

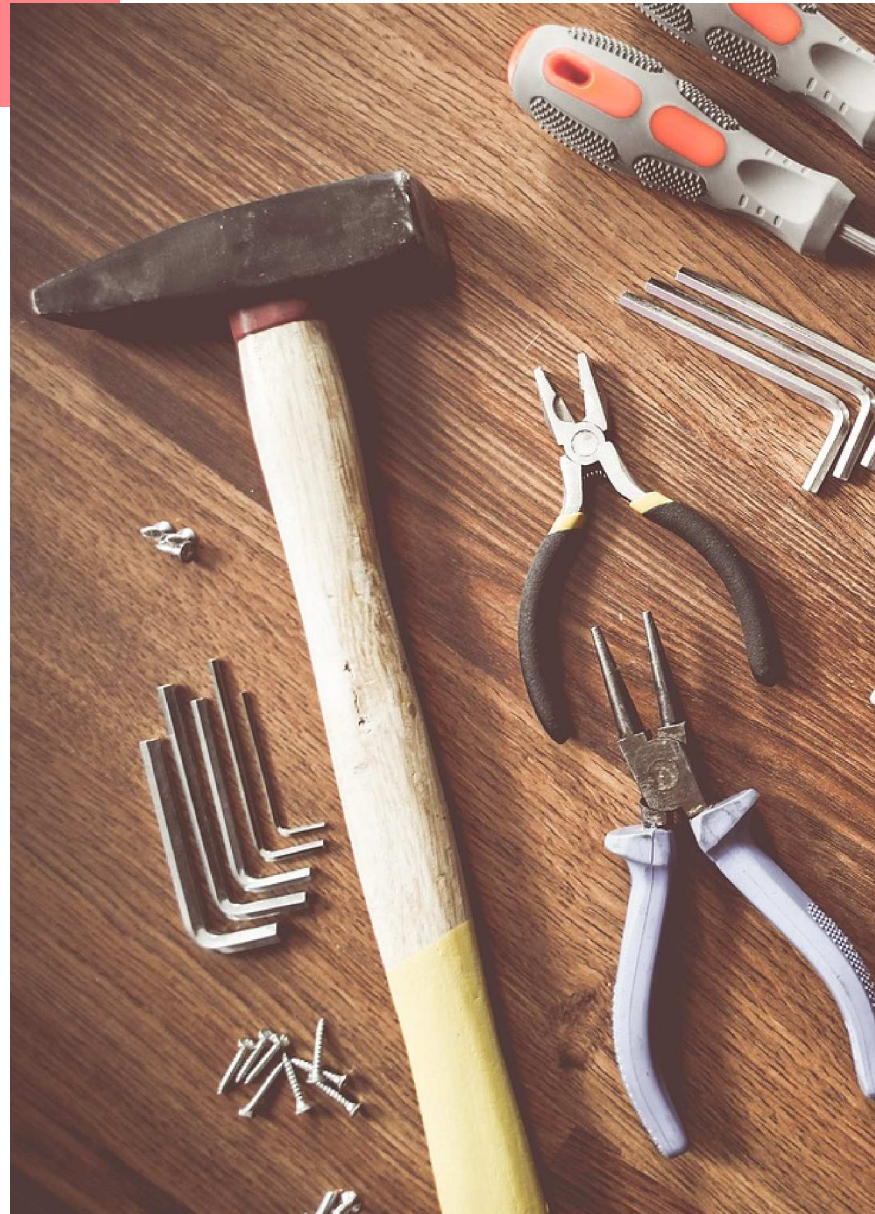


Haines Homebuilding Program:

Building a Better Future for Haines

Resources for a Home Building
Program





Contents

- 03** Introduction- Affordable Housing Challenge
- 04** Housing Survey Data
- 05** Considerations for Potential Homebuyers
- 06** Key Resources
- 07** Stakeholders
- 08** Mutual Self-Help Housing
- 09** Program Requirements
- 10** Objectives + Timelines
- 11** Conclusion



Introduction- The Affordable Housing Challenge

The lack of affordable housing in Alaska is felt throughout the state, and the Chilkat Valley is no exception. Housing affordability remains a significant challenge for many residents of Haines, particularly those with lower incomes. According to data from the U.S. Census Bureau, 19.8% of households in Haines spent more than 30% of their income on housing costs in 2019, which is considered a measure of housing affordability. Available data shows that the median listing prices in Haines have steadily increased over the past 5 years, with a median listing price of \$219,000 in 2016 and \$314,000 in 2021. The 2023 median listing price so far is approximately \$335,000. The State of Alaska median listing price is \$ 363,000.

Housing Interest Rates Over the Last 5 Years:



2021: The average 30-year fixed rate reached an all-time record low of 2.65% in January 2021.

2022: The average 30-year fixed rate began at a modest 3.22% in January, only to skyrocket to a staggering 7.76% by November.

2023: Throughout the year, the 30-year fixed mortgage rate fluctuated within the range of 6% to 7%. By November, it had climbed to the mid-7% range.



Overall, housing prices in Haines have increased significantly over the past 5 years, while the availability of affordable housing has remained limited. Compounding the issue, is limited new construction, increased interest rates, and the high cost of developing land. HEDC identified some of the barriers to affordable housing it the 22'-23 Chilkat Valley Housing Survey Report.



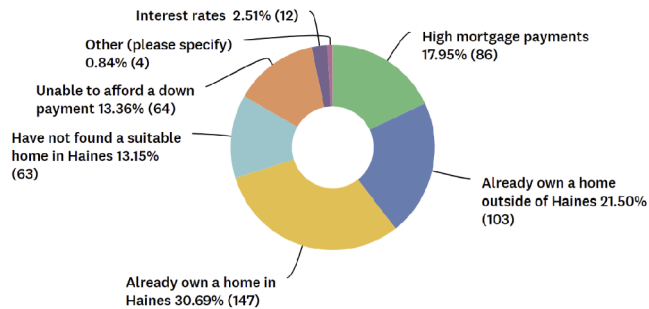
Housing Survey Data

What are the factors preventing Haines residents from buying property?

The '23 housing survey compiled some key data from potential homeowners. This included factors preventing purchase, size needs, and budget considerations.

If you prefer to buy, but haven't. What factors are stopping you?

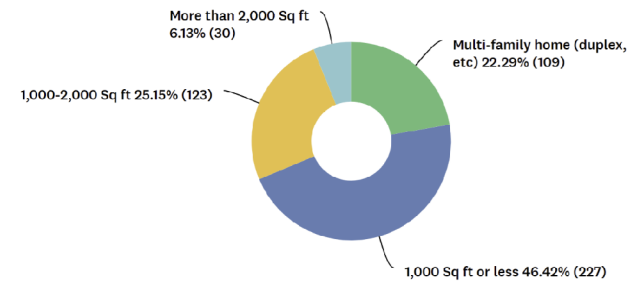
Answered: 479 Skipped: 18



Haines Real Estate Needs

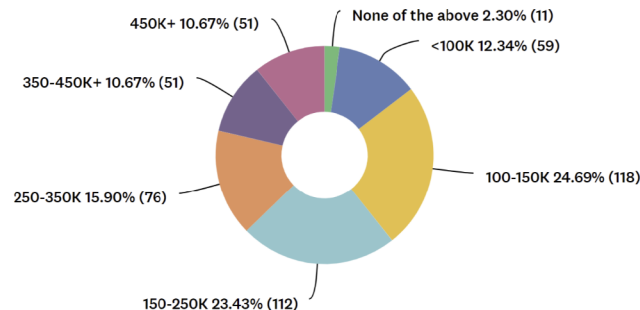
What size home would best suit your family's needs?

Answered: 469 Skipped: 8



How much are you budgeting for your new home?

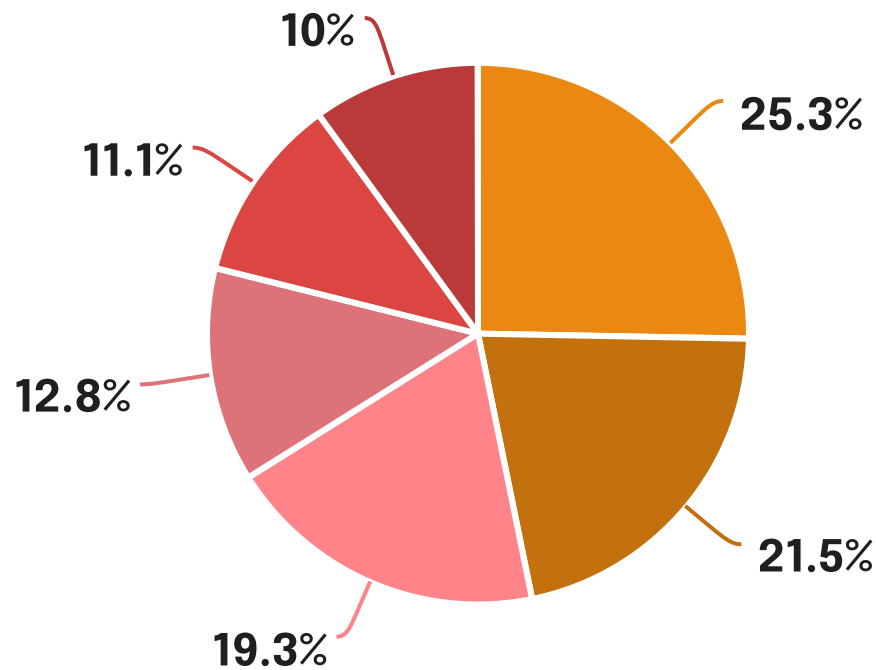
Answered: 479 Skipped: 18



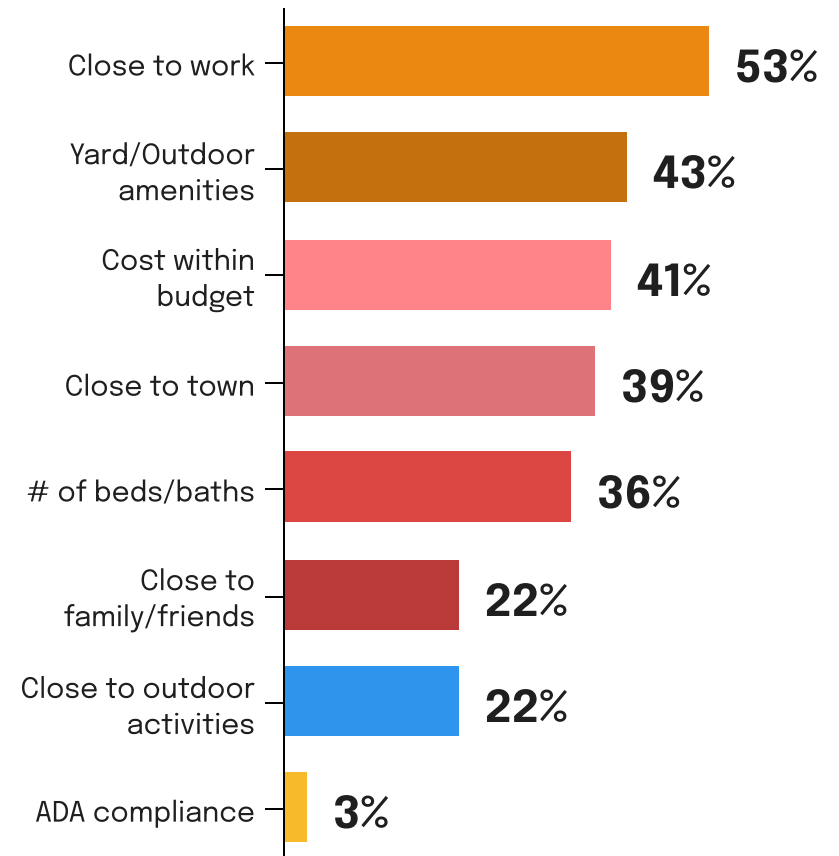


Top 3 Considerations for Potential Homebuyers

Housing Needs



Factors



How do we bridge the gap? Key Resources to employ



A significant number of resources and partnerships will have to be engaged in order to lay the groundwork needed to prepare for a homebuilding project.

Career and Technical Education (CTE)- Haines High School

A key existing resource is the CTE program at Haines High School. Over the years, the students have built approximately 32 small homes that are still in use in Haines to this day. This project not only provided practical, hands-on experience for the students but also contributed positively to the local community.

Unfortunately, limited school schedules and a reduction in staff have stalled the program. However, expanding the program to the local community would increase attendance and build key skills to employ during a homebuilding program.

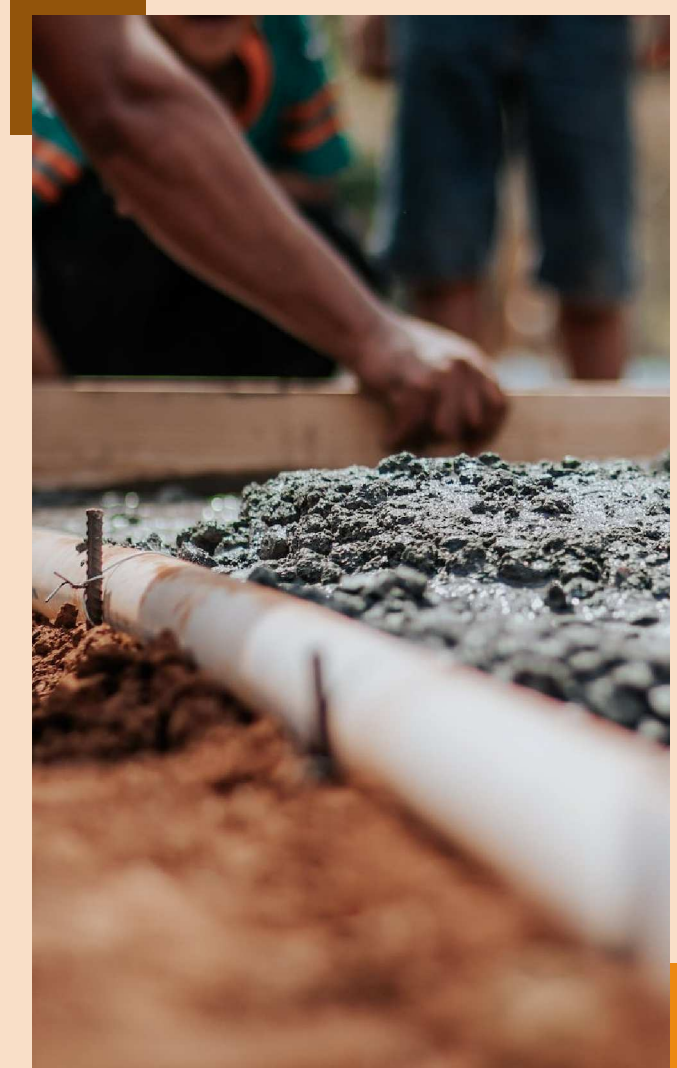
2023 CIA Workforce Development/ Housing Pilot Study : The Chilkoot Indian Association has been putting in resources into a program which addresses housing issues with a variety of regional partners. A pilot study was undertaken to understand the current challenges and needs of a new project.

Project Management Team: A designated project manager to oversee the project, and potentially other roles such as a scheduler, cost estimator, and quality manager.

Land: Plots of land to build the homes on. The Highland Estates/Hilltop subdivision planned development of 65 lots with water and power can be a possibility for future homebuilding projects.

Utilities: The lots will have to be developed to include necessary utilities like water, electricity, and internet.

An essential component of any homebuilding project would be local government support.





Key Stakeholders:

POC Team: An active program manager, or 'boots on the ground' will be needed to coordinate the complex logistics of a homebuilding project.

Local Governments: Participation and support from all local governments will be essential to the success of the project.

Community Members: Chilkat Valley community members are key stakeholders. This is the pool from where the potential homebuyers will come from. Additionally, support for the project from the greater community will ensure a smoother process.

Businesses: Local lumber yards, contractors, and skilled labor will be needed throughout the process.

Any individuals or organizations providing the financial resources for the project are crucial stakeholders.



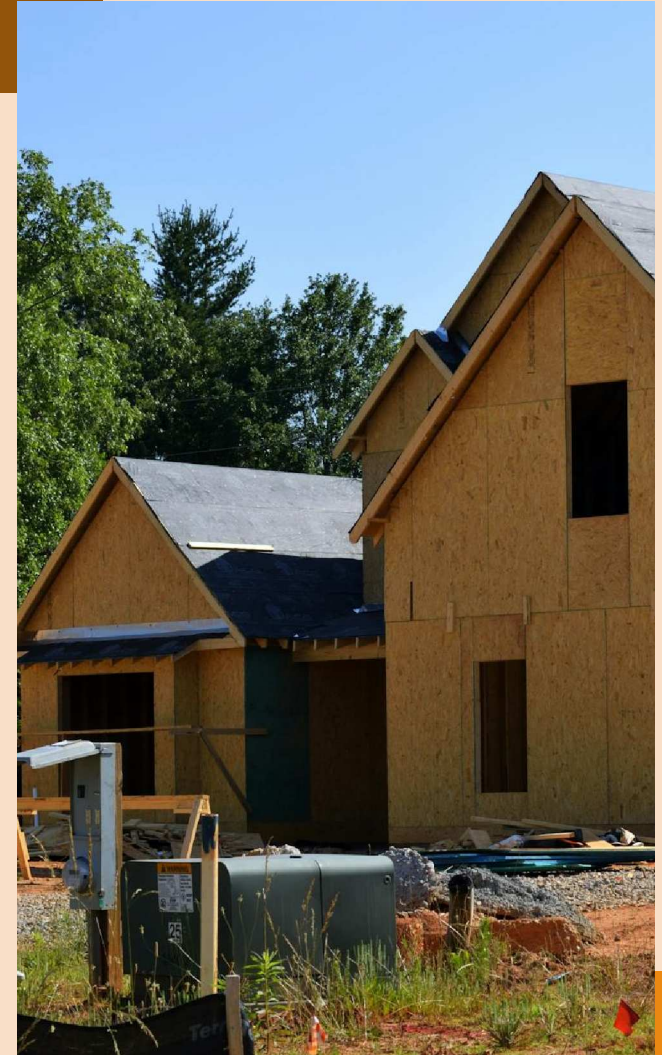


A Way Forward: Mutual Self-Help Housing

In partnership with USDA Rural Development and Alaska Housing Finance Corporation, RurAL CAP's Mutual Self-Help Housing program gives first time homebuyers an opportunity for affordable home ownership with no down payment.

The program operates on the principles of sweat equity. Groups of six to 12 participants build one another's homes, working together under the direction and coaching of a RurAL CAP construction supervisor. These families must perform at least 65% of the labor and work at least 35 hours per week. Homebuyers work on all homes in the project, and no one moves in until all the homes are finished. Once completed, a community of single-family homes replaces the once vacant lot. The participants' sweat equity eliminates the need for a down payment and reduces the size of their mortgage.

The building process enriches the families and the community. Families gain new skills, a home with little out-of-pocket expense, a sense of ownership, and affordable mortgage loans with interest as low as 1%. Communities gain an increase in property tax base, a vibrant neighborhood, and an economic boost via the purchase of local building material and the hiring of local subcontractors.

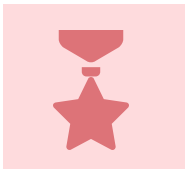




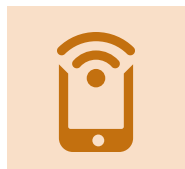
Program Requirements



10 Households
Must be able to qualify for a USDA Rural Development Direct 502 loan. Counseling is available.



First-Time homebuyer/credit repair:
<https://www.finallyhome.org/en/partners/alaska/>



Contribute their 35 hours per week of construction of the homes (half may be volunteer labor that the participants recruit)



No one moves in until ALL homes are built

- over 100 homes built throughout Alaska



13 new building declarations as of March '23



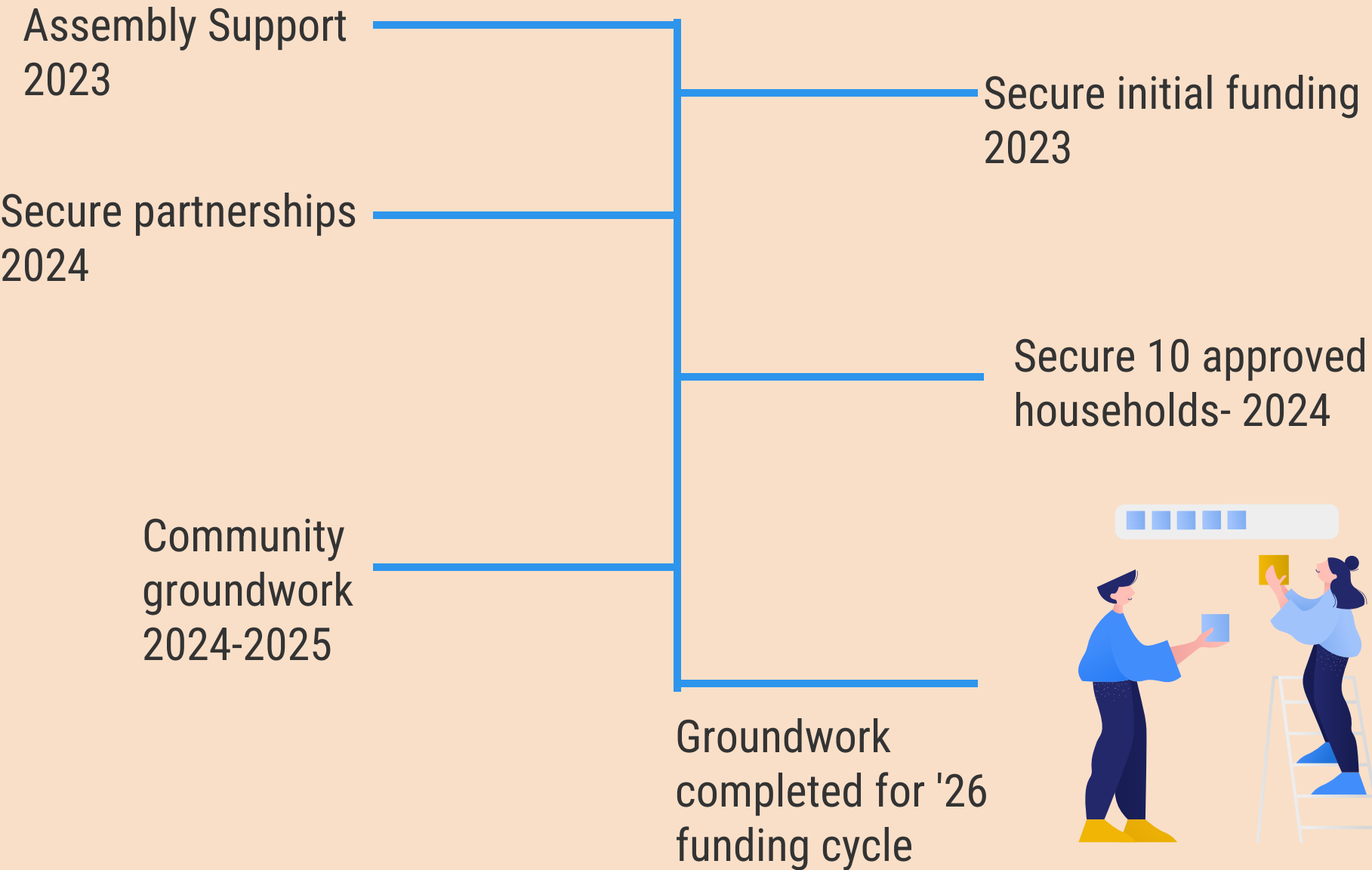
41%



of survey participants cited that 'Cost within budget' has been one of the factors preventing homeownership



Objectives & Timeline





Conclusion

Affordable housing can be in the future of the Chilkat Valley. The success of any homebuilding project hinges on several key factors.

Securing initial funding for the community groundwork is not just important, but essential. This initial investment will lay the foundation for all subsequent development and ensure that we are fully prepared for the '26 January USDA funding cycle.

The High School program has shown great promise as a starting point, providing valuable training and resources. This program needs to be revived to train students in essential homebuilding skills and those interested in putting in the sweat equity to build their new homes. It is clear, that to truly kickstart a timely and effective program, a partnership with Rural CAP is crucial. Their proven success record in similar projects will expedite the process and ensure the quality and full completion of the homebuilding program.

By aligning our goals with these strategic steps, we can confidently look forward to a successful homebuilding project that will benefit our community for generations to come. Let's work together to turn this vision into reality.

