

SUPPLEMENTAL AGENDA

Suspension of the Rules Request
ALC/Review Subcommittee

Tuesday, December 12th, 2023
1:30 pm, Room A MAC

A. Disclosure Item

1. Disclosure of Loan Agreements for Arkansas Development Finance Authority

Note: All exhibits for this meeting are available by electronic means and are accessible on the General Assembly's website at www.arkleg.state.ar.us

Notice: Silence your cell phones. Keep your personal conversations to a minimum. Observe restrictions designating areas as *'Members and Staff Only'*.



Sarah Huckabee Sanders
GOVERNOR

Hugh McDonald
SECRETARY OF COMMERCE

December 6, 2023

Marty Garrity, Director
Arkansas Bureau of Legislative Research
One Capitol Mall
Little Rock, Ark.

RE: Actions of the Board of the Arkansas Development Finance Authority awarding additional funding and benefits to entities owned in part by Senator Jim Petty

Dear Mrs. Garrity,

As you are aware, Arkansas Code § 21-1-403 provides certain limitations on state agencies wishing to enter into contracts with certain constitutional officers. Specifically, the code states:

- (a) No constitutional officer may enter into any lease agreement, contract, or grant with any state agency unless:
 - (2) If competitive bidding or a request for proposal was not required by law, the lease agreement, contract, or grant has received the prior approval of:
 - (A) The Joint Budget Committee during legislative sessions or the Legislative Council between legislative sessions; and
 - (B) The Governor.

In July and October, 2023, the board of the Arkansas Development Finance Authority voted to award certain benefits to a company owned in part by a member of the Arkansas General Assembly, Senator Jim Petty. Formal competitive bidding was not required by law prior to the awarding of these benefits. In the interest of transparency and fully compliance with the law, the decision to award these benefits has been determined to be a contract for purposes of Arkansas Code § 21-1-403. Therefore, please find enclosed copies of the following documents:

- Information presented to the board of the Arkansas Development Finance Authority (ADFA) during the July and October monthly meeting which detail requests for additional funding which were made by Strategic Realty Advisors, Inc.



Sarah Huckabee Sanders
GOVERNOR

Hugh McDonald
SECRETARY OF COMMERCE

- Minutes from the July and October meetings of the ADFA board showing their approval of the requests to award benefits to Strategic Realty Advisors, Inc.
- Documents submitted by Senator Jim Petty disclosing his partial ownership interest in Strategic Realty Advisors, Inc.
- The approval of Governor Sarah Huckabee Sanders for ADFA to enter into these contracts with Strategic Realty Advisors, Inc.

Pursuant to Ark. Code Ann. § 21-1-403, the attached documents are presented to you for review by the Arkansas Legislative Council. Should you have any questions, please do not hesitate to contact me or members of the ADFA staff at the Department of Commerce.

Sincerely,

A handwritten signature in blue ink that reads "Allison Hatfield". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Allison Hatfield
Chief of Staff

2023 TAX CREDIT APPLICANTS

	APPLICANT	DEVELOPER	DEVELOPMENT	CONG.DIST.	HOME	NHTF	TAX CREDITS	
				COUNTY			(TOTAL) UNITS (LIHTC)	FEDERAL
1	The Bluffs at Shackleford Limited Partnership Amanda Raible 1501 N. University Ave, Suite 740 Little Rock, AR 72207 (501) 666-9629	Phillips Development Corp Amanda Raible 1501 N University, Suite 740 Little Rock, AR 72207 (501) 666-96229	The Bluffs at Shackleford North of 4100 S Shackleford Rd Little Rock, AR 72204 N/C For-Profit	2nd Pulaski Urban 61 60	1,300,000		1,000,000	
2	Loraine Park of Lowell, Limited Partnership Thomas E. Embach 351 E. 4th St. Suite 2 Mountain Home, AR 72653 (870) 424-7460	Leisure Homes Corporation Thomas E. Embach, VP 351 E. 4th St. Suite 2 Mountain Home, AR 72653 (870) 424-7460	Loraine Park of Lowell Columbia Place Lowell, AR 72745 N/C For-Profit	3rd Benton Urban 60 60	3,000,000		899,213	
3	Bentonville Housing Partners III LP Jim C. Petty/Brent Lacefield 812 Main Street Van Buren, AR 72956 (479) 262-6655	Strategic Realty Advisors, Inc. Jim C. Petty/Brent Lacefield 812 Main Street Van Buren, AR 72956 (479) 262-6655	McAuley Place Apartments Approx. SW 41st Street and "I" Street Bentonville, AR 72713 N/C For-Profit	3rd Benton Urban 60 60	1,980,000		960,000	
4	Sager Creek Crossing II, LP Matt Darst 6468 N State Highway Z Willard, MO 65781 (417) 988-0815	Upward Housing Group Matt Darst 6468 N State Highway Z Willard, MO 65781 (417) 988-0815	Sager Creek Crossing II Everett Ln/North of 801 Lake Francis Siloam Springs, AR N/C For-Profit	3rd Benton Urban 40 40	1,515,000		620,000	
5	Spavinaw Creek Senior Housing, LP Matt Darst 6468 N State Highway Z Willard, MO 65781 (417) 988-0815	Upward Housing Group Matt Darst 6468 N State Highway Z Willard, MO 65781 (417) 988-0815	Spavinaw Creek Senior Housing 501 Dallas St SW Gravette, AR 72736 N/C For-Profit	3rd Benton Rural 40 40	1,560,000		620,000	

	APPLICANT	DEVELOPER	DEVELOPMENT	CONG.DIST.	HOME	PROGRAM CHDO/PRLF	TAX CREDITS	
				COUNTY (TOTAL) UNITS (LIHTC)			FEDERAL	STATE
6	Stone Ridge at Springdale Phase II, LP Arby Smith 9800 Maumelle Blvd North Little Rock, AR 72113 (501) 758-0050	RichSmith Development, LLC Casey Kleinhenz Arby Smith North Little Rock, AR 72113 (501) 758-0050	Stone Ridge at Springdale Phase II 1430 Cooper Drive Springdale, AR 72764 N/C For-Profit	3rd Washington Urban 72 71	1,900,000		1,000,000	
7	The Villas at Spring Valley Limited Partnership Amanda Raible 1501 N. University Ave, Suite 740 Little Rock, AR 72207 (501) 666-9629	Phillips Development Corp Amanda Raible 1501 N University, Suite 740 Little Rock, AR 72207	The Villas at Spring Valley 0 Spring Valley Rd Cabot, AR 72023 N/C For-Profit	1st Lonoke Rural 46 45	1,320,000		700,000	
8	The Vineyards at Cabot Phase II, LP Robert Garth 127 Audubon Drive, Suite C, #345 Maumelle, AR 72113 (501) 244-9777	Garth Development, LLC Robert Garth 127 Audubon Drive, Suite C, #345 Maumelle, AR 72113 (501) 244-9777	The Vineyards at Cabot Phase II County Road 289/Cut Hill Road Cabot, AR 72023 N/C For-Profit	1st Lonoke Urban 48 47	1,320,000		784,000	
9	The Vineyards at Little Rock, Limited Partnership Robert Garth 127 Audubon Drive, Suite C, #345 Maumelle, AR 72113 (501) 244-9777	Garth Development, LLC Robert Garth 127 Audubon Drive, Suite C, #345 Maumelle, AR 72113 (501) 244-9777	The Vineyards at Little Rock 3750 S Shackleford Rd Little Rock, AR 72204 N/C For-Profit	2nd Pulaski Urban 72 71	1,876,000		1,000,000	

Development	Sponsor/Developer	County	Units	Federal LIHTC	HOME	Cost Per Unit
Bluffs at Shackleford	Phillips Development Corp	Pulaski	61	\$ 1,000,000	\$ 1,300,000	\$ 166,494
Loraine Park of Lowell€	Leisure Homes	Benton	60	\$ 899,213	\$ 3,000,000	\$ 174,825
McAuley Place	Strategic Realty Advisors	Benton	60	\$ 960,000	\$ 1,980,000	\$ 193,517
Sager Creek Crossing II€	Upward Housing Group	Benton	40	\$ 620,000	\$ 1,515,000	\$ 170,327
Spavinaw Creek Senior®€	Upward Housing Group	Benton	40	\$ 620,000	\$ 1,560,000	\$ 174,816
Stone Ridge at Springdale	RichSmith Development, LLC	Washington	72	\$ 1,000,000	\$ 1,900,000	\$ 180,661
Villas at Spring Valley®€	Phillips Development Corp	Lonoke	46	\$ 700,000	\$ 1,320,000	\$ 165,087
Vineyards at Cabot II	Garth Development, LLC	Lonoke	48	\$ 784,000	\$ 1,320,000	\$ 184,488
Vineyards at Little Rock	Garth Development, LLC	Pulaski	72	\$ 1,000,000	\$ 1,876,000	\$ 180,629
Totals			499	7,583,213	\$ 15,771,000	\$ 176,760

® = Rural € = elderly

**BOARD HOUSING REVIEW COMMITTEE
ACTION MEMORANDUM**

Board HRC Meeting: October 19, 2023

Prepared by: John Blackwell

HOUSING PARTNER

Name of Entity:	Bentonville Housing Partners LP (Strategic Realty)
Address of Entity:	812 Main Street Van Buren, AR 72956
Contact Person:	Jim Petty
Phone	479-650-4108
Email Address:	jim@thesrc.com

DEVELOPMENT INFORMATION

Name of Development:	StoneRidge Duplexes of Bentonville (2019 award) 3500 South Main Street Bentonville, AR 72712
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ACTION REQUESTED

Strategic Realty Advisors, Inc. is requesting to exchange the 2019 9% LIHTC allocation of \$1,326,780 awarded to StoneRidge Duplexes of Bentonville for a 2023 9% LIHTC re-issue of \$1,326,780 for the same development. They are requesting this credit swap because the development will not be able to meet the IRS's extended deadline of December 31, 2023 to place the units in service. They have assured ADFA that the units will be ready in January or February of 2024. StoneRidge Duplexes of Bentonville is the only 2019 development that has not placed the units in service. If approved, the new deadline to place the units in service will be December 31, 2024.

BACKGROUND INFORMATION

In 2019 Bentonville Housing Partners LP was awarded \$1,326,780 in annual 9% LIHTC and \$450,000 in HOME to construct 100 affordable housing units in Bentonville, Arkansas. In 2021 the project was given an additional \$465,000 in annual 9% LIHTC (\$1,791,780 total) as part of the 2021 Hard Cost Increase that ADFA implemented to address the Covid-19 pandemic and resulting inflation. The 2021 credits awarded have a placed in service deadline of December 31, 2024 (the same as the exchanged credits will have). In 2023 the project also applied for an increase of HOME funding from \$450,000 to \$1,800,000 and was approved.

FINAL RECOMMENDATION OF BOARD HOUSING REVIEW COMMITTEE

ATTACHMENT F-2

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Check one and complete:

- Applicant
- Consultant
- Contractor
- Tax Attorney
- Accounting/CPA Consultant
- Application Preparer

- Developer
- Architect
- Management Company
- Bond Attorney
- Energy Consultant
- Nonprofit Sponsor
- Other: _____

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, grant award or other award from or with any Arkansas State Agency. You MUST complete all information requested OR you must indicate "none of the above applies."

SUBCONTRACTOR: Yes No SUBCONTRACTOR NAME: _____

TAXPAYER ID NAME: Bentonville Housing Partners III Limited Partnership IS THIS FOR: Goods? Services? Both?

YOUR LAST NAME:: Petty FIRST NAME: Jim M.I.: C

ADDRESS: 812 Main Street

CITY: Van Buren STATE: AR ZIP CODE: 72956
COUNTRY: USA

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

For Individuals*

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (√)		Name of Position of Job Held [senator, representative, name of board/ commission, data entry, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	State Senator	01/01/23	Present	Jim C. Petty	Owner of Entity
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>					
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>					
State Employee	<input type="checkbox"/>	<input type="checkbox"/>					

None of the above applies

F O R A V E N D O R (B U S I N E S S) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (✓)		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	State Senator	01/01/23	Present	Jim C. Petty	50%	Owner
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>						
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>						
State Employee	<input type="checkbox"/>	<input type="checkbox"/>						

None of the above applies

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.
2. I will include the following language as a part of any agreement with a subcontractor:
Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature Jim C. Petty Title: Manager of General Partner Date: 2-24-23
 Vendor Contact Person: Jim C. Petty Title: Manager of General Partner Phone No. 479/ 262-6655

Agency use only

Agency Agency Contact Contract

ATTACHMENT F-2

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Check one and complete:

- Applicant
- Consultant
- Contractor
- Tax Attorney
- Accounting/CPA Consultant
- Application Preparer

- Developer
- Architect
- Management Company
- Bond Attorney
- Energy Consultant
- Nonprofit Sponsor
- Other: _____

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SUBCONTRACTOR: Yes No SUBCONTRACTOR NAME: _____

TAXPAYER ID NAME: Strategic Realty Advisors, Inc. IS THIS FOR: Goods? Services? Both?

YOUR LAST NAME:: Petty FIRST NAME: Jim M.I.: C

ADDRESS: 812 Main Street

CITY: Van Buren STATE: AR ZIP CODE: 72956
COUNTRY: USA

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	Curr ent	Form er		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	State Senator	01/01/23	Present	Jim C. Petty	Owner of Entity
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State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>					
State Employee	<input type="checkbox"/>	<input type="checkbox"/>					

None of the above applies

F O R A V E N D O R (B U S I N E S S) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

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- I will include the following language as a part of any agreement with a subcontractor:
Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
- No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature Jim C. Petty
Vendor Contact Person: Jim C. Petty

Title: Manager
Title: Manager

Date: 2-24-23
Phone No. 479/ 262-6655

Agency use only

Agency Agency Contact Contract

ATTACHMENT F-2

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Check one and complete:

- Applicant
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- Management Company
- Bond Attorney
- Energy Consultant
- Nonprofit Sponsor
- Other: _____

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SUBCONTRACTOR: Yes No
 SUBCONTRACTOR NAME: _____

TAXPAYER ID NAME: Grass Roots Construction LLC
 Both? _____ IS THIS FOR: Goods? Services? Both?

YOUR LAST NAME:: Petty FIRST NAME: Jim M.I.: C.

ADDRESS: 812 Main Street

CITY: Van Buren STATE: AR ZIP CODE: 72956
 COUNTRY: USA

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General Assembly	<input type="checkbox"/>	<input type="checkbox"/>					
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>					
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>					
State Employee	<input type="checkbox"/>	<input type="checkbox"/>					

None of the above applies

FOR A VENDOR (BUSINESS) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

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Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

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1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.
2. I will include the following language as a part of any agreement with a subcontractor:
Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature Brent Lacefield Title: Manager Date: 2-21-23
Vendor Contact Person: Brent Lacefield Title: Manager Phone No. 479/ 262-6655

Agency use only

Agency Agency Contact Contract

ATTACHMENT F-2

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Check one and complete:

- Applicant
- Consultant
- Contractor
- Tax Attorney
- Accounting/CPA Consultant
- Application Preparer

- Developer
- Architect
- Management Company
- Bond Attorney
- Energy Consultant
- Nonprofit Sponsor
- Other: _____

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, grant award or other award from or with any Arkansas State Agency. You MUST complete all information requested OR you must indicate "none of the above applies."

SUBCONTRACTOR: Yes No SUBCONTRACTOR NAME: _____

TAXPAYER ID NAME: Strategic Realty Management, Inc. IS THIS FOR: Goods? Services? Both?

YOUR LAST NAME:: Petty FIRST NAME: Jim M.I.: C.

ADDRESS: 812 Main Street

CITY: Van Buren STATE: AR ZIP CODE: 72956
COUNTRY: USA

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

For Individuals*

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (√)		Name of Position of Job Held [senator, representative, name of board/ commission, data entry, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	
	Curr ent	Form er		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly	<input type="checkbox"/>	<input type="checkbox"/>					
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>					
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>					
State Employee	<input type="checkbox"/>	<input type="checkbox"/>					

None of the above applies

FOR A VENDOR (BUSINESS) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (√)		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Curr ent	Form er		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	State Senator	01/01/23	Present	Jim C. Petty	50%	Owner
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>						
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>						
State Employee	<input type="checkbox"/>	<input type="checkbox"/>						

None of the above applies

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.
2. I will include the following language as a part of any agreement with a subcontractor:
Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature Jim C. Petty Title: Owner Date: 2-24-23
 Vendor Contact Person: Jim C. Petty Title: Owner Phone No. 479/ 262-6655

Agency use only
 Agency Agency Contact Contract

ATTACHMENT F-2

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Check one and complete:

- Applicant
- Consultant
- Contractor
- Tax Attorney
- Accounting/CPA Consultant
- Application Preparer

- Developer
- Architect
- Management Company
- Bond Attorney
- Energy Consultant
- Nonprofit Sponsor
- Other: _____

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, grant award or other award from or with any Arkansas State Agency. You MUST complete all information requested OR you must indicate "none of the above applies."

SUBCONTRACTOR: Yes No SUBCONTRACTOR NAME: _____

IS THIS FOR:

TAXPAYER ID NAME: Strategic Realty Management, Inc.
Both?

Goods? Services?

YOUR LAST NAME:: Cook

FIRST NAME:Dawn

M.I.:

ADDRESS:812 Main Street

CITY:Van Buren

STATE:AR

ZIP CODE:72956

COUNTRY:USA

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

For Individuals*

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (✓)		Name of Position of Job Held [senator, representative, name of board/ commission, data entry, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	
	Curr ent	Form er		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly	<input type="checkbox"/>	<input type="checkbox"/>					
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>					
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>					
State Employee	<input type="checkbox"/>	<input type="checkbox"/>					

None of the above applies

F O R A V E N D O R (B U S I N E S S) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (✓)		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	State Senator	01/01/23	Present	Jim C. Petty	50%	Owner
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>						
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>						
State Employee	<input type="checkbox"/>	<input type="checkbox"/>						

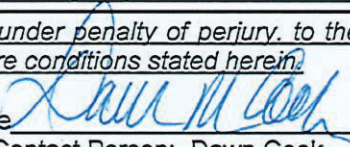
None of the above applies

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.
2. I will include the following language as a part of any agreement with a subcontractor:
Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature:  Title: President Date: 02/21/2023
Vendor Contact Person: Dawn Cook Title: President Phone No. 479/ 262-6655

Agency use only

Agency Agency Contact Contract

ATTACHMENT F-2

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Check one and complete:

- Applicant
- Consultant
- Contractor
- Tax Attorney
- Accounting/CPA Consultant
- Application Preparer

- Developer
- Architect
- Management Company
- Bond Attorney
- Energy Consultant
- Nonprofit Sponsor
- Other: _____

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, grant award or other award from or with any Arkansas State Agency. You MUST complete all information requested OR you must indicate "none of the above applies."

SUBCONTRACTOR: Yes No SUBCONTRACTOR NAME: _____

TAXPAYER ID NAME: The Hill Firm, Inc. IS THIS FOR: Goods? Services? Both?

YOUR LAST NAME:: Clauson FIRST NAME:Kevin M.I.:

ADDRESS:5003 Old Greenwood Road, Suite D

CITY:Fort Smith STATE:AR ZIP CODE:72903 COUNTRY:USA

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

For Individuals*

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (√)		Name of Position of Job Held [senator, representative, name of board/ commission, data entry, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly	<input type="checkbox"/>	<input type="checkbox"/>					
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>					
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>					
State Employee	<input type="checkbox"/>	<input type="checkbox"/>					

None of the above applies

FOR A VENDOR (BUSINESS) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (√)		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly	<input type="checkbox"/>	<input type="checkbox"/>						
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>						
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>						
State Employee	<input type="checkbox"/>	<input type="checkbox"/>						


None of the above applies

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

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Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature  Title: President Date: 02/20/2023
Vendor Contact Person: Kevin Clauson Title: President Phone No. 405/ 494-1808

Agency use only
Agency Number _____ Agency Name _____ Agency Contact Person _____ Contact Phone No. _____ Contract or Grant No. _____

ATTACHMENT F-2

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Check one and complete:

- Applicant
- Consultant
- Contractor
- Tax Attorney
- Accounting/CPA Consultant
- Application Preparer

- Developer
- Architect
- Management Company
- Bond Attorney
- Energy Consultant
- Nonprofit Sponsor
- Other: _____

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, grant award or other award from or with any Arkansas State Agency. You MUST complete all information requested OR you must indicate "none of the above applies."

SUBCONTRACTOR: SUBCONTRACTOR NAME:
 Yes No

IS THIS FOR:

- Goods? Services? Both?

TAXPAYER ID NAME: Tidwell Group, LLC

YOUR LAST NAME:: Thomas

FIRST NAME: Christopher

M.I.: N.

ADDRESS: 1401 Lavaca Street, #686

CITY: Austin

STATE: TX

ZIP CODE: 78701

COUNTRY: USA

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

For Individuals*

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (✓)		Name of Position of Job Held [senator, representative, name of board/ commission, data entry, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly	<input type="checkbox"/>	<input type="checkbox"/>					
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>					
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>					
State Employee	<input type="checkbox"/>	<input type="checkbox"/>					

None of the above applies

FOR A VENDOR (BUSINESS) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (√)		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Curr ent	Form er		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly	<input type="checkbox"/>	<input type="checkbox"/>						
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>						
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>						
State Employee	<input type="checkbox"/>	<input type="checkbox"/>						

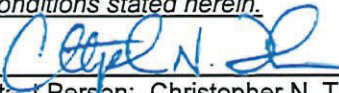
None of the above applies

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

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- Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.
- I will include the following language as a part of any agreement with a subcontractor:
Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
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I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature  Title: Partner Date: 2/1/23
Vendor Contact Person: Christopher N. Thomas Title: Partner Phone No. 512/ 693-2108

Agency use only

Agency Number _____ Agency Name _____ Agency Contact Person _____ Contact Phone No. _____ Contract or Grant No. _____

ATTACHMENT F-2

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Check one and complete:

- Applicant
- Consultant
- Contractor
- Tax Attorney
- Accounting/CPA Consultant
- Application Preparer

- Developer
- Architect
- Management Company
- Bond Attorney
- Energy Consultant
- Nonprofit Sponsor
- Other: _____

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, grant award or other award from or with any Arkansas State Agency. You MUST complete all information requested OR you must indicate "none of the above applies."

SUBCONTRACTOR: Yes No SUBCONTRACTOR NAME: _____

TAXPAYER ID NAME: Hartzog Conger Cason LLP IS THIS FOR: Goods? Services? Both?

YOUR LAST NAME: Spradling FIRST NAME: T. M.I.: Scott

ADDRESS: 201 Robert S. Kerr Avenue, Suite 1600

CITY: Oklahoma City STATE: OK ZIP CODE: 73102
COUNTRY: USA

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

For Individuals*

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (√)		Name of Position of Job Held [senator, representative, name of board/ commission, data entry, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	
	Curr ent	Form er		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly	<input type="checkbox"/>	<input type="checkbox"/>					
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>					
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>					
State Employee	<input type="checkbox"/>	<input type="checkbox"/>					

None of the above applies

F O R A V E N D O R (B U S I N E S S) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (√)		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly	<input type="checkbox"/>	<input type="checkbox"/>						
Constitutional Officer	<input type="checkbox"/>	<input type="checkbox"/>						
State Board or Commission Member	<input type="checkbox"/>	<input type="checkbox"/>						
State Employee	<input type="checkbox"/>	<input type="checkbox"/>						

None of the above applies

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

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1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.
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I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature  Title: President Date: February 23, 2023
Vendor Contact Person: T. Scott Spradling Title: President of T. Scott Spradling PC Phone No. 405/ 996-3381

Agency use only

Agency Number _____ Agency Name _____ Agency Contact Person _____ Contact Phone No. _____ Contract or Grant No. _____

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

BOARD OF DIRECTORS MEETING

JULY 20, 2023

DEPARTMENT OF COMMERCE, 1 COMMERCE WAY

CENTRAL HIGH/OLD MILL MEETING ROOM

LITTLE ROCK, AR

The Board of Directors of the Arkansas Development Finance Authority held its regular monthly Board Meeting on Thursday, July 20, 2023, at approximately 10:00 AM, Central High/Old Mill Meeting Room, Department of Commerce, Little Rock, Arkansas.

ADFA Board Members Present: Seth Mims, Chair; Carey Smith, Vice-Chair; Jon Chadwell; Rod Coleman; Eric Munson (Designee of Mark Lowery); George O'Connor; and Kirkley Thomas.

ADFA Board Members Present Via Phone or Video: Katelyn Busby; Stephanie Garner; Dr. Lee Lane; Harold Perrin; Denise Sweat; and Larry Walther.

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

ADFA Staff Present: Mark Conine, President of Arkansas Development Finance Authority; Ro Arrington, Vice-President of Homeownership and Public Finance; Jake Bleed, General Counsel and Special Project Director; Chuck Cathey, Vice-President of Development Finance; Kristy Cunningham, Chief Financial Officer; John Blackwell, Director of Tax Credits; Lori Brockway, Federal Housing Program Manager; Susan Gardner, Assistant Federal Housing Program Manager and Software Coordinator; Tracy Green, Assistant Controller; Kimmy Helble, Executive Assistant to President; Amanda Hill, HOME Program Coordinator; Catrina Ingram, Compliance Assistant Manager; Hope Lewis, Assistant Controller; Wesley O'Donohue, Computer Support Specialist; Jeremy Privitera, Development Finance Intern; Derrick Rose, Public Information Officer; Megan Summitt, Internal Auditor; and Tony Williams, Director, Arkansas Student Loan Authority.

ADFA Staff Present via Phone or Video: Jason Bays, HOME Program Coordinator; Netta Bradford, Finance Program Analyst; Sean Doolin, Assistant Controller; Kimberly Edmonson, HOME-ARP Program Specialist; Cathy Ganaway, Senior Accountant; Alisa Green, HOME-ARP Program Specialist; Lanita Hastings, HOME Program Coordinator; Carol Leek, HOME Program Specialist; Drew Rogers, Attorney; Chante' Tyson, Accountant; and Birkett Wootton, Construction Inspector.

Others Present: Mary Fitzpatrick and Thomas Robinson, Alco; Ryan Bowman and Taylor Marshall, Friday, Eldredge, & Clark, LLP; Cheryl Schluterman, Raymond James; Kristina Knight, RichSmith Development; Jim Fowler, Rose Law Firm; Glenda Dean, Simmons

Bank; Leigh Ann Biernat, Stephens, Inc; Jim Petty, Strategic Realty; and Jeff Van Patten, Van Patten & Company.

Others Present Via Phone or Video: Matt Barker, Barker Scoggins Consulting, LLC; Edmond Hurst, Carty & Company; Lydia Ulrich, Community Development Corporation of Bentonville/Bella Vista, Inc; Andrea N. Cooper, Cooper Development & Consulting, LLC; Mike Williams, Midwest Housing Equity Group; Michele Allgood, Mitchell Williams; Blake Bumgardner and Amanda Raible, PDC Companies; Brian Simmons; Nona McVay and Lornea Wells, The McVay Firm, PLLC; and Matt Darst, Upward Housing Group I, LLC.

NEW BUSINESS

Minutes, Resolutions, Proposals and Appeals

Call to Order: Mr. Seth Mims, Chairman, called the Board of Directors Meeting to order at approximately 10:00 AM then requested a roll call of Board Members.

President's Remarks: Mr. Conine opened his remarks with a congenial welcome to ADFA's newest Board Member, Mr. Kirkley Thomas, who has recently retired from the Electric Cooperatives of Arkansas.

Mr. Conine provided a reminder that ADFA Board does not meet in December therefore those who have business to present to the ADFA Board, should have it submitted between now and the November Board meeting.

Mr. Conine mentioned that Mr. Rose would be preparing a Save-the-Date notice to send out with the ADFA Board Retreat invitation information that will be held at Mount Magazine, October 18 - 19, 2023.

Mr. Conine also announced that on August 1, 2023, at 10:00 AM, ADFA would be hosting a public Comment Period for the 2024 Qualified Action Plan (QAP) at the Department of Commerce building; written comments will be accepted until close of business day on September 1, 2023.

ADFA Board Minutes: Mr. Mims presented the minutes from the regularly scheduled May 18, 2023, ADFA Board of Directors meeting to the Board seeking approval.

Being that there no comments, questions, or changes, Mr. O'Connor made a motion to approve the minutes. Mr. Perrin seconded the motion. The motion passed.

ADFA Board Minutes: Special Meeting: Mr. Mims presented the minutes from the June 28, 2023, ADFA Board of Directors Special meeting to the Board seeking approval.

Mr. Perrin made a motion to approve the minutes. Mr. Chadwell seconded the motion. The motion passed.

Resolution: Revolving Loan Fund Revenue Bond Program General Bond

Resolution: Mr. Mims invited Mr. Bowman of Friday, Eldredge, & Clark, LLP to present the resolution for consideration.

Mr. Bowman offered that the Revolving Loan Program was administered by the Arkansas Natural Resources Commission (ARNC) in conjunction and cooperation with the Arkansas Development Finance Authority (ADFA), and that the Program provided low interest rate loans to local governmental entities within Arkansas to finance improvements to their water and sewer systems.

Mr. Bowman stated that the last Bond Issue for the Revolving Loan Program closed in 2011 and has since paid off, making the two resolutions, General Bond Resolution, and a Series Resolution, necessary; the General Bond Resolution contains terms and details with respect to all Bonds to the issue for the Revolving Loan Program, now and for the future.

Due to technical difficulties, a second vote was requested by Mr. Arrington and Mr. Bowman to include the ADFA Board Members who attended via Zoom. Mr. Smith made a motion to approve the resolution as presented. Mr. O'Connor seconded the motion. The motion passed.

Resolution: Series Resolution Authorizing the Issuance of Revolving Loan Fund Revenue Bonds, Series 2023, in a Principal Amount Not to Exceed \$120,000,000:

Mr. Bowman stated the Series Resolution contained provisions, specifically for the Series 2023 Bonds, which are expected to be issued in a maximum principal amount of \$120,000,000; it is expected that the bonds will be offered to investors on August 8th, then Friday, Eldredge, & Clark will return to ADFA at the August Board meeting with a Confirming Resolution and expect to close on that Bond Issue on August 30th. The repayment for those Bonds is the repayment of principal and interest from the local borrowers pursuant to those underlying loans.

Mr. Bowman detailed that the underwriters are Stephens, Inc; Crews & Associates, Inc; and Raymond James with Hilltop Securities serving as Financial Advisor on the 2023 Bond Issue.

Due to technical difficulties, a second vote was requested by Mr. Arrington and Mr. Bowman to include the ADFA Board Members who attended via Zoom. Mr. Smith made a motion to approve the resolution as presented. Mr. O'Connor seconded the motion. The motion passed.

OTHER BUSINESS
Committee Meetings and Reports to the Board

Investment and Administration Committee:

Minutes: Mr. O'Connor, Committee Chair, presented the Investment and Administration Committee meeting minutes from the April 20, 2023, meeting seeking approval.

Being that no additions or corrections were made known, Mr. Coleman made a motion to approve the minutes as presented. Mr. Munson seconded the motion. The motion passed unanimously.

Discussion: Operating Results and General Fund Review as of March 31, 2023:

Mr. O'Connor turned the Committee over to Mr. Conine and Ms. Cunningham for a presentation and discussion of the Operating Results and General Fund Review as of March 31, 2023.

Ms. Cunningham stated that the sale of the Arkansas Student Loan Authority (ASLA) portfolio was the major change on the Balance Sheet that was presented along with some other fluctuations from normal course of business, including four new Department of Corrections contracts that were approved at the end of March which was approximately \$6.8MM dollars.

Ms. Cunningham continued that there were similar fluctuations on the Income Statement, with a one-time gain of approximately \$700,000 dollars, as a result of the ASLA portfolio sale which caused the Bond and Loan Premiums to be fully amortized with an expense of approximately \$2.8MM dollars; another fluctuation for this year was that of the Homeowner Assistance Fund (HAF) with the receipt of offsetting funds due to State Small Business Credit Initiative (SSBCI), however, the HAF disbursements have been over \$25MM dollars resulting in a net income of \$6MM dollars for the year because the SSBCI funds are one-time, lump sum payments; next year it is expected to see more of the disbursements going out unless a new program is implemented.

Ms. Cunningham moved forward to Venture Capital Investment Trust Statement and explained that this past quarter had the rolling effect of the Arkansas Institutional Fund (AIF) for the new year, the VCIT Program for this fiscal year would have potential write-downs through June 30th; the final numbers will be reported next quarter.

Ms. Cunningham spoke on the Bond and Note Summary which presented the activity for the last nine months with the majority of the information displaying the Bonds and Notes being paid off with the Student Loan Program. Ms. Cunningham mentioned that there has not been any new bond issuance this year, however, a tax-exempt conversion took

place with one of the State Facility deals, and much of the activity had been Conduit Bond Issuance transactions.

Ms. Cunningham stated that the General Fund Sources of Cash utilized to fund operations showed that for the last nine months the TBA Mortgage programs had been lower than the prior two years because the profit margin had been less due to higher mortgage interest rates that were between 2.50% and 3.00% with current profit margin of about 1.00%, but the volume remained strong. Mr. Conine and Mr. Arrington interjected that while most other states have shut down their TBA programs, ADFA continued to strive for a way to provide low interest rate mortgages and remain consistent with the mission while providing a benefit to ADFA operations.

Mr. Conine commented that the Assisted Living Property in Mena was successfully converted by University of Arkansas Rich Mountain for athlete student housing.

Mr. Conine further commented on Down Payment Assistance (DPA) that as the leader of the Single-Family program it was essential for first-time homebuyers in Arkansas, was a driving force for homeownership, and that the interest versus the write-offs show that the homeowners are making their payments.

After a brief discussion among Committee members, Mr. Conine and Ms. Cunningham concluded the discussion. No action was necessary.

Audit Committee:

Minutes: Mr. Smith, Committee Chair, presented the March, 16, 2023, Audit Committee minutes for approval.

Mr. Perrin made a motion to approve the minutes as presented. Mr. Munson seconded the motion. The motion passed.

Update: Department of Inspector General (DIG) Consult Services: Ms. Summitt stated that after speaking with Mr. Quattlebaum about the direction that ADFA and DIG want to take regarding the internal audit program, Mr. Quattlebaum stated that DIG would be available for consultation at a wider scope level and that an official contract would not be necessary.

Mr. Smith queried if there would be billing for future consultation services provided by DIG, to which Ms. Summitt responded that ADFA will not be billed for consultation services.

No action was necessary.

Report: Independent Auditor Report - Arkansas Institutional Fund (AIF):

Ms. Summitt presented the AIF audit that was performed by Landmark, commenting on a key point that the audit report showed a 2022 Net Loss of (\$1,826,472) for the year ending 2022; the resulting loss to income was due to recognized impairments against the remaining investments in funds that are winding down operations.

Ms. Summitt continued that the audit was clean and had no findings, or misconduct, then yielded to Mr. Cathey and Ms. Lewis for further comment. Mr. Cathey commented briefly and noted that this is a yearly audit.

Mr. Munson made a motion to accept the AIF Audit Report as presented. Mr. Perrin seconded the motion. The motion passed.

Report: HOME Program Audit - Fiscal Year 2022: Ms. Summitt clarified that the HOME Program Audit that was performed was not the HOME Program that is led by Ms. Brockway, rather it is the annual funding allocation from the U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships Program; the evaluation covered internal controls and reviewing compliance with the associated policies and procedures to ensure that the Program was being properly administered. Ms. Summitt listed the eligible activities, that HOME funds support, as acquisition/rehabilitation and new construction of affordable rental housing, Single-Family New Construction with Mortgage Subsidy, Tenant Based Rental Assistance (TBRA), and Arkansas Dream Downpayment Initiative (ADDI) for low-income, very low-income, and extremely low-income households.

Ms. Summitt presented the findings and recommendations along with Management responses, and noted the recommendations that were already in implementation. Ms. Summitt commented that the HOME program has made a conscious effort to comply with Federal regulations.

Ms. Brockway remarked on her appreciation of the audit and the opportunity to improve upon stronger workflows, some of which was prior to the completion of the audit, as with Ms. Gardner's improved workflows within MITAS; Mr. Arrington expressed that he felt the audit was perfectly timed and provided the opportunity to reorganize DPA program(s).

After a brief discussion among the ADFA Board and ADFA Staff, Mr. Smith commended Ms. Summitt on her thorough and diligent work efforts, then entertained a motion to approve the HOME Program Audit for Fiscal year 2022.

Mr. Munson made a motion to approve the Audit as presented. Mr. Perrin seconded the motion. The motion passed.

Housing Review Committee:

Minutes: Mr. Coleman, Committee Chair, presented the Housing Review Committee minutes from the May 18, 2023, meeting seeking approval.

Mr. Chadwell made a motion to approve the minutes as presented. Mr. O'Connor seconded the motion. The motion passed.

Action Memos: NHTF/HOME Revision Requests: Ms. Brockway assured the Committee that the Revision Requests being presented were submitted by the May 31, 2023, deadline, and were being recommended by ADFA Staff for approval.

Ms. Brockway stated The Vineyards at Monticello Phase II project was previously approved for \$450,000 in HOME funding in 2020 and is seeking additional HOME funding of \$450,000 for a total of \$900,000 at 1% amortized over 35 years with a loan term of 35 years; the revision is due to increased cost of interest rates, increased construction costs, increased operating expenses, and lower equity pricing.

Mr. Coleman recommended the request for approval on behalf of The Vineyards at Monticello Phase II as presented. Mr. Mims made a motion to approve. Mr. O'Connor seconded the motion. The motion passed.

Ms. Brockway stated The Peaks at Springdale III was previously approved for \$450,000 in HOME funding in 2021, and due to increased cost of interest rates, increased construction costs, increased operating expenses, and lower equity pricing, the Developer is seeking additional HOME funding of \$1,475,000 for a total of \$1,925,000 in HOME amortized at 1% over 35 years with a loan term of 35 years; the Developer is also seeking \$605,000 in NHTF funding at 0% amortized over 30 years and a loan term of 30 years.

Mr. Coleman recommended the request by The Peaks at Springdale III for approval as presented. Mr. O'Connor made a motion to approve. Mr. Chadwell seconded the motion. The motion passed.

Ms. Brockway presented The Vineyards at Cabot, stating the Project was previously approved for \$450,000 in HOME funding in 2021 and is seeking additional HOME funding of \$1,390,000 for a total of \$1,840,000 at 1% amortized over 35 years with a loan term of 35 years; the Developer is also seeking \$425,000 in NHTF funding at 0% amortized over 30 years and a loan term of 30 years. The revision is due to increased cost of interest rates, increased operating expenses, and lower equity pricing.

Mr. Coleman recommended the request by The Vineyards at Cabot for approval as presented. Mr. Chadwell made a motion to approve. Mr. Mims seconded the motion. The motion passed.

Discussion: HOME Per Unit Subsidy Limits: Ms. Brockway stated that for consideration of the Board she prepared a memo to present the Arkansas 2023 Maximum Per-Unit Subsidy Limits, as set by HUD as of May 30, 2023.

Ms. Brockway continued that HUD had increased the Per-Unit Subsidy Limits by 8.29% for units having zero, one, two, and four bedrooms, with an increase of 11.42% for units having three bedrooms.

Ms. Brockway stated that she used the current HUD increase of 8.29% as a guideline for ADFA's Proposed Per-Unit Subsidy Limits that were presented on the memo and was seeking feedback from the Board members. Mr. Conine interjected that ADFA was not requesting a vote, but rather thought this would be a good opportunity introduce the information prior to the QAP discussion.

A brief discussion was held, and it was decided that this was a timely issue and would be discussed further during the QAP meeting.

No action was necessary.

Report: HOME - ARP Status Report: Ms. Brockway stated that ADFA opened the HOME-ARP application process on July 1st, 2023, and received ten applications, five for Supportive Services, and five for Non-profit Operating Expense Assistance, as of July 20, 2023, the applications have increased to ten applications for Supportive Services, and eight for Non-Profit Operating Expense Assistance. Ms. Brockway further stated that some of the Non-Profit Operating Expense Assistance applications will be denied due to a limited amount of allocated funds in the amount of \$1,877,350.

Ms. Brockway continued that the order in which the applications were received are tracked in MITAS and underwritten in queue and expects that ADFA Staff will begin to present action memos in regards to these specific applications starting as soon as September.

After some additional discussion, Mr. Mims announced that the deadline to submit an application for a Non-Congregate Shelter was September 22, 2023.

No action was necessary.

Action Memo: 4% LIHTC - HOME/NHTF - Fair Oaks Apartments: Mr. Blackwell presented the request on behalf of Alco Development Partners, LLC for the rehabilitation of Fair Oaks Apartments that was last renovated in 2006. The amount requested was ADFA Tax-Exempt Bonds up to \$9,000,000 during construction, paid down to \$5,450,000 at permanent loan conversion, the Bonds will be credit enhanced by HUD under the 221(d)(4) insurance program; 4% LIHTC, \$718,155 (approximate annual amount) that will generate approximately \$6,749,980 in equity; in addition to ADFA HOME loan of \$2,000,000 at an interest rate of 1.0% and a 40-year term; and ADFA NHTF

loan of \$2,000,000 at an 1.0% interest rate and a 40-year loan term, and a waiver of \$1,000,000 limit.

Mr. Blackwell yielded the floor to Mr. Thomas Robinson, Director of Acquisitions, Alco Development Partners, to present additional information and answer questions. Mr. Robinson stated that all of the 100 units at Fair Oaks Apartments will benefit from a Section 8 Project-Based Rental Assistance contract and are targeted to general occupancy/family households, total construction costs per unit is \$173,000.

After further discussion, Mr. Coleman entertained a motion to approve the request as presented. Mr. Mims made a motion to approve. Mr. O'Connor seconded the motion. The motion passed.

Action Memos: 2023 9% LIHTC Allocation Recommendations: Mr. Blackwell stated that the application deadline for the 2023 9% LIHTC Funding Round was March 06, 2023, with twelve applications received; the Funding Round was conducted in accordance with the priority and scoring process outlined in ADFA's 2023 QAP that was adopted by the Board of Directors on October 20, 2022; three applications were removed from the process due to non-compliance according to the QAP.

Mr. Blackwell continued to describe the scoring categories and the available points per category. Mr. Blackwell made note of the category Air Quality that was new to the 2023 QAP and reminded the Committee that there was a maximum of 100 points that could be scored, the application scoring ranged from a high of 91.88 to a low of 86.12. Mr. Blackwell also noted that a Non-Profit application was not received for 2023.

Mr. Blackwell recommended that ADFA Staff receive approval for permission to exchange HOME and NHTF funds dollar-for-dollar as necessary to meet Project and ADFA-specific needs. Ms. Brockway interjected that she provided a spreadsheet, as a handout, with Tax-Credit HOME details for the Board member's convenience.

Mr. Coleman entertained a motion to approve the 2023 9% LIHTC Allocation Recommendations, which included Bluffs at Shackelford; Lorrain Park at Lowell; McAuley Place; Sager Creek Crossing; Spavinaw Creek Senior Housing; Stone Ridge at Springdale; The Villas at Spring Valley; The Vineyards at Cabot; and The Vineyards at Little Rock; and the recommended approval for permission to exchange HOME and NHTF funds dollar-for-dollar as necessary to meet Project and ADFA-specific needs as presented.

Mr. Chadwell made a motion to approve. Mr. O'Connor seconded the motion. The motion passed.

Report: Compliance Monitoring Activities: April - June 2023: Mr. Coleman noted the Compliance and Monitoring Activities report and asked if there were any comments or questions; there were none. No action was necessary.

ADJOURNMENT

Adjournment: Being no further business, questions, or comments, Mr. Mims moved to adjourn the ADFa Board meeting. The ADFa Board meeting adjourned at approximately 11:52 AM.

Minutes approved and signed this 20th day of July 2023.

Seth Mims, Chairman of the Board

Mark Conine, President/Secretary

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

BOARD OF DIRECTORS MEETING

OCTOBER 19, 2023

DIANA BANQUET ROOM

THE LODGE AT MOUNT MAGAZINE STATE PARK

577 LODGE DRIVE, PARIS, AR 72855

The Board of Directors of the Arkansas Development Finance Authority held its regular monthly Board Meeting at the annual ADFA Board of Directors Retreat on Thursday, October 19, 2023, at approximately 10:00 AM, Diana Banquet Room, The Lodge at Mount Magazine State Park.

ADFA Board Members Present: Seth Mims, Chair; Carey Smith, Vice-Chair; Jon Chadwell; Rod Coleman; Stephanie Garner; Jim Hudson; George O'Connor; Harold Perrin; Denise Sweat; Kirkley Thomas; and Larry Walther, Treasurer, Office of Treasurer of State of Arkansas.

ADFA Board Members Absent: Katelyn Busby; Dr. Lee Lane; and Hugh McDonald, Cabinet Secretary of Department of Commerce.

ADFA Staff Present: Mark Conine, President of Arkansas Development Finance Authority; Ro Arrington, Vice-President of Homeownership and Public Finance; Jake Bleed, General Counsel and Special Project Director; Chuck Cathey, Vice-President of Development Finance; Kristy Cunningham, Chief Financial Officer; John Blackwell, Director of Tax Credits; Lori Brockway, Federal Housing Program Manager; Sean Doolin, Assistant Controller; Paula Farthing, Loan Servicing Manager; Susan Gardner, Assistant Federal Housing Program Manager and Software Coordinator; Tracy Green, Assistant Controller; Kimmy Helble, Executive Assistant to ADFA President and Capital Access Program Administrator; Catrina Ingram, Assistant Compliance Manager; Hope Lewis, Controller; Derrick Rose, Public Information Officer; Megan Summitt, Internal Auditor; Tammy White, Compliance Manager; Tony Williams, Director, Arkansas Student Loan Authority; and Birkett Wootton, Construction Inspector.

ADFA Staff Present via Zoom: Jason Bays, HOME Program Coordinator; Netta Bradford, Finance Program Analyst; Kimberly Edmonson, HOME-ARP Program Specialist; Cathy Ganaway, Senior Accountant; Alisa Green, HOME-ARP Program Specialist; Lanita Hastings, HOME Program Coordinator; and Drew Rogers, Attorney.

Others Present: Jim Petty, Bentonville Housing Partners, LP; Brian Ettehad and Daniel Meador, Frost, PLLC; Jim Hathaway, Kutak Rock, LLP; Jim Fowler, Rose Law Firm; and Farrah Tucker, Real Estate Agent.

Others Present Via Phone or Video: Debbie Grooms, Arkansas Enterprises for the Developmentally Disabled (AEDD); Eric Munson, Arkansas State Treasurer's Office; William W. Veronda, Bank of America Securities, Inc.; Matt Barker and Bryan Scoggins, Barker Scoggins Consulting, LLC; Greg Handberg and Andrew Michaelson, Bentonville Artspace Lofts, LP; Edmond Hurst, Carty & Co., Inc.; Lydia Ulrich Alston, Community Development Corporation of Bentonville & Bella Vista; Traci Williams, Domera

Development, LLC; Ami Curry, Fort Smith Children's Emergency Shelter; Lee Richardson, Legal Aid of Arkansas; Frank Fricker, Lockwood and Mead Real Estate, LLC; Sharon Chapman, Next Step Day Room, Inc.; Blake Bumgardner, PDC Companies; Ted Fellman and Cheryl Schluterman, Raymond James; Karen Phillips, Restore Hope; Kristina Knight, RichSmith Development; Matt Darst, Upward Housing Group I, LLC.; Jeff Van Patten, Van Patten & Co., LLC.; Walter McSpadden, Wright Lindsey Jennings.

NEW BUSINESS
Minutes, Resolutions, Proposals and Appeals

Call to Order: Mr. Mims called the Board of Directors Meeting to order at approximately 10:06 AM then requested a roll call of Board Members.

President's Remarks: Mr. Mims yielded the floor to Mr. Conine to deliver his remarks.

Mr. Conine gave some history between ADFA and Mount Magazine as he commented on ADFA's issuance of tax-exempt bonds in 2004 that allowed the facility to be rebuilt and open to the public after a fire that took place in 1971.

Mr. Conine announced a correction to the Committee agenda, and stated that the Asset Commitment Committee (ACC) would not meet at this meeting, due to the resolution being presented would be presented to the full Board and not the ACC.

Mr. Conine continued that Congressman French Hill spoke at ADFA's 2022 Fall Retreat and was scheduled to speak at ADFA's 2023 Fall Retreat, but due to his schedule in Washington, he was unable to attend. However, Congressman Hill was kind enough to send a recorded message in his stead.

Congressman French Hill's message focused on how important it is to prioritize the policies that create a strong world economy to ensure cost of goods for basic things like housing, for Arkansans, and for all Americans.

Mr. Conine concluded his remarks then yielded the floor to Mr. Mims.

ADFA Board Minutes: Mr. Mims presented the minutes from the regularly scheduled September 21, 2023, ADFA Board of Directors meeting to the Board seeking approval.

Mr. Perrin made a motion to approve the minutes. Ms. Sweat seconded the motion. The motion passed.

RESOLUTIONS:

- A RESOLUTION PROVIDING FOR THE EXECUTION AND DELIVERY OF SCHEDULE NO. 7 TO THE MASTER EQUIPMENT LEASE AND SUBLEASE AGREEMENT DATED JANUARY 18, 2008, AMONG THE ARKANSAS DEVELOPMENT FINANCE AUTHORITY, WASHINGTON REGIONAL MEDICAL CENTER, AND BANC OF AMERICA PUBLIC CAPITAL CORP; PROVIDING FOR THE PAYMENT OF LEASE PAYMENTS PURSUANT TO SUCH SCHEDULES; AND PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY: Mr. Arrington was called to the floor to present the resolution on behalf of Washington Regional Medical Center, and Banc of America Public Capital Corp.

Mr. Arrington stated that this is a routine resolution authorizing the seventh installment for equipment purchase of the standard lease agreement that originated in 2008, not to exceed \$9,050,000, and does not use Volume Cap.

Mr. Chadwell made a motion to approve the resolution as presented on behalf of Washington Regional Medical Center, and Banc of America Public Capital Corp.

Mr. Coleman seconded the motion. The Board conceded, with the exceptions of Ms. Busby and Dr. Lane, who were absent. The motion passed.

- 4% LIHTC - REHABILITATION: AUTHORIZING RESOLUTION - FAIR OAKS APARTMENTS: Mr. Mims yielded the floor to Mr. Fowler to present the resolution on behalf of APP Fair Oaks Partners, L.L.L.P.

Mr. Fowler recapped the August 2023 approval of an amount not to exceed \$9MM in Bond issuance, 4% Tax Credits of HOME and NHTF funds for a total amount of \$4MM. Mr. Fowler continued that the closing is anticipated to occur by the December 31, 2023, deadline.

Mr. Fowler stated that the bonds will mature in four (4) years with a mandatory tenor in three (3) years.

Mr. O'Connor made a motion to approve the resolution as presented on behalf of APP Fair Oaks Partners, L.L.L.P.

Ms. sweat seconded the motion. The Board conceded, with the exceptions of Ms. Busby and Dr. Lane, who were absent. The motion passed.

- 4% LIHTC - NEW CONSTRUCTION: AMENDMENT TO AUTHORIZING RESOLUTION - BENTONVILLE ARTSPACE LOFTS: Mr. Fowler stated that the Amendment to Authorizing Resolution on behalf of Bentonville Artspace Lofts would extend the original deadline that was approved in the August 2023 ADFA Board meeting.

Mr. Fowler continued that the basis for the extension is that it involves ground lease from Crystal Bridges of Bentonville, Arkansas and that Crystal Bridges needed

additional time to review the terms of lease and preferred to have it approved at the regularly scheduled November meeting, which is to take place in the middle of November, so the request is an extension of the October deadline to a deadline of November 30th.

Mr. Mims queried for further detail as to why an extension was requested when upon approval in August, the Developer stated they were ready to proceed. Mr. Fowler responded that Crystal Bridges was unaware of the tax requirements involved with the ground lease.

Mr. Smith inquired whose responsibility it was to prepare the ground lease. Mr. Fowler responded that it was prepared by the borrower's council then it will be reviewed by bond council and the council for the tax credits to ensure that it is in compliance with the tax laws.

Ms. Garner made a motion to accept the Bentonville Artspace Lofts Amendment to Authorizing Resolution as presented.

Mr. Perrin seconded the motion. The Board conceded, with the exceptions of one opposing vote from Mr. Coleman, and the absenteeism of Ms. Busby and Dr. Lane. The motion passed.

OTHER BUSINESS

Committee Meetings and Reports to the Board

Housing Review Committee:

Minutes: Mr. Coleman enquired as to why there were three sets of Housing Review Committee (HRC) meeting minutes being presented. Ms. Helble responded that the minutes had not been presented at the recent HRC meetings being that they were primarily pertaining to the on-going discussions regarding the 2024 Qualified Action Plan (QAP), and still needed to receive approval and/or changes as needed.

Being satisfied with the response, Mr. Coleman presented the Housing Review Committee - Qualified Action Plan meeting minutes from the September 12, 2023, meeting seeking approval.

Mr. Chadwell made a motion to approve the minutes. Ms. Garner seconded the motion. The motion passed unanimously.

Mr. Coleman presented the Housing Review Committee - Qualified Action Plan meeting minutes from the August 9, 2023, meeting seeking approval.

Mr. Chadwell made a motion to approve the minutes. Mr. O'Connor seconded the

motion. The motion passed unanimously.

Mr. Coleman presented the Housing Review Committee meeting minutes from the July 20, 2023, meeting seeking approval.

Ms. Sweat made a motion to approve the minutes. Mr. O'Connor seconded the motion. The motion passed unanimously.

Final Draft: 2024 Qualified Action Plan (QAP): Mr. Coleman yielded the floor to Mr. Blackwell to present the Final Draft of the 2024 QAP.

Mr. Blackwell provided a summary of the changes to the Committee, highlighting the raise in Total Development Per Unit Scale by \$5,000, and the raise in Credit Per Units Limits by \$1,000 for Single Family, and \$2,000 for Multi Family. Mr. Blackwell continued that there was a raise of \$1,000 Per Unit for the Acquisition/Rehabilitation category and that the State Tax Credit reference was removed from the QAP until the claiming period issue is resolved.

Mr. Blackwell stated that a minimum score of 45 points to apply for Bond Volume Cap and 4% LIHTC was determined, and that the rehabilitation of studio units on 4% LIHTC deals would not be permitted unless they are 10% or less of the overall total unit mix.

Mr. Blackwell continued with the summary then gave the Committee the opportunity to ask questions and discuss the Final Draft.

After a brief discussion Mr. Chadwell made a motion to approve the 2024 QAP. Mr. O'Connor seconded the motion. The motion passed unanimously.

Action Memo: 9% LIHTC - Credit Exchange - Dogwood Terrace: Mr. Blackwell presented the action memo on behalf of Dogwood Terrace, LP, and stated that it was awarded \$1,503,000 in 9% LIHTC in 2021, and \$250,000 State of Arkansas LIHTC in 2022.

Mr. Blackwell stated that the development would like to exchange the 2022 State of Arkansas LIHTC allocation of \$250,000 for an allocation of \$170,455 of 2023 9% Federal LIHTC.

After a brief discussion, Mr. Coleman entertained a motion to approve the action memo as presented.

Mr. Mims made a motion to approve the Dogwood Terrace, LP action memo. Mr. O'Connor seconded the motion. The motion passed unanimously.

Action Memo: 9% LIHTC 9% LIHTC - StoneRidge Bentonville #1: Mr. Blackwell presented the action memo on behalf of Bentonville Housing Partners, LP, and stated that the request is to exchange the 2019 9% LIHTC allocation of \$1,326,780 awarded to StoneRidge Duplexes of Bentonville for a 2023 9% LIHTC re-issue of \$1,326,780 for the same development, citing that primarily due to the pandemic the development will not be able to meet the IRS's extended deadline of December 31, 2023 to place the units in service, but has assured ADFA that the units will be ready in January or February of 2024.

Mr. Blackwell opened the floor to the Committee and Mr. Petty for further discussion. After some discussion, Mr. Coleman queried if there was a recommendation to approve the action memo.

Ms. Garner made a motion to approve the action memo as presented. Ms. Sweat seconded the motion. The motion passed unanimously.

Action Memos: HOME - ARP - Operating Expense Assistance Applications: Ms. Brockway and Ms. Gardner acted together to present the HOME - ARP Operating Expense Applications. Ms. Brockway began with a summary of the history of Non-Profit Operating.

- **Arkansas Enterprises for the Developmentally Disabled (AEDD):** Ms. Brockway stated that AEDD requested \$300,000 in HOME-ARP Nonprofit Operating Expense Assistance to be used for General Administration and Operations not assigned to a program or activity. Ms. Brockway continued that based on the financial audits provide for fiscal year 2022, if approved, ADFA will provide Nonprofit Operating Expense Assistance in the amount of \$150,000 for fiscal year 2022, and fiscal year 2023 will be based on the fiscal year 2023 audited financials and the amount cannot exceed \$150,000.
- **Fort Smith Children's Shelter:** Ms. Brockway began the presentation of Fort Smith Children's Shelter with the information that \$300,000 in HOME-ARP Nonprofit Operating Expense Assistance had been requested, but upon review of the application, ADFA is requesting to fund up to \$200,000 in HOME-ARP funding for Nonprofit Operating Expense Assistance over a 2-year period. If approved, ADFA will provide \$50,000 for fiscal year 2022, and fiscal year 2023 will be based on fiscal year 2023 audited financials and the amount cannot exceed \$150,000.
- **Legal Aid of Arkansas:** Ms. Brockway presented the action memo on behalf of Legal Aid of Arkansas which requested \$300,000 in HOME-ARP Nonprofit Operating Expense Assistance. If approved, ADFA will provide \$150,000 for fiscal year 2022, and fiscal year 2023 will be based on fiscal year 2023 audited financials and the amount cannot exceed \$150,000. Award will be contingent upon an award of Supportive Services funding.

- **Next Step day Room, Inc.:** Ms. Brockway stated that Next Step Day Room, Inc. was seeking \$136,500 in HOME-ARP Nonprofit Operating Expense Assistance. If approved, ADFA will provide \$68,250 for fiscal year 2022, and fiscal year 2023 will be based on fiscal year 2023 audited financials and the amount cannot exceed \$68,250. Award will be contingent upon the approval of Supportive Services or the Non-Congregate Shelter application.
- **Restore Hope:** Ms. Brockway stated that Restore Hope requested \$300,000 in HOME-ARP Nonprofit Operating Expense Assistance to be used for General Administration and Operations not assigned to a program or activity. Ms. Brockway continued that based on the financial audits provide for fiscal year 2022, if approved, ADFA will provide Nonprofit Operating Expense Assistance in the amount of \$150,000 for fiscal year 2022, and fiscal year 2023 will be based on the fiscal year 2023 audited financials and the amount cannot exceed \$150,000.
- **Riverview Hope Campus:** Ms. Brockway stated that Riverview Hope Campus requested \$300,000 in HOME-ARP Nonprofit Operating Expense Assistance. After review of the application, ADFA is requesting to fund up to \$208,299 in HOME-ARP funding for Nonprofit Operating Expense Assistance. If approved, ADFA will provide \$58,299 for fiscal year 2022, and fiscal year 2023 will be based on fiscal year 2023 audited financials and the amount cannot exceed \$150,000. Award will be contingent upon the approval of Supportive Services or the Non-Congregate Shelter application.
- **Women & Children First:** Ms. Brockway presented on behalf of Women & Children First which requested \$300,000 in HOME-ARP Nonprofit Operating Expense Assistance. If approved, ADFA will provide \$150,000 for fiscal year 2022, and fiscal year 2023 will be based on fiscal year 2023 audited financials and the amount cannot exceed \$150,000. Award will be contingent upon an award of Supportive Services funding.

The floor was opened to questions or discussion. Mr. Smith queried if this was funding that ADFA received yearly, to which, Ms. Brockway responded that this funding was a one-time funding opportunity of HOME-ARP and that ADFA was initially awarded \$37,547,010, but HUD determined that the allocation was incorrect and reduced the funding by 3.17% (\$1,191,114) which provides a new allocation of \$36,355,896.

Mr. Chadwell made a motion to approve the presented applications with Staff recommendations. Ms. Sweat the seconded the motion. The motion passed.

Report: Compliance Monitoring Activities: July - September 2023: No action necessary.

Arkansas Student Loan Authority Committee:

Minutes: Ms. Garner presented the minutes from the January 19, 2023 meeting, giving the Committee opportunity to make comments, or changes. Being none, Ms. Garner sought approval of the minutes.

Mr. O'Connor made a motion to approve the minutes as presented. Mr. Smith seconded the motion. The motion was passed with the exception of Dr. Lane, who was absent.

Presentation and Resolution: Ms. Garner yielded the floor to Mr. Williams to give his presentation and A THIRD RESOLUTION MODIFYING AND SUPPLEMENTING THE RESOLUTION AUTHORIZING ARKANSAS DEVELOPMENT FINANCE AUTHORITY (THE "AUTHORITY") THROUGH ITS STUDENT LOAN AUTHORITY DIVISION, (THE "DIVISION") TO PLAN, PROMULGATE, AND TO INITIATE EDUCATION LOAN PROGRAMS TO BENEFIT ARKANSAS STUDENTS ATTENDING ELIGIBLE INSTITUTIONS; TO INITIATE AN EDUCATION LOAN PROGRAM FOR SPECIFIC CAREER TRAINING CERTIFICATE PROGRAMS IN ORDER TO MEET THE EDUCATION FINANCING NEEDS IN HIGH DEMAND CAREER FIELDS IN ARKANSAS; TO PLAN AND PROMULGATE ADDITIONAL EDUCATION LOAN PROGRAMS AS FURTHER DESCRIBED HEREIN TO BE UNDER THE DIRECTION OF THE PRESIDENT OF THE AUTHORITY; TO ENGAGE PROFESSIONAL FIRMS TO ASSIST IN THE PLANNING; FORMULATING AND INITIATING THE SEPARATE EDUCATION LOAN PROGRAMS AUTHORIZED AND DESCRIBED HEREIN; AND OTHER PURPOSES RELATED THERETO.

Mr. Williams began his presentation by sharing slides that were prepared to give a better understanding of the student loan landscape in Arkansas with data showing that there are 25,000 less students now than there were in 2011, coming out of Arkansas, primarily due to affordability and birth rates. Mr. Williams stated that the interest rates with Arkansas Student Loan Authority (ASLA) are 2.95% up to 6.42% APR.

After some discussion, Ms. Garner entertained a motion to adopt the resolution as presented to raise the total loan cap from \$10MM to \$20MM.

Mr. Smith made a motion to adopt the resolution. Mr. Kirkley seconded the motion. The motion passed with the exception of Dr. Lane, who was absent.

Audit Committee:

Minutes: Mr. Smith presented the minutes from the July 20, 2023, Audit Committee meeting minutes.

Mr. Perrin made a motion to accept the minutes. Ms. Sweat seconded the motion. The motion passed.

Presentation: Fiscal Year 2023 Audit Drafts by Frost, PLLC - Committee to Consider Approval of the Reports - Presented by Brian Ettehad and Daniel Meador, Frost, PLLC:

Mr. Smith reminded the Committee that the following audits were performed and presented every year, then yielded the floor to Mr. Ettehad and Mr. Meador for presentation of the audits.

Mr. Ettehad and Mr. Meador thanked Ms. Cunningham, Ms. Lewis, Mr. Doolin, Ms. Green, and other ADFA Staff members from the Accounting Department for their thorough work and congruent behavior, citing that working with ADFA Staff made their task easier.

- **Arkansas Development Finance Authority:** Mr. Ettehad stated that as in past years, the ADFA audit received an unqualified opinion, which is the highest level of assurance that could be provided, and that there is no "except for" language in the opinion; there were no significant deficiencies or material weaknesses that are required to be reported to the Board. Mr. Ettehad felt this was a very positive matter to report.

Mr. Ettehad continued that at this time, the review of the financial statements has been completed pending an OPEB adjustment that should be received by the end of October. This will be the only adjustment made from the viewed draft to the final report.

After further explanation of the audit draft, Mr. Smith asked if anyone had questions, or comments.

Mr. Perrin made a motion to approve the ADFA audit, subject to the OPEB adjustment resulting in a material change from what the Board is currently viewing, then the Committee would have an opportunity to re-visit the subject. Mr. Hudson seconded the motion. The motion passed.

- **Construction Assistance Revolving Loan Fund Program:** Mr. Meador stated that Frost, PLLC issued an unqualified opinion in regard to the Construction Assistance Revolving Loan Fund Program with no modification, no internal control matters, no material weaknesses, and no significant deficiencies.

Mr. Meador stated that fiscal year 2022 and fiscal year 2023 were very similar. The major change to note was that there were bonds issued in August 2023, to grow the fund, and to provide cities and municipalities throughout the state the availability to upgrade their facilities.

Mr. Meador opened the floor to questions or comments. Mr. Smith provided additional information that ADFA's purpose, in regards to the Construction

Assistance Revolving Loan Fund Program, is to help with servicing and administering the loan programs for Arkansas Natural Resources Commission (ANRC). Ms. Cunningham concurred that ANRC had outsourced these services to ADFA on a contractual term basis.

Mr. Smith queried if there would be any changes to the Construction Assistance Revolving Loan Fund Program audit, to which Mr. Meador and Ms. Cunningham responded that there would not be any changes made.

Mr. Walther made a motion to accept the Construction Assistance Revolving Loan Fund Program audit for fiscal year 2023 as presented. Mr. Perrin seconded the motion. The motion passed.

- **Drinking Water Revolving Loan Fund Program:** Mr. Meador stated that Frost, PLLC, issued an unqualified opinion in regard to the Drinking Water Revolving Loan Fund Program with no modification, no internal control matters, no material weaknesses, and no significant deficiencies.

Mr. Meador restated that the main change to note was the new bond issuance; there was a certain amount allocated to the Construction Assistance Revolving Loan Fund Program, and a certain amount allocated to the Drinking Water Revolving Loan Fund Program with an approximate total of \$110MM.

Mr. Meador stated that the numbers presented in the audit are considered to be complete and opened the floor to questions or comments.

Being no questions or comments, Mr. Smith entertained a motion to approve the Drinking Water Revolving Loan Fund Program audit for fiscal year 2023.

Mr. Perrin made a motion to approve. Mr. Walther seconded the motion. The motion passed.

Professional Selection Committee:

Minutes: Mr. Perrin presented the minutes from the September 21, 2023, Professional Selection Committee meeting seeking approval.

Mr. Coleman made a motion to approve the minutes. Mr. Chadwell seconded the motion. The motion passed with the exception of Ms. Busby, who was absent.

Action Memo: Request for Proposal (RFP): Mr. Perrin yielded the floor to Mr. Arrington to present the action memo.

As Chairman of the Staff Professional Selection Committee, Mr. Arrington stated that

ADFA issued requests for proposals to solicit two (2) groups of professionals for the board organization of the re-establishment of ADFA's Single Family Mortgage Revenue Bond Program and that the Staff Professional Selection Committee met on two (2) separate occasions to review the proposals, which contained a voluminous amount of information, and that he would be present two (2) different actions.

Mr. Arrington stated that all of the responses were greatly appreciated, and the first action would be for the arduous task for underwriter, the investment banking aspect, and a form of municipal finance, the Single Family Mortgage Revenue Bond Underwriter. Mr. Arrington admitted that going through the list was difficult because he knew that everyone on the list was not only very capable but would provide a job well done.

Mr. Arrington had to choose for one to work closely with Staff, establishing and propagating this program as the senior book running, managing underwriter, and that choice was Raymond James with co-underwriters being Stephens, Inc., Crews and Associates, and Carty and Company.

Mr. Kirkley made a motion to accept the Single Family Mortgage Revenue Bond Underwriter as Raymond James with co-underwriters being Stephens, Inc., Crews and Associates, and Carty and Company, as presented. Mr. Chadwell seconded the motion.

The motion passed with the exceptions of Mr. Perrin who chose to abstain from the vote due to one of the firms listed in the Single Family Mortgage Revenue Bond Underwriter are a subsidiary of whom he is employed, and Ms. Busby who was absent.

Mr. Arrington stated that the second action regarded the Single Family Housing Bond Counsel, and that these are very complicated tax issues, so you are not seeing some of the names that you would usually see on the list because these are federal tax issues, and some of the local firms realize that they are not staffed for this task.

Mr. Arrington named Hawkins, Delafield, and Wood of New York, as Single Family Housing Bond Counsel.

Mr. Perrin entertained a motion to approve Hawkins, Delafield, and Wood as the Single Family Housing Bond Counsel.

Mr. Chadwell made a motion to approve Hawkins, Delafield, and Wood of New York, as Single Family Housing Bond Counsel. Mr. Coleman seconded the motion. The motion passed with the exception of Ms. Busby who was absent.

ADJOURNMENT

Closing: Mr. Conine closed the meeting by thanking Ms. Kay Mallett, Mr. Derrick Rose, and Ms. Kimmy Helble for their efforts in planning, organizing, and structure of the Board Retreat.

Mr. Conine mentioned a comment that he had received from a couple of developers that they had recognized the considerate partnership between ADFA Staff and the ADFA Board, and that is being recognized by outside sources, and that is a testament to the Board and Staff. Mr. Conine thanked the Board of Directors for their service.

Mr. Chadwell interjected with a congratulations to Mr. Conine for leading Staff that has three perfect audits and for being able to present the smoothest QAP process that he has seen in years. The Board members echoed this message.

Mr. Mims thanked ADFA staff and Board members for working well with one another, making special note of Mr. Walther and Mr. Hudson's attendance amidst their demanding schedules. Mr. Mims then reminded the Board that the next Board meeting was scheduled on Thursday, November 16th at the Department of Commerce in Little Rock.

Adjournment: Being no further business, questions, or comments, Mr. Mims adjourned the ADFA Board meeting at approximately 11:50 AM.

Minutes approved and signed this 19th day of October 2023.

Seth Mims,
Chairman of the Board

Mark Conine,
President/Secretary



Sarah Huckabee Sanders
GOVERNOR

Hugh McDonald
SECRETARY OF COMMERCE

December 5, 2023

The Honorable Sarah Huckabee Sanders
Governor, State of Arkansas
500 Woodlane Street
Room 250, State Capitol
Little Rock, Arkansas 72201

RE: Disclosure of loan agreements between the Arkansas Development Finance Authority and business entities in which State Senator Jim Petty claims partial ownership

Dear Governor,

Attached, please find records of agreements reached between the Arkansas Development Finance Authority (ADFA) and business entities owned partially by State Senator Jim Petty. These entities are Bentonville Housing Partners III Limited Partnership and Bentonville Housing Partners Limited Partnership. The ADFA Board voted in July 2023 and October 2023 to award loans and tax credits to these entities to promote affordable housing. See Attached July Minutes at 9 and October Minutes at 6. Because Senator Petty is an elected constitutional officer, having been sworn into office in January 2023, he has submitted a disclosure statement dated February 24, 2023. Please see attached at 5 - 14.

These benefits were awarded following the rules of ADFA and a determination of the ADFA board and were not subject to traditional competitive bidding or request for proposals. Arkansas Code § 21-1-403 states in part:

(a) No constitutional officer may enter into any lease agreement, contract, or grant with any state agency unless:

...

(2) If competitive bidding or a request for proposal was not required by law, the lease agreement, contract, or grant has received the prior approval of:



Sarah Huckabee Sanders
GOVERNOR

Hugh McDonald
SECRETARY OF COMMERCE

- (A) The Joint Budget Committee during legislative sessions or the Legislative Council between legislative sessions; and
- (B) The Governor.

Accordingly, the attached documents and disclosure statement from Senator Petty are presented to you for your review and approval. Please let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Allison Hatfield".

Allison Hatfield
Chief of Staff

Approval:

A handwritten signature in blue ink, appearing to read "Sarah Huckabee Sanders".

Governor's Signature