

# Low Income Families Moving to New Homes

Ten families have now been selected to occupy the first new homes under construction in Bethel under the "Turnkey" home ownership program there, according to Jay Mueller, Executive Director for the Alaska State Housing Authority.

The developer, Tyonek Management Corporation and Braund, Inc., are working on the interior of the initial 14 homes and it is expected that the families will be able to move in before the end of this year.

The occupants of the homes will be low-income families. Applications are being screened for selection of those who are able and willing to provide repairs and maintenance for their homes; who have reasonable prospects of increasing earning power as time goes on; who have a desire to work and invest in home ownership; and who demonstrate the likelihood of remaining in the home during an extended period.

"People in dire emergency

need are given priority." Harold Grindle, ASHA's Assistant Executive Director of Housing explained.

"For instance, there is a family in this first group of applications which is living in a tent in Bethel—a family with nine children. The family meets the criteria for residence and due to

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# Low Income Families Move...

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the circumstances will be one of the first to be admitted for occupancy.

"A total of 80 applications have been received by the Bethel Housing Committee which, under its Executive Director, Mr. John Tetpon, is making the selections. We have funding authorization by the Department of Housing and Urban Development to build 200 homes in Bethel and expect to get approval for an additional 100 if the need is demonstrated."

The Bethel Housing Committee will be responsible for reviewing the applications and making recommendations for participation in the home ownership program; providing pre-occupancy training for approved applicants in the care, maintenance and management responsibilities which go with home ownership; assisting the Authority in periodic inspection and maintenance of the dwelling units; and organizing a Home Owners Association among the residents. The Home Owners Association consisting of the first 10 families has already been organized.

The monthly payments to the Authority shall be an amount approximately equal to 20 percent of the resident family's income, less an allowance of \$20 for fuel and electricity which the home buyer will pay for directly.

The required monthly payment will be adjusted from time to time to reflect the changes in the buyer's income, if any.

"As an example of the monthly payment, a man earning \$4140 per year would pay \$49 a month. These monthly payments would range from a minimum of \$21 to a maximum of \$105 depending on annual income. The home buyer will be entitled to ownership when the capital debt of

the project is fully paid, and the anticipated period for achieving ownership will be approximately 25 years, depending upon the amount of credit which the family can accumulate through maintenance and voluntary payments," Grindle said.

"Home ownership may be achieved by those families whose income and assets increase to the level where they are no longer low-income families eligible for public housing subsidy.

"Such families will be able to afford to purchase their homes because, for the purpose of this program, the maximum income limit for continued occupancy by a family shall be what the Federal Housing Administration would approve for unsubsidized FHA insured loans at that time.

"When such families reach this point, they shall be required to either buy their home or leave the project. This, we believe will be an incentive to the occupant to better his income wherever possible.

"When an applicant's income is too low to meet the criteria for participation in the program, financial assistance will be provided through the Bureau of Indian Affairs."

Several State and Federal agencies are involved in the Bethel Turnkey Housing Project. This is the way they fit into this rather complicated project:

## LAND

The Village Council Presidents Association released native land claims on 420 acres for the site.

The Bureau of Land Management transferred lands to the State of Alaska for the project. Alaska Division of Land conveyed land to the City of Bethel.

City of Bethel provided land for project purposes.

## HOUSING

The Economic Development Administration provides \$595,

000 grant and \$126,000 loan to the City of Bethel for the housing factory (which has not as yet been completed.)

The developer adapted a house designed by the Alaska State Housing Authority.

Department of Housing and Urban Development has approved expenditure of \$2,274,000 for construction of 200 homes (program reservation for additional 100 homes committed).

The Alaska State Housing Authority will buy the homes from the developer upon satisfactory completion.

## JOB TRAINING

Department of Health, Education and Welfare and the U.S. Dept. of Labor, provide funds for training program and the State Department of Education will conduct the training. Training will comprise both classroom and on-the-job training in carpentry, electrical, plumbing, painting and laborer skills.

Office of Economic Opportunity has provided funds for a coordinator of all agency activities in the program who is working out of the Federal Field Committee.

Rural Community Action Agency Program will provide housing management after the homes are occupied and social service training and classes.

"The Bethel 'Turnkey' project has no relation to the Native Housing U.S. Senate Bill 1915 which authorizes \$10 million for remote housing in Alaska. The Bethel housing factory will no doubt be utilized for construction of the homes under the remote housing program but its main purpose is to provide houses for the 'Turnkey' project, Grindle said.

"A limit of \$7500 has been set on the cost of each dwelling under the remote housing program; the Bethel homes will cost