ARKANSAS DEVELOPMENT FINANCE AUTHORITY

BOARD COMMITTEE MEETING

ADFA
ARKANSAS DEVELOPMENT FINANCE AUTHORITY

Thursday, July 16, 2026

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BOARD COMMITTEE MEETINGS

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

Thursday, July 16, 2026
10:30 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).

CALL TO ORDER

I. ROLL CALL AND NOTE OF ABSENCES

ACTIVITY REPORTS — NO ACTION NEEDED

II. REPORT: Funds Available for Commitment as of June 30, 2026 –
FOR INFORMATION ONLY……..…...……………………………………...… TAB 1

III. REPORTS: Development Finance – **FOR INFORMATION ONLY** ……....….. TAB 2

- Bond Guaranty Fund
- Arkansas Venture Capital Investment Trust

BOARD OPERATIONS COMMITTEE — (Smith, Coleman, Sweat, Thomas, Hudson & Thurston)
THURSDAY, JULY 16, 2026 — TO FOLLOW

I. MINUTES: Operations Committee Meeting – May 21, 2026 –
Presented by Carey Smith, Committee Chair ……………………....…..……….. TAB 3

II. ACTION MEMO: 2026 Broker Dealer List –
Presented by John Blackwell and Kristy Cunningham ……………………...…. TAB 4

III. ACTION MEMO: RFP – Arkansas Natural Resources Commission - Underwriter
Presented by Ro Arrington ………………….…………..……..……….……… TAB 5

IV. PRESENTATION: Quarterly Financial Report as of March 30, 2026 –
Presented by Kristy Cunningham ……………………..………………..…...… TAB 6

BOARD AUDIT COMMITTEE	**(Committee of the Full Board - Kirkley Thomas, Audit Liaison)**
THURSDAY, JULY 16, 2026	**TO FOLLOW**

I. OPENING DISCUSSION: Presented by Carey Smith ……………………..…….. TAB 7

II. MINUTES: Audit Committee Meeting – May 21, 2026 –
Presented by Kirkley Thomas, Audit Liaison ……………………..…….………….. TAB 8

III. REVIEW: Audit Plan for Fiscal Year 2027 –
Presented by Megan Summitt …………………………………………………….. TAB 9

BOARD HOUSING REVIEW COMMITTEE	**(Coleman, Chadwell, K. Martin & R. Martin)**
THURSDAY, JULY 16, 2026	**TO FOLLOW**

I. MINUTES: Housing Review Committee Meeting – May 21, 2026 –
Presented by Rod Coleman, Committee Chair .... TAB 10

II. ACTION MEMO: BABA Funding -
Presented by Lori Brockway ………………………………………...…........ TAB 11

III. ACTION MEMO: HOME/NHTF Per Unit Subsidy Increases –
Presented by Lori Brockway ……………………………………..….………. TAB 12

IV. ACTION MEMO: Consideration for Approval – Rental Program Guidelines –
Presented by Lori Brockway …………………………………………...…… TAB 13

V. ACTION MEMO: Consideration for Approval – Design Standards Manual for New Construction and Rehabilitation –
Presented by Lori Brockway …………………………………….………….. TAB 14

VI. ACTION MEMO: 9% LIHTC – Riparian Flats –
Presented by John Blackwell ……………………………………..………. TAB 15

VII. REPORT: Quarterly Compliance Report as of June 30, 2026 – **FOR INFORMATION ONLY -**
Presented by Tammy White ……………………………………………..…….. TAB 16

VIII.REPORTS: Federal Housing Programs – **FOR INFORMATION ONLY -**
Presented by Lori Brockway ………………………...…………………...…......... TAB 17

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

ADFA BOARD OF DIRECTORS LUNCHEON
12:00 PM
ROCKEFELLER 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, August 20, 2026, ADFA, Arkansas Department of Commerce, 1 Commerce Way, Little Rock, Arkansas.

TAB 1

Arkansas Development Finance Authority
Funds Available for Commitment
6/30/2026

Category		Program		Available to Commit
Housing:				
	***	**HOME Investment Partnership (HOME): (including 2025 grant award)**		**$ 28,527,145.37**
		Total HOME funds available		
		Applications received but not approved:		
		1-2026 Application-competitive, 9% LIHTC	2,194,500.00	
	***	**HOME Investment Partnership-American Rescue Plan (HOME-ARP):**		**$ 6,382,683.29**
	***	**National Housing Trust Fund (NHTF): (including 2025 grant award)**		**$ 67,017.78**
		Total NHTF funds available		
		Applications received but not approved:		
		1-2026 Application-competitive, 9% LIHTC	979,000.00	
	***	**Emergency Shelter Grant Program (HESG): (including 2025 grant award)**		**$ 18,602.05**
	***	**CDBG-Disaster Credits (CDBG-Disaster Credits): (2019 grant award)**		**$ 8,493,000.00**
	***	**CDBG-Disaster Credits (CDBG-Disaster Credits): (2025 grant award)**		**$ 56,095,600.00**
	***	**Financing Adj. Factor/New Below Market Interest Rate (FAF/NBMIR)**		**$ 5,521,158.73**
	***	**Tax Credit Assistance Program (TCAP)**		**$ 3,465,280.29**

Arkansas Development Finance Authority
Funds Available for Commitment
6/30/2026

Category	Program		Available to Commit
***	**Affordable Housing Assistance Program (fka DHS-Assisted Living Incentive Fund)**		**$ 2,071,059.74**
***	**Mortgage Settlement Funds (MSF):**		**$ 3,388,600.24**
Total Funds Available for Housing			**$ 114,030,147.49**
Economic Development:			
***	Venture Capital Investment Trust and Recycled Funds (unrestricted)		**$ 1,323,219.72**
Student Loan Programs:			
***	ALSA Funds allocated for Loan Programs (including new and refinancing loans)	$ 80,000,000.00	
	Less: Total Direct Student Loans and Job Training Certificate Loans	$ (35,218,134.00)	
	Total Funds Available for Student Loan Programs		**$ 44,781,866.00**
Down Payment Assistance Programs:			
***	General Funds allocated for Down Payment Assistance loans	$ 60,000,000.00	
	Less: Total Down Payment Assistance loans serviced by US Bank and ServiSol.	$ (47,607,038.87)	
	Total Funds Available for Down Payment Assistance Loan Program		**$ 12,392,961.13**
Grand Total			**$ 172,528,194.34**

TAB 2

BOND GUARANTY FUND REPORT

ADFA Bond Guaranty Fund Data
As of June 30, 2026

	Total Guaranty			
Bond Balances:				
IDB's	19,360,000			
City/Co Issues	10,082,726			
Total Bond Balances->	**29,442,726**			
Less Guaranty by WFF	**(698,000)**			
			% Guaranteed by	
Direct/Interim Loan Balances:	**ADFA's Share**	**Total O/S**	**ADFA**	**AEDC**
American Vegetable Soybean	162,437	324,874	50%	50%
Sage V Foods	343,079	343,079	100%	0%
HIA Holdings, LLC	25,277	25,277	100%	0%
Bradley County Econ Dev Corp	953,280	953,280	100%	0%
Total Direct Loans Only->	**1,484,073**	1,646,510		
			% Guaranteed by	
Commitments that are unfunded:	**ADFA's Share**	**Total Approved** / **Date Approved**	**ADFA**	**AEDC/Other**
Total Commitments yet to fund->	**-**			
Total Bonds, Direct Loans and Unfunded->	**30,228,799**			
Contingent Guarantees				
Aristotle Unified Communications, LLC	3,750,000			
Total Contingent Guarantees->	**3,750,000**			
Total of all guarantees->	**33,978,799**			

Bond Guaranty Reserve Fund	**At Cost**	**Market Value**
Federated Treasury MMF	1,891,100	1,891,100
State Treasury MMTF	8,880,533	8,880,533
US Government Agencies	6,889,639	6,663,209
Portfolio Totals->	**17,661,272**	**17,434,842**
Coverage Ratios:		
Leverage (total guarantees/portfolio totals)	1.924	1.949
Reserve % of Total Guarantees (portfolio totals/total guarantees)	51.98%	51.31%

Additional sources of cash flows that could be credited to the guaranty fund: (No outstanding Bonds on Projects listed below)

	Total Due	**Est of Expected Annual Payment**	**Periodic Payment**
Texas CLT (1)	115,248		TBD
Arklam (2)	1,178,831		TBD
	1,294,079	-	

(1) - Terms to be established at AEDC Commission meeting; still in negotiations
(2) - Litigation Pending

Arkansas
Venture Capital
Investment Trust

ARKANSAS VENTURE CAPITAL INVESTMENT TRUST
Cash Activity Report
Quarter Ended March 31, 2026

	"AVC" ARKANSAS VENTURE CAPITAL DEVELOPMENT FUND	"AVD" ARKANSAS VENTURE DEVELOPMENT FUND	"AIF" ARKANSAS INSTITUTIONAL FUND
Beginning Bank Balance, 1/1/2026	$ 1,252,691	$ 333,099	$ 490,072
Net Transfers*	-	-	-
Inflows:			
Other Deposits**	18,639	-	-
Interest Earnings (bank account)	9,421	2,986	-
Draws on Line of Credit/Note	-	-	-
Outflows:			
Other Expenses***	39,122	-	18,964
Payments to Cimarron	-	-	-
Investments:			
Adaptiiv Medical Technologies	166,667		
Ending Bank Account Balance	$ 1,074,962	$ 336,085	$ 471,108
Transfers Due for SSBCI Investments	0	3,940,100	
Less Capital Calls Due on Investments****	460,679	4,118,323	-
Less Restricted for SSBCI 2.0 Only*****	372,668	100.00	-
Available Balance	**$ 241,615**	**$ 157,762**	**$ 471,108**

*Net transfers from SSBCI 2.0 are recorded when funds are received.

**Other Deposits include $18,639 from AIF for an annual admin fee.

*** Other Expenses include quarterly admin fee for the prior quarter - $37,500; $1,622.40 paid to Eldridge Brooks, PLLC; $18,639 annual admin fee; $150 paid to Arkansas Secretary of State, and $175 to the Kentucky State Treasurer.

****Commitments are to be funded with cash on hand & SSBCI. There are no outstanding commitments for AIF.

*****SSBCI funds were Transferred In before it was determined the investment did not qualify per SSBCI guidelines, in addition, a "matching" issue was found after SSBCI funds were transferred. These funds are restricted for use on a SSBCI qualifying investment.

ARKANSAS VENTURE CAPITAL INVESTMENT TRUST
Investment Report
As of March 31, 2026

COMPANY/FUND NAME	Total Funded	Unfunded	Return of Capital (1)	Recognized Losses	Current Balance	Income or Gain (1)
3E Software, Inc	200,000	-	200,000	-	-	1,800,000
Acumen Brands	816,667	-	566,667	250,000	-	1,016,123
Agricultural Foods Systems	15,000	-	-	15,000	-	-
AgRobtics	200,000	-	-	200,000	-	-
Angel Eye Health	100,000	-	-	-	100,000	-
Apptegy	300,000	-	300,000	-	-	150,000
Ascendant Diagnostics	300,000	-	-	-	300,000	-
Bear State Technologies	45,000	-	-	44,999	1	-
Bio Detection Instruments	70,000	-	-	70,000	-	-
Biologics MD	145,494	-	-	-	145,494	-
Black Oak Analytics, Inc	300,000	-	-	-	300,000	-
BlueInGreen	1,010,000	-	930,082	79,918	(0)	-
BlueOak Arkansas	3,000,000	-	-	3,000,000	-	121,693
Bond.Ai	120,000	-	-	-	120,000	-
Btiques	50,000	-	-	50,000	-	-
Cardio Wise	500,000	-	-	-	500,000	-
Collinear Networks, Inc	1,000,000	-	-	1,000,000	-	-
Diamond State Ventures	41,379	-	41,379	-	-	215,821
Energy Design Group Enterprises	542,000	-	-	542,000	-	-
Engine	100,000	-	-	100,000	-	-
Eyenalyze, Inc.	60,000	-	20,000	40,000	-	-
FI Works	150,000	-	-	-	150,000	-
Greenwave Brands, Inc	500,000	-	-	-	500,000	-
Hayseed Ventures	500,000	-	20,055	479,945	-	307,137
Info Assembly	50,000	-	5,150	44,850	-	-
Innovis Labs / Overwatch	50,000	-	-	50,000	-	-
Jones Innovative Medical Solutions (5)	42,857	-	-	-	42,857	-
K12 Protection Solutions	400,000	-	-	-	400,000	-
Langhar	50,000	-	17,720	32,280	-	-

ARKANSAS VENTURE CAPITAL INVESTMENT TRUST
Investment Report
As of March 31, 2026

COMPANY/FUND NAME	Total Funded	Unfunded	Return of Capital (1)	Recognized Losses	Current Balance	Income or Gain (1)
Lapovations	200,000	-	-	-	200,000	
Lineus Medical	999,986	14	-	749,990	249,996	-
Little Bird Systems	110,000	-	81,932	28,068	-	-
Merchant View/Movista	711,920	-	363,078	-	348,842	581,296
Minewhat, Inc.	50,000	-	-	50,000	-	-
NanoMech	3,350,000	-	-	3,350,000	-	-
Nanowatt Design Inc	150,000	-	-	150,000	-	-
NiteOwl EasyBins	400,000	-	-	400,000	-	-
Now Diagnostics	1,400,000	-	-	-	1,400,000	-
NowDiagnostics (6)	125,972	-	-	-	125,972	-
Nutraceutical Innovations	100,000	-	-	100,000	-	-
OsteoVantage	100,000	-	-	-	100,000	-
OURPharma	1,000,000	-	-	-	1,000,000	-
Pacific Gene Tech	800,000	-	-	600,000	200,000	-
Passenger Baggage Xpress (Loan)	18,000	-	-	18,000	-	-
Pathagility	90,000	-	-	-	90,000	1,269
PicaSolar	700,000	-	-	700,000	-	-
Poly Adaptive LLC	36,000	-	-	-	36,000	-
PrivacyStar	750,000	-	566,700	-	183,300	1,006,500
RX Results	200,000	-	-	199,999	1	-
RX Results-Loan (2)	200,000	-	100,000	173,713	1	65,845
SFC Fluidics	258,139	-	-	-	258,139	-
Shield Aerodynamics-Loan (2)	90,000	-	3,797	108,252	1	1,961
Simporter	349,824	-	-	-	349,824	-
Sniffle Health	150,000	-	-	-	150,000	-
Soul of the South Media Holdings	1,000,000	-	-	1,000,000	-	-
Stacksearch (dba Qbox)	50,000	-	-	49,999	1	-
Stage I Diagnostics	225,000	-	-	123,750	101,250	-
Stonehenge Technology Labs, Inc.	400,000	-	-	400,000	-	-

ARKANSAS VENTURE CAPITAL INVESTMENT TRUST
Investment Report
As of March 31, 2026

COMPANY/FUND NAME	Total Funded	Unfunded	Return of Capital (1)	Recognized Losses	Current Balance	Income or Gain (1)
Texas CLT, LLC	250,000	-	170,139	79,861	(0)	74,450
TiFiber	158,333	-	-	158,333	-	-
Vascugenix	200,000	-	-	-	200,000	-
Vivione Biosciences	195,083	-	-	195,082	1	-
Wiland	1,800,000	-	6,810	1,027,365	765,825	20,306
Total Direct Company Investment	27,276,654	14	3,393,509	15,661,404	8,317,505	5,362,401
Fulcrum Equity Partners (3)(4)	4,615,944	-	3,867,022	-	748,922	6,019,261
Fund for Arkansas Future I	100,000	-	35,431	64,569	-	31,801
Fund for Arkansas Future II	100,000	-	80,928	19,072	-	51,084
Memphis Biomedical Ventures	4,000,000	-	208,346	3,570,138	221,516	361,050
Meritus Ventures	2,000,000	-	-	2,000,000	-	-
Noro-Moseley VI	5,000,000	-	5,000,000	-	-	6,858,036
Noro-Moseley VII	5,000,000	-	3,683,469	-	1,316,531	3,716,078
Petra II	2,250,000	-	1,194,406	596,229	459,365	13,647,029
Prolog Ventures	4,481,521	-	1,502,491	2,979,030	-	203,125
SSM Ventures (4)	3,720,000	-	3,507,365	212,635	-	1,210,533
Technology Operators Fund (3)	4,068,351	-	2,210,788	1,534,266	323,297	2,214,224
Total AIF	35,335,816	-	21,290,246	10,975,939	3,069,631	34,312,221
ATX Seed Ventures II	250,000	-	9,699	-	240,301	151,481
Cadron Capital Partners	1,010,000	1,490,000	-	-	1,010,000	-
Kayne New Road Ventures II (3)(4)	4,825,521	178,223	943,429	-	3,882,092	340,658
NewRoad Ventures (6)	874,028	-	715,556	158,472	-	1,279,467
Recurring Capital Fund I LP	400,000	-	318,180	81,820	(0)	185,059
Venture Center Arkansas	1,260,000	950,000	-	-	1,260,000	-
2Twelve90	999,900	1,500,100	-	-	999,900	-
Total AVD	9,619,449	4,118,323	1,986,864	240,292	7,392,293	1,956,665

ARKANSAS VENTURE CAPITAL INVESTMENT TRUST
Investment Report
As of March 31, 2026

COMPANY/FUND NAME	Total Funded	Unfunded	Return of Capital (1)	Recognized Losses	Current Balance	Income or Gain (1)
Adaptiiv Medical Technologies US, Inc.	839,335	160,665	-	-	839,335	-
Ark Investment Fund 2014 (5)	129,764	-	16,718	113,046	-	-
Ark Investment Fund II, LLC	102,158	-	11,729	90,429	-	-
ARK Investment Fund, LLC	150,000	-	-	150,000	-	-
Fieldbook Studio, LLC	4,700,000	300,000	-	-	4,700,000	-
Fund for Arkansas Future II	500,000	-	72,730	427,270	-	587,332
Gravity Ventures III	247,471	-	-	-	247,471	-
TriStar Technology Fund II-UAMS	489,990	-	127,679	-	362,311	39,480
VIC Investor Network	125,000	-	-	-	125,000	-
Total AVC	7,283,718	460,665	228,856	780,745	6,274,117	626,812
Total Fund Investment	52,238,983	4,578,988	23,505,966	11,996,976	16,736,040	36,895,698
Total Company & Fund Investment	79,515,637	4,579,002	26,899,475	27,658,380	25,053,545	42,258,099

(1) The return of principal and income or gain amounts are estimated until final documents are received or by evaluation based on year end results.

(2) Past due interest was capitalized for these loans.

(3) The total funded amount includes purchased interest for these investments

(4) The total funded amount includes capital calls in lieu of distributions.

(5) When fund dissolved $42,857 investment (JIMS) was transferred directly to AVCIT in the AVC fund.

(6) Due to NewRoad Ventures Winddown, $125,972 in equity was received in NOW Diagnostics.

TAB 3

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
ADFA BOARD – OPERATIONS COMMITTEE
MAY 21, 2026
DEPARTMENT OF COMMERCE, 1 COMMERCE WAY
CENTRAL HIGH/OLD MILL MEETING ROOM
LITTLE ROCK, AR

ADFA Board Operations Committee Members Present: Carey Smith, Committee Chair; Rod Coleman, Committee Vice Chair; Denise Sweat; Kirkley Thomas; and Kenneth Burleson (Designee, John Thurston, Arkansas Treasurer of State).

ADFA Board Operation Committee Members Absent: Jim Hudson, Secretary, Department of Finance and Administration.

ADFA Board Members Present: Jon Chadwell; Dr. Martin Eggensperger; Andy Goodman; Katelyn Martin; Russ Martin;

ADFA Board Members Absent: Hugh McDonald, Cabinet Secretary of Department of Commerce.

ADFA Staff Present: Robert "Ro" Arrington, President, Arkansas Development Finance Authority; John Blackwell, Director of Tax Credits; Jake Bleed, General Counsel; Charles "Chuck" Cathey, Vice President, Development Finance; Kristy Cunningham, Chief Financial Officer; Ginger Burton Duncan, Director of Single Family Outreach; Paula Farthing, Loan Servicing Manager; Sean Doolin, Assistant Controller; Tracy Green Grant, Assistant Controller; Kimmy Helble, Executive Assistant to President; Blake Bumgardner, CDBG-DR Specialist; Amanda Hill, Federal Housing Program Coordinator; Catrina Ingram, Compliance Assistant Manager; Hope Lewis, Controller; Yedda Matthews, Senior Accountant; Derrick Rose, Director of Communication; Megan Summitt, Internal Auditor; Tammy White, Compliance Manager; and Tony Williams, Director, Arkansas Student Loan Authority.

Others Present: Zondra Campbell, Academy of Math and Science – Little Rock; Edmond Hurst, Carty, Harding, and Hearn; Casey Kleinhenz, Community Development of NWA; Chris Tritsis, Cubit development Group; Nate Jospeh, Domera Companies; Mike Williams, Midwest Housing Equity Group, Inc.; Cheryl Schluterman, Raymond James; Kristel Jech and Shelli Jordan, Regions; Kristina Knight, RichSmith Development; Traci Williams, Rockwell Housing Solutions, LLC.; Peter Hoselton, RW Baird; Michael Ceryanec, Springdale Housing Authority; Jason Holsclaw, Stephens, Inc.; Mike Abbaei and Eric Latin, Stratus; Nona McVay, The McVay Firm, PLLC; and Kurtis Cochran, Winrock International.

Introductory Remarks: Following the roll call, Chairman Coleman stated that the committees and committee assignments were being updated for more efficient and focused committees.

Chairman Coleman referenced the handout outlining the new committee structure and provided the assignments as follows:

Executive Committee: Mr. Rod Coleman, Mr. Jon Chadwell, and Mr. Carey Smith.

Housing Committee: Mr. Rod Coleman, Committee Chair; Mr. Jon Chadwell, Committee Vice Chair; Ms. Katelyn Martin; and Mr. Russell Martin.

Operations Committee: Mr. Carey Smith, Committee Chair; Mr. Rod Coleman, Committee Vice Chair; Ms. Denise Sweat; Mr. Kirkley Thomas; Secretary Jim Hudson (Mr. Alan McVey, designee); and Treasurer John Thurston (Mr. Kenneth Burleson, designee).

Student Loan Committee: Mr. Jon Chadwell, Committee Chair; Mr. Carey Smith, Committee Vice Chair; Dr. Martin Eggensperger; and Mr. Andrew Goodman.

Chairman Coleman added that the Audit Committee would be a committee of the full Board and that a liaison from the Board of Directors would be appointed to collaborate with the Internal Auditor, Ms. Megan Summitt.

Chairman Coleman entertained a motion to appoint the committee assignments as presented.

Ms. Martin made a motion to approve.

Mr. Goodman seconded the motion. The motion passed.

Call to Order: Mr. Smith, called the Operations Committee meeting to order at approximately 10:37 AM.

Minutes: Mr. Smith stated there were three sets of minutes to be presented for acceptance, and each set of minutes was from a separate committee that was consolidated into the Operations Committee.

Mr. Smith presented the minutes from the former Asset Commitment Committee meeting held on February 19, 2026, and asked whether there were any changes or discussion. There being none, Mr. Smith entertained a motion to approve the minutes as presented.

Mr. Burleson made a motion to accept the minutes.

Ms. Sweat seconded the motion. The motion passed.

Mr. Smith presented the minutes from the former Financial Reporting and Operations Committee meeting held on April 16, 2026, and asked whether there was any discussion. There being none, Mr. Smith entertained a motion to approve the minutes as presented.

Ms. Sweat made a motion to accept the minutes.

Mr. Burleson seconded the motion. The motion passed.

Mr. Smith presented the minutes from the former Professional Selection Committee meeting held on April 16, 2026, and asked whether there were any changes or discussion. There being none, Mr. Smith entertained a motion to approve the minutes as presented.

Mr. Burleson made a motion to accept the minutes.

Ms. Sweat seconded the motion. The motion passed.

Presentation: AMS Schools - National, Inc. - Plan and Finance: Mr. Arrington noted that although Mr. Wilbourn of Kutak Rock, the local representative for the Academy of Math and Science – Little Rock (AMS), had been listed on the agenda as the presenter, the presentation would instead be given by Mr. Peter Hoselton of RW Baird, which would serve as the underwriter for issuing and selling the bonds.

Mr. Hoselton provided a brief background that AMS was based out of Arizona and expanded to Arkansas in 2024. Mr. Hoselton stated that the goal of AMS was to open a new campus in Forst Smith and to refinance the 2024 bonds that were used to finance the Little Rock campus.

Mr. Hoselton continued that not-to-exceed amount of $50 million would be allocated between two campuses, with $27 million designated for the refunding of the Little Rock campus and $23 million designated for the Fort Smith campus.

Mr. Hoselton stated the plan was to make a public offering to multiple investors for the sell of the bonds and anticipate the sale of the bonds in late July and close in early August. Revenues for both schools will serve as a security for the bond issue.

Additional discussion between the Board and Mr. Hoselton divulged that the bonds would only be sold to institutional investors. There are approximately 25 or 30 well-known institutional investors that specifically buy charter school bonds. Mr. Hoselton stated that the bond issue was anticipated to reach a BB rating or higher.

This was a presentation only. No action taken.

<u>Presentation: Arkansas Venture Development Fund – Stratos Equity Partners:</u> Mr. Cathey introduced the representatives from Stratos Equity Partners, Mr. Mike Abbaei and Mr. Eric Latin, and explained the staff-recommended proposal would match up to $5 million Private Investment Funds with $5 million from the Arkansas Venture Development Fund (AVDF), for a total of $10 million dedicated exclusively to fund Arkansas companies investment side fund, utilizing SSBCI funds.

Mr. Abbaei stated that Stratos Equity Partners would be a hybrid between venture capital firm and a private entity. Stratos Equity Partners would invest in a manner similar to venture capital and would remain involved with its portfolio companies. He added that Stratos would assist its portfolio companies with gaining access to other businesses or entities, refining strategies, building sales teams, and other operational needs.

During continued discussion, it was noted that four pending investments were under consideration, including two women-owned businesses and two traditional businesses.

Mr. Cochran addressed the Committee and provided a summary of the Due Diligence Report and stated that one of the key benefits of the proposal was Stratos Equity Partners' ability to bring outside capital into Arkansas. It was noted that Mr. Cochran of Winrock International was a representative of ADFA.

Mr. Cathey clarified that the structure represented a dollar-for-dollar match, whereby Stratos Equity Partners' private equity contributions would be matched by ADFA.

Mr. Smith entertained a motion to approve the funding of Stratos Equity Partners in the amount of $5 million from the AVDF, utilizing existing SSBCI funds.

Mr. Thomas made a motion to approve as presented.

Ms. Sweat seconded the motion. The motion passed.

<u>Action Memo – Arkansas Student Loan Authority (ASLA) – RFP - Trustee:</u> Mr. Williams addressed the Committee and stated that he brought before the Board a recommendation for a Trustee for the upcoming Student Loan Bond Issues, which were expected to take place in early 2027.

Mr. Williams reported that six responses to the RFP had been received. All responses were reviewed, and after several months of careful evaluation, the staff recommended Simmons Bank.

For full disclosure, Mr. Williams noted that Mr. Mark Conine, former president of ADFA, was now serving as the Director of Corporate Trust at Simmons Bank. Mr. Williams continued that although Mr. Conine's experience with ASLA and his knowledge of student loans would be beneficial in the role as Trustee, his former at ADFA was not a deciding factor in the recommendation.

Mr. Williams confirmed that selecting Simmons Bank would allow for a desired AA rating, which not all other options for Trustee options could provide.

Mr. Smith entertained a motion to appoint the staff recommendation of Simmons Bank as Trustee for the upcoming Student Loan Bond Issues.

Ms. Sweat made a motion to approve the recommendation as presented.

Mr. Thomas seconded the motion. The motion passed.

Action Memos – Prison Construction Trust Fund (PCTF): In consideration of the newly appointed Board members, Mr. Arrington and Mr. Bleed briefed the Board on the approved activities and process of the PCTF.

- **2025 Cummins & Varner Wastewater Treatment Plant:** Mr. Smith presented the action memo which regarded the request of the 2025 Cummins & Varner Wastewater Treatment Plant contract which will not exceed $1,950,000.

  Mr. Smith entertained a motion to approve the amount, of which will not exceed $1,950,000, for the 2025 Cummins & Varner Wastewater Treatment Plant contract.

  Mr. Thomas made a motion to approve.

  Ms. Sweat seconded the motion. The motion passed.

- **2025 Newport Units Door Controls:** Mr. Smith presented the action memo which regarded the 2025 Newport Units Door Controls contract which will not exceed $700,000.

  Being there were no other questions, Mr. Smith entertained a motion to approve the amount which will not exceed $700,000, for the 2025 Newport Units Door Controls contract.

  Ms. Sweat made a motion to approve.

  Mr. Thomas seconded the motion. The motion passed.

Adjournment: Mr. Smith concluded the meeting at approximately 11:30 AM.

Minutes approved and signed on this 21st day of May 2026.

Carey Smith,
Operations Committee Chair

TAB 4

MEMORANDUM

TO: 2026 Annual Review File

FROM: John Blackwell

DATE: June 24, 2026

RE: Annual review

For the 2026 Annual review process, I went online to each broker's FINRA Broker check and reviewed their reports. I did not discover any findings that would cause any issues for us to discontinue utilizing them for any investment purchases.

I recommend to continue using the same list of securities dealers and brokers and we will present to the board at the July board meeting.

General Fund & Bond Guaranty
List of Securities Dealers & Brokers
Approved By the Board of Directors thru June 30, 2027
on July 16, 2026

Current Broker Dealer Firms:

Commerce Brokerage Services, Inc.
1000 Walnut Street
Kansas City, MO 64106
(800) 548-2663 / 816-234-1851 (Direct #)
Broker Jeff Sturd

Crews & Associates
521 President Clinton Avenue
Little Rock, AR 72201
978-7941
Broker Paul Phillips
Broker Jim ”Boxcar” Burrow

FHN Financial Securities Corp
845 Crossover Lane, Suite150
Memphis, TN 38117
(800) 456-5460
Broker Frank Crump

Stifel, Nicolaus & Company, Inc
775 Ridge Lane
Memphis, TN 38120
800-786-1261
Broker Bryan Edmundson
Broker Jordan Zarshenas
Judy Welker, Assistant

Raymond James
100 Morgan Keegan Drive
Little Rock, AR 72203
671-1146
Broker Scott Rittelmeyer

Stephens, Inc.
111 Center Street
Little Rock, AR 72201
377-8150 or (377-2389)
Broker David Parkinson
david.parkinson@stephens.com

Great Pacific Securities
151 Kalmus Drive, Suite H-8
Costa Mesa, CA 92626
(800) 284-4804 cell 949-836-2638
Broker Jason Talavs
Jtalavs7@bloomberg.net

Carty & Company
Three Financial Centre
900 S. Shackleford, Rd., Suite 100
Little Rock, AR
501-400-2097
Broker Edmond Hurst

TAB 5

June 23, 2026

To: ADFA Board Operations Committee

From: Ro Arrington

Re: Arkansas Natural Resources Revolving Loan Fund Underwriter

ADFA staff published a Request for Proposals for the above referenced series of bond issues. We received responses from the following investment banking teams:

Carty, Harding and Hearn

Crews and Associates

Fidelity Capital Markets

Raymond James

Siebert Williams Shank

Stephens, Inc.

Staff will be meeting to review these submissions and will put forth recommendations to the Board at the July meeting.

TAB 6

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

- OPERATING RESULTS AND
- GENERAL FUND REVIEW
- As of March 31, 2026

Reported to the Board Operations Committee on Thursday, July 16, 2026

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BALANCE SHEET - UNAUDITED
MARCH 31, 2026

	Fiscal Year Ended June 30, 2025	Nine months ended for FY2025 March 31, 2025	Nine months ended for FY2026 March 31, 2026	Difference March 31, 2026 to March 31, 2025	% Diff	
ASSETS:						
Cash and cash equivalents	377,392,900	327,069,699	**364,823,237**	37,753,538	10.35%	**A**
Accounts receivable	4,089,993	3,840,285	**3,232,353**	(607,932)	-18.81%	
Accrued interest receivable	3,108,984	2,859,990	**3,905,362**	1,045,372	26.77%	
Accrued rent receivable	374,321	258,310	**239,910**	(18,400)	-7.67%	
Investments, at amortized cost	235,958,072	204,327,880	**363,521,737**	159,193,857	43.79%	**B**
Loans receivable, at amortized cost, net	399,094,370	399,096,341	**399,527,450**	431,109	0.11%	**C**
Real Estate Owned	-	-	**-**	-	#DIV/0!	
Deferred charges	1,253,784	1,641,342	**1,253,784**	(387,558)	-30.91%	
Direct Financing Leases	121,782,453	124,065,849	**113,979,663**	(10,086,186)	-8.85%	**C**
Capitalized Assets	2,080,185	2,057,353	**2,006,914**	(50,439)	-2.51%	
Other Assets	3,272,846	3,388,383	**3,101,609**	(286,774)	-9.25%	
TOTAL ASSETS	1,148,407,908	1,068,605,432	**1,255,592,019**	186,986,587	14.89%	

LIABILITIES AND FUND BALANCES

	Fiscal Year Ended June 30, 2025	Nine months ended for FY2025 March 31, 2025	Nine months ended for FY2026 March 31, 2026	Difference March 31, 2026 to March 31, 2025	% Diff	
LIABILITIES:						
Bonds and notes payable, net of unamortized discounts and premiums	538,128,709	471,944,512	**654,574,963**	182,630,451	27.90%	**D**
Lease Liability GASB 87	-	61,047	**-**	(61,047)	#DIV/0!	
Accrued interest payable	4,498,776	4,543,499	**6,804,169**	2,260,670	33.22%	**D**
Accounts payable	10,389,095	10,377,879	**7,888,845**	(2,489,034)	-31.55%	**E**
OPEB and pension liabilities	5,542,576	6,052,540	**5,542,576**	(509,964)	-9.20%	
Deposits against financing arrangements	53,564,644	43,335,162	**46,303,221**	2,968,059	6.41%	
Total liabilities	612,123,800	536,314,639	**721,113,774**	184,799,135	25.63%	
FUND BALANCES:						
Restricted by bond resolution and programs	371,951,700	365,644,212	**367,718,490**	2,074,278	0.56%	
Invested in capital assets	2,080,185	2,057,353	**2,006,914**	(50,439)	-2.51%	
Unrestricted *	162,252,223	164,589,228	**164,752,841**	163,613	0.10%	
TOTAL LIABILITIES AND FUND BALANCES	1,148,407,908	1,068,605,432	**1,255,592,019**	- 186,986,587	14.89%	
	-	-	-			

***** *Includes amounts designated by board for various programs.*

A) Increase is mainly due to Single Family Mortgage Revenue Bond program receiving a combined total of $205 million in bond proceeds (par) in April, August, and December net of investment and loan/lease activity. (See B) investment activity, C) Loan/lease activity, and D) bond activity.)

B) Investments increased primarily due to approximately $172.3 million of Single Family mortgage-backed securities (MBS) purchases net of monthly MBS remittances of approximate $13.9 million.

C) Decrease in loans/leases is primarily related to NSP loans transfer to AEDC of $16.4mm and principal repayments received on various loans/leases net of loan fundings with HOME ($15.7mm), NHTF ($3.6mm), ASLA (net $15.0mm), and DPA ($14.0mm) programs.

D) See Bonds and Note Summary Report. See page 7. The increase from March 2025 was due to the three Single Family bond issuances totaling $205 million at par net of redemptions of approximately $25.4 million on various bond issues.

E) Decrease relates mainly to the monthly disbursements made on the DOC contracts of $2.4 million from the Prison Construction Trust Fund.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR
Year to Date Comparison: Period Ending March 31, 2026 - UNAUDITED

	Fiscal Year Ended June 30, 2025	Nine months ended for FY2025 March 31, 2025	Nine months ended for FY2026 March 31, 2026	Difference March 31, 2026 to March 31, 2025	% Diff	
REVENUES:						
Interest income:						
Loans and direct leases	17,715,880	13,264,390	**13,346,041**	81,651	0.62%	
Investments	18,987,209	13,771,690	**18,524,081**	4,752,391	34.51%	Z
Amortization of discounts and premiums on	-					
loans and investments, net	29,111	21,932	**17,996**	(3,936)	-17.95%	
Financing fee income	6,024,468	4,463,227	**4,913,095**	449,868	10.08%	Y
Total Interest Income	42,756,668	31,521,239	**36,801,213**	5,279,974	16.75%	
Federal financial assistance	18,420,164	13,499,654	**22,264,099**	8,764,445	64.92%	V
Rental Real Estate	265,142	169,919	**165,187**	(4,732)	-2.78%	
Default Management Services	271,689	187,969	**220,673**	32,704	17.40%	
Other income	55,909	46,132	**36,000**	(10,132)	-21.96%	
TOTAL REVENUES	61,769,572	45,424,913	**59,487,172**	14,062,259	30.96%	
EXPENSES:						
Interest on bonds and notes:						
Current interest	15,092,727	10,693,243	**16,228,290**	5,535,047	51.76%	X
Accreted interest	3,293,757	2,460,112	**2,401,571**	(58,541)	-2.38%	
Total interest on bonds and notes	18,386,484	13,153,355	**18,629,861**	5,476,506	41.64%	
Amortized discounts (premiums)						
on bonds and notes	(85,473)	(45,776)	**(207,237)**	(161,461)	352.72%	X
Provision for losses	2,674,729	1,147,411	**1,499,242**	351,831	30.66%	W
Federal financial assistance programs	2,998,422	1,643,262	**11,915,568**	10,272,306	625.12%	V
Loan Servicing and Other Contractual Services	183,871	129,284	**192,790**	63,506	49.12%	
Default Management Services expense	302,836	213,196	**200,856**	(12,340)	-5.79%	
Special Allowance expense	-	-	**-**	-	#DIV/0!	
Rental Real Estate expense	244,651	182,596	**365,846**	183,250	100.36%	U
Administrative expenses:	-					
Salaries and benefits	4,912,002	3,364,864	**3,809,419**	444,555	13.21%	
Operations and maintenance	1,002,720	798,143	**2,172,754**	1,374,611	172.23%	U
Other	3,610,107	2,065,678	**1,583,314**	(482,364)	-23.35%	U
TOTAL EXPENSES	34,230,349	22,652,013	**40,162,413**	17,510,400	77.30%	
		-	-			
REVENUES OVER EXPENSES	27,539,223	22,772,900	**19,324,759**	(3,448,141)	-15.14%	
Transfer (to)/from other funds	(5,373,636)	(4,600,628)	**(21,130,622)**	(16,529,994)	359.30%	T
REVENUES OVER EXPENSES	22,165,587	18,172,272	**(1,805,863)**			
FUND BALANCES:						
Beginning of period	514,118,521	514,118,521	**536,284,108**			
End of Period	536,284,108	532,290,793	**534,478,245**			
Net interest income	*24,370,184*	*18,367,884*	*18,171,352*	(196,532)	-1.07%	S

Z) Steady increase relates mainly to new Single Family mortgage-backed securities portfolio purchases at yields ranging 4.75%-5.4%.

Y) See Sources of Cash Report. See Page 8.

X) Increase relates to the Single Family bond issuances.

W) Provision for Loan Losses adjusted semi-annually.

V) Federal financial assistance revenue and expense fluctuates each year depending on type and amount of disbursement activity. The majority is related to the HOME-American Rescue Plan program in the current year.

U) Fluctuations in these accounts relate to the reclassification of general ledger accounts made due to our transition from the State's accounting system. Overall net increase relates mainly to the costs of issuance expenses related to two Single Family bond deals reported during the current period compared to only one bond deal reported in the prior period.

T) **I**ncrease is related mainly to HUD directing that for the NSP closeout process the loans and program income be transferred to the CDBG program which AEDC administers.

S) Attributable to decrease in net interest margin:

Tobacco program	$	-
General Fund programs	$	444,000
Single Family program	$	(149,000)
Federal Housing programs	$	100,000
Bond Guaranty programs	$	(125,000)
State Facilities program	$	7,000
Student Loan programs	$	(171,000)
Multifamily programs	$	(28,000)
Other Economic Development programs	$	(274,000)

ARKANSAS VENTURE CAPITAL INVESTMENT TRUST FUND - COMPONENT UNIT
BALANCE SHEET - UNAUDITED
MARCH 31, 2026

	VCIT	AIF	Eliminations	Total
ASSETS:				
Cash and cash equivalents	1,411,048	471,107		**1,882,155**
Accounts receivable	-	149,976		**149,976**
Accrued interest receivable	-	-	-	**-**
Accrued rent receivable	-	-		**-**
Investments, at amortized cost	16,444,577	3,069,631		**19,514,209**
Loans receivable, at amortized				**-**
cost, net	5,539,338	-	-	**5,539,338**
Real Estate Owned	-	-		**-**
Deferred charges	-	-		**-**
Direct Financing Leases	-	-		**-**
Other Asset	-	-		**-**
TOTAL ASSETS	23,394,963	3,690,715	-	**27,085,678**
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Bonds and notes payable, net				
of unamortized discounts				
and premiums	-	-	-	**-**
Accrued interest payable	-	-	-	**-**
Accounts payable	37,500	285,409		**322,909**
OPEB and pension liabilities	-	-		**-**
Deposits against	-	-		**-**
financing arrangements	-	-		**-**
Total liabilities	37,500	285,409	-	**322,909**
FUND BALANCES:				
Restricted by bond resolution				
and programs	23,357,463	3,405,306		**26,762,769**
Invested in capital assets	-	-		
Unrestricted *	-	-		
TOTAL LIABILITIES AND FUND				
BALANCES	23,394,963	3,690,715	-	**27,085,678**
	-	-	-	-

ARKANSAS VENTURE CAPITAL INVESTMENT TRUST FUND - COMPONENT UNIT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR
Period Ending March 31, 2026 - UNAUDITED

	7/1/2025 - 3/31/2026 VCIT	1/1/2026 - 3/31/2026 AIF *	Eliminations	Total	
REVENUES:					
Interest income:					
Loans and direct leases	-	-	-	**-**	
Investments	(691,541)	-	-	**(691,541)**	**
Amortization of discounts				**-**	
and premiums on loans and				**-**	
investments, net	-	-	-	**-**	
Financing fee income	18,639	-	(18,639)	**-**	
Total Interest Income	(672,902)	-	(18,639)	**(691,541)**	
Federal financial assistance	-	-		**-**	
State financial assistance	-	-		**-**	
Other income	-	-		**-**	
TOTAL REVENUES	(672,902)	-	(18,639)	**(691,541)**	
EXPENSES:					
Interest on bonds and notes:					
Current interest	-	-		**-**	
Accreted interest		-		**-**	
Total interest on bonds and notes	-	-	-	**-**	
Administrative expenses:					
Salaries and benefits		-		**-**	
Operations and maintenance		-		**-**	
Other	114,122	325	-	**114,447**	
TOTAL EXPENSES	114,122	325	-	**114,447**	
	-	-			
REVENUES OVER EXPENSES	(787,024)	(325)	(18,639)	**(805,988)**	
Transfer from other funds	872,668	-		**872,668**	
REVENUES OVER EXPENSES	85,644	(325)	(18,639)	**66,680**	
FUND BALANCES:					
Beginning of period	23,271,819	3,405,631		**26,677,450**	
Distributions to member		-		**-**	
Prior change in accounting period			18,639	**18,639**	
End of Period	23,357,463	3,405,306	0	**26,762,769**	
Net interest income	*(672,902)*	-	*(18,639)*	***(691,541)***	

* Note: Total is shown in order to capture information as of 3/31/2026. For audit purposes, the reporting period for AIF will be as of 12/31/2025.
** Note: Investment income is reported based on estimated information at time of distribution. Actual may vary upon valuation of K-1s and other year end information.

ADFA Bond and Note Summary

Fiscal YTD Through: March 31, 2026

	Issuance	Average Yield	Optional Bond Calls	Average Yield	Scheduled Redemptions	Average Yield	Full Redemptions or Refundings	Average Yield	Total Redemptions	Net Issuance (Redemptions)
Single Family	$ 130,000,000	4.76%	$ 4,590,000	4.21%	$ 1,785,000	3.87%	$ -	-	$ 6,375,000	$ 123,625,000
PRLF Notes	$ -	-	$ -	-	$ 67,088	1.00%	$ -	-	$ 67,088	$ (67,088)
Multi-Family	$ -	-	$ -	-	$ -	-	$ -	-	$ -	$ -
Bond Guaranty	$ -	-	$ -	-	$ 2,011,818	3.85%	$ 1,690,000	3.35%	$ 3,701,818	$ (3,701,818)
State Facilities	$ -	-	$ -	-	$ 3,748,379	2.99%	$ -	-	$ 3,748,379	$ (3,748,379)
Amendment 82	$ -	-	$ -	-	$ -	-	$ -	-	$ -	$ -
Tobacco	$ -	-	$ -	-	$ 4,965,108	4.89%	$ -	-	$ 4,965,108	$ (4,965,108)
ASLA	$ -	-	$ -	-	$ -	-	$ -	-	$ -	$ -
GF advances	$ -	-	$ -	-	$ -	-	$ -	-	$ -	$ -
	$ 130,000,000		$ 4,590,000		$ 12,577,393		$ 1,690,000		$ 18,857,393	$ 111,142,607

PRLF - Notes with US Department of Rural Housing Development (Preservation Revolving Loan Fund)
ASLA - Arkansas Student Loan Authority

Issuance during year:

Single Family:		
2025 Series B		$ 65,000,000
2025 Series C		65,000,000
	Total	$ 130,000,000

Full Redemptions/Refundings:

Bond Guaranty:		
2019 J&E Food Group		$ 1,690,000
	Total	$ 1,690,000

Sources of Cash to Fund Operations and Other Cash Needs of the Authority

	June 30, 2024	June 30, 2025	March 31, 2026
Single Family Programs			
Administrative fees	$ 61,427	$ 68,303	$ 172,840
Mortgage credit certificate (MCC) fees	450	-	-
TBA Mortgage programs	2,436,698	2,107,309	1,879,871
Multi Family Programs			
Tax credit and Multifamily issuance/administrative fees	1,082,283	1,898,957	1,842,853
TCAP asset management fees	221,385	228,025	234,851
AHAP administrative reimbursement	2,350	1,828	-
Federal Housing Programs			
HOME administrative reimbursement	989,222	1,025,145	716,339
NSP I and III administrative reimbursement	12,328	10,965	-
ESG administrative reimbursement	-	12,098	20,931
CDBG administrative reimbursement	-	-	72,580
National Housing Trust Fund	174,362	205,485	215,060
Homeownership Assistance Fund (HAF)	23,725	3,359	2,095
Public Finance/Economic Development Programs			
Admin fees - State Facilities, Bond Guaranty & Conduit (limitec	655,146	649,412	322,184
Issuance fees - Conduit, State Facilities & Bond Guaranty	330,000	317,253	552,280
General Fund			
Interest earnings (cash and investments)	3,670,426	3,730,941	2,603,610
Loan interest income	2,031,704	2,688,226	2,129,033
Tobacco Bonds - administrative fees	33,370	32,569	**
Interagency Programs			
ANRC Water programs administrative/issuance fees	513,544	529,386	**
College Tech Revolving Loan Program	4,713	9,625	2,484
AEDC - CDBG/NSP administrative fees	-	-	**
E&E/AEO Loan Programs (LLR and RLLF)	67,445	50,811	14,192
	$ 12,310,577	$ 13,569,697	$ 10,781,203

** Program administrative fees to ADFA have not been received yet.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
DELINQUENCY AND OTHER REAL ESTATE SUMMARY OF ADFA SERVICED LOANS

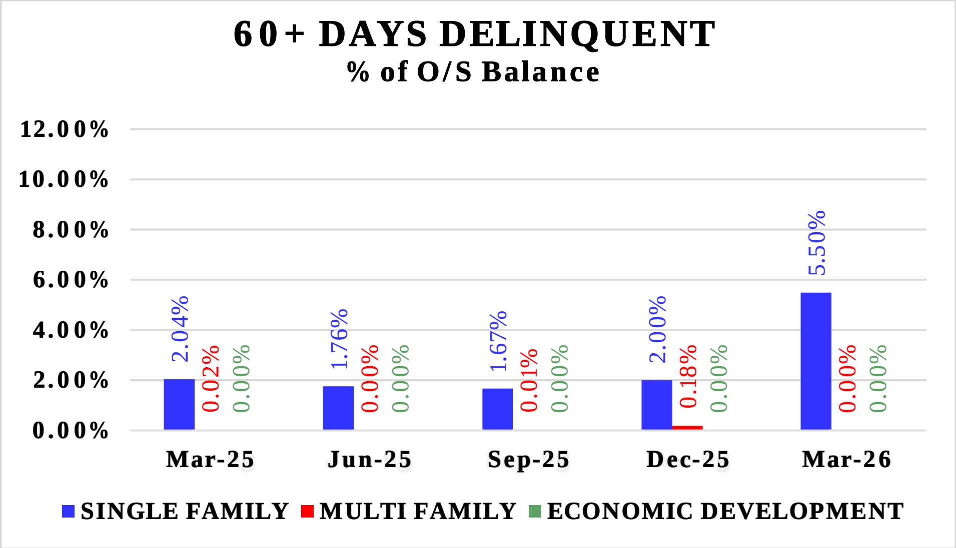
Program Name	March-2025 Total Delinquent Loan Balance	March-2025 Total Program Loan Balance	March-2026 Total Delinquent Loan Balance	March-2026 Total Program Loan Balance	Difference Total Delinquent Loan Balance	Difference Total Program Loan Balance
Rural Housing Multifamily	0	816,533	146,072	758,564	146,072	(57,969)
Tax Credit Assistance Program (TCAP)	0	16,484,755	0	16,385,459	0	(99,296)
Guaranteed ED	2,965,000	19,189,532	3,368,126	17,166,290	403,126	(2,023,243)
Assisted Living Revolving Fund (ALIF)	24,259	872,364	27,133	823,814	2,874	(48,550)
CDBG	0	7,700,000	0	7,700,000	0	0
PRLF	0	3,118,696	0	2,999,409	0	(119,287)
National Housing Trust Fund	0	17,195,210	0	20,656,866	0	3,461,655
SSBCI	476,778	2,343,240	378,271	2,186,797	(98,506)	(156,443)
Settlement Funds Repayable Loans (SH)	211,642	3,456,248	351,371	3,287,593	139,729	(168,655)
Habitat for Humanity - Saline County	0	84,404	0	74,813	0	(9,591)
FAF/BMIR	404,735	5,275,306	392,270	5,069,603	(12,465)	(205,703)
CTC (College Tech)	0	7,083,483	0	8,368,273	0	1,284,790
DPA (Repurchased)	11,254	11,254	11,254	11,254	0	0
Habitat for Humanity- Pulaski County	0	105,744	0	95,244	0	(10,500)
Project Fund (Direct Loans) Housing	72,354	892,750	779,484	1,870,643	707,130	977,893
Project Fund (Direct Loans) Economic Developme	479,322	7,207,521	356,173	2,370,088	(123,148)	(4,837,434)
SF First Mortgage	223,341	223,341	220,363	220,363	(2,977)	(2,977)
Tourism Reserve Fund	0	111,557	0	103,422	0	(8,135)
Bond Guaranty Fund	1,358,929	1,991,960	1,294,079	1,366,579	(64,850)	(625,381)
HOME	6,090,628	119,858,737	8,382,382	128,694,561	2,291,755	8,835,825
Neighborhood Stabilization (NSP)	1,700,306	13,490,995	0	0	(1,700,306)	(13,490,995)
Neighborhood Stabilization (NSP)III	0	3,550,625	0	0	0	(3,550,625)
Mastered Serviced - Multi-Family	0	1,816,099	0	1,688,192	0	(127,907)
Mastered Serviced - Single Family	0	79,375	0	64,789	0	(14,586)
TOTAL	$ 14,018,547	$ 232,959,728	$ 15,706,979	$ 221,962,617	$ 1,688,432	$ (10,997,111)

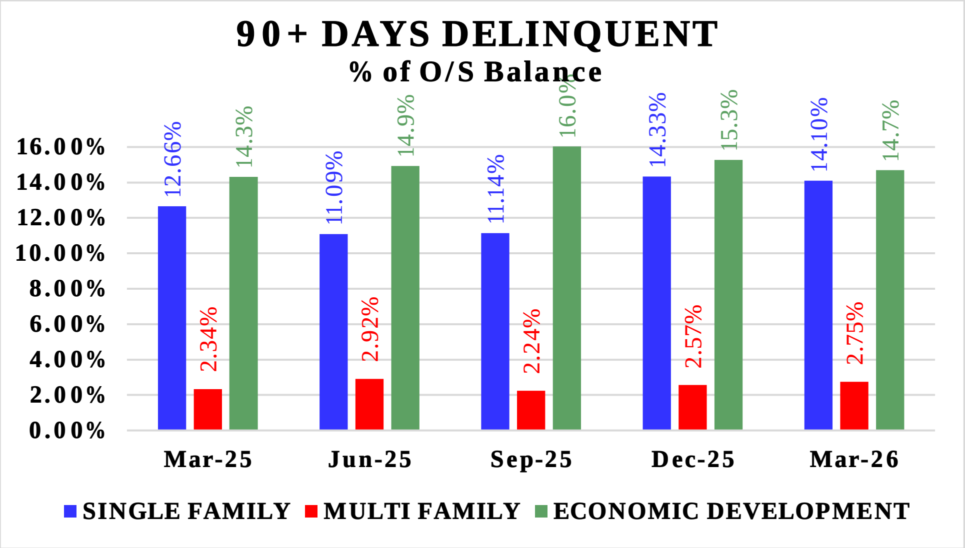
Program	Property Name	Value
OTHER REAL ESTATE OWNED		
HOME		
		$ -
FINANCED LEASES OF REO		
HOME / TCAP / Exchange	U of A - Rich Mountain (The Oaks of Mena)	997,705
		$ 997,705
IN SUBSTANCE FORECLOSURES		
PROJECT FUND (DIRECT LOAN)		**$ -**

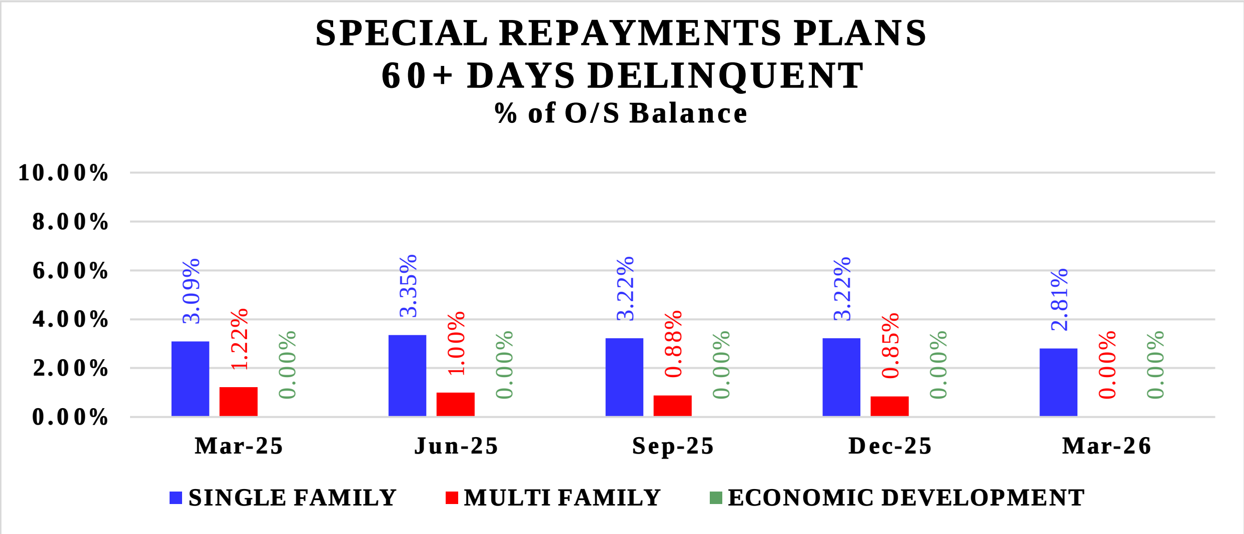
DELINQUENCY REPORT PRESENTED TO THE BOARD OF DIRECTORS FOR MARCH 2026

ADFA AND VENDOR SERVICED LOANS

DELINQUENCY REPORT (AS A % OF OUTSTANDING LOAN BALANCES)





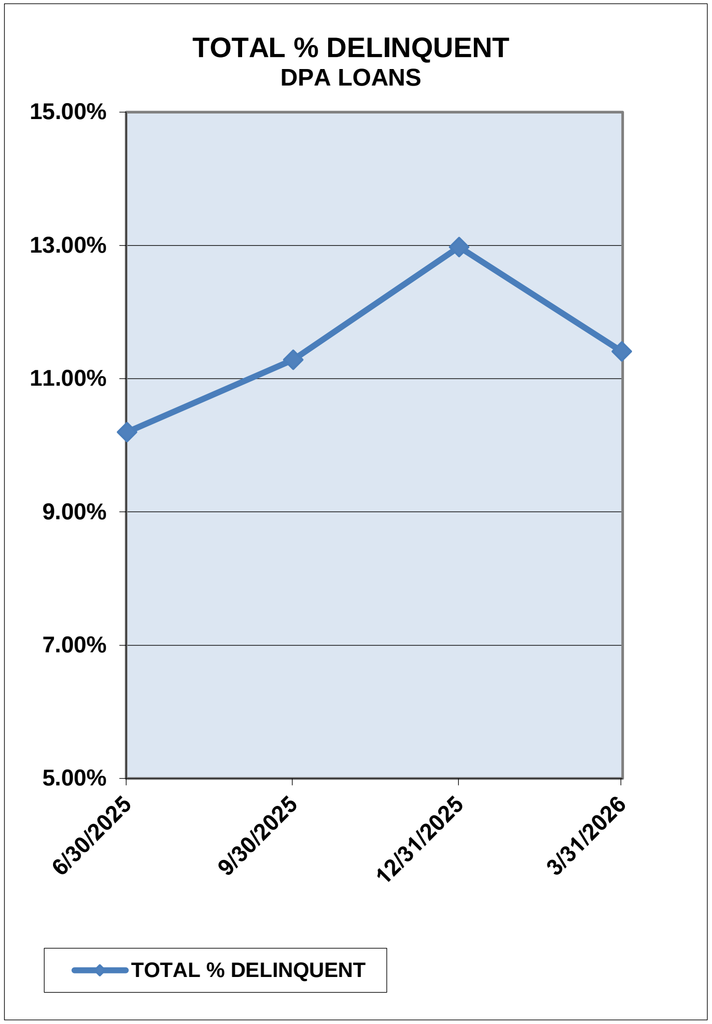


A loan is considered 90 days delinquent when it has three or more payments past due and it is not involved any special repayment agreements. The "90 days delinquent" chart reflects any loan that is 90 or more days delinquent. A loan balance will be included in the "Special Repayment Plan" chart when it is at least 60 days delinquent and the borrower and ADFA have reached a specific agreement to spread a delinquency over time in order to bring the loan current. If the agreement is kept, the loan will appear in the Special Repayment Plan numbers until it is less than 60 days delinquent.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
GENERAL FUND DPA LOANS
LOAN SERVICING REPORT as of 03/31/2026

	DELINQUENT BALANCES			
	6/30/2025	9/30/2025	12/31/2025	3/31/2026
30 DAYS	$ 1,948,508.36	$ 2,309,129.85	$ 2,345,563.78	$ 1,932,638.77
% DELINQUENT	4.63%	5.15%	5.10%	4.12%
60 DAYS	$ 644,785.40	$ 773,534.39	$ 1,065,360.86	$ 773,583.58
% DELINQUENT	1.53%	1.73%	2.32%	1.65%
90 DAYS	$ 316,954.20	$ 373,024.05	$ 594,305.02	$ 372,789.07
% DELINQUENT	0.75%	0.83%	1.29%	0.79%
120 + DAYS	$ 1,380,458.91	$ 1,599,761.68	$ 1,962,178.13	$ 2,276,015.97
% DELINQUENT	3.28%	3.57%	4.27%	4.85%
TOTAL DELINQUENT	$ 4,290,706.87	$ 5,055,449.97	$ 5,967,407.79	$ 5,355,027.39
TOTAL PRINCIPAL	$ 42,071,259.90	$ 44,797,227.17	$ 45,987,941.74	$ 46,933,472.05
TOTAL % DELINQUENT	10.20%	11.29%	12.98%	11.41%

	Interest Receipts	Write-offs	Interest Yield	Interest, Net of Write-offs
FISCAL YEAR ENDED JUNE 30, 2026 (Annualized)	$ 2,424,250.05	$ 220,596.40	5.39%	4.90%
YEAR ENDED JUNE 30, 2025	$ 2,090,450.11	$ 227,410.84	5.29%	4.72%
YEAR ENDED JUNE 30, 2024	$ 1,528,102.08	$ 119,630.64	4.68%	4.31%
YEAR ENDED JUNE 30, 2023	$ 980,259.82	$ 74,399.93	3.82%	3.52%
3-YEAR AVERAGE	$ 1,532,937.34	$ 140,480.47	4.60%	4.18%



TAB 7

BOARD AUDIT COMMITTEE:

OPENING DISCUSSION

Presented by Carey Smith

TAB 8

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
ADFA BOARD - AUDIT COMMITTEE
MAY 21, 2026
DEPARTMENT OF COMMERCE, 1 COMMERCE WAY
CENTRAL HIGH/OLD MILL MEETING ROOM
LITTLE ROCK, AR

The Audit Committee is convened as a committee of the full Board.

ADFA Board Members Present: Rod Coleman, Chair; Jon Chadwell, Vice Chair; Dr. Martin Eggensperger; Andy Goodman; Katelyn Martin; Russ Martin; Carey Smith; Denise Sweat; Kirkley Thomas; Kenneth Burleson (Designee for John Thurston, Treasurer, Office of Treasurer of State of Arkansas).

ADFA Board Members Absent: Jim Hudson, Secretary, Department of Finance and Administration; and Hugh McDonald, Cabinet Secretary of Department of Commerce.

ADFA Staff Present: Robert "Ro" Arrington, President, Arkansas Development Finance Authority; John Blackwell, Director of Tax Credits; Jake Bleed, General Counsel; Charles "Chuck" Cathey, Vice President, Development Finance; Kristy Cunningham, Chief Financial Officer; Ginger Burton Duncan, Director of Single Family Outreach; Paula Farthing, Loan Servicing Manager; Sean Doolin, Assistant Controller; Tracy Green Grant, Assistant Controller; Kimmy Helble, Executive Assistant to President; Blake Bumgardner, CDBG-DR Specialist; Amanda Hill, Federal Housing Program Coordinator; Catrina Ingram, Compliance Assistant Manager; Hope Lewis, Controller; Yedda Matthews, Senior Accountant; Derrick Rose, Director of Communication; Megan Summitt, Internal Auditor; Tammy White, Compliance Manager; and Tony Williams, Director, Arkansas Student Loan Authority.

Others Present: Zondra Campbell, Academy of Math and Science – Little Rock; Edmond Hurst, Carty, Harding, and Hearn; Casey Kleinhenz, Community Development of NWA; Chris Tritsis, Cubit development Group; Nate Jospeh, Domera Companies; Mike Williams, Midwest Housing Equity Group, Inc.; Cheryl Schluterman, Raymond James; Kristel Jech and Shelli Jordan, Regions; Kristina Knight, RichSmith Development; Traci Williams, Rockwell Housing Solutions, LLC.; Peter Hoselton, RW Baird; Michael Ceryanec, Springdale Housing Authority; Jason Holsclaw, Stephens, Inc.; Mike Abbaei and Eric Latin, Stratus; Nona McVay, The McVay Firm, PLLC; and Kurtis Cochran, Winrock.

Call to Order: Mr. Coleman called the meeting to order at approximately 11:43 AM.

Minutes: Mr. Coleman noted there were three sets of minutes to be presented for acceptance, and each set would need to be approved separately.

Mr. Coleman presented the minutes from the October 16, 2025, meeting, and entertained a motion for approval.

Mr. Burleson made a motion to approve the minutes as presented.

Mr. Chadwell seconded the motion. The motion passed.

Mr. Coleman presented the minutes form the December 4, 2025, meeting, and entertained a motion approval.

Mr. Chadwell made a motion to approve the minutes.

Mr. Burleson seconded the motion. The motion passed.

Mr. Coleman presented the minutes from the April 16, 2026, meeting, and entertained a motion for approval.

Ms. Martin made a motion to approve the minutes.

Mr. Chadwell seconded the motion. The motion passed.

Review: StartSmart Program Audit: For the benefit of the newly appointed Board members Ms. Summitt provided a brief history and summary of the StartSmart program.

Ms. Summitt reported that the StartSmart program had been audited in the first year of its operation in 2024 to identify any issues in the setup and to essentially prevent the development of any poor practices. She noted that the audit did not include the bond-side of the program, as ADFA's external financial auditors review those components, which fall under the responsibility of the accounting department.

Ms. Summitt stated that the underwriting team had undergone a full restructuring and was certain that many of the listed issues identified were likely attributed to change of personnel, and staff fatigue with an excessive workload. The management's response to the findings was included in the audit report. Ms. Summitt noted that within the 12-month scope, covering 641 loans, the program reflected a 2.7% loan repurchase rate. Her recommendation and management's response were provided in the audit report.

Ms. Summitt further stated that ADFA's servicing organizations for the program, ServiSolutions and MITAS, both handle confidential information but had not yet had not provided the Service Organization Control (SOC) reports to ADFA. Ms. Summitt reported that she was in the process of obtaining the SOC reports from these entities.

Mr. Arrington noted that Ms. Summitt had performed the audit diligently and agreed with the recommendations in response to the findings. He also provided additional background information on the program for the benefit of the newly appointed Board members.

Mr. Coleman entertained a motion to approve the review of the StartSmart program as presented.

Mr. Martin made a motion to approve.

Ms. Sweat seconded the motion. The motion passed.

Adjournment: Mr. Coleman concluded the Audit Committee meeting at approximately 11:56 AM.

Minutes approved and signed on this 21st day of May2026.

Rod Coleman, Audit Committee Chair

TAB 9

MEMORANDUM

To:	ADFA Board Audit Committee
From:	Megan Summitt, Internal Auditor
Date:	July 1, 2026
Subject:	Summary of the Audit Plan for the Fiscal Year 2027

The audit plan submitted for approval outlines the hours anticipated to be dedicated to the three selected programs to be audited. The selected programs are as follows Payroll Department, HOME ARP, Community Development Block Grant Disaster Recovery (CDBGR).

There is one audit- Loan Servicing Department from the previous years audit plan that will be completed within the month of July 2026

The plan also outlines the various other duties, and the hours required for those. These include SEC Disclosures, Meetings, Federal Audit Requirements, Statewide Audit Requirements, and leave time for the year.

STATE OF ARKANSAS

ADFA

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

REPORT TO THE BOARD OF DIRECTORS
AUDIT COMMITTEE

INTERNAL AUDIT PLAN

FOR THE YEAR ENDING June 30, 2027

1 Commerce Way Suite 602
Little Rock, AR 72202
Phone: (501) 682-5915

July 1, 2026

The Audit Committee
Of the Board of Directors
Of the Arkansas Development Finance Authority

Internal Audit provides continual feedback on the operational effectiveness of the Arkansas Development Finance Authority (ADFA) to the ADFA Audit Committee (Committee) by following the International Standards for the Professional Practice of Internal Auditing (Standards). The FY 2027 Internal Audit Plan has been prepared in accordance with the Standards by evaluating risks for auditable areas and planning audits for the areas ranked with the highest risk for the year ending June 30, 2027. Audit coverage is based upon the number of hours the internal auditor has available for audits; however, these hours may deviate throughout the year depending upon any approved changes made by the Committee. The internal audit activities will provide the Committee with information regarding the adequacy of accounting information and operating controls, as well as the effectiveness of compliance with Federal and State government regulations and ADFA policy and procedures.

Internal audit work could include the following:

- Substantive audit procedures to determine the accuracy of account balances.
- Procedural audits designed to determine compliance with ADFA policies and procedures.
- Regulatory compliance procedures to test the effectiveness of compliance with Federal and State government regulations.
- Data processing testing to determine that present systems are effectively utilized.
- Annual risk assessment analysis, with management's input, determines auditable units.
- Annual third-party servicer reviews to ensure proper controls are in place at the servicer level (SSAE 18 and USAP)
- Data analysis to ensure completeness and accuracy of internal and external information.
- Assistance to the external auditors performing the annual independent audit.
- Agency control self-assessment facilitation.
- Pre-audit reviews to prepare areas targeted for audit by regulatory agencies.
- Consulting services for policy/procedure review and new divisions

The details of the FY 2027 Internal Audit Plan are included in the attached documents.

Arkansas Development Finance Authority
Internal Audit

TABLE OF CONTENTS

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FY 2027 Summary of Planned Audits	3
FY 2027 ADFA Auditable Areas and Audit Hours Allocation	4

Internal Audit Mission

ADFA Internal Audit is dedicated to providing internal control and system reviews to improve the efficiency and accountability of ADFA.

Audit Committee Responsibility

The primary responsibility of the Committee is to assist the Board of Directors (Board) in carrying out their responsibilities as they relate to ADFA processes and procedures, internal control structure, and internal and external reporting practices. The Committee should maintain open communication between the Board, external auditors, internal auditors, and management. The following are specific responsibilities:

- To recommend to the Board the appointment of external auditors at determined fees and to approve the scope of the audit examination.
- To review and approve the internal audit plan and audit staff.
- To review external audit reports, internal audit reports, State Bank Department examination reports, regulatory reports and ensure management incorporates recommendations appropriately.
- To review the ADFA internal and external reporting processes, and the ADFA internal control structure and make recommendations for improvement.

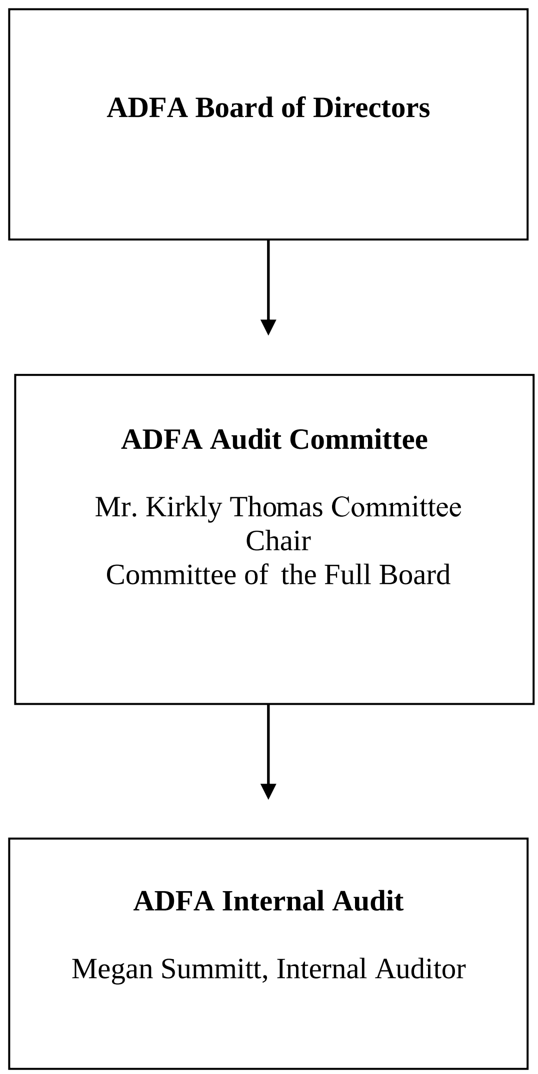
Internal Audit Responsibility

The primary responsibilities of the internal audit function are to assist members of management, the Committee, and the Board in the effective discharge of their responsibilities. To accomplish this, the internal audit function will provide: (1) audit reports detailing findings and recommendations for improvement, (2) management's response(s) to the recommendations, and (3) on-going status reports for the open audit findings. The FY 2027 Internal Audit Plan was developed by utilizing a risk-based approach in accordance with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The following are specific responsibilities:

- Review the departments and programs within ADFA to determine whether they are operating efficiently and effectively to meet management's objectives, comply with policies/procedures, and adhere to the mission of the agency.
- Determine the adequacy and effectiveness of the systems used for internal accounting and the sufficiency of operating controls.
- Review the means of safeguarding assets and verifying the existence of assets.
- Review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information.
- Review the established systems to ensure compliance with policies, procedures, laws, and regulations which could have a significant impact on operations and reports.
- Suggest improvements to policies, procedures, and operations.
- Coordinate audit efforts with external auditors and regulatory authorities.
- Investigate any fraud and cooperate with prosecuting authorities as needed.

- Report on outstanding findings from the Audit Findings Control System (AFCS)
- Report significant audit findings, the status of the annual audit plan, staffing issues, and the results of any special projects to the Committee.
- Issue written reports to the Vice President (of the area being audited) and the ADFA President detailing audit results, recommendations, and management's responses.

Audit Organization Chart



2027 Summary of Planned Audits

The planned audits are based upon a risk assessment performed by Internal Audit with input from ADFA management. These audits are listed below. The following page is a list of all auditable areas within ADFA and the budgeted hours for each audit along with estimated time budgeted for other activities, including administration, continuing education, and anticipated leave. Please note that these hours are subject to change. If the hours categorized under the Administration section are less than anticipated, then the hours spent on planned audits may increase, or additional audits may be completed. Significant changes to this plan will be presented to the Committee for approval.

Planned Audits:

- Payroll Department
- HOME ARP Program
- Community Development Block Grant Disaster Recovery- CDBGR
- Completion of the Loan Servicing Audit

FY 2027 ADFA Auditable Areas and Audit Hours Allocation

PREPARED BY: Megan Summitt
DATE: 7/1/2026

	Fiscal Year 2027
	Budgeted Hours
FINANCE AND ADMINISTRATION	
Controller Accounting Department (includes Tobacco Bonds Programs)	
Governmental Infrastructure Program	
Finance Department	
Human Resources Department	
Budget	
Payroll	320
Purchasing Department	
Loan Servicing Department (includes Insurance and Taxes)	120
Interagency Programs with Natural Resources Commission	
FAF and NBMIR Loan Programs	
College Tech Revolving Loan	
Investment Department	
SEC Disclosure Monitoring	
HOMEOWNERSHIP	
Single Family Housing Department	
Start Smart	
Down Payment Assistance Program	
Public Finance	
Outreach	
DEVELOPMENT FINANCE	
Arkansas Venture Development Fund	
Arkansas Venture Capital Development Fund	
Arkansas Institutional Fund	
Industrial Development Bond Program	
Small Business Guaranty Program	
Capital Access Program	
MULTIFAMILY HOUSING	
General Counsel	
Tax-Exempt Multi-Family Housing Bond Program and the Low-Income Housing Tax Credit Program	
Housing Compliance Department	
FEDERAL HOUSING PROGRAMS	
HOME Department	
National Housing Trust Fund NHTF	
CDBDR	320
HOME ARP	320
ESG	
INFORMATION TECHNOLOGY	
ARKANSAS STUDENT LOAN AUTHORITY	
MISC	
Statewide Control Self-Assessment Facilitation	0
SEC Disclosures and Arbitrage	240
Planning and Compliing Annual Audit Plan	40
SSBCI Quarterly Reviews	160
MERS Annual Audit	80
ADMINISTRATION	
Average Leave (Annual/Sick)	218
Holiday	96
Administration, Planning, Meetings	96
Third Party Reviews	30
Continuing education	40
Total Hours	**2080**

TAB 10

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
ADFA BOARD – HOUSING REVIEW COMMITTEE
MAY 21, 2026
DEPARTMENT OF COMMERCE, 1 COMMERCE WAY
CENTRAL HIGH/OLD MILL MEETING ROOM
LITTLE ROCK, AR

Housing Review Committee Members Present: Rod Coleman, Committee Chair; Jon Chadwell Committee Vice Chair; Katelyn Martin; and Russ Martin.

ADFA Board Members Present: Dr. Martin Eggensperger; Andy Goodman; Carey Smith; Denise Sweat; Kirkley Thomas; Kenneth Burleson (Designee, John Thurston, Arkansas Treasurer of State).

ADFA Board Members Absent: Jim Hudson, Secretary, Department of Finance and Administration; Hugh McDonald, Cabinet Secretary of Department of Commerce.

ADFA Staff Present: Robert "Ro" Arrington, President, Arkansas Development Finance Authority; John Blackwell, Vice President, Tax Credits; Jake Bleed, General Counsel; Charles "Chuck" Cathey, Vice President, Development Finance; Kristy Cunningham, Chief Financial Officer; Ginger Burton Duncan, Director of Single Family Outreach; Paula Farthing, Loan Servicing Manager; Sean Doolin, Assistant Controller; Tracy Green Grant, Assistant Controller; Kimmy Helble, Executive Assistant to President; Blake Bumgardner, CDBG-DR Specialist; Amanda Hill, Federal Housing Program Coordinator; Catrina Ingram, Compliance Assistant Manager; Hope Lewis, Controller; Yedda Matthews, Senior Accountant; Derrick Rose, Director of Communication; Megan Summitt, Internal Auditor; Tammy White, Compliance Manager; and Tony Williams, Director, Arkansas Student Loan Authority.

Others Present: Zondra Campbell, Academy of Math and Science – Little Rock; Edmond Hurst, Carty, Harding, and Hearn; Casey Kleinhenz, Community Development of NWA; Chris Tritsis, Cubit development Group; Nate Jospeh, Domera Companies; Mike Williams, Midwest Housing Equity Group, Inc.; Cheryl Schluterman, Raymond James; Kristel Jech and Shelli Jordan, Regions; Kristina Knight, RichSmith Development; Traci Williams, Rockwell Housing Solutions, LLC.; Peter Hoselton, RW Baird; Michael Ceryanec, Springdale Housing Authority; Jason Holsclaw, Stephens, Inc.; Mike Abbaei and Eric Latin, Stratus; Nona McVay, The McVay Firm, PLLC; and Kurtis Cochran, Winrock.

Call to Order: Mr. Coleman called the meeting to order at approximately 11:30 AM.

Minutes: Mr. Coleman presented the Housing Review Committee minutes from the April 16, 2026, meeting and entertained a motion to accept the minutes as presented.

Ms. Martin made a motion to accept the minutes.

Mr. Chadwell seconded the motion. The motion passed.

Action Item: 2026 9% LIHTC Staff Recommendations: Mr. Blackwell stated the 2026 LIHTC funding round was conducted in accordance with the process and scoring priorities outlined in the 2026 QAP, which had been adopted in August 2025.

Mr. Blackwell reported that staff had received thirteen applications requesting a total of $14.5 million annual 9% LIHTC. Staff recommended twelve applications that scored in accordance with the QAP. He noted that two applications were for the state of Arkansas LIHTC which piggybacks on the 9% LIHTC program. However, ADFA had only $250,000 in available state LIHTC, which was awarded to the highest-scoring applicant, Mountain Home Senior, for this round. Mr. Blackwell also noted that one application was rejected due to non-conformance with HOME, NHTF, and QAP requirements.

Mr. Blackwell stated the twelve staff-recommended applications requested a combined $13,333,900 million in 9% LIHTC. The state LIHTC award was for $246,400 which will leave a carryforward of nearly $2 million. Mr. Blackwell reported that ADFA received $2,896,300 in 9% LIHTC requests from three developments with nonprofit participation, satisfying the required 10% nonprofit set aside.

Mr. Blackwell continued that six of the twelve applications requested ADFA gap funding, totaling $13,652,906 in HOME funds and $1,563,632 in NHTF. The remaining six applications requested LIHTC only, with no ADFA gap funding. He noted that eleven applications were for new construction and one application was acquisition rehabilitation. The twelve recommended applications will produce 698 affordable housing units across the state.

After a brief discussion, Ms. Martin made a motion to approve the staff-recommended 9% LIHTC applications.

Mr. Martin seconded the motion. The motion passed.

Reports: Federal Housing Programs: For information only. No action needed.

Adjournment: Mr. Coleman concluded the meeting at approximately 11:42 AM.

Minutes approved and signed on this 21st day of May 2026.

Rod Coleman,
Housing Review Committee Chair

TAB 11

STAFF HOUSING REVIEW COMMITTEE
ACTION MEMORANDUM

Board HRC Meeting: July 16, 2026 Prepared By: Lori Brockway

HOUSING PARTNER	
Name of Entity:	**Arkansas Development Finance Authority ("ADFA")**
Address of Entity:	**1 Commerce Way, Suite 602 Little Rock, AR 72202**
Contact Person:	**Lori Brockway, Federal Housing Programs Manager**
Phone	**501-682-3339**
Email Address:	**lori.brockway@arkansas.gov.**

DEVELOPMENT INFORMATION

ACTION REQUESTED

- **Provide HOME/NHTF funding up to $70,000 to assist Developers with BABA compliance.**

BACKGROUND INFORMATION

Background Information:

HOME/NHTF projects funded with FY 2024 grant funds are subject to the Buy America/Build America Act. This requires that all iron, steel, manufactured products, and construction materials used in federally funded infrastructure projects be used in the US, with specific thresholds, waivers, and certification rules.

Due to the complex nature of obtaining waivers and exceptions and manufacturing certifications ADFA strongly encourages developers to seek guidance from a professional.

ADFA is requesting to offer up to $70,000 as a soft cost to each development in the form of a forgivable loan/grant to assist with the consulting cost. Consulting agreement and proof of payment would be required prior to reimbursement.

FINAL RECOMMENDATION OF STAFF HOUSING REVIEW COMMITTEE

Recommended for Approval.

TAB 12

STAFF HOUSING REVIEW COMMITTEE
ACTION MEMORANDUM

Board HRC Meeting: July 16, 2026 Prepared By: Lori Brockway

HOUSING PARTNER	
Name of Entity: **Address of Entity:**	**Arkansas Development Finance Authority ("ADFA")** **1 Commerce Way, Suite 602** **Little Rock, AR 72202**
Contact Person: **Phone** **Email Address:**	**Lori Brockway, Federal Housing Programs Manager** **501-682-3339** **lori.brockway@arkansas.gov.**
DEVELOPMENT INFORMATION	

ACTION REQUESTED

- **Increase per unit subsidy limits for all Federal Housing Programs.**

BACKGROUND INFORMATION

Background Information:

Per-Unit Subsidy Limit Funding Changes:
2010- 2021 Per Unit Subsidy Limits- $90,000
2021- ADFA increased the Per Unit Subsidy Limits
2022- ADFA increased the Per Unit Subsidy Limits
2023- No increase.
2024- ADFA increased the Per Unit Subsidy Limits
2025- No increase

# Bedrooms Limits	2022 Per Unit Subsidy Limits	2024 Per Unit Subsidy Limits 10% increase	**2026 Per Unit Subsidy Limits 10% increase**	HUD's Per Unit Subsidy Limits
0	$145,000	$159,500	**$175,450**	$187,658
1	$165,000	$181,500	**$199,650**	$215,122
2	$180,000	$198,000	**$217,800**	$261,595
3	$200,000	$220,000	**$242,000**	$338,419
4	$225,000	$247,500	**$272,250**	$371,477

FINAL RECOMMENDATION OF STAFF HOUSING REVIEW COMMITTEE

Recommended for Approval.

TAB 13

STAFF HOUSING REVIEW COMMITTEE
ACTION MEMORANDUM

Board HRC Meeting: July 16, 2026 Prepared By: Lori Brockway

HOUSING PARTNER	
Name of Entity:	**Arkansas Development Finance Authority ("ADFA")**
Address of Entity:	**1 Commerce Way, Suite 602** **Little Rock, AR 72202**
Contact Person:	**Lori Brockway, Federal Housing Programs Manager**
Phone	**501-682-3339**
Email Address:	**lori.brockway@arkansas.gov.**
DEVELOPMENT INFORMATION	

ACTION REQUESTED

- **Approval of HOME/NHTF Rental Guidelines**

BACKGROUND INFORMATION

Background Information:

ADFA has updated the HOME/NHTF Rental Guidelines. The Guidelines were approved at Staff HRC on May 12, 2026, and put out for public comment from May 20, 2026, through June 10, 2026. The Rental Guidelines were placed on the ADFA website and were sent to ADFA Developers.

ADFA did not receive any public comments throughout the comment period.

FINAL RECOMMENDATION OF STAFF HOUSING REVIEW COMMITTEE

Recommended for Approval.

HOME Investment Partnerships Program and National Housing Trust Fund (NHTF) Rental Guidelines

The following changes have been made to the HOME/NHTF Rental Guidelines:

1. Page 5- Changed affordability amounts on the footnote per HOME Final rule.

   [1] HOME regulation allows for an affordability period of 5 years (less than $25,000/assisted unit) or 10 years (less than $50,000/assisted unit) for rehab projects; however, in practice, most HOME rehab projects trigger a 15-year affordability period.

   Limits were previously $15,000 and $40,000.

2. Page 6- HOME and NHTF Funding Limits section was revised to remove "ADFA will only allow HOME/NHTF funding to be used for hard construction costs."

3. Page 7- Application Review Process section was revised in paragraph 2 to read "when the ADFA staff receives notification that an application has been submitted to the Portal." Previously stated "when the portal notifies ADFA staff"

4. Page 7- Application Review Process section was revised in paragraph 2 to remove the Secure Documents Request and add email as the system of notification of deficiencies. Paragraph 4 was edited to correct the word "the" to "then."

5. Page 7- The 7th paragraph was edited to change the ADFA Board meeting from monthly to next scheduled.

6. Page 9- Capital Needs Assessment section was updated to include the Capital Needs Assessment language used in the QAP.

7. Page 11- Narrative was replaced with a more detailed paragraph that describes what ADFA would like included in a narrative.

8. Page 12- Site Plan, ALTA/NSPS Survey revised this paragraph to remove LIHTC reservation and the 3 months after award language and added leasehold estate language to this section.

9. Page 13- Moved Conflict of Interest section and placed it under Project Funding Requirements.

10. Page 14- System for Award Management- added applicants must provide proof of registration to ADFA.

11. Page 15- Capacity and Identify of Interest. Drew added “While the Development Team Information tab only lists the “Contact Person,” ADFA expects all aforementioned documents from every individual in every member of the development team that has either (1) a leadership role or (2) an ownership interest in said development team entity. In addition, ADFA reserves the right to require the aforementioned documents from anyone ADFA determines to be involved in the project and whose capacity to undertake performance should be part of ADFA’s analysis. Failure to submit or correctly complete each required “Criminal Background and Disclosure Form”.”

12. Page 16- Project Location and Site Control was revised to remove the LIHTC language from the paragraph and add “If the applicant only has a long-term (at least 99 years) lease on the project site, ADFA requires completion of ADFA’s Rider for Restrictive Documents, which will be attached to the relevant Mortgage and Declaration of Restrictive Covenants for each HUD funding source—allowing said Mortgage(s) and Declaration(s) of Restrictive Covenants to attach to the fee simple interest”.

13. Page 16- Project Location and Site Control- Added language regarding long-term lease and the required Rider that would need to be signed, if there is a long-term lease.

14. Page 17- Scattered Site Development was edited to remove Section 42 language and add 24 CFR 92 and 24 CFR 93.

15. Page 19- Replaced the United States Environmental Protection Agency link with an updated link. https://www.epa.gov/home

16. Page 20-22- ER topics added: Floodplains, Wetlands, Jurisdictional Streams, Environmental Impact Statements.

17. Page 22- Environmental Impact Statements- Added ADFA will not fund any project which requires completion of an Environmental Impact Statement.

18. Page 25- Revised the paragraph under number 9 of the Match section to remove the “HOME can be counted as match for the Mckinney Act programs.”

19. Page 28- Under Other Federal Requirements, revised the Labor Requirement section to include that Davis-Bacon does not apply to NHTF.

20. Page 33- Proforma Requirements. Removed "in the RFP" from the third paragraph since ADFA is not issuing an RFP.

21. Page 38- Rent Limits – added the new verbiage from the current HOME Final Rule. For all projects, ADFA must specifically approve the project's rent schedule annually, including utility allowances and any tenant fees as described in the sections below. For any HOME unit (Low or High) with local, state, or federal rent assistance (project- based or tenant-based), the tenant's contribution to rent is set by the rental assistance program (30% of adjusted or 10% of annual gross income). The Owner may accept rental subsidy even if the subsidy + tenant contribution exceeds published HOME rent.

22. Page 43- Loan Types and Terms section was updated to add the loan terms and provisions.

23. Page 43-44- Priorities/Subordination verbiage was added to clarify recordation of certain documents. See below:

As part of its funding of a project, ADFA requires the recordation of certain documents. For HOME and/or NHTF projects, a Declaration of Restrictive Covenants and Mortgage must be recorded to ensure that the restrictions and liens, respectively, run with the land.

The Declarations of Restrictive Covenants are to be recorded before the Mortgages. If a project has both HOME and NHTF, the order of recording priority should be (1) the Declaration of Restrictive Covenants for the funding source supplying the greater amount of funds, (2) the Declaration of Restrictive Covenants for the funding source supplying the lesser amount of funds, (3) the Mortgage for the funding source supplying the greater amount of funds, and (4) the Mortgage for the funding source supplying the lesser amount of funds. If the project is receiving an equal amount of HOME and NHTF funds, the HOME documents are given priority (i.e. HOME Declaration, NHTF Declaration, HOME Mortgage, and NHTF Mortgage).

In certain limited circumstances, ADFA will subordinate its loan to other loans. ADFA will usually subordinate to

1. Construction loans which are required to be paid off prior to the commencement of ADFA's loan(s) being repaid per the terms of the ADFA Promissory Note(s).
2. A conventional loan of a <u>greater</u> amount than the ADFA loan (if there is only one) or sum of the ADFA loans (if the project has both HOME and NHTF funding).

***Note that this only applies to ADFA subordinating its *loan(s)*. ADFA's Declaration(s) of Restrictive Covenants must remain in a higher priority.

However, even if ADFA subordinates its loan, no subordination shall

1. Affect the terms of ADFA's Promissory Note(s), including the repayment terms and maturity date.

2. Waive ADFA's right to approve or disapprove any proposed ownership transfer (or any transfer of an ownership interest) in the project through ADFA's usual ownership transfer process.
3. Require ADFA to acquire the senior lender's permission to amend ADFA's Declaration of Restrictive Covenants or Agreement.

Furthermore, while ADFA's HOME and/or NHTF Agreements and Declaration of Restrictive Covenants will set forth the order of priority, ADFA specifically does not approve of any liens, restrictions, etc. which either appear for the first time in the Public Records or are created, attach, or are disclosed between the Commitment Date of the Title Commitment and the date on which the Title Policy is issued. Any lien, restriction, etc. meeting this criteria must be specifically sent to ADFA to be reviewed and a determination made on the effect said lien, restriction, etc. would have on the project.

24. Page 45- Property Standards section – added the Waiver Link. Applicants may request a waiver for rehabilitation proposals by submitting the following: ADFA Waiver Request.

25. Page 50- Removed the Section requiring guarantees.

Guarantees. Excluding the investor/syndicator partners or members of the ownership entity, all underlying individuals, corporate entities, partnerships, or limited liability companies with an interest in the project's ownership entity may be required to provide the following performance guarantees:
1) Completion Guarantee including provisions guaranteeing construction completion of the project;
2) Recovery Guarantee including provisions guaranteeing ongoing compliance with HUD HOME and/or NHTF guidelines and indemnifying ADFA against any liability to HUD resulting from the project's non-compliance; and
3) Replacement Reserve Guarantee to ensure annual deposits to a Replacement Reserve for the project in an amount consistent with the loan documents and/or covenant running with the land. Guarantees shall be joint and several and must remain in effect throughout the applicable affordability period.

26. Page 55-Compliance Section – decreased the Compliance and Monitoring section and added the link to the Compliance Manual.

ADFA
ARKANSAS DEVELOPMENT FINANCE AUTHORITY

HOME Investment Partnerships Program
and
National Housing Trust Fund

Rental Program Guidelines

Rev. May 2026

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1. Summary

The Arkansas Development Finance Authority (ADFA) supports the rehabilitation and new construction of affordable rental housing for low-income, very low-income, and extremely low-income households with its annual funding allocation from the U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships Program (HOME) and National Housing Trust Fund Program (NHTF). HOME was created under Title 11 of the Cranston-Gonzalez National Affordable Housing Act of 1990 with implementing regulations at 24 CFR Part 92; NHTF was established under Title I of the Housing and Economic Recovery Act of 2008 with regulations at 24 CFR Part 93.

In general, both HOME and NHTF are intended to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention on rental housing. Both programs include income targeting. NHTF is primarily focused on extremely low-income households with incomes at or below 30% of the area median income (AMI) while HOME is focused on very low-income households (at or below 50% AMI) and low-income households (at or below 60% AMI).

ADFA's HOME and NHTF funds will be used to provide financing and gap financing to housing projects located in Arkansas. Each program will target housing in areas that are affordable to people who are at or below the specific program's applicable income limits. In exchange for low-cost permanent financing, property owners will agree to income, rent, and other restrictions for an affordability period between 15 and 30 years (depending on funding source and activity)[1]. Projects are monitored for compliance during the affordability period. When there are multiple funding sources, project developers, owners, and sponsors must abide by each funding source's requirements.

This document sets forth the requirements for ADFA's awards of HOME and/or NHTF funds for rental projects. In most cases, the requirements for HOME and NHTF funds are the same, and ADFA's goal is to operate the two programs in a unified fashion; however, there are important distinctions between the programs which are identified herein. This guidebook is supplemental to the 2018 HOME Program Operations Manual.

[1] HOME regulation allows for an affordability period of 5 years (less than $25,000/assisted unit) or 10 years (less than $50,000/assisted unit) for rehab projects; however, in practice, most HOME rehab projects trigger a 15-year affordability period

2. HOME and NHTF Funding Limits

ADFA has established a maximum cap on its investment in a single development. Such a limit will be based on the availability of funding and other ADFA priorities. The maximum cap as established by the ADFA Board of Directors is currently $3,000,000 for HOME and $1,000,000 for NHTF. To qualify for HOME/NHTF funding, a project must demonstrate the need for an investment of no less than $1,000 in HOME/NHTF funding per HOME/NHTF-assisted unit.

3. Application Submission Criteria

All HOME and/or NHTF Rental Housing Program applicants must comply with the submission criteria set forth in ADFA's Rental Program Guidelines and application materials. ADFA reserves the right to require the submission of additional information as needed to complete project underwriting. ADFA reserves the right to reject or deny any application that fails to meet the following criteria: a complete Multi-Family Housing Application (MFHA) in Excel (with all worksheets/tabs completed) uploaded to the ADFA Programs Portal (the Portal), an Adobe PDF version of the full MFHA application (including all worksheets/tabs) with signature pages and attachments uploaded to the Portal, the repayable loan terms for all applicable funding sources, an acceptable DCR of at least 1.15 not to exceed 1.40, and the proposed rents that include any anticipated subsidy.

All MFHA and required reporting through the application approval process should be submitted to the Portal until a project has been completed and placed in service.

A. Application Submission Process

1) The MFHA must be saved as an Excel file, in the same format as the MFHA posted on the ADFA website and submitted via email to: Multifamily.Housing@arkansas.gov.

2) A PDF copy of the MFHA and all exhibits bookmarked must be submitted to ADFA on a USB flash drive, if applying for both LIHTC and HOME/NHTF. If any of the Application Requirements are not applicable, the applicant must mark "N/A" on the respective tab insert and provide an explanation why.
3) Applications must also be submitted in the Portal. Instructions are included in the MFHA.

4) If revisions are made after the initial submission, then the revised MFHA must be submitted with its revision date.

B. Application Review Process

Applications submitted for a proposal of HOME and/or NHTF funding will be subject to a two- phase process: 1) Preliminary review and 2) Underwriting and subsidy layering review.

The preliminary review starts when the ADFA staff receives notification that an application has been submitted to the Portal. This review will determine if the application includes a Portal submission of all required forms, certifications, and documentation. Applications with incomplete or missing forms, certifications, or documentation will be notified through email and will be given ten (10) business days to make the needed corrections.

If during the preliminary review and the underwriting subsidy layering review there have been two (2) notifications issued and there are still missing documents/information or no response, ADFA has the right to terminate the application from consideration of HOME/NHTF funding.

Once the MFHA is underwritten and reviewed by ADFA staff, then ADFA staff will submit the proposal to the Housing Review Committee (HRC) and provide a report of the underwritten application, including a summary of the project.

The report will include the type of development, the total development costs, all the funding sources, the loan terms, and an acceptable Debt Coverage Ratio (DCR).

The HRC staff will review the report and make a recommendation for approval/denial of the application.

If the application is recommended for approval, it will be reviewed at the next scheduled ADFA Board Meeting. If the application is awarded or denied, an official letter will be issued to the applicant.

4. Required Forms for a Complete Application

The following Application Requirements (the "Requirements") must be followed. Failure to submit all the following will terminate the application from consideration. This list is not all inclusive.

A. Financial Commitment Letters

All sources of financial commitments, including but not limited to the following, as applicable:

- Commitment letter(s) from any non-ADFA permanent lender(s) including units of local government. The letter(s) shall be dated within six (6) months prior to the submission of the application and state that a formal application for permanent financing is under serious consideration. The letter must contain:
  - the amount of the loan.
  - amortization period.
  - annual loan payment; and
  - interest rate.

B. Appraisal

1) Acquisition costs shall be supported by an independent appraisal of the property dated within one (1) year prior to the application submission date, which supports the purchase price of the land. An Appraisal must be provided with the initial application.

2) The purchase price must be equal to or less the appraised value of the land, and buildings, if applicable.

3) For Acquisition/Rehabilitations, the appraisal must separately identify:
   a) the appraised value for the buildings in the development and the value of the land.
   b) the value of any federal rental subsidy enhancing the value of the buildings. (The applicant must submit a commitment letter from the federal agency stating the subsidy has been awarded).

C. Zoning and Planning Commission Information

A signed letter, dated within six (6) months prior to the Application Deadline, from the appropriate zoning authority (including a planning commission, if applicable) stating the proposed use of the property and that the property is properly zoned for such proposed use.

D. Independent Market Study

Applications must include a comprehensive market study conducted by a disinterested party on ADFA's "Market Analyst Firms – Approved List" dated within six (6) months prior to the application submission. The analyst will acknowledge in the study that it is being done for ADFA's use and benefit. ADFA will reject the application if the market study shows:

1) inadequate demand for any unit size proposed, based upon the targeted income group for that unit size,

2) a capture rate of more than 20% for any unit,

3) the proposed development will detrimentally affect other affordable housing in the area,

4) the proposed location is or nearly is saturated, or

5) any other negative impact.

E. Capital Needs Assessment-Pre Approval Process

ADFA requires a Capital Needs Assessment (CNA) to be provided for all rehabilitation projects, a minimum of 60 calendar days prior to the application deadline or application submission.

ADFA staff will review the submitted CNA with the purpose of determining whether the proposed scope of work meets requirements for Federal Housing Programs as well as ADFA's ongoing commitment to providing safe, affordable housing. ADFA's review of the CNA will include an inspection of the property to be rehabilitated. If ADFA's review concludes that the proposed CNA meets the requirements of ADFA, the scope will be approved in writing and returned. If the CNA does not meet these standards, the CNA may be returned with a list of deficiencies as identified by ADFA staff. No application for rehabilitation will be accepted unless and until the CNA has been approved in writing by ADFA.

All rehabilitation developments must include a capital needs assessment conducted by a firm on ADFA's "Capital Needs Assessment Firms – Approved List" dated within six (6) months prior to the Application Deadline/Submission. **"As needed" CNA's will**

not be accepted. ADFA requires each unit to be inspected and estimate the repairs needed for each specific unit. The assessment must involve an interview with the maintenance personnel and an analysis of the following:

a. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas and electric utility lines.
b. Structural systems, both substructure and superstructure, including exterior walls, balconies and stairways, exterior doors and windows, roofing system and drainage, including but not limited to termite, mold, and water damage.
c. Interiors, including unit and common area finishes (carpeting, vinyl flooring, tile flooring, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors.
d. Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, and elevators; and
e. Buildings, facilities, common use areas, residential units, parking areas, curbs, ramps, and railings to ensure compliance with applicable federal, state, and local laws regarding accessibility for persons with disabilities.

The report must include a physical inspection of the interior and exterior of each unit and each building and must specifically identify the scope of work and estimated costs necessary to:

- Rehabilitate all components examined and analyzed in the development to a new or "like-new" condition.
- Correct all deficiencies in order for the development to comply with applicable federal, state, and local laws and requirements regarding accessibility for persons with disabilities; and
- Correct all deficiencies to ensure compliance with ADFA's Design Standards Manual for New Construction and Rehabilitation (other than as may be waived).

All rehabilitation applicants must submit a statement that the scope of rehabilitation will include all capital needs set forth in the Capital Needs Assessment.

F. Tenant Income Audit

All applications for rehabilitation projects must include a complete, detailed Tenant Income Audit that identifies all existing tenant households and their incomes. The audit must separately identify those tenant households whose income exceeds applicable income limits.

G. Fair Housing Training

The applicant must include with its application a certification evidencing completion of four (4) hours of fair housing training by a principal of the following members of the development team, or manager dealing with day-to-day operations, as appropriate under the circumstances: Owner, Developer, Management Company, Consultant; and Architect, if applicable. A certification is valid for the purpose herein, for two (2) years from date of certification. Each development team member should attend the class most relevant to his or her development team role.

H. Narrative Description of the Development

A detailed narrative description that includes the type of development; a description of the development site and surrounding area; an overview of all work to be done on the development site and surrounding area; types of financing; tenants served; bedroom mix; percentage of low-income units; involvement of nonprofit support service organizations; project amenities; energy efficiency; rehabilitation work to be performed, if applicable; and any other relevant descriptive information, including any information that would be considered reasonably necessary in determining the scope of an environmental review analysis (including other work, regardless of timing and who will be performing it, which applicant may consider outside the scope of the project, but which is related to the project on either a geographical or functional basis, or which along with the project are logical parts of a composite of contemplated actions).

I. Letter to Public Housing Authority (PHA)

The applicant shall provide written documentation to the local PHA of its intent to develop a low-income multifamily rental development.

J. Letter of Participation, Licenses, and Certification

Applications must include a cover letter describing the participation of the members or partners in the development. The General Contractor/Builder, Architect, and Engineer must be licensed to conduct business in Arkansas. A Certification of Good Standing from the Arkansas Secretary of State for the Applicant, Developer, and Management Company must be included as well.

K. Site Plan, ALTA/NSPS Survey, and Topographic Survey

A site plan depicting the location and orientation of each existing or proposed building, and all paved areas throughout the development site, including sidewalks and parking areas, must be submitted. For new construction and rehabilitation developments, an ALTA/NSPS survey and topographic survey of the proposed development site, signed and dated, will be required to be submitted by a person authorized to perform such surveys by the Arkansas State Board of Licensure for Professional Engineers and Professional Surveyors 3 months after award, but prior to Notice to Proceed.

For situations where the applicant only has a leasehold estate, the owner of the underlying fee simple parcel(s) will be required to "parcel out" (as a single tax parcel) an area that matches the leased parcel—if there isn't a single tax parcel that already matches the leased parcel. The ALTA survey submitted should reflect that the fee simple parcel matches the leased parcel.

The detailed site plan, along with any existing environmental reports that the applicant is aware of and any other relevant information, must be submitted by the applicant to the qualified environmental professional who will be performing the environmental review as required by ADFA.

L. Equal Opportunity

ADFA requires that all housing financed or otherwise assisted by ADFA be open to occupancy by all persons regardless of race, color, religion, sex, handicap, familial status, or national origin. Contractors and subcontractors engaged in the construction or rehabilitation of such housing must provide equal opportunity for employment without discrimination as to race, color, religion, sex, handicap, familial status, or national origin.

5. Project Funding Requirements

A. Eligible Applicants

Developers and owners of affordable rental housing including for-profit developers, nonprofit developers, public housing authorities, and ADFA-designated community housing development organizations (CHDOs) are eligible to apply for HOME/NHTF funding subject to the program-specific limitations noted below.

B. Conflict of Interest

To comply with HOME and NHTF requirements and to maintain a high standard of accountability to the public, conflicts of interest and perceived conflicts of interest must be avoided. Owners shall maintain compliance with all HUD conflict of interest provisions as stated in 24 CFR 92.356(f) for HOME and 93.353(f) for NHTF.

1. HOME

   a) While public housing authorities are eligible to apply, public housing units supported by Public Housing Capital or Operating Funds authorized by the 1937 US Housing Act are not eligible for HOME funding. Non-public housing units owned and developed by a public housing authority are eligible.

   b) A CHDO is a specific type of community-based nonprofit organization defined by section 92.2 of the HOME Final Rule. The HOME program includes an annual set-aside of funds for projects owned, developed, or sponsored by CHDOs. Prior to committing funds, ADFA will review the status of any organization seeking funds from the CHDO set-aside to ensure that it meets all HOME requirements, that it has sufficient staff capacity to carry out the project, and that the CHDO meets the requirements of "owner," "developer," or "sponsor" as required by 24 CFR 92.300(a).

2. NHTF

   Unlike HOME, NHTF can be awarded to assist in the development of public housing units under limited circumstances as outlined in 24 CFR 93.203:

   a) NHTF funds may be used for new construction or rehabilitation of public housing as part of the Choice Neighborhoods (Choice) program under a HUD appropriation act or for new public housing units that have been allocated and will receive low-income housing tax credits under section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42).

   b) NHTF funds may be used for the rehabilitation of existing public housing units in which the public housing assistance will be converted and used at the properties under the Rental Assistance Demonstration (RAD) program under HUD's 2012 Appropriations Act (Pub. L. 112-55, 125 Stat. 552, approved November 18, 2011) or subsequent statutes; and

c) The public housing units constructed using NHTF funds must replace units that were removed from a public housing agency's public housing inventory as part of a Choice program grant, or as part of a mixed-financed development under section 35 of the 1937 Act. The number of replacement units cannot be more than the number of units removed from the public housing agency's inventory. The public housing units constructed or rehabilitated using NHTF funds must receive Public Housing Operating Fund assistance (and may receive Public Housing Capital Fund assistance) under section 9 of the 1937 Act. These units cannot receive operating cost assistance or operating cost assistance reserves from NHTF.

ADFA will not fund projects owned, developed, or otherwise sponsored by any individual, corporation, or other entity that is suspended, debarred, or otherwise precluded from receiving federal awards. Nor may the owner contract with any other entity (including but not limited to builders/general contractors, property management companies, or other members of the development team) that are suspended, debarred, or otherwise so precluded.

Similarly, the general contractor will be required to determine that subcontractors are not so precluded.

C. The System for Award Management (SAM)

The System for Award Management (SAM) database will be used by ADFA to confirm that development team members are not excluded. The SAM database is available at www.sam.gov. **All applicants and team members must be registered at SAM.gov and provide proof of registration to ADFA.**

D. Capacity and Identity of Interest

ADFA may disqualify an application based on its determination that any development team member does not have the capacity to undertake performance, information provided in the Criminal Background and Disclosure Form, or documentation supporting instances of nonperformance, including:

1) Failure to meet and maintain minimum property standards.

2) Failure to meet and maintain any material aspect of a development as represented in an application.

3) Excessive late or incomplete reports to ADFA.

4) Failure to obtain prior approvals from ADFA.

5) Having been involved in uncured financing defaults, foreclosures, or placement on HUD's list of debarred contractors.

6) Events of material uncorrected noncompliance with any Federal- or State-assisted housing programs within the prior seven (7) year period.

7) Failure to comply with ADFA's request for information or documentation on any development funded or administered by ADFA; or

8) Removal as a general partner.

Each member of the development team as listed in the Development Team tab of the MFHA must complete the "Conflict of Interest Acknowledgment" and "Contract and Grant Disclosure and Certification Form". Additionally, each applicant, developer, consultant, development team member, and any public official affiliated with an application must complete a "Criminal Background and Disclosure Form." While the Development Team Information tab only lists the "Contact Person," ADFA expects all aforementioned documents from every individual in every member of the development team that has either (1) a leadership role or (2) an ownership interest in said development team entity. In addition, ADFA reserves the right to require the aforementioned documents from anyone ADFA determines to be involved in the project and whose capacity to undertake performance should be part of ADFA's analysis. Failure to submit or correctly complete each required "Criminal Background and Disclosure Form" may result in disqualification of the Application.

As appropriate for each entity listed on the Development list and the Limited Partnership, the application must include an organizational chart for each member of the Development Team listing the entity, and all applicable stockholders, directors, officers, members, managers, trustees, etc. including full names and addresses and percentage of ownership and voting rights.

The application must identify all members or partners, as applicable, of the applicant entity. If any such members, partners, or shareholders are entities, the application must identify all members, partners, or shareholders of such entities. None of the parties identified may be affiliated with the project's architect or civil engineer.

Applicants must disclose any identity of interest situations that may occur when contracting with related companies during either the development or ongoing operation of the project.

All HOME and/or NHTF applications must include personal financial statements (audited if available) and the two most recent tax returns from all underlying developers, owners, and guarantors; and will be subject to ADFA's evaluation of fiscal soundness as required by 24 CFR 92.250(b)(2) (HOME) and 24 CFR 93.300(b)(2) (NHTF).

E. Project Location and Site Control

Projects must be located in the State of Arkansas.

A project site or (site) is defined as a parcel or parcels of land (each with a unique parcel number) on which the HOME, and/or National Housing Trust Fund ("NHTF") project will be developed, as described by a unique legal description (covering the entire parcel or parcels in question) that will be part of the Declaration of Restrictive Covenants and Mortgage. ADFA will not allocate HOME, and NHTF based on costs associated with a site, or any portion thereof, **which was included in a prior ADFA allocation.**

If the applicant only has a long-term (at least 99 years) lease on the project site, ADFA requires completion of ADFA's Rider for Restrictive Documents, which will be attached to the relevant Mortgage and Declaration of Restrictive Covenants for each HUD funding source—allowing said Mortgage(s) and Declaration(s) of Restrictive Covenants to attach to the fee simple interest.

No part of any project's legal description which is subject to an active ADFA restriction shall be released.

1. Scattered Site Applications

Scattered site applications will be limited to sites within one county. A scattered site development is any housing development that is:

a) Noncontiguous,
b) Located within a single county, and
c) Comprised solely of low-income units.

2. Scattered Site Development

A scattered site development must meet the following requirements:

a) All units must be rent restricted in accordance with 24 CFR 92 and 24 CFR 93 and other federal funding sources;
b) Each site within the proposed development must meet all applicable threshold criteria.
c) All buildings in the development must be under the ownership of one entity. The applicant must have site control and provide evidence in one of the following forms:
    i) Executed purchase option contract; or
    ii) Evidence of executed assignment and assumption agreement with executed purchase option agreement/contract.
        1. The option contract or agreement must be in the name of an existing entity or person that is in a position of control over the applicant and gives such entity or person the exclusive right to purchase or lease the property for a period not to expire prior to December 6 of the year of the MFHA submission deadline. The option or contract cannot be subject to extension fees in order for the contract to reach the required expiration date. If one of the above applies, the applicant must also submit a copy of the recorded deed evidencing the Seller's or Lessor's ownership.

           The applicant will sign a Verification of Arm's-Length Transactions. A statement in the market study or appraisal will not suffice. If the seller is an entity, the applicant must disclose the identity of all members, partners, or shareholders.

F. Project Types

Funds will be provided for acquisition/rehabilitation and new construction of multifamily residential rental projects. While ADFA will entertain any proposals meeting its criteria, in practice, most projects will also require other public investment to be economically feasible. This may include projects also funded with other federally regulated affordable housing programs such as, but not limited to, LIHTC, HUD Section 202, Section 811, Rental Assistance Demonstration (RAD), Choice Neighborhoods, or United States Department of Agriculture Rural Development (USDA-RD).

Acquisition costs exceeding the appraised value of the property will be ineligible for HOME and/or NHTF funding reimbursement. When a project's sources include USDA-RD or other HUD funding, the USDA-RD or HUD appraisal methodology will apply.

6. Environmental Review

A. Environmental Review Requirements

The Environmental Assessment (EA) or Environmental Review for Activity/Project that is Categorically Excluded Subject to Section 58.5 (CEST) form (whichever is appropriate for the level of review) must be completed by an environmental professional who is qualified to perform (1) Phase I and II Environmental Site Assessments and (2) wetland delineations (a "Qualified Environmental Professional"). All relevant information, including details, site plans and existing environmental reports that the applicant is aware of, must be submitted by applicant to the Qualified Environmental Professional prior to the commencement of their environmental review.

Federally-assisted projects are subject to a variety of environmental requirements. Developers should be familiar with these requirements and are strongly encouraged to discuss any questions they have with ADFA staff **prior to** entering into a purchase agreement or submitting an application.

Developers are prohibited from undertaking, committing, or expending <u>any</u> funds (<u>including non-federal funds</u>), to any physical or choice-limiting actions on the site, prior to an environmental clearance as required by Part 58. Physical and choice-limiting actions include, but are not limited to, property acquisition, demolition, movement, rehabilitation, conversion, repair, or construction. This prohibition applies regardless of whether federal or non-federal funds are used. Taking a choice limiting action prior to completion of the required environmental clearance process will result in the denial of any HOME funding request from ADFA.

1. HOME

All HOME-assisted projects shall be implemented in accordance with environmental review regulations as defined in 24 CFR Part 58.

ADFA shall be responsible for conducting the environmental review and completing all necessary public notifications, and the request for release of funds (RROF), as applicable, from HUD. The applicant is responsible for cooperating with ADFA in the environmental review process and providing information necessary for ADFA to fulfill its responsibilities under Part 58 and other applicable regulations.

Submitting an application for HOME funds triggers environmental review requirements under 24 CFR Part 58, including the National Environmental Policy Act (NEPA), and the implementing procedures issued by the Council on Environmental Quality at 40 CFR Parts 1500-1508. HUD regulations implementing NEPA are contained in 24 CFR Part 50, "Protection and Enhancement of Environmental Quality." One of the tenets of HUD's Environmental policy is stated at § 50.3(i)(1) which requires that property proposed for HUD programs be free of "radioactive substances (Radon) where [they] could affect the health and safety of occupants." Once an application for federal funds is submitted, a project proposal is now subject to the environmental review requirements and requires an environmental clearance and issuance of an Authority to Use Grant Funds (AUGF), as applicable, by the U.S. Department of Housing and Urban Development.

Contact Agency	EPA: https://www.epa.gov/radon/radon-standards-practice#current HUD: https://www.epa.gov/home United States Environmental Protection Agency 1201 Elm Street, Suite 500 Dallas, Texas 75270-2102

2. NHTF

NHTF funding is not specifically subject to NEPA or to HUD's environmental review regulations at 24 CFR 58. However, the NHTF regulations at 24 CFR 93.301 impose substantially similar provisions to the detailed requirements under NEPA and Part 58.

The difference between the two regulatory approaches is largely administrative. NHTF funds are not subject to publication requirements, nor is

ADFA required to seek a formal release of funds from HUD prior to committing funds to a project. Notwithstanding the technical differences in the regulatory requirements, in practice, ADFA does not intend to enter into project-specific funding commitments until it has satisfactory evidence that all appropriate requirements have been met.

Applicants are strongly encouraged to review the requirements in 24 CFR 93.301 and HUD CPD Notice 16-14: Requirements for Housing Trust Fund Environmental Provisions.

B. Floodplains

Pursuant to 24 CFR Part 55 and Executive Order 11988 (Floodplain Management), ADFA's goal in this section is "to avoid to the extent possible the long and short-term adverse impacts associated with the occupancy and modification of floodplains."

Accordingly, any project—rehabilitation or new construction—that requires the 5-step or 8-step decision-making process pursuant to 24 CFR 55.20 shall not be funded.

A Qualified Environmental Professional must provide a definitive determination that no aspect of the project (including any project aggregation pursuant to 24 CFR 58.32) triggers the 5-step or 8-step process prior to application submission. Any project failing to provide this determination at application submission shall not be funded.

All environmental review approvals are based on the detailed site plans—showing the locations of project aspects like buildings, parking spaces, ground-disturbing activities, etc.—which must be submitted to the Qualified Environmental Professional prior to the commencement of their review. Any subsequent changes to the project area (including locations of structures like buildings, parking spaces, etc.) must be sent to ADFA for review and determination if such changes require further evaluation, which may include reevaluation of floodplains aspect of the environmental review by the Qualified Environmental Professional.

In order to ensure compliance with 24 CFR Part 55/Executive Order 11988 and account for standard construction variations between site plans and the actual location of structures, for new construction projects, a minimum 15-foot distance is required between the project as shown on the site plans and the relevant floodplain (including floodway) which would trigger the 5-step or 8-step decision-making process.

For rehabilitation projects, there is no distance requirement. All structures (buildings, parking spaces, etc.) must be located outside of the floodplain.

C. Wetlands

Pursuant to 24 CFR Part 55 and Executive Order 11990 (Protection of Wetlands), ADFA's goal in this section is "to avoid to the extent possible the long- and short-term adverse impacts associated with the destruction or modification of wetlands and to avoid direct or indirect support of new construction in wetlands whenever there is a practicable alternative."

Accordingly, any project—rehabilitation or new construction—that requires the 5-step or 8-step decision-making process pursuant to 24 CFR 55.20 shall not be funded.

A Qualified Environmental Professional must provide a definitive determination that no aspect of the project (including any project aggregation pursuant to 24 CFR 58.32) triggers the 5-step or 8-step process (that the project will not have any impact on any on- or off-site wetlands) prior to application submission. Any project failing to provide this determination at application submission shall not be funded.

All environmental review approvals are based on the detailed site plans—showing the locations of project aspects like buildings, parking spaces, ground-disturbing activities, etc.—which must be submitted to the Qualified Environmental Professional prior to the commencement of their review. Any subsequent changes to the project area (including locations of structures like buildings, parking spaces, etc.) must be sent to ADFA for review and determination if such changes require further evaluation, which may include reevaluation of wetlands aspect of the environmental review by the Qualified Environmental Professional.

In order to ensure compliance with 24 CFR Part 55/Executive Order 11990 and account for standard construction variations between site plans and the actual location of structures, for new construction projects, a minimum 15-foot distance is required between the project as shown on the site plans and any wetlands.

For rehabilitation projects, there is no mandatory distance requirement between the project and any wetlands. The requirement is that the project will not have any impact on any on- or off-site wetlands. However, from a practical perspective, it is recommended that there is a 5-to-10-foot buffer between the project and any wetland.

D. Environmental Impact Statements

ADFA will not fund any project which requires completion of an Environmental Impact Statement.

7. Other State and Local Requirements for HOME/NHTF

This section addresses State and local requirements and policies that must be adhered to as part of the project planning and developments. Only asbestos abatement removal, which falls under the Clean Air Act, is part of the Part 58 environmental review compliance process. Lead based paint is addressed in the HOME/NHTF program regulations.

Solid Waste Disposal

Legislation	Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901-6987
Citations	40 CFR 240-265
Applicability	Any Activity generating solid waste that will require a disposal permit
Contact Agency	ADEQ: https://www.eli.org/brownfields-program/arkansas-department-environmental-quality-adeq Solid Waste Management Division 8017 Interstate 30 5301 Northshore Drive, NLR 72118-5317 501-682-0600

Lead Based Paint

Legislation	Lead Based Paint Hazard Elimination
Citations	24 CFR 35 and Sections 1012 and 1013 of the Residential Lead-based Paint Hazard Reduction Act of 1992; Arkansas Pollution Control and Ecology Commission https://portal.arkansas.gov/state_agencies/department-of-energy-and-environment/arkansas-pollution-control-and-ecology-commission/
Applicability	Units constructed before 1978
Contact Agency	ADEQ Air Division- Asbestos/Lead Branch 5301 Northshore Drive, North Little Rock, AR 72118-5317 501-682-0717

Asbestos Identification and Abatement

Legislation	Asbestos Identification and Abatement
Citations	The Clean Air Act of 1972, as amended; 40 CFR 61 dated November 20, 1990, as amended; Arkansas Asbestos Abatement Regulation (Section 3 of Act 531 of 1987). Arkansas Pollution Control and Ecology Commission https://www.adeq.state.ar.us/regs/#reg21 the Arkansas Asbestos Abatement Regulation
Applicability	All projects involving rehabilitation of buildings
Online Resource	https://www.adeq.state.ar.us/regs/#reg21.
Contact Agency	ADEQ Air Division-Asbestos/Lead Branch 5301 Northshore Drive, North Little Rock, AR 72118-5317 501-682-0718

Radon Identification and Abatement

Legislation	Indoor Radon Abatement Act
Citations	National Technology Transfer and Advancement Act (1995), and Circular A-119 (2016, 1998) issued by the Office of Management and Budget, Executive Office of the President. For more information, please visit "EPA Guidance on the Use of Voluntary Consensus Standards for State Indoor Radon Grant Recipients.
Applicability	All projects involving rehabilitation and new construction of buildings
Online Resource	https://standards.aarst.org/

8. Match

A. Match Requirements for HOME Funding

Match is the local contribution to affordable housing that is required of all applicants participating in the HOME program.

B. Basic Facts about Match

1) The HOME Program requires that ADFA provides a matching contribution in an amount equal to no less than 25 percent of the total HOME funds drawn down for project costs. If there is a reduced match rate, it is based on approval by HUD and, as such, is subject to change

2) Match is a permanent contribution to affordable housing.

3) Match is not leverage. Match is the local, non-federal permanent contribution to the partnership with the HOME program. Leverage is the amount of debt relative to the total value of the assets in a project. The use of HOME funds in a project may increase the ability of a project to secure mortgage financing which is repaid over time.

C. Eligible Forms of Match

The match obligation may be met with many different options as stipulated in 24 CFR 92.220:

1) Cash or cash equivalents from a non-federal source such as a donation from private or non-profit entity members who do not hold an investment or ownership interest in the project.

2) Waived taxes, fees or charges associated with HOME projects.

3) Value of donated land or real property.

4) Cost of infrastructure improvements associated with HOME projects from non-federal sources are prorated per unit.

5) A percentage of the proceeds of single- or multi-family housing bonds issued by state, state instrumentality or local government.
6) Value of donated materials, equipment, labor and professional services.
7) Sweat equity.

8) Direct costs of supportive services to residents of HOME projects; and/or

9) Direct cost of homebuyer counseling to families purchasing homes with HOME assistance.

Match counted for other Federal programs cannot be counted as HOME match. For more information about match see Chapter 14 2018 HOME Policy Operations Manual

D. Ineligible Forms of Match

The following do not meet the requirements for eligible sources of match and do not count toward meeting the matching contribution requirement:

1) Contributions made with or derived from federal resources or funds (including CDBG), regardless of when the funds were received or expended.

2) Property acquired with federal funds.
   a) Note that the properties acquired with federal funds can, in certain circumstances, provide match credit, only if purchased with federal funds specifically for HOME assisted housing or for a HOME eligible project. Additionally, the property must have been acquired at demonstrably below

the appraised value and seller acknowledged the sale at below-market value as a donation to affordable housing at the time of acquisition.

3) The interest rate subsidy attributable to the federal tax exemption on financing (such as bonds issued by the State) or the value attributable to federal tax credits (such as the Low-Income Housing Tax Credit Program).

4) Owner equity or investment in a project (except for sweat equity).

5) Cash or other forms of contributions from applicants for or recipients of HOME assistance or contracts, or investors who own, are working on, or are proposing to apply for assistance for a HOME-assisted project (except for sweat equity or professional services donated by contractors **who do not own** any HOME projects)
   a) Example: Discounted costs/fees of a construction company contractor whose owners or investors are shared with the Owner/Applicant, are ineligible for Match.

6) The cost of administering HOME-assisted or HOME-eligible housing projects or rental assistance; or

7) Contributions counted as match toward any other federally funded program.

9. Other Federal Requirements

<u>Project is Subject to Other Federal Requirements</u>

Requirement	Impact on Project
Environmental Review of Activities	A recipient cannot commit funds to a project until the appropriate level of environmental review is complete, and AUGF is received (if applicable).
Section 3	Construction contracts of $200,000 or more must include language regarding best efforts to include businesses and low-income residents in the project area. This applies to hiring of additional workers and training them and using project-area suppliers for materials. ADFA may set specific goals for Recipients

	based on additional requirements set by HUD that may impact how quickly the project can get under construction.
Women/Minority Business Enterprise (MBE/WBE)	All competitive bidding must include Women and Minority Businesses, including subcontracts. Recipients must ensure that these firms have a fair opportunity to participate and current list of WBE/MBE must be maintained.
Contractor Selection	Recipients must check the website at www.sam.gov to determine if a contractor has been suspended before awarding HOME funds to any firm. Additionally, state law (A.C.A. §22- 9-101) requires all building projects in excess of $100,000 to be designed by a state-licensed architect and all infrastructure projects in excess of $25,000 must be designed by a state-licensed engineer.
Procurement	ADFA's procurement policies specify bidding requirements for construction, including competitive and formal bidding.
Conflict of Interest	Recipients need to be fully aware of parties involved in a contract and seek legal counsel if there is the potential for real or perceived COI
Lead Safe Housing Requirements (rehab of pre-1978 units)	When there is HOME assistance involving pre- 1978 properties, Recipients must have qualified staff (or hire them for the project) to notify occupants of the hazards of LBP and take the appropriate approach for various activities; qualified staff must be involved in inspections and clearance actions and report preparation.
Cost Reasonableness	Recipients must have qualified cost estimators available to assist in bid preparation and contract awards, as well as reviewing payment requests.
Americans With Disabilities Act (ADA)	Recipients must make an internal review of its programs and communications to ensure they are accessible to and usable by persons with disabilities. This may include working with advocacy groups to achieve compliance.

Affirmative Marketing	Recipients must determine if there are under- served populations who are eligible for HOME assistance, and if they are non-English speaking or have literacy challenges, the agency may work with advocacy groups to translate or otherwise reach these households.
Section 504	Recipients must ensure that specifications for new construction of multi-family dwellings meet the design and construction standard of the Fair Housing Act to make units accessible and the requirements were included in contracts for substantial rehabilitation of buildings with 15 or more units when rehab exceeds 75% of replacement costs. In other projects, the Recipient should work with the developer/owner to make units adaptable and/or accessible as is financially feasible. Additionally, all ADFA funded projects must comply with ADFA's MDS Standards.
Energy Conversation	Recipients must become familiar with the International Energy Conservation Code and include its requirements in all contracts for residential new construction.
Labor Requirements	Before beginning construction or rehab of projects with 12 or more HOME-assisted units, Recipients must obtain the prevailing wages for various building trades to be obtained from the Dept. of Labor; someone must be designated to monitor work on site and payrolls; must be reported as required by Davis-Bacon related acts. Davis-Bacon does not apply to NHTF Funding.

Uniform Relocation Act and Section 104 (d)	Recipients are responsible for ensuring that tenants in properties that may be acquired or rehabilitated receive correct and timely notices and protections; owners of units to be acquired through a Homebuyer assistance program must receive the "Notice to Owner" for voluntary acquisitions, and tenants living in units purchased with HOME funds are protected by the URA. If units are demolished or converted with HOME funds, 104 (d) may be triggered and appropriate notices and assistance must be provided. Since no one can be forced to move (displaced) without at least 30 days' notice, a project may not meet a developer's schedule.
Radon Reduction	Recipients are responsible for providing radon testing of properties where buildings will be used for residential occupancy. In cases of substantial rehabilitations and new construction projects, an active radon mitigation system shall be incorporated into the design specifications.
Buy America, Build America Act (BABA)	The Build America, Buy America Act ("BABA") requires any infrastructure project funded by any Federal Financial Assistance ("FFA") to apply a domestic content procurement preference—called the "Buy America Preference" ("BAP"). This means that all iron, steel, manufactured products, and construction materials used in the infrastructure project are to have been produced in the United States, unless the awarding agency has issued a waiver of this requirement. The purpose of BABA is to bolster America's industrial base, protect national security, and support high-paying jobs. For additional information, please see Title IX of the Infrastructure Investment and Jobs Act (BABA).

A. Nondiscrimination and Equal Opportunity

The following federal nondiscrimination and equal opportunity guidelines apply to all rental housing projects and affect both development and operation of assisted housing:

1) The requirements of the Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR Part 100; Executive Order 11063, as amended by Executive Order 12259 (3 CFR 1958 B1963 Comp., P. 652 and 3 CFR 1980 Comp., P. 307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107; and of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1;
2) The prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing Regulations at 24 CFR Part 146.

3) The requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8.

4) The requirements of Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60.

5) The requirements of 24 CFR 5.105(a)(2) requiring that HUD-assisted housing be made available without regard to actual or perceived sexual orientation, gender identity, or marital status and prohibiting subrecipients, owners, developers, or their agents from inquiring about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted housing for the purpose of determining eligibility for the housing or otherwise making such housing available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity.

B. Uniform Relocation Act (URA)

All Rental Housing projects fall under the requirements of the URA. Applicants must further document that any purchase of property meets the requirements of

URA, including the provision of notices to the seller identifying the transaction as a voluntary sale not under the threat of eminent domain.

Additionally, for properties occupied by commercial or residential tenants at the time of application, URA requires certain notices to tenants in place as of the application for federal funds. Failure to provide such notices may result in substantial compliance costs or render a project ineligible. To ensure compliance with URA, applicants should **consult ADFA staff prior to the submission of any application involving an occupied property** to understand the requirements of URA. Information regarding URA can be found here: CPD Handbook 1378.0 | HUD.gov / U.S. Department of Housing and Urban Development (HUD)

C. Labor Standards

1. HOME

Labor standards, including Davis-Bacon federal prevailing wage requirements, shall apply to all rental housing projects with 12 or more HOME-assisted units. Information regarding Davis- Bacon can be found here: Davis Bacon Labor Standards

2. NHTF

(Not Applicable) NHTF funding does not trigger federal labor standards.

D. Minority Business Enterprise and Women Business Enterprise (MBE/WBE) Plan

Developers must maintain a MBE/WBE plan that demonstrates marketing and solicitation of MBE/WBE businesses and contractors for the construction or rehabilitation of the project. Information regarding MBE/WBE can be found here: Guidance on Minority Business Enterprise/Women Business Enterprise Outreach

E. Section 3

Developers must maintain a Section 3 plan that demonstrates a marketing plan to include Section 3 contractors and all tiers of subcontractors in the construction or rehabilitation of the project. Information regarding Section 3 can be found here: Section 3 - HUD Exchange

10. Underwriting Analysis

Upon submission of a request for HOME and/or NHTF funds, ADFA staff will conduct an underwriting analysis of the project and developer(s) as presented in the application. ADFA will, in all instances, commit HOME and/or NHTF funds consistent with sound and reasonable judgment, prudent business practices, and the exercise of its inherent discretion.

A. Underwriting Analysis will include:

1) Vacancy factor of at least 7% for family and elderly developments unless the market study indicates a higher vacancy factor is needed;

2) ADFA staff will use a maximum 2% inflation factor for all sources of income;

3) All operating expenses will be underwritten with an inflation factor of 3%.

4) All HOME and/or NHTF projects must maintain a total project Debt Coverage Ratio (DCR) of at least 1.15 for the affordability period. Properties with a DCR that exceeds 1.40 may have rent increases reduced or denied; and

5) Proposals must include justification of operating costs that includes a comparison to similar projects in the local market. Whenever possible, comparable properties should be operated by the proposed management company. ADFA may establish minimum annual per unit operating costs as part of its annual QAP or RFP.
   a) At a minimum, projects must make a minimum replacement reserve deposit of $300 per unit per year for family and elderly projects. The Replacement Reserve must be funded and maintained for the full affordability period and reflected in the operating expenses for the full 15-to-30-year projection of expenses, as applicable. Replacement Reserve deposits will be inflated at 3% annually.
   b) Projects must include a capitalized Operating Reserve equal to 6 months of underwritten operating expenses, amortizing debt service, and required reserve deposits. If drawn, the operating reserve must be replenished prior to distributions of cash flow. The operating reserve is intended to protect against unplanned operating deficits. If ADFA's underwriting projections anticipate deficits within the applicable affordability period, a separate operating deficit reserve must be capitalized as well.
   c) To substantiate LIHTC equity pricing, if applicable, applicants must submit documentation indicating that a syndicator or investor has reviewed the proposal and indicated preliminary pricing along with their interest in the project.

d) Applicants must provide the amounts and terms for the construction financing, permanent financing, and if applicable, owner equity information.

B. Proforma Requirements

ADFA requires submission of a project proforma in a format provided by ADFA as part of the application instructions.

If not otherwise itemized, applicants must be able to separate the hard costs of any stand-alone accessory buildings, including leasing offices, community buildings, laundry facilities, free-standing garages or carports, or maintenance buildings so that ADFA can complete preliminary HOME and/or NHTF cost allocation calculations.

Costs and fees may be paid to ADFA as permitted by the HOME and/or NHTF program(s). The HOME and/or NHTF program(s) allow(s) ADFA to include, as project costs, its internal soft costs specifically attributable to the project. These may include consulting, legal, inspection, and staff costs associated with reviewing, processing, and monitoring award of funds to a project.
Applicants must include allowances for ADFA's project-related soft costs in their development budget, if specified.

Similarly, applicants must include, as part of the operating budget, an allowance for ADFA's ongoing monitoring fees as specified in the application or QAP.

1. Cost Limitations

All project costs must be reasonable and necessary whether directly paid with HOME/NHTF funding or another source. ADFA reserves the right to review any line-item cost to ensure that total project costs are not excessive. Additionally, HOME and/or NHTF projects will be subject to the following specific cost limitations:

a) The maximum developer fee is 12.5% of net development costs approved by ADFA. Net development costs are total development costs less syndication related costs and the developer fee itself. Consultant fees are payable only from proceeds of the developer fee.
b) Maximum allowable builder General Requirements, Overhead, and Profit are 7%, 4%, 10%, respectively. The builder line-item percentages are calculated on the construction contract price which cannot include

construction contingency. If ADFA's Inspector approves a Change Order for use of construction contingency, the same percentages for builder line items apply.

i. Generally, Architectural and Engineering fees may not exceed 6% of total project hard costs (excluding builder's line items) unless ADFA has approved a larger fee (e.g., in response to specific project characteristics such as a requirement for historic rehabilitation or unusual site conditions requiring additional engineering).
ii. Acquisition costs may not exceed the lesser of the appraised value of a property, the purchase price negotiated with an arms-length seller, or the cost basis of an identity of interest seller.

2. Other Public Funding Sources

Applicants must disclose all other firm commitments for funding with the initial HOME and/or NHTF Rental Housing application to ADFA at the time of application and upon receiving any additional commitments of funding. ADFA will conduct a subsidy layering review as part of the underwriting process for any project that includes other public subsidies. Using its underwriting criteria, ADFA will assess the project and may require changes to the transaction to ensure that cash flow to the owner/developer is not excessive. Changes may include a reduction in HOME and/or NHTF funds awarded, reductions in the rents being charged to tenants, requirements that excess cash is deposited to an operating reserve or increases in annual payments on the HOME and/or NHTF loan.

ADFA will consider adjusting its underwriting in consultation with other funders to the project.

ADFA retains, at its sole discretion, the power to decide whether to accept alternative standards.

a) Financial Feasibility

   ADFA will underwrite all applications through using the same criteria regardless of project type or location based on the following criteria:

   i) The extent to which the development's sources of funds equal the development's uses of funds.
   ii) the reasonableness of total development costs.

iii) repayment terms (including interest rates, total debt, and loan terms) for all proposed debt; and

iv) The reasonableness of the expenses, incomes, and increases in both are shown in the submitted pro-forma.

ADFA may incorporate terms and conditions required by the equity investor(s) and lender(s) into its underwriting of an application.

3. Operating Deficit Reserve and Replacement Reserve Funds

The total development budget must include an Operating Deficit Reserve Fund equal to the greater of:

a) Six (6) months of projected annual operating expenses, annual debt service payments, and annual replacement reserve deposits; OR
b) The amount of operating reserves required by the applicant's equity investor(s) or lender(s).
c) The funding and maintenance of a Replacement Reserve Fund equal to the greater of:
    i) $300 per unit per year; OR
    ii) The amount of replacement reserves required by the applicant's equity investor(s) or lender(s). These amounts must be evidenced in the final cost certification.

The Replacement Reserve shall be maintained, and yearly deposits shall be made equal to the above requirement, for the entirety of the affordability period. The applicant shall identify the name of the financial institution where each reserve will be held. A copy of the December bank statement for the Operating Reserve account and the Replacement Reserve account must be submitted by the Owner to ADFA's Compliance Department by February 1 of each year. If the December bank statements do not evidence a year-end summary of each month's balance, copies of bank statements for all twelve (12) months for the Operating Reserve and the Replacement Reserve must be submitted to ADFA's Compliance Department by February 1 of each year. The ending balance of each reserve account must total the amounts required, whether the accounts are replenished from operating income or by the general partner of owner or member, shareholder or partner of general partner, as ADFA deems appropriate. ADFA will require notification of all withdrawals from the operating deficit reserves, in writing, prior to withdrawal. Owner must submit with the withdrawal request supporting documentation evidencing the need for the funds, written evidence that insufficient funds exist in the primary operating account, and a written guaranty by the general partner of owner or member, shareholder or partner of general partner, as ADFA deems appropriate, that said guarantor will deposit sufficient funds so that at the end of the year the total in the Operating Deficit Reserve account equals the amount required as modified for Rural Development. ADFA will require notification from owner on any Replacement Reserve withdrawal and notice of approval from development's lender or investor as applicable.

4. General Requirements, Contractor's Overhead, and Contractor's Profit

The amount allocated to General Requirements cannot exceed seven percent (7%) of its construction hard costs. General requirements include items that are required for the contractor to provide for the specific project including but are not limited to: field supervision; field engineering such as field office, sheds, toilets, and phone; performance and payment or latent defects bonds; building permits; site security; temporary utilities; property insurance; and cleaning or rubbish removal. Such items should not be accounted as separate line items in the development budget.

ADFA will limit the Contractor's Profit to ten percent (10%), and Contractor's Overhead to four percent (4%) of the development's construction hard costs plus general requirements. ADFA may determine whether costs included in the contractor's overhead and contractor's profit calculations are appropriate and reasonable. The applicant must disclose in its application or an attachment all persons and entities, whether or not affiliated with the applicant, that will receive any portion of the contractor's profit, including all members, partners and shareholders of such entities. The applicant must notify ADFA in writing of any proposed change in the person(s) or entity/entities that shall receive any portion of the contractor's profit.

11. Per Unit Subsidy

A. HOME Limits

In no case will the ADFA investment exceed the maximum HOME investment allowed under 24 CFR 92.250. The maximum per unit subsidy in HOME is published each year by HUD. ADFA has set per unit subsidy limits for HOME as follows: 0 BR- $159,500, 1 BR- $181,500, 2 BR- $198,000, 3 BR- $220,000, and 4 BR- $247,500.

B. NHTF Limits

NHTF regulations at 24 CFR 93.300 require ADFA to establish a maximum subsidy limit for units assisted with NHTF funding as part of ADFA's annual NHTF Allocation Plan. In no case will the ADFA investment exceed the limits established in the NHTF Allocation Plan as approved by HUD. The applicable limits are 0 BR- $159,500, 1 BR- $181,500, 2 BR- $198,000, 3 BR- $220,000, and 4 BR- $247,500,

If awarded, investment in NHTF-funded operating cost assistance or operating deficit reserves is not counted against the maximum per unit subsidy required by 24 CFR 93.300.

C. Unit Allocation

In general, HOME and/or NHTF units will be "floating units" and evenly distributed among the unit types in the development based upon a cost allocation review. If the project's units are not comparable, "fixed units" must be designated. In the case of projects with comparable units, ADFA will designate units as HOME or NHTF-assisted in proportion to the percentage of HOME or NHTF investment in the transaction. For example, if HOME represents 10% of the project's total HOME-eligible cost, at least 10% of each unit type will be designated as HOME-assisted units.

HOME-assisted units shall be designated as either "High HOME units" or "Low HOME units". In projects with five or more HOME-assisted units, at least 20% of the HOME-assisted units, rounded up to a whole number, must be designated as Low HOME units. Generally, ADFA will only designate the minimum number of Low HOME units required unless the applicant requests that additional Low HOME units be designated to coordinate income and rent restrictions with other project requirements.

D. Cost Allocation

For HOME/NHTF funding, a cost allocation on the development must be used to determine the number of units needed for the HOME/NHTF request in accordance with CPD 16-15. ADFA will request the dollar amounts of the following ineligible HOME/NHTF budget items so they can be deducted from the total development budget:

- Off Site infrastructure

- Accessory Buildings
- FF & E (furniture, fixtures & equipment)
- Hard and Soft Cost Contingency
- Syndication Costs
- Organization fees
- Bridge Loan and Expenses
- Tax Opinion
- Development Reserves
- Replacement Reserves

12. Rent Limits

For all projects, ADFA must specifically approve the project's rent schedule annually, including utility allowances and any tenant fees as described in the sections below. For any HOME unit (Low or High) with local, state, or federal rent assistance (project-based or tenant-based), the tenant's contribution to rent is set by the rental assistance program (30% of adjusted or 10% of annual gross income). The Owner may accept rental subsidy even if the subsidy + tenant contribution exceeds published HOME rent.

A. HOME Rent Limits

1) High HOME units must be rented at or below the High HOME rent as published by HUD.

2) Low HOME units must be rented at or below the Low HOME rent as published by HUD.

B. NHTF Rent Limits

1) NHTF-assisted units must be rented at or below the HUD-published Housing Trust Fund rent for extremely low-income units.

2) If the NHTF unit receives Federal or State project-based rental subsidy, and the tenant pays as a contribution toward rent not more than 30% of the tenant's adjusted income, the maximum rent is the rent allowable under the Federal or State project-based rental subsidy program.

13. Utility Allowances

The HOME and NHTF rent limits are gross rent limits. The actual rent collected from a tenant must be adjusted taking into account an allowance for tenant paid utilities. ADFA must review the project's utility allowance (UA) annually.

HOME regulations at 24 CFR 92.252(d) require that the UA for the project be based on the type of utilities used at the project and updated annually. HOME further specifies that the UA is to be established using a project-specific methodology and based on actual utility usage at the property or estimates an allowance based on project-specific factors such as size, orientation, building materials, mechanical systems, and construction quality, as well as local climate conditions.

For HOME projects funded on or after April 20, 2025, the Public Housing Authority area-wide UAs prepared for the housing choice voucher program are an acceptable method of calculating UAs.

The following methodologies, used in other Federal Housing Programs, will meet HOME and NHTF regulatory requirements and are generally acceptable to ADFA. ADFA's HOME/NHTF Department must approve the methodology selected by an applicant. The same methodology must be used for all HOME and/or NHTF units within a single project, thereafter, as reviewed by the Compliance Department.

A. HUD Utility Schedule Model (HUSM): The HUSM enables users to calculate utility schedules by housing type after entering utility rate information (tariffs). This model is based on climate and survey information from the U. S. Energy Information Administration of the Department of Energy, and it incorporates energy efficiency and Energy Star data. This model is allowed for LIHTC projects per IRS regulations at 26 CFR 1.42-10(b)(4)(D). The HUSM and use instructions can be accessed on HUD User at https://www.huduser.gov/portal/resources/utilallowance.html.
   The HUSM is available as either a spreadsheet model in MS EXCEL or a web-based model on HUD User at https://www.huduser.gov/husm/uam.html.

A. Multifamily Housing Utility Analysis: In 2015, HUD published Multifamily Notice H-2015-4 to provide instructions to owners and management agents for completing the required utility analysis. This analysis is also used for the USDA Rural Housing Service program and allowed for LIHTC projects per IRS regulations at 26 CFR 1.42-10(b)(3). This method is applicable for the following programs: Project-based Section 8, Section 101, Section 202/162, Section 811, Section 236, and Section 221(d)(3).

D. Energy Consumption Model (Engineer Model) (26 CFR 1.42-10(b)(4)(E)) –UA based on an energy and water and sewage consumption and analysis model (energy consumption model) prepared by a properly licensed engineer or a qualified professional. IRS regulations require that such professionals be independent from the property owner, and they specify the building factors that must be included in the model.

E. ADFA will accept the utility allowance established by the applicable local public housing authority (PHA), or another method approved by HUD, to determine utility allowances signed and dated by an official of the issuer.

14. Eligible Costs

Costs funded with HOME funds must be eligible according to 24 CFR 92.206. The definition of "eligible HOME costs" is expanded in the final rule to include several additional soft costs: professional services required for HUD environmental reviews or other environmental studies or fees; any legal fees in addition to attorney's fees; accounting fees; filing fees for zoning or planning review and approval; and "other lender required third-party reporting fees."
Costs funded with NHTF funds must be eligible according to 24 CFR 93.201.
24 CFR Parts 92-93 allows for reimbursement of approved soft costs, and the approved soft costs must be a part of the written agreement.
ADFA will allow HOME/NHTF funds to reimburse HUD environmental reviews or other environmental studies or fees that are approved and included in the written agreement only. The costs may be paid if they were incurred not more than 24 months before the date that HOME/NHTF funds are committed to the project and are expressly permitted by ADFA to pay the soft costs in the written agreement.

The soft costs listed below are eligible soft costs for reimbursement and must be completed by a third-party company.

1. New Construction eligible soft costs
    - Phase 1 Environmental Site Assessment
    - Phase 2 Environmental Site Assessment
    - EA Form or CEST Form

- Studies/Reports as a consequence of the Phase 1 Environmental Site Assessment.

2. Rehabilitation eligible soft costs
    - Radon Reports completed by a third-party company.
    - Capital Needs Assessment completed by a third-party company.
    - Lead based paint Testing and Report
    - Lead free pipes/Safe drinking Water Testing and Report
    - Asbestoses Testing and/or Abatement

The following additional limitations also apply:

A. HOME and/or NHTF funds shall not be used for luxury improvements according to 24 CFR 92.205 and 24 CFR 93.200, respectively.

B. HOME and/or NHTF funds may not be used to pay operating costs or to capitalize reserves with the following exceptions:

    1) HOME and NHTF may be used, subject to ADFA's approval, to establish a rent-up reserve to cover initial operating deficits allowed under 24 CFR 92.206(d)(5) and 24 CFR 93.201(d) (5); and

    2) For projects without project based rental assistance, NHTF may, subject to ADFA's approval and the requirements of 24 CFR 93.201(e), be used to establish operating cost reserves specifically for anticipated deficits related to the NHTF-assisted units in a project.

C. HOME and/or NHTF funds shall not be used for free-standing non-residential accessory structures such as free-standing community/leasing buildings, garages, carports, or maintenance structures. HOME funds may be used for community space or common laundry facilities included in residential buildings.

D. HOME and/or NHTF funds shall not be used for off-site infrastructure costs, including any costs associated with extending infrastructure to the project site. The cost of connecting to public infrastructure located in an adjacent right-of-way (e.g., a water or sewer tap) is an eligible cost.

E. HOME and/or NHTF funds shall not be used for organizational costs such as partnership formation or syndication costs associated with transactions using equity from LIHTC, historic tax credits, or other similar tax incentives.

F. Hard Construction Cost Breakout
All applicants must complete ADFA's Summary Cost Estimate form included in the MFHA.

15. Cost Reasonableness

Per the requirements of 92.250(b) for HOME, and 92.300(b) for NHTF, all project costs must be reasonable, whether or not paid directly with HOME and/or NHTF funds. ADFA will review all project costs, including hard and soft costs, to evaluate their reasonableness and may, at its option, require applicants to obtain additional quotes, bids, or estimates of costs. ADFA may also require an applicant, at its own cost, to obtain a third-party cost review from a professional provider acceptable to ADFA. ADFA's staff, or its agents, must be allowed access to the property as necessary to evaluate the cost projections associated with a project's plans and specifications. Applications may be determined ineligible if access is not granted or costs are determined to be unreasonable.

16. Loan Types and Terms

ADFA will provide HOME and/or NHTF funds in the form of a loan to the entity that owns the property. No grants will be awarded, and funding commitments are not transferable without prior written ADFA approval.

- Applications must have a minimum debt coverage ratio of 1.15 including the debt service on the HOME and/or NHTF loan and cannot exceed 1.40.

- The first payment of the loan will be due one (1) year from the date of the first Certificate of Occupancy (temporary or permanent) on the first residential building completed in the Project.

- For any amounts not paid, both principal and interest shall accrue and be payable on the Maturity Date of the loan.
- For projects utilizing HOME Program funds and U.S. Department of Agriculture (USDA) Rural Development (RD) funds and/or any form of HUD

Financing, the HOME loan will match the terms and amortization of the USDA RD loan and HUD Financing.

- ADFA's HOME and/or NHTF Loan is intended as construction/permanent financing. Proceeds of the HOME and/or NHTF loan will only be released as reimbursement of approved monthly construction draws and/or submission of invoices for approved soft costs.

A. HOME

ADFA has the following standard loan terms and conditions for repayment of HOME Rental Housing Program, including:

1) All loans must be evidenced by a fully executed promissory note payable at a one percent (1%) interest rate with a term of twenty (20) years and amortized over twenty (20) years at a one percent (1%) interest rate with a term and amortization that will match an extended affordability period.

B. NHTF

ADFA has the following standard loan terms and conditions for repayment of NHTF, including:

1) All loans must be evidenced by a fully executed promissory note payable at a zero percent (0%) interest rate with a term of thirty (30) years and amortized over thirty (30) years at a zero percent (0%) interest rate with a term and amortization that will match an extended affordability period.

C. Priorities/Subordination

As part of its funding of a project, ADFA requires the recordation of certain documents. For HOME and/or NHTF projects, a Declaration of Restrictive Covenants and Mortgage must be recorded to ensure that the restrictions and liens, respectively, run with the land.

The Declarations of Restrictive Covenants are to be recorded before the Mortgages. If a project has both HOME and NHTF, the order of recording priority should be (1) the Declaration of Restrictive Covenants for the funding source supplying the greater amount of funds, (2) the Declaration of Restrictive Covenants for the funding source supplying the lesser amount of funds, (3) the Mortgage for the funding source supplying the greater amount of funds, and (4) the Mortgage for the funding source supplying the lesser amount of funds. If the project is receiving an equal amount of HOME and NHTF funds, the HOME documents are given priority (i.e. HOME Declaration, NHTF Declaration, HOME Mortgage, and NHTF Mortgage).

In certain limited circumstances, ADFA will subordinate its loan to other loans. ADFA will usually subordinate to

1. Construction loans which are required to be paid off prior to the commencement of ADFA's loan(s) being repaid per the terms of the ADFA Promissory Note(s).
2. A conventional loan of a greater amount than the ADFA loan (if there is only one) or sum of the ADFA loans (if the project has both HOME and NHTF funding).

***Note that this only applies to ADFA subordinating its *loan(s)*. ADFA's Declaration(s) of Restrictive Covenants must remain in a higher priority.

However, even if ADFA subordinates its loan, no subordination shall

1. Affect the terms of ADFA's Promissory Note(s), including the repayment terms and maturity date.
2. Waive ADFA's right to approve or disprove any proposed ownership transfer (or any transfer of an ownership interest) in the project through ADFA's usual ownership transfer process.
3. Require ADFA to acquire the senior lender's permission to amend ADFA's Declaration of Restrictive Covenants or Agreement.

Furthermore, while ADFA's HOME and/or NHTF Agreements and Declaration of Restrictive Covenants will set forth the order of priority, ADFA specifically does not approve of any liens, restrictions, etc. which either appear for the first time in the Public Records or are created, attach, or are disclosed between the Commitment Date of the Title Commitment and the date on which the Title Policy is issued. Any lien, restriction, etc. meeting this criteria must be specifically sent to ADFA to be reviewed and a determination made on the effect said lien, restriction, etc. would have on the project.

17. Property Standards

Construction of the development must be in accordance with ADFA's "Design Standards Manual for New Construction and Rehabilitation" (as well as all applicable local, state, and national building codes). The applicant's architect must complete and execute the "Design Standards Manual for New Construction and Rehabilitation Checklist".

Applicants may request a waiver for rehabilitation proposals by submitting the following: [ADFA Waiver Request]

A. Certification by the design architect or licensed engineer that the standard concerned is impractical or impossible;

B. Description of alternative design which will achieve the benefit of the required standard, or certification by the design architect or licensed engineer that no alternative design can be undertaken to achieve the benefit of the required standard due to structural constraints; and

C. Statement by applicant that it will implement any alternative identified by the design architect or licensed engineer. ADFA will require a certification from the design architect or licensed engineer confirming compliance with ADFA's "Design Standards Manual for New Construction and Rehabilitation" prior to closeout.

To meet both HOME and NHTF regulations and ADFA goals, all projects must meet certain physical standards intended to provide quality affordable housing that is durable and energy efficient.
Construction must meet all applicable local building and fire codes (including related electrical, mechanical, and plumbing codes).

All projects must meet applicable Section 504/UFAS requirements. New construction or substantial rehabilitation projects with five or more total units must provide 5% of the project's units (but not less than one) for physically disabled occupants and another 2% of units (but not less than one) designed to be accessible to those with visual or hearing impairments. Other rehabilitation projects will be required, to the maximum extent feasible, to provide physically and sensory accessible units in the same percentage. Additionally, covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements required by the Fair Housing Act as outlined in 24 CFR 100.205.

All buildings in new construction or substantial rehabilitation using HOME/NHTF funds must include the installation of "broadband infrastructure" as defined by 24 CFR 5.100. In limited circumstances, the regulations allow ADFA to waive this requirement if the project's location makes such installation infeasible or creates an undue financial burden. In practice, this requires the developer to provide the wiring for high-speed internet but does not require the project to provide the internet service itself. **ADFA does not anticipate circumstances under which it would waive this requirement.**

All buildings in new construction or rehabilitation (substantial or non-substantial) using HOME/NHTF funds must include the installation of NRSB approved Home Radon Detector Short & Long-Term Continuous Monitoring hardwired in each unit in approved testing areas in accordance with National Radon Safety Board (NRSB). https://nrsb.org/ ANSI/AARST Standards can be found at www.standards.aarst.org. All projects must also comply with ADFA's Design Standards for New Construction and Rehabilitation, including the Universal Design Standards cited therein.

18. HOME/NHTF Agreement

In addition to any financing documents, owners of HOME/NHTF-financed projects must sign a HOME or NHTF Agreement with ADFA. The Agreement will identify requirements for compliance with the HOME or NHTF regulations and ADFA's Rental Housing Program requirements and will remain in effect, during the affordability period, in the event of any prepayment of the HOME or NHTF loan. In the event a project is receiving both HOME and NHTF funding, separate Agreements are required for each funding source.

19. Declaration of Restrictive Covenants

Each HOME- and/or NHTF-funded project must maintain restrictions and covenants running with the land enforcing HOME, NHTF, and ADFA guidelines, as applicable. The Declaration of Restrictive Covenants will be separately recorded and will remain in place for the affordability period even if the HOME and/or NHTF loan is prepaid. Among other items, the Declaration of Restrictive Covenants will address:

1) Restrictions on the transfer of title to the property or underlying ownership interest of the property owner.

2) Restrictions on further encumbrances on the Property without ADFA's prior permission.

3) Operational and performance requirements, including maintenance of various reserves, restrictions on the distributions of surplus cash (if applicable), and property management and insurance expectations.
4) Provisions to enforce ongoing requirements for project compliance through the HOME and/or NHTF Affordability period, including:
   a) The length of the period of affordability.
   b) Income and rent restrictions on HOME-assisted and/or NHTF-assisted units.
   c) Property standards to be enforced.
   d) Marketing and leasing requirements; and
   e) Recordkeeping and reporting requirements.

If a project receives both HOME and NHTF funding, separate covenants will be recorded. The HOME/NHTF covenants will be separate from any required LIHTC covenant(s).

20. Drawing Funds

ADFA's HOME and/or NHTF loan is intended as construction and/or permanent financing. Proceeds of the HOME and/or NHTF loan will only be released as reimbursement for eligible project costs.

A. Conditions of Construction Draws

Proceeds of the HOME and/or NHTF loan will only be released to Owner for actually incurred HOME-eligible and/or NHTF-eligible project costs. The obligation of ADFA to approve any draw or to make any disbursement of HOME and/or NHTF funds is subject to the satisfaction of the following conditions at the time of making such disbursement:

1) Draws will not be processed if the Owner is in default of program regulations.

2) The Project shall not have been materially damaged by fire or other casualty.

3) ADFA shall have received evidence satisfactory to ADFA that all work and improvements requiring inspection by any governmental authority having jurisdiction have been inspected and approved by such authorities and by any other persons or entities having the right to inspect and approve construction; and

4) Owner shall have submitted at least 10 days prior to the date a disbursement is desired a completed disbursement request using AIA G-702 (Contractor's Application for Payment) and G-703 (Continuation) forms and such other appropriate source documentation as may be required by ADFA including, without limitation, the following:
   a) Current Contractor Tracking Form and lien waivers must be concurrent with the requested disbursement.
   b) Evidence satisfactory to ADFA that the Project and the contemplated use thereof are permitted by and comply with all applicable uses or other restrictions and requirements in prior conveyances, zoning ordinances, or regulations that have been duly approved by the municipal or other governmental authorities having jurisdiction; that the required building permits and other permits have been obtained as required; and that no environmental impact statement is required.
   c) Appropriate certifications of compliance in all respects with labor standards and prevailing wage requirements applicable under federal law.
   d) Such other supporting evidence as may be requested by ADFA or its agents to substantiate all payments which are to be made out of the relevant disbursement and/or to substantiate all payments then made with respect to the Project.
   e) ADFA shall have determined that all HOME and/or NHTF requirements pertaining to the disbursement of funds have been met, including but not limited to monitoring of Davis-Bacon compliance.
   f) ADFA shall have received a current inspection report from an ADFA inspector that verifies satisfactory completion of work to HOME/NHTF standards.
   g) No determination shall have been made by ADFA that the undisbursed amount of the loan is less than the amount required to pay all costs and expenses of any kind that reasonably may be anticipated in connection with the completion of the Project.

B. Conditions of Final Disbursement

In addition to the requirements set forth above, ADFA shall require the following prior to the final disbursement of funds, the request for which shall not be submitted before completion of the Project, including all landscape requirements and offsite utilities and streets and correction of defects in workmanship and/or materials:

1) A certificate of occupancy, if applicable, or a final approved construction report from ADFA's HOME/NHTF Department for the Project.
2) Identification of the designated street address of the Project, including as applicable the street addresses assigned for the leasing office and each residential structure and the specific unit designations (e.g., unit number or lettering such as #12 or Apartment B-3) for all HOME/NHTF units.

3) Evidence satisfactory to ADFA that the Project has been completed lien free and substantially in accordance with the plans and specifications.

4) Review and final settlement of the cost certification.

5) Such other supporting evidence as may be requested by ADFA or its agent to substantiate all payments which are to be made out of the final disbursement and/or to substantiate all payments then made with respect to the Project; and

6) A determination by ADFA that all HOME and/or NHTF requirements pertaining to the initial development of the Project have been met, including but not limited to monitoring of Davis-Bacon compliance, as applicable, Section 3, Energy Star Certified Units, and Lead Based Paint reports, if applicable.

C. Limitation on Draw Requests

1) In all cases, Owner may not request disbursement of HOME and/or NHTF funds until funds are needed for the payment of eligible costs, and all disbursement requests must be limited to the amount needed at the time of the request. All ADFA funded draw requests are for reimbursement only.
2) No disbursements for materials stored will be made by ADFA.

3) All hard and soft costs budgeted to be paid by HOME and /or NHTF funds are subject to 10% of total funds to be held as retainage until submission and approval of all items required for final disbursement.

D. ADFA Construction Inspections

ADFA will provide HOME and/or NHTF funds in the form of construction and/or permanent financing only. ADFA must be provided with the AIA G702/G703 and supporting documentation and Developer/Owner must provide reasonable notice of any changes to scheduled monthly draw inspections during the construction period. ADFA staff will participate in all draw reviews and conduct inspections to ensure that the project is progressing, and that work completed is consistent with all applicable HOME and/or NHTF requirements.

1) Federal Labor Standards (Davis-Bacon) - HOME

When federal labor standards (i.e., Davis-Bacon and Related Acts) apply to a project, ADFA must be provided with compliance documentation throughout the construction period even when HOME is provided as a permanent loan following the completion of construction. Prior to commencing construction, ADFA must approve current wage determinations applicable to the project. The contractor will be required to provide weekly payroll forms to ADFA and allow access to the site and workers for the purpose of completing worker interviews.

ADFA will accept Form WH-347 or acceptable internal forms from the contractor.

2) NHTF

Davis-Bacon does not apply to NHTF projects unless triggered by another source in the project.

21. Project Closeout

Owners are required to submit demographic data at lease up for all HOME-funded and/or NHTF-funded units. Data shall include elderly status, race, gender, female head of household, number of household members, and percent of area median income. Owners must be aware that the Affordability Period does not begin for HOME/NHTF-funded Project(s) until all project costs are processed, all demographic data is verified by ADFA staff, and the project is entered as completed in IDIS.

22. Project Completion Deadline and Period of Affordability

A. HOME

The period of affordability will start on the date of project completion as defined by 24 CFR 92.2 which, among other things, requires that all construction activity be complete, all HOME funds drawn from the U.S. Treasury, and project completion information be entered into the HUD Integrated Disbursement and Information System (IDIS). For rental projects, project completion occurs upon completion of construction and before occupancy, and units may be marked vacant in IDIS until complete beneficiary data is received.

ADFA and HUD intend that a draw should occur within 12 months of the agreement execution date and that project completion occur within 24 months of the date of commitment of funds to the project. If the Owner fails to meet the 12 month or 24-month deadline, repayment to ADFA may be required of any HOME funds disbursed for the project. In accordance with the minimum requirements of 24 CFR 92.252(e), rehabilitated and new construction rental projects funded with HOME shall maintain HOME affordability requirements for a period of up to 15 years for rehabilitation projects and at least 20 years for new construction projects.

B. NHTF

The period of affordability will start on the date of project completion as defined by 24 CFR 93.2, which, among other things, requires that all construction activity be complete, all NHTF funds drawn from the U.S. Treasury, and project completion information be entered into HUD's IDIS reporting system. For rental projects, project completion occurs upon completion of construction and before occupancy, and units may be marked vacant in IDIS until complete beneficiary data is received.

ADFA and HUD intend that a draw should occur within 12 months of the agreement execution date and that project completion occur within 24 months of the date of commitment of funds to the project. If the Owner fails to meet the 12 month or 24-month deadline, repayment to ADFA may be required of any NHTF funds disbursed for the project. In accordance with the minimum requirements of 24 CFR 93.302(d), rehabilitated and new construction rental projects funded with NHTF shall maintain NHTF affordability requirements for a period of 30 years as regulated by 24 CFR 93.302.

23. Portal Reporting

ADFA requires the submission of applications, required forms, and documents to be submitted through the Portal. To access the Portal, you will need to complete the Provider Setup form, then email the completed form to ADFA staff. Once ADFA has processed your set-up form, you will be provided the Housing Provider Number and Username to access the Portal.

If ADFA receives forms and documents that have not been submitted through the Portal, ADFA will require those forms and documents to be resubmitted through the Portal. When **all forms and documents** have been submitted through the Portal as instructed, the software will start tracking dates and will submit notifications to ADFA staff that the project is ready for a review of that process. The project will not be able to move forward, if forms and documents have not been submitted through the Portal.

These are the stages and reporting categories:

- Pre-Construction Form/Document submissions.
- Construction Draw Request Submissions.
- Project Completion & Final Cost Certification Form/Document submissions.
- Required Quarterly and Monthly Reporting
  - Pre-Construction Reporting Updates
  - Construction Progress Reporting
  - Section 3 and Davis-Bacon Reporting

The Portal performs the following functions:

- Tracks all Application statuses (Current and Historical).
- Access to required Forms, Documents, and Instructional Manuals.
- Primary method to submit and correspond regarding ADFA forms, documents, inspection results and ongoing administrative requirements.
- Date stamp for the submission of forms and documents.
- Access to project legal documents and correspondence (Agreements, Declarations of Restrictive Covenants etc.).
- Constructions Draw Request Submission.
- Construction disbursement tracking and available program balances; and

- Triggers notices to ADFA staff and tracks required performance measures (Performance tracking is important if applicant intends to submit other ADFA housing applications)

Owner shall submit monthly reports to ADFA, and each month's report shall be submitted by the 15th of the following month.
During the construction phase, owners must provide monthly reports detailing construction progress and barriers to progress, copies of invoices being paid, and evidence of appropriate lien waivers.

During the initial phase of lease-up, ADFA may request owners to provide monthly or quarterly reports detailing the number of additional leases, total project leases, marketing activity, and monthly income and expenses.

A. Initial Occupancy Deadlines

1) HOME

In accordance with 24 CFR 92.252, HOME-funded rental projects must comply with the following deadlines and requirements as evidenced by occupancy of tenants with a written lease that complies with the requirements of 24 CFR 92.253:

a) Within 6 months from the date of project completion, if a rental unit remains unoccupied, the Owner will provide to ADFA information about current marketing efforts and, if appropriate, an enhanced plan for marketing the unit so that it is leased as quickly as possible.
b) Within 18 months from the date of project completion, if efforts to market the units are unsuccessful and units remain unoccupied by an eligible tenant, ADFA will require repayment of all HOME funds invested in each vacant unit. A unit that has not served a low- or very low-income household, as applicable, has not met the purposes of the HOME program. Therefore, the costs associated with the unit are ineligible.

2) NHTF

HUD does not currently impose specific lease-up deadlines on NHTF-funded projects, but ADFA may require that projects which are not complete within the HOME timelines noted above repay NHTF funds.

B. Marketing and Leasing

The owner/developer must establish a written tenant selection plan consistent with the requirements of 24 CFR 92.253(d) for HOME and 24 CFR 93.303 for NHTF. Among other requirements, the tenant selection plan must, insofar as is practical, provide for the selection of tenants from a project's waiting list in chronological order of their applications and provide written notification to any rejected applicant of the reason for their rejection. The tenant selection plan can be found on the ADFA website: Home | Arkansas Development Finance Authority- and the Portal.

An owner/developer, as part of the application for funding, may propose to restrict units to or provide preferences for identifiable portions of the income-eligible population, e.g., elderly/senior only projects, preferences for homeless and/or special needs populations, etc. Any such restriction or preference must be authorized in the Consolidated Plan and may not be in violation of any Fair Housing or similar requirements. ADFA may, as part of any periodic RFP, provide scoring incentives or further priority for particular populations.

All HOME- and/or NHTF-funded projects must establish an Affirmative Fair Housing Marketing Plan (AFHMP) detailing procedures to attract eligible occupants without regard to race, color, national origin, sex, religion, familial status, disability, or sexual orientation.

AFHMPs shall include all required aspects as stated in 24 CFR 92.351(a)(2) for HOME and 24 CFR 93.350 for NHTF. More detail on ADFA's affirmative marketing requirements, including instructions on completing the AFHMP using form HUD-935.2A can be found on the ADFA website: Arkansas Development Finance Authority as well as the Portal. ADFA requires owners to review/renew their AFHMP at least every 5 years for multifamily rental projects. ADFA requires Owners to use HUD's AFHMP format for multifamily projects – form HUD-935.2A. The most current version of this form as of the date of this publication is dated 12/2011; OMB Approval No. 2529-0013 good through 1/31/2021. Owners should use the most current available version of this form if/when HUD updates it. Once complete, the person responsible for implementing and reviewing the plan is required to sign and date the plan prior to submission to ADFA for review. The following documents should be submitted to ADFA with a completed and signed

AFHMP for review: waiting list policy, and current examples of advertising material(s).

24. Compliance

The Compliance and Monitoring Division at ADFA plays a crucial role in overseeing and ensuring the adherence to regulations for the agency's Federal Housing Programs. Following project closeout, ADFA will monitor the project for ongoing compliance with HOME and/or NHTF requirements, including but not limited to income and rent restrictions, property standards, tenant protections, and marketing and fair housing requirements. This division is responsible for monitoring and auditing ADFA's affordable rental housing projects. See the link below for the Compliance and Monitoring Manual:

https://adfa.arkansas.gov/compliance-and-monitoring/

LANGUAGE ASSISTANCE PLAN

Individuals who are hearing and/or speech impaired and have a TTY may contact ADFA through the Statewide Relay System by calling (711) or (800) 285-1121 or (800) 285-1131 for TTY to Voice or Tele Braille. The relay operator should be asked to call ADFA at (888) 787-2527 or (501) 682-5900. Additional information is at the Arkansas Relay website https://arkansasrelay.com/ Arkansas Relay offers Spanish relay service for our Spanish-speaking customers. Spanish-to-Spanish (711) or (866) 656-1842 or Spanish-to-English (711) or (800) 285-1131. Arkansas le ofrece el servicio de relevo a nuestros clientes en español. Los consumidores de TTY pueden escribir por máquina en español y las conversaciones serán retransmitidas en español y inglés.

ISpeakCards 2004

LEP Brochure

Language Assistant Planning and Self-Assessment Tool

www.LEP.gov

ACKNOWLEDGEMENT

Acknowledgement of Receipt and Review of the HOME/NHTF Rental Program Guidelines.

Printed Name: ________________________________

Signature: __________________________________ Date: ____________________

You must submit this acknowledgement with your application for HOME and/or NHTF.

TAB 14

STAFF HOUSING REVIEW COMMITTEE
ACTION MEMORANDUM

Board HRC Meeting: July 16, 2026 | Prepared By: Lori Brockway

HOUSING PARTNER	
Name of Entity:	**Arkansas Development Finance Authority ("ADFA")**
Address of Entity:	**1 Commerce Way, Suite 602** **Little Rock, AR 72202**
Contact Person:	**Lori Brockway, Federal Housing Programs Manager**
Phone	**501-682-3339**
Email Address:	**lori.brockway@arkansas.gov.**

DEVELOPMENT INFORMATION

ACTION REQUESTED

- **Approval of Design Standards Manual for New Construction and Rehabilitation**

BACKGROUND INFORMATION

Background Information:

ADFA has updated the Design Standards Manual for New Construction and Rehabilitation. The Design Standards were approved by Staff HRC on June 18, 2026, and put out for public comment from June 19, 2026, through July 3, 2026. The Design Standards were placed on the ADFA website and were sent to ADFA Developers.

ADFA did not receive any public comments throughout the comment period.

FINAL RECOMMENDATION OF STAFF HOUSING REVIEW COMMITTEE

Recommended for Approval.

ATTACHMENT G

ADFA
ARKANSAS DEVELOPMENT FINANCE AUTHORITY

Design Standards Manual for New Construction and Rehabilitation

ADFA Board Approved Date: August 15, 2024

EQUAL HOUSING OPPORTUNITY

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Links for References

ADA accessibility guidelines	https://www.access-board.gov/ada/#about-the-ada-accessibility-standards
International Code Council	**https://www.iccsafe.org/**
Energy Star	https://www.energystar.gov/
NSPIRE	https://www.hud.gov/program_offices/public_indian_housing/reac/nspire
ADFA's Qualified Allocation Plan	https://adfa.arkansas.gov/files
ASTM International	https://www.astm.org/
24 CFR 92.251	https://www.ecfr.gov/current/title-24/subtitle-A/part-92/subpart-F/section-92.251
24 CFR 93.301	https://www.ecfr.gov/current/title-24/subtitle-A/part-93
Uniform Federal Accessibility Standards	https://www.access-board.gov/aba/ufas.html#introduction
Crime Prevention Through Environmental Design	https://www.cpted.net/
Safe Drinking Water Act	https://www.epa.gov/sdwa
Build America, Buy America (BABA) | HUD.gov / U.S. Department of Housing and Urban Development (HUD)	https://hud.gov/baba
2024 International Energy Conservation Code (IECC)	https://codes.iccsafe.org/content/IECC2024P1

1. General Requirements

1.1. Design Standards

These Design Standards shall apply to all new construction and rehabilitation projects funded through Arkansas Development Finance Authority ("ADFA") programs—including but not limited to HOME, National Housing Trust Fund, and LIHTC. ~~when Arkansas Development Finance Authority ("ADFA") funding is used for all new construction and rehabilitation projects financed through ADFA's Programs.~~ ADFA's Design Standards are provided in conformance with the requirements of 24 CFR 92.251 and 24 CFR 93.301 and are to be used as a guideline to meet or exceed all applicable federal, state, county, and local codes. These standards also serve as a vehicle to promote and enforce modern construction and design practices for builders, contractors, and design professionals who wish to use funding from ADFA. Through implementation of these standards, ADFA seeks to ensure that its funding promotes the creation of safe, durable, well-constructed projects for the long-term benefit of residents.

1.2. Quality Assurance

General ~~C~~contractors and/or subcontractors shall furnish a written material and labor warranty on all units, materials, and construction for a period not less than one full year after the date of issuance of a certificate of occupancy or owner's final inspection acceptance-whichever occurs later. All construction must meet the workmanship standards set forth in this manual.

1.3. Inspection Protocols and Codes

All construction shall comply with applicable federal, state, county, and local codes, planning and zoning requirements, local authorities' rules, ADFA's Qualified Allocation Plan ("QAP"), and regulations. Federal regulations which may pertain to any specific project such as the Fair Housing Amendments Act of 1988, Section 504 of the Rehabilitation Act of 1973, and Americans with Disabilities Act of 2010, as amended, also apply. In the absence of local codes, ADFA adopted the International Existing Building Code as published by the International Code Council ("ICC"), the National Standards for Physical Inspection of Real Estate ("NSPIRE"), and the 2024 International Energy Conservation Code ("IECC")—all of which shall apply to all new construction and rehabilitation.

1.4. Universal Design

This manual has been created in part by following HUD's Residential Remodeling and Universal Design (published 1996), which includes universal features that allow for use by all residents, regardless of age or the presence of a physical disability. Among other details found in this manual, ADFA requires the following universal features on new construction and rehabilitation projects per Section 1.3: Inspection Protocols and Codes.

1.4.1. Minimum Floor Plan Layouts

Ensuring adequate living space is a vital element of design for rental units. ADFA has established a minimum footprint for each bedroom size floor plan. It should be emphasized that these areas are minimums; larger footprints are encouraged to ensure adequate living space for families.

All properties must provide a minimum of one and a half baths in units having three bedrooms, and two full baths in four-bedroom units. In case of a townhouse/split-level type unit, at a minimum, a half bath shall be provided on the ground floor.

Studio units are prohibited for all new construction projects.

Studio units cannot exceed 10% of the total unit mix in rehabilitation projects (except for HOME-ARP non-congregate shelter funding).

Floor Plan	Min. Net SF Area	Min. SF Per Bedroom ~~SF~~
1 BR x 1 BA	600 SF	100 SF
2 BR x 1.5 BA	750 SF	100 SF
2 BR x 2 BA	1000 SF	100 SF
3 BR x 2 BA	1100 SF	100 SF
4 BR x 2 BA	1200 SF	100 SF

*Unit areas do not include outside storage, covered porches, patios, balconies, garages, etc.

Minimum Unit Net Area Requirements

(check which one applies)

☐Units meet the required minimum unit net area, minimum bedroom net area, and the number of required bathrooms stated above for the unit type.

☐This development contains existing rental units which do not meet the above requirements and, therefore, a waiver must be submitted.

1.4.2. Laundry

New construction must provide washer/dryer hookups and the washer/dryer in each unit. A back up washer and dryer unit is not required in a community building.

For multifamily rehabilitation properties that currently provide a community laundry facility, there is a minimum of one washer/dryer for every 10 units. If existing washer/dryer hookups are present in the units, they must be functional and available.

Single family homes are required to have washer/dryer hookups and a washer/dryer provided in all homes.

1.5. Elderly Designated Properties

All new construction and rehabilitation multifamily projects for elderly residents, age ~~62~~ 55 or older, shall have all units located at the grade level or on an elevator-accessible floor in compliance with ICC A117.1 Section 1005 Type C Visitable Units. See the current QAP for scoring.

1.6. Energy Efficiency

All new or rehabilitated projects shall meet Energy Star standards. This includes the building and appliances.

2. Structural

2.1. General Building Arrangement

A site is defined as a parcel of land on which the Low-Income Housing Tax Credit ("LIHTC"), HOME, and/or National Housing Trust Fund ("NHTF") project will be developed, as described by a unique legal description that will be part of the Carryover Allocation and encumbered by the LURA and/or Declaration of Restrictive Covenants. ADFA will not allocate LIHTC, HOME, and NHTF based on costs associated with a site, or any portion thereof, which was included in a prior ADFA allocation.

No part of any project's legal description which is subject to an active ADFA restriction shall be released.

Dwelling units shall be equipped with covered entryways that extend a minimum of three feet out from every exterior door not located in basement spaces or where the finished floor of the habitable area is entirely below grade.

All units with a common wall(s) must have adequate thermal insulation provided between adjacent/abutting units. Additionally, a 1-hour fire-rated requirement exists between the demising wall of separate apartment units.

Site plans shall not concentrate three- and four-bedroom units into one area. Concentrating units in such a manner has an adverse impact on parking and site maintenance. Designing for diverse family types by providing a mix of single and multi-bedroom units is encouraged.

In all buildings that are designed to include a multiple number of dwelling units, ~~an enclosed~~ a covered access shall be provided to any of those units that are located above grade. This access may be individual ~~stair enclosures~~ stairs or common stairs ~~stair enclosures~~; however, if the building is served by an elevator, the elevator must provide access to all units in the building.

2.1.1. Scattered Sites

A scattered site development is any housing development that is:

- Noncontiguous,
- Located within a single county, and
- Comprised solely of low-income units.

A scattered site development must meet the following requirements:

- All units must be rent restricted in accordance with Section 42 and other federal funding sources.
- Each site within the proposed development must meet all applicable scoring and threshold criteria.
- All buildings in the development must be under the ownership of one entity.

Single-family scattered site developments will require prior approval by ADFA. Applicants must submit a request for approval by the deadline date outlined in the active ADFA QAP. The request must include the following information:

- Ownership entity name
- Ownership entity contact information
- Proposed development name

- Development construction type (new construction, acq/rehab)
- Structure type (multifamily, single-family)
- Number of sites
- Number of units/buildings on each site (to be built/rehabilitated)
- Current use of each site
- Address of each site
- City/County of each site
- Site location maps outlining the parcel
- Photos of each site
- Any other pertinent information that may be unique to the development.

2.1.2. Single Family Home Developments

Single family home developments must consist of units that are a minimum of three-bedroom and two-bathroom with an attached two-car garage. Exceptions can be made to support a maximum of 50% of the units with a two-bedroom and two-bathroom floor plan if there is a proven market demand for 2 BR x 2 BA units. All single-family homes must provide washer/dryer hookups and the washer/dryer.

2.2. General Building Design

The following standards shall be applied in the evaluation of existing and new structures. Correction of all structural damage, deficiencies, and their cause shall be included in the project scope of work.

2.2.1. Foundations

Foundations shall be sound, plumb, and free from significant movement.

Foundation sill height elevations and location on site shall be confirmed as soon as possible after installation. Any discrepancy with the approved documents shall be reported to the Owner and ADFA immediately.

All concrete slabs in habitable areas shall be 4 inches thick minimum with mid-slab reinforcement. All uninhabitable areas (i.e. crawl spaces) shall have a minimum 3-inch-thick concrete slab.

Wood structural members shall be free from significant deflection and/or cracking, deterioration, rot, or termite damage. Non-toxic treatment for termite control complying with AWPA Standard U1 is required.

Prior to final commitment, when possible, ADFA reserves the right to hire an independent structural engineer registered in the State of Arkansas to perform a structural survey to verify the adequacy of structural members for current loads, and this cost will be conveyed to the developer.

Exterior wall sheathing exposed to roof runoff and backsplash from impervious surfaces shall include a minimum 48-inch-high band of pressure treated plywood.

A moisture-resistant sheathing material is required at the exterior rim-joists/bottom sill plate. The exposed uncoated edge of sheathing shall be sealed.

The structural engineer or architect of record shall be responsible for inspecting the installation of engineered roof trusses including permanent bracing. ADFA shall be provided with the report.

2.2.2. Thermal and Moisture Protection

Installation methods for insulation and requirements for air sealing shall follow the most current Energy Star Program Standards. (see www.energystar.gov/)

Exterior wall insulation must have a minimum of R-19 cavity insulation rating.

Roof and attic insulation must have a minimum of R-38 rating.

- Fascia on a building's envelopment can be comprised of metal, vinyl, and/or composite.

  (check which one applies)

  ☐Metal: 0.019" minimum thickness aluminum, factory finish (coil stock).

  ☐Vinyl envelopment: 0.046' minimum thickness.

  ☐Composite: Pre-finished cement fiber board or other durable material as approved by ADFA.

2.2.3. Building Shell

Vinyl siding shall have a minimum thickness of .046 inches.

Membrane roofing shall have a minimum 20-year warranty. ~~All other roof coverings at a minimum should be three tabbed nailed, not stapled.~~ Shingles shall have a minimum 30-year warranty and be anti-fungal. Roof underlayment shall be synthetic, felt, asphalt, or mineral-surface. Additionally, ~~a~~ two rows of an ice and water protection membrane shall be provided at all roof edges and ~~overhangs~~ valleys.

Rafter or roof truss ventilation baffles shall measure a minimum of two vertical inches by the width of the bay.

Metal drip edge shall be provided at the entire roof perimeter with galvanized steel minimum thickness .026-inch and aluminum .032-inch thickness.

Exterior wall/roof intersections shall have kick-out flashing installed at the bottom of the roof to prevent water from running down the building.

All dwelling unit habitable spaces shall have operable windows with screens. Kitchens and bathrooms are exempt except when required for light and/or ventilation by the International Building Code.

All windows in each living space of Accessible and Type A dwelling units shall be provided with accessible controls (i.e. locks, opening hardware). Required opening force for accessible windows shall not exceed 5 pounds.

All new windows with screens shall meet the latest requirements of Energy Star, which is .35 UA and solar not greater than 0.30. All windows must have a 20-year comprehensive warranty, including glass.

2.2.4. Exterior Concrete

Exterior concrete shall conform to the latest revised Standard Specification for Portland Cement, ASTM C595. All concrete shall have a minimum 28-day compressive strength of 3,000 psi and be entrained with 5 percent air with a minimum cement content of 520 lbs. per cubic yard (5.5 sacks). Expansion joint material shall be ½" thick asphalt-impregnated pre-molded fiber, ASTM D1752. It must also follow American Concrete Institute (ACI) 318 and have a minimum 4" thickness for driveways, parking areas, sidewalks, porches, and stoops. Driveways must have fiberglass mesh or 6x6 WWF or 6" thick concrete.

2.2.5. Concrete Finishes

Smooth formwork, no patterns, shall be used for all poured in place walls exceeding 3 feet or more exposure.

2.2.6. Brickwork

Any brick used for construction shall be ASTM C-216, Type FBS, Grade SW, or equivalent~~, modular size~~. ~~Siding material of all newly constructed multifamily dwelling units consisting of 5 or more units shall consist of a minimum of forty percent (40%) brick, stone, or other ADFA-approved masonry-type materials. The area calculation of forty percent shall not include window and door areas, nor masonry below finished grade. For Single-Family Dwellings, siding materials shall consist of any product allowed by the current State-adopted International Residential Code with ADFA approval.~~

All new construction projects must have a masonry skirt that runs around the building. It will extend up no less than ~~2.5~~ 2.0 feet above the ground floor level of the interior.

2.3. Concrete Masonry Units (CMU)

Stucco or split face shall be used for all CMU walls exceeding 3 feet or more exposure.

2.4. Roofing

The essential requirement for roofing is that the materials used are professional in nature, installed properly, and are designed to resist the elements and withstand adverse weather conditions. The following standards shall be applied:

Shingles: ~~Shingles at a minimum must be 215 lb., Seal 3-tab type over 30 lb. felt with metal drip edge, with~~ Asphalt shingles must have a minimum of 30-years product warranty with nails - no staples allowed.

Felt Paper: Roofing must include 30 lbs. ~~or greater~~ felt paper or superior product as approved by ADFA.

Decking: Roof decking shall be a minimum of 7/16 inch OSB with fastening clips; reflective coating is required or integrated sheathing systems.

Anti-fungal roof treatment: Roofing shall have anti-fungal treatment applied to prevent fungal growth and the resulting damage.

Slope: The minimum roof slope on all new construction shall be 4 inches vertical to 12 inches horizontal.

Gutters and Downspouts: All structures shall have gutters and downspouts and be appropriately designed with a minimum 5” gutter and a 2”x 3” downspout.

Downspouts: Downspouts need to connect to central drainage or have concrete splash-blocks at the end of the downspouts to direct rainwater away from the building’s foundation.

Gable vents: Gable vents on roofing must be constructed of either vinyl or aluminum/metal.

Attics: Attics must be properly vented, either with gable/ridge vents and/or motorized vents or box/turtle vents that meet the proper ventilation or equivalent flow requirements as determined by a design professional.

2.5. Steel Lintels

Steel lintels, when specified for openings in masonry walls, shall be galvanized, or primed and painted.

3. Environmental

3.1. Lead Based Paint

When ADFA funds are utilized, all project sites shall be certified free of Lead Based Paint ("LBP") Hazards upon completion of the project. If the home was built prior to 1978, the home must be tested for LBP prior to the approval of the work. All LBP Hazards must be abated or corrected per 24 CFR Part 35, subparts A, B, J, K, and R; 24 CFR Part 92; 92.355; 24 CFR Part 93; and 93.351 and cleared prior to final approval.

3.2. Safe Drinking Water Act

The Safe Drinking Water Act (SDWA) was originally passed by Congress in 1974 to protect public health by regulating the nation's public drinking water supply. New construction and rehabilitation projects will follow the EPA's rules and regulations to provide occupants with clean and safe drinking water.

(For NHTF rehabilitation only.) These Projects with potable water systems must use only lead-free pipes, solder, and flux. These projects will provide documentation to ADFA for proof of compliance. This may include architectural plans, building specifications, and certification by qualified professional.

3.3. Radon Reduction

Owner must provide radon testing of properties where buildings will be used for residential occupancy. In the case of multiple buildings within a development, it is preferred that all residential units with occupied rooms at or below ground level shall be tested in each building. However, the minimum number of apartments to be tested should be at least twenty-five percent of randomly selected ground level units, but no fewer than one unit in each building.

Upper levels shall only be tested if there are frequently occupied rooms located above untested ground contact areas. The building being tested shall have all windows and doors shut twelve hours prior to and during the entire test period. Routine ingress and egress are allowed.

The most ideal time for testing is between the colder months of November through March. Testing shall not be conducted during abnormal weather conditions or during any structural changes to the building or HVAC system. Radon tests shall be placed where they are least likely to be disturbed and in accordance with the following: (1) minimum of 20 inches above floor, (2) three feet away from exterior walls, doors, or windows, (3) one foot away from interior walls, (4) four inches from other objects, (5) away from any vents, appliances, and potential drafts, and (6) away from any heat source including direct sunlight and areas of high humidity.

In cases of substantial rehabilitations and new construction projects, an active radon mitigation system shall be incorporated into the design specifications. For non-substantial rehabilitations, Owner may avoid having to install mitigation systems if ADFA is provided with an official test showing a radon measurement below 4.0 pCi/L.

All Radon testing must be done by a Certified Radon Testing Professional.

~~The radon mitigation system includes the following features:~~

- ~~A gas permeable layer, such as 4-inch gravel, placed beneath the slab to allow soil gases to move freely underneath the building.~~
- ~~Plastic sheeting over the gas permeable layer and under the slab to help prevent soil gases from entering the home.~~
- ~~Sealing and caulking all openings in the foundation floor to reduce soil gas entry.~~

- ~~A vent pipe, such as 6-inch PVC pipe, to run from the gas permeable layer through the building to the roof to safely vent soil gases above the building.~~
- ~~Electrical roughing to junction box(es) in the attic as required to allow installation of in-line mechanical ventilation fan(s).~~
- ~~The new building should be tested for radon after construction is completed and is ready for occupancy.~~

If radon results are at or above 4.0 pCi/L, the existing system should be activated. ~~by installing an in-line fan.~~

Post-construction radon re-testing and reporting shall be provided for all rehabilitation projects that include exterior envelope improvements. For minor projects where exterior envelope improvements are minimal to none, post-construction radon re-testing and reporting shall be provided at ADFA's discretion.

3.4. Polychlorinated Biphenyls (PCBs) in Building Materials

Polychlorinated biphenyls ("PCBs") are materials that were commonly found in some building materials in the following areas until 1979:

- Door and window caulk, grout, expansion joints, and other joint materials.
- Paints, sealants, coatings, varnishes, and lacquers.
- PCB and asbestos-coated metal sheets, asphaltic roofing, and tar paper materials.
- Fluorescent light ballasts.

ADFA follows the EPA's recommendations with regard to testing and remediation and abatement of PCBs in building materials.

For buildings constructed and/or renovated between 1950 and 1979, ADFA recommends an applicant follow a presumptive approach to PCB remediation/abatement planning. This will include the identification of all suspect materials and the preparation of a cost estimate based on the proposed project scope. Cost estimates and all reports are to be provided to ADFA with the project application.

Encapsulation may be useful for the reduction of air emissions from secondary sources, such as contaminated building materials under and around PCB-containing caulk or paint that has been removed. Because each site will present unique circumstances, ADFA requires the applicant to consult with their EPA Regional PCB Coordinator. For applications including the complete demolition of a building, ADFA recommends the applicant follow a similar procedure. However, upon an awarding of funding, ADFA would require testing of all suspect materials within the property to provide the most accurate cost estimate.

3.5. Mold and Moisture

Damp indoor environments have been shown to negatively impact health. Inspections shall be conducted for visual evidence of dampness, moisture incursion, moisture damage, and mold. Moisture meters may be used as an inspection aid as long as the meter to be used is designed to measure moisture content on the substrate of interest. Water sources resulting in indoor dampness must be located and remediated.

Moldy building materials and/or porous personal belongings and furnishings must be discarded. Indoor relative humidity should be maintained below 60% at all times to minimize indoor mold growth.

~~3.6. Flood Plain and Wetlands~~

~~Flood maps designate zones where flooding is likely to occur. All areas undergoing development must be at least one foot above the flood plain.~~

~~No construction/rehabilitation project will be funded if any part of the project's parcel(s) is located in a~~

~~flood zone. These flood zones include but are not limited to areas noted as "Special Flood Hazard Areas" and "Other Areas of Flood Hazard" on FEMA flood maps including 100-year floodplains, 500-year floodplains, and regulatory floodways; furthermore, no projects which require the completion of HUD's 8-step decision making process will be funded.~~

~~No construction/rehabilitation project will be funded if any part of the project's parcel(s) contains a wetland. The U.S. Fish & Wildlife Service's Wetland Mapper shows the location of wetlands. If you feel that the Wetlands mapper shows a wetland in error then, on the parcel(s) in question, a professional wetland delineation – which shows that the parcel(s) does not contain a wetland – must be completed prior to submission of a funding application.~~

4. Opening and Fenestrations

4.1. Exterior Doors

Exterior Doors shall be 1 ¾" thick 6 panel, steel, fiberglass material, or with limited panes of glass, insulated and be appropriately finished as recommended by the manufacturer. All exterior doors shall have a U-factor equal to or less than the requirements of the current ICC Energy Conservation Code.

- Doors must be metal-clad wood design or hollow-metal panel design.
- Doors must have a minimum 34" clear opening.
- Sliding glass doors are not permitted for all project types.
- Doors with windows will be allowed for patio areas.

If an exterior door is located in a rated firewall, the door, hinge, and hardware must be rated to the equivalent hourly fire rating.

4.1.1. Exterior Hardware

All exterior doors shall have a lever key-lock latch and security accessories (eyelet peep hole and deadbolt).

- Deadbolts must have a thumb latch design.
- Deadbolts cannot use a "dual-key" design.

4.1.2. Exterior Storm Doors

All exterior storm doors, if installed, shall be provided with a manufacturer's designation specifying the type of tempered glass and the safety glazing standard with which it complies, which is visible at the final installation.

4.2. Windows

All window frames must be solid vinyl. Double hung or Single hung type must have at a minimum the lower sash able to slide with a removable bug screen.

All glazing shall be double-paned with low E with Argon.

The vapor seal on the glazing must have a minimum ten-year warranty.

All windows shall have a minimum one-year warranty on the operation of the window.

All windows shall have a National Fenestration Rating, SHGC Rating and U-Factor meeting minimum energy code requirements as required by the International Energy Conservation Code as currently adopted by the State of Arkansas.

All windows should be made to open, except for kitchen and bathrooms if powered exhaust ventilation is provided. Additionally, windows installed only for design/decoration or illumination do not need to open. This includes small accent windows, door lites, and other windows included for the purpose of design and accent only.

No unrated windows shall be placed in a rated firewall. A rated wall must have a rated window.

In all construction, bedrooms shall be provided with screened, operable egress windows to the exterior of the building.

For rehabilitation projects, windows fifteen (15) years old or older shall be replaced.

4.3. Entry Areas/Patios

Entries to dwelling units with entry pads must have an area of 5'x 5' or more and have a minimum of a 1/4" per foot slope.

5. Site and Flatwork

Buildings shall be planned and located so that the spaces between them become positive elements in the site plan, and not just leftover portions of the site which happen not to be occupied by buildings. Buildings, roads, parking areas, recreational facilities, paths and landscaping of plants and site furnishings shall be related properly to each other, to the sun, to natural features, to topography, and to views on and off the site, in a well-designed assembly.

5.1. Roadways, Driveways, and Parking Lots

Roads, driveways, and parking lots shall be continuously paved asphalt or concrete. Project must provide vehicular routes for inhabitants, visitors, and service needs, and on-site parking for each dwelling. Parking areas shall be located and sized appropriately and shielded by topography or evergreen plantings.

The following minimum specifications must be adhered to:

- 1-inch wearing course pavement.
- 2-inch base course pavement.
- 6-inch crushed gravel.
- 12-inch bank run gravel.
- Asphalt paved areas must be finished with concrete curbing.
- Sidewalk access must be provided to all parking spaces.
- Parking lots for rehabilitation projects shall be brought to new or like new condition.

Property Parking Minimums:

All projects must have ~~six~~ three parking spaces for every ~~four~~ two units, inclusive of handicapped units.

5.1.1. Accessible Parking Spaces

All multifamily properties must meet or exceed expectations for accessible parking for persons with disabilities. Parking must adhere to ADA accessibility guidelines (Section 208.2).

Accessible parking spaces are required for each parking facility on a site, such as lots and garages. Requirements apply equally to public and employee or restricted parking. On sites with multiple parking facilities, the minimum number of accessible spaces must be calculated separately for each parking facility instead of on the combined total of parking spaces provided on the site. At least one of every six accessible spaces, or fraction of six, in each parking facility must be sized to accommodate vans.

Where at least one parking space is provided for each dwelling unit, at least one accessible space is required for each mobility accessible unit. Spaces must be located on the shortest accessible route to the dwelling unit entrance they serve (§208.3.2). Those assigned to specific units are not required to be identified by signs (§216.5, Ex. 2). If the total number of resident spaces is less than the total number of units, accessible parking is based on the scoping table in §208.2 (but providing one accessible space for each mobility accessible unit is advisable).

Vehicle spaces must be a minimum of 96” wide.

Van-accessible spaces must be a minimum of 96” wide with a 60” access aisle. Two spaces can share one access aisle.

5.1.2. Single Family Home Driveways

Single family homes with a single driveway and duplexes with two separate driveways must have driveways that are constructed of concrete. Asphalt surfaces are not acceptable.

The concrete shall conform to the latest revised Standard Specification for Portland Cement, ASTM C595.

All concrete shall have a minimum 28-day compressive strength of 3000 psi and be entrained with 5 percent air with a minimum cement content of 520 lbs. per cubic yard (5.5 sacks).

Expansion joint material shall be ½” thick asphalt-impregnated pre-molded fiber, ASTM D1752.

The concrete for driveways, parking areas, sidewalks, porches and stoops must follow American Concrete Institute (ACI) 318 and have a minimum thickness of 4”.

5.2. Pedestrian Routes and Recreation Areas

Pedestrian routes and recreation areas shall be separated from vehicular ways to the fullest extent possible so as to provide safety to the inhabitants. Family housing developments shall be designed to provide routes which cross as few vehicular ways as possible, and which are appropriate for children leading from dwellings to recreation areas, school bus stops, and municipal streets. Sidewalks and pedestrian crossing(s) shall be made accessible to the handicapped and shall be located so as to enhance neighborhood walk-ability.

Sidewalks shall be ~~paved using the following criteria~~ concrete at a minimum of sixty inches wide.

- ~~2-inch wearing course pavement~~
- ~~6-inch crushed gravel~~
- ~~60”+ wide concrete surfaces~~

Vehicles shall not intrude into the sixty inch minimum pathway.

5.3. Garbage and Trash

Dumpsters and large bins shall be used for family housing if regular municipal collection service is not available. Dumpsters and bins shall be placed on concrete pads. Enclosures shall be provided for all collection areas to maintain orderly collection, neat appearance, and sanitary conditions; to deter access by animals; and to minimize hazards to playing children. Locations and numbers shall be convenient to the inhabitants served, and accessible to the collecting vehicle, but shall be placed, screened, or related to other facilities so as to be unobtrusive. Trash areas must be covered, or dumpsters must have lids, to provide protection from rain, wind, and snow.

In all types of multifamily projects, it is recommended the site will provide at minimum 8 cubic yards of dumpster space per 20 units on site. Dumpsters should be emptied at a minimum once per week. Alternative pick up schedules and dumpster size will be considered.

5.4. Mailboxes

Mailboxes, if provided in centralized, outdoor locations, shall be protected from weather (along with the tenant), accessible to the mail carrier, convenient to the inhabitants, handicapped accessible, and located, screened, or related to other facilities so as not to be obtrusive.

5.5. Exterior Lighting

Exterior lighting shall be provided for walkways and parking areas, independent of dwelling unit lighting, and shall be integrated with features of the site to provide a coordinated, harmonious, and uncluttered streetscape.

5.6. Utilities

Utilities shall be centralized wherever practicable to realize economies of efficiency in operation or maintenance.

Electrical entrances shall be underground leading from a point where overhead service does not intrude upon the residential scale. This does not apply to rehabilitation projects.

Water service to be replaced or constructed to units shall be installed with methods and materials as approved by the IRC and the International Plumbing Code.

Sanitary Sewer/Private Septic service to be replaced or constructed to units shall be installed with methods and materials as approved by the IRC, the International Plumbing Code, or the Private Sewer Disposal Codes.

5.7. Outdoor Seating Areas

Handicapped accessible outdoor seating areas shall be provided in locations and numbers appropriate for the size of the development which they will serve. Exterior seating and common area seating shall have back and arm rests, unless they are not designed to have them (e.g. picnic table). Seating shall be planned in family housing developments to relate to children's play areas for use of attending adults, and in elderly housing developments to observe centers of activity on and off the site.

5.8. Outdoor Recreation Facilities

Outdoor recreation facilities shall be an elective design element that is not required by ADFA. However, if installed, all equipment must be properly maintained to reduce risk of hazards and other threats to health and safety.

5.9. Landscaping

Tree species shall be selected for form, size, and rate of growth to provide wind barriers, shading during the summer, and sunshine in the winter. Non-invasive, native, drought-resistant plants shall be selected according to conditions of exposure and according to color, texture, and other features that will enhance the aesthetics of the site. Root structures shall be considered for their required space, effects on nearby pavements, and possible interference with subsurface utilities.

Additionally, irrigation/sprinkler systems are required to be included in new construction and substantial rehabilitation. Irrigation, when properly installed, encourages plant and lawn growth that is sustainable and encourages proper drainage during weather events (snow, rain, flooding). Generally, proper irrigation increases the aesthetic appearance of properties, which ensures assimilation of affordable housing properties.

5.10. Community Facility

If a community facility is planned, you must designate what will be a part of the community facility before approval, i.e. office, laundry facility, fitness center. For HOME/NHTF, the community facility must be attached to the residential units, in order to utilize the funding sources for construction or rehabilitation of the community facility.

5.11. Ramps

All newly constructed accessible ramps shall meet the requirements of the adopted International Residential Code.

(check which one applies)

☐ Composite: Wood/Fiberglass with non-skid surface.

☐ Concrete: Concrete ramps with non-skid surface.

☐ Metal: Galvanized steel or aluminum with non-skid surface.

Ramps have a maximum ramp slope of 1:12 (twelve inches of ramp for every inch of rise). Where possible, a slope of 1:16 - 1:20 slope is recommended, as the 8.33% grade can be strenuous for persons with disabilities. Additionally, designs should limit continuous runs of ramp to avoid long and tiring climbs. Periodic level areas between slopes will allow for resting and maneuvering. This can be accomplished with switchbacks or landings.

5.12. Exterior Stairs/Steps

Stairs and steps on the site must adhere to UFAS 4.9.2. On any given flight of stairs, all steps shall have uniform riser heights and uniform tread widths. Stair treads shall be no less than 11 in (280 mm) wide, measured from riser to riser.

- The undersides of nosings shall not be abrupt.
- The radius of curvature at the leading edge of the tread shall be no greater than 1/2 in (13 mm).
- Risers shall be sloped, or the underside of the nosing shall have an angle not less than 60 degrees from the horizontal.
- Nosings shall project no more than 1-1/2 in (38 mm).
- Risers shall ~~not be open in any areas~~ have kickplates.

5.13. Exterior Railings

Handrails and guardrails are required on ledges, ramps, and staircases throughout the property. Both shall be installed in accordance with UFAS 4.9.4 and following the requirements of NSPIRE inspection standards.

- Stairways shall have handrails at both sides of all stairs.
- Handrails shall be continuous along both sides of stairs. The inside handrail on switchback or dogleg stairs shall always be continuous.
- Handrails shall have a 12” extension at the top and bottom of ramps and stairs on the site and grounds.
- Stairs/Steps are required to have railings if there are four or more consecutive risers.
- The clear space between handrails and walls shall be 1-1/2 in.
- Handrails shall be rounded and smooth and not rotate in their fittings.

5.14. Site Signage

Projects should include clear, visible, and legible site signage that includes the following:

- The project name.
- The street address.
- A Fair Housing and Equal Opportunity logo.
- Must be clearly legible from the road.

ADFA may waive the site signage requirement for additional phases, added at a later date, if the same entrance is used. However, the original sign must be updated to include all phases.

6. Accessibility

The participating jurisdiction's standards must require the housing to meet the accessibility requirements in 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131–12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601–3619). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.

The requirements of Section 504 of the Rehabilitation Act of 1973 must be met using the Uniform Federal Accessibility Standards (UFAS) or the 2010 ADA Standards for Accessible Design. There are certain circumstances where the 2010 ADA cannot be used. They are identified in the appendix to 24 CFR Part 8, Docket Number FR-5787-N-01 (see www.hud.gov/sites/documents/5784_N_01_NOTICE_5_15_14.pdf).

All buildings designed and constructed for first occupancy after March 13, 1991, with four or more units must meet the requirements of the Fair Housing Act (March 13, 1991). All projects must design and construct 5% of the dwelling units, or at least one unit, to be fully accessible for persons with mobility disabilities. Additionally, 2%, or at least one unit, must be accessible for hearing and visual disabilities.

7. Crime Prevention Through Environmental Design (CPTED)

ADFA encourages property developers to include concepts of crime prevention through design, but it is not required. The concept of crime prevention through environmental design has been adopted through the United States and other countries since 1971. All the items below are encouraged but not required and the QAP does not include any additional scoring for complying with CPTED. CPTED requires an analysis of factors influencing crime and undesirable behavior at a given site. These factors will necessarily vary by site and the applications of CPTED principles should be scaled accordingly. Agencies including law enforcement and local institutions are capable of providing information and guidance regarding a location that can assist the design team in constructing a built environment that influences desirable use, complicates or impedes undesirable use, and decreases opportunities for crime. Thoughtful consideration of available information and resources can result in a design that enhances the residential experience and mitigates the need for subsequent remedial measures.

7.1. CPTED Components

At its core, CPTED has four key components:

- Natural surveillance
- Territoriality
- Access control, and
- Maintenance

CPTED seeks a built environment that supports, sustains, and encourages desirable activity, discourages criminal and undesirable activity, increases perceptions of safety, and facilitates a sense of ownership and responsibility among residents and legitimate users of the property.

7.2. Natural Surveillance & Territoriality

The project's design should include and create~~s~~ features of natural surveillance. This involves the placement of physical features and a built environment that maximizes visibility – the ability to see and be seen. Building orientation, window placement, entry and exit locations, lighting, parking areas, outdoor recreation areas, common use areas such as laundry, community rooms, and trash receptacles should afford maximum visual opportunities. The use of plantings or placement or orientation of objects that impede visibility or provide concealment, particularly along walkways or near entrances, exits, trash receptacles and elevators, are to be avoided.

Lighting, not inconsistent with applicable standards, should be of appropriate color and temperature so as to provide an even measure of lighting—minimizing glare and shadows and not impeded by obstructions, including plantings.

Territoriality refers to a design that clearly defines the boundaries of the property and clearly shows what is part of the property and what isn't. A property design should include indicators that show where public property begins and private property ends, as a means of deterring criminals from accessing the area.

7.3. Access Control

The project should include an effective use of fences, signage, gates, bollards, planters, and topography to assist and guide users in navigating about the property in a prescribed manner while simultaneously impeding or discouraging undesirable movement within the property and making such movement easily recognizable.

7.4. Maintenance

The physical condition and image of the built environment and its effect on crime and the fear of crime ~~has~~ have long been acknowledged. Promoting a positive image through proper management and maintenance of the built environment ensures that the physical environment continues to function effectively and transmits positive signals to all users. The CPTED principle of "Maintenance and Management" refers to one's sense of pride of place, e.g., the more dilapidated a place is, the more likely it is to attract unwanted activities.

8. Fire and Life Safety

8.1. Smoke Detectors and Alarms

Smoke alarms are required in all dwelling units. All smoke alarms must be hardwired and interconnected or be heat sensor alarms connected to a central monitored fire panel. ~~Smoke alarms/detectors must be installed in dwelling units at the following locations:~~

- ~~Inside all sleeping rooms.~~
- ~~Outside all sleeping rooms - within 21 feet of any sleeping room door (multiple sleeping rooms can be served by a single alarm/detector so long as the detector is within 21 feet of both doors).~~
- ~~At least one alarm/detector must be present on all livable floors of a dwelling unit.~~
- ~~Smoke alarms must be installed in the following manner:~~
    - ~~If installed on a wall, the alarm must be at least 4" from the ceiling but not more than 12" from the ceiling.~~
    - ~~If installed on a ceiling, the alarm must be at least 4" from the wall.~~
- ~~All smoke alarms must be at least 10 feet away from any cooking appliance (measurement to be taken in a clear path, not through a wall or other barrier).~~

The most current Arkansas Fire Prevention Code Vol I & II and NSPIRE standards shall ~~must~~ be followed.

8.2. Carbon Monoxide Detection

Properties must have UL-listed hard-wired carbon monoxide detectors/alarms installed in all structures. ~~where any of the following conditions are found to exist:~~

- ~~Fuel fired heating equipment is present in the dwelling unit.~~
- ~~Fuel fired domestic hot water equipment is present in the unit.~~
- ~~Fuel fired cooking appliance(s) are present in the unit.~~
- ~~The unit has a private attached garage.~~
- ~~The unit is on the same level or one level above or below an unventilated garage.~~
- ~~The unit is connected via ductwork to a room where fuel-fired equipment is located.~~

~~When one or more of these scenarios exist for a dwelling unit, carbon monoxide detectors/alarms shall be installed in the unit within 10 feet of any bedroom and within 6 feet of any door leading to a private garage.~~

Carbon monoxide alarms must be hardwired, e.g., connected to a building's power system. Carbon monoxide alarms may be a dual-use design, including both smoke detection and carbon monoxide detection.

The most current Arkansas Fire Prevention Code Vol I & II and NSPIRE standards shall be followed.

8.3. Communications

The property must include a data port centrally located to be able to provide Wi-Fi throughout the unit.

> ***Broadband infrastructure.*** For new commitments made after January 19, 2017 for a new construction housing project of a building with more than 4 rental units, the construction must include installation of broadband infrastructure, as this term is defined in 24 CFR 5.100, except where the participating jurisdiction determines and, in accordance with § 92.508(a)(3)(iv) and § 93.407(a)(2)(iv) documents, the determination that:
>
> (A) The location of the new construction makes installation of broadband infrastructure infeasible; or
>
> (B) The cost of installing the infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden.

9. Unit Equipment, Furnishings, and Finishes

9.1. Appliances

Dwelling units must include areas for food preparation, bathrooms, living and dining areas, and sleeping rooms. The following are the requirements for essential equipment, finishes, and furnishings in any dwelling unit:

Refrigerator: A refrigerator shall be minimum 18 cubic ~~foot~~ feet, frost-free, and provided in all dwelling units to match color with the dishwasher and range. All refrigerators must be Energy Star qualified. The Energy Star mark must be clearly marked on the front/top of the product, clearly displayed in product literature, and listed on the manufacturer's website.

Range: An electric or gas range shall be minimum 30", 4 burners with self-cleaning oven, and provided in all dwelling units to match color with the refrigerator and dishwasher.

Range Hoods: All units shall be equipped with a minimum 200 CFM range hood. Recirculation hoods shall be equipped with an activated charcoal filter. Gas appliances must be ducted to the exterior. Hood shall have a light.

Dishwasher: A dishwasher shall be provided in all newly constructed units and those resulting from adaptive reuse. Dishwashers shall also be provided in units resulting from rehabilitation activities where they had either previously existed or dwelling units were newly created due to structural change. Standard dishwashers shall use less than 4.25 gallons per cycle and 295 kWh per year.

Microwave: A built-in microwave should be provided in all units.

Clothes Dryer: All Clothes Dryers must be at a minimum 7-cu ft. vented dryers and meet Energy Star requirements.

Clothes Washers: All clothes washers provided in individual dwelling units shall have a Modified Energy Factor ("MEF") equal to or greater than 2.0 and a Water Factor ("WF") equal to or less than 6.0. All clothes washers provided in common laundries shall have an MEF equal to or greater than 2.2 and a WF equal to or less than 4.5. All laundry facilities located above any habitable space shall be equipped with a properly installed washer overflow pan piped to carry the overflow into the drain, waste, and vent ("DWV"), positive outside drain, or an approved floor drain.

On rehab projects, appliances ten (10) years old or older shall be replaced.

9.2. Finished Floor Treatments

Select type(s) of flooring being included in the design:

☐ Vinyl Composition Tile (VCT): Shall be Armstrong or equal, suggested minimum of 1/8” x 12” x 12”. Provide product adhesive and/or underlayment as recommended by the manufacturer. All surfaces shall be clean, dry, and appropriate temperature during installation. Follow manufacturer’s recommendation for pattern layout.

☐ Laminate Wood Flooring: Must include attached high density polyethylene underlayment or proper moisture barrier. The floor shall be resistant to stains and reagents.

☐ Tile Flooring: A Glazed Ceramic Floor tile can be used in wet areas with an appropriate moisture barrier underlayment. The floor shall be resistant to stains and reagents. Low water absorption tile shall be used in wet areas. Light Traffic level, with a high dynamic coefficient of friction value of 0.4, is considered slip safe for most applications.

☐ Luxury Vinyl Tile (LVT).

9.3. Interior Doors

(Check which one applies)

☐ Paint: Primed once, with two-coat semi-gloss finish on all sides and faces. No Volatile Organic Compounds (“VOCs”).

☐ Factory Finished: Factory finished doors are acceptable with factory warranty.

Width: Interior doors must have a minimum clear opening of 34”. Passage doors such as a coat closet can have a lower minimum.

9.4. Drywall and Finishes

9.4.1. Water-Resistant Drywall

Water-resistant gypsum board (commonly called “green board”) or equivalent must be used on all walls in the bathroom and within six feet of wall surfaces where the drywall can be splashed such as kitchen sink, next to water heater and/or washer. Water-resistant/mold-resistant gypsum board or equivalent shall be provided behind any tub/shower unit located on an exterior wall. Water-resistant gypsum, when used on ceilings, must be rated for the span. A product that meets ASTM D3273 for mold resistance above and immediately around tubs/showers must be installed.

Interior Wall Finishes: Primed once and two finish coats of flat, eggshell, semi-gloss, or satin. Use semi-gloss, or satin finish for bathrooms, laundry, and kitchens. No VOCs.

Rehab project shall have all drywall replaced or a complete skim coat sanded, primed and painted.

No popcorn ceiling material shall remain.

9.5. Furnishings

9.5.1. Cabinets

All cabinet materials shall be made of solid wood, plywood, or MDF (not particleboard). Doors, drawers, and fronts shall be factory finished. Cabinet ends shall be finished with appropriate veneer. All cabinets shall be Kitchen Cabinet Manufacturers Association (KCMA) approved. The following specifications are required for all new construction and rehabilitations:

- Cabinets shall have dual sidetrack drawers.
- Pantries or pantry closets shall be 1’6” x 1’6” deep (min) with at least five shelves. It should be made of solid wood, plywood, or MDF (not particle board).
- All cabinet doors need to have hardware that does not require pinching or grasping. Cabinets with knob pulls should have the pulls located near the bottom of the door for wall cabinets and near the top for base cabinets.

9.5.2. Countertops

Countertops at a minimum shall be post-form plastic laminate, bullnose front edge, rolled backsplash, finished exposed ends, and sealed at the cut out for sink, and the backsplash at the wall. Other appropriate materials may be used that have a solid surface, if approved by ADFA.

9.6. Unit Specifics

9.6.1. Closet Storage/Accessories

All shelving must be wood construction and have support/brackets installed every 36”. MDF is allowable.

9.6.2. Interior Stairs/Steps

Stairs and steps in units must adhere to UFAS 4.9.2. On any given flight of stairs, all steps shall have uniform riser heights and uniform tread widths. Stair treads shall be no less than 11 in (280 mm) wide, measured from riser to riser. Open risers are not permitted.

The undersides of nosings shall not be abrupt. The radius of curvature at the leading edge of the tread shall be no greater than 1/2 in (13 mm). Risers shall be sloped, or the underside of the nosing shall have an angle not less than 60 degrees from the horizontal. Nosings shall project no more than 1-1/2 in (38 mm).

9.6.3. Interior Railings

Handrails are required on ramps and staircases throughout the property. Handrails shall be installed in accordance with UFAS 4.9.4.

Enclosed stairways shall have handrails on at least one side of the stairs.

Handrails shall be continuous along both sides of open stairs. The inside handrail on switchback or dogleg stairs shall always be continuous.

In barrier-free accessible units, handrails shall have a 12” extension at the top and bottom of ramps and stairs.

Railings are required if there are four or more consecutive risers.

The clear space between handrails and wall shall be 1-1/2 in.

Handrails shall be rounded and smooth and not rotate in their fittings.

10. Plumbing

Plumbing and other mechanical equipment should be properly installed and secure:

- Gas water heaters shall be located in an individual, separate mechanical closet.
- Domestic hot water equipment should be installed in designated mechanical closets with insulated walls or in a garage.
- Domestic hot water equipment shall be installed in drain pans with a drain that is plumbed to the outside.

10.1. Bathtubs and Shower Stalls

Standalone bathtubs shall be 30” deep and 60” long white porcelain or finished steel.

Bathtubs must have a switched stopper.

Bathtub controls shall be installed not more than 12” from the entry or centered on the rear wall of the bathtub. Controls should not require pinching, tight grasping, and should allow for one-hand control, per UFAS 4.20.5.

For bathrooms with walk-in showers, the shower must be a single-unit, fiberglass (or more luxury materials may be used at the owner/developers’ choice) with a ~~built-in~~ shower curtain rod or sliding doors, and be installed in rooms that have reinforced walls, per ADA standards.

Bathrooms with Tub/Shower combinations must be a single-unit, fiberglass (or more luxury materials may be used at the owner/developers’ choice) with a ~~built-in~~ shower curtain rod or sliding doors and be installed in rooms that have reinforced walls.

Shower stalls and bathtubs must include grab bars. ADFA requires full adaptive design at new construction to reduce liability exposure to property owners and developers.

For rehabilitation projects, all plumbing fixtures are to be new. Sinks, toilets, tubs, and surrounds shall be replaced with new units with grab bars. New shut-offs shall be installed at all plumbing locations throughout the units. Plumbing fixtures less than five (5) years of age may be reused if all units match at the completion of the rehab. ~~cracked,/damaged bathtubs/showers must be replaced and not resurfaced.~~ No cracked, stained, chipped or otherwise damaged fixtures will be accepted. No resurfacing is allowed.

10.2. Lavatories

Sinks shall be 15” minimum diameter; made of white porcelain finish steel or cultured marble.

10.3. Faucets

Faucets shall have a ~~Polished chrome or~~ stainless-steel finish with two handles ~~with~~ and a pop-up stopper. Lever or push handle type shall be used for all faucets. Faucets may not have a water flow that exceeds 1.5 gpm.

10.4. Toilets

Toilets shall be white porcelain elongated bowls with acrylic seat maximum 1.6 GPF. Toilets shall be installed so the center line of the toilet is 18” or more from the wall, and the toilet seat shall be 17-19” from the floor.

10.5. Kitchen Sink

Sinks shall be a minimum eight inches (8”) deep, 33” x 20” stainless steel double bowl. Where ADA compliance is applicable, roll under sink depth shall be shallower as required in mobility impaired dwelling units.

10.6. Plumbing Accessories

Water heaters located in any interior space shall have a metal 2” deep overflow pan with discharge pipe indirectly plumbed into DWV receptor, floor drain or to the exterior.

10.7. Piping

Potable water lines shall be copper or PEX material. ~~Installation in exterior walls must be centered in the insulation~~. Domestic water lines installed in exterior walls must comply with the latest version of the Arkansas State Plumbing Code. Hose bibs must be of the freeze proof kind. All domestic water piping located in attic or crawl space shall be insulated. ~~All hot water lines shall be insulated equal to or greater than R-4 pipe wrap~~. ~~All lines within the crawl space or attic must be insulated.~~

10.8. Water Heater

Water Heater shall be a minimum 40-gallon capacity for 1- and 2-bedroom units and 50-gallon for 3+ bedroom units. Electric heaters will have a minimum Energy Factor (EF) equal to or greater than .92. Gas fired water heaters shall have an EF rating equal to or greater than .59. Instantaneous gas water heaters shall have an EF equal to or greater than .94 (96% AFUE). Direct vent on gas water heaters or sealed combustion is required.

10.9. Bathroom Accessories

Bathrooms must be finished with accessories and amenities that allow for proper use of bathroom fixtures. The following guidelines are the minimum standards:

Medicine cabinet: The medicine cabinet with a mirror must be 16”x 20” (min) and allow for storage. If the cabinet has an outlet inside, it must have GFCI protection. Medicine cabinets are optional.

Toilet paper dispenser: The toilet paper dispenser should be wall mounted and be properly situated near the toilet.

Towel bar: There must be at least one 24” towel bar in all bathrooms (including 1/2 baths).

Vanities: A storage vanity shall be installed in all units, except where wall mounted is required to meet barrier-free designs. If the bathroom uses a cabinet with vanity top design, the vanity cabinet must be a minimum of 30” in width.

ADA units must include open shelving for storage.

11. Electrical

11.1. Interior Lighting

Each room, hall, stairway, and walk-in closet shall have a minimum of one switched overhead light (color to match door hardware) with energy efficient LED lamp and globe (ceiling fan light kit is acceptable in bedrooms and living room), excluding can lights. No exposed bulbs are permitted. All light bulbs must be protected or enclosed by a covering or light fixture (to prevent the risk of electrocution). Kitchens shall include adequate lighting over the countertop, appliances, and sink. Bathrooms shall be equipped with adequate lighting over the vanity sink with LED lamps and a combination exhaust fan light in the ceiling near the water closet/tub.

11.2. Exterior Lighting

Luminaries shall be located at all entrances (common entrances and exterior unit entries) and common areas. All on-site parking areas shall be lighted. The electrical supply for all-common areas, stairways, walkways, and parking areas shall not originate from an individual unit. Each fixture should have dusk/dawn and motion sensor capabilities with LED lamp.

11.3. Electrical Service

Individual living units with two or more bedrooms are to have a minimum 100 AMP service disconnect.

Service entrance wiring and feeders rated at 100 amps or more may be copper or aluminum.

All branch circuit wiring shall be copper.

Electric power shall be provided in the attic area to serve exhaust fans for the radon mitigation system.

Units shall be metered individually when electricity is not included in a tenant’s rent.

11.4. Accessible/Adaptable Use Electrical Service

Wall switches shall be provided for the fan and light on all kitchen range hoods in all accessible units.

All dwelling units shall be wired for, and include, at least one combination audible/visible fire alarm device wired to the common alarm.

Accessible and Type A dwelling units shall have visible devices in each living space, bedroom, bathroom, and hallway wired to the common alarm and to the dwelling unit smoke/heat detector.

All electrical receptacles located in wet areas (kitchens, baths) must be GFCI receptacles and wired on a dedicated Arc Fault electrical circuit. To prevent the risk of electrocution, both AFCIs AND GFCIs must be used.

12. Heating, Ventilating, and Air Conditioning

All mechanical systems shall be regulated, including the design, installation, maintenance, and alteration of mechanical systems that are permanently installed and used to control environmental conditions within buildings to meet or exceed the standards of the International Residential or Mechanical Code.

12.1. HVAC Equipment

All units shall have one of the following systems:

- Standard air conditioner system and furnace.
- Heat pump with furnace.
- Heat pump with emergency heat strips.
- Package unit with emergency heat strips.

All systems must have a Seasonal Energy Efficiency Rating (SEER2) of 14.5 or ~~better~~ greater rating.

Heat pumps must possess a Heating Seasonal Performance Factor (HSPF2) of ~~8.2~~ 8.1 or greater rating.

All furnaces must have an Annual Fuel Utilization Efficiency (AFUE) equal to or greater than ~~92%~~ 90%.

Electric Resistance only heat systems are prohibited.

On a furnace, a direct vent or sealed combustion is required.

All HVAC systems shall be sized using the Air Conditioning Contractors of America (ACCA) manual J, S and D as required by the Arkansas-adopted International Residential Code.

These requirements are set forth as a living requirement and shall follow any of the updates along with the rating’s changes made in accordance with Energy Star ratings.

12.2. Ductwork

All ducts must be insulated with a minimum requirement of the current ICC Energy Codes and installed per Sheet Metal and Air Conditioning Contractors' National Association (“SMACNA”) standards.

All joints and connections shall be sealed tight compliant with UL 181 and pass pressure testing. Exhaust vent piping shall be insulated. All ducts shall be installed per manufactures requirements and free of restrictions. Vent louvers shall be white adjustable type. Dryer vent shall be through wall weather type with damper.

All supply ducts shall have individual dampers enabling supply air adjustments at each register grill and repositioning damper. Twenty percent of replaced HVAC systems and ducts shall be Tested and Balanced within 20% of the ACCA Manual J, S, and D calculations, and pass a “Duct Blaster” test for duct tightness, and these reports are to be maintained and provided to ADFA at project completion.

Any ductwork that penetrates a 1-HR rated ceiling must be a rated ceiling radiation damper at all supply register locations. This includes the interior air-handler supply/return ductwork, at each supply register vent location, within any rated horizontal construction assembly.

12.3. Thermostats

All individual HVAC systems shall be controlled by a digital programmable thermostat.

12.4. Ventilation

Exhaust air from bathrooms and toilet rooms shall not be recirculated within a residence or to another dwelling unit and shall be exhausted directly to the outdoors. Exhaust air from bathrooms and toilet rooms shall not discharge into an attic, crawl space, soffit vents or other areas inside the building. Ventilation systems shall be designed to have the capacity to exhaust the minimum air flow rate and mechanical exhaust capacity of 50 cfm intermittent or 20 cfm continuous, and may be of the exhaust, heat, or light types, or combo units.

12.5. Ceiling Fans

Ceiling fans shall be minimum 42" 4 paddle with light kit located in all bedrooms and a 52" 5 paddle with light kit in the living room. Fans shall be Energy Star qualified. Minimum 120 cfm watt at medium speed setting. Fans shall have the ability to accept a CFL or LED bulb.

13. Build America, Buy America Act ("BABA")

The Build America, Buy America Act ("BABA") requires any infrastructure project funded by any Federal Financial Assistance ("FFA") to apply a domestic content procurement preference—called the "Buy America Preference" ("BAP"). This means that all iron, steel, manufactured products, and construction materials used in the infrastructure project are to have been produced in the United States, unless the awarding agency has issued a waiver of this requirement.

The purpose of BABA is to bolster America's industrial base, protect national security, and support high-paying jobs.

For additional information, please see Title IX of the Infrastructure Investment and Jobs Act (BABA).

14. Public Comment

ADFA sent out a draft of the Design Standards Manual on ___________, to all stakeholders and posted the Design Standards on the ADFA website. The public was invited to provide comment on the proposed changes to the Design Standards on ____________, and ADFA accepted comments until ___________.

The Design Standards were approved at the ____________, ADFA Board meeting.

ATTACHMENT G

Applicant's Certification

I, ___________________________, in my capacity as Applicant for the proposed development known as ___________________________ state that I have reviewed the above Design Standards Manual for New Construction and Rehabilitation and certify as to the accuracy of its contents, and further certify that the cost estimates provided in the application encompass the representations made herein and that the development will be constructed or rehabilitated in accordance with ADFA's Design Standards Manual for New Construction and Rehabilitation and the representations herein.

Name: _________________________

Title: ___________________________

STATE OF________________)

COUNTY OF ________________)

Before me,______________________, a Notary Public of the state and county stated above, personally appeared _________________________, with whom I have personal knowledge, and who, upon oath, acknowledged that _____________________ executed the forgoing instrument for the uses, consideration and purposes stated therein.

Witness my hand and seal this _______ day of _______________, 20__.

____

Notary Public

My commission expires:

____

ATTACHMENT G

Architect's Certification

I, __________________________, in my capacity as Architect for the proposed development known as __________________________ state that I have reviewed the above Design Standards Manual for New Construction and Rehabilitation and certify as to the accuracy of its contents, and further certify that the cost estimates provided in the application encompass the representations made herein and that the development will be constructed or rehabilitated in accordance with ADFA's Design Standards Manual for New Construction and Rehabilitation and the representations herein.

Name: ________________________

Title: __________________________

STATE OF________________)

COUNTY OF _______________)

Before me,_____________________, a Notary Public of the state and county stated above, personally appeared ________________________, with whom I have personal knowledge, and who, upon oath, acknowledged that ____________________ executed the forgoing instrument for the uses, consideration and purposes stated therein.

Witness my hand and seal this _______ day of _______________, 20__.

____

Notary Public

My commission expires:

____

ATTACHMENT G

General Contractor's Certification

I, ___________________________, in my capacity as General Contractor for the proposed development known as ___________________________ state that I have reviewed the above Design Standards Manual for New Construction and Rehabilitation and certify as to the accuracy of its contents, and further certify that the cost estimates provided in the application encompass the representations made herein and that the development will be constructed or rehabilitated in accordance with ADFA's Design Standards Manual for New Construction and Rehabilitation and the representations herein.

Name: _________________________

Title: ___________________________

STATE OF_________________)

COUNTY OF ________________)

Before me,______________________, a Notary Public of the state and county stated above, personally appeared _________________________, with whom I have personal knowledge, and who, upon oath, acknowledged that _____________________ executed the forgoing instrument for the uses, consideration and purposes stated therein.

Witness my hand and seal this _______ day of _______________, 20__.

____

Notary Public

My commission expires:

____

TAB 15

BOARD HOUSING REVIEW COMMITTEE
ACTION MEMORANDUM

Board HRC Meeting: 7/16/2026 Prepared by: John Blackwell

HOUSING PARTNER	
Name of Entity:	**C.R. Lloyd Associates, Inc.**
Address of Entity:	**150 E 4th Place #600** **Sioux Falls, SD 57104**
Contact Person:	**Kellen Erpenbach**
Phone	**(605) 323-2820**
Email Address:	**kellen.erpenbach@lloydcompanies.com**

DEVELOPMENT INFORMATION	
Name of Development:	**Riparian Flats** **700 Success Ave** **Springdale, AR 72765-5535** **Washington County**

ACTION REQUESTED

Reservation of 1,106,600 9% Low Income Housing Tax Credits

$2,194,500 HOME (contingent upon deficiency items being addressed)

$979,000 NHTF (contingent upon deficiency items being addressed)

BACKGROUND INFORMATION

The developer is seeking to construct 56 new affordable housing units in Springdale, Arkansas. The Riparian Flats application was part of the 2026 9% LIHTC funding round. ADFA allowed the developer an additional month to come up with a site configuration that would comply with HUD and ADFA's HOME funding requirements. The change in site configurations resulted in a lowering of the unit count from 60 to 56 units(18-1BR,22-2BR,16-3BR) from the initial application.

TDC $12,364,347

Average Cost per unit $220,792

Average Cost per square ft. $231.66

FINAL RECOMMENDATION OF BOARD HOUSING REVIEW COMMITTEE

TAB 16

April - June 2026 Compliance Monitoring Activities

						Score = Non Compliance
						No Findings 1 >0 - 15% 2 16 - 30% 3 31 - 40% 4 41 - 50% 5 >50%
Property Name	**Review Date**	**Auditor**	**Units Reviewed**	**Files Reviewed**	**Units/Files Non-Compliant**	**Score**
Jonesboro Sunset Gardens	3/30/2026	Gabby Cruz	0	14	14	5 >50%
Meadows at Forrest City	4/2/2026	Gabby Cruz	0	10	5	4 41-50%
Park Ridge at Texarkana II - Past year 15	4/2/2026	Meshawn Conner	0	10	7	5 >50%
Frisco Park	4/8/2026	Nedra Whitaker	0	12	3	2 16-30%
Grandview Apartments-Jasper	4/8/2026	Gabby Cruz	0	5	2	4 41-50%
Old Lakeshore	4/10/2026	Nedra Whitaker	0	5	1	2 16-30%

April - June 2026 Compliance Monitoring Activities

						Score = Non Compliance
						No Findings **1 >0 - 15%** **2 16 - 30%** **3 31 - 40%** **4 41 - 50%** **5 >50%**
Property Name	**Review Date**	**Auditor**	**Units Reviewed**	**Files Reviewed**	**Units/Files Non-Compliant**	**Score**
Garden Manor - Past year 15	4/13/2026	Nedra Whitaker	0	9	6	5 >50%
Vineyards at Monticello I	4/13/2026	Monica Smith	8	0	8	5 >50%
Cypress Grove - Warren	4/14/2026	Monica Smith	8	0	8	5 >50%
Mountain View Heights RAD	4/16/2026	Monica Smith	13	0	13	5 >50%
Meadows at Malvern	4/16/2026	Monica Smith	13	0	9	5 >50%
Auburn Hills - PRLF Only	4/16/2026	Nedra Whitaker	0	5	0	No Findings

April - June 2026 Compliance Monitoring Activities

						Score = Non Compliance
						No Findings **1 >0 - 15%** **2 16 - 30%** **3 31 - 40%** **4 41 - 50%** **5 >50%**
Property Name	**Review Date**	**Auditor**	**Units Reviewed**	**Files Reviewed**	**Units/Files Non-Compliant**	**Score**
Pine Cove - MSF Only	4/16/2026	Monica Smith	7	0	7	5 >50%
Home Harbor Hot Springs	4/17/2026	Monica Smith	13	0	12	5 >50%
Heights at Seneca	4/17/2026	Nedra Whitaker	0	12	0	No Findings
Park Ridge at Texarkana I - Past year 15	4/20/2026	Meshawn Conner	0	8	4	4 41-50%
Cottages of Good Shepard II	4/22/2026	Gabby Cruz	0	10	4	3 31-40%
Heights at Shackleford	4/22/2026	Nedra Whitaker	0	17	0	No Findings

April - June 2026 Compliance Monitoring Activities

						Score = Non Compliance
						No Findings **1 >0 - 15%** **2 16 - 30%** **3 31 - 40%** **4 41 - 50%** **5 >50%**
Property Name	**Review Date**	**Auditor**	**Units Reviewed**	**Files Reviewed**	**Units/Files Non-Compliant**	**Score**
Ridgeway Apartments	4/22/2026	Monica Smith	7	0	7	5 >50%
Dalton's Place of Fordyce - Home Only	4/23/2026	Monica Smith	7	0	7	5 >50%
Meadowbrook Park Homes of Marianna- Past year 15	4/23/2026	Meshawn Conner	0	7	7	5 >50%
Delta Cove	4/23/2026	Gabby Cruz	0	5	0	No Findings
Maple Esplanade	4/27/2026	Monica Smith	8	0	4	5 >50%
Town Branch	4/27/2026	Monica Smith	5	0	3	5 >50%

April - June 2026 Compliance Monitoring Activities

						Score = Non Compliance
						No Findings **1 >0 - 15%** **2 16 - 30%** **3 31 - 40%** **4 41 - 50%** **5 >50%**
Property Name	**Review Date**	**Auditor**	**Units Reviewed**	**Files Reviewed**	**Units/Files Non-Compliant**	**Score**
River Valley Apts - HOME/PRLF Only	4/28/2026	Monica Smith	5	0	5	5 >50%
Valley Estates of Mountain Home II	4/28/2026	Monica Smith	8	0	5	5 >50%
Home Harbor Hot Springs	4/28/2026	Nedra Whitaker	0	12	11	5 >50%
Colony Square at Springdale I	4/29/2026	Monica Smith	13	0	12	5 >50%
Colony Square at Springdale II	4/29/2026	Monica Smith	11	0	9	5 >50%
Nottingham Apartments - Home Only	4/30/2026	Monica Smith	5	0	3	5 >50%

April - June 2026 Compliance Monitoring Activities						Score = Non Compliance
						No Findings 1 >0 - 15% 2 16 - 30% 3 31 - 40% 4 41 - 50% 5 >50%
Property Name	**Review Date**	**Auditor**	**Units Reviewed**	**Files Reviewed**	**Units/Files Non-Compliant**	**Score**
Sager Creek Crossing II	4/30/2026	Monica Smith	8	0	1	1 >0-15%
Heritage Heights Lodge	4/30/2026	Monica Smith	8	0	7	5 >50%
Delta Dream Developers - Past year 15	4/30/2026	Nedra Whitaker	0	5	5	5 >50%
Monthly Total Units / Total Files			**147**	**146**	**189**	
Ford Properties Homes - NSP Only	5/1/2026	Meshawn Conner	0	6	5	5 >50%
Spavinaw Creek Senior Housing	5/5/2026	Gabby Cruz	0	16	2	1 >0-15%
Spavinaw Creek Senior Housing	5/6/2026	Monica Smith	8	0	1	1 >0-15%

April - June 2026 Compliance Monitoring Activities

Score = Non Compliance

	No Findings
1	**>0 - 15%**
2	**16 - 30%**
3	**31 - 40%**
4	**41 - 50%**
5	**>50%**

Property Name	Review Date	Auditor	Units Reviewed	Files Reviewed	Units/Files Non-Compliant	Score
Kenwood Village II	5/6/2026	Monica Smith	5	0	5	5 >50%
Eastwood Apartments - Past year 15	5/11/2026	Monica Smith	5	0	5	5 >50%
Chapel Oaks	5/12/2026	Monica Smith	12	0	11	5 >50%
Heritage Heights Lodge - Past year 15	5/12/2026	Nedra Whitaker	0	8	15	5 >50%
Auburn Hills - PRLF Only	5/12/2026	Monica Smith	5	0	5	5 >50%
Vineyards at Cabot II	5/13/2026	Monica Smith	10	0	2	2 16-30%

April - June 2026 Compliance Monitoring Activities

						Score = Non Compliance
						No Findings 1 >0 - 15% 2 16 - 30% 3 31 - 40% 4 41 - 50% 5 >50%
Property Name	**Review Date**	**Auditor**	**Units Reviewed**	**Files Reviewed**	**Units/Files Non-Compliant**	**Score**
Heritage Heights Cottages - Past year 15	5/13/2026	Nedra Whitaker	0	17	52	5 >50%
Vineyards at Cabot I	5/14/2026	Monica Smith	15	0	14	5 >50%
NLR RAD Family Homes	5/15/2026	Monica Smith	24	0	19	5 >50%
Albert Pike Apartments	5/15/2026	Monica Smith	22	0	22	5 >50%
Helena Heights	5/18/2026	Monica Smith	8	0	6	5 >50%
Strategic EA Ph II- West Helena	5/18/2026	Monica Smith	5	0	2	4 31-40%

April - June 2026 Compliance Monitoring Activities

Score = Non Compliance

Score	Non Compliance
	No Findings
1	>0 - 15%
2	16 - 30%
3	31 - 40%
4	41 - 50%
5	>50%

Property Name	Review Date	Auditor	Units Reviewed	Files Reviewed	Units/Files Non-Compliant	Score
Twin City Manor	5/18/2026	Monica Smith	13	0	11	5 >50%
Alcott Manor - Past year 15	5/19/2026	Monica Smith	5	0	2	3 31-40%
Strategic EA Ph II - Forrest City	5/19/2026	Monica Smith	3	0	0	No Findings
Keown Homes	5/19/2026	Nedra Whitaker	0	6	6	5 >50%
River View Apartments	5/20/2026	Monica Smith	5	0	1	2 16-30%
Strategic EA Ph II - Wynne	5/20/2026	Monica Smith	5	0	0	No Findings

April - June 2026 Compliance Monitoring Activities						**Score = Non Compliance**
						No Findings **1 >0 - 15%** **2 16 - 30%** **3 31 - 40%** **4 41 - 50%** **5 >50%**
Property Name	**Review Date**	**Auditor**	**Units Reviewed**	**Files Reviewed**	**Units/Files Non-Compliant**	**Score**
North Oaks Apartments	5/20/2026	Monica Smith	7	0	1	1 >0-15%
Strategic EA Ph II - Sunset Marion	5/21/2026	Monica Smith	5	0	1	2 16-30%
Imperial Homes North	5/21/2026	Monica Smith	13	0	12	5 >50%
Barton Court Apartments	5/22/2026	Monica Smith	19	0	16	5 >50%
Imperial Homes North	5/26/2026	Nedra Whitaker	0	12	21	4 41-50%
Meadow Park	5/29/2026	Nedra Whitaker	0	14	13	1 >0-15%
Monthly Total Units / Total Files			**194**	**79**	**250**	

April - June 2026 Compliance Monitoring Activities

Score = Non Compliance

	No Findings
1	**>0 - 15%**
2	**16 - 30%**
3	**31 - 40%**
4	**41 - 50%**
5	**>50%**

Property Name	Review Date	Auditor	Units Reviewed	Files Reviewed	Units/Files Non-Compliant	Score
Stone Ridge Duplexes Siloam Springs I	6/1/2026	Meshawn Conner	0	13	11	5 >50%
Cypress Grove McGehee	6/1/2026	Monica Smith	8	0	8	5 >50
Cypress Grove Lake Village	6/1/2026	Monica Smith	8	0	8	5 >50%
Chicot Apartments	6/2/2026	Monica Smith	10	0	10	5 >50%
Deer Run Apartments	6/2/2026	Monica Smith	5	0	5	5 >50%
Legacy at El Dorado	6/3/20026	Monica Smith	10	0	9	5 > 50%

April - June 2026 Compliance Monitoring Activities

Score = Non Compliance

	No Findings
1	**>0 - 15%**
2	**16 - 30%**
3	**31 - 40%**
4	**41 - 50%**
5	**>50%**

Property Name	Review Date	Auditor	Units Reviewed	Files Reviewed	Units/Files Non-Compliant	Score
Preston Apartments	6/3/2026	Monica Smith	8	0	8	5 >50%
Pine Bluff RAD	6/4/2026	Nedra Whitaker	0	25	12	4 41-50%
Texarkana RAD	6/4/2026	Gabby Cruz	0	27	29	5 >50%
Park Ridge at Texarkana II - Past year 15	6/4/2026	Monica Smith	8	0	8	5 >50%
Northgate Apartments - HOME Only	6/4/2026	Monica Smith	5	0	2	4 41-50%
Ridge at Little Rock I	6/5/2026	Monica Smith	10	0	9	5 >50%

April - June 2026 Compliance Monitoring Activities

						Score = Non Compliance
						No Findings **1 >0 - 15%** **2 16 - 30%** **3 31 - 40%** **4 41 - 50%** **5 >50%**
Property Name	**Review Date**	**Auditor**	**Units Reviewed**	**Files Reviewed**	**Units/Files Non-Compliant**	**Score**
Ridge at Little Rock II	6/5/2026	Monica Smith	10	0	6	5 >50%
Maple Esplanade Assisted Living	6/8/2026	Gabby Cruz	0	8	2	2 16-30%
Mountainview Estates II	6/11/2026	Nedra Whitaker	0	7	7	5 >50%
Leawood Apartments - Past year 15	6/12/2026	Gabby Cruz	0	5	3	5 >50%
Peaks Country Club III	6/12/2026	Meshawn Conner	0	9	8	5 >50%
North Acres - Past yr 15	6/15/2026	Nedra Whitaker	0	9	7	2 16-30%

April - June 2026 Compliance Monitoring Activities

						Score = Non Compliance
						No Findings 1 >0 - 15% 2 16 - 30% 3 31 - 40% 4 41 - 50% 5 >50%
Property Name	**Review Date**	**Auditor**	**Units Reviewed**	**Files Reviewed**	**Units/Files Non-Compliant**	**Score**
Garden Walk of Booneville	6/15/2026	Meshawn Conner	0	12	5	4 41-50%
Savannah Park of Farmington	6/18/2026	Meshawn Conner	0	7	2	2 16-30%
North Pointe I	6/18/2026	Nedra Whitaker	0	8	1	1>0-15%
Kensett Apartments - Past yr 15	6/18/2026	Gabby Cruz	0	5	0	No Findings
North Pointe II	6/22/2026	Nedra Whitaker	0	8	2	2 16-30%
Mountain View Heights RAD	6/25/2026	Meshawn Conner	0	72	53	5 >50%
Monthly Total Units / Total Files			**82**	**215**	**215**	

April - June 2026 Compliance Monitoring Activities						Score = Non Compliance
						No Findings 1 >0 - 15% 2 16 - 30% 3 31 - 40% 4 41 - 50% 5 >50%
Property Name	Review Date	Auditor	Units Reviewed	Files Reviewed	Units/Files Non-Compliant	Score
Quarterly Total Units / Total Files			**423**	**440**	**654**	

TAB 17

HOME

Activities Report

STATUS OF HOME ACTIVITIES - IDIS

6/30/2026

FUNDING STATUS - PROJECTS

IDIS Activity	Activity Type	Activity Name	Activity Status	Last Draw Date	Home Units	Total Units	Committed Amount	Drawn Amount	% HOME Expended	
14915	NC	Cottage Lane Village	Open	5/6/2026	11	40	$1,760,000.00	$1,584,000.00	90%	
14928	NC	Loraine Park of Lowell	Open	11/18/2025	9	60	$1,500,000.00	$1,350,000.02	90%	
14978	NC	McAuley Place Apartments	Open	6/18/2026	11	60	$1,980,000.00	$1,782,000.00	90%	
14979	NC	McAuley Place Apartments - Ph II	Open	6/18/2026	17	60	$3,000,000.00	$2,700,000.00	90%	
14995	NC	The Bluffs at Shackleford	Open	6/9/2026	11	61	$2,000,000.00	$1,794,600.00	90%	
15009	NC	Harrison Estates	Open	5/6/2026	10	60	$1,858,964.00	$1,358,067.60	73%	
15010	NC	Harrison Estates Senior Housing	Open	3/4/2026	11	60	$1,835,829.00	$1,255,346.10	68%	
15013	NC	Walnut Commons 2024 (HOME)	Open	6/18/2026	11	60	$1,800,000.00	$1,393,200.00	77%	
15036	TBRA	Brad Black River Area Development (ADMIN)	Open	6/9/2026			$22,548.00	$1,351.82	6%	*Portion Funded*
15037	TBRA	Brad Black River Area Development (HAP/PD)	Open	6/9/2026	40	15	$261,480.00	$18,468.20	7%	*$136,320.20*
15040	TBRA	HA of the City of Conway (ADMIN)	Open				$143,245.00	$0.00	0%	
15041	TBRA	HA of the City of Conway (HAP/PD)	Open		100	0	$1,477,450.00	$0.00	NOT YET FUNDED	
15095	NC	Waystone Batesville Family	Open		11	60	$2,114,431.00	$0.00		
15096	NC	Waystone Batesville Senior	Open		9	40	$1,692,778.00	$0.00		
					251	576	$21,446,725.00	$13,237,033.74		

DEADLINE STATUS - PROJECTS

IDIS Activity	Activity Type	Activity Name	Earliest Grant Yr	Expenditure Deadline	Period of Performance	SF-425 Filing Deadline	Grant Closeout Deadline	Written Agreement Date	IDIS - 4 YR Project Completion Deadline	NOTES	Inspection Date	% Construction Completion	Inspection Phase
14915	NC	Cottage Lane Village	2021	9/30/2029	9/30/2029	1/28/2030	9/30/2030	5/28/2024	5/28/2028		6/23/2026	99%	CONSTRUCTION
14928	NC	Loraine Park of Lowell	2020	9/30/2028	9/30/2028	1/28/2029	9/30/2029	9/6/2024	9/6/2028		5/19/2026	*100%*	CONSTRUCTION
14978	NC	McAuley Place Apartments	2021	9/30/2029	9/30/2029	1/28/2030	9/30/2030	2/24/2025	2/24/2029		6/30/2026	91%	CONSTRUCTION
14979	NC	McAuley Place Apartments - Ph II	2021	9/30/2029	9/30/2029	1/28/2030	9/30/2030	2/24/2025	2/24/2029		6/30/2026	80%	CONSTRUCTION
14995	NC	The Bluffs at Shackleford	2021	9/30/2029	9/30/2029	1/28/2030	9/30/2030	6/26/2025	6/26/2029		6/25/2026	93%	CONSTRUCTION
15009	NC	Harrison Estates	2021	9/30/2029	9/30/2029	1/28/2030	9/30/2030	7/1/2025	7/1/2029		4/29/2026	33%	CONSTRUCTION
15010	NC	Harrison Estates Senior Housing	2021	9/30/2029	9/30/2029	1/28/2030	9/30/2030	7/1/2025	7/1/2029		4/29/2026	60%	CONSTRUCTION
15013	NC	Walnut Commons 2024 (HOME)	2021	9/30/2029	9/30/2029	1/28/2030	9/30/2030	8/6/2025	8/6/2029		4/28/2026	38%	CONSTRUCTION
15095	NC	Waystone Batesville Family	2022	9/30/2030	9/30/2030	1/28/2031	9/30/2031	6/10/2025	6/10/2029		9/25/2025	0%	Pre-Construction
15096	NC	Waystone Batesville Senior	2022	9/30/2030	9/30/2030	1/28/2031	9/30/2031	7/1/2025	7/1/2029				
								Written Agreement Date	TBRA - 2 YR COMPLETION				
15036	TBRA	Brad Black River Area Development (ADMIN)	2020	9/30/2028	9/30/2028	1/28/2029	9/30/2029	11/26/2025	11/26/2027		*Portion Funded*		
15037	TBRA	Brad Black River Area Development (HAP/PD)	2021	9/30/2029	9/30/2029	1/28/2030	9/30/2030	11/26/2025	11/26/2027		*$136,320.20*		
15040	TBRA	HA of the City of Conway (ADMIN)	2021	9/30/2029	9/30/2029	1/28/2030	9/30/2030	3/17/2026	3/17/2028				
15041	TBRA	HA of the City of Conway (HAP/PD)	2021	9/30/2029	9/30/2029	1/28/2030	9/30/2030	NOT YET FUNDED					

FUNDING STATUS - ADMIN

IDIS Activity	Activity Type	Activity Name	Activity Status	Last Draw Date			Committed Amount	Drawn Amount	% HOME Expended
15044	ADMIN	ADFA HOME ADMIN / RECORDING 2020	Open	5/6/2026			$500.00	$80.00	16.0%
14677	ADMIN	ADFA ADMINISTRATION 2021	Open	6/23/2026			$1,261,846.40	$350,936.07	0.0%
14762	ADMIN	ADFA ADMINISTRATION 2022	Open				$1,730,109.66	$0.00	0.0%
14940	ADMIN	ADFA ADMINISTRATION 2023	Open				$1,616,016.87	$0.00	0.0%
14953	ADMIN	ADFA ADMINISTRATION 2024	Open				$1,532,651.77	$0.00	0.0%
15043	ADMIN	ADFA ADMINISTRATION 2025	Open				$1,904,955.27	$0.00	0.0%
							$8,046,079.97	$351,016.07	
					TOTAL HOME		$29,492,804.97	$13,588,049.81	

NHTF

Activities Report

STATUS OF NHTF ACTIVITIES - IDIS

6/30/2026

FUNDING STATUS - PROJECTS

IDIS Activity ID	Program Year	Activity Type	Activity Name	Activity Status	Last Draw Date	Initial Funding Date	HTF Units	Total Units	Committed Amount	Drawn Amount	PCT	TO BE DEOBLIGATED
13894	2020	NC	PATRIOT PARK (NHTF)	Open	7/10/2024	9/8/2020	14	60	$1,650,000.00	$1,649,000.00	99.9%	$1,000.00
14922	2024	NC	LORAINE PARK OF LOWELL (NHTF)	Open	11/5/2025	8/19/2024	9	60	$1,500,000.00	$1,349,999.98	90.0%	
14995	2024	NC	THE BLUFFS AT SHACKLEFORD (NHTF)	Open	6/9/2026	6/27/2025	5	61	$1,000,000.00	$897,750.00	89.8%	
15011	2024	NC	WALNUT COMMONS (NHTF)	Open	6/18/2026	7/21/2025	4	60	$754,000.00	$620,181.37	82.3%	
15094	2025	NC	WAYSTONE BATESVILLE FAMILY LP - (NHTF)	Open		6/19/2026	2	60	$379,500.00	$0.00	0.0%	
							34	301	$5,283,500.00	$4,516,931.35		

DEADLINE STATUS - PROJECTS

IDIS Activity ID	Program Year	Activity Type	Activity Name	Earliest Grant Yr	Expenditure Deadline	Period of Performance	SF-425 Filing Deadline	Grant Closeout Deadline	Written Agreement Date	4 YR Project Completion Deadline	NOTES	Inspection Date	% Construction Completion	Inspection Phase	SF-425 Filing Deadline
13894	2020	NC	PATRIOT PARK (NHTF)	2018	9/12/2023	9/12/2025	1/10/2026	9/12/2026	9/2/2020	Extended to 6/30/2026	POTENTIAL TO BE BLOCKED IN IDIS	4/29/2026	92%	CONSTRUCTION	Filed with Exception for 13894
14922	2024	NC	LORAINE PARK OF LOWELL (NHTF)	2022	8/29/2027	8/29/2029	12/27/2029	8/29/2030	8/19/2024	8/19/2028		5/19/2026	100%	CONSTRUCTION	
14998	2024	NC	THE BLUFFS AT SHACKLEFORD (NHTF)	2023	8/1/2028	8/1/2030	11/29/2030	8/1/2031	6/11/2025	6/11/2029		6/25/2026	93%	CONSTRUCTION	
15011	2024	NC	WALNUT COMMONS 2024 (NHTF)	2023	8/1/2028	8/1/2030	11/29/2030	8/1/2031	7/18/2025	7/18/2029		6/23/2025	60%	CONSTRUCTION	
15094	2024	NC	WAYSTONE BATESVILLE FAMILY LP - (NHTF)	2024	12/17/2029	12/17/2031	4/15/2032	12/17/2032	6/10/2026	6/10/2030		9/25/2025	0%	PRE-CONSTRUCTION	

FUNDING STATUS - ADMIN

IDIS Activity ID	Program Year	Activity Type	Activity Name	Activity Status	Last Draw Date	Initial Funding Date	Committed Amount	Drawn Amount	PCT	Expenditure Deadline	
14512	2021	ADMIN	ADFA NHTF ADMIN 2021	Open	6/23/2026	11/23/2021	$412,310.90	$292,183.15	71%	10/31/2026	$120,127.75 At Risk
14725	2022	ADMIN	ADFA NHTF ADMIN 2022	Open		2/13/2023	$457,393.80	$0.00	0%	8/29/2027	
14921	2023	ADMIN	ADFA NHTF ADMIN 2023	Open		8/9/2024	$300,053.71	$0.00	0%	8/1/2028	
14921	2024	ADMIN	ADFA NHTF ADMIN 2024	Open		2/10/2025	$301,732.55	$0.00	0%	12/17/2029	
15042	2025	ADMIN	ADFA NHTF ADMIN 2025	Open		4/6/2025	$311,525.51	$0.00	0%	12/17/2029	
							$1,783,016.47	$292,183.15			
						TOTAL NHTF	$7,066,516.47	$4,809,114.50			

HOME – ARP

Activities Report

HOME-ARP

Organization	Proposed Use	Status	Non Profit Operating Assistance Funding	Disbursed Year 1	Approved Disbursement Year 2	% Expended Year 2	Funding Year 2	3 Months (Yr 2) 25%	6 Months (Yr 2) 50%	9 Months (Yr 2) 75%	12 Months (Yr 2) 100%
Restore Hope, Inc	Operating Expense Assistance	**Completed**	$300,000.00	$150,000.00	$150,000.00	**100%**	$150,000	$37,500.00	$75,000.00	$112,500.00	$150,000.00
Riverview Hope Campus	Operating Expense Assistance	**Completed**	$138,246.00	$58,299.00	$79,947.00	**100%**	$79,947	$19,986.75	$39,973.50	$59,960.25	$79,947.00
Arkansas Enterprises for the Developmentaly Disabled, Inc (AEDD)	Operating Expense Assistance	**Completed**	$300,000.00	$150,000.00	$150,000.00	**100%**	$150,000	$37,500.00	$75,000.00	$112,500.00	$150,000.00
Legal Aid of Arkansas	Operating Expense Assistance	**Completed**	$300,000.00	$150,000.00	$150,000.00	**100%**	$150,000	$37,500.00	$75,000.00	$112,500.00	$150,000.00
Fort Smith Children's Shelter	Operating Expense Assistance	**Completed**	$123,702.00	$50,000.00	$73,702.00	**100%**	**$73,702**	$18,425.50	$36,851.00	$55,276.50	$73,702.00
Next Step Day Room Inc	Operating Expense Assistance	**Completed**	$136,500.00	$68,250.00	$68,250.00	**100%**	$68,250	$17,062.50	$34,125.00	$51,187.50	$68,250.00
Women & Children First	Operating Expense Assistance	**Completed**	$300,000.00	$150,000.00	$150,000.00	**100%**	$150,000	$37,500.00	$75,000.00	$112,500.00	$150,000.00
			$1,598,448.00	**$776,549.00**	**$821,899.00**	100%	**$821,899**	**$205,474.75**	**$410,949.50**	**$616,424.25**	**$821,899.00**

Organization	Proposed Use	Status	Supportive Services Funding	Project Delivery	Approved Disbursement	% Expended	Deobligation Amount	6 Months 25%	12 Months 50%	18 Months 75%	24 Months 100%
Legal Aid of Arkansas	Supportive Services	**Completed**	$660,766.00	n/a	**$235,198.67**	89%	**$396,013.27**	$165,191.50	$330,383.00	$495,574.50	$660,766.00
Restore Hope, Inc	Supportive Services	**Completed**	$900,000.00	$90,000.00	**$577,981.12**	**77%**	**$242,107.09**	$247,500.00	$495,000.00	$742,500.00	$990,000.00
Riverview Hope Campus	Supportive Services	Notice To Proceed	$700,000.00	$50,000.00	**$309,867.47**	61%	**$243,538.99**	$187,500.00	$375,000.00	$562,500.00	$750,000.00
Serve NWA	Supportive Services	**Completed**	$300,000.00	$30,000.00	**$242,052.58**	**100%**	**$87,947.42**	$82,500.00	$165,000.00	$247,500.00	$330,000.00
Fort Smith Children's Shelter	Supportive Services	**Completed**	$537,900.00	$53,790.00	**$547,813.93**	**100%**	**$43,859.04**	$147,922.50	$295,845.00	$443,767.50	$591,690.00
Women & Children First	Supportive Services	Notice To Proceed	$717,000.00	$71,700.00	**$151,950.54**	31%	**$298,526.66**	$197,175.00	$394,350.00	$591,525.00	$788,700.00
Next Step Day Room Inc	Supportive Services	Notice To Proceed	$92,000.00	$9,200.00	**$93,471.19**	94%	**$2,189.94**	$25,300.00	$50,600.00	$75,900.00	$101,200.00
Our House Inc	Supportive Services	**Completed**	$635,000.00	$63,500.00	**$671,361.15**	**100%**	**$26,464.66**	$174,625.00	$349,250.00	$448,875.00	$698,500.00
Ouachita Children, Youth & Family Center	Supportive Services	**Completed**	$413,000.00	$41,300.00	**$53,571.38**	**100%**	**$400,728.62**	$113,575.00	$227,150.00	$340,725.00	$454,300.00
Center for Arkansas Legal Services	Supportive Services	**Completed**	$591,261.00	$59,126.00	**$228,351.01**	**100%**	**$422,035.99**	$162,596.75	$325,193.50	$487,790.25	$650,387.00
Community Action Program for Central AR	Supportive Services	**Completed**	$900,000.00	$90,000.00	**$762,249.69**	99%	**$222,629.57**	$247,500.00	$495,000.00	$742,500.00	$990,000.00
St Bernards Development Foundation	Supportive Services	**Completed**	$300,000.00	$30,000.00	**$285,689.77**	**100%**	**$44,310.23**	$82,500.00	$165,000.00	$247,500.00	$330,000.00
			$6,746,927.00	**$588,616.00**	**$4,159,558.50**	85%	**$2,430,351.48**	**$1,833,885.75**	**$3,667,771.50**	**$5,426,657.25**	**$7,335,543.00**

Organization	Proposed Use	Status	ADFA HOME-ARP NCS Project Funding	DR Submitted	Approved	Retainage 10%	Committed Funds Remaining to Expend	% Expended	Completion %	TBD	TBD
Women & Children First	Non-Congregate Shelter	Final Cost Certification	$ 7,000,000.00	$ 6,523,989.46	**$5,871,590.51**	**$652,398.95**	$ 476,010.54	93.20%	98%		
Next Step Day Room Inc	Non-Congregate Shelter	Notice To Proceed	$ 3,696,295.23	$ -		**$0.00**	$ 3,696,295.23	0.00%			
Arkansas Enterprises for the Developmentaly Disabled, Inc (AEDD)	Non-Congregate Shelter	Final Cost Certification	$ 4,618,543.00	$ 4,510,550.00	**$4,059,495.00**	**$451,055.00**	$ 107,993.00	97.66%	96%		
Our House Inc	Non-Congregate Shelter	Final Cost Certification	$ 3,772,485.00	$ 1,557,394.19	**$1,401,654.77**	**$155,739.42**	$ 2,215,090.81	41.28%	82%		
NOFA for 2026 NCS Applications: $6,999,801.00			**$ 19,087,323.23**	**$ 12,591,933.65**	**$11,332,740.28**	**$1,259,193.37**	**$ 6,495,389.58**	**66%**			

***Report as of June 30, 2026**

ESG
Activities Report

ESG - 2024-2025 Award Report

					Approved Disbursement								
Organization	**Program Funding**	**Status**	**Awarded Funding**	**ADMIN Max Allowed 1%**	**2023 Funds**	**2024 Funds**	**Total**	**% Expended**	**SO**	**ES**	**RRH**	**HP**	**HMIS- Max Allowed 5%**
St Bernards Foundation	ESG	Notice to Proceed	$10,000.00	$0.00	**$2,292.34**	**$2,549.74**	**$4,842.08**	**48%**	$10,000	$0.00	$0.00	$0.00	$0.00
Riverview Hope Campus	ESG	Notice to Proceed	$291,818.00	$2,753.00	**$18,526.34**	**$217,542.89**	**$236,069.23**	**81%**	$5,000	$200,000.00	$60,300.00	$10,000.00	$13,765.00
Margies Haven House Inc	ESG	Notice to Proceed	$25,295.50	$245.50	**$7,450.10**	**$17,700.09**	**$25,150.19**	**99%**	$0	$24,550.00	$0.00	$0.00	$500.00
ARVAC, Inc	ESG	Notice to Proceed	$789,500.00	$1,500.00	**$221,922.38**	**$347,156.26**	**$569,078.64**	**72%**	$35,000	$450,000.00	$115,000.00	$158,000.00	$30,000.00
St Francis House	ESG	Notice to Proceed	$50,500.00	$500.00	**$7,643.62**	**$37,984.56**	**$45,628.18**	**90%**	$0	$45,000.00	$5,000.00	$0.00	$0.00
Second Chance DV SA Shelter	ESG	Notice to Proceed	$15,900.00	$150.00	**$2,850.79**	**$10,314.35**	**$13,165.14**	**83%**	$0	$15,000.00	$0.00	$0.00	$750.00
River City Ministry of Pulaski County	ESG	Notice to Proceed	$80,800.00	$800.00	**$15,495.92**	**$64,931.71**	**$80,427.63**	**100%**	$0	$80,000.00	$0.00	$0.00	$0.00
Crowley's Ridge Development Council	ESG	Notice to Proceed	$90,100.00	$850.00	**$10,233.69**	**$75,829.03**	**$86,062.72**	**96%**	$0.00	$0.00	$85,000.00	$0.00	$4,250.00
The Salvation Army - El Dorado	ESG	Notice to Proceed	$126,075.00	$500.00	**$15,584.83**	**$56,378.32**	**$71,963.15**	**57%**	$0.00	$70,225.00	$0.00	$55,350.00	$0.00
Our House Shelter Program	ESG	Notice to Proceed	$72,500.00	$500.00	**$8,856.68**	**$63,487.86**	**$72,344.54**	**100%**	$0.00	$72,000.00	$0.00	$0.00	$0.00
Women & Children First	ESG	Notice to Proceed	$44,990.40	$400.00	**$6,943.99**	**$29,485.45**	**$36,429.44**	**81%**	$0.00	$43,590.40	$0.00	$0.00	$1,000.00
City of Hot Springs	ESG	Notice to Proceed	$59,974.00	$574.00	**$0.00**	**$59,340.00**	**$59,340.00**	**99%**	$6,000.00	$51,400.00	$0.00	$0.00	$2,000.00
The Salvation Army -NWA	ESG	Notice to Proceed	$100,000.00	$0.00	**$25,044.10**	**$67,081.93**	**$92,126.03**	**92%**	$0.00	$70,000.00	$30,000.00	$0.00	$0.00
River Valley Shelter for Battered Women	ESG	Notice to Proceed	$37,013.00	$363.00	**$0.00**	**$36,734.12**	**$36,734.12**	**99%**	$0.00	$36,300.00	$0.00	$0.00	$350.00
Micah68 Initiative	ESG	Notice to Proceed	$142,000.00	$0.00	**$0.00**	**$117,279.73**	**$117,279.73**	**83%**	$0.00	$90,000.00	$25,000.00	$25,000.00	$2,000.00
Peace at Home Family Shelter	ESG	Notice to Proceed	$31,800.00	$300.00	**$9,696.78**	**$20,603.22**	**$30,300.00**	**95%**	$0.00	$30,000.00	$0.00	$0.00	$1,500.00
Mission Outreach of Northeast AR, Inc	ESG	Notice to Proceed	$36,350.00	$350.00	**$3,144.88**	**$23,443.11**	**$26,587.99**	**73%**	$0.00	$35,000.00	$0.00	$0.00	$1,000.00
Next Step Day Room, Inc	ESG	Notice to Proceed	$100,700.00	$950.00	**$20,506.19**	**$69,007.52**	**$89,513.71**	**89%**	$20,000.00	$75,000.00	$0.00	$0.00	$4,750.00
Serve NWA	ESG	Notice to Proceed	$98,555.80	$975.80	**$25,688.30**	**$72,867.50**	**$98,555.80**	**100%**	$0.00	$97,580.00	$0.00	$0.00	$0.00
Harrison House of Hope	ESG	**Completed**	$112,100.00	$1,100.00	**$771.91**	**$0.00**	**$771.91**	**1%**	**$0.00**	$50,000.00	$30,000.00	$30,000.00	$1,000.00
Totals			**$2,315,971.70**	**$12,811.30**	**$402,652.84**	**$1,389,717.39**	**$1,792,370.23**	**77.39%**	**$76,000.00**	**$1,535,645.40**	**$350,300.00**	**$278,350.00**	**$62,865.00**

2023 Funding: $ 598,695.48
2024 Funding: $ 2,296,487.00

Report as of June 30, 2026

ADMIN 2024 Expended Award			**Total**
	2023	**2024**	
ADFA	**$44,902.15**	**$128,898.63**	**$173,800.78**
Subgrantees	**$0.00**	**$7,139.38**	**$7,139.38**

CDBG-DR
Activities Report

STATUS OF CDBG-DR ACTIVITIES - IDIS

6/30/2026	ALLOCATIONS	
ANNUAL ALLOCATION	2019	2025
	$8,940,000.00	$59,048,000.00
ACTIVITIES		
ADMIN	$447,000.00	$2,952,400.00
PLANNING OVERVIEW		$1,000,000.00
MF NEW CONSTRUCTION	$8,493,000.00	$24,000,000.00
SF NEW CONSTRUCTION		$20,000,000.00
FEMA NON-FEDERAL MATCH		$6,095,600.00
INFRASTRUCTURE/HOUSING		$5,000,000.00

		Committed Amount	Drawn Amount	
DRGR	FUNDING TOTALS	$3,399,400.00	$150,143.06	ADMIN ONLY

	Grant Year	Available to Subgrant			
Pending	2019	$8,493,000.00	*Available for Projects*	Less Board Approvals Not Yet Committeed	Available to Commit
				$0.00	$8,493,000.00
Pending	2025	$56,095,600.00	*Available for Projects*	Less Board Approvals Not Yet Committeed	Available to Commit
				$0.00	$56,095,600.00