



**CHICANOS
POR LA CAUSA**

August 19, 2024

Re: Response to AHP Request for Information 2024

Dear Federal Housing Finance Agency,

The Affordable Housing Program (AHP) continues to be a significant program that helps community development organizations, like Chicanos Por La Causa, Inc., to provide much needed housing in our communities. Our communities in Arizona, California and Nevada have seen drastic changes in housing costs and the need to coordinate with multiple funding programs to deliver decent and affordable housing units is more important than ever.

Q 1	Are there particular components of the FHLBanks’ AHP application processes that could be made more effective or efficient, and if so, how?
	To make AHP more impactful, it is necessary to simplify the program. The development of affordable housing has only gotten more complex and expensive. Few affordable housing developments are possible without multiple layers of financing adding to complexity of different requirements. AHP usually represents a smaller portion of the overall total development cost and the AHP requirements should aligned as such.
	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?
	AHP efficiency can be obtained by utilizing existing documents such as sources/uses and proformas already reviewed by other funders/lenders, instead of requiring new forms/excels.
	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?
	The program should allow for pro-rata forgiveness on rental communities based on where they are in the retention period. Housing alone does not achieve the stability needed by some individuals and/or families. Therefore, resident or social services should be recognized and allowed as operating expenses in affordable housing communities and in alignment with the affordable housing industry funders.





**CHICANOS
POR LA CAUSA**

Q 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?
	AHP makes it more complicated than is necessary. Project subsidy need vs project cashflow is not in alignment with other affordable housing funders. Supportive services are necessary in many communities to ensure stability for some residents. The life of a housing development tends to change due to factors out of the developer's control. AHP flexibility to adapt to changes would be in better alignment to ensure much needed housing gets delivered to our communities.
Q 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?
	AHP should better utilize and/or collaborate with underwriters from other major funders/lenders rather than recreating the process or requesting new forms/documentation.
Q 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?
	Each housing development has fundamental similarities, but they can vary in complexity. The goal should be to meet each housing development where they need the most support being aware of unnecessary requirements that add cost.
Q 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?
	The competitive nature of the AHP program requires no room for errors and having a specialized consultant increases the chances to obtain much needed funding.
Q 6	Are there effective practices the FHLBanks could implement to coordinate the underwriting review process across multiple funding sources in a project?
	Implement alignment and collaboration with existing major funders/lenders rather than requesting more documentation for the housing project's financial viability and readiness.
Q 7	What is the single most important change you would recommend for improving the AHP application process?



**CHICANOS
POR LA CAUSA**

	An important improvement would be to focus and make decisions based on the project's development budget (including support services as part of operating expenses).
Q 8	What concrete steps would you recommend for simplifying the AHP application process and why?
	We recommend that AHP rely on the underwriting and compliance of major funders in the housing project to simplify the process. In addition, allow the cost of supportive services in the operating expenses.

We hope to see an increase from the required ten percent so we can better meet the demand. Thank you for this opportunity to provide feedback on the Affordable Housing Program.

Respectfully,

Patricia Garcia Duarte
Executive Vice President
Homeownership Initiatives

