

# Memorandum

**To:** Housing Developers and Housing Professionals  
**From:** Laura Tucker, Multi-Family Housing Programs Manager  
**Date:** 7/24/2006  
**Re:** Amended 2003 Qualified Allocation Plan and Amended 2003  
Guidelines for Allocating Multi-Family Tax Exempt Volume Cap

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On December 19, 2002 the ADFA Board of Directors approved additional changes to the 2003 Qualified Allocation Plan, 2003 Guidelines for Allocating Multi-Family Tax Exempt Volume Cap and ADFA Rules and Regulations for Allocation of the State Volume Cap for Private Activity Bonds.

The changes are as follows:

1. **2003 Qualified Allocation Plan: Letter from Highest Elected Official:** The letter of support must be dated within six (6) months of the date of the application submission. Should the highest elected official withdraw the letter of support at any time **prior** to the deadline for Carryover Allocations, ADFA will revoke the reservation of LIHTC for the development. Revocation of the letter of support **after** the deadline for Carryover Allocations will not affect the reservation of credits. The QAP is available on our website as Amended 2003 Qualified Allocation Plan.
2. **ADFA Rules and Regulations for Allocation of the State Volume Cap: Reservation Period:** The Affected Bonds must be issued within sixty (60) days of the Reservation Date or by December 31<sup>st</sup> of the applicable calendar year if such date occurs prior to the expiration of the sixty (60) day period.

**Extension of Reservation Period:** The Reservation Period may be extended by the President of the Authority for up to an additional sixty (60) days from the Reservation Date. The extension periods shall be granted in three (3) increments as follows:

- (1) The first extension period of fifteen (15) days shall be automatically granted by the President of the Authority upon receipt of a written explanatory statement in sufficient detail from the borrower. The borrower shall not be required to pay an extension fee for the first extension period.
- (2) The second extension period of fifteen (15) days shall be granted if the President of the Authority determines that granting of a second extension of the Reservation Period is warranted based on being provided with the following:

- (a) an explanatory statement, in sufficient detail to the satisfaction of the Authority, of why the Affected Bonds will not be issued within the original Reservation Period;
  - (b) a certification by the borrower that it reasonably expects the Affected Bonds to be issued within the extended Reservation Period; and
  - (c) payment to the Authority of a non-refundable reservation extension fee in the amount of \$5,000.00.
- (3) The third extension period of up to thirty (30) days shall be granted if the President of the Authority determines that granting of a third extension of the Reservation Period is warranted based on being provided with the following:
- (a) an explanatory statement in sufficient detail explaining the extraordinary, unforeseen circumstances warranting such an extension. The circumstances must be of no fault of the borrower and could not have been anticipated at the time the first or second extension periods were requested.
  - (b) a certification by the borrower that it reasonably expects the Affected Bonds to be issued within the extended Reservation Period; and
  - (c) payment to the Authority of a non-refundable reservation fee in the amount of \$10,000.00.

The Rules and Regulations are on our website as Second Amended Rules and Regulations for Allocation of State Volume Cap for Private Activity Bonds.

3. **Guidelines for Allocating Multi-Family Tax Exempt Volume Cap:** Extensions of the Closing Date: The bond closing must take place within sixty (60) days from the reservation date. If the 60<sup>th</sup> day falls on the weekend or legal holiday, the closing date will be extended to the next business day. Requests for extensions of the closing deadline must be submitted in accordance with the Second Amended Arkansas Development Finance Authority Rules and Regulations Regarding Allocation of the State Volume Cap for Private Activity Bonds.

Letter of Support: Should the highest elected official withdraw the letter of support for the development at any time **prior** to the bond closing ADFA will invalidate the commitment for volume cap. Revocation of the letter of support at any time **after** the bond closing will not affect the commitment for volume cap.

The Guidelines are available on our website as Amended 2003 Guidelines for Allocating Multi-Family Private Activity Volume Cap.

Also available on our website is the current ADFA Approved Market Study Firm List, Guidelines for Market Studies, and 2003 QCTs and DDAs. Please note our new address is 423 Main Street, Suite 500, Little Rock, Arkansas 72201. Our post office box address and telephone numbers did not change. If you have any questions regarding the changes, you may reach me at (501) 682.5927.