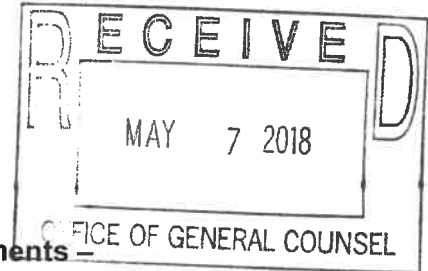


May 1, 2018

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,

Thank you for the opportunity to comment on your recent release of proposed rulemaking regarding the Affordable Housing Program (“AHP”) of the Federal Home Loan Banks (FHLBanks). I am presently President and CEO of Breaking Ground, a non-profit headquartered in New York that has previously sponsored AHP projects through FHLBank New York.

Since 2004, FHLB has provided support to nine (9) Breaking Ground developments, enabling us to provide over 3400 units of permanent supportive & affordable housing to low income and formerly homeless households and 146 units of transitional housing to chronically homeless individuals.

Permanent Housing

- The Christopher (opened in 2004) – 167 units, plus 40 units for youth aging out of foster care in Manhattan.
- The Schermerhorn (opened in 2009) – 217 units in downtown Brooklyn.
- The Brook (in 2010) – 190 units in the South Bronx.
- The Lee (project opened in 2010) – 207 units, plus 55 units for youth aging out of foster care.
- The Domenech (opened in 2011) – 72 units in Brownsville, Brooklyn, exclusively to house formerly homeless and low-income seniors 62 years of age and above.
- Eastman Commons (opened in 2012) – 80 units in Rochester, New York.
- The Hegeman (opened in 2012) – 161 units in Brownsville, Brooklyn.
- Park House (opened in 2012) – 240 units in the South Bronx.

Transitional Housing

- The Andrews (opened in 2009) – 146 units at 160 Bowery in Manhattan. This is the City’s single largest safe haven facility.



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The proposed Affordable Housing Program Amendments below are of specific concern.

- Outcomes Framework – Under the proposed amendments, the outcomes framework may essentially eliminate FHLBank discretion in addressing local housing needs, establish preferences for certain project types and make AHP less transparent.
- Re-ranking Projects — The NPR requires that the AHP “re-rank” applications to satisfy the outcome requirements if those goals would not be met using only the scoring criteria. This poses risks to the core of the program: re-raking is not objective, it is not predicable (for the applicants or for the Bank), and it is not transparent. In practice, there may be several cycles of re-ranking projects needed to comply with FHFA outcomes because simply substituting one project for another may satisfy compliance with one or more FHFA outcome requirements, but not all of those requirements. The NPR should revert to using a point structure for scoring applications. A point structure gives the FHLBanks more flexibility to address district needs.
- Project Modifications – Under the proposed amendments, AHP project modifications may be delayed, and AHP sponsors unduly burdened, due to a new “cure-first” requirement. We recommend that the proposed cure-first requirement be eliminated and the FHLBanks retain their current practice of verifying that any modified project would still have scored high enough in the funding round to receive the AHP award had the sponsor applied for AHP funding with the modifications in place.

We commend FHFA 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 hearing our ideas on this very important subject. If you have any questions, please feel free to contact me at brosen@breakingground.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Brenda Rosen", written over a faint circular stamp or watermark.

Brenda Rosen
President and CEO
Breaking Ground
505 8th Ave - 5th floor
New York, NY 10018

