

INTRODUCTION AND PROGRAM DESCRIPTION

A. Overview

The Cranston-Gonzales National Affordable Housing Act of 1990 created the HOME Investment Partnerships Program (HOME).

The intent of HOME is to:

- Expand the supply of decent, safe, sanitary, and affordable housing, with the primary attention to rental housing, for very low-income and low-income persons.
- To mobilize and strengthen the abilities of state and local governments to design and implement strategies for achieving an adequate supply of decent, safe, sanitary and affordable housing.
- To develop and refine, on an ongoing basis, a selection of model programs incorporating the most effective methods for providing decent, safe, sanitary, and affordable housing.
- Assure that federal housing services, financing, and other investments are provided to state and local governments in a coordinated, supportive fashion.
- Expand the capacity of nonprofits to act as owners, sponsors, and developers of affordable housing.

HOME regulations have established an allocation formula that reflects each Participating Jurisdiction's (PJ) share of HOME funds based on the total need among eligible PJs for an increased supply of affordable housing for very low-income and low-income families. The formula is based on such factors as: age of units, substandard occupied units, number of families below the poverty rate, and population.

If funds become available to a participating jurisdiction under this subchapter are not placed under binding commitment to affordable housing within 24 months after the last day of the month in which such funds are deposited in the jurisdiction's HOME Investment Trust Fund, the jurisdiction's right to draw such funds from the HOME Investment Trust Fund shall expire. The Secretary shall reduce the line of credit in the participating jurisdiction's HOME Investment Trust Fund by the expiring amount and shall reallocate the funds by formula in accordance with section 12747(d) of title 24 CFR.

HOME is designed to be a partnership between the federal government, state and local governments and those who build, own, manage, finance and support low-income housing initiatives. The partnership features of HOME include:

- **Matching Funds**: HOME funds require a 25% match of non-federal resources.
- **Nonprofit Participation**: Idaho Housing and Finance Association (IHFA) is required to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in the implementation of the jurisdiction's housing strategy, including participation in the financing, development, rehabilitation, and management of affordable housing.
- **Monitoring of Compliance**: PJs must carefully monitor rents and occupancy to assure that the funds benefit low-income households. Through enforceable agreements with owners and otherwise, each PJ shall ensure long-term compliance with the provisions of this subchapter.

The Administrative Plan does not cover all statutory and regulatory requirements, or program guidelines of the HOME Program. A complete copy of the HOME statute and Final Rule 24 CFR Part 92 may be accessed at the HOME website http://www.hud.gov/offices/cpd/about/cpd_Program.cfm. Program participants may find the HUD web site useful in obtaining additional guidance on HOME program models, notices, and guides. Prospective HOME program participants and grantees may also request further program clarification and guidance from IHFA.

B. PROGRAM DESCRIPTION

Amendments to the HOME Administrative Plan

IHFA may amend this HOME Administrative Plan as necessary to effectively administer the State of Idaho HOME Program. Although reasonable effort is made to provide an opportunity for the public to comment prior to any amendments taking effect, these changes may be made at any time. All applications will be subject to and must be amended according to any Administrative Plan amendments that occur.

The purpose of the State of Idaho HOME Program, as designed by the Idaho Housing and Finance Association (IHFA), is to increase the availability of safe and decent housing for low and very low-income families and individuals. HOME funds will be used to provide flexible loans for upgrading sub-standard existing housing units, to construct rental housing for families at affordable monthly rates, and to provide home purchase assistance.

Consistency with the Idaho Five-Year Strategic Plan

Idaho's HOME Program has been designed to address the affordable housing needs described in the 2005-2010 Strategic Plan. The Five-Year Strategic Plan is the single document through which HUD funds are approved for Idaho's **non-entitlement** areas. As a funding mechanism for the state, the Strategic Plan addresses housing and community development needs, market conditions, demographics and strategies for empowerment. The Plan can be accessed at www.ihfa.org. Entitlement areas must meet the following criteria:

- Principal cities of Metropolitan Statistical Areas (MSAs);
- Other metropolitan cities with populations of at least 50,000; and
- Qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities) are entitled to receive annual grants.

IHFA will work with various federal, state, and local stakeholders to create and support suitable living environments, and decent housing for the people of Idaho with the greatest need. The following are IHFA's goals and strategies outlined in the 2005 -2010 Strategic Plan.

- Increased access to decent affordable housing by sustaining and increasing homeownership, increase of affordable rental housing and support of equal access to a continuum of housing services.
- Preserve and enhance suitable living environments by improving safety and livability of communities, increased access to quality facilities and services and improved affordability and sustainability of quality facilities and services.

- Increased community investment and involvement by promoting effective partnerships and support efforts to increase local capacity in planning, administration, and implementation.

As the designated participating jurisdiction for Idaho's HOME funds, IHFA is directed by the federal regulations to take appropriate actions to ensure that the funds are utilized as effectively as possible. Meeting this responsibility requires the identification of critical housing needs and targeting the use of funding resources to meet those needs through the strategic planning process.

IHFA reserves the right, when necessary, to address identified housing needs by acting outside the framework of the application process to fund projects that demonstrate exceptional community value. If the need arises to use HOME funds in this way, IHFA will advertise the need, and may act as the sponsor of the project or negotiate with a qualified entity to act as the project sponsor. Such actions require the review and approval of IHFA's Resource Allocation Committee.

IHFA may also place conditions on awards to projects that include, but are not limited to, decreasing rents, periods of affordability, and lower income levels served. All other funding for a project must be committed before a loan agreement for the HOME funds is executed. HOME recipients will be allowed **90** days from the date of award notification to document that all other sources are committed to the project (unless additional time is requested by the applicant for good reason and the request is approved by IHFA). Projects selected for funding are expected to start construction within twelve months of the reservation of HOME funds.

Idaho Housing and Finance Association as Administrator

In January 1991, IHFA was designated by the Governor as the appropriate agency to act on behalf of the State of Idaho for all purposes identified under the Cranston-Gonzales National Affordable Housing Act of 1990.

- The Idaho Housing and Finance Association was created by the Idaho State Legislature in 1972 for the purpose of providing "an adequate supply of safe and sanitary dwellings at prices or rents which persons and families of low income can afford." (Title 67, Chapter 62 of the Idaho Code, as amended, the "Act"). The Association is a quasi-governmental, not-for-profit financial services and housing organization. IHFA is a self-supporting corporate body, which uses neither state funds nor state employees in its operations.

In addition to HOME funds, IHFA also administers the Continuum of Care for the state, the Emergency Shelter (ESG) grant program, and the Housing Opportunities for Persons With AIDS (HOWPA) grant program. IHFA is also the Housing Finance Agency for the State and administers multiple contracts with HUD for rental assistance programs in 34 of Idaho's 44 counties. The Association has highly qualified staff in all areas of its operations and in all facets of housing development including finance, new construction, rehabilitation, subsidy programs, contract administration, and others. The Association has the commitment, resources, and expertise to complete all contractual obligations in an efficient and effective manner.

Eligible HOME Activities

The following activities, as they are defined in 24 CFR 92.205(a), 92.252 and 92.254, are eligible uses of Idaho HOME Program funds and have been judged to be responsive to helping fulfill the strategies of the 2005 Idaho Five-Year Strategic Plan:

- New construction of affordable rental housing
- Acquisition and/or rehabilitation of affordable rental housing
- Direct Down Payment Assistance to homebuyers
- New construction, acquisition, acquisition/rehabilitation of homebuyer properties (sponsored by non-profit organizations)
- Units designed for elderly, special needs tenants
- Transitional housing (non-emergency shelter)
- Single Room Occupancy (SRO) Housing (non-emergency shelter)

In the event IHFA’s Resource Allocation Committee determines that the best way to meet the housing needs in any region of the state served by IHFA’s Branch Offices is through the provision of additional rental assistance using HOME funds, such assistance will be provided through the existing IHFA Branch Offices. Whenever practicable, households receiving such rental assistance will be required to participate in the Family Self-Sufficiency Program with the goal of assisting each household to be able to support itself economically without government assistance within five years. HOME Program administrative fees will be utilized as needed by IHFA for program design, administration, monitoring, training, and support of program activities.

Availability of HOME Funding

Funding levels vary each year with changes in the federal appropriations for the HOME Program and adjustments in the funding formula. Funds are available through an open application process, taking into account the need for the funds, the project's consistency with the Consolidated Plan and the distribution regionally.

It should be noted that regardless of the application receipt date and the date HOME funding reservations are announced, the availability of each year’s allocation of HOME funds is dependent upon HUD’s approval of Idaho’s Consolidated Plan Action Plan for the Program Year, which starts April 1.

C. HOME Allocation Plan

The distribution of Idaho HOME funds is governed by a variety of federal regulations and local policies. The HOME Regulations stipulate various maximum and minimum “set-asides” of HOME funds listed in the following table:

Percentage of funding set aside	Activity
No less than 15%	Project Development by CHDO sponsors
Up to 75%	Project development by non-CHDO sponsors
Up to 5%	CHDO Operating Assistance
Up to 10%	Administrative Costs

The Association reserves the right to reallocate set-aside funds within these categories as needed, as long as the federal minimum and maximum limits are observed. As demonstrated above, Idaho must set aside a minimum of 15% of its available funds for development activities undertaken by Community Housing Development Organizations (CHDOs). If the full amount of this set-aside is not requested and awarded to capable CHDOs for eligible and feasible projects within 24 months of funds receipt by IHFA, the funds must be returned to HUD for reallocation to other jurisdictions. If CHDOs request more than 15%

of one year’s allocation of HOME funds and the funds have not been committed to other non-CHDO projects, more than the 15% minimum set-aside will be reserved for CHDO projects. Additional information regarding CHDOs is available in Chapter 5.

USDA Rural Development Set Aside

Five percent (5%) of the annual HOME allocation is set aside for multi-family developments financed and/or guaranteed by USDA Rural Development funds and located in rural communities with populations not exceeding 10,000 or in areas classified as rural prior to October 1, 1990, even if it is with a MSA, it may be considered rural as long as it (1) has a population between 10,000 and 25,000, and (2) is rural in character. The set aside will be available on a statewide basis and is subject to the competitive application threshold and review and approval.

Funding Blocks by Project Type

In order for IHFA to be consistent with the needs as identified in the Consolidated Plan and ensure applications that will meet the requirements of the type of housing identified therein, IHFA will designate funds to specific project types. The table below describes the types of projects that are included in each category:

Types of HOME Projects	
Homeownership	<ul style="list-style-type: none"> • Direct Down Payment Assistance to qualified homebuyers; • New construction, acquisition, acquisition and rehabilitation of single family housing for homeownership.*
Rental Housing	<ul style="list-style-type: none"> • Construction, acquisition, acquisition and rehabilitation of rental housing for individuals, families; • Special needs populations • Transitional housing for homeless persons.

*Project activity must be sponsored by non-profit housing development organization

Based on need for different types of housing, HOME funds will be set aside for one or more of the project categories. The set-asides are intended to ensure that significant amounts of HOME funding are available to applicants for projects that meet critical housing needs in Idaho. The set-aside amounts will be minimum or maximum amounts available only for projects that fit into that category of housing type. If additional funds are available, and enough qualified applications are received, the actual reservations of funds to a particular category of housing could exceed the set-aside amount.

Geographic Distribution

The Association recognizes the need to consider the geographic distribution of HOME funds as part of the allocation process. HOME funds may be allocated to regional applicants for a specific project selected by the Association based upon the quality of the application and the housing needs in the region, which can be supported by the following demographics:

Consideration of Population and Poverty for the Geographic Distribution of HOME Funds			
Region	Total Population (2006 estimates)	Percent of total Population	Poverty Rate (small area income and poverty level estimates)
Statewide	1,466,465	100%	15%
Region 1¹	206,140	14.0%	15%
Region 2²	101,195	7%	17%
Region 3^{3*}	290,653	20%	17%
Region 4⁴	173,626	12%	13%
Region 5⁵	156,065	11%	14%
Region 6⁶	184,391	13%	16%
Ada County⁷	359,035	24.4%	9.4%

Sources: U.S. Census Bureau & Northwest Area Foundation

The total population and the percent of the population at or below poverty level in each region are the key factors considered when determining the regional allocation of funds. Regional demographics are only one of several factors considered by IHFA in funding decisions. Although it is important that the limited HOME funds available are responsive to the needs of the various regions, IHFA's ability to distribute the funds to all regions is dependent on the receipt of competitive applications.

Other Policy Issues

Funds are reserved for HOME applicants in amounts appropriate to the scope of the proposed project and with regard to the additional resources brought by the applicants. IHFA reserves the right to adjust the amount of HOME funds, financing or repayment terms awarded to projects, and to negotiate modifications to the proposed work plan and budget prior to executing a regulatory agreement. The terms of HOME loans are negotiated on a project-by-project basis and are subject to debt service coverage ratios, proposed rent levels, and the project's ability to meet the needs of the population served.

As the designated participating jurisdiction (PJ) for Idaho's HOME funds, IHFA is directed by the federal regulations to take appropriate actions to ensure that the funds are utilized as effectively as possible. Meeting this responsibility requires the identification of critical housing needs and targeting the use of funding resources to meet those needs through the Consolidated Planning process. IHFA reserves the right to act as a HOME applicant in order to bring attention to a critical housing need and demonstrate the highest and best use of HOME funds.

¹ Includes Boundary, Bonner, Benewah, Kootenai, and Shoshone Counties

² Includes Latah, Lewis, Nez Perce, Clearwater, and Idaho Counties

³ Includes Adams, Valley, Washington, Payette, Boise, Gem, Elmore, Canyon, and Owyhee Counties

⁴ Includes Camas, Blaine, Gooding, Lincoln, Minidoka, Jerome, Twin Falls, and Cassia Counties

⁵ Includes Bingham, Power, Bannock, Caribou, Oneida, Franklin, and Bear Lake Counties

⁶ Includes Lemhi, Custer, Butte, Clark, Fremont, Jefferson, Madison, Teton, and Bonneville Counties

⁷ Includes City of Boise

IHFA further reserves the right, when necessary, to address certain housing needs by acting outside the framework of the competitive application process to fund projects that demonstrate exceptional community value. If the need arises to use HOME funds in this way, IHFA may act as the sponsor of the project or negotiate with a qualified entity to act as the project sponsor. Such actions would require the review and approval of IHFA's HOME Resource Allocation Committee.