



**Idaho Housing
and Finance**
Association

www.idahohousing.com

HOME Investment Partnerships & Housing Trust Fund Programs

2017 Administrative Plan PROPOSED CHANGES



*Denotes changes to the Administrative Plan following the comment period

2017 HOME & HTF Administrative Plan

Chapter 1- HOME and HTF Programs- Overview	4
National Housing Trust Fund Program (HTF	4
*Eligible Basis.....	4
Chapter 2- Eligible Activities	6
RENTAL HOUSING ACTIVITIES	6
Funding Project Limits.....	6
Project Completion	6
Ineligible Properties	6
Property Standards	6
New Construction	6
*IHFA Revision- Fair Housing Design Requirements.....	6
Project Hard Costs- Construction Costs	6
Eligible Costs	6
HTF-Specific-	6
Match Requirement.....	7
Financing Terms	7
Subordination Terms.....	8
Loan Terms.....	8
Housing Trust Fund Specific--	8
*Fixed/Floating Units	8
Revision-Remove Proposed Change	8
HOME/HTF Tenant Selection	9
HTF Eligible Tenants and Rents- § 93.302(a) and (b)	9
HTF Initial Rents and Utility Allowances- § 93.302(c)	9
Ongoing Rents and Utility Allowances §93.302(c)(2)	9
Environmental Review Process.....	9
Re-Evaluation (24 CFR Part 58.47]	9
DEFINITIONS	10
Commitment of HOME Funds.....	10
*IHFA Revision- Fair Housing Design Requirements.....	10
New Construction Property Standards	10
HTF Operating Assistance and Operating Cost Assistance Reserves §93.201 (7)(e)	10
HUD Methodology for Determining HTF Operating Assistance Reserve §93.201 (7)(e)(2).....	10
SINGLE-FAMILY HOMEBUYER ACTIVITIES	11
HUD-CPD Income Calculator	11
Current Passbook Rate.....	11
Primary Mortgage Required	11
DP/CC Maximum Subsidy Limits	11
Chapter 3- Ineligible Activities	13
Chapter 4- Match	13
Chapter 5- CHDOs	13
Chapter 6- Federal Cross-Cutting Regulations	14
Non-Discrimination Policy and Equal Access	14
Environmental Review and Clearance- Overview.....	14
Applicability.....	14
Increase in Funding Award or Change in the Scope of Work	14
Compliance Areas- Alternative Site and Project Modification Analysis [24 CFR 58.5]	14
Davis-Bacon.....	14

2017 HOME & HTF Administrative Plan

Chapter 7- HOME and HTF Compliance Monitoring.....	15
Utility Allowance Annual Calculation.....	15
Add: new section.....	15
Proposed language.....	15
10/17/2016- Addition	15
Applicability.....	15
HUD Utility Schedule Model	15
Chapter 8- Multifamily Rental Application & Scoring Criteria	16
Notice of Funding Availability (NOFA) and the Application Process.....	16
Minimum application threshold Criteria	16
Commitment of HOME Funds.....	16
*IHFA Revision- Fair Housing Design Requirements.....	16
Added as of 10/28/2016- Waiver Request	17
Scoring Criteria and Categories.....	17
Special Needs Housing Populations	17
Add: HTF- Specific Projects Only	17
Exhibit C- HOME/HTF Rehabilitation Standards	20
MULTIFAMILY RENTAL REHABILITATION STANDARDS - § 91.320(k)(5)(iv) AND § 93.301(B).....	20
Applicability.....	20
HTF Specific- UPCS Inspection prior to application.....	20
Purpose and Scope.....	20
PNA Professional Credentials.....	20
PNA Certification Statement.....	20
Property Standards	21
At Application.....	21
HTF-Specific-	21
PNA Inspectable Areas	21
PNA Report Requirements	21
During Development.....	23
Project Completion	23
SINGLE-FAMILY HOMEBUYER REHABILITATION	23
Requirements at Application	23
Exhibit M- Market Study Requirements	24
Applicability.....	24
Project Site.....	24
Summary.....	24
Exhibit U- Architect's Certifications	24
*IHFA Revision- Fair Housing Design Requirements.....	25
Attachment A.....	25
Exhibit C- HTF- Specific- UPCS Checklist.....	25

2017 HOME & HTF Administrative Plan

Chapter 1- HOME and HTF Programs- Overview

National Housing Trust Fund Program (HTF)

Pg 11: Add new program

IHFA Revision- Eligible Basis

Add Clarification Language: The HTF program follows the same eligible cost basis requirements as the HOME Program. HTF used for construction and operating reserve DO NOT have the effect of reducing eligible basis.

Proposed Language

The National Housing Trust Fund (HTF) was created under Title I of the Housing and Economic Recovery Act of 2008 [24 CFR Part 93] to provide funding to State governments to increase and preserve the supply of rental housing for extremely low and very low-income families, including homeless families.

The initial HTF allocation is "non-appropriated" (defined as an allocation from government-sponsored entities, i.e. Fannie Mae and Freddie Mac). Future allocations may also include "appropriated (congressionally approved transfer from Treasury)".

Idaho Housing and Finance Association is the designated Grantee for Idaho's HTF program. Annual allocation is formula based.

Beginning with the 2017 HOME Administrative Plan, Housing Trust Fund program requirements are included. Where possible, IHFA has designed the HTF rental-housing program to mirror the HOME program. However, when HTF requirements are different from the HOME program, this will be noted in the section as "HTF-Specific" in the

HTF- Specific Rental Housing Activities Overview

Operating Assistance and Operating Assistance Reserves for HTF-assisted units

- The amount of operating cost assistance/reserves is limited to 1/3 of each annual grant
- Operating assistance may be provided over multiple years
- IHFA may renew operating assistance with future grants during the period of affordability
- Operating assistance Reserve funded with Non-appropriated funds
 - Reserve may be funded for the amount estimated to be necessary for the entire period of affordability up front
- Operating assistance reserve funded with Appropriated funds
 - For each grant, assistance is limited to the amount necessary for a period of up to 5 years.
- HTF follows the same eligible cost basis as the HOME program. HTF funds used for construction and operating reserve DO NOT have the effect of reducing eligible basis.

Minimum Annual Allocation

- \$3 million
- Alternative methodology if minimum funding is not available

2017 HOME & HTF Administrative Plan

Minimum Income Targeting

- 100% Extremely Low-Income households ($\leq 30\%$ Area Median Income) with incomes at or below the poverty line

Eligible Activities

- New construction of rental units
- Acquisition or acquisition/rehabilitation of rental units

Public Housing

- May be used on public housing units being constructed or rehabilitated in Choice Neighborhoods, Rental Assistance Program (RAD) or mixed finance/Low-income Housing Tax Credit projects

Rent Limits

- Rent plus utilities capped at 30% of the income of a household whose income is 30% AMI as determined by HUD, with adjustments for number of bedrooms. HUD will publish HTF rent limits on an annual basis.

IHFA Administrative Costs

- Up to 10% of annual grant and program income

Maximum Per-Unit Subsidy Limits

- Will use HOME Maximum Per-Unit Subsidy Limits

Affordability Period

- Not less than 30 years

2017 HOME & HTF Administrative Plan

Chapter 2- Eligible Activities

RENTAL HOUSING ACTIVITIES

Funding Project Limits

Pg. 2-5: Add new language- IHFA may need to exchange HOME funds with Housing Trust Funds or vice versa. If this exchange of funds were needed, IHFA would present the options to the owner/developer for approval. The exchange would take place prior to executing the written award agreement to commit funds [create link to definition of Written Award Agreement]

Project Completion

Pg. 2-6: Revise language to clarify the project completion date is the date the project is completed in IDIS. Current language indicates project completion date is the date of the final disbursement of funds.

Ineligible Properties

HTF-Specific-

Pg. 2-6: Transitional housing is not an eligible activity

Property Standards

New Construction

~~Pg. 2-7: Add language to clarify when a project has HOME and/or HTF floating units, all units in the entire project must be constructed to meet the more stringent design criteria of HUD's Fair Housing design requirements or ADA.~~

IHFA Revision- Fair Housing Design Requirements

Add language that clarifies IHFA/HOME and owner/developer architect must be in agreement regarding the Fair Housing design requirement prior to the commitment of HOME funds.

Proposed Language

Prior to the commitment of HOME funds, the project's architectural plans and specifications must be reviewed and approved by both the IHFA-HOME architect and consultant and the owner/developer architect. Both parties must agree to Fair Housing Design requirements, as applicable. If parties are unable to reach consensus, the more stringent interpretation will apply.

Project Hard Costs- Construction Costs

HTF Specific-

Pg. 2-9: Add Cost of wiring for Broadband Internet (internet connectivity is included in definition of utility connections).

Eligible Costs

HTF-Specific-

Pg. 2-9: Project Operating Assistance and Operating Assistance Reserves [\$92.731(e)]

Proposed Language

Because operating cost assistance reserves are an eligible activity and may be provided by more than one grant, the prohibition on providing additional HTF funds to a project during the period of

2017 HOME & HTF Administrative Plan

affordability (§ 93.205(a)) does not apply to renewal of operating cost assistance reserves. HTF funds may be used to pay for operating assistance and operating cost assistance reserves for rental housing activities.

On any given year, operating assistance/reserve can be awarded from Non-appropriated HTF funds, Appropriated HTF funds, or a combination of both. The type of funding will determine how the owner/developer should apply for the operating assistance during the HTF period of affordability. IHFA strongly urges the owner/developer to contact IHFA early in the development/application process to determine how a future project's operating assistance/reserve would be funded.

The following conditions apply:

- Eligible costs include insurance, utilities, real property taxes and maintenance and scheduled payment to a reserve for replacement of major systems;
- Eligible costs must be calculated using HUD methodology (See Definitions Section-(click here)as interpreted by IHFA's contracted advisory architect. After reviewing the project's plans and specifications, a *preconstruction* architect certification will note any required changes. Applicant's architect will certify their approval of the required changes prior to construction.
-
- HTF Operating Assistance and Operating Cost Assistance Reserves
- Operating assistance can ONLY be provided if the HTF-assisted units do not have project-based assistance;
- Operating costs assistance must be based on the underwriting of the project and must be specified in the written agreement (HTF Award Agreement) between IHFA and owner/developer
- Operating reserves must be calculated using HUD methodology
 - 1) For reserves funded with Non-appropriated HTF funds
 - Reserve may be funded for the amount estimated to be necessary for the entire period of affordability at the time the written agreement is executed.
 - 2) For reserves funded with Appropriated HTF funds
 - For each grant, assistance is limited to the amount necessary for a period of up to five (5) years.
- Funding for the operating cost assistance may be provided in addition to funding an initial operating deficit reserve, which would help meet any shortfall in project income during the period of project rent-up (not to exceed 18 months).

Match Requirement

HTF Specific-

Pg. 2-9: There is no HTF match requirement

Financing Terms

HTF-Specific-

Pg. 2-10: Add new language

2017 HOME & HTF Administrative Plan

In order to maximize the benefit of HTF Program and create a renewable resource for the development of affordable housing in Idaho, the HTF funds invested in rental housing development may be a loan or a grant. The terms may be determined using the guidelines below.

Application must demonstrate financial feasibility using the following guidelines:

- Project development costs will be examined to determine cost reasonableness and necessity. Project costs determined to be unreasonable will receive an additional level of review for acceptance or denial.
- Project income and expense projections, including any syndicator and/or partner fees, must be reasonable and customary to the area. Any exceptional expenses must receive written approval of IHFA prior to project implementation.
- Project must maximize other sources of leverage before HTF funds.
- Deferred Developer Fees may be paid out of Surplus Cash (SC) as defined in this chapter (See Definitions section). In the event there is inadequate Surplus Cash to make the scheduled minimum HTF loan payment in any year, the deferred Developer Fee due for that fiscal year will be deferred until the end of the deferred Developer Fee repayment term for the project. Any annual amounts of forgone deferred Developer Fee will not be added to the following year's deferred Developer Fee amount entitlement.
- The potential for owner's equity investment will be examined and utilized to the maximum amount feasible.
- Subsidy Layering -Before committing funds to a project, IHFA must evaluate the project in accordance with guidelines that IHFA will not invest any more HTF funds, in combination with other sources, than is necessary to provide affordable housing.

Subordination Terms

Pg. 2-11: Add new language to clarify when HOME and HTF funds are in a project, the most restrictive Memorandum of Restrictive Covenants will be filed first, and that both MORCs will always be filed in a senior position ahead of all other non-IHFA regulatory and debt instruments.

Loan Terms

Housing Trust Fund Specific--

Pg. 2-13: Add HTF Loan terms are determined by several factors including but not limited to operating pro-forma, ability to make reasonable loan payments, population(s) served, financial viability, current and past financial performance.

Proposed language

Due-on-Sale- At IHFA's discretion, When the project owner is a qualified non-profit and/or when 100% of the units will be designated to a Special Needs population(s) [see Chapter 8 for definitions of Special Needs Population], the loan may be "Due On Sale".

Fixed/Floating Units

Revision-Remove Proposed Change

Pg. 2-14: Add new language to clarify whenever a HOME and/or HTF assisted project includes floating units, all units in the project must be constructed to meet the more stringent design criteria of HUD's Fair Housing design requirements or ADA, as interpreted by IHFA's contracted advisory architect. After a

2017 HOME & HTF Administrative Plan

review of the project's plans and specifications, a preconstruction architect certification will note any required changes. Developer/Applicant's architect will certify their approval of the required changes prior to construction.

Pg. 2-15: Add new language regarding Initial Rents and Utility Allowances

Proposed language

All HOME and HTF-assisted units

Any assisted unit funded on or after August 23, 2013 may no longer use the Public Housing Authority's (PHA) utility schedules. Assisted units funded prior to this date may continue to use the PHA utility schedule.

Effective April 1, 2016, the utility allowance for all HOME/HTF- assisted units will be submitted no later than the last day of February each year for review and approval by IHFA Compliance Department.

The utility allowance calculation will be submitted with the Annual Occupancy Report (AOR), Certificates of Continuing Compliance (CCC) and Monitoring Fees.

[See Chapter 7 for HUD- approved calculation methodology]

HOME/HTF Tenant Selection

Pg. 2-17: Add new Section

Proposed language

HTF Eligible Tenants and Rents- § 93.302(a) and (b)

- HUD will publish the HTF rent limits on an annual basis.
- HTF rents include utilities and are set at 30 percent of the income of a household at 30 percent of area median income, adjusted for the number of bedrooms in the unit. If the unit receives Federal or State project-based rental subsidy, the maximum rent is the rent allowable under that rental subsidy program as long as the tenant pays no more than 30 percent of tenant's adjusted income.

HTF Initial Rents and Utility Allowances- § 93.302(c)

- IHFA will establish maximum monthly allowances for utilities and services and annually review and approve rents proposed by HTF-assisted project owners. If the tenant is paying the utilities, Owner must ensure the rents do not exceed the maximum rent minus the monthly utility allowance (excluding telephone, TV, internet service).

Ongoing Rents and Utility Allowances §93.302(c)(2)

- IHFA must annually review and approve rents proposed by the owner for HTF units. For all units for which the tenant is paying utilities, Owner must ensure the rents do not exceed the maximum rent minus monthly allowance for utilities.

Environmental Review Process

Re-Evaluation (24 CFR Part 58.47)

Pg. 2-21: Whenever project funding from any source increases, or the scope of work is revised, the ER may require re-evaluation.

2017 HOME & HTF Administrative Plan

DEFINITIONS

Commitment of HOME Funds

IHFA Revision- Fair Housing Design Requirements

Add language that clarifies IHFA/HOME and owner/developer must be in agreement regarding the Fair Housing design requirement prior to the commitment of HOME funds.

Proposed Language

Prior to the commitment of HOME funds, the project's architectural plans and specifications must be reviewed and approved by both the IHFA-HOME architect and consultant and the owner/developer architect. Both parties must agree to project Fair Housing Design requirements, as applicable. If both parties are unable to reach consensus, the more stringent interpretation will apply.

New Construction Property Standards

Pg. 21: ~~Add language to clarify when a project includes HOME and/or HTF floating units, all units in the project must be constructed to the more stringent criteria of the HUD Fair Housing design requirements or ADA, as interpreted by IHFA's contracted advisory architect. After reviewing the project's plans and specifications, a preconstruction architect certification will note any required changes. Applicant's architect will certify their approval of the required changes prior to construction.~~

HTF Operating Assistance and Operating Cost Assistance Reserves §93.201 (7)(e)

Pg. 21-22: Add new language

Proposed Language

If HTF-assisted units do not receive any type of assistance (project-based, voucher, other) HTF funds may be used to pay for operating costs and operating cost assistance reserves when necessary, and subject to limitations in §93.200(a).

HUD Methodology for Determining HTF Operating Assistance Reserve §93.201 (7)(e)(2)

Pg. 2-22: Add new language

Proposed Language

IHFA may provide operating assistance to HTF-assisted units during the HTF period of affordability if the need for annual or monthly contributions is determined through the application underwriting process.

- If operating assistance reserve is funded with HTF Appropriated Funds-
 - a) Funding for capital or operating reserves “up front” for the present value of the entire amount needed over the required period of affordability (30 years) is not possible because funds cannot be drawn years in advance of need;
 - b) IHFA must demonstrate the necessity of the reserve amount based on an analysis of potential deficits remaining after the expected rent payments for the HTF-assisted unit are applied to the HTF-assisted unit’s expected share of operating costs;
 - c) The allowable amount of the reserve may not exceed the amount necessary to provide operating assistance to HTF-assisted units for a period of up to 5 years. IHFA may renew operating assistance reserves during the period of affordability by executing a new written agreement

2017 HOME & HTF Administrative Plan

- If operating assistance is funded with HTF Non-Appropriated Funds (defined as Fannie Mae/Freddie Mac)-
 - a) IHFA must demonstrate the necessity of the reserve amount based on an analysis of potential deficits remaining after the expected rent payments for the HTF-assisted unit are applied to the HTF-assisted unit's expected share of operating costs
 - b) The allowable amount of the reserve may be funded for the amount estimated to be necessary for the entire period of affordability up front, or if this amount would exceed one-third of each annual grant, it can be funded in phases from future grants, as determined to be suitable and necessary to secure advantageous financing.

The HTF Interim Rule indicates HUD "will provide guidance and training about underwriting standards for investment and establishing reserves to provide necessary rehabilitation during the period of affordability." Based on this information, IHFA fully anticipates additional guidance in the future.

SINGLE-FAMILY HOMEBUYER ACTIVITIES

HUD-CPD Income Calculator

Pg. 2-29: Add new language

Proposed language

Partners are strongly encouraged to use the HUD-CPD Income Calculator when income qualifying homebuyers and tenants. To create a secure account go to

<https://www.hudexchange.info/incomecalculator/dashboard/?display=login&returnURL=https%3A%2F%2Fwww%2Ehudexchange%2Einfo%2Fincomecalculator%2Fdashboard%2F%3Fincomecalculatoraction%3Dbeneficiary%255Fid%252Ehousehold%255Fid>

Current Passbook Rate

Pg. 2-29: Add new section

Proposed language

The Passbook Savings Rate is needed when calculating the income from liquid assets over \$5000. The passbook rate is updated by HUD annually. The current rate is available on the IHFA website at

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

Primary Mortgage Required

Pg. 2-31: Add new language

Clarify requirement- A homebuyer must have a primary loan from an IHFA participating lender or mortgage broker to apply for the HOME 2nd lien

<https://www.idahohousing.com/homebuyers/find-a-lender-broker>

DP/CC Maximum Subsidy Limits

Pg. 2-34: New subsidy limit

2017 HOME & HTF Administrative Plan

Current DP/CC limit is 3.5% of the sales price not to exceed \$8,000. Because the price of modest homes in good Standard Condition are increasing in the areas where HOME DP/CC is offered (i.e. Boise, Nampa, Caldwell, Coeur d' Alene, Pocatello), IHFA proposes to increase the DP/CC maximum loan to 10% of the sales price, not to exceed \$14,999.

2017 HOME & HTF Administrative Plan

Chapter 3- Ineligible Activities

HTF- Specific-

Pg. 3-1: Add new section- Transitional Housing is not an eligible activity

Chapter 4- Match

HTF- Specific-

Pg. 3-1: Add new language- HTF program does not have a match requirement

Chapter 5- CHDOs

No changes

2017 HOME & HTF Administrative Plan

Chapter 6- Federal Cross-Cutting Regulations

Non-Discrimination Policy and Equal Access

Pg. 3-1: Add new language- "Marital Status" is added to the list of protected classes for HUD funded protected classes.

Proposed language

Owner/developers/sponsors shall neither deny service to, nor otherwise discriminate in the delivery of services, against any person who otherwise meets the eligibility criteria for the program on the basis of race, color, religion, sex, age, national origin, citizenship, ancestry, *marital status*, familial status, physical or mental disabilities, sexual orientation, gender identity, or because such person is a recipient of federal, state, or local public assistance. [24 CFR Part 5-2012 Equal Access Final Rule for HUD CPD Programs]

Environmental Review and Clearance- Overview

Applicability

Pg. 6-10: Add new language- If HOME and HTF funds are used, the applicable ER requirements for both programs will be followed.

Increase in Funding Award or Change in the Scope of Work

Pg. 6-10: Clarify existing language to include whenever funding (from any source) is increased or the scope of work changes, the ER may require re-evaluation.

Compliance Areas- Alternative Site and Project Modification Analysis [24 CFR 58.5]

Pg. 6-18: Add new language and clarify current language- Assessment must include other reasonable courses of action that were considered, such as other sites, design modification, or other uses of the proposed site. Assessment must describe the benefits and adverse impacts to the human environment of each alternative site(s) and the reason(s) for rejecting it. [See Exhibit R of this Plan for a sample Analysis that must be submitted as part of the HOME/HTF application for funding (rental projects).

Davis-Bacon

Pg. 6-35: Add new Section to clarify Davis-Bacon is not applicable to HTF units

Proposed Language

The HTF was established under Title I of the Housing and Economic Recovery Act of 2008, Section 1131 ([Public Law 110-289](#)). This statute did not make the labor standards of Davis-Bacon applicable to the HTF. Therefore, in order to be consistent with the statute, HUD did not require Davis-Bacon labor standards on the HTF in the interim rule.

2017 HOME & HTF Administrative Plan

Chapter 7- HOME and HTF Compliance Monitoring

Utility Allowance Annual Calculation

Add: new section

Proposed language

10/17/2016- Addition

★As of 10/17/2016 IHFA was informed HUD-CPD is issuing additional guidance and clarification regarding the 2013 HOME Utility Allowance requirement.

Applicability

- HOME and HTF-assisted units
- Any assisted units funded on or after August 23, 2013 may no longer use the Public Housing Authority's (PHA) utility schedules. Any assisted units funded prior to this date may continue to use the PHA utility schedule.
- Effective April 1, 2016, utility allowances for assisted units will need to be submitted no later than the last day of February each year for review and approval by IHFA Compliance Department.
- The utility allowance calculation will be submitted with the Annual Occupancy Report (AOR), Certificates of Continuing Compliance (CCC) and monitoring fees.

HUD Utility Schedule Model

One of the following three (3) methods may be utilized by the owner/agent to determine each project's utility allowance calculation.

I. The HUD Utility Schedule Model (HUSM)

The HUSM allows owners to calculate utility schedules by housing type after entering utility rate information. HUSM uses data based on climate and survey information from the U.S. Energy Information Administration of the Department of Energy and it incorporates energy efficiency and Energy Star data. The HUSM and user instructions are available at

<https://www.huduser.gov/portal/resources/utilallowance.html>

The report is available as either an excel spreadsheet or a web based model on HUD User at

<https://www.huduser.gov/portal/datasets/husm/uam.html>

II. Utility Company Estimate

The Utility Company Estimate is an actual collection of data from the utility company. The owner/agent will gather the information and calculate an average usage amount to determine the utility allowance. This generally will give you the most accurate utility average. Agents will be required to collect signatures from all adults in the household that grants the agent permission to collect the information from the utility company. The estimate must be obtained in writing and must be based on the estimated cost of that utility for a unit of similar size and construction for the geographic area in which the building is located.

III. Energy Consumption Model (engineer model)

2017 HOME & HTF Administrative Plan

The Energy Consumption Model (Engineer Model) is an energy model prepared by a properly licensed engineer or qualified professional. The person conducting the analysis must be independent from the owner/agent.

Chapter 8- Multifamily Rental Application & Scoring Criteria

Notice of Funding Availability (NOFA) and the Application Process

Pg. 8-2- Revise current language to reduce the number of LIHTC/HOME funding rounds to one each year, in September 2017. Include language that indicates HOME may choose to publish second NOFA for non-LIHTC HOME applications at IHFA's discretion.

Pg. 8-3- Add language currently found in chapter 5-IHFA will not fund any rental housing activity using CHDO set-aside funds. However, a CHDO is allowed to apply as an Idaho non-profit entity. This language was approved under the 2016 HOME Administrative Plan and is added here only for additional clarification.

Minimum application threshold Criteria

Pgs. 8-3 & 4- **Alternative Site Analysis**

Proposed language

- Analysis must include other reasonable courses of action that were considered. Include other sites, design modification, or uses of the proposed site. Analysis must describe the benefits and adverse impacts to the human environment of each alternative site(s) and the reason(s) for rejecting it. Requirements are found in Exhibit H of the online HOME and LIHTC application [include link here]

Commitment of HOME Funds

IHFA Revision- Fair Housing Design Requirements

Pg. 8-8- Add language that clarifies IHFA/HOME and owner/developer must agree to the applicable Fair Housing design requirement prior to the commitment of HOME funds.

Proposed Language

Prior to the commitment of HOME funds, the project's architectural plans and specifications must be reviewed and approved by both the IHFA-HOME architect and consultant and the owner/developer architect. Both parties must agree to project Fair Housing Design requirements, as applicable. If both parties are unable to reach consensus, the more stringent interpretation will apply.

2017 HOME & HTF Administrative Plan

Added as of 10/28/2016- Waiver Request

Pg. 8-10

Proposed language

A waiver request must be submitted in writing at least 10 working days prior to the application deadline. In addition, the following criteria will be evaluated when a waiver is requested:

- Project will serve a Special Needs population as identified in the Consolidated Plan;
- Project is located in an underserved area or a community defined as rural by USDA-RD [see Chapter 1]
- Project is defined as "Rental Housing Preservation" (See Chapter 2@ Definitions)

As of 10/28/2016-

Pg. 8-10- Maximum number of Projects and Funding

Current language allows a HOME-assisted owner, sponsor, developer no more than a combined total commitment of HOME funds of \$2,000,000. IHFA proposes to change the combined total commitment of HOME funds to \$3,000,000.

Add new language: Housing Trust Fund Specific

Proposed Language:

A HTF owner, sponsor, or developer cannot have more than three (3) HTF-assisted projects under development at any one time, or a combined total commitment of HTF funds at any one time, of \$2,000,000.

Scoring Criteria and Categories

Special Needs Housing Populations

Pg. 8-17: Current language- Projects that propose at least one unit for special needs housing as defined below, will receive maximum points.

- I. Elderly –(Definition) All household members are age 62 years or older. All household members must be age-eligible.

Proposed language

- Elderly housing- Defined as one household member must be age 62 years or older.

If an application receives points for this priority special housing needs category, the HOME-assisted unit(s) must remain designated as Elderly unit(s) throughout the period of affordability.

Add: HTF- Specific Projects Only

Because HTF funds will be disbursed as either a grant or a 0% interest, due-on-sale loan, an HTF project application would not be eligible to receive the 15 pts currently available @ *HOME Loan repayment*

2017 HOME & HTF Administrative Plan

category because these points are awarded to applications with a 30-year structured repayment schedule. The following category is added to the 2017 Scoring Criteria for HTF projects:

HTF- Specific Project Applications Only- HTF Funding Priorities	Possible Pts
Proposed language	15
<p>I. <u>Geographic Diversity</u> Must meet A-C</p> <ul style="list-style-type: none"> A. Project meets Minimum Threshold Criteria as defined in the annual Administrative Plan https://www.idahohousing.com/documents/admin-plan-ch8-home-rental-activities-application.pdf; B. Project site complies with HUD's <i>Site and Neighborhood Standards</i> [24 CFR Part 92.202 and §983.57(e)(2) & (3)] as determined by IHFA; C. The project site is located in an <i>Opportunity Incentive Area</i> (Located in a census tract with a poverty rate that is less than or equal to the corresponding city's Persons in Poverty Rate. If the city's population is less than 5,000, or if the development is located in a census tract located outside of the corresponding city limits, then the site's census tract poverty rate will be compared against the corresponding county's Persons in Poverty Rate.) 	3
<p>II. <u>Applicant Capacity</u> Must meet A-C</p> <ul style="list-style-type: none"> A. Owner/developer has experienced development staff or are partnering with an experienced development entity; B. Developer has experience developing other federal affordable housing programs; C. Developer has a proven track record developing projects within a reasonable timeframe- Funds were committed within 6 months of award, construction began within 12 months of award, and project completed in IDIS within 2 years. 	2
<p>III. <u>Project-based Rental Assistance</u></p> <p>The extent to which the project has project-based rental assistance. Other mechanisms that ensure affordability for extremely low-income households, such as operating assistance reserves, may also be considered.</p>	2

2017 HOME & HTF Administrative Plan

<p>IV. <u>Affordability Period Duration-</u></p> <p>In addition to the 30-year HTF Period of Affordability, the owner commits to A & B (the pro forma must support the period of affordability and any extended use period):</p> <ul style="list-style-type: none"> A. An HTF-Extended Use Period that mirrors the LIHTC extended use period regarding household income and rent levels; B. During the HTF-Extended Use Period, owner must commit to the non-displacement of all HTF tenants housed under the original HTF rent and income restrictions 	2
<p>V. <u>Leverage from Non-Federal Sources-</u></p> <p>To be considered, the application must document all sources the funding are committed at application. For scoring purposes, "commitment" is defined as a letter (on letterhead) from the issuing entity that outlines the source of funding, the purpose of the funding (i.e. construction, interim, permanent), and the financing terms.</p>	3
<p>VI. <u>Priority Housing Needs</u></p> <p>Project will provide a housing preference (minimum 3 units) for 2 of the 3 Priority Housing Needs categories below, as identified in the Consolidated Plan.</p> <ul style="list-style-type: none"> 1. ≤30% AMI (families or individuals) 2. Elderly (at least one member of the household is age 62 or older) 3. Disabled 	3

2017 HOME & HTF Administrative Plan

Exhibit C- HOME/HTF Rehabilitation Standards

MULTIFAMILY RENTAL REHABILITATION STANDARDS - § 91.320(k)(5)(iv) AND § 93.301(b)

Applicability

HOME and HTF

All assisted housing undergoing rehabilitation must meet at the time of project completion in accordance with § 93.301(b). The standards must provide enough details on what work is required, how that work should be performed, and what materials should be used. At a minimum, the rehabilitation standards must address:

- Health and safety;
- Major systems;
- Lead-Based Paint;
- Accessibility;
- Disaster Mitigation;
- State and local Codes, Ordinances, and Zoning Requirements;
- Inspectable Areas and Observable Deficiencies from HUD's Uniform Physical Condition Standards.

HTF Specific- UPCS Inspection prior to application

HUD requires an evaluation of all UPCS Inspectable areas at the time the rehabilitation scope of work is determined. *See Attachment A of this document*

A checklist of the UPCS Inspectable Items will be included as part of Exhibit C. For rehabilitation projects, a completed UPCS checklist is required as part of the application for HTF funds. Any UPCS item called out on the checklist must be addressed as part of the HTF rehabilitation Scope of Work. IHFA will conduct a UPCS final inspection to ensure all items have been repaired or replaced.

Purpose and Scope

When the activity includes repair, replacement, alterations, addition, a change in occupancy type or use, it will be defined as rehabilitation.

It is never IHFA's intent to exceed building code unless specifically required by program rules or regulations

PNA Professional Credentials

A professional architect/engineer licensed/certified by the State of Idaho and be independent (arm's length) of the owner/developer.

PNA Certification Statement

An architect or engineer must certify the report as accurate and a true assessment of the proposed rehabilitation budget and necessary repairs required on the property, and such rehabilitation scope of work will be done in compliance with Idaho and local codes, local property standards, HTF rehabilitation standards, Fair Housing, ADA, UFAS, and other applicable federal crosscutting regulations.

2017 HOME & HTF Administrative Plan

Property Standards

At Application

All HOME/HTF acquisition and/or rehabilitation activities will require a Physical Needs Assessment (PNA) to determine the scope of the rehabilitation.

HTF-Specific-

Also requires a UPCS inspection (can be conducted by same person who conducts the PNA)

PNA Inspectable Areas

1. Major systems- Structural support, roofing, gutters, siding, windows, and weatherproofing, plumbing, electrical; heating and air conditioning.
2. Site-Topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, storm drainage, and gas, electric and utilities.
3. Interior- All unit and common area finishes (carpeting, vinyl tile, plaster walls, paint condition, etc.), kitchen finishes and appliances, bathroom finishes and fixtures, and common area lobbies and corridors.
4. Health and safety deficiencies
5. Age of residential units

PNA Report Requirements

1. On-site inspections of all units and all tenant common areas.
2. Note all physical deficiencies based on (i) visual assessment , (ii) review of pertinent documentation, (iii) interviews with the property owner, management staff, and tenants. HTF Specific-UPCS inspectable area
3. Estimate the remaining useful life of all Major Systems based on the age and condition.
4. Disaster Mitigation- Assess the potential impact of natural disasters (e.g. earthquake, flooding, wildfire, etc.) in accordance with Idaho or local code, ordinances.
5. Indicate how the property could be rehabilitated to meet accessibility standards. Identify physical obstacles to meeting the standards.
6. Analyze Replacement Reserve- If the remaining useful life of one or more major systems is less than the period of affordability, a replacement reserve will be established with monthly payments to the reserve that are adequate to repair or replace the systems as needed. The estimate should account for inflation, an existing account balance, and the expected useful life of the major systems. This estimate should not include the cost of the critical repair items or the repair or replacement of items that would be treated as an operating expense.
7. placement reserve account is indicated, then estimate the amount of initial and monthly deposit needed, accounting for inflation, based on a 30 years.
8. Analyze the cost benefit of any significant cost items (greater than \$5,000) that could represent an improvement or upgrade to a system that could help reduce operating expenses, i.e. individual utility metering, extra insulation, thermopane windows, setback thermostats, etc.

2017 HOME & HTF Administrative Plan

9. Establish the scope of work based on the following codes, standards, regulations, and laws. The scope of work should be sufficient in detail to establish the basis for inspections during the rehabilitation.
 - a) Idaho's current *Existing Building or Residential Code*- See [Idaho Division of Building Safety- Adopted Codes](#)
 - o Idaho's [Existing Building Code](#) includes performance and prescriptive conformance methods, as well as a description of the type of materials allowed and not permitted during rehabilitation. IHFA will not exceed code requirements.
 - o The 2012 International Existing Building Code includes International Building Code, International Energy Conservation Code®, International Fire Code®, International Fuel Gas Code®, International Green Construction Code®, International Mechanical Code®, ICC Performance Code®, International Plumbing Code®, International Private Sewage Disposal Code®, International Property Maintenance Code®, International Residence Code®, International Swimming Pool and Spa Code®, International Wildland-Urban Interface Code®, and International Zoning Code® See [Table of contents 2012 International Existing Building Code \(IEBC\)](#)
 - a) Local code(s), property standards, ordinances, and zoning
 - b) Uniform Physical Condition Standards- ([HUD's Uniform Physical Condition Standards](#)).
 - d) While IHFA has not adopted the Real Estate Inspectable Center's (REAC) scoring protocol, it has adopted the UPCS Inspectable Areas and Observable Deficiencies for the site, building exterior, building systems, common areas, and units. The type and degree of deficiency must be addressed as part of the scope of work. See [Attachment A- UPCS Inspectable Items- Multifamily Rehabilitation](#)
 - e) Disaster Mitigation in accordance with State and/or local codes and ordinances
 - o Where relevant, housing must be improved to mitigate the impact of potential disasters (e.g. earthquake, flooding, and wildfires).
 - f) EPA and HUD Lead-based Paint requirements if the property was constructed on or before 1/1/1978
 - g) Accessibility Standards at [24 CFR Part 8](#) which implements Section 504 of the Rehabilitation Act of 1973,
 - h) Titles II and II of the Americans with Disabilities Act ([42 U.S.C. 12131-12189](#)) implemented at [28 CFR parts 35 and 36](#), as applicable.
 - i) "Covered multifamily dwellings", as defined at [24 CFR 100.201](#), must also meet the design and construction requirements at [24 CFR 100.205](#), which implements the Fair Housing Act ([42 U.S.C. 3601-3619](#)). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.
 - j) Other rehabilitation items as identified in the recipient's application for funds.

2017 HOME & HTF Administrative Plan

During Development

- a) IHFA or agent will conduct an initial property inspection to identify the deficiencies that must be addressed.
- b) Progress and final inspection will be conducted to determine the work was done in accordance with the work write-up.
- c) Construction contracts and documents will describe the work to be undertaken in adequate detail, and as identified in the Physical Needs Assessment, so IHFA inspections can be conducted. The IHFA/Agent will review and approve written cost estimates for construction and determine the costs are reasonable.

Project Completion

All residential units and tenant common areas will comply with the following:

- a) State of Idaho current [Existing Building Code \(Idaho Division of Building Safety- Adopted Codes\)](#)
- b) Local code(s), property standards, ordinances, zoning requirements
- c) [HUD's Uniform Physical Condition Standards](#) – For review purposes , please refer to [Attachment A](#) of this document.
- d) Disaster Mitigation in accordance with Idaho and local codes, ordinances. Where relevant, housing must be improved to mitigate the impact of potential disasters (e.g. earthquake, flooding, and wildfires).
- e) EPA and HUD Lead-based Paint requirements if the property was constructed on or before 1/1/1978
- f) Accessibility Standards at [24 CFR Part 8](#) which implements Section 504 of the Rehabilitation Act of 1973,
- g) Titles II and III of the Americans with Disabilities Act ([42 U.S.C. 12131-12189](#)) implemented at [28 CFR Part 35 and 36](#), as applicable.
- h) "Covered multifamily dwellings", as defined at [24 CFR 100.201](#), must meet the design and construction requirements at [24 CFR 100.205](#), which implements the [Fair Housing Act \(42 U.S.C. 3601-3619\)](#). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.
- i) Other rehabilitation items as identified in the recipient's application for funds.

SINGLE-FAMILY HOMEBUYER REHABILITATION

Requirements at Application

Pg. 1- Add new language

Proposed language-

The home inspection and report will evaluate all Major Systems [create link to the definition of Major Systems in this chapter]. If the useful remaining life is less than 5 years, the system must be repaired or

2017 HOME & HTF Administrative Plan

replaced as part the rehabilitation scope of work.

Exhibit M- Market Study Requirements

Applicability

HOME and HTF projects

Project Site

Pg. M-3- Current requirement includes a complete description of the proposed site, including distance to schools, essential shopping, medical, major employers, other services and facilities. The Site and Neighborhood Standards @ 24 CFR 92.202 and 24 CFR 983.6 also require an analysis of the site for minority and low-income concentration and other factors at a census tract level.

Proposed language

- Census tract overlay to include percentages of households in poverty, minority households, and percentage of population unemployed.
 - Census tract poverty rates are available at www.huduser.gov/qct/qctmap.html
 - City or county level "persons in poverty" are available at www.census.gov/quickfacts

Summary

Summary will include a list of the strengths and weakness of the project, including census tracts overlay information in the primary market area

Exhibit U- Architect's Certifications

~~When HOME and/or HTF assisted project includes floating units, all units in the project must be constructed to meet the more stringent design criteria of HUD's Fair Housing design requirements or ADA, as interpreted by IHFA's contracted advisory architect after reviewing the project's plans and specifications.~~

IHFA Revision- Fair Housing Design Requirements

Add language that clarifies IHFA/HOME and owner/developer must be in agreement regarding the Fair Housing design requirement prior to the commitment of HOME funds.

Proposed Language

Prior to the commitment of HOME funds, the project's architectural plans and specifications must be reviewed and approved by both the IHFA-HOME architect and consultant and the owner/developer architect. Both parties must agree to project Fair Housing Design requirements, as applicable. If both parties are unable to reach consensus, the more stringent interpretation will apply.

2017 HOME & HTF Administrative Plan

Add: Create a *Preconstruction Architect Certification* that will include codes, standards, applicable laws, regulations, as well as any required changes as noted above. Developer/applicant architect will certify their approval of the required changes prior to construction;

Add: Required changes noted above will be included in the current HOME/HTF "*As Built*" *Architect Certification*".

Add: HOME/HTF Rehabilitation Standards (see [Exhibit C- HOME/HTF Rehabilitation Standards](#)) as applicable to rehabilitation projects.

Attachment A

Exhibit C- HTF- Add Specific- UPCS Checklist