



Dreamcatcher

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Travois New Markets awarded \$30M in economic development tax credits

by J.P. Latenser

100% of its credits specifically for economic development on Indian Reservations and Tribal Lands.

The Community Development Financial Institutions Fund (CDFI Fund) awarded Travois New Markets a \$30 million allocation of New Markets Tax Credits in October. The award will be used to finance economic development projects in Native American communities across the country.

Competition for an allocation of New Markets Tax Credits has become incredibly fierce in the last few years. The CDFI Fund awarded tax credits to only 61 community development entities (CDEs). More than 258 CDEs applied.

Travois is the only CDE to receive

“This allocation of New Markets Tax Credits will spur desperately needed economic development in many of our country’s most impoverished communities.” Travois New Markets Director Phil Glynn said. “Travois New Markets will offer low-cost, flexible financing to individual developers as well as Tribal organizations that want to create jobs and economic vitality on reservations.”

Potential projects include hotels, tribal infrastructure, and renewable energy.

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IRS rewards Red Lake Housing Authority staff's hard work with a Recertification Waiver

The Red Lake Limited Partnership #7 will no longer be required to complete annual tenant file recertifications, according to the IRS. Household income and assets will no longer have to be verified on an annual basis.

“To the best of our knowledge, Red lake LP #7 is the first Recertification Waiver granted to an Indian Country Tax Credit Project,” Robin Thorne, Director of Asset Management for Travois, said.

Only initial (new) move-ins and changes to household composition within the first six



A tax credit home on the Red Lake Reservation.

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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.

Reminders:

We are close to the end of 2007. This is a good time to begin putting together all the necessary information to complete your 2007 Annual Reporting requirements. 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. 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 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 2008 compliance year with confidence.

The new 8823 Guide was released by the IRS in January 2007. Many states have made modifications to their compliance rules as a result of the 8823 Guide. Have

you reviewed the 8823 Guide?

A copy can be obtained by going to the following web site: http://www.novoco.com/low_income_housing/lihtc/8823_guide.php. You should also check your state housing website to see if any updates or changes have been issued by the compliance department as a result of the 8823 Guide.

In This Issue:

Don't forget 2007 Annual Reporting Requirements

The Social Security Administration issued a press release on October 17, 2007 announcing the 2008 Cost of Living Adjustment. Benefits will increase 2.3% in 2008. The standard Medicare

Part B monthly premium will be \$96.40 in 2008, an increase of \$2.90 from the 2007 \$93.50 premium. When calculating income eligibility for your applicants and residents who receive such benefits, you will need to factor in these new increases. As with raises and other known increases, we must begin using the information for calculating income eligibility when it is known and verifiable. For the 2008 COLA increase, we should begin including the 2.3% increase on all files that are currently in process and all future files until the Social Security verifications begin showing the 2008 increase. A copy of the press release can be obtained by going to the following website: <http://www.ssa.gov/pressoffice/pr/2008cola-pr.htm>.

Work In Place Inspections necessary for a successful LIHTC construction project

During the Construction Phase, regular inspections are important for your LIHTC project. Most investors require monthly inspections by a certified building inspector, and they rely on the reports for updates on the progress of work in place.

The inspections also serve as a way for the Investor to insure that the units are being constructed according to code requirements and the plans and specifications that have been agreed upon.

More importantly, regular inspections are of great benefit to you, the Owner and Developer of the project. Since you will be responsible for maintaining and managing the units for the long haul, it is in your best interests to have a third party review the work in place to insure that the project is being constructed to the highest standards.

Even the most meticulous plans and specifications can overlook certain requirements. We see this particularly in rehabilitation projects where often times the plans may not adequately address an unexpected situation that is uncovered after the demolition is complete.

A thorough inspection/review will assist in identifying any situations such as these

that may need to be addressed in the course rehab work.

In this way, regular inspections will not only provide you with oversight and assurance that the project is being built according to the plans that you have so carefully made, but also that it addresses any unforeseen concerns and meets all code requirements.

When construction is complete, you can be sure that end result will be sound structures, and the highest quality homes for the families that you intend to serve in your new community.

A word of advice: Travois works with many clients to meet their inspections needs, and one of the most common deficiencies that we note in our reports is the lack of smoke detectors

in the proper locations, and particularly the lack of at least one carbon monoxide detector in or near the main living spaces.

Be sure to talk with your Architect and builders to incorporate these important elements into the plans for your project!

Please feel free to contact Ashley Bland, our Design & Construction Services Director with your comments. Ashley can be reached at 703.845.9630 or via email - ashley@travois.com.



Red Lake makes strides with recertification

months of occupancy will need to have income and assets verified.

Travois Asset Management, LLC assisted the Red Lake Housing Authority staff with every step of the recertification/waiver process, including a complete audit of the Red Lake LP #7 tenant files before the current files were provided to the third party auditor.

The Recertification Waiver will greatly reduce the amount of paperwork and time that Housing Authority staff has to expend for this tax credit project. "We are very proud of Red Lake for working so hard to obtain this waiver. We hope that many more of our Indian Country tax credit projects will try to obtain the recertification waiver now that Red Lake has established it can be done" David Bland, President of Travois, said.

In 1994 the IRS issued Revenue Procedure 94-64 to provide for a process for owners to follow to request a waiver of the annual income verification requirements. The IRS' approval of a recertification waiver request completely removes the requirement to obtain and verify income and asset information for annual tenant recertifications.

Red Lake LP #7 had to complete the process defined by the state for the recertification waiver before the final request could be submitted to the IRS for approval. The process included the following: 1) a request to MHFA for permission to apply for a recertification waiver; 2) a successful third party audit of all current tenant files; 3) submission of the third party tenant file auditor approval to MHFA and a request for

Form 8877 and 4) submission of the completed Form 8877 to the IRS with a request for the recertification waiver.

Red Lake Housing Authority also has a recertification waiver request pending with the IRS for their Red Lake LP #9 tax credit project. A response from the IRS is expected before the end of the year.

Recertification Waivers can only be granted by the IRS. Individual states establish the process that is required to be completed before the request can be submitted to the IRS. It must be noted that not all states currently allow recertification waivers.

If you would like more information regarding recertification waivers, please contact our Asset Management Team at (727) 868-2059 or send an e-mail to robin@travois.com.

Travois New Markets hopes to spur economic development on Indian Reservations

The credit allows traditional financing to be coupled with tax credit equity to create 100% financing for the borrower. This type of product has much more flexibility than a grant and can be used in almost any non-gaming industry.

The flexibility generated by the use of the credit will allow projects to secure financing that might not have been possible through traditional lenders.

For example, Travois is exploring the burgeoning renewable energy sector

for potential new markets investments. Renewable energy production could create an economic boom that will outshine the growth of the Tribal gaming sector.

The New Markets Tax Credit will give Travois the ability to finance the large amounts of capital that are necessary for projects in this sector.

For more information, please contact Phil Glynn or J.P. Latenser at newmarkets@travois.com.

Cook's Corner

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



Baked Pumpkin with Corn and Apple Pudding

With the Holiday Season quickly approaching, this recipe offers a sweet treat with a festive flair. For an added touch, try using small pumpkins as individual serving dishes!

Ingredients:

½ cup cornmeal
¾ cup pine nuts
4 (4-inch) pumpkins, or 1 (8-inch) pumpkin
3 tart green apples, coarsely chopped
½ cup apple cider or apple juice
½ cup milk
1 cup mixed dried fruits, such as apricots, peaches, wild plums, cherries, and cranberries
½ cup pure maple syrup or honey
¼ tsp ground mace
¼ tsp ground allspice
½ tsp ground cinnamon

Directions:

1. Preheat oven to 450° F. Spread cornmeal on a baking sheet, place in oven for 8-10 minutes. Remove from the oven and decrease heat to 350° F.
2. Spread pine nuts on a baking sheet and place in the oven for 12 minutes, until toasted. Maintain the oven temperature at 350° F.
3. Cut around the pumpkin stems, leaving an inch of pumpkin around the stems, and remove the tops. Scrape out the seeds. Set the pumpkins in a baking dish. If you are using one large pumpkin, prick the flesh with a fork to facilitate even cooking.
4. Place apples, cider, and milk in a saucepan over high heat and bring to a boil, then decrease to medium heat. Simmer gently for about 10 minutes, until the apples are very tender. Pass through a fine mesh sieve and return the liquid to the saucepan. Place apples in a blender and process until smooth.
5. Return the apple purée to the saucepan over medium-high heat. Add cornmeal, dried fruit, syrup, mace, allspice, and cinnamon and mix with a wooden spoon. Bring to a simmer and cook, stirring often, for 5 to 7 minutes. Add the pine nuts and mix well.
6. Distribute the pudding evenly among the pumpkins and replace the pumpkin tops. Place pumpkins in baking dish and add about an inch of water to the dish. Bake at 350 ° F for 35 to 40 minutes for individual pumpkins, 45 to 55 minutes for the large pumpkin, until the pumpkin is fork-tender. The pudding may tremble when removed from the oven, but should set to a creamy consistency when cooled. Serve warm with a scoop of vanilla ice

Recipe from "Foods of the Americas: Native Recipes and Traditions."

Tax Credit Calendar

November

11/15

South Dakota Carryover Due

11/27

Arizona Department of Housing QAP Hearing

11/27

Wisconsin Housing and Economic Development
Multifamily Housing Conference

11/28

CDFI Fund Conference

*Expanding Native American Opportunity:
Native Financial Skills Initiative*

11/29

New Markets Tax Credit Coalition Conference

December

12/3

Arizona Carryover Due

12/3

North Dakota Carryover Due

12/4-12/6

NAIHC Legal Symposium
Las Vegas

January

1/15

NAIHC and HAC present: *Creating Housing in
Native Communities through CHDOs*
Seattle

1/17

Washington State Housing Finance
Commission LIHTC applications due

1/25

Arizona Department of Housing LIHTC
Workshop

1/31

New Mexico Mortgage Finance Authority
LIHTC applications due



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