



**Illinois Housing Development Authority (IHDA)**  
**Comments to FHFA Proposed Changes to Affordable Housing Program (AHP)**

**Proposed § 1291.13 Targeted Community Lending Plan (TCLP); AHP Implementation Plan**

Requiring Banks to research affordable housing needs in their districts creates additional work and potentially conflicts with housing needs identified by state and local agencies. This may put some applications at a disadvantage if the project meets the objectives identified by agencies that are in conflict with the objectives identified by the Banks. Banks should work constructively with agencies and organizations in their districts to create mutual objectives to address the housing needs for the region.

*Recommendation:* Remove the requirement that requires Banks to adopt a TCLP.

**Proposed § 1291.20(b) Establishment of up to three Targeted Funds**

The region's housing needs are already addressed through the scoring of AHP applications. The creation of Targeted Funds effectively creates multiple application set-asides and limits the Bank's flexibility to truly address housing needs. This creates a risk of having to re-rank applications to meet specific outcomes and Targeted Funds and limits the flexibility of the Banks to meet a variety of housing needs. Lower scoring projects may receive awards at the expense of higher-scoring, competitive applications. Objectives should be met through scoring and not the creation of Targeted Funds.

*Recommendation:* Continue to allow scoring as the mechanism used to meet housing needs without having to establish Targeted Funds.

**Proposed § 1291.48(d) Outcome Requirements for Statutory and Regulatory Priorities**

Increasing the targeted percentage from 20% to 50% for housing for homeless households as well as households with specific special needs may conflict with housing needs and priorities. In many locations, the goal is to create integrated housing communities versus projects targeting a large percentage of units to serving specific populations. For example, in Illinois, there is a Statewide Referral Network (SRN) that connects residents with special needs (including those at-risk of homelessness) to obtain services through a centralized network of providers. This eliminates the institutional approach of housing households with special needs in large projects in an effort to rebalance housing options through the promotion of community reintegration of persons with disabilities and special needs.

*Recommendation:* Maintain the current requirement of 20% to encourage projects dedicated to serving the needs households with special needs and targeted populations.