

Please note that this transcript is a lightly edited version of the real-time closed captioning in the roundtable video and may contain grammatical errors.

[Shannon Fountain]

Welcome to the last and final roundtable discussion. This event is being recorded. Today we will explore access to the Federal Home Loan Bank System in Alaska. My name is Shannon Fountain I am a Senior Policy Analyst with the FHFA with the Affordable Housing Branch and I am joined today by Gwen Grogan who is the Associate Deputy Director in the Office of Affordable Housing Program Examination. We would like to thank all our roundtable participants and all those watching on-line. We have been very pleased with the high level of stakeholder interest so far and now I will turn it over to Gwen who will provide today's opening remarks.

[Gwen Grogan]:

Shannon thank you for the introduction. Before I make the opening remarks, I would like to thank all the roundtable participants and guests for joining us. I want to share how happy Shannon and I were to be given to moderate this session, Alaska seemed like an amazing place, and as we were doing our research for today's discussion, we are again quite taken by the vastness, beauty, and diversity we feel honored to engage today's participants who say Alaskan roots are deep, and their commitments are strong now more broadly. We have been encouraged by the wide interest in this FHFA initiative, which is included visiting with folks supporting affordable housing community and economic development banking, housing, finance, and from academia and research. As Shannon noted, this is our final Round Table discussion. FHFA hosted the inaugural Round Table just about 4 and a half months ago, and East and Washington, DC. Where we explored questions on mission and purpose of the Federal Home Loan bank system. A video recording and transcript of that event and other round table discussions are available on FHFA's website. And I would encourage anyone watching today to go back and view those discussions. These round tables are the second phase of our Federal Home Loan Bank system. At 100, focusing on the future initiative. In mid-2022 FHFA's Director Thompson announced. FHFA would begin a comprehensive review of the Federal Home Loan Bank system. We kicked off the initiative with what turned out to be a 3 day, 3-part listing session due to such high level of interest. Videos of that event can also be found on our website for anyone that is interested today's roundtable discussion will focus on access to the Federal Home Loan Bank system in Alaska.

We welcome **bold** ideas, and we also welcome recommendations that can be implemented in the near term. Also say, those are mutually exclusive. The Federal Home Loan Bank system has remained a critical source of locality sentences in Section 90 years ago. This is especially true during times of market stress, and particularly from smaller members, that often haven't had access to other sources of funding. We would like to explore where and how the banks can expand their scope, and their thinking to be creative, and to think more broadly about. How the banks may help with the affordable pressure or affordability pressures that are being felt in all communities today. In this final Round Table discussion, we are going to be asking some questions about the system's role. Or potential role in addressing, housing and community development needs of Alaska and access to the Federal Home Loan Bank system products and services more generally, while our roundtable discussions are with small groups of people, we are live streaming these discussions so that we can extend the reach to as many potential Stakeholders as possible. We also believe that it is critical to meet with local constituents, to hear about local issues. These discussions so that we can extend the reach to as many huh, boy, and that's what you get when you are reading. Topics. In addition to concerns that may be shared on a more national basis, we look forward to the discussion today and the feedback, and we receive as we wind down roundtable discussion portion of the FHFA initiative with that, let me thank the Round Table participants again and turn it back over to Shannon, who will share the guidelines for our discussion today.

[Shannon Fountain]:

Alright. Thank you, Gwen. So, I'm going to cover some rules of engagement. Let's start first. As I mentioned before, going, and I will be moderating today's discussion. We will be posing questions to you. We expect and hope that we'll have an open and engaging discussion. No recommendation or view should be considered off the table, and we encourage you to offer differing views, and about some important questions that will be covered. We also want this to be orderly when you would like to speak, or if you are asked to speak, please unmute your microphone and mute after you have finished speaking, you may use the raise hand feature to signal that you wish to speak, and that's in the book kind of bottom right corner of your Screen. Please also keep your cameras on for the duration of the roundtable. We ask that everyone engage, knowing that we may not agree on all points, but any differences will be shared in a respectful manner to

ensure that everyone has a turn, and we cover each topic if someone is going long, Gwen or I may interject to keep the conversation moving. This review is meant to give voice to the earnest thinking of the Federal Home Loan Bank system stakeholders and highlight areas. For further consideration, we ask that you give your best thinking, and not just your thinking of what may be possible for the benefit of the audience. The Round Table. Participants have been given a setup prompts that we will reference during the course of this afternoon's discussion. Finally, we have a disclaimer that we need to make you all aware of, and I will have to read that verbatim. We have organized this Round Table to obtain your input on the mission of the Federal Home 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 rule making 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 rulemaking document. If we determine that a summary would be useful in explaining the basis of a rulemaking. Anything set in this meeting, and that also includes reactions. Nodding, eye rolling should not be construed as binding on, or a final decision by the director of FHFA, FHLB, or FHFA. Any questions. We have our focused on your understanding or focused on understanding your views and not and do not indicate a policy or legal position. Participants in today's roundtable may have a financial interest, whether direct or indirect, on outcomes that may affect the Federal Home Loan banks or their businesses, as Gwen mentioned today's Round Table will be live streamed on FHFA website and video recorded. FHFA may offer a transcript of today's session, which includes the names of all speakers and organizations. They represent, if any, the recording, and any transcripts prepared will be posted on an FHFA website and YouTube channel along with any materials being presented today or otherwise submitted in conjunction with the roundtable. Done with that. Alright, so we're going to shift over to our introductions, and I would like to start with Carol. And just let me ask that you introduce yourself and your affiliation with the FHLBank system, whether that be in your current capacity or in a former capacity, and I'll let you take it away. Carol, thanks.

- [Carol Gore]:** Great. Thank you. I appreciate the opportunity to be here. I'm Carol Gore. I'm a forever Alaskan, valley of the sun and enrolled tribal member traditional counsel. My relationship to the Federal Home Loan Bank was on the AHAC committee, the Advisory Committee. When this Seattle Federal home bank existed, my organization Cook Inlet housing authority is a tribal designated housing entity in a frequent applicant for AHP lending center CDFI is also a member of The Federal Home Bank System
- [Shannon Fountain]:** Alright, Lauren
- [Lauren MacVay]:** Yeah, thank you. My name is Lauren MacVay. I'm CEO of true North Federal Credit Union, based in Juno, Alaska. I'm we're a member of the Federal Home Loan Bank of Des Moines, and also, I am the member director for the State of Alaska. So, I am on the board of the Bank
- [Shannon Fountain]:** I'll let you go next
- [Chris Perez]:** Good morning. I'm Christopher Perez I'm the Vice President of programs at Rasmuson Foundation. Which is the State's largest private philanthropy. I currently serve on the AHAC. The affordable housing advisory counsel for the home bank of Des Moines and I. In my day job. I am a frequent side by side investor with the Federal Home Bank AHP Program. I think probably do we 3 out of 4 out of 5 of the awardees is in the State of Alaska. I will have join, or side by side, investments with
- [Shannon Fountain]:** Thank you, Alana
- [Alana Peterson]:** Morning. Thank you. My name is Elena Peterson. I am Clink it, and I live in Sitka, which is down in southeast Alaska, and I'm the executive director for Spruce Root which is a certified native CDFI providing spending to small businesses and entrepreneurs here in our region. I don't have any affiliation with FHFA. or FHLB we're not members so excited to be part of the conversation today. Thank you.
- [Shannon Fountain]:** And Colleen
- [Colleen Dushkin]:** Hi! Kila! Good morning. My name is Colleen Dushkin, and I have the pleasure of serving as the executive director for the Association of Alaska Housing authorities our Association is a

membership organization, and our members include the 14 Regional Housing authorities in the State that represent affordable Housing for 196 tribes. So, thank you for having me today. Let look forward to the discussion

[Shannon Fountain]:

Alright! Thank you all for your introductions. So, we're going to dive into our session. Topics, and I will let Gwen start us off

[Gwen Grogan]:

Thank you. Shannon. Today we'll frame our discussion around 3 broad topics, first, getting a better understanding of the opportunities and challenges in Alaska, then moving on to perspectives on the current role of the Federal Home Loan Bank system in Alaska and finally wrapping up with ideas for the future role of the Federal Home Loan Bank. So, let's get started

[Gwen Grogan]:

The Ted topic. What are the opportunities and challenges with respect to affordable housing, community development and economic development in Alaska? And I open it up. Is there anybody wants wants to kick us off on that discussion? My parents were both teachers, so I'm happy to select someone. Alana, could you get us started

[Alana Peterson]:

Sure thing. Yeah, I saw Colleen raise your hand, but I'm happy to jump in. I mean, a portable housing, just like everywhere. It's tough, but I think we're unique in Alaska, but I know most specifically about. Southeast is the cost of living, the cost of construction, you know. Not only is it we have to ship everything up here, but for a lot of our communities, because they're rural. You're also importing all the labor. So, by the time you look at the cost to actually construct, or rehab or do any type of work, it just it doesn't usually pencil out and and it's really tough to find financing options for that. And I know where we live. A lot of the communities here are also facing issues on land. You know, there's just not. There's no land available, or if there is land available, you know, to purchase that land right now. It's expensive. And so again, a project just becomes unaffordable when you stock all those factors on top of each other. I would also just mentioned that the the it's hard to have like a one a cookie cutter solution. Come, because each community is so different. Energy needs are a big factor here. So, one community might make a lot of sense to do. You know, heat pumps, or certain type of heating source in a home. But for another community that wouldn't make sense because of the high cost of electricity. So, it just depends on where different communities

are getting their energy sources. And I know that can be difficult when trying to create solutions, because those cookie cutters, you know, solutions just don't work. We really have to go community by community to look at what works and that can be a strain on resources and on a time constraint for people that are trying to help. You know. Figure out those solutions and workforce development needs are huge. You know we, even if we had all the financing, and you know, could figure it all out and have the ability to construct new homes. There's not really many people to do that work, at least here in Southeast we like, I said before you'd have to import it. But then also, you know, we're we're sharing people in our communities that have those different skill sets, and they get burnt out. And they kind of move on, and so trying to build a workforce that can meet the needs of both maintenance and construction. You know, those are big issues. And then there's all the sort of side industries that are connected as well. Also having very similar constraints of workforce and you know we're a region of 70,000 people. Across a geographic area. That's, you know, as large as the Florida Panhandle. And so that's a lot of area to cover with few people. And but the needs are great, and so a lot of our communities are struggling and and the people that live there don't wanna leave, but they're facing those tough decisions of how can I continue to live in this place? That is my home, and and recognize that I don't have a lot of options here, or my family doesn't have a lot of options here, you know, there's multiple generations living under one household, and oftentimes those kinds of scenarios just lead to a lot out Migration. And so that's that's the other thing. We're facing. So, trying to solve this, you know, solve these constraints soon is really important, because the out migration was exacerbated when the pandemic hit, and we were already dealing with it prior to that I'll stop there. Thank you.

[Gwen Grogan]:

Thank you. My apologies, Colleen. Your hand raised sort of blended into the background, and I didn't mean to miss you, so I'll suggest we turn it over to Colleen, and then I see Lauren's hand up and we'll move to Lauren after that

[Colleen Dushkin]:

No problem. So, when when I think about opportunities and challenges of housing development in Alaska, I think our challenges are great, we have transportation, logistical challenges, the cost of construction. As Alana had said, is astronomical, but we also have opportunities and I see opportunities in our members where our members are

developing in the most remote, harsh communities, and they're doing so. And they're achieving that through economies of scale. So, we have very diverse regions. The interior has 34 tribes, I think, and ABCT Has over 50, and so they really have figured out how to develop throughout their communities in a way that works best for their communities. When I also think about opportunities, I think about how our communities are able to decide what's best and what's gonna fit in their communities. And so, I additionally think that opportunities that came in through some big Federal investments to expand our infrastructure in our communities is huge and pulling that into that housing in general, I mean housing was left out of the bigger packages. But at the same time, how do we get those resources to our communities into the homes that are being built? And I could talk about challenges all day, and but I really think that the housing authorities are meeting those challenges facing them head-on. And they're really just providing the homes in the communities for what's best in their communities. And all stop there

[Gwen Grogan]:

Thank you, I believe I said Lauren could speak next, and then we'll move to Carol

[Lauren MacVay]:

Yeah, thank you. I think, Alana and Colleen have touched on. I think a tremendous amount of very valuable information. And I was going to stress the transportation because I don't think that you necessarily can really understand the challenges of getting resources to these communities until you understand that. For you know, southeast there is no road system. It's all by boat or by ferry, which is even more limited now, or you know you could be up north where the roads come and go, depending on what time of year it is and so costs are a totally different creature, and so any sort of assessment, or vibe of like a program has to understand right that a typical allocation of costs might not work for those programs to be successful. And you know, in in urban areas, you know, flipping gears in terms of housing, you know in Juno and anchorage, there's one kind of housing issue where there is limited land. And now development is more vertical because there's limited land available, and then you get out to the more communities where you know they have new environmental challenges based on global warming. And so, so it's. It's very unique in every location. So similar need very different causes and dynamics. It just be all, I would add.

[Gwen Grogan]:

Thank you. Carol.

[Carol Gore]:

Thank you. I'm gonna try to add something that haven't been elevated yet. I think about Alaska as being urban, rural, and remote. When you think about the accessibility of our communities, whether you're in southeast or you are in the Bethel region that's a list of region. There is literally no road system to connect. That means our housing is expensive.

You're gonna hear that a lot, probably during this session, when I think about the expense of having, I also think about typically in a rural location, people live there because of's less expensive to live there. That is not the case in Alaska, in Alaska it is more expensive to live in rural and remote areas than it is in urban settings. The cost of living and the wages is a mismatch for those communities. What that means is the tribally designated housing entities and there are 14 in the State are really the secret sauce for bringing community and economic opportunity to every community. If you can imagine having 229 communities, all with a variety of cultures, all with a variety of needs, none of them the same, and then trying to knit together both capital and operating sources to provide housing in a state where the private market is not active the tribally Designated housing entities are really the tool or delivering housing, and we've been at it since 1974. I. We have the capacity, I think, Colleen elevated, that I just wanna speak to. I. My organization is in Anchorage. We are probably the most active builder in the entire State. I'm not especially proud of that. That should not be what's happening in this state. The reason is happening that way. Our capital stats are 8 to 12 sources. I wanna say for the record Federal Home Loan Bank is the tailwag and the dog in in that capital stack. So as we look at compliance for every single source of money that we bring to the table, and we think about the complexities that we have to manage, we are bifurcating things like income, because you have special requirements that relate to income we're bifurcating and senior housing Related to age, because your definitions don't line up when you think about some of those smaller entities that are trying to deliver housing and those kinds of complexities it's a significant barrier. The money matters. Your recent increase of funding to a 1 million dollars can deliver a single home, and some of our highest cost areas, and that matters it. We may have a chance to get to scale of 2 homes in a community instead of one. So, you know, that is important in our region. So I wanted to elevate that, and maybe the last thing I would elevate is climate change is alive and well in Alaska we are leader leading edge in

climate change. That means entire communities are trying to find ways to relocate, because their homes are literally sliding away. When we think about the month costs not just to their community, but also to their culture, and to where? What is their economy? When they relocate? They're not just relocating their housing. What about their school? What about a store? What about a landing? You know they they don't have docks so when you think about that amounts decision of relocating a community housing is the person investment. Everyone thinks of it is the right first investment, but it means that we have to be able to leverage that housing and bring in other investments, so that bring the other things that are critical to a community in that economy. And I think I will just stop there. Thank you.

[Gwen Grogan]:

Thank you, Chris. We don't want to leave you out of the conversation. Is there anything you'd like to add

[Chris Perez]:

Not so much add, but I just wanna put a little bit of like Alaska context to some of these folk things, because I've been here 15 years before that I worked predominantly in the Federal Home Bank of Des Moines footprint and mostly in Indian country and I'm still surprised about how little people understand about how very different Alaska is. Yeah, it's massive. We started that way. But I mean just to understand the massiveness of it. You know if you superimpose anchorage over St. Louis the State's gonna touch the Florida border. It's gonna hit San Francisco. It's gonna cover the whole upper Midwest. But yet it's small, right? And it's remote. And what does that mean? You heard folks saying, well, there's no roads here that 80 plus percent of our communities do not have road systems So that has a whole host of issues about how you get things, place but it also is one of the few, I think it's the only one of 2 States where more than 40% of the population live. In the main urban center. So, to Carol's point, there is this, the urban rural divide, not even getting into the remoteness of it. But when we think about Alaska, it, you know it's far from homogeneous. There's all the median size of a community is about 300 people. So just pause on that when you're thinking about housing development at any scale. And how a capital stock would work, or development is only about 50 places that have population of more than 1,000 people. So, these are intrinsic challenges. I know Colleen said. She won't talk too much about challenges, but the landscape assessment is very different than anywhere else. I have the privilege of being on the AHAC. Committee looking at the the the other 13 or 12 States, and you

know it's there's so many similarities that I actually don't understand but there's so many differences that I spend most of my time explaining. So, I feel obligated to explain that a little bit to the agency, because people think they know, but they don't. I mean. Yes, it's expensive, but we really only track cost of living in anchorage. Juno, Kodak, and probably Fairbanks, and those are 4 of the top 10. Most expensive places to live on a cost of living index. Only, you know, followed by Honolulu Seattle, and Portland, and I do want to mention that because, again talking about the footprint of the Des Moines, we, it feels familiar for us anchorage folks when we sit down with the folks in Portland and Seattle and especially Honolulu, and look at what does that mean for trying to do business? And again, to the last point, just to put some numbers to it, according to the Army Corp engineers, there's a 178 community that are designated of imminent danger becoming uninhabitable. You heard the number 229 before? There's 229 federally recognized tribes. That's about 40% of the whole country. Just do the math on that 178 of 229 more than 75% of our communities are threatened by climate change. And 40 of those are designated to be at risk in the next 10 years of being essentially forced to relocation. If that's an option for the community. So those are the big challenges. It's a very different place I didn't get to the fact that like and anchorage and Juno, we have the fifth highest per capita rates of homelessness. So, it's, you know it goes. Eugene Seattle, New York, LA, San Jose.

We're right in the middle of there, in in Juno, for homelessness, which is clearly housing issue So I spend a lot of time thinking like what could. How do you deal with these opportunities? And carol, and the system here seems to work as that it is because it has local knowledge, indigenous knowledge, with a small eye But yeah, there's some challenges, you know. We only have 13 members in this in in the Federal Home Bank in the State. So. You know, what can the bank system do? It is a good question when all the way described is really served by 13 fairly regulated institutions, half of which, I think are credit unions. So I just wanted to set that out because you're gonna hear these themes. And I know this group very well. So, they're gonna they're gonna keep knitting these things. But some additional contacts, I think, is always helpful

[Gwen Grogan]:

Thank you. Chris, you know I had a little check-off list of the things that I had researched, and I think you've covered all of them except for one that I was a little bit curious about, and that was

where there was there any challenges that came out of through the pandemic that maybe hadn't been identified before

[Chris Perez]:

Yeah, hello, I'm gonna tackle this one. Cause it's this macro questions. And then there's there's regional questions. So, What's really, I think, critical to know, and people seem to forget, especially in a lot of 48. Is that in the 4 to 6 years, depending on your your measurements, we were in a reception entering the pandemic. The rest of the country was financially and economically on fire. You know, places in the Federal Home Bank of Des Moines for print. We're experiencing sub 3 and 2 and 1% unemployment rates. The lowest historical, where, as we entered the pandemic, especially in anchorage, but also in our rural communities, which haven't changed much, 2 to 3 times. Sort of national average of unemployment, I think Carol can talk to this in anchorage. We sort of a significant outmigration, free pandemic of our skilled labor force. It just made more sense to swing a hammer in Idaho than it did here, so the pandemic actually did a couple of things. One we were experiencing. It a decade of out migration and population loss up into the pandemic and it kind of locked us in. Place a little bit into 2,020, Elena said in that folks were moving out of southeast, and that's true, but they were mostly staying in the other places. Anchorage. Fairbanks The valley, because there was no way to go, and you know, families were unemployed so as coming out of the pandemic, it was kind of nice to see that we were no longer lagging as much as we were because everyone was depressed, but We're back to, you know, 50 to maybe even a 100 basis points more on an unemployment rate. Combined with it low interest rates previously, you know, it really made this mix of buying a home affording a home and leaving a calculation that was just hard to figure out what was happening. You know, we saw our vacancy rate decrease for the first time in long time doing the pandemic, and then that's sort of changed. I think that the ramifications of Covid are. We never came to terms as a state with our economic distress Cause the whole country kinda went into distress, and then they emerged. But we were there long before them, and we don't really have a plan to emerge. We've been deficit spending as a State for 6 years now. These are all gonna be major limitations on economic development, economic growth. As we figure out the new normal out there Now regionally Colleen, and Carol and Alana can talk about how their communities are even harder impacted than sort of the levels where you know communities. Have had a Labor force,

participation rate of, you know, 50% or an unemployment rate of 10 to 14%. Historically, and that didn't change in the pandemic

[Gwen Grogan]:

Thank you. Chris, looking at the time. I'd like to go ahead and move on over to the second of our bigger questions. And that is the current role of the Federal Home Loan Bank system. Just some, just a couple of details there that it's about a third of the of the membership in Alaska that does access advances and letters of credits. So, there may be opportunities there as well. AHP. That was approved approximately 31 million dollars in grounds which have assisted 3,200 households We would appreciate hearing your perspective and observations regarding the role that the system has played and an Alaska Lauren. I wonder if we could kick it off with you as a member of the Board of Directors of Des Moines?

[Lauren MacVay]:

Yeah. You know, I think that the Home Loan Bank plays an important role. But limited, and you know the AHP program, you know, has, I think, a ton of potential. But it is complex, and it's difficult and and it's very costly to administer right? I mean the tail on those programs is long and can really only be sustained by organizations that have that infrastructure established. When you talk to other organizations that haven't yet accessed the programs, you know. And they're looking at in a carol. First of all, you have far more qualified people at this Round Table than I to speak to this issue. But you know it's a smaller amount for more money, right? So, I think that there are limitations based on the way. AHP. Is administered, but I think that there's a lot of potential there. I think that's where I would leave it and turn it over to someone else. Who's worked with it more intimately on that level

[Gwen Grogan]:

Could you talk a little bit about advances in Alaska

[Lauren MacVay]:

Yeah, so you know, first of all, the value of the Home Loan Bank, and the ability to draw from the bank is is in the advances, but also just in the ability to advance right if we need it. And so, I think that the credit Union is based in the State are well managed. They are generally liquid, but they're very appreciative of the fact that the bank is there. Some borrow actively, some don't, you know, but they view the bank as a value member. They view the bank as a critical part of their balance sheet management strategies. The feedback is, you know, consistent

on that point. That the bank is a critical part of their management.

[Gwen Grogan]:

Thank you. Is there anyone else that would like to speak on this topic?

[Chris Perez]

I'll just, I'll just add, as to sort of this cross section between serving on the AHAC. Hearing from the the bank itself being Alaskan, and having a some work in backing at large. The Value proposition of the federal home Bank systems in Des Moines. Around serving its members, and liquidity makes sense. I do go back to the phone, that there are products there that are just gonna be difficult to use. Given Macro, trans. Right? I've been talking with. Like 5 of the 7 members of that community in advance. Too many investment advances, you know, when rates were low it didn't seem worth the administrative burden rates. There's a spread there that makes sense. But there's no need, because we were flushed with liquidity in a lot of places, and there's no houses like we're just not seeing any turn like, why do you? Why would you the overnight rates are gonna I mean the liquidity needs are gonna just be small. Given the volume that we're seeing in the place like. Yes, especially accounting for those earlier economic trends where we have high unemployment and unstable, I don't know who's listening in, but unstable state government. I mean, let's just call what it is. We don't know what's gonna come out. June of the session, but I don't think it's gonna be a plan to fix how we all live here, and that's going to cause additional. I think out migration And then, when I join the I'll say this to Carol, my contact person, Jennifer, at the bank side is like I was just shocked after 13 years of doing housing deals in the State. How we lie. Its developers especially in anchorage, and Fairbanks, have become on HP. That should know the reliance on on this scares resource with high burdens of participation should not be a thing, but it is, and I've seen deals here fail or get shll for 2 to 3 years, just because they couldn't get AHP money because They've gone through every other capital source, including multiple layers of debt or deeds of trust. Grant-related, you know. Sometimes I'm in fit position on a on a loan, because everyone else wants a position on a grant so I, you know. I wonder how to address those needs from from the system side, from the more inside here

[Gwen Grogan]:

Thanks, Chris Carol. I see your hand up

[Carol Gore]:

Yes, thank you. I wanna just say a couple of things cause I appreciate your comments. When I think about Federal Home Loan bank members in Alaska, when we work on HP. And CIA funding. It's relationship driven. So many of our communities do not have a bank to develop a relationship. And so, it's much more difficult for some communities in Alaska to actually be successful in an HP. Grant, and most of them don't even know CIA exist. I wanna say a couple of things pre-pandemic. We built a lot. We build a lot of the same buildings. We are limited by how much we can apply for in funds. We have building codes, so we just kinda keep it simple and maybe change the colors. And a little relief. Pre pandemic, a building that cost us 9 million dollars, cost us 16 and a half million same building. Same similar location, 16 and a half million dollars. That's that's the type of gap we're trying to fill. Pre pandemic, we were able to carry about 16% in debt Our last building was 8%. I don't think we're gonna be able to hit 8% that in our next building between the depth of our capital stacks, the lack of increase in rent here because of our economy and the increases in interest rate the 10-million-dollar cap on CIA For Member Banks is unrealistic in Alaska. It just simply doesn't make sense. They could do maybe 5 transactions, and we are regularly trying to figure out how to manage our debt within that CIA cap, because they are literally no other opportunities in this state or that. Now we are more complex, possibly because of more complex than rural Alaska, where maybe their capital stacks are 4 or 5. But making that simple when we say it's the tail wagging. The dog. I think your opportunity is thinking bigger as an organization. Your funds are rarely the only funding source plus one. If you think about that, and how much of your funding is already being knit together with other Federal funds, there ought to be a way to come up with some commonality that makes it easier on the applicant side of the equation simple things like definitions. I will tell you my entire term on the a hack in Seattle was on tribal affiliation. It took 3 terms to get that passed, and how I got that passed was, I found, a tribal affiliation definition within the Federal Home Loan Bank system with the Bank of Des Moines, and we got permission to use that so I think sometimes we study our enable and I would just say it's Possible to keep it simple while still being in a good regulatory framework, and I would encourage Federal home loan banks. All bank to look at that opportunity.

[Gwen Grogan]:

Thank you.

- [Chris Perez]:** Can I just follow up on one Carol point
- [Gwen Grogan]:** Sure, absolutely sure.
- [Chris Perez]:** Sponsored players in in those programs you know. I shudder to think, and I don't know if anyone's on this call. Like what happens if North gets bought out, I mean, it was just like I just I will shop around projects to my contacts at the banks, and they're not sponsors. That's not that State agency. We only have one State agency that serves both development, public housing and financial housing, finance corporations, you know. So, when they have capital money flowing from the fed and grab support, there often isn't a bank participation in the deal but AHP. Would be nice and The banks like I said, 13. Well, 14 members, one just merged 13 members. Most of them are credit unions. They're not gonna do multifamily commercial financing It's such a limited relationship, based effort. Stop being said. The banks here do have, because of the size and scale of of the State and their locations, a better understanding of what's going on in local communities They understand the high cost. They understand community politics, they understand how to have the developers or the nonprofits or the tribes work on these projects. And that's We're gonna we yeah, we just gonna have to rely on those members, too, as we go forward. Which is an interesting composition
- [Gwen Grogan]:** Thank you, Chris. I think to be sure that we have plenty of time to talk about the future role of the Federal Home Loan Bank system. Gonna hand it off to Shannon now to guide us through that discussion
- [Shannon Fountain]:** Alright. Thank you, Gwen. So now we're going to pivot. As Gwen said to the future role which is really been the basis of the all of these many discussions, roundtable meetings, onsite meetings, listening sessions. You name it. So, we are talking about the future. We call this the system at 100, so the banks will hit their centennial, and less than 10 years now.
- So, we wanna think ahead. So, we want to hear from you about how the system can expand access to its resources in Alaska and we'll look to the future role of the banks in and how they may undertake or what can be Undertaken to respond to the challenges that we we discussed, and some of the the themes that I've heard are, you know, a few numbers of members. I

mean, it's Chris has pointed out access to the bank's products and services. A low number of members that are participating, and then are accessing those products and services, limited products and services. So, there are products out there, but they don't really match or fit with what the needs are. Limited partnerships, limited relationships. So, I want you all to just sort of, you know. Think broadly, think innovatively on. You know, what can the bank system do? What can it be to support these needs? And I want to start with let's see, I'm gonna start with Lauren. And so, as we're thinking about future role, we wanna think about, you know what structural barriers may be at play and what will prevent the bank system from working most of effectively. And Lauren, you made a you submitted a response that I wanted you to to maybe expand on. As we were asking about structural changes, you know, with consolidation or size or membership of the banks, you said that while there's never a good time for change right now, maybe the poorest time to make a change so share your thoughts on that I wanna understand more about that. And for the audience. And then anyone else who would like to jump in there on structural barriers that that we may face. And how can we overcome those

[Lauren MacVay]:

Yeah, I think you know. Obviously, liquidity is sort of a critical topic these days when it comes to financial institutions. And you know, while many of us coming out of the pandemic and all of the money and and the swell in deposits and liquidity that is diminishing, and so liquidity has rapidly become a real topic, of conversation and certainly we've seen in the national news over the Course of the past week that you know it's an important one, not the interest rate environment. With the rapid increase, over 2022 has put some balance sheets out of kilter we've got inability or profound impacts from liquidating, you know. Upside down investments. And so, so those the role of the Federal Home Loan bank from the Member Financial Institution perspective in terms of being in a keystone of our liquidity management is even more important. Now than you know ever before. So, when I say now is a particularly poor time to be changing the engine while the plane is in flight, you know, I think that's the first fear that comes to mind right and you know when I look at my balance sheet and and how I Manage. We wanna keep lending. And we are lending. And Chris, we really need to talk, but and but but in order to know that we, you know, can keep that up, we have to know that our resources are going to be available to us. So that was what I was alluding to, that

[Shannon Fountain]:

Thank you. Anyone else. Want to weigh in on structural barriers. And what can we do to overcome

[Alana Peterson]:

Oh! I'll jump in! I don't you know I'm the least familiar with the existing programs of the folks on the panel, but something that comes up again and again with the communities that we serve is eligibility and so when you're looking at you know meeting household income or census data. Our communities, especially in Southeast, are the data, the census data is not accurately reflects the reality in a community, and it's due to how that data is collected and how those numbers get you know different communities get pulled Together, and so I would just flag that as something to know about Alaska, you know, housing is so if we could figure out housing and Alaska all you know, I get to work across many different industries and sectors if we could figure out the housing piece everything Else can start to come together. There's just so much opportunity in Alaska, and a lot of excitement around growth in energy sector. You know, tourism, visitor, industry, sector, and many others, and I just think that you know, housing is always, the common theme and the right across everything. It's like housing and energy. And so, I then I think a lot about what's preventing communities or people in communities solving that and a lot of times, it's just those those the qualifications. And it'll oftentimes come all the way back to the census data that's collected, and whether or not they qualify, and so Median household income, you know, \$80,000 a year for a household to 4 people, it's not a livable wage in the communities where we live like those people are hand to-mouth paycheck to paycheck, barely getting by, but then they may not qualify for whatever the program is, and so there's just there's things there to know as well and again, I'm not as familiar how that Impacts the funding that comes through FHB but the you know there, I think that's something to note as a structural issue

[Shannon Fountain]

Thank you, Carol. You had your hand up

[Carol Gore]:

Yes, thank you. I'll be brief. I wanna elevate just a couple of things, maybe take on to what Elena said When you think about 30% ami, it's defined in a variety of different ways that are often in conflict. That's particularly challenging for Alaska, because of the permanent fund dividend. A larger family. They're they might get zeroed out out of any program based on whatever that Pfd might be for that year. Calculations for a Section 8 Voucher at

30% are different from 30% calculation for a low-income housing tax credit are different from Federal Home Loan Bank. So I just wanna say when the criteria is check, the box of 30%, your unintentionally leaving out the very people that need help when you push it to the lowest denominator in our state that doesn't always work I wanna say, when I read through the packet, you have 13 states in this region that's very large, and it's very difficult not to be zeroed out within that 13. I don't know. I'm not advocating for, and it had additional Federal Home Loan Bank region. But I am suggesting that maybe the hard work is on understanding that each there may be some high-cost regions at an example who have different, slightly different criteria that help you get more money in the places where it's really needed that's what I would suggest you think about in a structural way. It's impossible for you to find common ground in those 13. I think, Chris articulated, that very well, but I think if you look at a providing those States, there are some states that also have a lot of tribes. And looking at that in a different way. Instead of we have to find a solution for all 13. Is there a way to sort of slice a dice, and maybe look at a combination of states within those regions to get to a different outcome? Thank you.

[Shannon Fountain]:

Alright. Thank you. So, Colleen your hand is up

[Colleen Dushkin]:

Yeah, thank you. I think I would take a different spin on it, because I'm not too familiar with the banks roles in general. But I am very familiar with the housing authorities in our communities, and really, I think if we're talking about structural change and we're talking about strategies and what might changes that might be made? It to me. I feel like the the the membership of the Federal Home Loan Bank doesn't include our communities as a whole. You know we do have some groups as lending center as a member, but it's like, how is the bank reaching our communities? And I think, thinking through that we don't have banks in our communities. They're small. We the majority, don't have a credit union.

They don't have Wells Fargo, and so the and like I think I had mentioned in my comments. It's like the the relationship between the housing authorities and the banks are a like a corporate relationship.

It's not about their CRA credits going into communities. For example, it is they're the banking institution, and it's not about

accessing other resources that are available to our communities. Because that's just not how they're functioning.

So structurally, I don't know what that looks like, but I think, understanding that there are barriers to our communities. And these programs getting into the larger community of Alaska is something that the banks can think about.

[Shannon Fountain]:

And Chris, before I jump to you, I'm Colleen I have a saving this for later. But you just kind of brought up the point in your comments. You talked about the connections between the housing authorities and the banking institutions being focused on traditional banking relationships. And I think that's the point you're making is that that's not the mission related work is not really the focus. So, I wanna just put this out there. How how do we shift that? How do we shift that relationship between these entities? So, there can be more focus on needs that are outside of just your traditional banking needs. What are? What are some ideas that anybody has

[Colleen Dushkin]:

I don't know if I have any ideas at the top of my head. You know, and I guess I wouldn't say that. Not all of them are, you know, but I just think that banking in general in our communities is just missing So just put that out there

[Shannon Fountain]:

Carol.

[Carol Gore]:

I would add, maybe one point, which is the bank, even if it's cra possible believe that they're making a good investment. And when you think about what a bank is traditionally do, to measure a good investment, they're looking at things like appraisals appraisals don't work on state. So, some of the traditional tools that a bank has to measure whether or not it's a good investment Don't work in our communities, and probably don't work in tribal communities just generally, appraisals are very, very difficult. I think one of the stories I heard that might be worth sharing. Here was a gentleman that moved to. I can't remember if it was, they were willing to build a new home because there wasn't anything else that community needed. That person in a leadership role, that home cost \$850,000 to build when he got the appraisal, the appraisal was around 500,000, which meant he had to bring 20% of the 500 plus cash to fill the gap. With a hope that he would never, ever get that additional money out. So how a bank looks at investing in our tribal communities has to change. If they if we

are going to be an investment from that member bank beyond just deposits. Thank you.

[Shannon Fountain]: Thank you, Lauren, and then, Chris, we'll come back to you

[Lauren MacVay]: Yeah, I mean, I think there's an opportunity for a lot of conversation here, you know, Carol's absolutely right. We have regulations. And we have people who are watching very carefully to see. You know what we're doing and what our programs look like. And but at the same time, you know, I think, that there's things that we are doing that maybe you're more localized and and could be broadened and and spread to other communities. So, it's I think there's an opportunity to get everyone together at a conversation and and see what we can do just ourselves as credit unions and banks. And then through the Fhlb programs as well. So, I see a summit in our future

[Shannon Fountain]: Chris, I want to jump back to you

[Chris Perez]: Sure, so right. So, you asked about structural. So, we jumped a little to programmatic, too. And I think there's a the 2 it can join for the practitioners on the call as well as me. But on the structural side, you know, I point down the hall, I'm going to Carol here because I find it strange that we've divided our federal programs. And our quasi-federally regulated institutions, like Federal reserve and and if I'm on the back into geographic territories, but they don't actually mean anything like there's no you know, I'm not sure why Chicago covers. The city in a state, you know a scale just happens to be there. I'm not sure why. Region 10, which is our designation for federal programs, is a region other than you know. Maybe expediency of airplane flights. But there's like a probably more connectivity between Alaska and Hawaii than there is between Alaska and California in a lot of way But I will say notwithstanding, that well, I've been. Pleased, about serving on the a committee is the amount of time an effort. The Des Moines Bank and the Seattle Bank before it has spent on trying to learn the distinct yet overlapping needs of the communities. And so, without jumping into pro programs, and how that could be addressed. Carol talked a little bit about high-cost places. I talked a little about voluntary programs that the bank is launching.

I think there's, I think we got what we got, you know, and it was a 100 years ago. Minus Seattle. As these Banks emerged. What can we do better? Alaska's Strange, right? Cause we have so few

regulated financial institutions. We have checking notes. 5. Non-regulated CDFIs covering the whole state, all of which are, lending sort of native at best, and I say that as a board member is a spruce root through to Elena's group comparatively, we're small, in size and scale, and as a person who does finance thing. As I said before, sometimes I'd be in third-fourth position indeed! A trust. What does that mean for our regulated financial institution? You know, participating with it's with its. So, the Federal Home loan Bank From a community development perspective, from a housing development perspective. Structurally can leverage the information it has in its region, whatever that might be I think Des Moines doing a fairly good job. But in absence of more members. Triggering events per CRA which actually don't want right cause. The triggering events for CRA are gonna be acquisitions. They're gonna be consolidation. They're gonna be things that actually make us less thanked as a state. I think we're doing the best we can. So, I advise real careful thought about what does it mean for a system to structurally change when we're, you know, in Alaska periphery of that system. Anyway.

[Shannon Fountain]:

Thank you for that. So, I'm gonna shift a little bit and narrow and ask about, are there any new missions related programs that the Federal Home Loan Bank system should consider beyond what we've already discussed? But are there any new programs that we should be focusing on, And I also wanted throw in there, too, because we haven't talked a lot about economic development. But I wanna pivot to economic development, too, and ask, you know, how do we get? How do we think about in terms of a new role for the home loan bank system? To expand in the economic development arena Colleen. Do you want to start?

[Colleen Dushkin]:

Sure, and it's an interesting question, because economic development in a lot of our communities, one of the challenges that we have is and Elena alluded to this quite a bit earlier.

But workforce development. One of the top challenges that we see in our communities with economic development, with workforce development is housing.

So, I mean that that is the underlying issue for a lot of our community. So not that I don't think that the FHLB should not invest in economic opportunities for our communities. But understanding that there is a very close-knit link between being

able to develop our workforce, being able to expand economic development and having housing on the ground

[Shannon Fountain]:

Thank you for that, Carol

[Carol Gore]:

Thank you. I want to validate what Colleen just said. Housing is economic development. Without housing there is no commitment there is no economy, and in our our State that is acutely true. I wanna speak a little bit about new program. So, you know, there's been a lot of I would say income targeting to lower income households and individuals at the Federal level and the local level, what we've created is a donut hole of no support at all for those that are in our Workforce. And when I think about our workforce, we're not talking about people that have wealth. We're talking about people that have 2 jobs in a household. They're above 60% of AMI? And who magically determined that if you are 60% of AMI, you make \$1 more, that you no longer need any sort of support. I would say in our State when I talk to employers. Virtually every restaurant in this town is in the housing business, because they have no other choice I think they would be all over. An employer assistant program. I don't know what that means, but I also see a pivot at the Federal level to how do we help to fill that? That donut hole workforce, who no longer have housing the point that I wanna make here is there are significant opportunities, but our buckets are full of specialized programs. There are absolutely gaps in how we serve people. And right now, it's income targeting. It might be geography; it might be senior versus homeless. So, you've got those sorts of things that we're we're then trying to serve. You've got those sorts of things that we're we are then trying to serve an entire community.

We have special programmed ourselves almost out of economic opportunity, and that's how I see it. I absolutely as an organization, wanna be able to choose to do all of the above. But I have to do that on trying to find resources that serve a target, that's not in anyone's menu. They're counting on the private market to take over that workforce. Donut hole That's not happening here, and I don't think it's happening anywhere else or there wouldn't be the deep conversations I see in Washington, DC. And in Congress. Oh, I wanna put a PIN in that and say, to the extent that we have more specialized programs, be thoughtful. Don't offer more complication, but also that flexibility which I think I've said that word a dozen times this morning. We need funding that is flexible that can adapt to our various

communities, not just in Alaska, but throughout the Federal Home Loan Bank system. I think this is a system wide conversation, that Federal Home Loan System should have. Thank you.

[Shannon Fountain]:

Right. So, I'm going to ask a slightly different question. So, we've heard a fair amount about pilot programs and sort of try before you buy opportunities. So, can we think of any role for the Federal home loan bank system in launching any pilot programs in Alaska? And what would those programs be?

[Chris Perez]:

Jump in here, cause I've had the benefit of 25 plus years in flap. Beware! Really, our only value is to think about how to best serve organizations. In my case, capital needs by being flexible and taking risk and thinking about experiments and pilots, so I could name a litany of of programs that exist around the country that are part of part of public partnerships that are local, but I do. Wanna. reemphasize like the core bread and butter. Of the Federal home loan bank system, isn't just providing capital writ large for economic development, but with a focus on housing and housing is probably our biggest economic need. I'm fine with that. But I do think CDFIs are going to increasingly play a role, and especially rural economic development. And how that works in Alaska. I'm not exactly sure other than spruce. It, and we can talk Elena. Talk a little bit about that but if we treat a CDFI at the Federal Home Bank system level as a quasi-regulated institution that's gonna have the same collateralization need or things like that, it's just you know, it's just gonna work for can name 20 CDFIs in the country, and that's it. and probably half of them are members already. Minnesota. Here in Alaska, I believe. the lending thing might be the smallest balance sheet among the CDFIs's participating nice that they're in the mix. But that's where the innovation is gonna happen. That's where the risk ticking is gonna happen. And that's where they're gonna be able to leverage funds from organizations like Rasmuson Foundation for some of that risk Taking? I do. I do appreciate that. The Boeing Bank has this new voluntary program. Really. About capacity building, you know, it's trying to get to the root cause of like, why don't we get HP. Applications from certain places in certain States, and you know why. I mean. We all know why, but it's the bank file saying it's because there isn't necessary. That local expertise to run these projects, let alone do the grant writing component, which is a whole another issue And I think Colleen could talk about that and a big workforce issue in this state. And

it's I shake my head as a practitioner is build grant writing capacity because you look at any one of these Federal applications, or even the Federal Home Own Bank. It, I heard just recently last year, and what I consider an exciting project around homelessness per supportive housing at scale for Alaska 24 units, you know, they took one look at HP. And web. No, thanks. I mean, they just like there's no one in the community, and we'd have to hire someone and then the compliance and the backend. So yeah, I think building the capacity to think about capital needs flows of capital. Grant writing, those are all sources. I see the other. Banks in the system, doing innovative pilot projects, and they're pretty great. But they have partners that make sense I'm not sure we have those partners yet, and if we do, then they're not quite there on the risk side because they don't have a backbone of support anywhere else, like I'm not sure we do. Should. Yeah, certainly, you know. Put its balance sheet on. On at risk to pilot something to leverage some additional support. There are. There are entities around the country that are better positioned. Given their long-standing needs. The fact that they're in money centers of locations. But yeah, I think there's plenty of opportunities that I can rattle some off. But I also wanna think with our core mission is especially in these rural places, and especially, and it for a bank that serves well 40% of the nation's tribes. What does that mean? And how do we get at that

[Shannon Fountain]:

Thank you, Chris Lauren, let's jump to you

[Lauren MacVay]:

I completely agree that our probably one of our largest economic challenges in terms of economic and community development is absolutely housing every conversation I have ever been a part of in Alaska about economic development and there have been a lot of them. Housing is always the first barrier. So, some of the the conversation that's been here today has been about shortage of workforce to build that housing. I can tell you, as someone who, even as simple in Juno, as needing, to get housing repairs, even that level of expertise is not available readily. So maybe programs that look at workforce development maybe programs that support training and certification in the, you know, the basics. I mean, there are programs out there. But maybe the Home Loan bank can develop something that would help with that. But also, workforce housing. Can't stress that enough. It's, you know, employers are looking at partnering with other employers building, you know, higher density complexes, so that they have a place to put their employees. Maybe programs that

would facilitate that sort of thing partnerships, so that employers have a place to house employees would be helpful. And then the last potential topic or program type things to look at would be disaster response. Whether I mean across the State, whether it's, you know, mudslides. River, roads in and storm damage. You know. I think that there's a lot that happens within a community with lost housing, lost lives, you know, lost community that maybe some economic support from the bank system couldn't touch

[Shannon Fountain]

Alright! We are getting close to end of time. To kind of Talk more about the future. And I wanna point to Elena. I'm sorry Elena and Chris, on this. It's about partnerships, you to work in the space where I'm sure much of your job is cultivating partnerships and knitting those folks together. Those entities together, so I want to just ask, are there additional partnerships that should be explored? And you know, yeah, just say, if we've already covered it enough, I can certainly say that we have talked about some partnerships, but I also wanna talk about successful models. If you can point to any successful models or partnerships that have useful elements that can be implored in the Federal and lobbying system.

[Alana Peterson]

Yeah, well, I can talk a lot about partnerships. I think it's been emphasized, you know, through some other comments like how we could probably strengthen that in the State. But one thing I'll you know, one model that I think, and something I had written in preparing my thoughts about this topic today was, how come FHFA? Or you know, Fhlb, get boots on the ground in the state, so to speak. I find as a small CDFI when we're looking to work with anyone in a National, you know, sort of scope or federal program when they have someone in the State that's a liaison or a support person for for deploying those programs or those dollars or connecting with the users of that's always been really helpful for us, because that person typically is from here. You know, understands all the things that have been shared by the panelists. And what's going on in the State, and are really looking for ways you know, it's their day job. They're waking up and thinking about. How do we get our our program deployed here? How do we do this? Well, and then working with us to understand our limitations and how to help us. You know, complete that application, navigate the system. They are sort of that middle person between the national branch and the State level, and it that has always really helped well, and it's a

relationship thing, right? It's someone who knows both sides and is sort of playing that role. And when I've seen it most successful. There's someone in the position that's from here, or that, you know. Is really knowledgeable about the State. So that's one thing. And then I think, you know, yeah, just time. I mean this sort of an opportunity is really wonderful to be able to share thoughts and ideas. And you know, effectively spend time together. And so, I mean, I've learned a lot on this call and just reading through the response of some of the other participants that they prepared. And I feel like there's there's such little activity in our state that that to me indicates, you know, just more time together spending more time in the State, spending more time, you know, with talking with people in this state that that are running CDFIs or tribes Specifically, you know how Alaska's set up. I know the Panelists know this all too well, but Alaska is set up very differently than the rest of the country. When it comes to our tribes and the relationship between Angstas tribes, the Federal government, state government. And so there, there's a lot of unique aspects to how we're set up. And it just takes a time and energy to understand so yeah, little. Bit. Of that thank you

[Shannon Fountain]:

No, thank you, Chris. Did you have anything to add? There. We've got a few minutes. Don't wanna rush you

[Chris Perez]:

Sure, I think when I think about the landscape here, opportunities wfor partnerships, and who those partners are, there's always been a flow of stuff to interesting new ideas in Alaska, in a lot of ways. We are an incubator, of opportunity around, how trial entities, communities, and government works, and for the most part the banks have not been part of that. They haven't had today when it, except for housing within the You know, Elena, eternal Lane. I don't know how much it's capital stack comes from from Banks right now, but I don't think we have a bank investor in the capital stock, which is, you know basically opposite of how every other lower fourier or traveling Designated CDFI is gonna operate here. So, we need things together. There's a lot of opportunity right now for mixed use construction in our population centers. High density. Things like childcare it's gonna be a flow of money. And I actually don't see how how currently the Federal Home Bank system participates in that, because they're just You know, they're not. bankable. Given the programs that currently exist But I think we're gonna see increasingly new opportunities and partnerships. We're gonna see soft capital sitting around and

past throughout the State. Whether it's a housing trust or a child care financing fund or Workforce development fund. We're gonna probably take opportunities now to put money when money exists. Capital exists into projects for the leaner times that we think will probably be coming again, and it will be, you know, I think we'll see. I just got off a call on Friday with the Federal Reserve, San Francisco, you know, trying to figure out what to do. So, there is clear some opportunity for we're needing these things together. And it really all then comes down to flexibility like, what can the banks and the big banks, not the local banks, but the federal home bank system Banks do. That isn't in conflict with the way they manage their funds I you know I think Alaska was Highly officially received funds from Federal Home Bank, Des Moines, through a partnership with the foundation Northwest Area Foundation. They provide capital funding through Oweesta. I think that's been the backbone of support for emerging CDFIs in Alaska, including spruce soup, but also sharing up. Loan lost users and other things like that. There's gonna be more need for that in the future.

If we try and grow economic opportunities. And you know I can't, even how I'm a bad board member to Elena, because I can't even count the number of partners. Capital, providers. People are walking side by side, looking at the growth of this organization at this point. It's just it's tremendous. But each one of them has this separate set of rules. There's there's lack of flexibility. And then there's new opportunities like the Federal government team, southeast, a build back better community for mariculture. What is that? 50 million dollars in funds are gonna flow into a tiny little industry and hopes to grow it. What does that mean? And how to. How do we think about local bank participation and the bank system participation and things like that? Where there's going to be a construct in place of a capital stock construct, and if you care about flow of funds, opportunity for banks to state anywhere elsewhere, our banks would just jump in an immediately but we don't have that, so I think it goes back to the Des Moines Bank to think about opportunities for the State

[Shannon Fountain]:

Okay, thank you for that. So, we've got about a minute left. And so, I'm gonna this will be rapid fire. So, I'm gonna ask if he had a magic wand and you can identify the single most pressing need that should be considered in dressing. All of the challenges, you know, I'm not all but pick one. What would that be in Alaska, and what could the Federal home own banks do to address that

single, most important need? So, I'm Gonna start with Lauren, and you've got the magic one

[Lauren MacVay]:

Boy, no pressure I get, you know. What I would start with is what I think is readily available, which is that the AHP program, with some modification, could be a much more powerful tool within the State, and with complexity, and in some of the compliance burdens Mitigated, and more flexibility just to hit that word again. I think that it would be a more accessible tool and a more affordable tool for agencies throughout the State. So I think that I would just hit that as a key takeaway

[Shannon Fountain]:

Chris, I'm gonna jump to you

[Chris Perez]:

Again starting, from what we know. I'm not. I'm gonna wave my magic one on system wide issues. But I HP, it's been a necessary component to a voice during our housing production of state. It still misses some things. I I'm a patient, flexible, capital provider that ticks operating costs into effect. HP does, but there we are, side by side. So how to make it more flexible. Our increasing need around for me for housing and this is a personal thing is about a permanent support of housing. How do you? How do you finance the support of part, and having AHP? Be able to at least account for those non-capital higher costs of doing business for certain populations as well as certain locations would be, would be great so I'm being redundant when I say flexible and patient within the AHP program but that's that's the biggest Thing for me

[Shannon Fountain]:

Alright! Thank you, Alana

[Alana Peterson]:

This is tough for me, I would say. You know one is the boots on the ground. I think if you could get like someone in the State doing, trying to answer these questions full time, that would probably be an excellent sort, you know. Use of use of resources, and then I'd say, continuing talking with these folks, these other panelists, you know, Chris and Rasmuson has. This is what they do, and they have a really, I mean, maybe that's another strike. Strong point of Alaska. We have such an excellent statewide foundation that really works in a in a regional way, and so they understand the whole state. They have the relationships with the different CDFIs, the banks, all the other private fundraisers and philanthropy groups. So, I think that you know there is something there, and maybe like just talk to them. Ask, for instance, and

they'll connect you. They'll know you know what to do. I think there's there's a lot of advantage to us being such a big state, but a small state at the same time, you know, it's over. Only a few people, and so just talk to us, and we can figure it out. There's there's there's a good opportunity there

[Shannon Fountain]: Thank you, colleen, I'll jump to you

[Colleen Dushkin]: Thank you, and I think I'll just echo what Chris kind of said in flexible and appropriate funding for communities, and I will have to say that the Rasmuson Foundation is an amazing, amazing group, and I'm I say that in preface of the housing.

Authorities are the boots on the ground, delivering, housing in every community in our State, and the Aha members are the executive directors of the regional housing authorities, and so with that connection, I think, is one of the most important if you're trying to invest in Housing anywhere in Alaska, so I would just say that they're phenomenal, and they are really the experts. And truly can provide you all the background and the logistics and the challenges and the opportunities. And they're the ones, I believe, who will bring the most information to FHLB. And FHFA.

[Shannon Fountain]: Thank you and Carol. Last, but not least.

[Carol Gore]: I'm gonna say 4 things. We've learned that leveraging capacity is almost as valuable as leveraging resources as an organization. We've supported other organizations for the production of 550 housing units in. And communities that are not where we typically live in work. So that's one idea. How do you catalyze that leveraging of capacity in our State to help each other? The Association works that way together. So, it's a right topic for us. But you might. Catalyze us to do more of that, I'd say 3 things redefining what affordability means today. Might lead to more flexibility. And how you're examining the program. Had a lot of conversations about that second, if your investments in Alaska are more intentional to increase production, moving a community from building 2 homes to 7 would be miraculous, and then putting the money behind it you know, we're all we're not getting the scale. In most of our communities so increasing that production and investing in that, you're already building one. Can we hope you build 2 more? You have to put money behind that, but it's gonna cost less to build 3 than it will to build one on a per unit basis. And lastly, invest in the low cost of that. That means

more today than it did 4 years ago. But it is critical. When you pile everything else together. Lack of workforce supply chain issues and higher costs and 60% in our case. And you move out of anchorage, and it's even bigger. So, making an intentional investment in some low cost, inter-steps would be miracle for our state. Thank you for this opportunity. Today.

[Shannon Fountain]:

And thanks, you all, and so I am. We are overtime, and I apologize. I'm gonna shift over to Gwen for our closing remarks.

[Gwen Grogan]:

Thank you. Shannon, real quickly, and closing Shannon, and I thank you for your time and thoughtful. Remarks they really were invaluable for us, building our understanding of the challenges you face In Alaska. We also appreciate your generosity in sharing ideas I would be remiss and not thanking the FHFA staff who have been behind the scenes, making sure that this roundtable, along with all those that preceded it, have been successful guys so you've reached the finish line and finally as we enter the home stretch for soliciting stakeholder observations, perspectives, and ideas. I encourage everyone to make plans to join the listening sessions that are scheduled for later this week. Thank you for your time today.