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May 1, 2018

Proposed Rule Comment: Delivered Electronically

I am the Executive Director of ARCH Community Housing Trust, an Idaho based non-profit developer of affordable housing. I serve as the Vice Chair of the FHLBDM AHAC and I participated in the recent meeting in Cincinnati. Thank you for your time at that meeting. I appreciated the opportunity for a dialog in which FHFA sought clarification to points raised by the Advisory Council Leadership and also explained the rationale for the proposed rule. Additionally, I would like to thank you for extending the comment period in order to allow for thoughtful comment by the public.

I feel that the most important possible advancement of AHP centers on the establishment of priorities at the district level. While Title 12, Chapter 11 Section 1430 j, (9) B states that the Director shall specify priorities, Section 1430 j (9) G also states that the director shall "...co-ordinate activities under this subsection with other Federal or federally subsidized affordable housing activities to the maximum extent possible." (emphasis added). In order to co-ordinate with other Federal programs, we must recognize that AHP is subordinate to those other Federal programs. AHP is "gap" financing it does not drive the deal. In order to coordinate, AHP must accept the priorities set by other Federal programs as they evolve. Also, other Federal housing programs change and set priorities annually. Therefore, setting specific priorities (even those which may already be in use) at a regulatory level dooms the program to a historical rather than forward looking focus.

For example, the proposed regulation prioritized very low income populations. As you heard in Cincinnati, current practice encourages mixed income development. Current practice also focuses on energy efficiency, green building techniques and proximity to transit, jobs and recreation. While not as widely prescribed, there is a movement towards prioritizing development in "areas of opportunity" as defined by property values, employment rates and school ratings. I predict that as tiny homes gain acceptance, we will see smaller unit sizes and built in furniture design being incorporated into QAP's and Administrative Plans. Smaller unit size preferences will also be supported by the priority to develop in areas of opportunity where land costs are higher and densities must be increased. In order for AHP to adapt to future changes, annual review and revision of priorities is critical. This can only happen at the district level.

I appreciate the statutory requirement for the Director to specify priorities but urge these to be at the highest, least specific, level allowable. Also, I believe that the statutory requirement to co-ordinate with other Federal programs allows the Director to specify as a priority the global priority of leveraging funding by adopting state / district level priorities aligned with other Federal programs.

Thank you again for the opportunity to comment and for the significant and sincere work the agency has directed towards AHP.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Griffith".

Michelle Griffith

Executive Director

A large, stylized outline of a house roof, similar to the one in the top left logo, positioned at the bottom right of the page.

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AFFORDABLE HOUSING SOLUTIONS