ARKANSAS DEVELOPMENT FINANCE AUTHORITY

BOARD COMMITTEE MEETING

ADFA
ARKANSAS DEVELOPMENT FINANCE AUTHORITY

Thursday, August 20, 2026

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BOARD COMMITTEE MEETINGS

Via Zoom
Thursday, August 20, 2026
10:00 AM

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

CALL TO ORDER

I. ROLL CALL AND NOTE OF ABSENCES

ACTIVITY REPORTS — NO ACTION NEEDED

II. REPORT: Funds Available for Commitment as of July 31, 2026 –
FOR INFORMATION ONLY.. TAB 1

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

- Bond Guaranty Fund

BOARD HOUSING REVIEW COMMITTEE — (Coleman, Chadwell, K. Martin & R. Martin)
THURSDAY, AUGUST 20, 2026 — TO FOLLOW

I. MINUTES: Presented by Rod Coleman, Committee Chair .... TAB 3

- Housing Review Committee Meeting – July 16, 2026
- Housing Review Committee QAP Kick Off – July 21, 2026

II. ACTION MEMO: 2027 Qualified Allocation Plan (QAP) – Final Draft -
Presented by John Blackwell .... TAB 4

III. ACTION MEMO: Approval of the CDBG-DR Multi-Family Guidelines –
Presented by Lori Brockway .... TAB 5

IV. ACTION MEMO: Approval of the Homebuyer Assistance Program –
Presented by Lori Brockway .... TAB 6

V. **REPORTS:** Federal Housing Programs – **FOR INFORMATION ONLY -** Presented by Lori Brockway …………………………...………………………...…......... TAB 7

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

ADFA BOARD OF DIRECTORS MEETING
TO FOLLOW

ADJOURNMENT:
The next regular ADFA Board of Directors meeting is scheduled for
Thursday, October 15, 2026, ADFA Fall Retreat,
The Stonebreaker Hotel, Fayetteville, AR

TAB 1

Arkansas Development Finance Authority
Funds Available for Commitment
7/31/2026

Category		Program		Available to Commit
Housing:				
	***	**HOME Investment Partnership (HOME): (including 2026 grant award)**	**$**	**26,691,112.41**
		Total HOME funds available		
		Applications received but not approved	-	
	***	**HOME Investment Partnership-American Rescue Plan (HOME-ARP):**	**$**	**6,382,683.29**
	***	**National Housing Trust Fund (NHTF): (including 2026 grant award)**	**$**	**2,111,272.35**
		Total NHTF funds available		
		Applications received but not approved.	-	
	***	**Emergency Shelter Grant Program (HESG):**	**$**	**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)**	**$**	**5,552,455.61**
	***	**Tax Credit Assistance Program (TCAP)**	**$**	**3,475,828.29**

Arkansas Development Finance Authority
Funds Available for Commitment
7/31/2026

Category	Program		Available to Commit
***	**Affordable Housing Assistance Program (fka DHS-Assisted Living Incentive Fund)**		**$ 2,080,569.68**
***	**Mortgage Settlement Funds (MSF):**		**$ 3,414,850.56**
Total Funds Available for Housing			**$ 114,315,974.24**
Economic Development:			
***	Venture Capital Investment Trust and Recycled Funds (unrestricted)		**$ 1,691,701.48**
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	$ (39,393,863 00)	
	Total Funds Available for Student Loan Programs		**$ 40,606,137.00**
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	$ (48,860,400 42)	
	Total Funds Available for Down Payment Assistance Loan Program		**$ 11,139,599.58**
Grand Total			**$ 167,753,412.30**

TAB 2

BOND GUARANTY FUND REPORT

ADFA Bond Guaranty Fund Data
As of July 31, 2026

	Total Guaranty			
Bond Balances:				
IDB's	17,205,000			
City/Co Issues	10,082,726			
Total Bond Balances->	**27,287,726**			
Less Guaranty by WFF	**(698,000)**			
			% Guaranteed by	
Direct/Interim Loan Balances:	**ADFA's Share**	**Total O/S**	**ADFA**	**AEDC**
Sage V Foods	328,023	328,023	100%	0%
Bradley County Econ Dev Corp	951,016	951,016	100%	0%
Total Direct Loans Only->	**1,279,039**	1,279,040		
			% Guaranteed by	
Commitments that are unfunded:	**ADFA's Share**	**Total Approved**	**ADFA**	**AEDC/Other**
		Date Approved		
Total Commitments yet to fund->	-			
Total Bonds, Direct Loans and Unfunded->	**27,868,765**			
Contingent Guarantees				
Total Contingent Guarantees->	-			
Total of all guarantees->	**27,868,765**			

Bond Guaranty Reserve Fund	At Cost	Market Value
Federated Treasury MMF	2,917,668	2,917,668
State Treasury MMTF	8,908,325	8,908,325
US Government Agencies	5,868,227	5,651,782
Portfolio Totals->	**17,694,220**	**17,477,775**
Coverage Ratios:		
Leverage (total guarantees/portfolio totals)	1.575	1.595
Reserve % of Total Guarantees (portfolio totals/total guarantees)	63.49%	62.71%

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
J&E Foods (3)	-		
	1,294,079	-	

(1) - Terms to be established at AEDC Commission meeting; still in negotiations
(2) - Litigation Pending
(3) - REO-Undetermined pending legal action and sale

TAB 3

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
ADFA BOARD – HOUSING REVIEW COMMITTEE
JULY 16, 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: Martin Eggensperger; Andy Goodman; Alan McVey (Designee, Jim Hudson, Secretary, Department of Finance and Administration); Carey Smith; Kirkley Thomas; Kenneth Burleson (Designee, John Thurston, Arkansas Treasurer of State).

ADFA Board Members Absent: Hugh McDonald, Cabinet Secretary of Department of Commerce; and Denise Sweat.

ADFA Staff Present: Robert "Ro" Arrington, President, Arkansas Development Finance Authority; John Blackwell, Vice President of Tax Credits; Jake Bleed, General Counsel; Lori Brockway, Federal Programs Manager; 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; Barlow Brenner, Intern; Blake Bumgardner, CDBG-DR Specialist; Luke Cooper, Finance Analyst; Sean Doolin, Assistant Controller; Tracy Grant, Assistant Controller; Lanita Hastings, Federal Housing Programs Grant Coordinator; Kimmy Helble, Executive Assistant to President; Amanda Hill, Federal Housing Program Coordinator; Hope Lewis, Controller; Julia Phelps, Senior Financial Accountant; Drew Rogers, Attorney Specialist; Derrick Rose, Director of Communication; Todd Sprague, Loan Operations Coordinator; Megan Summitt, Internal Auditor; Tammy White, Compliance Manager; Tony Williams, Director, Arkansas Student Loan Authority; and Ashlyn Winters, Federal Housing Programs Finance Coordinator.

Others Present: Eric Munson, Bank of OZK; Lydia Alston and Casey Kleinhenz, Community Development of NWA; Bryn Meredith, MGM Development; Ted Fellman, Raymond James; Traci Williams, Rockwell Housing Solutions; Nona McVay, The McVay Firm.

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 May 21, 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: Build America, Buy America (BABA) Funding: Mr. Coleman announced that this action memo would be withdrawn as per Ms. Brockway's request due to wanting to perform further research and gather additional information to be presented to the committee at a later date.

No action needed.

Committee Chair Handout: Mr. Coleman provided a handout to the Board and commented that he wanted the committee and the Board to restructure their thinking. He emphasized that although money could resolve many issues, the decisions being made needed to have more substance.

Mr. Coleman stated that he understood the transactions had to be profitable for all parties, but he also expressed that the Authority needed to be more innovative in how it approached product development.

Mr. Coleman noted that since Covid, ADFA had begun the process of adding money. He explained that a few years earlier, the cost per unit was $90k, and now, ADFA was receiving requests for $225k per unit. He acknowledged that while $90k was no longer realistic, $400k per unit was also not realistic. He encouraged that the amounts remained manageable.

No action needed.

Action Memo: HOME/NHTF Per Unit Subsidy Increases: Ms. Brockway stated an updated action memo had been distributed reflecting a 5% increase for the per unit subsidy amount limit.

Ms. Brockway recalled that from 2010 to 2021, ADFA offered $90k per unit subsidy limit based on a HOME loan going out at $450k. She noted that ADFA could now offer HOME loans up to $3MM, and therefore per unit subsidy limits needed to be increased accordingly.

Ms. Brockway stated that per unit subsidy limits were entered into a cost-allocation form that provided the developers with the number of units required for a HOME request. Ms. Brockway added that with the proposed increases, additional units might become available.

Ms. Brockway sought approval to increase the per unit subsidy amount by 5%.

After a brief discussion, Mr. Coleman entertained a motion to approve the HOME/NHTF Per Unit Subsidy Limits.

Ms. Martin made a motion to approve.

Mr. Martin seconded the motion. The motion passed.

Action Memo: Consideration for Approval – Rental Program Guidelines: Ms. Brockway stated that after a more thorough review of the Rental Programs Guidelines, her team made a few changes to allow for a better flow of information.

Ms. Brockway stated she sought approval of the guidelines to include the new Per Unit Subsidy Limits.

Mr. Coleman entertained a motion to approve the Rental Program Guidelines as presented.

Ms. Martin made a motion to approve.

Mr. Chadwell seconded the motion.

Action Memo: Consideration for Approval – Design Standards Manual for New Construction and Rehabilitation: Ms. Brockway stated that the manual was posted for public comment, but none were received.

Ms. Brockway noted this was a cleanup of the Design Standards with the addition of a few sections which were redlined for the convenience of the Board.

Mr. Coleman entertained a motion to approve the Design Standards Manual for New Construction and Rehabilitation as presented.

Ms. Martin made a motion to approve.

Mr. Martin seconded the motion. The motion passed.

Action Memo: 9% LIHTC – Riparian Flats: Mr. Blackwell presented the final 9% LIHTC application for 2026, Riparian Flats, a development to be located in Springdale in Washington county.

Mr. Blackwell stated that he sought approval for $1,106,600 of 9% LIHTC on an annual basis, $2,194,500 of HOME funds, and $975,000 of NHTF funds to construct 56 units with a total development cost of $12,300,000.

Mr. Blackwell explained that the developer was allowed an additional thirty days to adjust the site configuration to meet HUD and ADFA guidelines, and that issue had been corrected. He added the average cost per unit was $220,000 and the cost per square foot was $231.

Mr. Blackwell noted that the staff recommended the Riparian Flats application for approval.

Mr. Coleman entertained a motion to approve the final 2026 9% LIHTC application, Riparian Flats.

Mr. Chadwell made a motion to approve.

Mr. Martin seconded the motion. The motion passed.

Report: Quarterly Compliance Report as of June 30, 2026: For information only. No action needed.

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

Adjournment: Mr. Coleman concluded the meeting at approximately 11:47 AM.

Minutes approved and signed on this 1t6h day of July 2026.

Rod Coleman,
Housing Review Committee Chair

MINUTES:
Housing Review Committee
QAP Kick Off

July 21, 2026

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

ADFA BOARD – HOUSING REVIEW COMMITTEE

QUALIFIED ACTION PLAN (QAP) – KICK OFF

TUESDAY, JULY 21, 2026

VIA ZOOM

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

ADFA Staff Present via Phone or Video: Robert "Ro" Arrington, President, Arkansas Development Finance Authority; John Blackwell, Vice President of Tax Credits; Jake Bleed, Chief Counsel; Kimmy Helble, Executive Assistant to the President; and Derrick Rose, Director of Communication.

Call to Order: Mr. Coleman called the meeting to order at approximately 10:01 AM.

Discussion Points:

Clean up State LIHTC Language: Mr. Blackwell stated that staff would like to clean up the State LIHTC language that read as *Recognizing the limited availability, ADFA will allocate State LIHTCs to developments whose applications score the highest and are in the areas described below, in this priority:* and to replace it with *ADFA will allocate the State LIHTC to the highest scoring 9% LIHTC application. In the case of a tie, applications in the areas described below will receive the allocation, in this priority.* Which would then be followed by the descriptions that are recognized by letters A, B, C, and D that are already present in the language.

The Committee agreed with the language recommendation.

Mr. Blackwell added that staff recommended including a minimum price per credit requirement.

After a brief discussion, the Committee did not agree with the minimum price per credit requirement.

Raise Per-Unit Credit and Cost Limits: Mr. Blackwell proposed raising the Per-Unit Credit and Cost Limits. He referenced the charts that were provided to the Committee to show current Per-Unit Credit and Cost Limits and the proposed increase.

After some discussion, the Committee chose to eliminate the Single Family Detached option. Single Family development will now be subject to the "New Construction" credit per unit limits. The Committee was in favor of the 5% increase to all other new construction and acquisition/rehabilitation.

The Committee was also in favor of a 4% LIHTC increase limit from $245,000 per unit to $300,000 per unit.

<u>Clarify Credit Swap Policy:</u> Mr. Blackwell stated that staff wanted to clarify the Credit Swap Policy language by adding the following language to the policy: To request a credit swap the 10% test must be completed and construction started.

After a brief discussion, the Committee was in favor of the additional language for the Credit Swap Policy.

<u>Raise Total Development Costs Per Unit Scoring Scale by $10,000:</u> Mr. Blackwell stated that staff proposed raising the Total Development Costs Per Unit Scoring Scale by $10,000. He referenced the charts that were provided to the Committee to show the difference between the current scale and with the proposed $10,000 raise.

The Committee was in favor of the raise in Total Development Costs Per Unit Scoring Scale by $10,000.

<u>Raise Maximum Amount of 9% LIHTC Reserved for Allocation to One Individual Development from $1,250,000 to $1,300,000:</u> Mr. Blackwell stated that staff recommended raising the amount of 9% LIHTC reserved for allocation to one individual development from $1,250,000 to $1,300,000 due to inflation.

The Committee was in favor of the staff recommendation.

<u>Add 4% LIHTC Volume Cap Policy Due to the One Big Beautiful Bill Act lowering the "50% Test" Threshold to 25% for 4% LIHTC Developments:</u> Mr. Blackwell stated that as part of the One Big Beautiful Bill Act, the 50% test for 4% LIHTC had been lowered to 25%, staff recommended to include that language in the QAP to read as:

ADFA will allocate multifamily Private Activity Bonds to 4% LIHTC transactions in an amount equal to the greater of**:**

- 30% of the sum of the aggregate eligible basis and land; or
- Supportable permanent debt as determined by ADFA underwriting.

This would add clarification of ADFA's policy for the developers. Mr. Blackwell added that this policy is also recommended by National Council of State Housing Agencies (NCSHA).

The Committee was in favor of including the language in the QAP.

Mr. Chadwell made a motion to accept the changes to be submitted to the full Board at the next meeting.

Mr. Martin seconded the motion. The motion passed.

<u>Adjournment:</u> The Housing Review Committee adjourned the Qualified Action Plan Kick Off meeting at approximately 10:32 AM

Rod Coleman,
Housing Review Committee Chair

TAB 4

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

2027 QUALIFIED ALLOCATION PLAN

The Arkansas Development Finance Authority ("ADFA" or the "Authority") is charged with administering federal low-income housing tax credits (the "LIHTCs") In accordance with federal law, and to describe and provide for the allocation and administration of the Tax Credits, the Authority has adopted this Qualified Allocation Plan ("QAP").

The Authority will allocate the Tax Credits according to the provisions of this QAP, which includes the "Multifamily Housing Application Guidelines" attached hereto.

I. APPLICATION

An allocation of Tax Credits will be made only after the filing with the Authority of a Multifamily Housing Application (the "MFHA") in the form promulgated by the Authority from time to time. To the extent not contained in this QAP, the MFHA may set forth requirements, instructions, clarifications, and definitions applicable to an application for an allocation of Tax Credits or to the Authority's administration of the Tax Credit programs. The form of the MFHA and all other documents necessary for a complete application for Tax Credits are available on ADFA's website. The terms and conditions of the MFHA will be incorporated into the carryover allocation documentation. ADFA also will use the MFHA at final cost certification to ensure continued compliance with all requirements.

Any material change to the original application, and all subsequent material changes (both for so long as the related multifamily housing development is governed by any provision or aspect of any Tax Credit program administered by ADFA), shall be submitted to ADFA in writing at least thirty (30) days before the desired effective date of the change. All changes shall be reviewed and approved by ADFA's Staff Housing Review Committee, ADFA's Board Housing Review Committee, and/or ADFA's Board of Directors, as appropriate. Any such material change made without prior approval from ADFA will be null and void and may result in remedial action by ADFA, including but not limited to penalties on future applications or suspension from the Tax Credit programs. Applicants or Owners must submit a $500.00 fee per change item, including but not limited to any change in unit size, unit or building configuration, project or building location, management company, development team member(s), or ownership interest.

II. LIMITS ON ALLOCATION OF CREDITS

The Internal Revenue Code ("IRC") provides that "the [LIHTC] dollar amount allocated to a [multifamily housing] project shall not exceed the amount the housing credit agency determines is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the credit period." Accordingly, notwithstanding any provision of this QAP that may indicate or imply otherwise, LIHTCs will in each instance be limited to the amount the Authority determines necessary.

III. LIHTC ALLOCATION STANDARDS

A. Increase in Eligible Basis

To the extent the Authority determines that any building requires an increase in LIHTCs in order for such building to be financially feasible as part of a qualified low-income housing project, the eligible basis of such building will be increased by up to thirty percent (30%). The foregoing sentence does not apply to a building with respect to which LIHTCs are available in connection with a tax-exempt bond financing.

B. Nonprofit Set-Aside

As required by §42(h)(5) of the Internal Revenue Code, a minimum of 10% of the total LIHTC available for allocation must be set aside annually for projects involving qualified nonprofit organizations.

C. Amount

The maximum amount of 9% LIHTCs that may be reserved for allocation to one individual development shall be no more than $1,300,000 of the annual LIHTCs available in the calendar year.

IV. ALLOCATION OF THE STATE LIHTC

Ark. Code Ann. § 26-51-1702 provides that a taxpayer owning an interest in a low-income development qualifying for LIHTCs may be eligible for State LIHTCs equal to twenty percent (20%) of the allocated annual federal amount. The statute limits the total allocation of State LIHTCs to all recipients to $250,000 in any taxable year. ADFA will allocate the State LIHTC to the highest scoring 9% LIHTC applications. In the case of a tie, applications in the areas described below will receive the allocation, in this priority:

A. Developments located in counties that are assigned to tier 4 or tier 3 (and tier 4 in case of a tie), of the four job-creation incentives tiers of the Arkansas Economic Development Commission(Arkansas Incentive Tier Map).

B. Developments located within Qualified Census Tracts.

C. Developments in counties which have not received an award of (federal) LIHTCs in the last three (3) years.

D. Developments anywhere in the State.

The Authority will annually notify the Arkansas Department of Finance and Administration of those developments that have been allocated State LIHTCs and of any revocation of State LIHTCs.

V. COMPLIANCE

Applicants shall comply with all applicable federal, state, and local laws, including ADFA's Compliance Monitoring Policies and Procedures Manual for the Low-Income Housing Tax Credit Program or any successor provisions.

The owner of a development receiving Tax Credits will be required to prepare and submit to the Authority, no later than February 1 of each year following the first taxable year of the owner's credit period, an Owner's Certificate of Continuing Program Compliance and the LIHTC Compliance Monitoring Status Report.

Frequent or consistent non-compliance of applicant, owner, or any member of the development team in regard to the operation of any development may result in points reduction in the scoring of applications and/or suspension of the applicant or development team member from applying for Tax Credits for a set term of time and/or compliance with conditions.

Applications indicating the average income minimum set-aside may not propose

- any unrestricted, market-rate units (employee units are allowed), or
- a disproportionate distribution of designations among bedroom types (e.g., the average area median income among three-bedroom units cannot exceed 60%).

ADFA may waive the foregoing, if necessary, for a rehabilitation application to better fit the household incomes of in-place tenants. For projects with more than one building, owners must select that each building is part of a multiple building set-aside on the Form 8609.

VI. CLOSING

The ADFA Board of Directors has delegated to the President of ADFA the authority to implement closing requirements that are financially prudent for each development awarded ADFA resources. Recipients will be notified of closing requirements as promptly as possible after notice of award(s). The standard list of information and documents required prior to closing is available on the ADFA website. The President has the authority and discretion to add, modify, or waive requirements.

VII. CLARIFICATIONS

An allocation of Tax Credits in no way represents or warrants to any sponsor, investor, lender, or anyone else that the project is, in fact, feasible or in compliance with the IRC, Treasury regulations, or any other state or federal laws or regulations governing Tax Credits. The applicant and owner of the development are responsible for understanding and following all applicable tax law requirements for the development.

No director, officer, agent, or employee of ADFA shall be personally liable concerning any matters arising out of, or in relation to, the award or allocation of Tax Credits, the rejection of any MFHA for Tax Credits, the award or lack of award of any other ADFA-administered resource whether federal or state in origin, the closing of any awarded funds or lack of closing, or the failure of a development to comply with federal, state, or local laws, regulations, or other governing instruments, or the recapture of any credits or funds from any development, or the failure of any development to remain financially feasible, or the failure of any development to meet federal, state, or local deadlines.

ADFA may amend, make technical changes, and/or adopt rules ancillary to this QAP as necessary to prudently administer ADFA-administered funds or to comply with state or federal law. ADFA may require all things necessary or convenient to carry out its purposes, pursuant to Ark. Code Ann. § 15-5-207(b)(20)(A) and Ark. Code Ann. § 15-5-207(b)(26).

Applicants or their representatives may not contact ADFA staff or Board members in any manner regarding any application after submission of the application and during the ADFA review period, unless ADFA staff or Board member has initiated contact. Any questions or concerns from Board members relating to a submitted application shall be transmitted to ADFA staff which will communicate them to the applicant as deemed necessary by Staff and distribute applicant's response to all Board members. The ADFA review period concludes when the ADFA Board of Directors approves successful applicants. Violations of this policy could result in a downgrade to the final scoring, rejection of the application from consideration for an award of Tax Credits, or suspension or disqualification from ADFA programs.

ADFA may suspend for good cause any entity based on its incapacity to effectively administer, manage, and/or utilize resources. Any appeal of such suspension shall be presented in writing to ADFA for possible consideration. The appeal shall provide written justification. The ADFA Board Housing Review Committee will decide whether to allow any appeal of suspension and will set the time, date, terms, and requirements associated with any appeal process.

Adopted by the Board of Directors of the Arkansas Development Finance Authority on this the_____ day of _______________, 2026.

By:____
Rod Coleman, Chairman

ATTEST:

____
Ro Arrington, President/Secretary

EQUAL HOUSING OPPORTUNITY

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
MULTIFAMILY HOUSING APPLICATION GUIDELINES

INTRODUCTION AND PURPOSE

The Multifamily Housing Application ("Application" or "MFHA") can be used for multiple housing funding sources available from ADFA.

I. APPLICATION DEFINITIONS, PROCEDURES, REQUIREMENTS, AND REVIEW.

A. DEFINITIONS.

"**Application" or "MFHA"** means a MS Excel file of the Application and all attachments and Adobe PDF version of the Application and all attachments that ADFA will use interchangeably in reviewing, underwriting, and scoring.

"Application Requirement(s)" means the items listed in Section I(C) of these Guidelines that must be included in a MFHA by the Application Deadline to be considered a complete Application, and "Financial Feasibility" as defined below.

"Area of Opportunity Index" means the scoring computation for all census tracts that is intended to promote selection of developments that will create new housing supply in areas where population is growing, jobs are plentiful, and housing is comparatively scarce.

"DCR" or "Debt Coverage Ratio" means the ratio of a development's net operating income (rental income less operating expenses and reserve payments) to total debt service obligations.

"Development Team" means the applicant, accountant, architect, attorney, developer, co-developer, consultant, contractor, and nonprofit sponsor.

"**Financial Feasibility**" is an Application Requirement consisting of the following criteria by which an Application will be underwritten and determined to be feasible: adequate reserve funding; fifteen-year pro-forma based on operating incomes and expenses; reasonable increases in operating incomes and expenses; developer fee standard; general contractor requirements; and meeting a minimum debt coverage ratio.

"Green Space" is defined as an open area of land or body of water that is protected through conservation or preservation for the sake of recreational, ecological, environmental, aesthetic, or agricultural interests.

"Pedestrian Trails" are non-motorized public rights-of-way that are regularly maintained for use by bicyclists, walkers, and runners for transportation and recreation. They can be pathways within an urban area or rural paths through the countryside.

"**Person with a Disability"** means a person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment.

"Public Transportation" means buses, trains, subways, and other forms of local transportation that charge set fares, run on fixed routes, and are available to the public.

"Review and Response Period" means the period after ADFA staff have underwritten Applications and notified all applicants of any outstanding deficiencies. Applicants will have ten (10) business days from electronic notification to contact staff, clarify, and/or provide explanatory documentation.

"Scattered Site" is defined as limited to sites within one county.

"**Supportive (Disabled) Housing**" is housing intended for the use of persons with a disability as defined by federal law, which contains all the physical design, construction, and on-site service provision components adequate to meet the needs of the disabled population targeted. Any market study submitted in support of an Application for housing intended for the use of persons with disabilities shall address the housing needs of the targeted disabled population in the primary market area. The applicant shall also include a marketing plan designed to reach the targeted disabled population. The applicant must submit its statement that the supportive services offered to the disabled population served will be optional as defined in *26 C.F.R § 1.42-11(b).*

B. APPLICATION PROCESS FOR COMPETITIVE ALLOCATION.

The closing deadline for submitting an Application to ADFA for Tax Credits is as follows:

APPLICATION DEADLINE IS 4:30 P.M.,
THE FIRST MONDAY OF FEBRUARY
("Application Deadline")

Failure to deliver all of the following required materials by the Application Deadline will result in an application being ineligible:

1. The MFHA as a saved MS Excel file, in the same format as the ADFA MFHA is posted, via email to:
   Multifamily.Housing@arkansas.gov

2. An Adobe.PDF copy of the Application and all exhibits, bookmarked, to ADFA on a USB flash drive. 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 ADFA Programs Portal. Instructions are included in the MFHA.

ADFA will score applications based solely upon the information and documentation submitted by the Application Deadline and follow the Dates for Review of Applications and Reservation Process outlined below.

Dates for Review of Applications and Reservation Process

Application Deadline	First Monday of February – 4:30 p.m.
Review and Response Period ADFA will review Applications and notify applicants of items that require explanation or clarification. Applicants will have ten (10) business days to respond. Applicants will have the full ten (10) business days to respond if that time period extends past the Review and Response Period Deadline.	Ends on the Second Friday of April — 4:30 p.m.
Scoring Notification Applicants notified of Application score or failure to submit all Application Requirements.	Third Friday of April — 4:30 p.m.
Scoring Response Period Applicants may provide ADFA with an explanation of claimed mistakes or inaccuracies in the Application score. ADFA will notify applicants within ten (10) business days of the Scoring Response Period only if there is a change in score.	Fourth Friday of April – 4:30 p.m.
ADFA approves successful applicants for a reservation of LIHTCs.	Third Thursday of May

ADFA in its discretion may modify any or all of the dates set forth above for any competitive allocation round by publishing notice of such modifications, without formal amendment of this QAP.

C. **<u>REQUIREMENTS FOR A COMPLETE APPLICATION</u>.**

The following Application Requirements (the "Requirements") must be submitted by the Application Deadline. Failure to submit all the following will terminate the Application from consideration.

1. **<u>Application Fee</u>.** The Application fee check should be made payable to "Arkansas Development Finance Authority".

2. **<u>Financial Commitment Letters</u>.** All sources of financial commitments, including but not limited to the following, as applicable:

   a. 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 Application Deadline for 9% LIHTC applicants or the Application Submission date for 4% LIHTC/Bond Volume Cap applicants and state that a formal Application for permanent financing is under serious consideration. The letter must contain:
      i. the amount of the loan;
      ii. amortization period;
      iii. annual loan payment; and
      iv. interest rate.

   b. A commitment letter, dated within six (6) months prior to the Application Deadline/Submission, from any Tax Credit syndicator or investor.

      i. Because of the limited quantity of State LIHTCs, any applicant requesting, must provide alternate financing.

      ii. The commitment letter for Tax Credits must include, at a minimum, the following information:
         - Price per Tax Credit;
         - Amount of Tax Credits to be acquired;
         - Total amount of equity to be paid to the development and the proposed schedule of equity payments;
         - Amount of rehabilitation expenditures per-unit required by investor or syndicator, if applicable;
         - Debt coverage ratio required; and
         - Reserve amount required.

Applications must evidence compliance with the investor's requirements, if stricter than ADFA's requirement.

ADFA may contact the applicant to request supplemental or revised financial commitments.

3. Appraisal. All rehabilitation Applications must include an appraisal, dated within one (1) year prior to the Application Deadline, which supports the purchase price of the development. 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).

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

4. Site Control Information. No federally designated 100-year floodplain or floodway sites allowed. ADFA will not fund any project on a parcel that contains a 100 year floodplain or floodway. Furthermore, ADFA will not fund any project that requires completion of HUD's 8 step or 5 step decision-making process. No exceptions. Applications for HOME and NHTF must comply with the Federal Flood Risk Management Standard (FFRMS) flood plain requirements. Existing, operating, affordable housing developments located in a federally designated 100-year floodplains may apply for acquisition/rehabilitation if the development has A) not flooded since construction and B) maintains flood insurance for the duration of the affordability period. Scattered site applications will be limited to sites within one county. The applicant must have site control and provide evidence one of the following forms:

- Executed purchase option contract;or
- Evidence of executed assignment and assumption agreement with executed purchase option agreement, contract, or land lease agreement attached.

a. 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 give 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. 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.

b. 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.

c. For all acquisition/rehabilitation developments, the Application must include documentation for each building claiming acquisition credits that:
   i. Satisfies the "purchase requirement" of IRC Section 42(d)(2)(B)(i) (submission of Purchase Option, Contract, or Agreement);
   ii. Provides either the seller's certification that the 10-year hold rule in IRC Section 42(d)(2)(B)(ii) has been satisfied for each building or the requirement is not applicable under IRC Section 42; and
   iii. Provides the applicant's certification that each building was not previously placed in service by the applicant or by any person related to the applicant in accordance with IRC Section 42(d)(2)(B)(iii).

5. 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.

6. 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 Deadline/Submission. The analyst will acknowledge in the study that it is being done for ADFA's use and benefit. ADFA will reject an application if the market study shows:

a. inadequate demand for any unit size proposed, based upon the targeted income group for that unit size,
b. a capture rate of more than 20% for any unit,
c. the proposed development will detrimentally affect other affordable housing in the area,
d. the proposed location is or nearly is saturated, or
e. any other negative impact.

7. Tenant Income Audit. All Applications with 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.

8. Articles of Incorporation, IRS documentation, and Nonprofit Determination Statement. To be considered for the 10% nonprofit set-aside the development must:

a. involve a qualified nonprofit organization that owns an interest in the development, materially participates[within the meaning of IRC§469(h)], is not affiliated with or controlled by a for-profit organization, and has as one of its exempt purposes the fostering of low-income housing;
b. comply with Internal Revenue Service Revenue Procedure 96-32 in that at least seventy-five percent (75%) of the total number of residential units are designated for low-income residents.

9. <u>Capital Needs Assessment-Pre Approval Process.</u> **ADFA requires a Capital Needs Assement(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 tax credit housing 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.

10. Financial Feasibility. ADFA will underwrite all Applications through the competitive allocation cycle using the same criteria regardless of project type or location based on the following criteria:

a. the extent to which the development's sources of funds equals the development's uses of funds;
b. the extent to which any proposed developer fee deferral can be paid within 15 years;
c. the reasonableness of total development costs;
d. repayment terms (including interest rates, total debt and loan terms) for all proposed debt; and
e. the reasonableness of the expenses, incomes, and increases in both show 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.

11. Operating Deficit Reserve and Replacement Reserve Funds. The total development budget must include:

a. Operating Deficit Reserve Fund equal to the greater of:
    i. Six (6) months of: projected annual operating expenses, annual debt service payments, and annual replacement reserve deposits;

OR

    ii. The amount of operating reserves required by the applicant's equity investor(s) or lender(s).

b. 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 under (a) and (b) above, 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 must approve 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, will deposit sufficient funds so that at the end of the year the total in the Operating Deficit Reserve account equal the amount required under (a) as modified herein for Rural Development developments. ADFA will require notification from owner on any Replacement Reserve withdrawal and notice of approval from development's lender or investor as applicable.

Rural Development-funded developments:

In the event that Rural Development ("RD") requires initial operating capital in an amount less than ADFA's Operating Deficit Reserve, ADFA will credit the amount of reserves required by Rural Development to the total amount of reserves required under (a) and (b) above, but in no event shall the **total** amount of reserves be less than that required under (a) above. (For example, if under (a) $50,000 is required and under (b), $10,000, and Rural Development requires $20,000 of initial operating capital, the owner must fund a separate Operating Deficit Reserve account, withdrawals from which must be approved by ADFA, in the amount of $30,000. Using the same amounts except that RD requires a $70,000 initial operating capital, the owner must fund a separate $50,000 Operating Deficit Reserve.)

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, shall be submitted to ADFA by February 1 of each year. The ending balance of the Operating Deficit Reserve account plus the development's ending cash balance per RD Form 3560-7, plus the balance of RD's initial operating capital reserve must total the amounts required under (a) and (b); thus, general partner of owner or member, shareholder, or partner of general partner of owner may have to deposit funds into the separate Operating Deficit Reserve account to total this amount.

Owner shall not make any withdrawals from the Operating Deficit Reserve account without providing the following items to ADFA:

- supporting documentation evidencing the need for the funds,
- written evidence from RD that the use of reserve funds is not an eligible expense from RD initial operating capital reserve account or that insufficient funds exist in the account, and
- a written guaranty by the owner or general partner of owner, as ADFA deems appropriate, that sufficient funds will be deposited so that at the end of the year the total funds in the Operating Deficit Reserve account equal the amount required under (a) as modified herein for RD developments.

12. <u>Developer Fee</u>.

a. The developer's fee, which includes the developer fee plus developer's overhead and profit plus consultant's fee, plus any interest payable on a deferred fee, cannot exceed ten percent (10%) of the "Net Development Costs," with respect to a development seeking an allocation of LIHTC from the annual ceiling, or twelve-and-one-half percent (12.5%) of Net Development Costs, with respect to a development seeking to receive LIHTC arising from a tax-exempt bond financing. "Net Development Costs" is the total uses of funds, less syndication-related costs, developer's fee and development reserves.

   The amount of eligible basis attributed to the acquisition of existing property must be equal to or greater than the percentage that the total acquisition costs of existing property is to the total development costs.
   The applicant must disclose in its Application or an attachment all persons and entities that will receive any portion of the developer fee, 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.

b. Developer Fee – Deferral. ADFA will underwrite any portion of the developer's fee that is deferred and included as a source of funds will be ensured payment by the earlier of the end of the 15-year compliance period or the time frame required by the Applicant's equity investor or lender(s). The amount shown as deferred in the application may not exceed fifty percent (50%) of the maximum fee allowed.

13. <u>General Requirements, Contractor's Overhead, and Contractor's Profit</u>. 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.

14. Per-unit Credit and Cost Limits.

a. ADFA will limit the amount of 9% LIHTCs allocated to each unit to the following:

New Construction	**Limit Per-Unit**	**Acquisition / Rehabilitation**	**Limit Per-Unit**
0-1 Bedrooms	$19,365	0-1 Bedrooms	$13,285
2-Bedrooms	$20,790	2-Bedrooms	$15,015
3-Bedrooms	$21,945	3-Bedrooms	$17,325
4-Bedrooms	$23,100	4-Bedrooms	$18,480

ADFA will limit the per-unit total development cost of developments receiving 4% LIHTCs in connection with tax-exempt bond financing to $300,000.
ADFA has the discretion to determine reasonableness of all costs and may deny an Application based upon the unreasonableness of costs regardless of whether such costs are within the limits stated herein. Upon request by ADFA, applicants will provide justification and supporting documentation of costs.

15. Minimum Debt Coverage Ratio. The application must demonstrate a minimum debt coverage ratio that is the greater of: 1.15 or the minimum debt coverage ratio required by any lender or investor providing a financial commitment during the compliance period.

RD developments shall use the income, expenses and reserves as approved in the most recently executed Form 3560-7. The applicable minimum debt coverage ratio must be evidenced by the MFHA and supporting documentation.

16. **Rehabilitation Standard.** Rehabilitation hard costs (labor and materials) on any rehabilitation development, including those with tax-exempt bonds, will be no less than $50,000 per-unit and no less than thirty percent (30%) of the development's total costs. Studio units(0BR) can not be more than 10% of the total unit mix to apply for rehabilitation. Developments located in a federally designated floodplain or floodway will not be considered.

17. **Rental Assistance Contract.** All applicants proposing a development that has been approved for project-based rental assistance must submit with its Application a copy of the executed rental assistance contract and if applicable Form RD 3560-7 or HUD-92458; if a rental assistance contract has not been executed at time of Application submission, a commitment letter from the agency providing the rental assistance must be submitted. All such applicants must also submit documentation of the most recently approved amount of rent to be charged or a letter from HUD granting a waiver and supported by the market study and/or appraisal.

If the waiver or approval is not obtained by the carryover allocation Application Deadline, ADFA may terminate the LIHTC award.

18. **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, if applicable; and Architect. 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.

19. **Identification of Applicant and Identity of Interest.** 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.

20. **Assisted Living Developments.** Assisted living developments are ineligible.

21. **Narrative Description of the Development.** A detailed narrative description that includes the type of development; 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.

22. **Letter to Public Housing Authority ("PHA") for use by Persons on Waiting List.**

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

23. Utility Allowance Calculation. The applicant must submit documentation from the utility entity selected which list the allowance for each type utility usage applicable for each type of unit. The documentation must be signed and dated by an authorized representative within six (6) months prior to the Application Deadline, unless the Application is for acquisition/rehabilitation of a HUD or RD development, then the current executed HUD or RD rent schedule forms are acceptable.

24. 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.
Certification of Good Standing from the Arkansas Secretary of State for the applicant, developer, and management company.

25. 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:
Failure to meet and maintain minimum property standards; Failure to meet and maintain any material aspect of a development as represented in an Application;
Excessive late or incomplete reports to ADFA;
Failure to obtain prior approvals from ADFA;
Having been involved in uncured financing defaults, foreclosures, or placement on HUD's list of debarred contractors;
Events of material uncorrected noncompliance with any Federal or State assisted housing programs within the prior seven (7) year period;
Failure to comply with ADFA's request for information or documentation on any development funded or administered by ADFA; or
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." 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, trusts, trustees, etc. including full names and addresses and percentage of ownership and voting rights.

26. <u>Site Plan, ALTA/NSPS Survey, and Topographic Survey</u>. 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.

For new construction developments, an ALTA/NSPS survey and topographic survey of the proposed development site, signed and dated, will be required to be submitted within three (3) months after the award/reservation of LIHTCs, by a person authorized to perform such surveys by the Arkansas State Board of Licensure for Professional Engineers and Professional Surveyors. Failure to provide the survey within 3 months of award/reservation will result in a loss of the award/reservation.

27. <u>Tax Abatement</u>. ADFA will not consider the effect of lowered, abated, or deferred real estate taxes in its underwriting of the proposed development without adequate documentation.

28. <u>Multifamily Housing Minimum Design Standards</u>. 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:

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 the issuing IRS Forms 8609.

29. <u>Allocated Credit Limitation for Competitive Round</u>. A Development Team member, whether an individual or entity, may not have an economic interest, as defined below, in more than 30% of the total amount of 9% LIHTCs, or more than 2 allocated Developments per round, that ADFA has available for allocation in that given year or as otherwise limited by the ADFA Board of Directors. In addition, ADFA staff may refuse new applications from developers whose existing projects fail to meet programmatic requirements or who have failed to meet programmatic deadlines as established in the QAP or other state or federal guidance.

This section is not intended to prohibit any independent third-party professionals from rendering services on behalf of multiple proposed developments. However, this section will apply to such service provider if the service provider has an economic interest as defined below in addition to its provision of services to the proposed development.

ADFA may determine when this rule regarding economic interest should apply in circumstances other than those specifically referenced above. ADFA may impose additional special conditions and limitations upon Applications, applicants and development team members.

The applicant must identify all of its members, partners and shareholders, contractor, architect, management company, consultant, and developer of the proposed development. The Application must identify all development team members, including all members, partners, and shareholders of any identified members, partners or shareholders.

No changes can be made in the composition of the development team without ADFA's written approval. The applicant must identify all members, partners, and shareholders of the proposed replacement member, including all members, partners, and shareholders. All policies regarding economic interest shall apply to the proposed replacement member. If the proposed replacement would cause a development team member or related person or entity to violate the Allocated Credit Limitation, such proposed replacement will be denied, or if the economic interest becomes known to ADFA at a later time, ADFA may terminate the reservation, terminate the carryover allocation, deny issuance of credits via IRS Form(s) 8609, suspend all responsible persons and entities from the LIHTC Program, or take other action reasonable under the circumstances.

An economic interest exists in the context of an Application and development when:

d. There is any financial interest in the development, including but not limited to the lending of funds to a development team member or the owner of the development for the construction or operation of the development, the guaranteeing of a note on behalf of a development team member or owner of the development, or the making of any other guarantee that is contingent upon the construction or performance of the development; and/or
e. A development team member also has an economic interest in a development if the ownership entity or any portion thereof should be stated on the financial statements of the development team member or related entity according to Generally Accepted Accounting Standards.

Economic interest shall not include a contractual relationship whereby a development team member provides services that are within its ordinary course of business and receives reasonable payment for such services. For example, an architect contracting with a development owner to prepare plans for the rehabilitation of a development in exchange for a contractual sum shall not constitute an economic interest. Or, for example, an independent contractor providing a payment or performance bond or guarantee and warranty pertaining to their construction work and budget as outlined in an AIA A series contract shall not constitute an economic interest.

For the purposes stated herein, "development team member" shall include but not be limited to all persons and entities stated in the Application as members of the development team.

The applicant must disclose all identities of interest that exist among all persons or entities acting as a development team member, whether or not expressly named as a development team member.

The Application must include a verified statement from all development team members disclosing all economic interests in the development. ADFA may deem a person or entity as a development team member.

30. <u>Multiple Phase Developments</u>. ADFA will not award LIHTCs to multiple phases of the same overall development submitted in a funding cycle absent approval of a waiver request submitted prior to the Application submission deadline.

A senior development adjacent to a family development are not phases of the same development.

31. <u>Minimum Score.</u> A minimum self-score of 75 points is required to apply for 9% LIHTCs. 74 and below scored applications will not receive an award of 9% LIHTCs. A minimum score of 45 points is required to apply for Bond Volume Cap/4% LIHTC. No exceptions.

32. <u>Hard Construction Cost Breakout</u>. All applicants must complete ADFA's Summary Cost Estimate form included in the MFHA.

33. <u>4% LIHTC/Bond Volume Cap application completeness.</u> An application should be complete when submitted to ADFA. A maximum of 2 review letters will be sent to incomplete applications. If an application is still incomplete as determined by ADFA staff after the 2 responses from the applicant, the application will be rejected and removed from processing. 4% LIHTC/Bond applications will remain active for 6 months from application submission. If an application has not been approved by the ADFA Staff Housing Review Committee and recommended for approval to the ADFA Board Housing Review Committee after the 6 month period, the application will be rejected and removed from processing.

34. <u>EA/CEST forms.</u> The Environmental Assessment(EA) and Environmental Review for Activity/Project that is Categorically Excluded Subject to Section 58.5(CEST) forms(whichever is appropriate for the level of review) must be completed by an environmental professional who is qualified to perform Phase I and II Environmental Site Assessments.

35. <u>Credit Swap Policy</u>. To request a credit swap, the 10% test must be completed and construction started. In exchange for ADFA granting a credit swap during the final year of the placed-in-service deadline, the developer will be banned from applying for ADFA resources for the remainder of the year the swap is requested and the entire following year or until the development is completed (whichever is longer).

36. <u>25% Test Guidelines – 4% LIHTC/Bond Volume Cap transactions.</u> ADFA will allocate multifamily Private Activity Bonds to 4% LIHTC transactions in an amount equal to the greater of:

- 30% of the sum of the aggregate eligible basis and land: or,
- Supportable permanent debt as determined by ADFA underwriting.

II. PROCEDURES FOR AWARDING POINTS AND RANKING APPLICATIONS.

A. POINTS CRITERIA.

Each Application will be awarded, or penalized points based upon the Points Criteria outlined below.

Points Criteria

1	**Location** Area of Opportunity Index ("AOI") calculated for the development's Census Tract. AOI 2026 is based on unemployment rate, vacancy rate and population growth. The AOI is calculated for every Census Tract and ranges 0-10 and includes two decimal places. The AOI of each Census Tract can be found at https://experience.arcgis.com/experience/1369dffd6e594dd6b1fbc2f49c0c315d or at such address as ADFA may from time to time publish hereafter.	**Up to 10 Points**
2	**Tenant Needs** **6 points** to developments with 100% of the units in the development designed, equipped, and set-aside for elderly defined at 42 USC 3607(b)(2) and Ark. Code Ann. §16-123-307(d)(1) **OR** **6 points** to developments targeting low-income families (or individuals with children) with a minimum of 20% of the units having three or more bedrooms. (If an applicant chooses 100% elderly, the applicant will not receive points for three or more bedrooms) **OR** **6 points** for Supportive Housing for disabled persons (as defined in section I(A) above) with a minimum of 20% of units for such special needs' tenants. The applicant must submit a statement: • Describing the design and construction of the development that will meet the needs of the disabled population served; • Describing the on-site support services that will meet the needs of the disabled population served; and	**Up to 6 points**

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	• Stating the supportive services will be optional to the disabled population served (see 26 C.F.R. §1.42-11(b)). The proposed service provider must submit a statement describing: • The disabled population to be served; • The needs of the disabled population to be served; and • The service to be provided to the disabled population served, including the frequency of provision.	
3	**Rehabilitation Point Deduction** **Up to 12 Points deducted** if the proposed development involves the acquisition and/or rehabilitation of one or more buildings that were allocated LIHTC within 20 years or less from the date of the Application Deadline: Points deducted — Years since allocation 12 — <16 10 — 16-17 8 — 17-18 6 — 18-19 4 — 19-20 Notwithstanding any implication to the contrary, no LIHTC will be allowed for any building with respect to which the 15-year compliance period relating to the prior LIHTC allocation is ongoing on the date of the Application Deadline.	**Up to -12 Points**
4	**Profit and Overhead** **1 point** for general requirements not exceeding 6% of construction hard costs **1 point** for contractor profit not exceeding 8% of construction hard costs plus general requirements **1 point** for contractor's overhead not exceeding 3% of construction hard costs plus general requirements **2 points** in addition for meeting all three of the above	**Up to 5 Points**
5	**Historic Developments** **4 points** for proposed development involving rehabilitation of structures that are individually listed in the National Register of Historic Places ("NRHP") or have been determined to contribute to a Registered Historic District. The applicant must submit a letter **dated within six (6) months** from the date of the Application Deadline/Submission and must verify the structures are individually listed in the NRHP or have been determined to contribute to a Registered Historic District.	**4 Points**
6	**Development County** 3 points for building in a County that has not had a 9% LIHTC allocation for 10 years or more from the current application year.	**3 Points**

7	**Income Targeting** Up to 10 points for targeting units below 60% AMI. 7 points for an application for reserving 10% of total units at 50% AMI or 10 points for reserving 20% of total units at 50% AMI.	**Up to 10 Points**
8	**Site Selection** The site location will be evaluated for accessibility and proximity to services appropriate to the type of housing proposed and residential character of the surrounding area. The Application shall identify the name, driving directions, and distance from the development to the site amenities listed below. **3 points** for the following site amenities located within three (3) miles of the site for urban sites and five (5) miles for rural sites. Go to the following website to determine rural eligibility: http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do. Site amenities must be appropriate for the population served. Distances will be measured by the shortest available driving distance from the development's address to the applicable address of the site amenity as calculated by Google Maps. Points will only be given for the site amenities listed below: b. Grocery store or supermarket; c. Pharmacy or drug store; d. School, daycare or education center (cannot be awarded if 100% elderly only property); e. Public Park or Green Space (does not include school grounds); f. Book lending public library; g. Daily operated senior center or facility offering daily services for seniors (can be awarded only if 100% elderly property); h. Hospital, health clinic, or medical doctor's office (medical doctor's office must have a general practitioner.); i. Public transportation; and j. Access to Pedestrian Trails. Site amenities presented for scoring shall be referenced in the Market Study map. All site amenities presented for scoring must list a contact person and a verifiable phone number in the Application. 3 Points if at least four residential units are within 0.5 miles of the site boundary and occupied as of the application deadline. Points will be deducted for site selection. There is not a limit on the total number of points that can be deducted.	**Up to 27 Points**

	3 Points will be deducted if incompatible uses are adjacent to the site (adjacent is defined as nearby, but not necessarily touching). 2 Points will be deducted if incompatible uses are within 0.3 miles (approximately 500 yards) of the site. Distances are measured by lineal distance or "as the crow flies". The following list of incompatible uses is not exclusive: a. Junk Yard, Public Dump, or Solid Waste Disposal; b. Pig Farm or Chicken Farm; c. Prison or Jail; and d. Airport Scoring considerations will also include, among other things, site suitability regarding topography (grade, low-lying area, flood plain, or wetlands).	
9	**Total Development Costs Per Unit** An application will receive the scores below based on the entirety of uses listed divided by the number of units (including for employees). **15 points** for <$210,000 **12 points** for $210,000 to $219,999 **9 points** for $220,000 to $229,999 **7 points** for $230,000 to $239,999 **5 points** for $240,000 to $249,999 **2 points** for $250,000 to $259,999 **0 points** for >$260,000	**Up to 15 Points**
10	**Serves Lowest Income Group Possible** **7 points** for developments with units dedicated to serve households whose incomes are 30% or less of the area median income. Rents must be restricted accordingly. The number of units must be at least 5% of the total number of residential rental units in the development. Applications for developments that will receive or do receive and is anticipated to continue to receive, project based rental assistance for more than 75% of units are not eligible for these points. These units cannot be used to satisfy low HOME or National Housing Trust Fund affordability requirements. The applicant must submit a signed statement with the Application stating the number of units to be set-aside for the extremely low-income tenants and such set-aside must be evidenced in the rent schedules of the Application.	**7 Points**

<table>
<tr><td>11</td><td>6 Points for a signed statement which indicates the number of years the period of affordability will be extended. To receive points, the period of affordability must be at minimum 35 years. (New construction only)

OR

6 Points for eventual tenant ownership pursuant to 26 U.S.C. §42(i)(7). The applicant must submit the proposed right of first refusal contract to be offered for eventual tenant ownership. (HOME/NHTF applicants not allowed)

OR

6 points for acquisition/rehabilitation of an existing, operating, affordable housing development.</td><td>Up to
6 points</td></tr>
<tr><td>12</td><td>Community Revitalization Plan
1 point is available to a development that is located in a Qualified Census Tract if it contributes to a concerted community revitalization plan.

The applicant must submit with its Application a copy of the Community Revitalization Plan approved by the appropriate planning authority and such Plan must specifically address a need for affordable housing. Please highlight specific sections of the Revitalization Plan that reference affordable housing.</td><td>1 Point</td></tr>
<tr><td>13</td><td>Energy Efficiency/Air Quality

2 point categories:
1. Install HVAC system with SEER 16 or above
2. Air handler and Ductwork installed within Conditioned Space Volume

1 Point Categories:
1. Install ceiling insulation rated R-44 or above
2. Install Windows with .35 u-factor/.30 SHGC
3. Advanced Framing Techniques Implemented
a. Open Corners/3 stud corners
b. Ladder T’s at Interior wall intersections with Exterior wall
c. ½” or 1” Rigid Insulation installed in Headers
4. Air Sealing Package – Technical diagram/plans outlining areas to be sealed, responsible party, Air Barrier, Thermal Barrier</td><td>Up to 5 points</td></tr>
</table>

14	**Past Performance Point Deduction** ADFA will **reduce** an Application's score up to but no more than **twenty-five (25) points** if the applicant, developer or application preparer failed to meet program or ADFA requirements on a prior ADFA development. These points will be assessed and evaluated on a round-by-round basis, and **applicants will be notified at Scoring Notification Period when a situation necessitating the assessment of these points occurs.** **Some examples** that will result in point reduction include: a. Failure to follow through with representations made at the time of Application on previous developments where points were awarded that resulted in the project being funded; b. Repeated and documented poor response or slow response in providing follow-up documentation or clarification requests made by ADFA staff; c. Failure to meet one or multiple deadlines on previous developments – including Form 8609/Cost Certification Packages; d. Failure to submit Final Cost Certification with Total Development Costs at or below the amount represented in the awarded application; and e. Failure to submit inspection reports and draw requests on monthly basis during construction.	**Up to -25 Points**
15	**Non-Compliance Point Deduction** ADFA will **reduce** an Application's score up to but no more than **twenty (20) points** for the calculated Non-Compliance Percentage for each Application. The Non-Compliance Percentage shall be based upon any history of non-compliance of existing or past LIHTC developments of which the following parties were or are part of the Development Team or otherwise involved in the operation of the development as determined by ADFA: a. Members, partners or shareholders of the applicant; b. General Partner of the applicant;	**Up to -20 Points**

c. Members, partners, or shareholders of the General Partner of the applicant; or

d. Members, partners, or shareholders of members of the applicant.

If the applicant or management company has not previously participated in ADFA's LIHTC Program, the applicant and/or management company must request a report from any other housing finance agency where the applicant, management company, or any related entity has previous LIHTC experience that lists each instance issuance of IRS Form 8823, any report of non-compliance and NSPIRE inspection standards within the last three (3) years.

The Non-Compliance Percentage is calculated during the Review and Response Period and evidenced by issuance of IRS Form 8823, Report of Non-Compliance, and NSPIRE inspection standards. The Non-Compliance Percentage is the percentage of non-compliant units over total units reviewed. The Non-Compliance Percentage of all ADFA properties reviewed within a 3-year period of time will be averaged and given an average Non-Compliance Percentage. Owners are subject to point deductions based on the average Non-Compliance Percentage as follows:

Average Non-Compliance Percentage	Negative Points
51% or more	20
41-50%	15
31-40%	10
16-30%	5
0-15	0

Total Points Possible:

B. RANKING AND AWARD DETERMINATION.

ADFA will rank each Application according to the score awarded. In the event there is a tie in scoring for two or more Applications, the following are tie-breaker criteria ADFA would likely use, but not exclusively of others:

1. maximum number of affordable rental units produced; or
2. the Application which requested the least amount of LIHTCs per-unit; or
3. the Application that has the least amount of aggregate participation by any one owner or development team member. Aggregate participation is defined as the total of all Applications recommended for funding in the current round; or
4. equitable geographic distribution of awarded LIHTCs.

ADFA may disapprove any Application for an allocation of LIHTCs, regardless of the ranking under the priorities and point ranking outlined above.

III. **EQUAL OPPORTUNITY**.

ADFA requires that occupancy of all housing financed or otherwise assisted by ADFA be open to 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.

IV. **ADFA FEES**.

All fees are non-refundable. ADFA will not refund overpayments. ADFA may modify the fees stated herein by publication of such modifications, without formal amendment of this QAP.

A. **APPLICATION FEE**.

Applications will include the fees (determined from the list below) in the form of a check payable to the Arkansas Development Finance Authority.

Competitive Applications

1.0% of requested annual amount of LIHTCs

Bond Applications

$10,000 per development site

B. **RESERVATION FEE**.

A reservation fee of $150.00 per low-income unit will be required to secure the reservation of LIHTCs.

C. **ISSUANCE OF IRS FORM 8609 FEE**.

A fee equal to $150.00 per low-income unit will be required at the time the owner submits the final development cost certification requesting issuance of IRS Form 8609(s).

D. **MONITORING FEE**.

A monitoring fee equal to ten percent (10%) of the total annual LIHTC allocation will be required at the time the owner submits the final development cost certification requesting issuance of IRS Forms 8609(s).

V. **FINANCING WITH TAX-EXEMPT BONDS AND LIHTCS.**

Developments financed with tax-exempt bonds must apply to receive LIHTCs not allocated as part of the State's annual LIHTC ceiling, and meet all applicable requirements, of the QAP.

In addition, each development financed with tax-exempt bonds must comply with ADFA's Guidelines for Reserving Volume Cap for Tax-Exempt Private Activity Bonds for Residential Rental Housing and ADFA's Rules and Regulations Implementing the Law on the Allocation of the State Volume Cap for Private Activity Bonds Pursuant to Act 1004 of 2001 in effect at the time of the filing of the Application.

CERTIFICATION MUST BE TURNED IN WITH APPLICATION.

CERTIFICATION ON FOLLOWING PAGE

CERTIFICATION

By submitting this MFHA, I agree to:

1. Participate in, provide information for, and cooperate with ADFA in the creation and maintenance of a web-based housing registry of ADFA-assisted housing developments.

2. Consent to ADFA obtaining information regarding the applicant's, or any member of the applicant's development team or any other member, partner or shareholder of an entity development team member or having any interest, indirectly or directly, in a development team member, from the housing finance agencies in all states in which the applicant and development team members as defined herein have applied for credits, or otherwise participated in the development of a housing development.

I hereby certify that I have read and am aware of all terms, conditions, and requirements of the above-referenced instructions, and I am aware of all consequences should I fail to complete the MFHA Application as set forth in these instructions.

__________________________ Date	______________________________ Applicant
__________________________ Date	______________________________ Developer
__________________________ Date	______________________________ Application Preparer

TAB 5

STAFF HOUSING REVIEW COMMITTEE
ACTION MEMORANDUM

Board HRC Meeting: August 20, 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.**

ACTION REQUESTED

- **Approval of CDBG-DR Multi-Family Rental Guidelines**

BACKGROUND INFORMATION

Background Information:

ADFA has drafted the CDBG-DR Multi-Family Rental Guidelines. The Guidelines were approved at Staff HRC on June 30, 2026, and put out for public comment from July 23, 2026, through August 6, 2026. The Rental Guidelines were placed on the ADFA website and were sent to ADFA Developers.

ADFA received one public comment throughout the comment period.

In summary, Mr. Kleinhenz is asking ADFA to reconsider allowing rehab projects to access CDBG-DR funding, noting this could be a strong opportunity for affordable housing rehab even though it may not align with current QAP priorities.
He also raises several questions:
• Whether unit funding limits will be updated to match the HOME and HTF limits approved at the June ADFA Board meeting.
• Confirmation that PHA utility schedules cannot be used and that projects must use a HUSM.
• Concern that the scoring criteria may not create meaningful separation between projects, which could result in selecting among projects with identical scores.
• Whether construction disbursements could be requested monthly instead of quarterly, since CDBG-DR will likely represent a larger share of sources and more frequent draws could significantly reduce interest costs.

FINAL RECOMMENDATION OF STAFF HOUSING REVIEW COMMITTEE

Recommended for Approval.

Summary for 2025 CDBG-DR Multi-Family New Construction Program

The Arkansas Development Finance Authority (ADFA) has been allocated $59,048,000 in CDBG-DR funds. To support new multifamily rental housing construction in areas impacted by the 2023–2024 severe storms, tornadoes, and flooding, ADFA has designated **$24,000,000** for this effort. The program focuses exclusively on HUD-designated Most Impacted and Distressed (MID) counties: **Benton, Cross, and Pulaski** (excluding Little Rock).

Primary Program Requirements

- All projects must build 5 or more rental units, with at least 51% designated for Low- to Moderate-Income (LMI) households (≤80% AMI).
- Units must remain affordable for a minimum of 20 years.
- Affordable rents are based on HUD Fair Market Rents and the standard of 30% of household income, adjusted for utilities.
- All assisted units must meet Universal Design Standards, Fair Housing Act accessibility requirements, and applicable state/local building and energy codes.
- Broadband infrastructure is required unless documented as infeasible.

Funding Structure

- Funds are provided as **forgivable mortgages**, subject to recapture if affordability terms are violated.
- **Hard construction costs only** are eligible; soft costs cannot be covered.
- **Maximum per-unit subsidies**: (same as HOME/NHTF)
    - Studio $167,475
    - 1BR $190,575
    - 2BR $207,900
    - 3BR $231,000
    - 4BR $259,875
- Up to **$20,000 per unit** may be added for disaster-resistant **mitigation features** (wind-rated windows, reinforced roofing, etc.).

Project Eligibility & Requirements

- Must tie back to FEMA disaster declarations **DR-4698 or DR-4788**.
- Must be located outside **100- and 500-year floodplains** and connected to **municipal water, sewer, and broadband** (no wells/septic systems).
- Strict environmental review rules prohibit any "choice-limiting actions" prior to receiving an **Authority to Use Grant Funds** (AUGF).

Application & Review

- Competitive application process, scored out of 50 points. Key scoring factors include:
    - Ratio of affordable units (up to 20 points)
    - Site selection criteria and amenities (27 points)
    - Mitigation strategies (3 points)
- Applications require full documentation, including market studies, surveys, zoning clearance, funding commitments, and site control.
- Projects undergo both **preliminary review** and **underwriting/subsidy layering** to ensure cost reasonableness, developer capacity, and financial viability.

Compliance & Monitoring

- ADFA conducts **construction inspections**, annual compliance reviews, and inspections every **3 years** during the affordability period.
- Developers must maintain detailed records, perform annual tenant certifications if required by other funding streams, and submit semi-annual status reports.
- Projects failing to meet income, occupancy, or affordability requirements may face recapture of funds.

2025 Community Development Block Grant Disaster Recovery Program

Multi-Family New Construction Program

Version 1.0

July 2026

Record of Changes

Number	Date	Description
1.0	July 2026	Original

Contents

DEFINITIONS

Affordable Rents: Rents that are at or below Fair Market Rents (FMRs) published by the U.S. Department of Housing and Urban Development (HUD) for different metropolitan areas. HUD publishes the FMRs annually on their website and can be found at https://www.huduser.gov/portal/datasets/fmr.html.

Affordable Units: A “dwelling" that is rented at an Affordable Rent to a household that earns no more than 80 percent of Area Median Income adjusted for household size as calculated by the U.S. Department of Housing and Urban Development (HUD).

Applicant: Any eligible property developer that applies for funds pursuant to applicant eligibility section.

Area Median Income (AMI): The median family income for specific geographic areas, adjusted for household size, as calculated by HUD for the CDBG program.

Arkansas Development Finance Authority (ADFA): The responsible entity for administering CDBG-DR funding allocated to the State of Arkansas**.**

CDBG-DR Multi-Family New Construction Program Agreement: The contractual arrangement between ADFA and the Developer which sets forth the terms and conditions by which CDBG-DR funds are utilized.

Code of Federal Regulations (CFR): The acronym used for the Code of Federal Regulations.

Community Development Block Grant-Disaster Recovery (CDBG-DR) Funds: Funds that are appropriated by Congress and allocated by HUD to rebuild disaster-impacted areas and provide crucial investments to start the long-term recovery process of disaster areas.

Contractor: A properly licensed person or company that Developers hire to undertake a contract to provide materials or labor to perform a service or do a job.

Davis-Bacon Wage Requirements: For Projects that include eight (8) or more dwelling units, the Davis-Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on federal or District of Columbia construction contracts or federally assisted contracts in excess of $2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar Projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts.

Declaration of Restrictive Covenants: The legal document that sets forth affordability restrictions on rent and occupancy for a specific approved Project. It shall be recorded against the fee simple interest in the property (as well as against the leasehold title to the property, if applicant is a lessee) for the applicable affordability period as required in the CDBG-DR Multi-Family New Construction Program Agreement.

Department of Housing and Urban Development (HUD): Federal department through which the CDBG-DR funds are provided to ADFA.

Developer: A private for-profit or nonprofit organization that owns real property and arranges all financing, professional, technical, and construction services necessary to develop or rehabilitate affordable housing.

Disability: Any disability, including mental or physical disability, that limits a major life activity, including a disability that falls within the definitions in Government Code (G.C.) Sections 11135, 12926, and 12926.1 or within the definition of disability used in the federal Americans with Disabilities Act of 1990, codified at 42 U.S.C. 12102.

Duplication of Benefits (DOB): Financial assistance received from another source that is provided for the same purpose as the CDBG-DR funds as provided by the Stafford Act (42 U.S.C. 5121-5207.

Elderly Person: A person at least 62 years of age.

Environmental Review Record (ERR): A permanent set of files containing all documentation pertaining to the environmental review compliance procedures conducted and environmental clearance documents as required by NEPA regulations. (See National Environmental Policy Act).

Fair Market Rent (FMR): HUD-established estimates of gross rent, taking into account both rent and the cost of necessary utilities, updated annually by HUD.

Federal Emergency Management Agency (FEMA): An agency of the United States Department of Homeland Security. The agency's primary purpose is to coordinate the response to a disaster that has occurred in the United States and that overwhelms the resources of local and state authorities.

Household: One or more persons occupying a housing unit.

Low- to Moderate-Income (LMI): Low- to moderate-income people are those having incomes not more than the “moderate-income” level (80% Area Median Family Income) set by the federal government for the HUD-assisted Housing Programs. HUD updates the qualifying income amounts change from year to year based on Census Bureau data, and varies by household size, county, and the metropolitan statistical area.

Minority- and/or Women-Owned Business Enterprise (M/WBE): A business that is owned and controlled (minimum of 51% ownership) by a member of a minority group or women.

Most Impacted and Distressed (MID): An area that meets the definition of Most Impacted and Distressed set by HUD in the Federal Register Notice. For purposes of the unmet needs’ allocation, HUD has defined Most Impacted and Distressed as an area (county or zip code) that meets the following criteria: locations identified as experiencing the most severe damage from a disaster, where CDBG-DR funds must be prioritized for recovery and mitigation activities.

Multi-Family New Construction Program (MNCP)- An acronym used for the Arkansas CDBG-DR Multi-Family New Construction Program.

National Environmental Policy Act (NEPA): This Act establishes a broad national framework for protecting the environment. NEPA's basic policy is to assure that all branches of government consider the environment prior to undertaking any major federal action that could significantly affect the environment.

National Flood Insurance Program (NFIP): Created by Congress in 1968 to reduce future flood damage through floodplain management and to provide people with flood insurance through individual agents and insurance companies. FEMA manages the NFIP.

Notice to Proceed: The legal document that provides an approved Project's specific description, budget, milestones, construction schedule, reporting requirements, and special conditions.

Program Income (PI): Program Income means gross income above $35,000 that is directly generated from a CDBG-funded activity. Program Income is subject to the CDBG rules in perpetuity unless it is received after grant closeout remains subject to CDBG-DR requirements unless transferred to the annual CDBG program as provided in section III.B12.e of the Universal Notice .

Project: A multi-family housing development with 8 or more total units.

Recipient: A non-federal entity that receives financial assistance from the CDBG-DR Program.

Responsible Entity (RE): Under the ERR requirements at 24 C.F.R. Part 58, the term "Responsible Entity" (RE) means the agency receiving CDBG assistance. The Responsible Entity must complete the environmental review process. The RE is responsible for ensuring compliance with NEPA and the Federal laws and authorities, for issuing the public notification, for submitting the request for release of funds and certification, when required, and for ensuring the Environmental Review Record (ERR) is complete.

Section 3: Under the U.S. Department of Housing and Urban Development (HUD) regulations, the primary goal of Section 3 of the Housing Act of 1968 (codified at 24 CFR Part 75), is to ensure that employment, training, and contracting opportunities generated by certain HUD financial assistance are directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities to these individuals.

Small Business Administration (SBA): SBA's Office of Disaster Assistance (ODA) provides affordable, timely, and accessible financial assistance to homeowners, renters, and businesses, as well as other eligible applicants. The SBA low-interest, long-term loans are the primary form of federal assistance for the repair and rebuilding of non-farm, private sector disaster losses.

Special Needs or Special Needs Populations: This means agricultural workers, individuals living with physical or sensory disabilities and transitioning from hospitals, nursing homes, development centers, or other care facilities; individuals living with developmental disabilities, serious mental illness or substance abuse disorders; individuals who are survivors of domestic violence, sexual assault, and human trafficking; individuals who are experiencing Homelessness; individuals with HIV; homeless youth as defined in Government Code (GC) Section 12957(e)(2); families in the child welfare system for whom the absence of housing is a barrier to family reunification, as certified by a county; frequent users of public health or mental health services, as identified by a public health or mental health agency; Frail Elderly Persons; or other specific groups with unique housing needs as determined by the Department. “Special Needs Populations” do not include seniors unless they otherwise qualify as a Special Needs Population.

Uniform Relocation Assistance and Real Property Acquisition Act (URA): A federal law that establishes minimum standards for federally funded programs and Projects that require the acquisition of real property (real estate) or the displacement of persons from their homes, businesses, or farms.

Program Overview

Community Development Block Grant-Disaster Recovery (CDBG-DR) funding is designed to address needs that remain after all other assistance has been exhausted. This plan details how funds will be used to address remaining unmet needs in Arkansas with a focus on the HUD-designated most impacted and distressed (MID) counties of Benton, Cross, and Pulaski. To meet disaster recovery needs, the appropriations act(s) making CDBG-DR funds available have imposed additional requirements and authorized HUD to modify the rules that apply to the annual CDBG program to enhance flexibility and facilitate a quicker recovery. HUD has allocated $59,048,000 in CDBG-DR funds to Arkansas through the Arkansas Development Finance Authority (ADFA) in response to the 2023 severe storms and tornadoes (DR-4698) and 2024 severe storms, straight-line winds, tornadoes, and flooding (DR-4788) through the Allocation Announcement Notice (90 FR 4759) published on January 16, 2025 and following the guidance established in the Universal Notice (90 FR 1754) updated March 19, 2025 via memorandum. This allocation was authorized through the Disaster Relief Supplemental Appropriations Act, 2025.

The Multi-Family New Construction Program is designed to support the development of new multi-family rental housing on vacant lots within existing neighborhoods or in newly planned residential areas. These units will be designated for rental purposes only.

In compliance with CDBG-DR requirements, all rental units funded through this program must remain affordable for a minimum of 20 years. At least 51% of the units in each project must be rented to low- to moderate-income (LMI) households at affordable rental rates.

MEETING A NATIONAL OBJECTIVE

In accordance with 24 C.F.R. 570.208 and section III.D.1 of the Universal Notice, all CDBG-DR funded activities must satisfy a national objective. All housing projects may meet the low- to moderate-income housing (LMH) national objective, which requires that 51% of units are designated as LMI. Housing projects may also meet an Urgent Need national objective and for the Safe Housing Incentive activity, when used to assist an LMI household meets the LMHI national objective per III.D.5.i.(i) of the Notice. Proposed projects that do not have more that 51% of units as LMI may only be funded for the proportional amount of assisted units; however, pursuant to 24 C.F.R. 570.483(b)(3), if the project is a rehabilitation project or a senior new construction project, the project must include at least 51% of units as LMI-occupied, or a waiver must be requested. All waiver requests must document legal and justifiable good cause. While proposed Projects may be mixed-income units, CDBG-DR funds are limited to the affordable units for occupation by low- to moderate-income households.

PROGRAM REQUIREMENTS

General

The program will provide funds for new construction of affordable multi-family housing of five or more units in areas affected by the 2023 and 2024 disasters. ADFA will establish an application submission and acceptance period, award threshold criteria, and award process. Additionally, Owners shall maintain insurance coverage required by applicable federal law, the Grant Agreement, any financing documents, and state or local law. At a minimum, recipients shall comply with 2 CFR § 200.310 by maintaining insurance coverage for federally assisted real property and equipment equivalent to the coverage maintained for comparable property owned by the recipient.

Owners shall maintain insurance coverage required by applicable federal law, the Grant Agreement, any financing documents, and state or local law. At a minimum, recipients shall comply with 2 CFR § 200.310 by maintaining insurance coverage for federally assisted real property and equipment equivalent to the coverage maintained for comparable property owned by the recipient.

Eligible Areas

CDBG-DR funding will be provided to the HUD-identified MID areas: Benton County, Cross County, and Pulaski County (excluding the City of Little Rock).

Funding Limits

ADFA has set per unit subsidy limits for CDBG-DR as follows: 0 BR- $159,500, 1 BR- $181,500, 2 BR- $198,000, 3 BR- $220,000, and 4 BR- $247,500. Funds will only be used to reimburse approved Eligible Costs (see below). The award of funds is also contingent upon the development securing other funds necessary to complete the Project. CDBG-DR funds will only be allowed for hard construction costs. The award will be provided in the form of a forgivable mortgage and subject to recapture if the terms of the affability period are violated.

Bedroom Size	Maximum Per Unit Subsidy
0-Bedroom	$167,475
1-Bedroom	$190,575
2-Bedroom	$207,900
3-Bedroom	$231,000
4-Bedroom	$259,875

Mitigation Limits

In addition to the per unit subsidy, applicants may also be eligible for up to $20,000 per unit for the implementation of mitigation measures to help projects withstand damage against the impact of future disasters.

Project Costs

In addition to the funding limits described above, ADFA will also limit the project's Developer Fee to a maximum of 10% of the development budget. General Requirements cannot exceed 7%, Contractor's Proft cannot exceed 10%, and Contractor's Overhead cannot exceed 4% of the development's constructions hard costs plus general requirements.

Eligible Costs

Eligible costs will only consist of hard construction costs necessary for project construction completion. Soft costs are not eligible. Soft costs are indirect expenses not directly tied to the physical building process, but required to plan, finance, and legally complete a project. These costs include, but are not limited to, architectural and engineering fees, appraisal, market study, and environmental report. ADFA will reserve the right to question the applicability and eligibility of all costs. ADFA also will ensure that construction costs are reasonable and consistent with market costs for the area where the multi-family construction will take place.

Eligible Applicants

Developers and owners of affordable rental housing, including for-profit developers, non-profit developers, public housing authorities, and ADFA-designated community housing development organizations (CHDOs), are eligible to apply for CDBG-DR funding.

Eligible Activities

Pursuant to section III.D.5.a of the Universal Notice, funds can be used for the construction of new housing, provided that it meets a national objective.

Project Eligibility
Eligibility of multi-family housing project proposals will be assessed by ADFA. To be considered for funding, the proposed development must meet the following threshold criteria:

- Meet a national objective, as defined above; –.
- Include an eligible activity, as defined above;
- Be located in a HUD-identified Most Impacted and Distressed area, as defined above; Demonstrate a tie-back to either DR 4698 or DR 4788;
- Include Minimum Affordability Requirements;
- Meet Definition of Affordable Rents;
- Meet Minimum Quality Standards; and
- Meet Minimum Accessibility Standards.

Eligible Tenants
All housing units must first be marketed to residents impacted by the DR 4698 or DR 4788 before being made available to other eligible members of the public. Developers shall provide marketing material that can contains approximately the same language: "Those who were impacted by the 2023 severe storms and tornadoes and 2024 severe storms, straight-line winds, tornadoes, and flooding will receive the first opportunity for qualified tenancy."

A portion of the units (51%) will be reserved for households that meet the criteria for low- to moderate-income (LMI) status, as defined by HUD. LMI Households have a maximum income capped at 80% AMI. Up to 49% of the units can be occupied by households above 80% LMI.

Timeline
ADFA has developed projections based on each quarter's expected performance. ADFA will compare awarded project expenditures, through submission of monthly draw requests, against these projections to help determine the overall progress of the projects in the program.

Exception Policy
ADFA will consider exceptions to the program guidelines, including the maximum award amount, on a case-by-case basis. All exceptions must be submitted in writing with the application and include a justification. Exceptions should enhance the benefit to LMI households or areas. Exceptions cannot violate federal, state, or local laws or regulations. Exceptions must still meet HUD's requirements for necessary and reasonable costs, comply with federal accessibility standards, and accommodate a person

with disabilities, if applicable. A written response will be authorized in writing to the applicant upon approval or denial of the application requesting an exception.

Rapid Unsheltered Survivor Housing (RUSH) Program

ADFA did not receive funding under HUD's RUSH Program, therefore alignment of program funds with any funds received is not applicable.

DUPLICATION OF BENEFITS (DOB)

Applicants must report all assistance they have been awarded or available to construct or reconstruct multi-family properties from third-party sources such as flood and homeowner's insurance, Increased Cost of Compliance (ICC), Federal Emergency Management (FEMA) assistance, loans from the Small Business Administration (SBA), and any assistance from other government or private non-profit sources. For additional information on the policy and procedures regarding the duplication of benefits under the Program, please refer to the Procedures for Prevention of Duplication of Benefits on ADFA's website. Any funds received from these sources must be considered when the amount of the award is determined. Funds received from these sources for other purposes such as temporary housing and replacement of household contents are not considered a DOB. Funds used for a different but eligible purpose may be excluded from the final award calculation. In some instances, funds provided for the same general purpose as the CDBG-DR funds will have been used by the applicant for different specific eligible purposes. In these circumstances, if the applicant can document that the funds received were used for a different, eligible purpose, then the funds are not duplicative. If funds are determined to have been expended after time of application, funding will still be required to satisfy owner's DOB sources for the Program. The framework for DOB analysis can be found in the Procedures for Prevention of Duplication of Benefits on ADFA's website.

PROGRAM INCOME

Program Income is listed in the Universal Notice as gross income (in excess of $35,000 in a year) received by a state, a unit of general local government, or a Subrecipient of a unit of general local government that was generated from the use of CDBG-DR funds in a single calendar year (with a few exceptions). When the income is generated by an activity that is partially assisted with CDBG-DR funds, the income will be prorated to reflect the percentage of CDBG-DR funds used.

ADFA does not anticipate Program Income to be generated by this program.

PROPERTY TYPES AND STANDARDS

ADFA will use CDBG-DR funds for specific types of properties that meet certain property standards. This section details the types of properties that are eligible and the property standards to which they must be built. All ADFA CDBG-DR funded rental properties must meet Universal Design Standards. Owners must maintain the property in accordance with property standards throughout the affordability period. This will require periodic property inspections, as described in the section below on inspections.

Eligible Property Types

- CDBG-DR rental projects with five or more units may be one or more buildings on a single site under common ownership, management and financing. They shall be intended for family or senior housing.
- The project must be assisted with CDBG-DR funds as a single undertaking.
- The project includes all activities associated with the site or building(s).
- CDBG-DR funds may be used to assist mixed-income projects, but only persons who are at or below 80% AMI may occupy CDBG-DR assisted units.
- CDBG-DR funds may be used in a project that also contains public housing units, provided that CDBG-DR funds are not used in the public housing units and the CDBG-DR units are separately designated.

Ineligible Property Types

- CDBG-DR funds may not be used for development, operations, or modernization of public housing financed under the 1937 Act (Public Housing Capital and Operating Funds).
- Emergency shelters with limited occupancy requirements.
- All types of student housing.
- Projects where developers/contractors do not have a valid Arkansas contractor's license.
- Any project that does not demonstrate a specific tie-back to DR 4698 or DR 4788.

Construction Standards

Their purpose is to ensure that existing housing is not occupied unless it is decent, safe, and sanitary. The properties must meet the property standards established in 24 C.F.R. 5.703 (Uniform Physical Condition Standards).

Housing Codes/Standards

- Housing must meet the accessibility requirements of 24 C.F.R. part 8, which implements Section

504 of the Rehabilitation Act of 1973, Americans with Disabilities Act implemented at 28 C.F.R. parts 35 and 36, as applicable, and the Fair Housing Act as implemented at 24 C.F.R. 100.205.

- Housing must be constructed to mitigate the impact of potential disasters in accordance with State, local codes, ordinances, or other requirements as HUD may establish (where applicable).
- ADFA's Design Standards Manual for New Construction and Rehabilitation must be used in designing multi-family developments.

Building Codes

- Arkansas building codes are mandatory statewide, but local jurisdictions may amend the codes to make them more stringent. ADFA requires that Recipients, owners, sponsors, and developers comply with the building codes adopted in their jurisdiction.
- In the absence of an applicable State or local code, projects must meet the International Code Council's (ICC's) International Residential Code or International Building Code.
- Several related codes, such as the fire code and plumbing code, are incorporated into the Arkansas building codes.
- Most work governed by building codes requires that licensed contractors obtain permits prior to starting the work.

International Energy Conservation Code

All new construction work must also conform to the International Energy Conservation Code (IECC) and applicable state or local energy conservation codes. Additionally, ADFA requires that all new building construction complies with the Arkansas Energy Code. ADFA CDBG-DR program Recipients must document compliance using the Certificate of Compliance for the Current Arkansas Energy Code.

Universal Design Standards

All CDBG-DR assisted rental projects must include the following design criteria in accordance with Arkansas Usability Standards in Housing: Guidance Manual for Constructing Inclusive, Functional Dwellings (AUSH).

- Seven percent (7%) of all residential units within the project must comply with the Level 5, "All-Inclusive" usability criteria as set forth in the AUSH.
- Each unit that is required to meet the Level 5, "All-Inclusive" usability criteria set forth in the AUSH must have at least one bathroom with an "accessible roll-in" or transfer shower facility with minimum dimensions of 60"x34" or 42"x42" if a corner shower facility.
- All ground level residential units in any building and all residential units with elevator access in any building in the project must comply with Level 1, "Visitable" usability criteria as set forth in the AUSH.
- All exterior and interior doors intended for passage must provide for a minimum clear opening of

34".

- All residential units in the project will have "closed fist" operability throughout the unit, e.g., single handle door levers vs. doorknobs; push stick lighting and environmental controls; cabinet doors can be opened with a closed fist; single handle faucets in bathrooms and kitchen.
- All environmental controls must provide visual and tactile cues. For lighting, a "rocker" type switch is sufficient. For thermostats, programmable and digital control with raised buttons is required.
- All primary entries, not in a breezeway, must have a minimum roof covering of 5'x5'.
- All primary entries must have an entry pad measuring at least 5'x5'.
- All sidewalks must be at least 5' wide.

Multi-Family Housing Minimum Design 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.

- A certification from the design architect or licensed engineer must be submitted with the application confirming that the proposed development will be constructed in:
  - Compliance with ADFA's Design Standards Manual for New Construction and Rehabilitation;
  - Compliance with all Federal and State accessibility laws; and
  - Compliance with all applicable local, State, and national building codes.

Section 504 and Fair Housing

New construction projects with more than five (5) units will be subject to accessibility requirements of the Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973, Section 504, Fair Housing and other applicable construction and design provisions which requires 5% of the dwelling units, or at least one unit, whichever is greater, to be accessible for persons with mobility impairments, and an additional 2% of the dwelling units, or at least one unit, whichever is greater, to be accessible for persons with hearing or visual impairments. ADFA reserves the right to require more units than the federally required minimum for projects that will serve specific target populations such as special needs, veterans with physical disabilities, etc.

To ensure compliance with accessibility in projects with four (4) or more units, additional requirements apply. For buildings without elevators, all ground floor units, public, and common use must be designed to the Fair Housing Act design and construction standards. For buildings with elevators, all units, public, and common use areas must also conform to the Fair Housing Act design and construction standards.

After completion, projects must comply with Uniform Physical Conditions Standards (UPCS), the UPCS checklist must be used to conduct inspections during the Affordability Period and to ensure ongoing maintenance and compliance of the property.

Multi-Family dwellings must also meet the design and construction requirements at 24 C.F.R. 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-19).

Greater Choice of Housing Opportunities

The Recipient's project must comply with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504, Executive Order 11063 and HUD regulations issued pursuant thereto to promote greater choice of housing opportunities.

Broadband Infrastructure

Per 24 CFR 570.202(g) and section III.D.5.b of the Universal Notice any Substantial Rehabilitation or new construction of a building with more than five (5) rental units must include installation of broadband infrastructure, except where the Applicant documents that: 1) The location of the new construction or Substantial Rehabilitation makes installation of broadband infrastructure infeasible, 2) The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden, or 3) The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

Mitigation Measures

The objective of this program is to provide safe, sanitary, and durable housing that is specifically designed to withstand future disasters. The program will incentivize new construction efforts that incorporate construction strategies that address hazards found in the mitigation needs assessment in the Acton Plan. Resilience and mitigation strategies that can be incorporated may include, but are not limited to:

- Installation of reinforced roofing systems and impact-resistant shingles
- Use of wind-rated windows and doors to resist high-pressure gusts
- Implementation of anchoring and strapping systems to secure structural components
- Enhancement of framing systems to resist uplift and lateral wind forces
- Application of mold-resistant and water-resistant materials

Funds allocated through the Mitigation Set-Aside will be used for projects that address the mitigation needs identified in the MID areas. The use of these funds will allow mitigation measures and strategies to be integrated into the project construction. These strategies are intended to strengthen residential structures and reduce risks associated with hazards affecting Arkansas. ADFA will track the resilience performance measures in DRGR.

Construction Warranty

All housing units will have a minimum post-construction warranty period for all work of one (1) year, unless other project-related activities require a longer period. Warranties should include contact information and industry standard remedies. A formal notification must be sent to tenants three (3) months prior to the end of the warranty period.

Contractor Workmanship Remedies

ADFA will provide a flyer to each CDBG-DR beneficiary to raise awareness of the possibility of fraudulent activity and how it can be avoided. The flyer will have the contact information for state agencies that can assist with suspected fraud. ADFA will also email the flyer to local jurisdictions for posting in its office and website.

If a CDBG-DR beneficiary reports experiencing contractor fraud or other fraudulent activity, ADFA will take the following steps to assist the beneficiary:

1. Immediate Response and Documentation: Upon receiving a report of suspected fraud, ADFA will promptly document the complaint and provide the beneficiary with guidance on reporting the incident to appropriate authorities, including the HUD Office of Inspector General and relevant state agencies.

2. Assessment of Impact and Unmet Need: ADFA will work with the beneficiary to assess the impact of the fraudulent activity, including determining whether the incident has resulted in additional unmet need related to the disaster recovery project.

3. Eligibility Review for Additional Assistance: If the assessment identifies new or increased unmet need resulting from the fraud, ADFA will review the beneficiary's eligibility for supplemental CDBG-DR assistance in accordance with program guidelines and applicable federal regulations.

4. Provision of Additional Assistance: If the beneficiary is determined eligible, ADFA will provide additional CDBG-DR assistance to address the unmet need, following established procedures for documentation, approval, and disbursement of funds.

5. Ongoing Support and Monitoring: ADFA will continue to support the beneficiary throughout the resolution process, including providing technical assistance, monitoring progress, and ensuring compliance with all program requirements.

6. Referral and Coordination: ADFA will coordinate with local jurisdictions, legal aid, and other support agencies as needed to ensure the beneficiary receives comprehensive assistance and protection of their investment.

AFFORDABILITY

In return for providing CDBG-DR funds for a project, ADFA requires that the CDBG-DR assisted units remain affordable to low- and moderate-income eligible applicants for a specified period of time called the affordability period. This section discusses the following:

- Basis and length of the affordability periods
- Units that are subject to the affordability period requirements

- Rent and occupancy requirements
- Monitoring and inspection schedules

At a minimum, the following thresholds must be adhered to in all programs:

- ADFA will confirm affordable rents in multi-family projects by calculating the Fair Market Rents (FMR) along with the maximum of 30 percent of an LMI household's income.

- All projects will meet the LMI housing national objective. Therefore, any project funded under the MNCP must designate 51 percent of the project's units to be available for lease to tenants with an income of up to 80 percent of the area median income based on regulatory and program requirements. While proposed projects may be mixed-income units, CDBG-DR funds will only be applied to the affordable units for occupation by low- to moderate-income households. This distinction is important for compliance during the affordability period.

- The number of CDBG-DR assisted units in a project must be specified at project commitment.

- Additionally, for properties with both assisted and non-assisted units, the CDBG-DR assisted units shall be "floating" units. "Floating" units may change over time as long as the total number of CDBG-DR assisted units in the project remains constant. The owner must ensure that the CDBG-DR assisted units remain comparable to the non-assisted units over the affordability period in terms of size, features and number of bedrooms.

Developments must maintain an affordability period of no less than 20 years for the new construction of multi-family rental units with five or more units. If a rental project is subject to an affordability requirement associated with other funding sources, ADFA will allow that the affordability period required by the CDBG-DR funding to run concurrently (or overlap) with the affordability requirements associated with such other funding.

Rent and Occupancy Requirements

- During the affordability period, ADFA requires that rent and occupancy agreements for CDBG-DR assisted units be enforced through covenants running with the land or deed restriction recorded in accordance with state recordation laws.
- The covenants running with the land or deed restriction shall continue to be effective regardless of repayment of any CDBG-DR investment.
- While the covenants and deed restrictions shall continue to be effective against subsequent owners during the term of the affordability period, the covenants and deed restrictions may be suspended upon transfer by foreclosure or deed- in lieu of foreclosure.

Initial Occupancy

CDBG-DR assisted units in a rental housing project must be occupied by households that are eligible as low- to moderate-income families, as defined by HUD.

- If the housing units are not occupied by an eligible tenant within 6 months following the date of project completion, ADFA will require the owner to submit current marketing information and, if appropriate, submit a revised marketing plan to lease the housing units as quickly as possible.
- If the housing units are not occupied by an eligible tenant within 18 months following the date of project completion, ADFA will require the repayment of all CDBG-DR funds invested in the unit.

Rent Limits

Every CDBG-DR assisted unit is subject to rent limits designed to help make rent affordable to low- to moderate-income households. These maximum rents are referred to as "CDBG-DR Rents."

- ADFA must review and approve the rents for each CDBG-DR assisted rental project each year to ensure that they comply with the CDBG-DR limits and do not result in undue increases from the previous year.
- HUD will annually publish FMRs and calculations of rents.
- The published rents are inclusive of utilities. The rents must be reduced for any tenant paid utility. Recipients must use the HUD Utility Schedule Model or determine the allowance based upon the specific utilities used for the project to calculate utility allowances to account for tenant paid utilities. See section below on Maximum Allowable Rents and Utility Allowances.
- Based on changes in area income levels or market conditions, rents, as calculated by HUD annually, may increase or decrease.
- ADFA will use the HUD published rents to establish CDBG-DR rents and will inform CDBG-DR Recipients of the change in the rents.

Tenants must be given at least 30 days written notice before increases are implemented. Any increases are also subject to other provisions of the lease agreements. For example, rents may not increase until the tenant's lease expires.

- CDBG-DR rents may decrease. While project rent levels are not required to decrease below the CDBG-DR rent limits in effect at the time of project commitment, decreasing CDBG-DR rents may reflect a change in market conditions that may force owners to reduce rents in order to maintain tenants.

- HUD may permit adjustments to the rent structure if the financial feasibility of the project is threatened. This is important to lenders providing financing to CDBG-DR assisted projects.

Maximum Allowable CDBG-DR Rents and Utility Allowances

- The CDBG-DR rents are the maximum rent an owner may charge a tenant (including the approved utility allowance) in a CDBG-DR assisted unit. That is, the CDBG-DR rents limits are inclusive of tenant paid utilities and the maximum allowable CDBG-DR rents must be reduced if the tenant pays for utilities.
- Recipients must use the HUD Utility Schedule Model or determine the allowance based upon the specific utilities used for the project to determine utility allowances to be used to determine rents for CDBG-DR assisted rental projects.
- However, project owners may submit a proposed utility allowance to ADFA for review and approval.
- Utility adjustments proposed by owners/developers for specific projects that differ from the HUD Utility Schedule Model's utility allowance must be supported by documentation.
- In rural areas the market rents may be well below the published FMR rents. ADFA encourages owners to charge tenants in CDBG-DR assisted units a rent that is appropriate for the market.

Tenant Recertification

After the initial income certification of a tenant for occupancy, CDBG-DR regulations do not require a recertification of tenant income, be it annual or otherwise. However, if there are other funding sources for the project, the most restrictive source of funding requirements must be utilized for recertification of all CDBG-DR assisted tenants. If other funding sources do not have a recertification requirement, HOME standards will be followed.

Over-Income Tenants at Recertification

Consistent with rules for other funding programs, including the HOME Investment Partnerships Program (HOME) at 24 C.F.R. 92.252(h), if, at the time of tenant recertification, the income of a household occupying a CDBG-DR Assisted Unit exceeds the income level applicable to new tenants for Affordable Units, the Developer may not evict the tenant, and shall instead take the following specific actions to remedy the temporary noncompliance:

- Increase the tenant's rent to the lesser of:
    - 30 percent of adjusted income;
    - the HUD Fair Market Rent applicable to the unit based on unit size and location; or
    - the rent limitations of another leveraged funding source that applies to the Development; and
- If, within the Development, another unit that is not assisted with CDBG-DR funds becomes available, designate the next available comparable unit as a CDBG-DR Assisted Unit at the income level originally applicable to the household until the Unit mix required by the CDBG-DR Multi-Family New Construction Program Agreement is achieved. A Unit shall be deemed "comparable" if it has the same number of bedrooms, the same or similar features, and is similar in size to the original Unit.

Inspections

ADFA has chosen to follow HOME regulations at §92.251 for inspections during the period of affordability.

Frequency

- Inspections must take place during the construction of the Project. These include an initial inspection to determine deficiencies and develop work write-up, ongoing inspections during the work for invoices and progress, and an inspection at completion to determine if all codes and standards are met.
- The first property compliance inspection during the affordability period must occur within 12 months after the Project completion date.
- An on-site inspection will be performed at least once every 3 years thereafter during the period of affordability.
- If there are observed deficiencies for any of the inspectable items in the property standards, a follow-up on-site inspection to verify that deficiencies are corrected must occur within 12 months.
- ADFA will establish a list of non-hazardous deficiencies for which correction can be verified by third party documentation (e.g., paid invoice for work order) rather than re- inspection.
- ADFA will inspect more frequently for properties which have been found to have health and safety deficiencies.
- Life-threatening (health & safety) deficiencies must be corrected immediately if the unit is occupied.

- Annual Certification – The property owner must submit an annual certification to ADFA that each building and all CDBG-DR assisted units in the project are suitable for occupancy.

Sample Size

- For each inspection, at least 20% of the units will be inspected **OR**
- The required sample size for each program funding source will be inspected.

Record Keeping

As for all program activities, CDBG-DR requires documentation for rental projects to show that all program regulations have been met. Because of the long-term monitoring required for rental projects, however, record-keeping responsibilities are slightly more substantial. This section briefly describes the record-keeping responsibilities associated with rental housing for ADFA and Recipients.

Recipient records Recipients have the following responsibilities:

- **Records of its regular inspections of each rental project:** These records should demonstrate that ADFA or the Recipient checked for and enforced compliance with the following CDBG-DR requirements:
    - Property standards: The records should show that a sufficient sample of CDBG-DR assisted units were inspected, as well as exterior and common areas, and that any deficiencies identified were corrected.
    - Rent and occupancy requirements: Inspection records should also show that ADFA or the Recipient reviewed a sample of unit files to verify that CDBG-DR rent and occupancy requirements were met.
    - Affirmative Marketing. In its review of project files, ADFA or the Recipient should ensure the owner has adopted written tenant selection policies.
    - Other items in the written agreement: If the written agreement between ADFA or the Recipient and the property owner contained any other provisions that require monitoring, ADFA or the Recipient's records should reflect that they were monitored.
- **Other project oversight responsibilities:** The Recipient should also conduct additional oversight of rental projects by analyzing the projects for financial stability, management capacity and other long-term viability issues. This type of oversight will help to identify financial or management

issues before they affect the project's ability to remain a viable component of ADFA or the Recipient's affordable housing stock. During the period of affordability, ADFA will examine at least annually the financial condition of CDBG-DR assisted rental projects to determine the continued financial viability of the housing and take actions to correct problems, to the extent feasible.

- **Property owner records.** Owner must keep adequate records and demonstrate compliance with CDBG-DR requirements. The owner should keep both project and tenant records.
- Project records should include documentation to back-up rent and utility allowance calculations. If the project's CDBG-DR assisted units are "floating," the owner should also keep records to show how CDBG-DR occupancy targets were met (for example, rental logs to show that as units were vacated or tenants became over-income, CDBG-DR assisted units were properly replaced).
- Tenant files should include the documentation necessary to demonstrate that each CDBG-DR assisted unit is properly occupied by an income-eligible tenant. Such documentation includes: the tenant's application, initial income verification documents, subsequent income recertification documents, and the tenant's lease.
- General rental housing records must be kept for a minimum of three (3) years after project completion.
- Tenant income, rent, and inspection information must be kept for the most recent three (3) years, until a minimum of three (3) years after the affordability period.

Minimizing Land Acquisition/Relocation

All projects in the Program shall be designed to minimize displacement of persons or entities, and assist any persons or entities displaced, and ensure accessibility needs of displaced persons with disabilities. If acquisition and/or relocation are required as pursuant to 24 C.F.R. part 570.606 (b), ADFA and the Developer shall make every effort to minimize displacement of families according to the state's Residential Anti-displacement and Relocation Assistance Plan. Additionally, compliance with Federal Acquisition and Relocation laws will be required. Projects should be designed with the established community in mind to lessen the displacement of families.

Developers must comply with all applicable federal, state, and local relocation laws. Pursuant to relocation law, a Developer must have a relocation plan prior to proceeding with any phase of a project or other activity that will result in the displacement of persons. To ensure that displaced persons and entities do not suffer a disproportionate impact as a result of projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law.

Where the activities will or may result in displacement, the Developer shall identify the needs of the potentially displaced persons including site visits, interviews, and orientations. The development budget shall include enough funds to pay all costs of relocation benefits and assistance. Any modifications to the foregoing process requirements must be approved in advance by ADFA in writing.

Affirmative Marketing Plan

Developers advertise Projects and units to fill vacant units or to develop a waiting list of interested applicants for the subsidized housing. ADFA applications must include an Affirmative Marketing Plan developed using the Affirmative Fair Housing Marketing Plan (AFHMP) Form HUD-935.2A. Affirmative Marketing involves special outreach and advertising efforts designed to communicate the availability of ADFA-assisted housing to those groups or individuals who might otherwise be unlikely to apply. Those groups are identified through analysis of local housing market area demographics using statistics readily available from the U.S. Census Bureau and determining appropriate advertising and outreach efforts to be followed by Developers to reach out to those least likely to apply for the housing opportunity. Affirmative marketing efforts must begin at least 90 days prior to initial or renewed occupancy for new construction and Substantial Rehabilitation Projects, respectively.

Applications shall also demonstrate that the proposed Projects will affirmatively further fair housing and adequate tenant marketing, which are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, non-minority areas in response to natural hazard related impacts.

Completing Environmental Review

An environmental review must be performed on the Project prior to federal funds and non-federal funds being committed, disbursed, and expended by ADFA and developers. The environmental review shall document compliance with 24 C.F.R. Part 58, NEPA, and all related laws, authorities, and executive orders. For the MNCP, ADFA is the Responsible Entity and must submit complete Environmental Review Records (ERR) to HUD to grant the authority to use funds. A project for rehabilitation that is documented as Categorically Excluded, Subject to Part 58.5 review, has the possibility of converting to Exempt. The conversion to Exempt must be documented, and documentation must be submitted to the ADFA as part of the ERR. Pursuant to 83 FR 5844, ADFA may accept another federal agency's environmental review. ADFA will not reconstruct or rehabilitate housing units that have been determined to have a Finding of Significant Impact (FOSI).

Applicants will be encouraged to ensure that conditional site control exists for a sufficient period to allow the environmental clearance process to be completed before purchase of the property. Applicants selected for funding must submit an Environmental Review Record (ERR) pursuant to 24 C.F.R. Part 58. A successfully completed ERR will then require a 30-day public comment period prior to Release of Funds. Prior to receipt of environmental clearance from ADFA, the applicant may not undertake, or commit any funds to, physical or choice-limiting actions, including property acquisition, demolition, tenant relocation, rehabilitation, conversion, repair, or construction. Applicants and their counsel should be familiar with the full range of CDBG-DR requirements.

No work may start on a proposed project, or proposed site acquisition, if applicable, before both the federal and state environmental review processes are completed, even if that work/acquisition is being done using non-federal funds. There can be no choice-limiting actions on the part of the developer/owner until environmental clearance is received in the form of an Authority to Use Grant Funds (AUGF) or environmental clearance letter issued by ADFA. The concept of prohibiting "choice-limiting" actions is to prevent the Developer from investing in a Project before all necessary environmental clearances are obtained. Market studies, environmental studies, plan development, engineering or design costs, inspections and tests are not considered "choice-limiting" actions. "Choice-limiting actions" are defined as any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives, such as acquisition by the developer/owner (or any subsidiary of the developer), construction, demolition of buildings, or rehabilitation or reconstruction of buildings. Per 24 C.F.R. Part 58.22, failure to comply with the prohibition against committing funds or taking physical action (using either HUD funds or non-HUD funds) before the completion of the environmental review process could result in loss of HUD assistance, cancellation of the Project, reimbursement by the Developer/owner to HUD for the amount expended, or suspension of the disbursement of funds for the affected activity.

To process the environmental review for each project:

1. Developers must submit all Environmental Review Records (ERRs), to ADFA for review at submission of the project application (if available) or following conditional project approval by ADFA. Additional information can be found at HUD guidance on Environmental Reviews.
2. ADFA will complete its Environmental Review and (unless the Project converts to Exempt) ultimately submit a Request for Release of Funds to HUD and receive back an Authority to Use Grant Funds (AUGF).
3. Upon receipt of the AUGF or environmental clearance letter and Notice to Proceed, developer/owner may incur project costs and drawdown funds.

Other Federal Requirements

Other federal requirements that must be followed in implementing rental housing activities.

Conflict of Interest: Pursuant to 24 CFR 570.611, applicants with functions or responsibilities in CDBG activities may not obtain CDBG assisted financial benefits during their tenure or for one year thereafter. Exceptions to this requirement may be granted on a case-by-case basis, provided the applicant meets specific documentation requirements referenced in 24 CFR 570.611 (d). ADFA will disclose a conflict of interest pursuant to 2 CFR 200.113 and 200.318.

Section 3 Economic Opportunities: Compliance requirements of Section 3 of the HUD Act of 1968 (12 U.S.C. 1701u) ("Section 3") are triggered when a project receives in excess of $300,000 of HUD funds for the construction, reconstruction, conversion, or rehabilitation of housing, or other public construction that includes buildings or improvements assisted with CDBG-DR funds. If Section 3 of the HUD Act of 1968 is triggered for the project, i.e the project is considered a Section 3-Covered Project, then all contractors/subcontractors must also comply with Section 3 of the HUD Act of 1968.

Recipients must comply with employment and contracting opportunities pursuant to 24 CFR 570.607(b).

Also, to the greatest extent feasible, contracts for work (all types) to be performed in connection with CDBG-DR funds will be awarded to business concerns that are located in or owned by persons residing in the program service area.

Applicants shall:

- Prepare and utilize a Section 3 Plan for the grantor.
- Designate a Section 3 Coordinator.
- Take affirmative steps to follow the Section 3 Plan and document and upload to the Portal those efforts.
- Include a Section 3 Clause and the Contractor Certification of Efforts to Fully Comply with Employment and Training Provision of Section 3 in any construction project that will receive $300,000 or more in CDBG-DR funding. Notify potential Contractors for Section 3 covered projects of the requirements of Part 75, Subpart C and incorporating the Section 3 clause set forth below in all solicitations and contracts.

Section 3 Clause

"The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 C.F.R. Part 75, which implements Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.

The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.

The contractor acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contraction requirements of 24 C.F.R. 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 C.F.R. Part 75."

The Developer's Project Completion Report shall also include a Section 3 Summary Report on the total number of labor hours worked by all contractors and subcontractors, the total number of labor hours worked by Section 3 workers, and the total number of labor hours worked by Targeted Section 3 workers, as required pursuant to 24 C.F.R. 75.25(a). In the event that the number of Section 3 worker labor hours divided by the total labor hours worked by all workers on a Section 3 project does not meet or exceed HUD's Twenty-five percent (25%) standard, and/or that the number of Section 3 targeted worker labor hours divided by the total labor hours worked by all workers on a Section 3 project does not meet or exceed HUD's Five percent (5%) standard, the developer shall provide additional reporting on the qualitative nature of its activities and those its contractors and subcontractors pursued, as defined at 24 C.F.R. 75.25(b). The standards for hours worked by Section 3 Workers and Targeted Section 3 Workers are subject to change by HUD as published in the Federal Register.

- ADFA will meet with applicants to discuss the Section 3 Program requirements and require applicants to develop a Section 3 plan for employing and/or training persons residing in the Program Area.
- The plan will include:
  - Identification of Program Area,
  - Outreach and marketing avenues,
    - Potential employment opportunities,
    - Possible training opportunities,
    - An estimate of the number of persons reached; and
    - A projection of the number of persons receiving training and employment opportunities.

Minority/Women's Business Enterprise: Under Executive Orders 11625 and 12138, ADFA must prescribe procedures acceptable to HUD for a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, in all contracts (See 24 C.F.R. 200.321).

- ADFA requires that all Recipients commit to support the participation of Arkansas Minority/Women's Business Enterprises (M/WBE) by establishing a goal to procure contracted goods and services from Arkansas M/WBEs. The Minority & Women Business Enterprises Plan is a part of the application form for ADFA CDBG-DR funds.

Lead-Based Paint: All units in a project assisted with CDBG-DR funds must comply with the Lead Safe Housing Rule (LSHR) at 24 C.F.R. Part 35, Subparts A, B, J, K, and R. The lead-based paint regulation at 24 C.F.R. Part 35 consolidates all lead-based paint requirements for HUD-assisted housing.

National Floodplain Elevation Standards: While CDBG-DR regulations allow for construction within flood hazard areas provided it complies with 24 C.F.R. 570.605, section 202 (a) and the Flood Disaster

Protection Act of 1973 (42 U.S.C. 4106) as well as Executive Order 11988 and 24 C.F.R. Part 55, ADFA's goal 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 that requires the 5-step or 8-step decision-making process pursuant to 24 C.F.R. 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 re-evaluation 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.

Broadband Infrastructure: Per 24 C.F.R. 570.202(g) and section III.D.%. of the Universal Notice, any Substantial Rehabilitation or new construction of a building with more than five (5) rental units must include installation of broadband infrastructure, except where the sub-applicant documents that: 1) The location of the new construction or Substantial Rehabilitation makes installation of broadband infrastructure infeasible; 2) The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or 3) The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

Uniform Relocation Assistance and Real Property Acquisition Act (URA): The URA contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project in which HUD financial assistance is provided. The implementation regulations, 49 C.F.R. Part 24, include steps which must be taken with tenant occupants, including those who will not be impacted by the HUD assisted activity. Section 104(d).

Additional requirement: If a Project site is occupied at the time the CDBG-DR application is made, the application must include an exhibit explaining either that no relocation of tenants will result, or that such relocation will be temporary. Applicants must budget and plan if relocation occurs. The budget should include discovering the needs of displaced persons such as site visits, interviews, and orientations as well as housing market conditions, acquisitions costs, relocation payments, and other costs, as applicable. Applicants may request a waiver of this requirement on a case-by-case basis where permanent relocation may be necessary to otherwise meet the program requirements.

Prohibition Against Eminent Domain: Per the Federal Register Notice, no funds allocated to an applicant may be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for public use as defined in III.D.7.g. of the Universal Notice.

Fair Housing and Equal Opportunity

Recipients must comply with the following Federal laws, executive orders and regulations pertaining to fair housing and equal opportunity. They are summarized below.

- **Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.):** States that no person may be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving Federal financial assistance based on race, color or national origin. The regulations implementing the Title VI Civil Rights Act provisions for HUD programs may be found in 24 C.F.R. Part 1.
- **The Fair Housing Act (42 U.S.C. 3601-3620):** Prohibits discrimination in the sale or rental of housing, the financing of housing or the provision of brokerage services against any person based on race, color, religion, sex, national origin, handicap or familial status. Furthermore, section 104(b)(2) of the Act requires that each grantee certify to the secretary of HUD that it is affirmatively furthering fair housing. The certification specifically requires grantees to conduct a fair housing analysis, develop a fair housing plan, take appropriate actions to overcome the effects of any impediments identified and maintain records on the analysis, plan and actions in this regard. Fair Housing Act implementing regulations for HUD programs may be found in 24 C.F.R. Part 100-115.
- **Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259):** Prohibits discrimination against individuals based on race, color, religion, sex or national origin in the sale, rental, leasing or other disposition of residential property, or in the use or occupancy of housing assisted with Federal funds. Equal Opportunity in Housing regulations may be found in 24 C.F.R. Part 107.
- **Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101):** Prohibits age discrimination in programs receiving Federal financial assistance. Age Discrimination Act regulations may be found in 24 C.F.R. Part 146.
- **Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225)**: Provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services and

telecommunications. The Act, also referred to as the ADA, also states that discrimination includes the failure to design and construct facilities (built for first occupancy after January 26, 1993) that are accessible to and usable by persons with disabilities. The ADA also requires the removal of architectural and communication barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.

ADFA has additional expectations and requires Recipients to:

- Adopt any existing Fair Housing Ordinances in their jurisdictions.
- Adopt any existing Affirmative Marketing Plan developed by their jurisdictions.

Labor Requirements

Recipients must comply with certain regulations on wage and labor standards. In the case of Davis-Bacon and the Contract Work Hours and Safety Standards Acts, every contract for the construction of housing that contains 8 or more units assisted with CDBG-DR funds triggers the requirements. If multiple funding sources (i.e. CDBG and HOME) are part of the project, then the stricter program triggers Davis-Bacon.

- **Davis-Bacon and Related Acts (40 USC 276(A)-7):** Ensures that mechanics and laborers employed in construction work under Federally assisted contracts are paid wages and fringe benefits equal to those that prevail in the locality where the work is performed. This act also provides for the withholding of funds to ensure compliance and excludes from the wage requirements apprentices enrolled in bona fide apprenticeship programs.
- **Contract Work Hours and Safety Standards Act, as amended (40 USC 327-333):** Provides that mechanics and laborers employed on Federally assisted construction jobs are paid time and one-half for work in excess of 40 hours per week and provides for the payment of liquidated damages where violations occur. This act also addresses safe and healthy working conditions.
- **Copeland (Anti-Kickback) Act (40 USC 276c):** Governs the deductions from paychecks that are allowable. Makes it a criminal offense to induce anyone employed on a Federally assisted project to relinquish any compensation to which he/she is entitled and requires all contractors to submit weekly payrolls and statements of compliance.
- **Fair Labor Standards Act of 1938, As Amended (29 USC 201, et. seq.):** Establishes the basic minimum wage for all work and requires the payment of overtime at the rate of at least time and one-half. It also requires the payment of wages for the entire time that an employee is required or permitted to work and establishes child labor standards.
- **Contractor Eligibility**: The recipient must verify the contractor is eligible to receive federal funding. Per 2 CFR 2424.300, it is the responsibility of the contractor to verify each subcontractor is eligible to receive federal funds. At a minimum, verification of a contractor's status should be made using SAM.gov.

PROJECT SELECTION AND MANAGEMENT

To be an eligible project for the CDBG-DR Multi-Family New Construction Program (MNCP), the project must be constructed within Benton, Cross, or Pulaski County (excluding the city of Little Rock). Projects will be reviewed for: eligibility, assessment of long-term Project viability, verification of financial feasibility and cost reasonableness, project timeliness and schedule, and Developer capacity. The complete scoring criteria are listed below.

Projects will be evaluated by, but not limited to, the following criteria:

- Confirmation that all parcels containing CDBG-DR-funded units will be outside of the FEMA 100- and 500-year regulatory floodplains.
- Assurance that all units will be connected to municipal utilities, including water, sewer, and broadband. Projects relying on wells and/or septic systems will not be eligible.
- Assurance that all construction will meet applicable state and local building codes.
- The Project must be located within a HUD Identified Most Impacted and Distressed (MID) area.
- Demonstrated experience of the development team.
- Evidence the Project is ready to proceed.
- Documentation of all other funding sources.
- Proof of site control or ownership by the Developer.
- Budgets aligned with the Project scope.
- To qualify for mitigation incentives, documents showing construction mitigation strategies that address hazards identified in the mitigation need assessment.

Developers will submit an application for funding to ADFA through a competitive application cycle. Applications will be submitted through the Program Portal. The competitive application cycle will be announced for the development of new affordable housing and will remain open until all funds have been awarded to eligible projects.

Application Submittals

An application submitted in conjunction with 9% tax credit application round will have a deadline as shown in the Qualified Allocation Plan for that particular funding cycle. An application submitted in conjunction with 4% tax credits/tax exempt bonds may be submitted on a rolling basis. An application utilizing CDBG-DR and any other funding source may be submitted on a rolling basis. All applications submitted will be evaluated and scored, with awards granted based on those scores. In the event there are more funds requested than available, the applications with the highest score will receive an award. The opening of application rounds and any public hearings related to the program will be posted on ADFA's website and other social media platforms.

Application Documentation

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

Subrogation: A certified letter stating the applicant will repay any assistance later received for the same purpose as CDBG-DR funds**.**

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.

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; 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).

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.

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. An ALTA/NSPS survey and topographic survey of the proposed development site must be performed, signed and dated by a person authorized to perform such surveys by the Arkansas State Board of Licensure for Professional Engineers and Professional Surveyors.

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:

- inadequate demand for any unit size proposed, based upon the targeted income group for that unit size,
- a capture rate of more than 20% for any unit,
- the proposed development will detrimentally affect other affordable housing in the area,
- the proposed location is or nearly is saturated, or
- any other negative impact.

Evaluating Applications

Applications submitted for a proposal of CDBG-DR 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 Portal notifies ADFA staff that an application has been submitted. 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 deny or reject the application request for funding. Once the application is underwritten and reviewed by ADFA staff, the 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 the recommendation of approval/denial for 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.

Underwriting and Subsidy Layering

- HUD establishes limits on the amount of CDBG-DR funds that may be invested in affordable housing on a per-unit basis for specific areas.
- Underwriting is required for all projects whether the projects are assisted with other governmental assistance.
- Before committing funds to a project, ADFA evaluates the project in accordance with guidelines that it has adopted for determining a reasonable level of profit or return on owner's or developer's investment in a project and must not invest any more CDBG-DR funds, alone or in combination with other governmental assistance, than are necessary to provide quality affordable housing that is financially viable for a reasonable period of time (at minimum, the period of affordability).
- The financial capacity of the developer as well as their capabilities and experience to undertake the activity proposed are reviewed.
- The proposed project timeline is reviewed to determine reasonability and absorption rates for units.
- ADFA conducts the subsidy layering review of the following project documents:
    - Sources/uses of funds: Recipients are required to provide ADFA the sources/uses of funds statement for the project with supportive documentation that there is a firm commitment to the funds. This statement should reflect the project development budget and should list:
    - All proposed sources (both private and public) of funds and the dollar amounts for each respective source; and
    - All proposed funds (including acquisition costs, rehabilitation/or construction costs, financing costs and professional fees) associated with the project.
    - *Project development budget*: Recipients must provide ADFA with the project development budget so that ADFA can determine whether the development costs are necessary and reasonable.
    - The budget should include all costs associated with the development of the project, regardless of the funding sources.
    - "Reasonableness" of costs will be based on all of the following factors:
        - Costs of comparable projects in the same geographical area;

    - Qualifications of the cost estimators that developed the various budget line items; and
    - Comparable costs published by recognized industry cost index services.

- *Proforma*: ADFA will determine the reasonableness of the rate of return on equity investment by looking at the Recipient's proforma (project income and expense statement).
    - The proforma should include achievable rent levels, market vacancies and operating expenses.
    - It should also specify the consequences of tax benefits, if any, and any other assumptions used in calculating the project cash flow.
    - The proforma should represent, at a minimum, the term of the CDBG-DR affordability requirements, or longer if other funding sources require longer affordability terms.
    - The proposed development must have a minimum Debt Coverage Ratio (DCR) of 1.15 for the initial fifteen (15) years of the affordability period.

As mentioned above, ADFA conducts its cost allocation and subsidy review upfront to determine the appropriate CDBG-DR subsidy or other source of funds to the project; however, cost allocation and subsidy layering are impacted by any changes in the proportion of CDBG-DR assisted unit to total units in the project, development cost or financing sources. This means all CDBG-DR Recipients are obligated to contact ADFA as soon as there are any changes in project size/scope, cost, or financing sources at any point during the development of the project

Project Selection

Scoring

ADFA will score individual applications consistent with the funding cycle. ADFA will then use the scores, in part, to rank projects, but reserves the right to allocate funds to projects that meet the State's ultimate program objectives. In the event that demand exceeds the amount of funds available, those projects with the greatest need and effectiveness will be recommended for funding.

The following threshold criteria must be met as part of the overall evaluation of a project:

- Confirmation that all new housing units will be built outside of the 100- and 500-year regulatory floodplains.

- Assurance that all units will be connected to municipal utilities, including water, sewer, and broadband. Projects relying on wells and/or septic systems will not be eligible.
- Assurance that all construction will meet applicable state and local building codes.
- The project must be located within a HUD Identified Most Impacted and Distressed (MID) area.
- Demonstrated experience of the development team.
- Evidence that the project is ready to proceed.
- Documentation of all other funding sources.
- Proof of site control or ownership by the developer.
- Budgets aligned with the project scope.

To qualify for mitigation incentives, documents showing construction mitigation strategies that address hazards identified in the mitigation needs assessment.

Applications will be scored based on the following criteria with a minimum threshold score of 37.

Projects providing a greater ratio of affordable rental units to total units (i.e. a project where more than 51% of the total units are affordable)	**20 points Maximum**
51%-60% greater ratio of affordable rental units	**5**
61% -70% greater ratio of affordable rental units	**10**
71% - 80% greater ratio of affordable rental units	**15**
>81% greater ratio of affordable rental units	**20**
Resilient Sustainable Construction Measures Mitigation measures that will be implemented into the design and construction of the project. These measures should address the risks included in the Mitigation Needs Assessment in the Action Plan, as amended.	**3 points**
Site Selection	**27 points Maximum**
The site location will be evaluated for accessibility and proximity to services appropriate to the type of housing proposed and residential character of the surrounding area. The Application shall identify the name, driving directions, and distance from the development to the site amenities listed below.	**3 points each**

The following site amenities located within three (3) miles of the site for urban sites and five (5) miles for rural sites. Go to the following website to determine rural eligibility: http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do. Site amenities must be appropriate for the population served. Distances will be measured by the shortest available driving distance from the development's address to the applicable address of the site amenity as calculated by Google Maps. Points will only be given for the site amenities listed below: • Grocery store or supermarket; • Pharmacy or drug store; • School, daycare or education center (cannot be awarded if 100% elderly only property); • Public Park or Green Space (does not include school grounds); • Book lending public library; • Daily operated senior center or facility offering daily services for seniors (can be awarded only if 100% elderly property); • Hospital, health clinic, or medical doctor's office (medical doctor's office must have a general practitioner.); • Public transportation; and • Access to Pedestrian Trails Site amenities presented for scoring shall be referenced in the Market Study map. All site amenities presented for scoring must list a contact person and a verifiable phone number in the Application.	
At least four residential units are within 0.5 miles of the site boundary and occupied as of the application deadline. Points will be deducted for site selection. There is not a limit on the total number of points that can be deducted.	**3**
Deduction if incompatible uses are adjacent to the site (adjacent is defined as nearby, but not necessarily touching).	**-3**
Deduction if incompatible uses are within 0.3 miles (approximately 500 yards) of the site. Distances are measured by lineal distance or "as the crow flies". The following list of	**-2**

incompatible uses is not exclusive: • Junk Yard, Public Dump, or Solid Waste Disposal; • Pig Farm or Chicken Farm; • Prison or Jail; and • Airport Scoring considerations will also include, among other things, site suitability regarding topography (grade, low-lying area, flood plain, or wetlands).	
Maximum possible score	**50**

Project Approval and Commitment of Funds

Project approvals may come in the form of firm approval and commitment via a Notice to Proceed. A firm commitment is an approval of a fully entitled Project with all construction and permanent financing committed, a completed environmental review record, and all conditions from ADFA's application review, if applicable. Any additional closing conditions or outstanding items, as applicable, will be included as special conditions for the Notice to Proceed (NTP). Specific performance goals and performance penalties for the Developer will be outlined in the Notice to Proceed on a Project-by-Project basis.

If at any time those identified and secured funding sources change, the Developer/owner must notify ADFA within 10 days of the Applicant's knowledge that funding sources are changing. The terms and conditions of all financing shall be subject to ADFA's review and approval. ADFA reserves the right to re-review a Project application at any time in the event there is a change in the amount of, or the material terms and conditions of, any third-party financing for the Project. Applicant shall expect any such re-review and approval to be completed within 30 business days upon notification of funding change.

ADFA shall execute the conditional approval and commitment or Notice to Proceed, as applicable.

Appeals

In cases where projects are not approved to receive funding, applicants have the right to appeal the determination. The applicant must submit their appeal in written form, within 60 days from the award announcement date, via mail:

1 Commerce Way, Suite 602, Little Rock, AR 72202

ADFA shall review the appeal and then discuss the merits of the appeal with the appropriate staff before making an independent decision concerning the appeal. The decision of ADFA shall be final.

Written Agreements Between ADFA and Subrecipients for CDBG-DR Multi-Family New Construction Program Funds

Written agreements are important legal documents that help ADFA and Subrecipients protect their investment and enforce CDBG-DR and other Program rules. A written agreement must be entered into before any CDBG-DR funds are committed or disbursed by ADFA to any entity. ADFA will enter into an agreement with all Subrecipients of its MNCP before committing or disbursing funds.

Contents of the Written Agreement

A written agreement should serve as a concise statement of the relationship between the Subrecipient and a funded entity/beneficiary of CDBG-DR funds. It should also clearly state the conditions under which the CDBG-DR funds are provided.

Required Provisions

- Use of funds: Description of the amount and use of CDBG-DR funds, including the type and number of housing units, tasks to be performed, schedule for completing tasks (including a schedule of committing funds to projects that meet the deadlines established by this part), a budget, any requirement of matching contributions, and the period of the agreement in sufficient detail to effectively monitor performance. (For developers, the duration of the agreement will be in a separate clause.) These items must be in sufficient detail to provide a sound basis for ADFA to effectively monitor performance under the agreement.
- Affordability: Requires housing assisted with CDBG-DR funds to meet the affordability requirements, as applicable, and require repayment of the funds to ADFA, if the housing does not meet the affordability requirements for the specified time period. The affordability requirements must be imposed by deed restrictions, covenants running with the land, use restrictions, or other mechanisms approved by HUD.
- Reversion of assets/program income requirements: States whether program income unexpended funds or other assets will be returned to the Recipient.
- Uniform administrative requirements: minimum required provisions must be in compliance with applicable Federal administrative requirements included in the various types of requirements (applicable provisions of 24 C.F.R. written agreements. Part 85 for governmental entities or applicable provisions of 24 C.F.R. Part 84 for non-profit entities).

- Other Federal requirements: Requirements regarding non-discrimination and equal opportunity; affirmative marketing and minority outreach; environmental review; displacement, relocation and acquisition; labor standards; lead-based paint; and conflict of interest.
- Affirmative marketing: Requirements for affirmative marketing in projects of five or more CDBG-DR assisted units.
- Requests for disbursements of funds: Requirement that CDBG-DR funds may not be requested until funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. Program Income must be returned to ADFA before any new funding requests will be provided.
- Records and reports: Enumeration of records that must be maintained, and information and reports that must be submitted.
- Enforcement of the agreement: This provision is in the agreement with all parties, including owners, and is the means of enforcing the provisions of the written agreement.
- Prohibited Fees: Prohibits the recipient from charging servicing, origination, or other fees for the costs of administering the CDBG-DR program.
- Template agreements. Recipients must use ADFA template agreements and other legal documents as provided by ADFA's Program staff.
- Duration of agreements. The agreement must specify the duration of the agreement. If the housing provided under the agreement is rental housing, the agreement must be in effect through the affordability period required by the ADFA.
- Amending the documents. Written agreements may be amended by mutual agreement of the parties when regulations and requirements change, or when adjustments to funding levels or other conditions related to a specific project are needed.
- DOB: "Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2, 287, 1001 and 31 U.S.C. 3729."

Liquidated damages: A clause must be included in all construction contracts. They should be reasonable and tied to probable damages. These liquidated damages shall be deducted from any payments due or to become due to the Developer, or, if such payments are insufficient, shall be immediately due and payable by the Developer to the Owner upon demand. Nothing in this provision shall be construed to limit any other rights or remedies available to the Owner under this Agreement, at law, or in equity.

Subrogation Agreement

A subrogation agreement to repay any assistance later received for the same purpose as the CDBG-DR funds.

Procurement

Procurement for CDBG programs is governed by those specific requirements set forth under 24 C.F.R. 570.489(g), 2 C.F.R. 200, and Arkansas Procurement Laws and Rules, and all applicable state laws and regulations. These rules and regulations are applicable to all applicants.

Procurements of Developers and Contractors must adhere to the procurement requirements set forth in state procurement policies and procedures. In working with other state or federal agencies, or within local procurement requirements, the strictest procurement policy will prevail. Construction advertisement and procurement will include notifying minority and women-owned businesses of contracting opportunities available for federally assisted Projects.

Disbursement of Funds

Disbursement of CDBG-DR MNCP funds will occur only when all of the following conditions have been met:

- Required environmental review process has been satisfactorily completed.
- Project closing documents are finalized.

The written CDBG-DR Multi-Family New Construction Program Agreement will reflect the following:

- A project completion date acceptable to ADFA and the Recipient of the MNCP funds;
- Payment of the MNCP funds (e.g., how the funds will be disbursed: at the beginning of the project or on a prorata basis, or as final funds are disbursed); and
- Provisions for the timing of MNCP fund disbursements.

Administrative requirements prior to disbursement of funds include:

- Complete DRGR setup information has been submitted to ADFA staff, and ADFA staff have completed DRGR activity setup. Refer to CDBG-DR Manual for more information.

- A preconstruction conference is held.
- The preconstruction conference must be conducted with the development team and an ADFA representative.
- ADFA issues a Notice to Proceed. To ensure that all MNCP Program requirements have been met, no work shall begin until all documentation has been executed, the preconstruction conference has been held, and a Notice to Proceed is issued by ADFA.
- Payment details, including timeline for reimbursement, will be outlined in the project closing documents, specifically the CDBG-DR MNCP Agreement.

Disbursement of CDBG-DR MNCP Program funds during construction will occur only when the following conditions have been satisfied:

- Draws will not be processed if the Owner is in default of program regulations;
- The Project shall not have been materially damaged by fire or other casualty;
- 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
- 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:

    - Current Contractor Tracking Form and lien waivers must be concurrent with the requested disbursement.
    - 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.
    - Appropriate certifications of compliance in all respects with labor standards and prevailing wage requirements applicable under federal law.
    - 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.

- ADFA shall have determined that all CDBG-DR requirements pertaining to the disbursement of funds have been met, including but not limited to monitoring of Davis-Bacon compliance.
- ADFA shall have received a current inspection report from an ADFA inspector that verifies satisfactory completion of work to CDBG-DR standards.
- 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.

Retainage of 10% of all expenses will be withheld during construction.

General ADFA requirements regarding reimbursement of costs include:

- Cost incurred prior to MNCP fund allocation shall not be reimbursed (except in the case of an eligible soft cost or an interim construction loan approved by ADFA).
- Retainage will be released thirty (30) days after the final inspection is approved and upon ADFA's receipt of pay request and all completion documentation.
- Completion documentation required for release of retainage on rental activities include:
    - Final completed Project Breakdown Pay Estimate Itemization
    - Disbursement Certification Form (ADFA Form 2012)
    - Owners Completion Certificate and Authorization of Payment to Contractors –(ADFA 10000)
    - Project Completion Form
    - Final Inspection Report by ADFA Inspector
    - Plumbing Certification
    - HVAC Certification
    - Electrical Certification
    - Certificate of occupancy(s) (for all buildings comprising the property)
    - Certificate and Release of Liens (ADFA Form)
    - Certification of Final Inspection (ADFA Form)
    - Placed in Service Form (ADFA Form)
    - Section 3 Compliance Report and Documentation

- Advertisement/Flyers/and any additional efforts to hire low and very low-income county residents
- Names, address, telephone number, and type of work for all subcontractors
- Release of Liens by Contractor & Subcontractor(s)
- Cost Certification
- Warranty Information for all Products
- Copy of Tenant Selection Criteria
- Affirmative Fair Housing Marketing Plan Documentation
- Proof of advertisement, flyers, proof of community contact letters being mailed photo of project sign, waitlist, and any other lease up marketing efforts
- Proof of current Hazard/Liability Insurance naming ADFA as additional insured
- Management agreement between owner and agent
- Completion of project information in DRGR
- Any additional information and/or documentation which ADFA staff may deem necessary and appropriate to ensure compliance

If any CDBG-DR MNCP funded project has an available balance after development completion release of retainage, ADFA will de-obligate those funds and reallocate such balance of MNCP funds to other eligible activities in accordance with ADFA's most recently approved Action Plan or Action Plan Amendment.

Recapture of Funds

A Developer may be required to repay all or a portion of the funds received. The reasons for recapture include, but are not limited to the following:

- A Developer does not comply with the terms of the standard agreement.
- A Developer withdraws from the Program prior to completion of the Project and fails to meet a national objective.
- A Developer does not meet the affordability requirement.
- A Developer is found to have used program funds for an ineligible activity or cost;

- A Developer does not report the receipt of additional insurance, SBA, FEMA, non-profit assistance and/or any other Duplication of Benefits received after award and/or

- Funds remain after the Project is completed, the expenditure deadline has passed, or the CDBG-DR Multi-Family New Construction Program Agreement has expired.

The method of recapturing funds and the timeframe for doing so are determined on an individual project basis. However, the recapture method and timeframe will be consistent with 2 C.F.R. part 200 or other applicable cost principles. Complete recapture provisions will be included in the CDBG-DR Multi-Family New Construction Program Agreement with the developer.

PROJECT MANAGEMENT

Multi-Family New Construction Program projects funded under this CDBG-DR grant will adhere to standard requirements set by ADFA to ensure compliance, as well as specific requirements set by the governing federal income limits. ADFA will provide technical assistance to Developers to ensure compliance with CDBG-DR requirements and consistency with the Multi-Family New Construction Program Policies and Procedures Manual. In addition, regular monitoring of the developer and specific projects will be conducted to test compliance and ensure timely Project completion.

- The developer shall be responsible for all management functions of the multi-family housing development including construction, maintenance, selection of the tenants, annual recertification of household income and size, and managing the units in accordance with program requirements.
- All housing units will be first marketed to residents impacted by 2023 and 2024 severe storms before being made available to other eligible members of the public.
- The developer is responsible for all repair and maintenance functions of multi-family housing development, including ordinary maintenance and replacement of capital items. The Developer shall ensure maintenance of residential units, commercial space, and common areas in accordance with local health, building, and housing codes, and the management plan.
- The developer shall ensure that the development is managed by an entity actively in the business of managing affordable housing.
- The developer shall develop a management plan prior to the start of construction. Any change to the plan shall be subject to the approval of the grantor. The plan shall be consistent with program requirements and should include the following:

    - The role and responsibility of the Developer and its delegation of authority,

    - Personnel policy and staffing arrangements,

    - Plans and procedures for affirmatively marketing all housing units in a matter that ensures equal access to all persons in any category protected by federal, state, or local laws governing discrimination, and without regard to any arbitrary factor, and achieving early and continued occupancy,

- Procedures for determining tenant eligibility and selecting tenants as well as notifying applicants of eligibility and availability of an assisted unit and for certifying and annually recertifying Household income and size,
- Procedures for notifying ineligible applicants of the reason for ineligibility,
- Procedures for maintaining a waiting list of eligible applicants,
- Plans for carrying out an effective maintenance and repair program,
- Rent collection policies and procedures,
- A program for maintaining adequate accounting records and handling necessary forms and vouchers,
- Plans for enhancing tenant-management relations,
- The management agreement, if any,
- Provisions for periodic update of the management plan,
- Appeal and grievance procedures,
- Plans for collections for tenant-caused damages, processing evictions and terminations; and a final supportive services plan for Projects serving Special Needs Populations, including Supportive Housing and/or providing Supportive Services to the general tenant population.

Records that Must be Maintained

This section outlines the records that must be maintained by CDBG-DR Program Recipients by category. Record-keeping requirements vary depending on the type of CDBG-DR activity being undertaken, as well as the type of CDBG-DR Program Recipient undertaking the CDBG-DR project.

Program Records

The following program records must be maintained:

- Written agreement with ADFA and documentation of compliance with the written agreement,
- A copy of the application originally submitted to ADFA,
- Forms of assistance used, and
- Rental Projects must provide evidence of Compliance with requirement that 90 percent of assisted families have incomes at or below 60 percent of median income at initial occupancy.

Project Records

Each CDBG-DR Program Recipient is responsible for maintaining records that are project specific. The project records that must be maintained include:

- Description of each project:
    - Location (address and/or legal property description) (with a map),
    - Form of assistance, and
    - Number and identification of units or tenants associated with CDBG-DR.
- Source and application of funds to include eligibility and permissibility of projects costs,
- Compliance with underwriting evaluation, maximum per-unit subsidy limits and subsidy layering guidelines,
- Compliance with property standards and lead-based paint requirements upon completion and for the duration of the affordability period,
- Compliance with income-eligibility requirements,
- Compliance with income targeting, affordability, lease requirements and financial conditions,
- If multi-family refinancing is provided, compliance with established guidelines and/or requirements,
- Results of any site and neighborhood standards review conducted, and
- If pre-award costs, compliance with applicable requirements.

Financial Records

The following financial records must be maintained:

- Source and application of funds,
- Treasury and local federally funded accounts,
- Source and application of Program Income, repayments and recaptured funds, and
- Budget control measures, including periodic account reconciliations.

Program Administration Records

These program administration records must be maintained:

- Compliance with written agreements,
- Copies of written policies, procedures, and systems, including risk assessments and a system for monitoring entities,
- Compliance with applicable uniform administrative requirements, and
- Inspections, monitoring reviews and audits, and resolution of any findings or concerns.

Documentation Records

Records documenting compliance with the following additional Federal requirements must also be maintained:

- Equal opportunity and fair housing,
- Affirmative marketing and minority/women's business outreach,
- Environmental review,
- Acquisition, relocation, displacement and replacement of housing,
- Labor standards,
- Lead-based paint,
- Conflict-of-interest, and
- Debarment and suspension.

Record Retention

The record retention period is three (3) years after closeout of ADFA's grant with HUD. General rental housing records must be kept for three (3) years after project completion. More specifically:

- Tenant income, rent, and inspection information must be kept for the most recent three years, until three years after the affordability period ends.
- Generally, all written agreements must be maintained for three years when the agreement ends.
- Displacement and acquisition records must be kept for three years after final payment to displaces.

Access to Records

- ADFA and its grantees must provide citizens and other interested parties with reasonable access to records. Access must be consistent with applicable state and local laws regarding privacy and obligations of confidentiality.

- HUD and the Comptroller General of the United States, or any of their representatives, have the right to access any records of PJs and Recipients for auditing, excerpt, or transcript purposes.

Reports Required by ADFA

ADFA requires that developers complete Semi-annual Status Reports as well as Project Setup and Completion Reports for all projects.

Project Setup and Completion Reports. Upon project completion, all CDBG-DR Program Recipients are required to submit a Project Setup and Completion Form to ADFA with request for retainage payment. If the rental unit is vacant at the time of retainage request, the program

Recipient must resubmit completion data within 120 days with the household characteristics once the unit has been leased.

- The forms used differ by activity and are available on ADFA's website.
- ADFA Program Staff will report the data provided by all Recipients in Quarterly Performance Reports in the DRGR system and report completed projects to HUD.

Monitoring and Compliance

HUD describes monitoring as an integral management control standard and requires any entity receiving HUD funding to monitor and evaluate program performance and compliance, see CDBG Regulation 24 C.F.R. 570.501(b) and Office of Management and Budget (OMB) Uniform guidance at 2 C.F.R. 200 effective July 1, 2015. Therefore, ADFA monitors all activities. ADFA is required to ensure that its developers comply with all regulations governing administrative, financial, and programmatic operations, and that they achieve performance objectives on time and within budget. Monitoring enables ADFA to verify compliance with both regulatory and performance requirements.

In the event a developer disagrees with a finding and/or any accompanying corrective actions or sanction(s) that are associated with such finding, the Developer shall follow ADFA's appeals process.

After a qualified development has been placed in service, ADFA or its representative will initiate compliance monitoring reviews. ADFA's staff will audit each development within 180 days following the first taxable credit year and once every three years throughout the compliance period.

Physical Monitoring

Physical inspections should include the inspection of the exteriors of all buildings and common areas and the inspection of the interior of income restricted units to ensure compliance with NSPIRE or current physical inspection standards. ADFA or its representative will conduct on-site inspections of all buildings in the Project and will randomly select at minimum 20% of CDBG-DR units for inspection.

Program Monitoring

File reviews will be conducted via a desk audit through the Programs Portal. The grantor will correspond with the management staff and review performance under the contract for the following topics:

- Initial Affordable Rents and subsequent rents during the period of affordability,
- Initial and annual certification of tenant income LMI benefit (minimum 5 or 20% Affordable Units),
- Affirmative Marketing requirements, and

- Fair Housing requirements.

Financial Monitoring

ADFA shall annually review the development's financial statements to ensure the development continues to be operated in a fiscally responsible manner, addressing all debt service obligations and adequately funding Project reserve accounts. Bank statements of operating and replacement reserves will be uploaded to the Programs Portal. Additionally, third party audits are required annually.

Record Retention

All records and books relating to the initial development phase of the Project (application through project completion) shall be retained for a minimum period of three (3) years after ADFA notifies the Developer that the grant agreement between HUD and the State of Arkansas has been closed. Subsequent to closeout of the grant agreement between HUD and the State of Arkansas, all records and books relating to the operational phase of the Development shall be retained for the most recent three (3) year period, until three years after the affordability period terminates. All records must be maintained in such a manner as to ensure that the records are reasonably protected from destruction or tampering. All records shall be subject to inspection and audit by ADFA, HUD, or its representative.

Grant Closeout

The closeout of a grant is a process through which HUD determines that all applicable administrative and program requirements of the grant were completed. In general, a grant is ready for closeout when the following conditions are met:

- All eligible activities were completed and met a national objective.
- All grant funds were expended in full or all remaining funds are planned to be returned to HUD.
- All reporting requirements were completed and submitted (except for the final report that is submitted during the closeout process, if applicable).
- Any special conditions of the grant were met.
- All audit and monitoring issues affecting the grant were resolved.

Developers are required to retain all books and records pertaining to the CDBG-DR Projects for at least three (3) years after ADFA notifies the developer that the grant agreement between HUD and the State of Arkansas has been closed.

Projected Expenditures and Outcomes

In accordance with III.A.2.c of the Universal Notice, expenditure projections are based on each quarter's expected performance – beginning with the first quarter funds are available to the grantee and continuing each quarter until all funds are expended. ADFA will compare the actual expenditures against the projected expenditures to ensure timeliness of project completion. Any discrepancy will be evaluated on a quarterly basis to determine if there is a potentially negative impact that could cause the project to not be completed withing the period of performance. If any discrepancy is deemed reasonable, ADFA will continue to monitor the expenditure rate. The projected expenditures are on ADFA's website and can be found at the following link:

Casey Kleinhenz
3644 W Weir Rd
Fayetteville, AR 72704

ADFA
1 Commerce Way, Suite 602
Little Rock, AR 72202
ADFA.CDBGDR@arkansas.gov

August 5, 2026

Re: **ARKANSAS CDBG-DR 2025 MULTI-FAMILY NEW CONSTRUCTION PROGRAM**

Dear ADFA Staff,

My primary request is that you please consider rehab projects for the CDBG-DR funding. I don't think there will be burdensome duplication of benefits documentation. This is an excellent opportunity for affordable projects that need rehab, but might not align with QAP priorities.

A couple questions/comments on the CDBG-DR Program:

Pg 7-8
Will the unit funding limits update to align with the HOME and HTF limits approved in the June ADFA Board Meeting?

Pg 18
Confirming that projects may NOT use PHA utility schedules. Must use a HUSM.

Pg 36
It doesn't feel like the scoring criteria are going to achieve much separation between projects. That may be fine because they are still competing for LIHTC (probably), but you might be making a selection from equally scored projects

Pg 42
During construction, will disbursement be 1/4ly or could it be requested monthly? CDBG-DR may be a larger % of sources than HUD & NHTF typically are, so requesting more frequently could save a lot of interest expense.

Thanks for reviewing my comments,

- Casey Kleinhenz

TAB 6

STAFF HOUSING REVIEW COMMITTEE
ACTION MEMORANDUM

Board HRC Meeting: August 20, 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.**

ACTION REQUESTED

- **Tentative Approval of ADFA's Homebuyer Assistance Program (HAP) Manual**

BACKGROUND INFORMATION

Background Information:

GrantWorks, along with ADFA, have drafted the CDBG-DR Homebuyer Assistance Program Manual. The manual was approved at Staff HRC on August 11, 2026.

While the HAP manual is still in a developmental stage—and has not been put out for public comment yet—ADFA is seeking board approval in order to continue to focus on its progress toward finalization.

FINAL RECOMMENDATION OF STAFF HOUSING REVIEW COMMITTEE

Recommended for approval.

Homebuyer’s Assistance Program (HAP)
Executive Summary

The ADFA Homebuyer’s Assistance Program (HAP) is designed to expand access to safe, resilient, and affordable homeownership opportunities in Arkansas communities affected by the 2023 and 2024 severe storms. The State of Arkansas was awarded $59,048,000.00 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funding following the 2023 Severe Storms and Tornadoes (DR-4698) and 2024 Severe Storms, Straight-line Winds, Tornadoes, and Flooding (DR-4788) to assist with long-term recovery efforts.

These funds are administered by the Arkansas Development Finance Authority through the Homebuyer’s Assistance Program to support the resilient housing needs of impacted communities. The program combines new single-family housing development with targeted homebuyer assistance so eligible households can purchase newly constructed homes that meet program, underwriting, property, environmental, and federal compliance requirements.

The program’s primary goal is to reduce barriers to homeownership for low- to moderate-income households while also increasing the supply and quality of resilient housing in disaster-impacted areas. Assistance may be used for down payment support, closing costs, principal reduction, and eligible mitigation-related improvements. Housing units must first be marketed to residents impacted by the 2023 and 2024 storms before being made available to other eligible members of the public.

Program Administration and Targeting

The program is administered by the Arkansas Development Finance Authority in partnership with GrantWorks, approved lenders, builders, developers, and other implementation partners. It is funded through Community Development Block Grant–Disaster Recovery resources and must satisfy applicable HUD CDBG-DR requirements, including national objective compliance, environmental review, fair housing, accessibility, procurement, financial management, reporting, monitoring, and record retention.

Program resources are targeted to households and properties in the identified most impacted and distressed areas, including Benton County, Cross County, and Pulaski County outside the City of Little Rock. The program emphasizes low- and moderate-income benefit, with at least 70% of CDBG-DR funds expected to benefit LMI households, while also allowing limited urgent-need assistance consistent with program rules.

Homebuyer Eligibility and Assistance Structure

Eligible buyers must meet household income, citizenship or residency documentation, mortgage readiness, credit, debt-to-income, and homebuyer counseling requirements. The homebuyer must have a 640+ credit score and be able to secure a mortgage from a participating lender. The program prioritizes first-time homebuyers, including households that have not owned a principal residence within the prior three years and individuals replacing homes lost during the 2023 or 2024 storms. Buyers must complete required housing counseling and obtain eligible fixed-rate mortgage financing through approved loan products such as FHA, VA, USDA, or conventional financing.

Assistance is structured as a 0% interest forgivable loan secured by a lien on the assisted property. The compliance period is five years, during which the home must remain the applicant's principal residence. The loan is forgiven at 20% for each full year of compliance. If the property is sold, rented, transferred, or no longer used as the principal residence during the compliance period, ADFA may recapture the remaining prorated assistance amount according to program terms.

Property and Construction Requirements

Eligible properties must be newly constructed, serve as the buyer's principal residence, and be located within the program's eligible geographic area. Properties must comply with appraisal, sales price, property type, accessibility, environmental, insurance, and floodplain restrictions. The program excludes properties in 100-year and 500-year floodplains and requires consistency with local building codes, municipal utility access, and applicable housing quality standards.

The program also encourages resilient construction and mitigation strategies that address risks identified in the mitigation needs assessment. Examples include reinforced roofing, impact-resistant shingles, wind-rated windows and doors, anchoring and strapping systems, enhanced framing, and mold- or water-resistant materials. These measures are intended to improve long-term durability, reduce future disaster losses, and support safer housing outcomes for participating households.

Compliance, Risk Controls, and Implementation Priorities

ADFA must ensure that all program activities comply with CDBG-DR requirements and related federal rules. This includes environmental review under HUD requirements, procurement documentation, financial administration, reporting, fair housing and civil rights obligations, Limited English Proficiency access, accessibility accommodations, complaints and appeals processes, fraud prevention, monitoring, program closeout, and record retention. The program also requires a duplication of benefits review to ensure applicants do not receive assistance for the same purpose from multiple sources.

Some policy areas require final confirmation or completion before implementation, including detailed application procedures, denial and withdrawal processes, liquid asset limits, maximum assistance caps, property selection timelines, minimum property standards, audit requirements, conflicts of interest policy, monitoring procedures, and certain program-specific contact information. Resolving these items will help ensure the guidelines are operationally complete, internally consistent, and ready for use by staff, partners, applicants, lenders, builders, and developers.

Overall, the program provides a framework for pairing new affordable housing production with homebuyer assistance in disaster-impacted communities. If implemented consistently, it can support recovery from the 2023 and 2024 storms by improving housing availability, reducing purchase barriers, promoting resilient construction, and ensuring that federal recovery funds are managed in a compliant, transparent, and equitable manner.

Implementation & Partners

ADFA will partner with local lenders and developers to implement the Homebuyer's Assistance Program. Applicants will work with lenders to get pre-approved for a mortgage and select a newly constructed home or work with a builder to identify an eligible property where a new home can be constructed. ADFA will provide the funding for downpayment assistance, closing costs, and potentially principal reduction up to the lesser of 20% of the purchase amount or $50,000. The assistance will be in the form of a forgivable loan, and applicants are required to maintain compliance with program standards for five (5) years in order to receive loan forgiveness.

The program will be overseen by ADFA staff and administered by GrantWorks, the contracted consulting firm working ADFA staff to develop the program. GrantWorks has assisted ADFA with program design and developing program policies. Once the program is approved by the Board, GrantWorks will work with ADFA to perform applicant intake, eligibility determination, duplication of benefits assessment, and all compliance reviews and monitoring.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

HOMEBUYER'S ASSISTANCE PROGRAM (HAP)

Program Manual For Disaster Recovery Efforts from the 2023 and 2024 Disaster Events (DR-4698 and DR-4788)

ARKANSAS DEVELOPMENT FINANCE AUTHORITY (ADFA)
HOMEBUYER'S ASSISTANCE PROGRAM (HAP)

Introduction and Program Summary:

The State of Arkansas received a 2025 Community Development Block Grant – Disaster Recovery (CDBG-DR) allocation of $59,048,000 from the U.S. Department of Housing and Urban Development. Of this grant, $20 million is dedicated for the ***Homebuyer's Assistance Program (HAP or Program)*** for recovery efforts for the most impacted and distressed (MID) counties of Benton, Cross and Pulaski (excluding the City of Little Rock) from the devastation caused by the 2023 and 2024 disaster events. Over 3000 structures were damaged or destroyed and many families were impacted by the severe storms, tornados, straight-line winds and flooding. The intent of the program is to assist low to moderate income (LMI) families out of their devastation, rebuilding their lives and empowering them to step confidently into the future for many generations to come.

The ***Homebuyer's Assistance Program*** will provide funds directly for LMI households to facilitate the purchase and/or construction of new resilient, affordable housing. Communities still face significant needs for restoring and improving the resilience of the housing stock in the disaster-impacted areas. The homes will be prioritized to low-to moderate-income (LMI) households who are previous homeowners in the impacted counties, as well as households who want to transition from renting to home ownership. The program aims to fund the purchase and/or construction of single-family houses on vacant lots within existing neighborhoods or in newly developed areas. Eligible LMI homebuyers can receive assistance to purchase the home such as down-payment, closing costs, and principal reduction as a benefit to the buyer.

The Arkansas Development Finance Authority is committed to building resilient and equitable neighborhoods through our recovery programs. Our recovery programs seek to build safe, resilient, and affordable homes across the impacted counties, in communities where people can thrive. This means investing in the new construction of homes in a manner safe from future flooding and disaster events – as well as enhancing community amenities, economic initiatives, and resilient activities. We will use the most recent data available to design and evaluate the success of our programs, and will be transparent about how the recovery is unfolding. Recovery presents a historic opportunity to build communities that are stronger than ever before.

Version History and Policy Revisions

This Program Manual contains the policies related to the ***ADFA Homebuyer's Assistance Program (HAP or Program)*** which consists of financial assistance activities to primarily provide assistance for low-moderate income households impacted by the 2023 and 2024 storms. HUD requires that each CDBG-DR grantee adopt and follow written policies and procedures throughout the life of their programs. Detailed Standard Operating Procedures (SOPs) that provide detailed descriptions of how the policies will be implemented will also be developed to support this Program Manual.

As the Program evolves, the applicable policies and procedures may be revised. Each revision will be clearly outlined within this manual, including the substance of the revision and the date for which the revision occurred (as described in the table below). The updated Policy Manual will then replace the existing manual on the ADFA website.

ADFA will be responsible for developing and approving policy and procedural revisions.

Version Number	Adoption Date	Section #	Section Title	Summary of Changes
1.0				Original Version

TABLE OF CONTENTS:

Chapter 1: Introduction and Purpose

1.1 Overview

The ***Homebuyer's Assistance Program*** provides direct funding to low- and moderate-income (LMI) households to support the purchase or construction of resilient, affordable homes in disaster-impacted areas. Assistance prioritizes former homeowners and first-time homebuyers in affected counties, including renters seeking to transition to homeownership. The program focuses on developing single-family homes on vacant lots within existing neighborhoods or newly built areas. Eligible LMI homebuyers may receive down-payment support, closing cost assistance, and principal reduction to make homeownership attainable.

ADFA will pre-approve lenders, developers, and homebuilders who desire to participate in the program through the financing, construction, or development of eligible single-family housing units.

Each activity utilizing CDBG-DR funds must:

- Address a direct or indirect impact from the disaster in the most impacted and distressed areas;
- Be a CDBG eligible activity (or be eligible under a waiver or alternative requirement); and
- Meet a National Objective

1.2 Purpose

The primary purpose of the HAP is to reduce homeownership barriers through the provision of funds for downpayment, closing costs (broker fees and commissions as well as loan points), and principal reduction for the purchase of new construction primary residences, while stimulating housing supply, resiliency, and quality in the impacted counties.

1.3 CDBG-DR National Objectives

In support of the U.S. Department of Housing and Urban Development's (HUD) recovery objectives, ADFA has specifically designed its storm recovery programs to help impacted residents and communities recover from damage inflicted by the 2023 and 2024 storms. As expressed in the Federal Housing and Community Development Act of 1974 (as amended), the primary objective of the general Community Development Block Grant (CDBG) program is "the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-and moderate income (LMI)." Community Development Block Grant – Disaster Recovery funding appropriated in response to disasters must meet the general goals of the CDBG program.

All activities being funded in the ADFA Homebuyer's Assistance Program must meet at least one of the National Objectives defined in the authorizing statute of the CDBG program:

- Benefiting Low-Moderate Income Persons (LMI) (80% of Area Median Income (AMI)), or
- Meeting an Urgent Need (URG)

For the LMI National Objective, the County must document household income for funded beneficiaries, and for the URG National Objective, the County must document how each activity funded responds to a disaster-related impact as noted in 24 C.F.R. § 570.208(c).

LMI National Objective

Households must have an annual income that does not exceed 80% of the Area Median Income (AMI) adjusted for family size in accordance with the income levels established by HUD and published annually. Applicants will be screened for income eligibility by submitting required documentation. The HAP will use a definition of income provided by HUD, and will use a method of calculating adjusted gross income using an IRS Form 1040 for purposes of verifying and determining income eligibility. Annual updates on the County's Income limits will be published on ADFA's website.

Urgent Need (URG) National Objective

If the household does not meet the LMI threshold of 80%, the household income cannot exceed 120% AMI and must meet HUD's Urgent Need objective. This will be approved at the discretion of ADFA. Actions taken will help alleviate or prevent the conditions that "pose a serious and immediate threat to the health or welfare of the community."

Chapter 2: Administration and Management Overview

2.1 Administration

The Arkansas Development Finance Authority (ADFA) has administrative authority over the Program. ADFA will administer its Homebuyer's Assistance Program in accordance with this Policy Manual, Standard Operating Procedures, Arkansas State Law, and HUD CDBG-DR regulatory requirements and guidance. ADFA reserves the right to adjust program priorities and re-allocate program funds and program components if doing so would better serve the affected communities and their residents.

ADFA reserves the sole discretion of interpreting and applying these policies, except for those items where HUD has indicated that their prior approval is required for implementation. ADFA will utilize administrative procedures to implement the programs and modify them to meet any changes made to such rules and regulations of the oversight entities, which may occur over time. At all times, should any conflict in these procedures exist with the applicable funding resource, the requirements of the funding source shall take precedence, other than “local preferences” that are allowable under federal regulations.

Daily administration of the programs will be under the direct supervision of the Federal Housing Programs Manager or his/her designee. ADFA’s Financial Management Office will authorize payments to vendors and contractors after review and validation of submitted invoice packages by ADFA staff. The XXX, or his/her designee will serve as the County’s Certifying Officer for environmental compliance. ADFA will work in partnership with approved vendors, lenders, builders, and/or developers to implement the program.

2.2 Applicable Laws & Regulations

Funding Source	Type of Rule	Source
CDBG	Regulation	24 CFR 570
	HUD Exchange	HUD Exchange CDBG Entitlement
	HUD Monitoring Guide	Administration Handbooks
CDBG-DR	HUD Exchange CDBG-DR	CDBG-DR Programs
	Federal Register Notice	FR 90 4759
	Federal Register Notice	FR 90 1754

Chapter 3: Program Marketing & Accessibility

3.1 Marketing

The Program is subject to fair housing, and the general certification to affirmatively further fair housing. All housing units must first be marketed to residents impacted by the 2023 and 2024 severe storms before being made available to other eligible members of the public. Specific affirmative marketing activities are covered in the next section.

General marketing and advertising will be done via the following advertising activities:

- Newspapers of general circulation
- Radio and/or television Public Service Announcements
- Social media
- Other types of media including publications of limited circulation
- Postings at publicly accessible and viewable locations
- Notifications to organizations or groups with access to intended Program beneficiaries

If additional households are needed, advertising will be repeated as listed above.

3.2 Affirmative Marketing

As a condition of receiving CDBG-DR funding, ADFA submitted a CDBG-DR Action Plan. As a part of this Plan, which is subject to HUD approval, the jurisdiction must certify that it will affirmatively further fair housing.

In order to affirmatively further fair housing, the jurisdiction is required to:

- Conduct an analysis to identify impediments to fair housing choice within the jurisdiction (an "Analysis of Impediments," or "AI");
- Take appropriate actions to overcome the effects of any impediments identified through that analysis; and
- Maintain records reflecting the analysis and actions in this regard and assess the results of these actions.

All activities that have been identified as actions that affirmatively further fair housing in the Program will be monitored and documented. Whenever the Program is advertised, these elements will be included and appropriate records will be maintained to show that affirmative marketing has occurred.

3.3 Program Accessibility

In addition to its nondiscrimination and physical accessibility requirements, Section 504 requires that a recipient's program, when viewed in its entirety, is usable and accessible to persons with disabilities. This obligation applies to the grantee and its partners, if any. It includes, but is broader than, the obligation to provide accessible units in accordance with 24 CFR 8.22 and 8.23. This obligation would include the following:

- All program activities, including public hearings, homebuyer briefings, counseling sessions and meetings should be held in locations that are accessible to persons with disabilities.
- Information about all programs and activities should be disseminated in a manner that is accessible to persons with disabilities. Auxiliary aids and special communication systems should be used for program outreach, public hearings related to housing programs, and other program activities.
- Reasonable steps should be taken to provide information about available accessible units to eligible persons with disabilities. Homebuyer programs are not required to produce accessible units except to work with homebuyers with accessibility needs under the reasonable accommodations and reasonable modifications policy described below.

Program advertising should acknowledge that the program will work with households with accessibility needs.

Chapter 4: Program Intake

4.1 Application Intake

It is preferable to determine whether a household is eligible for a private mortgage prior to proceeding with the other steps of the application process. Before a prospective homebuyer is referred to counseling or to execute a sales agreement, the homebuyer must complete an Application for Assistance and receive approval from an ADFA-approved lender. Once the lender has approved the homebuyer's mortgage application, they will mark the date and time of the approval and forward the application to the ADFA Program.

The information obtained in the application will be used – along with verifications – to determine a buyer's eligibility to purchase a home and to receive CDBG-DR assistance. While online and paper forms may be filled out, the application may need to be completed in a face-to-face meeting with the applicant. Reasonable accommodations during the application process are required for any buyers with accessibility needs.

The application form shall include above the signature line, a statement stating that all of the information is complete and accurate. The application should be signed and the statement sworn to by the applicant and co-applicant. The signers will typically be the proposed owner(s) of a CDBG-DR-assisted home such as a head of household and the spouse. All household members should be indicated on the application, including their dates of birth.

All adult household members will be required to execute a signed release form to verify income via third party sources and to pull credit reports (if applicable).

4.2 Application Processing

All applications will be entered into the Program database and tracked and monitored through a Homebuyer Application Status Report. They will be entered as of the date and time approved by the Program lender.

4.3 Evidence of Employment, Residence, Income and Assets

Applicants are required to submit supporting evidence of their residency at time of the storm event, employment, and annual income in order to make an initial determination of eligibility.

4.4 Mortgage Pre-Qualification

Before approved buyers begin looking for a home to purchase, they should be pre-qualified for a mortgage loan. This takes the "guess work" out of deciding exactly "how much house" a prospective homeowner can afford. Lenders sometimes call this preliminary paperwork a "pre-approval" and will issue a letter stating that a prospective homeowner has been conditionally approved up to a certain amount.

As part of the CDBG-DR assistance pre-qualification, the CDBG-DR Administrator may specify a minimum mortgage amount that a prospective homeowner will need to obtain, based on a review of the buyer's application and credit history.

4.5 Credit Report

As part of the standard industry practice lender mortgage application, the Applicant must provide written permission for the lender to obtain a credit report that includes a credit score. This may be needed for purposes of counseling and reviewing the loan commitment provided by the first mortgage lender. For Program eligibility, the minimum credit score is 640.

4.6 Applicant Information Confidentiality

ADFA will observe all Privacy Act requirements and keep client data in secured cabinets or password-protected electronic files. This includes disclosure to the Applicant of who will be granted access to the application file and documents and for what purposes.

4.7 Waiting List Maintenance

Should the demand for the program funding exceed the supply of funds, a waiting list should be created and maintained until all CDBG-DR funds have been disbursed, the program closed, and no further program income is anticipated.

The waiting list may be maintained in chronological order of application, and applicants drawn in chronological order for processing as funds become available.

Placement on the waiting list does not require that incomes be certified or other program guidelines be met in advance, as income qualifications need to be current for delivery of assistance. Qualification for the program will be evaluated at time the applicant is selected from the waiting list for processing.

Written communications to applicants on a regular basis will be used to determine continued interest in remaining on the waiting list.

Chapter 5: Household Eligibility

5.1 Income Eligibility

To be eligible to purchase an assisted home, individual homebuyer households must have a gross annual income no more than 80% of the Area Median Income (AMI). HUD publishes income limits, adjusted for household size, annually. Homebuyer income eligibility is determined using the IRS 1040 Long Form –Adjusted Gross Income. The HUD established Income limits are updated annually and will be published on ADFA's website. The current income limits can be viewed at: https://www.huduser.gov/portal/datasets/cdbg-income-limits.html

5.2 Citizen/Residency Requirements

ADFA will follow HUD's and FHA's mortgage loan requirements for on-going guidance on the eligibility for program benefits as determined for citizenship status. Applicants, co-applicants, and non-purchasing spouses must provide proof of citizenship or permanent resident alien.

Acceptable documents include:
- Birth Certificate lawfully issued by a governmental entity in the United States
- Valid U.S. Passport
- Permanent Resident Card issued by United States Citizenship and Immigration Services
- Valid Social Security Card that does not state "Valid for Work Only"

5.3 Household Definition and Status

The Program application will collect information on household members, relationship and citizenship status, income and other qualifying criteria. In general, determining income eligibility includes and excludes the following household members:

Includes:

- Both related and unrelated household members.
- Shared custody children should be counted if at least 50% of time is with the household seeking CDBG-DR assistance.
- Temporarily absent household members who will return to the household, for example:
  - Members who are temporarily absent for school or work;
  - Those who are incarcerated for a short time and will return to household; and
  - Active military members who will return to household.
- Unborn children (up to the CDBG-DR grantee).
- Permanently absent members (it is up to the head of household to decide who is permanently absent). For example, an elderly member who has gone to live in a nursing home, or an adult student living away from home. Note, if the applicant includes these persons as household members, the income associated with these household members must also be included.

Excludes

- Foster children and legal kinship guardians or foster adults, live-in aides and children of live-in aides.

5.4 Legal Guardianship

Household members (including applicants and co-applicants, as applicable) 18 years of age or older must provide supporting documentation of legal guardianship for all minor household members at or under the age of 17.

5.5 First-Time Homebuyer

Priority for funding will be for first-time homebuyers residing with the three impacted counties as determined at the time of application. Households must qualify as either:

Primary: First-Time Homebuyers or a homebuyer that has not owned a home as their primary residence in the past three (3) years. This includes households where:

• A homemaker or single parent who has previously owned a marital home and is now owned by the former spouse
• An individual who has only owned a property that was not permanently affixed, i.e. mobile home, to a permanent foundation
• An individual who has only owned a property that was not in compliance with state, local, or model building codes, and which cannot be brought into compliance for less than the cost of constructing a new permanent residence
• An individual who has had no ownership in a residence during the 3 years ending on the date of the purchase of the property
• An individual replacing a home that was lost during the 2023 or 2024 storm

Secondary: Repeat buyers who are relocating for work or have a qualifying life event (e.g., divorce, displacement)

5.6 Disaster Tie-Back

Homeowners must demonstrate residency in one of the three targeted counties at time of storm during 2023 or 2024 (Benton County; Cross County; and Pulaski County (excluding the City of Little Rock). Residency may be confirmed via lease agreement, utility bill, state-issued identification card, mortgage deed or other documentation as deemed acceptable by ADFA.

5.7 Co-Borrowers

Co-borrowers listed on the loan must be listed on the application as co-applicants and in the household composition section of the application.

5.8 Liquid Assets Limit

ADFA may consider the amount of the household liquid assets in determining eligibility and/or the amount of program assistance to be provided.

5.9 Eligibility or Disapproval

ADFA will notify the buyers in writing of their eligibility or ineligibility to proceed using a standard letter. The letter will indicate:

- An explanation of the CDBG-DR program in general terms and its benefits to buyers
- The CDBG-DR application approval criteria and waiting list policies, if applicable
- The requirement for attending pre-purchase counseling
- Summary of the applicant's household size and estimate of monthly income, with a statement that the determination is based on the information and certification provided by the applicant and must be verified prior to the Applicant being approved for CDBG-DR assistance.
- Income eligibility has been determined on a preliminary basis and based on income information and the certification of completeness and accuracy from the applicant.
- A good faith estimate of the amount (or range of amounts) and terms of CDBG-DR assistance that Applicant may qualify for, based on an analysis of Applicant's financial and other data provided, including any terms of the assistance.
- A description of a CDBG-DR buyer's obligations for repayment of subsidies if there is a duplication of benefits.

The approval should be conditional upon completion of remaining requirements, including signing a purchase agreement for a home meeting all CDBG-DR requirements (including required discount, environmental review and all other property requirements), obtaining acceptable first mortgage financing, providing the required minimum down payment amount, and other conditions.

5.10 Duplication of Benefits (DOB)

Each application will be reviewed to determine if previous applicable funding awarded to the Applicant was appropriately used and if any funds were received for the same purpose. The Applicant must have an unmet need to move forward in the Program. ADFA will determine the Applicant's unmet need by determining:

1. The total amount needed;

2. The amount of assistance that has or will be provided from all sources to contribute to the total needed; and

3. The difference is the unmet need.

If the assistance from all sources is greater than the total amount needed, the applicant's DOB can then be calculated. Applicants must provide documentation of insurance, Federal Emergency Management Agency (FEMA), Small Business Administration (SBA), and any other type of funding received. Additionally, ADFA will verify that the submitted documentation is accurate and current at the time of the award, to the extent possible (e.g., validate against FEMA data). The ADFA will also determine if insurance was required under the terms of the applicant's mortgage or required as a condition of prior federal assistance received, as part of the application review. Private insurance companies will be notified, with applicant approval to contact, to verify/confirm values received as well. ADFA will ensure compliance with the Stafford Act through the collection, analysis, and verification of third-party benefits received by applicants for purposes of repairs and/or other duplicate services offered through the ADFA . Any sources of funds previously received for the same recovery will be deducted based on information obtained from private insurance, SBA, FEMA, and/ or volunteer organizations (including in kind assistance) used for the same purpose that the CDBG-DR award is intended to assist. The award amount will be determined by collection of applicable documentation. That amount will be reduced by all previously received funding to determine the final award. Any amounts that are determined to be allowable activities will not be included in the reduction of the final award. Allowable activities will include activities that are excludable from the DOB calculation per the Stafford Act and HUD guidance. The applicants(s) must repay any assistance later received for the same purpose as those awarded or provided for with CDBG-DR funds. The applicant is obligated to certify they understand this requirement as outlined in detail within the subrogation terms included in the applicant's contract documents with ADFA, which will also include the following statement: *Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001, and 31 U.S.C. 3729.*

5.11 Administrative Withdrawals

Applicants who are unresponsive to requests for additional information within the parameters established in the Program's HAP Standard Operating Procedures shall be administratively withdrawn. Approved Applicants who have not located an eligible property for purchase within 6 months of Program approval shall be administratively withdrawn.

5.12 Ineligibility/Denials

Applicants who have been determined ineligible for Program assistance shall have access to an administrative appeals process as described in the HAP Standard Operating Procedures.

Chapter 6: Eligible Property Standards and Approvals

6.1 Property Selection

Once a Homebuyer is approved for Program benefits, they will be allowed up to six (6) months to identify and submit a property for funding.

6.2 Property Types

Eligible property types include:

1. New Construction: Homes to be constructed under the constructions specifications and parameters as defined by ADFA and all properties must meet applicable state and local building codes.
2. Existing Homes where construction has been completed within the last twelve (12) months and have never previously been occupied and where the agreement to purchase includes environmental purchase options as prescribed by the Program. For these homes, ADFA will strive to identify mitigation measures which may be considered for ADFA mitigation funding. All properties must meet applicable state and local building codes.
3. For single-family units to be constructed, funds may also be used to purchase a lot, which must be vacant and have access to all utilities, including water and sewer. Purchase price must fit within the financing parameters of the Program.
4. Single family units to be constructed will be made accessible as needed upon request of a prospective buyer if the nature of the disability of an expected occupant so requires in accordance with the Section 504 requirements of C.F.R. §8.29.
5. All homes must have a minimum of 2 bedrooms and no more than 4 bedrooms unless the homebuyer demonstrates the need for additional bedrooms in accordance with HUD's guidelines for overcrowding.
6. Purchased properties must be a single-family property, condominium unit/townhome, cooperative unit, or manufactured home on a permanent foundation. The property must contain only one residential unit.
7. Properties must have clear title with a valid deed free and clear of encumbrances.

6.3 Property Location

All properties must be located within Benton, Cross & Puluski Counties (Outside the City of Little Rock).

6.4 Principal Residence

The property must be occupied as the principal residence by the homebuyer throughout the Compliance Period commencing on the date of the Loan Note. If the applicant occupies the property as their principal residence for the entire Compliance period, no recapture requirements will apply. However, if the property is sold (including foreclosure), rented or if the applicant establishes a secondary residence, ADFA shall recapture the pro-rated amount of assistance as indicated under the Recapture Requirements.

6.5 Property Appraisal

The sale price of the property being purchased cannot be greater than the property's appraisal value. This will ensure that the cost is reasonable.

6.6 Minimum Property Standards

Single family units to be constructed must meet the Minimum Construction Specifications as provided by ADFA.

6.7 Ineligible Property Types

The following properties are considered ineligible for funding:

- Properties located outside Benton, Cross, and Pulaski Counties
- Properties located within the jurisdictional boundaries of the City of Little Rock, Arkansas
- Properties located in a 100-Year and 500-Year Floodplain
- Manufactured Housing that is not permanently fixed to a foundation
- Properties containing more than one housing unit
- Occupied properties
- Properties that do not meet the Program's environmental review clearance
- Properties relying on wells and/or septic systems will not be eligible

Chapter 7: Program and Financial Assistance

7.1 Lien

Assistance will be provided in the form of a zero-interest forgivable loan, secured by placement of a lien in the highest allowable position on the applicant(s) property. Cash-out refinancing and home equity loans, are not allowed during the compliance period. A violation of this policy will activate the loan repayment terms. The objective of this Program is to provide safe, sanitary, and durable housing that is specifically designed to withstand future disasters. The Program will incentivize new construction efforts that incorporate construction strategies that address hazards found in the mitigation needs assessment. Funds allocated through the Mitigation Set-Aside will be used for projects that address the mitigation needs identified in the MID areas.

Mitigation strategies that can be incorporated may include, but are not limited to:

- Installation of reinforced roofing systems and impact-resistant shingles
- Use of wind-rated windows and doors to resist high-pressure gusts
- Implementation of anchoring and strapping systems to secure structural components
- Enhancement of framing systems to resist uplift and lateral wind forces
- Application of mold-resistant and water-resistant materials

7.11 Environmental Review

A homebuyer may enter into a purchase contract for an existing 1 unit house before the grantee has completed the environmental review, provided that:

- The purchase contract includes the following language for a conditional contract: "Notwithstanding any other provision of this Contract, Purchaser shall have no obligation to purchase the Property, and no transfer of title to the Purchaser may occur, unless and until HUD has provided Purchaser and/or Seller with a written determination, on the basis of a federally required environmental review, that purchase of the property by Purchaser may proceed, subject to any other Contingencies in this Contract, or may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property. HUD shall use its best efforts to conclude the environmental review of the property expeditiously."

- No transfer of title to the purchaser or removal of the environmental conditions in the purchase contract occurs unless and until it is determined, on the basis of the environmental review, that the transfer to the homebuyer should go forward, and the recipient has obtained approval; and

- Any deposit using CDBG-DR funds or other funds is refundable if the conditions are not met, or if nonrefundable, is nominal ($1000 or less).

Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction (e.g., closing costs, down payment assistance, interest buy downs, and similar activities that result in the transfer of title) are considered categorically excluded from NEPA and not subject to 58.5 Authorities. Such financing activities are subject only to 58.6, which limits the review to the items described below.

As buyers select properties and make offers, but before final purchase agreements are signed, the administrator should make the determination that:

- The activity includes buyer-financing only and meets the conditions for categorically excluded not subject to §58.5

- The activity does not trigger any of the other requirements at 24 CFR 58.6, as applicable:

    - If the property is within a 100 year flood plain (see FEMA Insurance Rate Map http://www.msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId= 10001&langId=-1) the property must be insured under FEMA's National Flood Insurance Program;

- Evidence should show that the property is not in a Coastal Barrier Resources Area; and

- The buyer of the property was advised and signed a disclosure statement concerning the location of the property in a runway clear zone/clear zone.

These should be reflected in the Environmental Review Record for the property. If it complies with 58.6, the activity is not subject to the Request for Release of Funds.

7.12 Underwriting and Cost Reasonableness

Every home purchase assisted with CDBG-DR must have an eligible buyer and property, but the "due diligence" does not end with eligibility. CDBG-DR assistance also needs to be "underwritten" to ensure that the assistance meets OMB cost principles, especially "reasonable and necessary," and that it is appropriate to achieve and sustain the affordability for the "longest feasible term." This requires evaluation of all costs and the assistance amount for reasonableness and the sustainability of homeownership.

Chapter 8: CDBG-DR Compliance Requirements

8.1 Procurement

If goods or services are procured in connection with this Program, AFDA will provide adequate documentation to show that the selection process was carried out in an open, fair, uniform, and thorough manner to ensure that federal (2 CFR §§200.318–200.326) and state procurement requirements were met. It is important to note that failure to maintain proper documentation may result in disallowed costs that will be ineligible for reimbursement by ADFA.

These records must include, but are not limited to the following information:

- Rationale for the method of procurement;
- Evaluation and selection criteria;
- Contractor selection or rejection; and
- The basis for the cost or price.

During the procurement process, ADFA will identify any items included in the bid/purchase that are not included in the CDBG-DR agreement. ADFA may utilize HUD's CDBG-DR and Procurement Guidance. These procurement requirements must be followed for reimbursement from grant allocations of CDBG-DR funds provided by HUD.

8.2 Financial Management

ADFA is required to follow the financial administration requirements outlined in 2 CFR Part 200.

- Provide adequate, current, and complete disclosure of the financial results (regular financial reporting) of all financially assisted activities, per the financial reporting requirements of the grant;
- Document funds used only for authorized purposes (For CDBG-DR, this includes not only eligible activities but that the funded projects meet a National Objective.);
- Maintain accounting records that show the sources and uses of funds, displaying funds authorized, obligated and unobligated balances, assets, liabilities, outlays, or expenditures and income;
- Establish effective internal controls over all cash, real and personal property, and other assets acquired with program funds;
- Track actual program cost against program budget in a manner that relates to program productivity and accomplishments;
- Use Uniform Administrative Requirements outlined in 2 CFR 200 principles to determine whether program costs are reasonable, allowable, and can be allocated, either directly or indirectly;
- Maintain source documentation for accounting records;
- Implement procedures for cash management that permit timely disbursement to applicants and subrecipients and complete accurate monitoring and reporting;
- Comply with 2 CFR 200 Subpart F ; and
- Conduct single or program-specific audits in accordance with the applicable federal requirements.

8.3 Program Income

Any program income earned as a result of program-funded activities will be subject to the rules outlined in Federal Register notice FR 90 1754 Program income received before closeout of the CDBG-DR grant will be subject to CDBG-DR requirements and must be used in accordance with the AFDA CDBG-DR Local Action Plan. To the maximum extent feasible, HUD requires that program income shall be used or distributed before additional withdrawals from the U.S. Treasury are made.

8.4 Environmental Review

Per HUD regulations, all applicable statutes and requirements including the National Environmental Policy Act at 24 CFR Part 58, ADFA must perform, and complete Environmental Reviews of CDBG-DR funded proposed programs, projects, and activities located within the INSERT COUNTIES With the ADFA as a responsible entity, the Environmental team will perform an environmental review on properties subject to an environmental review and approval by ADFA, as determined necessary and appropriate. ADFA maintains all applicable ERRs that demonstrate environmental compliance of ADFA approved activities.

ADFA's ERR will compile all levels of environmental review documentation required under 24 CFR Part 58. This includes HUD required forms and checklists submitted and approved by ADFA for activities determined exempt according to 24 CFR 58.34 or those that are Categorically Excluded Activities Not Subject to the Section 58.5 Statutes (24 CFR 58.35(b)). These forms and checklists contain documentation of compliance with the statutes and regulations listed at 24 CFR 58.6 (Floodplain Disaster Protection Act of 1973, Coastal Barriers Resources Act, as amended by the Coastal Barrier Improvement Act of 1990, Runway Clear Zone or Runway Protection Zone, and Clear Zone Disclosures).

The ERR will also contain ADFA approved site-specific environmental assessments of proposed actions per 24 CFR § 58.40. While not currently anticipated, certain proposed actions undertaken by ADFA with CDBG-DR funds may be determined to have a potentially significant impact on the human environment and, therefore, require an Environmental Impact Statement, per 24 CFR part 58.37. In the event such an effort becomes necessary, all required documentation developed during the process would also become part of ADFA's ERR.

Any changes in HUD environmental regulations will have the potential to impact ADFA Guidelines, including ADFA Guidelines. Updates to ADFA policies have the potential to impact ADFA Guidelines as well. As a rule, the latest, most up-to-date regulations control unless provided otherwise by HUD.

8.5 Reporting

As a recipient of CDBG-DR funds, ADFA will establish reporting requirements per 24 CFR §570.503(b)(2). ADFA has established its reporting requirements per the provisions as found in 2 CFR §200, as applicable:

- At execution of agreements
- Monthly
- Quarterly
- Annually and
- As required

ADFA will capture and report applicant data relevant to HUD and in compliance with CDBG-DR, including but not limited to:

- Applicant's household income at the time of application
- Household income as a percentage of AMI at the time of application, as defined by HUD
- The race, ethnicity, and gender of the head of household
- The household's familial status
- The presence or non-presence of a household member with a disability
- The presence or non-presence of a household member who is a veteran

8.6 Cross Cutting Federal Regulations

ADFA will comply with all applicable cross-cutting federal regulations, including:

- *Americans with Disabilities Act (ADA)*
- *Federal Labor Standards*
- *Fair Housing*
- *Limited English Proficiency*
- *Uniform Relocation Act and Real Property Acquisition*

8.7 Record Keeping, Retention and File Management

Per HUD regulations, ADFA as the recipient of CDBG-DR funds follow the records retention requirements cited in 2 CFR §200, which includes financial records, supporting documents, statistical records, and all other pertinent records. ADFA establishes recordkeeping and retention requirements in its subrecipient and contractor agreements per the guidelines stated in 24 CFR §570.503(b)(2).

8.8 Audit Requirements

ADFA complies with all federal single-audit requirements.

8.9 Complaints and Appeals

All program applicants have the right to appeal a determination made by ADFA. Applicants have the right to appeal decisions made on their program file based on the following reasons:

- Denied services through any of ADFA's programs
- Program eligibility determination
- Program award calculation

8.10 Conflicts of Interest

ADD ADFA Conflict of Interest Policy

8.11 Confidentiality/Privacy

The Program is committed to protecting the privacy of all individual stakeholders, including the public and those individuals working on the Program. The Program's policies describe how information is to be handled and protected. The purpose of this privacy policy is to establish when and under what conditions certain information relating to individuals may be disclosed.

The data collected from applicants for the Program may contain personal information on individuals that are covered by the Federal Privacy Act of 1974, as well as applicable state laws. These laws provide for confidentiality and restrict the disclosure of confidential and personal information. Unauthorized disclosure of such personal information may result in personal liability with civil and criminal penalties.

The information collected may only be used for limited official purposes:

- Program staff may use personal information throughout the award process to ensure compliance with program requirements, reduce errors, and mitigate fraud, waste, and abuse.
- Independent auditors, when hired by the Program to perform a financial or programmatic audit of the Program, may use personal information in determining program compliance with all applicable HUD and federal regulations, including the Stafford Act, CDBG-DR requirements, and State and local law.

- ADFA may disclose personal information on an applicant to those with official Power of Attorney for the applicant or for whom the applicant has provided written consent to do so.
- Organizations assisting ADFA in executing the CDBG-DR Program must comply with all federal and state law enforcement and auditing requests. This includes, but is not limited to, HUD, FEMA, FBI, Office of the Comptroller, and the Office of the Inspector General.

8.12 Fraud, Waste and Abuse

ADFA will provide a timely written response to every citizen complaint. The grantee response must be provided within 15 calendar days of the receipt of the complaint, or the grantee must document why additional time for the response was required. Complaints regarding fraud, waste, or abuse of government funds should be forwarded to the HUD OIG Fraud Hotline (phone:1–800–347–3735 or email: hotline@hudoig.gov

8.13 Monitoring

ADFA will comply with all federal program monitoring requirements.

8.14 Program Closeout

ADFA-assigned program staff will coordinate all required file documentation with applicants, lenders, realtors, and title companies to ensure completion of program requirements and submit for approval of completion, closeout, and proper record keeping. In addition, ADFA will maintain monitoring staff to assist program closeout through compliance periods.

8.15 Record Retention

Record retention is a requirement of the Program. Records are maintained to document compliance with program requirements and federal, state, and local regulations and to facilitate a review or audit by HUD. Grantees are required to maintain all CDBG-DR and/or CDBG-NDR records for a minimum period of 5 years after the HUD contract has been closed.

These records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner based on HUD Handbook 2225.6, Records Disposition Schedules, and HUD Handbook 2228.

8.16 Subrogation

Applicant/Co-applicant must agree to a limited subrogation of any future awards related to 2023 or 2024 storms to ensure duplication of benefits compliance.

Definitions:

Adjusted Gross Income (AGI): AGI is an individual's total gross income minus specific deductions as shown on the federal tax return.

Affidavit: Written statement or statements of facts voluntarily made by an applicant under oath and under penalty of perjury administered by a person authorized to do so by law.

Affirmatively Furthering Fair Housing (AFFH): AFFH is a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. The HUD AFFH assessment tool and final rule can be found here: https://www.hud.gov/AFFH.

Applicant/Homeowner/Survivor: (Used interchangeably) Individuals whose homes or housing units were destroyed, made uninhabitable, needed repairs, or who suffered disaster-related displacement from their principal residences and/or loss of property, or who had a negative impact from the disaster event. For purposes of this program policy, an individual or household having a residency in the counties of Benton, Cross and Pulaski at the time of the disaster event will qualify for the HAP funds.

Area Median Income (AMI): Calculated annual limits based on HUD-estimated median family income with adjustments based on family size used for demonstrating LMI beneficiaries in the programs.

Back-End Ratio: Also referred to Debt-to-Income (DTI). This ratio indicates what portion of an applicant's monthly income goes towards paying debt. To determine this number you would include the applicant's total monthly debt expenses, such as mortgage payments (principal, interest, taxes and insurance), credit card payments and other loan payments divided by their gross monthly income and multiply by 100.

Beneficiary: The recipient deriving advantage from CDBG-DR funding.

Borrower(s)/Applicant: The person that (i) has applied, met specific requirements, and received a monetary loan from a lender; (ii) is legally responsible for repayment of the loan and (iii) is subject to any penalties for not repaying the loan back based on the terms as described in the loan agreement, promissory note and/or deed of trust.

Case Management: Working with individual survivors and their families to understand the Program's housing options, resulting in clear and transparent determination of eligibility. Case managers must consider all special circumstances of the survivor's need to decrease their barriers to participate in the Program where possible. Staff should meet at designated locations and supply information in a standard format.

Closing Costs: Costs associated with the acquisition of a real property, to ensure a legal and secure transfer from one owner to the next.

Compliance Period: The time period during which a property must comply with CDBG-DR program rules and regulations, including principal residency, income, and ownership restrictions as applicable.

Conditional Reservation Letter: A letter conditionally approving a buyer based on their preliminary documentation received (income and household information).

Conflict of Interest: A condition, whether real or apparent, that undermines the impartiality and/or integrity of (i) any person who is an employee, agent, consultant, officer, elected official or appointed official of ADFA or (ii) any individual or organization receiving or administering federal funds on behalf of ADFA who (a) exercises or has exercised any function or responsibility with respect to activities provided by the ADFA Housing Assistance (b) is in a position to participate in the decision-making process, or (c) gains inside information with regard to such activities. Such person or organization is therefore prohibited from obtaining a financial interest or benefit or having an interest in any contract, subcontract, or agreement with respect thereto or the proceeds thereunder, either for themselves or those with whom they have family or business ties during their tenure or for one year thereafter pursuant to the Community Development Block Grant (CDBG) Program Regulations found at 24 CFR §570.611. Additionally, ADFA employees will be subject to comply with ADFA's Standards of Conduct for all Employees.

Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts (DBRA): All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. Downpayment programs are not applicable to DBRA rules.

Deferred Payment Loan (DPL): A loan whose principal and/or interest payments are postponed for a specific period of time provided the Borrower meets the terms and conditions of such loan.

Downpayment: Amount deemed as a necessary up-front payment towards the purchase of a home, by the principal lender of the buyer(s) and in accordance with the HAP policies.

Duplication of Benefits: The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibit any person, business concern, or other entity from receiving financial assistance from CDBG-DR funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source.

Elevation Certificate: A statement from an engineer or surveyor licensed by the State of Arkansas on the most current FEMA form certifying that the lowest floor of the structure has been elevated at least as high as required by this chapter.

Elevation Standards: Standards that apply to new construction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR §55.2(b)(1).

Environmental Review: All qualified projects must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (NEPA) and other applicable state and federal laws.

Event: The 2023 (DR 4698) and 2024 (DR 4788) storm event.

Family: Per 24 CFR §5.403, family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:
1. A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
2. A group of persons residing together, and such group includes, but is not limited to:
    a. A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
    b. An elderly family;
    c. A near-elderly family;
    d. A disabled family;
    e. A displaced family; and
    f. The remaining member of a tenant family.

FEMA: Federal Emergency Management Agency, the federal agency under which federal floodplain regulations and related programs are administered.

First Time Homebuyer: An individual who meets any of the options listed below.
- An individual and, if married, his/her spouse, who has/have not owned a home during the past three (3) year period.
- A homemaker or single parent who has previously owned a marital home and is now owned by the former spouse.
- An individual who has only owned a property that was not permanently affixed to a permanent foundation in accordance with applicable regulations.
- An individual who has only owned a property that was not in compliance with state, local or model building codes, and which cannot be brought into compliance for less than the cost of constructing a new permanent residence.
- An individual replacing a home that was lost during 2023 and 2024 storms.

Flood Disaster Protection Act of 1973 and Sec. 582(a) of the National Flood Insurance Reform Act of 1994: Compliance with the legal requirements of Section 582(a) mandates that HUD flood disaster assistance that is made available in Special Flood Hazard Areas (SFHAs) may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration for flood damage to any personal, residential or commercial property if:
    (1) the person had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and

(2) that person failed to obtain and maintain flood insurance as required under applicable federal law on such property.

Flood Hazard Area: Areas designated by FEMA as having the risk of flooding.

Flood Hazard Area (HSFHA) means the land in the special flood hazard area and in the floodplain within the city/county that is subject to a 0.2 percent or greater chance of flooding in any given year and is designated as unnumbered A Zones, AE Zones, AO Zones, AH Zones, A1 through A99 Zones, VO Zones, V1 through V30 Zones, VE Zones, V Zones, or X Shaded Zones. It encompasses both the 100-year, and 500-year floodplain as designated by FEMA.

Flood Insurance: The Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) requires that projects receiving federal assistance and located in an area identified by FEMA as being within a Special Flood Hazard Area (SFHA) be covered by flood insurance under the National Flood Insurance Program (NFIP). To be able to purchase flood insurance, the community must be participating in the NFIP. If the community is not participating in the NFIP, federal assistance cannot be used in those areas.

Floodplain: FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.

- "100-year floodplain" — the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year.
- "500-year floodplain" — the geographic area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year.

Floodway: FEMA-designated channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

Front-End Ratio: Used to evaluate the affordability of a mortgage. This number is determined by dividing the amount the proposed mortgage payment by the monthly gross income and multiply by 100.

Grant Agreement: A funding agreement detailing eligible program costs and project-specific award agreements between HUD and ADFA, including regulatory provisions, certifications, and requirements.

Household: A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, including the HAP, the test of meeting the LMI National Objective is based on the income level of the household.

Housing and Community Development Act of 1974, as amended by the Supplemental Appropriations Act of 1984: Established the Program of Community Development Block Grants to finance the acquisition and rehabilitation of real property and which defined the recipients and uses of such grants, with the primary goal of benefiting LMI persons.

Housing and Urban Development Act of 1968, Section 3: Requires program administrators to ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32.

Housing Quality Standards (HQS): The minimum quality standards for buildings, including new single-family and multi-family housing constructed under HUD housing programs as outlined in 24 CFR 982.401.

Housing Counseling: An eight-hour first-time homebuyer education course the buyer(s) must complete as a pre-requisite to participate in ADFA Homebuyer's Assistance Program. Must be offered by a HUD-approved counseling agency.

Lender: The mortgage institution providing financing of a home loan to a qualified buyer(s).

Loan: An arrangement in which an ADFA approved lender gives money to a borrower, and the borrower agrees to return the property or repay the money at some future point(s) in time.

Low/Mod Income (LMI): Activities which benefit persons of income that does not exceed 80 percent of the area median income:

- Extremely low: Household's annual income is up to 30 percent of AMI, as determined by HUD, adjusted for family size;
- Low: Household's annual income is between 31 percent and 50 percent of AMI, as determined by HUD, adjusted for family size; and
- Moderate: Household's annual income is between 51 percent and 80 percent of AMI, as determined by HUD, adjusted for family size.

Mortgage Lender: Financial institution licensed by the State of Arkansas to provide mortgage loans.

Overall Benefit: ADFA must certify that, in the aggregate, not less than 70 percent of the CDBG-DR funds received by ADFA will be used for activities that benefit LMI households.

Ownership Interest: Any of the following interest in residential property; fee simple interest; joint tenancy; tenancy in common; interest of tenant-shareholder in a cooperative; life estate; interest held in trust for the Applicant(s) that would constitute a present ownership interest if held by the Applicant(s).

Principal Residence: The primary home/property that the applicant/borrower inhabits. The property must remain the applicant/borrower's principal residence for the entire compliance period to avoid default.

Secondary Residence: The second home/property that the applicant/borrower inhabits part of the year in addition to its principal residence.

Single Family Home: A single-unit family residence detached or attached to other housing structures.

Slum and Blight National Objective: Activities which help to eliminate slum and blighted conditions. (Use of this National Objective is limited due to its inability to contribute towards the overall requirement for 70 percent LMI to benefit low- to moderate-income beneficiaries.) See 24 CFR 570.208(b).

Slum and Blight activities must meet the criteria of one of the three following categories:

- Prevent or eliminate slums and blight on an area basis;
- Prevent or eliminate slums and blight on a spot basis; or
- Be in an urban renewal area.

Special Flood Hazard Area: An area having special flood, mudflow or flood-related erosion hazards and shown on a Flood Hazard Boundary Map (FHBM) or a Flood Insurance Rate Map (FIRM) Zone A, AO, A1-A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1-A30, V1-V30, VE or V. The SFHA is the area where the National Flood Insurance Program's (NFIP's) floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies. For the purpose of determining Community Rating System (CRS) premium discounts, all AR and A99 zones are treated as non-SFHAs.

Subrogation Agreement: An agreement executed by the beneficiary agreeing to repay any duplicative assistance if the beneficiary later receives other disaster assistance for the same purpose as disaster recovery funds already received.

Tenant/Occupant: An individual who occupies land or property rented from a landlord.
Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (42 U.S.C. 4601 et seq.) (URA): Applies to all acquisitions of real property or displacements of persons resulting from federal or federally assisted program or projects. URA's objective is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For these guidelines, URA mostly applies to residential displacements in involuntary (49 CFR Subpart B) acquisition or multifamily damaged/occupied activities that require the relocation of the tenants. A displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months, as waived by the FR. For this program, it is not anticipated that URA will be triggered as only newly constructed or vacant and never previously occupied units are available for purchase.

Urgent Need National Objective: An urgent need that exists because conditions pose serious and immediate threat to the health or welfare of the community; the existing conditions are recent or recently became urgent; and the applicant cannot finance the activities on its own because other funding sources are not available. The Program must document how each activity funded under this category responds to a disaster-related impact. See 24 CFR 570.208(c).

Vendor: Vendors and private grant administrators procured to provide supplies, equipment, or services necessary to implement the Program and to serve homeowner and homebuyer assistance needs. Upon approval, the vendor may implement the Program or act on behalf of ADFA.

TAB 7

HOME

Activities Report

STATUS OF HOME ACTIVITIES - IDIS

7/31/2026

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	7/9/2026			$22,548.00	$2,569.92	11%	*Portion Funded*
15037	TBRA	Brad Black River Area Development (HAP/PD)	Open	7/9/2026	40	15	$261,480.00	$32,449.20	12%	*$145,912.20*
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	$13,252,232.84		

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		7/7/2026	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		7/14/2026	92%	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		7/30/2026	91%	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	99%	CONSTRUCTION
15009	NC	Harrison Estates	2021	9/30/2029	9/30/2029	1/28/2030	9/30/2030	7/1/2025	7/1/2029		7/22/2096	49%	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		7/22/2026	99%	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		7/21/2026	65%	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		7/30/2026	<1%	Pre-Construction
								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		*$145,912.20*		
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	$155.00	31.0%
14677	ADMIN	ADFA ADMINISTRATION 2021	Open	6/23/2026			$1,261,846.40	$393,856.48	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	$394,011.48	
					TOTAL HOME		$29,492,804.97	$13,646,244.32	

NHTF
Activities Report

STATUS OF NHTF ACTIVITIES - IDIS

7/31/2026

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	$900,000.00	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	$4,519,181.35		

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	99%	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		7/21/2026	65%	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	7/23/2026	11/23/2021	*$412,310.90*	*$306,853.33*	*74%*	*10/31/2026*	*$105,457.57 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	$306,853.33			
						TOTAL NHTF	$7,066,516.47	$4,826,034.68			

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%	100%		
Our House Inc	Non-Congregate Shelter	Final Cost Certification	$ 3,772,485.00	$ 2,355,561.41	**$2,117,305.27**	**$238,256.14**	$ 1,416,923.59	62.44%	88%		
NOFA for 2026 NCS Applications: $6,999,801.00			**$ 19,087,323.23**	**$ 13,390,100.87**	**$12,048,390.78**	**$1,341,710.09**	**$ 5,697,222.36**	**70%**			

***Report as of July 31, 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**	**$78,492.82**	**$88,726.51**	**98%**	$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	**Completed**	$72,500.00	$500.00	**$8,856.68**	**$63,643.32**	**$72,500.00**	**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	**Completed**	$59,974.00	$574.00	**$0.00**	**$59,974.00**	**$59,974.00**	**100%**	$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**	**$74,514.42**	**$99,558.52**	**100%**	$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**	**$36,915.77**	**$36,915.77**	**100%**	$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	**Completed**	$31,800.00	$300.00	**$9,696.78**	**$22,103.22**	**$31,800.00**	**100%**	$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**	**$26,385.15**	**$29,530.03**	**81%**	$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	**Completed**	$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**	**$1,405,226.82**	**$1,807,879.66**	78.06%	**$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 July 31, 2026

ADMIN 2024 Expended Award			**Total**
	2023	**2024**	
ADFA	**$44,902.15**	**$128,734.34**	**$173,636.49**
Subgrantees	**$0.00**	**$6,016.64**	**$6,016.64**

ESG - 2025-2026 Award Report

Organization	Program Funding	Status	Awarded Funding	ADMIN Max Allowed 1%	Approved Disbursement 2024	Approved Disbursement 2025	Total	% Expended	SO	ES	RRH	HP	HMIS- Max Allowed 5%
Depaul	ESG	Notice to Proceed	$171,849.00	$1,701.00		$0.00		0%	$0	$170,148.00	$0.00	$0.00	$0.00
Mississippi County Union Mission	ESG	Notice to Proceed	$103,880.00	$980.00	$4,676.73	$0.00	$4,676.73	5%	$0	$75,000.00	$23,000.00	$0.00	$4,900.00
Better Community Development	ESG	Notice to Proceed	$203,800.00	$1,760.00		$0.00		0%	$0	$193,440.00	$0.00	$0.00	$8,600.00
Mission Outreach of Northeast AR, Inc	ESG	Notice to Proceed	$31,800.00	$300.00	$6,563.35	$0.00	$6,563.35	21%	$0	$30,000.00	$0.00	$0.00	$1,500.00
Grant County Unified Community Resource Council	ESG	Notice to Proceed	$84,000.00	$0.00	$1,515.00	$0.00	$1,515.00	2%	$0	$24,000.00	$44,000.00	$16,000.00	$0.00
Arkansas River Valley Area Council (ARVAC)	ESG	Notice to Proceed	$185,500.00	$1,750.00	$4,338.20	$0.00	$4,338.20	2%	$0	$145,000.00	$15,000.00	$15,000.00	$8,750.00
Sanctuary, Inc.	ESG	Notice to Proceed	$35,350.00	$350.00	$426.45	$0.00	$426.45	1%	$0	$35,000.00	$0.00	$0.00	$0.00
River Valley Shelter for Battered Women	ESG	Notice to Proceed	$102,826.17	$837.77	$6,143.31	$0.00	$6,143.31	6%	$0.00	$97,799.52	$0.00	$0.00	$4,188.88
Serve NWA	ESG	Notice to Proceed	$156,064.52	$1,545.19	$14,426.21	$0.00	$14,426.21	9%	$0.00	$154,519.33	$0.00	$0.00	$0.00
Hope in Action, Inc.	ESG	Notice to Proceed	$73,629.00	$729.00	$7,259.07	$0.00	$7,259.07	10%	$0.00	$72,900.00	$0.00	$0.00	$0.00
Crowley's Ridge Development Council, Inc.	ESG	Notice to Proceed	$90,100.00	$850.00	$12,462.08	$0.00	$12,462.08	14%	$0.00	$0.00	$85,000.00	$0.00	$4,250.00
River City Ministry of Pulaski County, Inc.	ESG	Notice to Proceed	$30,290.00	$290.00	$9,065.54	$0.00	$9,065.54	30%	$0.00	$29,000.00	$0.00	$0.00	$1,000.00
Riverview Hope Campus	ESG	Notice to Proceed	$216,780.00	$2,130.00		$0.00		0%	$0.00	$150,000.00	$53,000.00	$10,000.00	$1,650.00
Margie's Haven House, Inc.	ESG	Notice to Proceed	$25,295.50	$245.50	$1,059.37	$0.00	$1,059.37	4%	$0.00	$24,550.00	$0.00	$0.00	$500.00
Next Step Day Room, Inc	ESG	Notice to Proceed	$165,000.00	$0.00	$18,302.35	$0.00	$18,302.35	11%	$20,000.00	$145,000.00	$0.00	$0.00	$0.00
Peace at Home Family Shelter	ESG	Notice to Proceed	$30,300.00	$300.00	$10,364.64	$0.00	$10,364.64	34%	$0.00	$30,000.00	$0.00	$0.00	$0.00
At the Table, Inc dba Hub of Hope	ESG	Notice to Proceed	$60,752.70	$573.00		$0.00		0%	$0.00	$0.00	$57,314.00	$0.00	$2,865.70
Lula Mae's Day Center, Inc.	ESG	Notice to Proceed	$11,000.00	$0.00		$0.00		0%	$11,000.00	$0.00	$0.00	$0.00	$0.00
Seven Hills Homeless Center	ESG	Notice to Proceed	$75,750.00	$750.00		$0.00		0%	$75,000.00	$0.00	$0.00	$0.00	$0.00
Our House, Inc.	ESG	Notice to Proceed	$72,500.00	$500.00	$17,407.63	$0.00	$17,407.63	24%	$0.00	$72,000.00	$0.00	$0.00	$0.00
City of Little Rock	ESG	Notice to Proceed	$156,550.00	$1,550.00		$0.00		0%	$5,000.00	$0.00	$115,000.00	$35,000.00	$0.00
St. Francis House	ESG	Notice to Proceed	$33,175.00	$165.00	$3,718.89	$0.00	$3,718.89	11%	$0.00	$31,360.00	$1,650.00	$0.00	$0.00
Community Action Program for Central Arkansas (CAPCA)	ESG	Notice to Proceed	$196,100.00	$1,850.00		$0.00		0%	$2,000.00	$118,000.00	$50,000.00	$19,250.00	$5,000.00
Micah6:8 Initiative	ESG	Notice to Proceed	$55,000.00	$0.00		$0.00		0%	$0.00	$30,000.00	$0.00	$25,000.00	$0.00
Totals			$2,367,291.89	$19,156.46	$117,728.82	$0.00	$117,728.82	4.97%	$113,000.00	$1,627,716.85	$443,964.00	$120,250.00	$43,204.58

2024 Funding: $ TBD

2025 Allocation: $ 2,271,567.00

Report as of July 31, 2026

ADMIN 2025 Award	2024	2025	Total
ADFA	$0.00	$0.00	$0.00
Subgrantees	$0.00	$0.00	$0.00

CDBG-DR
Activities Report

STATUS OF CDBG-DR ACTIVITIES - IDIS

7/31/2026	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