

Idaho Housing Trust Fund information from Len Crosby

As noted in the Chat room, a mechanism for State funding through IHFA for affordable housing has existed since 1992, when the Legislature established the Idaho Housing Trust Fund. The Trust Fund is governed by a seven person Commission appointed by the Governor. The Trust Fund has the ability to apply for matching fund grants from the federal government.

No funding mechanism was ever established. Many other states have similar legislation which established Housing Trust Funds. Those States have provided a consistent funding mechanism derived from either a portion of the recording fees when a piece of property changes hands, or by a fee levied when a property is sold. Some states have established a sliding fee which is based on the transfer price of the property. These fees provide a consistent and increasing (as values increase and as growth occurs) level of funding for the Trust Fund.

Cities and other political subdivisions may apply for matching funds to accommodate a number of relevant local efforts designed to address affordability issues. Examples include:

- Land banking
- Creation of tax advantaged opportunity zones
- Housing preservation
- Financial incentives for developers of affordable housing, including:
 - Reduced or paid impact fees
 - Property tax reductions for a period of years
 - Property tax credits for homeowners willing to leave their rentals in a long-term rental pool
 - Housing credits for employers who provide workforce housing

Idaho has had this mechanism in place for the past 29 years. All we need is for the Legislature to provide a consistent funding mechanism, and the Governor to appoint the members of the Commission governing the Trust Fund who would oversee the use of the funds. State Senator Ali Rabe, who represents Ada County is a strong proponent of utilizing the Idaho Trust Fund to assist in addressing housing affordability.

The Trust Fund offers the opportunity for local communities to develop local solutions to local housing affordability problems and secure a portion of the funding needed through the application of a small fee collected upon the sale and transfer of new and existing properties. The fee should be scaled based on the value of the property with those who are selling or purchasing high value properties paying a larger fee. The transfer of properties between family members and the sale of agricultural and timber land should both be exempt from the fee, unless the agricultural or forest land was being transferred for residential or commercial development.