

June 11, 2018

Mr. 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,

As the Regional Vice President of Conifer Realty (“Conifer”), the 13th largest multifamily affordable housing developer in the country, I commend the Federal Housing Finance Agency (“FHFA”) for working to update the Affordable Housing Program (“AHP”) regulations. AHP funding is an important source of funds for affordable housing developments. Conifer has significant utilization of these funds through the Federal Home Loan Banks of New York and Pittsburgh (“FHLBanks”). Conifer is active in the states of New York, New Jersey, Pennsylvania, and Maryland. Within the past 10 years, Conifer has developed over 1,100 apartments within 15 communities partnering with regional FHLBanks.

Thank you for the opportunity to comment on your recent release of proposed rulemaking regarding the FHLBanks’ AHP. The following is a list of concerns that Conifer has with the proposed amendments:

- The outcomes-based framework prioritizes FHFA’s overall housing goals, which may not align with State housing goals. The unintended consequence of this approach is that the proposed outcomes establish preferences for certain project types lessening AHP’s connection to and support for community development needs within a region. Since State administered resources make up most of the financing within a development, if the FHFA goals are not aligned with the State goals the AHP funds will be underutilized. An outcomes-based framework also makes the AHP application process less transparent.
- The proposed amendments change the threshold amount needed for projects to qualify as serving targeted populations from 20 percent to 50 percent. This new threshold is not compatible with other funders and does not recognize the benefit of a mixed-occupancy development, which provides economic diversity. We strongly recommend retaining the current 20-percent threshold amount.
- Under the proposed amendments, AHP project modifications may be delayed, and AHP sponsors unduly burdened, due to a new “cure-first” requirement.



www.coniferllc.com

1000 UNIVERSITY AVENUE, SUITE 500, ROCHESTER, NEW YORK 14607

[E] contactus@coniferllc.com [P] (585) 324-0500 [F] (585) 324-0556



We recommend that the proposed cure-first requirement be eliminated and the FHLBanks retain their current practice of verifying that any modified project would still have scored high enough in the funding round to receive the AHP award had the sponsor applied for AHP funding with the modifications in place.

- The “need for subsidy” and “project costs” sections of the proposed amendments do not specifically allow for the maximization of coordination with other funding sources. Requiring an FHLBank to independently underwrite a project's need for subsidy and viability is unnecessary and increases the burden on sponsors in cases where other funding sources have already underwritten the project. We recommend allowing FHLBanks to rely on the underwriting of other funders with comparable standards in terms of cost reasonableness, viability of operations, development team capacity and need for subsidy.

If you have any questions, please feel free to contact me at 585-943-2899 or email me at lkaseman@coniferllc.com.

Sincerely,



Lisa M. Kaseman, Esq.



www.coniferllc.com

1000 UNIVERSITY AVENUE, SUITE 500, ROCHESTER, NEW YORK 14607

[E] contactus@coniferllc.com [P] (585) 324-0500 [F] (585) 324-0556

