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Coastal Villages Tests ‘Tiny House’ Solution to Rural Housing Crisis

Anchorage, AK – In response to the results of a [community survey](#), Coastal Villages Region Fund (CVRF) is testing an alternative approach to addressing the critical need for housing in rural Alaska – with a tiny house.

Earlier this year, CVRF led a community survey effort to learn more about the issues impacting the residents in their 20 communities. The need for housing was identified by nearly a third of respondents as the biggest challenge facing people in their communities.

The results of this survey highlight the more widespread housing crisis in rural Alaska. The latest [statewide housing assessment](#) published by the Alaska Housing Finance Corporation estimates that 40 percent of homes in the Calista Region are overcrowded and 3,000 housing units are needed to meet the housing demand in the region. At the current rate of 15 new housing units per year it will take 200 years to meet the current estimated demand for housing, and the population is growing.

“We have multiple families living in one home,” said Stella Alexie, Tribal Administrator for the Native Village of Eek. “We definitely need more housing in Eek,” added Elsie Jimmy, Community Service Representative for CVRF in Eek.

This spring, CVRF started looking at alternative ways to increase housing stock with the goal of providing resources to help residents develop their communities. Based on the framework presented in the [Alaska Rural Homeownership Resource Guide](#), CVRF identified mortgages as an additional strategy to pay for housing since there is not enough grant funding available to meet the growing need for housing.

To test this approach, CVRF added a housing pilot project to existing construction plans to expand the CVRF Community Service Center in Eek this summer. The pilot project centered around the construction of a “tiny house,” an affordable and energy efficient option for a single person or couple that can be expanded as needed by the homeowner. Construction of the tiny house was supported almost entirely by local labor and used polyurethane foam core structural insulated panels (SIP), a highly energy efficient alternative to the more traditional stick-built construction.

The tiny house has a sale price of \$75,000. The financing model for the pilot project draws on grant funding to cover 60 percent of home costs. The remaining 40 percent will be the resident’s responsibility and covered through a low interest rate mortgage loan, through either USDA’s 502 direct program or a HUD 184 approved lender. The grant funding comes from BIA HIP funds (30% of total costs) and CVRF’s People Propel® program (30% of total costs). Assuming a 3.75% interest rate and a 33-year term for the USDA mortgage loan, the estimated monthly payment for the tiny house would be \$200.

“We asked residents what we could do to make the People Propel® program better and we kept getting requests for housing. Our goal is to bring another approach to getting housing to the residents of CVRF, and to do it in the most affordable, cost effective, and energy efficient way possible,” said Bob Marquez, CVRF’s Products and Services Manager who is also the project manager for this pilot project. “The opportunity to take ownership of your own financial wellbeing is ultimately going to end up being a really positive thing.”

CVRF will be providing an update on the Eek tiny house pilot project at the Bureau of Indian Affairs (BIA) Providers conference taking place in Anchorage this week. The model being tested is only possible due to contributions from the U.S. Department of Agriculture (“USDA”), Bureau of Indian Affairs (BIA), and a home mortgage loan from either the U.S. Department of Housing and Urban Development or the USDA. This pilot project was also made possible through collaboration with the Native Village of Eek, City of Eek, and AVCP, Inc.

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Coastal Villages Region Fund (CVRF) uses Bering Sea fishing rights granted to it by the Community Development Quota (CDQ) program to foster sustainable and diversified local economies in western Alaska. CVRF is organized as a 501(c)(4) Alaska non-profit corporation and operates in 20 member communities located along the west coast of Alaska, from Scammon Bay to Platinum. CVRF generates the money to fund its programs by harvesting fish in the Bering Sea with its own fleet of vessels.

CVRF is dedicated to creating sensible, tangible, and long-term economic development opportunities that generate hope for the more than 9,300 residents of its communities. It is governed by a Board of Directors consisting of one member democratically elected from each community. CVRF is the largest Alaskan-owned seafood company in history and the first CDQ group to own and control the vessels that harvest the vast majority of its CDQ allocations.

For more information,

Visit www.CoastalVillages.org and www.facebook.com/CoastalVillagesRegionFund.

Sources/Attachments:

AHFC 2018 Housing Assessment: <https://www.ahfc.us/efficiency/research-information-center/alaska-housing-assessment/2018-housing-assessment>

CVRF Community Survey:

https://www.coastalvillages.org/sites/www.coastalvillages.org/files/community_survey_summary_results_final_for_press_release.pdf

Alaska Rural Homeownership Resource Guide:

https://www.rd.usda.gov/files/Alaska%20Rural%20Homeownership%20Guide%2001_11_17_v2.pdf