

Idaho Housing Leads the Way in
Unprecedented Investment in
Affordable Housing

Idaho Housing and Finance Association
Advocacy

HFA Staff Contact
Benjamin Cushman
benjamin@ihfa.org

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Idaho Housing leads the way in unprecedented investment in affordable housing

The Workforce Housing Fund represents a groundbreaking achievement as the State of Idaho's first-ever investment in affordable housing.

While this \$50 million initiative pales in comparison to other states' financial commitments to affordable housing, the results exceeded expectations and will have a lasting impact on working families. More importantly, the collaboration and advocacy necessary to get it done in deep-red Idaho signals a shift toward proactive state involvement in housing.

Collaboration and coalition-building

When educators, healthcare workers, retail employees and others can't find housing that is suitable for their families, employers struggle to recruit and retain their workforce. This is especially true in Idaho, where none of the state's top five occupations pay an entry wage sufficient to rent a two-bedroom home.

In late 2021, the Idaho governor and a select group of legislators, policymakers, Idaho Housing representatives, and other housing professionals met to discuss strategies to address a shortage of almost 25,000 affordable and available rental homes in the state.

Financial resources such as Low-Income Housing Tax Credits, federal HOME funds and community investments only cover part of the cost to build and operate rental developments for households that earn from 60 to 120 percent of the area median income. Though Idaho had ample private activity bond cap to finance affordable rentals, it lacked a state-level program to help fill the significant funding gap that exists, which makes moving forward with these projects incredibly difficult.

Idaho Gov. Brad Little pledged his support and a \$50 million budget allocation to address the funding gap.

Idaho Housing took the lead and organized a robust and diverse bipartisan coalition consisting of large and small businesses, trade associations and individual stakeholders to convince the Idaho Legislature to approve the funding. *(Please see attachment.)*

The coalition's intensive, monthslong lobbying efforts paid off – albeit by one vote.

In March, the Idaho Legislature approved, and the governor signed, two bills that created the Workforce Housing Fund and designated Idaho Housing as the administrator.

Exceeding expectations

Though we have highlighted the success of our legislative advocacy in 2022, it's important to understand that it was just the start of a yearslong effort to plan and implement the process to deploy the funding throughout the state. Thanks to close collaboration with the developer community, our efforts began to bear fruit in earnest in 2024.

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By any measure, the Workforce Housing Fund surpassed projections, despite rising construction costs and increasing interest rates that threatened to dampen its impact.

Idaho Housing engaged local governments, private developers and community organizations to further leverage the state funding. The result: Each state dollar attracted an additional \$7.25 from other sources, including an investment by Idaho Housing.

This innovative collaboration helped create 1,156 new affordable units, 15 percent more than the original goal. Fifteen multifamily and two single-family developments are complete or under way in 11 Idaho communities – 20 percent of which are in rural areas – in every region of the state. Sixty-seven percent of those units are designated for workers who earn 60 percent of the Area Median Income (AMI) or less. *(Please see attachment.)*

Relief for working Idahoans

The real measure of the fund's success, however, lies in its positive affect on the lives of everyday working Idahoans and their communities.

"We need all sorts of workers to be a community," said August Christensen, mayor of the rural resort town of Driggs, which will see 21 new rental units thanks to the Workforce Housing Fund.

"We need firefighters. We need cleaners. We need police officers. We need people at the grocery store. We need teachers and everything in between," Christensen said. "It's just a wonderful opportunity to be able to have additional location for them to live, in addition to being an affordable option."

Idaho Housing's leadership in this workforce housing initiative exemplifies its ongoing commitment to creating affordable solutions in one of the fastest-growing states in the nation. From advocating for the program to ensuring the funds were equitably and effectively distributed, Idaho Housing's leadership was instrumental in transforming a statewide need into tangible results.



WORKFORCE HOUSING COALITION

Supported By:

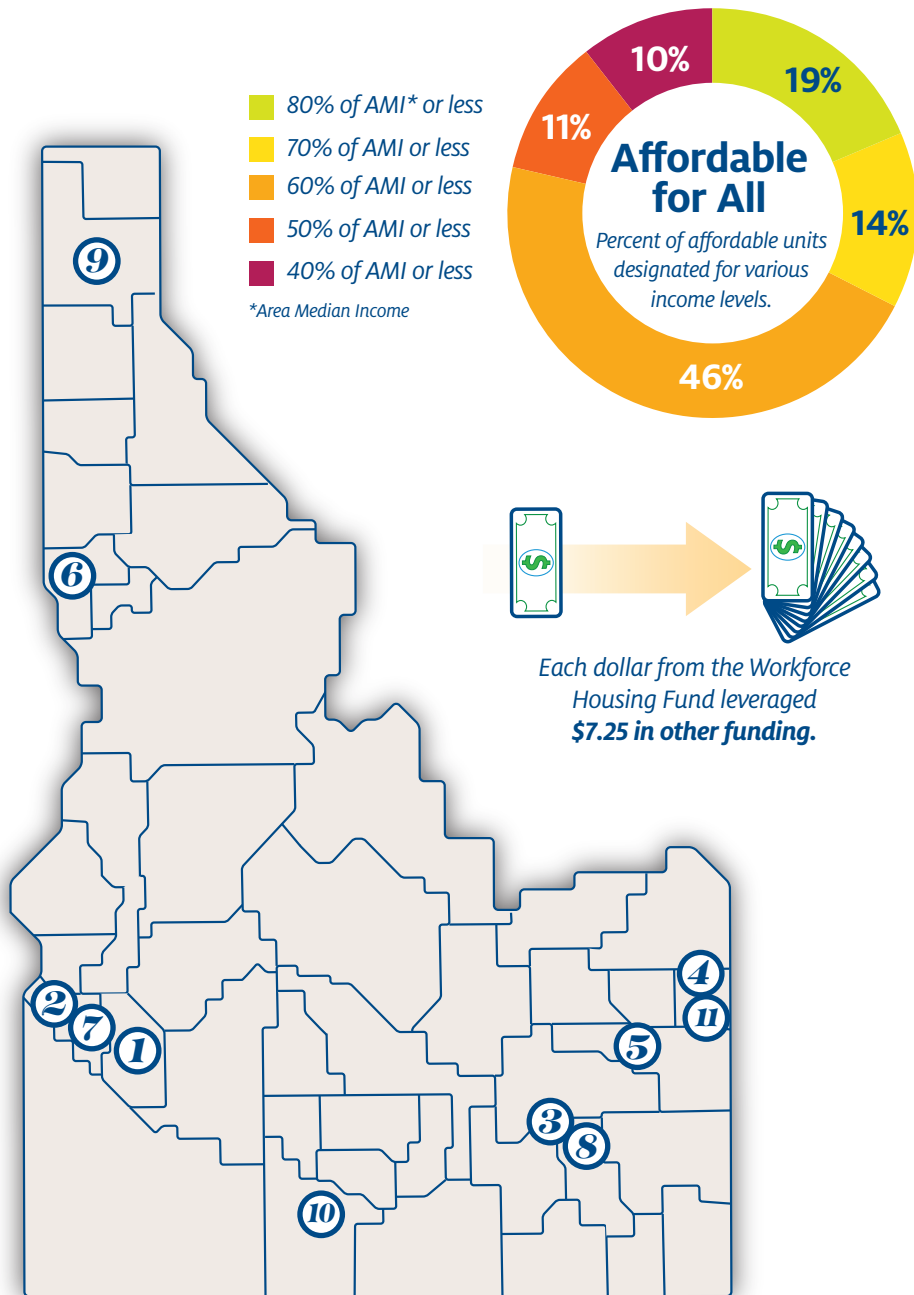
Association of Idaho Cities
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WORKFORCE HOUSING

INVESTMENT IMPACT & NEED



IDAHO WORKFORCE HOUSING INVESTMENT



The State of Idaho's \$50 million investment will open doors for more than 1,000 working families. These 17 developments are under way in 11 communities -- rural and urban -- throughout the state. Educators, healthcare and retail workers and others who are essential to Idaho's economy ultimately benefit from this first-ever investment in housing by the State of Idaho.

	LOCATION	NAME	WORKFORCE UNITS
1	Boise	State and 16th	38
		CW Moore	16
		River Walk	16
		Denton Street	193
2	Caldwell	Prospector Pointe	264
		Single Family	10
3	Chubbuck	Northern Flats	192
4	Driggs	175 Front Street ▲	21
5	Idaho Falls	12th and Hoopes	8
		Black Feather	126
6	Lewiston	Lewiston Seniors	11
7	Nampa	The Core	74
8	Pocatello	Single Family	12
9	Sandpoint	Culver's Crossing ▲	6
		Samuelson Place ▲	91
10	Twin Falls	Alder Apartments	72
11	Victor	Sherman Park ▲	23

▲ Denotes a rural development.

PROJECT SPOTLIGHTS

Prospector Pointe, Caldwell

This 264-unit family complex is the largest development to receive a Workforce Housing loan. It features a community building, fitness and laundry facilities, several playgrounds, pickleball and basketball courts, a dog park and covered picnic areas. It's close to transportation, schools and shopping in a rapidly growing city.



MAJOR FUNDING SOURCES

- Permanent Loan: \$36 million
- Federal Tax Credit Equity: \$30.4 million
- Workforce Housing Loan: \$4 million

Alder Apartments, Twin Falls

This 72-unit development is close to schools, transportation and two of the region's largest employers. It features a playground, a fitness facility and community and meeting rooms.



MAJOR FUNDING SOURCES

- Permanent Loan: \$4.9 million
- HOME Loan: \$1 million
- Federal Tax Credit Equity: \$30.4 million
- Twin Falls Land Donation: \$1.5 million
- Workforce Housing Loan: \$4 million

Black Feather, Idaho Falls

This 126-unit development in Idaho Falls offers one-, two- and three-bedroom units. Families will have access a fitness center, a playground, a community center and in-unit washers and dryers. The development is close to schools and within minutes of a community park and retail businesses.



MAJOR FUNDING SOURCES

- Permanent Loan: \$15.4 million
- Federal Tax Credit Equity: \$14.2 million
- Workforce Housing Loan: \$4 million

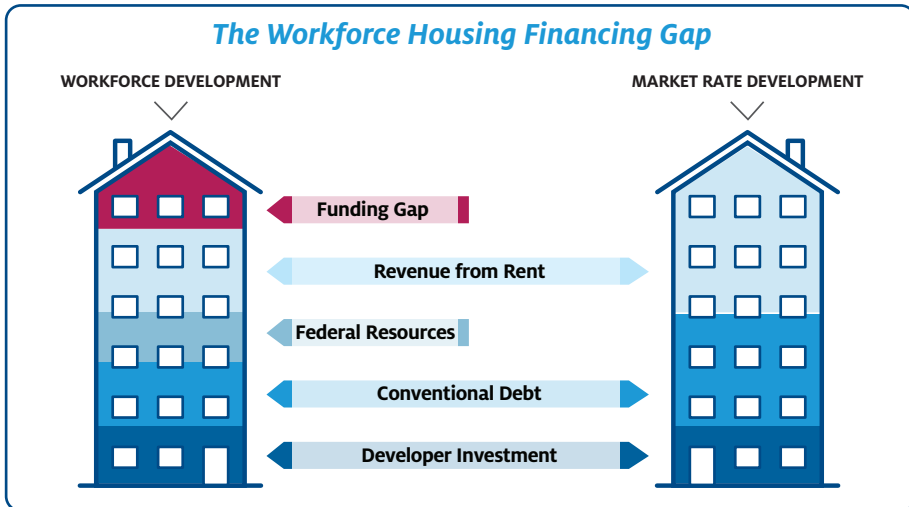
WHY WORKFORCE HOUSING IS IMPORTANT

Workforce housing is for essential workers whose income is insufficient to afford suitable housing in today's market. A household is considered cost-burdened when rent consumes more than 30 percent of its income. To stay below the 30 percent threshold, an Idaho household must earn \$23.06 an hour to afford a two-bedroom apartment at fair market rent. The average hourly wage for an Idaho renter is \$18.20.¹ When workers can't find housing that is suitable for their families, employers struggle to recruit and retain their workforce. Investing in workforce housing also has a profound affect on local economies. In fact, building 100 workforce rental homes generates approximately \$11.7 million in local income, \$2.2 million in taxes and other revenue for local governments and 161 local jobs in the first year alone.²

MAKING DEVELOPMENTS FEASIBLE

Rents that low- and moderate-income workforce households can afford aren't enough to cover the cost to build and operate; federal and traditional financing resources only cover part of the cost. This leaves a significant funding gap that must be filled before a development can proceed. The Workforce Housing Fund helps complete this complicated financial puzzle, ensuring that workforce developments are financially feasible for the long term.

Owners of market rate rental properties pay for construction and operating costs using rent revenue. While its expenses are similar, a workforce housing property that charges lower rents generates less income and cannot cover the costs, creating a significant funding hurdle.

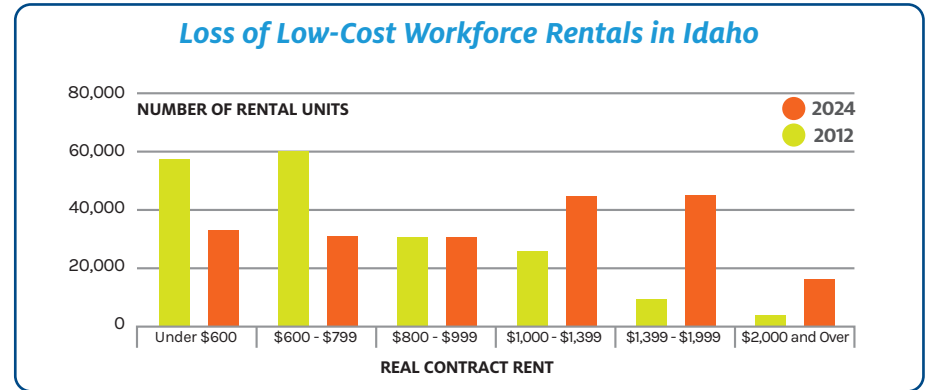


¹National Low-Income Housing Coalition
²National Association of Home Builders Study

WHY IDAHO NEEDS MORE WORKFORCE HOUSING

Idaho has a shortage of available workforce rental homes

Since 2010, Idaho's population has grown 27.6 percent, making it one of the fastest-growing states in the nation. The rental housing stock hasn't kept pace.



Source: Harvard Joint Center for Housing Studies tabulations of U.S. Census Bureau, American Community Survey 1-Year Estimates. Figures include vacant and occupied rental units but excludes those with no cash rent. Contract rents exclude utility costs paid separately. Rents are adjusted for inflation.

The state has a shortage of 24,498 affordable and available homes for renters who earn less than 50 percent of the area median income.¹

Workforce rental units per 100 households			
At or below 30% of Area Median Income	At or below 50% of Area Median Income	At or below 80% of Area Median Income	At or below 100% of Area Median Income
42 Units	64 Units	89 Units	101 Units

Source: National Low-income Housing Coalition.

Working families' incomes aren't keeping pace with rising rents

- 22.2 percent of Idaho's approximately 200,000 renter households spend 50 percent or more of their income on rent, a 23 percent increase since 2019.²
- 47.7 percent of Idaho renters are cost-burdened.
- Not one of Idaho's top five occupations pays an entry wage that is sufficient to afford rent for a two-bedroom home.³

¹National Low-Income Housing Coalition's "Gap" report
²Harvard Joint Center on Housing Studies and U.S. Census data
³Idaho Department of Labor and National Low-Income Housing Coalition statistics