



June 12, 2018

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Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA83
Federal Housing Finance Agency
400 Seventh Street, SW, 8th floor
Washington, D.C. 20219

**RE: Notice of Proposed Rulemaking and Request for Comments—
RIN 2590-AA83 – Affordable Housing Program Amendments**

Dear Mr. Pollard,

On behalf of Citizens' Housing and Planning Association (CHAPA), thank you for the opportunity to comment on the Federal Housing Finance Agency's (FHFA) proposed rule change regarding the Affordable Housing Program (AHP). CHAPA is a non-profit umbrella organization for affordable housing and community development throughout Massachusetts. In light of concerns regarding local flexibility and transparency, we respectfully ask that the agency reconsider parts of the proposed amendments.

CHAPA's mission is to encourage the production and preservation of housing that is affordable to low and moderate income families and individuals and to foster diverse and sustainable communities through planning and community development. The AHP has been a critical tool in this effort. To date, The Federal Home Loan Bank of Boston has committed more than \$568 million to fund more than 29,910 units of affordable housing in the region. In 2017 alone, the Bank allocated more than \$37.5 million in grants, loans and interest rate subsidies to support affordable housing. Among the projects approved in 2017 were the rehabilitation of a 72-unit state public housing development and a new construction project for 61 units of service enriched housing in downtown Boston, including 24 units reserved for homeless individuals and families.

We commend the FHFA for working to update the AHP regulation, particularly, the clear commitment it shows to serving very low-income households and promoting community-driven development. The following are our comments:

First, FHFA requested comments on the utility of the proposed outcome approach. We urge FHFA to reconsider the outcome requirements and explore ways to promote the intended goals in a less rigid fashion. The FHFA has recognized that there are a number of benefits associated with the current scoring system because it establishes a degree of uniformity among various scoring criteria by allowing

certain pressing national affordable housing needs to be balanced with the flexibility to address distinct regional challenges.¹ It is our view that setting uniform outcome standards may result in less local flexibility and reduce transparency. For example, a high scoring project that meets local needs could be replaced by a lower scoring project to ensure that the bank is compliant with the outcome requirements. Additionally, if a bank is not in compliance, a re-ranking would move a lower scored project ahead of a higher scored project, resulting in a disruption of the objectivity and predictability of the current system.

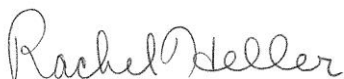
Second, FHFA requested comments on the proposed increase in the minimum threshold from 20 to 50 percent for the number of units reserved for targeted populations. We urge FHFA to reconsider how proposed thresholds for targeted populations would work in our region. The high demand for subsidy and high land costs could make achieving this threshold difficult for many projects. Relatedly, we urge FHFA to investigate how a recent change to the Low-Income Housing Tax Credit that allows for “income-averaging” would interact with this requirement.

Third, the proposed rule would require sponsors to evaluate all members of the project development team prior to the time of application. As is often the case, development teams are not formed at the time of application. This requirement could be burdensome and in many cases impracticable. We urge FHFA to reconsider this requirement.

Lastly, the proposed rule would remove the requirement that owner-occupied units or households be subject to a five-year retention agreement. The FHFA specifically requested comments on whether a retention agreement of some duration is necessary. We believe that some form of protection against “property flipping” is necessary, particularly in very hot markets within the region, such as metropolitan Boston. We ask that the FHFA consider giving Federal Home Loan Banks discretion in using retention agreements, or consider other ways to deter or prohibit “property flipping.”

Thank you again for the opportunity to comment. Please do not hesitate to contact me with any questions.

Sincerely,



Rachel Heller
Chief Executive Officer
Citizens' Housing and Planning Association

¹ See page 65, RIN 2590-AA83-Affordable Housing Program Amendments.