

# Tamaqua Area Community Partnership

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April 19, 2018

Alfred M. Pollard, General Counsel  
Attention: Comments/RIN 2590-AA83  
Federal Housing Finance Agency  
400 Seventh Street, SW, Eighth Floor  
Washington, D.C. 20219

**Re: RIN 2590-AA83 – Affordable Housing Program Amendments**

Mr. Pollard,

I serve as the Executive Director of the Tamaqua Area Community Partnership, a small non-profit charitable organization in Tamaqua located in the Appalachian Anthracite Region of Northeastern Pennsylvania. I have worked with this organization for 23 years. I am writing to comment on RIN 2590-AA83.

My comments are based on my work and experience in my rural community including our struggles to transform a community of inexpensive and substandard housing & building stock into competitive places for people to build their lives. It's not easy.

Great concern compels me to comment on behalf of my hometown community on your recent release of proposed rulemaking regarding the Affordable Housing Program (AHP) of the Federal Home Loan Banks (FHLBs).

Tamaqua, with a population of 7,000 people, used AHP funding multiple times to improve housing in the context of a greater, local, sustainable, community and economic development effort. AHP helped restore vacant and blighted buildings in my neighborhood converting them into highly desirable housing units for people meeting income requirements including veterans and the disabled. The lives of my neighbors living in these units have been transformed and the neighborhood and community are better places to live because of AHP. Tamaqua's and other communities like Tamaqua's efforts will be significantly harmed by some of the proposed rules.

For example, the framework for funding based on Outcomes instead of competitive scoring will mean that my community's efforts simply will never get funded and will be cut out from an already-hyper competitive process that is difficult for small communities with limited capacities. The specific funding allocations prescribed by the rules require 10% of the funds to be used for home purchase and at least 55% for two specific statutory priorities. This outcomes framework will cause all FHLBs to ignore the priorities of Tamaqua and the priorities of our regional FHLB's Housing Needs Assessment and insert these national priorities that, frankly, have no basis nor connection to what is needed in my community and my neighborhood. (If I am incorrect and there is some connection between these proposed statutory and regulatory priorities and the specific identified needs in Tamaqua, or Schuylkill County for that matter, I stand ready to be corrected). The proposal that at least 55% of rental units must be reserved for households earning 50% or less of area median income (AMI) clearly demonstrates that

these rules are for a community other than a community that has the poverty and housing market we have here in Tamaqua. This overlay of national priorities is incongruent with what our locally and regionally identified needs are. Reserving 55% of rental units for 50% or less AMI ignore the needs of the local people in that income level. I am happy to discuss our housing market, homeownership market, rental markets and local incomes-levels.

The proposal to change the qualifying threshold for targeted populations from 20% to 50% ignores the deep and urgent need Tamaqua and many other communities have for economically diverse housing. The threshold should stay at 20%.

I suspect other communities—especially in rural Pennsylvania and West Virginia-- would find this proposal to insert national priority outcomes on AHP funding doesn't fit with their local needs and affordable housing priorities.

Achieving national housing priority goals can better be achieved with the current scoring-style system that ranks projects in a clear, understandable and predictable way. If there are FHLBs who are using a scoring system that scoring doesn't match their Housing Needs Assessments, that issue should be addressed in a way other than making all FHLBs adhere to a restrictive outcomes framework. Based on my experience, FHLB-Pittsburgh does a commendable job adjusting its scoring formula within the guidelines so the true local priorities found in the Housing Needs Assessment are met. These new proposed rules give primacy to national priorities.

I prefer to see more flexibility, not less, for FHLBs to score AHP projects in a way to address the identified needs in the region.

The outcomes framework also makes it unclear how it is decided whether a particular project is funded. It **will** make it clear why projects in communities like mine **won't** be funded—because the local priorities don't match the new outcomes priorities. The current scoring criteria is a much more transparent method of making these difficult decisions that impact the future of peoples' homes and communities. A scoring-based system is strongly preferred over an outcomes-based framework and will allow FHLBanks to sufficiently respond to local needs, encourage all project types to apply and maintain program transparency.

There are other concerns with the proposed rules—at least from where I sit. In my experience with AHP, the "cure first" proposal removes important flexibility to modify projects—with cause—in a way that does not give any competitive advantage over to projects that were not funded.

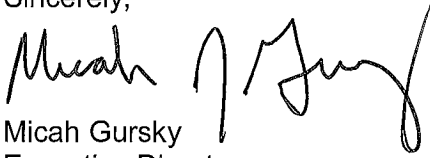
The proposed requirement to evaluate the ability of the entire development team will create an environment where new organizations and developer will be cut out in favor of those with experience. Had this requirement been in place when Tamaqua was doing the Boot & Shoe Factory and the Liberty Hall projects, the inexperience of our team (most notably me!) would have made us uncompetitive. This is not fair to communities like mine who are building new capacity and competing with very experienced development teams and communities. Evaluate the sponsor, by all means, but make room for new development team members to be part of this process regardless of their experience. A simple review of the development team will accomplish this.

Another concern I have about the proposed rule is the requirement that supportive services be treated like a separate projects—ie with separate pro forma. Supportive services are an integrated part of housing operations. This rule misunderstands supportive services, mistaking it for a separate effort from housing operations.

Please do not take these critical comments to imply that there is no appreciation for the need to update AHP and for FHFA's work in this area. You are to be commended. Please make changes to the proposed rules based on the concerns expressed above. Doing so will create an AHP regulation with improved flexibility so this important program can help our communities.

If you have any questions, please feel free to contact me at 570-449-8996 or [Micah@tcp.info](mailto:micah@tcp.info).

Sincerely,

A handwritten signature in black ink, appearing to read "Micah Gursky". The signature is fluid and cursive, with the first name "Micah" written in a larger, more prominent script than the last name "Gursky".

Micah Gursky  
Executive Director