



Dreamcatcher

Issued Quarterly By Travois, Inc.

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2006 Record Year for LIHTC

by Elizabeth Glynn

With more than 422 units slated for construction or rehabilitation and an anticipated \$53.5 million in investor equity secured, 2006 shaped up to be a record year for Travois' Indian Country clients using the low income housing tax credit program. Travois, Inc., is proud to play a role in generating affordable housing stock

on reservations throughout the country.

According to David Bland, President of Travois, Inc., "This past year was a banner year for us and our Tribal clients. The tax credit program is becoming a standard tool used by more and more Indian housing authorities and we look forward to continuing our long history with the program and with Tribes throughout the country."

Along with their three proven equity investors, Raymond James Tax Credit Funds,

Low Income Housing Tax Credit Awards

Client	Project Name	Project Type	Units	Investor Capital (est.)
Choctaw Housing Authority	Mississippi Choctaw Homes I	Acquisition/Rehabilitation	25	\$2.5 million
Fort Belknap Indian Community	Fort Belknap Homes III	New Construction	24	\$4.1 million
Navajo Housing Authority	Navajo, NM New Construction LIHTC #1	New Construction	40	\$7.7 million
Navajo Housing Authority	Ojo Amarillo, NM Rehab LIHTC #2	Acquisition/Rehabilitation	25	\$3.6 million
Navajo Housing Authority	Navajo, AZ New Construction LIHTC #1	New Construction (10) Acquisition/Rehab (28)	38	\$5.5 million
Nooksack Indian Tribe	Nooksack Homes III	New Construction	22	\$2.8 million
Nooksack Indian Tribe	Nooksack Homes IV	Acquisition/Rehabilitation	18	\$2.3 million
Red Lake Housing Finance Corp.	Redby Family Rental Project I	New Construction	20	\$2.9 million
Red Lake Housing Authority	Red Lake Homes XI	New Construction	30	\$5.3 million
San Carlos Apache Housing Authority	Hollywood Ridge II	Acquisition/Rehabilitation	25	\$4 million
Standing Rock Housing Authority	Standing Rock XIV	Acquisition/Rehabilitation	20	\$1.5 million
Standing Rock Housing Authority	Standing Rock XVI	Acquisition/Rehabilitation	20	\$2 million
Tulalip Tribes	Tulalip Homes I	New Construction	25	\$2.5 million
Turtle Mountain Housing Authority	Turtle Mountain Homes V	Acquisition/Rehabilitation	40	\$3.6 million
Wichita Housing Authority	Iscani Subdivision of the City of Anadarko- Phase I	New Construction	25	\$3.2 million
		Total	422	\$53.5 million

Please see 2006 Awards on Page 5

Robin's Rules



Robin Thorne, Travois' director of Asset Management, will answer your compliance questions in this quarterly column. This column is not intended to replace Travois asset management services. If you have questions, e-mail robin@travois.com.

When does the full-time student rule apply to a household?

The full-time student rule only applies to a household where every member of the household is a full-time student. Some states consider K-12 as full-time students, others do not. For those states where K-12 students are treated as full-time students, a household with a mother who is attending college full-time (confirmed by a third party verification from the college) and has all school age children (K-12) would be an example of a full-time student household. This household would have to qualify using one of the four full-time student household exemptions.

REMEMBER – the full-time student rule only applies if every single person in a household is a full-time student. If there is a new-born baby in the household, the full-time student rule would NOT apply. If there is an adult in the household who is NOT attending school full-time, the full-time student rule would not apply.

Do I Need a Tax Credit Addendum/Rider to add to my existing Tenant Lease?

The simple answer to this question is – YES. Many states have an existing Tax Credit Lease Addendum/Rider that is required to

be attached to the tenant lease document. Even if your state does not have a specific Tax Credit Lease Rider form, you are still required to have language in your lease document that discusses the requirements of the Tax Credit Program. The items that should be included in your Tax Credit Lease Addendum are as follows:

In this issue:

-The Full-time Student Rule

-Tax Credit Lease Riders

-Compliance Reminders (see p. 4)

*Brief summary of the LIHTC program

*Brief description of the income and rent limits

*Description of the annual recertification process and the consequences if a household fails to comply with the annual recertification requirements

*Brief note advising the tenant that there may be units in the project set aside for person(s) with special needs and the

tenant should notify the property manager if someone in the household has special needs.

*Full Time Student Household – tenant must notify property manager if all household members are full-time students.

*Discussion of property standards i.e. cannot discriminate against Section 8 recipients; cannot discriminate based on source of income, etc.

*Good Cause Eviction clause – advises tenant that he/she can only be evicted for good cause, i.e. violations of the lease terms.

Lowering Utility Bills in Cold Winter Months

For Homeowners and Tenants:

As cold weather hits, many people also get hit with high utility bills and are left wondering what they can do to decrease their monthly utility expenses. We've compiled the following tips to help residents conserve energy and reduce costs through the cold winter months.

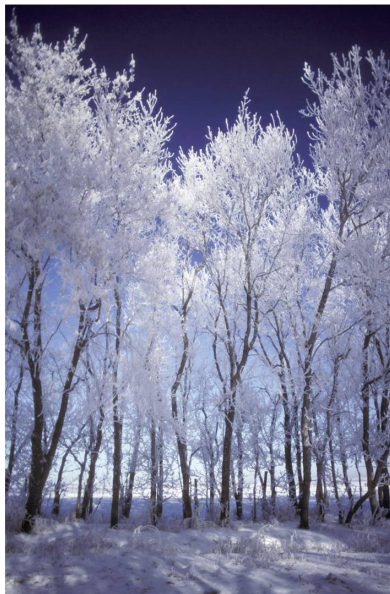
-Feel around your windows and doors. If you can feel small (or large!) air leaks, you have the cold outside air seeping into your home and raising your heating bills. A simple fix can help to seal off the penetrations in your walls. Replace worn or inadequate weather-stripping around doors and use caulk to fill gaps around windows.

-Consider alternate heat sources. If your unit is equipped with a wood burning stove or fireplace then try to utilize this resource as often as possible. Remember to turn down your thermostat to accommodate for the other heat sources. If possible turn your thermostat back to 55 degrees at night and use electric warming blankets; they are cheaper than the energy necessary to heat the entire house.

-Try to keep your thermostat set at 68 degrees during the day and dress warmly or in layers. If possible, install an automatic thermostat with a timer that can be adjusted to lower the heat while you are gone during the day.

-Heat only the rooms that you use regularly. Keep doors shut in all storage areas and closets, and close vents in rooms that are used infrequently.

-Have your heating system serviced annually to ensure that it is functioning correctly and efficiently.



For Project Owners & Developers:

There are many things that you can consider in the development of your low income projects that will help to increase energy efficiency and decrease winter time utility costs for your future tenants. Talk to your Architect/Engineer/Contractor about incorporating the following into your project:

-Windows with a .46 U factor or less

-Doors (with no glazing) that have a U value of .21 or less

-Doors (with glazing) that have a total U value of .46 or less

-Insulation in exterior walls above grade with a minimum R value of 20

-Insulation in exterior walls below grade with a minimum R value of 19

-Insulation in the roof with a minimum R value ranging from 30-50 (depending on if there is attic space)

-Energy star rated appliances and building materials. (These can lower utility costs for tenants year round.)

-Plan for landscaping after the project is completed. Trees can shield the units from cold winds during the winter months and help to shade and cool during hot summer months.

-Consider solar panels and utilize the sun's energy to help heat homes and significantly lower utility bills. The costs may be high to install this technology but many areas offer incentives and generous tax rebates.

Remember, when you are planning your projects you can be even more competitive in your tax credit application if you incorporate energy efficient designs.

Contact Ashley@travois.com for more information on the points available in this scoring category for your state.

Travois New Markets seeks out Indian Country entrepreneurs

By Philip Glynn
Director of New Markets Tax Credits

As Travois' foray into business financing continues to build excitement among Tribal leaders and tax credit investors, project proposals from individual entrepreneurs are beginning to emerge as well. Travois, Inc. established Travois New Markets to finance a range of enterprises—from renewable energy to tourism—based on the same financing principles it has pioneered in its affordable housing work.

"We seek to bring the same level of professionalism and dedication to our business development work as we always have with our housing development efforts," said Travois president David Bland.

The mechanism Travois New Markets will use to finance businesses, as well as self-sustaining community or health care facilities—is the New Markets Tax Credit. Like its counterpart, the Low Income Housing Tax Credit, the NMTC is a federal tax credit equal to 39 percent of the total investment in a qualified business. NMTCs are sold to investors, generating between 25 and 30 percent of the capital required to start a new business or expand an existing business.

"We seek to bring the same level of professionalism and dedication to our business development work as we always have with our housing development efforts,"
David Bland

A new business is exactly what the Menominee reservation needs in the eyes of Brett and Todd Pecore. After years of working in the grocery business, the two Indian Country entrepreneurs have gained the expertise necessary to open their own store: Pecore's Meat Market and Grocery Store. When a lack of owner equity hampered their discussions with lenders, the Pecore brothers contacted Travois New Markets.

"Brett and Todd Pecore are exactly the kind of entrepreneurs with whom we want to work," said New Markets Tax Credit Manager J.P. Latenser. "They want to refine their business plan and concentrate on making the store a success. They are considering allowing us to handle the financial package and the complexity of the tax credit program. They have a great idea that will fill an unmet need. We are looking for more entrepreneurs like the Pecores."

Latenser encourages those with business ideas to contact him at (913) 669-2126. If he is unavailable, he directs those interested to contact Phil Glynn at (816) 268-1283.

Compliance Reminders

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Annual Compliance Reports Due Soon

Most state housing agencies have some type of annual report that is required for all LIHTC projects. If you are not sure what your state housing agency annual reporting requirements are, please contact your state LIHTC compliance officer. These reports are due by January 31st in many states so don't delay – find out your state's annual reporting requirements today!

NOTE: For clients that have signed up for Travois' Asset Management Program, we will be drafting the necessary annual report documents and forwarding them to you for review and filing.

LIHTC 2007 Income & Rent Limits

Be on the look out for the 2007 updated Income and Rent Limits. The new limits that must be used by LIHTC projects are usually announced by HUD sometime between the end of January and beginning of March. Your State Housing Agency will use the HUD data to calculate the 2007 income and rent limits on a county by county basis. You must begin using the 2007 income and rent limits within forty five (45) days of the date the new limits are published.

2006 Awards

From
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Sun America Affordable Housing Partners and Washington Mutual—Travois, Inc. helped their tribal clients use the tax credit program to develop 15 projects on tribal land last year.

“Raymond James Tax Credit Fund has been committed to tax credit projects in Indian Country since 1999 and we are proud to continue investing in such a worthwhile industry.”

-James Horvick, Director of Acquisitions, Raymond James Tax Credit Funds, Inc.

In addition, Travois succeeded in winning more than \$4.5 million through the Federal Home Loan Bank Affordable Housing Program and the Youthbuild program for our Tribal clients. The Standing Rock and Nooksack Tribes alone received nearly \$3.5 million in AHP funding in 2006 to help offset costs associated with low income housing tax credit projects.

“The Federal Home Loan Bank of Des Moines is very pleased to provide funding for these important housing projects for Native Americans. The FHLB has provided over \$9.4 million in competitive grants to Native American projects both rental and homeownership, as well as another \$2.2 million in funds set aside for

Cook's Corner

If you have a recipe you'd like to contribute, please e-mail elizabeth@travois.com or ashley@travois.com.



“Navajo Taco”

The recipe for this edition comes to us from Marilyn Reeder (Planning & Engineering Department CSD Program Secretary) of Navajo. It's a quick and easy recipe for a local favorite.

Marilyn tells us: “I believe the favorite of most of the general public would have to be the Navajo Taco. The recipe is quite simple. First start off by browning the ground beef and then add to the home boiled pinto beans (not the one from the cans). Add shredded lettuce, diced tomatoes, grated cheese (your choice). But of course, don't forget the famous breading; serve with golden fried bubbly Frybread and then top off with picante sauce (yum!).”

our Native American Homeownership Initiative. It is incredibly difficult to be successful in improving economic conditions without a supply of safe and secure affordable housing.”

- Curt Heidt, Vice President, Community Investment Officer, Federal Home Loan Bank of Des Moines

Other Funding Awards

Client	Project Name	Amount Awarded	Type of Funding
Leech Lake Housing Authority	Leech Lake Home IV	\$650,000	Supplemental LIHTC
Nooksack Indian Tribe		\$400,000	Youthbuild Grant
Nooksack Indian Tribe	Nooksack Homes III	\$800,000	AHP
Nooksack Indian Tribe	Nooksack Homes IV	\$800,000	AHP
Pueblo of Pojoaque Housing Corp.	White Sands Village Phase II	\$310,000	AHP
Standing Rock Housing Authority	Standing Rock VIII	\$330,000	AHP
Standing Rock Housing Authority	Standing Rock X	\$264,000	AHP
Standing Rock Housing Authority	Standing Rock XII	\$380,000	AHP
Standing Rock Housing Authority	Standing Rock XIII	\$240,000	AHP
Tulalip Tribes	Tulalip Homes I	\$350,000	AHP
	Total	\$4,524,000	

Tax Credit Calendar

January

1/8
Texas Preliminary Round LIHTC due

1/12
North Carolina Preliminary Round LIHTC due

1/16
Oklahoma 1st Round LIHTC due

1/18
Washington 1st Round LIHTC due

1/25
Montana Annual Compliance Report due

1/26
Oregon Preliminary Round LIHTC due
Wyoming 1st Round LIHTC due

1/31
New Mexico 1st Round LIHTC due
New Mexico Annual Compliance Report due

February

2/1
Colorado 1st Round LIHTC due
Minnesota 2nd Round LIHTC due

2/2
Kansas 1st Round LIHTC due
Wisconsin 1st Round LIHTC due
Montana 1st Round LIHTC due

2/9
Idaho 1st Round LIHTC due

2/15
Washington Annual Compliance Report due
Minnesota Annual Compliance Report due
Oklahoma Annual Compliance Report due

2/23
Oregon 1st Round LIHTC due
Nebraska 2nd Round LIHTC Due

2/26
New York 1st Round LIHTC due

2/28
South Dakota 1st Round LIHTC due

March

3/1
Alabama 1st Round LIHTC due
California 1st Round LIHTC due
Texas 1st Round LIHTC due
Wisconsin Annual Compliance Report due

3/5
Mississippi 1st Round LIHTC due

3/15
Arizona 1st Round LIHTC due
Michigan 2nd Round LIHTC due
Arizona Annual Compliance Report due
Kansas Annual Compliance Report due

April

4/26
Minnesota Announcement of 2nd Round LIHTC

4/30
North Dakota 1st Round LIHTC due
Louisiana 2nd Round LIHTC due



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