

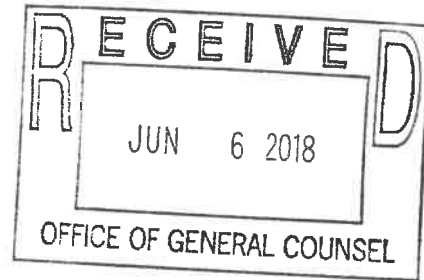


MONTGOMERY COUNTY HOUSING AUTHORITY

104 West Main Street, Suite 1, Norristown, PA 19401-4716
(610) 275-5720 • Fax: (610) 275-0889 • PA Voice Relay: (800) 654-5988

May 31, 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**

Dear 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 the Executive Director of the Montgomery County Housing Authority (MCHA). The MCHA is a public housing authority and affordable housing provider headquartered in Norristown, Pennsylvania, serving all of Montgomery County’s 62 municipalities, covering almost 500 square miles. The MCHA partners with FHLBank Pittsburgh to support affordable housing development throughout our region.

Since 2009 I have also served on the FHLBank of Pittsburgh’s Affordable Housing Advisory Council (AHAC) and had the honor to serve as Vice Chair of the AHAC in 2013 and 2014 and Chair from 2015 through 2017. As a member of AHAC leadership, I attended the annual AHAC meetings with the Federal Housing Finance Agency (FHFA) in Washington each fall from 2013 through 2017. During those five years I was pleased to be fully engaged with fellow AHAC members from across the country and FHFA leadership on the topic of the AHP amendments. The dialogue was always productive and I came away encouraged by the process.

AHP is a critical resource in Montgomery County. Over the last few years, multiple awards have invested almost \$1M in AHP funds, leveraged more than \$15M and helped create dozens of affordable units. One project in particular, *North Penn Commons* in Lansdale, was developed in conjunction with a private real estate developer, with financial support from the philanthropic community, including the HealthSpark Foundation. I also happen to serve on the Board of Directors for HealthSpark and our foundation was proud to partner on this AHP related effort, resulting in the creation of new affordable housing units and community development actives, such as workforce training and healthcare opportunities, all within a thriving, suburban community.

As an agency serving thousands of low-income households dependent on federal appropriations, the MCHA is concerned with the declining federal commitment in support of affordable housing. This multi-decade federal decline makes the importance of, and access to, AHP resources even more pronounced.

We are concerned with the outcomes framework as proposed in the AHP regulation amendments. The outcomes-based framework prioritizes the FHFA’s overall housing goals. The unintended consequence of this approach is that the proposed outcomes establish preferences for certain project types, lessen AHP’s connection to and support for community development, and make AHP less transparent.

JOHN F. NUGENT III, Chairman • REV. CHARLES W. QUANN, Vice Chairman • REV. DR. JOHN E. DOUGLAS, Member
DAVINA LLOYD, Member • JOYCE M. SACCO, Member • JUSTIN M. O’DONOGHUE, Solicitor

JOEL A. JOHNSON, AICP, PHM
Executive Director



AHP is a critical source of funds for housing development and should support the projects needed in local communities through a clear and understandable process. The outcomes framework as proposed in the amendments introduces a complex award structure that makes the AHP process unclear and makes AHP a less-attractive funding resource. A scoring-based system, which has worked well for 28 years, is strongly preferred over an outcomes-based framework and will allow FHLBanks to encourage all project types to apply, connect AHP to community development strategies and maintain program transparency. In this time of declining federal resources, any actions that make AHP funding less-attractive is concerning.

We commend FHFA for working to update the AHP regulation. However, in light of the concerns above, we respectfully request 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 by telephone at 610-275-5720, x315 or by electronic mail at joel.johnson@montcoha.org.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Johnson', with a long horizontal flourish extending to the right.

Joel A. Johnson, AICP, P.H.M.
Executive Director
Montgomery County Housing Authority
104 W. Main Street, Suite 1
Norristown, PA 19401