Idaho Housing and Finance Association
www.idahohousing.com

Summary

The Community Housing Equity Fund (CHEF) is a transformative, statewide initiative redefining how homelessness response housing is financed, delivered, and sustained. Developed by IHFA, the program expands nonprofit capacity, leverages local investment, and creates permanent housing solutions through an innovative shared equity model.

Funded entirely through IHFA capital, CHEF empowers communities to design and build the housing solutions they need most. By requiring local matching contributions and structuring investments as equity rather than grants or loans, IHFA ensures long-term project sustainability, avoids financial hardship for nonprofit partners, and preserves asset value for future reinvestment. The result is a powerful, self-reinforcing system delivering measurable, life-changing outcomes across Idaho.

Innovative Approach

CHEF was born out of necessity. Idaho lacks state housing funding and sees limited federal resources. IHFA's self-sustaining revenue model supplements this funding gap by generating revenue through loan servicing activities and reinvesting those proceeds into Idaho communities. Each investment dollar must be deployed in an efficient manner to produce maximum benefit.

The innovation comes in forming partnerships with nonprofits through a shared equity structure which establishes a scalable alternative to traditional funding models (grant or loan). Alternative options carry inherent challenges: grants transfer capital without a return of future control or reuse, and loans create a challenging proposition when faced with foreclosing on a homeless shelter if they cannot fulfill their obligations. Alternatively, IHFA takes an ownership stake in each project proportionate to its contribution toward the overall costs. This eliminates debt burdens for nonprofit partners while ensuring long-term adherence to the project's intended purpose. Additionally, IHFA requires local matching funds to catalyze community engagement, build philanthropic support, and strengthen long-term sustainability.

Replicable Design

This model is highly replicable across HFAs, whether the source of investment funding is lending revenue, administrative fees, state appropriations, or other federal or local resources.

At its foundation, the program requires investment capital, template partnership agreements, clearly communicated expectations, broad housing needs awareness, and a willingness to work closely with partners on marketing, project design, fundraising and general community support. Agreements place project operations responsibility upon the partner, allowing IHFA to remain fairly hands off upon project completion.

Addressing An Important State Housing Need

Infrastructure and housing development has not kept up as Idaho experienced nation-leading in-migration the past 5 years. Idaho lacks tens of thousands of affordable housing units, many of which are needed in rural Idaho. Many Idahoans have fallen into homelessness as a result. Approximately three quarters of those experiencing homelessness are doing so for the first time, while nearly half of them have a source of income. A household earning 50% of the area median income only makes about half of the income needed to cover a basic survival budget. A survival wage of $27.83 is far beyond the state's minimum wage of $7.25.

There is no state sponsored initiative or funding to combat this growing issue, leaving the market to rely only on federal programs and mission-based innovation. Thus, IHFA created the CHEF out of necessity. See Idaho housing need data from National Low Income Housing Coalition's The Gap report and the United Way's ALICE report attached as Exhibit A.

Demonstrated Measurable Benefits

The program delivers measurable outcomes across multiple dimensions. IHFA's investment of $9.5 million in homelessness-oriented projects, has resulted in a total units and beds count of 622, with 64 more units planned. Four hundred and forty (440) of these unis/beds are dedicated to those experiencing homelessness. The balance of the units are income and rent restricted. Some nonprofits are growing capacity in service and housing space by as much as 400%. The units and beds created offer statewide distribution, with coverage in rural areas of Idaho. Significant resource leverage has been experienced with IHFA never investing more than 50% of the total project costs. Each project has received support from local businesses and community members as well as local government. Moreover, project promotion has attracted ongoing support from new donors and volunteers. One shelter went from serving continental breakfast and dinners made from largely shelved preservative foods to freshly made meals three times a day via rotating volunteer groups – all at no cost to the shelter.

Proven Track Record of Success

IHFA has supported numerous developments statewide resulting in a substantial increase in homeless beds and housing units. The program has successfully attracted contributions from local governments, businesses, foundations, and individual donors. Its continued expansion and strong demand demonstrate its effectiveness and credibility in the marketplace. Launched as a pilot with minimal initial investment, the program has grown into one of IHFA's cornerstone programs. IHFA has stimulated 13 projects that are now completed or planned, with current investments totaling $9.5 million. With the model honed and the intended results more than met, IHFA is now moving to deploy several million dollars annually across multiple projects to increase the rate of impact. A project map is included as Exhibit B.

Benefits that Outweigh Costs

Outside of capital investments, program costs are primarily limited to personnel and operational overhead, including marketing collateral, technology platforms, and fundraising support tools. These modest costs far outweigh the benefits of creating critically needed homeless housing, establishing long-term sustainability for nonprofits and their projects, generating extreme resource leverage ($1:$24 in several cases), and the added community awareness and support created for each nonprofit. The program transforms relatively small investments into substantial, lasting community impact. Sometimes, nonprofits just need a little hope, kickstart capital, ingenuity, direction and a nod of approval that their dreams can become reality.

Effective Use of Resources

IHFA evaluated alternative funding approaches, including grants and loans. Grants lack long-term enforcement (of project purpose) and do not preserve investments, while loans can create financial hardship and risk default for nonprofit partners. The shared equity investment model ensures:

- Long-term project compliance with intended use

- No debt burden on nonprofit partners
- Retention of IHFA's investment as a balance sheet asset
- Ability to recycle funds if projects discontinue (or IHFA is bought out)
- Catalyst effect, attracting strong leverage to maximize the investment

Effectively Employs Partnerships
Partnerships are the foundation of the program's success. IHFA collaborates with nonprofit service providers and requires at least a 100% funding match from local sources.

Beyond funding, IHFA provides critical support in:

- Project design and planning
- Construction management
- Marketing and fundraising strategy
- Community engagement
- Navigating zoning and regulatory approval processes

These services help bridge capacity gaps for nonprofit partners, allowing them to focus on delivering services while ensuring project success.

Achieves Strategic Objectives
The program consistently achieves IHFA's strategic objectives:

1. Partner with nonprofits actively serving homeless populations: 13 projects, 11 partners, 440 homeless beds/units, 178 additional restricted units, and additional service delivery space.
2. Structures investments to retain long-term asset value: achieved at least 100% match on all projects with investments converting to equity in each project.
3. Eliminates financial hardship for nonprofit partners: no non-profit experiences any debt obligation as a result of the investment arrangement.
4. Leverages local funding and community contributions: the total of funds leveraged from IHFA's $9.5 million in investments across all projects is more than $60 million.
5. Ensures long-term commitment to the project's mission and purpose: IHFA has no equity exit clause so long as the project remains operational in alignment with the initial intended use.

Each project reflects these priorities, resulting in sustainable, community-driven solutions that align with IHFA's mission. Several transformation highlights are shown in Exhibit C.

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EXHIBIT A

2026 IDAHO HOUSING PROFILE

NATIONAL LOW INCOME HOUSING COALITION

OVERVIEW

In Idaho, the rental housing crisis is primarily caused by a severe shortage of homes affordable and available to renters with the lowest incomes and the gap between low incomes and the high cost of housing. To address the housing and homelessness crisis in Idaho and across the nation, Congress must build and preserve rental homes affordable to households with the lowest incomes, ensure rental assistance is universally available, create permanent tools to prevent evictions and homelessness, and strengthen and enforce renter protections. Learn more about solutions at nlihc.org/housed.

SEVERE HOUSING SHORTAGE

In Idaho, only 33 rental homes are affordable and available for every 100 extremely low-income households.

Idaho needs to make 30,000 more homes affordable for extremely low-income households by expanding access to rental assistance and building deeply affordable rental homes.

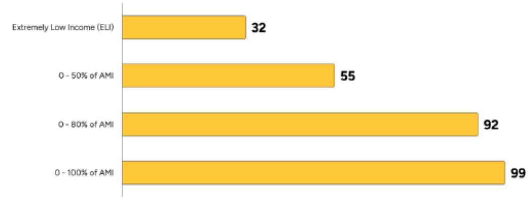
In Idaho, the shortage of affordable rental homes primarily stems from the lack of homes for extremely low-income households, whose incomes are at or below the federal poverty guideline or 30% of their area median income (AMI) - whichever is greater. Developers and landlords in Idaho often cannot build or operate rental homes at prices affordable to these households because what they can afford to pay for rent is not enough to cover the costs to build and operate these properties. To be most effective, public investments to increase housing supply should be targeted to address this market failure by building affordable homes that the private sector cannot provide on its own.

SOLUTION

Congress must provide significant resources to build and preserve homes affordable to renters with the lowest incomes through investments in public housing and the national Housing Trust Fund. Other federal housing resources, including the Low Income Housing Tax Credit, should be reformed to better address the underlying market failure that results in the rental housing shortage for these households. Congress also should encourage states and local communities to reform zoning and land use regulations that prevent housing from being built and push up housing costs.

The Relative Supply of Affordable and Available Rental Homes Increases with Income

Affordable and Available Rental Homes per 100 Renter Households

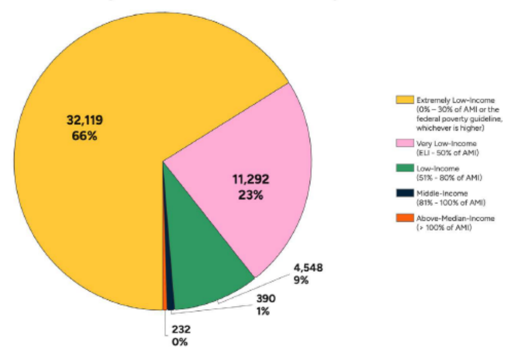


Note: AMI = Area Median Income

Source: 2024 ACS PUMS.

Extremely Low-Income Renters Make Up Majority of Severely Cost-Burdened Renters

Severely Cost-Burdened Renter Households by Income



Note: The percentages in this figure are rounded and may not add to exactly 100. A household is considered severely cost-burdened when it spends more than 50% of its income on housing costs. Source: 2024 ACS PUMS.

GAP BETWEEN INCOMES AND HOUSING COSTS

While many communities in Idaho have a sufficient supply of rental homes overall, these homes are typically too expensive for renters with the lowest incomes. Seniors and people with disabilities live on fixed incomes that do not keep up with rising housing costs, and wages for many workers are too low to afford existing rental homes, even in communities that have raised the minimum wage. Because of high housing costs, these renters are always one financial shock away from the risk of eviction, and in the worst cases, homelessness.

> **In Idaho, a full-time worker must earn an hourly Housing Wage of $27.83 to afford the average Fair Market Rent (FMR) for a two-bedroom rental home in the state ($1,447).** To afford this rent and utilities - without paying more than 30% of income on their home - a household must earn $57,876 annually. The Housing Wage assumes the individual works 40 hours per week for all 52 weeks of the year.

IMPACT ON IDAHO'S MINIMUM WAGE WORKERS

A minimum wage worker would need to work:

126 hours/week or 3.1 full-time jobs to afford a 1-bedroom apartment at FMR.

154 hours/week or 3.8 full-time jobs to afford a 2-bedroom apartment at FMR.

$30,030 Average income limit for 4-person extremely low-income household.

$57,876 Annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent.

Most Expensive Areas	Housing Wage	Median Hourly Wages for Common Occupations	
Boise City HMFA	$35.35	Fast Food Workers	$13.92
Coeur d'Alene MSA	$28.08	Home Health / Personal Care Aides	$16.42
Blaine County	$26.00	Janitors	$17.30
Gem County HMFA	$25.42	Nursing Assistants	$18.36
Idaho Falls HMFA	$25.21	Retail Salespersons	$16.34

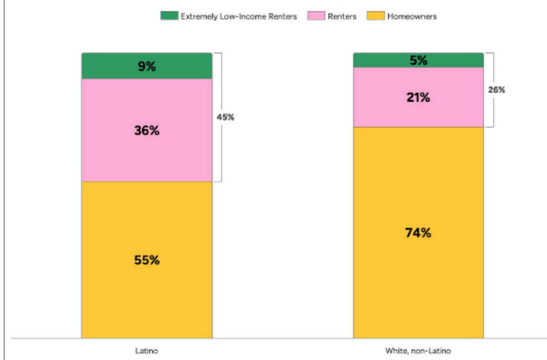
SOLUTION

Congress must bridge the gap between incomes and housing costs by expanding rental assistance so that it is universally available to all eligible households or consider other innovative approaches, such as a fully refundable renters' tax credit. Congress should prevent evictions and homelessness by creating permanent tools, such as emergency rental assistance, to help stabilize families in crisis.

Take action to help end our housing and homelessness crisis at [nlihc.org/take-action.](nlihc.org/take-action)

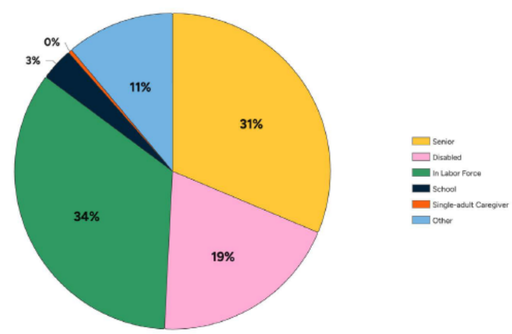
Non-white Households and Latino Households Often are More Likely Than White Households to be Renters with Extremely Low Income

Share of Households by Tenure



Source: 2024 ACS PUMS.

Most Extremely Low-Income Householders are in the Labor Force, are Seniors, or Have a Disability

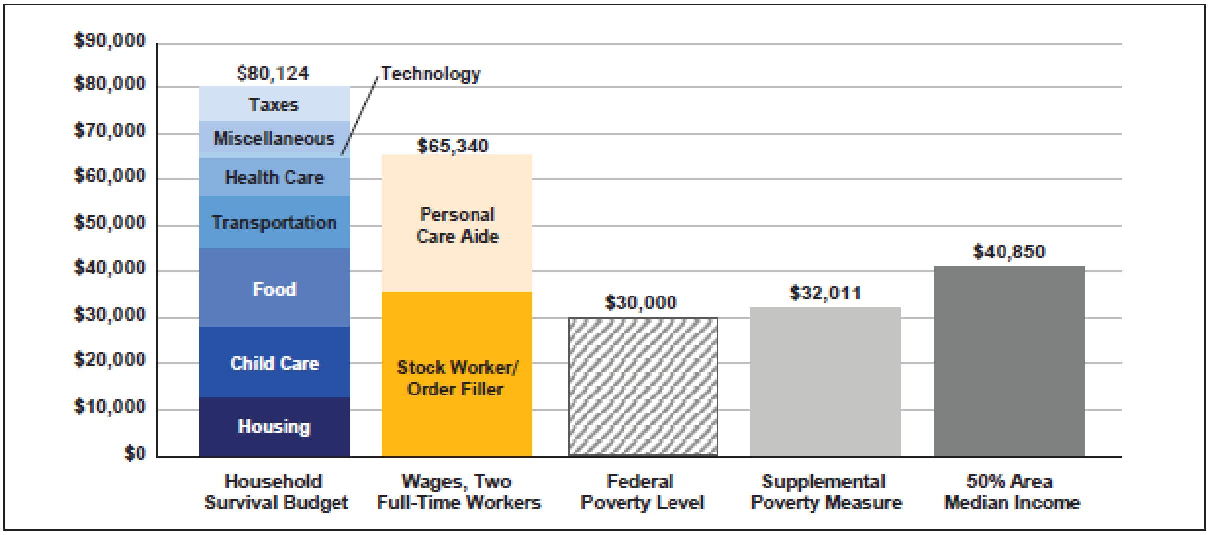


Note: Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or of a household member with a disability, and other. Nationally, 12% of extremely low-income renter households are single-adult caregivers, 48% of whom usually work more than 20 hours per week.

Source: 2024 ACS PUMS.

Figure 2. Basic Costs Exceeded Wages of Common Jobs and Official Measures of Hardship

Annual Budget, Wages, and Official Measures of Financial Hardship, Family of Four, Idaho, 2023



Note: Personal care aides monitor the condition of people with disabilities or chronic illnesses and help them with daily living activities. Stock workers/order fillers receive, store, and issue merchandise, materials, equipment, and other items from stockrooms, warehouses, or storage yards, and may operate power equipment to fill orders.

Sources: ALICE Household Survival Budget, 2023; Bureau of Labor Statistics–Occupational Employment Statistics, 2023; U.S. Census Bureau, Supplemental Poverty Measure, 2023; U.S. Department of Housing and Urban Development, Area Median Income (State Income Limits), 2023.

EXHIBIT B

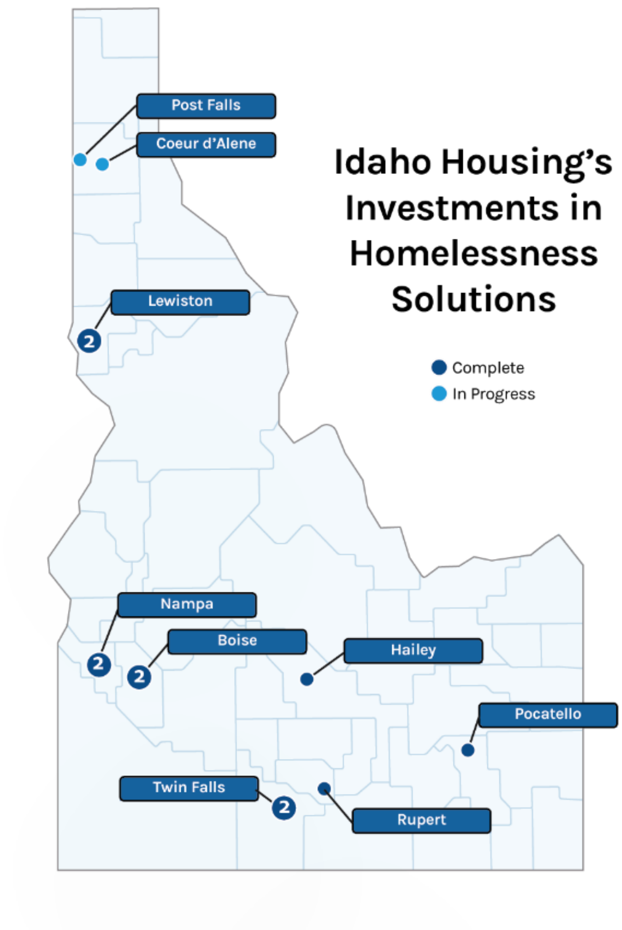

Idaho Housing's Investments in Homelessness Solutions
Complete
In Progress
Post Falls
Coeur d'Alene
Lewiston
2
Nampa
2
Boise
2
Hailey
Pocatello
Twin Falls
2
Rupert

EXHIBIT C

HIGHLIGHT #1 (COMPLETED)

Aid For Friends: Individual and family homeless shelter provider in Pocatello, Idaho.
OLD AFF SHELTER HOME:

NEW AFF SHELTER BUILDING:

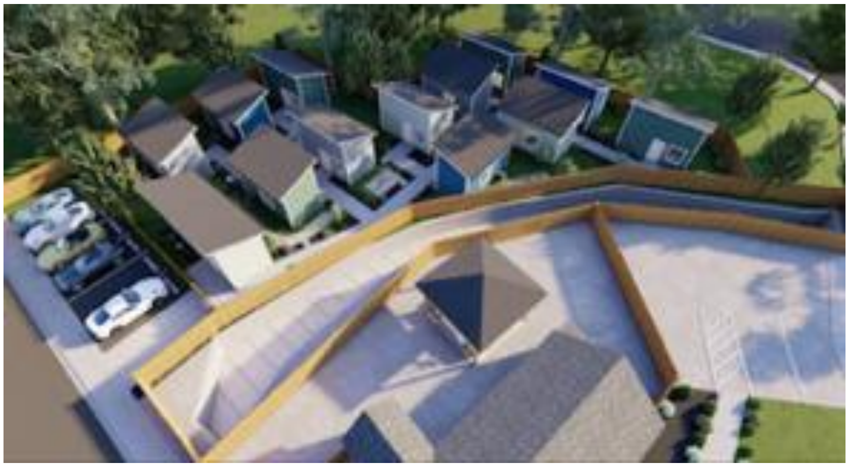
HIGHLIGHT #2 (IN PROGRESS)

LC Valley Youth Resource Center:

PRECONSTRUCTION PICTURE:

PLANNED DEVELOPMENT:

A live video rendering of the planned community can be found here (https://www.youtube.com/watch?v=Us8bIJ9ilhg).



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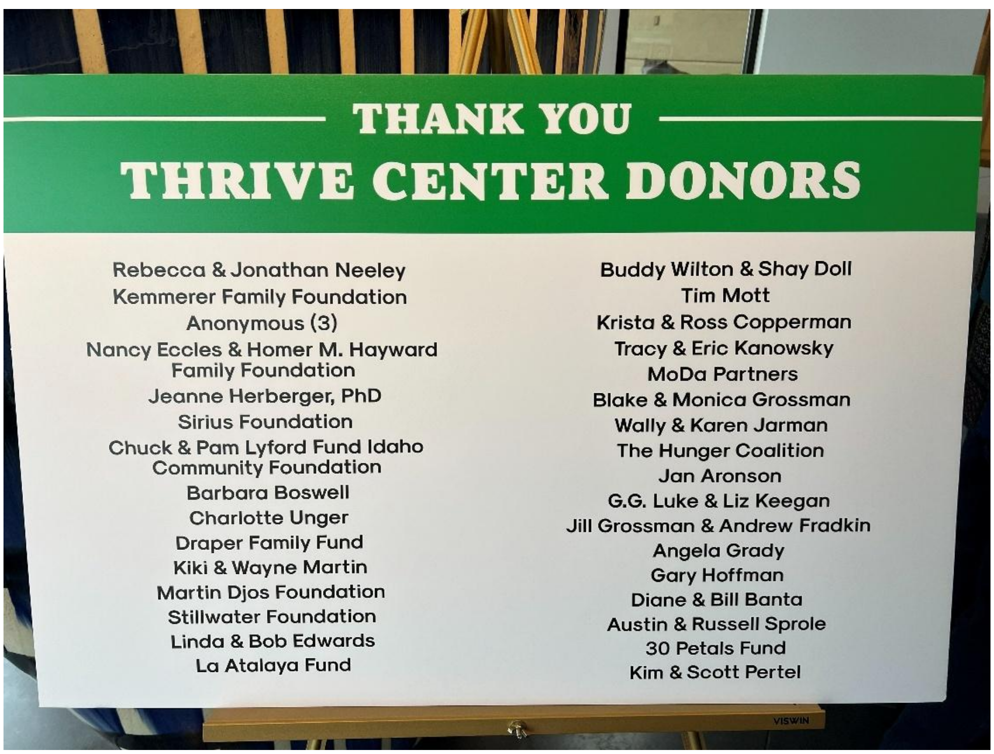
HIGHLIGHT #3 (IN PROGRESS)

The Advocates: A nonprofit victim service provider in rural Idaho.


SAFE FUTURES START HERE
THRIVE CLIENT SERVICE CENTER
SECOND FLOOR
THIRD FLOOR
ROOM LEGEND
ROOM LEGEND
ROOM LEGEND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Community Housing Equity Fund
Special Needs Housing, Combating Homelessness