



**Community**  
HOUSING NETWORK®

Opening Doors • Transforming Lives®

Alfred M. Pollard, General Counsel  
Federal Housing Finance Agency  
400 Seventh Street SW, Eighth Floor  
Washington DC 20219

Attention: Comments/RIN 2590-AA83

Dear Mr. Pollard;

Over the last seventeen years, Community Housing Network has used the AHP program with great success to bridge the affordability gap in numerous scattered site and multifamily developments in Southeastern Michigan. While we appreciate the goal of providing more flexibility and transparency in the application process, we have a number of concerns regarding the proposed rule changes.

1. The proposed “outcome framework” is quite confusing, and we believe that it actually reduces transparency by overlaying additional outcomes restrictions to the scoring. Thus, a high scoring project may actually not be funded due to these additional requirements, effectively creating a two tiered scoring system.
2. The proposed stricter rules regarding cash flows will effectively make the AHP funds less useful. Many developments produced by Community Housing Network utilize several sources of funding and have lengthy retention periods while targeting very low income people with special needs. Imposing further restrictions on cash flow will likely result in projects failing in the middle of their retention period due to insufficient funds to operate the development. Due to complex federal regulations in other programs such as Medicaid, cash flow should not be required to be used to provide supportive services.
3. The special needs threshold is too high. It tends to promote concentration which is counter to long standing federal policy, and ignores the benefits of mixed income, integrated projects.

While intended to increase flexibility, the proposed rules actually reduce flexibility, and make the AHP program much more difficult to effectively utilize by nonprofit sponsors. In the spirit of reducing regulatory and administrative burdens, I urge the FHFA to keep the existing rules in place until new rules can be developed that better respond to district priorities.

Sincerely,

Marc Craig  
President

