

## Notice of Public Hearing

Notice is hereby given that a public hearing will be held at the offices of the Arkansas Development Finance Authority (ADFA), 900 West Capital Building Suite 310, Little Rock, Arkansas 72201, at **10:00 a.m., Wednesday, September 29, 2010**, to discuss significant amendments to the 2011 Qualified Allocation Plan including revisions to the 2011 Final Cost Certification Requirements.

### SUMMARY OF PROPOSED AMENDMENTS TO 2011 QUALIFIED ALLOCATION PLAN

The Arkansas Development Finance Authority ("ADFA") is proposing amendments to its 2011 Qualified Allocation Plan "QAP"). The following is a summary of the **significant** revisions and/or additions to the QAP:

- Increase required in the operating reserve amount and maintenance of the operating reserve account through the end of the compliance period.
- Increase debt coverage ratio to the greater of 1.15 or the debt coverage ration required by Applicant's investor and/or lender.
- Applicant must identify the General Partner(s) and Limited Partner(s) of the applicant entity, including identification of al members, partners or shareholders of the GP. If such members, partners or shareholders are entities, Applicant must identify all members, partners or shareholders of such entities.
- Applicant must include a copy of the most recent financial statement reviewed by a third-party CPA.
- Applicant shall be limited to three (3) developments for which tax credits are awarded. Parties among which there is any identity of interest are collectively limited to three (3) developments.
- For rehabilitation developments, if new construction is included as part of the proposed development, a separate set of plans and specs are required, which shall include only the new construction.
- ADFA retains the discretion to determine reasonableness of all costs stated in the proposed development budget regardless of whether the costs per unit comply with the cost cap set forth in the QAP.
- Beginning with the 2012 cycle, the Applicant must include with its application a copy of the certification evidencing completion of Fair Housing Commission training by a principal of the following members of the development team: Owner Representative; Developer; Consultant; Management Company; and Architect.
- Applicant shall disclose all persons and entities that will receive any portion of the developer fee proposed in the application.
- Delete all references to Heartland Disaster Credits.
- Multiple Phase Developments: ADFA will not consider for an award of federal or state housing tax credits an application for a proposed new construction development that is a phase of another proposed development for which an application has been submitted in the same funding cycle. Such determination shall be in ADFA's sole and absolute discretion.

### SUMMARY OF 2011 TO FINAL COST CERTIFICATION REQUIREMENTS

The Arkansas Development Finance Authority ("ADFA") is proposing amendments, revisions, and additions to its 2011 Final Cost Certification Requirements. A summary of significant changes and/or additions to these requirements is as follows:

- Various proofs of placement in service for each building in the development for New Construction, Existing Buildings, and Rehabilitation Expenditures.

- Signed certification from the licensed architect certifying certain compliance requirements have been met.
- Signed certification from certified HERS rater that the development has been awarded a HERS rating achieved by the development.
- Sources shall equal uses.
- Applicant shall submit the amount of operating income and expenses for the most recent quarter.
- All developments that received Section 1602 Exchange Funds or TCAP Funds must submit a cost certification to ADFA including certification of credits, Exchange Funds and TCAP Funds.
- The allocation fee shall be \$150 per tax credit unit in the development.
- All developments placing in service after the effective date of the 2011 Qualified Allocation Plan **shall** submit a complete cost certification package within 120 days of placement in service. **If a complete cost certification package has not been submitted within 120 days of placement in service, ADFA may deny any or all other applications for ADFA resources that are pending or that become pending prior to submission of a complete cost certification package. Further, a \$15.00 per calendar day late fee shall be assessed for all cost certification packages submitted after the deadline set forth herein. The \$15.00 per calendar day late fee shall also be assessed for all cost certification packages submitted within the time set forth herein but which fail to include all information and documentation required herein to be included with the cost certification package request for IRS Form 8609. If further documentation or information is requested in writing by ADFA that is not set forth herein but becomes necessary to obtain based upon review of the complete cost certification package shall be provided to ADFA within 10 calendar days of such written request. A separate \$15.00 per calendar day late fee will be charged for each day after the provided 10 calendar days that the documentation or information is not submitted to ADFA. This fee accrues until ADFA is in receipt of such requested documentation and information. All fees set must be paid before ADFA will proceed with the cost certification review and issuance of IRS Form(s) 8609.**

A comprehensive write-up of all recommended revisions may be obtained above. Any persons interested may appear at the public hearing at 10:00 a.m. on the 29th day of September 2010, and be heard for or against. All suggestions will be heard and considered. This hearing is being held pursuant to the requirements in the Arkansas Administrative Procedures Act.