



Federal Housing Finance Agency

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Roundtable Recap: Access to the FHLBank System

Hawaii and American Samoa (virtual) | March 17, 2023

Participants in this virtual *FHLBank System at 100: Focusing on the Future* roundtable shared local challenges, including the high cost of goods and services, housing affordability, and housing supply outstripped by demand. The tourism industry does not generate high-paying jobs, and one of every two Hawaiian households is part of the growing ALICE (Asset Limited, Income Constrained, Employed) population. Access to capital is another challenge in Hawaii. One participant shared that the for-profit sector develops much of the affordable housing in Hawaii, due, in part, by a lack of capacity and availability of non-profit organizations. Hawaii is also vulnerable to the effects of climate change and natural disasters, and its isolation from the mainland makes obtaining resources challenging, especially in times of stress. In addition to a lack of land for development, participants mentioned that outside investment in housing takes away housing opportunities for the local population.

Participants shared challenges accessing FHLBank programs and funds, especially through the FHLBank's Affordable Housing Program (AHP) competitive program. FHLBank programs are not designed for the development process in Hawaii, where it may take seven years from conception of a project to occupancy. Participants also shared difficulties qualifying households at current regulatory AHP income limits, as households with higher incomes require assistance given the high cost of homes. The compliance burden associated with FHLBank programs was also mentioned, especially in light of the program's relatively small contribution to a project's capital stack and the expertise necessary to ensure compliance with program requirements. Finally, some participants noted a lack of understanding of the FHLBank's programs and access requirements. It was also shared that CDFIs in Hawaii were too small and lacked eligible collateral (CDFI lending is primarily unsecured) to meet FHLBank membership requirements.

Participants mentioned an upcoming FHLBank visit to Hawaii as an opportunity to share challenges accessing the FHLBanks' products. Further consideration could be given to opening an FHLBank office in Hawaii. Another idea proposed was for FHLBank members to partner with CDFIs and find ways to effectively deploy FHLBank funds to their communities. Finally, participants shared the need to stretch beyond housing and think about job creation and support of small businesses, including creating economic opportunities for Hawaiian homestead communities.

FHFA prepared this roundtable recap to summarize key discussion points. Please [visit the website](#) to view the full roundtable transcript and video recording.