



Dreamcatcher

Issued Quarterly By Travois Inc.

Vol. 6, Summer 2008

Housing and Economic Recovery Act of 2008 bolsters LIHTC program

by Elizabeth Glynn, development director

Inside this issue:

2008 Travois conference.....2

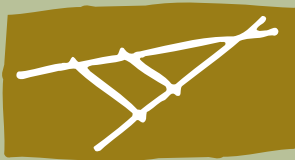
NMTC extension critical to Indian Country3

Robin's rules: compliance questions.....4

Cook's corner.....5

Native spaces: highlight on a well-designed project6

Tax credit calendar.....8



TRAVOIS™

To view photos from the 8th Annual Travois Indian Country Tax Credit Conference, visit www.travois.com and click on "news/events."

The Housing and Economic Recovery Act signed into law by President Bush on July 30, 2008, includes several major changes that support the use of the LIHTC program in Indian Country and the rest of the nation. These changes went into effect immediately; however, some items expire in 2013.

Among several other measures, the act implements dramatic changes to the program that include:

- a 10-percent increase in the number of tax credits available for each state agency to allocate in 2008 and 2009;
- a lock on the 9-percent tax credit rate until 2013 that increases the number of tax credits individual projects can receive;
- permission for state agencies to designate Difficult Development Areas (DDA) and projects in need of more funding through a 130-percent boost in tax credits;
- a clarification of the general public use rule that ensures

Tribally Designated Housing Entities can continue to use their internal waiting lists for LIHTC projects; and

- an extension to the time line for showing that a project has incurred at least 10 percent of its total development costs; it has been increased from six months to one year from credit allocation.

These changes should improve the use of the LIHTC program in Indian Country by providing increased funding to projects in rural areas through DDA designations, increasing the overall availability of tax credits especially in "small states" with larger Indian populations, providing more time for projects to meet "carryover" by spending at least 10 percent of their costs, and clarifying that TDHEs may use occupancy restrictions or preferences that favor tribal tenants without violating the general public use regulation.

The act also includes several measures affecting the qualification process and on-going management of LIHTC

[click here](#) to continue reading

Housing and Economic Recovery Act continued...

rental units. Students previously in a foster care program are now eligible for LIHTC occupancy, income limits in rural areas are now based on the greater of the applicable area median gross income or the national non-metropolitan median gross income, and military households no longer have to include basic allowance for quarters (BAQ) in their income calculations in projects that are located near military bases.

The act also includes language amending the annual recertification

requirements for LIHTC projects. Travois will provide more specific information on the recertification requirements after the state allocating agencies issue guidance.

“This act enhances the use of the LIHTC program in Indian Country,” Lorna Fogg, president of Travois, said. “I expect these measures to help TDHEs currently managing a project, and I hope these positive improvements to the program encourage more tribes to pursue what has become the major funding

source for affordable housing on reservations.”

State housing agencies are moving quickly to digest and implement these changes. Several states with tribal populations including Arizona, California, Oregon, Michigan, New Mexico and Washington are reviewing the legislation and will likely make changes to their programs as soon as this fall.

[click here](#) for the next story

8th Annual Indian Country Tax Credit conference: a success!

Indian Housing Authority staff members and tribal council members from across the country joined tax credit investors, lenders, attorneys, market analysts and Travois staff members for the 8th annual Indian Country Tax Credit Conference. It was held June 22–24, 2008, at Grand Casino Mille Lacs in Onamia, Minn.

The Mille Lacs Band of Ojibwe own and operate the facility, and tribal elder Jim Clark opened the conference with a traditional prayer. Rick Boyd, executive director of the Mille Lacs Housing Authority, welcomed the group to the Band’s facilities.

Over two days, Travois staff members introduced and explained the Low Income Housing Tax Credit program, the New Markets Tax Credit program and compliance requirements. Time was dedicated to answering questions that arose in the presentations.

Travois staff will use feedback from the conference surveys to plan next year’s conference, which is tentatively scheduled for August 2009. The venue and specific dates will be announced in the coming months, so please keep an eye out for this.

All of the Travois staff extend thanks to the many speakers and panelists who contributed to the success of the conference, including: keynote speaker Tex Hall, Inter-Tribal Economic Alliance; Jeff Arnold, Kutak Rock; Steve Baker, Rural Development Associates; Maggie Demco, Minnesota Housing Finance Agency; Marc Hirshman, US Bancorp; James Horvick, Raymond James Tax Credit Funds Inc.; and Fred Koch, Capmark Securities Inc.

Special thanks go to all of the conference sponsors, especially Raymond James Tax Credit Funds Inc., Platinum Sponsor, and Gold Sponsors

VWB Research and WaMu.

To view photos from the event, please visit www.travois.com and click on “news/events.”



[click here](#) for the next story

New Markets Tax Credit extension critical to Indian Country

by Chris Vukas, research & development coordinator



Over the past five years an important governmental program has been quickly and quietly changing the landscape of economic development in low income communities. If community economic development professionals do not urge Congress to act now, that program may not survive another year.

The New Markets Tax Credit (NMTC) program was designed to stimulate private investment and economic growth in low income urban neighborhoods and rural communities.

The New Markets Tax Credit program is the largest federal economic development initiative to be launched in more than 20 years with almost \$20 billion of NMTC investments being generated. In 2005 it was reported that the program was responsible for:

- Rehabilitating more than 43 million square feet of real estate;
- Creating 72,000 construction jobs; and
- Creating 20,000 full-time jobs.

This unique program provides tax incentives to companies who make investments in federally certified Community Development Entities (CDEs) like Travois New Markets.

In 2007, Travois New Markets successfully competed for a \$30 million allocation of New Markets Tax Credits. These credits are being used to attract almost \$10 million of private capital for Indian Country projects. Travois New Markets is using the investor equity to reduce our clients' debt liability by 20-25 percent.

“We, at Travois, know how powerful the voices of the Native American constituency can be. We ask you to help us in our effort to extend this critically important piece of legislation.”
 — Chris Vukas

Practically speaking, the program provides 20-25 percent of the equity a Tribe or Tribal member needs to finance a large economic development project. These projects will help create job opportunities, increase local revenue and create a more sustainable community.

The New Markets Tax Credit program has recently been named one of the Top 50 Governmental Programs by the Innovations in American Government Program. The program

enjoys bipartisan support in both the Senate and Congress. The President also supports this program.

Unfortunately, the NMTC program is set to expire on December 31, 2008, and has failed to gain enough votes for an extension. So why has this program *not* been extended? Answer: The legislators disagree about how to pay for the program. If the parties cannot agree on a financing mechanism, the most important economic development program in decades may be delayed or completely disappear.

We, at Travois, know how powerful the voices of the Native American constituency can be. We ask you to help us in our effort to extend this critically important piece of legislation.

Please download a copy of the New Markets Tax Credit support letter and e-mail or mail it to your representative. [Click here](#) to download.

We feel a strong show of support from the Native American community can make a difference, especially during an election year.

For names and addresses of your representatives in Washington, D.C., visit www3.capwiz.com/mygov/dbq/officials/ and type in your zip code.

[click here](#) for the next story

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.

Question: How does the Low Income Housing Tax Credit program affect the way we calculate tenant-paid rent under our NAHASDA guidelines?

Answer: The tax credit program has no effect on how you calculate the amount a household will pay for rent under NAHASDA. The Tribally Designated Housing Entity (TDHE) will continue to determine the rent for a household based on its current internal policies and procedures.

The tax credit program has maximum rent limits that you cannot exceed, but it does not have a required method for determining the tenant paid portion of the gross rent. These rent limits vary depending on whether the household has qualified under the 30 percent, 40 percent, 50 percent or 60 percent set-asides.

Remember: in the tax credit program, gross rent is defined as the tenant-

paid rent plus the utility allowance.

Question: Can we use a bank statement showing the amount of Social Security Assistance (SS or SSA)/Social Security Income (SSI)/Social Security Disability (SSD) as verification of the Social Security benefit the household member is currently receiving?

Answer: The bank statement showing the amount of the Social Security deposited into the household member's bank account is NOT an

“Have you visited your state housing agency's Web site lately? It is always important to visit the compliance section of your state housing agency Web site to see if there are any new rules, forms or deadlines you and your staff need to be aware of.”

— Robin Thorne

acceptable form of verification.

The tax credit program requires the gross amount of the SS/SSI/SSD be counted. The amount being deposited into the bank account does not reflect the gross amount.

The annual SS/SSI/SSD award letter generally contains language identifying the “full monthly Social

Security benefit before any deductions,” and then it identifies the amount the household will receive after the Medicare premiums are deducted and any rounding down to the nearest dollar of the monthly amount has been calculated.

This annual award letter is an acceptable document that can be placed in the tenant file and used as a verification of the SS/SSI/SSD award.

Please note that Travois has recently reviewed interim Social Security verifications that simply state the monthly amount the household member is currently receiving.

These letters are NOT acceptable as verification of the Social Security benefit being received, as there is no language on the letters/forms that confirm it is the gross amount before any deductions or rounding. If these forms are received, it will be necessary for the occupancy specialist to do one of the following:

1. Contact the social security office and request a clarification as to the gross benefit amount that is being received; or
2. Have your tenant visit the local social security office and request a computer print out of their benefits.

[click here](#) to continue reading

Robin's rules continued . . .

Reminders:

1. Check to see when your housing authority last updated the utility allowances for your housing projects. Utility allowances must be reviewed/updated on a regular basis.
2. Have you visited your state housing agency's Web site lately? It is always important to visit the compliance section of your state housing agency

Web site to see if there are any new rules, forms or deadlines you and your staff need to be aware of.

Links to many of the state housing agencies can be found at www.travois.com by clicking on "resource links" from the home page and then "state resources."

Note: The Housing and Economic Recovery Act of 2008 (H.R. 3221)

that was recently signed into law will result in changes as to how our tax credit projects are managed on an ongoing basis.

Please be sure to review future editions of *Dreamcatcher* as well as check our Web site at www.travois.com to stay current on all of these exciting changes.

[click here](#) for the next story

Cook's corner: blueberry cobbler



From Maine to Washington and many places in between, blueberries are at their peak in late summer. Fresh blueberries are a quick, healthy snack. They are also extremely versatile and can be used in a number of recipes including muffins, jams, jellies, pies and pancakes. Here's a recipe that we hope you will enjoy.

Blueberry Cobbler

- 2 1/2 cups fresh or frozen blueberries
- 1 teaspoon vanilla extract
- 1/2 lemon, juiced
- 1 cup white sugar, or to taste
- 1/2 teaspoon all-purpose flour

- 1 tablespoon butter, melted
- 1 3/4 cups all-purpose flour
- 4 teaspoons baking powder
- 6 tablespoons white sugar
- 5 tablespoons butter
- 1 cup milk
- 2 teaspoons sugar
- 1 pinch ground cinnamon

Directions:

Lightly grease an 8-inch square baking dish. Place the blueberries into the baking dish and mix with vanilla and lemon juice. Sprinkle with 1 cup of sugar and 1/2 teaspoon of flour, then stir in one tablespoon of melted butter. Set aside.

In a medium bowl, stir together 1 3/4 cups of flour, baking powder and 6 tablespoons sugar. Rub in the 5 tablespoons butter using your fingers, or cut in with a pastry blender until it is in small pieces. Make a well in the center, and quickly stir in the milk. Mix just until moistened. You should have a very thick batter or very wet

dough. You may need to add a splash more milk. Cover and let batter rest for 10 minutes.

Preheat the oven to 375 degrees F (190 degrees C). Spoon the batter over the blueberries, leaving only a few small holes for the berries to peek through. Mix together the cinnamon and 2 teaspoons sugar; sprinkle over the top.

Bake for 20 to 25 minutes in the preheated oven, or until the top is golden brown. A knife inserted into the topping should come out clean (blueberry syrup will appear on the knife). Let cool until just warm before serving. This can store in the refrigerator for two days.

If you have a recipe to share, please e-mail Beth Heap at bheap@travois.com.

[click here](#) for the next story

Native spaces: highlight on a well-designed project

by Greg Giakoumis,
construction & inspection analyst

In the world of architectural design, concepts and ideas are ever changing, with new ideas that really provide for unique and exhilarating design.

Unfortunately in the housing industry forward-thinking in design is often less apparent, and in low income housing, it can sometimes even be hard to find.

With housing, and particularly low income housing, budgets are tighter and more often than not design teams

opt for the status quo design theme because it is “tried and true.”

In our opinion this is the easy way out, and the reality is that good design can happen on a low income project. In fact, finding creative ways to meet a tight budget can sometimes drive the design concept and help to introduce new ideas.

The need to stray away from the regular “box” design is a goal here at Travois.

In this issue we’d like to highlight a particular project and the strategically planned designs that have made a great impact on the

community in which it is located.

This project went well beyond the norm and in doing so has provided an aesthetically pleasing and diverse community.

Let this project be inspiration for those of you contemplating a LIHTC project or who are currently in the design phase of your LIHTC project. Take your LIHTC dollars and use them to their fullest extent!

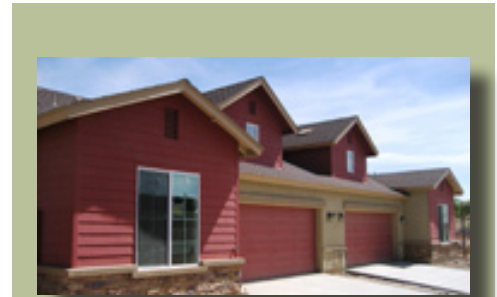
The Yavapai-Apache Homes III new construction project, managed by the Yavapai-Apache Nation Housing Authority, is

located in Verde Valley of Arizona.

As you can see in the adjacent photos, the housing authority went to considerable lengths to plan the style and appeal of their units. The housing authority also considered a great deal of community input prior to the design phase.

Community meetings were held, to get the input of fellow tribal members and to discuss what tenants would like to see in the home designs.

“Let this project be inspiration for those of you contemplating a LIHTC project ...”
— Greg Giakoumis



Top: Vibrant colors call attention to the unique aspects of this duplex unit.

Middle: Permeable pavers are an eco-friendly feature used here on the driveways and walkways.

Bottom: Decorative stone work and native landscaping give these homes a high-end feel.

[click here](#) to continue reading

Native spaces continued . . .



Top: Enclosed two car garages and covered porches are definitely welcomed by tenants in the hot Arizona climate.

Middle: Spanish tile roofs, archways and stucco exteriors are unique features that differentiate the Spanish-style units in the subdivision.

Bottom: This ranch-style duplex has a craftsman or bungalow-style influence.

The overwhelming census was that the tribal members wanted to move away from the “square” or “box” type design of homes that are currently found in the nation’s communities.

Additional requests included incorporating bigger bedrooms, more storage space, garages and walk-in bedroom closets.

In addition to superb designs, another aspect that was important to the project team was an emphasis on quality materials.

Items that were considered especially important were cabinetry, flooring, permeable paving, and more efficient windows and doors.

The housing authority knew that incorporating higher quality materials than what was required by the LIHTC program would add to the overall value of the project.

The housing authority conducted extensive research on a potential contractor/developer to assist with the unique project.

They selected a group that provided unique plans and offered many upgrades as standard inclusions in the cost of the units.

Such upgrades include privacy walls (constructed of block versus chain link fence), electric garage doors, dishwashers, larger closet space and landscaping.

All units – single family homes, duplexes and triplexes – are energy-star rated, which translates to energy efficient homes with an overall reduction in the consumption of natural resources.

There are three exterior styles that this project offers to the nation – Spanish, Colonial and Ranch –

which gave the community some variation.

We applaud Yavapai-Apache Nation Housing Authority for a great project and a job well done!

“We applaud Yavapai-Apache Nation Housing Authority for a great project and a job well done!”
— Greg Giakoumis

Feel free to contact Ashley Bland, director of design & construction services, or Greg Giakoumis, construction & inspection analyst, with your comments.

Ashley can be reached at 703-845-9630 or via e-mail at ashley@travois.com. Greg can be reached at 727-857-3207 or via email at giakoumis@travois.com.

[click here](#) for the next story

Tax credit calendar

August						
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						

September						
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				

October						
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	

Aug. 10-11: 15th Annual San Francisco Affordable Housing Conference; San Francisco, Calif.

Aug. 10-11: Novogradac & Co. – LIHTC Property Compliance Workshop; San Francisco, Calif.

Aug. 14: WHEDA – 2009-2010 QAP public hearing; Madison and Milwaukee, Wis.

Aug. 19-20: Reznick Group – Affordable Housing Development & Construction Conference; Atlanta, Ga.

Aug. 19-21: NAHASDA Essentials for Northern Plains ONAP and Southern Plains ONAP Regions Denver, Colo.

Aug. 19 & 21: NDHFA – 2009 QAP public hearing; Bismarck and Fargo, N.D.

Aug. 19-22: Bureau of Indian Affairs – Second National Conference on Child Protection and Child Welfare in Indian Country, “Celebrating our Heritage for Future Generations;” Billings, Mont.

Sept. 9-11: Office of Native American Programs (ONAP) – ICDBG Training; Anchorage, Alaska

Sept. 9-11: Procurement Training for Southern Plains ONAP Region I; Oklahoma City; Okla.

Sept. 10-11: Northwest Indian Housing Association Conference; Bow, Wa.

Sept. 15: Federal Home Loan Bank of Dallas, second round 2008 AHP applications due

Sept. 26: Federal Home Loan Bank of Des Moines, second round of 2008 AHP applications due

Sept. 26: NM MFA – 2009 QAP public comments due

Oct. 1: Federal Home Loan Bank of San Francisco, second round of 2008 AHP applications due

Oct. 1: Federal Home Loan Bank of Topeka, second round of 2008 AHP applications due

Oct. 7-9: Procurement Training for Northern Plains ONAP and Southwest ONAP Region; Denver, Colo.

Oct. 7-9: AMERIND – 22nd Annual Convention and Expo; San Diego, Calif.

Oct. 19-24: 65th Annual Convention of the National Congress of American Indians; Phoenix, Ariz.



Dreamcatcher is published by Travois Inc.
 104 W. 9th St., Suite 404
 Kansas City, MO 64105
info@travois.com
www.travois.com