Dreamcatcher

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Travois clients, Tribal housing projects win $2.9 million in tax credit awards

by Elizabeth Glynn, Bryan Schuler and David Styron

Inside this issue:

Register now for the 2008 Travois Indian Country Tax Credit Conference! Visit www.travois.com for more information or read the article on Page 2.

Despite the slumping housing market across much of the United States in the past few months, Tribal Housing Authorities are making plans to rehabilitate and construct 219 homes, thanks to nearly $3 million in funding through the Low Income Housing Tax Credit (LIHTC) program. Travois serves as a consultant on all of these projects.

Several tribes have been awarded 2008 tax credits from allocating agencies in Idaho, Maine, Minnesota, Montana, North Dakota and Wisconsin.

The Sokaogon Chippewa Housing Department can continue plans for their 24-unit acquisition and rehabilitation project because they received an allocation of credits from the Wisconsin Housing and Economic Development Authority (WHEDA). This is the second consecutive year that a tribal project has successfully received an allocation from WHEDA and the first award for the Sokaogon Chippewa Community.

Jeff Ackley Jr., the executive director of the Sokaogon Chippewa Housing Department, described his thoughts upon learning his community won an award of tax credits.

"My first reaction: I was very surprised, grateful and almost numb to the whole thing," he said. "If it wasn't for this allocation of tax credits, our whole community would continue to suffer due to our shortage of housing. Now with the help of Travois and WHEDA, we've just opened the door to endless opportunities of sustaining our future housing needs."

The Nez Perce Tribal Housing Authority plans to construct 15 single family homes on their reservation near Lapwai, Idaho. This will be the tribe's third development funded through the LIHTC program.

The Pleasant Point Passamaquoddy Reservation Housing Authority in Perry, Maine, has received a notice of intent to proceed on their 22-unit new construction project from Maine State Housing Authority. This future development will be Passamaquoddy's second LIHTC project.

The Leech Lake Reservation Housing Authority was awarded 2008 LIHTCs

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Tribal housing projects win tax credit awards continued...

for a 50-unit project, which will consist of the acquisition and rehabilitation of 46 units scattered throughout the reservation along with the construction of four new housing units. This allocation was Leech Lake's fifth award of credits since their initial award of 2001 LIHTCs.

Thanks to an award of LIHTCs, the Northern Cheyenne Housing Authority can now rehabilitate the 35-unit Shoulder Blade Complex development for seniors on the Northern Cheyenne Reservation near Lame Deer, Mont.

The Dakota Nations Housing Development Corporation submitted two LIHTC applications — one in North Dakota and one in South Dakota — and was successful in both states.

Housing Authority	Credits	No. of Units
Nez Perce Tribal Housing Authority	$200, 215	15
Fort Berthold Housing Authority	$459,490	28
Dakota Nation Housing Development Corp. (N.D.)	$285,670	24
Dakota Nation Housing Development Corp. (S.D.)	$272,044	21
Pleasant Point Passamaquoddy Reservation Housing Authority	$396,000	22
Sokaogon Chippewa Housing Department	$281,477	24
Northern Cheyenne Housing Authority	$394,812	35
Leech Lake Reservation Housing Authority	$687,195	50
Totals	**$2,976,903**	**219**

DNHDC has won credits in North Dakota to build a 24-unit apartment complex near Hankinson, N.D. Its other development, located near Agency Village, S.D., on the Lake Traverse Reservation, will be 21 new single family homes, which will be called Barker Hill Homes.

Finally, the North Dakota Housing Finance Agency also awarded the Fort Berthold Housing Authority credits to build a 28-unit apartment complex designed for elderly tenants. This is the second LIHTC project for the Housing Authority.

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Make plans for 8th annual Travois Conference: June 22–24

Join us at the 8th annual Travois Indian Country Tax Credit Conference, to be held June 22–24, 2008, at Grand Casino Mille Lacs in Onamia, Minn.

The conference will provide information on how to use the Low Income Housing Tax Credit and New Markets Tax Credit programs to spur housing and economic development in Indian Country. Sessions will also include information on compliance, examples of some of the most successful projects in Indian Country and more!

Tex Hall, chairman of the board and chief executive officer of the Inter-Tribal Economic Alliance, will be the keynote speaker for the conference. The ITEA is a national coalition of Indian tribes, Alaska Native corporations and Native Hawaiian communities formed in 2001 to create Indian jobs and Indian businesses.

Registration is $250 through May 30, and $275 after May 30. The fee covers breakfast and lunch on Monday and Tuesday, as well as all materials.

For the first time, **registration is available online at www.travois.com.**

8th annual TRAVOIS™ Indian Country Tax Credit Conference

Hotel rooms can be reserved at Grand Casino Mille Lacs be calling 1-800-468-3517 (press 1 for Mille Lacs) by May 31 and mentioning "Travois Inc." The group rate is $39 per night. For more information, visit www.travois.com.

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Setting the stage: planning economic development

by Phil Glynn, director of Travois New Markets

Travois New Markets submitted its application for a round six allocation of New Markets Tax Credits (NMTC) March 5, 2008. This was Travois' second application; its first resulted in a successful $30 million award that is being used to make Indian Country investments.

If Travois is successful in its second attempt to obtain NMTCs, it will finance a wide range of Indian Country business and community development projects in 2009. For more information, contact Phil Glynn at pglynn@travois.com or 816-994-8970.

As Travois New Markets uses its New Markets Tax Credit (NMTC) allocation to finance Indian Country economic development throughout 2008, we are looking toward 2009. Our 2008 allocation will finance reservation hotel and industrial projects. Watch www.travois.com for announcements about these exciting deals.

By applying for a second allocation on March 5 (the announcement of awards is expected in October 2008 with funds becoming available in early 2009), Travois New Markets has begun preparations to expand its offerings in Indian Country. We need the help of Indian Country developers: Tribal governments, Tribal corporations and entrepreneurial Tribal members to help us set the stage for a successful 2009.

In order to obtain financing through Travois New Markets, projects would have to be approved by the Travois New Markets board. Developers can begin working with the Travois New Markets staff now to assemble a loan package. That package will go before both committees of the Travois New Markets board.

The first review

The first board committee to review a completed loan package will be the Investment Risk Rating (IRR) committee. The IRR committee will review project proposals of $5 million or greater to determine their economic viability. This review will focus on five characteristics:

> "We need the help of Indian Country developers: Tribal governments, Tribal corporations and entrepreneurial Tribal members to help us set the stage for a successful 2009."
> — Phil Glynn

1. Strength of the project based on a market or feasibility study
2. Interest of a bank, Tribal loan fund or other lending organization in both the project and the NMTC investment structure
3. Experience of the development team
4. Strength of the entity guaranteeing the financing package
5. Control of the proposed project site by the development team

If the IRR committee approves the project based on these characteristics, the project will move to the next level.

The second review

The next board committee to review the project will be the Community Impact Rating (CIR) committee. The CIR committee will focus on the benefits to the project community. The loan package will include a score the CIR committee can use to weigh this project against other proposals. This score will be based on both community and business characteristics.

Community: The project can earn 10 points for being located in a rural community outside a metropolitan statistical area and five points if the project location meets the following criteria: 30 percent poverty rate, median income less than 60 percent of state or area median and an unemployment rate 1.5 times the national average. The project can then earn one point each for meeting a list of 16 other community criteria (contact us to obtain the full list).

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Planning economic development continued...

Business: Renewable energy, health-and-wellness and manufacturing projects all automatically earn six points in this section. Hospitality proposals can earn up to six points by offering first-source hiring to reservation members and incorporating green elements into their designs. Commercial real estate projects automatically earn six points if they provide Tribal government infrastructure or locally needed retail services. Commercial real estate developments outside these categories can earn six points by providing 50 percent of their space with below market rents or flexible leases.

The final review

Armed with both financial and community impact information, the board will make final decisions on project financing in early 2009. The board reviews a ranking of all proposed projects at each of its monthly meetings. Projects can begin the review process at any time.

Setting the stage

Travois New Markets encourages Indian Country developers to call any time with economic development project ideas. If we succeed in our most recent attempt for NMTC allocation, Travois New Markets will continue to increase its housing and economic development services for Tribes from coast to coast.

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Cook's corner: grilled Minnesota walleye

The **8th annual Travois Indian Country Tax Credit Conference** will be held June 22–24, 2008, at the Grand Casino Mille Lacs in Onamia, Minn. The Grand Casino is located on the western shore of Lake Mille Lacs, home to great walleye fishing.

In honor of this, Travois is providing a recipe for grilled walleye. It serves two people.

If you have a recipe to share for a future issue of *Dreamcatcher*, please e-mail Beth Heap at bheap@travois.com.

Ingredients:
3/4 lb. walleye filets (gutted, cleaned and with skin removed)
1 tbs. margarine or butter, softened
4 thin red onion slices
4 thin lemon slices
2 tbs. sliced almonds
1/4 cup sliced green onions
1/8 tsp. salt
1/8 tsp. white or lemon pepper
Paprika

Directions:

1. Prepare grill for medium direct heat.
2. Coat an 18-by-20-inch sheet of heavy duty aluminum foil with butter or margarine. Sprinkle with half of the almonds and half of the green onions.
3. Arrange two slices of red onion and lemon over butter.
4. Arrange fillets in a single layer over onions, lemon and almonds.
5. Top with the remaining red and green onions, lemon and almonds.
6. Sprinkle lightly with salt, pepper and paprika.
7. Fold long sides of foil together in locked folds. Fold and crimp short ends. Seal tightly.
8. Place packet on cooking grate.
9. Grill, covered, for 11 to 15 minutes, or until fish is firm and opaque and just begins to flake.
10. Enjoy!

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Robin's rules: compliance questions

by Robin Thorne, director of Travois Asset Management

Robin Thorne, director of Travois 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, please send e-mail to robin@travois.com.

What is the correct "effective date" for my annual recertifications?

The simple answer to this question is that the recertification is effective one year from the date of move-in. For example, a household moved into its unit, and the tenants signed the Tenant Income Certification (TIC) and lease on Feb. 14, 2007. Their recertification paperwork is completed and approved on Jan. 3, 2008, and they sign their recertification TIC on Jan. 3, 2008.

The effective date at the top of the TIC should read Feb. 14, 2008, even though the paperwork was completed on Jan. 3, 2008. The Low Income Housing Tax Credit program allows for the recertification paperwork to be started within 120 days of the recertification due date (in this case Feb. 14, 2008).

As long as the paperwork is completed before the due date, the effective date should be one year from the move-in date. This allows you to keep the same recertification date year after year and makes it easier to keep track of when recertifications are due.

Now for the more complicated application. Many of our clients adopted a policy of making the first day of the anniversary month the effective/due date for all of their recertifications. This ensured that the recertifications would actually be completed slightly earlier than the actual due date and made effective dates easier to apply because they were always the first day of the month.

> "The important thing to remember about your recertifications is that they must be completed within one year of the initial move-in date and/or the last recertification date."
> – Robin Thorne

This was a practice that Travois wholeheartedly supported. Unfortunately, this practice is no longer correct according to the 8823 Guide published by the Internal Revenue Service (IRS) in January 2007.

The IRS has clarified the issue of effective dates for recertification and specifically stated that recertifications must now be effective as of the month and day of the move-in date. Simply stated: this is the method demonstrated in the first paragraph above.

Most states are not requiring that you go back and update or modify the first of the month effective dates. However, if you had new move-ins in 2007, the effective date method described in the first paragraph is the one you must now use.

The important thing to remember about your recertifications is that they must be completed *within* one year of the initial move-in date and/or the last recertification date. Recertifications that are completed after one year will result in a finding of non-compliance from the state housing agency.

When is the last time your Housing Authority updated its utility allowances?

It is important to review and/or update the utility allowances that are being applied to all of your housing programs. The tax credit program requires current utility allowances to be utilized each year for your tax credit projects. The utility allowances must be based on factual data.

This data can be obtained in a variety of ways. The Housing Authority can perform its own analysis of local utility consumption by gathering annual information of the utility costs expended on existing units.

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Robin's rules continued...

An average can then be calculated and applied to all housing stock. Remember, the data utilized and actual calculations must be available for review.

Another option is to hire an independent energy audit firm who will prepare a detailed analysis of utility costs for your specific area and prepare utility allowances accordingly. The drawback of this option is that it is often cost prohibitive.

A final option, and probably the easiest one to use, is to contact the local Public Housing Agency (PHA) that administers the Section 8 program and request a copy of the current Section 8 utility allowances.

The PHA will provide you with calculation worksheets for apartments and single family units. The various types of fuel and utilities are listed on the worksheets with corresponding costs. A total is calculated for each bedroom size unit. The calculation worksheets serve as the required factual data.

Most PHAs update their utility allowances each year. If you need assistance finding your local PHA, try the following U.S. Department of Housing and Urban Development (HUD) Web site, which can provide a way to search for PHAs in your state and find the one nearest to your housing projects:

http://www.hud.gov/offices/pih/pha/contacts/.

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Native spaces: energy efficiency

by Ashley Bland, director of construction & design services

As energy costs creep higher and higher, energy efficient materials are steadily gaining popularity with builders across the country.

There are many products on the market, and sometimes it can be a daunting task to understand the cost, quality and effectiveness of a certain product. We strongly recommend working with your architect, construction manager and/or maintenance department during the project planning phase, to draw upon their experience with these products.

At Travois, we are actively researching products in order to provide our clients with the best possible recommendations. Please contact the Travois Design & Construction Services Department if you'd like to talk more specifically about the needs of your project.

In this article, we'd like to highlight a few products that can make a great impact on the utility bills of your tenants.

While the up-front costs may be slightly higher than other less efficient products, in the long run, the savings more than cover the up-front costs.

Energy Star rated appliances and fixtures: There are over 50 categories of appliances and fixtures that carry the energy star rating.

This government-backed program provides ratings for products to ensure that consumers can easily find products that will use less energy Examples of popular products in residential projects include: kitchen appliances, air conditioning units, ventilating fans, programmable thermostats, roof products, windows, doors and light fixtures.

click here to continue reading

Native spaces continued...

These products are readily available from most major vendors and provide the same quality as their unrated and less efficient counterparts. For more information on the energy star program or for information on a specific product, visit http://www.energystar.gov.

Compact Fluorescent Light Bulbs: CFLs are probably one of the simplest ways to incorporate an energy efficient material into a residential project. CFLs use 75 percent less energy than standard bulbs and last 10 times longer. Over the lifetime of the bulb, a tenant can save approximately $30 or more in electricity costs.

CFLs also produce less heat, which makes them safer in a residential environment and provides added cost savings when cooling a home during hot summer months.

We have seen that the use of this simple product can sometimes be difficult in a rental housing setting. You may outfit a new unit with all CFLs, but it will be up to the tenants to continue the practice. It will be important to educate your tenants on the cost savings and encourage them to continue to conserve energy and utilize CFLs in their home.

Your maintenance department may also want to consider buying the slightly more expensive CFL bulbs in bulk and providing them to the tenants at a reduced cost, in order to ensure their continued use.

Spray Foam Insulation: Sprayed polyurethane foam (SPF) home insulation saves on energy costs and lowers utility bills. SPF is used to seal the entire "building envelope" of your home to prevent air and moisture infiltration.

The U.S. Department of Energy (DOE) studies show that 40 percent of your home's energy is lost due to air infiltration. This air infiltrates the home in the form of drafts through walls sockets, windows and doorways.

> While the upfront costs of energy efficient materials may be slightly higher than other less efficient products, the savings in the long run will more than cover the upfront costs.

No expensive building wrap or additional vapor protection is required during construction when using SPF, saving money yet again. SPF has an aged R-value of approximately 6.0 per 1 inch thickness, enabling it to provide more thermal resistance with less material than any other type of commercial insulation material.

Monthly energy and utility savings of 30 percent or greater can be achieved when compared to the alternative insulation systems. The cost of an SPF insulation system can often be recovered in less than five years, simply through energy savings alone.

Tankless Water Heaters: This innovative product generates hot water immediately when you open the hot water faucet. The unit then turns itself off when the faucet is closed, thus saving energy costs over the entire lifetime of the unit. The energy consumed is only for heating the water that is needed for that specific time.

Since there is no storage of hot water and no constant heating and re-heating of the water as in standard water heaters, you're not wasting energy when you don't need it. The energy savings of tankless water heaters translates to dollar savings for you and reduced impact on our environment. Typical savings are approximately 30 percent of your energy usage.

Feel free to contact Ashley Bland, our design & construction services director, with your comments. Ashley can be reached at 703-845-9630 or via e-mail at ashley@travois.com.

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Arson prevention — take note

by guest columnist Sandra Romero, AMERIND Risk Management Corporation

When I was approached to share information with you regarding any concerns or safety issues, I knew in my heart I needed to share the impact **arson** has on individuals and on the community.

It all began as I was reading an article on the California wildfires. I was literally taken aback by the financial and emotional impact it had on many individuals and their communities.

Let me define for you first the word "arson."

"Arson" is **the willful or malicious burning of property with criminal or fraudulent intent.**

Here are a few facts and tips about arson, obtained from the U.S. Fire Administration and the National Fire Protection Association.

Facts

- Arsonists destroyed $1.1 billion in insured property, including buildings and motor vehicles, in 2002. Vandalism is the leading cause of arson.
- Between 20–25 percent of arson fires are drug-related.

- Children under 18 are responsible for almost half of the arson fires in the U.S.

Tips to deter arsonists

- Illuminate the exterior and entrances to homes and buildings
- Use motion-activated lighting near doors and windows
- Trim vegetation/trees/bushes near windows and doors

Arson is the willful or malicious burning of property with criminal or fradulent intent.

- Keep your property well-lighted at night
- Ask a family member to watch over your house while you are away
- Keep storage and other infrequently visited areas secure
- Keep matches and lighters out of the reach of young children
- Do not allow signs to block the view of businesses, churches, buildings or homes
- Train employees to be watchful of strangers and immediately report suspicious actions
- Secure vacant buildings
- Encourage community ownership

Let's empower ourselves and do our part within the community to deter and prevent this kind of criminal activity.

The Web sites listed below can help you create a neighborhood Community Watch and provide some fire facts to share with children. Click on the links to be directed to the Web sites.

http://www.usfa.dhs.gov/kids/html/index.shtm

http://www.ncpc.org/publications/brochures/neighborhood-watch/

http://www.nfpa.org/itemDetail.asp?categoryID=281&itemID=18271&URL=Research%20&%20Reports/Fact%20sheets/Children%20playing%20with%20fire

For more information on AMERIND Risk Management Corporation, visit http://www.amerind-corp.org.

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Put in your two cents for proposed changes to 2010 Census

In the jumble of governmental jargon, the acronym QCT might not stand out from all the others. But for tribes and tribally designated housing entities who apply for Low Income Housing Tax Credits, these three letters hold great possibility.

As defined by the U.S. Department of Housing and Urban Development, Qualified Census Tracts (QCTs) are areas where 50 percent or more of the households have incomes below 60 percent of the area median income, or where the poverty rate is 25 percent or higher.

Having a designation as a QCT allows tribes or tribally designation housing authorities to receive a 30 percent boost in tax credits through the Low Income Housing Tax Credit program. This means that tribal projects designated in QCTs can raise additional capital for housing projects and that less tribal funding will need to be used.

The U.S. Census Bureau system that is currently in place for tracking these statistics lumps American Indian Areas (AIAs) together with larger "standard" county-based census tracts. This means that on-reservation data are skewed by the influence of off-reservation data and potentially keeps AIAs from being considered as QCTs. Census data that ignore the social and cultural characteristics on reservations may give and often do give a false impression of overall incomes and housing conditions among Indian families within particular census tracts.

"In the past, we've had trouble with parts of tribal lands being designated as QCTs and other parts not," Development Director Elizabeth Bland Glynn said. "Sometimes this means that a tribe can't afford to build more housing, and so its housing waiting list just continues to grow.

"We have been pressing for change for some time and thankfully, the U.S. Census Bureau has recognized the problem. It has recently requested comments for proposed changes for the 2010 Census that we think will do a lot of good for Indian Country."

The proposed changes can be found under the letter B on Page 17309 of the Federal Register Vol. 72, No. 63, which was issued April 1, 2008. (To receive a copy of this, e-mail bheap@travois.com)

Travois supports these proposed changes and urges tribes and tribally designated housing entities to make their voices heard and send in letters of support to the Census Bureau.

A sample support letter was sent as an attachment with the Dreamcatcher newsletter (2010 census support letter.doc). Please take the time to review and submit it. Written comments must be submitted on or before June 30, 2008.

By delivering the letter, you will support the change to identify Tribal Census Tracts and Tribal Block Groups as separate statistical geographic entities distinct from "standard" county-based census tracts and block groups. With American Indian Areas no longer skewed by data from outside areas, we believe more Qualified Census Tracts will be identified, which will lead to a greater availability of Low Income Housing Tax Credits.

And more tax credits could mean more homes for people who need them.

click here for the next story

Stop by the Travois booth at the National American Indian Housing Council convention and trade show, to be held May 12–14 at the Sheraton Seattle Hotel in Washington.

Say hello to Travois staff members, get your questions answered and learn more about the services we offer!

Tax credit calendar

April						
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
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April 30–May 1: Northwest Regional Indian Housing Summit; Grand Mound, Wash.

May						
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25	26	27	28	29	30	31

May 6–7: ONAP Crime Prevention & Safety Workshop; Scottsdale, Ariz.

May 9: Nevada Housing Division — LIHTC Application due

May 12–14: NAIHC 34th Annual Convention and Tradeshow; Seattle, Wash.

May 13–14: HUD 5th Annual "Construction in Indian Country" Conference; Fort McDowell, Ariz.

June						
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29	30					

June 1–4: National Congress of American Indians Mid-Year Conference; Reno, Nev.

June 17: Minnesota Housing Finance Agency — LIHTC Application due

June 17–19: HUD ONAP "Greener Homes Training;" Reno, Nev.

June 22–24: 8th Annual Travois Indian Country Tax Credit Conference; Onamia, Minn.

July						
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

July 3: Oklahoma Housing Finance Agency — LIHTC Application due

July 11: Mississippi Home Corporation — LIHTC Application due

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