Please note that this transcript reflects corrections to inaccuracies in the real-time closed captioning in the roundtable video

LaRhonda Ealey: Good morning, and for those of you who are watching us via livestream on the East Coast, good afternoon.

Welcome. My name is LaRhonda Ealey, and I am a Senior Economist, and I am joined by my colleague, Alex Bogin, Principal Economist at FHFA. Let me extend a warm welcome to our roundtable participants and to all of you watching along on our livestream. This is the third of eight in-person roundtables we are convening in 2023. Our discussion today will focus on the role or potential role of the Federal Home Loan Bank System in supporting housing and community development in emerging high-cost areas. For the benefit of those joining us for the first time, today's roundtable is part of our Federal Home Loan Bank System at 100, focusing on the Future Initiative. More information including the video recording and transcript of todays and past events can be found on our website. I would encourage you all to visit our website to learn more. While our roundtable discussions are with a small group of stakeholders, we are live streaming these discussions so that we can reach stakeholders everywhere and extend the reach to as many of you as possible. We also believe that it is imperative for us to step outside of our Washington, DC, bubble, if you will, to give us an opportunity to meet with local constituents and to hear more about the local and regional issues that you all are facing as it relates to housing and community development. We look forward to our discussion today and the feedback we will receive from you all as we continue with this initiative. Now, I'm going to turn it over to Alex and he's going to share with us some of our rules of engagement.

Alex Bogin: Good morning. My name is Alex Bogin. I'll be joining LaRhonda to moderate the discussion today. We expect and hope that we will have an open and engaging discussion. No recommendation or view should be considered off the table, and we encourage you to offer differing views about some important questions that we'll be covering throughout the morning and early afternoon. We also want this to be orderly. As such, we ask that everyone turn their name placard to the side, so we'll know when to call on you, just as LaRhonda indicated. We will call on each of you in turn. We ask that everyone engage knowing that we will likely not agree on all points, and to engage in a respectful manner. To show that everyone has a turn to speak, and we cover every discussion topic, if something is going on long, we may interject just to keep the conversation flowing. Second, this review is meant to uncover the earnest thinking of Federal Home Loan Bank

System stakeholders and really to highlight areas for further consideration. We ask that you give us your best thinking and not just your thinking of what would be possible. Third, just as LaRhonda mentioned, we'll have a break roughly halfway through today's event. And then finally, for the benefit of those on the livestream, the roundtable participants have been given a set of prompts that we will reference during the course of this morning and early afternoon's discussion. And we also have a disclaimer that I'm gonna be reading that we need to make you all aware of, and I'll be reading this verbatim. So, "We have organized this roundtable to obtain your input on the mission of the Federal Loan Banks, including input on several specific questions that were sent to you prior to the meeting. During today's session, FHFA will not discuss the status or timing of any potential rulemaking. If FHFA does decide to engage in a rulemaking on any matters discussed today, this meeting would not take the place of a public comment process. The rule making document would establish the public comment process and you would need to submit your comments, if any, in accordance with the submission instructions in that document. FHFA may summarize the feedback gathered at today's session in a future rule-making document if we determine that a summary would be useful to explain the basis of a rulemaking. Anything said in this document, and that also includes reactions in this meeting," I should say, "nodding, eye-rolling, should not be considered or construed as binding or a final decision by the director of FHFA or FHFA staff. Any questions we may have been focused on understanding your views and do not indicate a policy or legal position. Participants in today's roundtable may have financial interest, whether direct or indirect on outcomes that may affect the Federal Loan Bank and their businesses." As LaRhonda mentioned, "Today's roundtable will be live streamed on FHFA's website and video recorded. FHFA may also prepare a transcript of today's sessions, which would include the names of all speakers and organizations they represent, if any. The recording and any transcripts prepared will be posted on FHFA's website and YouTube channel along with any materials being presented today or otherwise submitted in conjunction with the roundtable." With that, I'll turn it over to LaRhonda.

LaRhonda Ealey: Thank you, Alex. So Alex and I have had a wonderful opportunity to meet and engage with some of our roundtable participants earlier, but we want to make sure that those who are with us today in-person as well as those who are watching livestream, have some insight and reference as to the nexus that you all have to housing and community development, as well as the connection that you may have, if any, to the Federal Home Loan Bank system. So, with that said, I will ask that we start with Caleb in giving us a brief introduction of yourself.

Caleb Roope: Well, thank you, LaRhonda. I'm Caleb Roope, I'm the CEO of The Pacific Companies. We're an affordable housing development company based in Boise, Idaho, and we've completed about 20,000 units of affordable housing over the past 25 years. We do all kinds of housing from permanent supportive housing to family housing to farm worker housing and senior housing. My connection to the Federal Home Loan Bank is mostly as affiliated borrower receiving AHP funding from the Federal Home Loan Bank. The Des Moines, Iowa, is our bank that we work out of Idaho. So that's my connection, and I'm really happy to be here today. Thank you.

Michelle Griffith: Good morning. I'm Michelle Griffith. I'm the Executive Director of ARCH Community Housing Trust. We're a small nonprofit, affordable housing developer based in Blaine County, Idaho, which is a resort area. Our organization has delivered over 160 homes to our small community. We're a community of about 20,000 people. And my connection to the Federal Home Loan Bank is also like Caleb as a borrower of AHP funds, and so we're very grateful for that gap financing for our most recent multi-family development. Additionally, I represent Idaho on the Affordable Housing Advisory Committee for the Des Moines Bank.

Bud Compher: Thank you. My name's Bud Compher. I have the privilege of being the CEO for NeighborWorks Boise. NeighborWorks Boise is unique among some of the housing organizations in that we provide a rounded solution to housing ranges from home buyer education, really is where we start, how do we help educate borrowers that are interested, and/or if they want to ever buy a home, how do we get them through some of the issues related to their credit or help them just down that journey. That's an important function. It certainly is where we start as we think about providing housing as it relates to those that are interested in that. So, from there, we're a CDFI. We have a non-profit lending arm that the two of those work very well together in the sense that if they're not quite ready, we can work with some counseling and get them ready, really days to home ownership, is what we're looking at there. Couple that with some of the other services, we have multi-family that we own, and those are about 30% AMI all the way to 80% area medium income. Most of them are in that 60% range. Additionally, we provide rehab services, so emergency repair services in the local meridian market. And then really what pertains a little bit to this discussion today is the work that we do in our single family. So, we'll look for land running through its entitlements and hand it off to our construction department, and really from dirt-to-doorknob really is what we can bring to the table there. And I should have maybe started with this, NeighborWorks is 40 years old. What's brought us to the table is our two-community impact and revitalization programs, which are painted town in Reka, Boise. Those two programs are the largest volunteer events in the Northwest. Every year we serve over 5,000 people. I say we, we are really a conduit for our community, so thankful to being here. Really, we're representing the great work that our community does and the NeighborWorks network here in Idaho. - Thank you.

Dutch Haarsma: Sounds good. - Good morning. I'm Dutch Haarsma. I'm the President of NewWest Community Capital. We are a nonprofit community development financial institution. We provide capital and lending for affordable housing and nonprofit community facilities. We're based here in Boise. We have an office in Phoenix, and we work throughout eight states here in the Intermountain West. We are a member of the Federal Home Loan Bank of Des Moines and have been an active borrower and participant in some of the affordable housing programs. - Thank you.

Vanessa Fry: Good morning, good afternoon for those of you on the East Coast. Vanessa Fry, I'm the Director of Idaho Policy Institute and Associate Research Faculty in the School of Public Service at Boise State University. Co-founded Idaho Policy Institute in 2016 with the sole purpose of being an objective research resource for the decision makers in Idaho and beyond. Really happy to be here this morning. I do not have a personal connection or professional connection with the bank system.

Wes Jost: Good morning. I'm Wes Jost. I'm with Zions Bank, real estate banking group here in Idaho. Our group's been involved with, on the financing side, a lot of affordable housing units, over hundreds in the state of Idaho. So, from a lending perspective, I'm appreciative of being here and on the panel, and look forward to learning more about it, okay.

Brady Ellis: Good morning. My name is Brady Ellis. I'm a Vice President of Housing Support Programs at Idaho Housing and Finance Association. And IHFA is a housing finance agency in a public housing authority. Those activities in a lot of places are ran through state or local government. And here in Idaho we're an independent organization. And so, we offer housing financing and programs typically federally funded anywhere from, you know, targeting homeowners down to homelessness. So, we work a pretty wide range of clients and Idahoans there, and we do other activities on transportation financing and other community facilities. And so, we're pretty diverse in that respect. So happy to be here, appreciate the invite and look forward to the discussion.

Alex Bogin: Thank you all so much for participating in this roundtable and coming today add your opinions and ideas are just invaluable, so we really very much appreciate it. So, I'd like to start off by exploring the landscape of emerging high-cost areas like Boise. So just to provide a little bit of context, over the past 10 years on a quality adjusted basis, single family house prices in Boise have increased by approximately 249%. So if you were to take this and put it into an annualized rate, that would be about an annual rate of growth on average of about 13% a year. So, you know, how does this benchmark against national prices? So, over that same 10-year period national prices were up about 113%. So, this would translate into an annual rate of growth of about 7.8%. So, you have a significantly larger annualized rate of growth in Boise than the nation. With this in mind, I'd like roundtable to speak to some of the opportunities and challenges faced by communities experiencing rapid home price appreciation. And I thought I would begin with Vanessa.

Vanessa Fry: Oh yay. Lucky me. (panel laughs) Well, thank you for that. And yeah, that data really captures the kind of point of pain that we've been experiencing in Idaho, and really acutely here in what we consider to be the Treasurer Valley. And I think as far as opportunities go for those people that are in the world of growth and development, more demand means more opportunities for them to think about how they can supply that housing for our communities across the state. But it definitely comes with a number of challenges, particularly for people in the community that maybe can't afford to participate at that level, at the market rate level. So, we've seen housing affordability really impacted across the state, again, more acutely in the more developed areas and in the resort communities like where Michelle does her work. And so, I'm really interested to, you know, kind of hear about what other people think about it. But the work that I've done in the state is mostly, again, on the research side of things and thinking of like how we can, at the institute, help support the people here at the table and other decision makers on how do we address this issue, and what are the opportunities. There's certainly some entities in the state that have been more proactive, I guess, in thinking about how we can address the issues with growth. So, I can point to here in the Treasure Valley, the City of Boise has taken on some initiatives to address housing really directly. In Idaho, there isn't a mandate for local jurisdiction, so that'd be cities, towns, or counties to address housing. So, it's not one of their mandated tasks, so that's certainly been a bit of a challenge.

Alex Bogin: Now, you know, as we think about (LaRhonda speaking indistinctly)

Alex Bogin: Oh, I apologize.

Bud Compher Oh, I was just gonna agree with Vanessa. I think that within that rising market, you know, the pressures there, NeighborWorks provide some down payment assistance. So, what used to help and be really effective in, you know, previous market prices, as those continue to climb, so does the down payment assistance needed to make it affordable. And so, some of the fundings from the AHP is part of that, the gap that used to be, you know, 20,000, 30,000 went a long way, now it's like 70, 80,000 to really make an impact and closer to 100,000 this last year. And so those are harder to come by certainly as it relates to bringing down payment assistance. And then there's, you know, just the partnerships, and Vanessa mentioned, as we're looking for those partnerships that are also trying to invest and make some great automated advancements in this high-cost market, that has become even more important and more relevant into the conversation in utilizing those funds in the best way possible.

Alex Bogin: Michelle.

Michelle Griffith: Thank you. Our market has always been a high-cost market. We're not emerging. (laughs) Yeah. And if I could rewind the clock and look at what our community could have done in order to be better prepared for where we are now, I would ask funders and Brady, you as well, as we work as a partner with

IHFA regularly, to take a hard look at allowing programs to serve higher income categories, because what happens is now you have this growing group of people who can't afford housing and many of them earn too much for typical programs. Typically, you're looking at 60% of AMI for rental housing, 80% of AMI for ownership housing. And we're finding in our community households earning up to 150 or 160% of AMI are priced out of the market, both for rentals and for ownership. And so, finding a way to reach those households, which you can do with less money, to Bud's point, you can help more households with fewer dollars, but more importantly, you stop them from falling off the ladder, if you will, and compounding their financial problems. - Thank you.

Alex Bogin: Caleb.

Caleb Roope: So, the challenge is for the people, the people renting, owning homes, getting priced out of the market, having to commute longer distances. So that is the challenge. That's where the front lines of the trouble are. But I see it is the opportunity also because the conversations are everywhere. Finally, there's policy makers, politicians, elected leaders that really are hearing from their constituents, and everybody knows somebody that's having a housing problem. So quite frankly, you hate to see things get to this point, but on the good side of things, there's people and momentum, and, you know, and activity now that happens in Idaho as a result of this, in fact the legislature here in Idaho passed a bill basically allocating 50 million of funding for gap financing for affordable housing. Okay, Idaho was the last state in the United States to do something. They were the only state that didn't have any state-based programs to support affordable housing, rental housing in particular, and now they do. Used some of the coronavirus funding to do that. And so, it starts as the basis on which we can build, but it did take the challenges we are in to produce the conversations and the narratives, so the action finally has taken place. And that to me is what to be optimistic about. Thank you.

Alex Bogin: Brady.

Brady Ellis: Yeah, thank you. Just a quick follow up to Michelle's comment, which is that, you know, and also to Caleb's, we don't have any type of regular reoccurring, you know, state resources dedicated to affordable housing development. We rely primarily on federal programs, things like Low-Income Housing Tax Credit HOME, Housing Trust Fund. I think we're all familiar with those. We're primarily, with those programs, targeting income levels of, in some cases up to 80%, but more 60% AMI and below. And so, seeing some of the questions coming into this conversation and just thinking about what some of our needs are. I think, to Michelle's point, we need some type of resource and whether that's the Federal Home Loan Bank or otherwise that's really targeting above the 60 or above that 80% AMI up to 120% or whatever that income range might be, to where it's easier to get into home ownership, that we have a gap there. I don't think that's uncommon or unique to Idaho certainly. But I guess as it relates to this question, if I had a recommendation in terms of programming, it would be that, is some type of more targeted resources.

Wes Jost: Thank you. Just to build on what's been said, I think in my purview of it, there's a debt stack and a capital stack to all of our projects. And I think the costs having risen as they have, I think one of the areas where we can look more into, and Caleb alluded to some of it, is on what I'd call the capital stack, which is the area where how can we make more impact, whether it's through land trusts, or whether it's through gifting, or whether it's through grants or whether it's through some other vehicle, that we focus on that, because I think the debt stack is important. I think there's lots of variables and nuances there that we could probably improve upon, but I think the capital stack is an area that we need to make sure that we pay as much attention to, if not more.

LaRhonda Ealey: Very good. And since we've heard from just about everybody on this round, wanna hop over to Dutch and give him an opportunity.

Dutch Haarsma: Sounds good. Thank you. Appreciate it. I do want to, you know, to Caleb's point here, I think one of the largest challenges we have, and Brady as well, is that we generally only have limited tools in our toolbox to do affordable housing production here in the state of Idaho. And that's true of many places in the Intermountain West that have low populations and low tax states. We don't have local public investment. This is the very first one that we've seen, and we've been fighting for it for a long time, Caleb, but I'm glad to see that it finally has come about. But frankly we need more public investment at the local level into these projects. They're increasingly becoming more expensive. What used to work 10 years ago simply doesn't work any longer. We need more public investment at the local level to make this work. We also need folks like the Federal Home Loan Bank. AHP is the largest private source of affordable housing finance in the country, and it is a great tool. We need more of it in the end, and especially in states here in the Intermountain West that don't have a lot of public investment at the local level. We can't simply rely on federal sources any longer. It's just not enough to get this production done in a fashion that we need given the population growth we've seen here in the Intermountain West.

LaRhonda Ealey: Vanessa

Vanessa Fry: Yeah, I just wanted to build off the local investment comment. And I mentioned this earlier in our smaller meeting that Idaho has a limited toolbox, and our toolbox is full of mostly carrots and not sticks. One of the challenges is for investment at the local level is that local jurisdictions have their hands tied a bit about their ability to increase any revenue and specifically targeted toward housing. So, it's not mandated as I'd mentioned, at the state level for local jurisdictions to deal with any sort of housing issues, whether it be homelessness or housing affordability. And so therefore their tax structure isn't really set up to raise enough revenue beyond what their mandated services are. So, in Idaho we do have that option in some places, like in the communities that Michelle serves, what's called a local option tax. And just to (laughs), just to give a little brief on what that is, essentially allows resort communities in the state the option to go to the voters and say, will you let us tax these types of things like hotel nights, or alcohol or rental cars and we'll be able to use that money for these types of things which you have to ask the voters for. Recently, the City of Ketchum tried to go and include housing as one of those options for local option tax, and that did not pass in its first round. And I'm sure Michelle's gonna say something about that. But going back to it only being allowed in local jurisdictions that are considered resort towns, the rest of the communities in the state can't do local option tax. And so, if we are gonna say to local jurisdictions, we want you to participate at a higher level, you know, their only role tools if they have funding in the general funds use that or perhaps offer up some of their land as we're seeing the City of Boise in creating their own land trust.

Alex Bogin: Michelle

Michelle Griffith: Yeah so, the local option tax initiative which failed in Ketchum was an additional 1%. So, it wasn't changing the pool of things that local option tax can address exclusively, it was also adding to it. That could have been the sticking point. It's also a pretty high bar. It has to pass by 60% of the voters. So, it's not a majority, it's a super majority vote. Those initiatives are coming back in May, both in Ketchum, and Sun Valley and in Haley. So, we'll see.

Alex Bogin: I'd like to discuss, really look at, have certain segments of the population here in Boise been impacted more than others, and maybe we could start with Caleb.

Caleb Roope: Well, the lowest income folks are the main folks suffering now, and you can kind of see it with another category of people that have been renting in our city for a long time. And the owner of the rental home, let's say, decides to sell because they can make 2, 3, 4, $500,000 of profit on a property that they bought for 100,000, you know, 25 years ago. And the choice for that renter now is basically to move out of town, maybe leave the market entirely, but move to, you know, 30, 45 minutes away where something's more affordable. So, one of the major complaints that we see in the City of Boise in particular is folks just getting priced out of being able to afford to live here anymore even though they work here. So that to me is the biggest impact so far. The influx of people from the coastal markets, the West Coast, into our community is substantial. And they have come with their profits, their earnings from the sale of their homes in the Bay Area of California or Los Angeles area, and they can easily pay cash for a home here in the Valley. And the competition, I mean, at the height of the market, I mean, there would be a house for sale, and there would be 30 offers at above asking price. and that was the market for quite a while here in the Valley. And so, you know, you have that dynamic going on. So that pressure of those resources and those people coming to our town and really bidding up the price of homes has made a major impact on really everybody that's, you know, kind of 80% of Area Median Income and below and they just can't afford to live in this town anymore.

LaRhonda Ealey: I'm gonna jump in and ask about your homeless problem. You know, in my initial tour of the city we didn't seem to see any or that was noticeable, but is that an issue here? Could someone speak to that?
And I know, Bud, but you have something to chime in so you can maybe start with what you were gonna say as a follow up and then we can pivot into-

Bud Compher: No, I think I was gonna end up there as it relates to, you know, who's affected, you know, homeowners, the taxes have gone up for those on a fixed income. And I think specifically to some of that, what is the trends that we're seeing is we're seeing more seniors a part of a homeless situation, which previously wasn't the case, you know, five years ago, let's say. And so that market price has affected folks there and certainly as it relates to first time home buyers, that unachievable price point, you know, affects home ownership. And you look at just the growth that's happening within the Boise market, you know, we're at 1, 1.3%. And to your point earlier, you know, outside Boise is in that 13 to 15% growth. So that's where everything, you drive 'till you can afford it and, but the service for homeless housing is really in the core. And so, you kind of have two flows of traffic as it relates to those affected.

Vanessa Fry: I can, sorry.

LaRhonda Ealey: Oh, you go, that's fine.

Vanessa Fry: I can speak to homelessness here in Ada County, and, I mean, Brady could add to the balance of state, I guess, on the homelessness issue. And a lot of my work in the state has been around housing, but specifically homelessness here. And we have seen a growth in first time families experiencing homelessness or first-time households, right? And we have seen the number go up in the last couple years. We did see a dip in the last year as far as quantitatively the raw number. But I think the concern is those households that are experiencing first time homelessness and why is that happening? And I think that question about rent that Caleb was talking about, I mean, I think we're seeing that a ton, of people getting priced out or simply informal evictions, right? So, they might not have done anything wrong, right? They paid everything on time, but they're evicted because of the turnover to a new owner. We, Idaho Policy Institute just finished our Eighth Annual Statewide Survey, and one of the questions we asked is with the renters that we surveyed, if their rent had gone up in the last year, and this is specific to the whole state, we have a Treasure Valley survey that we are not finished analyzing yet, but when asked across the state, 65% of renters said that their rent had gone up in the last year. And I imagine once we get that number for Treasure Valley, that'll be a much higher amount. 39% said it went up a lot. Nobody said it went down, (laughs) yeah.

LaRhonda Ealey: Brady.

Brady Ellis: Yeah, I first appreciate the comment and question of just bringing up the topic of homelessness. That's my area that, you know, work into a large degree. We, Vanessa actually has a copy there sitting in front of her, but we produce a report every year, just state of homelessness in Idaho. So, you know, there's data out there on that. We try and educate and bring awareness to it. You know, the fact that you may, I don't wanna say not see it, but you know, nearly as much as other large cities for sure. You know, we have the green belt and so there's the ability to be hidden along the river. If you're talking, you know, specifically here in Boise, we have places like Twin Falls in South Central Idaho with a large canyon just outside the city and even just kind of desert, you know? Or you could go up to Coeur d'Alene and right behind a retail store you've got woods and an encampment there. so, it exists, it is there. It can be hidden at times. We've certainly, here locally the city's made really good strides in terms of their response and dedication of resources and programming towards homelessness, so that's been helpful. When we look at the data we have seen over time, those that are unhoused or on the street, kind of literal homelessness, literally homeless going up. We are seeing the total number of homeless going up. For the first time in a while, a figure that's in that report there is showing just causes of homelessness. And so, it used to be domestic violence, was top of the list, and that's been now kind of outpaced and overshadowed to a large degree by just people that cannot pay their rent. So that's their leading cause that's self-reported in the data that we're collecting. So, there's definitely some shifts there.

We do see a pretty high number of those coming into our homeless systems with a source of income, right? So, our first-time homelessness is going up, income held, you know, that percentage of households is high. So, it really is a matter of just affordability and not being able to stay, you know, on top of things.

LaRhonda Ealey: Okay. Caleb.

Caleb Roope: I would just offer that Idaho, really, the Treasure Valley here has a homeless population that is in the domain of manageable but on our way to potentially eliminating it. And there's a massive effort that local stakeholder community folks have come together to try to raise capital to improve our supportive services network. Boise State University, thank you very much, Vanessa, has been instrumental in sort of making the case, the business proposition for what permanent supportive housing can do in terms of saving taxpayer money, hospital money, criminal justice court money. You just have a whole realization of the issue. And we have these coastal markets: Seattle, Portland, Los Angeles, San Francisco 2.2. So, they are serving as our herald or warning to this city to step up and deal. We completed a number of years ago, Idaho's very first permanent supportive housing project. You know, within the last seven, eight years this has been done. A second one's on the ground now. Thank you very much to the Federal Home Loan Bank for assisting that project financially through the AHP program. But, you know, we are very much starting to build the infrastructure and capabilities to tackle the issue, and we have great stakeholders and great partners. Unlike some places we have no services money, so the services money is privately funded by hospitals, or by the counties, by the city. So that's the challenge we have. And the services, you know, are the key. I mean, we can build a great asset, finance it, get money from Idaho Housing Finance and Zions and Wes, but at the end of the day, you gotta have capable actors that can take care of the resident population and really meet their needs so that they stay housed. And that's what we're building here in Idaho now in the Treasure Valley in particular, and it's making a difference. So, we have something that we can... We have not passed that point where it's totally outta control and you really have no hope of solving the issue. We are in a situation where we can solve it and we're committed to solving it and we have lot of people coming around the table to make that happen.

LaRhonda Ealey: Vanessa.

Vanessa Fry: And I'm so glad that you said that Caleb, cause I totally agree we can wrap our arms around this issue, and I think many of us at the table are, if not all of us, right? We don't have to go down the road of having encampments all over the place and in a developed country; that's completely unacceptable. We can here do that. And I do believe that we can get to a place where we have housing that's affordable for all regardless of income level. And I just really appreciate everyone's engagement in the conversation, specifically the private sector.
And to the research that Caleb pointed to regarding the return on investment, I think that's really important to consider, whether it's a household experiencing homelessness or someone in housing and security that's having to hop from one place to another. If you think of the school districts and the number of children experiencing housing insecurity and homelessness, the investment for housing security for them is really a long-term economic investment

for our state, right? Those youth are gonna be better equipped to participate actively in the economy if they have a stable upbringing in a home and remain in the school system. So, and New Path Community Housing is the project that Caleb pointed to, the first permanent support of housing project in the state, is literally saving taxpayers millions of dollars annually.

LaRhonda Ealey: Thank you. Michelle.

Michelle Griffith: I was going to piggyback on Caleb's point about supportive services. So, there are very few options for financing supportive services, and that's critical. Additionally, Idaho is largely a rural state. In Boise the problem is financing supportive services. In many other jurisdictions, the problem is even having the supportive services and finding people who have the skillset and the training to support certain populations. and it costs more to deliver that in a remote area, because now you're talking about hiring a very skilled professional who can provide counseling or case worker skills and they can't afford to live in the community either.

Alex Bogin: This has been fantastic. And I guess I'd like to turn to, so we've talked about several of the challenges, several of the groups which are very much affected by this emerging high-cost area. So, for the communities you serve, what would you like to see? What does affordable, equitable, sustainable, and resilient housing look like? What our financial institution is generally doing to promote that? I'd like to start with Wes, please.

Wes Jost: Sure, thank you. I know one of the things that we continue to look at is ways to lend into the affordable housing space, and that might be below market rates, that might be more flexible repayment terms. We're always looking at our policies and what we can do there because as a regulated institution we have to make sure that we conform. But given latitude, I think we've made a lot of progress. I think the one thing that we're also looking at is partnering maybe with other institutions to leverage some of that need, again, going back to the debt stack, and to figure out, you know, how could we maybe expand the pool to be able to make that credit more affordable. That being said, I go back to the cost equation and there's still something that we need to do with the capital stack to help with that. And maybe institutions could consider but I know folks like Dutch and other CDFIs are a critical component of that, and I know they did a wonderful job helping promote that and continue to create efficiencies in that space.

Alex Bogin: Actually, that's perfect segue. Dutch, would you care comment?

Dutch Haarsma: Sounds good. Yeah, and thank you, Wes. And we do rely on, you know, CDFIs or Community Development Financial Institutions play in the space between what a government entity can do and what the private sector can often do. We are typically not for profits, but we have a world, one foot in the non-for-profit social justice world to build affordable housing, but we also have one foot in the Wall Street, bring the capital stack to these types of projects in the end. So, we have a unique position, we play on both sides of the equation to get these projects done. We rely heavily on banks, they're the primary investment source, they're the fuel that makes this work for us. They invest in us, and we take it and risk it, you know, lend it into these transactions probably at a little higher risk than a bank can or is willing to or can do as a financial institution, as a regulated financial institution. We need more of that. We need more banks. You know, CRA is the motivation for why they invest, or the Community Reinvestment Act. There have been some changes to the Community Reinvestment Act. Hopefully it's strengthening. But I think frankly at this point and given how long we've done some of this work with banking institutions, many banks are beginning to realize that they're doing this not as an obligation, but as an opportunity, as a good strong, solid business line. And I think we're getting to that scale right now, and more and more banks are beginning to realize that this is a good profitable business for us to be in. And I think that's important. There has to be some market driven motivation, and part of our role as CDFIs is to continue encourage private market investment into these kinds of transactions because we'll never have enough public subsidy to do this work. So that's our work, you know, the Federal Home Loan Bank has been instrumental in driving some of that capital as well. We'd like them to push a little harder, to be honest with you. There is more need for capital in the marketplace, and especially in times like this where we've seen 200-250 basis points increase in interest rates, that financially means your projects oftentimes are less feasible. So doing it in a way that can help absorb some of those shocks on interest rates, doing them on very favorable terms that work for community development and being bottom-up in their approach as opposed to top-down in terms of rulemaking.

Alex Bogin: Thank you. Bud?

Bud Compher: Yeah, I agree with Dutch here. The CDFI, we're mission driven. What we do is very focused on trying to fill in that gap as it relates to what traditionally probably wouldn't be the best investment but that is where we wanna engage. For us, we kind of track those federal funds and the leverage that we can bring to the table. And for NeighborWorks this last year, for every dollar of federal funds brought to the table, we were able to find $36 to go with that. And that doesn't sound like a lot, but we couldn't be in the subdivisions or the communities that we're in and within the areas that need reinvestment if it wasn't for that mission mind or mission focus. And then it's how do we make best use of those funds once they are received. And for us this last year started a housing trust and so provided the opportunity, we can't build our way out of what we're in right now, we recognize that, and we have some amazing builders in our community that are doing the best they can with the resources that they have. So, it's a combination of building how do we rehab and keep what is affordable, and safe and healthy for those families living in it and then providing that housing trust model to whatever is brought to the market, how do we sustain long-term affordability. And that really is where our housing trust and many, they all look at that as a one-time public investment that creates long-term affordability and making best use of those funds is part of, I think the challenge, the excitement of that. I mean, I get excited thinking about the next parcel, or who can be the players and what does this look like and getting to know the community around this and wanting to build something that fits that community and then houses those local families that may be the son or daughter of somebody that lives up the road, how do we create just real solid housing for the future as well.

Alex Bogin: Michelle

Michelle Griffith: Thanks, so Dutch mentioned CRA as the motivator for many financial institutions to support affordable housing. And the changes in that program I think will be helpful. It expands. I'm hopeful, Dutch. I think it's gonna work. (Dutch laughs) I mean, but that is an opportunity for the Federal Home Loan Bank as well, so incentivizing your members in a financially incentivized way to participate beyond the earnings from the Federal Home Loan Banks that go to housing. And the small member banks can have a tremendous role, particularly in small rural communities.

LaRhonda Ealey: Thank you. Michelle, I wanna stay there for a minute on the small rural communities. And you talked about it some in the beginning, but are there any other challenges because from my understanding, Idaho is a mostly rural state, and I suspect that the challenges that Boise is experiencing due to its recent population increases, will likely kind of blossom or, you know, balloon out into the rural area. So are there any other challenges or issues in your rural parts that you would like to highlight, as well as any differences in what resilient and sustainable affordable housing would look like in that area? I know, Bud just mentioned the land trust, you know, is that something that would work in your community, or, you know, are there other options that you would look to or ideally think about?

Michelle Griffith: Thank you. The land trust model does work. Our organization, I believe, was the first community housing land trust in Idaho. And it is in those high-cost areas where you're very quickly motivated to do that because pulling the land out of the deal, which is the underpinning philosophy behind a land trust makes a significant difference in terms of affordability. The isolation of small rural communities is something to consider, and also the size of the deal. So oftentimes scale is what helps you to get to affordability. But in a small rural community, trying to build hundreds of units in one place is just not feasible. That doesn't mean that there isn't need, it just has to be financially feasible to do smaller deals. Even four four plexes can make a significant difference in a small rural community. And as you also mentioned, the spreading of the issues that Boise is seeing will matter in places like Mountain Home, which isn't very far away, but we'll start to see some of the impacts of housing unaffordability in Boise. The other feature that is contributing there is the work remote ability. So now in addition to the folks that Caleb talked about who are cashing out of their market, they're cashing out of their home, they have a lot of equity, but they haven't left their job in San Francisco or L.A., so their income earning is also escalating the problem. And a lot of them are coming to our small community, right? You can ski for an hour at lunch, and take a meeting on the gondola and, I mean, it it's significant.

Bud Compher: I want to join her at work. I wanna do that.

Michelle Griffith: I don't do that. Other people do that.

Bud Compher: No, I'm teasing. (laughs) No, no, and Michelle's ARCH has been just a pillar for us, I mean, as we've looked at Housing Trust. I was just gonna mention I grew up in rural Idaho, and you're talking about the pressures that really, they can feel, you know, the growth is going out. And now the small town I grew up in was affected by just capacity, I mean, the water, the services that could be provided for this new subdivision. In some cases, I built in the first subdivision in the last 35 years, didn't even have, you know, water meters. It was like, "Yeah, you're

good." So much a month, we were all right. But that is changing as these smaller communities are being faced with 15, 16, I would say that's even higher rate as it relates to just the local communities. And that's asking a lot for those small communities to find the resources and the grants just to be able to provide services, not to mention some of the feeling that starts to change of that small community and what does it look like now as they grow, as large industries come into the side of a small community. There is a challenge and I think obviously housing is a piece of that, how do we create and continue to create. I had a percentage here that Idaho's, they've had a 1.8% increase. That's the second largest increase behind Florida across the nation. So, there's the influx you wouldn't wanna be... So, the lowest, the 51st state is New York,
They have a negative .9%. So, I guess we're on the right end of that, but it's causing, our rural communities are really affected by that. And rural communities is where a lot of our farming happens. This is what Idaho is certainly known for, and so how do you protect that farming investment?
How do you create housing then for the farm workers? Caleb's doing a great job at that, but more is needed, and it does look different. It's a different approach for a real community.

LaRhonda Ealey: I think, I just wanna before, As, Bud, you gave a great lead in, I think, to what was brewing in my head for a follow up question. You know, with the population growth that you all are experiencing. I mean, and I've heard it and we talked about it earlier, there's also some accompanying economic growth, you know, with some major tech companies, et cetera. And so, I would assume you would expect an even larger increase influx in population. How are your local, and I wanna, Wes, start with you so I can get your, you know, thinking going, but how are your local communities' residents feeling about this? Are they a part of it? Where does community development fit in, you know, with this emerging economic development? Are they being included because, you know, with the picture that we wanna paint of resilient and sustainable housing, again a part of the sustainability is making sure that I think that everyone has a chance, an equal opportunity to participate in that economic growth? And you definitely have shared some of the community development challenges, right? With the supportive services. But how are our local residents? Are they a part of this emergence as well in this growth?

Wes Jost: I think they are to a degree. To put some numbers on it, I think the last research report that compass here local organization did is our Treasure Valley MSA is about 750,000 people and that growth for 30 years out, so 2050 is supposed to be at over a million. So, if you think about where those people are going to go and then you think about the economic drivers in the news and in the expansion of Micron, and the jobs that that brings to the market and the ancillary services that that brings to the market, I think residents understand and feel somewhat included in that. But where I think, and we haven't touched on this, and thank you for teeing it up because I had it in my head, the words density.
And one of the things that we struggle with is density and trying to figure out where it goes, how it goes and then the acceptance of it. And one of the things I could look at is just here in our own city of Boise, is we're looking at rezoning and creating some of those opportunities. But I think that's gotta be part of the solution, it's gotta be part of the inclusivity of realizing the growth is coming.

So, we can't do anything about it, it's we should do something about it, and we should address it. But I do think it's a real challenge and I do think density is part of that solution.

Alex Bogin: Vanessa.

Vanessa Fry: Yeah, one of the questions that you asked was regarding how the communities feel about it, and I've got a little information on how people feel about it. So, our annual statewide survey that the School of Public Service does at Boise State, we've asked for the last couple years: do you think Idaho is growing, you know, too fast or too slow essentially? And about 70% the last two years have said that the state's growing too fast. But when asked if the state should continue to invest in economic development, even if that means like we're still continue to grow too fast, 60% of people say, "Yes, you know, continue to do that economic development investment even if that means like this growth rate that we really aren't that tolerant of." So, there's this kind of, I think, balance between what people, you know, people have this sense the state's growing too fast. The people that have lived here longer, long-term residents think that more than the newcomers, we consider newcomers to be 10 years or less, probably cause those newcomers are contributing to the growth, right? So, but you know, there's this kind of rural-urban issue going on, this newcomer kind of older, I shouldn't say older, more tenured residents here in this state. So, I may really feel like this juxtaposition about who we wanna be and who we are and how the culture of the state might be changing based on the newcomers coming to this state. I just wanna like asterisk something that maybe we can come back to. It's a little bit out of the conversation now, but we haven't mentioned our tribal nations in the state, and I think it's really important for us to recognize that we do have tribal nations that have severe housing issues and have forever, really, I mean, we won't go into it. But I think that we need to think about how do we allow all communities the opportunity to have access to capital and that the needs of communities are just as unique as the needs of the individuals within them. And so, when we create policy opportunities, how are the communities able to suit them for their needs and not just be given what the federal government thinks might be best, right? How do we include all voices in the conversation?

Alex Bogin: Really there are kind of a multiplicity of approaches and you're saying it should be kind of community driven
in terms of what is best for particular

Vanessa Fry: Yeah, and I think Dutch said that, you know, how do we do it kind of grassroots from the ground up? And of course, we need that conversation, you know, we can't do it on our own. We need the conversation with the regulators and with the people that have the capital, about how do we have like an inclusive opportunity for people to participate in that conversation, particularly those underserved communities.

LaRhonda Ealey: Very good, thank you.

Alex Bogin: Brady.

Brady Ellis: Yeah, just maybe add a little more flavor to what Vanessa's talking about. Idaho's, you know, growing, changing, but, you know, we have been very rural for a long time, still are in a lot of places and ways, but those places that are growing, I mean, you have people who were small business owners, entrepreneurs, self-employed relying on employees to run their businesses and this, you know, economic growth and development brings in some larger corporations, wage opportunity and it can affect some of these smaller businesses in drawing their employees, their workforce away. And so, I just point that out as a challenge and something that we see and hear and is difficult. I don't know what the solution is. I mean, I agree, we want to support and think through and work through growth in a thoughtful way and allow for that to happen, support that, but just do it in a way that, you know, we're cognizant of the effect of that, yeah.

LaRhonda Ealey: Michelle then Bud.

Michelle Griffith: So, you're right, the influx of higher income earners to our community provides economic growth. One of the ways to ensure that you don't have this us versus them happening, the more tenured resident against the newcomers is to ensure that everyone can participate in that economic growth. And that gets to what Brady was discussing, finding a way to ensure that the benefit of the economic growth is felt by everyone and recognized by everyone. Sometimes it's just a matter of a campaign that explains it to everyone. Flexibility was also something I think that Brady touched on. And we see this with the Des Moines Bank, which has a very large territory for a Federal Home Loan Bank. And ensuring that there is a way for the wide diversity in our bank system to allow for everyone to at least participate equally. That doesn't mean that everyone gets the same amount of money. There's a difference between equal and equitable but ensuring that the scoring criteria and the manner in which organizations can apply for the money is such that the unique identities of areas can still participate is important, without a lot of cost. So particularly in a small community with a small organization like our organization, we're in a position where we're having to find a way to hire people to manage the reporting and the capacity of the money that we're very grateful to have, but the re ongoing reporting requirements and the oversight, and I appreciate that I'm talking to a regulator (laughs) as I say this, but just ensuring that the oversight doesn't drown the program itself. It's a huge expense for a small organization in a small community to ensure that we're following the regulations. And that doesn't mean no regulation, just maybe considering ways to not have the regulatory framework overshadow the good that the funding does.

Bud Compher: Yeah, I agree with that. Spoke with NeighborWorks' Pocatello, Mark Alquist, last night. Just they do a lot of rehabs in the Pocatello market in the last three years leveraging, you know, 80 rehabs with AHP funds. So, a significant amount for that community and the burdensome as, you know, regulation side and getting details on each of those homes is daunting and probably one of the hardest things, rather than just rehabbing the home and providing the documentation that it has been done. And I understand that there is a need there and so does he, yet at the same time it is a burden, and it is a heavy lift for organizations to follow up with that. I started with Wes, so I wanted to chime in a little bit a about density. And I think that that is a cultural, local anyway, shift for much of our communities, easier, maybe more accepted. And we've done a lot of work in Garden City. They're pinned in, kind of surrounded by all kinds of, you know, borders between the local larger communities. And so, they've had to come with smarter and try to do better developments within their area they can't grow really as a city. And I think they've done a really good job doing that, but sometimes unlikely, or at least I was surprised, they're in Nampa as we sat at the Planning Zoning and then I sat in the Council, as they looked at creating a better path forward from Nampa to the Boise River and kind of redesigning what does zoning look like as they grow and being more smart, little smarter developments, purposeful developments, there was an ally there as farmers around the table, you know, really pushing back and advising the city to say make what property you have within your city or close to your city make better use of that, leveraging density to save the farmland and the jobs that Idaho is known for. And I appreciated that from that perspective and the response from Council that did pass. And then I guess I had one other comment that we might have to come back related to the tribal communities and it's what we can do with them, not for them, and have had some good conversations around that. Much of the resources they have are on their tribal land, but as soon as they step outside of that land, much of those resources are lost. And so that is where, at least from NeighborWorks perspective, how do we help support them when there is some other things outside of their land and within their land that they'd like to do and provide for their travel communities.

LaRhonda Ealey: Thank you. Caleb

Caleb Roope: Just briefly, Michelle mentioned the compliance, and, you know, there's a whole conversation to have around cost and we should have that today because there's a lot to say about that. However, as the compliance, I'm here today in the spirit of what can the Federal Home Loan Bank do, which I think is what you guys are after. Well, redundant compliance is one of the things that you guys could eliminate. If you have a tax credit finance building, and Idaho Housing Finance Association is already doing compliance monitoring, why does Michelle and her team have to go and do more compliance for the Federal Home Loan Bank when Idaho Housing Finance is totally capable of doing it and they're already doing it anyways? And, you know, I do a ton of policy work and in California where we do a lot of work, there's local funding, there's state funding, there's federal funding, and there's this redundant compliance that's just happening and burdening the property management companies and the sponsors with having to continue to do the same reports or different reports with the same information. And it's just, you know, it's an administrative burden and it takes their staff time where they could be working on taking care of residents or doing the next project. And so that's an area where you guys could be really helpful is to eliminate that when you already have a sophisticated agency doing compliance work. I strongly encourage that as an action item to consider.

LaRhonda Ealey: Thank You. Dutch.

Dutch Haarsma: I concur with all three of this side of the table in terms of this issue. AHP is a great program, it provides a great deal of capital for these projects. It is unnecessarily burdensome for no reason. I think as it's been mentioned, there are plenty of compliance that already happens on these projects. I think there are lots of proxies one could use and that's both on the once it's award, but also the awarding process and the scoring system. It probably doesn't need to be this complex. In the end, these are grants that are disguised as loans, is what most of AHP is. And I think it should be treated much more like a grant and a little bit easier to use both on-ramp, ongoing compliance, and off-ramp in the end. I can also say as a Federal Home Loan Bank member, there are some compliance challenges for us as a member and a sponsor of these projects that in many cases on small banks may not want to take on that compliance burden to sponsor an AHP application. And that's especially troublesome here in Idaho where we have a number of small banking institutions, and we need to rely on those smaller banking institutions to sponsor these projects. So, I think even from the compliance standpoint and the ongoing obligation of a financial institution through the life of an AHP transaction should probably look to be streamlined. I don't think it needs to be this complex. I don't think it means eliminating regulations or compliance, but I think it means this is probably a good time to look at streamline, because it's gotten very complex, and I don't think it's in the best service nor the spirit of what AHP is all about.

LaRhonda Ealey: Thank you for those insights. And so, you all have, again, created a great segue to what was already on paper for our topics, which is the current role of the Federal Home loan Bank System. And so, one of the things we've heard of is of course the more AHP when we've heard that across many roundtables as well as the compliance burden. So, you know, that is definitely noted. What role do you think the Federal Home Loan Banks could play in supporting an emerging high-cost area such as yourself? And also, and I'll start with you Dutch, can you speak more specifically and provide more color around the impact that the Federal Home Loan Bank System is currently having in addition to AHP to promote affordable, equitable, sustainable, and resilient housing?

Dutch Haarsma: Sounds good. The Federal Home Loan Bank was designed to be a liquidity tool, to help financial institutions lend more. And I think they still do that largely in most areas. For us, we are an active borrower for the Federal Home Loan Banking System. It provides a very critical source of capital for us, and it provides something that's very difficult for me to get, which is long-term fixed rate capital. That's extremely difficult to find in the marketplace. Many of bank investors have a challenge making those kinds of investments. And the Federal Home Loan Bank is one of the few institutions I can go to and say, give me a longer term such that I can lend to Caleb, to Bud, to Michelle on the terms that they need to do longer term projects. So, it's critical that that liquidity tool stays in place. I think the challenges we have as a user of the Federal Home Loan Bank System are two things. Number one, we have to take haircuts. So, we have to pledge collateral when we borrow from the Federal Home Loan Bank, I have to pledge a loan to do that and I take a discount on that loan somewhere most federal home loan banks are in the 70% range, so that limits my ability to lend. If I have to over lateralize a loan each time that I need to make one, that means I'm gonna be able to have less capital to do these kinds of projects. So, I think we need to look at the haircut a little bit. I think it's probably unreasonable given the level of risk that the Federal Home Loan Bank is taking on these transactions. They tend to perform actually better than the private sector and affordable housing. And we've had, you know, trillions of dollars of transactions over a 40-year history now that can demonstrate quantifiably that these are pretty safe investments in the end. So, I think my ability to advance have higher advance rates is critically important from us and all CDFIs. That's a big stumbling block for us right now.

I think the other challenge that we have right now is pricing, and that's, you know, a reflection of the interest rate marketplace right now, you know, know, to be frank with you, I can't borrow capital and lend it on terms that are acceptable in the community right now because the rates are simply too high. I can't borrow it close to 5% interest rates right now for a 10-year draw, that's simply just the math doesn't work because I can't lend it out, I cannot pass that along in the community development market like it can be done in the private sector. The community development space tends to lag the marketplace in general and rates go up a little slower and they move down a little bit slower. And many of these projects are multi-year, so for me to raise rates now would kill a project, and I simply can't do that. And I understand that this is interest rate-driven and that is a challenge, but I think there should be some curbs or some ways to try and manage that interest rate risk for CDFIs so that the capitals can come out at a lower rate so that I can in fact keep these in these projects which need cheaper rates now more than ever. I mean, they're being faced on all sides between higher cost to build something, supply chain that's still fairly broken and much higher interest rates. This is probably one of the most difficult times to build anything in this country and higher interest rates are exacerbating that. So, I think some way to think about how we can control that or ramp it up or do it in ways that work so that I can continue to borrow at advance rates that make sense for these projects going forward.

LaRhonda Ealey: Thank you. Bud

Bud Compher: Very small comment cause that's just knock that out of the ballpark there. And now is the time to lean in, not the time to pull back and say, no, I don't know about what's happening. You know, now is the time to find those mechanisms and to make that change so that long-term we can continue to develop and continue the conversation that we've had around the table. And I don't have a feeling that you guys are in that position to, you know, let's throttle this back. But there needs to be more investment certainly, and now is the time, really believe that.

LaRhonda Ealey: Brady.

Brady Ellis: I agree with both Bud and Dutch and won't rehash any of that. And I'll just say, so a role not, you know, the role of the bank, I think could be or should be just helping states and communities maximize their resources. So, we talked about, you know, limited resources being of a federal nature to a large degree, and despite that, still have some resources that are hard to deploy because there's still gaps in financing. We're not able to pair them with other capital resources. So as an example, Caleb mentioned the $50 million that the state of Idaho appropriated for this fiscal year. The IHFA is administering, and we've made awards on those. So, about half of that money is producing about a thousand units. I would say, I don't know, 97, 99% of those are affordable units.
So, there's just a handful of market, you know, units in there. So, we're probably gonna do like double the amount of units that we originally thought we were going to with that money. Because we're able to pair it with our like 4% tax credits, the financing gap on projects is big there and we haven't been able to just fully maximize and utilize all of that resource. So, all that to say,
any opportunity to come in with additional resources that compliment what we have and allow us to fully and effectively use what we have.

LaRhonda Ealey: Michelle.

Michelle Griffith: I just wanted to provide some bones around the points made by Dutch and Brady with respect to the gap needed to make a deal work. So, in our community, when I started, I don't know, I'm not gonna say how many years ago actually, (laughs) we just needed free land and then any of the federally funded programs worked. About a year and a half ago we needed free land and $50,000 a door to make a deal work, and now we need free land and 75,000 to $95,000 a door to make a deal work. And so, it's, Bud's point, it's a challenge, right? Additionally, most scoring criteria for financing incentivize the developer to put as little money per door as possible. And you can understand the rationale for that, right? You want the money to go as far as possible, you want the developer to be as efficient as possible, but what you're doing is making it more difficult for the deal to work, and then you end up with deals that are kind of risky, right? They're not as healthy as they would be if there was enough financing per door as needed. And I would encourage the agency to consider dialing back that instinct to make the money go as far as possible and allow it to maybe go a little bit deeper.

LaRhonda Ealey: Thank you. Caleb.

Caleb Roope: So, we've touched around it a little bit, but what can you guys do? What can the FHFA do? Start thinking about everything you do in terms of cost. What is the cost to the project that this requirement, this policy objective, this idea represents? So, we, you know, we have like this effort here to produce support, it says, "Support affordable, equitable, sustainable and resilient housing." And affordable and equitable, good. When we start getting into sustainable and resilient, we start to come upon words that have a lot of meaning. And the meaning might be focus on climate change or it might be super built housing, but all that stuff adds cost to the system, to the house itself. And I've seen this from all my years of working in California, where the policy objectives of doing everything, you possibly can, to make that housing the best housing in the planet means that that housing cost 100,000 dollars more unit now to put on the ground, and that means in the affordable housing space that the 75,000 Michelle needs in California, that numbers 250 a door that you need in subsidy to make a project work. And that's outta control. It's totally outta control. And all the agencies that have influence in this need to start dialing this stuff back, especially when the building codes themselves when it comes to energy efficiency are already superior, already great, some of the best in the world. And there's no need to be 15% better or have this much more sustainable features in your building because it drives up the cost of the housing and it makes the job of the developers and the owners non-profit and for-profit harder to deliver that housing cause they need more subsidy. So that's one example. You know, everything you guys, like read every piece of paper and go, is this adding cost to the project? Whether it's the development cost to build it or the operating cost to maintain it and operate it, and that can be compliance, that could be oversight, whatever. Just one example, like I was just going off the scoring system for AHP in Des Moines, that bank. And I'm not sure how that permeates throughout the banks, but you know, there's an incentive in the system to do a project of 24 units or less. Okay, great, that's nice. But small projects means high cost per unit, it means inefficiency, it means the things that you have to pay for that are fixed costs are amortized over a fewer number of units. So that means that the per unit costs are gonna be greater and that means we gotta go get more subsidy to do those units. So why have a system that pushes you to do a small project so you can get points? Cause all us developers, when we're building these projects, you know, we're gonna try to follow your policy objectives and win the money because we need the money to do the project. But if you're pushing us to do 24 units, then that's what we'll do. We'll try to do 24 units and that means the cost per unit are gonna be high. So, wherever you can start to think in terms of what's the cost and kind of remove this Christmas tree effect of all these policy objectives being put onto housing to make it more expensive, the better off we're all gonna be. And you know, you guys could play a leadership role in this area, and it would be amazing.

LaRhonda Ealey: Thank you. I'm just gonna pivot to this side of the table then we'll come back over to you, Michelle, and Dutch. Vanessa.

Vanessa Fry: Thanks, yeah, going off of what Caleb was saying, I just had highlighted that affordable, equitable, sustainable, and resilient. And I do think that there's lack of common definition of resiliency and sustainability. So, I think even some direction in that regard, what do you mean? And maybe that is out there and I'm just, you know, not privy to it. But I think that even our local communities, that would be defined differently in a rural community than perhaps in an urban community. I do think it's important though when we think about what we're building for who and where. I think sustainability and resiliency isn't just the building, it's what it's providing for the occupant of that building. A sustainable lifestyle isn't one where someone's commuting 90 minutes to work, right? So where are we putting these buildings and how do we incentivize them being in places that actually bring down the total cost of home ownership, which should include transportation costs. We don't do that, right? We do utilities and we do, you know, the mortgage or rent. But when we think about incentivizing that, I'd love to see the bank kind of provide some direction on that.

LaRhonda Ealey: Thank you. Michelle?

Michelle Griffith: I just wanted to provide some explanation around that 24-unit size. The Des Moines Bank is largely a rural territory. We have big cities, obviously Portland and Seattle. And I think the objective there was to be sure that a small community could still participate and so a hundred units in Blaine County, Idaho are problematic. But I can understand why you wouldn't want 24 units in Boise. And so perhaps the way to address that, and we have a Des Moines Bank meeting next week, I'll bring it up when we're talking about the pointing actually, is to link the size of the deal to the size of the community.

LaRhonda Ealey: Thank you. Dutch.

Dutch Haarsma: Why don't I just bring up one kind of challenge that I run into from time to time. You know, we we're talking about emerging high-cost areas. The Intermountain West is kind of the poster child for that on the West Coast. We're seeing the in migration happen and it's, you know, Boise is certainly a hub, but many places here in the Intermountain West, too expensive on the coast. They're moving into the Intermountain West. We're seeing the same thing on the East Coast moving into the Carolinas. We work through eight states throughout the Intermountain West. So, between the two mountain ranges from Canada to

Mexico, and we lie within the footprint of four different Federal Home Loan Bank institutions, and that makes it a challenge. I'm a member of the Federal Home Loan Bank of Des Moines. If I wanna use AHP or down payment assistance sponsorship, I can do that in Idaho. I can't do it very well in Colorado. I can't do it very easily in other one because I'm not members of those banks. Now, there are some mechanisms with which to go outside of your footprint to use these programs, but it doesn't work very well right now. So, trying to fit into where I can be a sponsor in areas that I'm not a member of that Federal Home Loan Bank has been a challenge for us to engage on. And I don't think there's real clear thought. And I think many multi-state banks also face this issue of been wanting to do something in an area and they're not a member of that Federal Home Loan Bank. Many banks will do things out of their areas, but I think it's a not well-trodden path and it presents some challenge for us to go outside of Idaho to sponsor some of these projects. And this is a high-cost margin. There shouldn't be four footprints in terms of trying to get some of these kinds of programs available. And I think it's especially important for smaller institutions here that can't compete on a larger multi-state area that they may want to do more of this work. So, if there's a legislative fix to do that, and I don't know how to do that, I think it is important that we do have regional banks. I think there is local need, local capital for local need is important. And I think having informed decisions, so I'm not suggesting changing the boundaries, but I'm suggesting perhaps we can look at ways to do these kinds of affordable housing programs on maybe a larger scale or in a way that they can be used across state lines. The problem is increasingly regional, not state driven.

LaRhonda Ealey: Thank you. Speaking of that, I guess kind of in that vein of thought, what we have also heard as we've conducted these roundtables and heard from numerous stakeholders is the lack of awareness of certain programs and products that the Federal Home Loan Banks offers, especially that awareness not making its way to local banks that serve the communities and people, you know, in an area like this that is mostly rural. So as my question is, how have the banks been doing in spreading the word and what could they be doing better? And Wes, you look like (laughs), (panel laughs) you have some thoughts brewing.

Wes Jost: As the only banker on this table. I think the messaging out of what the programs are is really based on the knowledge of the bankers and, you know, what do they know? And I think, you know, within Zions I think there's a healthy understanding of what those programs are. And in our rural areas where we have some branches, I think there's effective marketing of that. So, I don't know that I could add any more to that, but for other institutions, I think there's probably room to, I guess, up the messaging or up the marketing of what the benefits are and what are the qualifications, because a lot of the folks that I think your messaging will go through are mortgage loan officers, which as you know, is a regulated position. And so, I guess that's all I can add from my perspective, and I think Zions does a very effective job of that. But I think in terms of others, we've been very focused and educated on it, so we've benefited from that.

LaRhonda Ealey: Thank you. Caleb.

Caleb Roope: Yeah, and I'll just speak from a developer sponsor perspective.
I almost get no information from the member banks about their products and services. I mean, I know AHP because we've used it before, and I know that if we need AHP subsidy, we know to go to a bank like Zion's or Dutch's bank or his CDFI and ask for them to sponsor us, like we know to do that. But beyond that, I mean, we're active in the Western United States all over, you know, 13 states we work in. I don't have any member banks coming to us, and we're probably one of the largest developers in the country, asking us and making us aware of the products and services that the member banks have that are tied to the Federal Home Loan Bank. So that's just my perspective, I mean, as a developer and builder. And I do feel like if that is a concern that it probably is the sponsors, the project developers, the ones that are gonna, you know, they're the ones that really need to know as much or equal to the banks because they're the ones driving the projects. The banks don't drive the projects, the developers drive the projects, and they know what they need to do their project, and so that knowledge for us at our level is probably more valuable even than maybe the member banks having, you know, their people knowledge about them. In fact, most of the time if we learned about something like the Federal Home Loan Bank has, we tell a member bank, they often don't know that they haven't had that product or capability, I should say, supported by your agency. So, you know, sponsorship developer education to me would be just as important.

LaRhonda Ealey: Thank you. Dutch.

Dutch Haarsma: I think there is a difference between large money center banks and regional banks, which are probably very active users of these programs. And in fact, many times are oversubscribed every single round, and smaller and regional banks that may not be in the business of affordable housing finance very often, that simply don't use the program, don't know much about it, don't know how to engage. And part of that too is this, what's my obligation as a financial institution to execute on this program? And sometimes that bar is a little too high. I think lowering the bar and the threshold for ease of use for, you know, both for the developers that use the program, but also for the financial institutions, make it easy for them to use, get the word out, make it very simple. Don't make a multi-year compliance obligation for a banking institution provides no revenue in the end. So, and that's a bit of a challenge. And I think that's easily done. And then I think it's always, we always have, you know,
we're always the best kept secret of some of the stuff that the Federal Home Loan Bank does, and they're amazing programs. And every Feral Home Loan Bank does something a little different too. AHP is the big one. Affordable Down Payment Assistance is another big one, but many of them have economic development, small business lending. There are a number of different programs that are out there to respond to local need, and that's a great thing.
I think we all have to do a better job of getting that story out.

LaRhonda Ealey: Bud.

Bud Compher: Just wanted to speak specific to the different programs across the nation, and one that we had had a chance to use for a couple years was out of the San Francisco Federal Home Loan Bank, where they provided, it was called Wish Funds, a four-to-one match. Des Moines does not offer that and would love for that to be a part of an offering that they could, you know, whether that's across the nation. But that 22,000 made a big impact as we started to create this, you know, Mitch works with us, he likes to say his wedding cake, and I've heard it... This layer of funds. We just start throwing all that we can onto this to help families, you know, get into a home. And so that consistency of programs across the Federal Home Loan Bank could be an awesome feature.

LaRhonda Ealey: Brady

Brady Ellis: Yeah, so just things we've heard a few times, maybe a little too much administratively, you know, burdensome duplicate costs, inability to meet different sized markets or projects. So, I think there's an, those are all challenges and difficult things and things we'd, you know, like to see improve, but I think it's also an opportunity to just look at partnerships and how the programs and resources are deployed, what other systems already do similar activities and how can we, you know, align those or pair them up like through CDFIs, like through HFAs. Because I think especially from the bank side, a lot of the administrative costs and activities there can likely be reduced. That cost reduction gets passed on to developers, those owning and managing properties. That hopefully gets passed on, you know, to the residents, homeowners or whoever was participating in a program. So, I guess I would just encourage some investigation of what type of partnerships and coordination can happen with other systems like HFAs, like CDFIs.

Larhonda Ealey: Are you suggesting that the Federal Home Loan Banks take the lead on exploring those partnerships?

Brady Ellis: Yeah, yeah.

LaRhonda Ealey: Good. And Michelle. And after Michelle we will transition to a short break and then come back. But Michelle.

Michelle Griffith: So, it's interesting if I'm kind of taking stock of everything which has been said, and Brady highlighted one track, which is partnerships and streamlining process compliance and application processes. And that's one track and it's important within that track where the AHP or the Federal Home Loan Bank funds are doing the same thing as another agency. There's also an opportunity within the banks to do things which are different to other agencies. And so, I would hope that the plea that you're hearing from all of us to simplify things wouldn't force the Federal Home loan bank to have a program which doesn't allow for any unique opportunities for funding and helping communities.

LaRhonda Ealey: Thank you, Michelle. Again, another great lead in (panel laughs) for where we want to go after our break. So, thank you all for painting a picture of the housing ecosystem within this region. Thank you for sharing your concerns about the administrative considerations that the Federal Home Loan Banks as well as the regulator, you know, should be taken into account. When we come back, our goal is to come back to revisit Vanessa's point and talk about and explore some equity considerations as it relates to Federal Home Loan Bank representation as well as product development. And to your point, Michelle, we really want to get, again, your ideas and your thinking about what types of innovation would you like to see from the federal home loan banks.
You know, what would the products look like in terms of incentives, you know, as financial institutions? You know, what financial incentives could the bank offer to, you know, increase participation in affordable housing development?

Also, the space that there may exist for more Federal Home Loan Bank involvement in community development. So, as we break, you know, don't get too relaxed and comfortable, we do want you to be thinking about this next phase of the conversation. So, the time is 11:01. We'll take about 20 minutes and plan to be back at 11:21.

Okay. Thank you. (Vanessa speaks indistinctly)

Alex Bogin: Welcome back. So, I think this has just been an absolutely fantastic discussion so far, and we're so thankful to have this group with us. So, I'd like to continue our discussion by asking if we could, as group, explore equity considerations.

And we'd like all of you to think beyond fair lending legal requirements. Of course, the bank should comply with all fair lending legal requirements, but also thinking beyond that, how have the Federal Home Banks been doing on this front? And maybe we could start with Wes.

Wes Jost: From my chair, if you will, I think the regulations or whatnot that we've had, and I think Caleb and a few others have talked about it. You know, I think it's been helpful and complimentary to what we're trying to do as a mission to get monies out into the affordable housing space. I think, you know, the other question maybe that you had asked is, you know, where could FHLB consider making some improvements or enhancements? And one of the things that I had thought about in some of the pre-thought is instead of it being a credit solution, could it be an equity solution? Could it be a grant or something of that nature? Going back to the point I made about the capital stack. And that I think the cost of projects are gonna be what they're gonna be. I think changing some of the regulatory requirements and oversights will help with that. But you still have other parties in play, you still have landowners, you still have commercial contractors, you have suppliers, those folks, and so they continually add

and that's a market dynamic that we at this table are not going to control. But I think looking at, you know, is there a grant mechanism or maybe something where maybe the repayment stops after a certain period of time if they comply with certain conditions, and so I would offer that.

Alex Bogin: Dutch, what do you think?

Dutch Haarsma: So, this is a very hot topic, I think, in most institutions now, diversity and equity and how do we best achieve it? And I think frankly most of us are in the talk stage and trying to figure out how to best do this because there are lots of ways in which you can do that, and there are some undefined terms. So, I don't think everyone has a clear term on what those things mean. I think it is important though in the end. I think if we look at the demographic shift in this nation, I think if we look at those traditionally underserved populations, it's incumbent upon us to be intentional about our work. And that includes all institutions,

my institutions, the regulators, and the Federal Home Loan Bank System about being intentional and trying to work to get capital down into the cracks in places that it typically doesn't get in the end. But I think we have a lot of work to do on that front, all of us do. And I think it's gonna be an ongoing conversation that we should not be afraid of and one that we should engage in intentionally.

LaRhonda Ealey: Oh great, go ahead.

Caleb Roope: I would just add that we've seen a lot of agencies where their funding create small set asides, BIPOC set asides Black and Indigenous People of Color to help emerging developers. A lot of times they're community-based, they might be religiously based or affiliated organizations, often people of color. And what we've seen that to be pretty effective in the markets that we serve. And so could the federal loan bank implement some kind of system to support those developers that typically don't have the credit or the history of accomplishments or the lending capability that, you know, a lot of the experienced affordable housing developers do. And this is where the CDFIs, I think, Dutch, can play a role because they are already doing that kind of stuff, you know, with their borrower base. So, you know, why can't the subsidy provider through the Federal Home Loan Bank, why can't that happen? And why can't programs be modified to be inclusive in that way? And to put language in the system and the implementation plans that encourage lenders and banks to reach out to those developers and bring them into the system, because that's really. What we found is it's just like there's a certain lack of capability. We see that on the construction side of it as well because the subcontractors we work with, they might not have the experience, they might have bonding capacity, they might not have the same level of staffing so can we help them team up with a more experienced contractor, a framer, a plumber, et cetera, and do a smaller portion of the work. So that's another way to think about it. I mean, just things like that encourage hiring of those folks and bringing them into the system can really make a difference.

Michelle Griffith: So, two points, within the Des Moines Bank Advisory Council, we wrestle with how to incentivize development for underserved communities of color beyond the Native communities. The Federal Home Loan Bank of Des Moines does a very good job of making funding available for Native populations because Native populations are federally recognized. So then when you get to other communities of color, the regulatory environment, it makes it difficult to identify those communities. And if there is a way for the Federal Home Loan bank system to be able to do that, which doesn't fly in the face of other regulations, it would be very helpful. I think the bank would welcome the opportunity to do that. To Caleb's point, with respect to contractors and subcontractors, I think the cautionary tale there is Section 3 and the Section 3 reporting requirements, which are burying us. Actually, our agency wrote a letter to IHFA explaining that we are not going to participate in the single-family housing run round this year because we just can't keep up with the Section 3 reporting requirements. And I think there is a disconnect between the IHFAs regulator in the field and what DC intended with that program. And I feel bad for IHFA cause I think you're caught in the middle a little bit, (laughs) but, but, yeah, so yes, encourage those businesses to participate but don't do it at the cost of the regulation, so.

Caleb Roope: Yeah, just to stress that back to the compliance piece of it because, you know, imagine, you know, more sophisticated organizations declining to use the resource. How about the actual company that is, you know, a Section 3 company having to deal with that? I mean, you know, it that's a barrier in and of itself, and so the compliance, and the oversight and all that stuff has got to dial back. It really just does. And if we wanna really encourage participation, you know, you gotta get the sponsors to be able to do it in a way that isn't gonna burden them and make them not wanna even participate in the program. And then you gotta take care of the people actually doing the work so they don't have to have the burden of all the paperwork and stuff they gotta do. I mean, it has to go to both parties.

LaRhonda Ealey: Thank you. Bud.

Bud Compher: Just agreeing with that Section 3 for us this year, we've pulled out of that as well last couple years for the burdensome regulation there. And I think the message is being heard and when we get back to DC there, that is certainly one that you could ring that bell while you're there, cause these are funds we need and the community needs and the contractors need to be part of that, but it is doing just the opposite effect as it relates to that. And then just a comment specific to that grant where Wes started our conversation as it relates to how grants, and Dutch has echoed that as well, really it seems that intent, and whether it's tied to the dirt, you know, to create long-term affordable housing through a housing trust model or another way to keep track of it. that would certainly be helpful.

LaRhonda Ealey: Oh, wait no more.

Brady Ellis: I would just add to the caution as these folks did and agree with that.
You know, this came up earlier, so when we're talking about, you know, equitable and across the different regions and banks, I just wanna advocate, I guess, for some type of like state specific allocation or something that allows dedicated funds to come to Idaho. If, you know, we can't compete, we can't draw in or be successful with a lot of the projects that might be considered, you know, we're missing out in a lot of ways. And just to allow for flexibility locally with the populations that are being targeted. Our, you know, ethnic, racial, whatever the demographics are, that makeup here in Idaho is gonna be different than somewhere else, so, you know, allowing us to kind of determine what that is and focus on what the needs are here.

Alex Bogin: So next we've kind of already approached this in several other discussions, but I'd like to move on to really discussion of the future all of the Federal Loan Banks and specifically, how they can play a role in supporting emerging high-cost areas. And I thought maybe first we could explore where and how the Federal Loan Banks can and should be playing a larger role. Now, I know Michelle, in your comments and during this discussion, you mentioned funding for higher income households is critical in emerging cost, high-cost areas.
I was wondering if you could expound upon that.

Michelle Griffith: Yes, thank you. And during the break I realized that you may have heard two different things there. You heard the need for subsidy to go deep in order to make up the gap that we're seeing because of rising costs and the benefit of helping higher cost households is that you don't have to go as deep with the subsidy. But it's not one versus the other, and so I would hope that the takeaway wouldn't be only due certain incomes versus the others.
And recognizing that the subsidy for higher income households needs to be less, you can help more of them, and help to stabilize those households, those households can very quickly move out of the need for assistance in any area.
But also, we do need that deep subsidy for the very low-income households.
And it would be a unique opportunity for the Federal Home Loan Bank. The only other program linked to the federal government that allows for higher incomes was the ARPA money. And that was the most flexible money that we've seen.

Actually, our counties ARPA money is serving households up to 140% of Area Median Income. The regulation was a little bit different to what we typically see in housing rather than setting an AMI level, they did a percentage of federal poverty guideline so that that was a twist. Maybe try and stay away from creating a new benchmark because that took a minute to work through.
But that regulation, the ARPA money rule would be a good starting point.
It might be something that you all would want to review and look at because it specifically stated in the final rule that housing is expensive and we understand that and you need to fund it anyway, which was unique and helpful.

Caleb Roope: So, to your question: what can Federal Home Loan Bank do? You know, right now as an example, the subsidy per unit that you get under the Des Moines program is 40,000. Doesn't matter if you're in a low-cost market or a high-cost market, there's no recognition of the diversity of cost, let's say. And by the way, in Idaho, I mean, you could be up where Michelle is in Blaine County or you can be in, you know, western, you know, Canyon County and you're in two different planets, I mean, within the state. So, I mean, you know, there has to be a way to identify those variables or at least have the sponsor produce the information that can show you the data, because, I mean, we see a lot of like the 2001D3 limits, for example, the law of the federal programs use that HUD produces. Those are one size fits all right? One size fits all cost limit or subsidy limit, which has no, I mean, state like California is massively diverse, yet it's got one set of limits. Idaho's got diversity, one set of limits. So, I mean you just have those. The lack of data isn't helpful for like analyzing high cost. But just as one simple thing, you know, for identified high-cost emerging market that could be a 20% boost in the amount of subsidy per unit, let's say. And you know, when you score those projects, that is factored into the scoring system because there's an incentive in the scoring system for the lower AHP subsidy. You get more points, and you win the subsidy based on that. So that high-cost factor should be baked into the scoring calculation so that the Ketchums of the world can compete with the Caldwells of the world here in Idaho. You know, another simple one is that, you know, this whole trend toward deep targeting of the units. So, under the system now 20% of the units or up to 60% of the units to score max points are at 50% of Area Median Income. Well, what that means is, is that the permanent loan you can support that project with now is 15 to 20% less.
So, if you've got a $2 million loan, you create a $400,000 gap instantaneously by having that deep targeting as an example. So, in an emerging market can you have a variable of that? Can you remove the absolute restriction to send everything to 50% of median? And, you know, back off of that and let a high-cost market sort of have a have a dial back scale back system where they can still be on the same playing field for competition but, you know, can have the higher income targeting to support their community and support their higher costs? Just a couple of examples, but those are ones that stand out in the system now.

Alex Bogin: Thank you very much. So, I'd like to pivot a little bit and discuss adequate housing supply, which is just incredibly critical to ensuring affordability, and discuss the role that the Federal Loan Bank system can play in ensuring there's adequate housing supply. And maybe we could start with Vanessa.

Vanessa Fry: So, when I think of housing, I can't just think of affordable housing, as we might traditionally call it, I think of housing along a spectrum completely subsidized to completely market, right? And in Idaho we need all of it right now. And how can we have the conversation about all of it, kind of what Caleb was talking about, how do we look at the needs of a community and not penalize them cause they don't have the same needs of another, right? There's still housing needs at all income levels, like well above where people are able to access the capital that you have available right now, so. But I think creating a way to look at it in a dynamic fashion, what we need today isn't what we're gonna need tomorrow. And I think the population with the need changes too, as do their desire. So, people that are on the cusp of retiring have a different need once they retire then they do today. So, there was a recent report put out, not by myself, but a reporter down in the Magic Valley, which is where Twin Falls is, contacted me about it that Idaho is, of new retirees, Idaho's losing retirees in the top three states at the highest level, if I said that right. So, I was like, "Oh, what does that mean?" I think it's cause we've gotten so expensive rather than retiring here, the cost of living is so much, they're going to lower cost places. So just looking at, you know, if we wanna retain our retirees, how are we able to do that? Because their needs are changing. They're going from wanting their 3,500 square foot house on a quarter acre to what's their option, right?

And we don't really have that option right now. And I think also housing type and types of living, what is co-housing? What are cottage units look like? What about incentivizing accessory dwelling units, right? So, I think we traditionally think of traditional multi-family and single-family, but there's a lot of variability in there and I think we're seeing some innovations in the City of Boise and other places. And so how can the bank system play a role in supporting innovations? I know one of the questions you had was about piloting, right, is there a way to pilot some of these new ideas in these innovations in these emerging markets.

Michelle Griffith: So at least in our community, we've spent a long time educating the community about the fact that affordable housing is a benefit to the community. It doesn't increase crime; it doesn't lower property values. Similarly, market rate housing is not the enemy of affordable housing, because people who want to move to an area are gonna move there. And if you don't supply housing across the spectrum, they'll just buy down, renovate, and then make something else now unaffordable, and the stepping works in both directions. And so, ensuring that there's an adequate supply of housing across all incomes is very, very helpful and in fact necessary.

Bud Compher: Yeah, I agree with that. And just the point Vanessa brought up, that's that innovation, is there are demographics that are changing the way they live and how they want to live. And the past 10 years kind of more productive in the last eight years, NeighborWorks has looked at what does that look like? And we expected, and as we were seeing, you know, downsizing boomers as an example, wanting less space and maybe not wanting to take care of the size of home that they either own or that they're moving into. And really from that conversation, some of our pocket neighborhoods, what we call here in Idaho, came about. And the value of that is you have that diversity, we're talking about spectrum of housing that happens in the neighborhoods, a little bit of a cottage feel, cluster development is another word I've heard that really speak to a diversity of housing within closer neighborhood. But and what our hope was, we'd see that downsizing boomer, this would be attracted at least to their lifestyle, and then some, and we hope to have multiple generations within our neighborhoods. And that really is what we've seen. We've seen folks just coming out of college or young families. And when you're at the mix of that really reminds me of my small town in the sense that everyone started to watch out for each other. The community came together to help. They're shoveling the, you know, just this week, you know, shoveling a way for their neighbor to get to their car. And so, it's part of understanding that things are changing and it's gonna look different in every community, and that innovation can help drive that. And with my pilot standpoint, ADU is a conversation that has come up, how do we make better use of the existing housing stock as it relates to housing families? This year NeighborWorks is starting, Boise's starting to pilot as it relates to just home share. How can there be a facility that would allow, maybe it's not you're renting just this room, or you know, maybe doesn't have the same entrance, but how can there be an equitable way that that family can stay in their home realizing that the costs of property values are going up and just the matter of needing somebody to help go to the grocery store, take care of the place that they're, you know, living now. It doesn't have to be a change necessarily of dollars and cents, but that support of that family living in that community, you know, how would that score as it relates to an innovative program or pilot under the existing criteria. And I'd have to say it doesn't really have much of a place from what I could see, how it would score appropriately and/or be valuable in that way.

LaRhonda Ealey: Thank you. Brady, and then after Brady, I do wanna, I have some follow up questions. And just to let you know, Dutch and Wes, I'm coming for you since you are movers. (laughs) Brady.

Brady Ellis: I agree with, you know, the notion of being concerned about the full spectrum of housing. Affordability's relative to everybody. And that's, you know, coming from a lot of us who are very focused on the lower affordability end, but it's just, it's impacted by what happens in all the different levels. So also supportive of piloting and programs of that nature to get to a point to find out what works best and what kind of menu of programs should be made available through the bank. I would just caution or encourage, I guess, that we find consistency probably across the regions what's done or discovered in one region is also done in another or made available in another. So, there is sharing of success but also, opportunity when that success is found.

LaRhonda Ealey: So, I'm gonna give you an unfair advantage, Brady. I'm gonna tee you up cause I'm gonna come back after Wes and Dutch. But, you know, we, we hear innovation a lot, but if you could just take a couple of moments and think about what type of innovative product could the Federal Home Loan Bank create? And it doesn't have to be, you know, steeped in detail, right? But what would it look like? Or what would that product do for you in helping you in the organization that you service to meet your needs and across this housing spectrum? And to be fair, Dutch and Wes, is actually the question that I have for you as well as members of the Federal Home Loan Bank, what, you know, kind of an overarching view, what would, aside from, you know, a different haircut, (laughs) or if the haircut is the answer, please, you know, say it again because repetition is key, it really emphasizes a point or the importance of something. But, you know, to address housing supply across the spectrum, what types of products, what could the Federal Home Loan Banks offer you? What would it look like kind of in the grand scheme of things? And, yeah, okay, Dutch

Dutch Haarsma: (laughing) All right, sounds good. You teed me up here. (laughs) I think, you know, and again, I don't think we want this conversation to be too one-sided. AHP is a great program, works well. It is the largest private lease funded source of affordable housing capital in the country. So, let's not lose sight of that. But I think if we want to do pilots and we wanna think outside of the box, I think we do have to be intentional about that. I would suggest that perhaps it should be enterprise level as opposed to project level. Many of these projects need a little bit more money for something. If it's service-enriched housing, they need a little bit more money for the service enrichment. Perhaps they need some dollars on the early stage before they decide to commit to the project, to take some risk off of the table to investigate a particularly hairy project or a difficult to develop project. So perhaps thinking about how can we get dollars to an organization that's doing great work to allow them to do innovative, let the developers let the organizations innovate, give them some capital to try some things and take some of the risk off. Affordable housing development at all development is, in a certain sense, risk averse. You're not going to incur a lot of capital and a lot of expense unless you're fairly sure you can get something done. Any developer that does that will not be a developer for very long. But that rubric also creates, we're going to do the projects that while they may be hard, we probably could do something a little harder if we had some kind of a capital that we can plug in there to make sure that this is a good thing. So perhaps looking at an enterprise level as opposed to just project level, keep the project stuff in. It's in critical. I don't think we should change a lot about AHP. It's really good. Put more in, we need more of that, but perhaps maybe some additional dollars that could be at the enterprise level to innovate, to explore, to do some things that are probably a little too risky to do with borrowed capital or kinds of capital that has a lot of kind of risk attached to it. That doesn't have to be a lot and sometimes can be fairly small dollar amounts can really move the needle so that a project can move forward, or an idea can move forward. This exploratory capital, at risk capital, is something that I think you should perhaps look at. And I don't think it will take a lot for many organizations. And make it easy to use and, you know, tell them, go forth and explore. We have good lines on the ground. Let them do their work. And sometimes that little bit of yeast is what's gonna make the dough rise in these kinds of community development projects.

LaRhonda Ealey: Wes.

Wes Jost: Ah! So, to, I guess add to that or to maybe go back to a point that was made earlier, a lot of supply is really driven by what the developers can do and then what are the guidelines in which they work. And if there's an opportunity to maybe change some of the eligibility requirements so you can push into broadening the eligibility of building in that building spectrum, now, let's do that. Is there an opportunity to look at making, and I agree with the comment about it being an enterprise level, not the project level, I think that's where it's gonna make the most impact because, and Caleb has shared this earlier and other developers have shared with me, is they just kind of know what the playbook is and I'll work with the playbook, but you need to change the playbook to make that a bit easier to navigate for them because they're creative, they'll figure out ways. If it's not 24 units, it's 34. If it's 40, or if it's, I can, you know, go into workforce, and say, I'm gonna do up to 120% and that's eligible. I do like the comment that Dutch made too about a lot of these projects early on require capital and if there's a confidence that that capital will be spent and that it's not a loss if a project doesn't carry forward, I think that changes the mindset and allows developers to be a bit more aggressive and pragmatic about maybe putting some product in areas where they wouldn't otherwise.

LaRhonda Ealey: Thank you. Let's go to Caleb and then Michelle.

Caleb Roope: Okay, well, a few things. So, let's talk about lending first of all, could the Federal Home Loan Bank use its heft to credit enhance the little banks, the CDFIs, and deliver lower interest rates? As one example. Could the Federal Home Loan Bank allow loans that are of longer amortization than market, you know, 45, 50-year amortization? Could they allow interest-only structure? We as a developer are in search of proceeds to finance our buildings, to deliver affordable housing. We need as much private, local, state, federal resources as we can get, plus the equity that comes in, whether it's tax credits or private, to deliver these buildings. And so, the more that we can maximize our net operating income productivity by delivering more loan proceeds, the better. So, what kind of flexible terms can be delivered? I mean, we're dealing with an asset class that has less than a 10th of a percent default rate. It is the safest asset class in the history of real estate. So, if there's ever a case to be more aggressive with terms, with amortization schedules, with interest-only structures, with anything that can be done, that this is the asset class to do it. And we're in a whole ESGDEI conversation now, so if there's ever a reason to do it, it's now. So, what can, you know, what kind of heft do you guys bring? A huge balance sheet, huge capabilities without necessarily the typical FHA HUD related Davis Bacon compliance stuff that you have to deal with. You know, you're basically the federal government in a broader sense that has a huge borrowing power and capability to deliver financial strength just like the federal government does through FHA. So why not be able to use that, you know that strength and capability to help the lenders make loans that provide more proceeds to our projects. So that's on the lending side. On the other side, I'll say one that's near and dear to my heart is supporting modular or offsite construction. Could you guys have a project? One of the challenges with offsite construction is that developers and sponsors have to have to shell out quite a few meaningful dollars ahead of time to get the modules built and a lot of times lenders are uncomfortable with that. So could your dollars be used, or could you support banks to be able to make lending for modular construction dealing with high-cost markets in particular where you can't even get the labor these days to build in some of these markets, especially your market, Michelle.

So, you know, could you support that with, that's a pure innovation that you guys could provide capital support for or incentivizing your AHP programming, you know, how do you like, you know, you've got some different things in there, different product types that you kind of favor for housing, but, you know, could you have a point category for innovative construction techniques, i.e., modular, i.e., panelization, whatever else is gonna bring cost down or make projects feasible in these high-cost emerging markets, things like that. So, there's a couple for you to chew on.

LaRhonda Ealey: Thank you. Michelle.

Michelle Griffith: I echo everything which has been said so far, and I'm going to cast the net a bit wider hearkening back to you the sort of teaser question about economic and community development. And oftentimes in markets housing isn't the problem, it's a symptom. And so, community development can be very beneficial there, particularly when you look at things like the cost of childcare. So maybe allowing or incentivizing member banks to lend or help to facilitate low-cost childcare, allowing the entire family to then get back into the marketplace would be helpful. Additionally, maybe consider lending or support for vocational and technical careers which not only help the individual but may ultimately help this cost of housing in the labor shortage we're seeing. Our tiny little organization is building housing for our local school district. And the school district historically had a construction academy where they would build a house. It takes five years for high school kids to build one house. And so instead what they'll be doing is coming onto our job sites and working alongside professional contractors, which is an interesting dynamic. We've had discussions about language and smoking and all sorts of things. But those types of programs and incentivizing those are a little bit of a pullback from housing. But I think ultimately make the job of delivering housing less burdensome when the community as a whole is healthy.

LaRhonda Ealey: Vanessa, and then I see Brady's ready to go.

Vanessa Fry: I mean, if we're gonna get creative here, how does engaging in the conversation about how you get people from their housing to their jobs play a role? So, when it comes to whether it's public transportation or transit, you know, fixed rail or otherwise, that's one of the biggest issues we're having here in the Treasure Valley is, you know, people are building out, out, out, but then their commute time is much further. And when you talk about sustainability and resiliency, I think that plays a role, too, and cars on the road, emissions, our air quality, health, right? So, it's all, housing can't be talked about in a vacuum. Sure, we can build maybe more vulnerable housing in Caldwell, but are the people working in Caldwell, or are they working in downtown Boise? So, in Idaho not only is there not a mechanism for support for housing, we have a housing trust fund that was put in place in 1992, but it's never been capitalized. That 50 million didn't come from the state, although I'm grateful the state decided to use that ARPA funding to support workforce housing. We also don't have funding for public transit. So, the state doesn't have a dedicated source for that either. So again, how do we think about this and how do different federal agencies work together to help solve these issues, right?

Brady Ellis: I just thought the conversation was gonna go, you know, on and it was going well, but you called on me, so I'll offer some comments. I wrote down just a few things and this is more granular than, you know, the enterprise comment.
But, you know, a lot of communities are responding to the challenges they see now from a just a density perspective, right? So, you're trying to find ways for

any little piece of available room, or lot or yard or whatever. So, I guess just finding, you know, a way to support communities that are going that route and are already trying to dedicate and allow for those activities. And sorry I should preface this, this is all like, along that pilot program discussion, so. And making it to Dutch's point, just not regulate. I mean, a pilot is to like to investigate to try something out, see if it works, some of them fail, that's okay, let's find what works and then replicate that. So structuring programs in a way that allows us to do that. A comment I made earlier was just some data in our report about people being priced out, becoming unstably housed or homeless, not able to pay their rent. A lot of those are people just on fixed incomes that are a homeowner but then can't pay the higher taxes anymore or they have accessibility problems. They can't afford those improvements or changes to their unit so they can't live there anymore. So, you know, if we're looking at that as a segment of our market and the people that we're trying to serve, then programs that support their remaining in place. I had the modular homes down, so that's been tried here a little bit. Even if we don't see any improvements in cost or cost savings there, you're still gonna get a unit in place in service quicker than you would otherwise. So, there's still benefits there, and we'd love to see that. Services for some of these supportive housing projects that we don't really have a dedicated funding for now, programs for, I had the, you know, labor and skill development as well, funding land trust. So, sorry to kind of just throw a list out there, but.

LaRhonda Ealey: I'm glad you said land trust because I was thinking in my head I wanted to pivot to Bud and Michelle too. So, I understand that, you know, land trust is a mechanism in which to sustain affordable housing, especially in an area like Boise. During our tour yesterday we observed some mobile homes, and these mobile homes were in the middle of some fascinating development, if you will. So, you know, one of the questions I had was, you know, obviously the land here, the price of the land is gonna go up and there's gonna be someone coming to buy out that land. So, in instances where a person has a mobile home, the land is not always theirs and that land could be sold very quickly. And again, one way to, I guess, mitigate displacement in an emerging high-cost area like this is by establishing some type of land trust or using that model. And so, I would like to hear from you, are current Federal Home Loan Bank products supportive of that model? And if not, what products, or how can the Federal Home Loan Banks support the type of, or enhance or increase those types of projects? If you will.

Michelle Griffith: It's a timing issue, right? So, you have to buy the land and put it in the trust and then there's a long period of time before you get through the entitlement process and raise the rest of the money to do the construction. So yes, you can use Federal Home Loan Bank money for land trust models, but it doesn't work as well to buy the land and sit there and do nothing with it for years. So, recognizing the timing of getting that land tied up and secure would be a useful consideration.

Bud Compher: I'll agree with the expert next to me, specific to, ARCH has been around for a long time and, you know, we are somewhat newcomers to the housing trust model. And what's driven us there is just what we've seen. We've invested time to create affordable housing opportunities and within that same year, all the resources and the time and labor, you know, that would be sold, or someone would pass away and what was affordable became unaffordable just within the year. That was really what started us down that journey, cause I think we could do a better job with that. From there we went to deed restriction, and actually the city of Boise had some innovative thoughts as it relates to tying some of that to the dirt, some of that your income qualifying that family. But now you have a 20-year affordability in a deed restriction model, and after the, this is, you know, a span of four years, we're in a position now where our housing trust is being stood up as it relates to, you know, six new homes that'll be put into the trust this year. Our first, hence the expert over here. And I agree, it is a timing. The easy way to talk about a trust is it's about the land, but really, it's a little more than that. We simplify it by saying it's all about the land, but there is down payment assistance even above that that's needed to make it even just equitable for that family to get in. And so those numbers for us are in that a hundred to 120,000 that needs to be brought in to create that one-time investment of funds for that long time period of, well, affordability. Now, what I mean by that is as that homeowner lives there, you know, interest, I mean, just equity creates over long term. This is housing just, you know, in general is the investment that a family would make that generational change within that family for generational change for wealth or wealth creation. And so, when that time comes, you know, these over 99-year land leases now, we've kind of moved away from the deed restriction of a land lease, a little secure as it relates to a foreclosure. And then when the time comes that they do wanna move, it's that shared equity piece that it's. I think land trust really fit well or at least our housing trust it fits well between the rental and between the single family, you know, new homeowner or first-time home buyer in the sense that it creates that equity for them to make that next step a little easier. And that is shared for the next family as they go, and so it is a shared component kind of that pay it forward model.

Larhonda Ealey: Caleb.

Caleb Roope: There is emerging problem that we'll experience, our children will experience over the decades to come and that is the expiring of the land use restrictions for affordable housing. So, we're talking, I mean, thousands and thousands, if not tens of thousands of units are gonna just go to market. Okay? And these are 20, 30, 40-year problems from now, let's say. Some are happening sooner. But we will be to a point where we're seeing more projects expire as affordable housing than are getting built. It's coming. So, you know, one of the things I would just point to right away that we believe strongly in even though we're a for-profit developer, is the permanency of affordable housing. Why do we have to have a 55-year, or 40-year or 25-year covenant? Why not a permanent covenant? Now, that's hard to do legally sometimes, but there's nothing that, you know, says that we couldn't dedicate land to a governmental agency or a land trust, let's say, in affordable housing development. And by virtue of that land now in public hands, in a public trust situation, whether it's government or a recognized trust, it effectively has permanent affordability because now that at some point when those regulations expire at the tax credit level, whatever, there's a landlord there that cares about this issue long after the company, whether it nonprofit or for-profit, put that thing in place. And so, you know, right now you guys have in your system, your scoring system for AHP, if donated land or government owned land is part of the picture, why can't I as a for-profit developer decide that I buy a piece of land and I'm gonna dedicate it to a governmental agency and, you know, get reimbursed my purchase prize, let's say, and put that in the capital stack of the budget. But now I've just created an opportunity for permanent affordability and you guys caused it as a Federal Home Loan Bank by virtue of incentivizing it into your scoring system. I mean that alone, like we're not thinking about the 30 and 40-year problems from now, we're thinking about like the expiring use of projects now. But I'm telling you as the production is ramped up over the past decade, there will be tens of thousands of units just vacating the affordable roles. And, you know, what's gonna happen? I mean, we're gonna be dealing with that crisis then, you know, our children maybe, or maybe in me in my old age, but bottom line that's gonna happen and you guys could be doing something to prevent that now cause I think it's a great model and we as sponsors, you know, we're gonna maintain that asset for the term and if they're nonprofit it might go on. But if our company goes away someday this project's not going away and that's of value.

LaRhonda Ealey: Thank you. Michelle

Michelle Griffith: Yeah, so Caleb, you hit on the reason that jurisdictions in Blaine County either hang on to land and lease it to our organization or give it to us outright through the State Housing Agency. The mechanism in Idaho is a little bit of a two-step mechanism, but we hold the land affordable in perpetuity, and that is one fundamental key to a land trust is that permanent affordability and the vehicle is a long-term land lease which demands affordability beyond even the life of the building in some instances.

LaRhonda Ealey: Thank you. Vanessa.

Vanessa Fry: So, I had written down before Caleb started talking like this preservation of both naturally occurring affordable housing and then affordable housing that's restricted right now because of low-income housing tax credits or whatever it might be. Several years ago, I pulled the data for the state of Idaho regarding expiring Litech properties and I geocode in it, and I was like, "Who is paying attention to this?" Right? And I, you know, I'm so glad that you are, but how do when Caleb does decide to retire, right, which hopefully does happen for him someday, how do we make sure that we have new developers coming in that will continue to guarantee that affordability of something that's affordable today, right? Whether it's, you know, naturally occurring like the mobile home units that you were talking about that you saw in Garden City, right? Can the bank play a role in facilitating the purchase of that for someone to hold, right? Or those expiring credits, if Caleb wants to get out of it, how can there be kind of right of first refusal to another company to come in and guarantee that preservation of affordability?

LaRhonda Ealey: Caleb, and then I wanna piggyback off of your point.

Caleb Roope: Yeah, just one real quick thing. And because this asset class of affordable housing is so solid, is so safe, is so reliable, is built so well, there are companies that have been formed specifically to buy up these properties and wait for that expiring use to happen and flip these properties to market. And they're out there. And, you know, I'm a freedom-based guy, I think those companies should be able to do what they need to do to stay in business. However, all this taxpayer money got invested in this affordable housing to get it built in the first place. Why in the world will we let it just turn to market rate housing at some point? I mean, it makes no sense to me, and this issue has to be focused on in a big way.

LaRhonda Ealey: I'm glad she said we, because I'm gonna turn to Wes and reference something that he submitted in the written comments. And so, Wes, you emphasize the importance of public and private partnerships. And it sounds like that's also critical to this sustainability, you know, of affordable housing because, you know, you all are doing wonderful work but eventually you will retire and, you know, to make sure the mantle gets passed on. So, I think this is a good place to kind of insert what you had referenced maybe.

Wes Jost: Yeah, and so I'll get to the point that was just made because I think it's important, it wasn't totally germane to the comment. Public-private partnerships in the context that I used was at the origination in building programs and getting them started and off the ground. And I think that's super critical and that could be simply a land trust, and the land is gifted to the developer as long as they hold onto the asset for x amount of time. But I do think it could be applicable to the products that are, or the projects that are expiring and to have the ability for, and maybe this is where the bank solution comes in is, hey, and we have a solution to help get the liquidity into the system that helps get lent into the projects so that these projects get going. Maybe there's a program that helps with keeping them affordable, right? Maybe it's long-term permanent financing at below market rates, subsidized rates that would allow folks to say, hey, you know what, my tax credits are expiring, but if I can get maybe a credit at 2% or something like that to keep my project going so, we can maintain that affordable housing stock. Cause I think Caleb's right, and I think Vanessa, I've seen the data on what you had, and I think I had a full head of hair before I read that, but the public private partnerships I think are super critical about thinking logically about how to preserve as well as to originate.

LaRhonda Ealey: Good. Great. Also, again, I wanna visit some of the written comments submitted. Brady, you also talked about warehouse lending for affordable loan programs using new loan purchase from the mortgage lenders as collateral. Could you elaborate on that a little more?

Brady Ellis: Maybe. (Wes laughs) So to just to be fair and clear here, I don't, you know, work within our mortgage lending area. So, you know, some of this was collecting comments from across the organization and this was one that came up. So, I'm not, you know, familiar with exactly how that works or necessarily, but part of this comment coming out is the fact that something similar happens in one of the banks but not through Des Moines. And so, it was more a comment of maybe consistency across the regions and the products that are offered and how organizations like ours and others can utilize and benefit those resources. So, I apologize, I don't have the expertise to get into that.

LaRhonda Ealey: Oh, no worries.

Brady Ellis: But the comment and thought still remains that if we're able to make what's available somewhere also available elsewhere, if it's a kind of proven concept, there's been success found there to allow others to benefit from that.

Alex Bogin: So, I think this discussion has just been fantastic, and I wanna thank everyone for participating and for their very thoughtful answers. And I think it would be a nice way to close this session by we could go around and discuss the single most important change each of you would recommend to best position the system to fill the roles, you envision. And if no changes are needed, why not? And maybe we could start with Caleb and then we could work our way around.

Caleb Roope: Well, I'll just go back to the cost issues and what we have is, you know, the Federal Home Loan Bank maybe contributes in a minor sense to the cost of projects, but there's no real organizations out there, government participants that are focused on this issue. And what developers do is they're just dealing with all these inputs of cost, and a market rate developer is no different than an affordable developer, and they just are taking in that information and making an offer to the market for the price of housing, whether it's for sale or for rent. And they are dealing with whether it's feasible to go forward or not. And so, when nobody's talking about cost or caring about cost in any way, and we're adding all of these other things to the menu of building a home or building an apartment, we're not paying attention to really what the point of building housing is, which is to build something that's affordable for somebody to live and to spend about 30% of their income on and be able to have money for the rest of their life. And when we try to layer on policy after policy after policy objective to that housing and we jack up the cost of that housing, we defeat the very purpose of what we're trying to do. So, if there's one thing, we could focus on is how do we start to pull the cost out of housing that has gotten really out of control. The market's gonna be the market, land's gonna cost what's gonna cost, a framer, you're gonna pay a plumber, you know, that kind of stuff. But what can we do policy-wise to keep the cost of housing more affordable in its construction and delivery to the market?

Michelle Griffith: I was really glad you said cost because now I get to say something else, but cost, (laughs) cost is important, right? And the regulatory compliance cost is significant and it's probably the one aspect of cost that the bank system has control over. But I would say flexibility. And whilst there is, I hear you Brady, within the organization of IHFA looking for consistency of programs across the bank system, the piece of that, the innovation piece though is this idea of pilot programs and flexibility and allowing the banks to experiment a little, recognizing that there's a little bit of risk there and there needs to be a little bit of a tolerance for loss there. And then once the programs work, maybe then doing a better job of ensuring that all of the banks in the system at least are aware of the program and can take it to the next level.

Bud Compher: I'd probably start with just consistent programs across all of the bank offerings. I think that there are some opportunities even in rural that could leverage some of those in the Des Moines maybe rather than the San Francisco market. Spoke all about the regulatory piece from grants, I think is a part of that, and that incentivizing just innovation through either urban or rural. So, I mean, it's not one size fits all. I think that was well talked about and I see that there could be some opportunities moving forward as you regulate and really look for some incentives to look for different ways to build or do what we're doing.

Dutch Haarsma: I think we'd be remiss if we didn't say to you as the regulator of the Federal Home Loan Banking System, how well the system really works and how wellmanaged most of these institutions are. This is a critical component in our financial system right now. I think if we look at what's happening with interest rates and the runoff of core deposits, especially at small banks, Federal Home Loan Bank System is filling that gap right now of liquidity. And without it then lending stops, they turn the spigot off. So, I think this almost goes under the radar of how important this is for our financial system in the United States. So, they do a great job of that. And speaking personally as a CDFI or Community Development Financial Institution, we've been fairly recent admittance to membership in Federal Home Loan Bank System. And I can say that, you know, specifically the Federal Home Loan Bank of Des Moines, but I've talked to several colleagues, CDFI colleagues who also are members of banks and how accommodative the system has been to bring us in. And frankly, this is a mandate that was put on them with very short notice and they had to figure this out very quickly. But they worked in a very accommodative spirit, worked in the notion of we too believe in affordable housing and want to make this work. And have made many of us CDFIs very comfortable in entering this new system and frankly provided what is hard for us to get, long-term fixed rate capital in the end. So, it works really well now, and I think you should hear that. About the Federal Home Loan Bank System, I think we need a little more price stability on pricing is really important, right, especially now. And you know, higher advanced rates, that just would make my job easier and allow me to get more capital out into the marketplace.

Vanessa Fry: So, I'm a policy and public administration person. So, I think about processes and just kind of building off of what Caleb said, do we have processes in place that we think are necessary to meet this outcome? Or are they preventing us from meeting the outcome? And kind of what I've heard today is there's maybe some things in place and I'm not as familiar with the system itself, but there could be some ways to re-examine the policies we have still achieve a success, but maybe even at a higher level because we're decreasing the burden on communities.

Wes Jost: Yeah, I guess I would add, and in my way of thinking it's regionalized the metrics and eligibility, you know, I think a lot of the policies and the regs right now were made at a time where that was then and today or this is now. And so, we've changed quite a bit and we've changed a lot in our region. And so, I think taking a look at, is there a way to understand like within the domain of the Des Moines Bank to look at high-cost areas, look at rural areas and to have different metrics to help drive some of that eligibility and so that the developers, the ones who are putting these products out can work with that, and it should not be a one size fits all.

Brady Ellis: I think my comment just adds on that a little bit and it's been said a few times before and that's just trying to find a way to, I don't have our slice of the pie. I have a kind of dedicated carve outer allocation of resources and ones that are spread across kind of all levels from home ownership down to homelessness. So maybe a little more variety in the programming and the product options and including allowing the, you know, piloting and see what works and see what sticks, so.

Alex Bogin: Thank you, guys.

LaRhonda Ealey: So, we do have a few more minutes left, so I do wanna maximize the time and opportunity that you all have to speak on the record. So, is there anything else that maybe you didn't get to include in your last comments? Yes, Vanessa.

Vanessa Fry: So, I think you're doing exactly kind of what, like this whole process is exactly what I'm talking about. I think oftentimes we keep on, we put a policy or a program in place, we don't measure it, we don't take an opportunity to look back at it. This is exactly what you're doing. So, I just have high hopes for the outcomes. No pressure on you. High hopes for the outcomes of this process cause, you know, you're going around the country, you're talking with stakeholders, I think you're getting a really diverse representation of the needs. And so, I'm really, have a lot of optimism about the future of the bank's ability to meet the needs of individual communities.

LaRhonda Ealey: Okay, great. I told you the three hours (laughs) would go by relatively quickly. So again, in closing, we can't say thank you enough for your thoughts today for, again, painting a picture for us of the housing ecosystem, the needs that are unique to places like Boise, an emerging high-cost area. The things that you have said today at our roundtable as well as comments that you submitted in advance are of great value to us and they're definitely helping us get to where we aspire to go. And a lot of great ideas came across the table today, and so I just wanna share a few again, you know, understanding that this is not nearly encapsulate everything that was discussed, but just some of the highlights, some of what we heard in terms of how the Federal Home Loan Bank System can better support affordable housing in an emerging high-cost area. And I'm sure some of these ideas are applicable across the various regions that the Federal Home Loan Bank System serves. But exploratory capital, and putting that capital or giving Federal Home Loan Bank members an incentive, or rather placing that capital at an enterprise level to give members an incentive to expand their reach in terms of the housing spectrum. Also, acknowledging the diversity of costs and being aware and considerate of the cost of the program requirements that are implemented. There's a need for flexibility, meaning allowing for pilot programs and seeing what's working. You know, for those things that work, we hear you say, you know, encourage the Federal Home Loan System to share or you know, the system creating a platform so that members can share those ideas across the system. And also, being sensitive to and aware of the needs that are specific to regions and even probably the diversity within those regions, making sure that's addressed. And of course, support for CDFIs and the smaller community institutions who are really doing the work to reach people and indigenous populations of color and the smaller contractors to meet their affordable housing needs, et cetera. So again, this input is just, is phenomenal. We are certainly gleaning a lot and look forward to continuing this engagement and really putting pen to paper to see what comes out of it. We want to give a big shout out to our team at FHFA that is behind the scenes, making these events a reality. It takes a lot of phone calls and reaching outs and denials and waiting to bring an exceptional roundtable like this together. Of course, you see Alex and myself, but we truly have a dedicated team of a lot of members. This team, those in front of you as well as behind the scenes and our director truly care deeply about this initiative. And we hope to make you all and the system proud and come up with some really innovative solutions and ways to meet today's affordable and housing needs in general. So, we encourage everyone watching, those of you around the table to visit our website regularly as we are posting updates on a weekly basis. I like to say this and other roundtables, if they're not up there, they will be on our website on-demand. So, you can go and watch the other ones that we've had and watch yourselves as well. So next we head to Athens, Ohio, where we will be discussing the housing needs with rural communities that are specific to Appalachia. And so, with that said, again, thank you all so much for your time today. Thank you to those of you who watched us on the live stream. We hope you have safe travels home. And that concludes today's roundtable. Thank you.