



May 1, 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: Notice of Proposed Rulemaking and Request for Comments –
RIN 2590-AA83 – Affordable Housing Program Amendments

Mr. Pollard,

We appreciate the opportunity to comment on the FHFA's proposed rulemaking regarding the Affordable Housing Program ("AHP") of the Federal Home Loan Banks (FHLBanks). I am Executive Director of the Island Housing Trust Corporation (IHT). The IHT previously sponsored AHP projects through Federal Home Loan Bank of Boston (FHLB Boston).

The IHT has successfully created 15 units of critically needed permanently affordable rental housing for very low and low income residents and their families within the towns of West Tisbury and Tisbury in Massachusetts with over \$800,000 in FHLB Boston AHP funding.

As a sponsor of FHLB Boston AHP projects, we are particularly concerned with the following:

The Proposed Rule significantly complicates how AHP funds are allocated, and limits how responsive the program can be to local housing needs. *The IHT recommends that the FHFA remove the required outcome requirements and retain the FHLB's ability to meet its district housing needs with greater flexibility through a scoring-based methodology that incentivizes project development better aligned with the housing models and needs in its district.*

The Proposed Rule introduces a re-ranking process that would allow the Bank to re-rank projects to meet the FHFA's outcome requirements. *The IHT recommends removing the FHFA outcome requirements and allow continued reliance on AHP's current transparent scoring system. The scoring criteria and framework are published annually in each FHLB's AHP Implementation Plan, which is transparent and well understood by members and sponsors/developers.*

The Proposed Rule increases the threshold requirements for projects to qualify as serving targeted populations, such as the homeless, those with special needs, or other targeted groups. *The IHT recommends maintaining a scoring-based methodology and do not increase the required reserved number of units from 20 percent to 50 percent.*

The Proposed Rule introduces unnecessary administrative burdens for sponsors by adding new provisions that will delay AHP modifications. *The IHT recommends retaining the current practice of verifying that any modified project, had it applied for AHP funding with the modifications in place, would still have scored high enough in the funding round to receive the AHP award.*

Under the proposal, sponsors would be required to demonstrate that all members of the project development team, including all affiliates and team members such as the general contractor, satisfy FHLB sponsor capacity requirements. *The IHT recommends allowing the FHLBs to evaluate the facts and circumstances of each project and determine a sponsor's track record of performance.*

We commend the Federal Housing Finance Agency for working to update the AHP regulation. However, in light of the concerns above, we respectfully ask that you reconsider parts of the proposed amendments, especially the required outcomes framework. Thank you for the opportunity to share our viewpoints on this very important program. If you have any questions, please feel free to contact me at 508-560-6445 or pjordi@ihtmv.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Philippe Jordi', with a stylized flourish extending to the right.

Philippe Jordi, Executive Director

Island Housing Trust Corporation
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West Tisbury, MA 02575