



Robert "Ro" Arrington
Interim President
1 Commerce Way, Suite 602
Little Rock, Ark. 72201

October 29, 2024

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

RE: Disclosure of contracts between the Arkansas Development Finance Authority and a business entity in which State Senator Jim Petty claims partial ownership

Dear Governor,

Please find attached board action, staff recommendations and disclosure statements detailing an agreement between the Arkansas Development Finance Authority (ADFA) and a business entity owned partially by State Senator Jim Petty.

This agreement follows the laws of the state of Arkansas, rules of ADFA and federal Internal Revenue Service requirements.

Arkansas Code Section 21-1-403 states, in part:

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

...

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

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

And:

(f) Grants, contracts, and leases entered into prior to the person's becoming a constitutional officer are not subject to the provisions of this section, but renewals and extensions of those grants, contracts, and leases are subject to the provisions of this section.



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The agreement in question is an extension to a deadline to complete the construction of a low-income housing development in Fayetteville, Arkansas, to be called Patriot Park. The original agreement was signed between ADFA and Washco Housing Partners Limited Partnership, a business entity that is 50-percent owned by Sen. Jim Petty. The initial agreement was reached in 2020. Sen. Petty was subsequently elected to the Arkansas Senate in 2022.

Under the proposed agreement, ADFA would agree to extend the deadline to complete the Patriot Park project by one year, from December 31, 2025, to December 31, 2026.

The proposed contract amendments between ADFA and entities owned in part by Sen. Petty will allow additional time to complete the proposed project. The board of the Arkansas Development Finance Authority has approved the proposed contracts at its regularly scheduled meeting held October 16, 2025.

Pursuant to the code sections stated herein, the attached documents and disclosure statement from Senator Petty are presented to you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jake Breed", is written over the typed name and title.

Jake Breed
General Counsel

Approval

A handwritten signature in blue ink, appearing to read "Asa Hutchinson", is written over the typed name and title.

Governor's Signature

**BOARD HOUSING REVIEW COMMITTEE
ACTION MEMORANDUM**

Board HRC Meeting: 10/16/2025

Prepared by: John Blackwell

HOUSING PARTNER	
Name of Entity:	Strategic Realty/Washco Housing Partners LP
Address of Entity:	812 Main Street Van Buren, AR 72956
Contact Person:	Jim Petty/Brent Lacefield
Phone	
Email Address:	
DEVELOPMENT INFORMATION	
Name of Development:	Patriot Park Fayetteville, AR
ACTION REQUESTED	
Extend the deadline to place the units in service from 12-31-25 to 12-31-26.	
BACKGROUND INFORMATION	
Patriot Park was granted a credit swap by the ADFA board on April 18, 2024 for the 2020 LIHTC allocation (801,000), the 2021 LIHTC allocation (193,000) and the 2022 LIHTC allocation (148,300). The credit swap agreement placed a December 31, 2025 deadline to complete the project and place the units in service. While the project is moving forward it is obvious that it will not be completed by the December 2025 deadline due to heavy rainfall, and Staff would like to amend the credit swap agreement for the project to be placed in service. Strategic Realty is estimating the project to be completed April 29, 2026. The new deadline on the Credit Swap Agreement will be December 31, 2026, the full 2 years allowed by the IRS.	
FINAL RECOMMENDATION OF BOARD HOUSING REVIEW COMMITTEE	
Approved.	



ROBERT "RO" ARRINGTON
INTERIM PRESIDENT
ARKANSAS DEVELOPMENT
FINANCE AUTHORITY

Washco Housing Partners Limited Partnership
812 Main Street
Van Buren, AR 72956
Attn: Jim Petty/ Brent Lacefield

RE: Patriot Park

This letter evidences an agreement between Washco Housing Partners Limited Partnership (the "Owner"), and the Arkansas Development Finance Authority (the "Authority") with respect to the Authority's allocation to the Owner of federal low-income housing tax credits ("LIHTC") to assist in the development of Patriot Park of Fayetteville, Arkansas (the "Project").

On December 30, 2020, the Authority made a carryover allocation of LIHTC to the Owner with respect to the Project in the amount of \$801,000 (the "2020 Allocation"), and on December 14, 2021 the Authority made a carryover allocation in the amount of \$193,000 (the "2021 Allocation") and on December 15, 2022 the Authority made a carryover allocation in the amount of \$148,300 (the "2022 Allocation"). Pursuant to Section 42 of the Internal Revenue Service Code (the "Code"), the original required placed in service date of the Project was December 31, 2024. On April 18, 2024, the Authority approved the Owner's request to extend the required placed in service date for the Project to December 31, 2025. On October 16, 2025, the Authority approved the Owner's request to extend the required placed in service date from December 31, 2025 to December 31, 2026.

The Authority and the Owner hereby mutually consent to, and hereby effect, the cancellation and return of the 2020 Allocation, 2021 Allocation, and the 2022 Allocation as permitted by Section 42(h)(3)(C) of the Code.

Additionally, the Authority hereby allocates to the Owner, from its 2024 LIHTC ceiling, \$1,142,300 in LIHTC with respect to the Project, which represents the returned 2020, 2021, and 2022 allocations of \$1,142,300, previously approved the Authority. This letter shall serve as a carryover allocation agreement pursuant to Section 42(h)(1)(F) of the Code and in accordance with Treasury Regulation Section 1.42-6, which requires the following information to be contained herein:

1. Building identification number and address of each building in the Project:
AR.20.08.001 – 009
E. North St & N. College Ave
Fayetteville, AR 72701 - Buildings 1 through 9

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INTERIM PRESIDENT
ARKANSAS DEVELOPMENT
FINANCE AUTHORITY

2. Owner's name, address and taxpayer identification number: Washco Housing Partners Limited Partnership, 812 Main Street, Van Buren, AR 72956, TIN: 84-4886681
3. Address of Authority: 1 Commerce Way, Suite 602, Little Rock, AR 72202
4. Owner identification number of the Authority: 71-0503641
5. Dates of allocation: September 30, 2020, August 3, 2021, and May 25, 2022
6. Housing tax credit dollar amount allocated to the Project: \$1,142,300
7. Owner's reasonably expected basis in the Project as of the close of the second calendar year following the calendar year in which the allocation is made: \$14,044,628. As of the date of the allocation stated in paragraph 5, the Owner's basis in the Project was more than 10% of its reasonable expected basis in the Project stated in the preceding sentence.
8. Date each building in the Project is expected to be placed in service: December 31, 2026.

The owner agrees to place the Project in service on or before December 31, 2026.

Please have an authorized signatory of the Owner sign one copy of this letter in the space provided on the following page and return it to the Authority.

Regards,

Arkansas Development Finance Authority

By: 
Name: Ro Arrington
Its: President, ADFA
Date: 10/29/25

Arkansas Development Finance Authority
One Commerce Way, Suite 602 * Little Rock, AR 72202
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ROBERT "RO" ARRINGTON
INTERIM PRESIDENT
ARKANSAS DEVELOPMENT
FINANCE AUTHORITY

Agreed to and accepted by:

Washco Housing Partners Limited Partnership, an
Arkansas Limited Partnership

812 Main Street, Van Buren, AR 72956

By: Washington County Veterans Housing LLC

Its: General Partner

By:

A handwritten signature in black ink, appearing to read "Jim C. Petty", is written over a horizontal line.

Name: Jim Petty

Its: Manager

Arkansas Development Finance Authority
One Commerce Way, Suite 602 • Little Rock, AR 72202
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ATTACHMENT F-2

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Check one and complete:

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

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

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

SUBCONTRACTOR: _____ SUBCONTRACTOR NAME: _____

☐ Yes ☒ No

IS THIS FOR:

TAXPAYER ID NAME: Washco Housing Partners Limited Partnership
 Services? ☒ Both? ☐ Goods? ☐

YOUR LAST NAME:: Petty

FIRST NAME: Jim

M.I.: C.

ADDRESS: 812 Main Street

CITY: Van Buren

COUNTRY: USA

STATE: AR

ZIP CODE: 72956

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

For Individuals*

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

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

☒ None of the above applies

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

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

Position Held	Mark (✓)		Name of Position of Job Held [Senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?	
	Curr ent	Form er		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)
General Assembly	☒	☐	State Senator	1/1/2023	Present	Jim C. Petty	50%
Constitutional Officer	☐	☐					
State Board or Commission Member	☐	☐					
State Employee	☐	☐					

☐ None of the above applies

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

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

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

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

Signature Jim C. Petty Title: Manager of General Partner Date: 5/10/2023
Vendor Contact Person: Jim C. Petty Title: Manager of General Partner Phone No. 479/ 262-6655

Agency use only
Agency _____ Agency _____ Contact _____ Contract _____

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

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING

OCTOBER 16, 2025
RED APPLE INN, 305 CLUB ROAD
QUINDELL CONFERENCE ROOM
HEBER SPRINGS, AR

The Board of Directors of the Arkansas Development Finance Authority held its regularly scheduled Board of Directors Meetings on Thursday, October 16, 2025, at 1:00 PM.

ADFA Board Members Present: Carey Smith, Chairman; Jon Chadwell; Rod Coleman, Vice Chairman; Alan McVey (Designee, Jim Hudson, Secretary, Department of Finance and Administration); Denise Sweat; and Kenneth Burleson (Designee, John Thurston, Arkansas Treasurer of State).

ADFA Board Members Present Via Phone or Video: Harold Perrin.

ADFA Board Members Absent: Dr. Lee Lane; Katelyn Martin; Hugh McDonald, Cabinet Secretary of Department of Commerce; Seth Mims; George O'Connor; and Kirkley Thomas.

ADFA Staff Present: Robert "Ro" Arrington, Interim President, Arkansas Development Finance Authority and Vice President, Homeownership and Public Finance; John Blackwell, Director of Tax Credits; Jake Bleed, General Counsel; Sean Doolin, Assistant Controller; Paula Farthing, Loan Servicing Manager; Tracy Green, Assistant Controller; Kimmy Helble, Executive Assistant to President and Capital Access Program Administrator; Sam Leslie, Construction Inspector; Hope Lewis, Controller; Derrick Rose, Director of Outreach and Communication; Megan Summitt, Internal Auditor; Tammy White, Compliance Manager; and Tony Williams, Director, Arkansas Student Loan Authority.

ADFA Staff Present Via Phone or Video: Charles "Chuck" Cathey, Vice President, Development Finance; Carol Leek, HOME Program Coordinator; and Yedda Matthews, Senior Accountant.

Others Present: Ryan Bowman and Taylor Marshall, Friday, Eldredge and Clark Law Firm.

Others Present VIA Phone or Video: Debra Dickson, Arkansas Department of Agriculture's Natural Resource Division; Paul Phillips, Crews & Associates, Inc.; Edmond Hurst, Carty, Harding & Hearn, Inc; Anne Burger, Hilltop Securities; Michael Moyers, Friday, Eldredge and Clark Law Firm; Kathleen Orlandi, Hawkins Delafield and Wood; Jason Holsclaw and Jack Treumper, Stephens, Inc.; and Lornea Wells, The McVay Firm, PLLC.

NEW BUSINESS
Minutes, Resolutions, Proposals and Appeals

Call to Order: Chairman Smith called the ADFA Board Meeting to order at approximately 1:02 PM.

Minutes: Chairman Smith noted there were three sets of minutes to be considered for approval; one set of minutes was from the August 21st, 2025 Board of Directors Meeting with the second set being from the Special Board of Directors Meeting held on August 27th, 2025, and the third set of minutes from the October 1st, 2025, Special Board of Directors Meeting.

Chairman Smith entertained a motion to approve all aforementioned sets of minutes in a single motion.

Mr. Burleson made a motion to approve both sets of minutes as presented.

Mr. McVey seconded the motion. The motion passed.

President's Remarks: Chairman Smith welcomed Mr. Arrington to his first ADFA Board Retreat as Interim President and commented that thus far Mr. Arrington had undertaken the position with initiative and had done a great job.

Mr. Arrington commented the ADFA Retreat had been an excellent resource to the Staff and Board with a lot of work put into it by all involved. As Staff, the support of the Board was very much appreciated.

Mr. Arrington reminded the Board of Directors the next scheduled Board meeting was scheduled for Thursday, December 4th at Department of Commerce in Little Rock, and the Board books would be provided to members of the Board before Thanksgiving.

Mr. Arrington stated to support Staff with organizing he would poll the Board for their input on the location of 2026 ADFA Board Retreat if the Board wanted to continue with the event.

OTHER BUSINESS
Committee Meeting Reports to the Board

OTHER BUSINESS:

BOARD COMMITTEE REPORTS:

Audit Committee: Ms. Sweat, Committee Chair, reported that the Audit Committee convened in the morning session of the Board Committee Meeting and that the Committee approved the minutes of the August 21, 2025 committee meeting. The Committee voted to table the approval of the Fiscal Year 2025 Discussion Drafts for Arkansas Development Finance Authority, Construction Assistance Revolving Loan Fund Program, and the Safe Drinking Water Revolving Loan Fund Program, until the final opinion was received from Frost.

Ms. Sweat submitted the actions of the Audit Committee to the Board for approval in the form of a motion.

Mr. Chadwell seconded the motion. The motion passed.

Financial Reporting and Operations Committee: Chairman Smith stated that the Financial Reporting and Operations Committee did not have a quorum when the morning session of the Board Committee Meeting convened. The Committee was opened to the full Board of Directors to obtain a quorum.

Chairman Smith reported that the Financial Reporting and Operations Committee approved the minutes from the July 17, 2025 meeting, discussed the Operating Results and General Fund Review as of June 30, 2023 of the Arkansas Development Finance Authority and accepted that report as presented by Ms. Cunningham.

Chairman Smith submitted the actions of the Financial Reporting and Operations Committee in the form of a motion to the Board for approval.

Mr. Coleman seconded the motion. The motion passed.

Housing Review Committee: Mr. Coleman reported that the Housing Review Committee convened in the morning Board Committee Meeting and that the Committee approved the minutes of the August 21, 2025 Housing Review Committee meeting. The Committee also approved the credit swap amendment for Patriot Park in Fayetteville. The Committee discussed and approved Project Delivery Fees for the TBRA program and approved a TBRA request with another entity named Black River Area Development (BRAD). The Committee discussed and approved an action memo regarding HOME funding availability for 2026 LIHTC applications which was presented by Ms. Brockway and Mr. Blackwell. The Committee received reports from Ms. Brockway, that were not action items, on the various HOME and other activities then received the Compliance Monitoring Report from Ms. White, which was not an action item.

Mr. Coleman submitted the actions of the Housing Review Committee to the Board for approval in the form of a motion.

Mr. Chadwell seconded the motion. The motion passed.

**RESOLUTION: ADOPTING AND APPROVING A SERIES RESOLUTION
AUTHORIZING THE ISSUANCE AND SALE OF SINGLE FAMILY MORTGAGE
REVENUE BONDS, 2025 SERIES C:**

Ms. Orlandi presented the Single Family Mortgage Revenue Bonds, 2025 Series C, which was the fifth bond issue under the reconstituted program.

Ms. Orlandi stated the Resolution that was before the Board would authorize the sell and issuance of the bonds, not to exceed \$65,000,000, and would authorize the Authority to sign the controlling documents, which are the Series Resolution, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Preliminary Official Statement, and the Official Statement. The documents are considered table documents and are substantially final, the final edits will be made by Raymond James and other underwriters once the bonds are sold.

The Resolution also authorized the Senior Staff to make necessary changes and completions as needed, and not only approved future actions, but ratified the actions that have already taken place, which included the public hearing and approval process that is required for tax-exempt bonds. The Governor's approval was received on October 2nd ; all subject to the approval of the Resolution.

Mr. Arrington stated that this would obligate all of the 2025 Volume Cap, and that 2026 would have no carryforward.

After a brief discussion, Chairman Smith entertained a motion to approve the Single Family Mortgage Revenue Bonds, 2025 Series C resolution as presented by Ms. Orlandi.

Mr. Chadwell made a motion to approve.

Ms. Sweat seconded the motion. The motion passed.

**RESOLUTION: SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF
REVOLVING LOAN FUND REVENUE BONDS, SERIES 2026 IN A PRINCIPAL
AMOUNT NOT TO EXCEED \$150,000,000:**

Mr. Bowman and Mr. Marshall, Bond Counsel to Arkansas Natural Resources Commission (ANRC), presented the Series Resolution Authorizing the Issuance of Revolving Loan Fund Revenue Bonds, Series 2026, Not to Exceed \$150,000,000.

Mr. Bowman stated ANRC had their resolution authorizing the issuance of bonds approved and held a public hearing on October 2nd in connection with the bond issue, and to Mr. Bowman's knowledge that the Governor's office had approved the request.

Mr. Bowman continued subject to certain parameters being met in Section 205 of the resolution, the bonds would be offered on December 3rd, then he would return to the December 4th ADFA Board meeting with a Confirming Resolution then close on the transaction on January 6th.

Chairman Smith entertained a motion to approve the Series Resolution Authorizing the Issuance of Revolving Loan Fund Revenue Bonds, Series 2026, Not to Exceed \$150,000,000 as presented by Mr. Bowman.

Ms. Sweat made a motion to approve.

Mr. Burleson seconded the motion. The motion passed.

ADFA STAFF BOARD REPORTS: No additional discussion. No action needed.

ANNOUNCEMENT: Mr. Arrington stated to assist the Board and professionals to plan accordingly, ADFA, as a Staff, was trying to limit the need for special meetings and wanted to raise a high standard for anyone who would ask for a special meeting of the Board.

The presented ADFA Board of Directors meeting schedule replicated what had been done for the past couple of years with an 8-meeting per year schedule and would be posted on the website and provided wherever it made sense to post it.

ADJOURNMENT

Closing Statement: Chairman Smith thanked the Mr. Arrington and the Board members for their attendance and participation of the Board Retreat and stated a great deal of effort goes into the planning of events and a lot of effort goes into running the ADFA organization and was grateful for the much needed planning session.

Chairman Smith thanked staff members, Ms. Mallett and Ms. Helble for their planning talents.

Adjournment: Being no further business, Chairman Smith adjourned the ADFA Board of Directors meeting at 1:20 PM.

Minutes approved and signed on this 16th day of October, 2025.

Carey Smith,
Chairman of the Board

Robert Arrington,
Interim President/Secretary