

## **KARUK TRIBE WINS LOW INCOME HOUSING TAX CREDIT AWARD TO BUILD 30 NEW HOMES**

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The Karuk Tribe in California will build 30 new homes in Yreka, thanks to a recent award of Low Income Housing Tax Credits (LIHTCs) from the California Tax Credit Allocation Committee (CTCAC). CTCAC awarded the project, Karuk Homes I, with \$874,302 in federal LIHTCs and \$3,409,157 in California state LIHTCs for the \$11.4 million project, which is expected to start construction in early 2016. The new homes will be built within the existing Yreka Subdivision on Karuk Tribe Trust Land and will be a mix of three-, four- and five-bedroom homes. The project will meet the needs of families with children and multi-generational households common to the Karuk Tribe.

The **Karuk Tribe Housing Authority (KTHA)**, the Tribally Designated Housing Entity of the Karuk Tribe, is the developer of the project and will manage the design, construction, financing and leasing of the homes, which will provide much-needed affordable housing for some of the 97 households who are currently on KTHA's waiting list. This will be Karuk's first LIHTC project and was made possible by CTCAC's Native American Pilot Apportionment, which was created last year. Executive Director Erin Hillman added: "This project will have a much needed local economic impact, generating revenue from the construction project as well as creating two full-time permanent positions at KTHA.

Travois, a consulting firm that is focused exclusively on promoting housing and economic development for American Indian, Alaska Native and Native Hawaiian communities, worked with the housing authority to structure the project and submit the successful LIHTC application, will work to match the project with an equity investor, and will serve as the architect for the project.

The Low Income Housing Tax Credit program was developed by Congress in 1986, and its regulations are provided for in Section 42 of the Internal Revenue Code. It was created to encourage private investment in the construction or rehabilitation of housing for low-income families. The IRS makes tax credits available to each state, and the states are responsible for developing Qualified Allocation Plans (QAPs) and determining which projects receive awards. Investors are interested in buying tax credits to reduce the amount of taxes they owe the federal government. Tax credits offset taxes on a dollar-for-dollar basis for a 10-year period. Tribes can raise the equity they need for building projects through the LIHTC program, which lowers the amount a tribe will need to contribute to the project. It does not need to repay this equity but must follow all regulations for the 15-year compliance period.

The Karuk Tribe is the second largest federally recognized tribe in California by population with just over 3,700 Tribal Members and 4,079 tribal Descendants. They do not have a reservation, and base funding amounts from the Bureau of Indian Affairs and the Indian Health Services are far below actual need within their communities. They are the sole provider of medical and dental services in Western Siskiyou County, and serve both Natives and non-Natives regardless of their ability to pay. The Karuk Tribe continues to be actively engaged in cultural and ceremonial practices. They are "fix-the-world people" continuing their inherent responsibility to repair and restore complex socio-cultural and ecological systems that have been damaged. This opportunity is another step forward on the path towards positive community development and improving the lives and opportunities for the community.

KTHA was established in 1985 and is the Tribally Designated Housing Entity (TDHE) of the Karuk Tribe. In accordance with its mission statement, KTHA focuses on alleviating the acute shortage of decent, safe and sanitary housing for tribal members of low or moderate income. KTHA has a total of 186 units of housing, Yreka (115 units, single family homes and apartments), Happy Camp (37 units) and Orleans (34 units). KTHA has 43 Elders housing units under management that are designed for disabled tribal elders. Other rentals, single-family homes, apartments and lease with purchase option homes provide affordable housing to those whose income falls below 80 percent of the annual median income level. KTHA endeavors to use energy savings techniques in all new construction.

KTHA also administers a broad range of other housing services, KTHA offers first-time homebuyer mortgage loans at 2 percent interest and has funded 29. KTHA provides student-rent vouchers for full-time college students, elder's vouchers for elders, temporary assistance vouchers and emergency housing to assist tribal members in crisis. Home replacement, home rehabilitation, down payment assistance, mortgage buy-down assistance, a community computer center and crime prevention programs are also administered by KTHA. The housing authority has 34 full-time employees and has recently re-established their own construction force account crew. KTHA has successfully administered 15 large construction projects and also manages the Karuk Tribe's BIA Housing Improvement Program.