



ONAP National Best Practice Webinar

Featuring Bering Straits Regional Housing Authority

MAY 23, 2019

ONAP UPDATE



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Deputy Assistant Secretary

HUD'S Office of Native American Programs

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Savoonga Title VI Housing

First housing built in 10 years in the Native Village of Savoonga on the St. Lawrence Island in the Bering Sea in Alaska. A Title VI loan allowed for the construction of the four single-family houses and one double, which were the first units BRSHA built through force account. The houses, which face an unforgiving climate, are built to last at least 25 years and be highly energy efficient.

TODAY'S FEATURED GUEST



Chris Kolerok

President/CEO

Bering Straits Regional Housing Authority

ckolerok@bsrha.org

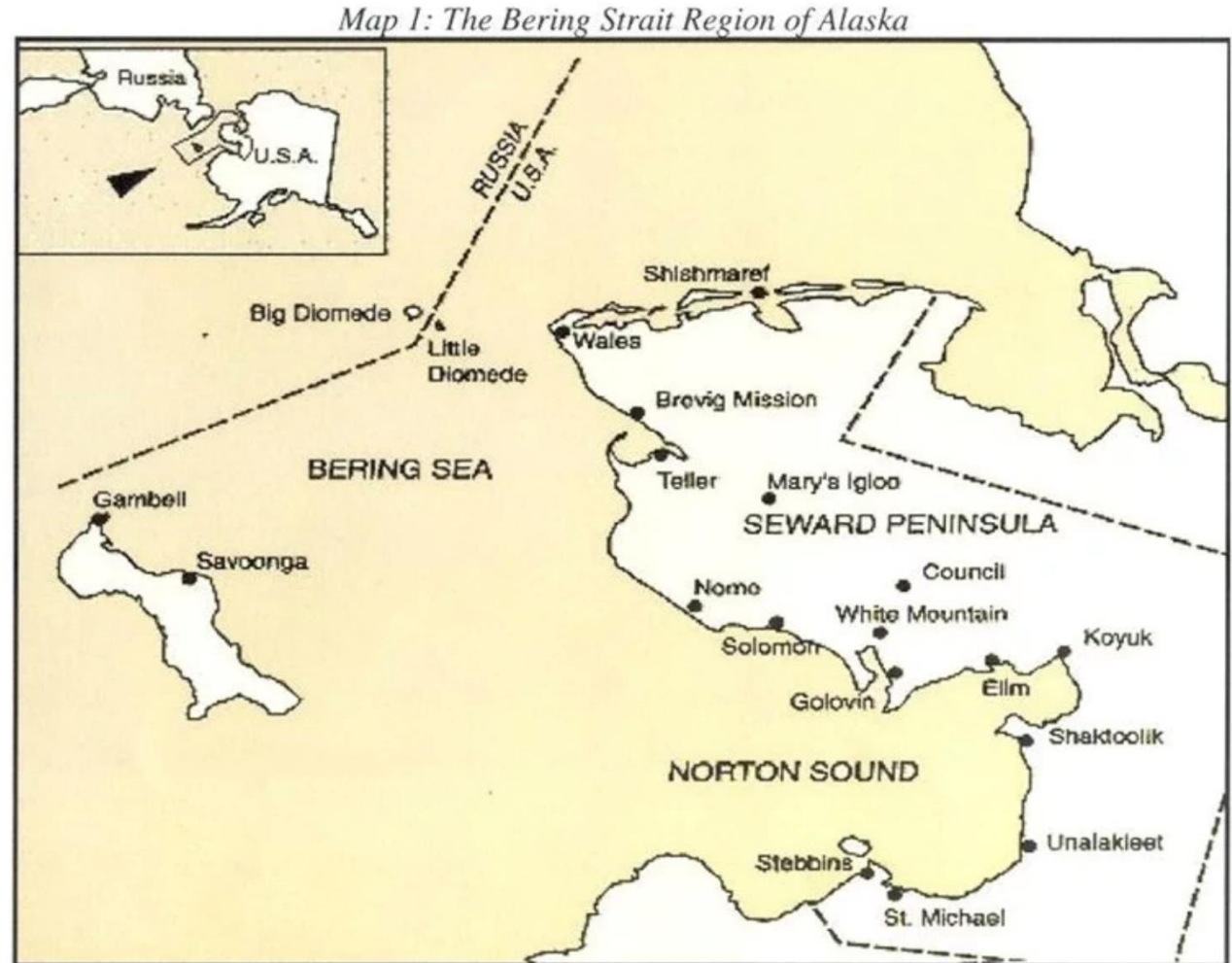
Housing Employees 16

Force Account varies

Annual Budget \$7-10 million

FY 2018 IHBG \$6.1 million

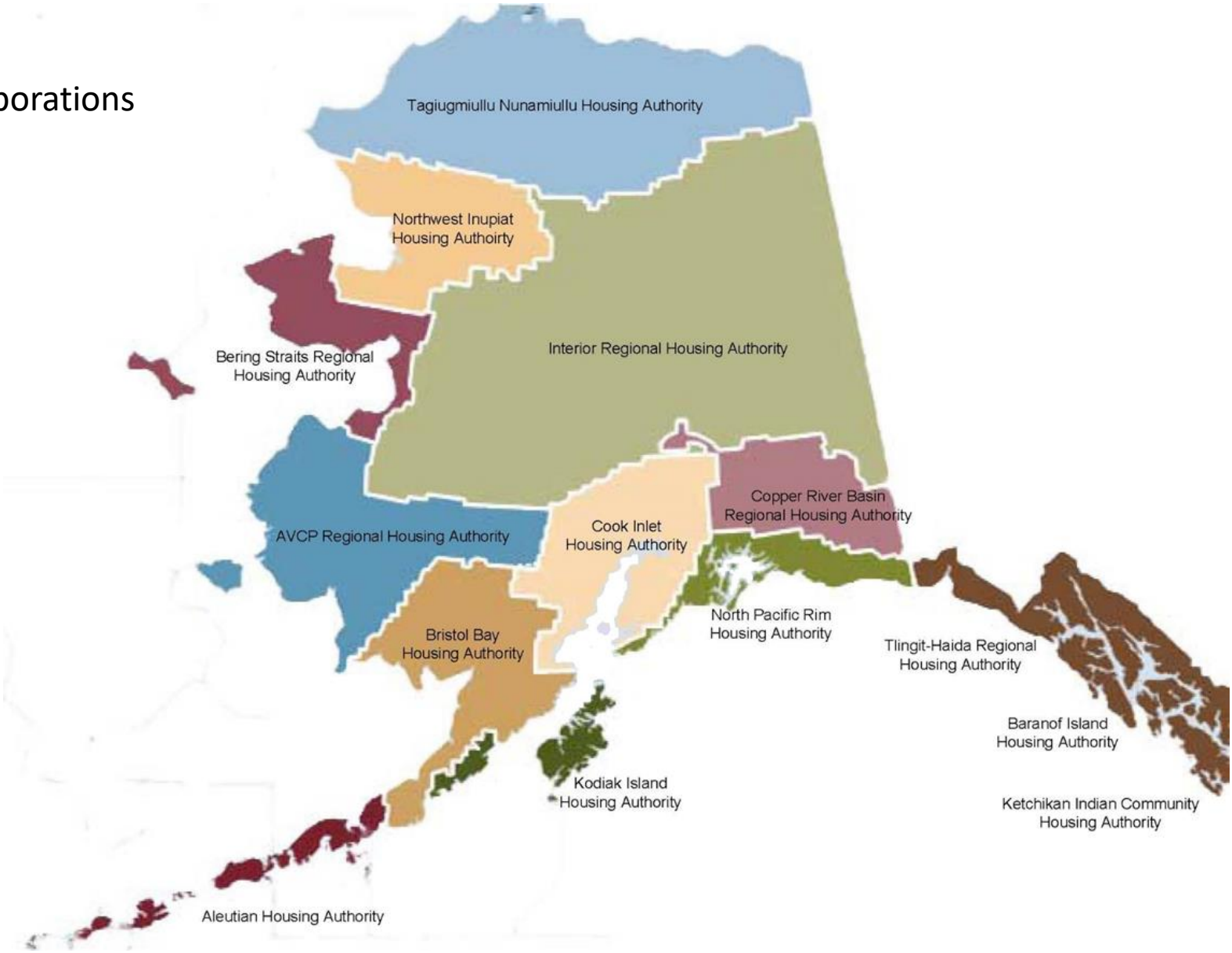
BERING STRAITS REGIONAL HOUSING AUTHORITY



BACKGROUND ON AK GRANTEES AND REGIONAL HA'S

- Alaska Native Claims Settlement Act (ANCSA) of 1971
 - Alaska Natives received 44 million acres of fee-simple land and a cash severance held by 12 Alaska Native Corporations to settle their land claims
 - Each region has a large regional corporation, and each Native village has a local corporation.
 - The village corporations received land with surface rights, and the regional corporations also received land with surface rights plus subsurface rights below the villages' lands.
- The State of Alaska allowed regional non-profit associations to create regional housing authorities in 1974 to be able to apply for funding. Between this time period, the ANC Regional Corporation served as the "tribe," which continues to today.
- Not all Alaska Natives agreed to ANCSA. Gambell and Savoonga own St. Lawrence Island. They have chosen to join BSRHA since it is difficult for smaller communities to administer housing programs.

Map of Regional Corporations

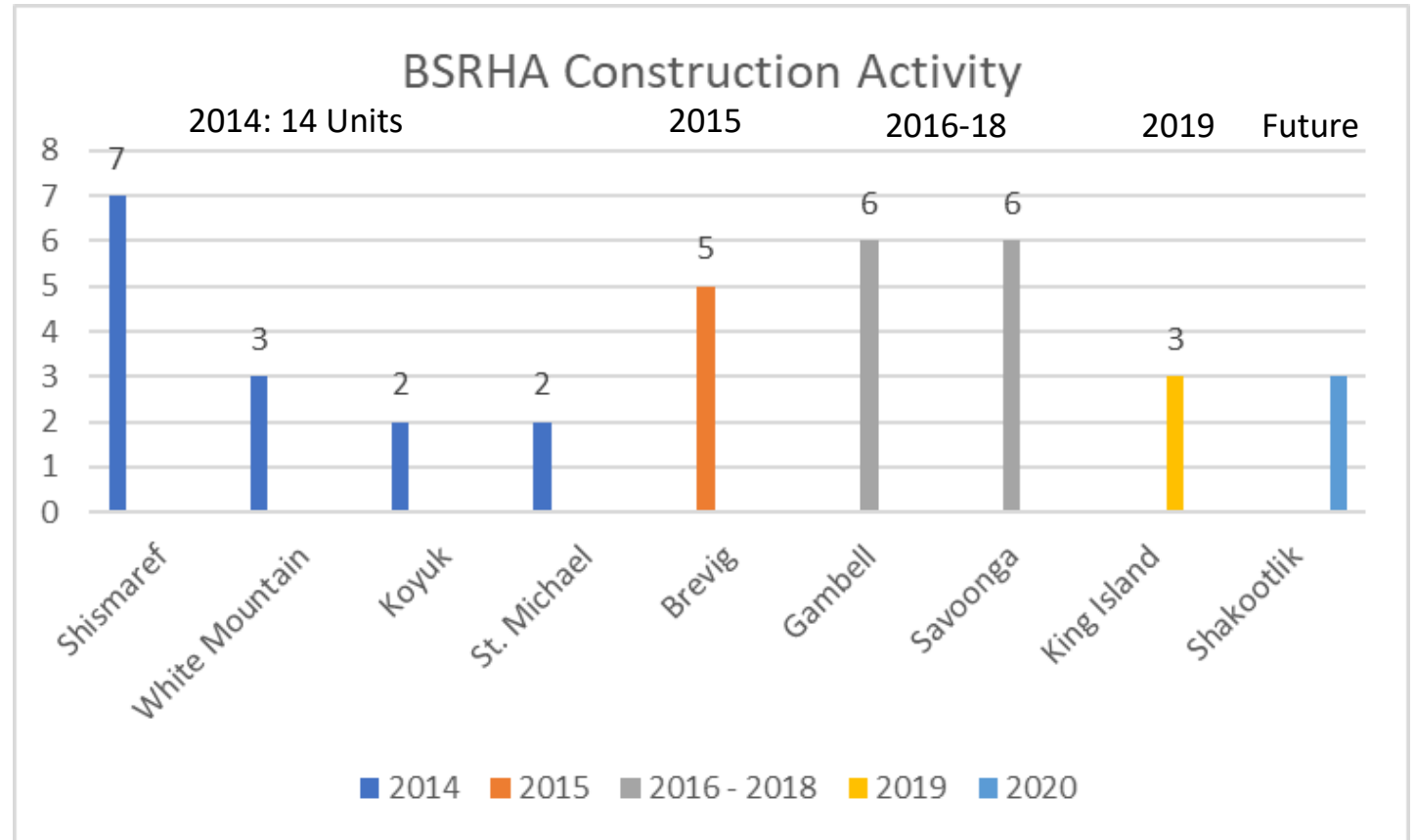


HISTORY OF REGIONAL HOUSING AUTHORITIES

- The “Stevens” rider: “The funds made available for Native Alaskans under the heading “Native American Housing Block Grants” in title II of this Act shall be allocated to the same Native Alaskan housing block grant recipients that received funds in fiscal year 2005.”
- A tribe or TDHE must have been a recipient of NAHASDA funds in 2005 –Tribes in TDHEs can rejoin, BSRHA has one that did in 2006
- Intent is to keep funding steady within the regional housing authorities and assumes that a regional housing authority could build more cost-effectively than a village.

ABOUT BERING STRAITS REGIONAL HOUSING AUTHORITY

- Created in 1974
- Serves 18 tribes with an inventory of 400 units
- Region of about 12,000 residents and the size of Maryland – larger than 8 or 9 of the smallest states.
- Bar Graph identifies new construction per community



BSHRA MEMBER TRIBES

- Brevig Mission
- Little Diomedede
- Elim
- Gambell
- Golovin
- King Island
- Koyuk
- Mary's Igloo
- Savoonga
- Shaktoolik
- Shishmaref
- Solomon
- St. Michael
- Stebbins
- Teller
- Unakleet
- Wales
- White Mountain

BSRHA PROGRAMS

Range of programs to meet the housing needs of low-income tribal members, including:



- Home Improvements
- Renovation Projects
- Handicap Accessibility
- New Construction
- Housing Improvement Program (HIP)
- Homeowner Counseling
- Homebuyer Counseling
- Mortgage Loan Processing
- Apprenticeship Program
- Construction Management Services

BSRHA PLANNING PROCESS

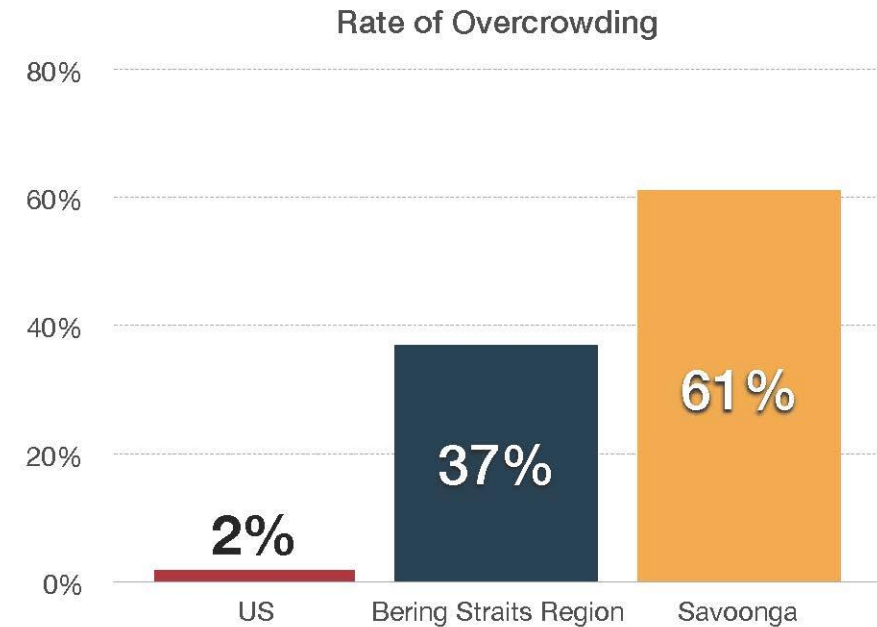


- Alternates construction between communities.
- BRHSA Board of five determines annually where to construct housing using a development scoring matrix including:
 - Community circumstances
 - TARs
 - Waitlist
 - What predevelopment work has been completed?
 - How long since we have built here?

OVERCROWDING AND HOMELESSNESS

"I think it is important to point out that overcrowding in Indian Country is often the expression of what is actually homelessness, with families taking in relatives or community members who otherwise could not find affordable housing options," Senator Lisa Murkowski

- Not uncommon 13-14 people in a 3-bedroom home – far exceeding HUD's definition of Severe Overcrowding at 1.5 persons per room.
 - Sleep in shifts – not always much sleep due to others being up.
 - Increased moisture decreases indoor air quality.
 - Inability to leave situations of violence, abuse, and addiction.
- During 7 months of the year, the climate is so harsh that sleeping unsheltered could mean death.



OVERCROWDING AND HOMELESSNESS



- Research on impacts and outcomes
 - Increased respiratory illnesses
 - Increased behavioral issues and stress
 - Decreased educational performance
- More research is needed and more rural Alaska specific research.

RURAL ALASKA CHALLENGES

“We have the issues faced by the rural US, but the costs of urban US,” Chris Kolerok

- Transportation – remote villages accessible only by air and freight barge.
 - Procurement begins 7-9 months before construction to ensure materials arrive on the June barge.
 - Airplane cost exorbitant “\$10 box of nails can cost \$25 to ship.”
- Freight and shipping costs – increases planning budget by 30% for transportation and 30% for contingency.
- Tight construction window- Savoonga housing construction began after 4th of July and ended October. Interior construction continued through December.
- Energy efficiency repairs and upkeep -- no local hardware stores or repair people.



SAVOONGA

- On St. Lawrence Island in the Bering Sea.
- 150 miles from Nome.
- Accessible only by air and water (freight barge); no dock.



SAVOONGA



- Savoonga and Gambell are on St. Lawrence Island, they share history, family and importantly, subsistence foods
- Gambell is 40 miles from the Russian Chukchi peninsula
- IHBG formula limited (\$618,821 in 2019)
 - Need Only
 - No FCAS
- Population of more than 700 with 44% under age 19.
- Approximately 100-130 housing units of which 40 are under BSRHA



TITLE VI FINANCING

- BSRHA first used Title VI in 2015 to fund housing in Brevig Mission
- The Savoonga Title VI loan is for \$1.9 million
 - One of the larger Title VI BSRHA has used: Covers 40% of the project cost
 - 10 year payoff
 - Amount covered housing and lift station required for infrastructure.
- Title VI is based on 5 times the Savoonga Need Portion of IHBG – but project is built with combined BSRHA IHBG funds.
- Only one bank available: First National
- BSRHA board likes Title VI: “the guarantee is a powerful advantage.” It protects tribal assets.

TITLE VI FINANCING

- Chris Kolerok – background in finance – “we like the flexibility and liquidity of the loan. We don’t have to use all IHBG funds in the preplanning stages.”
- Multiple Important discussions with ONAP Area Office prior to application to define need, project, ensure preparedness to apply and manage loan.
- “They didn’t just have a checklist. They walked us through the checklist.”

PROCUREMENT IN SAVOONGA

- Typical Alaska: 15- 24 months in advance
- Project budget and Title VI: allowing time to scale up or down.
- In Savoonga, plans, and designs already on-hand.
- 90% of financial plans approved by board in June
- Financial plan recorded in IHP in July
- Procurement RFP for big ticket items comes out in October
 - Allows for adequate protest window
- Award of procurement December and January (very late, ideally earlier)
- Barge loads in early May
- Barge lands in Savoonga in late June and items are inventoried.
- Construction began July

NEW CONSTRUCTION

- Began early July through October.
- Installing metal roofing in 30 mile an hour winds: “...daunting, but you can’t wait for a nice day.” Bernie Vannoy, Construction Manager
- Monofill is not permitted – left building scraps but had to freight out all trash and waste “like a national park.” Cost around \$700,000.
- Sewer and water for this area were at a maximum so a lift station was required.
- Used local gravel, tribal owned dump trucks and loaders
- “Weather-tight” in October for interior work which ran through December.
- Some staffing issues and need to modify units.
 - Units are experiencing indoor moisture due to tight envelope
 - Being retrofitted with Heat Recovery Ventilation units.

BUILDING FOR ENERGY EFFICIENCY

- Structural Insulated Panel (SIP) walls and ceiling
 - Center is extra thick rigid foam which also provides structural support
- Floor is 6 inch foam core topped with concrete containing radiant heat.
 - Good conductor of heat, increased thermal mass, provides additional structural support.
- Metal roof rated for heavy snow load. Snow fall or drifts as high as the roof and children run over the roofs.
- LED lighting
- Double pipe oil burners – does not require making an additional hole for combustion, keeps envelope tighter.

BUILDING FOR ENERGY EFFICIENCY

- Five Star windows
 - Three glass panes
 - Avoided costly shipping of previous Argon gas windows. Plastic center pane degraded on south side windows
- Energy savings
 - Older well cared for homes may use 30 gal a month.
 - These new houses are using 7-12 gal of heating oil a month in the dead of winter.
- Performance of homes is rated at 5 + Star – It will be 6 when the HRV is installed.

New Monthly Heating Cost:
\$40-\$69 vs. \$172.50



BUILDING FOR LONGEVITY

- Building houses to last at least 25 years.
- Helical Pier – like a piling but with a hook to lock into the ground. Protects home from effects of permafrost heaves.
- Slightly larger living rooms and dining room spaces
 - Recognizes the pressure families are under to house other community and family members.
- Gravity system toilet
 - Cheaper than vacuum system and cheaper than repairs to vacuum system toilet
- Future projects will use vinyl plank flooring from Home Depot
 - Concrete was too heavy and too difficult for Force Account crew.
 - Needs no subfloor and can cover a semi-rough surface
 - Works well with water or damp
 - Can use it over radiant heat source
- Future projects will use baseboard heating
 - Easier to repair



Monolithic pad built to prevent sluffing.



Helical piers drilled into the earth, 7-20 feet deep.



FORCE ACCOUNT CREW



- First time using force account.
- 80% of crew were from Gambell and Savoonga
- Crew of 32
- Needed large enough crew to keep working when crew members wanted to participate in subsistence activities
- If crew member worked too much, they would not qualify for assistance that they need during the rest of the year when work is scarce.
- The Savoonga development came in at \$1.8 million below the lowest bid, in large part, due to use of force account.

RESULTS

Duplex - Each 2-Bedroom is 900 square feet.

Two three-bedrooms – 1,232 square feet.

Three four-bedrooms - 1,344 square feet.
(All units also have 80 s.f. arctic entry.)

Cost of each unit was below TDC.

- Cost of \$4.6 million – \$1.8 million under the lowest bid of \$6.4 – includes the lift station
 - Gives wiggle room to make any needed changes like adding the HRVs.



SOURCES AND USES

SOURCES

Title VI \$1.9MM

AHFC Grant \$272K

IHBG \$2.43MM

Total \$4.6MM

USES

Land \$0.00

Housing \$3.7MM

Infrastructure \$878K

Total \$4.6MM

FUTURE PLANS

- King Island tribe: 3 units in 2019
- Shaktoolik: 3 units in 2020
- Three additional tribes in hard to develop locations – will require intensive planning and coordination.



LESSONS LEARNED

- Need is so great, we need to keep trying some innovation, but not too much.
 - Trying new funding sources and new building technologies
 - Not all of them will work – do some anyways
- Plan, Plan, and then Plan in advance
 - Spent 6 months estimating the costs and planning.
 - Make your budget numbers “fat” to allow for the unexpected.
 - Go over the order list and go over it again – forgetting materials costs a lot!
 - Go to Seattle to check that every bolt and board is what you ordered and on the barge.
- You can build for less than a contractor
 - They are required to bid a firm and fixed cost so they are adding in a healthy contingency.

CHRIS'S TIPS FOR SUCCESS

- Plan for Housing Authority to work early with the community as a partner.
 - We work in 17 communities. If we swoop in finally, they expect you to do it all. That reduced budget available for houses. If the community can contribute as a part of their plans, we can build more.
- Support the local economy.
 - Make repairs to tribal corporation or Village equipment like dump trucks and loaders, then use those, rather than renting. The cost is about the same, but the Village is left in a better condition.
- Keep Title VI as a reasonable percentage of project.
 - Ensures that debt service can be planned as part of the regular budget.
 - IHBG will not all go for loan payment.

TAKEAWAYS

The administration of remote rental housing is expensive! It decreases what can be spent on construction of housing.

Innovation requires doing something – requires a balance between doing something new and sticking to tried and true.

Think about what you want first, and figure out how to get there. A contractor will follow prompts, they do not need to be the driver of the process.

Be a good neighbor – we shared our Geotech, space on the pad, and Architectural and Engineering with the health clinic and they build two duplexes next to our development.



BSRHA STAFF WERE INSTRUMENTAL

Chris is from finance – background in making the numbers work.

Staff members have an average tenure of over 10 years.

New developments require construction, planning, logistics, administration, accounting and compliance work – staff stepped up and did it all.

CLOSING

CHRIS KOLEROK, PRESIDENT/CEO
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CONVERSATION WITH HEIDI





QUESTIONS???

Press #2 for the phone line or use the chat box

Thank you for joining us!

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Webinar and case study will be posted shortly on the
Office of Native American Programs homepage:

www.hud.gov/codetalk

Email comments to: Codetalk@hud.gov

HELPFUL LINKS

[Title VI](#)

[Section 184](#)

[Indian Community Development Block Grant](#)