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May 31, 2018

Mr. Alfred M. Pollard
General Counsel
Federal Housing Financing Agency
Attention Comments RIN 2590 – AA83
400 Seventh Street 8th fl.
Washington, D.C. 20219

Dear Mr. Pollard,

Thank you for the opportunity to weigh-in on proposed changes to the Federal Home Loan Bank Affordable Housing Program regulations. I am an Advisory Council member to the FHLB of Des Moines. I believe I understand what you and FHFA members are trying to do, and I assure you that we share your goals. We all want to increase and secure the existing affordable housing stock for constituents in our communities. We want decent, safe and sanitary accommodations for low to moderate-income families.

The member banks seek flexibility in achieving these goals. However, your proposed changes threaten the members' ability to address specific concerns in their market by forcing adherence to priorities established by the FHFA. For example, your proposal to allocate points only if a homeless project meets a 50% threshold is an example of a change that will have deleterious effects.

I served as the City of St. Louis' Director of Affordable Housing for eleven years. I know there is a delicate balance to getting development projects to cost out. Whether we like it or not, developments must make financial sense as well as meet numerous other guidelines including the elusive NIMBY,"not in my backyard", defense by threatened stakeholders.

We can build the housing, but the problem is the homeless can't pay for the housing. The strongest subsidy program for underwriting those units comes from local Housing Authorities. Those vouchers and certificates are few and far between. Without a subsidy, the owner of the development can't get a balanced budget and can't afford to offer the housing to families who are 30% and below the area median income.

This brings me to the next point, which is: Why would you limit an agency or developer from using net operating income to provide support services? Services and case management are needed for this population. Those salaries have to come from somewhere. It seems punitive to insist that developers have another pool of revenue to cover ongoing costs that are associated with this type of development.

I should probably say that I have experience in providing homeless services. I currently serve on the Board of Gateway 180 – Homelessness Reversed. This agency is the largest shelter in the State of Missouri for women and families. I also served eight years on the Board of St. Patrick Center, another prominent shelter in the City of St. Louis.

We are under tremendous pressure to provide housing for our clients. Those efforts have been exacerbated by HUD's determination that the homeless go straight to permanent housing. Shelters and transitional housing, as we have known it, are no longer supported. I personally find this ridiculous, but that's an argument for another time.

My point is, if we push this population into their own units, someone or some entity has to pay the rent, and the client/occupant will need support. Therefore, your proposed guidelines make the creation of additional units much harder. You increase the percentage of non-paying tenants in a development that won't balance profit wise, then you limit the revenue that can come from the project to pay for the support services for those fragile residents.

My fear is that we will get fewer proposals that address the homeless population because your income mix and strict limitations on how NOI is used will make projects unfeasible.

In the interest of brevity and concision let me simply ask that you allow the member banks to create their own guidelines within a broad framework much like that provided in the past. You have excellent staff all trying to make a difference for their constituents. We respectfully asked FHFA to relax the reigns so that we can address the unique circumstances of our communities. My request is that you review the joint letter from Advisory Councils as well as the letters from individual member banks and allow their capable, dedicated staff to continue to work in the best interest of the Federal Housing Finance Agency and FHLB communities at large.

Thank you for your time and consideration.

Sincerely,

Angela M. Conley

Angela Morton Conley
Real Estate Broker &
Advisory Council Member, FHLB DesMoines

cc: Congressman William "Lacy" Clay
Senator Claire McCaskill