

Village of Solomon Affordable Housing Program

PO Box 2053 Nome, AK 99762 (P)907-443-4985 (F) 907-443-5189

Affordable housing has a direct impact on the social, economic, and environmental health of our community. Socially, affordable housing has an undeserved stigma. Many people think affordable housing refers to public housing projects, Section 8 Housing, and housing authorities. When the tribe received tribal set aside funds under the American Rescue Plan Act, in response to the coronavirus pandemic, the housing scarcity became more visible. The Traditional Council sought out housing efforts in a way that they felt would address and tackle the housing crisis in several ways; one of which, is to construct new single family housing to serve our tribal community.

This document will reflect the decision making process, criteria, policies and procedures for which the new OCCUPANTS will be selected.

SELECTION & ELIGIBILITY CRITERION

1. Must be an enrolled Village of Solomon tribal member
2. Must take Homeowner educational classes for homeownership sustainability and provide certification to the Council and plan to apply for a home mortgage
3. Must provide all income verification with application
4. Must be willing to make on-time payments and communicate with the Village of Solomon tribal office, if for any reason, there may be a late payment
5. The VOS applicant must sign and understand that this contract is a lease for the housing unit and understands the land is owned by the Village of Solomon pending potential land purchase and/or land deed transfers
6. Applicant will be responsible for ensuring the utility stays current and paid to avoid disruption in services connected to the dwelling

Conflict of Interest. An actual or potential conflict of interest occurs when you are in a position to influence a decision that may result in a personal benefit to you or to your relative as a result of VOS's action or business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee or Council member is similar to that of persons who are related by blood or marriage. It also includes financial and business partners.

No presumption is created simply because a relationship exists between an employee and interested individual or entity. If you, your household, or someone close to you is



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likely to gain a benefit from a transaction that you are involved in on behalf of VOS, contact the President/CEO for review. In our tribe, it is not uncommon for VOS staff or the Council to have relatives who work for contractors and firms that perform services for VOS. Again, disclosure is your best personal protection. If a conflict of interest arises, the Council will appoint a selection committee, where possible, a minimum of three (3) Council members non-related to applicant.

The program permits families with homeownership potential and verified need for housing, to buy decent, safe, and sanitary housing at a cost that is within their means.

Purpose. VOS' Occupancy Policy has several purposes:

- To provide guidelines enabling the VOS staff to administer the programs consistently and fairly.
- To provide training and orientation for newly hired staff.
- To provide answers to program questions
- To educate the VOS community and the public about the basis for VOS decisions.
- To encourage and assist the tribal community to become homeowners

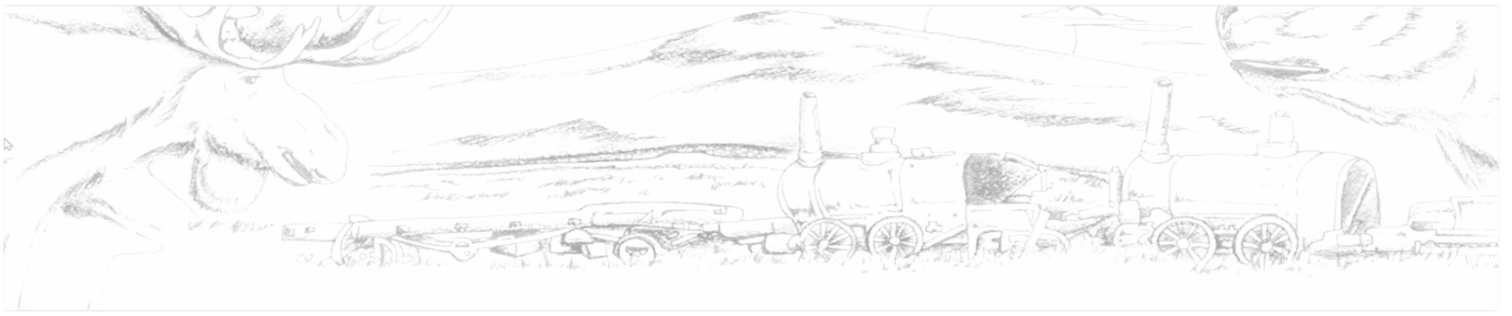
Adoption. This Policy is adopted by the VOS Traditional Council, and may be amended only by the VOS Traditional Council.

Construction.

Under the "construction" method of development, VOS plans the project as the owner and constructs or contracts to construct the project homes. Enforcement of warranties complies with the applicable construction contract requirements.

Income.

Income sufficient to comply with program requirements. Families must have sufficient income to make monthly house payments, utility payments and perform maintenance



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and replacements for the home. To be eligible, ongoing source of income must be verified as reliable and will be ongoing. If it is not feasible to anticipate a level of income over a twelve (12) month period, the income anticipated for a shorter period may be annualized, subject to a re-determination at the end of the shorter period.

All members of the family must either: Submit social security documentation, or sign a certification that they have not been assigned a social security number. If the individual is under eighteen (18) years, the certification must be executed by a parent or guardian. This determines household size.

Verification is made by review of a valid social security card issued by the social security administration, or, if the applicant is unable to provide a card, through provision of one of the documents listed below:

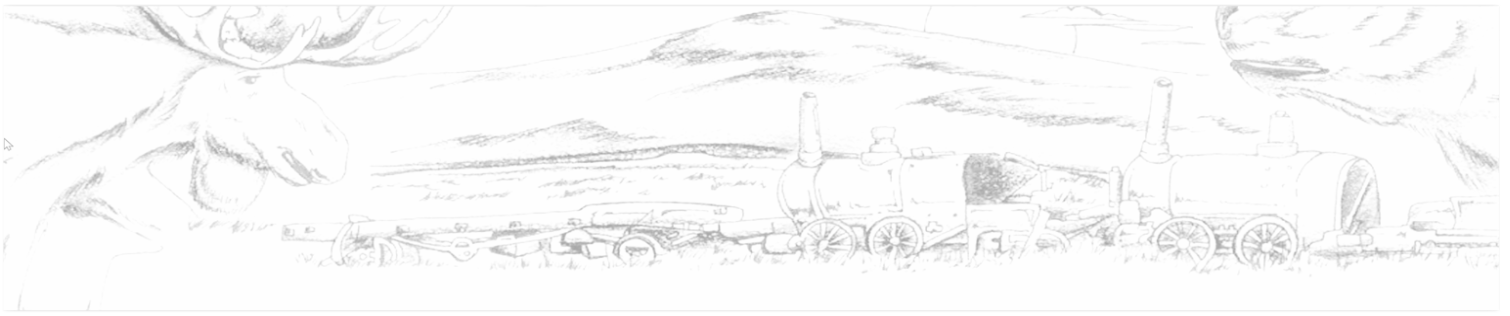
- Identification card issued by a federal, state, or local agency, BIA enrollment or tribal enrollment card, or cards issued by an employer or trade union, or by a medical insurance company.
- Earnings statements or payroll stubs
- Bank statements
- IRS Form 1099
- Benefit award notices from government agencies, unemployment agencies or retirement fund agencies
- Life insurance policies
- Court records such as real estate tax notices, marriage or divorce papers, or judgement and bankruptcy records

If an applicant is able to disclose social security number, but cannot provide the documentation, the applicant must sign a certification to that effect

New family members age six (6) years and over, and family members reaching the age of six (6) years during the year, will be required to verify social security information

Additional criteria for occupancy

To be eligible for this program, applicants must be both willing and able to comply with program requirements. Also, any conduct of an occupant or family member in present or prior housing that (1) suggests that the health, safety, welfare, or quiet enjoyment of other occupants may be diminished, or that (2) may adversely impact the project environment, the physical condition of the home or neighborhood, or VOS' financial ability to operate the program and enforce occupant obligations without undue burden,



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will render the family ineligible for occupancy.

Tenant history. Past habits and practices with respect to housing occupancy will be assessed to determine eligibility. Disqualifying factors include:
Outstanding debt to public landlord. No family will be admitted if any adult member of the family has an outstanding debt with any publicly funded or subsidized landlord or housing authority, notwithstanding any repayment agreement.

Fraud. No family will be admitted whose head, spouse, or other adult occupant has committed fraud as a participant or applicant in any housing program administered by a housing authority, or other publicly funded housing program.

Ability to perform financial and maintenance obligations. In addition to the above eligibility criteria, applicants will be expected to demonstrate their ability and willingness to maintain the home. This ability must include the financial resources available for maintenance purposes and the physical abilities of family members to perform maintenance, or to access maintenance services. Past tenant and credit history will be considered by VOS.

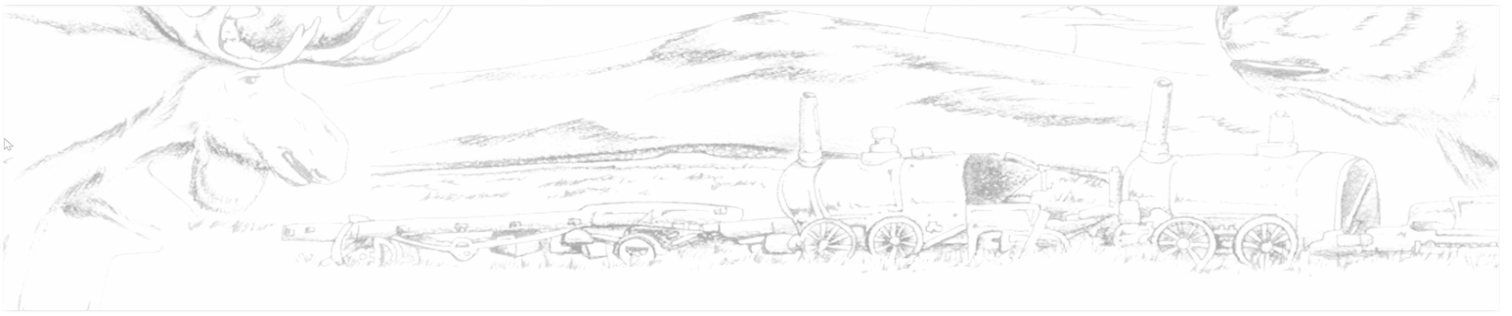
Housing assistance is provided to applicants with need. Individuals or households who currently own (or substantially control) a dwelling unit may be rejected as ineligible. Applicants who have previously participated in a homeownership opportunity program, and who have conveyed, transferred, sold, or abandoned their home, or whose home has deteriorated as a result of fire, non-maintenance, neglect, misconduct, contract violations, negligence or similar reasons may be deemed ineligible for participation.

On or after move-in, occupants will cooperate in the following training, upon request:

- Property care and maintenance
- Budgeting and money management
- Fire safety
- Failure or refusal to participate in training, authorizes VOS to terminate the occupant processes at any time.

Applicant Responsibilities.

The application constitutes the primary applicant record. Each applicant, therefore, is required to supply the information requested on the application and to sign the



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application, attesting to the information provided. The applicant is responsible for providing any additional information requested by VOS and for certifying that the information is true and accurate to the best of his/her knowledge.

Eligibility Determination. VOS makes reasonable efforts to determine the suitability of the applicant for occupancy. Review of eligibility may include, but is not limited to, references from previous landlords including VOS, service providers, other tenants, or other persons with relevant knowledge as well as credit reports and criminal background checks.

If an applicant is determined eligible but VOS has no vacancies, the applicant's file will be placed in a 'waiting list' file.

If, during the application interview or subsequent verification process, the VOS determines that the applicant is ineligible, the applicant will be given written notice of the determination. The notice shall state the reasons for ineligibility.

Structural Modifications.

An occupant may not make any structural changes in or additions to the dwelling unit unless VOS has first determined that such change will not:

Impair the value of the home, the surrounding homes, or the project as a whole

Affect the use of the home for residential purposes; or

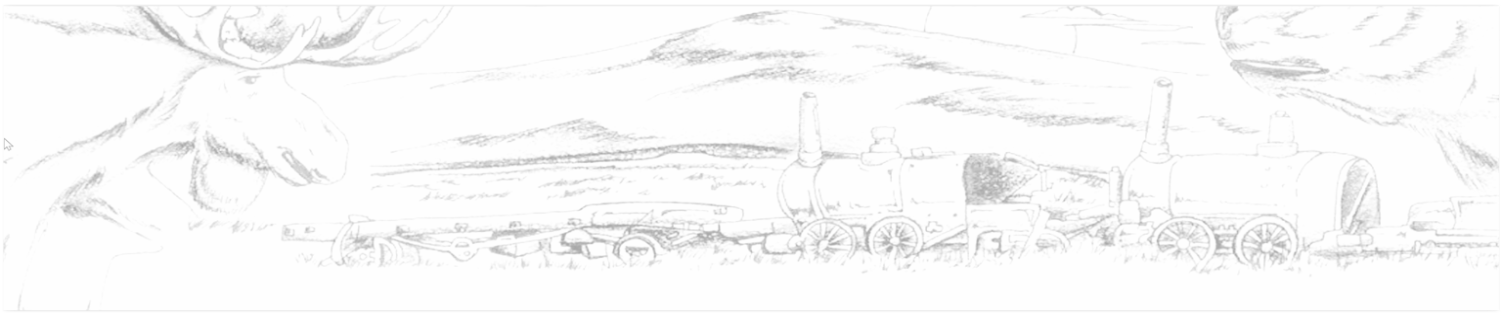
Violate any federal, state or local building code requirements as to construction and/or design

Home inspections.

Occupants are required to participate in inspections, which VOS carries out to protect VOS' property interests, and to ensure that the occupant is meeting the maintenance, repair, and replacement responsibilities that protect the value and condition of the home. An initial inspection of the home is required before move-in. Occupants are not permitted to occupy a home before construction is complete or, in the case of a subsequent occupant, until the home is repaired, cleaned and ready for occupancy.

Purchasing Home.

The VOS Affordable Housing Program gives eligible occupants the right and option to purchase the home. Until the purchase option is exercised, VOS is the record owner of the home, and VOS may terminate the lease contract for any material violation of the agreement. The occupant may terminate at any time by giving the notice required to VOS. In addition, if the occupant has signed the latest version of the occupant contract, the occupant may be required to exercise the purchase option, and to take full title,



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under certain conditions that make continuation of the agreement infeasible.

The purchase price schedule will be provided, containing one or more of the following information:

- The initial purchase price for the home
- The amount by which the purchase price drops each month of participation, and the declining price of purchase each month over the term of the leasing contract, which shall be not less than one (1) year, nor more than three (3) years,
- Where VOS has used a constructive interest rate to compute the declining purchase price, the interest rate used.
- The new housing unit price is determined by the total development cost, size and type of home being purchased.

Title. Transfer of title shall be by quitclaim deed from VOS to the homebuyer.

Material noncompliance with the leasing contract constitutes breach of contract, and requires the occupants to take corrective action. Warning letters and delinquency notices will be issued as formal notices of violation if necessary.

VOS performs initial, warranty, move-out, special and periodic inspections to protect its property interest in the home. Promptly after receipt of notice, or after having evidenced a condition that would require a claim to be filed, VOS shall notify its insurance or risk pool company to obtain prompt liability and indemnity coverage.

VOS provides instruction programs to train and advise occupants of their maintenance responsibilities which include;

Operation of appliances and equipment in the home

Preventative maintenance programs; energy conservation and routine maintenance and housekeeping methods.



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Warranties.

Within thirty (30) days of occupancy, VOS shall notify the homebuyer in writing of any applicable contractor, manufacturer, and/or supplier warranties. Warranties pertain to newly purchased items covered under a supplier or vendor warranty. It is the responsibility of the occupant(s) during the warranty period and subsequently for the duration of the applicable warranties to promptly inform VOS in writing of any deficiencies arising during the warranty period so that VOS may enforce any rights under the applicable warranties. If the occupant fails to furnish such written report in time, and VOS is subsequently unable to obtain redress under the warranty, correction of the deficiency shall be the responsibility of the homebuyer. VOS shall obtain a signed statement from the occupants that they understand what items are covered under applicable warranties. This shall be retained in the occupants file for future reference.

Maintenance by VOS. VOS will respond to requests by occupants for maintenance work only where it has been determined that, unless corrected or serviced immediately, the condition will adversely affect the health or safety of the occupants, or could lead to imminent or irreversible damage or deterioration to the home or equipment. The work shall be done as a convenience to the occupants, and to protect VOS' property interest, and shall not constitute a promise, warranty, or representation that VOS has expertise or special knowledge in the area of home repair or contracting.

RENT CALCULATIONS. The formula for establishing the 30 percent of income for rent preference can be expressed as follows:

RENT = monthly rent or shelter,

Plus monthly utility or housing services,

Less energy assistance payments not counted in income

30 percent of family income = Annual income divided by 12 x 30 percent

Or otherwise calculated by the Council **