



August 19, 2024

Director Sandra L. Thompson
Federal Housing Finance Agency
Constitution Center
400 Seventh Street, SW
Washington, DC 20024

Re: Response to Request for Information (RFI) on the Application Process for Federal Home Loan Bank Affordable Housing Program

Dear Director Thompson,

The Community Opportunity Alliance appreciates your initiative in undertaking a comprehensive evaluation of FHLBanks in recent years. We are committed to supporting the FHFA in collecting public feedback to refine and improve the application process for the Federal Home Loan Banks' Affordable Housing Programs (AHP).

The Community Opportunity Alliance is a national nonprofit dedicated to advancing the community development field. We foster innovation, drive research, mobilize resources, and advocate for continued change at the federal level to support nearly 6,000 local organizations and 37 state and regional associations working in underserved communities.

Feedback from Our State and Regional Associations

In preparing this letter, we contacted local and state-level housing organizations in our national housing membership. The organizations have direct experience with the Affordable Housing Program (AHP) through the Federal Home Loan Banks, having applied for and received AHP grants. We solicited their feedback on the eight Request for Information (RFI) questions to gather their perspectives.

The responses we received from local and state-level housing organizations highlight several concerns. Organizations report that the AHP applications are predominantly tailored to multifamily projects and are often perceived to be excessively intricate and unclear. There is a prevalent sentiment that the AHP process functions as an "insider's game," with a lack of transparency that hinders fair access.

Given their perceptions of the convoluted nature of the application process, organizations lacking a robust track record feel compelled to engage consultants with prior success in navigating AHP. As to respondents, this appears to be the best path to securing funding.

This feedback strongly indicates the need for more training and a streamlined and accessible application process within AHP. While the engagement of consultants is a recognized practice across various funding programs, it is particularly troubling that many organizations perceive the AHP process as impenetrable because they lack confidence in their ability to complete it independently.

To address these challenges, we recommend simplifying the application process and implementing comprehensive training programs. These initiatives would assist organizations in navigating the process independently, reducing reliance on external consultants and thus saving money. Implementing these changes would create more fair conditions, making it easier for a wider array of organizations to access the funding necessary to support their affordable housing projects.

We respectfully encourage you to carefully consider the feedback we gathered from local and state-level housing organizations in response to the RFI questions as you work to enhance the AHP program, and the Community Opportunity Alliance remains committed to supporting endeavors that strengthen community development across the nation. We look forward to collaborating on efforts to ensure sustainable and equitable community development and that organizations have the tools and opportunities to succeed in this critical work.

Thank you in advance for your consideration.

Sincerely,

The Community Opportunity Alliance