HUD PRO Housing NOFO
Application

Exhibit A: Executive Summary

Since 2020, the City of Boise has sought to use all the policy levers available to it to address the spiking housing prices that accompanied significant in-migration to the area. The City has provided its own land and over $50 million in local and federal funds to make affordable housing projects financially feasible, seeded a fund for supportive housing and worked with our local housing authority to project-base Housing Choice Vouchers in order to enable a pipeline of permanent supportive housing developments, rewritten its zoning code to loosen restrictions on housing development and provide zoning incentives for income-restricted housing, created fee exemptions and deferrals for affordable housing development, worked with a local nonprofit to pilot programs to incentivize ADUs and permit moveable tiny homes on wheels, and created a new staff position solely focused on streamlining and expediting the permit process for affordable housing. The City will continue to work to identify both funding and creative approaches to addressing housing affordability but given the significant limitations in terms of policy options available to municipalities in the state of Idaho, a key component to our strategy is to build capacity for our local nonprofit affordable housing and community development organizations. This application seeks support to move forward existing work and to grow a strong local ecosystem of agencies working to address barriers to housing in the following ways:

- Implementing of the City’s updated zoning code, which includes measures to enable the private market to bring much-needed housing supply online.
- Funding a transformational project in partnership with Boise State University, which would bring at least 400 new affordable units online in a highly resourced area of the city.
- Supporting local nonprofit affordable housing and community development organizations in growing their capacity, including their ability to conduct outreach and education related to housing need in our community and policy solutions that could better enable increased housing supply and affordable housing development.

Exhibit B: Threshold Requirements & Other Submission Requirements

Applicant type: 02 (City of township government) – City of Boise City, Idaho

Civil Rights Matters: The City of Boise does not have any outstanding civil rights matters at the time of application.

Exhibit C: Need

PROGRESS AND COMMITMENT TO OVERCOMING LOCAL BARRIERS
The City of Boise (the City) has identified and is addressing, mitigating, and removing barriers to affordable housing production and preservation through a set of comprehensive macro and micro strategies. After a multi-year effort that included significant community engagement, the City adopted a new, modern zoning code that will entirely replace the former, 60+ year old code that nearly exclusively catered to single-family homes in residential zones. In addition, a 2022 Technical Assistance Panel from the Urban Land Institute, funded through contributions from the
City and the Terwilliger Center for Housing, identified the fees associated with development as a barrier to housing affordability that other cities had addressed through policy change. As a result of this recommendation and the input of our local affordable housing developers, the City has recently created (Summer 2023) several fee deferral and exemptions for building permit and development fees, sewer connection fees, and impact fees when affordability criteria are met. Finally, via its Housing Investment Program, the City has:

- Invested local and federal funds as gap financing for affordable housing development
- Leveraged City-owned land and acquired land on transit-oriented corridors or near activity centers for the purpose of building affordable housing
- Increased funding for interventions that house Boise residents experiencing homelessness
- Hired a project manager specifically assigned to affordable housing projects to expedite the entitlement and permitting processes

**Land Use Policies:** In June 2023, the City adopted a new zoning code (effective December 1, 2023) that seeks to optimize the City’s land use by encouraging a variety of housing types and increasing residential density across the City. The previous code had numerous regulatory barriers that limited or encumbered the ability of developers to respond to the City’s increased housing demand on limited available land. These limitations included large minimum lot sizes, height limits and arbitrary density limits. The updated zoning code allows developers to produce lower-cost housing types, such as accessory dwelling units, missing middle housing (duplexes to fourplexes), and multifamily housing by increasing permitted density, removing or reducing parking costs, permitting by-right housing types in all residential zones, and streamlining the review and public process for specific housing developments. Further, the new zoning code mapped and rezoned high-opportunity areas to increase development capacity and neighborhood livability.

One of the main objectives of the new code is to support and increase the supply of diverse, affordable, and sustainable/resilient housing. Therefore, by implementing specific incentives that align with our housing needs (demonstrated via our 2021 Housing Needs Analysis), the new code promotes the development of affordable housing targeted at serving renters earning no more than 60% of the area median income (AMI) in certain, medium- to high-density and mixed-use zones, no more than 80% AMI for renters in large lot or suburban residential zones, and no more than 100% AMI for homeowners. The incentives include allowing higher density housing types (including reduced lot sizes) in large lot and suburban residential zones when affordability targets are met and reducing or waiving parking and height requirements in medium and high-density zones. Further, the new code incentivizes adaptive reuse and the efficient use of existing infrastructure for affordable housing in all residential zones by exempting setback requirements and reducing parking requirements.

**Fee Waivers and Deferrals:**

- **Permit Fees:** The City introduced a new building permit fee schedule and policy starting October 1, 2023, to exempt permit fees for affordable housing developments that include a minimum of 50% of the rental units available to households at 60% AMI or 100% AMI for home ownership. In addition, affordable housing projects can qualify to defer the building permit fees up to the issuance of the certificate of occupancy for developments
that include a minimum of 25% of the rental units available to households at 80% AMI or 120% AMI for home ownership. This tiered approach encourages housing production for low- and moderate-income populations.

- **Impact Fees:** The City now offers impact fee deferrals up to the issuance of the certificate of occupancy for affordable housing developments that include a minimum of 25% of the rental units available to households at 80% AMI or 120% AMI for home ownership. This tiered approach encourages housing production for low- and moderate-income populations.

- **Sewer Connection Fees:** The City now offers a 17-year sewer connection fee deferral for multifamily affordable housing developments that include a minimum of 50% of the rental units available to households at 60% AMI or 100% AMI for home ownership. The affordable housing units that meet these criteria would be eligible to defer the sewer connection fees for those units. Repayment of the sewer connection fee would begin once the project is cash flow positive, for a maximum term of 17 years.

In addition to the aforementioned efforts, the City is also working to preserve affordability, increase access to affordable, accessible housing in high opportunity areas, and invest in underserved communities. These efforts are most readily apparent via the following initiatives:

- **Establishing the City’s Housing Investment Program.** This program and its goals were set in direct response to the needs identified in the City’s 2021 Housing Needs Analysis and, therefore, focus primarily on producing supportive housing that serves households exiting homelessness, producing affordable housing that serves households earning 60% AMI or less, and preserving housing that serves households earning 80% AMI or less. The City has contributed more than $50M to this program so far since 2021: $33M in local funds, $12M in SLFRF, and $6.7M in ERA-2 funds. Additionally, the City has contributed two parcels of City-owned land.

- **Establishing a partnership with our local housing authority and seeding a program to preserve mobile home parks.** Our first effort in this vein involved the City acquiring a 26-lot mobile home park that is now managed by our local housing authority as a pilot project to ascertain whether we can replicate this model going forward to preserve naturally occurring affordable housing within the City. The City has now owned the mobile home park for 1-year, and we are currently evaluating the outcomes of this partnership/program.

- **Restructuring our rent policy to ensure that no household who lives in City-owned rental housing pays more than 30% of their income to rent.** The City owns over 300 units of affordable housing and is subsidizing the operations and maintenance of that portfolio to preserve housing, especially in high opportunity areas and, also, for underserved communities. All of our tenants have significant barriers to housing and many of our tenants live in City-owned rental housing because no other landlord in our community will house them. The City’s occupancy criteria prioritizes housing people exiting homelessness.

- **Creating a pipeline of permanent supportive housing (PSH) to house our community’s most vulnerable households experiencing homelessness.** The City just acquired a 47-unit apartment complex to serve households exiting homelessness, the City has committed gap financing to a second project to expand a site-based PSH project (this project has also been awarded Section 8 project-based vouchers and is already entitled), and the City is ground leasing a site in a high opportunity area to build another site-based PSH project for our most medically fragile individuals experiencing homelessness. These efforts will produce another 200 units of site-based PSH, in addition to the 67 units we already have. This effort includes the City contributing $7.5M to establish, in partnership with our local Continuum
of Care, a Supportive Housing Investment Fund to provide supportive services at site-based PSH projects. This fund – designed as a flexible funding investment pool – is the first of its kind for this purpose in Boise to leverage the resources of philanthropic, health systems and government resources to ensure we are adequately serving people exiting homelessness to PSH projects.

- **Investing in home improvement, particularly for households on fixed incomes.** Through the City’s Home Improvement Program, residents below 80% AMI can apply for a loan or grant and have home repairs addressed to ensure their housing remains safe, decent, and affordable. Over the past three years, this program has almost exclusively served elderly residents under 50% AMI via grants for home repairs.

**ACUTE DEMAND FOR HOUSING**
The City has an acute demand for affordable housing that we have via a Housing Needs Analysis the City completed in 2021. Note: this analysis is slated to be updated in 2024.

The analysis evaluated housing demand, supply, vacant and underutilized land, special needs populations (e.g., people experiencing homelessness, students, and resettled refugees), and the cost of development. Previous local studies focused nearly exclusively on population growth but did not include other factors that influence our local demand. Therefore, to quantify the demand for housing in the City, the analysis included population growth, vacancy rate, housing condition, severe overcrowding, homelessness, and cost-burdened households.

Findings:
- The City’s vacancy rate is low, hovering below a healthy rate of 5%
- 1.3% of units do not have plumbing or kitchen facilities, 10.6% of units were built before 1949, 3.9% of units are mobile homes, and 1% of units are overcrowded.
- 43% of Boise households are paying more than 30% of the income on housing costs and 36% are paying more than 35% of their income
- Over 4,000 people are experiencing homelessness in Boise City/Ada County

Conclusions:
- Housing demand has significantly increased. The City needs 2,770 units of housing every year for the next 10 years, and the housing units needed are not allocated evenly across income categories: 77% (2,145 units) of the demand is for housing affordable to those earning 80% AMI or less.
• Construction is not keeping up with demand and, over the period of 2018-2021, the City needed 4,146 units more than was produced.

• Increased utilization of existing land is necessary to meet projected housing needs over the next 10 years, and that land use policies must align with the goals and actions of the City’s Climate Action Plan to support and nurture a healthy, livable planet.
In addition to the conclusion of our 2021 Housing Needs Analysis, we also know that between 2017 and 2020, the average rents in Boise increased by 19% and from 2020 to 2021, the average rents increased by nearly 26%. In fact, in 2020, Boise saw the highest rent increase in the nation. Although rents have since started to decrease, Boise incomes did not increase at the same rate, and the decrease we are beginning to see in rents does not overcome or account for the unprecedented increases seen before and during the pandemic.

Further, as of August 2023, the Boise Regional Realtor’s Market Report identified a median sales price of $520,000, an 8% decrease year-over-year; however, the available inventory has also decreased by 35.6% from the previous year. Despite the lowest median sales prices seen since April 2022 for single-family homes, mortgage rates continue to prevent most low-to-moderate income households from accessing the single-family home market.

**BARRIERS TO AFFORDABLE HOUSING**

Funding sources for affordable housing development in Idaho are extremely limited, consisting almost solely of federal funds such as LIHTC, HTF, and HOME funds made available statewide. Despite its limited revenue options to fund affordable housing, the City has, since 2021, invested $45 million ($33M in local funds and $12M in federal funds) in affordable housing production and preservation targeted at households earning 60% AMI and below and households exiting homelessness. As a result, the City is currently on track to create nearly 1,500 new units of affordable housing (a portion of which is specifically for households exiting homelessness) by 2025. However, the ongoing need for affordable homes (estimated at 2,145 units affordable to households at 80% AMI annually until 2030) far eclipses the projected supply. Since March 2021, the City has entitled 8,453 units of housing; however, less than 10% of those units are affordable to households earning 80% AMI or less and nearly 100% of the affordable units include direct investment from the City.

The key barrier that still exists for the City that needs to be addressed to produce and preserve more affordable housing is the availability of financing and subsidies for affordable housing. The state of Idaho severely hinders the City’s ability to invest in the production or preservation of affordable housing:

- A 2019 National League of Cities report demonstrates that Idaho is **the only state** in the country that does not have **any** of the housing affordability tools available, at least to some degree, in every other state in the country. The state restricts the City’s ability to require inclusionary zoning or set rent control, as examples.
- Idaho has no funded housing trust funds or state tax incentives. An attempt to provide a property tax exemption for affordable housing projects at the legislature in the 2023 session
did not gain traction.

- The City cannot implement an anti-displacement program or require replacement of naturally occurring affordable housing impacted by privately financed development.
- Local governments in Idaho do not have the authority to levy the taxes and fees that are often used to fund affordable housing in other states, such as local option taxes, fees on new construction and demolition, real estate transfer taxes, and document recording fees.

Additionally, the State of Idaho lacks an organization that is equipped to be able to bring forward timely and actionable information regarding community needs and potential policy solutions for decision makers and elected officials. The absence of a known, reputable, and effective entity to educate and inform policymakers to further initiatives that could help address the housing crisis occurring statewide results in a lack of action and, thus far, demonstrated unwillingness to address barriers that impact every municipality in the state.

Because of these restrictions, the City relies on limited 9% tax credits for smaller projects (because of parameters in the state’s QAP) and 4% tax credits for larger projects. In either case, given the current market, gap financing is required to bring these units online and no predictable, consistent, and sufficient financing source exists to fill this purpose. Although the City has partnered with experienced and mission-oriented affordable housing developers, additional affordable developers who want to move into the Boise market have not done so because of the lack of financing sources available or other statewide policy tools that would enable their ability to develop here.

As previously outlined, the City has worked diligently to remove other types of barriers such as zoning and land use reform and has also started implementing an action plan to improve its permitting procedures (including timing and predictability) based on a set of recommendations made by a consulting firm the City hired for this purpose. With the new zoning allowances for by-right and diverse housing throughout Boise, the City is implementing enhancements to the building permit processes. While Boise permitting and inspections services are efficient by mid-size city standards, creating the most streamlined service for housing construction is our goal.

**Exhibit D: Soundness of Approach**

Our proposal seeks to increase the production and preservation of affordable housing across a broad geographic area over a sustained timeframe by proposing funding for three specific eligible activities: implementation and promotion of the City’s new zoning code, capacity building to implement strategies that will seek to overcome remaining/ongoing barriers, and gap financing for affordable housing development via a transformational project. The combination of these three activities will enable production and preservation of affordable housing across the footprint of our City and generate increased supply (including of market rate housing) by not only capitalizing on the policy work already completed by the City but also by taking the next steps to demonstrate the potential and impact of these policies including, most illustratively, our City’s new zoning code and associated processes.

**Zoning**
Now that the City has adopted a new zoning code and is prepared to implement the code December 1, we are seeking to promote the incentives built into the code and educate the development community and our residents about what is now enabled. The City’s zoning code is a truly transformational effort and, within the new code, the City’s priorities and goals are reflected to demonstrate how the City envisions the design of its physical footprint and growth patterns. Therefore, the new zoning code is aligned with and is a reflection of our transportation and mobility planning efforts, our Climate Action Plan, and the growth of economic development opportunities. Funding through the HUD PRO Housing program would be used to develop materials and educate developers specifically about the affordability incentives available in the new code.

**Capacity Building**

The City intends to build long-term capacity that will promote affordable housing strategies and reduce barriers to implementation by increasing statewide education and outreach and adding capacity to our nonprofit affordable housing developers within the local Boise area.

Through this proposal, the City intends to build statewide capacity through the direct financial support of a full-time staff position and programmatic funding support for that position. This staff position would be housed in a local partner organization and focused on developing educational and informational resources for decision makers statewide. The City anticipates funding this position over a three-year time period, during which the staff person will design and implement an educational program that engages communities statewide in understanding the challenges and opportunities for removing barriers to affordable housing, identify other individuals across the state that are able to assist in increasing the scope of the program’s impact, and work to transition the program into a self-sustaining initiative that can expand as needed in the future.

Local nonprofits engaged in affordable housing development activities in our area typically work within very limited budgets and, as a result, their ability to grow and robustly partner with the City is also limited. Some of the capacity building needs identified by these nonprofit partners include:

- Additional staff to manage volunteers, solicit in-kind donations of construction materials, and fundraise for strategic initiatives
- Legal services, accounting, and other back-end operations
- One-time consultants to identify strategies for land utilization and acquisition, particularly given significant increases in land values in recent years
- Consultants with expertise in community land trusts (CLTs) to provide technical assistance around establishing and growing CLTs
- Resident services, outreach, and trainings for residents of existing developments

Additionally, local nonprofits have limited ability to educate the public and decisionmakers about the need for affordable homes and more housing in general. As noted previously, the state of Idaho has enabled virtually none of the tools to remove barriers to housing that other states have either created or allowed their cities to create. Many residents and lawmakers alike are unfamiliar with these concepts or are not convinced that community-wide action is needed in this
space at all. We have a stark need for housing-related trainings for residents, planners, and decisionmakers. Our local nonprofits would likely be trusted messengers and could provide Boise- and Idaho-specific data and stories, as well as their unique perspective as community-serving organizations, but they lack the resources currently to dedicate to the level of education and outreach that would be necessary to make significant progress in this area.

**Construction Financing**

With the collection of fund sources in the City’s Housing Investment Program, the City is investing in the production (primarily) and, to a lesser degree, the preservation of affordable housing in neighborhoods across the City via an affordable housing project pipeline. Among the projects in the pipeline is a project that seeks to replace 110 units of aging housing owned by the City. The project’s plan entails partnering with our local university to create a mixed-income, mixed-use and environmentally sustainable development. In the following image, the proposed project site is outlined in the dotted black line.

![Proposed Project Site Diagram](image)

Via an innovative public-private partnership, our vision for this aspect of our proposal is to create a vibrant, transformative, and landmark project located on the gateway corridor into downtown and across the street from our university, adjacent to the Boise River and the Greenbelt Pathway, and one of the City’s largest and most popular parks. Specifically, we are seeking to facilitate affordable housing development on this project site by leveraging key partnerships to overcome the primary barrier in our community: a lack of available financing and subsidy to produce housing that serves low- to moderate-income households.
In partnership with our local university, our private affordable housing development partner, and our local urban renewal agency, the City is seeking to produce a minimum target of 500 units of housing to provide a mix of residential units serving households of various sizes and income levels. The property sits on 4.7 acres, and of this acreage, 3.1 acres belong to the City. In part because of previous HUD investments at this property, the portion of the overall project that will be constructed on City land will continue to serve a HUD national objective, and the project’s programming contemplates a minimum of 400 total units (80% of the total units) serving households earning 60% AMI and below to address the acute demand in our City for housing at this level of affordability as demonstrated in our Housing Needs Analysis. The memorandum of understanding that the City executed with our development partner also requires a minimum 10% of units be set aside and reserved for households exiting homelessness.

The City intends to ground lease its land to its affordable housing development partner for a period of 75 years, thereby ensuring a sustained affordability timeframe. Furthermore, the City and our partners envision an innovative, best-in-class urban design with environmentally sustainable features that fits the neighborhood and facilitates placemaking to include retail space, expanded mobility options and active streetscapes that complement the site’s proximity to downtown Boise, the university, and the City’s system of parks. This proposal aligns with existing planning initiatives, transportation and mobility efforts, the City’s Climate Action Roadmap, supportive housing services, and economic development opportunities and the executed agreement with the developer requires alignment with the following:

- **Existing planning initiatives:** the Lusk Street Area Master Plan (including street typologies), the Shoreline Urban Renewal District Framework Plan, Boise State University’s 2021-2026 Strategic Plan: Blueprint for Success
  - The public infrastructure investments planned for this part of the city (sidewalks, lighting, streetscape design standards) will help create a healthy, vibrant, and walkable urban neighborhood with a better sense of place.
  - With the proximity to downtown Boise and the University, this project is well positioned to offer new housing and amenities to support students and the local...
workforce. This neighborhood is also currently home to many locally owned small businesses that will benefit from enhancements made to this area.

- **Transportation and mobility:** Ada County Highway District’s Capitol Boulevard Concept Report and the Capitol Boulevard Design Overlay
- **Climate Action Roadmap:** meet or exceed the City’s Green Building Code, to use green stormwater management, and explore in earnest all-electric operations, enhanced water conservation, electric vehicle infrastructure, connection to the City’s geothermal system, and overall waste reduction.
- **Supportive housing services:** to enable this project and our partnership with the university, the City purchased a 47-unit apartment complex adjacent to the project site from the university for a site-based Permanent Supportive Housing project comprised of 2- and 3-bedroom units; additionally, the project site will dedicate 10% of the units for supportive housing (reserved for households exiting homelessness) in partnership with our local Continuum of Care.
- **Economic development opportunities:** workforce attraction and retention will be supported with new income-restricted housing and the project’s proximity to jobs, amenities, and alternative transportation. Community development will be catalyzed with this project through creative urban design: outdoor gathering spaces, street-level retail, and a festival street.
- **Broadband connectivity and broadband friendly infrastructure:** this project will enable multiple broadband service types and/or providers to service the buildings.

This aspect of our proposal directly targets one barrier – the lack of sufficient state and local financing options. However, this project is enabled by the recent change to the City’s zoning code which was a significant barrier the City is only recently positioned to overcome. It is only because of the City’s commitment to and implementation of its modern zoning code that this project can achieve its intended outcomes. The previous code would not have allowed a project of this proportion; however, the new zoning code recognizes and enables dense affordable housing in this highly desirable location. Currently, this neighborhood is composed of lower density housing and surface parking lots and residents living here can walk, ride their bikes, or take public transit to services, jobs, downtown and the university campus. This is exactly the type of place the City is seeking to become denser and, for this reason, the new code designates this area as our most dense mixed use zone, thereby supporting the characteristics of redevelopment envisioned.

Historically, this location has provided among the lowest priced housing in Boise and this will continue to be the case. Redevelopment also provides the opportunity to add new housing at a variety of income levels to serve a diverse demographic. Such diversity is what will continue to serve this neighborhood well. That said, at face value, the project for which we are submitting our proposal displaces 110 households. However, the current housing assets on the property are approaching the end of their useful life and replacement is necessary. Furthermore, because the City is partnering with the university to each contribute our land to this effort, we are well positioned to more than quadruple the number of housing units on these parcels and will not only replace the demolished units one-for-one but will also add a net gain of 290 affordable units.
Notwithstanding, the City is deeply committed to ensuring displaced residents retain safe, stable and affordable housing. At the time of submission, the City has successfully relocated 80 of the 110 total households so far, largely within the City’s own affordable housing portfolio. (Note: the City owns and operates over 300 units of low-barrier, affordable housing and is prioritizing vacancies within that portfolio for voluntary moves before the Uniform Relocation Act takes effect). We also anticipate that residents who previously lived at this location and who were relocated will have a preference to move back to the new development.

Our proposal compares to similar efforts and lessons learned to shape the current project and proposed activities in that the City will be entering its fourth project in which it has used a ground lease on City-owned land to enable the production of affordable housing. By leveraging one of our greatest assets, land ownership, we have been able to refine our ground leasing terms and adjust them to better meet our needs – namely, the period of affordability required and the lease payment structure – to create a mechanism by which the City will a) buy extended affordability and b) see a return on its investment to generate revenue that can then be reinvested at a future date. The ground leasing strategy has also enabled the City to provide gap financing to projects because we have a real interest in the property.

**GEOGRAPHIC SCOPE**

The geographic scope of the modern zoning code impact is Citywide; however, the potential impact of the new code is statewide in that this effort is one that could be duplicated across the state. Our new zoning code is highly localized to Boise and its physical features, including foothills to the north and the desert to the south, but other communities in our state could model our approach by taking a tailored approach to meet the unique needs of their community.

Additionally, although our local nonprofits focused on housing affordability are located in Boise, they work across the Treasure Valley and, in some cases, the state. The vision we have for what they can achieve through increased capacity will have a statewide impact given that state policy is a major focus for removal of barriers to affordable housing production and preservation.

Finally, although the gap financing aspect of our proposal is specific to a 4.7-acre parcel, the success of the project will have an impact on the City’s Housing Investment Program which produces and preserves housing citywide. We can also conservatively conjecture that the project will impact a larger swath of Boise residents (than those ultimately housed within the project) not only because of the unique nature of the neighborhood in which the project is located and its broad use by a diverse set of residents, but also because the project has the potential to redefine what “affordable housing” looks like, including its perceived quality and benefits to the community. The neighborhood in which this project is located is an ideal location for a project of this nature because of its high opportunity designation as it relates to optimizing land use and targeting density and because this neighborhood historically serves (and will continue to) underserved communities, including those with high barriers to housing because of low incomes or other factors.
The project will have a positive economic impact within the Lusk St commercial district and beyond; shops and restaurants will benefit from the increased patronage of new residents living nearby, and the economic impact will expand beyond the physical bounds of the project.

**STAKEHOLDER ENGAGEMENT**

In preparing this application, the City has sought feedback from a wide array of stakeholders. In addition to specific meetings and outreach as described in each section below, the City has published this application and accepted public comment for a fifteen day period. During that time, the city has also held a public hearing to provide information and collect comments from the community regarding the application. The public comment period and public hearing were advertised in the local newspaper, as required by the City’s Citizen Participation Plan, and through the city’s electronic communication channels and partner agency networks.

**Zoning**

The stakeholder engagement that the city has done over the past several years around the update to our zoning code has deeply informed this proposal. The city created a twenty-person advisory committee made up of residents from a variety of demographics, expertise, and locations around the city. The advisory committee met on a monthly basis, helped advise throughout the process, and provided feedback. The city also did extended outreach over the three-year process including 29 community conversations, 23 advisory committee meetings, 5 surveys with over 7,000 responses, 35 stakeholder meetings, 7 city council presentations and 12 commission and committee meeting presentations, and several rounds of mailers. Overall, the city was able to reach 150,822 residents.

As part of this effort, the City engaged a PhD student in Anthropology from our local university to conduct outreach targeting young renters, Spanish speakers, lifelong renters, people who are unhoused, and people living in non-traditional housing arrangements. In comparison to the
participants in our other outreach efforts, 85% of whom were single family homeowners, respondents to this effort expressed significantly more support for additional housing types in all Boise neighborhoods (80% in strong support, as compared to 19% of the typical respondents). They also highly prioritized pedestrian safety and comfort, whereas the more typical respondents cared most about the size of buildings, how close residences are to one another, and height of the residences. 65% of the respondents also said that they would forgo a parking space for cheaper rent. These perspectives, which the city in the past has struggled to capture, significantly impacted our ability to move forward the changes described in the updated zoning code.

Capacity Building
We conducted outreach for the capacity building element of this proposal by meeting individually with our local Metropolitan Planning Organization (COMPASS), as well as with our nonprofit community development and affordable homeownership groups, including NeighborWorks Boise, LEAP Housing, and Boise Valley Habitat for Humanity. Through these discussions, we worked together to identify the capacity-building needs that are addressed in this proposal.

One of the key components of the proposal is to create additional capacity for these organizations and the City to better engage community members and build broader support, through education and outreach to individuals and to stakeholder groups that have a variety of priorities that relate to housing affordability (ex: conservation, food security, health care). The additional capacity would allow for deeper coalition building with groups who see the availability of affordable homes as key to their own program goals, but do not necessarily have deep expertise in the area. It would also allow for greater coordination within the existing housing-focused nonprofits and for more in-depth outreach to people who are directly impacted by housing instability and insecurity. This work will be ongoing throughout the grant’s period of performance and beyond, via the position funded specifically to lead state-wide education and outreach on affordable housing-related topics.

Construction Financing
Stakeholder outreach, in many ways, began on this concept with the engagement completed by the City for the modern zoning code update. In other words, because of the extensive community engagement and outreach conducted then, the City is well-versed in every neighborhood’s enthusiasm (or not) for the changes forthcoming when the new zoning code takes effect on December 1. Because this proposal is in the highest density, mixed-use zone, residents are already anticipating the type of proposal this project entails to be brought forward. Furthermore, specifically in this neighborhood, residents are eager to see a “different type of project” that is not exclusively focused on nor catering to university students as they have seen repeatedly in this neighborhood over the course of the last few years.

Public engagement on this project began in October 2023 with three established goals: seek input on design elements and the future of the district from the residents, businesses and students who live, work and play in the Lusk St neighborhood, support current residents living on site currently, and share the opportunity the redevelopment will bring to the gateway of our city with local businesses and partner agencies. These goals informed two tracks categorized by stakeholder type:

- Residents of the neighborhood, neighborhood associations and university students
• Businesses in the neighborhood, university leadership, government agencies, the Downtown Boise Association, and our urban renewal agency

Further community outreach and engagement is planned throughout the 2023/24 Fall and Winter, including in-person and virtual opportunities for area residents, businesses, partner organizations, and the community in general to learn about the intention for the site and provide feedback on various components of the development. Information will also be shared on a project webpage and via the city’s social media accounts and communication networks.

AFFIRMATIVELY FURTHERING FAIR HOUSING

Removing Barriers

The City is addressing barriers to developing affordable housing in several ways, one of which is the new Modern Zoning Code. With the new zoning code, mixed-use zoning districts will increase housing near best-in-class transit corridors, activity centers, and pathways, and seven incentives available citywide offer flexibility in additional housing units in exchange for setting aside deed restricted affordable units. Ensuring that housing is built near transportation linkages, services, and amenities in activity centers means that lower-income households are not further burdened by high transportation costs and have access to needed resources.

The Modern Zoning Code allows new housing options, such as co-housing, cottage villages, and live/work units, as well as supporting more compact neighborhoods with increased height and density allowances. These changes will bring housing that is more affordable into neighborhoods across the city, especially high opportunity areas close to downtown and along transit routes, near activity centers. The new zoning code also seeks to protect vulnerable populations by requiring a public hearing and Conditional Use Permit for any mixed-use multiple-family project that would displace vulnerable populations.

Supporting the re-development of property in the Lusk District will bring additional housing into a high opportunity, well-resourced part of the City where there currently is a shortage of housing available to non-students. Bringing new units online in this area will increase the options that are available to lower-income households, and the proximity to downtown, social services, and public transportation ensures that this project will benefit households who may not have vehicles or rely on accessible public transportation. A variety of unit sizes will provide options for households with children, or multi-generational households, and the project will provide accessible units in accordance with International Building Code standards, Americans with Disabilities Act, and Fair Housing Act. It is expected that the populations that will eventually be housed in the new development will be proportional to the racial composition of the city as a whole.

The City’s most recent Analysis of Impediments to Fair Housing Choice was completed in 2021 and identified many zoning-related impediments that now have been addressed through the adoption of the new Modern Zoning Code. Further, the capacity building strategies identified in
this application will enable the City and its partners to include more Fair Housing education and information to the community, in multiple languages, which was also identified multiple times in the Analysis of Impediments.

Redevelopment of the property in the Lusk District will result in the displacement of tenants currently living in housing owned and operated by the City of Boise, as discussed previously. The City is already in the process of working with these residents to ensure that they are supported throughout the process of identifying and transitioning into units in other buildings within the City’s portfolio, prior to the URA being triggered. All existing units will be replaced, at a more than one-for-one level, and tenants may have the opportunity to return if they desire.

Throughout the construction process, the City will expect its development partner to ensure that the bidding and procurement process offers preferences for women and minority-owned business enterprises, as well as firms that are owned by or employ low-income workers in compliance with Section 3 of the HUD Action of 1968 (24 CFR Part 75). The City’s procurement and bid preference requirements are outlined in its Procurement and Labor Standards Policies and Procedures.

**Implementation and Enforcement**

The City intends to rely on its Compliance Team to assist in monitoring and enforcement of all regulations and preferences identified. Additionally, this team will lead the required Environmental Review processes associated with the redevelopment of the Lusk District property and other capacity building initiatives.

**Budget**

The City intends to use HUD PRO Housing funds for three activities: 1) affordable housing incentives in the new zoning code, 2) capacity building, and 3) construction financing.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Activity Description</th>
<th>Funding</th>
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<tbody>
<tr>
<td>Zoning</td>
<td>Creating public facing materials for zoning code incentives available for affordable housing development and education for developers.</td>
<td>$150,000</td>
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<tr>
<td>Capacity Building</td>
<td>Educating and informing state-wide decision makers on housing initiatives and ways to remove obstacles. Providing support for local affordable housing developers.</td>
<td>$500,000</td>
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<tr>
<td>Construction Financing</td>
<td>Re-developing the Lusk District property to bring a minimum of 400 new affordable units online</td>
<td>$9,350,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$10,000,000</strong></td>
</tr>
</tbody>
</table>

**Exhibit E Capacity**

The City of Boise has been an entitlement community receiving, and successfully administering, Community Development Block Grant funds since the program’s development under the Housing and Community Development Act of 1974. Similarly, the City has been administering the HOME
Investment Partnerships Program funding it receives as a participating jurisdiction since 1992, when the first appropriations were received under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990. In the time since these first entitlement grants were received, the City has also been awarded funding under several other HUD programs, including the Rental Rehabilitation Grant Program, CDBG Recovery Funds from the American Recovery and Reinvestment Act and the Housing and Economic Recovery Act of 2008, HOME’s American Dream Downpayment Initiative, the Homeless Prevention and Rapid Re-Housing Program and, most recently, CDBG-CV funds allocated under the CARES Act and SLFRF, ERA, and HOME-ARP funds allocated from the American Rescue Plan Act.

Federal funds received from HUD are administered by the City’s Housing and Community Development Division. This team has significant experience in deploying federal resources in a timely manner to meet community need. When the CARES Act was passed in March 2020, the HCD team amended its Annual Action Plan, opened a grant application, made award determinations, and began actively funding projects and drawing from its CDBG-CV allocation in July 2020. Boise received additional re-allocated funds and as of September 30, 2023, the entirety of the CDBG-CV funds received ($1,792,938.00) will have been invested to support community need. Likewise, the City of Boise was among the first communities to have its HOME-ARP Allocation Plan approved and will begin spending down those funds in October 2023, with the expectation they will be fully expended by the end of Fiscal Year 2026. Working in partnership with the local Public Housing Authority, $43M in rental assistance was provided from the Treasury’s ERA funds between February 2021 – 2023. An additional $6.7M in ERA-2 funds were invested to support the development of 191 affordable units. Finally, the City has conditionally awarded $10.5M in SLFRF (to date) towards the construction of 95 units of Permanent Supportive Housing and 200 units of housing affordable to households at or below 80% AMI. We expect these funds to be officially obligated and expended by Spring 2024, well before the obligation deadline of December 2024 and the expenditure deadline of December 2026.

Over the past three years, the Housing and Community Development team has refined roles, added three new full-time staff, and streamlined its processes for administering, implementing, and monitoring the federal grants and programs funded with federal resources to ensure the City is able to maximize the impact federal funds can have in addressing the housing crisis and community need. This existing team would be responsible for administering the PRO Housing funds, including compliance with cross-cutting federal regulations and long-term monitoring. The HCD team is supported by members of the City’s Finance team, including a Grants Accountant and Senior Staff Accountant, who ensure appropriate fiscal control and accounting policies are maintained. The team is led by the Housing and Community Development Division’s Senior Manager, Maureen Brewer, the Operations Manager, Melinda McGoldrick, HUD Program Manager, Nikki Drake, and Compliance Manager, Danny Bell. Additional capacity and support are provided by the Mayor’s Housing Advisor, Nicki Hellenkamp, Affordable Housing Project Manager, Joe Bruce, Senior Staff Accountant, Stephanie Jensen, and Grants Accountant, Deanne Alexander. In total, eight full time staff members will manage these funds and implementation activities, supported by Department leadership, and staff from the Finance, Legal, and other internal teams as necessary.
Finally, the private developer selected to partner with the City of Boise and our local university to create affordable housing is J. Fisher Companies (“JF”). JF is a vertically integrated and housing-
first developer with comprehensive experience building communities and leading innovative and collaborative public-private partnerships.

Started in 2005, JF has transacted over $1.5B and developed over 5,000 single/middle housing & multifamily units in Utah, Idaho, and Colorado. To date, JF has structured approximately $350M in affordable housing projects and has closed approximately $100M in LIHTC equity syndications. JF’s financial capacity can be summarized as follows:

- A strong financial position marked by substantial recurring income, healthy liquidity, low leverage, and diversified assets.
- Total outside equity raised from long-term relationship investors is over $300M. Strong and well-established relationships with local, regional, and national banks have provided in excess of $500M in long-term financing in the last five years.

The JF team has over 100 employees that bring the best-in-class capabilities in planning, entitling, designing, developing, financing, building, activating, and operating large, complex real estate projects, and public-private partnership structuring.

The primary JF working team will consist of partners Jake Wood and Ryan Davis. Each principal brings a unique and diverse range of experience in the areas of affordable housing, mixed-use and mixed-income communities, greenfield and urban in-fill development, mountain west dynamics, public-private partnerships, and complex transactions. The working team will be supported by the JF managing partners, Owen Fisher and Chad Bessinger, and the broader JF shared services capabilities (marketing, accounting, legal, etc.).

The JF land use team has extensive entitlement and land development experience in various asset classes including residential, commercial, industrial, as well as affordable, workforce, and market-rate projects. The investment management team at JF assists the development process by leading project underwriting, capital raising, deal structuring, investor relations and portfolio management. JF also has in-house construction and property management capabilities through Strategic Builders and Olive West, respectively. Having these collaborative in-house partners involved early in the process will alleviate many of the traps that developers fall into around construction and operational underwriting. Further, having these partners working in direct alignment with the ownership group is instrumental in navigating a highly dynamic construction cost market, managing subcontracts, providing high-quality resident programming, and delivering thoughtful community experience.

**Exhibit F: Leverage**

The City is leveraging its landholdings by contributing 3.1 acres, leased at a rate well below market, to the project.

Additionally, through our partnership with the university, we are also leveraging university resources by way of 1) a university landholding (1.6 acres) that is contemplated in the project and agreements to date and 2) as part of the overall deal, we negotiated with the university the sale of one of their properties to the City for the purpose of creating a site-based PSH project (47 units)
to house families exiting homelessness. The acquisition of this project will displace university students from this apartment complex in June 2024; however, new student housing coming online in the same neighborhood will be available to these students.

**Exhibit G: Long-Term Effect**

Our proposal seeks to permanently remove key barriers to producing and preserving affordable housing by demonstrating what is possible when 1) land use policies are implemented that encourage a variety of housing types and enable increased residential density across the City, 2) the capacity of our housing eco-system is invested in to deepen elected officials understanding of the interconnectedness of housing affordability with the health of our communities across the state, and 3) adequate financing is available for affordable housing infrastructure by leveraging public and private resources and by using targeted approaches, especially focusing on underserved communities.

Upon completion of the grant-funded activities, the City will have delivered:

- insert zoning
- insert capacity
- A minimum target of 400 units of affordable housing and 500 units in total in an area of opportunity, downtown adjacent neighborhood location. Note: this location is highly sought after by for-profit developers looking to replace affordable housing and/or aging infrastructure with exorbitantly high-cost housing that displaces current residents. We are seeing now this gentrification taking place, and this proposal enables the City to stay invested in this neighborhood and stay committed to underserved populations by preserving the housing of those living there now and creating net-new affordable housing.

The roadblocks our proposal faces, especially as it relates to the gap financing portion, include, primarily, a fluctuating and volatile housing market and the perhaps fleeting window of opportunity to demonstrate the success of such an ambitious public-private partnership. However, the proposal accounts for and insulates from these roadblocks by…

We anticipate our proposal will reduce housing cost burden (including utilities) and reduce other costs such as transportation costs because of the location and enhanced mobility options. One of our proposal’s greatest strengths is that the project location is near amenities, public services, jobs, and transit options.

Our most significant environmental risks are… Our proposal efficiently promotes community resilience by aligning with the City’s Climate Action Roadmap via the sustainability incentives included in the new modern zoning code and by prioritizing sustainable features in the affordable housing project brought forward in this proposal to include: meeting or exceeding the City’s Green Building Code, using green stormwater management and all-electric operations, enhanced water conservation, electric vehicle infrastructure, overall waste reduction, and intending to connect to the City’s geothermal system.

At the end of the performance period, we consider success to look like… We anticipate our proposal enables the production and preservation of affordable housing by… Our targeted
outcomes will remedy our need for X units of affordable housing by producing X% of the annual target and will address cost burden…

The long-term effect of our proposal on removing barriers to affordable housing that have perpetuated segregation, inhibited access to well-resourced neighborhoods of opportunity for protected class groups and vulnerable populations and expanded access to housing opportunities for these populations is best summarized by the significant addition of affordable housing stock in Boise. This proposal will expand housing options and housing stability for not only underserved communities such as those experiencing homelessness, but also the local workforce, which is a key component of maintaining a strong and healthy economy.

Increasing the City’s affordable housing stock will also catalyze changes in the local economy in and around the Lusk St neighborhood. Lower housing costs enable households to save money and also spend money in other ways. Whether buying goods or food from a local shop, tickets for an event, or saving to invest in an entrepreneurial endeavor, the dollars saved because of lower rent increase discretionary spending in the local economy. This will be a key factor in the holistic uplifting of the neighborhood and surrounding community.

Although a key component of our proposal requests funding for only a single project in Boise, Idaho, the project is of a nature and scale such that we anticipate it can begin a paradigm shift in how residents and elected officials consider investments in affordable housing, thereby contributing significantly to a local evidence base about the impact of removing key barriers to producing and preserving affordable housing. Our proposal represents a model for our community and others in that this project will maximize public and private dollars to create a high-impact housing and revitalization initiative. It is a demonstration of successful public-private partnership and, using this project as an example, Boise can shepherd future housing and revitalization projects across the finish line.