

Notice is hereby given that a public hearing will be held at the offices of the Arkansas Development Finance Authority (ADFA), 900 West Capital Building Suite 310, Little Rock, Arkansas 72201, at 10:00 a.m., Tuesday, September 25, 2012, to discuss significant changes to the 2012 HOME Investment Partnership Program Policy and Operations Manual.

#### SUMMARY of Amendments to HOME Program Policy & Operations Manual

\* The maximum amount that can be requested and allocated for TBRA projects is \$225,000, subject to availability of funds.

o TBRA applicants may apply for funding once a year and when 75% of the current allocation has been expended.

\* ADFA wants to ensure that Recipients are cost-effective and take advantage of scale-of-efficiencies, and thus, imposes certain minimum limits. Addition(s) and Deletion(s) to these limits are stated below:

o \$1,000 minimum per unit

o \$100,000 minimum per program

o 5 HOME units minimum per program

o Therefore, an application must include, at minimum, 5 units.

o Projects may be allowed to proceed with fewer than 5 units under certain conditions. (Please refer to full Proposed Policy Changes.)

\* Homeowner Housing Program: Developer fee. ADFA HOME funds may be used to pay a pro rata share of the developer fee based upon percent of HOME funds to the development costs. The following are a brief synopsis of additional constraints: (Please refer to full Proposed Policy Changes.)

o ADFA restricts total developer fee to 15 percent.

o 50% of the pro rata developer fee may be paid at 50% completion of the project. The remaining 50% of the developer fee will be paid after the submission and approval of all project-related retainage documentation.

o Additionally, while soft costs include developer fees, developers cannot hire themselves as consultants on their HOME-funded project.

\* Rental Housing: Developer fee. ADFA HOME funds may be used to pay a pro rata share of the developer fee based upon percent of HOME funds to the development costs. [Please refer to Chapter 5, infra, with the carve-out of exception for projects NOT utilizing LIHTC.]

#### Rental Housing Forms of Assistance

\* Monthly payments that are due and payable will be deferred for one (1) year from the placed in service date, as evidenced by a permanent certificate of occupancy for all of the units comprising the property. ADFA may defer loan payments for up to two (2) years depending upon various criteria.

\* Any amounts not paid, both principal and interest shall accrue and be payable on the Maturity Date of the loan.

\* For projects utilizing HOME Program funds and USDA Rural Development funds, the HOME loan may match the terms of the RD loan.

A comprehensive write-up of all recommended revisions may be obtained at [www.arkansas.gov/adfa](http://www.arkansas.gov/adfa)<<http://www.arkansas.gov/adfa>>. Any persons interested may appear at the public hearing at 10:00 a.m. on the 25th day of September 2012, and be heard for or against. All suggestions will be heard and considered. This hearing is being held pursuant to the requirements in the Arkansas Administrative Procedures Act.