

July 30, 2024

Ms. Naa Awaa Tagoe
Deputy Director
Division of Housing Mission and Goals
Federal Housing Finance Agency
400 7th St SW
Washington, DC 20024

Ms. Tagoe,

As a former applicant at CommonBond Communities, a current board member of Project for Pride in Living, and a member of the FHLB of Des Moines Advisory Council, I appreciate the FHFA's initiative to solicit input on the efficiency and effectiveness of the AHP application process.

While the FHFA's Affordable Housing Program (AHP) is inherently complex, the issue lies not in the application process itself. The FHLBanks have significantly improved the application process over time. The primary challenge remains the regulatory framework. Despite the commendable efforts to streamline requirements thus far, further action is necessary.

Per statute, the AHP gives preference to nonprofit organizations, which are community-based. This preference should continue, with future changes addressing the costs that nonprofits bear due to the rigorous AHP process. While the AHP application is similar to those of other funders, such as State Housing Agencies' Low Income Housing Tax Credits, the scale of investment from AHP does not justify the extensive narratives, documentation, and third-party verification required. One way to ease the resource strain on organizations would be to allow AHP to rely on both federal and state funders' review and monitoring requirements. This shift would align directly with the AHP statute, which calls for coordination with other federal funders "to the maximum extent possible."

The AHP statute also allows for the "preponderance of assistance" to be received by low- and moderate-income families. With this in mind, the AHP should be more flexible and willing to take risks, rather than striving for 100% compliance at all times. This is neither realistic nor responsive to community needs.

I would also urge the committee to limit overreach in its underwriting requirements, allowing supportive services to be included in the operating pro forma. The AHP is intended to fund the construction or rehabilitation of housing, not the provision of services. Let the

AHP be the source of housing it needs to be – flexible, patient, and adaptable during the retention period.

The FHLBanks should collaborate with other funders and applicants to identify common outcomes. The AHP should be a grant with success measured by a straightforward outcome: the acquisition, construction, or rehabilitation of affordable rental or owner-occupied housing.

Sincerely,

Amanda C. Novak

Minneapolis, MN