



THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA

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October 13, 2010

Mr. Alfred M. Pollard
General Counsel, Federal Housing Finance Agency
Fourth Floor
1700 G Street, NW
Washington, DC 20552

RE: Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)

Dear Mr. Pollard:

The Non-Profit Housing Association of Northern California (NPH) is a membership organization of over 750 organizations that build, finance, and support affordable housing in the San Francisco Bay Area. We appreciate the opportunity to comment on the Federal Housing Finance Agency's proposed guidance on Private Transfer Fee Covenants.

Our members have built over 100,000 affordable homes and have experience with fees dedicated to beneficial public purposes that would be jeopardized by the proposed guidance. For example, transit-oriented developments near Bay Area Rapid Transit (BART) stations may contribute through fees to the light-rail system. Another example are fees on real estate transaction in many communities which contribute to Housing Trust Funds, used for the development of desperately needed new affordable housing for lower income people. Such fees are fairly structured and serve the public interest.

Although we share the concern that Private Transfer Fees could be improperly used, the guidance as currently drafted is overly broad and threatens many legitimate purposes. Therefore, we oppose the rule, and recommend additional time be taken to craft a more narrow rule. NPH will not join the opposition coalition at this point.

We respectfully request that FHFA set aside the guidance as drafted and create a more focused rule that provides appropriate protection against the abuse of fees for private enrichment, while continuing to allow fees that serve the public interest. Further, we strongly urge that any proposed rule be subject to public hearings and a more deliberative decision-making process that enables thorough consideration of the impacts of the proposal.

Sincerely,

Dianne J. Spaulding (handwritten signature)

Dianne J. Spaulding
Executive Director
The Non-Profit Housing Association of Northern California