

LEG. FINANCE - BILLS

1977 - 1978

944

SB 351 cont.

Page Two  
Mr. Robert Butler

Bob, please don't feel that I am placing undue pressure on your organization, on the contrary I feel that through our combined efforts you will be given the necessary ingredients with which to correct this problem. After talking to you I felt that it was necessary to secure all the assistance possible which will enable you to correct this gross deficiency. I am quite confident that you will be able to find a solution that will satisfy your Selawik tenants and regain the respect of our people for your fine organization.

Sincerely yours,

*JW*  
John W. Schaeffer  
Executive Director

cc: Governor Egan  
Sen. Gravel  
Sen. Stevens  
Sen. Hensley  
Rep. Ferguson  
NANA Board  
Mayor, City of Selawik

0142

VII -27

January 2, 1974

To: Alaska State Housing Authority

From: City of Napakiak  
Napakiak, Alaska 99634

The people of Napakiak complained that their housing's are cold. They were promised if they light a candle it will be warm. Those two are not advised.

1. COOLING SYSTEM: On the floor the insulation's are wet, and the wall where the rafter's were placed, the two by four's were not well insulated, and that is where the cold air is coming in.
2. BATHROOM'S: The cold air is bad at the rest-room's.
3. FLOOR BEAM'S: The two beam's are not enough on the floor, there should be three beam's. The beam's are causing the tiles to break.

The complaint's were referred to the City Council's by the housing owner's. They have been promised by the State Housing Authorities that they will have warm house's. Their stove's are set on high, but still their housing's are cold. The housing owner's use thier coats, and use colemen camp stove to heat their house's. They also have complained that the housing payment is to high to pay. We would appreciate it if they would re-inspect the housing's, or if they can not re-inspect the housing's, we want one man from the Alaska State Housing Authorities to come to our village and experience the cold. We would like to know ahead if there is going to be a visitor coming. Let us know before he is coming so the Council's and the housing owner's will be prepared to meet him. Thank you for your cooperation on this matter.

Sincerely yours,  
*Carl Motgin*  
Carl Motgin Mayor  
Napakiak

C.C. Lucy Nelson  
Council President  
Napakiak

VII - 28

10009

NAPAKIAK

Napakia Housing Owners  
General Delivery  
Napakia, Alaska 99634

Handwritten notes and stamps in the top right corner, including a box with 'HA/H.C.' and other illegible scribbles.

January 16, 1975

Dear Sir,

We the housing owner had a meeting and we find that there are quite a few complaints about the housing that were built here at the village.

Most of the house owners complain about there bath-room, which is useless during the cold weather months, cause they couldn't get enough heat in the bathrooms, and most of the cold draft comes thru the bathrooms another thing which is not accurate like, some window glassen weren't complete sets when they were installed and some do not have screens.

The middle of all the floor drop down during cold weather months. Partition ceiling make cracks, and floor tiles start to peel off in some areas. When its raining, water start to drip down around the chimney or ceiling. Some sinks were not completed in the bathrooms and some of the fire extinguishers are useless.

Now when we worked on these housing we recorded the times we worked and we were told that those working times will be deducted but most of us believe that those times were not deducted cause they aren't shown in agreement papers besides the grant. When the houses were done t here were some left over materials and those materials were sold. The man who sold those materials told us. We believe that those are false statements.

Sincerely yours,

Housing Owners.

10002

VII-29

Larotick Housing owners  
General Delivery  
Anchorage, Alaska 99634

January 16, 1975

Dear Sir,  
Listed below are complaints by Housing Owners.

HELEN NELSON "F" PLAN

All window glasses were not complete and no screens,  
both doors take cold draft, the bathroom does not get any  
heat at all during the winter time. Cold draft comes in  
thru ceiling and fittings middle of the building drop down  
and take cracks at partition ceiling. When rain water comes in  
thru and around the chimney. Some ceiling tiles drop off.

ADA NELSON "F" PLAN

Window glasses and screen not complete. Toilet does not  
get any heat in the winter, alot of cold draft comes thru  
the ceiling, around fittings and doors. Porch tiles peeling  
off in some areas both doors take alot of draft.

HENRY TRIPLE "F" PLAN

All window glasses and screens were not complete, bathroom  
does not get any heat in the winter, cold draft comes in thru  
the partition area, floor tiles start to peel off in some  
areas both doors take alot of draft.

ADA MILLER "F" PLAN

Window glasses were not complete, toilet does not get any  
heat, cold draft comes in thru the ceiling and fittings  
both doors take alot of cold draft, floor tiles peeling off  
in some areas. Raining water comes in thru and around the  
chimney.

ROBERT AYACALDIA "D" PLAN

Toilet does not get heat in winter when weather is cold  
And sink is not complete, All rooms do not get enough  
heat during the cold weather especially upstairs, during  
winter, middle of the floor drop down and take cracks around  
partition ceiling. Alot of rain water comes in through the  
chimney.

OSCAR TRIPLE "F" PLAN

Some window glasses not complete, floor tiles start to peel  
off in some areas. Bathroom does not get any heat during the  
cold winter days. Cold draft comes in thru all the doors windows  
and the partition ceiling. Water drips in thru and around the  
chimney.

WILLIE "D" PLAN

Has the complaints of , no heat going to the bathroom during the winter. And the doors are peeling off on the walls with some draft coming from all the doors when raining, the water comes in from the windows and the stairs to the upper roof produces lots of draft, it's hard to keep the house warm during the winter days, refilling the oil tank almost every week. And the bathroom partitions are all cracking open mostly on the middle of the house, most ceiling tiles are peeling down.

CARL "D" PLAN

Has the complaints of lots of draft coming through the windows and the doors and no heat is going to the bathroom and rain water drains through the windows. The ceiling tiles are peeling off on the upstairs and down stairs rooms. Also the middle of the house is making wide cracks on the indoor partitions. It would be good if something should be done about all this, they are very expensive houses and are not well equipped they are hard to keep warm during winter.

AMY "ELLIE" "E" PLAN

Has the complaints of her windows broken of too much draft coming from them and her chimney has no cap as well as her partition are coming down cracking the ceiling and the doors are bringing in lots of the draft. The bathroom is also cold during the winter, tiles are cracking open both sides the water drains, water seeps through the stove pipes and the windows. The doors are hard to shut on account of the middle of the house going down. The walls around the floor where it is wet the paint is bubbling.

JOHN PANKA "E" PLAN

Has the complaint of his windows are not complete and the floor tiles are cracking open. Some draft is coming from the doors and the windows. Water drains thru the chimney when raining. The bathroom is cold during the winter. The roof also drips when raining.

ALICE "F" PLAN

Has complaints of the bathroom gets cold during the winter and his windows are not complete and had to throw away the broken windows which couldn't be used. The bathroom brings in lots of draft. And the partition are making cracks on the ceiling.

GEORGE SMITH "A" PLAN

The complaints of the porch having no plywood, it only has ceiling tiles which are falling down and the upstairs roof around the sides, should have plywood, covered with ceiling tile which brings in lot of draft and cold during the winter. The bathroom gets cold at winter and the honey buckets freeze when filled, lots of draft comes in through the crack around the house. The upstairs roof, water drains from the windows also there is a draft.

NICHOLAS EVAN "F" PLAN

Bathroom doesn't heat up in cold weather, in bathroom cold draft comes in thru upstairs rain hole, around window, and pipe fitting. A lot of cold draft come in thru the back door, and windows. Window glasses were missing and screens. Floor tiles start to peel off in some areas, middle of floor drop down in cold weather and takes cracks around ceiling bathroom door. Ceiling tiles are beginning to sag down, porch roof door begin to tighten.

ALAN JIMMY "I" PLAN

Middle of the building drops down in winter on the end takes cracks around ceiling partitions and ceiling tiles begin to break floor tiles begin to peel off, cold air draft comes in thru back door, bathroom is useless cause of cold weather cover system is not completed for use, cold draft comes in thru the fittings of the pipe.

JOHN ROY JR. "D" PLAN

A lot of cold draft comes in thru the back door, bathroom, and upstairs, bathroom does not get any heat in cold weather when it rains water starts dripping thru the kitchen counter ceiling, cold draft comes in thru three windows.

WILLIE STONE "E" PLAN

Toilet does not heat up in winter, A lot of cold draft come in thru the bath doors and windows, when rainier water start coming thru the , and around the chimney and middle of the house drop down taking cracks on partition ceiling.

JOHN NICHOLAS "D" PLAN

Window glass not complete, middle of building drop down and take cracks on the partition area. Floor tiles start to peel off in some areas. Bathroom does not get any heat in the winter. Also cold draft thru window hole and thru fittings.

PLAN "D" PLAN

All window glasses were not completed middle of building drop down and take cracks on the partition area. Floor tiles start to peel off in some areas. Bathroom does not get any heat in the winter, cold draft comes in thru the ceiling, window and fittings when rain water leaks thru and around the chimney, cold draft comes in a lot, from the back door, work hours were not deducted.

PLAN "E" PLAN

Floor tiles peeling off in some areas bathroom does not get heat in cold weather, kitchen was not installed accurately, it wasn't nested and it start to break loose. Cold draft come in thru back door and the outer back door doesn't swing out when its raining the north side ceiling start dripping water 2x6 ceiling nail start to come loose. Middle floor drops down in cold weather and take cracks in partition ceiling.

PLAN "F" PLAN

Has the complaints of too much draft coming floor around the closets and mostly from the upstairs area and on all the doors. When rain water drips from the chimney and the cabinets and windows, during the winter days, the bathroom and upstairs are very cold. The floor tiles are peeling off. Also the middle of the building is very down and the partitions have wide cracks on the ceiling during the winter. We have to use a coal stove in order to keep the house as warm as possible and the window screens are not completed.

City Council  
Nauyasik, Alaska  
90634

1. [Handwritten name]
2. [Handwritten name]
3. [Handwritten name]
4. [Handwritten name]
5. [Handwritten name]
6. [Handwritten name]
7. [Handwritten name]
8. Helen [Handwritten name]
9. [Handwritten name]
10. [Handwritten name]

11. [Handwritten name]
12. [Handwritten name]
13. [Handwritten name]
14. [Handwritten name]
15. ANNA [Handwritten name]
16. [Handwritten name]
17. John [Handwritten name]
18. George [Handwritten name]
19. John [Handwritten name]
20. [Handwritten name]



APPROXIMATE COMPLAINTS

POOR INSULATION ON THE FLOORS, POOR FOUNDATION

ABRAHAM NELSON "F" FLOOR

Heavy frost around the floor edges. Frost on ceiling of the bathroom.

WESLEY WILSON "F" FLOOR

Incomplete chimney fillings. Heavy frost on the edges ruining the floor tile.

JOHN BARTHA "W" FLOOR

Broken windows has been promised to be replaced. Nothing received to this day.

JOHN WILSON JR. "D" FLOOR

Floor droopings in thru the cupboard and in the bedroom.

JOHN FERGUSON "D" FLOOR / OSCAR WILSON "D" FLOOR  
Floor missing in some parts.

JAMES WILSON "F" FLOOR

Floor missing panels.

VII - 35

10008

MAY 21 '73

Robert E. Butler, Exec. Director  
ASHA

Box 179  
Anchorage, Alaska 99510

Route	EX <sup>Post</sup>
Route	1/EX
Route	ND/HC
File	

Dear Mr. Butler;

Last summer, 3 men from your office came to Selawik to make a survey on the housing that were built by ASHA. We were informed that we would be notified whether there would be modifications or such which would make the housing more suitable for winter shelter.

We have been receiving complaints and have found out ourselves that these houses are NOT suitable for winter use as they are right now.

Just trying to keep the housing warm in the winter is just too much on paying fuel cost as these people can't even keep up on buying fuel.

We would like to know in the near future what is being done now and would very much like a reply soon.

0140.

Selawik City Council  
Oran Walker  
Mayor

VII-36

Resolution # 1

Whereas Alaska State Housing Authority built 28 new houses in Mt. Village in 1972-73 under the Indian Housing Program to remedy the housing situation in Mt. Village.

Whereas the people in Mt. Village willfully accept this program assuring the houses will be built under strict building regulations and specifications under the housing and building codes under the rules and regulations of the State of Alaska.

Whereas individual contracts were signed with 28 home owners for a period of 20 year payments, this agreement was set forth in monthly or yearly installments and there has been some cases could not be made due to high cost of living and inflation, lack of employment and in some cases poor fishing season.

Whereas Alaska State Housing Authority has threatened to take some houses away if payments are not met monthly or yearly without investigation of the cause of their unmet payments.

Whereas the 20 year contract will not be met in existence of the houses in Mt. Village due to poor supervising in work and materials, there has been leaks in the roof, ceilings are falling apart, floor tiles coming apart, walls turn to black due to excessive sweating and dripping of water, doors breaking apart, water pipes breaking up and electrical safety hazards.

Therefore be it resolved Alaska State Housing Authority renovate, improve, repair of all defects in material to specifications under the building code laws to the assurance of the owners for a period of 20 years or more and investigate the conditions of the houses by a building inspector and the personnel of ASHA, or repair the damages in material, windows, doors or advise the owners where they can get or buy the broken windows, doors or other material in 28 houses in Mt. Village.

The following home owners do hereby sign forth by their signatures.

*Paul Beana*  
 \_\_\_\_\_  
*Thomas Johnson*  
 \_\_\_\_\_  
*Robert Johnson*  
 \_\_\_\_\_  
*Joseph K. ...*  
 \_\_\_\_\_  
*Michelle ...*  
 \_\_\_\_\_  
*Walter ...*  
 \_\_\_\_\_  
*Louise ...*  
 \_\_\_\_\_

VII - 37

Henry Angupuk  
City Clerk  
Shishmaref, Alaska 99772  
November 18, 1972

NOV 22 1972

Robert M. Wilson  
Assistant Coordinator  
Alaska Remote Housing Program  
Alaska State Housing Authority  
Anchorage, Alaska 99501

Dr. [unclear]  
[unclear] [unclear]  
[unclear] [unclear]

Form with handwritten initials: AA, BC, RHP, and other markings.

Dear Mr. Wilson:

The City Council, I.R.A. Village Council and the homeowners have been expecting someone to come to inspect the ASHA houses; since receiving a letter from James B. Bell, Regional Director, KukulCap in Nome, after his trip to Anchorage. At which time my letter to Jerry Vongettellin Jr., was handed over ASHA to be read. This letter was a compilation of Complaints and Improvements submitted by the ASHA homeowners and filed with the Shishmaref city Council.

We want to thank you for giving us an explanation for your delay in sending someone here to inspect the houses and talk with occupants about their complaints and improvements needed. In a way, your delay, was timely factor in our favor. The reason for this is, that the high cold winds have started blowing. However, not as bad as they will blowing in the coldest part.

The high foundation, without skirting, and the interior and exterior walls being too thin, will start showing the cold and chill factor effects on the houses caused by the high winds.

I have in the City Council Files a signed complaint; that this complaintant was referred to factory for a window replacement. However, he told me that ASHA, (this is not entered in the Complaint), did not even give him the name or address of the factory. My wife can verify this; since she was with me when I was helping Belbert Enigowuk, Pres., City Council, gather all the complaints and improvements needed.

The I.R.A. Village Council tried writing directly to you regarding the the problems that the homeowners were having. However, there was no reply from you. All members of the City Council and the people that I talked to, agreed that the only way to get any results was through a third party. KukulCap, is who we asked for assistance. And it is through them that we will try and get a fair and square deal from you, concerning the housing problems that should be corrected at Shishmaref.

The individual letters of Complaints and Improvements needed filed with the City Council will be handed over to the General Superintendent when he arrives here. It will help him by using it as a guideline for the existing housing problems.

I want to point out, that all complaints and improvements needed are basically the same. However, you will find that some complaints can be taken care of by the individual homeowners or that some homeowners have taken care of some of the problems themselves; since filing their complaints and improvements needed with the City Council.

I am enclosing a copy of the letter sent to Jerry Dongettelli Jr., concerning the housing problems. These are the wants and needs of the ASHA homeowners. We hope that the General Superintendent will realize how critical the housing problem is; when he comes here. Because these problems will show to be self-evident; once he starts inspecting the houses and talking to the occupants.

At this time I want to clarify the matter of a lawsuit mentioned by James B. Bell. There has been a mis-understanding. He never planned on a lawsuit. However, we stated that a Formal Complaint would be filed against the Alaska State Housing Authority, if nothing was done to alleviate the housing problems.

I am anxiously awaiting for the General Superintendent. So are all members of both Shishmaref City Council, I.R.A. Council and the 21 ASHA homeowners.

All statements made in writing or in verbal form, pertaining to the housing problems can be and will be verified by person or persons involved.

Sincerely Yours,

*Henry Angluk*

Henry Angluk, City Clerk  
Shishmaref, Alaska 99772

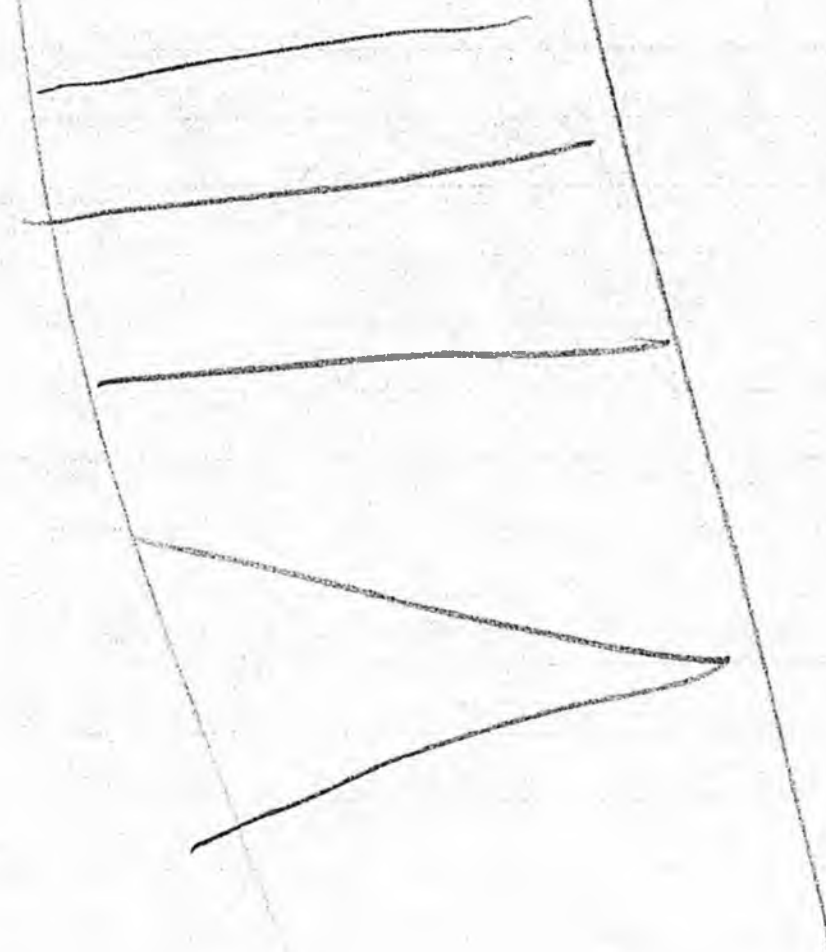
CC: Mr. James B. Bell, Regional Director  
Inupiak Development Corporation, Inc.

Mr. William H. Fritchard, Local Government Specialist  
Local Affairs Agency

Shishmaref City Council Files

0108

VII-39



HIRSHEN, GAMMILL, TRUMBO & COOK

ARCHITECTS

AIA

17 March 1976

Jim Grandjean  
Alaska Legal Services Corporation  
524 West Sixth Avenue, Suite 204  
Anchorage, Alaska 99501

Re: ASHA Mutual Self-Help Housing: Status of Construction in the  
Villages of Chalkyitsik, Napakiak, Tooksook Bay, Alakanuk, Alaska.

Gentlemen:

The physical condition of the ASHA houses in these villages are essentially the same as those observed in the villages included in the ASHA "Remote 200 Program." A preliminary report of June 19, 1974, described the construction status of some of the villages in this program as well as Chalkyitsik, not part of the "Remote 200." The report is, therefore, applicable for purposes of describing the condition of Mutual Self-Help Housing in the villages listed above. I made a visual survey of Chalkyitsik in July of 1974. The other villages listed were observed in February of 1976.

The repair program specified for the "Remote 200," dated April 14, 1975, and June 2, 1975, was based in large part on this Preliminary Report. This program was based on the results of a meeting held March 27, 1975, in Seattle. At this meeting, officials of ASHA, HUD, and myself agreed to a description of the construction defects involved in the "Remote 200" housing. This was followed by the proposed repair program on April 14, 1975. This report was consistent with the observed defects. All parties agreed that this was an appropriate rehabilitation proposal for the observed defects. Because the house design, materials, specifications, and method of construction are the same in the Willie case villages, this repair program is also appropriate and required for the adequate rehabilitation of ASHA housing in these villages.

Some modifications to the repair program should be made to allow for special conditions found in each village and for changes or deletions that seem to be appropriate now that we have seen the results of the rehabilitation efforts on the "Remote 200." For example, Napakiak has no water or sewer system. No repairs or new installation of plumbing fixtures or equipment should be provided here unless a water system will soon be developed.

VIII

11144

Some design and specification changes from the "Remote 200" houses are apparent in each of these villages. General comments about each village are listed below. Specific observations of individual houses are attached. Photographs of typical housing in each of these villages are on file.

#### NAPAKIAK

The buildings here are all skirted with plywood that the people seem to favor. No water or sewer system is operating or planned as mentioned above. Reverse batten plywood is used throughout.

#### TOOKSOK BAY

The houses here are also skirted. This village is very prone to high winds in the winter. Ordinary window glass has broken from buffeting only. Small cracks in windows and doors become noticeable points for air intrusion. Many people have purchased water heaters. Some said they were told the Public Health Service would hook them up. Reverse batt plywood used here. Many people have built additional protection from the wind around their entry porches. Some rotting of wood siding and flooring was observed because of snow build-up on the side of the houses which then melts and saturates the wood.

#### ALAKANUK

No skirting on these houses. Floor beams have single gusset plate instead of the usual two. The support pads are untreated lumber. This area is also very windy in winter which causes the houses to shake noticeably.

#### CHALKYITSIK

Grouved plywood, single gusset plates, and inadequate support pads were observed here. (Again, these defects were not typically seen in "Remote 200" housing.) Appertenances were not adequately provided for.

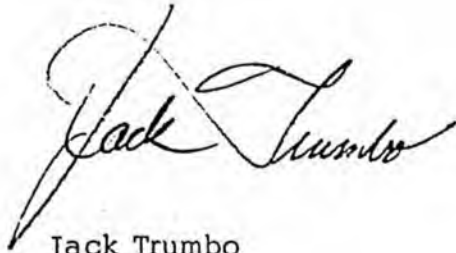
11145

VIII-2

The basic and consistent construction and design defects observed in these villages are the same as in the "Remote 200" houses. In some aspects, better (e.g. less settlement), but in most cases, equal or worse. All can be repaired and made very usable. None of these problems would have required very much additional money in the beginning, so it is not a question of betterment, but of necessity to improve what was provided.

It is my personal opinion that the houses were not competently designed. Further application of this design should be seriously considered.

Sincerely,

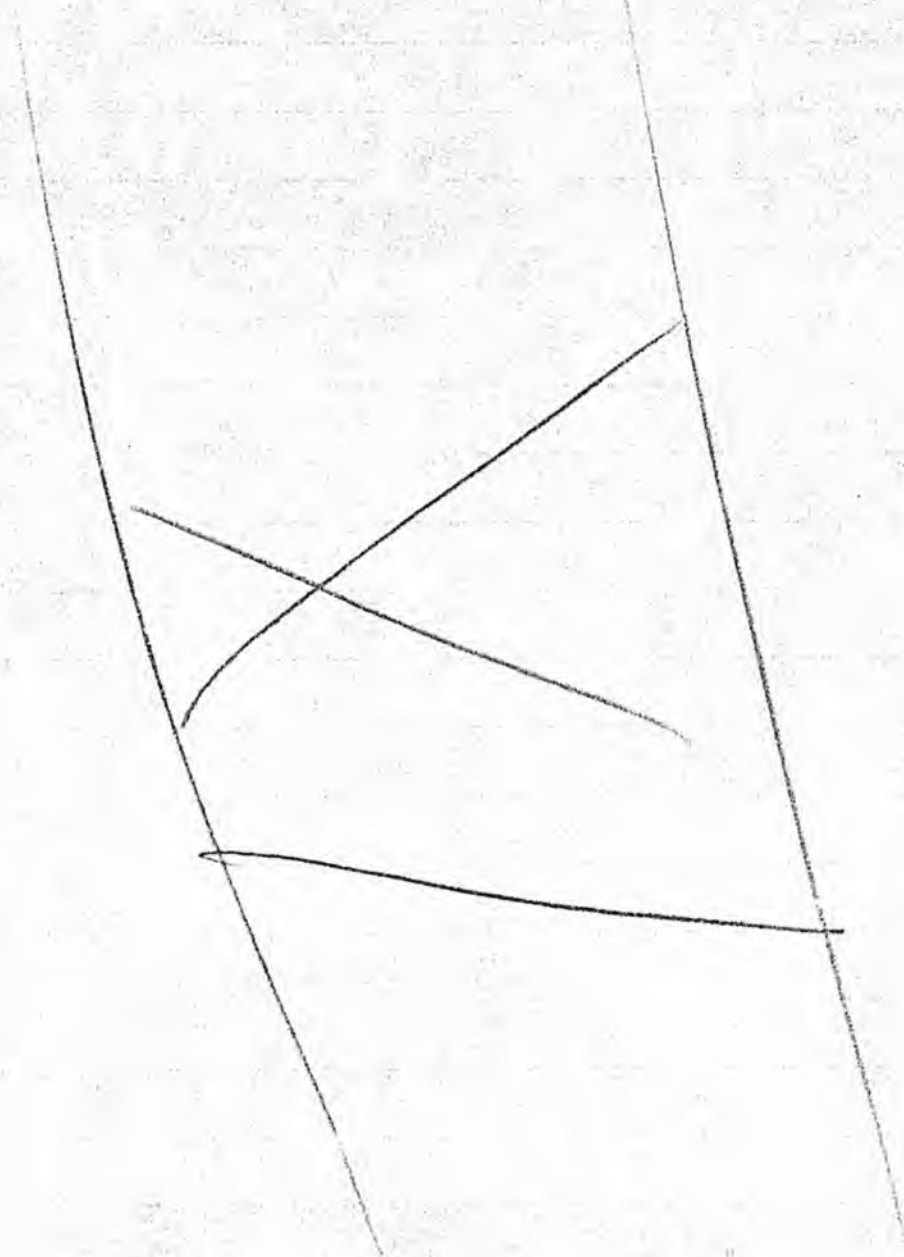
A handwritten signature in cursive script that reads "Jack Trumbo". The signature is written in dark ink and is positioned above the printed name.

Jack Trumbo

Enclosures

VIII - 3

11146



ALASKA FEDERATION OF NATIVES, INC.

1977 ANNUAL CONVENTION

RESOLUTION 77-21

WHEREAS, since 1968 the Alaska State Housing Authority (ASHA) has with the use of State of Alaska and federal grant-in-aid monies build houses in the predominately Alaska Native villages of:

Akiachak	Alakanuk	Anaktuvuk Pass
Buckland	Chalkyitsik	Chefornak
Chevak	Deering	Faionak
English Bay	Galena	Golovin
Hooper Bay	Kaktovik	Kiana
King Cove	Kivalina	Kotlik
Koyuk	Minto	Mt. Village
Napakiak	Noatak	Noorvik
Ouzinkie	Pilot Station	Point Hope
Quinhagak	Sand Point	Scammon Bay
Selawik	Shaktookik	Saishnaref
Tanacross	Tetlin	Toksook Bay
Yakatat	Manoktak	New Stuzakov
Togiak		

and other Native villages;

WHEREAS, the village councils and home purchasers have assisted ASHA in the house construction by providing mutual and self-help labor (sweat equity), amounting to hundreds of thousands of hours;

WHEREAS, the houses are characterized by a poor design, particularly unsuitable for Arctic areas, and are replete with material and construction defects making them, for example, extremely difficult and expensive to heat and generally not habitable.

WHEREAS, ASHA has acknowledged these defects but reportedly does not have funds to correct them and make the houses habitable and consequently many home purchasers have quit paying rent; and

WHEREAS, such litigation has arisen on behalf of these villagers which is both time consuming and expensive for ASHA and the villagers and which has not resolved the problems.

IT IS HEREBY RESOLVED that AFN, Inc. urge the Alaska Legislature to appropriate sufficient funds for correction of the defects in the houses in all the affected villages, and for their complete rehabilitation by ASHA.

IT IS FURTHER RESOLVED that no villager should suffer mortgage default, penalty, or levy of accrued interest for failure to pay rent to ASHA up to the time such villagers house is rehabilitated.

Resolution Committee Recommendation: Do Pass

Convention Recommendation: Adopted

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
AREA OFFICE  
334 WEST FIFTH AVENUE  
ANCHORAGE, ALASKA 99501

FEE - 8 1978

January 27, 1978

IN REPLY REFER TO:  
10.3S

REGION X  
Anchorage Plaza Building  
1221 Second Avenue  
Seattle, Washington 98101

Honorable Ted Stevens  
United States Senate  
260 Russell Building  
Washington, D. C. 20510

Dear Ted:

Thank you for your letter of January 16, 1978, with the enclosures concerning problems with the Bartlett Act Rural Alaska Remote Housing Program.

Alaska Legal Services has entered a suit on behalf of the occupants of the Bartlett housing against ASHA and HUD even though the 1969 and 1970 programs were clearly identified as State programs. In the Remote 200 Program (1971) HUD was enjoined in the suit and has furnished \$1,400,000 toward rehabilitation of these units, and ASHA has requested a further \$650,000 work to complete the rehabilitation program. The rehabilitation work consisted mainly of strengthening the floor, caulking, replacing damaged sash and doors, improving insulation and restoring many maintenance deficient items. The settlement of that suit was by negotiation with HUD furnishing the money to ASHA to complete the repair. The total of \$10,000 per unit was a minimum and does not greatly upgrade the livability of the houses. During the first year of the rehab program ASHA was without a control budget and the cost benefit ratio was extremely poor. The new administration in ASHA has been more conscious of the need to control cost and has a top man in charge of this part of the program. Better progress is being made.

To react to a suit, or threat of suit, does not permit the responsible planning that is necessary to develop a project which is not only comprehensive but answers the basic problems of housing. This office submitted to the Central Office a proposed policy for Alaska, a copy of which is attached hereto. Item "A" addressed the need to not only provide new housing units but also rebuild and rehabilitate approximately

X

2,000 existing units without consideration of the program which erected the housing. In other words, it is my concept that regardless of whether the house was built by BIA, ASHA, State, HUD or any of the other experimental projects which are scattered around Alaska, if the house has salvage value it should be remodeled to meet the criteria of being "decent, safe and sanitary." Many of these houses are too small for the family which inhabits them but construction could be added to provide space. Reinsulation is required in all of them; repair of maintenance-type features such as floor cover, wall finishes, added heat, sash and doors.

I was interested in the words used by Michael Frank of Alaska Legal Services, Corp., when he says "incompetent house design was used." The design was not compatible with the environment in which the house was located or designed to meet the use need of the average Alaskan Native family. The design used by ASHA and BIA did meet the Minimum Property Standards of HUD, but now in Alaska this office requires additional standards above the minimum to meet the severity of climate. Inferior design is characteristic of all project housing which precedes the "500 unit" program.

New housing is costing us an average of \$65,000 per unit plus administration and site preparation or approximately \$30,000 per unit. Rehabilitation of the deficient houses would probably cost in excess of \$15,000 per unit. It still represents an economic solution to rehabilitate rather than let further deterioration continue.

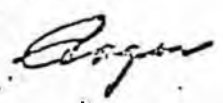
Our records show that HUD has participated in 791 units of Native housing prior to the "500 unit" program. We have no record of the number of units provided under BIA or other programs but estimate this at approximately 1,200 units or a total of 2,000 units of Native housing which require upgrading.

Including the "500 unit" program and subsequent units of housing for Alaskan Natives funded through HUD and the Alaskan Native Housing Authorities, we have 1,103 units completed or in process plus an estimated 320 more units for 1978 or a total of 1,428 units of good housing in the past three years.

3  
We appreciate your continuing interest in Alaskan Native housing, and your consideration has been brought to the attention of the Housing Authority Executive Directors who have been meeting here January 26 and 27.

Warmest personal regards.

Sincerely,



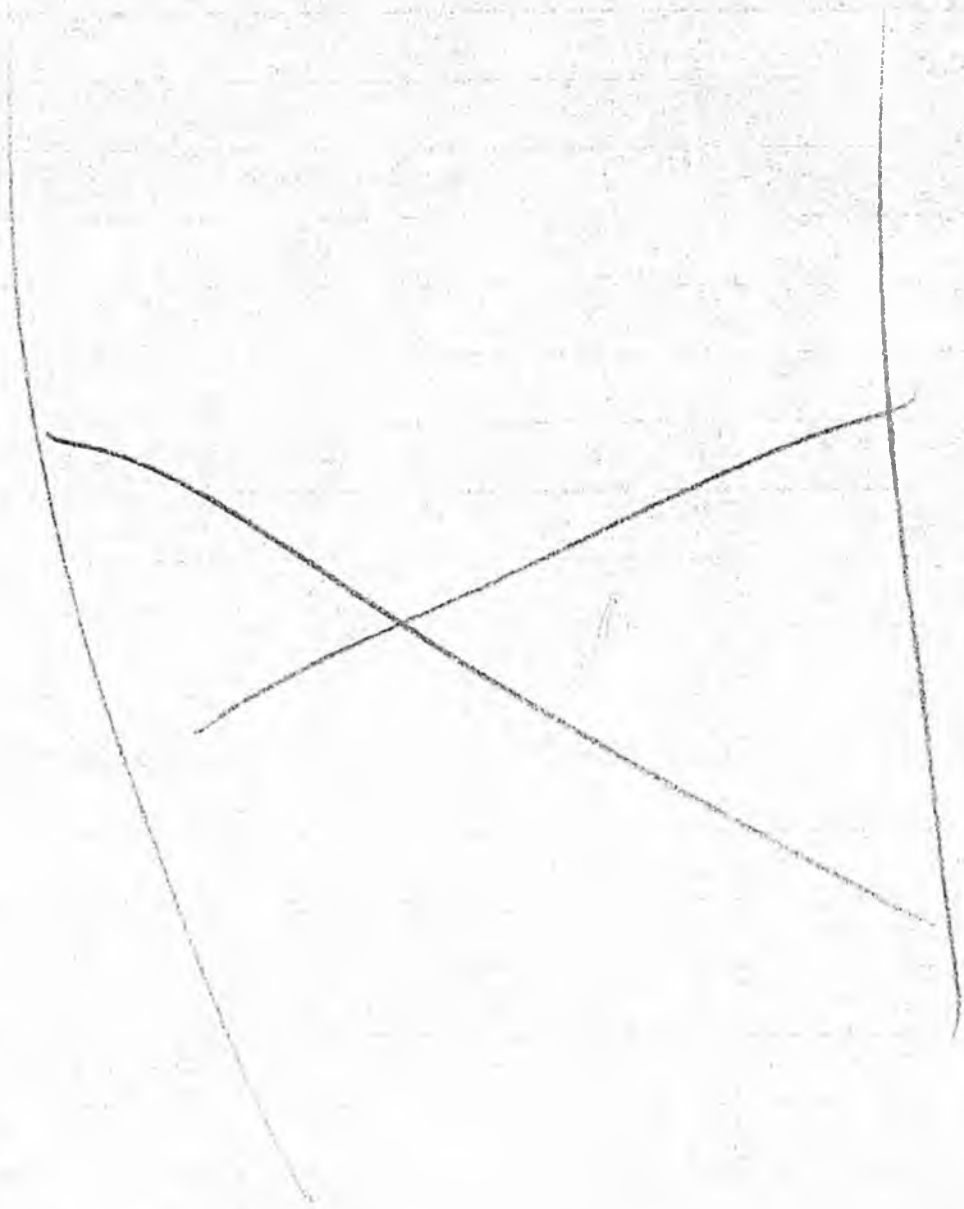
Roger A. Riddell  
Director

Attachment

X-3

# CORRECTION

THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

AREA OFFICE  
334 WEST FIFTH AVENUE  
ANCHORAGE, ALASKA 99501

FEB - 8 1978

January 27, 1978

IN REPLY REFER TO:  
10.3S

REGION X  
Amodeo Plaza Building  
1221 Second Avenue  
Seattle, Washington 98101

Honorable Ted Stevens  
United States Senate  
260 Russell Building  
Washington, D. C. 20510

Dear Ted:

Thank you for your letter of January 16, 1978, with the enclosures concerning problems with the Bartlett Act Rural Alaska Remote Housing Program.

Alaska Legal Services has entered a suit on behalf of the occupants of the Bartlett housing against ASHA and HUD even though the 1969 and 1970 programs were clearly identified as State programs. In the Remote 200 Program (1971) HUD was enjoined in the suit and has furnished \$1,400,000 toward rehabilitation of these units, and ASHA has requested a further \$650,000 work to complete the rehabilitation program. The rehabilitation work consisted mainly of strengthening the floor, caulking, replacing damaged sash and doors, improving insulation and restoring many maintenance deficient items. The settlement of that suit was by negotiation with HUD furnishing the money to ASHA to complete the repair. The total of \$10,000 per unit was a minimum and does not greatly upgrade the livability of the houses. During the first year of the rehab program ASHA was without a control budget and the cost benefit ratio was extremely poor. The new administration in ASHA has been more conscious of the need to control cost and has a top man in charge of this part of the program. Better progress is being made.

To react to a suit, or threat of suit, does not permit the responsible planning that is necessary to develop a project which is not only comprehensive but answers the basic problems of housing. This office submitted to the Central Office a proposed policy for Alaska, a copy of which is attached hereto. Item "A" addressed the need to not only provide new housing units but also rebuild and rehabilitate approximately

X

2,000 existing units without consideration of the program which erected the housing. In other words, it is my concept that regardless of whether the house was built by BIA, ASHA, State, HUD or any of the other experimental projects which are scattered around Alaska, if the house has salvage value it should be remodeled to meet the criteria of being "decent, safe and sanitary." Many of these houses are too small for the family which inhabits them, but construction could be added to provide space. Reinsulation is required in all of them; repair of maintenance-type features such as floor cover, wall finishes, added heat, sash and doors.

I was interested in the words used by Michael Frank of Alaska Legal Services, Corp., when he says "incompetent house design was used." The design was not compatible with the environment in which the house was located or designed to meet the use need of the average Alaskan Native family. The design used by ASHA and BIA did meet the Minimum Property Standards of HUD, but now in Alaska this office requires additional standards above the minimum to meet the severity of climate. Inferior design is characteristic of all project housing which precedes the "500 unit" program.

New housing is costing us an average of \$65,000 per unit plus administration and site preparation or approximately \$80,000 per unit. Rehabilitation of the deficient houses would probably cost in excess of \$15,000 per unit. It still represents an economic solution to rehabilitate rather than let further deterioration continue.

Our records show that HUD has participated in 791 units of Native housing prior to the "500 unit" program. We have no record of the number of units provided under BIA or other programs but estimate this at approximately 1,200 units or a total of 2,000 units of Native housing which require upgrading.

Including the "500 unit" program and subsequent units of housing for Alaskan Natives funded through HUD and the Alaskan Native Housing Authorities, we have 1,108 units completed or in process plus an estimated 320 more units for 1978 or a total of 1,428 units of good housing in the past three years.

3  
We appreciate your continuing interest in Alaskan Native housing,  
and your consideration has been brought to the attention of the  
Housing Authority Executive Directors who have been meeting here  
January 26 and 27.

Warmest personal regards.

Sincerely,



Roger A. Riddell  
Director

Attachment

X-3

March 3, 1978

Michael J. Frank  
Alaska Legal Services Corporation  
524 West Sixth Ave., Suite 204  
Anchorage, Alaska 99501

Dear Mike,

On January 24, 1978 I was commissioned to travel to several villages where the Alaska State Housing Authority has built houses under the Alaska Remote Housing Implementation Plan. The purpose was to determine whether deficiencies existed in the houses and, if so, to evaluate the cost of correcting the deficiencies so as to make the houses "decently habitable for human life", to quote my letter of commission. The houses were built during the period from 1969 to 1972.

On January 26th I went to Tanacross and subsequently to Tetlin, Anaktuvuk Pass, Kaktovik, Chefornak, Napakiak and Hooper Bay. I was at Hooper Bay, the last village I visited, on February 2, 1978.

I was accompanied by turns by Bill Simeon, Mike Jeffery, Allan Paneak, Nick Schapps, David Nanalook and Dan Branch. The assistance of each of these individuals was crucial to the gathering of this information.

Although I personally examined the houses in order to evaluate them, primarily I relied on the residents to tell me what they found objectionable to living there. Not uncommonly their objections were in response to my questions but most of the information was voluntarily offered. I had no tools so I did not expose concealed work. In places, however, vapor barrier, insulation and wiring were visible. Occasionally I solicited suggestions as to reconstruction. The solicitations were a means of revealing problems. In sum, the objections are solely the resident's, but the conclusions are my own. The remedial recommendations also are my own, as are the estimated costs to perform the work.

These buildings evidence inferiority by the products accepted. This inferiority is the logical result of inadequate materials, construction, supervision and inspection; it is not the necessary result of their situs and use. Other than the need for non-mechanical heating and ventilating, there are no requirements of these buildings not regularly practiced in good construction elsewhere in Alaska. At the very least an effort can and should be made to provide a structure useful for its intended purpose.

The estimated cost of reconstruction is approximately \$18,000.00, for a typical building (see exhibits A and B.) This is the cost of the labor and materials required to rebuild the buildings. The figure does not include any supplementary costs or allowances, such as might be attributed to personal transportation, room and board, tools

(see exhibit G), insurance, any item ordinarily considered overhead, supervision, inspection or contractor's profit. The materials are priced at contractor's costs FOB Seattle with freight allowed to an Alaskan village. Actual material cost will vary from village to village. The labor is calculated at \$20.00 per hour, which amount is sufficient to pay tradesmen and specialty craftsmen at current rates with provision for fringe benefits. The rate should field a "composite crew" with one or more foremen as is necessary.

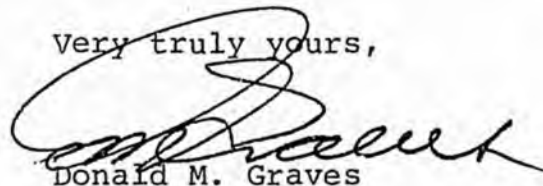
It is assumed, that the roofing is salvageable except for the occasional sheet damaged by removal, or presently damaged. It is assumed that the insulation is salvageable with minor additional quantities needed. It may be that an occasional door or kitchen cabinet or stove/furnace is salvageable. No allowance is made for this possibility as it is somewhat unlikely, and would have a minor effect on the total cost. Although most of the refrigerators need to be replaced it is believed that the cause is improper electrical service, not necessarily an inferior product; therefore the estimate does not include a replacement cost.

It should be emphasized that at least one other major cost factor is absent from this estimate. That is the cost of temporary quarters while the buildings undergo reconstruction. Obviously it will be necessary that the occupants vacate the houses. All of their personal possessions must be removed. They will be dispossessed for as much as a week. It is likely that more than one building at a time will be under reconstruction. In addition temporary storage is necessary for such finish items as finish materials, hardware and appliances.

There are alternative reconstruction procedures which could produce satisfactory buildings. However, to be considered any alternative must, at a minimum, provide an absolutely airtight building properly insulated and ventilated and with an adequate air circulation. Further the materials, products and appliances must be selected with regard to the anticipated circumstances of their use; that is, they must be able to withstand the "hard use" to which they will be subjected. There is no cost allowance in this estimate for cosmetics, or, for that matter, even interior finish materials. The householders interviewed expressed divergent preferences as to finish, all of which are probably acceptable at little cost differential. The reconstruction program should easily accomodate such preferences. If provided, finish surfaces should be susceptible to maintenance and repair.

If there are other matters on this subject that require treatment I would appreciate your suggesting them.

Very truly yours,



Donald M. Graves

## Contents

- I A description of the buildings and their use.
- II A summary of the objections
- III Remedies
- IV Miscellaneous

## Exhibits

- A Overview of total cost of reconstruction
- B Breakdown of the cost of reconstruction
- C Complaints and observations which require either design or program changes to remedy
- D Complaints and observations requiring additional supervision to remedy
- E Various owner performed remedies
- F Families visited and number of residents in home.
- G Allowance for cost per set of tools

## I. A description of the buildings and their use.

The buildings are of wood frame construction. The insulation is fiberglas. Most commonly the interior finish is prefinished plywood, or "hardboard", 1/4" thick and unbacked. The ceilings are acoustic tile and the floors are covered with asphalt tile.

The houses vary in size from 20' x 28' (560 SF) to 24' x 32' (768 SF). Some houses have a partial second floor most commonly used for sleeping. The least number of occupants is two and the most is twelve. Most commonly the buildings housed five to eight persons (See exhibit F.) It is ordinary to find ten to fifteen people, including guests, in a house, the maximum number being 32 one evening at Anaktuvuk Pass.

Also, it was ordinary to find inside the house the unskinned product of traplines, caribou quarters, fish and seal, snowmachines under repair, traps and gear ready for the next trip, washing machines and television sets; in short what one would expect to find in homes throughout Alaska.

Some homes were carefully cared for. Some seemed neglected. There was little if any evidence of abuse. Of the people visited, none had auxiliary buildings for work or storage. Except for a few invalids, the aged and infants, these are energetic outdoor people. Considering this, the "hard" use evident in some cases is to be expected. The lack of design consideration, or program definition, to accomodate such is certainly no criticism of the residents.

## II. A Summary of the Objections.

The buildings were built through several years by different individuals, including, in some instances, the residents themselves, and are the product of several designers. Nevertheless the problems are remarkably uniform. They are classified and listed subsequently (see exhibits C and D.) They can, however, be summarized as follows:

- 1 - Discomfort during cold weather
- 2 - Condensation
- 3 - Inadequate materials
- 4 - Electrical
- 5 - Structural
- 6 - Miscellaneous.

Briefly, these objections result from the following:

1 - Discomfort during cold weather

The exterior siding is a single layer of plywood sometimes, but not always, underlain by 1/2" insulating sheathing. Apparently the siding easily admits the wind. The insulation, commonly fiberglas, is not carefully installed; that is, it appears to be absent from the stud spaces near windows and doors, at partition intersections and at corners. It is unlikely that there is a sill-seal or caulking at the plates. The wall vapor barrier is penetrated at all duplex outlets and at doors and windows and is not sealed at joints. The floor design permits drafts. The ceiling allows heat to pass at light fixtures and numerous other places. The heaters, although possibly adequately sized under normal circumstances, are for these purposes inadequate, are commonly in poor repair or simply don't work. They have in many cases been replaced by wood burning or other stoves.

2 - Condensation

As can be concluded from the above description, the walls and ceilings are inadequately constructed in part in that the vapor barrier is commonly pierced. The high occupancy load and the more or less continuous cooking of stew or the boiling of tea water and the drying of snow laden clothes etc., produces an extremely high moisture content. This moisture permeates all of the insulation through the breaks in the vapor barrier and freezes. When the temperature rises, the condensation reappears as water saturating the wall covering and ceiling tile. Also, during cold weather the moisture condenses on walls, windows and doors and then, as the temperature rises, melts, soaking the floors and whatever happens to be on the floor near the wall. Blankets and mattresses at first freeze to the walls and then thaw, mildew, and turn black with mold.

3 - Inadequacy of the materials

As suggested above, the doors and windows are in part affected by the condensation problem. In addition the doors are hollow core construction which is totally inadequate for this use. Door locks have plastic parts which break because of the cold or as a result of the condensation inside them. Hinges are pulled from the 3/4" jambs by frost wedged between the hinge leaves. Windows are commonly single glazed although some are fitted with storm panels and occasionally insulated lights are found.

Kitchen cabinets and counters are pressed-wood. The cabinet hinges are held by a single "rivet" and possibly glue. They are fragile by any measure and inadequate for use under the circumstances.

#### 4 - Electrical

The electrical systems are often left incomplete. Fixtures, and duplex plugs are missing. Junction box covers and switch plates are missing as are duplex covers and circuit breaker covers. Circuits do not work. Many circuits short out the appliance but do not trip the breaker. The light level in the house is inadequate unless supplemented by resident supplied fixtures. Low and high voltage protection is absent which results in furnace and refrigerator malfunctions.

#### 5 - Structural

Many of the buildings are supported on two main beams which in turn rest on short posts set on mud sills. The fourteen foot span between the beams allows the joists to sag which in turn allows the partitions to pull away from the ceilings. Buildings which have three main beams frost heave the outside beams first. Again the joists sag producing the same affect.

Bracing is supplied by plywood gussets with the addition of 2 x 4 diagonal braces in some buildings. the diagonal braces are fourteen feet long and lack midpoint restraint. Thus they provide little support. The gussets, although sufficient to restrain the buildings, are flexible, allowing "vibration" during high winds.

#### 6 - Miscellaneous

Fire escapes - The emergency exits allow air infiltration. Consequently they are commonly stuffed with insulation and nailed shut. As often, access is blocked by beds or storage.

Ventilated attic - In the windy areas, such as the North Slope and Western Alaska, the ventilated attic fills with snow. Consequently the residents seal the vents, which in turn amplifies the condensation problems. Also, in the windy areas the storm porches would benefit by being protected by wind screens so as to minimize drifting at the door.

Misuse of materials - At Cherfornak underlayment was used as exterior siding and exterior grade plywood was used on ceilings.

Incomplete construction - In addition to the comments on the electrical, above, some houses were left incomplete. At Anaktuvuk Pass one resident worked more than a week on his house before he could move in. He installed doors and interior finish. At Napakiak cabinets were left uninstalled in most houses. At Chefornak one planned "house" was never built due to the lack of materials and one house was built entirely of the "left-overs" from the other houses.

Plumbing - In most houses plastic piping is installed, as are bathtubs. Except at Tanacross there is neither water distribution nor sewage collection and the plumbing is universally

broken by having had some water introduced and then frozen. It is said that sewage has been deposited beneath the houses in some cases.

Floor covering - Generally the buildings were constructed in the fall and early winter. Apparently the materials were installed wet or frozen and inadequately dried before the interior finishes were applied. As a result, the floor covering is uniformly damaged. Also the floor covering is cracked along the lines of the main structural supports, suggesting flexure. It appears that a water soluble glue was used to secure the floor covering which, when dampened, dissolved, loosening the tile.

There are many other individual problems, some of which require correction. For example, at Tanacross uninsulated floor ducts produce a blast of frigid air when the furnace blower first turns on.

There were few objections to siting of the homes. The principle exception was Hooper Bay where some homes are virtually inaccessible during the summer, access being along a six inch wide electrical duct. Some homes appear to be settling by as much as a foot.

### III. Remedies

For the purposes of providing a cost estimate for rebuilding the houses so as to bring them to minimum habitable standards the following work is assumed:

#### 1 - The Roof

Remove the aluminum roofing, install 3/8" plywood where required, install vapor barrier, furring and rigid insulation and reinstall roofing.

#### 2 - The Walls

Remove all interior fixtures and appliances. Remove all cabinets. Remove partitions, all interior wall covering and vapor barrier. Remove electrical wiring and appurtenances. Repair insulation, install vapor barrier. Install new wiring duplex outlets and switches. Add 1/2" fiberboard, thoroughly caulked and sealed. Install furring and 3/8" plywood.

#### 3- Ceiling

Remove acoustic tile, vapor barrier and insulation. Install new 3/8" plywood.

#### 4 - Floor

Remove loose tile and imbed new rigid insulation and plywood in asphalt mastic. Install sheet vinyl floor covering.

## 5 - Interior appointments and appliances

Install new solid core doors with new hardware, double glazed window, plywood or metal kitchen cabinets, pot burner oil heaters, and partitions (not attached to the ceiling.) Do not reinstall the plumbing system or bathtub. Provide new "honey buckets" where called for. Provide new interior fluorescent light fixtures.

## 6 - Miscellaneous

Where called for, replace exterior siding. Where called for provide a supplementary structural grid to support floor. Where called for raise house and place additional mud sills. Special care should be accorded the sealing of the exterior siding and roofing, especially around the eaves, so as to prevent attic ex-filtration. Special thought should be given to a non-mechanical ventilation system, acknowledging the needs not only of moisture exhaust but also combustion and fresh air intake. The floor covering should be selected for its resistance to hard use and cold temperatures. Weather stripping around doors and windows should be specially selected to resist low temperatures and high air moisture content.

The residents will have to accomodate seasonal movement of the buildings or piling will have to be installed. Assuming that piling are not warranted, because of cost or for other reasons, and that supplementary support is called for, a mid-span member supported on existing posts, is suggested. It should be understood that this work will not prevent seasonal movement. Therefore it is necessary that partitions anticipate movement and not be secured firmly to floors and ceilings.

## IV. Miscellaneous

It is believed that the remedial work for which the cost is estimated is the least work which will provide a reasonably comfortable building with a life expectance of five years or more. Although it is unlikely that the roofs and the floors could be repaired at less cost, it is possible that the walls could sufficiently benefit from a layer of rigid insulation overlain by plywood. Regardless, the cabinets and heating system and the problem of ventilation would remain and all doors and windows would have to be replaced. Also, all electric wiring requires testing; much will probably require replacement. The only probable alternative to the suggested structural modifications is the installation of piling, which is much more expensive.

It is suggested the heating and ventilation not depend on electricity. It is suggested also that battery operated smoke alarms be installed. Interior finishes should be washable and should have minimum smoke and flamespread rating.

The construction crews should be provided with the special tools necessary to make good workmanship convenient. For example, an electrical genera-

tor, nailing guns, caulking guns, air compressor, heaters, light and so on should be provided. No estimated cost for these tools is figured into the estimated reconstruction cost per house. (See exhibit G.)

The occupants should be thoroughly informed on the care and maintenance of the materials and items installed. A regular maintenance program sponsored by a local business or municipal entity might enhance the present level of care.

STATEMENT OF QUALIFICATIONS  
of  
DONALD M. GRAVES

Don Graves has lived and worked throughout Alaska since early childhood. He has been actively engaged in construction since 1946 when he worked for the Alaska Road Commission as a heavy equipment operator. Since 1954, when he graduated from the University of Alaska (BSCE), he has managed construction projects ranging from Annette Island to Barter Island. Considering his 23 years residence in Fairbanks, most of his work has been in the Interior; extending from Nome, along the Yukon River, in the vicinity of Fairbanks and Delta Junction and south as far as the Canadian Border and Valdez.

In 1971 Don was employed by the University of Alaska, shortly to become the Director of Construction. In that position, he provided administrative support during the design phase of the University's projects and administrative control of the projects under construction. During the four years there, Don managed to completion more than \$30 million of construction of all kinds and handled administrative details in connection with another \$20 million of design and various supplementary processes.

Since leaving the University, Don has provided project management for contracts including road and other earthworks and buildings and special projects from Prudhoe Bay to Fairbanks and in Anchorage.

Through his employment Don has acquired considerable expertise in building and preparing cost estimates for bush construction projects including rehabilitation projects.

Code	Exhibit A	Item	Quantity	LABOR	MATERIAL	OTHER	TOTAL
		OVERVIEW					
		<del>Overview of Total Cost of Reconstruction</del>					
I		Estimated Costs per Building					
		Demolition		600			
		Roof		720	1748		
		Walls		1200	1561		
		Ceiling		300	384		
		Partitions		700	885		
		Electrical		160	461		
		Heating		40	260		
		Doors		200	1400		
		Windows		320	1690		
		Floor		720	1497		
		Cabinets		160	400		
		Miscellaneous		200	750		
				=====	=====		
				5320	11,036		
II.		Allowances per Building *					
		Foundations		300	270		
		Siding		160	362.50		
		Roof Plywood		180	210		
				=====	=====		
				640	842.50		
		TOTAL					
		CHECK					

Code	Exhibit A	Item	Quantity	LABOR	MATERIAL	OTHER	TOTAL
III	Total Projected Costs per Building						
		Estimated Costs		5320	11,036		
		Allowances		640	842.50		
		Subtotal		5960	11,878.50		
		Labor	5,960				
		Materials	11,878.50				
		Total	17,838.50				
	<p>* These allowances are for items which are needed in approximately one half of the houses. For this reason the allowance per average house is only one half of what the actual cost for a particular house would be.</p>						
	TOTAL						
	CHECK						







Exhibit C

Complaints and observations which require either design or program changes to remedy:

Structural

Sagging floors  
Footing settlement  
Vibration from wind  
Floor repair

Utility/Comfort

Roof furring (Bethel area)  
Hollow core coors  
Cold air returns (Tanacross)  
Kitchen cabinets  
Door hardware  
Plumbing and drainage  
Attic ventilation  
Refrigerator malfunctions  
Wind screens  
Low/high voltage protection  
Ventilation  
Infiltration  
Condensation  
Uninsulated floor ducts  
Window (frosting and melting water)  
Non-electrical heat production and distribution  
Skirting

Cosmetic

Washable wall finish

Life Safety

Combustion air  
Water heater safety pop-off (Tanacross)  
Furnace air filter (Tanacross)  
Fire escape doors/windows  
Doors, especially emergency exits, freeze shut

Exhibit D

Complaints and observations requiring additional supervision  
to remedy:

Structural--None

Utility

Floor covering  
Proper heating during construction  
Misuse of building materials  
Securely installed cabinetry  
Leaking water storage tanks/plumbing

Comfort

Properly adjusted stack switch  
Correctly installed vapor barrier  
Correctly installed windows  
Correctly installed insulation  
Weather stripping doors  
Infiltration

Cosmetic

Correctly installed door and window casing

Life Safety

Electrical system  
Mechanically securing heater stack

Exhibit E

Various owner performed remedies:

Replaced furnace transformer, igniters, carburators.

Window repair, replacement, added extra storm panels.

Repaired or replaced floor soffit plywood.

Skirting

Repaint interior (up to 5 times)

Replace/reinstall ceiling tile.

Temporary floor beams/footings to reduce sag.

Caulk exterior siding, soffits, eaves, windows.

Repair doors, hinges, locks.

Replace/augment heater.

Repair/replace floor covering.

Repair cupboards & resupport them.

Modify ventilation.

Add extra insulation--floors, around piping drains, vents.

Modified attic ventilation by removing or plugging vents.

Replumb/repair water tanks.

Replaced switch & duplex plates.

Weather stripping doors.

Build or improve Arctic entrance

Plug combustion air intake.

Replace broken or inoperative lights

10' addition to house (one only)

Outside storage

Sealed electric outlets to stop wind

Repair/replace foundation posts (rare)

Stuffed rags, caribou, etc., in cracks (mostly in ceiling)  
to stop cold drafts.

Exhibit E

Insulate & nail shut emergency exits.

Replace stair treads.

Installed stack-robber.

Shelving added in living room/bedroom, etc.

Exhibit F

Families visited and number of residents in home:

Tanacross

Martha Isaac	5
Ken Thomas	4
Alfred John	

Tetlin

Fred Demit	2
David Roy	3
Titus David	2

Anaktuvuk

Mark Morry	6
Raymond Paneak	
Ben Ahgook	5
Dan Hugo	
Ruth Rulland	7
Bob Ahgook	

Kaktovik

George Akootchook	
Roy Akootchook	5
Price Gordon	5
Ruby Linn	4
George Agiak	5

Chefornak

Peter Matthews	
Tony Wassillie	
Charly Wiseman	
Mary Mathews	
John Eric	

Napakiak

Robert Ayagalrie	4 (summers-8)
Henry Temple	
James Willie	
John Pavka	
Carl Motgin	6

Hooper Bay

Mathias Green	12
George Moses	8 (summers-11)
Erin Rivers	
Eddie Bell Sr.	8

Exhibit G

Allowance for cost per set of tools:

Equipment

Generator	1,000.00
Compressor	600.00
Nailing machine	500.00
Caulking machine	250.00
Scaffolding	500.00
Freight	1,000.00
Supplies and maintenace	1,500.00

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

Exhibit G

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LAW OFFICES OF  
ALASKA LEGAL SERVICES CORPORATION  
165 SOUTH FRANKLIN STREET  
JUNEAU, ALASKA 99801  
TELEPHONE 586-6425

MEMORANDUM

TO: Hon. Steve Cowper, Chairman (H) Finance Committee  
FROM: Peggy Berck, ALSC *Peggy*  
DATE: March 20, 1978  
RE: Proposed Amendments Suggested By Alaska Legal Services Corporation to S.B. 351 And S.B. 352

Since my memo of February 2, 1978, two new developments have occurred in the ASHA matter.

First. as my previous memo indicated, ALSC retained a contractor to travel to various villages in order to document the costs of repairing the homes at issue. I have recently received a copy of that report and have attached it hereto.

In essence, this report estimates the cost of repair at approximately \$17,838.50 per home. This figure is based on labor and material costs and does not include contractor markup for overhead and profit. According to our expert, one should mark up labor 50% and materials 15% in order to cover contractor overhead and profit.

The costs of materials include the cost of transporting such to the particular village.

The costs of labor are based on a crew of five, one skilled and four semi-skilled, at State of Alaska labor rates.

Approximately one-half of the houses require foundation, siding, and roof plywood work. Where this is needed the cost per home for labor and materials (excluding contractor overhead and profit) are as follows:

Foundations	\$1,140.00	
Siding	1,045.00	
Roof Plywood	780.00	
		<hr/>
	\$2,965.00	TOTAL

Hon. Steve Cowper  
March 20, 1978  
Page 2

Thus, one-half of the houses will cost \$16,356.00 per house, while the remaining one-half will cost \$19,321.00 per house to repair. Hence, the average cost per house is \$17,838.50. Consideration of this factor is noted in Exhibit A of the attached report. There it is explained that these additional repairs are calculated at one-half the actual cost since it is required for only one-half of all the houses at issue.

Although this cost of repair is considerably higher than my original estimate of \$7,600.00 per house contained in my memo of February 2, 1978, I believe that it is an accurate and reasonable figure. In fact, this cost of repair is compatible with a rehabilitation estimate made by HUD. HUD has estimated that it would cost in the excess of \$15,000 to repair the 1969 and 1970 Bartlett Program houses (See attached letter from HUD addressed to Hon. Ten Stevens.)

The second development in the ASHA matter involves ALSC litigation against ASHA. With respect to the 1969 and 1970 Bartlett Program houses, ALSC initially instituted litigation against ASHA and HUD in federal court. In response to a recent federal court ruling essentially holding that ASHA must be sued in state court, ALSC immediately filed a suit against ASHA in the Superior Court, Third Judicial District, State of Alaska. A copy of that complaint is attached hereto. The original federal court litigation remains alive with respect to any liability on the part of HUD and is entitled Eric v. HUD.

I sincerely hope that this information is of assistance to you. Please feel free to contact me should you have any questions.

---

MB/km

Attachment

cc: Hon. John Sackett  
Hon. Bill Miles  
Kathy Brown, Secretary, Bush Caucus



REGION X  
Amade Plaza Building  
1221 Second Avenue  
Seattle, Washington 98101

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
AREA OFFICE  
334 WEST FIFTH AVENUE  
ANCHORAGE, ALASKA 99501

FEB - 8 1978

January 27, 1978

IN REPLY REFER TO:  
10.35

Honorable Ted Stevens  
United States Senate  
260 Russell Building  
Washington, D. C. 20510

Dear Ted:

Thank you for your letter of January 16, 1978, with the enclosures concerning problems with the Bartlett Act Rural Alaska Remote Housing Program.

Alaska Legal Services has entered a suit on behalf of the occupants of the Bartlett housing against ASHA and HUD even though the 1969 and 1970 programs were clearly identified as State programs. In the Remote 200 Program (1971) HUD was enjoined in the suit and has furnished \$1,400,000 toward rehabilitation of these units, and ASHA has requested a further \$650,000 work to complete the rehabilitation program. The rehabilitation work consisted mainly of strengthening the floor, caulking, replacing damaged sash and doors, improving insulation and restoring many maintenance deficient items. The settlement of that suit was by negotiation with HUD furnishing the money to ASHA to complete the repair. The total of \$10,000 per unit was a minimum and does not greatly upgrade the livability of the houses. During the first year of the rehab program ASHA was without a control budget and the cost benefit ratio was extremely poor. The new administration in ASHA has been more conscious of the need to control cost and has a top man in charge of this part of the program. Better progress is being made.

To react to a suit, or threat of suit, does not permit the responsible planning that is necessary to develop a project which is not only comprehensive but answers the basic problems of housing. This office submitted to the Central Office a proposed policy for Alaska, a copy of which is attached hereto. Item "A" addressed the need to not only provide new housing units but also rebuild and rehabilitate approximately

2,000 existing units without consideration of the program which erected the housing. In other words, it is my concept that regardless of whether the house was built by BIA, ASHA, State, HUD or any of the other experimental projects which are scattered around Alaska, if the house has salvage value it should be remodeled to meet the criteria of being "decent, safe and sanitary." Many of these houses are too small for the family which inhabits them, but construction could be added to provide space. Reinsulation is required in all of them; repair of maintenance-type features such as floor cover, wall finishes, added heat, sash and doors.

I was interested in the words used by Michael Frank of Alaska Legal Services, Corp., when he says "incompetent house design was used." The design was not compatible with the environment in which the house was located or designed to meet the use need of the average Alaskan Native family. The design used by ASHA and BIA did meet the Minimum Property Standards of HUD, but now in Alaska this office requires additional standards above the minimum to meet the severity of climate. Inferior design is characteristic of all project housing which precedes the "500 unit" program.

New housing is costing us an average of \$65,000 per unit plus administration and site preparation or approximately \$80,000 per unit. Rehabilitation of the deficient houses would probably cost in excess of \$15,000 per unit. It still represents an economic solution to rehabilitate rather than let further deterioration continue.

Our records show that HUD has participated in 791 units of Native housing prior to the "500 unit" program. We have no record of the number of units provided under BIA or other programs but estimate this at approximately 1,200 units or a total of 2,000 units of Native housing which require upgrading.

Including the "500 unit" program and subsequent units of housing for Alaskan Natives funded through HUD and the Alaskan Native Housing Authorities, we have 1,108 units completed or in process plus an estimated 320 more units for 1978 or a total of 1,428 units of good housing in the past three years.

3  
We appreciate your continuing interest in Alaskan Native housing,  
and your consideration has been brought to the attention of the  
Housing Authority Executive Directors who have been meeting here  
January 26 and 27.

Warmest personal regards.

Sincerely,



Roger A. Riddell  
Director

Attachment

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA  
THIRD JUDICIAL DISTRICT

PETER MATHEW, SR., JOHN ERIK, )  
AARON RIVERS, SR., and IRVIN )  
MORRIS, Individually and on )  
behalf of all others similarly )  
situated, )  
 )  
Plaintiffs, )  
 )  
vs. )  
 ) No.  
The Alaska State Housing )  
Authority, )  
 )  
Defendant. ) [A.S. 18.55.100(a)(1), 45.10.190,  
 ) 45.50.471, 45.50.098, and  
 ) 45.10.010]

COMPLAINT

I. PRELIMINARY STATEMENT

1. This is a class action by plaintiffs seeking damages, and declaratory and injunctive relief from defendant for its breach of various state statutory duties and common law warranties in connection with the design, construction, sale and failure to inspect and repair dwellings which were built under the supervision of the defendant in 13 rural Alaska villages.

II. PARTIES

2. Plaintiffs Peter Mathew, Sr. and John Erik are residents of the village Chefnak, a Yup'ik Eskimo village in remote southwestern Alaska.

3. Plaintiff Aaron Rivers, Sr., is a resident of the village of Hooper Bay, a Yup'ik Eskimo village bordering the Bering Sea in southwestern Alaska.

4. Plaintiff Irvin Morris is a resident of Kiana, an Inupiat Eskimo village in northwestern Alaska.

5. Defendant Alaska State Housing Authority (hereinafter "ASHA" or "defendant") is a public corporate authority of the State of Alaska established under A.S. 18.55.010 et seq., for the purpose of, inter alia, planning, financing, constructing and

selling low income housing units for rural Alaska families. ASHA may sue and be sued pursuant to A.S. 18.55.100(a)(1).

### III. CLASS ACTION ALLEGATIONS

6. This action is maintained pursuant to Alaska Civil Rule of Procedure 23 on behalf of the named plaintiffs and all persons who are similarly situated. The class is defined as all those persons in the Alaska villages of Akiachak, Chefnak, Emmonak, Kiana, Kivalina, Kotlik, Minto, Noorvik, Quinhagak, Shishmaref, Chevak, Scammon Bay, Hooper Bay, Point Hope, Selawik, Buckland, Pilots Station and Mountain Village who consummated contracts with ASHA for the purchase of houses built under ASHA's supervision under the 1969 and 1970 Remote Housing Programs [hereinafter "1969 and 1970 Programs"] with federal monies received under the so-called Bartlett Act, 42 U.S.C. § 3371, and with other ASHA monies.

7. There are approximately 335 members of the class. The members of the class are so numerous that joinder of all of them is impracticable. There are questions of law and fact common to all members of the class. The claims of the representative party-plaintiffs herein are typical of the class and the class representatives will fairly and adequately protect the interests of the class.

8. The prosecution of separate actions by individual members of the class would create a risk of adjudications with respect to individual members of the class which would as a practical matter be dispositive of the interests of the other members not parties to the adjudications or would impair or impede their ability to protect their interests.

9. The defendant ASHA has acted and has refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive and/or declaratory relief with respect to the class as a whole.

10. Questions of law and fact common to the members of the class predominate over any questions affecting only individual members and a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

#### IV. STATEMENT OF FACTS

11. ASHA received \$1,000,000 in each of the years 1969 and 1970 from the U.S. Department of Housing and Urban Development (hereinafter "HUD") pursuant to the so-called Bartlett Act, 42 U.S.C. § 3371, after drafting, submitting to HUD and receiving its approval of the written Alaska Remote Housing Implementation Plan (hereinafter "Plan"). The object of the Plan was to build dwelling houses in rural Alaska villages which were decent and habitable for those who could not otherwise afford such houses. In addition to the federal monies, ASHA received from the State of Alaska, Department of Commerce \$50,600 in 1969, \$111,105.20 in 1970, and \$38,494.80 in 1971 to use in implementing the Plan.

12. The Plan outlined the minimum standards for siting and design of the houses, outlined the methodology of choosing participants for the housing programs to be pursued under the Plan, outlined the method of construction and construction supervision for building the houses, and outlined the contractual provisions, including payment schedules, which would be entered into by ASHA with the participants.

13. With the monies received as stated in paragraph 11 above, ASHA built 159 houses in 1969 in 10 villages (the 1969 Program) and built 176 houses in 1970-1971 in 8 villages (the 1970 Program). The 18 villages involved are listed in paragraph 6 above.

14. Both the 1969 and 1970 Programs used a so-called self help; mutual help method of construction, whereby plaintiffs and other village participants in the Programs built and helped each other build each house in the particular village without

compensation from ASHA except in the form of "sweat equity" in their individual houses. ASHA threatened plaintiffs during construction with termination as participants in their Programs and with the loss of their "sweat equity" if they did not continually participate in the Programs to the satisfaction of ASHA employees.

15. ASHA agents and employees designed the houses built under the 1969 and 1970 Programs.

16. ASHA provided, through its employees, the construction supervision for the houses built under the 1969 and 1970 Programs.

17. ASHA supplied the building materials used in the construction of the houses in the 1969 and 1970 Programs.

18. The structural design of the houses and materials used in their construction for all of the plaintiffs' dwellings were substantially of the same type and quality for all the houses built in the 18 aforementioned villages. However, three different house "plans" were used in the 1969 Program, designated by ASHA A, B and C, and four different house "plans" were used in the 1970 Program, designated by ASHA D, E, F and G.

19. From applications for housing its agents and employees solicited from the aforementioned villages, ASHA made the final determination who were to be participants in the 1969 and 1970 Programs and chose the plaintiffs and class members.

20. At the time of application or thereafter, ASHA showed the Plan to some of the prospective participants. In some villages ASHA showed the structural designs for the houses to the participants, only to change the designs and material specifications thereafter without foreknowledge or approval of the participants, including the plaintiffs.

21. Neither plaintiffs nor other participants were shown a copy of the written, form contract later signed by nearly

all of the Program participants until after the houses were purportedly completed, or were occupied. A copy of the form contract used is at Exhibit A hereto.

22. Most of the plaintiffs and class members cannot read English and could not understand the Plan, and all did not understand the terms of various contracts and other documents prepared by ASHA which they were required to sign by ASHA agents and employees in order to secure occupancy in the houses they had constructed.

23. Most of the plaintiffs and class members are now and were at the time contracts for the purchase of houses were consummated indigent, and all were unsophisticated in dealing with legal contracts. None were afforded an opportunity to bargain in good faith over the terms of their contracts, nor were the contract terms originally explained to them by an agent or employee of ASHA.

24. Plaintiffs and class members were induced by ASHA agents and employees to sign contracts with blank spaces for items which were essential provisions of the transactions, including but not limited to provisions giving a legal description of the land upon which the dwelling houses sat and on which ASHA purportedly was to receive liens securing the contracts.

25. Most of the plaintiffs and class members did not receive a copy of the contracts they signed, nor have they ever acknowledged in writing delivery of the contracts to them.

26. The contracts entered into by the plaintiffs and class members did not contain in a single document all material terms stated in readable, clear and unambiguous language, including, but not limited to:

- a. A description or identification of the goods and/or services sold, rendered or furnished;
- b. The aggregate amount included for insurance specifying the types of insurance and the terms of coverage;

- c. The aggregate amount of official fees;
- d. The correct principal balance;
- e. The correct amount or rate of the service charge;
- f. Any other charges;
- g. The correct amount of the time balance owed by the buyer to the seller in a dollar amount;
- h. The correct maximum number of installment payments required and the correct amount of each installment and the due date of each payment necessary to pay the balance;
- i. The precise date on which interest began to accrue;
- j. An accurate description of the security interest(s) in property purportedly taken;
- k. The method of computing any unearned finance charge in the event of prepayment of the unpaid balance;

27. The contracts contained terms purporting to confer rights and to require obligations which were in fact not conferred or required, or which were prohibited by law, including, inter alia, those terms listed in the contract at Exhibit A, page 2, n. 3 and at pages 3 and 4, § I-II, IV-X hereto. Additionally, plaintiffs have been overcharged in violation of the Plan and the Bartlett Act in the loan portion of the contract price, an overcharge long known to managing employees of ASHA and concealed from plaintiffs and other class members.

28. Before, at the time of, and after the consummation of the contracts herein complained of, ASHA, its agents and employees intentionally misrepresented that the dwellings were fit for the climatic conditions in which they were built and that proper construction techniques and quality materials were used, knowing that the dwellings contained design defects and inferior materials and workmanship and were therefore unfit and uninhabitable.

29. After the contracts were consummated plaintiffs discovered structural and design defects and building material deficiencies in their dwellings which were not clearly evident by

examination prior to possession and occupancy. Some of the most serious defects have only recently been discovered and include, but are not limited to, those set forth in the Affidavits of John Erik, Aaron Rivers, and Peter Mathew, attached hereto as Exhibit B and incorporated by reference herein.

30. Plaintiffs and other class members have notified ASHA employees of the foregoing defects, inter alia, on many occasions, both orally and in writing, but ASHA has not corrected the defects.

31. Plaintiffs have expended their own labor and the cost of materials in attempting to remedy the defects complained of. Plaintiffs have incurred substantially higher maintenance and heating expenses as a result of the defects in design and construction complained of herein.

32. The damages sustained by plaintiffs are the direct and proximate result of the acts and omissions of the defendants.

33. Plaintiffs have sustained irreparable injury to their health and safety and economic harm as a result of the contracts and defects herein complained of. There is no other adequate remedy at law, and plaintiffs will suffer further irreparable injury and harm during the upcoming winter unless preliminary injunctive relief is granted.

34. Plaintiffs have exhausted any administrative remedy available to them, and exhaustion is futile in any event.

#### V. CLAIMS FOR RELIEF

##### COUNT I

35. Plaintiffs reallege and incorporate by reference paragraphs 1 through 24 herein as though fully set forth.

36. Defendants have breached the implied common law warranties of fitness and habitability in selling plaintiffs improperly designed dwellings which are structurally deficient,

are constructed with inadequate and defective materials, and are unfit for human habitation, and similarly violated A.S. 45.05.098.

COUNT II

37. Plaintiffs reallege and incorporate by reference paragraphs 1 through 34 above as though set forth herein.

38. The existing contracts between plaintiffs and the defendant are grounded upon omissions, misrepresentation of material facts and unequal bargaining power, and are therefore contrary to public policy and are void and unenforceable.

COUNT III

39. Plaintiffs reallege and incorporate by reference paragraphs 1 through 34 herein as though fully set forth.

40. The wilful acts and practices of the defendant and the existing contracts prepared by the defendant and consummated with plaintiffs violate A.S. 45.50.471(a), (b)(4)-(6), (10)-(14) Plaintiffs are not required to comply with the terms of A.S. 45.50.531(b).

COUNT IV

41. Plaintiffs reallege and incorporate by reference paragraphs 1 through 34 herein as though fully set forth.

42. The acts, omissions and practices of the defendant and the existing contracts consummated by plaintiffs pursuant to the instructions of the defendant violate A.S. 45.10.030(a)(5), (6), (7), (8), (9) and (10), A.S. 45.10.030(c) and A.S. 45.10.130(1) and (4).

VI. PRAYER FOR RELIEF

WHEREFORE, plaintiffs, on behalf of themselves and all others similarly situated, pray:

43. For judgment in favor of plaintiffs and against the defendant for its wilful violation of the Alaska Unfair Trade Practices and Consumer Protection Act, A.S. 45.50.471 et seq., and an award of treble damages, to be proven at trial;

45. That this court enter judgment in favor of plaintiffs for defendant's breach of contract and statutory and common law implied warranties of fitness and habitability, and award damages to be proven at trial;

46. For an order against defendant for damages in connection with personal injuries, emotional distress and pain and suffering to plaintiffs as a result of defendant's unlawful conduct, to be proven at trial;

47. For an order, pursuant to A.S. 45.10.190, barring defendant from recovering any service charge, official fee, delinquency or collection charge in connection with the transactions complained of;

48. For an order requiring defendant to reimburse plaintiffs for the value of all labor, materials and other expenses provided by them in repairing their dwellings, particularly expenses for excessive heating and maintenance costs, to be proven at trial;

49. In the alternative, for an order requiring defendant to repair all structural and design defects, deficient building materials and deficiencies caused thereby, in specific performance of the implied contract to provide plaintiffs with fit, safe, sanitary and habitable dwellings;

50. In the alternative, for an order requiring reformation of the contracts between the parties, deleting all terms contrary to public policy and inserting omitted terms and clear explanatory language;

51. For an order enjoining defendant, its successors, agents, servants and employees from further violations of the Alaska Unfair Trade Practices and Consumer Protection Act;

52. For a declaratory judgment, pursuant to Alaska R. Civ.P. 57, that defendant has violated A.S. 45.50.471, et seq., and A.S. 45.10.010 et seq., and A.S. 45.05.098.

53. For costs, reasonable attorneys' fees and pre-judgment and post-judgment interest;

54. For such other general and equitable relief as this court deems just and proper.

RESPECTFULLY SUBMITTED at Anchorage, Alaska this \_\_\_\_\_ day of \_\_\_\_\_, 1978.

ALASKA LEGAL SERVICES CORPORATION

By: \_\_\_\_\_

LAW OFFICES OF  
ALASKA LEGAL SERVICES CORPORATION  
524 WEST SIXTH AVENUE, SUITE 204  
ANCHORAGE, ALASKA 99501  
272-9431

WITNESSETH: I, the undersigned, being duly sworn, depose and say that the above-named Seller is the husband and wife of [Name] of the County of [Name], State of Alaska, the latter being the "Buyer".

WITNESSETH:

WHEREAS, it is the intent of the Seller to alleviate the remote housing problem existing in Alaska by fostering a sense of ownership of homes among the Alaskan residents who are qualified to receive the benefit of certain grant and loan programs under the applicable laws, including the Buyer hereinafter;

WHEREAS, it is the intent of the Seller, in pursuance of the above objective, to adequately protect the grant portion of the aforesaid program in accordance with a schedule which is attached hereto and made a part hereof, to-wit: "A"; and,

WHEREAS, it is the intent of the Seller that the payment of the loan portion of the purchase price may be accelerated at the option of the Buyer, but that the grant portion of the purchase price shall not be accelerated for the purpose of conveyance of title to the property as real property, except as hereinafter provided; and,

WHEREAS, it is the intent of the Seller and of the Buyer herein that the property herein shall not become a part of the land or real estate, but shall be and remain personal property until full payment of the loan portion of the purchase price and until credit under the grant portion of the purchase price is fully given in accordance with the schedule, Exhibit "A"; and,

WHEREAS, it is the intent of the Seller that it shall convey the property to the Buyer as real property and a part of the land upon full payment of the loan portion of the purchase price, and upon credit under the grant portion of the purchase price, as hereinafter provided, all in full in accordance with the provisions of this agreement; and

WHEREAS, at the time of executing this contract, the Buyer does not possess a non-restrictive deed to the land upon which the said home has been constructed; and it is the intent of the parties herein that in the event that the Buyer obtains such a non-restrictive deed that the land shall become additional security to the Seller as provided for herein;

WITNESSETH:

The Seller hereby sells, and the Buyer hereby purchases, subject to the terms and conditions hereinafter set forth, the property described below, all of which the Buyer agrees to keep and maintain as personal property at Ward, Alaska, Alaska, to-wit:

one house (Plan #) with oil stove located on lot "8" Block 12 on attached Map

for which the Buyer agrees to pay the Seller as consideration for said property the sum of Five Thousand One Hundred Twenty Dollars (\$5,120.00) Dollars as purchase price in lawful money of the United States of America.

PAYMENT AS SHOWN:

A. The Buyer understands and agrees to pay the loan portion of the purchase price, said loan portion in the amount of Four Thousand One Hundred Twenty Dollars (\$4,120.00) Dollars, to be paid as follows: Two Thousand (\$2,000.00) Dollars at the time of execution of this agreement, receipt of which is hereby acknowledged by the Seller, and the balance in the amount of Two Thousand One Hundred Twenty Dollars (\$2,120.00) Dollars to be payable as follows: Twenty (\$20.00) Dollars per month, including interest on all unpaid portion of the purchase price at the rate of Six and Three-Eighths (6-3/8%) percent per annum, payable on or before the 1st day of February, 1972, and a like sum of Twenty (\$20.00) Dollars, including interest as aforesaid, on or before the 1st day of each and every month thereafter until the entire loan portion of the purchase price has been paid with interest.

FEDERAL RESERVE BANK OF  
 ST. LOUIS, MISSOURI  
 OF  
 THE UNITED STATES OF AMERICA

ADJUSTED INCOME	PERCENTAGE OF ADJUSTED INCOME	MONTHLY PAYMENTS	AMOUNT OF PAYMENTS	PERCENTAGE OF ADJUSTED INCOME	AMOUNT OF PAYMENTS
0 - 1500	20	\$12.71	\$1772	60.00	\$10632
1501 - 1750	20	14.22	1990	60.00	11940
1751 - 2000	20	15.73	2207	60.00	13242
2001 - 2250	20	17.26	2424	60.00	14544
2251 - 2500	20	18.81	2641	60.00	15846
2501 - 2750	20	20.44	2858	60.00	17148
2751 - 3000	20	22.06	3075	60.00	18450
3001 - 3250	20	23.69	3292	60.00	19752
3251 - 3500	20	25.33	3509	60.00	21054
3501 - 3750	20	27.02	3726	60.00	22356
3751 - 4000	20	28.72	3943	60.00	23658
4001 - 4250	20	30.44	4160	60.00	24960
4251 - 4500	20	32.18	4377	60.00	26262
4501 - 4750	20	33.98	4594	60.00	27564
4751 - 5000	20	35.74	4811	60.00	28866
5001 - 5250	20	37.55	5028	60.00	30168
5251 - 5500	20	39.33	5245	60.00	31470
5501 - 5750	20	41.23	5462	60.00	32772
5751 - 6000	20	43.16	5679	60.00	34074
6001 - 6250	20	45.00	5896	60.00	35376
6251 - 6500	20	46.92	6113	60.00	36678
6501 - 6750	20	48.85	6330	60.00	37980
6751 - 7000	20	50.85	6547	60.00	39282
7001 - 7250	18-3/4	52.83	6764	60.00	40584
7251 - 7500	17-1/2	54.84	6981	60.00	41886
7501 - 7750	16-1/4	56.85	7198	60.00	43188
7751 - 8000	15-3/4	58.90	7415	60.00	44490
8001 - 8250	15	61.01	7632	60.00	45792
8251 - 8500	14	63.10	7849	60.00	47094
8501 - 8750	13-1/2	65.22	8066	60.00	48396
8751 - 9000	13	67.35	8283	60.00	49698
Over 9000	12-1/4	69.51	8500	60.00	51000

1. Adjusted income is determined by taking as a base the gross income for the last three years and deducting \$100 for expense and each child under 16 years of age.
2. Monthly payments include interest at 4 3/8%.
3. Sixty cents (\$.60) will be added to the monthly payment to cover the cost of handling the loan.



... until the purchase price of the property has been paid in full and all of the conditions and covenants of the agreement, including the time for payment, shall be and are complied with by the Buyer, and no agreement for acceleration or payment of any payment shall be valid unless in writing, signed by the then owner of this contract.

VI. In the event of any default by the Buyer in the performance of any of the terms and conditions herein, the Seller, at its option and without notice, declares the assignment of the purchase price, which shall include the loan portion and the grant portion hereinbefore mentioned, together with accrued interest thereon, if any, immediately due and payable, and the Seller shall, then or at any time thereafter, in addition to all other rights it may by law have the rights provided herein and in any agreement between the parties, and shall have the right to do any and all of the following:

- a. Using such means as is necessary, take possession of said property, wherever situated, move the same at the risk and expense of the Buyer, and deprive the Buyer and his assigns of its use and possession.
- b. Make such expenditures as are necessary to repair or replace any part thereof, to satisfy any tax or other claim referred to herein, and otherwise to protect its interest in the property.

VII. After default, the Seller will give the Buyer reasonable notice of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of a reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of the Buyer herein set forth, fifteen days before the time of the sale or disposition. The requirement that the method, manner, and terms of such sale or disposition be commercially reasonable shall be met if the property is sold or otherwise disposed of, either as a matter of course and for cash, for the purpose of acquiring the proceeds of any disposition of the property, expenses of selling or the like shall not be without limitation the Seller's reasonable attorney's fees, legal expenses, and expenses incurred for moving, bookkeeping, assembling information about the property, and examining books and account.

VIII. All of the Seller's rights, either provided herein or in any other agreement between the parties or by law, shall be cumulative and may be exercised separately or in combination at the option of the Seller. No waiver by the Seller of any default shall operate as a waiver of any other default or of a later default on a future occasion. Only waivers in writing and signed by the Seller shall be effective. No delay or non-action on the part of the Seller in exercising any of its rights shall operate as a waiver of such right or any other right.

IX. For the purpose of enforcing the Seller's rights hereunder, the Seller authorizes the Seller to enter on the property where the said property is located, with or without notice, and remove the property, and hereby waives any action, or right of action, against the Seller, and repossession, and if the matter is placed in the hands of an attorney or collector for action or collection, the Buyer agrees to pay the reasonable value of such services and expenses.

X. The Buyer expressly further agrees that he shall make every reasonable effort to execute a non-restrictive deed to the land upon which the said home is situated, said deed being described as follows:

PAGE 4 EXHIBIT A

and, further, the Buyer expressly agrees that upon such event, the land shall be sold to the Buyer of this instrument, and he hereby agrees that he will notify the Seller thereof immediately. The Buyer shall execute and deliver to the Seller a Deed of Trust naming the Alaska Land Security System and a legally constituted title company in Anchorage, Alaska as Lender.

Number written

ALASKA STATE BOARD OF AFFIDAVIT  
Seller

Attest:

Joe Sullivan

By: D. Sullivan

Attest:

Buyer

Joe Sullivan

John Sullivan

Lepton Sullivan



STATE OF ALASKA )  
 ) ss.  
FOURTH JUDICIAL DISTRICT )

AFFIDAVIT OF JOHN ERIK

I, JOHN ERIK, first being duly sworn, depose and say:

1. I am a plaintiff in this suit. My name is JOHN ERIK, living in Chefnak, Alaska. I have a third grade education and speak mostly Yup'ik. My income is \$1,200 per year.

2. I purchased my house from the Alaska State Housing Authority (ASHA) in the village of Chefnak, Alaska, on September 14, 1970.

3. In order to purchase the house, I had to help build it over a period of eight months from August, 1969, to May, 1970. I spent approximately 1536 hours in labor, working at the rate of \$4.50 per hour as a carpenter's assistant. A person named J.B. Hansen from ASHA/HUD and a person named Paul Donnelly from ASHA/ HUD supervised me and a crew of 15. We worked on some of the houses being built in the village. Originally two men were supposed to work on each house but when work begin only one man worked on a house. There were 19 houses built in the village. ASHA/HUD supplied the materials and tools, and I had no say over their quality or use. At times I had to supply my own tools as the tools supplied by ASHA/HUD were not adequate or enough.

4. After the ASHA supervisor said the houses were finished, I moved into my house May , 1970. I later signed a written contract concerning the house. I was told how much I had to pay on the house. I could not read the paper. It was not explained to me. I was told to sign it. I was not told I could change it. I think I am supposed to pay ASHA/HUD \$4,663 for the house.

5. The house is now standing on land which I recieved as a townsite.

6. After moving into the house I began noticing the following things wrong with it:

a. The air vent in the attic let snow come into

the attic in the winter. I had to cover it with insulation to stop it;

- b. Spaces in the windows let in snow;
- c. When it rains the porch leaks and in the winter there is also snow that comes into the porch;
- d. During warm weather condensation forms inside the roof and this then leaks into the house through the ceiling;
- e. Floor tiles crack;
- f. The foundation moves;
- g. Door knobs were not properly fitted into the door, so that they sometimes turn completely around;
- h. When it is windy the house is too cold and when it is warm outside the house is too hot;
- i. The oil stove supplied with the house does not properly heat the house. As a result I must use a camp stove and space heaters for added heat;
- j. The baseboard and corners of the house are covered with ice when it gets cold outside;
- k. The fuel line to the oil stove froze several times;
- l. The outside door is hollow and settling and has made it difficult to open and close it;
- m. The seams of the plywood on the porch have separated allowing water to come in when it rains;
- n. Drafts came up through the drain pipes of the sink and bathtubs.

My heating bill went up \$160.50 per month in my new house. I had to buy camp stoves and space heaters to supplement the heat of the oil stove. I spent no money repairing the house because ASHA told me that they would take care of it. They have not yet. I have had to level out the house each spring though because of a faulty foundation: I spend eight hours each year leveling the

house, eight more hours each year repairing the sagging stairs. I spent six hours to put insulation in the attice to keep the snow out. I would cost me about \$5,000 to make the necessary repairs.

7. I complained to ASHA about the house and the interest which they charged me and which I was led to believe would not be charged at all. I got back a letter demanding that I pay what money I owed ASHA for the house. On my request and that of the other ASHA house owners in my village, the Chefnak Village Council in 1975 wrote a letter of complaint to ASHA. That letter was never answered.

8. The houses built in the village of Chefnak by ASHA are all about the same. All the people who live in the houses have similar complaints about them.

9. I abandond my old house to move into the new ASHA house, and the hold house is now sold.

10. I believe it would cost me a least \$5,000 to fix my new house. A new house would cost \$13,300 to build in this village today. I believe that I could sell my house for \$15,000 if it were fixed.

11. This is my true statement as translated by Jack Wiseman of Chefnak.

DATED this 15<sup>th</sup> day of January, 1978, at Chefnak, Alaska.

G. G. E. E. E.  
Jack W. Wiseman  
Translator

SUBSCRIBED AND SWORN TO before me this 15 day of January, 1978, at Chefnak, Alaska.

Notary Public for Alaska  
My commission expires:





around the emergency exit;

d. The oil heater furnished with the house doesn't heat the house. I have to also use a wood stove to heat the house.

e. The roof leaks;

f. The house is poorly insulated;

g. I shakes in the winter wind storms.

My heating bill went up to \$384.00 a month in my new house. I spent \$1,700 trying to fix the house.

7. I complained to ASHA about the house by writing to them. They did nothing.

8. The houses built in the village by ASHA are all about the same. All the people who live in them have similar complaints about them.

9. I abandoned my old house to move into the new ASHA house, and the old house is now run down.

10. I believe it would cost at least \$8,760 to fix my house. A new house would cost more than \$13,000 to build right in this village today.

11. Even though I cannot read, I undersatnd all of the above because it was read to me.

DATED: \_\_\_\_\_

\_\_\_\_\_  
Aaron Rivers, Sr.  
Hooper Bay, Alaska

SUBSCRIBED AND SWORN TO before me this 14 day of \_\_\_\_\_, 1978 in Hooper Bay, Alaska.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

LAW OFFICES OF  
ALASKA LEGAL SERVICES CORPORATION  
P. O. BOX 248  
BETHEL, ALASKA 99550  
943-2238

STATE OF ALASKA )  
 ) ss.  
FOURTH JUDICIAL DISTRICT )

AFFIDAVIT OF PETER MATHEWS

I, PETER MATHEWS, first being duly sworn depose and say:

1. I am a plaintiff in this suit. My name is PETER MATHEWS, living in Chefnak, Alaska. I have a first grade education and speak mainly Yup'ik. My income is an average of \$1,500 per year from subsistence activities.

2. I purchased my house from the Alaska State Housing Authority (ASHA) in the village of Chefnak on September 14, 1970.

3. In order to purchase the house, I had to help build it over a period of eight months from August, 1969 to May, 1970. I spent approximately 1600 hours in labor, working at the rate of \$4.50 per hour as a laborer. J.B. Hansen and Paul Donnelly of ASHA/HUD supervised me and a crew of 15 men. I worked only on my own house. There were 19 houses built in the village. ASHA/HUD supplied me with materials and tools, and I had no say as to the quality or use of them. At times I had to supply my own tools because the necessary tools were either lacking or inadequate.

4. After the ASHA supervisor said the houses were finished, I moved into my house on May 11, 1970. I later signed a written contract concerning the house. I was told that I was to pay \$1,494 for the house, but was not told about interest. I could not read the contract and it was not explained to me. I was told to sign it and was not told that I could change it.

5. The house is now standing on land that was townsited to me.

6. After moving into the house I began noticing the following things wrong with it:

- a. The exterior walls would move in the wind;
- b. The metal roof would cause condensation because it was exposed on the inside;
- c. The light switches and outlets were bad and

I had to replace and rewire them;

d. After a snow fall the air vents in the attic would let in snow drifts which would later melt, dripping through the ceiling and into buckets on the floor. I covered up the vents but still had similar problems although slightly better;

e. The outside walls cracked up in the summer from heat and I had to replace a beam;

f. Windows let in drafts and snow and had to be replaced;

g. Drain pipes let in drafts and had to be removed;

h. The stove did not adequately heat the house;

i. No paint was supplied for the inside of the house;

j. The porch leaked in the rain;

k. Frost built up inside the house in the corners and near the floor.

My heating bill went up to \$160.50 per month in my new house. I had to buy camp stoves and space heaters to supplement the oil stove. I spent \$1,105 and one months labor in making repairs on my house. It would cost me about \$5,000 to make the necessary repairs.

7. I complained to a representative from ASHA in 1971 about the repairs that would have to be made. He said that the materials would come the next summer. They never did. In 1975 the Village Council wrote a letter on my behalf and that of other ASHA house owners. They never got a reply. I wrote a letter asking ASHA to deduct the cost of repairs from the cost of the house. I never got a reply.

8. The houses built in the village by ASHA are all about the same. All the people that live in the houses have similar complaints about them.

9. I abandoned my old house to move into the new ASHA house,

and the old house is now sold.

10. I believe it would cost me at least \$5,000 to fix my new house. A new house would cost me \$11,000 to build in this village today. I believe that I could sell my house for \$16,000 if it were fixed.

11. This is my true statement as translated by Jack Wiseman of Chefnak, Alaska.

DATED this 17<sup>th</sup> day of January, 1978 at Chefnak, Alaska.

[Signature]

[Signature]  
Translator

SUBSCRIBED AND SWORN TO before me this 17 day of January, 1978, at Chefnak, Alaska.

[Signature]

Notary Public for Alaska  
My commission expires: \_\_\_\_\_



LAW OFFICES OF  
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BETHEL, ALASKA 99559  
543-2238

LAW OFFICES OF  
ALASKA LEGAL SERVICES CORPORATION  
165 SOUTH FRANKLIN STREET  
JUNEAU, ALASKA 99801  
TELEPHONE 586-6425

MEMORANDUM

TO: Honorable Steve Cowper  
FROM: Peggy Berck, Alaska Legal Services Corporation *Peggy*  
DATED: February 2, 1978  
RE: Proposed Amendments suggested by Alaska Legal Services Corporation to S.B. 351 and S.B. 352.

I. Introduction

S.B. 351 and S.B. 352 are designed to ultimately settle and end litigation against A.S.H.A. for its participation in rural single-family housing construction.

In 1969 and 1970 A.S.H.A. received approximately \$2,000.00 in federal monies, and financed and supervised construction of some 346 units of housing in 18 Alaska villages under a self-help method of construction. Without federal monetary assistance A.S.H.A. did the same in 1971, building 111 housing units in 6 villages. In 1972 A.S.H.A. began yet another identical self-help program in 13 villages, but later converted this program to a contractor directed one, building 101 houses. The villages and number of units per village for all programs are listed in Exhibit A attached hereto.

All these programs used a similar house design, ill-suited for Arctic and sub-Arctic conditions. In addition, construction materials were often sub-standard or of inadequate supply, and the construction itself was in many cases defective. Consequently, the houses now cannot be heated except at enormous

expense, are sagging into the permafrost, have heavy internal moisture condensation problems, are actually tearing apart at the joints, and are generally uninhabitable. Indeed, in some villages certain homeowners move into their old, easier-to-heat, houses in the winter, abandoning the A.S.H.A. built houses until the weather warms. A sampling of homeowner complaints which have been sent to A.S.H.A. documenting these defects will be furnished upon request.

Each new A.S.H.A. administration has recognized and admitted these problems, but has not, because of a lack of money, been able to effectuate rehabilitation. In 1974 A.S.H.A. let out bids for rehabilitation work for the 1969 program, but an apparent lack of funds prevented work from beginning. Subsequently, in 1976, A.S.H.A. abolished its rehabilitation department, due to a lack of funds. Documents evidencing these facts will be furnished upon request.

The housing purchasers have been unable after repeated requests to A.S.H.A. to secure rehabilitation of the houses. Consequently, most homeowners have quit paying rent, and instead have been using rental monies to help cover massive winter heating bills, and to do repair work.

There are currently five class action lawsuits pending against A.S.H.A. seeking damages for the 556 villagers involved in the A.S.H.A. rural housing programs. The houses are deteriorating so rapidly that without immediate rehabilitation work, soon entire houses will need to be replaced, at today's

market prices.

S.B. 351 and S.B. 352, with appropriate amendments attached hereto, will provide a vehicle for ending the litigation, rehabilitating the houses, and requiring rents to be paid thereafter.

II. Differences Between S.B. 351 and The  
Two Sets Of Proposed Amendments Attached  
Hereto.

First, both amended versions suggested for adoption would amend S.B. 351 to include the 1969 and 1970 program villages. While the U.S. Department of Housing and Urban Development (H.U.D.) financed 90% of these programs, H.U.D. was careful to try to insulate itself from liability in the appropriation contract with A.S.H.A. Thus, while H.U.D. has been sued on the 1969-70 program, it will be difficult if not impossible to hold it liable. A.S.H.A. clearly is responsible whether or not H.U.D. is, as it supplied the house design, material, and construction supervision, and is the mortgagor. Since 1972 A.S.H.A. has proposed rehabilitation of the 1969-70 program houses (documentary evidence of this fact will be furnished upon request), but has not had the funds to proceed. Should there be any doubt as to the liability of A.S.H.A. with respect to the 1969 and 1970 programs, a legal opinion from Legislative Affairs would provide impartial guidance on this issue. For that reason I have attached hereto and marked as Exhibit B a hypothetical

fact situation from which such a legal opinion as to liability could be drawn.

Second, both amended versions suggested for adoption would amend S.B. 351 to eliminate the unanimous agreement requirement for class wide settlement. S.B. 351 presently mandates that every member or potential member of the class must agree to the settlement proposed in the bill. Thus one individual homeowner could refuse to enter into the settlement thereby precluding the whole settlement scheme envisioned by the bill.

S.B. 351 requires A.S.H.A. to refund to each member of the class the total amount of payments said individual has made under the terms of any mortgage, etc., for his housing unit. Thus those who have made the most payments would get the largest individual settlement payments irrespective of the particular repairs needed. Additionally, under S.B. 351, A.S.H.A. would be required to quit claim all its interest in the houses to the homeowners. Both of these provisions would amount to a large windfall to some homeowners, mainly those living in the relatively temperate areas of Alaska, whose houses are in comparatively sound condition. Since those homeowners had fewer complaints they consequently paid more "mortgage" payments. For those villagers whose homes are in the worst shape, whose heating and repair bills sky rocketed, and who consequently could not afford and did not pay rent, little

or no monies would be returned. Moreover, a quitclaim is valueless to them, since the terrible conditions of the houses would prevent resale, assuming there was a sale market in the villages. Thus, unamended S.B. 351 would benefit only those homeowners least deserving. The two sets of proposed amendments would allow A.S.H.A. to keep the promise it contracted to: to build decent, habitable houses. Both versions of the proposed amendments would eliminate the quitclaim provision. Thus, the amendments would require the villagers, by reinstating their rent payments, to keep their part of the bargain, as well, once rehabilitation is complete or cash settlement payments are issued.

The main thrust of the proposed amendments contained in alternative number one is that A.S.H.A. be required to completely rehabilitate the housing units or contract with any person to completely rehabilitate the housing units. Specific standards are provided with respect to this rehabilitation. This rehabilitation shall be completed within a year from the date of the act. The rehabilitation shall specifically include the meeting of particular design and construction needs arising from the climatic and geographic environments within which the housing unit is situated. The rehabilitation shall make each housing unit have a life expectancy for a period of at least as long as the homeowner is responsible for making payments under any mortgage-type agreement. The rehabilitation shall be complete upon