

ARKANSAS DEVELOPMENT FINANCE AUTHORITY BOARD COMMITTEE MEETING



Thursday, December 4, 2025

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BOARD COMMITTEE MEETINGS**

Department of Commerce,
1 Commerce Way, Little Rock, AR
Central High/Old Mill Meeting Room

Thursday, December 4, 2025

10:00 AM

These Committees may go into Closed Session for the purpose of the preliminary review of certain applications and all supporting documentation pursuant to §15-5-409(b) and §15-5-207(c).

CONFIDENTIAL INFORMATION

NO ACTION NEEDED

I. REPORT: CONFIDENTIAL - FOR INFORMATION ONLY TAB 1

BOARD ASSET COMMITMENT COMMITTEE THURSDAY, DECEMBER 4, 2025 FOLLOW	(<u>Chadwell</u>, Lane, Martin, Mims, Perrin, & Sweat) TO
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I. MINUTES: Asset Commitment Committee Meeting - July 17, 2025TAB 2

**II. ACTION ITEM: ASLA -Amendment to Edfinancial Program Administration Contract -
Presented by Tony Williams TAB 3**

**III. ACTION ITEM: ASLA - Amendment to Aspire Resources Contract -
Presented by Tony Williams TAB 4**

**IV. UPDATE: State Small Business Credit Initiative (SSBCI) -
Presented by Charles "Chuck" Cathey TAB 5**

**V. REPORTS: CONFIDENTIAL - Development Finance -
FOR INFORMATION ONLY TAB 6**

BOARD HOUSING REVIEW COMMITTEE THURSDAY, DECEMBER 4, 2025	(<u>Coleman</u>, Chadwell, Mims, O'Connor, & Smith) TO FOLLOW
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I. MINUTES: Housing Review Committee Meeting - October 16, 2025 TAB 7

**II. ACTION ITEM: Emergency Solutions Grant (ESG) Applications -
Presented by Lori Brockway TAB 8**

III. REPORTS: Federal Housing Programs – FOR INFORMATION ONLY -

Presented by Lori BrockwayTAB 9

- HOME Activities Report
- NHTF Activities Report
- HOME-ARP Activities Report
- HOME-ARP NCS Activities Report
- ESG Activities Report
- CDBG-DR Activities Report

IV. REPORT: Non-Compliant Projects as of November 20, 2025 - FOR INFORMATION ONLY -

Presented by Tammy White TAB 10

LUNCH-AND-LEARN SESSION: ARKANSAS STUDENT LOAN AUTHORITY (ASLA)

PRESENTED BY TONY WILLIAMS

12:00 PM

RIVERVIEW CONFERENCE ROOM

RESERVED FOR SENIOR STAFF MEMBERS AND ATTENDING BOARD MEMBERS

No Business Will Be Conducted During This Time.

ADJOURNMENT:

The next regular ADFA Board of Directors meeting is scheduled for Thursday, January 15, 2025, ADFA, Arkansas Department of Commerce, 1 Commerce Way, Little Rock, Arkansas.

TAB 1

TAB 2

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
ADFA BOARD – ASSET COMMITMENT COMMITTEE
JULY 17, 2025
DEPARTMENT OF COMMERCE, 1 COMMERCE WAY
CENTRAL HIGH/OLD MILL MEETING ROOM
LITTLE ROCK, AR

ADFA Board Asset Commitment Committee Members Present: Seth Mims.

ADFA Board Asset Commitment Committee Members Present Via Phone or Video: Jon Chadwell, Committee Chair; Dr. Lee Lane; Harold Perrin; and Denise Sweat.

ADFA Board Asset Commitment Committee Members Absent: Katelyn Martin.

ADFA Board Members Present: Rod Coleman; Andy Babbitt (Designee, Jim Hudson, Secretary, Department of Finance and Administration); Carey Smith; Kirkley Thomas; and Michael Harry (Designee, John Thurston, Arkansas Treasurer of State).

ADFA Board Members Present Via Phone or Video: Stephanie Garner.

ADFA Board Members Absent: George O'Connor; Hugh McDonald, Cabinet Secretary of Department of Commerce.

ADFA Staff Present: Mark Conine, President, Arkansas Development Finance Authority; Robert “Ro” Arrington, Vice President, Homeownership and Public Finance; John Blackwell, Director of Tax Credits; Jake Bleed, General Counsel; Charles “Chuck” Cathey, Vice President, Development Finance; Kristy Cunningham, Chief Financial Officer; Mason Fecher, ADFA Intern; Sean Doolin, Assistant Controller; Tracy Green, Assistant Controller; Kimmy Helble, Executive Assistant to President and Capital Access Program Administrator; Amanda Hill, HOME Program Coordinator; Catrina Ingram, Assistant Compliance Manager; Hope Lewis, Controller; Derrick Rose, Director of Outreach and Communication; Tammy White, Compliance Manager; and Tony Williams, Director, Arkansas Student Loan Authority.

ADFA Staff Present Via Phone or Video: Jason Bays, HOME Program Coordinator; Alisa Green, HOME-ARP Program Specialist; Lanita Hastings, HOME Program Coordinator; Carol Leek, HOME Program Coordinator; Yedda Matthews, Senior Accountant; and Nick Sherwood, HOME-ARP Program Coordinator.

Others Present: Casey Kleinhenz, Community Development of NWA; Chris Tristis, Cubit Development Group; Nathan Joseph, Domera Development; Aaron Burkes, Northwest Arkansas National Airport (XNA); Ted Fellman and Cheryl Schluterman, Raymond James; Len Reeves, Ridgewood Consulting; Traci Williams, Rockwell Housing Solutions, LLC;

Glenda Dean and Ben Ridings, Simmons Bank; Leigh Ann Biernat, Stephens, Inc.; and Britton Jones, Winreaux Development.

Others Present VIA Phone or Video: Mehgan Cogan, Domera Development; Tom Stratman and Mike Williams, Midwest Housing Equity Group, Inc.; Gordon Wilbourn, Kutak Rock; Brian Burke, Northwest Arkansas National Airport (XNA); Blake Bumgardner and Amanda Raible, PDC Companies; Victoria Taylor, Project Finance Advisory Limited; Allyson Eberhart, Jason Ross, Teresa Webb, Providence Academy; Kristina Knight, RichSmith Development; Nona McVey, and Lornea Wells, The McVay Firm, PLLC; Matt Darst, Upward Housing Group; and Scott Rolfs, Ziegler.

Call to Order: Mr. Chadwell called the Asset Commitment Committee meeting to order at approximately 11:08 AM.

Minutes: Mr. Chadwell presented the Asset Commitment Committee minutes from the May 15, 2025 meeting and entertained a motion to accept the minutes as presented.

Mr. Mims made a motion to accept the minutes.

Mr. Perrin seconded the motion. The motion passed.

Conduit Application: Providence Academy: Mr. Arrington brought a Conduit Application for Providence Classical Christian Academy (Providence Academy) before the Committee as he thought it was the type of project the Board would like to consider.

Mr. Arrington yielded the floor to the Providence Academy representatives and the investment banking team.

Mr. Rolfs stated the bond issuance would fund the creation of a new campus for the school then asked Mr. Ross to provide an overview of the project.

Mr. Ross stated Providence Academy had purchased and paid for land in Lowell, AR and have plans to build a campus that would expand to three sections with each grade level and anticipate breaking ground in September 2025. The first phase of the plan would be to build two permanent buildings, one being a storm shelter/multi-purpose space and the other would be a competitive gymnasium and then have eight modular construction buildings to house the K-8 students; this would be the initial phase.

Mr. Rolfs stated the Academy had not decided on a final term but was looking at a 35-year fixed-rate term with bonds sold to qualified institutional buyers and accredited investors only with a sizing of about \$28M that would include a 12-month debt service reserve fund and would fund all of the items of construction as mentioned. Mr. Rolfs confirmed there would be no liability for ADFA.

After additional discussion, Mr. Chadwell entertained a motion to accept the request.

Mr. Mims made a motion to approve the request.

Ms. Sweat seconded the motion. The motion passed.

Discussion: Volume Cap and TEFRA Hearing: Mr. Conine stated a few years ago ADFA could not use all of the Volume Cap funds; the funds would be carried forward to use for various purposes, none expired, but now Volume Cap requests have become robust.

Mr. Conine continued that it appeared that ADFA would be able to meet all the needs in 2025, but going forward to 2026 and beyond, the requests are anticipated to be larger than the amount of Volume Cap that ADFA will have. Next year, ADFA will have about \$401,500,000 in Volume Cap.

Mr. Conine noted that moving forward there would be large projects, similar to the ones that have been funded in the past, such as steel mills, timber industry, and programs that ADFA administers, such as Multi Family and Single Family, so when making Volume Cap requests in the future, the requests may not be fulfilled in their entirety but may receive a lesser amount.

Mr. Conine stated that every year during the process for Volume Cap allocation ADFA prioritized a set amount for Mortgage Revenue Bonds, large projects, multi-family housing, student loans, etc.. Mr. Conine further stated there was a general use category that could be used for any category, and if a specific category did not utilize its Volume Cap funds by September 1st then those funds were transferred to the general use category. Prior to September 1st, it would take Board approval, by statute, to have the Volume Cap funds be reallocated to fulfill a request.

Mr. Arrington stated that another aspect of the conversation related to Volume Cap would be a hearing where ADFA provides notification stating that ADFA may issue bonds in the future while also naming the specific program to which the bonds would be issued; this is called a Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing.

Mr. Arrington provided a summary of the process in which a TEFRA hearing was conducted, and noted that ADFA worked at notifying the Board prior to TEFRA hearings and made certain that ADFA issued bonds were Board approved.

Mr. Arrington asked the Board if there were any questions or concerns which were regarding ADFA conducting a TEFRA hearing within the next 30 days which stated ADFA would like to consider issuing, in the future, a number not to exceed \$300M for Single Family Mortgage Revenue Bonds over the next two years.

There were no questions or concerns raised.

No action needed.

Confidential Reports: For Information Only: The Committee reviewed the Bond Guaranty report, Capital Access Program report, Venture Capital Invest Trust, and the Problem Loan report.

No action needed.

Adjournment: Mr. Chadwell adjourned the Asset Commitment Committee at approximately 11:28 AM.

Minutes approved and signed on this 17th day of July 2025.

Jon Chadwell, Committee Chair

TAB 3

To: Asset Commitment Committee / ADFA Board of Directors
From: Tony Williams, Director - Student Loan Authority Division
Re: Amendment to Edfinancial Program Administration contract
Date: November 20, 2025

ADFA entered a two-year renewable contract with Edfinancial Services, effective July 1, 2024. This contract provides support to ASLA related to Default Management Services (DMS), IT support, web development and administration, and marketing assistance.

The contract covering fiscal years 2025 and 2026 totaled \$850,000. The contract amount was determined at a time when federal student loan borrowers were under the “COVID payment pause”. The payment pause remained in effect from March 2020 until October 2024; consequently, ASLA was not incurring DMS-related expenses during this period.

ASLA resumed providing default prevention services to 22 colleges and universities after federal student loans re-entered repayment status in October 2024. Record-level delinquency rates in 2025 have resulted in higher-than-normal activities and expenses in the default management program.

In FY 2025, DMS fees paid to Edfinancial by ASLA totaled \$321,506. For the first quarter of FY 2026, these fees are running 90% higher and are projected to reach approximately \$600,000. Under the contract, ASLA pays Edfinancial for DMS fees, however these fees are subsequently reimbursed by the colleges and universities; as such, these fees do not represent a net expense to ASLA’s bottom line.

Staff Request:

- **Increase the Edfinancial Services contract amount from \$850,000 to \$1,750,000.**

The above request is for a two-year total contract period covering Fiscal Year 2025 & Fiscal Year 2026.

**FIRST AMENDMENT
TO
PROGRAM ADMINISTRATION AGREEMENT**

THIS FIRST AMENDMENT (the “**Amendment**”) to Program Administration Agreement (this “**Amendment**”) is made effective this 4th day of December, 2025, by and between Arkansas Development Finance Authority (d/b/a “**Arkansas Student Loan Authority**” or “**ASLA**”), a public body, politic and corporate, organized and existing under the laws of the State of Arkansas (the “**Authority**”), located at 1 Commerce Way, Suite 602, Little Rock, Arkansas 72202, and Edfinancial Services, LLC (“**Edfinancial**”), a Nevada limited liability company with principal offices located at 298 North Seven Oaks Drive, Knoxville, Tennessee 37922. The Authority and Edfinancial may be hereinafter referred to individually each as a “**Party**”, and referred to collectively as the “**Parties**”.

RECITALS

WHEREAS, the Parties previously entered into that certain Program Administration Agreement dated July 1, 2024, (the “**Agreement**”) pursuant to which the Authority engaged Edfinancial to serve as the Authority’s Program Administrator in connection with its provision of services to institutions of higher education, including but not limited to default management and student; and

WHEREAS, the Parties now wish to amend the Agreement to increase the maximum contract budget amounts for the Original Term of the Agreement;

NOW, THEREFORE, the Parties, in consideration of the mutual promises hereinafter set forth, do covenant and agree as follows

ARTICLE 1. DEFINITIONS

All capitalized terms used in this Amendment shall have the meaning given to those terms in the Agreement, or the meaning given herein if the term was not defined in the Agreement, except as otherwise specifically indicated herein.

ARTICLE 2. AMENDMENT OF THE AGREEMENT

Section 2.1 The maximum number of dollars that the Authority may be obligated to pay to Edfinancial during the Initial Term of the Agreement (July 1, 2024 through June 30, 2026) is hereby increased from \$850,000 to \$1,750,000.

ARTICLE 3. MISCELLANEOUS

Section 3.1 Severability. In the event any provision of this Amendment shall be held invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed to have been omitted from this Amendment. The remainder of this Amendment shall remain in full force and effect, and shall be modified to the extent necessary to give such force and effect to the remaining provisions, but only to such extent.

Section 3.2 Execution in Counterparts. This Amendment may be executed in separate counterparts, each of which shall collectively and separately be deemed one and the same document. Any executed counterpart of this Amendment delivered by facsimile or other electronic transmission to a Party will constitute an original counterpart of this Amendment.

Section 3.3 Other Provisions of the Agreement. Except as expressly amended pursuant to the terms of this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS HEREOF, this Amendment is executed by the Parties' authorized officers and shall be effective as of the date first above written, as evidenced by the signatures affixed below.

**ARKANSAS DEVELOPMENT
FINANCE AUTHORITY**

EDFINANCIAL SERVICES, LLC

Signature of Authorized Officer

Signature of Authorized Officer

Robert M. "Ro" Arrington
Printed Name of Authorized Officer

Wm. Anthony Hollin
Printed Name of Authorized Officer

ADFA Interim President
Title of Authorized Officer

President/CEO
Title of Authorized Officer

Date:_____

Date:_____

TAB 4

To: Asset Commitment Committee / ADFA Board of Directors
From: Tony Williams, Director - Student Loan Authority Division
Re: Amendment to Aspire Resources contract
Date: November 20, 2025

On July 1, 2025, ADFA entered a new contract with Aspire Resources for student loan originations, loan servicing, and marketing services. The contract amount for Fiscal Year 2026 was designated as \$342,000. Loan volume has exceeded expectations for the current academic year and a more aggressive approach to digital marketing has been taken this past summer and fall.

Loan volume is up 60.5% so far in FY 2026; all fees related to loan originations, loan servicing, and marketing are up 60.8%. Digital marketing expenses have increased by 177% at \$104,877.

All fees paid to Aspire Resources in FY 2025 totaled \$278,246, overall fees are expected to double in FY 2026 due to the increased loan volume and increases in digital and other marketing activities.

Staff Requests:

- **Increase the Aspire Resources contract amount for FY 2026 from \$342,000 to \$610,000.**
- **Increase the Aspire Resources contract amount for FY 2027 from \$444,000 to \$772,000.**

	<u>Loan Volume</u>	<u>Loan Portfolio Balance at Fiscal Year End</u>
FY 2024	\$5,811,142	\$10,102,522
FY 2025	\$10,354,223	\$19,177,454
FY 2026	\$15,500,000 (projected)	\$33,000,000 (projected)

FIRST AMENDMENT
TO
AGREEMENT TO DISBURSE AND SERVICE PRIVATE EDUCATION LOANS

THIS FIRST AMENDMENT (the “**Amendment**”) to the Agreement to Disburse and Service Private Education Loans (the “**Agreement**”) is made effective this 4th day of December, 2025, by and between Arkansas Development Finance Authority (d/b/a “**Arkansas Student Loan Authority**” or “**ASLA**”), a public body, politic and corporate, organized and existing under the laws of the State of Arkansas (the “**Authority**” or “**Lender**”), located at 1 Commerce Way, Suite 602, Little Rock, Arkansas 72202, and Aspire Resources Inc. (“**Aspire**”), a for-profit Iowa corporation and a wholly-owned subsidiary of Iowa Student Loan Liquidity Corporation (“**Iowa Student Loan**”), located at 6805 Vista Drive, West Des Moines, Iowa 50266-9307. Aspire and Lender may be hereinafter referred to individually each as a “**Party**”, and referred to collectively as the “**Parties**”.

RECITALS

WHEREAS, the Parties previously entered into that certain Agreement dated June 20, 2025, in which Lender desired to receive the Services provided by Aspire pursuant to Loans made under its In-School and Consolidation/Refinance Loan Programs, and Aspire agreed to Disburse and Service those certain Loans; and

WHEREAS, the Parties now wish to amend certain portions of Appendix F of the Agreement to revise the maximum contract budget amounts for certain Fiscal Years;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the Parties agree as follows:

ARTICLE 1. DEFINITIONS

All capitalized terms used in this Amendment shall have the meaning given to those terms in the Agreement, or the meaning given herein if the term was not defined in the Agreement, except as otherwise specifically indicated herein.

ARTICLE 2. AMENDMENT OF THE AGREEMENT

Section 2.1 Appendix F, section 1.(a.). In section 1.(a.) of Appendix F, the maximum contract budget amount for Fiscal Year 2026 (July 1, 2025 through June 30, 2026) is hereby changed from \$342,000.00 to \$610,000.00.

Section 2.2 Appendix F, section 1.(b.). In section 1.(b.) of Appendix F, the maximum contract budget amount for Fiscal Year 2027 (July 1, 2026 through June 30, 2027) is hereby changed from \$444,000.00 to \$772,000.00.

ARTICLE 3. MISCELLANEOUS

Section 3.1 Severability. In the event any provision of this Amendment shall be held invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed to have been omitted from this Amendment. The remainder of this Amendment shall

remain in full force and effect, and shall be modified to the extent necessary to give such force and effect to the remaining provisions, but only to such extent.

Section 3.2 Execution in Counterparts. This Amendment may be executed in separate counterparts, each of which shall collectively and separately be deemed one and the same document. Any executed counterpart of this Amendment delivered by facsimile or other electronic transmission to a Party will constitute an original counterpart of this Amendment.

Section 3.3 Other Provisions of the Agreement. Except as expressly amended pursuant to the terms of this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS HEREOF, this Amendment is executed by the Parties' authorized officers and shall be effective as of the date first above written, as evidenced by the signatures affixed below.

**ARKANSAS DEVELOPMENT
FINANCE AUTHORITY**

ASPIRE RESOURCES INC.

Signature of Authorized Officer

Signature of Authorized Officer

Robert M. "Ro" Arrington
Printed Name of Authorized Officer

Steven W. McCullough
Printed Name of Authorized Officer

ADFA Interim President
Title of Authorized Officer

President
Title of Authorized Officer

Date:_____

Date:_____

TAB 5

Memorandum

Date: November 19, 2025

To: ADFA Board of Directors

From: Chuck Cathey ^{cc}

Subject: SSBCI – Funding Update

The current economic environment, with lending and venture capital fund raising challenges, and legislative action have tremendously hampered our efforts to deploy the required level of SSBCI fund allocated in Tranche 1 to support a Request for Disbursement of Tranche 2. The Tranche 1 allocation of \$24.02MM received on December 12, 2022, required obligation and/or disbursement of \$19.22MM prior to December 12, 2025, to Request Disbursement of Tranche 2 in the amount of another \$24.02MM.

Currently, \$17.19MM (71%) of the \$19.2MM (80%) has been obligated. Direct Loan Participation opportunities totaling \$4.00MM were lost due to program regulations on total size of financing exceeding \$20.00MM. U.S. Treasury/SSBCI targeted Community Development Financial Institution (CDFI) organizations within the State indicated a need for \$4.00MM and only \$2.00MM was apply for and approved by the Board.

The Board approved commitments to 4 Venture Capital Funds totaling up to \$15.00MM of which only \$7.16MM has been obligated to date as they struggle to attract investor dollars for Arkansas-only company deals. Currently, 2 funds have fully obligated their commitments, 1 fund has obligated 50% of their commitment and is considering closing the fund at this level, and 1 fund has yet to meet structural requirements of AVCIT guidelines and is shown as not committed.

A regional fund operating in the State had applied for a \$5.00MM match and cancelled their scheduled August 2025 Board meeting presentation. A Direct Investment opportunity totaling \$2.00 was lost due to matching organization being considered a government funded entity.

As of last week, staff and 2 very well-known funds and current co-investors with ADFA tried structure Arkansas-only side car funds as part of their current funds, but the extremely tight timing requirements were too much of a hurdle to overcome.

Two other potential investments, one direct investment and one fund investment, are targeting presentations in January and February that would be funded out of the remaining Tranche 1 allocation.

Regarding legislative actions, Arkansas Act 116 of 2025, prohibits discrimination and preferential treatment by public entities based on race, sex, color, ethnicity, or national origin. The act effectively eliminates affirmative action, DEI, and preferential treatment by state-supported institutions and programs.

Hence, the Arkansas Economic Development Commission (AEDC) targeted Minority and Women Owned Business Enterprise (MWOBE) Program, a state-supported program, has been discontinued resultant to the passage of this act. With this action, the Loan Mobilization Fund, a loan guaranty program and key SEDI component of the approved SSBCI application was also discontinued. This program was allocated \$15.0MM in SSBCI funding with \$4.4MM set aside in Tranche 1, those funds must be redeployed elsewhere.

Due to the change in legislation and discontinuation of a key loan guaranty lending program related to our application and allocation agreement, Arkansas would be forced to make a material program change and funding reallocation in the unlikely chance a Request for Disbursement for Tranche 2 were to occur.

We are actively involved with the U.S. Treasury/SSBCI regarding all steps required moving forward, given the status of the approved programs and the deadlines established.

TAB 6

TAB 7

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
ADFA BOARD – HOUSING REVIEW COMMITTEE**

OCTOBER 16, 2025
RED APPLE INN, 305 CLUB ROAD
QUINDELL CONFERENCE ROOM
HEBER SPRINGS, AR

Housing Review Committee Members Present Via Phone or Video: Rod Coleman, Committee Chairman; Jon Chadwell; and Carey Smith.

Housing Review Committee Members Absent: Seth Mims; and George O'Connor.

ADFA Board Members Present: Alan McVey (Designee, Jim Hudson, Secretary, Department of Finance and Administration); Denise Sweat; and Kenneth Burleson (Designee, John Thurston, Arkansas Treasurer of State).

ADFA Board Members Absent: Dr. Lee Lane; Katelyn Martin; Hugh McDonald, Cabinet Secretary of Department of Commerce; Harold Perrin; and Kirkley Thomas.

ADFA Staff Present: Robert “Ro” Arrington, Interim President, Arkansas Development Finance Authority and Vice President, Homeownership and Public Finance; John Blackwell, Director of Tax Credits; Jake Bleed, General Counsel; Lori Brockway, Federal Programs Manager; Kristy Cunningham, Chief Financial Officer; Sean Doolin, Assistant Controller; Paula Farthing, Loan Servicing Manager; Alisa Green, HOME-ARP Program Specialist; Tracy Green, Assistant Controller; Kimmy Helble, Executive Assistant to President and Capital Access Program Administrator; Catrina Ingram, Assistant Compliance Manager; Sam Leslie, Construction Inspector; Hope Lewis, Controller; Drew Rogers, Attorney Specialist; Derrick Rose, Director of Outreach and Communication; Megan Summitt, Internal Auditor; Tammy White, Compliance Manager; and Tony Williams, Director, Arkansas Student Loan Authority.

ADFA Staff Present Via Phone or Video: Jason Bays, HOME Program Coordinator; Blake Bumgardner; Charles “Chuck” Cathey, Vice President, Development Finance; Lanita Hastings, HOME Program Coordinator; Carol Leek, HOME Program Coordinator; Yedda Matthews, Senior Accountant; and Nick Sherwood, HOME-ARP Program Coordinator.

Others Present: Jim Petty, Strategic Realty.

Call to Order: Mr. Coleman, Committee Chair, called the meeting to order at approximately 10:34 AM.

Minutes: Mr. Coleman presented the Housing Review Committee minutes from the August 21, 2025 meeting and entertained a motion to accept the minutes as presented.

Mr. Chadwell made a motion to accept the minutes.

Mr. Smith seconded the motion. The motion passed.

Action Item: Credit Swap Amendment – Deadline Extension – Patriot Park: Mr. Blackwell stated the request for an amendment to Patriot Park in Fayetteville was due to the need to extend the deadline to place the units in service from December 2025 to December 2026 and due to Mr. Petty being a senator, the action required the Board's approval.

Mr. Blackwell provided some history of the project; originally Patriot Park was a 2020 LIHTC allocation that was approved for a Credit Swap in April of 2024, and since that time had experienced excessive rainfall issues in the spring and summer of 2025, Mr. Petty now anticipated that the project would be completed by April of 2026 and requested an extension to the deadline. Mr. Blackwell proposed the maximum length of time for the extension with a deadline of December 2026 though Mr. Petty expected the project to be completed by April of 2026.

After a brief discussion, Mr. Smith made a motion to approve the Patriot Park deadline extension to December 2026.

Mr. Chadwell seconded the motion. The motion passed.

Action Item: TBRA – Project Delivery Fees: Ms. Brockway stated the request of the action memo was to increase the project delivery fees for the Tenant-Based Rental Assistance (TBRA) program.

Ms. Brockway continued there had been more interest in TBRA recently due to the growing need for rental assistance. After speaking with some of the housing authorities it is believed that not enough administrative fees to administer the program were being offered; the analysis of the current Administrative Fee, which was approved by ADFA Board in 2021, was 10% of the total request.

Ms. Brockway stated the HUD regulations allowed ADFA to provide project delivery for income verification and the inspections. The proposal was that applicants could request \$300 per household for initial and annual inspections and \$150 for initial income verifications and annual recertifications. The funds would be used for intake applications, recertifications, and HQS/NSPIRE inspections. Ms. Brockway clarified that the funds would be using HOME funds, which could be used for rental assistance.

After a brief discussion, Mr. Coleman requested that an update on the success of the project delivery fees be provided after it had some time to show results. Mr. Coleman entertained a motion to approve the increase of Project Delivery Fees for TBRA as presented.

Mr. Chadwell made a motion to approve the staff recommendation as presented.

Mr. Smith seconded the motion. The motion passed.

Action Item: BRAD – TBRA: Ms. Brockway presented the action memo on behalf of Black River Area Development (BRAD) which made a request of TBRA funds to assist forty (40) households; BRAD’s application was with the 10% administrative fees, and had been a repeat applicant in 2017, and 2020, BRAD is a high-performing housing agency that understands the program. The assistance would be used for families in the Randolph County Section 8 waiting list.

Ms. Brockway explained that she was seeking approval of the TBRA funds for BRAD but also sought to change the administrative fees to include the newly approved Project Delivery Fees for TBRA.

Mr. Smith made a motion to approve the action memo as presented with the approved Project Delivery Fees for TBRA.

Mr. Chadwell seconded the motion. The motion passed.

Action Item: HOME – LIHTC Memo: Ms. Brockway stated there were excess HOME funds and as she had done for the past two years, wanted to partner with Low-Income Housing Tax Credit Program (LIHTC).

Ms. Brockway clarified that the memorandum was the same as had been provided for the past two years other than they sought to use up to \$3MM in HOME funds at 1%, and then over \$2MM at 2%. No other changes had been made, the structure remained.

After a brief discussion, Mr. Chadwell made a motion to approve the action item as presented.

Mr. Smith seconded the motion. The motion passed.

Reports: Federal Housing Programs: Ms. Brockway commented on the status of HOME Activities project, Meadowbrook at Cabot, and stated they were providing ADFA with the last of the closeout documents, which would allow her team to close that project out.

Ms. Brockway stated the NHTF project that was discussed earlier was Patriot Park which was anticipated to have an April 2026 completion date.

Ms. Brockway noted that it was a struggle to use the Administrative Fees, and they were always at risk of being lost, so she was proactive in the management of the fees and sought out approved conditions to expend those funds.

Ms. Brockway commented that HOME-ARP’s Operating Expense Assistance showed positive activity and monies were being disbursed quickly.

Ms. Brockway reminded the Board that Supportive Services had quite a few funds de-obligated in May, and though ADFA would not de-obligate anymore, the Supportive Services recipients had been given a March 31st deadline to expend those funds, and any funds not

expended by that deadline would be moved to Non-Congregate Shelter (NCS) funding. Ms. Brockway added that much of the Victims of Crime Act (VOCA) funding had been cut and since that time she had heard from a few shelters they were uncertain if they could continue to operate.

Ms. Brockway stated ESG had a start date of June 1st as to when the nonprofits could begin drawing funds down and noted that ARVAC had already made great progress. Ms. Brockway continued that Horne was the contract holder and managed this program, working side-by-side with ADFA.

Ms. Brockway reminded the Board that ADFA assumed responsibility of the CDGB-DR funds from AEDC. ADFA created policies and procedures, financial management, and grant certification, which Ms. Brockway and Ms. Cunningham worked on and were approved. ICF assisted with substantial amendment that was waiting for HUD's approval.

Ms. Brockway continued that a grant extension would be submitted to extend until December 2029, in hopes that developers would apply for these funds with the next round of LIHTC. Ms. Brockway explained, if awarded then there would be an Environmental Review and by the time the project had a written agreement, it would be 2029 for project completion. The current period of performance was December 17, 2021 to December 17, 2027.

Ms. Brockway added that the funds could only be used in Jefferson and Perry County for the amount of \$8,940,000. However, the 2025 CDBG-DR funds were for use in Pulaski, Cross, and Benton Counties, excluding Little Rock.

Ms. Brockway stated there was an upcoming CDBG-DR Developer Training that was scheduled.

Ms. Brockway concluded with there were about \$2.5MM in NHTF funds available, and HOME had about \$28MM available.

For information only. No action needed.

Reports: Compliance Monitoring Activities: July through September 2025: Ms. White stated the report was general information of the compliance activities for the last quarter and asked if there were any questions.

Mr. Coleman led a discussion about the various challenges that come with compliance monitoring such as exchanging correspondence and the receipt of requested documentation to effectively monitor the affordable housing units. This task becomes increasingly more difficult after year fifteen (15). Mr. Coleman requested the Board to consider a plan that, after year fifteen (15), the Compliance Department to be granted effective enforceability to prompt the developers to follow through with the agreement to meet compliance that provided safe, sanitary, and decent affordable housing units.

Mr. Blackwell recommended to research other states and housing authorities to learn more about how they deal with affordable housing units that have fallen out of compliance.

Ms. White suggested the property management companies needed to have a site manager or maintenance staff on site, performing regular monthly or quarterly unit inspections, and maintaining the property in a timely manner to prevent a lot of the findings.

Mr. Coleman added 42% of the units that were monitored were out of compliance. Mr. Coleman requested that Mr. Arrington, Ms. Brockway, Mr. Blackwell, and Ms. White do some research and return to the Board with some ideas to consider for effective enforceability.

For information only. No action needed.

Adjournment: Mr. Coleman concluded the meeting at approximately 11:36 AM.

Minutes approved and signed on this 16th day of October 2025.

Rod Coleman,
Housing Review Committee Chair

TAB 8

**BOARD HOUSING REVIEW COMMITTEE
ACTION MEMORANDUM**

Board Meeting: December 4, 2025

Prepared by: Lori Brockway

HOUSING PROGRAM

ADFA Program:

2025 Emergency Solutions Grant (“ESG”) Program

ACTION REQUESTED

ADFA is seeking approval of funding for 24 ESG applicants in the amount of \$2,159,194.

BACKGROUND INFORMATION

The ESG program is designed to end homelessness by providing financial assistance to eligible non-profit organizations or units of local government by providing funding for Street Outreach, Emergency Shelter, Rapid Re-Housing and Homelessness Prevention.

2025 ESG Allocation Amount: \$2,271,567.00

2025 Program Amount: \$2,101,199.47

2025 Admin Amount: \$170,367.53

2024-Remaining Funds: \$244,046.14

There were 31 applications submitted totaling \$5,480,294.88. HORNE/ADFA are recommending funding for 24 applicants totaling **\$2,159,194**. See attached list.

The remaining \$57,994.53 will be funded from underutilized 2024 funding.

Staff HRC recommends funding contingent upon a signed grant agreement from HUD.

ANNUAL Allocated Funds (Minus Admin Funding)	\$	2,159,194.00
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Recommended Awardee	Recommendation Amount:	
CATCH		
City of Little Rock	\$	156,550.00
River City Ministry	\$	30,290.00
Our House	\$	72,500.00
BCD	\$	203,800.00
St Francis	\$	33,175.00
	\$	496,315.00
SOARS		
Lula Mae	\$	11,000.00
Grant County	\$	84,000.00
Depaul	\$	171,849.00
	\$	266,849.00
Fayetteville / Northwest Arkansas		
7 Hills	\$	77,250.00
New Beginnings	\$	156,064.52
Peace at Home	\$	30,300.00
Hub of HOPE	\$	60,752.70
Micah	\$	55,000.00
	\$	379,367.22
Old Fort Homeless Coalition		
Riverview Hope Campus	\$	216,780.00
Next Step Day Room, Inc	\$	165,000.00
	\$	381,780.00
Arkansas Balance of State		
MCUM	\$	103,880.00
Margie's Maven House	\$	25,295.50
River Valley Shelter	\$	102,826.17
Sanctuary	\$	35,350.00
Conway	\$	196,100.00
Crowley Ridge	\$	90,100.00
ARVAC	\$	185,500.00
Hope in Action	\$	73,879.00
Mission Outreach	\$	36,350.00
	\$	849,280.67
Total Funding Request	\$	2,373,591.89
Total Allocated Funds	\$	2,159,194.00
Remaining Allocated Funds	\$	214,397.89

TAB 9

TAB 10

PROPERTY_NAME	CITY	OWNER	PROPERTY_MANAGER_NO_DESC	Funds in Project * extended use period	Items Non-Compliant
Argenta Square Apartments	North Little Rock	Saxion Enterprise, LLC Zach Saxion / Jackson Riddle Sold the Project 2025 New Owner: Maple Street Development LLC- Patrick Frazier -Primary contact	Eagle Rock Realty Zach Saxion / Jackson Riddle New Management ASPIRE Realty is working on tenant files to determine if they currently have 36 LI Units of the 54 total units	LIHTC *12/31/2033	Tenant Data is still delinquent however Catrina & I has had multiple technical assistance calls with the new management staff. Currently they have been able to identify 14 of 36 needed Low Income Households. Currently they have 18 vacant units. During the process of the sale we were able to obtain the 2022 -2024 AOC from previous owner. The Aug. 8, 2024 physical inspection non-compliance items were supported with work orders and photos which allowed the Physical Inspection to be closed.
Birchtree Acres	Berryville	Birchtree Acres, LP Dale Lancaster / Jimmy Lancaster	PNP Management Company Jimmy Lancaster / Terry Wilkerson	LIHTC * 12/31/2035 HOME 11/29/2026	June 11, 2024 Physical Inspection is still open Catrina has been working with Ben Frost of PNP to get final paperwork in. I've been working with Terry Wilkerson to get the 30 LI Units updated he has gotten the 12 HOME Units recertified and updated in MITAS and is working on the other 28 LI Units they have 2 new LI units under eviction due to past due rents and unwilling to cooperate with recertification process. Partial Release is pending issuance once project is current. We must have a good list of tenants in order to determine who the 3 year cycle protects and the Project still has the 12 required HOME Units until 11/29/2026. \$1500 Monitoring Fee and \$250 Non-Compliance Fees that were due 8/2025 were paid 11/18/2025. Home Loan Balance is \$297,853.45. It matured in September as a non paying Surplus Cash loan and we "refinanced" it at for 30 years at 1%. The current P&I is \$964.92 on ACH Draft.
Dalton's Place Assisted Living	Fordyce	Shepard Group LLC Mike Shepard	Shepard Group LLC Mike Shepard / Kim Owen	HOME/Assisted Living Incentive Funds	2022 File/Physical Inspection - Owner/Managment never responded to our request for files or physical inspection. Owner was trying to sale August of 2022 and sale didn't go through. April 2024 another sale fell through. We've reached back out to Mike Shepard and are currently working with Kim Owen to try and bring the project back into full compliance. We have requested the owner complete the past due AOC's and have planned to conduct an on site Technical Assistance training on Dec. 9th. The ledger provide appears to have 18 of 33 required LI units possible. 9 Units are currently vacant. The ALIF (\$800,000) is a forgivable loan but HOME (\$450,000 plus interest) is a delinquent repayable loan.

Eastside Lofts II	Little Rock	Taranino Properties Inc. Sal Thomas Transfer of Ownership took place June 2024	Tarantino Properties, Inc Tammy Bonner Transfer of Management took place June 2024	LIHTC	*12/31/2042	<p>90 Days past due -Monitoring Fee \$1500 & Non-Compliance Fee \$350 - Tammy is trying to get approval to pay</p> <p>Tenant Data is delinquent - working with management 6 active LIHTC tenants are all delinquent for the 2025 Recertification which would support the rents being in compliance with the LIHTC Program. The other 24 units that were LI have moved or been evicted for good cause</p> <p>Property went into Foreclosure -Commissioner's Deed issued January 23, 2025 Partial Release was issued and ADFA will track the remaining active tenants at time of foreclosure that were LIHTC -6 remaining. Tarantino is committed to continuing the protections of these remaining tenant and staying in compliance with the LIHTC requirements during this time.</p>
Malcolm Manor	West Memphis	Malcolm Manor LP Vicky Robertson	Delta Research Education & Development (DRED) Vicky Robertson	LIHTC	*12/31/2029	<p>Tenant Data Delinquent</p> <p>Physical Inspection 9/1/2022 remains open</p> <p>We will add this to the list of projects for Physical Inspections in 2026</p> <p>Project consists of 24 Low Income Units Currently 8 Units are vacant, 4 of those units are down due flooding, insurance is working on the claim.</p> <p>8 need recertification of household Nedra Whitaker has been able to reach Ms. Robertson and has received a few files for review. Ms. Robertson is training a new staff member. We have received past due Annual Owners Certification for 2022-2024.</p>
Reed Property Group	Little Rock	Reed Property Group Scott Reed	Dixon Realty Anika Dixon	NSP	2/21/2028	<p>Owner never provided corrections for the Physical Inspection 5/17/2022 -- A New Inspection was conducted on October 9, 2025 all 4 units are non-compliant (1 had no electricity so a full inspection wasn't possible, just exterior) and none of the H/S Issue were repaired within the 24 hrs nor have any of the other items been repaired. 11/3/2025 Left voicemail and have emailed Owner Scott Reed regarding repairs needed for the 4 homes</p> <p>I'm currently working with Anika Dixon on tenant files and great progress has been made. 3 of the 4 homes are currently occupied and meet the income and rent restrictions.</p>

Stonewood Apartments	Little Rock	Stonewood Heights, LLC Yitzchoz Weinfeld sold without ADFA knowledge or approval in November 2023 per current Owner Yona Unsdorfer - ADFA knowledge or approval. Stonewood Residence, LLC	Yoyu Realty Mordy Niederman New Management also took over when sold without ADFA knowledge or approval. Stonewood Residence, LLC - Henry Coleman	LIHTC	*12/31/2040 2022, 2023 & 2024 AOC not received Owner is never available, phone line is always busy and emails are not being answered. Tenant Data Delinquent - I'm working closely with the site manager and have made vey slow progress. There are 41 units of the 52 that are supposed to be Low Income. Only 12 have current tenant information with 14 units currently vacant. Still need to update tenant data for the other 15 LI units occupied to ensure they qualify. 2024 Physical inspection was closed successfully after multiple trips to the project to reinspect. However due to our compliance staff drive throughs of the project we have added this to the 2026 list of projects to be inspected due to exterior concerns.
Summit at Town & Country fka Old Oaks Apts	Little Rock	Apex Towne Country LLC Andrew Swinkoski / Oron Zarum Purchased by Tarantino Properties Inc 12/2/2024 during receivership	Integra Affordable Management LLC Jennifer Alvarez / Margaret Maher Management Changed to Tarantino Properties, Inc 12/2/2024	LIHTC	*12/31/2033 File Review from 6//2024 corrections were never sent. Physical Inspection conducted 1/13/2023 never received documentation of corrections. Project was foreclosed on June 3, 2025. Partial Release was issued we will track to ensure protected tenants are not evicted without good cause and that rents remain affordable during the 3 year cycle. Tarantino is committed to continuing the protections of these remaining tenant and staying in compliance with the LIHTC requirements during this time
Veterans Cottages	Jonesboro	City of Jonesboro	City of Jonesboro Tony Thomas	NHTF NSPI	10/27/2052 Project has been out of compliance with Income Limits from the start. Catrina has conducted multiple technical assistance visits with management, which has changed during the years since project was funded. City of Jonesboro has outlined an Action Plan to bring the project into compliance in all areas (attached) Compliance will be working to ensure these timelines are met and we will ensure we are available for technical support.

City of Jonesboro – Action Plan and Corrective Action Response

Veterans Cottages of Jonesboro

Submitted to: Arkansas Development Finance Authority (ADFA)

Date: October 2025

Point of Contact: 870-336-7207

Tony Thomas, Chief Operations Officer

City of Jonesboro

300 South Church Street, Jonesboro, AR 72401

tthomas@jonesboro.org

I. Background

In 2019, the City of Jonesboro received funds through the **Neighborhood Stabilization Program (NSP)** and the **National Housing Trust Fund (NHTF)** to construct the *Veterans Cottages of Jonesboro* project.

During ADFA’s compliance review and subsequent correspondence, several deficiencies were identified, including:

- Failure to maintain separate accounting and financial reporting for the Veterans Cottages project.
- Incomplete or delinquent tenant data (2023–2025).
- Tenant eligibility issues related to income verification.
- Lack of ongoing management oversight and compliance documentation.

The City recognizes the importance of these findings and is committed to implementing a complete corrective action and operational reboot of the project.

II. Corrective Action Plan Overview

The following plan provides a clear path to bring the *Veterans Cottages* into full compliance with ADFA requirements.

Implementation will occur in **three phases**, leading to a **full program reboot effective January 1, 2026**.

III. Phase 1: Assessment and Transition (October–December 2025)

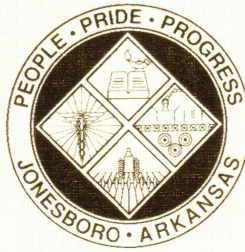
Objective	Action Steps	Responsible Party	Timeline
Establish oversight and financial controls	Create a dedicated cost center and bank account for all Veterans Cottages revenues and expenditures separate from the City's General Fund.	City Finance Department	November 15, 2025
Audit review and reconciliation	Engage an independent CPA firm to perform a review of financial transactions from 2023–2025 and prepare retroactive financial statements.	COO / Finance Director	November 30, 2025
Tenant data cleanup	Hire personnel to update all tenant files, verify income eligibility, and ensure compliance with NHTF and NSP requirements.	COO	December 15, 2025
Occupancy review	Identify tenants in noncompliance and begin formal removal/eviction proceedings for at least two current occupants not meeting eligibility or lease standards.	NEA Divine Intervention / City Attorney	December 31, 2025
Alternative housing support	Collaborate with NEA Divine Intervention and local veteran service agencies to assist displaced clients in securing alternate housing.	NEA Divine Intervention / City Housing	Ongoing

IV. Phase 2: Reboot and Compliance Restoration (Effective January 1, 2026)

Objective	Action Steps	Responsible Party	Timeline
Operational reboot	Officially relaunch the Veterans Cottages program under a new management framework with clear policies and oversight.	City of Jonesboro	January 1, 2026
Updated compliance systems	Implement new tenant tracking and reporting software to ensure monthly data submission to ADFA.	Housing Manager	January 15, 2026
Formal training	Require all staff and partners involved with the project to undergo ADFA training on NHTF and NSP compliance requirements .	TBD	January 31, 2026

V. Phase 3: Long-Term Monitoring and Reporting (February–December 2026)

Objective	Action Steps	Responsible Party	Timeline
Ongoing reporting	Submit quarterly financial and compliance reports to ADFA, beginning Q1 2026.	Grants Department / COO	April 2026 and quarterly thereafter
Annual audit	Include Veterans Cottages as a distinct project in the City’s annual independent audit or secured outside audit.	City Auditor	Starting FY2026
Performance review	Conduct semiannual compliance and tenant eligibility audits internally.	Compliance Officer	July & December 2026



CITY OF JONESBORO

October 14, 2025

Arkansas Development Finance Authority
One Commerce Way, Suite 602
Little Rock, AR 72202

Re: Corrective Action Plan – Veterans Cottages of Jonesboro

To Whom It May Concern:

In response to ADFA's correspondence dated August 18, 2025, regarding compliance deficiencies for the Veterans Cottages of Jonesboro project, the City of Jonesboro respectfully submits the following Corrective Action Plan. This plan outlines specific steps and timelines to bring the project into full compliance with National Housing Trust Fund (NHTF) and Neighborhood Stabilization Program (NSP) requirements and to implement a full program reboot effective January 1, 2026.

The Veterans Cottages project was developed with NSP and NHTF funds provided by ADFA in 2019. During ongoing compliance reviews, several deficiencies have identified including incomplete tenant data, improper income verification, lack of independent audits, and financial tracking that was not segregated from the City's general fund. The City acknowledges these findings and is committed to full corrective action.

The following phased plan establishes corrective steps to restore full compliance and ensure proper long-term management of the Veterans Cottages project. Implementation will occur in three phases leading to a complete operational reboot on January 1, 2026.

Phase 1: Assessment and Transition (October–December 2025)

- If required, either establish a dedicated cost center and bank account for all Veterans Cottages revenues and expenditures separate from the City's General Fund by November 15, 2025 or return to not collecting rent and fully supporting the facility maintenance through the City of Jonesboro Building Maintenance Division as originally proposed.
- Engage an independent CPA firm to prepare retroactive financial statements for 2023–2025 by November 30, 2025.
- Establish a working operational MOU with the Beck Center for Veteran's on the campus of Arkansas State University.

- Hire a staff member that has experience in housing management to review current tenant files for completion. The City of Jonesboro is currently in the interview process for this position and originally planned to have someone hired by the time of this letter. The original candidate did not accept and thus we are moving forward with other candidates. Our goal is to update tenant files and verify income eligibility by December 15, 2025. Dedicated staff should reduce delays in corrective action due to turnover in key personnel that has currently plagued the department.

- Initiate removal/eviction proceedings for at least two non-eligible tenants and assist affected individuals in securing alternative housing by December 31, 2025 through a collaboration with NEA Divine Intervention Peer Community Center. Currently two cottages are vacant with another expected vacancy by October 31, 2025.

Phase 2: Reboot and Compliance Restoration (Effective January 1, 2026)

- Officially relaunch the Veterans Cottages program under a revised management and oversight framework.
- Implement a tenant tracking and reporting software system to ensure monthly compliance submissions to ADFA.
- Ensure all new staff and partners complete ADFA-led NHTF and NSP compliance training by January 31, 2026.

Phase 3: Long-Term Monitoring and Reporting (February–December 2026)

- Submit quarterly financial and compliance reports to ADFA starting April 2026.
- Include Veterans Cottages as a distinct project in the City's annual audit beginning FY2026.
- Conduct semiannual internal compliance and tenant eligibility audits in July and December 2026.

The City of Jonesboro will maintain open communication with ADFA and submit monthly progress reports beginning November 2025. We are committed to restoring the integrity and compliance of the Veterans Cottages and ensuring their continued service to veterans under the 30-year affordability requirements.

We appreciate ADFA's guidance and partnership as we work to correct past deficiencies and strengthen the Veterans Cottages program. We look forward to continued collaboration to ensure this project fulfills its purpose for our local veterans community.

Sincerely,



Tony Thomas
Chief Operating Officer