

Habitat for Humanity Greater San Francisco (HGSF) appreciates the opportunity to provide feedback on the Federal Home Loan Bank's (FHLB) Affordable Housing Program (AHP). HGSF has been fortunate to receive several AHP awards for low-income, deed-restricted, affordable homeownership projects over the past few years.

Below, please find HGSF's feedback from August 9, 2024.

- 1. Are there particular components of the FHLBanks' AHP application processes that could be made more effective or efficient, and if so, how? Are any of the FHLBanks' specific documentation requirements for AHP applications unnecessary for verifying that the applicant meets the AHP eligibility requirements and scoring criteria? Are there ways to streamline the application process while maintaining the FHLBanks' ability to verify applicants' compliance with the AHP eligibility requirements and scoring criteria?**
 - a. It would be great if the sponsor could upload attachments to the secure portal, not just the member. This would allow for increased efficiency as well as peace of mind for the sponsor.
 - b. In addition, we'd like to see the portal system provide confirmation that the application has been submitted and all attachments are included. Currently, there is no confirmation after everything is uploaded to the portal.
 - c. For applicants/sponsors, being able to upload our own budget/proforma rather than, or even to supplement, the AHP worksheet would make the application process incredibly more efficient.
- 2. How do the FHLBanks' AHP application processes compare to those of other providers of gap funding with respect to scope, complexity, and documentation requirements?**
 - a. The AHP application and process is very similar in terms of scope, complexity, documentation requirements, and time commitment needed to submit.
- 3. Do the FHLBanks' AHP application processes leverage other funders' applications/requirements? Are the AHP application processes duplicative or complementary of other funders' underwriting requirements and processes? Do the AHP application processes create the need for additional information and documentation?**
 - a. The AHP application and process is very similar to other funders' requirements, particularly government funders. As an applicant, being able to start with the same template information and documentation makes it much more efficient.

- 4. Should the AHP regulation allow the FHLBanks to differentiate their AHP application requirements for projects requesting subsidy that constitutes a small percentage of the total funding in the project? If yes, why? Do other gap funders differentiate their application requirements for smaller projects?**
 - a. We have not seen different requirements for smaller projects or subsidy requests than for larger requests. If differentiating the requirements for smaller subsidy requests, particularly for homeownership projects that tend to have fewer units than rental projects, allows more projects to be competitive then we support changes to AHP regulations.
- 5. What role do consultants provide in applying for AHP funds? What are the reasons that an AHP applicant may use a consultant? To the extent that applicants are using the services of consultants to apply for AHP subsidy, how does the practice compare to the use of consultants for other sources of gap funding?**
 - a. Habitat for Humanity Greater San Francisco (HGSF) has not directly used consultants to apply for AHP funding. HGSF does, however, contract with consultants for project design, which leads to a project being ready to apply for AHP funding. We have needed consultants to help prepare specific documents (e.g., environmental certification) for other subsidy requests.
- 6. Are there effective practices the FHLBanks could implement to coordinate the underwriting review process across multiple funding sources in a project?**
 - a. Some funders share the scores of all submitted applications. This is extremely helpful for understanding how funding decisions are made and in thinking about future applications. If all scores cannot be shared, we'd appreciate being able to at least see our own final score. This would help us better predict our project's competitiveness, improve future applications, and lead to more effective and efficient use of not only applicant/sponsor time but also FHLB and member bank partner's time.
- 7. What is the single most important change you would recommend for improving the AHP application process?**
 - a. In recent years, scoring has been updated to make homeownership more competitive. This has been a huge bonus for Habitat projects and we strongly support this remaining a priority.

8. What concrete steps would you recommend for simplifying the AHP application process and why?

- a. One way to simplify the application process - to save both the applicant and reviewer time - would be to consolidate and or cut down required attachments. Specifically:
 - i. If an attachment is NOT required (i.e. homeless household documentation), applicants should be able to skip this attachment entirely. We were unclear if we had to submit an attachment for everything so we include a cover letter saying "N/A" - this does not seem necessary.
 - ii. HUD Income Limits - this could be worked into the application form or another attachment, does not need to be a separate attachment.