increase in value since initial purchase, as determined by an appraisal at the time of purchase and a new appraisal at the time of sale. Capital improvements are included in the home value determined by the resale appraisal; therefore, no additional credit for capital improvements is calculated or allowable.

Fair Return at Resale Example

Here is an example of how the resale formula is designed to work, using hypothetical market conditions:

Equity earned by Owner by amortization of mortgage after 5years ¹

Total increase in value between original and resale appraisal divided by 25% to determine Owner's eligible portion

At initial purchase:

\$ 309,000.00	Market value of land and improvements, as determined by appraisal at initial purchase.
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At Resale 5 years later:

\$ 405,000.00	Market value of land and improvements, as determined by appraisal at time of resale
\$ 96,000.00	Total increase in value
\$ 24,000.00	Owner's 25% of increase in value
\$ 15,965.61	Equity earned by Owner by amortization of mortgage after 5 years

\$ 39,965.61	Total Fair Return on Investment based on 25% if increase in value plus owner's equity (principal paid down from original Sales price – captures down payment (owners initial investment)
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Sale to next buyer:

\$ 348,965.61	Original sales price of Current owner, plus Fair Return on Investment
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In this example, the home is sold to an eligible low-income household - a property now has an appraised market value of \$405,000 - for an affordable price of \$348,965.61. After the departing Owner has been paid all that is owed, as per the resale formula, the incoming, low-income homebuyer pays 100% of the HOME-assisted property's new \$348,965.61 purchase price. HOME assistance is repaid to IHFA at the time of title transfer.

1 Assuming 5.98%, fixed-rate, 30-year mortgage loan of \$224,000 to original Owner. Original household received \$85,000 in HOME down payment assistance, which is returned to IHFA upon resale to a new low income buyer.

By using a market rate (fee simple) appraisal conducted by an independent, state-licensed appraiser to establish the initial value of the property prior to the original purchase of the home, IHFA follows the standard practice for all real estate purchase transactions. By calculating the resale value using a resale appraisal upon notice of intent to sell by the Owner, IHFA ensures that market volatility for determining property values throughout the real estate industry are minimized. In this way, resale values are easily measured, professionally determined, and publicly accessible. No subjective judgments are made by IHFA or the Owner as to what constitutes value and how value is determined.

The HUD publication CPD 12-003 of 24 CFR 92.254 entitled "Guidance on Resale and Recapture Provision Requirements under the HOME Program." published January 2012, addresses this issue of what a "fair return" might be. In this calculation, the owner receives 25% of the increase in value (includes capital improvements) as determined by an initial and resale appraisal and mortgage equity and initial investment. This constitutes the Fair Return on Investment, while keeping sales price affordable to the next buyer. IHFA's calculation is based on a clearly defined standard that is publicly accessible in our administrative plan and action plan. If the nonprofit is using their own calculation, as approved by IHFA, it will be in the submission for funding. The resale calculation will be included on all resale loan documents and agreements, and is also available by request from the nonprofit or IHFA.

Affordability to a Range of Buyers

Using the resale method, IHFA will ensure continued affordability to a range of buyers, particularly those whose total household incomes is between 60% and 80% of area median income. Sales prices shall be set such that the amount of Principal, Interest, Taxes, and Insurance does not exceed 37% of a household's income who earns 80% of the area median income.

Recapture Policy

IHFA will use recapture provisions for down payment assistance programs, where HOME funds are provided to an eligible household for the purchase of a single-family unit that will be their primary residence.

The amount recaptured is limited to the net proceeds available, if any, from the sale of the residence. If the net proceeds (sale price minus non-HOME mortgage repayment and standard closing costs) are sufficient, the full amount of the HOME assistance shall be recaptured.

If the net proceeds are not sufficient to recapture the full HOME investment, the participating jurisdiction may accept only the net proceeds available from the sale, and forgive any remaining balance. The net proceeds are the sales price minus senior loan repayment (other than HOME

funds) and standard closing costs. If there are other approved junior loans (partner financing or approved secondary financing) in addition to HOME, the participating jurisdiction may choose to share net proceeds on a proportionate basis.

If the housing purchased with HOME assistance is sold, refinanced without IHFA's authorization, or no longer the principal residence prior to the end of the affordability period, IHFA expects to recapture the full HOME investment.

HOME & HTF Rental Housing Production

Describe threshold factors and grant size limits

At application, submission of the following is required in order for the application to receive additional review and scoring:

- CPA audited financial statements for prior year-end is not required if the entity is newly formed. The HOME Department will use the financial statement to help determine if the recipient has adequate financial management systems and practices in place, and sufficient financial resources to carry out the project to completion, including positive net income for the most recent year end.
- Capital Needs Assessment for all acquisition and/or rehabilitation activities (See Chapter 2 for details)

<https://www.idahohousing.com/federal-programs/home-program/>

- Exhibit S- Site Selection and Environmental Checklist. Previously, submission of this form was recommended, but is now required as part of the application. See Exhibit S of this Administrative Plan.

Phase 1 Environmental Site Assessment- Assisted properties shall be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property. A Phase 1 ESA report is valid for 180 days, and may require an update based on the timing of the environmental review process¹. See Chapter 6 for Phase 1 ESA requirements

- Language Access Plan for Limited English Proficient (LEP) Persons. See chapter 6 for LEP requirements.
- Section 3 and MBE/WBE Developer Plan (see Chapter 11)
- Independent third Party Capital Needs Assessment- Required for all projects- Must be in sufficient detail to determine amount of funds needed for intermediate and long-term needs and costs as represented in the proposed replacement reserve account. At minimum must match the term of HOME/HTF Loan. For Rehab projects a remaining useful life of current items typically included in a CAN should be determined. See chapter 2 for CNA requirements.
- Operating Costs – Minimum operating costs per unit per year benchmarks are as follows; these numbers will be published annually

	Family	Senior/Elderly
Operating Expense	\$4,700 per unit	\$4,350 per unit

- Market Study (see Exhibit M for requirements)
- Fair Housing Requirements

¹ Phase 1 is not needed at time of application but must be completed if the project is selected.

See Chapter 6 for documentation **Applicant must also submit one of the following items:**

- a) If the proposed activity will be located in a CDBG Non-Entitlement area, then submit the local jurisdiction's most recent Fair Housing Assessment Plan reviewed by the State of Idaho's CDBG Program (Idaho Department of Commerce); or
 - If the proposed activity will be located in a CDBG Entitlement Area (Boise, Nampa, Meridian, Lewiston, Coeur d'Alene, Idaho Falls, Caldwell, and Pocatello, and Twin Falls), submit that city's most recent Analysis of Impediments to Affirmatively Further Fair Housing. If the city's Analysis of Impediments or Affirmative Housing Assessment document is available online, then applicant need only provide IHFA with the link to the online document (hard copy would not be required to submit).
 - Evidence the recipient has the experience and capacity to begin construction within 12 months and complete the project within a reasonable time period. A narrative should be included in the application detailing the experience and not just a list of past projects and resumé. (see Exhibit W).
 - Evidence of site control that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and Environmental Review Procedure [24 CFR §58.22](#) (See Chapters 6 and 10, and Exhibit O of this Plan)
 - Must meet one of four Green Building Design Standards or certifications: Energy Star, LEED, Enterprise Green Communities, and/or IHFA Green Building Standards. Once the standard is selected the proposed project may not change the standard.
 - For Energy Star design requirements, applicant must document Energy Star Reference Design in all Checklists. IHFA Green Building Standards, the application must contain evidence the project will meet a minimum of 10 IHFA Green Building Standard items (see Exhibit V).
 - Request for Release of Information. To all/any outside agencies the recipient has an active project(s) (See Exhibit X)
 - Pro forma- All operating costs and revenues must be in sufficient detail to compare line items against properties that are similar in physical type and size, so that the HOME Department may determine whether the planned expenditures are sufficient and reasonable. The operating budget should include general management expenses, maintenance and operating costs, any project paid utilities, taxes, insurance premiums, and adequate deposits to replacement reserves. In most cases, evaluation of total operating costs should be summarized in "per unit per year" amounts along with the operating expense ratio. A narrative shall be provided as to why the project will be able to sustain the projected operating costs and revenues if the operating expense ratio is <50%. If the proposed project includes leased land and there is an in-kind portion of the lease, then an estimated value of a market rate lease should be included in the Pro Forma. Applicant should also provide a debt service schedule with details of proposed loan. (i.e., interest rate, term, payment schedule)

- Pro forma that incorporates the following assumptions:
 - 7% vacancy factor (5% allowable with prior approval, and if documented in Market Study)
 - 2% annual increase in income
 - 3% annual increase in expenses including replacement reserves
- Minimum Match Requirement of 10% requested loan amount-HOME Only (see chapter 4)
- Subsidy Layering sheet (See Exhibit P)
- Funding Commitments:
 - To receive the points, the application must include a written commitment from **all** proposed funding sources (excluding HOME, HTF, and LIHTC). An application that does not include evidence of commitments will not be underwritten and be deemed incomplete.
 - A funding commitment must be on letterhead form the issuing entity, which includes the financing and commitment terms, including the minimum debt service for primary and subordinate debts, the type of funding (construction/ interim/ permanent), the amount, and source of funding (HUD 202/811, USDA, etc.)
- Project Narrative Description

AP-50- Geographic Distribution

HOME & HTF

Rental Activities- Because HOME/HTF funds are awarded as gap financing; IHFA does not follow a geographic distribution model. For development activities, IHFA follows a published NOFA/RFP application process. Activities are selected following an application review and scoring process. This process allows IHFA to fund activities that best demonstrate long-term feasibility, owner, developer and management capacity, as well as market need, among other IHFA criteria.

- **Multifamily Rental** activity applications are submitted once each year. The application must meet minimum threshold requirements prior to scoring. Threshold requirements include: Market analysis including the current number and type of affordable and market rate housing units, age of current housing stock, rental vacancy rates, employment opportunity, percentage of low-income households to overall population, and proximity of the project to essential services (schools, medical, food), prior to scoring. Other threshold requirements include an alternative site analysis, a pro forma that includes the industry standard vacancy rates and an annual increase in expenses and income, site control that adheres to Uniform Relocation Act, Voluntary Sales Disclosure, and Environmental Review requirements. Owner must also submit evidence the local community in which the project will be located, is committed to affirmatively furthering fair housing choice.
 - Additional multifamily scoring categories: Geographic diversity, applicant/developer capacity, leverage, tenant preference for a priority housing needs population, IHFA green building design components, and site/unit amenities, match, and site suitability.
- **Single-Family Activities-** Non-profit owner-developers apply for funds to acquire and/or construct or rehabilitate single-family homebuyer housing units once each year. Homebuyer properties must be sold

to HOME-eligible homebuyers within 9 months of development completion. The nonprofit's proposal must include an analysis of the local market, evidence of developer experience and capacity, including previously funded activities, the local community's commitment to fair housing choice, and the number, type, and scope of the proposed activity, and if a homebuyer activity, a sales plan, etc.

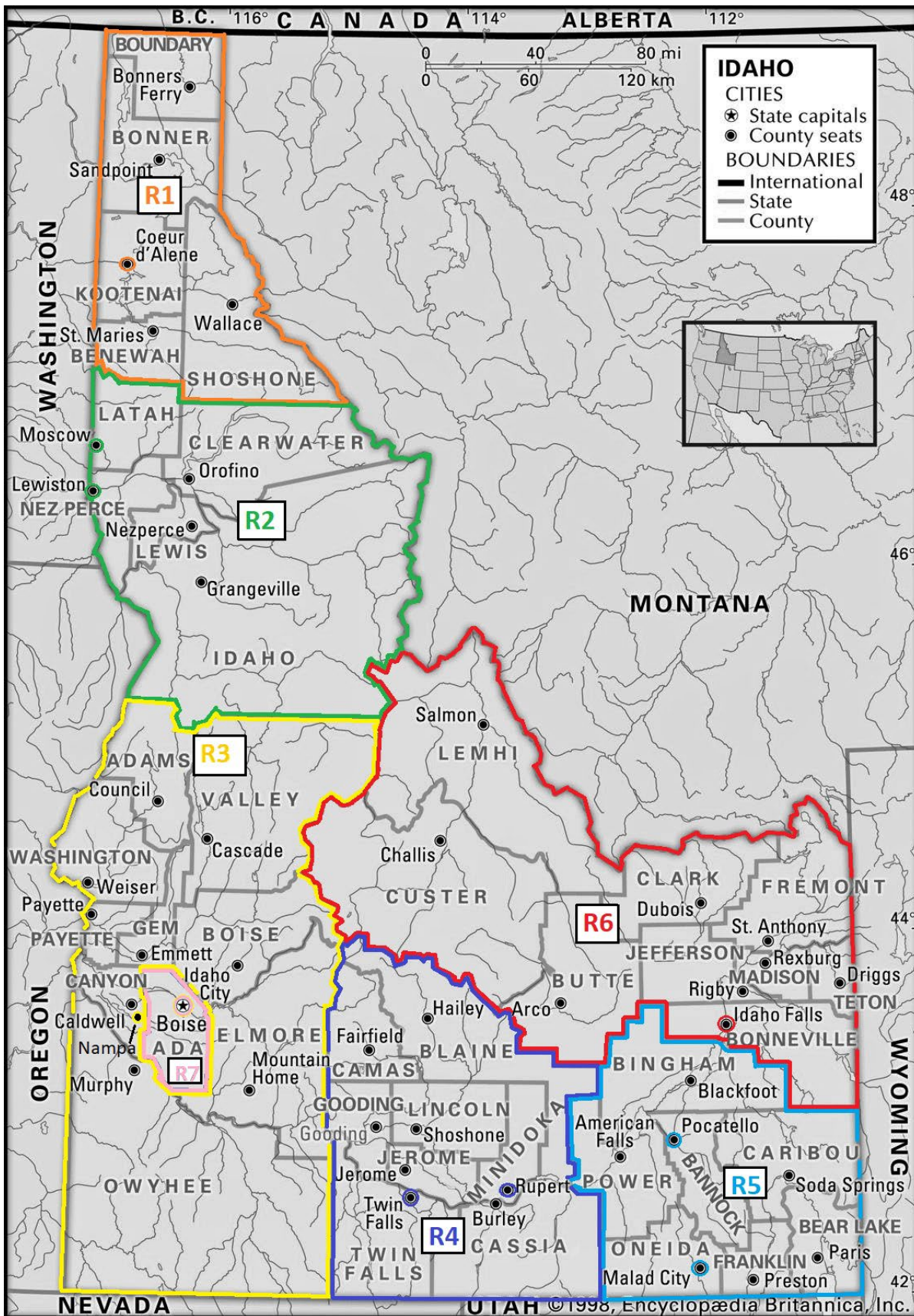
Housing Trust Fund Program-Specific

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (The Act) as revised by HERA, provides for the distribution of funds to states based on four (4) Need factors [24 CFR 93.51(a)-(d)] and a local construction cost adjustment factor [§93.51(e)]. Need factors include

- Relative shortage of rental housing available to Extremely low-income individuals and families
- Relative shortage of rental housing available to very low-income individuals and families
- Relative number of extremely low-income (ELI) renters living in substandard, overcrowded and/or unaffordable housing in Idaho
- Relative number of very low-income renters living in substandard, overcrowded, and/or unaffordable housing.

See AP-90 for a detailed response regarding geographic diversity

Emergency Solutions Grant



AP-75-Barriers to Affordable Housing

Goals and milestones- 2026 Program Year

ISSUES AND CONTRIBUTING FACTORS	GOAL	MILESTONES	RESPONSIBLE ENTITY
<p>Address workers’ and residents’ housing needs through incentives, funding and technical assistance.</p>	<ol style="list-style-type: none"> 1. Explore federal funding opportunities to expand transportation options, including shared shuttle programs, that serve low-income workers and accommodate the needs of persons with disabilities. 2. As opportunities allow, prioritize federal funding to expand public transportation services to include later and weekend transit hours on existing routes, and expand routes to areas where low-income workers need it most. 	<ol style="list-style-type: none"> 1. Use CDBG funds to leverage the creation of at least 20 jobs annually, 2025 through 2029. 2. Ensure CDBG grantees (cities and counties) have completed the transportation component of their comprehensive plan (as per Idaho’s Local Land Use Planning Act). Further, the CDBG grantee should address the transportation factors that are contributing to limiting opportunities for its residents in their fair housing assessment. 3. Commerce will continue to award additional points to CDBG downtown revitalization applications that attempt to improve multimodal transportation options. 4. Commerce will continue to award points to CDBG applicants who are members of an economic development organization whose objective is to advance job growth and training opportunities. 	<p>Commerce-1,2,3,4</p>
<p>Reduce disparities in housing needs among persons with disabilities and racial and ethnic minority households</p>	<ol style="list-style-type: none"> 1. Consider an incentive grant program like Colorado’s new 1271 grant that supports planning and zoning and land use studies, innovative housing solutions, and infrastructure expansions to support affordable 	<ol style="list-style-type: none"> 1) IHFA/Commerce cannot directly lobby; however, both entities will continue to incentivize activities and projects focused on LMI beneficiaries. 2) HOME will provide downpayment assistance to households, thereby increasing housing opportunities for LMI 	<p>IHFA 1,2,3 and Commerce-1,4</p>

	<p>housing. In the stakeholder survey, one economic development expert noted that even if their community wanted to upzone, planning staff do not have the experience to do so. This individual expressed that their community needs guidance from more urban community developers on updating water and sewer capacity, setting rates, and developing new multifamily housing. Note: This would require a legislative action to direct funding to a grant.</p>	<p>households.</p> <ol style="list-style-type: none"> 3) HTF will be subgranted to CDBG municipalities to increase rental housing options for extremely low-income households. 4) Commerce will continue to award points to CDBG applicants who have adopted land use practices that allow for diverse housing stock. 	
<p>Increase the number of accessible and visitable housing units and accessible neighborhoods for persons with disabilities.</p>	<ol style="list-style-type: none"> 1. Implement a new fund or pool existing resources: <ol style="list-style-type: none"> 1) For people with disabilities to access to make home modifications for accessibility; 2) To incentivize newly built housing to make units visitable and adaptable; 3) To assist group homes with financial stability and viability.¹¹ Note: This would require a legislative action to direct funding to the proposed activities. 2. Explore state incentives (such as Colorado’s 1271 program mentioned above) and federal funds to increase housing density allowed around transportation corridors and therefore expand affordable and accessible housing around transit hubs. This would address disparities like those 	<ol style="list-style-type: none"> 1) For any new developments, visitability is required in units, which may not be required under Section 504. 2) Fund at least five (5) projects annually with CDBG funding that improve ADA accessibility. 3) Ensure all CDBG grantees (cities and counties) have updated their ADA Transition Plans prior to project closeout. 4) Commerce will continue to award additional points to CDBG downtown revitalization, public buildings, and park applications that improve ADA accessibility. 5) Continue to award points to CDBG applicants who have adopted “visitability” 	<p>IHFA-1 and Commerce-2,3,4,5</p>

	<p>mentioned by Canyon County stakeholders, where residents with disabilities who are not near a bus stop cannot get access to basic amenities like the grocery store.</p>	<p>requirements into their building code for new single family home construction.</p>	
<p>Support legislative efforts to expand housing choice.</p>	<ol style="list-style-type: none"> 1. Support legislative efforts to encourage or allow by-right affordable housing development and gentle density bonuses for affordable developments as long as they are compatible with the local government’s comprehensive plan. 2. Support legislative efforts that expand local governments’ ability to raise funds to expand housing choice. 	<ol style="list-style-type: none"> 1) IHFA/Commerce cannot directly lobby; however, both entities will support when allowed and applicable legislation that helps to expand housing choices. 2) IHFA will award funds to projects/partners who increase housing in areas which provide choice in areas not already considered LMI. 	<p>IHFA-1, 2 and Commerce-1</p>

<p>Continue fair housing education and outreach and further local governments adoption of AFFH principles.</p>	<p>1. Consider pursuing funding for a management consultant or mediator to work through tensions between fair housing enforcement organizations, housing providers, and local governments, with the goal to establish best practices from other fair housing organizations that seem to strike this balance. Alternatively, provide mediation services to help create less adversarial relationships between local landlords/business owners and fair housing advocates. Many stakeholders expressed concern about existing fair housing organizations' conflicts between providing education and outreach and also being responsible for bringing fair housing lawsuits.</p>	<ol style="list-style-type: none"> 1) Require CDBG applicants to adopt and publish / post a fair housing resolution. 2) Require CDBG grantees to proclaim April as Fair Housing Month. 3) Require CDBG grantees to post fair housing posters at their city hall or administrative offices. 4) Require CDBG grantees to have available for the public the Idaho fair housing Z-cards. 	<p>Commerce-1,2,3,4</p>
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AP-90 - PROGRAM SPECIFIC REQUIREMENTS

Emergency Solutions Grant

House Idaho Collaborative (HIC) Written Standards is found on IHFA's website under the initiatives subheading <https://www.idahohousing.com/partners/service-providers/house-idaho-collaborative/>

HOME & HTF Programs

IHFA may consider refinancing of existing debt if the debt was not made or insured by any Federal Program (CDBG, USDA-RD, VA, HUD-202 or 811 or 221(d(4), PHA Capitol Fund, FHA), and substantial rehabilitation will be the primary activity. Activity is eligible within Idaho, except the City of Boise.

Requirements:

1. Refinancing is necessary to permit the continued affordability of the project. For HTF, this must result in the housing being more affordable and proportional to the number of HTF-assisted units in the rental project; additionally, the proportional rehabilitation cost must be greater than the proportional amount of debt that is refinanced.
2. Affordability period is no less than 15 Years;
3. A review of the owner's financial and property management practices clearly demonstrates there was no disinvestment in the property;
4. Feasibility of serving the current target population over an extended period is demonstrated by pro forma;
5. Substantial Rehabilitation of all units and tenant common areas is necessary as demonstrated by a Physical Needs Assessment.
 - a) "Substantial Rehabilitation" defined as \geq \$25,000 per unit in hard rehabilitation costs. "Hard" rehabilitation costs for this activity is defined as site work, physical improvements, and construction contingency.
6. Capital Needs Assessment must meet the following requirements:
 - a) Assessment must be conducted or updated within the previous 6 months;
 - b) At minimum CNA must match term of HOME/HTF Loan
 - c) Assess the physical condition of all major systems, structures, units, and tenant common areas; Identify any major system with a useful remaining life. Any system with less than a 15-year useful remaining life must be replaced as part of the rehabilitation project.
 - d) Prepared by an independent architect/engineer who is licensed and certified by the State of Idaho;
 - e) Architect or Engineer must certify the CNA is an accurate assessment of the entire property and includes an assessment of the items needed to comply with the Property Standards:

- f) Property Standards- State of Idaho's building codes, applicable local property standards and ordinances, Uniform Physical Condition Standards (UPCS) or updated standard found at 92.251 and/or 93.301, applicable federal crosscutting regulations (Fair Housing Act, Section 504, ADA, UFAS, HUD Lead Safe Housing Rule) and ASHRAE 90.1 for Multifamily buildings.

Discussion- Sales Price Limits

Pursuant to 92.254(a)(2)(iii), IHFA has utilized local data to determine the median area purchase price for twelve (12) counties. Most areas used a full year of data (March 1, 2024 to February 28, 2025). For the Ada County metro area, three months of data was used (November 2024- January 2025). These three months were selected as the point in time at which the Annual Action Plan was started. The median data was then multiplied by .95.

To ensure households have access to the same inventory, this analysis is necessary.