



Dreamcatcher

Issued Quarterly By Travois, Inc.

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Travois, MBOH reach settlement to amend process for allocating tax credits

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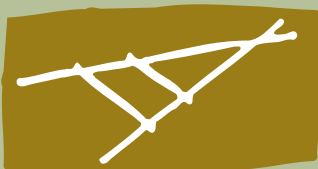
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TRAVOISTM

Travois, Inc. filed a lawsuit against the Montana Board of Housing in July 2008 seeking a more open and objective process for awarding Low Income Housing Tax Credits (LIHTCs) in Montana.

In mid-September, after more than two years of legal proceedings, Magistrate Judge Ostby of the U.S. District Court of Montana led a mediation session and negotiated a settlement between MBOH and Travois.

“We are pleased that the state is reexamining the Qualified Allocation Plan and the process of awarding these precious tax credits in Montana,” Travois Chairman David Bland said. “This agreement will give Montana tribes a more level playing field for their housing projects.”

The settlement says that MBOH will hire an independent third party professional to review the Montana QAP and make recommendations for improving it. Reznick Group’s Jeanne Peterson, an expert on LIHTCs, has been retained and instructed to pay particular attention to tribal interests as she conducts her review and suggests changes. Her report, expected to be completed in the spring, will be published on the MBOH web site and distributed

to the MBOH listserv. Public comments on the report will be requested and welcomed.

The settlement amends Montana’s 2011 Qualified Allocation Plan (QAP), which scores applications for LIHTCs, to:

- Delete the one-year waiting period for tax credit applicants after their first project was completed and placed in service. A second project will be considered after the first project is fully leased up and a compliance audit is conducted, which must reveal no significant problems.

Travois argued that the one-year period amounted to a three-year no-build period for tribes using the program for the first time and had a disparate and discriminatory impact on tribes.

Unlike other towns and cities in Montana, reservations have only one housing developer – the tribe or tribal housing authority. Travois argued that if a tribal entity could not submit an application during the waiting period, no other developer

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Travois, MBOH settlement continued...

would, and housing would not be developed. Other areas of Montana have multiple developers and were not harmed by this restriction.

- MBOH staff will no longer score community support letters.

Travois argued that the support letters were simply too subjective and were causing tribes to lose out on points that made their projects less competitive overall.

The settlement also says:

- MBOH will conduct a workshop

for its board and staff, so that they are more fully acquainted with “soft debt” aspects of financing that are common to tribal projects. In early November, David Bland met with the instructor, Bob Gauthier, former executive director of the Salish and Kootenai Housing Authority, to help with the curriculum.

- MBOH will conduct workshops on LIHTCs annually or biannually to the Montana Tribal Housing Authority Coalition.

At least in part because of the settlement, Ft. Peck now believes that it has an even chance of receiving an award of tax credits and is moving forward with a second LIHTC project. Fort Peck issued an RFP for a consultant, and Travois was selected and will help with submitting an application in 2011.

Other tribes interested in submitting LIHTC applications may contact President Lorna Fogg at 816-994-8970 or lorna@travois.com.

[click here](#) for the next story.

Seven housing projects close, will build or rehabilitate 183 homes

One hundred and eighty-three more affordable housing units will be built or rehabilitated and will become homes for families in need, thanks to recent investor closings.

Six Travois clients, White Mountain Apache Housing Authority, White Earth Reservation Housing Authority, Lower Elwha Housing Authority, Lac Courte Oreilles Housing Authority, Bad River Housing Authority and Menominee Tribal Housing Department, are moving forward on seven Low Income Housing Tax Credit (LIHTC) projects.

“Now that the projects have closed with investors, our tribal clients can have confidence in the investor equity they will be receiving,” said Travois President Lorna Fogg. “Our next steps are to focus on meeting the construction and rent-up commitments that were made to the investors.”

Project details:

Arizona

The **White Mountain Apache Housing Authority**, located in Whiteriver, has closed with an investor on its fifth LIHTC project and will receive \$5.5 million in investor equity. The equity will go toward the rehabilitation of 20 existing units in Whiteriver and the new construction of 20 units in a new development at Fort Apache. The total project cost is expected to be \$8.6 million. The Arizona Department of Housing awarded the project \$839,859 in LIHTCs as part of its 2009 credit allocation.

Minnesota

The **White Earth Reservation Housing Authority** has begun construction on its fourth LIHTC project, which will receive \$5.6 million in investor equity and will build 30 new homes on scattered sites in White Earth, Naytahwaush and Rice Lake. The homes, designed by Travois

Design & Construction Services, incorporate passive solar design and will be extremely energy efficient. The total development cost is expected to be \$7.3 million. The housing authority received \$846,302 in LIHTCs from the Minnesota Housing Finance Agency to raise the investor equity and also received a \$350,000 Affordable Housing Program grant from the Federal Home Loan Bank of Des Moines.

Washington

The **Lower Elwha Housing Authority** is using its \$373,856 award of tax credits from Washington State Housing Finance Commission in 2009 to raise \$2.5 million in investor equity for a 20-unit single-family LIHTC project in Port Angeles, Wash. All homes will have three bedrooms and are intended for large families. The total development cost is expected to be \$3.9 million.

[click here](#) to continue reading.

Seven project closings continued . . .

Wisconsin

In May 2009, the **Menominee Indian Tribe of Wisconsin Housing Department** was notified its two Low Income Housing Tax Credit applications were successful and that it received a total of \$786,049 in tax credits to rehabilitate 45 homes for its fifth and sixth LIHTC projects. Menominee Homes V received \$421,229 in tax credits, and Menominee Homes VI received \$372,741 from the Wisconsin Housing and Economic Development Authority (WHEDA).

Menominee Homes V will rehabilitate 24 single-family homes in Keshena, Wis. The project will incorporate a new playground that will be dedicated to the residents of the rehabbed units. The homes will likely serve large families, as all homes have at least three bedrooms. The investor equity is \$2.5 million on the \$4.7 million project.

Menominee Homes VI will rehabilitate 21 homes in the towns of Keshena, Zoar, Neopit and South Branch, Wis. The homes range from a 768-square-foot two-bedroom up

to a 1,512-square-foot five-bedroom. Three playgrounds will be included in the project, on scattered sites in Zoar, Neopit and South Branch. The investor equity is \$2.2 million on the \$4.1 million project.

Bad River Housing Authority (BRHA) received an allocation of \$477,920 in July 2009 for its first LIHTC project. Investor equity of \$2.9 million will be used to rehabilitate 24 units in Odanah, Wis. As part of the project, a 1,200-square-foot community building that houses after-school and adult learning groups will be rehabilitated, furnished, equipped, and increased to a total square footage of 2,560 square feet. An existing playground will also be refurbished.

The total development cost is estimated at \$5.1 million, and about \$600,000 allocated through the American Recovery and Reinvestment Act will also be dedicated to the project. In addition, BRHA received \$481,873 in Tax Credit Exchange Program Funds from WHEDA.

In the same application round, **Lac Courte Oreilles Housing Authority**

received \$699,720 in tax credits for its second project, which will generate \$4.2 million in investor equity. The funds will be used to build 24 new units in Hayward, Wis. There will be two two-bedroom units, 12 three-bedroom units and 10 four-bedroom units, all of which are intended for eventual tenant ownership. A playground will also be built on the project site.

The \$6.2 million development will also use funds from the Indian Community Development Block Grant and the Native American Housing Block Grant stimulus. In addition, LCOHA received \$703,650 in Tax Credit Exchange Program Funds from WHEDA. Travois Design & Construction Services provided the architectural plans for the homes.

For more information about developing affordable housing, contact President Lorna Fogg at 816-994-8970 or lorna@travois.com.

[click here](#) for the next story.



Pictured: Construction is progressing on White Earth Reservation Housing Authority's fourth LIHTC tax credit project. The homes, designed by Travois Design & Construction Services, incorporate passive solar design and will be extremely energy efficient. Photos by Gregory Giakoumis and David Grimes.

SCAHA wins \$1 million grant, housing hero award

The **San Carlos Apache Housing Authority (SCAHA)** staff's hard work and dedication led to two major successes this fall: SCAHA received a \$1 million Capital Magnet Fund grant, and the Arizona Department of Housing (ADOH) recognized SCAHA with a Housing Hero Award for "outstanding work in addressing critical housing issues for tribal members."

Capital Magnet Fund

The Community Development Financial Institutions (CDFI) Fund of the U.S. Department of the Treasury runs the fund, which was established in 2008 through the Housing and Economic Recovery Act. It received 230 applications for awards and awarded funds to only 23, granting a total of \$80 million. Travois helped SCAHA with the successful application for the highly competitive awards.

"We congratulate the SCAHA staff on this award and their continued hard work on behalf of their tribal citizens," said Lorna Fogg, president of Travois. "Using the grant to leverage investor funds from the Low Income Housing Tax Credit program will allow SCAHA to raise about \$10 million in equity for new and rehabilitated homes that it otherwise would have struggled to find."

SCAHA will use the grant for pre-development and construction of two future Low Income Housing Tax Credit (LIHTC) developments, which are planned to rehabilitate 50 homes and build 25 others. One hundred percent of the units

in projects proposed as part of the application are in census tracts determined to have high housing needs and are located in underserved rural areas, as defined by the CDFI.



Top: Ronald Boni, SCAHA executive director, accepts a 2010 Brian Mickelsen Housing Hero Award on behalf of SCAHA.

Bottom, left to right: Ronald Boni and Lin Mickelsen, widow of Brian Mickelsen.

Photos courtesy of ADOH.

The homes will be reserved for extremely low income and very low income households. The housing authority manages more than 2,500 units, including 170 developed through the LIHTC program. For the CDFI Fund's report on the awards, [click here](#).

The Capital Magnet Fund awards grants for the preservation, rehabilitation or purchase of

affordable housing for low income communities and the development of physical structures for businesses and community service facilities, provided that these activities are part of a strategy for community revitalization that includes affordable housing activities. Congress has not yet reauthorized the fund for 2011, but Travois is hopeful that it could be reauthorized in the future, possibly in 2012.

Housing Hero Award

At a mid-day September luncheon during the Seventh Annual Arizona Housing Forum, the Arizona Department of Housing presented a 2010 Brian Mickelsen Housing Hero Award to the San Carlos Apache Housing Authority in the tribal initiatives category.

With the assistance from the Arizona Department of Housing and the LIHTC program, SCAHA was able to build or rehabilitate nearly \$27 million dollars of housing in a five-year period.

The awards are named in honor of the outstanding service that the late Brian Mickelsen shared with the Arizona Housing Finance Authority and serves as a lasting tribute to the former Cottonwood city manager's public service. To read ADOH's press release about the award, [click here](#).

For more information, contact Lorna Fogg, Travois president, at lorna@travois.com or 816-994-8970.

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Native Spaces: code change will save lives, property

by Gregory Giakoumis,
senior project coordinator

In *NATIVE SPACES*, Travois Design & Construction Services' quarterly column, team members discuss trends in architectural design, green design techniques, inspection tips and more. For more information about what Travois Design & Construction Services can do for you, contact Ashley Bland at nativespaces@travois.com.

In the housing construction industry, everyone knows that there are certain minimum standards that buildings are required to meet. These standards are commonly called "building codes." The origin and evolution of these codes are rarely discussed or contemplated.

As a quick overview, the International Code Council (ICC) publishes a "mother code" that all 50 states and the District of Columbia have adopted at either the state or local jurisdictional level. Some of our clients in Indian Country have adopted the codes published by the ICC, and any outside funding sources for housing development (including investors in the Low income Housing Tax Credit program) are likely to also require adherence to ICC's codes.

As construction practices change, new materials are used, and old materials are considered obsolete. With all of this to consider, the ICC updates its code every three years to stay ahead of the curve.

Different groups lobby the ICC to make sure their interests are included in the new code. Recently there was a huge industry-changing insertion that did not gain the attention it deserved. In September 2008, the ICC approved a life- and property-saving

residential sprinkler code proposal for the International Residential Code (IRC) and published it in the 2009 edition of the IRC. The new code, which becomes mandatory Jan. 1, 2011, requires fire sprinklers in all new townhomes and all new one- and two-family dwellings.

Local jurisdictions will soon begin to adopt the code, if they haven't done so



Pictured: A concealed sprinkler head (top) and a pendent sprinkler head (bottom) are two options for residential use.

already. Even if your local jurisdiction has not adopted it, outside funding sources like investors in the LIHTC program can require sprinklers to be included in homes.

"The rate of fires in Indian Country, especially in homes, is troubling. We're ecstatic that the ICC included the fire sprinkler requirement in its 2009 code," said Ashley Bland, director

of Travois Design & Construction Services. "We have hope that fire deaths, injuries and property loss can be prevented in the future."

Loss of life and property is preventable

According to the National Fire Protection Association (NFPA), in 2007 alone, there were 530,500 structure fires (up 1 percent from 2006), which caused:

- 3,000 civilian fire deaths.
- 15,350 civilian fire injuries.
- \$10.6 billion in direct property loss.

Research has shown that automatic suppression systems represent the most effective means of limiting overall fire loss. Various systems are available to control fires, but the most common type of system utilizes water. Statistically, water-based automatic fire sprinkler systems are the most reliable, safe and capable means of automatic suppression.

According to the National Fire Protection Association (NFPA):

- If you have a reported fire in your home, the risk of death decreases by about 80 percent when sprinklers are present.
- People in homes with sprinklers are protected against significant property loss—sprinklers reduce the average property loss by 71 percent per fire.
- Sprinklers typically reduce the chances of dying in a home fire by one-half to two-thirds in any kind of property where they are

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Important code change continued . . .

used. Together with smoke alarms, sprinklers cut the risk of dying in a home fire by 82 percent, relative to having neither.

- NFPA has no record of a fire killing more than two people in a completely sprinklered public assembly, educational, institutional or residential building where the system was working properly.
- Sprinklers are highly reliable. When present in the fire area, they operate in all but 7 percent of fires large enough to activate the system. Human error was a factor in almost all of the failures. The system was shut-off in almost two-thirds of the failures.

Implications of new requirement in Indian Country

Critics will say that the cost to include this new provision will adversely affect the construction of new homes. However, in order to gain a national perspective on the actual dollar amount of the installation and all related costs, NFPA sponsored the [Home Fire Sprinkler Cost Assessment report](#),

conducted by the Fire Protection Research Foundation.

The cost that is associated with the sprinkler system not only includes the installation, but also the design and other costs such as permits, additional equipment, and increased tap water meter fees. According to the report, the cost to install a home sprinkler system in dollars per sprinklered square foot averaged \$1.61 and went as high as \$3.66. This includes all costs to the builder associated with the system.

The actual cost for installation on American Indian reservations is more likely going to be near or higher than the maximum end of that spectrum; it is likely to be \$3–4/sprinklered square foot.

The reason for this higher sprinklered square foot cost is due to the minimum requirements of an operable system compared to square footage. Also, the costs will likely rise given the isolated location of typical Indian Country housing projects. Finally, the costs will be greater with the addition of pumps and/or storage tanks due to the utilization of

well water because of the unlikelihood of on-site municipal water supplies.

It is only a matter of time before your local jurisdiction adopts the 2009 IRC. Although \$3–4/sprinklered square foot may not seem like much, it is staggering in terms of low income housing. This factored into an already tight budget could have adverse effects on a project.

The Travois development and Design & Construction Services staff can help LIHTC developers in Indian Country determine how to work in sprinklers into the total development cost, so that the system is essentially paid for by tax credits.

“When considering the lives and property potentially saved, the added price per square foot is no longer important,” Ashley said. “Eventually, all new homes and substantial rehabilitations will have sprinklers. We look forward to incorporating this new trend in construction practices in our designs for affordable housing.”

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10th Annual Travois Conference a success!

Tribal housing and economic development staff, tribal council members and support staff attended the 10th Annual Travois Indian Country Tax Credit Conference, held Aug. 31–Sept. 2 in Kansas City, Mo.

The conference provided education on Indian Country housing development, economic development, asset management and design and

inspection topics and had a special focus on art in Indian Country.

Kevin Red Star, an acclaimed Crow painter and printmaker whose works have been featured in exhibitions around the world, was the keynote speaker. Signed commemorative posters of his painting “Going Home” were given to each attendee.

Curator Gaylord Torrence and Director Julian Zugazagoitia of the Nelson-Atkins Museum of Art welcomed attendees to Kansas City and gave the history of the new American Indian galleries. Attendees enjoyed a welcome reception at the museum and viewed the works on display.

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Travois conference continued . . .

The final luncheon speaker was Eli Paul, vice president of museum programs at the National World War I Museum at Liberty Memorial. He spoke of the “Autobiography of Red Cloud: war leader of the Oglalas,” which he edited, and the role of American Indian soldiers during World War I.

Karaoke night, an interactive game and raffles provided entertainment over the three-day conference.

Travois is currently exploring venues for the 2011 conference and will announce details as soon as possible. For more information about Travois conferences, contact

Beth Heap, communications director, at bheap@travois.com or 816-994-8970.

Photos from the conference are shown below.

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Top row, left: The Red Buffalo drum group performed to open the conference.

Top row, middle: The Iowa Tribe Ceremonial Honor Guard presented the colors.

Top right: Travois chairman David Bland welcomes attendees to the 10th Annual Indian Country Tax Credit Conference while Chief Operating Officer Marianne Roos (left) and President Lorna Fogg (middle) look on.

Middle row, right: Keynote speaker and artist Kevin Red Star talks about his life and work during lunch on Wednesday. His painting, “Going Home,” is shown on stage.

Bottom row, left: Panelists discuss Bois Forte Community Redevelopment Corporation’s New Markets Tax Credit project, the new Community and Government Services Facility.

Bottom row, right: Director Julian Zugazagoitia (second from left) and Curator Gaylord Torrence (far right) of the Nelson-Atkins Museum of Art welcomed attendees to Kansas City and spoke of the artwork in the American Indian galleries. Also pictured are Marianne Roos and David Bland.

Middle row, left: The ballroom at the Marriott Country Club Plaza was filled with attendees who learned about financing housing and economic development.

Middle row, middle: The Travois Design & Construction Services team (left to right): Gregory Giakoumis, Greg Bland, Ashley Bland and David Grimes.

Travois New Markets' project honored for special achievement

The Novogradac Community Development Foundation (NCDF) annually selects New Markets Tax Credit (NMTC) projects for special achievement as part of its **Annual Community Development Awards**. Travois New Markets and two other Community Development Entities (CDEs) were recently honored for providing NMTC financing for the Goodnews Bay Regional Plant in Platinum, Alaska.

Last year, Travois New Markets provided \$17.3 million in NMTC financing to the Coastal Villages Region Fund for the project, which includes a seafood processing building, a maintenance building, camp and dining facilities for 130 people, a dock and on-site utilities including power generation, water treatment, septic and a tank farm.

The project created 181 construction jobs and supports a network of more than 1,400 fishermen, which has provided a significant boost to the local economy.

This is the second year in a row that a Travois New Markets project has been honored. Last year, the Navajo Tribal Utility Authority was honored for developing two electrical substations.

“We are extremely gratified to have been involved in the project and congratulate CVRF on its success,” said JP Latenser, chief investment officer for Travois New Markets, who accepted the award on behalf of the CDEs, which also included Waveland Community Development and NCB Capital Impact.

The awards were presented before a large audience of community development professionals attending Novogradac & Company LLP’s New Markets Tax Credit Investors Conference in October in Chicago.

“We salute this year’s award winners for their tireless efforts to improve the economic vitality of low income neighborhoods and their residents through supporting government policies that incentivize job creation and expanding the availability of goods and services in distressed communities” said Michael J. Novogradac, CPA, managing partner in the San Francisco office of Novogradac & Company LLP, in presenting the awards.

Other awards went to:

- Operating Business QLICI: Low Income Investment Fund for Part of the Solution, New York, N.Y.
- Small Business QLICI: National Development Council for Stadium Thriftway, Tacoma, Wash.
- Metro QLICI: NCD’s HEDC New Markets Inc. for StreetSquash, New York, N.Y.
- Real Estate QLICI (tie): Stonehenge Community Development LLC and US Bancorp CDE LLC for International Civil Rights Center and Museum, Greensboro, N.C.,
- Real Estate QLICI (tie): LA Charter School New Markets, ExEd Facilities Round 5, and Impact V for 54th Street Lions LLC, Los Angeles, Calif.

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Pictured from top to bottom: The Novogradac Community Development Foundation annually selects New Markets Tax Credit projects to receive its Community Development Awards.

The Goodnews Bay Regional Plant held a grand opening ceremony after completing construction in August 2009.

The Goodnews Bay Regional Plant complex in Platinum, Alaska, is shown from an airplane window.

The plant breaks a processing bottleneck that has kept regional fishermen from realizing their potential income. It supports a network of more than 1,400 fishermen.

New Markets project honored continued . . .

Judges for the NCDF's third Annual Community Development Awards were Ed Leiberman of Husch Blackwell LLP, Darryl Jacobs of Ginsberg Jacobs, Jim Howard of Dudley Ventures, Jan Helland of Polsinelli Shugart and Kristin De Kuiper of Holland & Knight.

The Novogradac Community Development Foundation (NCDF)

is a private not-for-profit entity that addresses the issues of community and economic development, housing and the preservation of America's neighborhoods. The NCDF fosters the development of knowledge, supports beneficial public policy, and disseminates community development information in its endeavors to establish positive change in the nation's communities.

To watch a video about the project, [click here](#).

For more information about New Markets Tax Credits or economic development in Indian Country, contact Phil Glynn, director of Travois New Markets, at 816-994-8970 or newmarkets@travois.com.

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Cook's corner: Chef Freddie's butternut squash soup

Chef Freddie Bitsoie, Diné (Navajo), grew up in the Four Corners region and studied anthropology at the University of New Mexico until he realized that culinary school would be a better place to explore his passion for pre-Hispanic American food culture.



With the rise of the culinary concept called Native American cuisine, Chef Freddie is on a quest to honor past ingredients and food preparation methods and adapt them into modern recipes using today's techniques.

"Native tribes throughout the Americas need to be respected for their culturally-specific foods and unique dishes they gave to the world without being placed in one generic category of Native American food," he said in an Indian Country Today article.

"... Foods from American Native tribes are becoming more and more popular, and I want to see every tribe represented correctly ... rather than throwing all Native efforts into one grouping."

Chef Freddie is owner of F.J. Bits Concepts & Consultant, based in Scottsdale, Ariz. He offers special events consulting and creates Native American menus that are customized to the region and honor local cultures. Visit his website for more recipes at www.fjbits.com.

Ingredients:

- 2 butternut squash, oven roasted, seasoned and diced
- 1 large onion, diced
- 2 cloves of garlic, minced
- 1 bay leaf
- 1 sprig of thyme
- Salt and pepper
- 1/4 cup maple syrup
- 32–40 ounces chicken stock
- Dash of nutmeg
- 1/4 cup heavy cream or coconut milk

Directions:

1. In a heavy bottom pan, sweat onion, garlic, bay leaf, thyme, salt and pepper.
2. Add squash and chicken stock (only cover squash at first).
3. Season and allow ingredients to cook for 20–30 minutes.
4. Remove thyme and bay leaf.
5. Puree and strain the liquid, adding more stock if needed. Add maple syrup.
6. Add a dash of nutmeg.
7. Add cream or coconut milk only to even color.

The recipe was reprinted with Chef Freddie's permission.

If you have a recipe to share for a future issue, please contact Beth Heap at bheap@travois.com or 816-994-8970.

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Robin's rules: compliance questions

by Robin Thorne, director of
Asset Management

Robin Thorne, director of Asset Management, answers compliance



questions in this quarterly column. This column is not intended to replace Travois Asset Management services. If you have questions, please send an e-mail to robin@travois.com.

We have received many questions regarding the Indian Veterans Housing Opportunity Act of 2010 and how it applies to LIHTC projects. The text of the act that was signed into law by President Obama on October 12, 2010 reads as follows:

An Act to exclude from consideration as income under the Native American Housing Assistance and Self-Determination Act of 1996 amounts received by a family from the Department of Veterans Affairs for service-related disabilities of a member of the family.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled:

Section 1. Short title.
This Act may be cited as the “Indian Veterans Housing Opportunity Act of 2010.”

Section 2. Exclusion from income. Paragraph (9) of section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(9)) is amended by adding at the end the following new subparagraph:

(C) Any amounts received by any member of the family as disability compensation under chapter 11 of title 38, United States Code, or dependency and indemnity compensation under chapter 13 of such title.

Question: Does this mean that we no longer have to include veteran’s disability related payments as part of

The end of the year is a good time to check and make sure you are using the most current and effective compliance-related forms. Check to see if your state compliance department has updated its compliance manual and/or forms.

a household’s total qualifying income for the LIHTC program?

Answer: No. The exclusion from income under the Indian Veterans Housing Opportunity Act of 2010 applies to NAHASDA gross household income calculations only.

Question: If the exclusion does not apply when calculating the total gross household income for Low Income Housing Tax Credits (LIHTCs), how do we utilize the exclusion if we have a project that requires us to follow both LIHTC and NAHASDA regulations?

Answer: Whenever you have

multiple regulations that apply to a LIHTC project, determining which rules to follow to stay in compliance can be accomplished by always following the strictest program rule. If you have a household member who is receiving a service-related disability pension, the following steps will ensure that you are in compliance with both programs:

1. LIHTC – Count the service-related disability pension as part of the household’s total gross household income to determine if the household income qualifies under the tax credit income limits.
2. NAHASDA – Deduct the amount of the service-related disability pension from the household’s total gross income before calculating the amount of rent the tenant is required to pay utilizing the NAHASDA rent calculation formula.

The two steps above will allow the household to benefit from the Indian Veterans Housing Opportunity Act by reducing the amount of rent they are required to pay. At the same time it will ensure that the household is also in compliance with LIHTC regulations.

When excluding the disabled veteran income in your NAHASDA projects, it is important to read the act in its entirety. The exclusion applies to income from the Department of Veterans Affairs (DAV) for “service-related disabilities.” The DAV has programs that provide payments to

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Robin's rules continued . . .

service members for non-service related disabilities. Before income is excluded from a household under the terms of this act, it is important that you make sure that the tenant file is documented to confirm the income being received is for a service-related disability.

Please note: The Indian Veterans Housing Opportunity Act of 2010 has only been in effect for a very short period of time. All of the regulatory agencies involved in low income housing programs will need time to review the act and determine how it is to be applied to non-NAHASDA housing programs.

Reminders:

We are close to the end of 2010. This is a good time to begin putting together all the necessary information to complete the 2010 annual reporting requirements for your tax

credit projects. Each state is different, and it is important that you know what information/forms your state compliance department expects to receive on an annual basis.

It is also important to make sure that you have provided the limited partnership accountants with all of the financial documentation they require in order to complete the annual audited financial statements and tax returns for your tax credit project. These items are annually required by the investor and sometimes the state housing agency.

Please note: If you are a current Travois Asset Management client, we will be working with you to prepare all of the necessary documents for your tax credit annual compliance and financial reporting requirements.

The end of the year is also a good time to check and make sure you are using the most current and effective compliance-related forms. Check to see if your state compliance department has updated its compliance manual and/or forms.

Ask yourself if there are some provisions that need to be added to your current tenant lease form. Maybe your tenant application form could use some updating? The end of the year is a perfect time to ask and answer these questions. This will help to make sure you start of the 2011 compliance year with confidence.

If you have any questions about these reminders, please contact Travois Asset Management at 816-994-8970 or send an e-mail to assetmanagement@travois.com.

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In memoriam: Richard "Borgy" Borgstrom

Travois team members were deeply saddened by the death of Red Lake Housing Architect **Richard "Borgy" Borgstrom** in August and extend continued sympathy to his family and his second family at Red Lake Reservation Housing Authority (RLRHA).

His obituary, as printed in Red Lake Net News:

Richard A. Borgstrom, 77, Lake Vermilion-Tower, passed away at the Lakeshore Lutheran Home in Duluth

on Sunday, August 15. He was born at Sioux City, Iowa, on December 29, 1932, where he grew up and graduated from high school. He was captain of the high school basketball team and played football.

The two lifelong passions of his life began at the age of five; architecture and music. The toy blocks given to him began a lifelong and rewarding career as an architect. His love of music began by piano lessons given by his mother, leading to a lasting appreciation of music. In his youth he

spent time at the family cabin on Pine Island on Lake Vermilion.

He earned a Bachelor of Architecture degree from the University of Minnesota, summa cum laude, in 1955, and took advanced studies at the University of California-Berkeley. Richard began his career in Berkeley in 1956, then in 1957 moved to Chicago, where he was employed with Kaiser Aluminum, and developed

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In memoriam: Richard “Borgy” Borgstrom continued . . .

domed products inspired by the famed architect, Buckminster “Bucky” Fuller.

He returned to Berkeley, where he resided from 1960 to 1996 and was instrumental in designing a library and several private residences. From 1966 to 1978 he designed many private homes and a school addition in Bolinas, Calif. During that period he also designed two private residences on the Kauai Island of Hawaii.

In 1979 he moved to Chicago, where he designed a church in Joliet. It was at that church that he married his best friend and love of his life Patricia A. Murphy on March 17, 1988.

His most influential architects were Buckminster “Bucky” Fuller, Frank Lloyd Wright and Louis Kahn. They moved near Moccasin Point on Lake Vermilion-Tower in 1990. In 1991, he began employment with RLRHA of the Red Lake Band of Chippewa. He worked on the housing needs and was proudly involved in several sacred building projects.

Richard was a member of St. Mary’s Episcopal Church in Tower, and shared his musical ability by playing their pump organ for many years at their services. He was a lake and beach enthusiast, with a love of water and swimming. Richard and Pat took memorable family trips downhill skiing. He was a voracious reader and a friend to many. He will be remembered as dedicated husband, loving father and a loyal friend.

He is survived by one son, Nick Borgstrom of Sausalito, Calif.; three

daughters, Danielle (Jeb Morrell) Young of Lake Vermilion-Tower, Julia (Michael) Kastendiek of Topanga Canyon, Calif., and Anja (Vincent) Vasquez of Richmond, Calif.; mother-in-law, Ruth Murphy of Lake Vermilion-Tower; and three grandchildren: Jade Morrell, Kelly Borgstrom and Sofia Vasquez. He is preceded in death by his wife, Patricia Borgstrom on April 13, 2008, and a brother, Robert Borgstrom.

Linda McGraw-Adams, assistant executive director at RLRHA, read this at Borgy’s service:

“I am very humbled to speak here today to honor the life of our brother, Richard ‘Borgy’ Borgstrom.

My name is Linda McGraw-Adams, and Borgy always called me ‘Sis,’ so I am here as his sister. I have known Borgy for 15 years, and we have been close friends, just like family.

Borgy was involved in the development of over 500 housing units since becoming employed at the Red Lake Reservation Housing Authority. His one big dream that he spoke to me of was having a round house built, and he was instrumental in the building of the sacred round house in Ponemah.

He most recently was able to have another round house built in the Little Rock District of the reservation. That particular building is used for educational classes, such as fire safety, first aid, CPR, sewing and after school activities for youth ages 5-11.

Borgy loved the Red Lake Reservation, and we loved him right back. He was honored numerous times for his involvement with several community projects. I teased him because he received many blankets in honor of his participation and dedication to different projects – so I told him his Indian name should be Richard ‘Many Blankets’ Borgstrom. He would just laugh and say, ‘Oh, sis, if you didn’t tease me, I’d think you were mad at me.’

It was very difficult to visit Richard in the hospital and in the nursing home. He was so vital, and it didn’t seem possible that he would not be up and running about trying to get work on the latest project done. I remember seeing Borgy roller blading down Indian Service Road 40 and thinking, ‘Geez, Borgy works all day and has energy to be out roller blading and giving the younger people a go.’ In the winter time, he would arrive at the office and regale us with his latest skiing trip. I was always amazed, and I wish I had told him more often how much I thought of him.

Borgy touched many lives here at Red Lake, and we will never forget his thoughtfulness and kindness to all. It will be hard to go back to the Red Lake Housing Authority offices and not hear him running up and down the steps from the basement every day.

We will miss him going from office to office saying, ‘Have you seen my briefcase or sunglasses or coffee cup?’ One of the staff members would

[click here](#) for the next story.

In memoriam: Richard “Borgy” Borgstrom continued . . .

always play a trick on him and hide his coffee or his banana. He would laugh and say, ‘Oh, criminally, you old so and so.’

We, his family from Red Lake, will keep you, his Tower family, in our prayers every day, and we count ourselves blessed to have known Richard A. ‘Borgy’ Borgstrom, staff architect, Red Lake Reservation Housing Authority.

Thank you again for letting me share this small remembrance and tribute with you.”

Memories from Travois staff:

David Bland: “Richard ‘Borgy’ Borgstrom was always dignified and dedicated to his work. He wanted desperately to change the ‘look’ of the Red Lake Reservation, at least from the housing perspective. He wanted to design, and in fact he did design, houses that were more than shelter; they were respites from monotony and someplace where families could connect and

nurture one another. He was a good friend, and he is already sorely missed by everyone who knew him.”

Robin Thorne: “Borgy was always trying to get me to take time to have lunch or dinner when I was visiting Red Lake, and it just never seemed to work out with the schedule. One afternoon he came into the office where I was working at the Red Lake Housing Authority and said ‘You’re coming with me. We’re going to lunch.’ He stopped and purchased box lunches for us from a local restaurant, and then we drove out to the lake and had a picnic. While we were eating, Borgy talked about many of the building projects he had been involved with since he had started working at Red Lake. He also talked about how much he loved working with the folks at Red Lake. It was clear listening to him speak, that of all the jobs Borgy had held over the years, he loved Red Lake the best. Red Lake was his extended family. I will always be glad that Borgy made me take time for lunch that day. I will miss seeing his smile and hearing his

warm welcome whenever I visit Red Lake – but I think a part of him will always be there in spirit.”

Lorna Fogg: “Borgy was always Richard Borgstrom to me in the early years (late ‘90s). Then one day he left me a message saying that it was Borgy and to give him a call back. Richard was a nice, kind of serious guy, but when he became Borgy (to me), he was a lot more fun and himself.”

Bryan Schuler: “I worked with Borgy a lot while I worked on the Red Lake projects. I met him at a few conferences but didn’t really get to spend much time with him out of the office until an ONAP-sponsored conference in September 2009 in Wisconsin. After the conference was over, Borgy and I went on a two-hour drive up to the Wisconsin Dells. On the ride, Borgy shared a lot of stories about his life, family and children, and then we had a very nice dinner at the hotel. I thoroughly enjoyed that time together.”

[click here for the next story.](#)

LCO Homes II: a new life for some old pine

The Lac Courte Oreilles Housing Authority of Hayward, Wis., has finished site work for its second LIHTC project, Lac Courte Oreilles Homes II, and will soon begin building 24 new homes.

The new neighborhood is named Akikaanidag, or “where all the pines are” in the Ojibwe language.

True to the name, this site consists of heavily wooded pine forests. Extensive clearing was necessary for the neighborhood, and many pine trees were cut down.

The LCOHA staff has chosen to give the harvested timber a new purpose in the homes at Akikaanidag. The white pine will take the form of the

cabinetry for all of the new units.

The [Chippewa Wood Crafters](#), highly skilled Ojibwe artisans, have been hired by LCOHA to create the cabinetry. The enterprise is owned and operated by Lac Courte Oreilles Band of Lake Superior Chippewa.

[click here to continue reading.](#)

A new life for some old pine continued . . .

In October, while on a site visit, the Travois Design & Construction Services team was given a tour of their facilities, located less than a few miles from Akikaanidag.

After the trees are cut down, the first step is to cut the timber into rough-sawn boards. These boards are then dried in a solar powered kiln, which usually takes a few weeks. The

temperature in the kiln reaches 130 or 140 degrees.

Once at the appropriate moisture content, the rough-sawn wood is brought into the wood shop where it is cut, sanded, stained and finished to the specifications.

“Being brought back to Akikaanidag in this new form is truly appropriate,”

said Gregory Giakoumis, senior project coordinator for Travois Design & Construction Services.

“The legacy of the beautiful white pine will live on in these new homes for generations to come.”

[click here](#) for the next story.



Top row: Pine trees were removed to clear the neighborhood for LCOHA's second LIHTC project. (Right) Rough-sawn boards are dried in a solar powered kiln, until they reach the appropriate moisture content. Middle row: Travois Design & Construction Services staff are given a tour of the Chippewa Wood Crafters' facilities. (Middle) Smaller limbs that have been dried will be made into arm rests, bed frames and furniture legs. (Right) The wood shop cuts, sands, stains and finishes wood to project specifications. Bottom row: The Chippewa Wood Crafters build cabinetry and have examples of finished products for bathrooms and kitchens.

News & notes

Final pays

Two Travois clients recently received final pays for their Low Income Housing Tax Credit projects. A final pay is the last installment of the developer's fee that a project owner can receive after construction and/or rehabilitation is complete and usually at least 90 percent rented up.

Congratulations to:

Standing Rock Housing Authority of Fort Yates, N.D. – received \$505,000 for its 12th LIHTC project

San Carlos Apache Housing Authority of Peridot, Ariz. – received \$438,950 for its third LIHTC project

Grants awarded

The **Red Lake Reservation Housing Authority** (RLRHA) of Red Lake, Minn., was recently notified of a \$400,000 grant in Community Revitalization Funds from the Minnesota Housing Finance Agency. RLRHA will use the funds for the construction and mortgage financing of eight three-bedroom homes in its McBride's Second Edition project. The project will offer homeownership opportunities to families that either have incomes too great to qualify for LIHTC homes or to low income families who are able, despite their low incomes, to take on the responsibility of homeownership.

The Federal Home Loan Bank of Des Moines recently announced Affordable Housing Program grants. **Leech Lake Homes VII** was awarded

\$350,000 and the **White Earth Reservation Housing Authority** was awarded \$250,000 grant for a homeownership project that is not utilizing the Low Income Housing Tax Credit program.

Travois helped prepare the grant applications.

European travels

Lincoln Williamson, vice president of acquisitions and finance for SunAmerica Affordable Housing Partners, made his annual pilgrimage to Europe in August. Originally he had planned to go in April, so he'd be in Amsterdam on the April 30 to celebrate Koninginnedag, the observance of the Queen's birthday. However, the Eyjafjallajökull eruption in Iceland grounded him and millions of other travelers for weeks, he said. In the photos in the next column, Lincoln is seen sporting his well-traveled Travois windbreaker.

Top and middle photo: Lincoln at Madurodam, a miniature city located in Scheveningen, The Hague, Netherlands. Madurodam is a model of a Dutch town on a 1:25 scale, composed of typical Dutch buildings and landmarks, as are found at various locations in the Netherlands.

Bottom photo: Lincoln took a bike ride along the Vltava River in Prague, Czech Republic. Karlův most (or "Charles Bridge") is in the background.



New Pleasant Point governor

Rueben "Clayton" Cleaves, previously executive director of the Pleasant Point Housing Authority of Perry, Maine, was elected governor of the Passamaquoddy Tribe at Pleasant Point. Read more on the [Bangor Daily News website](#). Congratulations, Governor Cleaves!

[click here to continue reading.](#)

News & notes

New Travois team members



Greg Bland is the new project coordinator for Travois Design & Construction Services. He will perform monthly building code inspections for affordable housing clients, submit detailed reports to the client and investor and monitor construction schedules and progress. Greg holds a degree in geography from the University of Colorado and is working toward certification as a residential building inspector, given by the International Code Council.



Dena Campbell, is administrative assistant for all Travois staff. She coordinates travel arrangements for staff, manages outside vendors and contracts and handles other duties as needed. Dena holds a degree in elementary education from Avila University and is an enrolled member of the Cherokee Nation of Oklahoma.



Jennifer Fogg, is a compliance specialist for Travois Asset Management. She updates tenant income and rent summaries, completes certificates of occupancy, 8609 forms and final pay packages and corresponds with clients, states and investors. She holds a degree in

criminal justice/pre-law from Georgia State University and a Site Compliance Specialist (SCS) designation from the Housing Credit College.

New additions to Travois families



Ezekiel "Zeke" Haywood Bland Glynn was born on Oct. 19. He was 21 inches long at birth and weighed 9 lbs. 7 ounces. His parents are Elizabeth, vice president for Travois, and Phil Glynn, director of Travois New Markets. He joins big sister Maeve, who is two. David Bland, chairman of Travois, and Marianne Roos, chief operating officer, are proud grandparents.



Jane Maria Vukas was born Oct. 26. She was 20.5 inches long at birth and weighed 7 lbs. 8 ounces. Her parents are Chris Vukas, project coordinator, and Lynn Vukas. Jane joins big sister Ellie, who is two.

First Annual Travois Chili Cook-off

Travois staff competed in the 1st Annual Travois Chili Cook-off on Oct. 11. Eight different chili recipes were presented, sampled and scored by staff and guests.

Two staff members tied for Best in Show: Adam Rose, senior development coordinator for Travois, and Ashley Bland, director of Travois Design & Construction Services.



Photos courtesy of Marisa Martinez.

[click here](#) for the next story.

Tax credit calendar

December						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

January						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

Dec. 14-15: National American Indian Housing Council (NAIHC) – Developing Tribal Housing with Green Building Techniques; San Diego.

Jan. 11-13: HUD ONAP – Environmental Review Training; Anchorage, Alaska.

Jan. 12-13: Northwest Indian Housing Association (NWIHA) – Meeting; Marysville, Wash.

Jan. 13: Washington State Housing Finance Commission (WSHFC) – Low Income Housing Tax Credit applications due.

Jan. 13: Oklahoma Housing Finance Agency (OHFA) – Low Income Housing Tax Credit applications due.

Jan. 21: Montana Board of Housing (MBOH) – Low Income Housing Tax Credit applications due.

Jan. 25-26: Office of Native American Programs (ONAP) – Greener Homes Regional Training: Creating Energy Efficient, Comfortable, & Healthy Tribal Homes; Cabazon, Calif. (**Gregory Giakoumis attending.**)

Jan. 31: Housing New Mexico – Low Income Housing Tax Credit applications due.

Jan. 31: Wyoming Community Development Authority – Low Income Housing Tax Credit applications due.

Feb. 4: Kansas Housing Resources Corporation (KHRC) – Low Income Housing Tax Credit applications due.

Feb. 4: Wisconsin Housing and Economic Development Authority (WHEDA) – Low Income Housing Tax Credit applications due.

Feb. 7-10: United South and Eastern Tribes, Inc. (USET) – Meeting; Arlington, Va.

Feb. 28-March 2: National Congress of American Indians (NCAI) – Executive Council Winter Session; Washington, D.C.

Feb. 28: North Dakota Housing Finance Agency (NDHFA) – Low Income Housing Tax Credit applications due.

Looking ahead to March . . .

March 1: Texas Department of Housing & Community Affairs (TDHCA) – Low Income Housing Tax Credit applications due.

March 14-17: National Center for American Indian Enterprise and Development – 25th Annual Reservation Economic Summit (RES 2011) & American Indian Business Trade Fair; Las Vegas.



Happy Holidays!

Travois offices will be closed on Friday, Dec. 24 and Friday, Dec. 31 in observance of the holidays.

Other upcoming holidays:

Monday, Jan. 17 - Birthday of Martin Luther King Jr.

Monday, Feb. 21 - Presidents Day

The Travois team

Travois development staff



David Bland
chairman



Lorna Fogg
president



Elizabeth Glynn
vice president



Bryan Schuler
development director



Adam Rose
senior project coordinator



Matt Raplinger
project coordinator

Travois Asset Management staff



Robin Thorne
director of Travois Asset Management



Marie Snyder
senior compliance specialist



Emily Giakoumis
senior compliance specialist



Mike Price
compliance specialist



Marisa Martinez
compliance specialist

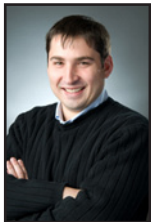


Jennifer Fogg
compliance specialist

Travois New Markets staff



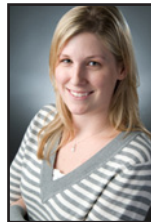
Phil Glynn
director of Travois New Markets



JP Latenser
chief investment officer



Chris Vukas
project coordinator



Ashley Bland
director of Design & Const. Services



David Grimes
architect



Gregory Giakoumis
senior project coordinator



Greg Bland
project coordinator

Travois Design & Construction Services staff

Travois administrative, finance & marketing staff



Marianne Roos
chief operating officer



Brett Schwarz
chief financial officer



Joan McMickle
financial analyst



Beth Schwarz
financial analyst



Matthew Bland
financial analyst



Beth Heap
communications director



Dena Campbell
administrative assistant



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