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Tyler: Welcome and thank you for joining today's conference: ONAP National Best Practice webinar, featuring Bering Straits Regional Housing Authority. Before we begin, please ensure you have opened the WebEx participant and chat panels by using the associated icons located at the bottom of your screen. Please note that all audio connections are muted at this time. If you require technical assistance, please sent a chat to the event producer. With that, I'll turn the conference over to Heidi Frechette, Deputy Assistant Secretary, with the Office of Native American Programs. Please go ahead.

Heidi: Great. Thank you, Tyler. Everyone, this is Heidi Frechette. I'm very excited to be here today and to host HUD's Office of Native American Programs' third installment of our national best practices webinar series where we highlight housing accomplishments from across Indian country.

In the previous webinars, we featured the Lummi Nation Housing Authority **[0:00:55 inaudible]** Village, a gated transformational housing development, located in Bellingham, Washington. The village is a 45-housing unit complex that provides housing with wraparound supportive services for families making transformational life changes.

We've also featured San Felipe Pueblo Black Mesa Subdivision, 150-unit homeownership to subdivision, located just outside of Albuquerque, New Mexico, where the Tribal Housing Authority utilized Title VI and section 184 financing to construct much needed housing for the community. Both webinars are recorded and available on our hud.gov/codetalk website.

As we move to the next slide, we are pleased to be featuring today the Bering Straits Regional Housing Authority, located in Nome, Alaska. Under the leadership of President and CEO Chris Kolerok, the Housing Authority constructed the first housing built in ten years in the native village of Savoonga, on the St. Lawrence Island, in the Bering Sea, in Alaska.

He utilized HUD's Title VI Loan Guarantee Program to finance the construction of four single-family houses and one duplex. These units are also the first units, Bering Straits, built with through a force account. The homes, which face an unforgiving climate, are built to last to at least 25 years and very importantly are highly energy efficient.

As we move to the next slide, we are honored to have Chris Kolerok, President and CEO of the Bering Straits Regional Housing Authority, as our presenter today. Chris has been with the housing authority for just over two years, and has overseen the construction of new units at Savoonga and Gambell as well as the new housing office. He's currently leading the effort of rehabing their old housing office into new elder unit. Some amazing accomplishments in such a short time.

Chris, welcome. We are looking forward to your presentation, and learning more about your amazing and inspiring work in the region that you serve.

Chris:

Thank you very much. Good morning everyone, at least west of the East Coast that it's still morning. I want to thank you Deputy Assistant Secretary Frechette and your team for featuring our small corner of America for today's webinar. It is a blessing to be able to share with you the many successes and the few areas for improvement in our journey to build the six homes that we have in Savoonga.

Just a little bit of background on our construction process, Bering Straits Regional Housing Authority, we have a very orthodox history of affordable housing development. We have traditionally built homes with our IHBG. Our allocation was either used in a single year or we saved it up over a year or two and then used all that savings for development. That's a very orthodox history and it is very limiting.

I recently heard Jason Adams say in a presentation that if his tripod only used their NAHASDA grant in the traditional way, it would have taken a hundred years to build what they had built in the last ten years. I think that's very inspiring and it's a very laudable accomplishment, and my goal is to get to that level of financial innovation and construction innovation. I believe we will, step by step.

Before I get into this presentation, I want to make sure people come away with two points that we have experienced from our experience. The first one is that the Title VI loan guarantee was essential for the project in Savoonga to have them. Two, acting as our own general contractor and managing this project by force account saved us approximately 39% of the total project cost over a design-build contract.

Without one of these two features, we would not have been able to build as many units or build them in the time period that we did.

Without both of these features, we would have probably built only two or three units instead of six. It might have taken us two or three years of saving and scrimping instead of being able to engage in a one-year process. As we move through this, those are two of the innovations that we've utilized for this project.

I'll back up just a bit and talk a bit about our agency, the Housing Authority. We have a workforce of 16 people, but we also have approximately 50 to 75 additional people during this summer for our construction projects and on-hand throughout the year to work on rehabilitation or work on emergency maintenances as problems arise in our far-flung villages.

We accomplished what we do with a total annual budget between \$7 and \$10 million. That budget goes up as we take on Title VI debt. That's built on the back of the Indian housing block or Native-American housing block grant of \$6.1 million for this past fiscal year.

We can take a look at our region. On the next slide, you'll see a quick intro... a quick map of where we are in the world and in Alaska. Just so you're aware, our... this picture here, on the left, with all the snow was taken in May; that wasn't the dead of winter, just an introduction to our climate.

Our villages in the Bering Straits Regional Housing Authority, we comprise tribes and villages in the Northwest Alaska. Our headquarters is in Nome, which is the terminus of the Iditarod Trail Sled Dog Race. Our villages are as close to Russia as possible, without actually speaking Russian.

Our people on Little Diomedede Island, they're out on the west, or as their tribal name, Inalik, they used to have cousins that were just a few miles away on Big Diomedede Island until the Soviet Union moved them all to the main land of Russia and put up radar installations to spy on us.

Our region is so remote and so far into the Bering Sea that when we travelled to Savoonga, on April 29th, there were still five feet of snow on the ground and the climate is such that as we were there, snow was melting several inches a day. The week before we arrived, we actually had three feet of snowmelt prior because of the sun was shining hot and bright.

Just to share with you some of the remoteness and the lack of infrastructure. When we travelled to Savoonga, we had one day of delay due to non-functional equipment at the airport. As we were there, we had an additional three days of continuous delays because

of that non-functional equipment. Because of how far away Savoonga is from Nome, if the navigation equipment is not working, we have to have near-perfect weather to make the airplane trip.

Just for a little bit of information on our weather. Savoonga and Gambell out there on St. Lawrence Island regularly experience hurricane-force winds that would evacuate Florida, but because of their remoteness and location, they hold in place and we have to build for that.

On the next slide, we'll get a little bit of intro into some of the differences of our Alaskan housing authorities versus the lower 48. We could spend an entire graduate-level semester on this, but I'll see what I can do in a few minutes. We do not have reservations, and our tribes are not really land-based tribes as in much of the lower 48. Our tribal system was created, in part, to keep Alaskan native tribes from exercising land sovereignty over the massive oil fields in Prudhoe Bay, Alaska.

It would have been a multi-generational fight to claim sovereign titles and to settle our land claims. In the middle of that, Atlantic rich fields, now owned by Phillips and BP, and Exxon were eager to develop those massive oil fields and they pressured Congress into reaching a land settlement because between 1960 and 1970, a federal judge ruled that there would be no oil development in Alaska until land claims are settled.

One of the compromises that came out of that was the Alaska Native Claim Settlement Act of 1971, passed by Congress. We received 44 million acres of fee simple land and a cash severance held by 12 corporations, for-profit corporations, in order to settle our claims of land ownership in our home.

Each large region received a regional corporation that acted as the larger entity, and each village received its own small local corporation. The village corporations had land rights on the surface of their fee simple land. The regional corporations received land in themselves and they received the subsurface rights to all village lands. It's a complicated land system, and it's an interesting system.

One of the things that the State of Alaska realized in 1971 was that there was not a vehicle for Alaskan tribes to receive funding for housing through HUD and so under state law, native associations on the regional level were given the authority to create housing authorities that covered their large region, and we can into being a 1974 because of that.

Now, between 1974 and the founding of NAHASDA, the stand-in for a “tribe” was our regional association. For our “tribe” under the old 37 Act, it’s actually our regional corporation. Several villages did not join a large regional corporation, Gambell and Savoonga, for example, on St. Lawrence Island. They own all of their lands, surface and subsurface, and they’re not part of Bering Straits Native Corporation.

Just to put a context on this, our tribal leaders in 1971, they recognized that we could either take the deal that was offered by congress, or we could fight in the courts for a generation, or two, or three. When we talk about Alaska tribes being different, it’s important to understand this history that the difference was not thought out by us, it happened to us, which is why we are often so quick to mention the differences between Alaska and the lower 48 in tribal affairs.

In the next slide, you can see how our regional housing authorities are broken up along those Alaska Native Claims Settlement Act corporate areas. Bering Straits Regional Housing Authority, we’re up in the upper left corner there, but the regional housing authority would generally follow the boundaries of the regional corporations along the ANCSA line. There’s one more piece of interesting housing law, housing regulation, that confound some of our Alaskan tribes.

On the next slide, you’ll see something called the Steven’s writer and that basically is a Alaska-specific writer to NAHASDA funding bill that state that in a tribe or in a tribally-designated housing entity must have been receiving funds in fiscal year 2005 to receive the next fiscal year’s funds. What that means is that tribes who were independent of a housing authority are able to receive funds, but it is a way to keep housing authorities intact rather than having village-based tribes sort of breaking away from the consortium, the housing authority consortium, and it can go backwards though.

Tribes that were independent in 2005 may re-join the housing authority, and we have had one that did that in 2006. We have another tribe that is discussing with us about re-joining this year or in the next year.

One of the reasons why individual tribes may want to be independent of a regional housing authority is that the cost of construction is often cited as a reason for tribes wanting to assert their independence from the regional housing authority. When a HUD village is able to construct housing at a lower cost, it’s because they are exactly that; they’re transportation and logistical hub of

their region. That's a bit of background. It is a complex background, but it sort of gives a little reason why we're different.

I want to move a bit to what we have been doing at the housing authority in the last few years. You'll see a bit on the next slide about where we've been constructing. In 2014, we had a backlog of units that we constructed. We constructed about 14 units in four villages.

In 2015, we actually constructed five units in a village called Brevig Mission. That was our first use of Title VI loan guarantee in Brevig Mission, and that one was... we were particularly proud. We had not had the experience with it. We were stepping out on a limb. Our board of commissioners was a bit worried about it, but after that positive experience, we quickly decided that we would utilize this Title VI loan guarantee in Savoonga, and Gambell, and preferably into every other project that we have that is of significant size.

We have a region just... as you're looking at our recent developments, you can see we're not talking about a lot of units developed. Part of that, you can see on the left, is because of our geographic size, we have a region that's the size of Maryland or less Virginia with 12,000 people, and so with a large geography and a low population, the cost and the ability for us to develop new housing units is fairly limited, but we give it our best go.

As we move along, there's a list of our member tribes in the next slide that just as an example of the 18 tribes that are within the housing authority. We have 18 tribes because, again, Bering Straits Regional Corporation is considered a tribe under the old 37 model. As the formula is funding the old FCAS units, we interact with that regional corporation as well.

That's a quick list of who is a member of the housing authority, and we operate on a consortium model on behalf of these tribes. We can move on to some of our basic programs, what we do. You can see them listed on the next slide with a whole list of everything we can do: home improvements and renovations, homebuyer counseling apprenticeship and improvement.

Some of the things that we include in our annual plan is just the ability to work on handicap access for our tribal members in our villages as well as emergency maintenance and repair. One of our biggest expenses is, in the middle of winter, a boiler goes down and that means a family's without heat in January in -25 degrees weather.

If we don't have somebody on hand in the village where that happens, we have to send somebody with a boiler and a kit of tools to make that repair. As an authority, we can't allow somebody to go without heat in the middle of winter, that'd be a little too rough.

Let's move into our planning process. You'll see on our next slide a bit about what we do as we plan for construction and as we talk about construction. This picture is actually one of our new units. You'll see it's on pilings that our driven into ground, down to bedrock. When we were planning for projects, one of the key features is, of course, we have to alternate where we construct. With 14 villages and 18 tribes, we actually have to move around the region, and there's going to be necessarily time between construction projects.

What we have to do in order to prioritize where those projects will be is, we have to take into a scoring matrix, and that scoring matrix gives us an objective view of where we should be building next. The matrix, it's a multipage document that has metrics such as the current tenant account receivables of the members of the community, the size of the wait list, the existing wait list for housing in that community.

We also have items on community readiness and infrastructure. For example, if there are dock facilities or storage facilities for our construction material and equipment, down to if water and sewer is available, other items that make it so that we can build in those communities easier. The easier it is for us to build, the higher their score.

Now, when we talk about planning and how get the process started, once we figured out a community that we need to build in, there are meetings that we need to hold to make sure that the community is aware of what we're doing. On an annual basis, we meet with each of our tribal councils in each of the villages and we do that as part of our Indian housing plan certification. Because we have 14 villages with 18 tribes that designate us as their TDAG, we actually need to get their sign off every year for the Indian housing plan and we take that opportunity to discuss, in general, what we do.

We also ask for feedback as we're presenting the next year's plan and budget. We're asking feedback on what's working and not, what's needed. We generally have a special purpose trip to each village so that the tribal council can take as long or as short as they need to, to discuss with us.

When we get a little further down into the planning, we make sure our engineers fly to our communities to conduct surveillance so that the civil engineer and the geotechnical engineer can actually put their eyes on where we're discussing development, which is important in the past and perhaps, this might be the way with some of you on the line to date.

If your engineers are not actually putting their eyes on where they're building, it's not going to be the optimal outcome. Their report and their design is not going to be as good if they actually walk the ground and feel it. It adds some cost to the project, but it's important that they actually viscerally feel what's happening.

We have community meetings as well prior to design finalization or with once we get down to a preliminary design to solicit input. In this process, when we meet with the tribal councils, when we attend annual meetings of the tribe, one of the comments... we usually get two. Our number one comment is usually the condition of people's homes.

In that, there's a mix of people who are in our program, and people who have graduated from the program, or/and have been conveyed a home. For the people in our program, it requires us to do quite a bit of education, and continuous education, and maybe re-education about the obligations of homeownership and being a homebuyer. There was, perhaps, a history stretching even back to the BIA days, back before the 1970s where housing would fix everything, and people were instructed not to touch their homes because housing would fix it.

It's taken us a good long time to be reiterating that that's not the way that we work anymore, that's not the way that government views its funding opportunity anymore. That people are expected if they purchase a home and are in our program, they're expected to conduct their routine maintenance. For the people who are outside of our program or never inside the program, it gives us a good indicator of how many people are living in tough conditions.

The second-most comment we usually get is the need for new housing and how overcrowded people's homes are. Later, we'll see some statistics on it, but we don't have a community meeting anymore where people aren't discussing how overcrowded they are.

Actually, let's talk about overcrowding here. On the next slide, we can see some comparison about our current housing conditions. When it reaches the level of a US senator, we can tell that the

conversation is happening and it's happening often about overcrowding.

In the rest of the United States, we have an overcrowding rate of 2% or so. In our entire region, our overcrowding rate is somewhere around 37%, but in Savoonga where we just built six homes, our overcrowding rate is 61%.

The terms "overcrowding" and "severe overcrowding," as they're used by HUD, they do not adequately capture overcrowding where we're at. I think my colleagues in the upper mid-west will agree with me here and elsewhere in Indian country that our overcrowding rate is nearing New York City, turn of the 19th century tenement levels.

My first month on the job, I heard in a village of 18 people in a three-bedroom home, a three-bedroom home of 1,100 square feet, there's 18 people in there and so when there's a HUD definition of severe overcrowding of 1.5 persons per room, that doesn't even come near to the problem of severe overcrowding that we are facing. We need a new definition, or we need a new lens on what that means. For us, generally, are coming to accept and we've been saying for a while that we don't have homelessness or homeless in our severely overcrowded homes.

The things that happened with crowding at that level is that, literally, people are required to sleep in shifts so that there are people who can be asleep in a bedroom and other people are awake giving people those bed spaces and those quiet spaces. It's usually the children who are sleeping during sleeping hours. The adults are giving those kids that chance to sleep so that they can go to school and learn, and anyone in the home that may have a job, a nine to five job or maybe an elder.

The people who are awake during the evening hours, they then sleep after everyone else gets up for school or possibly work. This creates a cycle where those people who are awake at night, they don't have a chance even at a regular employment add an income to lift themselves up. It's detrimental and it becomes cyclical to the economic wellbeing of our families.

With a lot of people, there's a lot of moisture expressed in just breathing. Eighteen people in an 1,100-square-foot space really degrades the indoor air quality. It really contributes to the mold and the degradation of material in the home. This is a social implication.

In a home that's severely overcrowded, if one person is experiencing substance abuse, the other 17 people are as well. Our severe

overcrowding is not just a building issue, a safety issue. It's also a social safety issue and an economic issue for people being able to actually get up and get to work.

Why do we have the severe overcrowding? How are people living in such conditions? Well, during seven months of the year, eight months of the year, if people were unsheltered in Savoonga or in any of our communities, they would die and there is no doubt about that. If they were on the "Stream Savoonga," they would not live and so our families...

Savoonga is a 700-person community. Everyone is a family, and everyone have known each other since they were born. They will, out of their familial love, take in people who need a place to sleep, and they'll subject themselves to these health issues, to the economic cyclical degradation of their economic livelihood out of love for their family and friends to keep them from dying.

When we talk about overcrowding and we talk about homelessness in our communities, I think this is happening in many other places in Indian country. It's a bigger issue than just being able to put up four walls. It's the physical, mental, and economic health of our people.

As we advance to the next slide, I have some questions on research and outcomes. We know things that happen like increases in respiratory illness in severely overcrowded homes. We know that children in severely overcrowded homes express behavioral issues at school and have lower performance because of the stress of being at home. The problem is we don't have enough research that's Alaska-specific or Native-American-specific.

I've actually begun discussing with our university, a think-tank at our university, about commissioning research here, and they have discussed how they could not get peer review because all of their research is based on Northern Canada because Northern Canada actually has lots of research on the impacts of overcrowding.

An American university professor, not being able to advance their research interest because we don't have any research is a conundrum that's how do we break that need, at least one research area. I'm actually discussing starting with a low-level research project in my villages here in the Bering Straits.

We can move on to... let's get a view of the rural challenges of construction. You'll see some listed on our next slide. Our transportation issues are difficult. If we're way out in the Bering Sea in the northwest corner of America, almost touching Russia, our

villages cannot get material where they need it to be. We have the ability to air freight items into a village, which is prohibitively expensive, or we can send it on a barge during the four months that the barge will be able to run during summertime. What that leads to is very long procurement lead times. We need, at least, seven to nine months before construction to procure material, to make sure everything arrives where it needs to be.

In construction, no matter what happens, every construction project, you're going to forget something, something walks off the job site. One of the things that we always have to do is we need another box of nails and so we have \$10 boxes of nails that we spend \$25 to ship out to the site.

Just as an example of what the cost of shipping is. If you take an airplane trip out to where you're going, if you divide your ticket cost by your weight, you'd start getting an understanding of the logistical cost of moving items where we need them to be.

Our freight costs, even on a boat, are pretty substantial. Depending on how much we're buying and what we're buying, we have to budget in at least 30% for the transportation and we have to add a large contingency because we don't know where the logistical bottleneck is going to be. If something doesn't make a barge from a supplier, we've got to put in on an airplane, so there's some contingency.

Just for an example, in 2015, there was a construction project in Hooper Bay, much to the south of our region but on the west coast of Alaska on the Bering Sea, their material cost was equal to their transportation cost and so just getting the material to where you're at is actually doubling the price of that material. We can see it in our material goods.

In Savoonga, gasoline is \$6 per gallon, and so it's heating fuel that is \$6 per gallon. Milk, a gallon of milk, is actually \$10 per gallon there. It's not market forces. Supply and demand isn't saying that milk is \$10 a gallon. Most of the people there can't afford that. It's just getting it shipped in makes the cost that high.

Our construction window is understandably tight. We can get the materials to Savoonga maybe at the end of June if we have an early summer, and full construction can't really start until after the fourth of July due to we need to inventory, and we need to organize the construction site. We have to have everything outside complete by October.

In just a village of 700 people, there's no hardware store. There's no **[0:39:14 inaudible]** to collect anything. What does that look like? Well, you can see in our next set of pictures, on our next slide there, those are homes, those are pallets that are actually going to become homes. The landing craft...

The course of this material, this material was shipped from Anchorage to Nome. It was taken off with a big barge and put on this small landing craft. This landing craft beaches as close to shore if possible, without being grounded. A giant loader drives out, drives up the plank of the craft, and starts unloading items there. There's no dock. There's no moorage. It's, literally, just on a bigger scale of you getting out of your rowboat and tying up on a beach.

Let's talk a bit about Savoonga specifically. You can see a little map on the next slide of where we're at. It's on St. Lawrence Island in the middle of the Bering Sea. The distance between Savoonga and Nome is 150 miles, and that's over water. Like I said, the weather has to be good for us to make it by airplane. It's accessible by air when the weather's good, and it's accessible by water but without a dock, we have to double our transportation cost because it has to come off of a big boat in Nome and being put on a small landing craft to make it out to St. Lawrence Island.

On the next slide, we have a little bit more items on the community. Gambell and Savoonga are sisters on that island, connected by history, and family, and subsistence food. This is an island where 75% of their calories are still harvested from the ocean, whale, walrus, seal, fish. This is a very traditional place.

Gambell, on the western side of St. Lawrence Island, is 40 miles from the Chukchi Peninsula and so everybody, when they go out their front door, they can literally see Russia from their house.

The Indian Housing Block Grant for Savoonga was about \$600,000, and that's a need-only grant. The Regional Corporation through us also receives their **[0:42:06 old FCAS]** and it's a young community. Approximately half of the community is under the age of 19. The population is growing, and it is going to continue growing over time.

Let's take a look at an actual picture of Savoonga. Here, you can see it from the air and on the lower left corner, you see where all the boats are, that's kind of an area... that's their closest thing they have to a dock, but on the...

As we look in the upper right corner, that very large building is the school and going back to those demographics, because of the size of

the community, because of the size of the young population, a good 35% to 40% of the people are at the school Monday through Friday, nine to five, their kids in school.

In our development, to give you a visual, if we go up that center main road, we follow it to the kind of top, there is an empty land that's where the housing unit stopped in the middle there and we built on that empty quarter there, up near the top of that main road. This must have been in the middle of July when this picture was taken because it's actually green and looks like a nice place to be.

With that background, we'll talk about our Title VI financing, some information, what we did. Again, like our first use was in 2015 for a village called Brevig Mission. In Savoonga, we took down a loan of \$1.9 million, and it was our second loan, and it covered about 40% of the project cost. We structured it as a ten-year payoff so that it wouldn't be tying up the need portion for too long. There was some use of proceeds in the housing and the infrastructure that was needed to build the homes.

The maximum Title VI loan is based on the need portion of the block grant, five times the village's or the tribe's need grant is what is able to be guaranteed by Title VI. There is one bank in Alaska that conducts Title VI loans, and that's First National Bank. One of the things that we've discovered, we were worried about it at first, but after using it in three villages, we are on board with how important that guarantee is to secure and financing for our construction projects.

We move along a little bit to the next slide. I want to talk a bit how the process... of my feeling of the process. When I came to this, I have my background in finance, so I have no worry about utilizing debt to maintain liquidity and that's exactly what Title VI provided us. It gave us flexibility, and it gave us liquidity so that if we ran into any issues, we had that backstop for us for the construction finance.

We started the process with sending a letter with some information to our local ONAP office and to headquarters. We had multiple conversations before we made it official that we're receiving a Title VI loan. The conversations were basically that the headquarters' Title VI loan officer and our local ONAP office, they wanted to make sure that we knew what we were going after. They wanted to make sure we understood the process. They wanted to go through all of the pre-planning... the planning and the execution.

The ONAP office and the loan officer for the Title VI specialist, they weren't like a government regulator trying to make sure we complied. There was only one way of compliance and it was hard to us. They were like a partner to us, walking through the process with us, and it made it a very easy process to go through. I just want to make that plug. If anyone listening is thinking about Title VI loan guarantee, talk with your local office and start that relationship. Based on my experience, your ONAP office wants you to succeed and they're going to help you to succeed. That's my opinion on that.

Moving a bit on to discuss some of the procurement materials in Savoonga. We've got to make sure that we got our plans in place a couple of years in advance. We've got to make sure that our project budget is backed with contingency, and Title VI allows us to have that flexibility to scale up or down.

In Savoonga, we already had layout designs on hand. We needed them engineered and stamped, but we were operating under the assumption that we were definitely going there. That as we were moving down the process, our final year, our final few months of planning, was a sort of foregone conclusion and this was a sped-up process because we had been planning earlier.

By June, we had 90% of our financial plan in place and budgeted. By July, we had our Indian housing plan flushed out and began receiving approvals by our tribal councils. The RFP for the big items was pushed out in October, which provided us enough time to field calls, have amendments for clarification, a protest window, and a very, very late procurement period of award in December and January.

Because we had been moving towards this, this was the window that we had. Right now, we are actually in this process with two other villages and we're doing it one full year ahead of this schedule.

For Savoonga, the barge's loaded in early May in Anchorage and it landed finally in Savoonga in late June for construction in July. I want to talk a bit about, over the next few slides, over some of the construction challenges that we faced. If we move on to our next slide, we'll talk a little bit about what the construction challenges were. Advance the slide, please.

Like I said, we began in early July, and it lasted through October for the external items. Some of the issues that we faced is we have to put on large metal sheets on an island in the middle of the Bering Sea, so 30-mile-an-hour winds are pretty common. We can't put all of our construction material into the landfill because it's a small

island without a permitted dump, so all of our material has to come back on [0:51:05 Conaxes]. We have to treat it like a national park, and that adds quite a bit of cash to our construction budget.

Sewer and water were maxed out for this area. We actually had to add a lift station to provide additional capacity to the sewer system, but some of the good things, some of the positive things out of this we were able to use a local gravel pit, owned by the local corporation.

We were able to use dump trucks and loaders owned by the local tribe and by the city, and so because we were utilizing force account project management, we knew that if we talk to the locals, we could actually get material and get equipment. It would be slightly cheaper than if we had just barged them in as a rental from Anchorage.

All of our items, all of our home had to be weather tight by October because after that, it would start snowing and have severe wind gusts. That means that as long as everything is weather tight, we can do the interior work through December.

Then, there were some issues that we learned along the way that an experienced contractor has learned these lessons earlier. We have some... our units are so weather tight. The envelope of the home is so tight that we actually have moisture issues, like people's breath is actually creating moisture issues in the homes. We're going back to our homes to add in heat recovery ventilation units process.

Moving on, we can see a little bit... I want to talk a little bit about the energy efficiency that we have constructed these homes with. We used a process, or a material called "structural insulated panel" for the walls, and the ceiling, and the floor. Structural insulated panel's basically two pieces of plywood that sandwich a foam, a polyurethane foam. The foam we used was extra heavy. It was an eight-pound foam that provided the structural rigidity and the support. The foam itself was not heavy.

Between all of the foam, the floor, the concrete that we poured into the home that provides a large thermal mass, we were looking at a home that was energy efficient to the point where I've never seen. Our ceilings were on the order of R60, and our walls were on the order of just shy of R50.

The location, we had to have some items like a metal roof because of the heavy snow load. In addition, we used LED lighting in our homes, and we used double pipe oil burners for our heat because

that only means one hole in the side of the house for the boiler, rather than two. Those are some of the features that we did. There's some more on our next slide. We actually used five-star energy rated windows that have three glass panes.

Altogether, the energy use of our homes was rated at over five star. What that practically means for our homebuyers... our homebuyers are, of course, low-income people, and with heating oil being \$6 a gallon, with all this work put into it meant that our homes are burning 30 gallons of heating fuel per month as oppose to some of our older homes, less efficient homes, burning 1 to 200 gallons per month.

We put a lot of time and effort into making our homes affordable for the people that are there. We did not just build an affordable home to construct. It's a home people can afford to actually live in. We built to a high energy standard. One of our grant sources was the Alaska Housing Finance Corporation, that was one of the motivators for us to also build with a high efficiency.

As you turn to the next slide, you can actually see some of our... what our SIP panels look like; very thick, lots of foam to keep the cold out and the warm in. The floor was actually a SIP panel and on top of that, we poured concrete for the rigidity and for the thermal mass.

We also built not just for energy efficiency, but for longevity. On the next slide, you'll actually be able to see one of the features. We actually have those pilings that were driven down to bedrock, and those are actually helical piers, so there's actually a hook on the bottom that actually hooks into the rock itself.

When we build with a focus on the lowest cost, we can build things that are not going to last for a long time. Now, with 40 years of experience, and 40 years of managing homes, and having to go back and look at our homes, some of our construction cost, we have to look back and say, "We have to save money," of course, "But we also have to spend extra money here and there to make sure the home will last a while," so that's one of the reasons why we constructed with these helical piers for the rigidity, and also concrete that provides the structural strength in the home.

Some of the items that we also built, longevity, in a social sense, our living rooms and dining spaces are very large because of large family pressure and because we know that people are going to have community dinners and family dinners. For some of these people, their grandchildren will move back in with them, so they need large

spaces to accommodate what, for some of them, will become a multigenerational home.

We constructed a different toilet system based on our sewer system. Some things that we learned in our building for longevity, we figured out that items like vinyl plank flooring from Home Depot are resilient flooring. For where we're at, it's actually a better floor.

Concrete was expensive, it was heavy, it required quite a bit of skilled labor to put down versus a resilient vinyl floor from a standard home improvement store which will be water fast, which will take a beating, but also can be repaired and replaced very easily and laid down very easily, and will also use some baseboard heating because of the ease of its repair. As we're building for longevity, we're also taking note of some of the items that we could have built... some lessons we learned in the building.

Moving to our next slide, you can see some of the items we put in there. On the upper left picture, you can actually see the gravel pad we laid down. We laid down a gravel pad, a monolithic pad, to accommodate all of the homes plus additional expansion homes to prevent sluffing or to prevent the sides of that gravel pad eroding which is a problem for us in some of our older homes as well as those pictures of those helical piers that are between 7 and 20 feet deep.

We built these homes to be efficient, so people could afford them; and we built them to last, so that over the long term, we don't have a home that just disintegrates. We'll move on to some of the other items that we discussed. Moving on, we used a method of project management. We acted as our own general contractor, and we used force account labor. It was our first time in many of our employees' memories that we used force account rather than putting out to bid on a contractor.

80% of our people were from the local community. We knew that if we managed the project, that we could find and vet the people from Gambell and Savoonga. We had 32 people. We needed a large crew. 32 seems large when you have a six-unit construction project, but remember when I said that Savoonga and Gambell get 75% of the calories from the ocean, we needed a large crew so that they could peel off and engage in subsistence hunting and fishing. We needed a large crew so that no individual would work so much that they would not be able to qualify for housing assistance.

Just in general, I mentioned this at the very beginning, but doing this as our own general and utilizing Force Account labor, we saved \$1.8

million off of the lowest contractors bid. That's 39% of the total project cost. That's about \$300,000 per housing unit, and that was us working...

In addition to that money that we saved, we made a special effort to recruit labor locally, to procure items from our local tribe, and corporation and city, even to the point where we actually repaired pieces of equipment that the city had. Because of that repair, we didn't have to pay for the equipment to be shipped in from outside the village. When we were done, those pieces of equipment were still running so actually there was a benefit to the local community.

Moving along, all of that work has resulted in what we have today which is duplexes. A duplex with two 900-square-foot units, three-bedroom units that are 1,200 feet, and four-bedroom units that are 1,300 feet. They all have an 80-foot arctic entry because people... again, they're subsistence hunters and fishers.

They're going to be having a lot of gear that they need for their activities or they're actually going to be putting up meat to dry and store in those arctic entries. We're able to build below total development cost. We did not need a waiver. Our complete cost included our development of the lift station in Savoonga.

One of the results is saving \$1.8 million over a contractor. It gives us the wiggle room to go back and make sure that we cross our eyes and got our... nope, I got that backward. It gives us the room to be able to make changes that we need to make changes, so adding in the heat recovering ventilation systems into these homes, we have that ability because of our force account use.

Moving on, you can take a look at our sources and uses. On our next slide, you'll see we have a Title VI loan of nearly \$2 million. We received a state grant, and we used our Indian Housing Block Grant. The land was donated by the corporation. We actually signed a 50-year lease, 25 years between us and the corporation, and an automatic 25-year extension for the homebuyer when their home is conveyed to them. The housing units were at \$3.7 million, and the infrastructure which is our lift station to the sewer system was about \$878,000.

As we move on to our future plans, we have a very nice picture of our project administrator discussing, showing our visitors one of our communities. This year, we are scheduled to complete three units for the King Island Tribe. Next year, also, three units for Shaktoolik.

We have an additional three villages, three tribes, where we are attempting to put together plans for development, but they are in extremely difficult to develop places. They're at the end of our five-year plan to give us time to talk and prepare.

Moving on to the next slide, there's some lessons learned that everyone I think can relate to as they built their first project. We have quite a bit of an incredible need, so we need to innovate. There's no way for us to meet the needs of our people without innovation and by that, I mean financial innovation and actual building science innovation. The Title VI loan is one of those innovations and financial innovations.

Not everything that we try will work, will be a home run, but we have to try some things anyway, otherwise, we'll never make advancements. We need to plan, we need to plan, and then we need to plan some more. Some of that was we spent six months estimating the costs, and planning and preplanning for our project. This was a confirmation for us. We even went so far as to fly down to Seattle to make sure that everything that was supposed to be on the boat was on the boat.

The lesson that we learned, we can build a development for less than a contractor can and there's a good reason for that. Contractors have large overhead. Contractors are required to build for a firm fixed price. They have to assume a giant risk financially. They've got additional costs for everything that they do. A large, successful contracting company will have a staff that is much more expensive than we are.

Some other lessons. In terms of the building science, concrete is wonderful. It provides a lot of structural rigidity, and it provides a giant thermal mass. If there's interruptions in heat, it's wonderful but it's very expensive and it's difficult to repair if anything goes wrong. We're not going to do concrete flooring anymore, but that was an innovation we had to try and that we've learned.

Title VI loan was a great innovation, providing us the flexibility that we needed, and force account labor enacting as our own general was an unqualified success. There are improvements that need to be made in any project. This is our first project. If we hold up the sign that this is our first project as our own general and we saved nearly \$2 million, we saved 39% of its cost, I think it's easy to see...

Moving on, I have a few, easy tips here for anyone. One of the things that makes this successful, in my mind, is our ability to act as a community partner. We can't do everything in a village. We

support the local economy; the people will see it and know it. By that, I mean renting locally where possible. If you have a contractor, require them to make a good faith effort to rent locally and hire locally. Make sure that Title VI...

For us, Title VI is going to be a reasonable percentage of the project. We are planning for Title VI to be a regular piece of every project, and we are keeping it at a level where we always have a Title VI piece of debt on our books.

Some final takeaways on my end. The administration of remote rental housing is expensive, so we generally don't do remote rental housing. It's all homeownership. Innovation is necessary. It actually means you have to do something, and be a good neighbor.

One of the things that we did is we shared our geotechnical reports. We actually shared the extra space on our monolithic pad we laid down. We shared our architectural and engineering reports with the health clinic, and they built two duplexes next to our development. Because of that partnership, we now are friends. We can reach out to each other, but all that was us being open to that partnership.

I want to conclude my remarks on a topic that everyone should be aware of, but that is important to mention. My background is in numbers. My background is in finance, but I have a staff whose average tenure is over ten years. As we take on these projects that are general contracting and using force account on our own. We actually have to do construction building but we need planning. We need logistics work. We need the administration of those contracts, the accounting, and the compliance.

My staff stepped up out of their comfort zone and did this. This would not have been possible without that belief in our mission and their experience doing the work that they do. I want to thank you for taking time to listen to some of the challenges and some of the successes of our recent development. I'll go ahead and be quiet now for any comments or questions.

Heidi:

Great. Thank you, Chris. This is Heidi Frechette again. Thank you so much for sharing all of your great work, educating us on the challenges of constructing new housing in rural Alaska, and sharing your words of wisdom. It really was an educational piece in addition to a how-to piece, which makes it invaluable. It was eye-opening for me, and I'm sure for many of our tribal housing folks that joined us today.

We really thank you for your commitment to developing new housing in your region to address the severe overcrowding that you discussed and the homelessness challenges that we face in Indian country, particularly in Alaska.

I have a few questions, and I thought we could talk about some issues, and then we can open it up for broader questions. I'd say what would you want to thrive or achieve to know when undertaking a similar project and similar work in utilizing the HUD program to assist?

Chris:

I think the best piece of advice or the best thing I wish I had known at the beginning was that for us, our ONAP office wants us to succeed. My background in finance, our regulators, our people, our program people from my industry, they wanted to box us in and then potentially sanction us.

The ONAP office wants us to get to success. They want to get to "yes." If I hadn't known that a bit earlier, I would have started the conversations earlier about how we can get to a successful project. Our ONAP office has background, other people who have done projects like this, people with more experience than I had, and so if I have had known that, I would have reached out earlier, and it would have been much better.

I think a second thing to understand, I think we got fixated on timing and that drove some of our development in... and if we look back on it and say the timing is not the "end-all, be-all" of everything. Getting it right is the "end-all be-all." We got to where we got almost all of it right but just kind of looking back on it, talk with your ONAP office, talk with your contacts, talk with the Title VI specialist, and two, be okay with maybe a delay.

Heidi:

Thank you, Chris, and thank you for recognizing that the Office Native American Program is here because we all want to see more housing in Indian country, we all want to see families housed, and needs addressed. Thank you for pointing that out, and we are a resource in here to help folks, and hoping that this webinar series as well help highlight other tribes have gone through similar things, have addressed these and challenges in different ways. You all know better than we do what your needs are for you community. We are a resource and want to be helpful. What was your biggest surprise in undertaking this project for the first time?

Chris:

Our biggest surprise was, quite honestly, the cost. When we received our contractors' bids, I couldn't believe them at first. It sets some things in motion that I couldn't believe the cost that was being

quoted. What we had to do quickly is decide amongst ourselves, "Okay. Can we undertake this?"

We have a crew that has a lot of experience, basically, in pieces building homes. We had a staff that our construction manager experienced building up the home, building up projects, so we have to marry them together, but I think just the cost was number one.

Number two, lead time. I understand people think, "Oh, goodness. This took forever," or, "Why is it taking forever for housing to build a place?" We hear those whispers when we're around housing discussion. The reason it takes a long time is it's to do it right and get everything staged. It has to take a long time. If it doesn't, it's not going to go well.

We had about a year of planning. If we had taken one extra year of planning, looking back it now, I would have been okay with that. Just those two realizations, time and cost, were big things in my mind that stick out.

Heidi: Thank you. Speaking of cost, how do you manage loan repayments as a regional housing authority, managing funds for multiple villages?

Chris: Well, our consortium model builds on everyone together. We don't have a strict separation of villages' tribal funds. If we did, we would realistically never get to a development for any of them. We mentally are... every tribe is contributing to the development in every region, in every other village.

Managing that cost, what I've mentally done is set a figure that is payable regardless of fluctuation in federal appropriation. If appropriation goes down, we can make the Title VI payments on the projects that we've done. If appropriations go up, we have additional funding to pursue other modernization projects or what not, but it took a lot of reviewing what's the number that will allow us to continue if worst case scenario. For example, if appropriations are down 30%, what are we comfortable doing?

It's important to know the term. If we took out a 25-year loan for Title VI guarantee, we'd have that for 25 years and the incentive would be to just allow it to be a 25-year project. By shortening it to ten years, for Savoonga, we are mentally saying, "Okay. In ten years, there will be that spot of debt available to support that size of Title VI project again."

Heidi: Thank you. That's really helpful and helped folks with planning, right? The planning piece is very important as well as you

mentioned. We know there's a need for housing, and there's never enough resources to do all that you need to do in the community. Heating costs are a huge expense for families, and you talked about the building materials. Can you share with us how you incorporate energy savings in tier-planning process?

Chris:

Well, we don't have a specific way of saying, "Okay. This amount of money is designated to energy efficiency." We have a couple of guideposts that merge us in a certain direction. Our first one, our state grant requires a certain level of energy efficiency for that and so we look towards making sure we're going to clear that hurdle.

The second item is that we look towards energy efficiency for our people to afford. Some background, Savoonga's per capita income is \$7,000. We know that people are struggling economically. It's in our minds already before we've even advanced to any big stage of that. Energy efficiency is going to be one of the most important things we can provide these new homebuyers.

With building science, being what it is, in a remote location, ease of construction is absolutely important. Structurally insulated panels, from the right manufacturer and vetted properly, provide both. They're essentially a Lego, and they assemble quickly, and they ship in big, large pieces. You remember those big pallets that were being unloaded by that?

Heidi:

Yes.

Chris:

Those two, for us, go together. They're quick to assemble, and they're very highly efficient. In a different place, they would not be cost effective but for us, they are and so they're just naturally married together for us to utilize that.

It's on our minds. We have a program where we provide energy assistance to people who are facing cut off for their electricity or credit for their heating fuel purchases, and that's one of our most subscribed programs. It's just in our minds all the time that we have to build a home that people can afford to heat.

Heidi:

Thank you, Chris. I am done asking questions. Thank you. Your answers are very insightful and helpful in getting a full picture of the project and the challenges. I think, Tyler, we're ready to open up if there are any questions on the line.

Tyler:

Sure. Ladies and gentlemen, to enter the question queue, please press #2 on your telephone keypad. You'll hear a notification when your line is unmuted. At that time, please then state your name and question.

You may also submit your questions over the chat by selecting all panelists from the dropdown menu in the chat panel. Enter your question in the message box provided and hit send. We do have one question over the phone line. Caller, go ahead. Your line is unmuted.

Tiffany: Hi. Good afternoon everyone. This is Tiffany Martinson from Nome Eskimo Community in Nome, Alaska. Hi, Chris?

Chris: Hey, good morning.

Tiffany: You hear me okay?

Chris: Yes.

Tiffany: I just wanted to compliment your presentation. I'll admit to you those listers out there, Chris and I actually live in the same community and face similar challenges. His are much greater than mine though as I only manage one community compared to his 18.

I was just wondering if you wouldn't mind sharing your experience in applying for the Title VI loan. For someone like me, what type of recommendations might you have as far as planning ahead for any future projects we might be working on here in Nome?

Chris: Sure. Thank you for your kind words, but on planning for the loan, I think your first key is to have an idea or have a round number of what you're going to be, what the project's going to cost. That means you probably are going to need to invest some time with an experienced project manager putting together a budget or an investing some money contracting a conceptual design or cost proposal.

Once you have an idea of what the cost will be, it's actually very simple. You reach out to the ONAP office and you ask them about the Title VI loan guarantee. It starts with your initial call or email and they'll set up a conference call with a few of the ONAP office staff and maybe the headquarters staff at the beginning, maybe not, but that first conference call is a big education. They're going to be asking you what you're wanting to do and what resources you have. They're going to be telling you what you can do, how you can do it.

Our local office actually has a spreadsheet that you can just type in the annual need portion of the grant, and then your mix of housing units, and it's already formulated, so it will spit out the potential size of the Title VI loan you can draw. Officially, to get the things started, once you've had a few of those conversations, you'll write up a request in a letter format and the Title VI specialist from

Washington will give you a list of items that you need to include in the request.

Once that request is made, your spot in line is flagged. As you're working towards making the loan a reality, then you start looking to a lender. For us, in Alaska, the lender's First National Bank but there are a couple of national lenders. There's a few owned by tribes that can do a Title VI loan, too. For us, that means we went to First National Bank and we gave them the letter that we sent to headquarters that had the Title VI request, and then they responded, and we got to working with them.

The process is deceptively simple to just begin. I would make that phone call to the ONAP office and just say, "Hey, I'd like to pursue this idea."

Heidi: Yes, and this is Heidi. Thanks for that, Chris. The contact for the ONAP office, I'll share it with you all. It's Jake Coury. His number is 202-402-3507, that's 202-402-3507. You can also reach him at jake.r.coury@hud.gov, that's jake.r.coury@hud.gov. Great. Tyler, are there any more questions on the phone?

Tyler: Yes, we do have another question over the phone line. Caller, go ahead. Your line is unmuted.

Kirsten: Hi. This is Kirsten in the Seattle ONAP office. I'm just curious to know if there are any communities you work with that are impacted by global warming and considering relocation. Then if so, which communities and how are you assisting given that planning just to build a few homes takes a couple years? The relocation of an entire village is a whole another situation.

Chris: Sure. There are issues surrounding a warming arctic in every one of our community. Savoonga, the reason that we built the homes on the helical piers is because of the thought that if we were able to hook into bedrock, as the ground is moving, that they would be more stable. In every one of our communities, the earth moves because of thawing of the ground.

We have two communities that, a couple of years ago, held advisory votes on relocation, Shishmaref and Shaktoolik. They're both on sort of barrier islands. Beyond that advisory vote, we have not had more substantive discussion about what that means, and there's a really good reason for it.

In Southwest Alaska, the community of Newtok has been attempting to move for years and they even have a site called

Mertarvik and it is a few miles away in a better location, less prone to any climate changes in several generations.

The problem is that getting federal support for the move is going to be difficult because a community in Western Alaska, community in rural Alaska is dependent on a school and air strip, a water system, and these are items that are millions and millions of dollars.

Recently, the Denali Commission was able to cobble together \$22 million to assist Newtok in moving, but that's not going to be nearly enough and just the logistical challenge here.

If Newtok is able to move all of their homes to Mertarvik, all of their people will live up there, but the school is not up there, the post office is not up there, the airstrip is not close by. Newtok is actually, literally, there are homes that are a few feet from the water. We're not talking like 20 feet. We're talking a few feet from falling on the water.

A home with that, literally, on the brink, they're not receiving enough support to move everything. It's made every community in Alaska that is facing erosion and facing climate issues stop and look at whether or not it's feasible to move wholesale like Newtok is attempting to.

Heidi: Great. Thank you, Chris. Tyler, are there any more questions on the phone?

Tyler: We have no further questions over the phone at this time.

Heidi: Okay. We have one question on the web chat. It says, "What is the impact on outmigration to urban areas?"

Chris: Yes. I think there are two places that we can talk about migration. Our communities in my region are growing. They are growing in spite of a healthy outmigration to HUD communities (Nome) and urban communities (Anchorage and Fairbanks). The reason that they're growing is what economist call "natural increase." What that means is people are having babies, and you can... in the demographics.

The population, 44% of the village is under the age of 19. The largest building, by far, is the school. People are living in multigenerational households. The housing crunch is real, but part of it is lots of people are having... there's a lot of young families happening.

The second piece of the outmigration, people are pushed out of our villages because of the lack of housing. They're pulled out of our villages because of economic opportunity or a perceived economic

opportunity, and so there is a large population of people from our rural villages in our regional HUD, Nome, and there is a large population of our villagers in Anchorage.

Just to give you an example, growing up in Anchorage, my family's from [1:38:04 inaudible], 450 miles west of Anchorage. My best friend's family was from Gambell, 700 miles northwest of Anchorage. People are moving. They're moving for various reasons, but housing is often one of the bigger reasons that they are moving out.

Heidi: Thank you, Chris. We have another question, "Even in a community that had a valued family, what is the impact of overcrowding on cultural and behavioral health and the high impacts of stress?"

Chris: Overcrowding is detrimental to quite a bit of the social indicators of health, and it's easiest to see in our kids. It's not just that the kids perform worse in schools because they're sleeping in shifts, because the home is overcrowded, they can't homework done, and because they carry that stress with them to school.

There are also behavioral... their behaviors are worse at school because of all of that that comes with them. It's not just their educational attainment and their performance on tests and what not. They're actually acting out at school more than kids not in an overcrowded home. The health impacts are real in overcrowded communities, the rate of respiratory illness, and skin infection, and having to stay home from school because of those are higher in overcrowded homes.

There's a secondary or tertiary effect here. In an overcrowded environment where people are living with family and family, there is going to be one of the potential outcomes is a feeling of despair and unfortunately, for some of those people, that might be in substance abuse to escape that feeling.

Our overcrowded challenge is... so my view that home, housing is the nexus of a healthy and economically productive life. Our homes that are not healthy, those impacts are going to radiate out to every other area, school, work, social settings. Everything that a person does is going to be impacted by their overcrowded situation.

Heidi: Thank you. Can you share some of the work you're doing to collect stories on the importance of home to families in your community?

Chris: Sure. As an association of housing authorities in Alaska, we discovered or we came to the realization that when we are conducting advocacy with our policymakers, we're writing reports

and we're doing the behind and it's a very state legislature way of approaching it. What we're missing was the human connection.

As an association, we brought on a fellow whose specialty was storytelling, working with communities on telling a story of a project. We actually have a fellow that traveled to Nome and also to Savoonga on another trip just at the end of April to collect story, and she was very open about what... story about housing. She was collecting anyone who had a story of feeling, a reaction when we talk about housing. Some of the quotations from that are pretty heartbreaking, but they're illuminating in a way that is different than just telling the statistics and the formalized advocacy paper.

Heidi: Thank you, Chris. I'd love to hear more about that because I think you point out a really important piece. We can talk about data and we can talk about numbers, but when I have natives visiting me in DC and saying, "Why does HUD allow 23 people to live in a three-bedroom home?" Those are the impacts on the children, and the community, and the elders, so thank you for sharing that. Tyler, I believe we may have a question on the phone.

Tyler: Yes, we do. Next caller, go ahead. Your line is unmuted.

Nicki: Hi. This is Nicki in Seattle, and I would like to know how were you affected by the recent earthquake.

Chris: We actually weren't. Nome was... being 530 miles from Anchorage, we didn't even feel it. We actually learned of the earthquake on Facebook.

Nicki: Okay. Thank you. I'm glad you were okay.

Heidi: Thank you. Tyler, do we any other questions on the phone?

Tyler: We have no further questions over the phone at this time.

Heidi: We have no further questions on the web chat as well. Great. Well, thank you everyone for joining us for our best practices webinar on Bering Straits Regional Housing Authority. Thank you so much to our presenter, President and CEO Chris Kolerok.

I learned a lot. I'm sure we all learned a lot but we're also very inspired to continue working hard to meet the needs of American-Indian, Alaska Native families, so [1:45:04 inaudible]. Thank you all very much. Goodbye.

Tyler: That concludes our conference. Thank you for using AT&T Event Conferencing Enhanced. You may now disconnect.

[END OF TRANSCRIPT]