



Council for Affordable and Rural Housing

Serving the Affordable Housing Needs of Rural America

May 5, 2009

Mr. Matt Josephs
Acting Deputy Director of Policy and Programs
CDFI Fund
U.S. Department of the Treasury
601 13th Street, N.W.
Suite 200 South
Washington, D.C. 20005

Re: Capital Management Fund Request for Public Comment

Dear Mr. Josephs:

Thank you for the opportunity to comment on the Capital Magnet Fund. There are several very valuable uses for such funding in urban, suburban and rural settings. One very essential program for lower income persons is the low income housing tax credit "LIHTC". While there can be improvements to that program, it has become a standard in affordable housing development and developers have become reasonably familiar with its affordability requirements of 20 percent of units limited to persons at 50 percent of area median income; or 40 percent of units limited to persons at 60 percent of area median income. Having a substantial portion of these funds targeted with the consistent use restrictions would accommodate many ongoing activities. As many existing properties are aging, I would recommend a priority for preserving existing facilities. Community service facilities can be useful, and should be encouraged, but I would not suggest a set aside as the practicability of such facilities varies greatly depending on the physical foot print of a development.

Capital Magnet Funds should be used in conjunction with existing federal housing programs, specifically, LIHTC, HOME, HOPE VI, FHA multifamily mortgage loans, Section 8 project-based subsidized multifamily properties, Section 515 and 538 Rural Development (RD) properties.

Also, building on existing rural Housing and Community Facilities programs administered by the U.S. Department of Agriculture's Rural Development programs, the definition of rural areas should be the same as defined under the U.S. Housing Act of 1949. RD already has a gadget on its website for the public to use to determine if they are located in such a rural area. According to numerous studies, critical housing needs fall disproportionately on non-metropolitan areas.

A 10 to 1 leverage may well be overly restrictive and not broadly achievable in the current economic environment. We are experiencing an unprecedented shortage of capital for all types of investment. While this program will help draw out some capital, it also needs to replace capital no longer readily available to housing providers and community developers.

Sincerely,

A handwritten signature in cursive script that reads "Colleen M. Fisher". The signature is written in black ink and is positioned above the typed name.

Colleen M. Fisher
Executive Director