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FHFA

8/14/24

RE: FHLBank AHP Competitive Application Process RFI

Thank you for the opportunity to comment on possible improvements to AHP. I would like to focus on a single question.

What is the single most important change you would recommend for improving the AHP application process?

My perspective comes from my experience having used AHP as an affordable housing developer as well as my experience as an AHAC member for the Des Moines bank for nine years. In both capacities, as a developer and AHAC member, the phrase which describes the largest and most frequent dilemmas is “need for subsidy”.

Allowing AHP funds to be used for resident supportive services and operating reserves would not only make AHP a more powerful tool, but it would also improve the sustainability of each project which might utilize AHP for these purposes. AHP is not, nor could it be, the largest portion of the capital stack in most cases. AHP is most typically gap funding. As often the smallest or one of the smallest sources of funds AHP can not drive the deal, AHP must support the deal. The most powerful way to do this is by enabling the larger funding sources to truly function. This means serving residents through supportive services and / or ensuring that extraordinary operating costs – a huge snow year leading to increased removal costs, a flood leading to increased maintenance costs – can be covered with operating reserves. These are not unnecessary expenditures; they are the required costs to deliver a financially healthy project.

I hope you will consider making the robust and impactful change of allowing AHP to be used for resident supportive services and exceptional operating reserves.

Sincerely,
Michelle Griffith
Michelle Griffith
Executive Director



