



2026 ACTION PLAN TO THE 2025-2029 CONSOLIDATED PLAN

Arkansas Economic Development Commission
Arkansas Development Finance Authority
Arkansas Department of Health

Initial Draft for 30-day Public Comment May 18, 2026

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The 2026 Annual Action Plan (AAP) is the second annual plan and update to the State of Arkansas 2025-2029 Consolidated Plan (Consolidated Plan), a five-year plan (2025-2029) addressing the State's housing and community development needs. Federal resources provided by the United States Department of Housing and Urban Development (HUD) that are discussed within the Plan include: Community Development Block Grant (CDBG); the HOME Investment Partnerships Program (HOME); Emergency Solutions Grant Program (ESG); Housing Opportunities for Persons with AIDS Program (HOPWA); and National Housing Trust Fund (HTF).

HUD Standard Form 424 (Application for Federal Assistance), a HUD 424B, and the required certifications are submitted as part of the plan to request federal funding for the State of Arkansas.

The State CDBG Program is administered through the Arkansas Economic Development Commission (AEDC) and AEDC is the lead agency responsible for coordinating the development of the Consolidated Plan. The HOME, ESG, and HTF programs are administered through the Arkansas Development Finance Authority (ADFA). The HOPWA program is administered by the Arkansas Department of Health (ADH). ADFA and ADH work in conjunction with AEDC in developing the Consolidated Plan.

Covering all areas of the State, except the cities of Bentonville, Conway, Fayetteville, Fort Smith, Hot Springs, Jacksonville, Jonesboro, Little Rock, North Little Rock, Pine Bluff, Rogers, Springdale, Texarkana, and West Memphis, the Annual Action Plan identifies a one-year action plan for State CDBG program implementation. As CDBG Entitlement Cities, the cities listed previously receive funds for these programs directly and are required to prepare and submit their own Annual Action Plans.

The HOME funds received by ADFA for the state include the entitlement cities Fort Smith, Little Rock, North Little Rock, and Pine Bluff. HOPWA funds received by ADH for the state exclude the entitlement city of Little Rock, who is responsible for their own HOPWA award. Allocations are based on a formula. The formula is determined using a minimum funding amount for all regions, population base, poverty data, and pro-rata percent. The formal and funding process emphasizes equitable distribution as well as quality projects and programs.

ADFA also administrates the HOME-ARP 2021 Program Grant of \$36,354,808; which includes the following activities: Admin (\$4,362,708); Supportive Services (\$5,117,976); Operating (\$1,598,448); Non-Congregate Shelter-NCS (\$25,275,676).

Additionally, ADFA will administer two disaster grants:

1) CDBG-DR 2020 \$8,940,000 to address unmet disaster recovery needs of HUD MID areas Perry and Jefferson County, for the 2019 disaster (DR-4441).

2) CDBG-DR 2025 \$59,048,000 for disasters of 2023 (DR-4698) and 2024 (DR-4788), for unmet needs of HUD MID areas Cross, Benton, & Pulaski County (excluding Little Rock that received its own CDBG-DR funding).

Arkansas anticipates receiving the following amounts in 2026:

- Community Development Block Grant (CDBG) - \$17,624,385.00
- HOME Investment Partnerships (HOME) - \$9,082,967.18
- Emergency Solutions Grants (ESG) - \$2,306,749.00
- Housing Opportunities for Persons with HIV/AIDS (HOPWA) - \$1,618,599
- Housing Trust Fund (HTF) – ***\$3,000,000.00 (subject to final GSE earnings and HUD calculation.)***
- Recovery Housing Program (RHP) - \$0.00

2. Summarize the objectives and outcomes identified in the Plan

The Arkansas 2026 Annual Action Plan affirms the goals and objectives of Title I of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, as amended, which relate to major commitments and priorities of the four agencies. This complex set of goals can be compressed into three main areas that include:

- **Provide Decent Housing**
- **Provide a Suitable Living Environment**
- **Expand Economic Opportunity**

The state views this mandate as an opportunity to extend and strengthen partnerships among organizations in the public, private, and nonprofit sectors. Through this collaboration, AEDC, ADFA, and ADH hope to streamline approaches to meet these goals and effectively use limited resources.

The State of Arkansas identified five priorities, which summarize the goals of the five-year Consolidated Plan.

The main priorities and objectives within the 2026 AAP include:

- Housing Priority Need
- Community Development Priority Need
- Economic Development Priority Need
- Homeless Services Priority Need
- HOPWA Services Priority Need

Through the development of the Consolidated Plan, it was determined that there were three overarching objectives guiding the proposed activities that include:

- Provide Decent Housing
- Provide a Suitable Living Environment
- Expand Economic Opportunity

Outcomes were developed to show how programs and activities would benefit a community or the individuals within a community served. The three outcomes that will illustrate the benefits of each activity funded by the CDBG, HOME, ESG, HOPWA, or HTF programs are:

- Improved availability/accessibility
- Improved affordability
- Improved sustainability

The future activities funded within the next year will support at least one objective and one outcome as described above. The statutes for CDBG, HOME, ESG, HOPWA, and HTF covered by the Consolidated Plan Rule include a number of basic goals discussed in the Housing and Community Development Act, as amended, and the National Affordable Housing Act, as amended. The framework for realizing these objectives and outcomes will be associated with the specific priorities, as noted above.

These objectives are supported by a collection of associated strategies and performance goals. These strategies seek to work toward meeting the objectives stated, addressing the need for more affordable housing, housing rehabilitation, public facilities and infrastructure improvements, and public services. Specifics programs and actions can be found in the Strategic Plan and Annual Action Plan.

3. Evaluation of past performance

The State of Arkansas has been successful in its efforts to address the priority needs identified in the 2025-2029 Consolidated Plan. The state has worked hard to further the primary national CDBG objective of developing viable communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low- and moderate-income individuals (LMI). The projects selected by the state in Program Year 2025 address the priority needs identified in the states 2025-2029 Consolidated Plan.

Specific details about past performance by the state on priorities covered by the 2020-2024 Consolidated Plan and strategies contained in Annual Action Plans are available through the state's Annual Performance reports that are submitted to HUD each year. The 2024 Consolidated Annual Performance and Evaluation Report was submitted to HUD on November 18, 2025, and is the most recent report submitted. The Report contains information regarding significant achievements in meeting the needs of Arkansans.

4. Summary of Citizen Participation Process and consultation process

The State of Arkansas conducted one (1) public hearing on housing and community development issues to allow citizens the opportunity to provide comments and input for the 2026 Annual Action Plan. The meeting, held virtually, included presentations which focused on housing and community development strategies to address housing and community development needs throughout the state. This meeting was held _____.

Prior to the meeting, a notice was published in the statewide newspaper and emails were sent to local officials, Mayors, County Judges, economic developers, non-profit organizations, Planning & Economic Development Districts, and Continuum of Care's throughout the state, as well as other interested parties.

AEDC also presented information regarding the State CDBG program and the Annual Planning Process at: _____. State agencies conduct outreach and consultation throughout the year.

5. Summary of public comments

The State of Arkansas conducted one (1) public hearing on _____, to provide the public an opportunity to review the draft of the Annual Action Plan (posted on the AEDC website at www.arkansasedc.com/grants), and to solicit written comments and receive oral comments. At least ___ people were in attendance representing all areas of community and economic development, housing, and homeless needs areas.

6. Summary of comments or views not accepted and the reasons for not accepting them

There were no comments or views not accepted.

7. Summary

Minutes from public hearing are included in Appendix A.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
CDBG Administrator	Arkansas	Arkansas Economic Development Commission	
HOPWA Administrator	Arkansas	Arkansas Department of Health	
HOME Administrator	Arkansas	Arkansas Development Finance Authority	
ESG Administrator	Arkansas	Arkansas Development Finance Authority	
	Arkansas	Arkansas Development Finance Authority	

Table 1 – Responsible Agencies

Narrative

The State of Arkansas Consolidated Plan represents a collaborative effort between three state agencies: the Arkansas Economic Department Commission, the Arkansas Development Finance Authority (ADFA) and the Arkansas Department of Health (ADH). AEDC is the lead agency and has contracted with the consulting firm of J-QUAD Planning Group, LLC. The State and J-QUAD consulted with other agencies including a variety of services providers and the agencies involved in the Continuum of Care to address homelessness.

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AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

The plan's broad goals mean that various organizations, not just AEDC, ADFA, and ADH, are responsible for its success. This includes federal and state agencies, local governments, non-profits, and the private sector. To achieve these goals and directly benefit themselves, communities and other entities are encouraged to form partnerships and leverage available HUD funding through the State.

The State of Arkansas works with a wide variety of agencies, organizations, and service providers to bring various viewpoints to bear in the identification of local housing and service needs. Ongoing relationships focused on specific needs and targeted meetings designed to bring public input into the Consolidated Plan process are two of the ways that the state utilizes outside organizations in the consultation process. A number of those agencies are listed in the tables that follow, but others were invited and/or participated that were not found in the HUD database. Other organizations participating in the Consolidated Plan forums include: Planning and Economic Development Districts, Natural Resources Division - Arkansas Department of Agriculture, Arkansas Rural Water Association, USDA - Rural Development, Communities Unlimited, Arkansas Municipal League, Arkansas County Judges Association, County and City elected and appointed officials, Arkansas State Chamber of Commerce, Arkansas Rural Development Commission, Arkansas Economic Development Council, Arkansas State and Congressional legislators, housing developers, consultants, contractors and businesses.

Cooperation and coordination among the State of Arkansas or lead agencies and all units of general local government are of primary importance to helping the State develop priorities for funding under the Consolidated Plan. Through workshops, state-wide conferences, focus group meetings, surveys, public comment periods, public hearings, and the input of Mayors and County Judges, statewide needs are taken into consideration by the State. The method of distribution and application guidelines of the State CDBG Program requires local governments to conduct at least two public hearings, one during the application process, during which they receive public input and set priorities for available funds, applying for eligible activities that will address one of those priority needs.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

The state has ongoing relationships with housing providers working on housing development activities. The state also works with public housing authorities to address the housing needs of the state's lowest income households. Through the Continuum of Care (CoC) processes throughout the state, the State of Arkansas maintains relationships with mental health providers, homeless shelter and services providers, and local governmental agencies with specific responsibilities for homeless individuals and families. The

state also participates in a variety of other coalitions that seek to address other issues that relate to housing and service needs.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

CoCs plan for and manage homeless assistance resources and programs, including federal funding from HUD's Continuum of Care Program. The Arkansas Development Finance Authority (ADFA) works closely with the CoCs, allocates HOME-ARP funds, and manages the ESG program.

CoCs are expected to collect data on the extent and nature of homelessness through tools like the Point-in-Time (PIT) Count, Housing Inventory Count (HIC), and Coordinated Entry (CE) system (including By-Name-Lists) to assess program effectiveness and inform strategies.

Coordination with CoCs can assist local housing planners in making informed decisions about addressing homelessness by leveraging the resources and data that CoCs provide.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The Arkansas Development Finance Authority (ADFA), actively consults with the state's five CoCs on the allocation of ESG funds. This consultation informs how funds are distributed across different types of eligible activities (e.g., street outreach, emergency shelter, rapid re-housing, homelessness prevention, HMIS costs, and administration) and across different geographic regions of the state, considering the priorities and needs of the communities served by each CoC. CoC members and representatives participate in trainings and public hearings to provide input on homelessness strategies and the annual plan for ESG fund allocation, enabling funding decisions to consider the CoC's operations and priorities.

CoCs, in collaboration with ESG recipients, prioritize assistance, ensuring consistency across different programs within the community. These priorities determine household eligibility for assistance and various housing interventions (e.g., transitional housing, rapid re-housing, permanent supportive housing). CoCs should evaluate Annual Progress Reports from funded agencies to assess accomplishments, monitor progress toward annual goals, and analyze outcomes based on agency performance.

CoCs in Arkansas are responsible for choosing an HMIS software solution that meets HUD's data collection, management, and reporting standards. ESG funds can be used to cover HMIS implementation and operational costs at the shelter level, as well as to support central implementation and operation

costs if the HMIS can generate the required reports. CoCs are required to collect data from both CoC- and ESG-funded projects through HMIS and utilize this data to generate necessary reports, such as the Annual Performance Report (APR) and Consolidated Annual Performance and Evaluation Report (CAPER).

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	ARKANSAS ECONOMIC DEVELOPMENT COMMISSION
	Agency/Group/Organization Type	Other government - State Grantee Department
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Economic Development Anti-poverty Strategy Plan Coordinator
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Plan Coordinator, associated with all sections of the plan, Consolidated Plan Board, and other Agency Divisions also consulted on plan, including Community Developers, Economic Developers, and Rural Services Division
2	Agency/Group/Organization	ARKANSAS DEVELOPMENT FINANCE AUTHORITY
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless Other government - State Grantee Department

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consolidated Plan Board Member
3	Agency/Group/Organization	ARKANSAS DEPARTMENT OF HEALTH
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS Services-Health Health Agency Grantee Department
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consolidated Plan Board Member

Identify any Agency Types not consulted and provide rationale for not consulting

No specific organizations were intentionally left out of the public participation process.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Balance of State Continuum of Care	The Strategic Plan provides a set of goals for addressing homelessness, with are supported by the Balance of State Continuum of Care and its participating agencies.
Arkansas Broadband Master Plan	Arkansas State Broadband Office	The report addresses the key deliverables required by the contract: assessing available broadband assets in the state; mapping out where the broadband gap exists in the state; calculating the budget needed to bridge the gap; and recommending improvements to the ARC grant program. According to its findings, Arkansas currently has 110,000 underserved households
Arkansas Workforce Assessment	Arkansas Department of Commerce	Data suggests that the greatest challenge facing the state is meeting the most critical in-demand jobs while simultaneously building out the infrastructure for jobs that will become more critical in the next several years.

Table 3 - Other local / regional / federal planning efforts

Narrative

The state's lead agencies, particularly AEDC, ADFA, and ADH, work together in the development of the Consolidated Plan, which guides the allocation of federal funds to local entities.

- Grant Administration and Oversight: State agencies like AEDC and ADFA are responsible for administering grants and providing oversight to ensure local grantees comply with program requirements and effectively utilize funds.
- Leveraging Resources: The state encourages local entities to leverage federal funds with other public and private resources, such as professional services, cash, land, and equipment, to maximize the impact of programs.
- Data Sharing and Analysis: Interagency collaboration involves sharing data and information to assess local needs, identify barriers, and inform strategies to improve housing opportunities.
- Addressing Challenges: Addressing challenges like funding gaps and lack of affordable housing requires collaboration and a shared plan among state and local governments and other stakeholders.

In essence, the success of the Arkansas Consolidated Plan hinges on a collaborative approach where state agencies provide guidance and resources, and local governments and organizations implement programs and tailor solutions to the specific needs of their communities. This involves communication, resource sharing, and a common commitment to the goals of affordable housing and community development.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Public input helps identify the most pressing housing and community development needs across the state, influencing the priorities of the plan. Citizen feedback shapes the strategies and activities outlined in the plan to address identified needs, such as prioritizing projects focused on low- and moderate-income populations. Public input informs decisions on how to allocate the federal grant resources to achieve the plan's goals and address specific community needs. Comments received during public review periods can lead to revisions and adjustments in the draft plan, ensuring it reflects community priorities.

Citizen participation fosters collaboration between public agencies, housing providers, non-profits, and other stakeholders, leading to more aligned and effective community development programs.

In essence, citizen participation serves as a cornerstone of the Arkansas Consolidated Plan, ensuring that the plan is not only compliant with federal requirements but also reflects the real needs and priorities of Arkansas communities, leading to more impactful and relevant housing and community development initiatives.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
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	Public Meeting	Non-targeted/broad community	<p>A public hearing to obtain citizen comments on the draft 2026 Annual Plan was held _____.</p> <p>During this meeting, state agencies obtained oral public comments regarding the allocation of \$30,632,700 in funds for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for Individuals with AIDS (HOPWA), and the National Housing Trust Fund (HTF) programs for the 2026 program year beginning July 1. Draft Consolidated Plan and Annual Plan and a copy</p>		No comments were rejected.	<p>https://www.arkansasedc.com/community-resources/community-development-block-grant</p>
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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
			<p>of the slides presented at the public hearing are available at www.arkansasedc.com/grants. The comment period extended for 30 days beginning _____ and ending at 4:30 p.m., _____. Written public comments were also accepted throughout the public comment period. Approximately ____ individuals participated in the public hearing.</p>			

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

As authorized by the Consolidated Appropriations Act, 2026 (H.R. 7148) on April 3, 2026, HUD announced that the State of Arkansas is receiving the following Fiscal Year 2026 allocations for the identified programs:

- Community Development Block Grant (CDBG) - \$17,624,385.00
- HOME Investment Partnerships (HOME) - \$9,082,967.18
- Emergency Solutions Grants (ESG) - \$2,306,749.00
- Housing Opportunities for Persons with HIV/AIDS (HOPWA) - \$1,618,599.00
- Housing Trust Fund (HTF) - **\$3,000,000.00 (subject to final GSE earnings and HUD calculation.)**

Expected amounts available for the remainder of the Con Plan period are the "Expected Amounts Available" (the 2026 allocations) in Year 2 of the 5-Year Con Plan x three (3) plus Program Income, where applicable.

****ADFA will not offer Homeowner Rehab with the HOME Program. ADFA will not offer Homebuyer Assistance or New Construction for***

Ownership with the NHTF Program.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		

CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	17,624,385.00	1,000,000.00	60,000,000.00	78,624,385.00	55,873,155.00	The expected amount for the remainder of Con Plan equals the Year 1 Annual Allocation times four, plus program income. Year 1 (2025) program income was estimated at \$5 million. Years 2 (2026) and Years 3-5 include a total of \$4 million in program income (\$1 million per year). CDBG resources are provided to units of local government for CDBG-eligible activities. A portion of resources is reserved for state administration and technical assistance funds that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). State recipients and sub-recipients may also
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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								receive administration funds. Additional funds will be provided by AEDC as match to the CDBG allocation. This amount will fulfill the dollar-for-dollar matching requirement of the CDBG Program.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	9,082,967.00	5,597,981.00	8,932,934.00	23,613,882.00	70,613,882.00	Expected amount for year 2 of the 5-Year Con Plan annual allocation. The expected amount available for remainder of Con Plan is estimated to be the Year 2 annual allocation times 3. (AA + Average PI + Average Prev Yr) x 3 = Amount Available Remainder of ConPlan

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	1,618,599.00	0.00	0.00	1,618,599.00	4,855,797.00	Expected amount for year 2 of the 5-Year Con Plan annual allocation.Expected amount available for remainder of Con Plan is estimated to be the Year 2 (FY2026) annual allocation times 3.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	2,306,749.00	0.00	0.00	2,306,749.00	6,920,247.00	Expected amount for year 2 of the 5-Year Con Plan annual allocation. The expected amount available for remainder of Con Plan is estimated to be the Year 2 annual allocation times 3. ESG recipients are required to show evidence of the dollar-for-dollar match in each draw request of funds awarded. State recipients and sub-recipients may also receive administration funds.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	3,000,000.00	150,000.00	3,000,000.00	6,150,000.00	18,450,000.00	Expected amount for year 2 of the 5-Year Con Plan annual allocation. The expected amount available for remainder of Con Plan is estimated to be the Year 2 annual allocation times 3 plus program income.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Federal funds will be leveraged through the ability of service organizations to raise program funds through outside sources, other loan sources needed for housing development activities, the present value of forgiven property taxes for properties owned by non-profit housing providers, and the State's General Fund, where appropriate.

CDBG funds will be leveraged with other local resources within the General Assistance, Economic Development and Rural Services set-asides. CDBG resources are provided to units of local government for CDBG-eligible activities. A portion of resources is reserved for state administration and technical assistance funds that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). State recipients and

sub-recipients may also receive administration funds for project delivery costs. Additional funds will be provided by AEDC as match to the CDBG allocation. This amount will fulfill the dollar-for-dollar matching requirement of the CDBG Program.

ESG provides funding to Engage homeless individuals and families living on the street; improve the number and quality of emergency shelters for homeless individuals and families; help operate these shelters; provide essential services to shelter residents; rapidly rehouse homeless individuals and families; and prevent families and individuals from becoming homeless.

ESG funds may be used for five components, street outreach, emergency shelter, homeless prevention, rapid re-housing assistance, and HMIS as well as administrative activities (up to 7.5% of a recipient's allocation can be used for administrative activities).

ADFA is required to provide a 100% match for the ESG grant. The requirement is passed on to sub-grant recipients and monitored through the submission of a Match Certification Form with each monthly sub-grant invoice. The first \$100,000 of the State's fiscal year grant is not required to be matched, and the state may pass this exception through to sub-grant recipients who are least capable of providing matching contributions.

HOME funds, unless a waiver is granted per Presidential Declaration of National Emergency, will be leveraged with other public and private, discounted or donated local resources. Such resources may be in the form of professional services, cash, land, equipment, appliances, and/or sweat equity, for a required MATCH of 25% of HOME funds expended annually. Additionally, ADFA may utilize the proceeds of housing bonds its issued, that fund construction of low-income housing projects, where no more than 50% of the face-value of those bonds will be used for no more than 25% of any annual MATCH requirement, per 24 CFR 92.220 (a)(5). A portion of the resources is reserved for state administration and technical assistance funds that may not exceed 10% of annual allocation. Per 24 CFR 92.207. State recipients and sub-recipients may also receive administration funds.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

None currently identified. The State will continue to evaluate opportunities to use public lands for future development.

Discussion

The state has programmed more than \$30 million from CDBG, HOME, HOPWA, ESG, and NHTF programs for the 2026 program year. These funds will be used to operate a range of private and public services as described later in the Annual Action Plan.

Additionally, ADFA will administrate HOME-ARP and two CDBG-DR disaster grants:

HOME-ARP 2021 Program Grant of \$36,354,808; which includes the following activities: Admin (\$4,362,608); Supportive Services (\$5,117,976); Operating (\$1,598,448); Non-Congregate Shelter (NCS) (\$25,275,676).

1) CDBG-DR 2021 \$8,940,000 to address unmet disaster recovery needs of HUD MID areas Perry and Jefferson County, for the 2019 disaster (DR-4441).

2) CDBG-DR 2025 \$59,048,000 for disasters of 2023 (DR-4698) and 2024 (DR-4788), for unmet needs of HUD MID areas Cross, Benton, & Pulaski County (excluding Little Rock that received its own CDBG-DR funding).

****ADFA will not offer Homeowner Rehab with the HOME Program.***

****ADFA will not offer Homebuyer Assistance or New Construction for Ownership with the NHTF Program.***

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Admin	2025	2029	Administration	Statewide	Public and Community Facilities Public Infrastructure Fire Stations, Fire Trucks & Life-Saving Equipment Demolition and Site Clearance ADA Modifications Homeless Facilities HIV/AIDS Services and Housing Assistance Housing Assistance Services - Homeownership Housing Development and Reconstruction Industry and Job Creation Homelessness Prevention and Emergency Assistance Mental Health and Supportive Services Domestic Violence Shelters Transitional Housing	CDBG: \$628,731.00 HOPWA: \$161,860.00 HOME: \$908,297.00 ESG: \$173,006.00 HTF: \$300,000.00	Other: 1 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Eco Dev	2025	2029	Non-Housing Community Development Economic Development	Statewide Communities Under 3,000	Industry and Job Creation Job Training and Workforce Development Employment Training Business Retention Business Technical Assistance	CDBG: \$6,175,000.00	Jobs created/retained: 250 Jobs Businesses assisted: 5 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Fac/Infra	2025	2029	Non-Housing Community Development	Statewide Communities Under 3,000	Public and Community Facilities Public Infrastructure Parks and Recreation Facilities Fire Stations, Fire Trucks & Life-Saving Equipment Demolition and Site Clearance ADA Modifications Homeless Facilities Senior Services Child Care Services Youth Services Disability Services Health Services/Substance Abuse Meals/Food	CDBG: \$10,820,654.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 8000 Persons Assisted
4	Homeownership	2025	2029	Affordable Housing	Statewide	Housing Development and Reconstruction	HOME: \$454,148.00	Homeowner Housing Added: 2 Household Housing Unit Direct Financial Assistance to Homebuyers: 2 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	CHDO	2025	2029	Affordable Housing	Statewide	Housing Assistance Services - Homeownership Housing Development and Reconstruction	HOME: \$1,362,445.08	Rental units constructed: 9 Household Housing Unit Homeowner Housing Added: 1 Household Housing Unit Direct Financial Assistance to Homebuyers: 1 Households Assisted
6	TBRA	2025	2029	Affordable Housing	Statewide	Rental Housing Subsidies Homelessness Prevention and Emergency Assistance Transitional Housing	HOME: \$454,148.00	Tenant-based rental assistance / Rapid Rehousing: 31 Households Assisted
7	Rent Hsg	2025	2029	Affordable Housing	Statewide	Housing Development and Reconstruction	HOME: \$4,995,632.00	Rental units constructed: 30 Household Housing Unit
8	Rent Rehab	2025	2029	Affordable Housing	Statewide	Housing Development and Reconstruction	HTF: \$908,297.00	Rental units rehabilitated: 5 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Shel	2025	2029	Homeless	Statewide	Homeless Facilities Child Care Services Health Services/Substance Abuse Meals/Food Legal Services Employment Training Homeless Supportive Services - Transportation Homelessness Prevention and Emergency Assistance Mental Health and Supportive Services Domestic Violence Shelters Transitional Housing	ESG: \$1,903,068.00	Homeless Person Overnight Shelter: 1500 Persons Assisted
10	Prev	2025	2029	Homeless	Statewide	Legal Services Rental Housing Subsidies Homelessness Prevention and Emergency Assistance Domestic Violence Shelters Transitional Housing	ESG: \$230,675.00	Homelessness Prevention: 500 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	HOPWA Hsg Asst	2025	2029	Non-Homeless Special Needs	Statewide	Rental Housing Subsidies Homelessness Prevention and Emergency Assistance	HOPWA: \$1,116,833.00	Tenant-based rental assistance / Rapid Rehousing: 170 Households Assisted
12	HOPWA Sup Svs	2025	2029	Non-Homeless Special Needs	Statewide	Child Care Services Health Services/Substance Abuse HIV/AIDS Services and Housing Assistance Transportation Legal Services Employment Training Homeless Supportive Services - Transportation Homelessness Prevention and Emergency Assistance Mental Health and Supportive Services	HOPWA: \$339,906.00	Public service activities other than Low/Moderate Income Housing Benefit: 170 Persons Assisted
13	Perm Housing	2025	2029	Affordable Housing	Statewide	Housing Development and Reconstruction Transitional Housing	HTF: \$2,700,000.00	Rental units constructed: 14 Household Housing Unit

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Admin
	Goal Description	Program Administration: Develop, administer, revise, implement and evaluate the day-to-day operation of the State's program. Activities include program design, grant administration, subrecipient compliance monitoring, program outreach, public relations and training.
2	Goal Name	Eco Dev
	Goal Description	Improve economic opportunities through activities aimed at improving the conditions needed for successful business and economic development.
3	Goal Name	Fac/Infra
	Goal Description	Construction, expansion, or renovation of public facilities that house vital public services, and public infrastructure improvements.
4	Goal Name	Homeownership
	Goal Description	Create decent housing with improved affordability by funding for homebuyer assistance programs such as: mortgage subsidies and down payment assistance on HOME funded single-family new construction projects; and construction financing to develop new affordable housing for homeownership, to individuals and families at less than 80% Area Median Income. (5% of HOME annual allocation).
5	Goal Name	CHDO
	Goal Description	Provide funding to CHDO organization to develop new affordable housing for low-moderate income persons for homebuyer new construction, and multifamily rental new construction and rehab, by providing construction financing, financial mechanisms, and improved communication with partners and constituents throughout the state.

6	Goal Name	TBRA
	Goal Description	Create decent housing through improved affordability and accessibility by providing rental subsidies, as well as security and utility deposit assistance, for very low to moderate-income (less than 60% Area Median Income) households and individuals with disabilities.
7	Goal Name	Rent Hsg
	Goal Description	Create decent housing with improved affordability and accessibility of multi-family housing and other rental housing, through the construction of affordable rental housing units, for low and moderate-income households, (less than 60% Area Median Income).
8	Goal Name	Rent Rehab
	Goal Description	Preserve decent housing through improved sustainability and affordability of existing multi-family housing and other rental housing stock through rehabilitation projects, for low and moderate-income households, (less than 60% Area Median Income).
9	Goal Name	Shel
	Goal Description	Improve the availability and affordability of shelters and supportive services offered to homeless families and individuals, by providing ESG funds to assist shelters and homeless providers to finance their operating cost.
10	Goal Name	Prev
	Goal Description	Increase the availability and affordability of and supportive services offered to homeless families and individuals by providing Emergency Solutions Grant (ESG) funds to projects that focus on the prevention of homelessness, such as averting eviction, foreclosure, and /or utility disconnection, as well as paying deposits and first month's rent.
11	Goal Name	HOPWA Hsg Asst
	Goal Description	Provide tenant-based rental assistance (TBRA); short-term rent, mortgage, and utility assistance (STRMU); and Permanent Housing Placement (PHP) Assistance.

12	Goal Name	HOPWA Sup Svs
	Goal Description	Provide support in conjunction with HOPWA-funded housing assistance. Improve access to health care and other supportive services.
13	Goal Name	Perm Housing
	Goal Description	Create decent housing with improved affordability and accessibility of multi-family housing through the construction of affordable rental housing units to benefit families at or below 30% Area Median Income.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

Funding allocation priorities are detailed below by funding source.

ESG Note: The chart below rounds percentages up or down.

The actual percentage amount for ESG Administration is 7.5%. Actual amount for ESG Shelter is 82.5%.

Funding Allocation Priorities

	Admin (%)	Eco Dev (%)	Fac/Infra (%)	Homeownership (%)	CHDO (%)	TBRA (%)	Rent Hsg (%)	Rent Rehab (%)	Shel (%)	Prev (%)	HOPWA Hsg Asst (%)	HOPWA Sup Svs (%)	Perm Housing (%)	Total (%)
CDBG	3	35	62	0	0	0	0	0	0	0	0	0	0	100
HOME	10	0	0	5	15	5	55	10	0	0	0	0	0	100
HOPWA	10	0	0	0	0	0	0	0	0	0	69	21	0	100
ESG	8	0	0	0	0	0	0	0	82	10	0	0	0	100
HTF	10	0	0	0	0	0	0	0	0	0	0	0	90	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

The allocation priorities reflect input from participants in the forums and survey, staff consideration of past allocations, and needs as determined through the Needs Assessment.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

The distribution of funds is directly correlated to the specific objectives described in the Consolidated Plan. Each goal of the Strategic Plan is addressed in the funding distribution, as are many, though not all, of the priority needs.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

CDBG funds will be used for several activities authorized in Section 105(a) of the amended 1974 Housing and Community Development Act that meet national CDBG objectives. Projects are funded in order to meet at least one of three CDBG National Objectives that include: (1) benefit low- and moderate-income persons; (2) prevent or eliminate slums or blight; and (3) meet urgent community development needs. The State annually certifies that not less than 70% of the aggregate funds received during a 3-year period (as identified to HUD) shall be used for activities benefitting low and moderate income (LMI) persons.

CDBG funds are not specifically targeted to areas of minority concentration but are distributed throughout the state's non-entitlement areas targeted for activities that serve LMI persons. Since projects funded with CDBG resources typically provide a community-wide benefit, it can be assumed that minority groups benefit equally in the same proportion as they occur in the general population.

The State Programs set forth within this Method of Distribution of the current CDBG allocation attempt to balance the need for providing jobs and suitable places to live. Funds are reserved in each category based on a percent of the total funds available for distribution to local governments. The State is allowed \$100,000 plus 3% of the State grant for administration and technical assistance in accordance with HUD regulations. The State is also allowed 3% of the program income received by units of general local government (whether retained by the unit of general local government or paid to the State) and funds reallocated by HUD to the State.

To achieve the most effective and efficient use of CDBG funds, AEDC may, at its discretion, use categorical adjustments. A categorical adjustment allows AEDC to reserve up to 25% of the total CDBG allocation for use as needed among categories. An adjustment of more than 25%, or \$4,406,096 of the total allocation, or the creation or elimination of a category, will be considered a substantial amendment to the Annual Action Plan and would require further steps as identified within the Citizen Participation Plan section of the Consolidated Plan. Adjustments may be made for remaining balances within a Category within the last 3 months following a 12-month Program Year in order to meet the HUD Timely Distribution requirement which requires the CDBG grant amount for a given Federal Fiscal Year to be distributed within a HUD required 15-month time frame.

For purposes of the Consolidated Plan and the Annual Action Plan, the overall CDBG Program includes activities within the Community Development Priority Need, and the Economic Development Priority Need.

The state certifies that benefit to low- and moderate-income persons for the three-year periods beginning in 2025 (2023-2025, 2026-2028, 2029-2031) will be equal to or greater than 70% and that no project claiming benefit to low- and moderate-income persons will be approved if the benefit calculated is less than 51%.

Approximately 90% of HOME and 90% NHTF funds, will be allocated to meet the limited housing opportunities priority need as identified in the NA, by addressing the following goals: Affordable Housing, Housing Assistance Homeownership, Single Family New Construction, Housing Development, Rental Housing Subsidies, Rental Housing Development/New Construction/Acquisition Rental Rehabilitation.

92.5% of ESG funds will be allocated to address homelessness across the state with ESG Shelter and Homeless Prevention activities.

All proposed activities' budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

A description and details of each State Program will be identified below.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	CDBG Economic Development Set-Aside
	Funding Sources:	CDBG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Within the Economic Development Priority Goal, CDBG funds will be utilized for providing communities with resources to assist businesses which expand the State’s economic base and which create quality jobs principally benefiting LMI employees and made available under the LMI CDBG National Objective criteria. Eligible activities will generally include: grants or loans to for-profit businesses (through the applicant community) for a variety of business purposes; or public facilities (infrastructure) projects undertaken by applicant communities for economic development purposes, where a benefiting business agrees to locate or expand premised on the infrastructure improvements and agrees to create jobs for LMI persons.</p> <p>AEDC shares the cost of project infrastructure needs by committing grants from state and federal infrastructure funds. The amount of assistance committed is dependent upon the strength of the company, number of jobs, average wage, project investment and costs associated with facility/site improvements.</p> <p>Funds may be used by eligible applicants to:</p> <ol style="list-style-type: none"> 1. Provide infrastructure necessary to serve the location of a new or expansion of an existing industry which will create new jobs or retain existing jobs; or 2. Provide loans to industry for economic development purposes when it can determine that the provision of such financing is necessary to create new jobs and/or retain existing jobs. Eligible activities for loans include, but are not limited to the following: acquisition, construction, and equipment; or 3. Provide funds for the construction of facilities; or <p>Provide funds for a Commission-approved training program; or undertake any combination of 1 through 4 above, provided that all other requirements can be met.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Projects are generally evaluated through a cost benefit analysis process; and for basic eligibility, financial feasibility, appropriateness, and the extent to which the project will result in the creation and/or retention of permanent jobs, primarily for low- and moderate-income persons. The Housing and Community Development Act (HCDA) and HUD's CDBG regulations outline basic project "underwriting" guidelines/standards so that State programs will achieve the federal objectives of the CDBG Program. The underwriting standards used in the Arkansas ED program are designed to address these federal guidelines.</p> <p>Applications for Economic Development funds are invited through a formal referral process with AEDC Business Development Project Managers, after a cost-benefit analysis and project feasibility review. Companies have CDBG funds committed to them as a cash grant incentive after a review process, and the project is referred to the Grants Division for the formal CDBG application to begin. Applications are reviewed for eligibility and compliance with applicable requirements, including an evaluation of the business plan for appropriateness, feasibility, and credit worthiness.</p> <p>This information provided is a summary. Additional information will be available within the Economic Development Set-Aside Guidelines.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Economic Development Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the AEDC website at: http://www.arkansasedc.com/grants.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>For the 2026 PY, AEDC is considering funding economic development activities/projects with the anticipated \$6,175,000 of funding allocated to this Program. Other activities/projects will be funded from AEDC's CDBG Economic Development State Revolving Loan Fund (SF) and Program Income (PI) generated from NSP 1 and NSP 3 program income transfer to the CDBG Program. There is no limitation on the number of economic development applications and/or active projects which an eligible applicant may have with the Commission except as limited by the requirements defined in the Method of Distribution. Approximately 35% of the 2026 allocation will be used for this category and 100% of any program income received by the Commission, generated from economic development projects or from transferred NSP program income, will be used to capitalize economic development activities, with up to 3% of that being eligible to be budgeted for State Administration.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>AEDC shares the cost of project infrastructure needs by committing grants from state and federal infrastructure funds. The amount of assistance committed is dependent upon the strength of the company, number of jobs, average wage, project investment and costs associated with facility/site improvements. It is generally expected that CDBG grants will be a minimum of \$75,000, and there is no specific maximum grant size limit, although required to be considered is a company's ability to meet the public benefit standard per job to be created as a result of the grant funding.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Through the Economic Development Program additional jobs will be created or retained throughout the state which will create additional opportunities for Arkansans, particularly those who are LMI. An estimated 250 people will benefit from these activities through the creation of jobs.</p>
2	<p>State Program Name:</p>	<p>CDBG General Assistance Set-Aside</p>
	<p>Funding Sources:</p>	<p>CDBG</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Within the Public and Community Facilities, and Infrastructure Priority Need, CDBG funds will be utilized for public infrastructure and public facility projects, including for emergency situations that pose a serious and immediate threat to public health, safety, or welfare. Within this Program, CDBG funds will be utilized for and will generally be made available under the LMI Area Benefit or LMI Limited Clientele or Presumed Benefit National Objective measures. Funds are awarded for: residential water and wastewater; senior centers; child care centers; public health facilities; youth centers; accredited public libraries; removal of architectural barriers from city halls or county courthouses for accessibility; street, curb, gutter, sidewalk, or storm sewer; flood control and drainage; and, other public facility or infrastructure project determined to be a high priority, and not eligible to be funded under another CDBG program. For more information see Application Guidelines, posted online at http://arkansasedc.com/grants.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The Method of Distribution section of the Application Guidelines contains specific information regarding the scoring criteria for each Program. A summary of the scoring criteria is noted within each Program’s Selection Criteria Matrix. For General Assistance applications, Section 2, Application Forms and Instructions, Part III: Project Description and Scoring Criteria, provides details on scoring and the points assigned to all scoring criteria.</p> <p>Program Guidelines and Application include a Scoring Criteria Matrix for the General Assistance Program. The Matrix describes each selection criteria as a numerical score within the General Assistance Program. The maximum number of points available within any application is 100 points. The Matrix below describes each selection criteria as a numerical score within the General Assistance Program. The maximum number of points available within any application is 100 points:</p> <ul style="list-style-type: none"> • PROJECT NEED: Up to 25 points possible. The level of project need will be compared to other applicants. • PROJECT IMPACT: 15 points maximum possible. Describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. The significance of the project impact will be scored as compared to other applicants. • PROJECT READINESS: Up to 30 points possible. The level of capacity and commitment by the community will be scored as compared to other applicants. • CITIZEN PARTICIPATION: Up to 15 points possible. Applicant’s description of public participation and the process used to identify community needs and allocate resources to address needs will be compared to other applicants. • FUNDING LEVERAGE: Up to 5 points is possible. For purposes of General Assistance applications, leverage is defined as local funds provided by the community committed to the project’s non-administrative activities as a ratio to the grant funds requested. Points will be awarded to applicants based on the amount of leverage provided in ratio to the grant funds requested. Communities who provide more leverage will receive points within this section. • LMI Benefit: Up to 5 points is possible. No minimum points in this section are required in order to meet threshold. This scoring category is designed to give points to communities with higher concentrations of LMI persons. Communities with a LMI population of 60% or more will receive 5
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	<p>points. Communities with an LMI population between 51% - 59.99% will receive no points in this section.</p> <ul style="list-style-type: none"> • Bonus Points: Up to 5 points possible. Applicant have demonstrated management capacity, and/or project is located within an Arkansas Opportunity Zone (OZ). <p>For Emergency Projects, applicants should consult with the AEDC Grants Division before submitting a full application. These activities will not be competitively scored among the competitive General Assistance applications submitted by cycle deadline, but must still demonstrate a need, be an eligible CDBG activity, and meet a national objective, either benefitting LMI persons or meeting the Urgent Need criteria. Funds are limited for these activities each year. Any unused Emergency funds will be adjusted to General Assistance.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the AEDC website at: http://www.arkansasedc.com/grants</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>For the 2026 Program Year, AEDC is anticipating funding competitively scored public infrastructure and public facility projects with an anticipated \$9,320,654 in CDBG resources, and will make an additional \$500,000 available throughout the funding year, off-cycle, for emergency activities.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Grant requests should range from a minimum of \$75,000.00 to a maximum of \$500,000, and up to \$1,000,000.00 for specific types of water or wastewater projects, including design fees, although maximum awards may be based on project type, as designed upon release of program application package. Administrative fees will be added to the announced award amount. Additional project awards may be made throughout the year from the existing pool of applications as funds become available, including from unexpended funds from prior funding years, if eligible under that funding year's annual action plan. Technical assistance will be available.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>For water and wastewater funding, AEDC will be able to identify those areas that meet a CDBG National Objective and target those projects that are impacting the safety of our citizens. Through a collaborative effort with other funding agencies, AEDC is better able to leverage federal and state grant resources in order to obtain maximum impact. An estimated 7,000 persons will benefit from these public infrastructure and public facility projects.</p>

3	State Program Name:	CDBG Rural Services Block Grant
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	Within the Public and Community Facilities Goal and Fire Equipment Priority Need, CDBG funds will be utilized for community centers, fire stations, fire trucks, fire equipment, and life-saving protective gear.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>The Arkansas Rural Development Commission will review Application and make recommendations for funding of projects to benefit rural communities with a population of less than 3,000 persons. Applicants should contact the AEDC Division of Rural Services to obtain an application for the Rural Services Block Grant Program (RSBGP). In order to receive funding from AEDC, the applicant must receive approval from the Arkansas Rural Development Commission. Up to \$1,000,000 of the annual CDBG allocation will be used for this category.</p> <p>Applications will be evaluated on:</p> <ol style="list-style-type: none"> 1. The extent to which the project will benefit low- and moderate-income persons and meet CDBG eligibility requirements; 2. The extent to which other funds will be used to leverage the grant funds proposed for the project; 3. Appropriateness of the project to Division of Rural Services-Rural Community Fire Protection Grant Program and the Rural Community Development Block Grant Program. Projects may include fire protection and multi-use community centers; 4. The applicant’s readiness to proceed with the project; 5. Other criteria as defined in the application as prepared by the Division of Rural Services.

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the RSBGP. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the AEDC Division of Rural Services website: https://www.arkansasedc.com/Rural-Services</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>For the 2026 Program Year, AEDC will fund Rural Services projects in partnership with the AEDC Division of Rural Services, with an anticipated \$1,000,000 in CDBG resources. There are no funding categories within the set-aside. All eligible activities will be competitively selected up to the amount available.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Each project funded must meet the CDBG National Objective of benefiting low- to moderate-income persons. Up to \$100,000 in CDBG funds may be awarded per project for project activity and general administration combined; no more than 15% of the total award may be used for general administration. The match for this grant is 10% and may be comprised of in-kind labor, in-kind materials or cash.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Approximately 3,000 people will benefit from these activities.</p>

4	State Program Name:	Emergency Solutions Grant Program
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	The State of Arkansas supports a variety of housing and public service programs to service the homeless and special needs population. The efforts of the homeless coalitions, through the Continuum of Care process, have provided guidance on the needs of these communities. The process has resulted in a better understanding of the homeless and special needs community and their housing needs, enabling the State to arrive at a set of goals and objectives. These goals and objectives are provided below, with performance goals for <i>FY 2026 Annual Plan Budget \$2,306,749.</i>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>Scoring Criteria Applications scoring will involve review of application documentation and completeness, budget, geographic need, capacity, and CoC Participation.</p> <p>ADFA allocates funds to various non-profit agencies through a competitive application process, and scored according to the following criteria:</p> <ol style="list-style-type: none"> 1) Points will be awarded based on the narrative of the application that should explain proposed ESG activities, capacity of managing ESG funding and provide the activities proposed, 2) Points will be awarded based on the application budget 3) Points will be awarded based on results of the applicant’s most recent audit 4) Points will be awarded based on the potential needs addressed of the geographical area to be serviced 5) Points will be awarded based specifically on capacity (paperwork and required reporting) 6) Points will be awarded for documentation of active Continuum of Care (CoC) participation. 7) Points will be deducted for Single Audit non-response, and HMIS inactivity. <p>All applications will be scored after the application period has closed. Applications will be scored based on the criteria discussed above. The overall score will be applied to each application and will determine whether the application will receive funding.</p>

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A
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<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Emergency Solutions Grant Program (ESG) funds are made available to non-profit organizations and to units of local government that develop and operate homeless shelters and/or provide supportive services to homeless individuals and families. Funds are distributed statewide through a competitive application process following a notice of funds available (NOFA), in amounts based on applicant requests, applicant capacity, former funding compliance, and funding availability.</p> <p>Application Process:</p> <p>All applicants must be non-profit agencies or units of local government and must be in good standing with the appropriate local Continuum of Care, and faith-based organizations are encouraged to apply as well.</p> <ol style="list-style-type: none"> 1. ADFA facilitates monthly meetings with the chairpersons of all five Continuum of Care (CoC) organizations in the state, as well as HMIS leads. The purpose of these meetings is to discuss gaps in service, agency performance for the previous year, development of performance standards for agencies, funding allocations, and data collection. Recommendations for funding for each CoC will be formulated. 2. Notice of Funding Availability (NOFA)s are posted on the ADFA website, ADFA’s social media platforms, e-mailed to interested organizations and existing participating agencies. 4. A training webinar is held to introduce potential applicants to the ESG Program, to educate applicants on ADFA Policies and Procedures relating to ESG, to provide a detailed explanation of the application and grant award process, and to provide technical assistance to applicants. 5. Completed applications will be received by ADFA by published deadline. 6. Applications will be screened by ADFA ESG staff and graded accordingly for completeness, eligibility, and capacity, against published scoring criteria. The applications are then re-evaluated as a whole by the entire ESG staff and scores are discussed for any potential changes. 10. ADFA will determine what percentage (%) of ESG funding will be designated for specific ESG Activities. ADFA will base awards based on available funding, successful screening for eligibility and capacity.
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	<p>11. ADFA may set a cut-off score below which no applicant will be funded.</p> <p>12. A second workshop will be held for successful sub-grant recipients to review program requirements and discuss administration of the ESG Grant funds.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Of the \$2,306,749 Budget from ESG, the State will designate \$115,337 to HMIS; \$57,669 to Street Outreach; \$1,314,847 to Emergency Shelters; \$415,215 to Rapid Re-Housing; \$230,675 to Homelessness Prevention; and \$173,006 will fund Program Administration.</p>

<p>Describe threshold factors and grant size limits.</p>	<p>The amount of the grant that a sub-grantee may receive depends on available funding for the categories in which funding is being requested. The percentage of funding per category is based on need identified throughout the state.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>In Funding Year 2026 - Funding is expected to assist an estimated: 500 individuals with homeless prevention services, 250 individuals with rapid re-housing, 1,000 individuals/families with shelter and shelter services, and 250 individuals with street outreach, totaling 2,000 individuals per year, or 10,000 individuals over a 5 year period.</p> <p>Outcomes will be tracked on a monthly basis throughout the grant performance period. Performance indicators will be incorporated into the application scoring process during the next grant cycle. Of the \$2,306,749 Budget from ESG, the state will designate \$115,337 to HMIS; \$57,669 to Street Outreach; \$1,314,847 to Emergency Shelters; \$415,215 to Rapid Re-Housing; \$230,675 to Homelessness Prevention; and \$173,006 will fund Program Administration.</p>
<p>5</p>	<p>State Program Name: HOME Investment Partnerships Program</p>
	<p>Funding Sources: HOME</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State of Arkansas receives HOME Funds through a formula allocation from HUD and ADFA is the designated agency that administers the funds allocated to the State. Under the HOME Program, ADFA is designated a “Participating Jurisdiction” or “PJ”. The local PJs in Arkansas include the Cities of Fort Smith, Little Rock, North Little Rock, and Pine Bluff.</p> <p>ADFA has broad discretion in administering the HOME Funds. ADFA may administer activities directly, allocate funds to units of local government, for-profit entities, and non-profit entities, evaluate and fund projects, or a combination of the two approaches. ADFA allocates funds to various partners through their formal application process. The application process is continually based upon funds availability.</p> <p>ADFA may undertake jointly funded projects with local PJs and may use HOME funds anywhere within the State including within the boundaries of local PJs. ADFA Programs funds allocated within a designated local PJ will be limited to: TBRA; Single-Family New Construction, Mortgage Subsidies and Down Payment Assistance for HOME Funded Single Family New Construction projects for homeownership; CHDO Set-Aside projects; and Low-Income Housing Tax Credit/HOME developments. ADFA may also allocate funds to for-profit developers, housing non-profits and Community Housing Development Organizations (CHDO).</p> <p><i>*ADFA will not offer Homeowner Rehab for the HOME Program.</i></p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>ADFA has set the following parameters regarding the amount of HOME Program Funds that can be allocated per applicant. NOTE: ADFA Board of Directors reserve the right to increase or decrease the maximum program allocation during the program year to meet HOME program requirements. Allocations are subject to availability of funds.</p> <ul style="list-style-type: none"> • Applicants must request a minimum of \$100,000 of HOME Program funds to be considered a HOME Program allocation (with the exception of TBRA projects). • At present, the maximum loan amount that can allocated by ADFA is \$2,000,000 at 1% for a term of 20 – 35 yrs; and up to an additional \$1,000,000 at 2% for a term of 20 – 35 yrs; for a maximum of up to \$3,000,000 per Activity in HOME Program funds, subject to availability, and discretion of ADFA Board in response to market demand. • The maximum amount that can be requested and allocated for TBRA projects by ADFA is \$2,000,000, subject to availability of funds. • TBRA applicants may apply for funding once a year and when 75% of the current allocation has been expended. <p>Applications must have a minimum debt coverage ratio of 1.15 including the debt service on the HOME loan and cannot exceed 1.40.</p> <p>Applicants may be awarded maximum of 3 HOME projects, one project per housing activity type (Rental New Construction, Rental Rehab, TBRA), per HOME Fiscal year (July 1 to June 30) based upon capacity as determined by ADFA.</p>
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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>Resources to be allocated among funding categories according to need reflected in the Needs Assessment and programmatic experience from years of operating housing programs with HOME funding.</p> <p>Funding among the categories includes up to \$590,393 for Single-Family Construction activities (includes 10% CHDO); \$454,148 for Tenant-Based Rental Assistance; \$6,221,833 for Multifamily Rental Housing Development (includes 90% CHDO); and \$908,297 for Multifamily Rental Rehabilitation.</p> <p>In no case will the ADFA investment exceed the maximum HOME investment allowed under 24 CFR 92.250. The maximum per unit subsidy in HOME is published each year by HUD.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>ADFA has set the following parameters regarding the amount of HOME Program Funds that can be allocated per applicant. NOTE: ADFA Board of Directors reserve the right to increase or decrease the maximum program allocation during the program year to meet HOME program requirements. Allocations are subject to the availability of funds.</p> <ul style="list-style-type: none"> • Applicants must request a minimum of \$100,000 of HOME Program funds to be considered a HOME Program allocation (with the exception of TBRA projects). • At present, the maximum loan amount that can be allocated by ADFA is \$2,000,000 at 1% for a term of 20 – 35 yrs; and up to an additional \$1,000,000 at 2% for a term of 20 – 35 yrs; for a maximum of up to \$3,000,000 per Activity in HOME Program funds, subject to availability, and discretion of ADFA Board in response to market demand. • The maximum amount that can be requested and allocated for TBRA projects by ADFA is \$2,000,000, subject to availability of funds. • TBRA applicants may apply for funding once a year and when 75% of the current allocation has been expended. <p>Applicants may be awarded a maximum of 3 HOME projects, per housing activity (Rental, Homeowner, TBRA), per HOME Fiscal year (July 1 to June 30) based upon capacity as determined by ADFA.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The HOME Program funding is expected to provide 1 new home for Single-Family with CHDO set-aside; Homeowner Assistance to 1 household for Single-Family New Construction CHDO set-aside funded project; and 9 Multi-Family New Construction Projects funded with CHDO set-aside funding; Assist 31 households through Tenant-Based Rental Assistance; Develop 30 and Rehab 5 Multi-Family Rental units; Provide 2 new homes for Single-Family New Construction; and provide Homebuyer Assisnact for 2 HOME Funded Single-Family New Construction projects.</p> <p><i>*ADFA will not offer Homeowner Rehab for the HOME Program.</i></p>
6	<p>State Program Name:</p>	<p>Housing Opportunities for Persons with AIDS Program (HOPWA)</p>
	<p>Funding Sources:</p>	<p>HOPWA</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Arkansas Department of Health (ADH) HIV Services provides oversight for HOPWA funding granted to the State. The Northeast Arkansas Regional AIDS Network (NARAN) is under contract to use HOPWA dollars to administer HOPWA housing assistance including Tenant-Based Rental Assistance (TBRA), Facility-based rental assistance (FBRA) for short-term hotel/motel stays, Short-Term Rent, Mortgage, and Utility (STRMU), Permanent Housing Placement (PHP) programs, and the support services or service coordination appropriate to ensure effective case management and attainment of HOPWA goals.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Project sponsors will be selected through a statewide Request for Applications (RFA) process that will include, but is not limited to, evaluation of the following parameters:</p> <ul style="list-style-type: none"> • Concentration of persons with HIV/AIDS in the geographic area to be served by the project sponsor; • Availability of suitable housing stock in the defined areas; • Demonstrated capacity of the applicant to provide quality services in compliance with ADH and HUD regulations; • Ability of the applicants to coordinate complimentary supportive services; and, • Ability of the project sponsor to meet the urgent unmet needs of person with HIV/AIDS and their families. <p>Project sponsors are contracted for a period of 7 years (the initial year of contracting plus 6 renewals) with contract subject to annual review for continuance based upon Project sponsor’s attainment of ADH and HUD goals and deliverables.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Project sponsors selected through a statewide Request for Applications (RFA) process that include, but is not limited to, evaluation of the following parameters:</p> <ul style="list-style-type: none"> • Concentration of persons with HIV/AIDS in the geographic area to be served by the project sponsor; • Availability of suitable housing stock in the defined areas; • Demonstrated capacity of the applicant to provide quality services in compliance with ADH and HUD regulations; • Ability of the applicants to coordinate complimentary supportive services; and, • Ability of the project sponsor to meet the urgent unmet needs of person with HIV/AIDS and their families. <p>By the process defined above one project sponsor was selected for GY2023 and has a contract with a life span of seven (7) years (initial year plus 6 extensions). Contract extensions are on an annual basis, contingent upon project sponsor performance and attainment of HOPWA goals and objectives.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>2026 Estimated Distributions- Housing Opportunities for Persons with AIDS are as follows:</p> <p>I. Administration: \$161,860 (10%)</p> <p>a. Grantee: up to 3% of FY 2026 allocation from HUD.</p> <p>b. Project Sponsors: up to 7%. <u>Subject to adjustment</u> based on actual of total funds approved by the ADH under contract terms to project sponsor.</p> <p>II. Direct Housing and Related Support Services (DHRSS): Balance of Award less Admin.</p> <p>a. Direct Housing Assistance: \$1,116,833 (69%)</p> <ol style="list-style-type: none"> 1. TBRA + STRMU 2. PHP 3. FBRA <p>b. Support Services: \$339,906 (21%)</p> <p>TOTAL HOPWA FY 2025 allocation from HUD: \$1,618,599</p>
<p>Describe threshold factors and grant size limits.</p>	<ul style="list-style-type: none"> • Availability of housing units that meet FMR (fair market rent): for TBRA, FBRA and PHP. • Availability of housing that meets HQS (housing quality standards): for TBRA. • Seasonal adjustments (or fluctuations) in utility rates-primarily gas and electricity: for STRMU and TBRA. • Availability of public housing units: for TBRA. • Availability of short-term rapid housing (hotel/motel)*: for FBRA <p>These are among multiple thresholds that may influence allocation and ongoing budgetary adjustments of funds to applicable activities.</p> <p><i>*Duration of not more than 60 days in any 6-month period.</i></p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Supportive services and Case Coordination:</p> <ul style="list-style-type: none"> • Improve access to health care and other supportive services for 165 clients and their families per year. • Clients will remain in stable housing and will receive coordinated complimentary supportive services. <p>TBRA , FBRA, PHP and STRMU:</p> <p>Program will assist 170 clients per year establish and or better maintain permanent safe, decent, stable, and affordable housing.</p>
7	<p>State Program Name:</p>	<p>Housing Trust Fund (HTF)</p>
	<p>Funding Sources:</p>	<p>HTF</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State of Arkansas receives HTF Funds through a formula allocation from HUD. ADFA is the designated agency that administers the funds allocated to the State. Funds are distributed statewide through a competitive application process, in amounts based on applicant requests, capacity, and funding availability, to address the State's unmet rental housing needs.</p> <p>Applications received for any project within the State of Arkansas will be underwritten and reviewed for those preferences identified in the guidelines published online as ADFA HOME and National Housing Trust Fund Rental Program Guidelines and ADFA National Housing Trust Fund Operations Manual at https://adfa.arkansas.gov/wp-content/uploads/2025/03/HOME-National-Housing-Trust-Fund-Rental-Program-Guidelines.pdf</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>ADFA has established a maximum cap on its investment in a single development. Such a limit will be based on the availability of funding and other ADFA priorities. The maximum cap established by the ADFA Board of Directors is currently \$1,000,000 for NHTF. To qualify for NHTF funding, a project must demonstrate the need for an investment of no less than \$1,000 in NHTF funding per NHTF-assisted unit. ADFA will only allow NHTF funding to be used for hard construction costs. (However waivers may be submitted for consideration by the ADFA Board.)</p> <p>Applications submitted for a proposal of NHTF funding will be subject to a two- phase process:</p> <ol style="list-style-type: none"> 1) Preliminary review and 2) Underwriting and subsidy layering review. <p>The preliminary review will determine if the application includes submission of all required forms, certifications, and documentation. Applications with incomplete or missing forms, certifications, or documentation will be notified, and given ten (10) business days to make the needed corrections. If during the preliminary review and the underwriting subsidy layering review there has been two (2) notifications issued and there are still missing documents/information or no response, ADFA has the right to deny or reject the application request for HOME/NHTF funding. Once the NHTF application is underwritten and reviewed by ADFA staff, the ADFA staff will submit the proposal to the Housing Review Committee (HRC) and provide a report of the underwritten application, including a summary of the project. The report will include the type of development, the total development costs, all the funding sources, the loan terms, and an acceptable Debt Coverage Ratio (DCR). The HRC staff will review the report and make the recommendation of approval/denial for the application. If the application is recommended for approval, it will be reviewed at the monthly ADFA Board Meeting. If the application is awarded or denied, an official letter will be issued to the applicant</p>
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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>90% of the annual \$3,000,000 allocation (\$2,700,000) will be funding Multi-family Rental Development and Rehabilitation projects; 10% of the annual allocation (\$300,000) will be funding Administration of the Program.</p> <p>HTF regulations at 24 CFR 93.300 require ADFA to establish a maximum subsidy limit for units assisted with HTF funding as part of ADFA’s annual HTF Allocation Plan. In no case will the ADFA investment exceed the limits established in the HTF Allocation Plan as approved by HUD.</p> <p>Waivers will be considered, but in no case will the ADFA investment exceed the maximum HOME investment allowed under 24 CFR 92.250. The maximum per unit subsidy in HOME is published each year by HUD.</p> <p>If awarded, investment in HTF-funded operating cost assistance or operating deficit reserves is not counted against the maximum per unit subsidy required by 24 CFR 93.300.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>The maximum loan size is \$1,000,000 and waivers will be considered. To qualify for HTF funding, a project must demonstrate the need for an investment of no less than \$1,000 in HTF funding per HTF-assisted unit.</p>

<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>14 Multifamily Rental Units <u>\$2,700,000</u></p> <p><u>Estimated Total Units: 14 for a cost of approximately \$2,700,000</u></p> <p><u>This example pertains to each year's \$3,000,000 allotment.</u> <i>(Subject to final GSE earnings and HUD calculation.)</i></p> <p><i>*ADFA will not offer Homebuyer Assistance or New Construction for Ownership for the NHTF Program.</i></p>
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Discussion:

The State Programs set forth within this Method of Distribution of the current CDBG, HOME, HOPWA, ESG, and NHTF allocations attempt to balance the need for providing jobs and suitable places to live. Funds are reserved in each category based on a percent of the total funds available for distribution to local governments.

****ADFA will not offer Homebuyer Assistance or New Construction for Ownership for the NHTF Program.***

AP-35 Projects – (Optional)

Introduction:

The 2026 Program Year allocation priorities have been included below as projects. Actual activities will not be determined until the application cycle has generated competitive activities and selections for awards have been made.

Proposed beneficiary information for each priority set-aside has been included in AP-30, Method of Distribution.

#	Project Name
1	2026 CDBG State Administration
2	2026 CDBG General Assistance
3	2026 CDBG Economic Development
4	2026 CDBG Rural Services Block Grant
5	2026 - MF HOUSING DEVELOPMENT & RECONSTRUCTION
6	2026 - SF HOUSING ASSISTANCE - HOMEOWNERSHIP
7	2026 - RENTAL HOUSING SUBSIDIES - HOME TBRA
8	2026 - HOME ADMIN
9	2026 - NHTF ADMIN
10	2026 - ESG HOMELESS SOLUTIONS

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The State Programs set forth within this Method of Distribution of the current CDBG, HOME, HOPWA, ESG, and NHTF allocations attempt to balance the need for providing jobs and suitable places to live. Funds are reserved in each category based on a percent of the total funds available for distribution. The only obstacle to addressing underserved needs is the amount appropriated to the state for each program.

AP-38 Project Summary

Project Summary Information

1	Project Name	2026 CDBG State Administration
	Target Area	Statewide
	Goals Supported	Admin
	Needs Addressed	
	Funding	CDBG: \$628,731.00
	Description	General management, oversight and coordination of the State CDBG Program
	Target Date	6/30/2029
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	Statewide
	Planned Activities	General management, oversight and coordination of the State CDBG Program
2	Project Name	2026 CDBG General Assistance
	Target Area	Statewide
	Goals Supported	Fac/Infra

	Needs Addressed	Public and Community Facilities Public Infrastructure Demolition and Site Clearance ADA Modifications Homeless Facilities
	Funding	CDBG: \$9,320,654.00
	Description	Non-housing public facilities and public infrastructure
	Target Date	6/30/2029
	Estimate the number and type of families that will benefit from the proposed activities	An estimated 7,000 people will benefit from these public infrastructure and public facility projects. At least 51% of the persons expected to benefit from the activities funded through this program will be of low- to moderate-income.
	Location Description	Statewide
	Planned Activities	Funds are generally awarded for: residential water and wastewater; senior centers; child care centers; public health facilities; youth centers; accredited public libraries; removal of architectural barriers from city halls or county courthouses for accessibility; street, curb, gutter, sidewalk, or storm sewer; flood control and drainage; and, other public facility or infrastructure project determined to be a high priority, and not eligible to be funded under another CDBG program.
3	Project Name	2026 CDBG Economic Development
	Target Area	Statewide
	Goals Supported	Eco Dev
	Needs Addressed	Industry and Job Creation Business Retention
	Funding	CDBG: \$7,175,000.00

	Description	Resources to assist businesses which expand the State's economic base and which create quality jobs principally benefiting LMI persons.
	Target Date	6/30/2029
	Estimate the number and type of families that will benefit from the proposed activities	An estimated 250 people will benefit from these activities through the creation of jobs. At least 51% of the jobs will be held by or made available to low- to moderate-income persons at the time of hire.
	Location Description	Statewide
	Planned Activities	Eligible activities will generally include: grants or loans to for-profit businesses (through the applicant community) for a variety of business purposes; or public facilities (infrastructure) projects undertaken by applicant communities for economic development purposes, where a benefiting business agrees to locate or expand premised on the infrastructure improvements and agrees to create jobs for LMI persons.
4	Project Name	2026 CDBG Rural Services Block Grant
	Target Area	Statewide Communities Under 3,000
	Goals Supported	Fac/Infra
	Needs Addressed	Public and Community Facilities Fire Stations, Fire Trucks & Life-Saving Equipment
	Funding	CDBG: \$1,000,000.00
	Description	Community centers, fire stations, fire trucks, fire equipment, and life-saving protective gear benefiting rural communities of less than 3,000 persons.
	Target Date	6/30/2029

	Estimate the number and type of families that will benefit from the proposed activities	Approximately 3,000 persons will benefit from these activities. At least 51% of the persons benefitting will be of low- to moderate-income income.
	Location Description	Statewide, in rural communities of 3,000 or less in population
	Planned Activities	CDBG funds will be utilized for community centers, fire stations, fire trucks, fire equipment, and life-saving protective gear.
5	Project Name	2026 - MF HOUSING DEVELOPMENT & RECONSTRUCTION
	Target Area	Statewide
	Goals Supported	Rent Hsg Rent Rehab Perm Housing
	Needs Addressed	Housing Development and Reconstruction Transitional Housing
	Funding	HOPWA: \$2,700,000.00 HOME: \$7,130,129.00
	Description	Create decent housing with improved affordability and accessibility of multi-family housing and other rental housing through the construction of affordable rental housing units; and preserve decent housing through improved sustainability and affordability of existing multi-family housing and other rental housing stock through rehabilitation projects for: extremely-low (below 30% AMI), low (below 50% AMI), and moderate-income (below 60% AMI). (Funding Includes 90% CHDO-HOME for MF/55% MF Rental NC-HOME /10% MF Rental Rehab-HOME /AND 90% NHTF PERM HOUSING)
	Target Date	7/1/2027

	Estimate the number and type of families that will benefit from the proposed activities	HOME and NHTF funding for multi-family rental new construction and rehabilitaition - will produce 58 units, to benefit Extremely Low (30% AMI); Low (50% AMI); and Moderate Low (60% AMI) households.
	Location Description	Statewide
	Planned Activities	Multi-Family Rental New Construction and Multi-Family Rental Rehab
6	Project Name	2026 - SF HOUSING ASSISTANCE - HOMEOWNERSHIP
	Target Area	Statewide
	Goals Supported	Homeownership
	Needs Addressed	Housing Assistance Services - Homeownership Housing Development and Reconstruction
	Funding	HOME: \$590,393.00
	Description	Create decent housing with improved affordability by funding for homebuyer assistance programs such as: mortgage subsidies and down payment assistance on HOME funded single-family new construction projects; and construction financing to develop new affordable housing for homeownership; to individuals and families at less than 80% Area Median Income. (5% of HOME annual allocation, and 10% of HOME CHDO).
	Target Date	7/1/2027
	Estimate the number and type of families that will benefit from the proposed activities	ADFA estimates adding 3 single-family new construction Units (including single family mortgage subsidy and down-payment assistance for HOME funded single-famiy new construction projects) to benefit 3 households with income up to 80% AMI.
	Location Description	Statewide

	Planned Activities	Single-family Homebuyer - Homebuyer Mortgage Subsidy for HOME Funded Single-family New Construction Projects Single-family Homebuyer - Homebuyer Downpayment Assistance for HOME Funded Single-family New Construction Projects Single-family Homebuyer - SF New Construction
7	Project Name	2026 - RENTAL HOUSING SUBSIDIES - HOME TBRA
	Target Area	Statewide
	Goals Supported	TBRA
	Needs Addressed	Rental Housing Subsidies Homelessness Prevention and Emergency Assistance Transitional Housing
	Funding	HOME: \$454,148.00
	Description	Create decent housing through improved affordability and accessibility by providing rental subsidies and security and utility deposit assistance for very low- to moderate-income (less than 60% of Area Median Income) households and individuals with disabilities. (5% of HOME annual allocation)
	Target Date	7/1/2027
	Estimate the number and type of families that will benefit from the proposed activities	The HOME Program funding is expected to assist 31 households with Tenant-Based Rental Assistance with low income at or below 60%AMI.
	Location Description	Statewide
	Planned Activities	TBRA - RENTAL HOUSING SUBSIDIES
8	Project Name	2026 - HOME ADMIN
	Target Area	Statewide

	Goals Supported	Admin
	Needs Addressed	
	Funding	HOME: \$908,297.00
	Description	Program Administration: Develop, administrate, revise, implement and evaluate the day-to-day operation of entitlement program. Activities include program design, grant administration, compliance monitoring, program outreach, public relations, and training. (10% HOME annual allocation)
	Target Date	7/1/2027
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
	Planned Activities	ADMINISTRATION
9	Project Name	2026 - NHTF ADMIN
	Target Area	Statewide
	Goals Supported	Admin
	Needs Addressed	
	Funding	HTF: \$300,000.00
	Description	Program Administration: Develop, administrate, revise, implement and evaluate the day-to-day operation of entitlement program. Activities include program design, grant administration, compliance monitoring, program outreach, public relations, and training. (10% NHTF annual allocation)
	Target Date	7/1/2027

	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
	Planned Activities	ADMINISTRATION
10	Project Name	2026 - ESG HOMELESS SOLUTIONS
	Target Area	Statewide
	Goals Supported	Admin Shel Prev
	Needs Addressed	Homeless Facilities Legal Services Rental Housing Subsidies Employment Training Homeless Supportive Services - Transportation Homelessness Prevention and Emergency Assistance Domestic Violence Shelters Transitional Housing
	Funding	ESG: \$2,306,749.00
	Description	Create housing stability through a variety of housing and public service activities to service the homeless and special needs population. (7.5% Admin - 82.5% Shelter - 10% Prevention)
	Target Date	7/1/2027

Estimate the number and type of families that will benefit from the proposed activities	In Funding Year 2026 - Funding is expected to assist an estimated 500 individuals with homeless prevention services, 250 individuals with rapid re-housing, 750 individuals/families with shelter and shelter services, and 500 individuals with street outreach, totaling 2,000 individuals who are homeless or at risk of homelessness.
Location Description	STATEWIDE
Planned Activities	<ul style="list-style-type: none"> • Street Outreach • Emergency Shelter • Rapid Re-Housing • Homlessness Prevention • HMIS • ADMIN

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

N/A

Acceptance process of applications

N/A

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State’s Process and Criteria for approving local government revitalization strategies

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

Projects created in response to the four federal funding programs, CDBG, HOME, HOPWA, ESG, and NHTF, will be spread across entitlement and non-entitlement communities throughout the state. The vast majority of the combined funding will benefit low- to moderate-income individuals and families regardless of the demographics of the community in which they reside. A smaller portion, funded through the CDBG Rural Services Block Grant Program, will be targeted specifically, to communities of 3,000 or less in population.

Geographic Distribution

Target Area	Percentage of Funds
Statewide	97

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The proposed allocation of funds is based on federal requirements for each formula-allocated grant. Areas of low- to moderate-income concentration are required by HUD to be targeted. Areas of low homeownership and deteriorating housing conditions were also considered in the targeting process.

Discussion

The distribution of funds will be primarily statewide.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

The annual goals listed previously specify the following production numbers for housing assistance and for homelessness, non-homeless, and special needs populations.

One Year Goals for the Number of Households to be Supported	
Homeless	5
Non-Homeless	63
Special-Needs	10
Total	78

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	31
The Production of New Units	42
Rehab of Existing Units	5
Acquisition of Existing Units	0
Total	78

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

These figures relate to production targets specified in the annual goals for 2026 through HOME funded programs. Additional funding will be provided for rental assistance through the homeless prevention and rapid re-housing programs promoted through the ESG funding. The ESG programs will provide benefits for 2,000 individuals during the program year, but it is unknown at this point-in-time what portion of each program will be used for rental assistance and what portion will provide rent deposit, utility payments, or mortgage payment assistance.

Arkansas has completed the Needs Assessment.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

The State does not manage any public housing units.

Actions planned during the next year to address the needs to public housing

N/A

Actions to encourage public housing residents to become more involved in management and participate in homeownership

N/A

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

Discussion:

N/A

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

The State of Arkansas is active in the Balance of State Continuum of Care, addressing issues related to homelessness in the region. Funding for homeless projects and services are sourced primarily through that process.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Statewide CoC collaboration of local homeless service agencies covering the smaller communities in the state, conducts annual surveys of homeless individuals, including unsheltered individuals. These surveys serve to help focus agency activities for the coming year, as well as provide documentation in response to HUD program requirements.

Addressing the emergency shelter and transitional housing needs of homeless persons

This Annual Action Plan includes ESG funding to address the emergency shelter needs of homeless individuals. Program goals include funding twenty programs per year, providing emergency shelter to 2,000 individuals /households per year. These funding and performance plans extend the full five years of this Consolidated Plan.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The State has a goal of funding at least one permanent housing project during the five-year span of this Consolidated Plan. The State will work with local agencies and organizations to identify and promote opportunities to invest funds in these activities.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving

assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The State is providing services through ESG funding that address homeless prevention and rapid re-housing to help low-income individuals and families avoid becoming homeless. These programs include funding for rent assistance, mortgage payment emergency assistance, first and last month rents, and utility payment assistance. An estimated 2,000 individuals /households will be assisted through these efforts statewide per year.

Discussion

The State, ESG subgrantees, and participants in the Balance Continuum of Care work closely together to meet the needs of homeless individuals and families through the continuum of services coordinated through partnership.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	70
Tenant-based rental assistance	90
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	10
Total	170

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

The provision of safe, decent affordable housing is one of the greatest challenges facing the State of Arkansas, its development partners, and many jurisdictions across the State. The State is attempting to meet this challenge by providing financial and technical support to non-profit and for-profit housing developers, partnering with the private sector to develop mixed-income communities and encouraging the removal of barriers in zoning ordinances that serve as impediments to increased density in exchange for affordable apartments or condominiums.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The State does not have authority over local zoning and development regulations but will support local governments with the removal of barriers as applicable:

- Review options to support local Homeowner Rehabilitation Program,
- Review options for providing support to local down payment assistance programs,
- Advocating for zoning changes to enhance affordable housing development,
- Securing future funding for affordable housing and services,
- Supporting the administration of rental, mortgage, and utility assistance programs
- Evaluating or assessing housing design to determine how lower costs per square foot can be achieved.
- The State will support local jurisdictions in efforts to actively market local homebuyer assistance programs to minority families and individuals.
- Support broadband initiatives to provide access to LMI populations and rural communities.

Discussion:

Two factors contribute to the State's and local jurisdictions' affordable housing problem. 1) a household's ability to afford housing based on its income and 2) the price of housing. In response, the State is aggressively employing activities intended to foster the development of affordable housing for low-to moderate-income families and individuals as noted previously.

There are no known public policy barriers to affordable housing development in Arkansas, though market factors do influence the ability to produce a range of housing to address all income levels. Most of these factors, including the cost of construction, price of developable land, and tenant/homebuyer incomes, are beyond the influence of the State of Arkansas. Where possible, the State provides funds and services that address market factors, such as job training and business development activities.

AP-85 Other Actions – 91.320(j)

Introduction:

The State currently provides a variety of services to the residents of Arkansas, some funded by CDBG, HOME, HOPWA, ESG, and NHTF allocations, with private and State funding bringing additional assets to bear on these problems. Below are some of the actions currently performed by the state or subgrantees or under consideration for the future.

Actions planned to address obstacles to meeting underserved needs

The State will continue to look for new funding sources for programs to address underserved needs. Funding is the major obstacle in providing the services needed to focus on the vast variety of issues that prevent families from breaking out of poverty and from living in the best, most affordable housing possible.

Actions planned to foster and maintain affordable housing

The State provides funding through HOME for new single-family and multifamily housing development, single-family homebuyer assistance for HOME funded single-family new construction projects, and multi-family rental rehab, as well as TBRA funded activities. State staff also manages the approximately \$10.5 million annual Low-Income Housing Tax Credit allocation for Arkansas.

Actions planned to reduce lead-based paint hazards

- Continue to meet HUD lead-based paint abatement standards in housing rehabilitation programs operated by subgrantee communities.
- Seek funding as it becomes available for testing and abatement of lead-based paint hazards in single-family housing where young children are present.
- Expand the stock of lead safe housing units through new housing initiatives.
- Seek funding for testing, abatement, training, and educational awareness.

Actions planned to reduce the number of poverty-level families

The State will continue its efforts in conjunction with the five Continua of Care in Arkansas to reduce the number of poverty-level families through the development of services needed to assist those families with educational opportunities, job growth, and life skills training through the various social service agencies operating in the communities across the state.

Actions planned to develop institutional structure

- Work with non-profit organizations to address community needs and provide support to federal

and non-federal funding initiatives.

- Work with private industry to address important issues that hamper housing and community development efforts.
- Identify opportunities to create private/public partnerships for project finance and development to leverage federal funds.

Actions planned to enhance coordination between public and private housing and social service agencies

The State will continue to coordinate planning activities with subgrantees and private housing and social service agencies, including participation in the Balance of State Continuum of Care meetings, development of the Continuum of Care, and coordinate the enumeration of point-in-time and homeless surveys by continua throughout the state. State staff will also continue their participation in other coalitions and study groups as the opportunity arises.

Discussion:

These actions are primarily the continuation of what the State is currently doing in the various areas. No major obstacles in the institutional structure have been identified that need to be addressed. The State is also satisfied with its efforts to coordinate with private housing and social service agencies.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

The following provides details on program specific requirements for each of the five entitlement programs, CDBG, HOME, HOPWA, ESG, and NHTF.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	1,000,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	1,000,000

Other CDBG Requirements

1. The amount of urgent need activities	500,000
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	95.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

The State will continue to support the many efforts of the non-profits and social service provider agencies in the community in their efforts to obtain funding from various sources for their programs.

Many of these organizations receive private donations to sustain their programs, and most apply for funding on the federal, state, and local level.

The availability of federal funds would enhance any of the listed programs and would mean that more services, and housing, could be provided. Because of the scarcity of any type of funding, the State has been working with various organizations to try to develop programs that would increase the leveraging capacity of federal funding mechanisms so that more money would be available for other endeavors needed. Better use of the existing resources is a main concern of everyone.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:
 - 1) Any amount repaid as a result of a homebuyer property being sold within the affordability period. The recaptured provisions must be stated in written agreements between Recipients and the income of any eligible homebuyers. 2) Recaptured funds are a return of the original HOME investment and are technically not program income. Therefore, unlike program income, 10 percent of recaptured funds cannot be used for planning and administrative costs and must be returned to ADFA. 3) When HOME funds are expended for projects that are terminated before completion, voluntary or involuntary, the HOME funds that have been expended are ineligible and must be repaid. 4) The termination of affordability restrictions does not relieve ADFA of its repayment obligations for housing that does not remain affordable for the required period.

ADFA HOME Program Operations Manual - CHAPTER 5:

HOMEOWNER HOUSING PROGRAM – HOMEBUYER:

- 1) The HOME Program requires that if a property is sold during the Affordability Period, either voluntarily or involuntarily (e.g., foreclosure) during the affordability period, the HOME investment must be “repaid.” The HOME Program refers to this repayment requirement as “recapture.” 2) What is recapture? Recapture is defined as an affordability mechanism where the Recipient or developer executes a written agreement with the homebuyer that only includes the amount of “direct HOME assistance” that enabled the homebuyer to buy the housing unit. This assistance must be “recaptured,” in whole or in part, if the unit is sold before the end of the affordability period. 3) This “direct HOME assistance” is defined as a “mortgage subsidy” and includes the following for ADFA programs: Down payment and closing cost assistance; Gap financing (e.g., second mortgage); and/or

Reduction in purchase price from market value to an affordable sales price, if HOME funds were provided to a developer. 4) The period of affordability, shown above, is based on the direct HOME assistance to the homebuyer. 5) ADFA provides a 0% forgivable loan that is forgiven commensurate with the period of affordability.

These guidelines are published online as: **HOME Program Operations Manual; HOME Single Family Housing Development Programs Guidelines** found online at <https://adfa.arkansas.gov/programs/home-single-family-new-construction-sfnc/>

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

These guidelines are published online as: **HOME Program Operations Manual; HOME Single Family Housing Development Programs Guidelines** found online at <https://adfa.arkansas.gov/programs/home-single-family-new-construction-sfnc/>

ADFA will recapture that portion of HOME Program investment unforgiven during the affordability period or recapture the maximum net proceeds from sale of property (whether recapture is affected through foreclosure or no foreclosure action). Net proceeds will be used to: (1) Reimburse the HOME Program (approved activity) for the outstanding balance of HOME funds not repaid or forgiven during the applicable affordability period at the time of recapture; (2) Reimburse the HOME Program (administration) for “holding costs” or other costs associated with the recapture action (legal fees, insurance, taxes, realtor fees, appraisal/BPO costs, etc.). In the event net proceeds are less than the outstanding balance of HOME funds invested in the property (for all approved activities and holding costs incurred), the loss will be absorbed by the HOME Program and all HOME Program requirements would be considered to have been satisfied. If net proceeds recaptured are greater than the outstanding balance of HOME funds invested in the property (for all approved activities and holding costs incurred), the balance of net proceeds would be distributed to the homeowner (or his/her estate). If the recapture of proceeds is effectuated through a completed foreclosure action, and the property is legally owned by ADFA, the balance of net proceeds recaptured will return to ADFA.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The State does not intend to use HOME funding for this purpose.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with

special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

A subrecipient of TBRA funds must have a written tenant selection policy that clearly specifies how households will be selected for participation in their project. There are two major components of tenant selection:

- **Income Eligibility** –A project can target the assistance to distinct AMI levels as long as it is below the 60% AMI level.
- **Preferences** – A project can target populations of unmet needs as defined in the State of Arkansas’ Consolidated Plan. (See §92.209(c)(2)(i) and (ii)) Preferences can be established for both individuals with special needs (such as homeless persons or elderly persons) and persons with disabilities, in certain situations. A project can limit TBRA to persons with a specific disability or disabilities if doing so is necessary to provide housing, aid, benefit, or services that are as effective as those provided to others, in accordance with the requirements in 24 C FR 8.4(b)(1)(iv). A project is prohibited from requiring participation in medical or disability-related services as a condition of receiving or continuing to receive HOME TBRA.

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

N/A

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

N/A

Emergency Solutions Grant (ESG) Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

Emergency Solutions Grant ESG Policies and Procedures are published online at <https://adfa.arkansas.gov/wp-content/uploads/2025/06/2025-2026-ADFA-ESG-Policies-and-Procedures-Final.pdf>, and will be attached to this Consolidated Plan.

Currently funded agencies or those who have received prior ESG funding, will be evaluated on past performance in carrying out programmatic activities and contractual compliance. Factors such as agency ability to meet service delivery goals, timely expenditure of funds, timely reporting, accuracy of reporting, ability to meet audit requirements, and other programmatic and fiscal contractual requirements will be considered. These other factors will be considered in conjunction with the proposal score in developing an overall recommendation for agency funding.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Continuum of Care (CoC) for each respective applicant, must complete a **CoC Participation Form**, which acknowledges the applicant is in good standing and active with the CoC. Additionally, applicants are required to submit a draft ESG application to their respective CoC, before submission to ADFA for potential funding, to ensure the funding request will meet the objectives determined by the CoC. The state refers all inquiries on available resources for Arkansas' homeless and at risk for homelessness individuals, to the CoCs, who can then refer the individuals to respective agencies that could potentially address their needs.

Congress has directed HUD to improve the collection of data on the extent of homelessness locally and nationally. Communities must collect an array of data including an unduplicated count of homeless persons, analyze their patterns of the use of the McKinney-Vento and other assistance, including information on how they enter and exit the homelessness assistance system and assess the effectiveness of that assistance. Through the Federal Register Notice, the Emergency Solutions Grants Program and Community Development Block Grants were made a part of this mandate. Therefore, ADFA requires that all ESG grantees to participate in reporting to HMIS, and failure to do so will affect future ESG funding.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The Arkansas Development Finance Authority (ADFA) administers the State of Arkansas Emergency Solutions Grants Program. The State awards grants to local nonprofit organizations. The prospective nonprofit organization will be required to have the appropriate unit of local government concur with and sign off on the request for assistance. Each respective CoC must also approve ESG applications, prior to submission to ADFA.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with

homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The State requires non-profits participating in the ESG program to have homeless representatives on their boards of directors.

5. Describe performance standards for evaluating ESG.

Compliance with regulatory and programmatic requirements of the ESG sub-grant may be determined through remote and/or on-site monitoring and risk assessments by ADFA. Monitoring will be conducted annually at a minimum but may be conducted more frequently at the discretion of ADFA. Monitoring will generally be conducted after advance notice and at a date and time convenient to both ADFA and subrecipients but may be conducted without notice and at any normal hour of business operation at the discretion of ADFA.

The CPD Monitoring Handbook (6509.2) | HUD.gov / U.S. Department of Housing and Urban Development (HUD) will be the guide used in monitoring:

11.1 Non-Compliance Failure to comply with HUD regulations, this Policy and Procedures Manual, HUD and/or ADFA Policy memos/directives, or the terms and conditions of the ESG sub-grant may result in denial of reimbursement requests, demand for repayment, reallocation of portions of funding, termination of the sub-grant, or even referral for fraud investigation. The specific sanctions imposed will depend upon the severity of the non-compliance and the degree of the subrecipient's cooperation with ADFA. Subrecipients will be notified of sanctions electronically via email.

11.2 Repayment When improper expenditure of ESG funds is found to have occurred, regardless of the cause, a demand for repayment will be made. ADFA will provide details of the repayment mechanism at that time. If errors in invoice reimbursement result in overpayment, the overpayment may require repayment by check or may be repaid through an offset of future reimbursement requests. ADFA will provide details of overpayment resolution on a case-by-case basis.

11.3 Non-Compliance Appeal Sanctions imposed under the provisions of Section 11.1 for non-compliance are subject to appeal by ESG subrecipients. Appeals must be made in writing to ADFA within 15 calendar days of the certified delivery date of formal written notice of sanction being imposed. The appeal must provide all documentation that is to be considered in determining facts in dispute and may present extenuating circumstances in lieu of dispute of facts. Enforcement actions under appeal are stayed while ADFA considers the appeal. ADFA will issue a Final Decision in writing within 30 calendar days after receipt of written appeals. ADFA's final decision on the appeal of any ESG sanction is subject to normal litigation procedures in the appropriate Court of Law.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

In accordance with the requirements of Section 93.2, eligible recipients are defined as follows: an organization, agency, or other entity (including a public housing agency, or a for-profit entity or a non-profit entity) that receives NHTF assistance from a grantee as an owner or developer to carry out an NHTF-assisted project. A recipient must make acceptable assurances to the grantee that it will comply with the requirements of the NHTF program during the entire period that begins upon selection of the recipient to receive NHTF funds and ending upon the conclusion of all NHTF-funding activities. A recipient must demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity; and demonstrate its familiarity with the requirements of other Federal State, or local housing programs that may be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs. The recipients must have demonstrated experience and capacity to conduct an eligible NHTF activity as evidenced by its ability to design, construct, own, manage, operate, and market affordable multi-family rental housing. No NHTF application will be processed for any applicant or related entity which is not in good standing with ADFA and any other State housing finance authority, the Arkansas Economic Development Commission (AEDC), HUD, USDA Rural Development, or VA. An applicant can be denied consideration of the NHTF funds if the applicant or its related parties have a history of payment delinquencies, bankruptcy, foreclosure, or activities determined to be unsound or unlawful. ADFA will distribute NHTF by directly selecting applications submitted from eligible recipients and will not use sub-grantees. "Eligible Applicant" consists of the "Development Team" who will construct new rental housing (single family or

multi-family units) or rehabilitation of existing units. "Development Team" means the applicant, consultant, contractor, architect, accountant, property manager, and attorney.

ADFA will measure these requirements per methods listed and published online as **HOME & National Housing Trust Fund Rental Program Guidelines found online at**

<https://adfa.arkansas.gov/programs/housing-development/national-housing-trust-fund>

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

ADFA has established a maximum cap on its investment in a single development. Such a limit will be based on the availability of funding and other ADFA priorities. The maximum cap as established by the ADFA Board of Directors is currently \$1,000,000 for NHTF (however a waiver may be requested for approval by ADFA Board of Directors). To qualify for NHTF funding, a project must demonstrate the need for an investment of no less than \$1,000 in NHTF funding per NHTF-assisted unit. ADFA will only allow NHTF funding to be used for hard construction costs.

Applications submitted for a proposal of NHTF funding will be subject to a two- phase process:

1) Preliminary review and

2) Underwriting and subsidy layering review.

The preliminary review will determine if the application includes submission of all required forms, certifications, and documentation. Applications with incomplete or missing forms, certifications, or documentation will be notified, and given ten (10) business days to make the needed corrections. If during the preliminary review and the underwriting subsidy layering review there has been two (2) notifications issued and there are still missing documents/information or no response, ADFA has the right to deny or reject the application request for HOME/NHTF funding. Once the NHTF application is underwritten and reviewed by ADFA staff, the ADFA staff will submit the proposal to the Housing Review Committee (HRC) and provide a report of the underwritten application, including a summary of the project. The report will include the type of development, the total development costs, all the funding sources, the loan terms, and an acceptable Debt Coverage Ratio (DCR). The Staff HRC will review the report and make the recommendation of approval/denial for the application. If the application is recommended for approval, it will be reviewed at the monthly ADFA Board Meeting. If the application is awarded or denied, an official letter will be issued to the applicant

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

ADFA's underwriter will review each application. Funds will be awarded based on the application (at a minimum) meeting the general NHTF requirements listed above. Once ADFA has determined that the application meets or exceeds all requirements, ADFA will award funds to projects meeting the preferences identified in the guidelines published online as **HOME & National Housing Trust Fund Rental Program Guidelines found online at <https://adfa.arkansas.gov/programs/housing-development/national-housing-trust-fund>**

All required application documents should be submitted with original signatures, legible and complete, and with all required third-party documents. ADFA will post the HTF application checklist and instructions for the complete list of the application cycle. All applicants must comply in all respects with ASTM E157-13 (the "ASTM Standards") as to content and adhere to ADFA's Environmental Policy Requirements for purposes of determining whether the property is environmentally suitable for construction of residential housing. ADFA may, within its discretion, deny applications based upon the unreasonableness of costs, regardless of whether the costs per-unit complies with the maximum costs per-unit limitation. Upon request by ADFA staff, applicants may provide justification and supporting documentation.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applications submitted for a proposal of NHTF funding will be subject to a two- phase process: 1) Preliminary review and 2) Underwriting and subsidy layering review. Once the MFHA is underwritten and reviewed by ADFA staff, the ADFA staff will submit the proposal to the Housing Review Committee (HRC) and provide a report of the underwritten application, including a summary of the project. The report will include the type of development, the total development costs, all the funding sources, the loan terms, project location, and an acceptable Debt Coverage Ratio (DCR). The HRC staff will review the report and make the recommendation of approval/denial for the application. If the application is recommended for approval, it will be reviewed at the monthly ADFA Board Meeting. If the application is awarded or denied, an official letter will be issued to the applicant.

Construction costs do not vary much in Arkansas for different areas of the State. Some regions do require a soils report and more foundation work. At the time of ADFA underwriting of each application,

the costs are thoroughly reviewed and adjusted for under-estimates or excessive costs. ADFA uses discretion to determine the reasonableness of all costs stated in the proposed development budget regardless of whether the costs per-unit comply with the maximum costs per-unit limitation set forth in **HOME & National Housing Trust Fund Rental Program Guidelines**. ADFA may, within its discretion, deny applications based upon the unreasonableness of costs, regardless of whether the costs per-unit complies with the maximum costs per-unit limitation. Upon request by ADFDA staff, applicants may provide justification and supporting documentation of costs. ADFA will review the items submitted and make a final determination. ADFA's determination will be set forth in writing as to whether the application will be further considered or rejected.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Preference will be given to the applicant's ability to meet deadlines in a timely manner, based upon past history with ADFA, or letters of support from other stakeholders (banks, government agencies, or local authorities), or documentation submitted in the application evidencing efficient use of time in meeting deadlines on past projects. It is expected that construction will start within 6 months from the award date, with completion of the project expected within 18 months of the construction start date.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

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

NHTF funding to be used for hard construction costs.

Applications submitted for a proposal of NHTF funding will be subject to a two- phase process:

- 1) Preliminary review and
- 2) Underwriting and subsidy layering review.

The preliminary review will determine if the application includes submission of all required forms, certifications, and documentation. Applications with incomplete or missing forms, certifications, or documentation will be notified, and given ten (10) business days to make the needed corrections. If during the preliminary review and the underwriting subsidy layering review there has been two (2) notifications issued and there are still missing documents/information or no response, ADFA has the right to deny or reject the application request for HOME/NHTF funding. Once the NHTF application is underwritten and reviewed by ADFA staff, the ADFA staff will submit the proposal to the Housing Review Committee (HRC) and provide a report of the underwritten application, including a summary of the project. The report will include the type of development, the total development costs, all the funding sources, the loan terms, and an acceptable Debt Coverage Ratio (DCR). The Staff HRC will review the report and make the recommendation of approval/denial for the application. If the application is recommended for approval, it will be reviewed at the monthly ADFA Board Meeting. If the application is awarded or denied, an official letter will be issued to the applicant.

g. Describe the grantee’s required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Points are awarded to New Construction applications that demonstrate the ability to remain financially feasible through the required thirty (30) year period.

h. Describe the grantee’s required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Preference will be given for applicants demonstrating an ability to meet the needs of beneficiaries by means of proximity to Veteran medical facilities, support services, public transportation, grocery stores,

and metropolitan centers giving preferential consideration to jobs for Veterans.

Also, preference will be given for applicants targeting rental housing needs for ELI Veterans who are not only Veterans but are homeless (or at risk of becoming homeless), those with special needs, individuals leaving correctional institutions, and those with mental health issues. The applicants must identify this population needing assistance in their service area and should specifically address the needs (housing and services) of this population. They should use quantifiable data, specific to their service area, to the maximum extent possible. Data should include the number of individuals and families serviced during the last calendar year as well as specific services provided.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Preference for funding will be based on the applicant's ability for leveraging non-federal resources and the extent to which the applicant makes use of non-federal funding sources. Non-federal resources may include funds from state, local publicly controlled funds, private funds of in-kind commitments and/or land donated by state or local government to achieve deep affordability for ELI households.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established, or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low-Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established, or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The Maximum Per-unit Development Subsidy Amount of Housing Assisted with HTF funds, described in the appendix, is based upon guidelines from **ADFA's HOME and National Housing Trust Fund Rental Program Guidelines**, published online at: <https://adfa.arkansas.gov/programs/housing-development/national-housing-trust-fund>

ADFA has set per unit subsidy limits for National Housing Trust Fund (NHTF) as follows: 0 BR- \$159,500, 1 BR- \$181,500, 2 BR- \$198,000, 3 BR- \$220,000, and 4 BR- \$247,500.

Waivers will be considered, but in no case will the ADFA investment exceed the maximum HOME investment allowed under 24 CFR 92.250. The maximum per unit subsidy in HOME is published each year by HUD.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes,

ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

ADFA has published its Design Standards for New Construction and Rehabilitation, to its website at: <https://adfa.arkansas.gov/programs/home-new-construction-acq-rehab/>.

These Standards are attached as Attachment 2 to the Plan.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.”

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners

to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

ADFA will give preference to Developers who will assist ELI Veterans.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

N/A

Discussion:

The state strives to meet all program specific requirements as detailed in the enabling legislation and program guidelines. State staff will work with award recipients to ensure that these requirements are met and will oversee internal operations towards the same goal. If HUD's 2026 NHTF Allocation amount is different than what has been planned for, ADFA will adjust the number of units to be built accordingly.