

ONE-STOP MORTGAGE CENTER INITIATIVE IN INDIAN COUNTRY-Appendix K

Low Income Housing Tax Credits (LIHTC)

The LIHTC was originally authorized as a rental program in the 1986 tax act and has been used by several tribes to provide rent-to-own opportunities to their members. Investors in tax credit projects receive a credit against Federal tax owed in return for providing funds to developers to help builder renovate housing for low income households. One of the pioneers in this effort has been the Salish and Kootenai Housing Authority in Pablo, Montana. It used the LIHTC to finance a 24-unit lease purchase development. Residents may purchase the units after 15 years. Other tribes utilizing the LIHTC for similar purposes include the White Mountain Apache Community Development Corporation in Arizona; the Red Lake Reservation Housing Authority in Minnesota; Southern Ute Tribe in Colorado; Oti Kjaga on the Cheyenne River Reservation in South Dakota; the Pueblo of Santo Domingo Housing Authority in New Mexico; the Tsel Hahaa Resident Management Corporation on the Navajo Nation in Jedito, AZ; the Lakota Fund on the Pine Ridge Reservation in South Dakota; the Menominee Tribe in Wisconsin; and the White Earth Housing Authority in Minnesota. The Raymond James Tax Credit Funds, Inc. based in St. Petersburg, Florida has formed a \$25 million equity fund to invest in tax credit projects sponsored by Indian housing authorities and tribes. As of early February 2000, \$10 million had been committed for 11 projects. The Enterprise Social Investment Corporation (ESIC), a subsidiary of The Enterprise Foundation, also develops equity funds with financing from corporations that want to invest in affordable housing through tax credit projects in Indian Country.