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ANNUAL ACTION PLAN PROGRAM YEAR 2026

for U.S. Department of Housing and Urban Development Planning
and Reporting Activities

OCTOBER 1, 2026 – SEPTEMBER 30, 2027

HOUSING & COMMUNITY DEVELOPMENT DIVISION
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housing@cityofboise.org

تلفن: ۲۰۸-۵۷۰-۶۸۳۰

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شماره فکس: ۲۰۸-۳۸۴-۴۱۹۵

یا به صورت حضوری به ادرس

150 N. Capitol Blvd (2nd floor) (طبقه دوم)

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AP-15 EXPECTED RESOURCES

Introduction

The City of Boise receives federal assistance from the U.S. Department of Housing and Urban Development (HUD) under its primary allocation programs: CDBG and HOME. The City also anticipates receiving funding to administer the Continuum of Care for Ada County.

These resources include the anticipated entitlement grants combined with unexpended funds from previous years, and the program income expected to be generated over this time period from the CDBG and HOME programs.

Amounts anticipated for the 2026 Annual Action Plan period (Oct. 2026 – Sept. 2027) include the annual allocation from HUD, unexpended funds from previous years (prior year resources), and the program income expected to be generated from the CDBG and HOME programs through the year.

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Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public-Federal	Acquisition, Admin and Planning, Economic Development, Housing, Public Improvements, Public Services	\$1,362,115	\$186,000	\$0	\$1,548,115	\$6,192,460	Investments focus on rehab and/or preservation of existing units, financial assistance for homebuyers, public services, facility/neighborhood improvements, and acquisition for housing rehab/development. Program Income includes CDBG PI and RL Funds.
HOME	Public-Federal	Acquisition, Homebuyer Assistance, Homeowner Rehab, Multifamily Rental New Construction, Multifamily Rental Rehab, New Construction for Ownership, TBRA	\$616,465	\$300,000	\$1,724,262	\$2,640,727	\$3,665,860	Investments focus on acquisition, rehab, and/or development of multifamily rental housing and single family homeowner housing. Program Income includes PI & Recapture (HP).

CoC – McKinney Vento	Public-Federal	Administration	\$91,202	\$0	\$0	\$91,202	\$364,808	Funding supports CoC staff salaries.
Section 108 Loan	Public-Federal	Acquisition	\$6,810,575	\$0	n/a	\$6,810,575	\$0	Funds will be used for acquisition and preservation of existing affordable housing.

Table 1 - Expected Resources – Priority Table

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Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

HOME and CDBG funds are leveraged with City general funds, city-owned property, and other local financial resources. Developers and subrecipients must provide leverage with other local, state, federal, and private sources. Other sources of leverage may often include Low-income Housing Tax Credits (LIHTC), State HOME funds, Federal Housing Trust Fund (HTF), State Workforce Housing Fund, Federal Home Loan Bank Board funding grants, Public Health Services Funding (federal), Substance Abuse and Mental Health Services Administration (federal), Medicaid, and private foundations and donation funding.

PRICE Funds: The City was awarded \$6,773,702 from HUD for the Preservation and Reinvestment Initiative for Community Enhancement, which is being used to augment the homeownership rehabilitation program by serving households living in manufactured homes, as well as for mobile home park infrastructure updates and installation of new manufactured homes, eviction prevention, and preserving manufactured housing communities.

Other City Funds: Since FY20 (PY19), the City has allocated \$49,670,500 in general funds and an additional \$18,700,000 in one-time federal funding (SLFRF and ERA2) specifically for housing. Those funds will be used to create affordable housing for households at or below 60% AMI, Permanent Supportive Housing for households exiting homelessness, and to preserve affordable housing for households at 80% AMI and below. In PY26, the City plans to apply for a Section 108 Loan in the amount of \$6,810,575 for the preservation of existing affordable multifamily housing. In PY26/FY27, the City plans to invest approximately \$1,400,000 in additional general funds to support the Continuum of Care and systemwide needs including staff (3 FTE), the coordinated entry system including street outreach, homeless prevention, emergency shelter services, the CoC's Homeless Management Information System (HMIS), and other supportive housing programs and initiatives.

HOME Match: The HOME Program requires the City to provide a 25% non-federal match on eligible HOME entitlement funds expended each program year as a permanent contribution to affordable housing. HOME match contributions are tracked and reported annually in the Consolidated Annual Performance and Evaluation Report (CAPER).

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City supports the development of income-restricted multifamily rental housing on land that the City owns through its housing land trust model. The City actively seeks out opportunities to acquire available properties for development and/or preservation as funds are available. The City has also completed a housing capacity analysis of vacant and underutilized land throughout the City, including publicly owned land, and intends to work alongside landowners and other agencies to determine the feasibility of developing housing on those sites.

The City's current projects in development include redeveloping two parcels of City-owned property. One will provide 48 units of Permanent Supportive Housing and the

other will create over 350 units of affordable housing targeted at households at or below 60% AMI.

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AP-20 ANNUAL GOALS AND OBJECTIVES

Goals Summary Information

	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Develop and preserve affordable housing	2026	2030	Affordable Housing	City-wide	Affordable Housing	HOME: \$2,640,727 CDBG: \$1,300,166 Section 108 Loan: \$6,810,575 Continuum of Care: \$0	Rental units constructed: 6 Units Direct Financial Assistance to Homebuyers: 2 Households Assisted Homeowner Housing Rehabilitated: 20 Households Other (acquisition): 30
3	Provide public services to meet the needs of LMI people	2026	2030	Homeless Non-Homeless Special Needs	City-wide	Public Services	CDBG: \$247,949 HOME: \$0 Continuum of Care: \$0	Public service activities other than Low/Moderate Income Housing Benefit: 300 Persons Assisted Homelessness Prevention: 50 Persons Assisted

Table 2 – Goals Summary

Goal Descriptions

Goal Name	Develop and preserve affordable housing
Goal Description	<p>Increase the availability and continue preservation of affordable housing for LMI households with an emphasis on vulnerable populations as possible, such as residents with a disability or experiencing homelessness, seniors, very low income, etc.</p> <p>Utilize a Section 108 Loan for the purpose of acquiring, preserving, and/or rehabilitating affordable rental housing, meeting the Benefit to Low- to Moderate-Income Persons National Objective (LMI), and specifically the Low Mod Housing category (LMH). Planned activities may include acquisition and/or rehabilitation of multifamily housing. City will ensure that at least 51% of total units are occupied by LMI households at or below 80% AMI. City will make loan repayments with future annual CDBG Entitlement funds, or if needed, City general funds. Rental income will be used to operate and maintain the property.</p>
Goal Name	Provide public services to meet the needs of LMI people
Goal Description	Fund public services for LMI people, such as services for victims of domestic violence, families with children, people experiencing homelessness, people at risk of eviction, etc.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

During the 2026 Program Year, an estimated 50 extremely low to moderate-income households will be provided with rental assistance through public services, 6 households will benefit from the production of new affordable rental housing units, 2 households will benefit from homeownership assistance, 20 households will benefit from rehabilitation of existing homeowner units, and 30 households will benefit from acquisition and preservation of existing affordable rental units.

AP-35 PROJECTS

Introduction

Based on data collected through the development of the 2026-2030 Consolidated Plan, projects have been selected that meet community needs. These projects will bring additional affordable rental and homeownership housing options to the City of Boise, preserve affordable homeownership and rental housing, and increase the capacity of service providers to meet community needs.

New multifamily construction projects and public services will be solicited via competitive application process. Opportunities to apply for CDBG and HOME funds will be advertised via the City's website (cityofboise.org/hcd) and shared through partner networks. Applications will be reviewed for alignment with Consolidated Plan Goals and the City's housing-related strategies, capacity of the applicant, financial strength, feasibility, and other qualifications before funds are awarded.

Projects

#	Project Name
1	Public Services
2	Homeowner Housing
3	Rental Housing
4	Administration

Table 3 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs:

Priorities were based on the continued, intense need for new/rehabilitated rental housing specifically targeted at households earning less than 60% AMI, preservation of existing affordable rental housing, rehabilitation for homeowners to remain housed in decent and safe homes, homeownership opportunities for households earning less than 80% AMI, and public services that provide access and support to vulnerable residents.

AP-38 PROJECT SUMMARY

Project Summary Information

	Project Name	Public Services
1	Target Area	City-wide
	Goals Supported	Provide public services to meet the needs of LMI people
	Needs Addressed	Public services
	Funding	CDBG: \$204,317.25

	Description	Supports nonprofit organizations providing a variety of vital services for low- to moderate-income individuals and households to improve livability and access to basic needs. <i>Actual amount \$204,317.25</i>
	Target Date Complete	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 350 low- to moderate-income individuals in Boise will be served in PY26.
	Location Description	City of Boise
	Planned Activities	A variety of services targeted at LMI residents, such as emergency rental assistance to prevent eviction and homelessness, before/after-school childcare services, case management and other services for people experiencing homelessness and victims of domestic violence and/or sexual assault, etc.
2	Project Name	Homeowner Housing
	Target Area	City-wide
	Goals Supported	Develop and preserve affordable housing
	Needs Addressed	Affordable housing
	Funding	CDBG: \$710,000
	Description	Supports home improvements (rehabilitation) for income eligible households, homebuyer assistance for newly constructed or existing housing, and new construction of homeowner housing.
	Target Date Complete	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 20 income eligible homeowners to benefit from home improvement repairs and approximately 2 households to receive financial assistance for purchase of a single-family home.
	Location Description	City of Boise

	Planned Activities	Home improvements including bringing homes up to code; safety, health, and accessibility improvements; and other renovations necessary to preserve existing housing for households under 80% AMI. Direct financial assistance for homebuyers.
3	Project Name	Rental Housing
	Target Area	City-wide
	Goals Supported	Develop and preserve affordable housing
	Needs Addressed	Affordable housing
	Funding	HOME: \$2,579,080.25 CDBG: \$361,374.75 Section 108 Loan: \$6,810,575
	Description	Supports acquisition, preservation, rehabilitation, and/or development of rental housing. As feasible, preference for projects with units dedicated to vulnerable populations, such as homeless, seniors, people with disabilities, etc. <i>Actual amounts: HOME = \$2,579,080.25, CDBG = \$361,374.75</i>
	Target Date Complete	9/30/2028
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 6 households to benefit from the rehabilitation/construction of rental housing and 30 households to benefit from acquisition of existing affordable housing for preservation. HOME units target households at or below 60% AMI and CDBG units target households at or below 80% AMI.
	Location Description	City of Boise
	Planned Activities	Potential acquisition/preservation, rehabilitation, and/or development of multifamily rental housing.
6	Project Name	Administration
	Target Area	City-wide
	Goals Supported	Develop and preserve affordable housing Provide public services to meet the needs of LMI people
	Needs Addressed	Public services Affordable housing

Funding	CDBG: \$272,423 HOME: \$61,646.45 CoC: \$91,202
Description	Boise City will use up to the allowed maximum of 10% of HOME Entitlement funds and 20% of CDBG Entitlement funds for administration of these programs and projects in Program Year 2026. <i>Actual Amounts: CDBG Admin \$272,423, HOME Admin \$61,646.45</i>
Target Date Complete	9/30/2027
Estimate the number and type of families that will benefit from the proposed activities	n/a
Location Description	Boise City Hall, 150 N Capitol Blvd
Planned Activities	Activities include preparing required reports and planning documents, agreement/contract administration, grant management, citizen participation, subrecipient/project monitoring, fair housing education and outreach, analysis of impediments, environmental reviews, compliance oversight, identification/development of programs to meet the needs of the community's LMI residents and households experiencing homelessness, etc.

AP-50 GEOGRAPHIC DISTRIBUTION

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City of Boise does not specifically target the goals and associated strategies in this Plan by geography. Allocated funds are distributed for projects and services within the city's municipal boundaries based on identified needs and the priorities and goals set forth in the Five-Year Consolidated Plan and this Annual Action Plan. Public Services may also extend to eligible residents within the city's area of impact to prevent gaps in needed services for Boise residents living in the outskirts.

The needs of Boise residents identified in this planning effort are better prioritized by income levels than geography. CDBG and HOME funds are to be distributed and allocated to households and individuals in the very low, low, and moderate-income categories.

Themes such as access to and inventory of affordable housing, preservation of existing affordable housing stock, homelessness prevention, rapid re-housing, and the need for

support services exist throughout the city.

Geographic Distribution

Target Area	Percentage of Funds
Citywide	100%

Table 4 - Geographic Distribution

Rationale for the priorities for allocating investments geographically:

The City does not plan to target funds in any specific geographical area during this program year.

AP-55 AFFORDABLE HOUSING

Introduction

Increasing and preserving affordable housing in Boise is a priority of the City and both CDBG and HOME funds will be used to address the issue.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	108
Special-Needs	0
Total	108

Table 6 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	50
The Production of New Units	6
Rehab of Existing Units	20
Acquisition of Existing Units	32
Total	108

Table 7 - One Year Goals for Affordable Housing by Support Type

Discussion

The City will continue to invest in the development and rehabilitation of affordable rental housing, preservation of existing affordable housing units, and homeownership opportunities of newly constructed or existing housing in partnership with nonprofit developers.

The City continues to work with developers to increase the number of affordable rental units available for low to moderate-income households. By providing gap financing, the City is able to leverage its HOME and CDBG funds to ensure quality housing is created and/or rehabilitated and remains affordable. Currently, HCD maintains a project pipeline

which identifies upcoming projects that will bring new affordable units into the local market – many of these projects are supported either with federal funds or local incentives designed to maximize the number of affordable units.

Preservation is also a focus for CDBG funds, primarily through the acquisition/rehabilitation of existing affordable rental housing and the rehabilitation of older homes owned by low to moderate-income households. There continues to be a high demand for assistance with addressing life-safety issues, primarily for households below 60% AMI. These preservation activities help maintain and prevent affordable rental housing from being sold and transitioned to market rate and ensure that homeowners are able to maintain stable housing in the community.

AP-60 PUBLIC HOUSING

Introduction

The Boise City Housing Authority (BCHA) is currently operating under its 2025-2029 Five Year Public Housing Agency plan. The strategic plan, in combination with BCHA's 2025 Annual PHA Plan, was used to create the following Annual Action Plan for Public Housing.

Actions planned during the next year to address the needs to public housing

In 2024, BCHA opened the Housing Choice Voucher (HCV) waiting list and selected 2,500 households through a randomized lottery, prioritizing elderly households, individuals with disabilities, families with children, and those transitioning from rapid rehousing or transitional housing programs for individuals experiencing homelessness. Since that time, BCHA has been actively working through the waiting list—verifying eligibility and issuing vouchers as funding permits—and anticipates reopening the waiting list in late 2026.

Due to ongoing federal funding constraints and continued uncertainty in appropriations, BCHA has maintained a cautious approach to voucher issuance. Although some voucher distribution resumed in 2025, leasing levels continue to be carefully managed to align with available funding and avoid overcommitment. As funding levels for FY2026 become clearer, BCHA is continuing to verify eligibility, update applicant records, and issue vouchers incrementally as resources allow.

Given the uncertainty of future federal funding, BCHA is also developing contingency plans to prepare for a range of possible funding scenarios. Despite these constraints, BCHA remains committed to its mission of providing safe, affordable housing and continues to pursue every opportunity to expand access for low-income individuals and families in our community.

To further address local housing needs, BCHA has allocated project-based vouchers to the New Path 2.0 development, which will deliver 96 new housing units. Of these, 95 units are designated for permanent supportive housing, targeting extremely low-income and highly vulnerable individuals and families experiencing homelessness. This project represents a critical step in meeting the urgent demand for stable housing in disadvantaged communities, while offering vital support services.

In addition, BCHA is advancing several capital improvement projects through the Capital Fund Grant (CFG) Program. Planned work for 2026 includes parking lot repaving, electrical system upgrades, and enhanced safety and security measures across multiple sites. A comprehensive RAD/repositioning study is also planned to evaluate long-term

preservation and funding strategies for the agency's housing portfolio.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

BCHA actively encourages public housing residents to participate in management through its Resident Advisory Board (RAB) meetings. These meetings provide residents with opportunities to give input on annual policy updates and modernization projects funded by the Capital Fund Grant Program.

Although BCHA values homeownership as an important path to long-term stability and self-sufficiency, the homeownership program has seen limited activity in recent years. This is mainly due to economic and structural challenges within the community. Rising home prices over the past several years have created significant barriers for low-income households trying to enter the housing market. Even with financial counseling and assistance programs, many eligible residents struggle to secure mortgage financing or find homes they can afford.

While homeownership is not yet common among its residents, BCHA remains committed to laying the foundation for long-term success. They continue to explore innovative strategies to expand affordable homeownership opportunities and ensure that resident input is central to planning and decision-making.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A – not a troubled PHA.

Discussion

BCHA has been an invaluable partner by making available project-based vouchers for two permanent supportive housing projects. Both projects would not be financially viable without this resource.

AP-65 HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES

Introduction

The City of Boise is the Collaborative Applicant for Our Path Home (OPH), the local (ID-500) Continuum of Care (CoC). OPH is a public-private partnership which oversees and coordinates the homelessness response system in Ada County. As Collaborative Applicant for CoC Program funds, the City receives planning funds, which aren't competitively awarded, while all competitively awarded funding to the CoC goes to supportive housing programs. Housing and Community Development (HCD) employs three full-time staff to manage the City's responsibilities as Collaborative Applicant, including administration of a CoC system, project evaluation and monitoring, CoC application activities, and coordination of systems. The staff manage all CoC activities governed by the partnership, including annual and strategic plans.

- **Executive Committee:** As the governing authority of the CoC, the Executive Committee is responsible for ensuring the CoC meets the standards set forth in 24 CFR Part 578 and provides the overall strategic direction for the CoC, including establishing priorities and goals. The Executive Committee is supported in its work

by several standing committees, advisory committees, and work groups.

- **Standing Committees:** Sub-entities of the CoC support planning and implementation of system service work, which include CONNECT, ENGAGE, FUND, and HOUSE. Each of the standing committees can form sub-committees and work groups as needed to fulfill their duties.
- **Strategic Initiatives:** The CoC's two strategic initiatives are the Campaign to End Family Homelessness (CEFH) and the Supportive Housing Plan (SHP).
 - The CEFH aims to achieve functional zero for families with children by 2026 through increased private and public funding of housing interventions including rental assistance for prevention, Rapid Rehousing (RRH), and Permanent Supportive Housing (PSH).
 - The SHP set the goal of creating 750 new units of supportive housing over the next five years, to include 250 units of newly developed single-site PSH and 500 units of dedicated integrated supportive housing units leased up with properties throughout Ada County.
- **Programs:** The CoC's two system programs are the Emergency Overflow Program (EOP) and the Dedicated Units Program (DUP).
 - The EOP aims to ensure safe, accessible shelter can serve all people experiencing homelessness, including during extreme seasonal weather, a public health crisis, or a community emergency. It funds efforts to ensure a guaranteed bed for everyone night by night, expands daytime space, and provides necessary supplies to stay safe.
 - The DUP is to recruit new units of affordable, accessible housing needed by our supportive housing providers. Units are dedicated to OPH and matched with clients working with supportive housing programs to end their homelessness through permanent housing.

The City of Boise is also a critical annual funder of CoC capacity, investing over \$1 million in the homelessness system response each year. The City pays for and contracts with the Institute for Community Alliances (ICA) to serve as the Homeless Management Information System (HMIS) Lead, managing HMIS data requirements for reporting. HMIS is used to guide local, data-driven decision-making and performance monitoring. The City is the primary funder of Coordinated Entry (CE), a program with 11 full time staff that manage the single point of entry and prioritization of households experiencing literal homelessness that are seeking services and housing, in addition to funding eviction prevention and some limited emergency shelter access capacity. Through the annual Homeless Services Grants, the City funds hundreds of thousands in rental assistance and service capacity for nonprofits working on homelessness. The City also leverages its federal dollars through CDBG and HOME, in addition to other one-time federal funding, for projects that align with housing and homelessness priorities.

Describe the jurisdiction's one-year goals and actions for reducing and ending homelessness, including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs.

The system-wide street outreach team (launched in 2020) works to build rapport and develop relationships with people experiencing homelessness. The team conducts outreach where people experiencing homelessness are often found (encampments,

streets, cars, river paths, parking lots, day shelters, parks, libraries, underpasses) and responds to referrals from community partners, such as crisis teams, police units, businesses, and residents. They build relationships with clients to perform assessments of immediate needs, provide and refer to appropriate supports, and perform housing assessments to connect people with available resources. They prioritize unsheltered and those experiencing chronic homelessness and serious mental illnesses.

The CoC's street outreach team is 5 full time staff positions that are part of the CE program team. Currently the team is building new partnerships for the CoC by adding more healthcare service providers that will partner with the team directly in their work to try and increase the number of mainstream partners that provide services in non-traditional locations that will reach more of the unsheltered population and by expanding collaboration with emergency responders, health systems, mental health providers, crisis response teams, law enforcement agencies, and legal system representatives.

Many other outreach staff and cross-organizational partners are coordinated through bi-weekly meetings with 10 partner agencies including Veterans Affairs (VA), Permanent Supportive Housing (PSH) healthcare workers, daytime/overnight emergency shelters, law enforcement, local jail, and the City. The meeting's primary purpose is to collaborate on specific client cases with urgent needs for support services to increase likelihood of timely and positive intervention. Outside of this formal meeting, the team collaborates closely with health care systems, local government (city, county, state), law enforcement, Bureau of Land Management, public and emergency service providers, and other community providers to identify people who need connected to resources.

In addition to bi-weekly meetings, the team participates in the CE bi-weekly case conferences to ensure they can support housing access of individuals at the top of the prioritization list. Of the 5 staff, 3 positions are dedicated to support unsheltered homeless with Severe and Persistent Mental Illness; program data shows almost 65% of individuals served by the team self-report having a disabling condition.

The CoC gathers needs annually by performing a survey of people experiencing sheltered and unsheltered homelessness. The results of this survey are presented to CoC planning teams to analyze and interpret for pressing needs and for feedback on the system from individuals with lived experience, including how it actually intersects with their life. As part of this larger engagement strategy, the CoC is working towards each funded agency implementing their own annual consumer feedback process and hosting quarterly in-person lived experience engagement events focused on community building and assessment of needs. Partners working directly with people with lived experience within the last 7 years are asked to engage in this survey effort.

Addressing the emergency shelter and transitional housing needs of homeless persons.

Several activities have or will increase our system's capacity to provide shelter and transitional housing. The CoC meets regularly with all of our shelter partners (Interfaith Sanctuary, Boise Rescue Mission, WCA, Idaho Youth Ranch, and Corpus Commons) to provide updates, share resources, address challenges, and identify opportunities for collaboration. In addition, several shelter partners attend a variety of regular CoC meetings where shelter access is discussed (Executive Committee, CONNECT, Case Conferencing, Street Outreach, Public Health Workgroup).

- The CoC's low-barrier shelter partner recently transitioned their program to a new permanent shelter facility that replaced their current location, which will result in an increased number of total beds (205 total, increase of 30 beds), and because it will be 24/7, a dramatic shift in daytime shelter capacity and the programming they can offer guests, including on-site medical care in collaboration with Federally Qualified Health Centers (FQHCs).
- The CoC developed a new emergency overflow program that supports a variety of shelter access strategies. The overnight response is run by our low-barrier shelter provider so that on nights when our shelters have insufficient capacity to safely shelter a guest in need, either due to weather events or related to an ongoing public health crisis that requires client isolation, the shelter provider can work to place people in hotels/motels that partner with our CoC to implement this program. The program also funds additional daytime shelter strategies through partnerships with shelter providers, public facilities, and private nonprofit and business partners to offer additional space and supplies for those in need.
- The CoC's prevention efforts are particularly related to individuals exiting publicly funded institutions – namely carceral and health systems. This involves conversations related to transitional and permanent housing and shelter needs that are evaluated and coordinated between system responses. The CoC developed a discharge form that is currently utilized by the health system partners to match folks with shelter spaces who have medical care needs upon discharge.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The partnership with the CoC on their Permanent Supportive Housing (PSH) Plan recommends targeted solutions to leverage community assets in a way that enables the City, for the first time, to implement a PSH development pipeline. The planned series of developments aims to bring another 5 projects online over the next several years, representing an additional 250+ PSH units for our most vulnerable households currently experiencing homelessness, specifically targeting people experiencing unsheltered homelessness. Each project will serve households that have experienced longtime homelessness and are determined to have a high level of vulnerability, which may indicate a severe service need.

Three resource components must be planned for and identified to ensure project feasibility: 1) capital costs to construct, acquire or rehabilitate, 2) rental assistance, and 3) supportive services. CoC staff have been working diligently on partnership commitments to advance the goal and leverage housing resources.

- 1) Three projects are progressing and slated to bring on a minimum of 193 units for households that are prioritized for PSH:
 - a. New Path 2.0 – 95 units for individuals (opening fall 2026)
 - b. The Sherwood – 48 units for families with children (construction to begin)

2026)

- c. Fulton – 50 units for individuals with high service needs (financing phase)
- 2) Boise City/Ada County Housing Authorities (BCACHA) approved a change to their Annual Plan and Administrative Plan to pursue the issuance of more Project-Based Housing Choice Vouchers (PBV) up to the maximum of their budget authority (20% under current plan and additional 10% based on FR Notice 1/18/2017; Notice PIH 2017-21). They conditionally awarded 95 PBVs to one real PSH project and are working to release a second RFP at some point in the coming year. The City also funds BCACHA to manage the PBV program, including oversight of the 66 current units, 95 conditionally awarded, and 155 additional that can be allocated through future RFPs.
- 3) Alongside this effort, Idaho Community Foundation (ICF) established the Supportive Housing Investment Fund (SHIF). The pooled, flexible fund will sustainably pay for supportive services in single-site PSH projects within the pipeline. The Advisory Committee has adopted policies and procedures, and recommended funding awards connected to the first project, New Path 2. The City of Boise made the seed gift of \$7,500,000 after a unanimous vote of the Boise City Council in May 2024, and the fund has secured an additional \$6 million in commitments from other funding partners with the goal of achieving \$15 million in fundraising. ICF's fund accrues a return as part of their investment management strategy and is expected to bring in another seven figures of funding over the next several years. The City also secured a SIPPR award from Treasury, which would repay up to \$6.5M into the SHIF if outcomes from two projects (New Path 2 and Sherwood) are achieved and confirmed by an independent evaluator.

The CoC has set the goal to recruit an additional 500 units of affordable housing to be used by supportive housing providers to rehouse people exiting homelessness through 1) individual agency programs, 2) City of Boise partnerships that leverages their affordable development resources and relationships, and 3) CoC via the Dedicated Units Program that serves the entire system. As developers move through planning, zoning, and permitting and put together financing packages (especially on affordable developments), the City has begun requesting that these developers dedicate a set number of units in each project to the CoC and requires it for those projects in which the city is investing funds. This has been a significant success for the CoC, already netting 120 units through the pre-development approval processes. However, it is limited by the number of affordable projects being developed in city limits.

Lastly, the CoC applied for and was selected as a Youth Homelessness Demonstration Program (YHDP) with a grant award of \$3,288,718 targeted at programs/projects for youth experiencing homelessness. The CoC's Coordinated Community Plan was submitted May 2025, primarily investing funds in rapid rehousing (RRH) as the pathway to rehouse youth and identifying more permanent solutions upon exit, such as foster system connected vouchers, section 8, and evaluating the need for Permanent Supportive Housing. The RRH programs are set to launch in July 2026, begin accepting referrals by January 2027, and achieve full program enrollment (60 households) by December 2027.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged

from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Homeless prevention efforts are part of the CoC's strategy to reduce first-time homelessness. Preventative work is a priority for the CoC's Executive Committee, focused on both those losing their housing and folks exiting from publicly funded systems that are at imminent risk of experiencing homelessness. Service providers such as the Jesse Tree of Idaho, Idaho Legal Aide, Intermountain Fair Housing Council, the Boise School District, and El-Ada Community Action Partnership provide homelessness prevention services for individuals and families who are at risk of homelessness. The City provides local funding to Jesse Tree for eviction prevention.

The CoC has redesigned its homeless prevention partnerships to better leverage the relationships between providers delivering universal prevention services with providers that specifically target certain, high-risk sub-populations such as those with an eviction notice, those that are doubled up, non-lease holders, and those with non-sustainable income or budgets. The CoC has also increased collaborative efforts to resource new housing strategies with the systems that discharge individuals into the community from an emergency department, behavioral health hospital, jail/prison, or aging out of foster care. With each system we are working on identifying the populations that are unhoused and how to increase the likelihood of collaborate defined positive outcomes.

Further, the CoC launched a countywide Housing Crisis Hotline – a one-stop shop (virtual and physical) for anyone experiencing a housing crisis or housing insecurity to centralize all referrals to mainstream and community resources. This helps ensure the CoC can help keep people housed and/or provide safe diversion options from the homeless services system.

AP-75 BARRIERS TO AFFORDABLE HOUSING

Introduction

The City has undertaken efforts to both create new and change existing codes and ordinances to address housing affordability, ensure development is sustainable, increase walkability/bikability and public transportation options, and create protections for renters. The City continues to take important actions despite the limitations enacted by the State of Idaho.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Updated Zoning Code

Boise's Modern Zoning Code (MZC) went into effect December 1, 2023. The new code replaced outdated regulations from 1966 and was designed to support more housing types, increase density in key areas, and streamline the development process. More information can be viewed at <https://www.cityofboise.org/zoning-code-rewrite>.

In 2025, Boise's new zoning code supported a mix of housing, with over 1,900 units approved. This number is slightly higher than the previous year, with most new units located in higher-density zones, aligning with City goals. About a quarter of units were approved administratively and the rest were reviewed by the Design Review Commission, Planning & Zoning Commission, or City Council. ADU approvals leveled out after a large uptick driven by code changes to 82 per year. These early outcomes show progress toward more housing variety and a more efficient review process.

The City continues to evaluate the modern zoning code and progress toward intended outcomes to identify areas for revision and/or opportunities for additional public input, including analysis of the incentives for affordable housing development and unit production. The code was amended in March of 2026 to reflect important refinements allowing:

- Up to two accessory dwelling units or tiny homes on wheels accessory to a single-family home
- Right size EV and Bike Parking requirements
- Second kitchens within single family homes
- Updated housing incentives providing more flexibility for developers who include affordable units and sustainable elements in projects within the Mixed-Use and Residential Zones

The code also requires the designation of affordable units in exchange for a simplified process for dividing parcels via a Minor Land Division (the number is determined by the project's zoning and total number of units). During 2026, staff will begin research and evaluation of strategies to create regulatory parity between Single Family Homes and Middle Housing such as triplexes and fourplexes.

The City requires a set number of units dedicated to the CoC for households exiting homelessness for projects in which the City is investing its federal funds (currently 10% of units). Idaho Housing and Finance Association (IHFA) provides additional points for projects providing PSH units via the LIHTC Qualified Allocation Plan (QAP) (currently one additional point for each unit, max of 4).

Fee Deferral/Exemption for Affordable Housing

The City adopted a fee deferral or exemption policy in 2023 to make the construction of affordable housing by private developers more feasible. Cost savings opportunities include deferral of sewer connection, impact, building permit, and plan review fees until certificate of occupancy. To be eligible for deferrals, 10% of a project's rental units must be affordable to households at or below 80% AMI or 120% AMI for home ownership units. Additionally, projects with 50% of rental units serving households at or below 60% AMI or 100% AMI for home ownership units are eligible to have building permit and plan review fees waived entirely. To further assist eligible projects, developers have a dedicated City project manager to assist them throughout the development process. More information can be viewed at <https://www.cityofboise.org/programs/housing/fee-deferral-for-affordable-housing/>.

Renter Protections and Landlord Education

During the 2024 Idaho Legislative session, a law was passed that prohibits local governments from requiring that landlords participate in voluntary federal programs. In response, the City updated its source of income discrimination law to create an exception for fund sources that would require participation in voluntary federal programs.

The City is working on a Renter Education initiative for summer/fall of 2026, and has partnered with Finally Home! to provide their landlord education course. More information can be viewed at <https://www.cityofboise.org/departments/planning-and-development-services/housing-and-community-development/landlord-essentials/>.

The City's Code Compliance team continues to enforce its renter protections, which can be viewed at <https://www.cityofboise.org/departments/finance-and-administration/code-compliance/renter-protections/>.

AP-85 OTHER ACTIONS

Introduction

The City of Boise leads many programs and projects to address community needs.

Actions planned to address obstacles to meeting underserved needs

Community data demonstrates a clear need for additional housing units in Boise serving those making less than 80% AMI and households exiting homelessness, as well as support services for homeless/at-risk of homeless and other vulnerable populations.

By investing the maximum funds allowed for CDBG Public Services (15% cap), the City supports nonprofit organizations providing crucial services to our community's low- to moderate-income and vulnerable/underrepresented residents, such as homeless/at-risk of homeless, victims of domestic violence, kids in need of before/after-school care, etc. Providers' expertise and relationships in the community help to increase trust and decrease barriers for residents.

The City serves as the lead agency for the local Continuum of Care (CoC), Our Path Home, ensuring better coordination within the service provider field and identification of needs and gaps in services/funding. Continued outreach and enhancements to the Coordinated Entry (CE) system improve the CoC's ability to reach and prioritize the community's most vulnerable. The City continues actively working on homelessness prevention strategies and increasing its rapid rehousing initiatives and partnerships under the CoC.

The City has invested \$7,500,000 in seed funding for the Supportive Housing Investment Fund (SHIF) for Ada County, which is managed by the Idaho Community Foundation. This fund aims to bridge funding gaps and revolutionize support for Permanent Supportive Housing (PSH) initiatives in Ada County.

The CoC's Coordinated Community Plan for its YHDP award (\$3,288,718) primarily invests funds in rapid rehousing (RRH) as the pathway to rehouse youth and identifies more permanent solutions upon exit, such as foster system connected vouchers, section 8, and evaluation of the need for Permanent Supportive Housing. The RRH programs are set to

launch in July 2026, begin accepting referrals by January 2027, and achieve full program enrollment (60 households) by December 2027.

The City completed an updated Analysis of Impediments to Fair Housing Choice in PY24, which was used to inform the new Consolidated Plan for PY26-30. The City will continue to provide technical assistance and oversight to assist housing agencies in better addressing and reducing obstacles and barriers to housing and services. Technical assistance will focus on Affirmatively Furthering Fair Housing Market Plans to gain higher levels of participation in City-funded programs by vulnerable and underrepresented populations.

Actions planned to foster and maintain affordable housing

The demand for housing has only grown stronger as housing costs have increased. The City's vision of A Home for Everyone and its 2022-2026 Housing Investment Strategy are focused on housing affordability, with three overarching goals to support and realize this vision: increase housing affordability, keep people in their homes, and house people without homes. The projects identified in this Plan specifically address these needs through the development/rehabilitation of rental housing units, acquisition/preservation of existing multifamily affordable housing, dedication of units to households exiting homelessness, expansion of the Home Improvement Program to assist low- to medium-income homeowners with necessary health and safety repairs, and continuation of the Homeownership Opportunity Program to provide financial assistance to low to moderate-income buyers in partnership with local non-profit housing development organizations.

In addition to the HOME and CDBG funds the City receives from HUD, funding through other federal programs is also being leveraged to support the development of affordable housing. Over the last two years, the City invested \$5,500,000 in State and Local Fiscal Recovery Funds (SLFRF) from the American Rescue Plan Act in the creation of 95 new Permanent Supportive Housing (PSH) units at New Path 2, which are scheduled to be complete in Fall 2026. \$6,700,000 in reallocated Emergency Rental Assistance funds (ERA2) were invested in the development of 193 new affordable housing units at the Denton Apartments, which were completed November 2025. Additionally, Ada County sub-granted 25% of its ERA2 funds (\$4,900,000) to the City, which were invested in the development of 212 units of affordable housing at Dorado Station. In PY24, the City applied for and was awarded \$7,740,121 in HTF funds from the Idaho Housing and Finance Association (IHFA) for construction of a multifamily project that will add 48 units of PSH specifically for families exiting homelessness.

In the Fall of 2026, the redevelopment of a large parcel of City-owned land will begin. This project will replace 110 units of housing that reached the end of their useful life with more than 350 units of new affordable housing.

These investments in the City's affordable housing project pipeline position the City to achieve its goals to create 1,250 homes at 60% AMI and 250 units of Permanent Supportive Housing.

The City continues to explore opportunities to acquire property and/or dedicate current City property for its Housing Land Trust to bring more affordable developments online and continues to explore federal and other funding opportunities as they arise. As part of its commitment to keeping rental housing affordable to those with the greatest need, the City also uses an income-based rent structure within its own rental housing portfolio to ensure that tenants are paying 30% of their income to rent.

The City is utilizing its Preservation and Reinvestment Initiative for Community Enhancement (PRICE) funds (award totaling \$6,773,702) toward expanding the Home Improvement Program to serve additional households living in manufactured homes, updating critical infrastructure at the City-owned Sage Mobile Home Park, acquiring and installing new manufactured housing units at Sage, eviction prevention for households residing in manufactured housing units, and supporting preservation of manufactured housing communities that may be redeveloped.

In PY26, the City plans to apply for a Section 108 Loan from HUD in the amount of \$6,810,575 to be used for acquisition/preservation of existing multifamily affordable housing.

Actions planned to reduce lead-based paint hazards

Both the U.S. Department of Housing and Urban Development (HUD) and the Environmental Protection Agency (EPA) have Lead Safe Housing Rules and/or Requirements/Regulations for all pre-1978 Housing and/or Child Occupied Facilities, defined as Target Housing. Idaho is part of the EPA's Region 10, which also includes Alaska, Oregon, and Washington.

The main differences between HUD's Lead Safe Housing Rule (LSHR) and the EPA's Renovation Repair and Painting (RRP) are the workers and/or company training and certification requirements and third-party Clearance Testing upon completion of renovation activities and/or prior to occupancy. HUD's LSHR also requires that all Lead Based Paint (LBP) Hazards be abated and/or permanently removed on all renovation projects that exceed \$25,000.00 per unit.

All housing receiving CDBG and HOME assistance through HCD will comply with both EPA's RRP and HUD's LSHR as applicable based upon the activity being undertaken and/or the amount of funding used and/or received. Grantees involved in leasing, acquiring, rehabilitating, or maintaining housing units must keep files that provide compliance with these rules and regulations. Sub-grantees must provide clients with a disclosure of known LBP and the "Protect Your Family from Lead in Your Home" and/or the "Renovate Right pamphlet" as applicable. Verification of the disclosure notification and certification of the pamphlet delivery must be maintained in client files.

As housing providers purchase, rehabilitate, and lease housing units located in Boise, they are required to assess and mitigate lead hazards according to the guidelines provided in the LSHR. The City will provide technical assistance and/or training on HUD's LSHR and/or EPA's RRP rules and/or regulations as needed during the program year.

Actions planned to reduce the number of poverty-level families

Recognizing that limited funds should be focused where the need is greatest, the City gives preference to projects that directly benefit low- and moderate-income residents or serve low- and moderate-income neighborhoods over those that will benefit the City as

a whole. The City will continue to focus funding on projects and activities that address poverty's root causes and assist vulnerable people in becoming self-sufficient through permanent affordable housing and support services. Housing efforts include housing advocacy, eviction/homelessness prevention and rapid-rehousing, preservation of affordable rental units, rental development/rehabilitation, homeowner rehabilitation, and homeownership assistance.

The City has invested local funds in building a long-term transportation plan that provides for greater connectivity, which would provide households a more affordable option for accessing employment centers than driving a car. The City also formed a partnership with Valley Regional Transit in 2025 to purchase/provide annual bus passes for all tenants of City-operated rental properties. Some additional affordable housing properties with federal subsidy from the City are also participating in this bus pass program, and there is potential for expansion.

Actions planned to develop institutional structure

HCD is one of three divisions within the City's Planning and Development Services Department (PDS). The Building and Planning Divisions are responsible for plan review, building permits, inspections, planning and zoning functions, mobility and public space planning, design review, historic preservation, long-range planning, and code compliance. HCD is responsible for:

1. Administration of CDBG, HOME, PRICE, and other local housing funds
2. Boise City/Ada County Continuum of Care administration and operation
3. Implementation of the Homeownership Opportunity Program
4. Implementation of the Home Improvement Program
5. Implementation of the Multifamily Development Program
6. Implementation of the Public Services Program
7. Affordable Rental Housing management and operation
8. Fair Housing education and outreach
9. Administration and operation of the City's leased land for housing development
10. Implementation of the Mayor's Housing Strategy
11. Compliance and monitoring of all subrecipients, subgrantees, and affordability covenants initiated through zoning code, Urban Renewal District funding programs, and HUD-funded activities.

HCD continues to work on improving communication and coordination between PDS divisions and other departments that touch on different aspects of housing projects and city-wide goals such as energy efficient building standards, transportation connectivity, infrastructure, etc.

Actions planned to enhance coordination between public and private housing and social service agencies

The City of Boise owns and operates affordable rental properties that serve extremely low, very low, and low-income individuals. Tenants receive case management to assist with supportive services needs like connection to physical and mental health services, counseling, rent/utility assistance, substance use treatment, etc.

The Boise City/Ada County Continuum of Care (CoC), Our Path Home, is administered and coordinated by three full-time City employees with the primary focus

of enhancing coordination of the partnership and ensuring all member agencies are moving in the same direction. This effort helps to augment or fill service gaps for our community's most vulnerable population experiencing homelessness while ensuring services are not duplicated across agencies. These three staff are housed within HCD, along with CDBG and HOME program staff, allowing for increased coordination and efficiency, decreased duplication of efforts, and implementation of initiatives that work in concert.

City staff work in close partnership with the local housing authority, Boise City/Ada County Housing Authorities (BCACHA), which will continue to property manage Sage Mobile Home Park. The City also continues to strengthen its partnership with its urban renewal agency, Capitol City Development Corporation (CCDC), to increase affordable housing in its project portfolio, which the City will monitor for compliance.

The City uses CDBG Public Service funds to support local nonprofit organizations providing a variety of services to the community, such as case management, childcare/after-school programs, and emergency rental assistance. Most of these organizations participate in Our Path Home and/or collaborate with other agencies to meet community needs and reduce duplicative efforts. In an effort to further collaboration and knowledge-sharing in the nonprofit service field, the City has created a CDBG Public Services Committee made up of representatives from large private and public stakeholders, as well as the CoC, with knowledge of community need and available resources (such as hospitals, public agencies, etc.) to assist in application scoring and Public Service funding recommendations.

The City is partnering with Boise State University (BSU) to redevelop two adjacent properties. Design review is underway and site preparations are anticipated to begin in late 2026.

Lastly, the City collaborates annually with the cities of Nampa, Meridian, and Caldwell on Fair Housing month, running radio ads in both English and Spanish throughout the month to increase awareness of Fair Housing protections and resources for community members.

P-90 PROGRAM SPECIFIC REQUIREMENTS

Community Development Block Grant Program (CDBG)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed: \$0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan: \$0
3. The amount of surplus funds from urban renewal settlements: \$0
4. The amount of any grant funds returned to the line of credit for which the planned

use has not been included in a prior statement or plan: \$0
5. The amount of income from float-funded activities: \$0

Total Program Income: \$0

Other CDBG Requirements

1. The amount of urgent need activities: 0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income (Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan): 70%

HOME Investment Partnership Program (HOME)

The jurisdiction must describe activities planned with HOME funds expected to be available during the year. All such activities should be included in the Projects screen. In addition, the following information should be supplied.

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

None

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

See Attachment HOME Recapture & Resale Policy

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

See Attachment HOME Recapture & Resale Policy

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

This is not an activity the City intends to fund.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

Not applicable

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

Not applicable

7. If applicable, a description of any preference or limitation for rental housing projects.

(See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

For HOME-assisted new rental housing projects, the City intends to require a minimum percentage of units dedicated to Our Path Home (OPH) for households exiting homelessness, which is included in NOFO/application information. As feasible, the City also prioritizes multifamily housing projects that target vulnerable populations, such as elderly, people with a disability, etc.

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ATTACHMENTS

HOME RECAPTURE & RESALE POLICY

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HOME RESALE & RECAPTURE POLICY

Pursuant to HOME regulations at 24 CFR 92.254(a)(5) each HOME-funded homebuyer unit must be subject to either resale or recapture requirements during the affordability period. The resale or recapture requirements are in addition to the universal requirement that the assisted homebuyer maintain the unit as their primary place of residence for the affordability period. In most cases, the City of Boise anticipates using recapture provisions as defined herein and will only consider the use of resale provisions in the context of affordable housing integrated into a community land trust.

The affordability period begins the date of execution and recordation (as applicable) of the HOME written agreement and/or loan documents detailing the recapture or resale requirements.

Recapture: The City of Boise may provide HOME-funded direct buyer assistance to income eligible buyers through two avenues:

- The City may provide assistance through its Homeownership Opportunity Program (HOP), which provides income-eligible buyers with assistance toward their down payment, closing costs, and/or to “buy down” their first mortgage to an affordable level. When directly implementing the HOP, the City provides funds on behalf of the buyer at the closing when they purchase their home.
- The City also provides HOME funds to nonprofit developers, including CHDOs, to finance the production of for-sale housing, including both new and rehabilitated units. Units are sold exclusively to income eligible buyers, and a portion of the HOME assistance that was provided to the developer is transferred to the buyer at closing as assistance toward the buyer's down payment, closing costs, and/or “mortgage buy down.”

In both cases, the level of HOME assistance provided to a buyer is determined based on underwriting the buyer according to the City's underwriting policy, which considers income and resources to sustain homeownership, debts, and assets to acquire housing. Depending on the level of homebuyer assistance provided, the affordability period may be five (5) years (less than \$25,000 in direct assistance), ten (10) years (\$25,000 or more but less than \$50,000 in direct assistance), or fifteen (15) years (\$50,000 or more in direct assistance). Based on market dynamics in Boise, in nearly all cases the affordability period will be 15 years.

All buyers sign a HOME written agreement with the City outlining the affordability period during which the buyer must maintain the unit as their primary place of residence and, as applicable, recapture provisions. HOME assistance is provided in the form of a deferred loan secured by a second-position deed of trust which is due and payable upon sale or transfer of title. Buyers may choose to voluntarily prepay the HOME loan, in whole or in part, at any time. However, prepayment does not end the term of the affordability period or the written agreement which will remain in place and continue to require ongoing owner occupancy. Additionally, absent a voluntary prepayment, in the event buyers

have not sold or transferred title to the unit before the end of the affordability period, the HOME loan remains outstanding until sale or transfer of title even though the HOME affordability period expires.

In the event of a sale or transfer of title during the affordability period, the City will recapture an amount equal to the ratio of the sales price to the original purchase price multiplied by the original direct HOME assistance to the buyer. This means the City will recapture both the original direct assistance plus a portion of the home's appreciation since the buyer's purchase, if any, not to exceed the net proceeds.

For example, the Smith family purchases a \$400,000 house. The City provides \$100,000 in HOME assistance to the Smiths, which helped cover their down payment, closing costs, and reduced the first mortgage to an affordable level. After 10 years, the Smith family decides to sell their home. The house sells for \$650,000, \$250,000 more than the original purchase price. This represents total appreciation of 62.5% over the period of the Smith's ownership. When the Smiths sell, the City will recapture a total of \$162,500 representing the original \$100,000 in direct HOME assistance plus 62.5% (i.e., the cumulative rate of appreciation). The remaining proceeds of the sale are retained by the Smith family as shown in the table below:

Example Recapture Calculation	
Original Purchase Price:	\$400,000
Subsequent Sales Price:	\$650,000
Appreciation Percentage:	$\$650K/\$400K = 162.5\%$
Original HOME Assistance:	\$100,000 <i>(Smith family had a \$300,000 first mortgage from a bank lender.)</i>
Recapture Amount:	$\$100,000 \times 162.5\% = \$162,500$
Example Sale Proceeds Scenario	
Sales Price:	\$650,000
Seller Closing Costs:	(\$39,000) <i>(Assumes 6% of sales price)</i>
Payoff 1 st Mortgage:	(\$232,000) <i>(Principal remaining after 10 yrs of payments on 30-year loan.)</i>
City Recapture:	(\$162,500)
Sales Proceeds to Seller (i.e., original buyer):	\$216,500

Notwithstanding, in the event the Net Proceeds of the sale are inadequate to fully repay the City's HOME loan, the City will only recapture the Net Proceeds, defined to be

the sales price less the sum of senior secured debt and reasonable seller's closing costs, as full and final payoff of the note. In the event the Net Proceeds are less than the outstanding HOME loan balance, the City reserves the right to determine whether the sales price is comparable to the sales price in an arms-length transaction for a similar unit and to evaluate the closing costs being charged to the original buyer to ensure they are reasonable and customary.

For example, assume the Smith family sold their house after only a year of ownership. Assume also that the market value had only increased to \$410,000 (only a 2.5% increase as the real estate market had slowed down). After paying seller closing costs of \$25,000 (approximately 6% of the sales price) and the first mortgage's \$295,000 balance (only \$5,000 of principal has been paid after only 12 months), the Net Proceeds available are only \$90,000. This is less than the \$102,500 due under the HOME agreement and loan documents (i.e., the original HOME assistance of \$100,000 and the shared appreciation of another 2.5%). The City only recaptures \$90,000 in this instance, and there are no remaining proceeds available to the Smith family.

To the extent a buyer has not sold the home during the HOME affordability period, the HOME loan continues to remain in force until the buyer's eventual sale or transfer. The financial terms of the loan continue to remain the same – that is, the amount due is the original HOME loan times the cumulative rate of appreciation (i.e., the future sales price divided by the original purchase price) limited to the Net Proceeds of sale. The distinction as to whether the HOME affordability period has expired has no practical effect for the buyer. Rather it impacts the City's accounting for and reporting of any loan payments received.

Receipts received because of a sale or transfer within the affordability period are recorded by the City as "recaptured funds." Receipts collected after the affordability period has expired are recorded as "program income."

Resale:

The City will only impose Resale requirements on HOME investments for projects that are within an established Community Land Trust or have a first right of refusal documented in the home's primary Deed of Trust.

A Community Land Trust (CLT) is defined within the HOME statute as a nonprofit organization that:

1. Has as its primary purposes acquiring, developing, or holding land to provide housing that is permanently affordable to low-income persons;
2. Is not sponsored or controlled by a for-profit organization;
3. Uses a lease, covenant, agreement, or other enforceable mechanisms to require housing and related improvements on land held by the community land trust to be affordable to low-income persons for at least 30 years; and
4. Retains a right of first refusal or preemptive right to purchase the housing and related improvements on land held by the community land trust to maintain long-

term affordability.

While there is variation across CLTs nationally, many of which develop housing units with both HOME and non-HOME funds, in general CLTs retain ownership of the underlying land upon which homes are built. Low-income buyers purchase the home itself, obtaining certain rights to the underlying property via a ground lease from the CLT. The CLT typically sells homes at a deliberately below-market price set to be affordable to a range of low-income buyers (typically from 65% to 80% AMI). Via the ground lease, the CLT retains a preemptive option to purchase the home back when the initial buyer is otherwise ready to sell and move on. The purchase option defines the future re-purchase price by formula, seeking to provide the initial buyer with a reasonable return on their investment while keeping the home affordable to similarly situated future buyers.

In the event the City provides HOME funds to support the development of housing in/by a CLT or by an organization imposing a first right of refusal requirement the City will impose a resale provision on the property being developed via deed restriction, declaration of restrictive covenants, or another similar legal instrument representing a covenant running with the land and separately impose the same restrictions as part of its written agreement with the assisted buyers. As with recapture, in all cases the assisted buyer is required to maintain the unit as their primary place of residence for at least the period of affordability, which is based on the total HOME assistance provided for development of the project, not just to the buyer.

The resale provision imposed by the City will be in effect for the required HOME affordability period, but the City will work with the CLT/developer to ensure that additional longer-term provisions remain in place following the formal end of the HOME affordability period intended to keep CLT units affordable to low-income buyers in perpetuity.

To provide a fair return to assisted buyers while ensuring homes remain affordable to a reasonable range of future low-income buyers, the City will use a fixed-rate formula to determine the homeowner's fair return on investment. The City's fixed rate is 1.5%, so the fair return on investment is calculated by multiplying the fixed rate (1.5%) by the length of homeownership (in years), then multiplying that product by the sum of the original purchase price plus the value of any city-approved capital improvements.

Fair Return on Investment Calculation:

$$(1.5\% \times \text{length of homeownership}) \times (\text{original purchase price} + \text{value of capital improvements})$$

The resale price for the home is calculated by adding the Fair Return on Investment, as calculated above, to the Original Sales Price.

Capital improvements eligible for inclusion in the Fair Return on Investment calculation must be documented with building permits (as applicable) and receipts for all purchases and/or labor performed by an entity unrelated to the household. Eligible types of improvements include:

- Additions to the home (i.e. bathrooms, bedrooms, garages)

- Accessibility improvements (i.e. roll-in shower, grab bars, widening of doorways)
- Outdoor improvements (i.e. paved driveway, fences, retaining walls).

Routine maintenance and replacement of systems and components (i.e. roof, HVAC systems, appliances) at the end of their useful life are not considered capital improvements.

The City's goal will be to ensure the initial pricing of HOME-funded units is affordable to buyers ranging from approximately 65% to 80% AMI, assuming a household of two persons for any one-bedroom unit, three persons for any two-bedroom unit, four persons for any three-bedroom unit, and five persons for any four-bedroom unit. (The City does not anticipate funding the development of units larger than four bedrooms.)

For example, the Jones family purchase a CLT-developed unit for \$300,000 which is well below the \$400,000 market value of the home. The CLT's ability to sell the unit for less than market value was the result of a City HOME investment in the project. At closing, the Jones family signs a ground lease with the CLT and purchases the unit. They also sign an agreement with the City and acknowledge the declaration of restrictive covenants the City had placed on the property during its development. After 10 years the Jones family decides to sell the home. The restrictions allow them to sell it for \$345,000 as shown by the table below:

Resale Example – 1.5% fixed-rate appreciation	
Original Purchase Price	\$300,000
Initial Buyer Sells...	
After Year 1	\$304,500
After Year 2	\$309,000
After Year 3	\$313,500
After Year 4	\$318,000
After Year 5	\$322,500
After Year 6	\$327,000
After Year 7	\$331,500
After Year 8	\$336,000
After Year 9	\$340,500
After Year 10	\$345,000

In the example of the Jones family, in a sale after 10 years, they would recognize appreciation of \$45,000 and, assuming they originally financed the purchase with a 30 year mortgage at 5%, they would have repaid approximately \$56,000 in principle, leaving them with approximately \$104,000 in sales proceeds before accounting for any seller closing costs (which can be expected to be modest since the CLT will usually identify a subsequent buyer, eliminating the need to list the home through a realtor).

Other Related Issues: In all cases, buyers must have incomes at or below 80% of the area median income (AMI). In any given project or program, buyers must have an income at least high enough to afford their first mortgage based on the City's buyer underwriting

standards. The “minimum” income for eligibility will vary from project to project based on the specific economics of the project, the City's cap on direct assistance to any given buyer, and ongoing changes in the lending environment (e.g., prevailing interest rates).

Within its homebuyer activities, the City does not anticipate limiting eligibility to any particular subset of the low-income population. However as noted above, in practice there will be households whose incomes are “too low” to participate in homebuyer programs. Similarly, in practice buyers must have reasonable credit to participate. So other households may fall within the income range but not be able to qualify for acceptable and responsible first mortgage products necessary to leverage the City's homebuyer programs.

In the case of projects where the City has funded the development of homebuyer units, the funded developer will be responsible for marketing the units, which are packaged with buyer assistance, to eligible buyers while submitting information to the City documenting each buyer's eligibility under the City's policies and procedures. The City's Homeownership Opportunity Program (a direct buyer assistance program), has an established program guide explaining how individual low-income households can apply for assistance, should they be unable to afford the resale price of a home originally assisted with HOME funds.