



TRAVOIS

Travois & the Housing Tax Credit Program in Indian Country

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Travois

- **15-year family-owned small business with award-winning experts in LIHTC industry**
- **Headquartered in Kansas City**
- **Named one of Kansas City's top 25 companies with fewer than 25 employees**
- **Mission driven company**



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Travois Track Record

- Travois has generated more than \$350 million in equity to build or rehabilitate 3,700 housing units
- Provided financing for 140 projects with more than 50 tribes – with no disputes
- No recapture or sustained non-compliance on any of Travois tribal developments
- Recipient of \$110 million in NMTC from U.S. Treasury



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Travois Tribal Developments



Historical Mistreatment



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Misperceptions of Tribal Culture

Myths:

- Insecure Collateral
- Sovereign Immunity
- Asset Preservation



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Misperceptions of Tribal Culture

Constraints and Opportunities:

- Trust Land
- 30% Rule
- Tribal Preference



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Tribal Culture

- Tribes are “Dependent Sovereign Nations” or “Domestic Dependent Nations”
- 562 Federally Recognized Tribes in the United States
- Hundreds of Different Languages and Traditions



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Tribal Economies

- **227 Tribes and Native Alaska Villages (40% of all Tribes) Operate Casinos (440 total establishments)**
- **Annual Gross Revenues of about \$27 Billion**
- **About 50 Casinos (9%) Generate 70% of all Revenues**
- **Most Tribes have never seen unemployment under 25%**



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Tribal Sovereignty

- Choice of Law and Jurisdiction
- General Waiver Versus Limited Waiver of Sovereign Immunity
- PL 280 and Misunderstandings Thereeto



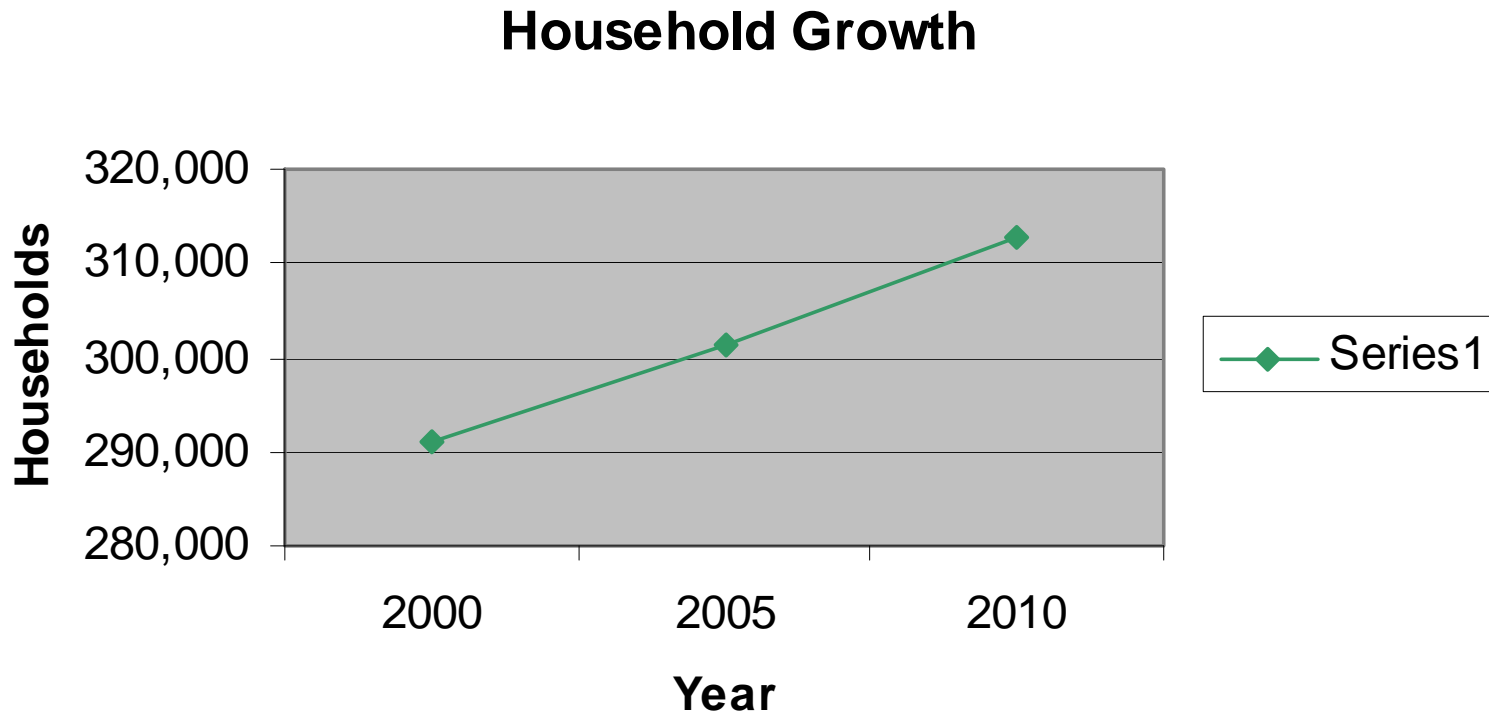
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Understanding the Nuances of Indian Country Housing & Demographic Characteristics

VWB
RESEARCH
vwbresearch.com

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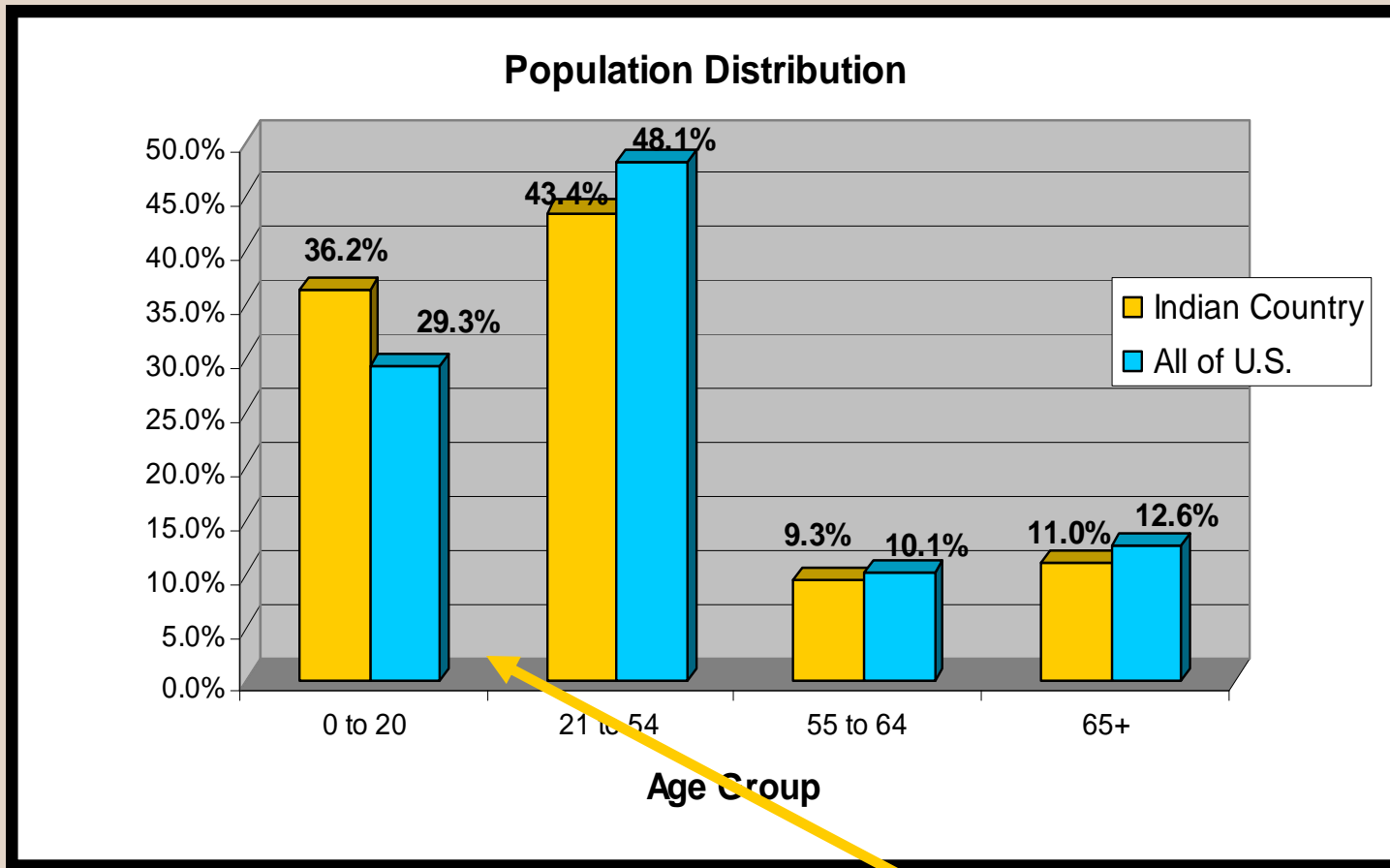
Indian Country Household Growth



The number of Indian Country households increased by 7.4% between 2000 & 2010, but is likely undercounted.

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Share of Population by Age

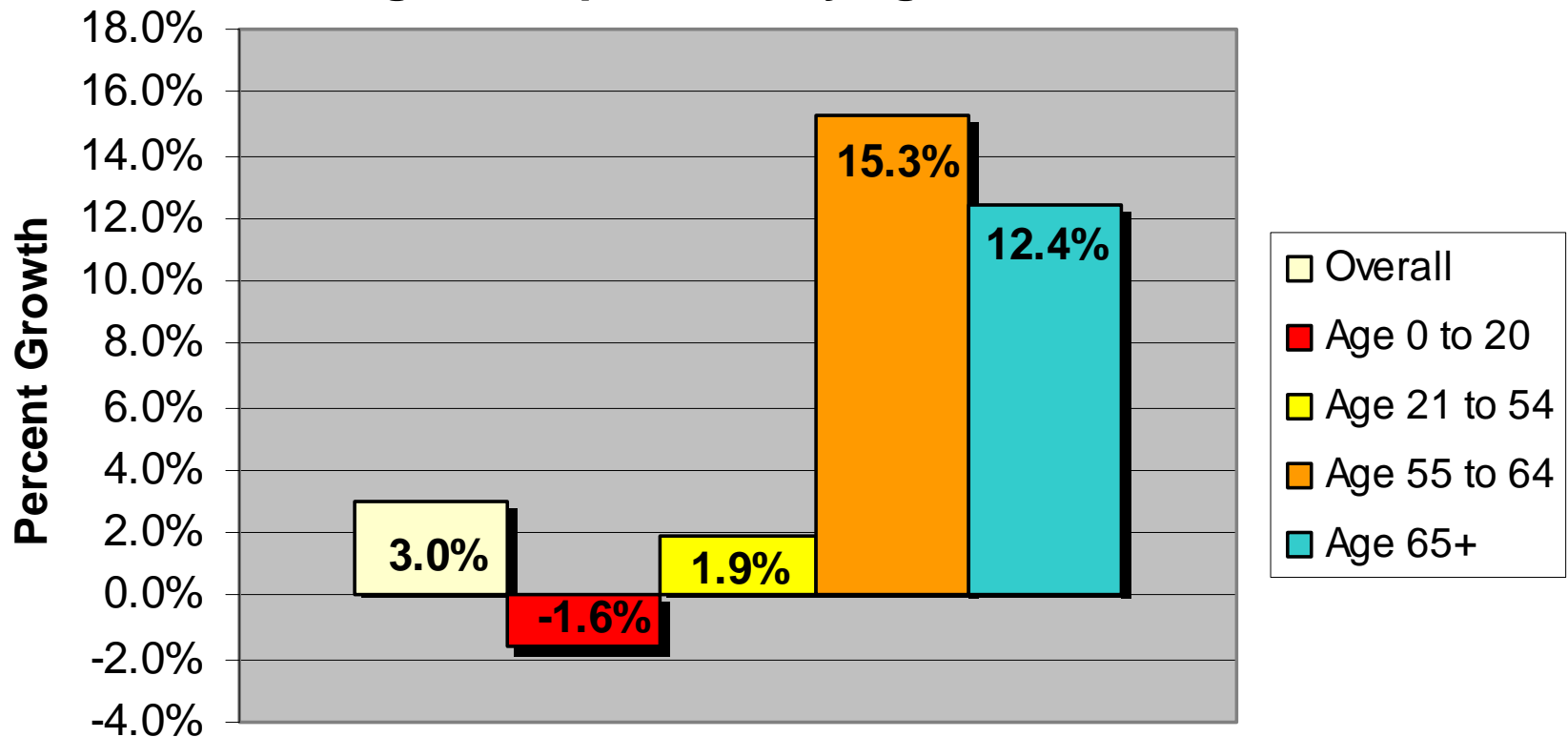


Indian Country has a higher share (36.2%) of younger people (less than age 21) than the overall U.S. share.

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Indian Country Population Growth Trends by Age (2005-2010)

Change In Population By Age: 2005 To 2010



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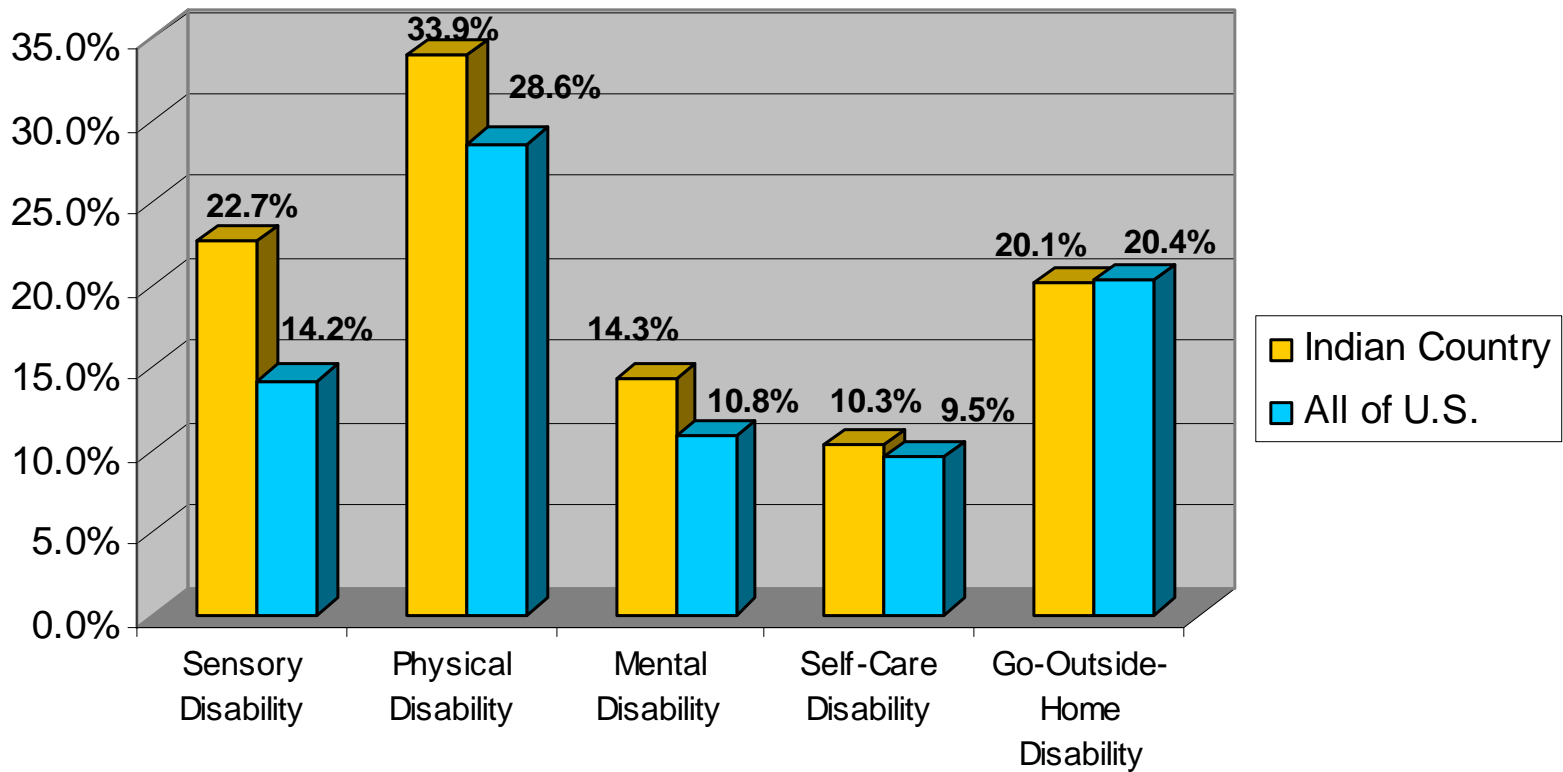
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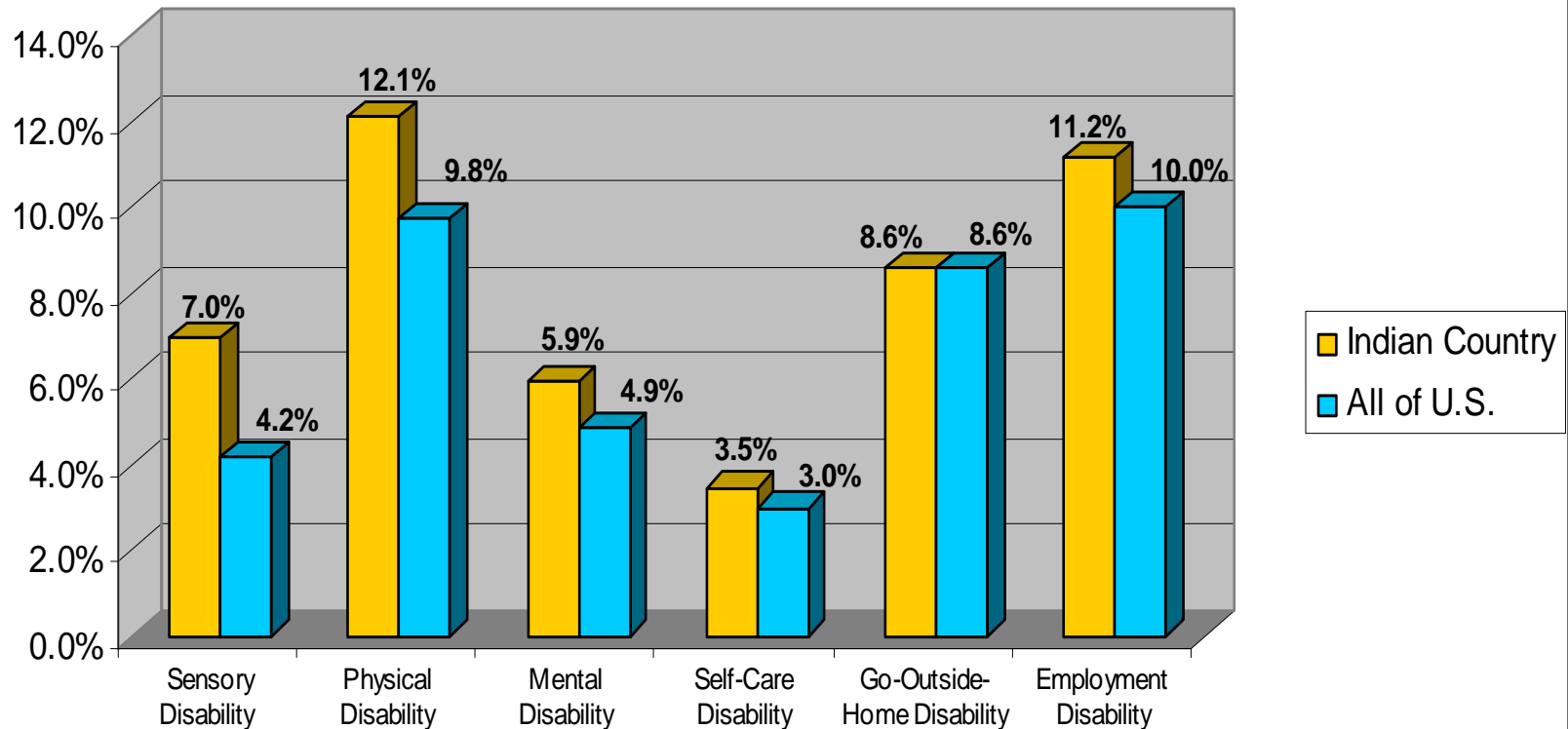
Disability Rates – Senior Households

Disability Breakdown: Persons Age 65+



Disability Rates – All Households

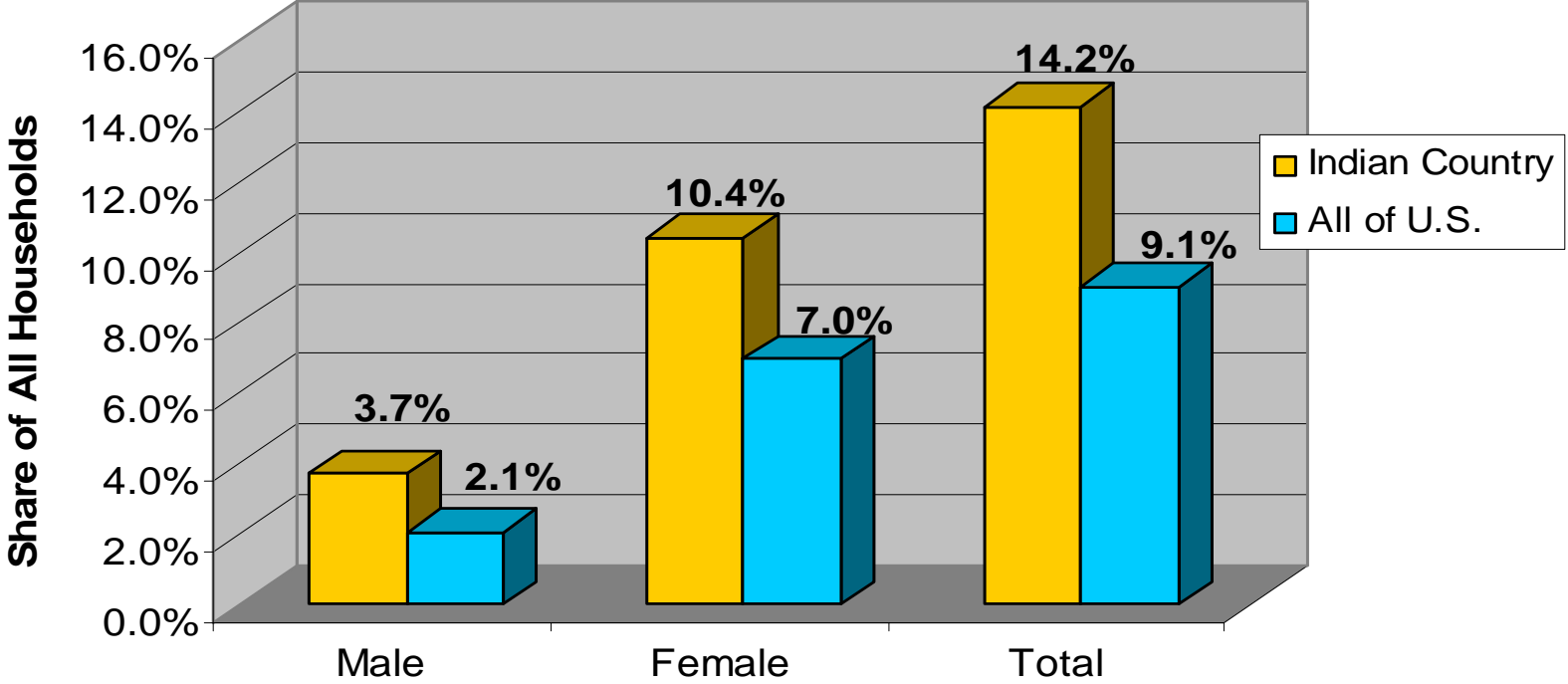
Disability Breakdown: Age 16+



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Single-Parent Households

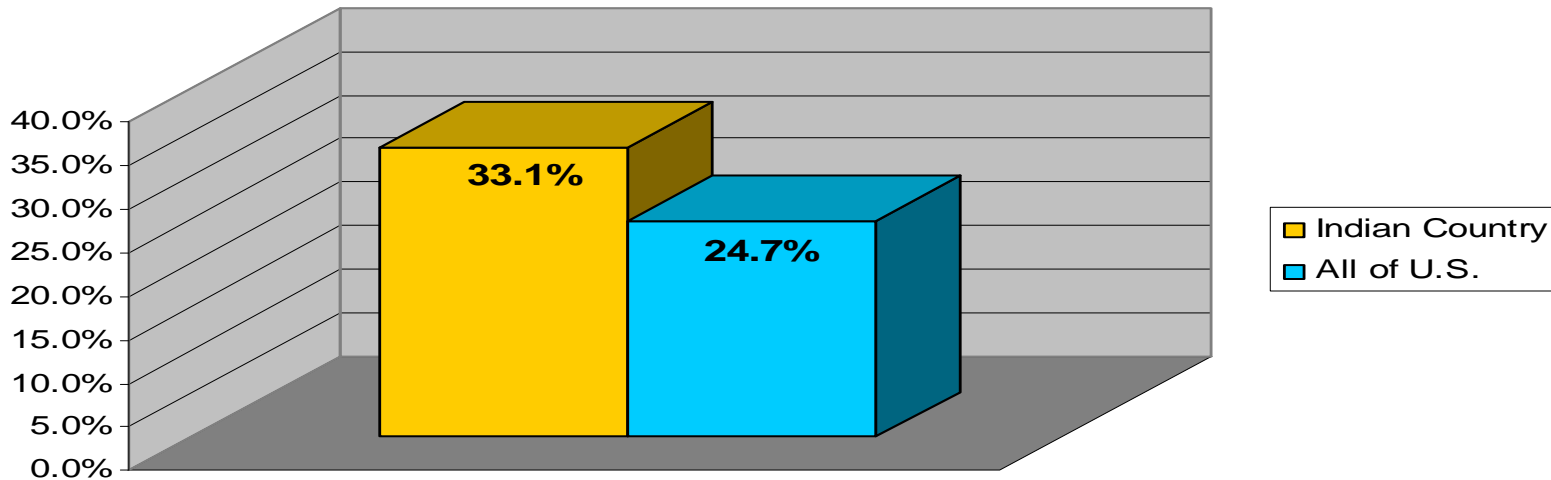
Single-Parent Households



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Population Share of Large Family Households (4-person or Larger)

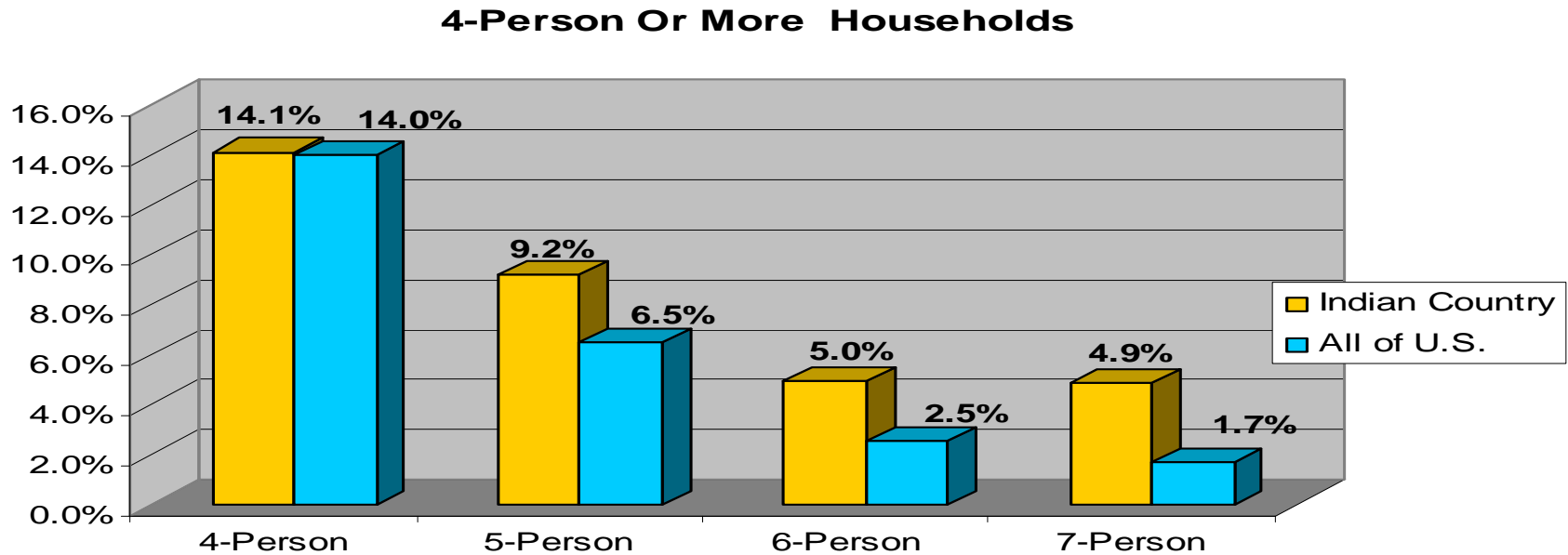
Four-Person or Larger Households



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The share of large family (4-person or larger) households in Indian Country is more than a third higher than the overall U.S. share.

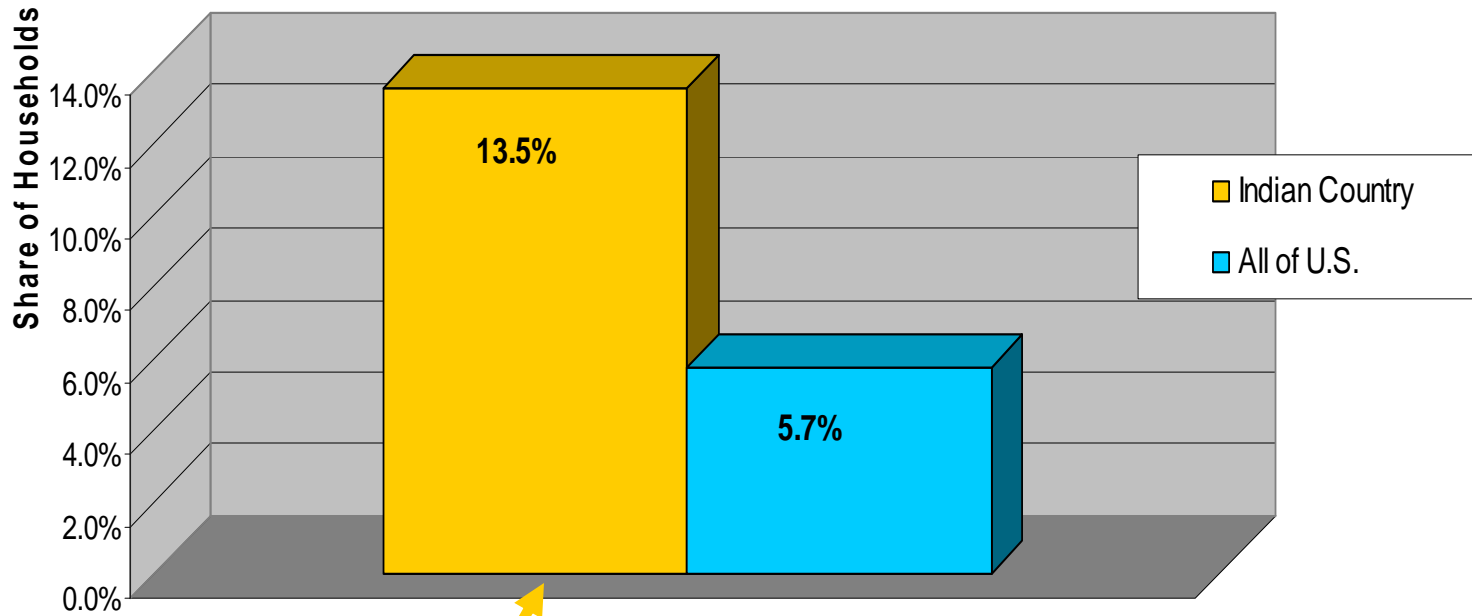
Population Share by Persons per Household (4-person or Larger)



The disparity of large family households is more pronounced as the household size increases in Indian Country.

Overcrowded Households

Share of Overcrowded Housing Units (1.01+ Persons per Room)



The share (13.5%) of overcrowded households (those with 1.01+ persons per room) in Indian Country is more than double the overall U.S. share.

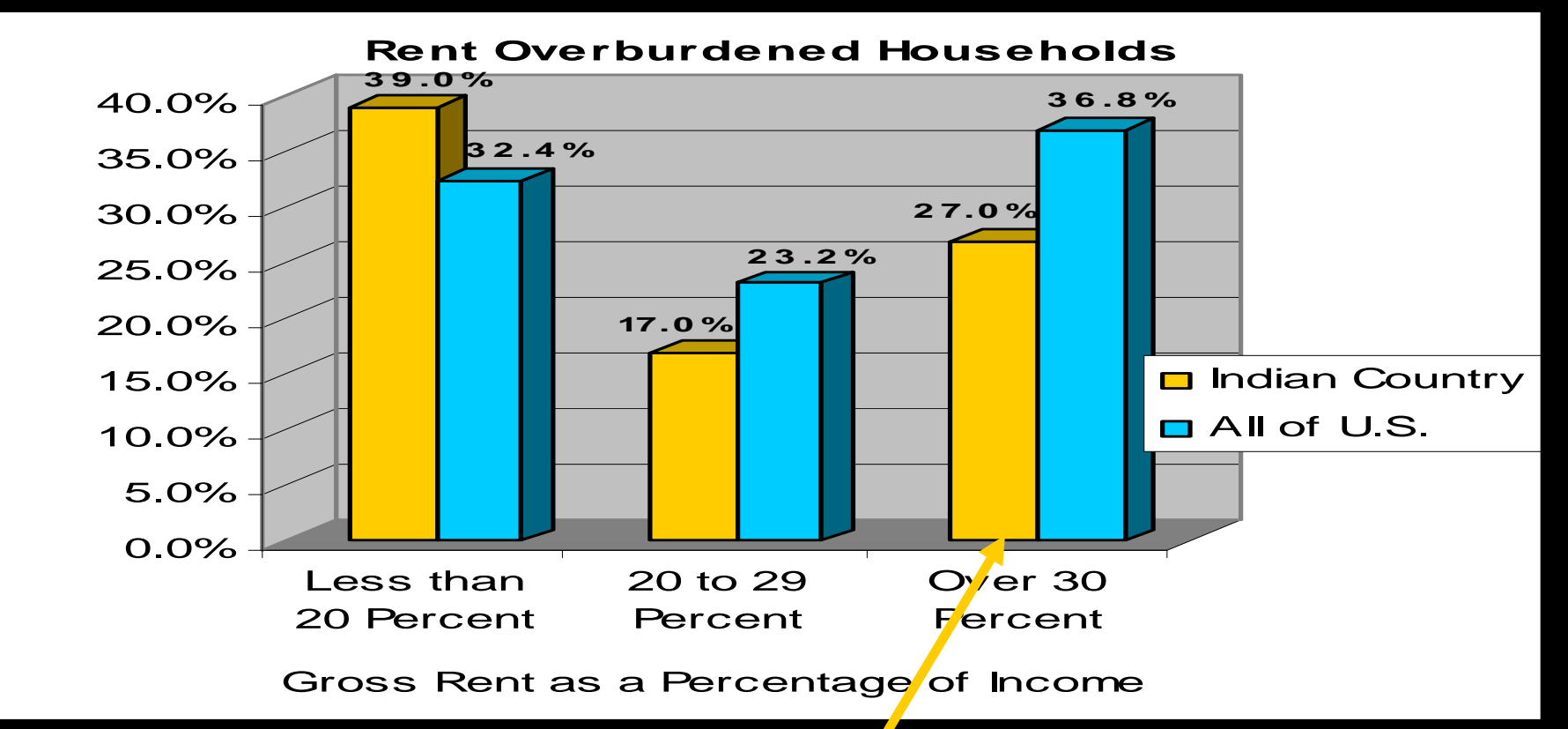
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Median Household Incomes

Community	Reservation	County	Difference
Whiteriver, AZ	\$26,476	\$36,295	37.1%
Mandaree, ND	\$33,834	\$36,833	8.9%
Hays, MT	\$27,910	\$31,820	14.0%
Indian Twp., ME	\$25,565	\$31,697	24.0%

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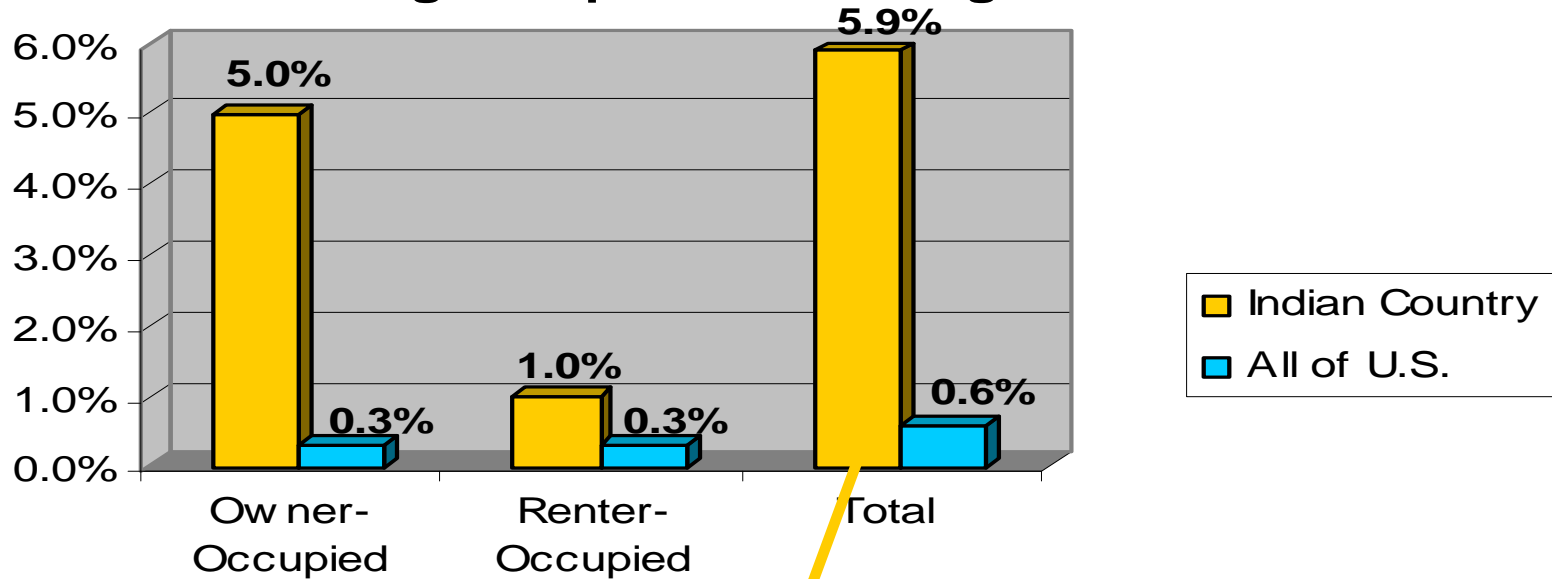
Rent Overburdened Households



Tribal subsidies help keep rent burdens low

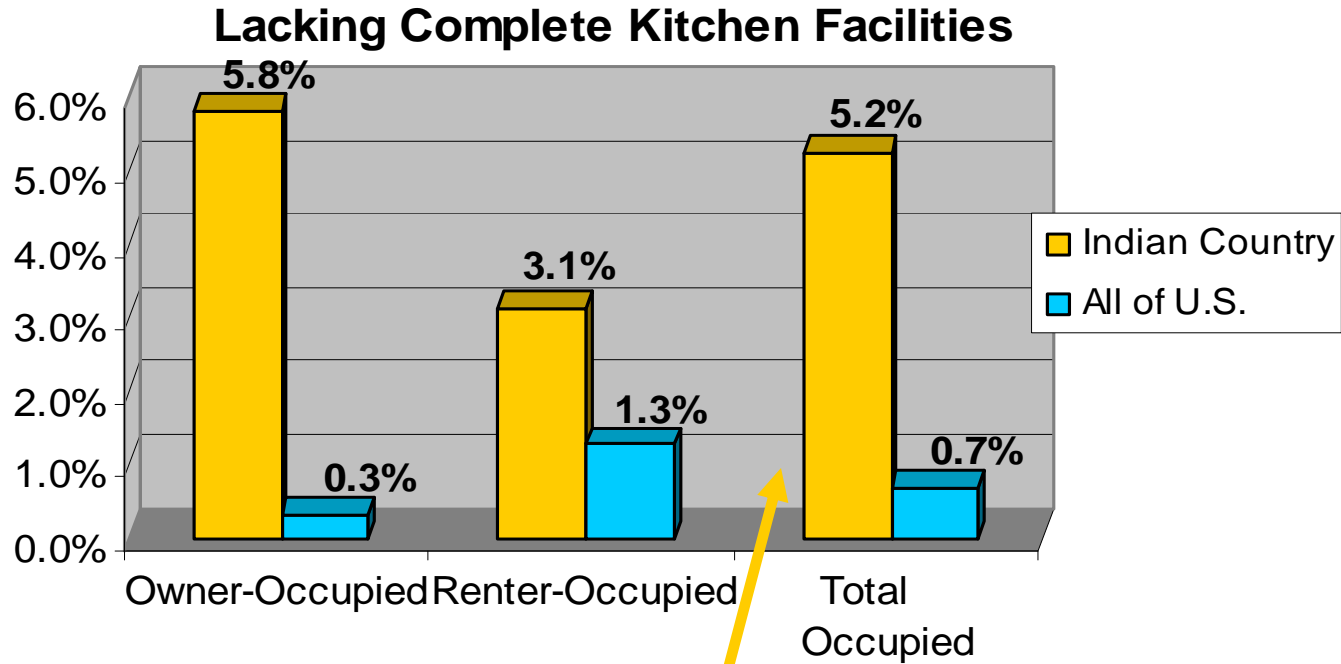
Substandard Housing – Plumbing

Lacking Complete Plumbing Facilities



The share of occupied housing units that lack complete plumbing facilities is nearly 10 times greater in Indian Country than the overall U.S. share.

Substandard Housing – Kitchens (2000)



The share of occupied housing units that lack complete kitchen facilities is over 7 times greater in Indian Country than the overall U.S. share.

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Demand Considerations

- Under traditional demand methodologies, it is not unusual for a project to have a high capture rate (sometimes exceeding 100%).
- Alternative demand analysis methodologies in Indian Country projects should account for:
 - Large-family households
 - Overcrowded households
 - Substandard housing units



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Rent Considerations

- Rents need to be affordable to tribe members, particularly those on the Housing Authorities wait list
- Market Rent Advantage often requires analysis of off-reservation housing



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Site Issues

Many state finance agencies award points in the Tax Credit application process for site location issues:

- Proximity to community services
 - Surrounding land uses
 - Visibility and access
- * Rules for proximity to community services usually don't apply in Indian Country (long commutes are more acceptable & rural settings are desirable)
 - * Site access and visibility are less of a factor (most people know where housing is located)
 - * Surrounding land uses typically consist of undeveloped land and do not impact marketability



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Amenity Issues

Some state finance agencies award points in the Tax Credit application process for amenities offered:

- * Most housing in Indian Country has basic unit amenity packages, which is acceptable and marketable, as it keeps rents low
- * Dishwashers, microwave ovens, washers & dryers are considered “luxuries”
- * Since most tribal projects are scattered single-family homes, they don't have project amenities. Single-family homes are very marketable



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Typical Project

- **New Construction or Substantial Rehabilitation (\$75,000 + in rehab costs)**
- **New Construction is almost always built for eventual tenant ownership.**
- **Serves the lowest income tenants and often the homeless.**



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Traditional LIHTC risks mitigated in Indian Country

- Risk of Foreclosure
- Management/Compliance Risk
- Operating Risk
- Market Risk
- Construction Risk



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Due Diligence

- Appraisals
- Title Status Reports (in lieu of Title Insurance)
- Government Approvals (building permits, zoning, etc.)
- Pro-forma



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Asset Management

- **Site Visits (project versus location)**
- **Vacancy Rates**
- **Reporting**
- **Compliance**



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Tribal Developments

Cuspes Park, Maine



Yavapai Apache, Arizona



**Iscani Homes,
Oklahoma**

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