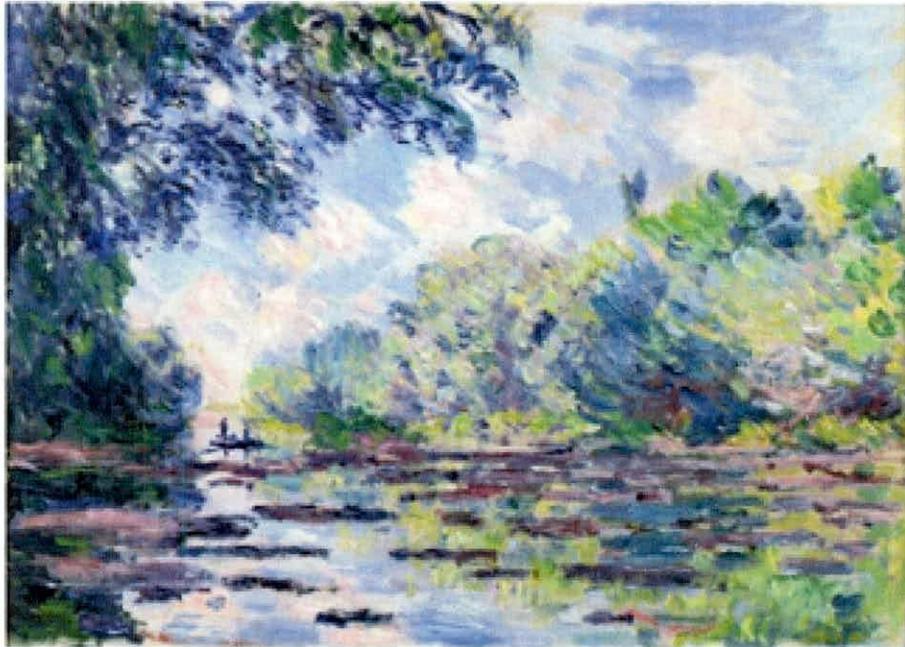


Arkansas Development Finance Authority

Board of Directors Meeting



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CLAUDE MONET

Thursday, January 21, 2016

Little Rock, Arkansas

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING
Thursday, January 21, 2016
12:30 p.m. - Executive Loan Session (Bond Guaranty Loans)
1:30 p.m. - Public Board Meeting

AGENDA FOR PUBLIC MEETING

- Roll call and note of absences.
- Approval and adoption of minutes from the December 17, 2015 meeting of the Board of Directors.

I. OTHER BUSINESS:

- Loan Committee
- Board Committee Reports:
 - * Board Housing Review Committee
 - * Board Audit Committee
 - * Board Professional Selection Committee

II. NEW BUSINESS:

Resolution No.1. A resolution authorizing payment to non-state employed board members of a per-meeting stipend of not to exceed Eighty-Five Dollars (\$85.00).
(Presenter- Layne Anderson)

Resolution No. 2. A resolution concerning the Arkansas Venture Capital Investment Act of 2001 and matters pertaining thereto. **(Presenter- Brad Henry)**

III. ADJOURNMENT

The next regular meeting of the ADFA Board of Directors is scheduled for **Thursday, February 18, 2016**, in the Second Floor (2nd) Conference Room, 900 West Capitol, Little Rock, Arkansas.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

**A RESOLUTION AUTHORIZING PAYMENT TO NON-STATE EMPLOYED
BOARD MEMBERS OF A PER-MEETING STIPEND OF NOT TO EXCEED
EIGHTY-FIVE DOLLARS (\$85.00)**

WHEREAS, Act 1650 of 2001 of the Arkansas General Assembly permits the Board of Directors, by a majority vote of its total membership cast during its first regularly scheduled meeting of each calendar year, to authorize payment of a per meeting attended stipend, not to exceed Eighty-Five Dollars (\$85.00) (the "Stipend"), to each board member other than state employees, in addition to customary expense and travel reimbursements; and

WHEREAS, pursuant to Act 1650, the question of the authorization of the Stipend for the calendar year 2016 has been submitted to the Board; and

WHEREAS, a majority of the total membership of the Board has voted in favor of authorizing payment of the Stipend for calendar year 2016 commencing with its first regularly scheduled board meeting on January 21, 2016.

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY AS FOLLOWS:

The Arkansas Development Finance Authority is hereby authorized, empowered and directed to pay each board member, other than state employees, the sum of not to exceed \$85.00 for each regular or special meeting attended for calendar year 2016 commencing with the January 21, 2016 meeting. The payment of the Stipend shall be in addition to customary expense and travel reimbursement.

ADOPTED this 21st of January, 2016.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

By: _____
Dr. Richard Burnett, Chair
Robert "Sonny" Jones, Jr., Vice-Chair

ATTEST:

Aaron S. Burkes, President and Secretary

A RESOLUTION CONCERNING THE ARKANSAS VENTURE
CAPITAL INVESTMENT ACT OF 2001 AND MATTERS
PERTAINING THERETO.

WHEREAS, the Arkansas Venture Capital Investment Trust (the "Trust") has been formed for the purpose, among others, of assisting Arkansas enterprises by making equity and near-equity investments therein, and otherwise carrying out the purposes and goals of the Venture Capital Investment Act of 2001 (Ark. Code Ann. 15-5-1401, *et seq.*) (the "Venture Capital Act");

WHEREAS, the Arkansas Development Finance Authority (the "Authority") is the beneficiary of the Trust on behalf of the State of Arkansas (the "State");

WHEREAS, during 2003, the Trust and Cimarron Capital Associates I, LLC (*formerly, USPSI, LLC*) ("Cimarron") entered into that certain First Amended and Restated Limited Liability Company Agreement (the "LLC Agreement") of Arkansas Institutional Fund, LLC ("AIF");

WHEREAS, on or about December 23, 2003, the Authority, AIF (*formerly, U.S. Partnership for State Investment, LLC*), and Cimarron, entered into that certain Amended and Restated Designated Investor Group Agreement, as amended (the "DIG Agreement"), in connection with implementation of the provisions of the Venture Capital Act;

WHEREAS, in December, 2014, the Board of Directors of the Authority approved the extension of the DIG Agreement until December 31, 2015, at which time the DIG Agreement would terminate; and

WHEREAS, the Board of Directors of the Authority now desires to take certain actions relating to the termination of the DIG Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Arkansas Development Finance Authority finds and determines as follows:

Section 1. The Board hereby ratifies and approves (i) the termination of the DIG Agreement effective December 31, 2015, (ii) the removal of Cimarron as "Fund Manager" under the LLC Agreement, and (iii) the appointment of the Trust as "Replacement Fund Manager" of AIF.

Section 2. The Board finds and determines that, in accordance with the Act, AIF is hereby reappointed as the "Designated Investor Group" as defined under Ark. Code Ann. Section 15-5-1403(5).

Section 3. The Board hereby finds that the purposes of the Act will be furthered by the formation of an Arkansas limited liability company under the name "Arkansas Venture Development Fund, LLC" ("AVDF"), as a wholly-owned subsidiary of the Trust. The Board hereby ratifies and approves the formation of AVDF.

Section 4. The President of the Authority, and such other employees or agents of the Authority designated by the President, are hereby authorized and directed to provide further advice and assistance to the Trust in connection with the matters described in the findings and resolutions above and to take such actions as may otherwise be deemed necessary or appropriate in connection therewith.

ADOPTED: January __, 2016.

ARKANSAS DEVELOPMENT FINANCE
AUTHORITY

ATTEST:

By _____
Chair

President

(SEAL)

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
December 17, 2015

The Board of Directors of the Arkansas Development Finance Authority held its regular board meeting on Thursday, December 17, 2015, at approximately 1:30 p.m., in the Bessie B. Moore Conference Room, 900 West Capitol, Little Rock, Arkansas.

ADFA Board members present: Dr. Richard Burnett, Chair; Robert “Sonny” Jones, Vice Chair; Anthony Brooks; Jesse Sharp; Stan Green; Charley Baxter; Alan Turnbo; Paul Louthian, designee for Larry Walther, Director, Arkansas Department of Finance and Administration; Jennifer Ronnel; John Cooley; Tom Spillyards; Jim Harris, Chief of Staff, Office of State Treasurer and Aaron Burkes, President and Board Secretary of the Authority.

Absent: None.

ADFA Staff present: Nancy Covington, Assistant to the President; Patrick Patton, Vice President of Internal Audit; Layne Anderson, General Counsel; Brad Henry, Vice President-Economic Development; Kristy Cunningham, Controller; Don Pennington, Multi-Family; Charlie Lynch, Finance & Administration; Derrick Rose, Communications; Cheryl Schluterman, Vice President of Finance & Administration; Chuck Cathey, Development Finance; Ben Van Kleef, Vice President of Housing and Katherine Hall, Loan Servicing Manager.

Others present: Jim Hathaway, Kutak Rock; Edmond Hurst, Crews & Associates; Anne Parker, Mitchell Williams; Shep Russell, Friday, Eldredge & Clark; Jack Williams, Williams and Anderson; Jim Fowler, Rose Law Firm; Jacob White, Rose Law Firm; Shelli Jordan, Regions; Michael Moyers, Friday, Eldredge & Clark; Michele Allgood, Mitchell Williams; John Bryant, Mitchell Williams; Yulunda White, NLRHA; Belinda Snow, NLRHA; Mattye Jones, Coats Rose and Art Schuldt, HSA.

NEW BUSINESS ~ COMMITTEE REPORTS

ADFA’s Loan Committee. Dr. Burnett called on Brad Henry to present any loans for the board’s consideration.

Minutes. The committee approved the minutes from the November 19, 2015 meeting of the loan committee.

Consolidated Construction Co. The committee recommended approval of a request for ADFA’s SSBCI Small Business Loan Guarantee (SBLG) Program between Simmons First National Bank and Nabholz Construction Services in the amount of \$75,000 (ADFA’s Guaranty will be \$60,000-80%). Mr. Cooley made a motion to approve the request. Mr. Turnbo seconded the motion. By roll call, all present members voted, and the motion passed.

BlueInGreen. Board Member, Stan Green, abstained from all discussions of this project, due to a possible conflict of interest. The committee recommended approval of a request for ADFA's SSBCI Small Business Loan Guarantee (SBLG) Program between First Security Bank and BlueInGreen for (1) a 6 month renewal of ADFA's Guaranty Agreement -\$200,000 (ADFA's guaranty is \$140,000-70% dated March 4, 2015) with First Security Bank, and (2) a new ADFA Guaranty Agreement - \$128,000 (ADFA's guaranty is \$89,950 – 70%) with First Security Bank for 6 months with option to renew for additional 6 months, if necessary.

Mr. Turnbo made a motion to approve the loan. Mr. Cooley seconded the motion. By roll call, all members present voted, with one abstention by Stan Green, and the motion passed.

Movista. The committee recommended approval to exercise a Warrant to purchase 1,754 units for a total investment amount not to exceed \$10,000. Mr. Baxter made a motion to approve the purchase. Mr. Jones seconded the motion. By roll call, all present members voted and the motion passed.

SFC Fluidics. Board Member Stan Green abstained from all discussions of this project, due to a possible conflict of interest. The committee recommended approval to exercise a Warrant to purchase 2,673 units for a total investment amount not to exceed \$23,150. Mr. Jones made a motion to approve the purchase. Mr. Spillyards seconded the motion. By roll call, all members voted, with one abstention by Stan Green, and the motion passed.

Board Housing Review Committee. Dr. Burnett called on Mr. Baxter to present the report from the Board Housing Review Committee.

Minutes. The committee approved the minutes from the November 19, 2015 Board Housing Review Committee.

HOME:

Eastern Arkansas Community Outreach & Development Corporation-Scattered Sites, West Memphis (Crittenden County). The committee reviewed and approved a request for \$495,000.00 (includes construction and project delivery) in HOME Funds for five (5) homeowner occupied reconstruction units.

Application Spreadsheet. Board Housing Review Committee reviewed and approved the HOME Program Application Spreadsheet.

MULTI-FAMILY:

Alden Torch Financial- Chapel Ridge of Little Rock (Chenal Parkway), Chapel Ridge of Texarkana, Brookstone Park of Clarksville, Chapel Ridge of Forrest City, Phase II, Chapel Ridge of Texarkana, Phase II, and Park Ridge of Monticello. The committee reviewed and approved a request for approval of Alden GP—AR, LLC as the replacement general partners on the above-referenced developments.

Alden Torch Financial-St. Anthony's Senior Living Limited Partnership, Morrilton. The committee reviewed and approved a request from Alden Pacific Asset Management, LLC, who is the authorized representative of AMTAX Holdings 507, LLC, the investor limited partner ("Limited Partner") of

the Partnership, for approval of Ariel Housing, Inc. as the new General Partner and a change in the management company to Moriah Management from First Capital Residential.

Arrington Apartments II Limited Partnership-Arrington Apartments II, North Little Rock. The committee reviewed and approved a request for approval of RB Affordable Housing (Arrington II) GP, LLC as the new General Partner.

Cherry Bark Apartments, LLC – Cherry Bark Apartments, in Pine Bluff. The committee reviewed and approved a request by C&P Developers, LLC, for approval to acquire the Special Member Interest in the Company.

Hargis Limited Partnership – Deer Run, in Huntsville. The committee reviewed and approved a request for approval of Carolyn Hargis as the “incoming Limited Partner” for the Partnership.

LHW, LLC - Walker Courts North, & Walker Courts South, Jonesboro. The committee reviewed and approved a request by the Partnerships for approval of the General Contractor, National Capital Investment, LLC, a Tennessee entity with an Arkansas contractor’s license.

Silver City Courts, North Little Rock. Mr. Baxter recused himself from all discussion of this decision. Mr. Spillyards served as temporary Chair of the Committee because Mr. Baxter’s recusal and abstention. Mr. Spillyards asked for a motion to approve and Alan Turnbo made a motion to approve. This motion was not seconded and thus the waiver request was denied.

SINGLE FAMILY:

Mortgage Credit Certificate Program (MCC). The committee reviewed and approved a request for approval of a new 2015 Mortgage Credit Certificate (MCC) Program. Mr. Cooley made a motion to approve the new 2015 Mortgage Credit Certificate (MCC) Program. Mr. Spillyards seconded the motion. By roll call, all present members voted and the motion passed.

UPDATES:

Drew County Public Facilities Board – Scattered Sites (Desha and Drew Counties). The committee reviewed replacing homeowner reconstruction applicant Maxine Williams with mobile home replacement applicant Georgia Fisher; and to de-obligate funds for homeowner Alice Kerce.

Mr. Baxter made a motion to the full board to accept the report. Mr. Spillyards seconded the motion. By roll call, all present members voted, and the motion passed.

Board Investment Committee. Dr. Burnett called on Ms. Ronnel to present the report from the Board Investment Committee.

Minutes. The committee approved the minutes from the November 19, 2015, meeting of the Board Investment Committee.

General Fund Investment Policy. The committee reviewed and approved the General Fund Investment Policy as presented to the Board.

Ms. Ronnel made a motion to accept the report as presented. Mr. Jones seconded the motion. By roll call, all present members voted and the motion passed unanimously.

Board Audit Committee. Dr. Burnett called on Mr. Cooley to present the report from the Board Audit Committee.

Minutes. The committee approved the minutes from the November 19, 2015 meeting of the Board Audit Committee.

Internal Audit of the Accounting/Controller Department. The committee approved the report of the Internal Audit of the Accounting/Controller Department.

Review of Trustees and Mortgage Servicer Reports (SSAE16/USAP). The committee reviewed and approved the Review of Trustees and Mortgage Servicer reports (SSAE16/USAP).

HUD HOME Program. The committee reviewed and approved the HUD HOME Program review.

Mr. Cooley made a motion to accept the report as presented. Mr. Turnbo seconded the motion. By roll call, all present members voted and the motion passed unanimously.

Board Professional Selection Committee. Dr. Burnett called on Mr. Jones to present the report from the Board Professional Selection Committee.

Minutes. The committee approved the minutes from the November 19, 2015, meeting of the Board Professional Selection Committee.

Economic Development Bond Professionals: The committee reviewed and approved the following Professionals for an initial term of two (2) years (term can be extended for additional one (1) year terms, with a maximum of five (5) extensions, at the discretion of the Board), subject to successful fee negotiations:

EDRB Bond Counsel – Mitchell Williams and the Issuers Counsel Pool will be utilized if a conflict arises during the term.

EDRB Trustee – Simmons

The selection of the ADFA Financial Advisor was postponed until the January 2016 Board Meeting.

Mr. Jones made a motion to accept the report. Mr. Baxter seconded the motion. By roll call, all present members voted, and the motion passed unanimously.

NEW BUSINESS ~ MINUTES AND RESOLUTIONS

Minutes. Dr. Burnett asked for approval of the minutes from the November 19, 2015 Board of Directors Meeting. Mr. Cooley made a motion to approve the minutes. Mr. Spillyards seconded the motion. By roll call, all members voted and the motion passed unanimously.

Resolution No. 1. Dr. Burnett called on Layne Anderson to present the resolution identified under Tab 1, authorizing the issuance of 2015 Mortgage Credit Certificates (“MCC”) and the continuation of the ADFA MCC Program; authorizing the President to file one or more MCC elections with the Internal Revenue Service; authorizing the President to determine the MCC tax rates, terms and criteria; and authorizing the President to give notice as required by the Federal Tax Laws of the implementation of the MCC Program. Mr. Baxter made a motion to approve the resolution. Mr. Spillyards seconded the motion. By roll call, all present members voted, and the motion passed.

Adjournment. Dr. Burnett stated the next Board meeting would be held on Thursday, January 21, 2016, at 900 West Capitol, Little Rock, Arkansas. The starting time for the executive session and public meeting will be announced at a later date. There being no further business, Dr. Burnett adjourned the meeting.

Minutes approved and signed this 21st day of January, 2016.

Aaron Burkes, President/Secretary

Dr. Richard Burnett, Chair
Robert D. “Sonny” Jones, Jr. Vice-Chair



MEMORANDUM

TO: ADFA Board of Directors
FROM: Aaron Burkes, President *ARB*
DATE: January 14, 2016
RE: Board Report

- The Board will need to select a new Chair and Vice-Chair this month. Nancy spoke with Mr. Jones and he is resigning from the board and has sent a letter to that effect. In addition, please give some thought about the committee or committees you would like to serve on in the coming year.
- We would like to welcome Kent Vestal to the ADFA team. He is ADFA's new Multi-Family/HOME Programs Manager. Kent is an attorney and accountant with experience in multi-family housing development and property management.
- To better provide fair housing and fair lending enforcement, ADFA has renewed its Memorandum of Understanding with the Arkansas Fair Housing Commission.
- ADFA is working with the state building authority regarding the financing and purchase of office space for a number of state agencies.
- An RFP is being prepared in order to explore the possibility of refunding existing tobacco settlement debt.

The schedule for Thursday, January 21, 2016, is as follows:

9:00 a.m.	Board Housing Review Committee
10:00 a.m.	Board Audit Committee
10:30 a.m.	Board Professional Selection Committee
11:00 a.m.	Non-Public "Loan Review Session"
11:30 a.m.	Lunch will be served – 3rd Floor Conference Room
12:30 p.m.	Non-Public "Loan Review Session"
1:30 p.m.	Public Board meeting



M E M O R A N D U M

TO: ADFA Board Members
FROM: Ben Van Kleef, Vice President of Housing *UK*
DATE: January 11, 2016
SUBJECT: Monthly Board Report of Housing Division Activities for December 2015

MULTI-FAMILY

Carryover Allocation Certificates were sent out to each developer who received an award of 2015 low income housing tax credits.

Multifamily housing staff met with several individuals who are interested in entering the tax credit program.

Ben Van Kleef, Don Pennington and other members of ADFA staff has been interviewing for the position of Multi-family Housing Programs Manger.

Alison Keator, Lornea Wells, Ben Van Kleef and Aaron Burkes met with the Arkansas Housing Trust Fund Committee.

Beginning January 12, 2016, the Multi-Family Housing Department is assuming the responsibility of Asset Managing the 37 properties financed with TCAP and 1602 Exchange funds. Managing these assets will create additional non-program income in 2016 for the Authority. We are now actively managing these properties for their 2015 and 2016 TCAP Compliance reporting.

HOME

- 1) Owner-Occupied Applications Received and not yet approved
 - a) Ten (10) projects requesting approximately \$4 million in HOME funds are:
 - i. Arkansas Land and Farm Development Corporation (ALFDC) application# 150047 is requesting \$478,500.00 in HOME Funds inclusive of construction and project delivery costs to assist seven (7) homeowners in St. Francis County. Staff review and environmental clearance are complete and the Project will be scheduled for consideration of Housing Committee and Board approval.

- ii. Drew County Public Facilities Board (DCPFB) Drew County Phase I application # 150048 is requesting \$280,353.00 in HOME Funds inclusive of construction and project delivery costs to assist five (5) homeowners. In November the Board approved the three rehabilitation projects allowing time for the Applicant to bring their reconstruction costs within cost cap. DCPFB has brought the reconstruction and manufactured home replacement within the cost cap. An action memo requesting approval to amend the original Phase I project is planned for the Housing Committee and Board approval in January 2016. The approval will increase the homeowner participants from 3 to 5 and the HOME funding award from \$82,353.00 to \$280,353.00 inclusive of construction costs and project delivery.
- iii. Drew County Public Facilities Board (DCPFB) Drew County Phase II application # 150049 is requesting \$396,000.00 in construction and project delivery costs to assist 4 homeowners in the Drew and Desha Counties. Staff review and environmental clearance are complete and the project is scheduled for consideration of Housing Committee and Board approval in January 2016.
- iv. East Arkansas Community Outreach Development Corporation (EACODC) application # 150054 reduced their HOME request within allowable cost cap and requests \$495,000.00 in construction and project delivery costs to assist five (5) homeowners in Crittenden County, AR. Environmental review is complete and Project underwriting is nearing completion.
- v. City of Magnolia application # 150055 is requesting \$525,800.00 in construction and project delivery costs to assist five (5) homeowners in the city of Magnolia, AR. The Project's cost exceeds the ADFA HOME Program allowable construction cost cap. Staff is currently providing technical assistance with the City addressing the deficiency of the application. The environmental review has not been scheduled for this project.
- vi. City of Bald Knob application # 150057 is requesting \$360,000.00 in construction and project delivery costs to assist five (5) homeowners in the city of Bald Knob, AR. The environmental review has not been scheduled for this project and staff review is underway.
- vii. City of Fordyce application #150058 has modified its request to \$450,000.00 in construction and project delivery costs to assist four (4) homeowners in the city of Fordyce, AR. The environmental review has not been scheduled for this project and staff review is underway.

- viii. **Boys, Girls and Adults Community Development Center (BGACDC) application # 150059 is requesting \$404,885.69 in HOME funds for construction, contingency and project delivery costs to assist nine (9) homeowners in Phillips County. The environmental review has not been scheduled for this project and staff review is underway.**
 - ix. **Warren Housing Authority application # 150061 is requesting \$495,000 in HOME funds for construction and project delivery costs to assist five (5) homeowner reconstructions in the city of Warren, AR. The environmental review has not been scheduled for this project and staff review is underway.**
 - x. **Arkansas Land and Farm Development Corporation (ALFDC) application # 150062 is requesting \$495,000.00 to assist five (5) homeowners in Cross and St. Francis Counties. Not assigned to staff.**
- b) Project and Activity Status - approved with HOME funds and underway that are homeowner-occupied; rehabilitation, reconstruction and manufactured home replacements.**
- i. **There are 18 approved active homeowner projects that make up 89 individual project activities. There are 31 homes complete, 53 are in various stages of completion and 5 home owners have withdrawn.**
 - ii. **Staff completed several homeowner loan closings, agreements and amendments. Technical Assisted (TA) was provided to current HOME Applicants with low performing projects. TA was also provided to various consultants and contractors in addressing the firmness of the cost cap restrictions in the HOME fund requests.**
- 2) CHDO Homebuyer Applications (Community Housing Development Organization)**
- a) **Staff executed the HOME Agreements and closed both Better Community Development's (BCD) Apple Blossom Phase II and Crawford-Sebastian County Community Development Corporation (C-SCDC) Bluebird Subdivision projects. Pre-construction conferences are complete with changes the following changes after closing.**
 - i. **BCD Apple Blossom has closed on 5 of the proposed 10 site development. The construction is averaging 25% complete on the 5 development site locations. Lenders are currently working with homebuyer's to purchase some of the units.**
 - ii. **C-SCDC Bluebird project as closed all 7 lots with construction underway on 2 locations. Construction is underway at two locations, with pending buyers.**

- 3) **Ownership Transfers**
 There 65 individual files with deceased mortgagors. ADFA housing, compliance and loan servicing departments are working together to assist probate attorneys and families with maintaining ownership and HOME program requirements. One probate transfer, Anderson to Crawford, is near complete pending the execution and receipt of the administrator's deed.

- 4) **HOME Funded Rental Activities**
 Staff is working with Project owners requests on closing six (6) 2015 Tax Credit/HOME developments. Technical assistance and program information were provided in a meeting with representatives of Conway County regarding housing issues in Morrilton.

- 5) **Tenant Based rental Assistance (TBRA)**
 LifeStyles, Inc. application # 150063 is requesting \$72,784.00 in TBRA Funds to assist twenty (20) tenants in Washington and Benton Counties in Northwest Arkansas. Staff review is complete and the application request is scheduled for consideration of Housing Committee and Board approval in January 2016.

- 6) **Workshops/Trainings**
 Staff provided technical assistance with various entities and consultants with current and underperforming projects.

Single Family Division Homeownership Programs

MBS Program Comments: For December, interest rates continue to be near historically low levels. The average rate on our "HomeToOwn" first mortgage averaged 3.75% on government loans and 4.25% on conventional loans. That rate was at or slightly above the regular market interest rates. The rates have been about the same for the last six months

- 1) "Home-To-Own" First Mortgage Loan: A 30 year fixed rate first mortgage loan. Funded by selling Mortgage-Backed Securities to Raymond James.

"Home-To-Own" Program Reservations

January- December	2014	2015
Amount	\$ 45,721,662	\$ 46,041,057
# of Loans	458	461
Average Loan Amount	\$ 99,828	\$ 99,872

- 2) **Down Payment Assistance (DPA) Second Mortgage:** The interest rate is 4.00%. It is a second mortgage, minimum \$1,000 up to a maximum of \$6,000 amortizing over 10 years. The source of these funds is the ADFA General Fund.

Down payment Assistance (DPA) Reservations

January- December	2014	2015
2015	\$ 1,483,114	\$ 1,790,607
# of Loans	284	331
Average Loan Amount	\$ 5,222	\$ 5,409

- 3) **Arkansas Dream Down Payment Initiative (ADDI):** A “soft” second mortgage at 0% interest with a five year affordability period. Funded by the HOME Investment Partnership Program (HOME). ADDI is not a grant.

ADDI Loan Reservations

January - December	2014	2015
Amount	\$ 1,483,905	\$ 2,034,185
# of Loans	264	343
Average Loan Amount	\$ 5,620	\$ 5,930

NOTE: The reservation totals shown in 1, 2, and 3 above do not reflect loans that have been cancelled from the Internet Reservation System. These numbers are used only to show trends in program activity. We normally experience about a 15% cancellation rate.

4) **Mortgage Credit Certificate (“MCC”) Program**

a) **2014 Mortgage Credit Certificate Program:**

- 1) Average amount of first mortgage loan = \$113,520
- 2) 326 Mortgage Credit Certificates issued.
- 4) \$23 million committed in Federal tax benefit to MCC applicants.
- 5) 82 applications in pipeline.
- 6) 46% of the initial \$100 million has been allocated.
- 7) Approx. \$231,582 in Issuance Fees to be collected by ADFA.

- b) **2014 Mortgage Credit Certificate Program is the only active MCC Program at this time. The 2015 MCC Program has been approved by the ADFA Board but we don’t expect to start issuing MCC’s until the middle of 2016.**

EVENTS ATTENDED BY ADFA PERSONNEL IN DECEMBER 2015

December 8 & 9, 2015 - Catrina Donahue, Don Pennington, Susan Gardner and Tammy Hanson participated in Managing LIHTC Compliance Course in Little Rock, AR. The Course was presented by Zeffert & Associates.

December 10 - Bank of England – Searcy, AR - Lender Training – Barbara Whittaker and Joey Walsh

December 16 – Centennial Bank – Jonesboro, AR - Lender Training – Barbara Whittaker and Joey Walsh

December 17 – Crawford Sebastian CDC - 50th Anniversary Celebration – Ft. Smith, AR -- Barbara Whittaker and Joey Walsh

HOME Program Monthly Board Report

HUD REPORT

Through the period ending December 31, 2015

FY	TOTAL ALLOCATION	TOTAL PROGRAM INCOME	TOTAL RESERVED FOR ADMIN OPER	TOTAL COMMITTED FOR POJECTS (AS OF 12/31/15)	TOTAL DOLLARS DISBURSED	BALANCE REMAINING TO BE DISBURSED
2009	14,001,563.00	1,696,431.72	1,400,156.30	13,817,493.34	14,532,085.84	1,165,908.88
2010	13,983,361.00	1,929,209.90	1,398,336.10	12,425,656.79	13,456,906.70	2,455,664.20
2011	12,269,079.00	2,407,907.63	1,226,907.90	11,574,591.52	12,187,475.30	2,489,511.33
2012	7,725,281.00	3,940,630.50	772,528.10	8,713,307.33	8,725,902.37	2,940,009.13
2013	7,314,340.00	2,142,031.18	731,434.00	4,531,647.85	4,750,065.64	4,706,305.54
2014	7,565,698.00	3,323,656.06	756,569.80	7,524,997.40	5,384,721.01	5,504,633.05
2015	6,525,503.00	1,264,412.52	652,550.30	1,446,349.01	1,603,138.10	6,572,008.46
TOTALS						
ALL YEARS	69,384,825.00	16,704,279.51	6,938,482.50	60,034,043.24	60,640,294.96	25,834,040.59

HOME PROGRAM	
<u>Applications Pending Approval of Board HRC, 1/21/16:</u>	
CHDO Operating	
CHDO Set Aside	
Homeowner New Construction & Rehab	\$594,000.00
Multi-Family New Construction & Rehab	
Tenant-Based Rental Assistance	\$72,784.00
<u>Total Pending Applications</u>	<u>\$666,784.00</u>

INSPECTIONS AND PROJECTS

In December 2015, HOME spent \$11,845.93 in outsourced inspections.

December 2015 Compliance Monitoring Activities

<u>Property Name - Owner - Contact</u>	<u># Units</u>	<u>Review Type</u>	<u>Review Date</u>	<u>Reviewed By</u>	<u>#Non-Compliant (#Life Threatening)/ # Units / # Files Reviewed</u>	<u>Review Grade</u>
<u>Notes</u>						
<u>Maple Ridge of Bethel Heights fka CR of Springdale</u> Bethel Heights Housing Associates LP - Elena Montero	184	Desk Audit	12/01/2015	Jeanne Johnson	0 (0) / 0 / 140	No Findings
<u>Maple Ridge of Sherwood</u> Sherwood Housing Associates LP - Elena Montero	160	Desk Audit	12/01/2015	Jeanne Johnson	0 (0) / 4 / 160	No Findings
<u>RDC Jackson Homes</u> RDC Jackson Homes LP - Tim Wooldridge	10	HOME/LIHTC	12/16/2015	Catrina Donahue	5 (0) / 5 / 5	5 - 51% Non-Compliance
<u>Press Grove - Lake Village</u> MGH of Lake Village AR 2011 LP - Gary Gibbs	36	LIHTC Compliance	12/17/2015	Tammy White	0 (0) / 15 / 15	No Findings
<u>England, City of</u> England, City of - Danny Maynard	2	HOME	12/08/2015	Jeanne Johnson	0 (0) / 2 / 2	No Findings
<u>Imperial Homes South</u> Imperial Homes South 2010 LLC - Gerald Krueger	56	LIHTC/FAF	12/02/2015	Tammy White	2 (0) / 23 / 23	1 - 0-15% Non-Compliance
<u>Northwest Sr Citizen Apartments</u> Northwest Regional Housing Authority - Ken McDowell	10	HOME	12/03/2015	Jeanne Johnson	0 (0) / 5 / 5	No Findings
<u>Neil Apartments II</u> Arkansas Land & Farm Development Corp - Calvin King Sr	12	HOME	12/10/2015	Jeanne Johnson	0 (0) / 7 / 6	No Findings
<u>Shadowbrook Park of Marianna II</u> Marianna Housing Partners LP - Calvin King Sr	29	Desk Audit HM Only	12/01/2015	Jeanne Johnson	0 (0) / 0 / 13	No Findings
<u>Uptown Park fka Plaza Towers</u> 15 Investors GP1 LLC - S Pierce Ledbetter Jr	132	LIHTC/TE Bonds	12/14/2015	Catrina Donahue	11 (1) / 22 / 22	5 - 51% Non-Compliance
<u>North Pointe II</u> North Pointe II Inc - Kenneth Pyle	65	Desk Audit HM Only	12/02/2015	Jeanne Johnson	0 (0) / 0 / 10	No Findings

<u>Property Name - Owner - Contact</u>	<u># Units</u>	<u>Review Type</u>	<u>Review Date</u>	<u>Reviewed By</u>	<u>#Non-Compliant (#Life Threatening)/ # Units / # Files Reviewed</u>	<u>Review Grade</u>
<u>Ark Plaza Apartments III</u> Crittenden County Partners LP - JH Thames Jr	24	LIHTC Compliance	12/04/2015	Tammy White	0 (0) / 11 / 11	No Findings
<u>Reed Property Group</u> Reed Property Group I LLC - Scott Reed	4	Desk Audit	12/07/2015	Jeanne Johnson	0 (0) / 0 / 4	No Findings
<u>Whitewood Apartments</u> White River Regional Housing Authority - Dennis Wiles	25	Desk Audit HM Only	12/07/2015	Jeanne Johnson	0 (0) / 0 / 10	No Findings
<u>The Ridgeway</u> The Ridgeway Monticello LP - Bennie Ryburn III	32	Desk Audit HM Only	12/31/2015	Jeanne Johnson	0 (0) / 0 / 13	No Findings
<u>Southern Crossing fka Crossroads</u> Crossroads Development LP - Jeannie Epperson	65	HOME/LIHTC/FAF	12/15/2015	Tammy White	0 (0) / 23 / 20	2 - 16-30% Non-Compliance
<i>Southern Crossing fka Crossroads is still awaiting paperwork. Units cannot be set-up in WCMS until all paperwork received. # of Units Non-Compliant = 6</i>						
<u>Southern Place Apartments</u> Vest Helena LP - John French	19	HOME	12/30/2015	Catrina Donahue	1 (1) / 5 / 5	2 - 16-30% Non-Compliance
<u>Rowley Scattered Sites</u> Rowley's Ridge Development Council - Tim Wooldridge	18	Desk Audit HM Only	12/22/2015	Tammy White	0 (0) / 7 / 7	No Findings
<u>Valley Estates of Mountain Home</u> Valley Estates LP - Tara Burlison	48	Desk Audit HM Only	12/07/2015	Monica Smith	0 (0) / 0 / 5	No Findings
<u>Victoria Woods Apartments</u> Professional Property Management - Ashley Olivo	25	Desk Audit HM Only	12/07/2015	Monica Smith	0 (0) / 0 / 6	No Findings
<u>Blage of Seven Mornings fka Conway Senior Citize</u> Conway Senior Citizen Apartments LP - Mary Boyd	50	Desk Audit HM Only	12/30/2015	Tammy White	0 (0) / 50 / 50	No Findings
<u>Blage Park South II</u> Blage Park South II 2007 LLC - Gerald Krueger	50	Desk Audit HM Only	12/07/2015	Monica Smith	0 (0) / 0 / 10	No Findings
<u>Blas at Country Club</u> RichSmith Development LLC - Arby Smith	51	Desk Audit HM Only	12/02/2015	Monica Smith	0 (0) / 0 / 9	No Findings

<u>Property Name - Owner - Contact</u>	<u># Units</u>	<u>Review Type</u>	<u>Review Date</u>	<u>Reviewed By</u>	<u>#Non-Compliant</u> <u>(#Life Threatening)/</u> <u># Units / # Files</u> <u>Reviewed</u>	<u>Review Grade</u>
<u>Notes</u>						
<u>llas of Jonesboro</u> The Villas of Jonesboro LP - Arby Smith	48	Desk Audit HM Only	12/02/2015	Monica Smith	0 (0) / 0 / 5	No Findings
<u>llas of Texarkana</u> The Villas of Texarkana LP - Arby Smith	51	Desk Audit HM Only	12/02/2015	Monica Smith	0 (0) / 0 / 9	No Findings
<u>edington Place Senior Apartments</u> Northwest Regional Housing Authority - Neal Gibson	72	Desk Audit HM Only	12/02/2015	Monica Smith	0 (0) / 0 / 10	No Findings
<u>est View Apartments</u> West View Apartments LP - Karla Gray	12	Desk Audit HM Only	12/02/2015	Monica Smith	0 (0) / 0 / 12	No Findings
<u>estside Apartments fka Westside Manor Apts</u> Blackwood Manor One LP - Elizabeth Small	28	LIHTC Compliance	12/09/2015	Jeanne Johnson	0 (0) / 10 / 6	No Findings
<u>illow Street Apartments</u> Whidester, City of - Bobby Box Sr	9	HOME	12/21/2015	Jeanne Johnson	0 (0) / 5 / 5	No Findings
<u>ilmar, City of</u> Wilmar, City of - Curlee Jackson	5	Desk Audit HM Only	12/14/2015	Monica Smith	0 (0) / 0 / 5	No Findings

Correction to the April Board Report: Delta Dream Builders had 6 Units Reviewed and 4 Non-Compliant Units.

Properties Monitored in December 2015 - 30

December 2015 HOME Program - HomeOwner/HomeBuyer Activities

<u>Project Name</u>	<u>Contact</u>	<u>Process Type</u>	<u>Review Date</u>	<u>Reviewed By</u>	<u># Homes</u>	<u>Results</u>	<u>Score</u>
---------------------	----------------	---------------------	--------------------	--------------------	----------------	----------------	--------------

There were no Homeowner Rehab Projects Monitored in December 2015: 0

Any entity that receives federal funds, tax credit or other financial assistance through ADFA for eligible projects must be monitored for compliance with program laws and regulations. Each program is governed by its own unique laws.

Non-Compliance Score - A Non-Compliance score will be used to determine the overall non-compliance of existing properties. The non-compliance score will be based on information provided to the IRS via form 8823 Report of Non-Compliance. The score will be calculated as follows:

The Total Number of Units Determined to Have Non-Compliance Issues
Divided By
The Total Number of Units Reviewed by Agency
Equals
Percentage of Units with Non-Compliance Issues

The percentage of units with non-compliance issues will determine the non-compliance score, not to exceed 51% or 20:

- | | |
|--|------------------------------|
| - 51% or more units monitored with non-compliance issues | = Non-Compliance Score of 20 |
| - 41-50% | = Non-Compliance score of 15 |
| - 31-40% | = Non-Compliance score of 10 |
| - 16-30% | = Non-Compliance score of 5 |
| - 0-15% | = Non-Compliance score of 0 |

Reports of non-compliance, 8823s, issued in 2015 will be considered during the 2016 LIHTC application process as well as other applications for ADFA Housing resources. Negative Points will be assessed for Non-Compliance.

NSP 3

Grant Awarded from HUD	\$	5,000,000.00
Less: 5% admin fee	\$	250,000.00
Less: Projects Funded (see details below)	\$	4,750,000.00

Outstanding Commitments:				Less: Balance Remaining
Closing Date	Development Name	Committed	Funded	to be Funded
6/20/2012	The Manor, LLC	\$ 4,750,000.00	\$ 4,750,000.00	\$ -
Total Commitments and Fundings		\$ 4,750,000.00	\$ 4,750,000.00	\$ -

in Mitas

NSP-3 Funds Available to Commit at 12/31/2015	\$	-
Administration	\$	250,000.00
	\$	42,617.89
	\$	207,382.11

Notes:
 Administrative accruals not yet paid total \$730.04. Future program income will be utilized to pay these fees.

AEDC-CDBG DISASTER FUNDS

Grant Awarded from HUD	\$	10,134,098.00
Less: Projects Funded (see details below)	\$	9,627,393.00

Less: Outstanding Commitments:				Less: Balance Remaining
Closing Date	Development Name	Committed	Funded	to be Funded
6/7/2011	Woodmont Manor-Batesville Housing	\$ 968,437.00	\$ 968,437.00	\$ -
6/30/2011	Cottages of Good Shepard I LP-Cottages of Good Shepard I	\$ 1,350,000.00	\$ 1,350,000.00	\$ -
6/30/2011	Cottages of Good Shepard II LP-Cottages of Good Shepard II	\$ 1,350,000.00	\$ 1,350,000.00	\$ -
12/7/2011	Peaks at North Little Rock II LP-Peaks II	\$ 900,000.00	\$ 900,000.00	\$ -
12/15/2011	Orchards at Mabelvale II LP-Orchards at Mabelvale II	\$ 900,000.00	\$ 900,000.00	\$ -
1/3/2012	ALFD-Forrest City Housing Partner LP-Stonebrook Park	\$ 900,000.00	\$ 900,000.00	\$ -
1/3/2012	Villas of NLR II, LP-Villas of NLR II	\$ 900,000.00	\$ 900,000.00	\$ -
1/11/2012	Villas at Country Club II LP-Villas II	\$ 900,000.00	\$ 900,000.00	\$ -
6/22/2012	Helena Renaissance I LP-Old Helena High School	\$ 900,000.00	\$ 900,000.00	\$ -
7/18/2012	Jacksonville Partnership for Housing LP-The Meadows	\$ 500,000.00	\$ 500,000.00	\$ -
7/18/2013	Leisure Homes Corporation-Park Side Patio Homes orig. \$58,956.10	\$ 58,956.00	\$ 58,956.00	\$ -
Total Commitments and Fundings		\$ 9,627,393.00	\$ 9,627,393.00	\$ -

in Mitas (forgivable)
in Mitas
in Mitas
in Mitas
in Mitas
in Mitas (forgivable)
in Mitas
in Mitas
in Mitas
in Mitas

CDBG Funds Available to Commit at 12/31/2015	\$	506,705.00 (1)
---	-----------	-----------------------

Applications received but not submitted for board approval yet:
 - none
506,705.00 amount available if additional applications/requests were approved

Notes:
 (1) As of 12/31/2015, \$142,033.74 in administrative fees have been paid leaving administrative funds available of \$10,000.00.
 Per HUD, admin expenses should be taken from AEDC's CDBG-DR grant admin set-aside and the full \$10,134,098 must be allocated for affordable rental housing.

TAX CREDIT ASSISTANCE PROGRAM

TCAP Bank Balance at 12/31/2015	\$	926,392.57
--	-----------	-------------------

Breakdown:		
Program Income received life to date	\$	926,679.37
Interest Income received life to date	\$	173.20
Less: Program Income Spent for Trustee Fees life to date	\$	(460.00)
Unspent Program Income per Trust Account (cash balance) and Funds Available to Commit at 12/31/2015	\$	926,392.57 (1)

Applications received but not submitted for board approval yet:
 - none
926,392.57 amount available if additional applications/requests were approved

Notes:
 (1) As of 12/31/2015, there are no outstanding commitments against these funds. Program restrictions will be required on future commitments for these funds.

Mortgage Settlement Funds

Reconciled Bank Balance at 12/31/2015 \$ 2,044,866.12

Less: Outstanding Commitments:

Signed Agreement	Development Name	Committed	Funded	Less: Balance Remaining to be Funded	
Homeowner Rehabilitation/Reconstruction:					
1/24/2013	Eastern Arkansas Community Outreach & Development Corp. (former St. Francis County Community Development Corp approved loan)	351,862.00	351,862.00	-	in Mitas
1/25/2013	City of Reed	253,000.00	253,000.00	-	in Mitas
3/27/2013	Draw County Public Facilities Board	351,714.00	351,714.00	-	in Mitas
3/27/2013	Eastern Arkansas Community Outreach & Development Corp.-various sites in Proctor, Marion and West Memphis	509,359.20	509,359.20	-	in Mitas
3/26/2013	City of Stuttgart II	324,500.00	324,500.00	-	in Mitas
5/6/2013	Arkansas Land & Farm Development Corp.-Various sites-Dermott	494,340.00	494,340.00	-	in Mitas
6/24/2013	Central Arkansas Planning and Development District-various sites in Lonoke, Scott, England and DeValls Bluff	507,659.00	409,259.00	98,400.00	in Mitas
9/25/2013	Third Party Consulting, Inc. (formerly CRT)-various sites in Garland, Holly Grove, Kingsland, Wrightsville	395,000.00	395,000.00	-	in Mitas
12/5/2013	City of McGehee	497,950.00	497,950.00	-	in Mitas
		3,685,384.20	3,586,984.20	98,400.00	
Tax Credit Properties:					
5/30/2013	Edgewood Apartments, LP-Lewisville	75,000.00	75,000.00	-	in Mitas
12/19/2014	S&B Development-Deer Run-Hamburg	226,000.00	226,000.00	-	in Mitas
returned obligation	Belmont Development-Garden Walk on 2nd-Ozark--RETURNED \$450K obligation	-	-	-	de-obligated
12/27/2013	Legacy at El Dorado LP-El Dorado	450,000.00	450,000.00	-	in Mitas
2/7/2014	Leisure Homes Corporation-Majestic View-Mountain Home	450,000.00	450,000.00	-	in Mitas
10/25/2013	Paragould Housing Dev Corp-Rolling Hills-Paragould	450,000.00	450,000.00	-	in Mitas
11/7/2013	Pine Cove Apartments-Fordyce	175,000.00	175,000.00	-	in Mitas
8/20/2015	Huntsville Town Branch LP--Town Branch-Huntsville	356,000.00	353,912.75	2,087.25	in Mitas
not signed yet	Housing Solutions Alliance-NLR, AR--Silver City Courts--2014 LIHTC recipient	450,000.00	-	450,000.00	
3/31/2015	JPM Development--Millwood Place-Clarksville	450,000.00	-	450,000.00	in Mitas
3/31/2015	JPM Development-Arkansas Affordable Two LP--West Helena Village-West Helena	450,000.00	405,000.00	45,000.00	in Mitas
12/14/2015	BRAD- Black River Housing, LP--2015 LIHTC recipient	450,000.00	155,480.36	294,519.64	in Mitas
		3,982,000.00	2,740,393.11	1,241,606.89	
Homeless Project:					
not signed yet	Old Ft. Smith Homeless Coalition-Riverview HOPE Campus Phase I-orig allocation	128,805.30	-	-	
	Old Ft. Smith Homeless Coalition-Riverview HOPE Campus Phase I-revolved funds	45,028.14 *	-	-	
		173,833.44	-	173,833.44	
not applicable	Homebuyer Counselor Fees	540,000.00	540,000.00	-	
not applicable	Mortgage Default Counseling	285,000.00	285,000.00	-	
not applicable	NeighborWorks Training	50,000.00	46,456.25	3,543.75	
Total Commitments and Fundings (* Including revolved funds & interest rcvd less fees)		8,716,217.64	7,198,833.56	1,517,384.08	

Settlement Funds Available at 12/31/2015 \$ 527,482.04

REVISED BUDGET PER 4/18/2013 & 2/19/2015 & 5/21/2015 BOARD MEETINGS					
	Approved Budget	Approved By Board to date	Currently Available	Requests for Board Approval	Available upon Board Approval
Homebuyer Counselor Fees	\$ 540,000.00	\$ 540,000.00	\$ -	\$ -	\$ -
NeighborWorks Training Courses for Homebuyer	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -
Mortgage Default Counseling	\$ 285,000.00	\$ 285,000.00	\$ -	\$ -	\$ -
Homeowner Rehab/Recon	\$ 3,696,194.70	\$ 3,685,384.20	\$ 10,810.50	\$ -	\$ 10,810.50
Multi-Family Rental Rehab (tax credits)	\$ 4,300,000.00	\$ 3,982,000.00	\$ 318,000.00	\$ -	\$ 318,000.00
Homeless Project (approved usage of revolved funds and interest less fees as of 1/31/15- \$45,028.14 with orig. HO	\$ 173,833.44	\$ 173,833.44	\$ -	\$ -	\$ -
Interest earnings/NSF fees collected	\$ -	\$ -	\$ 337.34	\$ -	\$ 337.34
Loan Repayments Received (P&I)	\$ -	\$ -	\$ 199,273.20	\$ -	\$ 199,273.20
Trustee fees/Other Expenses	\$ -	\$ -	\$ (939.00)	\$ -	\$ (939.00)
Grand Total	\$ 9,045,028.14	\$ 8,716,217.64	\$ 527,482.04	\$ -	\$ 527,482.04



Memorandum

TO: ADFA Board of Directors
FROM: Derrick Rose
DATE: January 13, 2016
SUBJECT: Board Report

- ADFA's website redesign is nearing completion. I have started adding the final pieces to the puzzle which are the various program forms and applications. Once I've received the new 2016 forms and applications, the site will be brought online.
- News clippings follow this report.



Wednesday, January 13, 2016

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Southern Arkansas University...

Deadline for Year-End...

Posted December 22, 2015 - 11:04am

Top 10: No. 9 New rice mill begins operations



By Ray King
OF THE COMMERCIAL STAFF

A state-of-the-art rice mill that was announced for the Port of Pine Bluff in 2014 began operations in October, bringing more than 40 jobs.

The opening of Southwind Milling was voted the No. 9 story of 2015 by the staff of The Commercial.

When the project was first announced, the projected economic investment was \$15 million but that has since increased to \$34 million.

Lou Ann Nisbett, chairman and chief executive officer of the Economic Development Alliance for Jefferson County, said she was contacted almost two years ago by state officials who had been working with a company from Argentina whose leaders were interested in building a rice mill and she said she showed them the former Century Tube facility at the port, which had water access.

"I babysat that building, which was 170,000 square feet for seven or eight years, checking on the copper wire and now they've torn it down and put up something that is brand new," Nisbett said in May at a topping-out ceremony for the plant.

Southwind Milling is a member company of Optimum Group, which started farming operations in Jefferson County in 2009.

Also speaking at the topping out ceremony was Mayor Debe Hollingsworth, who said, "It took countless hours to develop and land Southwind and it was wonderful to see the fruits of our labor come to fruition."

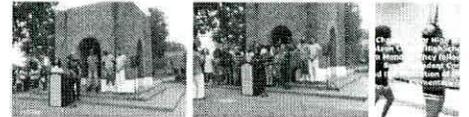
Hollingsworth also said it was exciting to hear the positive things she heard from the owners and operators of Southwind about the reception they received and to hear about their search for the perfect location for the mill.

"With the port, the railroad and the interstates, they said it didn't get any better than this," Hollingsworth said. "They described it as a perfect fit."

The Arkansas Economic Development Commission and the Arkansas Development Finance Authority guaranteed a \$10 million issue for the project, and Southwind also qualified for an income tax credit equal to 4 percent of the total payroll, a sales tax refund on construction costs and training assistance

Vigil for slain UAPB student
Pine Bluff Commercial

More videos:



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American Red Cross

from AEDC.

In April, the company announced a deal with Luther King Capital Investment of Fort Worth, Texas, that allowed Southwind to expand the scope, capital investment and projected jobs at the mill.

Martin Ametrano, Southwind's milling director, said that among other things, the cash infusion allowed the refurbishing of a 251,000-square-foot storage building, also owned by Southwind and located across the street from the mill.



Dunks of the Week: January 1-7

Magnolia's Fauxsee Innovations continues to receive state funding

Posted: Saturday, December 19, 2015 1:50 am

With assistance from the Arkansas Small Business and Technology Development Center, Tocol Pharmaceuticals and Fauxsee Innovations have won state funding to support ongoing product research and development.

The Arkansas Economic Development Commission's Division of Science and Technology recently announced awards to the two companies. ASBTDC has helped six technology-based companies secure \$281,861 through state channels in 2015.

The center helps the companies find and apply for early-stage funding through AEDC and Arkansas Development Finance Authority, guiding them through each step of the application process, reviewing business plans and budgets and communicating with the funding agencies.

"We are committed to providing entrepreneurs with exactly the right tools and assistance needed to convert research into jobs and companies because technology and innovation-based small businesses are important components of economic development in Arkansas," said Michael Singleton, ASBTDC assistant state director and innovation program manager.

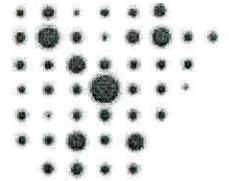
"Since traditional bank financing is generally not available to tech startups, alternative sources of funding are essential. With the support of ASBTDC and funding partners like AEDC, entrepreneurs increase their chances for success," Singleton said.

Tocol, a spinout company of the University of Arkansas for Medical Sciences, will receive \$50,000 through the Seed Capital Investment Program. SCIP provides working capital for the startup or expansion of Arkansas technology-based companies. The company has developed a plant-based compound that shows promise as a safe, effective method for protecting humans against exposure to radiation. Tocol's next step is a formulation for oral use.

Tocol founders Dr. Cesar Compadre and Dr. Philip Breen worked with ASBTDC's innovation consultant, Rebecca Norman, throughout the summer to prepare their SCIP application.

"Rebecca Norman was essential in the development of our business plan," said Breen. "We traded many drafts of this with her until it was satisfactory. She was invaluable as a consultant."

ASBTDC
ARKANSAS SMALL BUSINESS AND
TECHNOLOGY DEVELOPMENT CENTER



Business development

Fauxsee Innovations of Magnolia has received a state grant to work on products that aid the visually impaired.

Fauxsee Innovations, based in Magnolia, received a \$28,111 Technology Development Program award from AEDC to support the continued development of its navigation aid for the visually impaired, called Roboglasses.

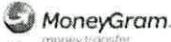
The Technology Development Program provides royalty financing for qualified science and technology based projects. An ASBTDC client since 2011, Fauxsee Innovations received extensive support from Norman with the development of their TDP application and presentation. "Rebecca let us know when we were at the appropriate stage to apply for TDP funds and then walked us through the application process," said Brandon Foshee, CEO and president of Fauxsee Innovations. "Her reviews of our project plan, application forms and presentation for the AEDC's Division of Science and Technology were extremely valuable."

ASBTDC's assistance to Tocol and Fauxsee and its full array of services for science-and-technology-based small businesses are supported by a Federal and State Technology (FAST) program grant from the U.S. Small Business Administration.

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Wednesday, January 13, 2016

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EMBRACE YOUR LIGHT SIDE

Governor announces two...

Twice Upon a Christmas...

Posted December 17, 2015 - 6:36pm

Hutchinson announces appointments

NIGHT AND WEEKEND HOURS

EASY ONLINE SCHEDULING

SCHEDULE AN APPOINTMENT



Firestone
COMPLETE AUTO CARE

Arkansas News Bureau

LITTLE ROCK — Gov. Asa Hutchinson on Thursday announced the following appointments:

- Rep. Charles Armstrong, D-Little Rock, to the Southern Regional Education Board Legislative Advisory Council. Appointment expires at the will of the governor.
- Rep. Sheilla Lampkin, D-Monticello, to the Southern Regional Education Board Legislative Advisory Council. Appointment expires at the will of the governor.
- Cliff Rushing, Hot Springs, to the Criminal Detention Facility Review Committee, Judicial District 18 East. Appointment expires Jan. 14, 2019. Replaces Dorothy Clark.
- Phillip Fletcher, Conway, to the Criminal Detention Facility Review Committee, Judicial District 20. Appointment expires Jan. 14, 2019. Replaces Luther Ratchford.
- Dr. Mark Pippenger, Little Rock, to the Alzheimer's Advisory Council. Appointment expires at the will of the governor. Replaces Dr. Kenneth Sauer.
- Susan Neyman, West Fork, to the Alzheimer's Advisory Council. Appointment expires at the will of the governor. Replaces Allison Hogue.
- Robin LeGuin, Arkadelphia, to the Alzheimer's Advisory Council. Appointment expires at the will of the governor. Replaces Elise Siegler.
- Rachel Davis, North Little Rock, to the Alzheimer's Advisory Council. Appointment expires at the will of the governor. Replaces Shane Carter.
- Mary Spainhouer, Jonesboro, to the Perfusionists Advisory Committee. Appointment expires July 14, 2018. Replaces Stan Butler.
- Gregory Stanfill, Rogers, to the Arkansas Development Finance Authority Board of Directors. Appointment expires Jan. 14, 2017. Replaces Julie Mills.
- Thomas Fortner, Lonoke, to the Arkansas State Board of Registration for Professional Soil Classifiers. Appointment expires Nov. 1, 2020. Replaces Dennis Hackbart.
- John Trafford, Plumerville, to the Grade "A" Milk Program Advisory Committee. Appointment expires July 31, 2021. Reappointment.



Dunks of the Week: January 1-7

—William Haak, Gentry, to the Grade "A" Milk Program Advisory Committee. Appointment expires July 31, 2021. Replaces Matthew Simon.

—William Doerhoff, Maumelle, to the governor's Advisory Council on Aging. Appointment expires Jan. 14, 2018. Replaces Faye Abernathy.



MEMORANDUM

To: ADFA Board of Directors
From: Brad Henry, Vice President Development Finance *BH*
Re: Monthly Activity Report
Date: January 21, 2016

Economic Development Bonds, ADFA Bond Guaranty & Conduit Bond Issues

We are starting off the New Year more streamlined and concise with the handling of the loans, projects and reports. We are completing site visits and taxes and financials are being reviewed. Staff also continues to meet with co-lenders, borrowers, and attorneys regarding different aspects of some of our projects. Staff will be available at this meeting to address any questions and concerns you may have regarding any of our loans.

Governmental & General Obligation Bond Issues

Staff review of draw requests on various state agency projects continues as normal.

State Small Business Credit Initiative (SSBCI)

Staff is beginning to focus on the 2015 Fourth Quarter and Annual reports for SSBCI.

Venture Capital and Seed/Angel Capital

The pipeline for 2016 is filling quickly and we expect an extremely active year in Venture Capital.

Volume Cap

The State of Arkansas currently has \$302,875,000 of available volume cap. There was a balance of \$299,515,000 left of 2015 volume cap that was awarded to Single Family Housing as carryforward.

Capital Access, Arkansas Credit Reserve, and Small Business Guarantee Programs

Capital Access now has processed a total of 539 loans with 27 loans in the ArCash program. The majority of the CAP loans are being enrolled under the SSBCI umbrella, but we still have some that are a part of our 'legacy' program. Bev Lambert is actively marketing these programs, as well as our other programs, to various lenders across the state. Summaries of the CAP and ArCash program activity through the end of December are included for your review.

Capital Access Loan Program

Cumulative Program Activity

Page 1 | 11-Jan-15

BY INDUSTRY

Industry Sector	No. of Loans	% of Loans	Guaranteed Loan Amt.	Public Funds	% of Total Funds	Average Loan Amount
11: Agriculture, Forestry, Fishing, Hunting	178	33.02%	\$7,617,856.43	\$194,130.54	30.02%	\$42,797
21: Stone Mining, Rock Quarry	1	0.19%	\$3,000.00	\$135.00	0.02%	\$3,000
23: Construction	36	6.68%	\$1,204,413.92	\$42,712.65	6.61%	\$33,456
31, 32, 33: Mfg - Food-Wood-Metal	38	7.05%	\$1,717,936.00	\$66,993.28	10.36%	\$45,209
42, 44-45: Wholesale / Retail Trade	100	18.55%	\$3,113,247.15	\$126,003.80	19.49%	\$31,132
48-49: Transportation / Warehousing	23	4.27%	\$792,583.02	\$31,675.18	4.90%	\$34,460
51: Information	2	0.37%	\$13,000.00	\$585.00	0.09%	\$6,500
52: Finance & Insurance	3	0.56%	\$46,000.00	\$1,680.00	0.26%	\$15,333
53-81: All Other Services (except Public Admin)	158	29.31%	\$4,910,284.16	\$182,654.36	28.25%	\$31,078
Totals	539	100.00%	\$19,418,320.68	\$646,569.81	100.00%	

BY COUNTY

Benton	14	2.60%	171,000.00	8,055.00	1.25%	\$12,214.29
Boone	33	6.12%	\$734,562.54	\$33,055.57	5.11%	\$22,259.47
Bradley	94	17.44%	\$4,124,271.91	\$113,183.69	17.51%	\$43,875.23
Carroll	9	1.67%	\$159,150.00	\$7,161.75	1.11%	\$17,683.33
Chicot	1	0.19%	\$10,000.00	\$450.00	0.07%	\$10,000.00
Clark	63	11.69%	\$1,513,855.78	\$52,672.70	8.15%	\$24,029.46
Clay	1	0.19%	\$200,000.00	\$9,000.00	1.39%	\$200,000.00
Columbia	2	0.37%	\$121,145.00	\$3,635.00	0.56%	\$60,572.50
Craighead	1	0.19%	\$18,000.00	\$810.00	0.13%	\$18,000.00
Crittenden	2	0.37%	\$55,000.00	\$2,475.00	0.38%	\$27,500.00
Crawford	3	0.56%	\$40,000.00	\$1,800.00	0.28%	\$13,333.33
Cross	2	0.37%	\$30,000.00	\$900.00	0.14%	\$15,000.00
Dallas	3	0.56%	\$73,500.00	\$2,985.00	0.46%	\$24,500.00
Desha	6	1.11%	\$486,000.00	\$12,915.00	2.00%	\$81,000.00
Drew	1	0.19%	\$333,400.00	\$10,002.00	1.55%	\$333,400.00
Garland	17	3.15%	\$1,278,679.00	\$29,590.58	4.58%	\$75,216.41
Hempstead	11	2.04%	\$782,952.12	\$21,590.12	3.34%	\$71,177.47
Hot Spring	3	0.56%	\$89,500.00	\$4,515.00	0.70%	\$29,833.33
Howard	2	0.37%	\$47,000.00	\$1,560.00	0.24%	\$23,500.00
Jefferson	18	3.34%	\$928,702.73	\$37,822.12	5.85%	\$51,594.60
Lafayette	30	5.57%	\$994,062.06	\$24,889.52	3.85%	\$33,135.40
Lee	1	0.19%	\$15,000.00	\$675.00	0.10%	\$15,000.00
Lincoln	1	0.19%	\$48,000.00	\$2,160.00	0.33%	\$48,000.00
Lonoke	3	0.56%	\$386,000.00	\$17,370.00	2.69%	\$128,666.67
Madison	20	3.71%	\$166,300.00	\$7,483.50	1.16%	\$8,315.00
Marion	1	0.19%	\$10,000.00	\$450.00	0.07%	\$10,000.00
Miller	75	13.91%	\$3,434,214.61	\$85,045.70	13.15%	\$45,789.53
Mississippi	2	0.37%	\$33,945.50	\$3,360.00	0.52%	\$16,972.75
Monroe	9	1.67%	\$895,000.00	\$26,850.00	4.15%	\$99,444.44
Newton	3	0.56%	\$30,000.00	\$1,350.00	0.21%	\$10,000.00
Phillips	7	1.30%	\$181,620.00	\$9,700.32	1.50%	\$25,945.71
Pike	1	0.19%	\$11,500.00	\$345.00	0.05%	\$11,500.00
Poinsett	15	2.78%	\$482,490.50	\$38,310.32	5.93%	\$32,166.03
Polk	2	0.37%	\$65,000.00	\$3,675.00	0.57%	\$32,500.00
Pope	1	0.19%	\$20,000.00	\$900.00	0.14%	\$20,000.00
Prairie	1	0.19%	\$62,500.00	\$2,812.50	0.43%	\$62,500.00
Pulaski	36	6.68%	\$662,127.70	\$32,454.99	5.02%	\$18,392.44
Searcy	4	0.74%	\$30,000.00	\$1,350.00	0.21%	\$7,500.00
Sevier	1	0.19%	\$10,000.00	\$450.00	0.07%	\$10,000.00
St. Francis	9	1.67%	\$221,039.73	\$8,027.30	1.24%	\$24,559.97
Union	2	0.37%	\$90,000.00	\$4,950.00	0.77%	\$45,000.00
Van Buren	1	0.19%	\$31,560.00	\$2,840.40	0.44%	\$31,560.00
Washington	27	5.01%	\$306,000.00	\$13,770.00	2.13%	\$11,333.33
Woodruff	1	0.19%	\$35,241.50	\$3,171.73	0.49%	\$35,241.50
Totals	539	100.00%	\$19,418,320.68	\$646,569.81	100.00%	

RESERVE BALANCES

Bank Name	RESERVE BALANCE	CLAIMS by Borrower		
Southern Finl Part [closed]	\$0.00	Southern Finl Part	3	\$19,674.27
CSB / Bank of Bradley	\$69,969.18	Community State Bank	7	\$429,766.91
Community First Bank	\$7,271.94	Community First Bank	8	61917.88
Southern Bancorp	\$66,875.39	Elk Horn Bank & Trust	8	\$209,161.86
Enterprise Corp of the Delta	\$85,602.05	Ent Corp of the Delta	1	\$127,000.00
Regions [closed]	\$0.00	Regions [closed]		
1st Jacksonville Bank [closed]	\$0.00	First Jacksonville Bank	1	\$4,564.07
Little River Bank of Lepanto	\$35,985.64	Little River Bank (Inactive)	1	\$47,658.33
Alt.Consulting	\$24,659.37	Alt.Consulting	2	\$1,522.66
ACCION	\$1.29	ACCION	2	\$48,556.65
Fidelity National	\$0.00	Fidelity National		
FORGE	\$60,863.86	FORGE		
Totals	\$351,228.72	Claim Totals	33	\$949,822.63

Capital Access Loan Program

Cumulative Program Activity

11-Jan-15

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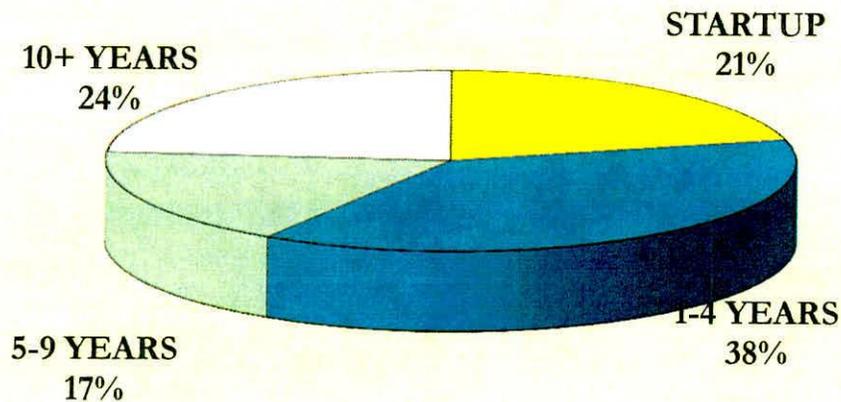
BY SIZE

Guaranteed Loan Size	No. of Loans	% of Loans	Dollar Amount
0-\$24,999	321	59.55%	\$4,771,910.98
\$25,000-\$49,999	118	21.89%	\$4,162,017.87
\$50,000-\$74,999	38	7.05%	\$1,900,533.65
\$75,000-\$99,999	14	2.60%	\$909,682.92
\$100,000-\$124,999	14	2.60%	\$1,364,031.50
\$125,000 and up	34	6.31%	\$6,310,143.76
Totals	539	100.00%	\$19,418,320.68

No. of Jobs	2491
Public \$ Leverage	30.21 to 1

BY AGE

LOANS BY AGE OF BUSINESS



Capital Access Loan Program

Minority Program Activity

January-15

Page 3

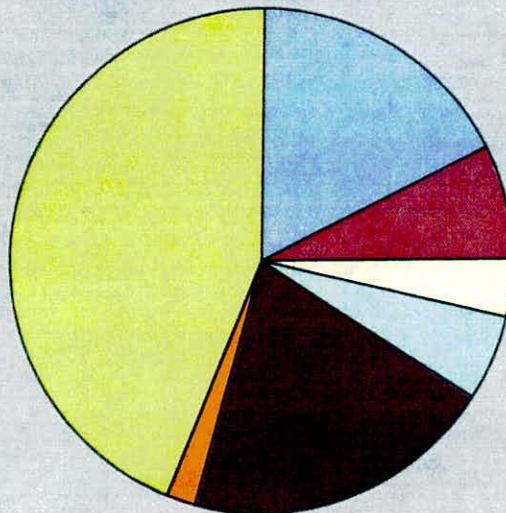
INDUSTRY	NO. OF LOANS	AMOUNT OF LOANS	PUBLIC FUNDS
11-Nonmfg-Agriculture	19	616,139.50	\$21,908.92
23-Construction	8	108,652.73	\$4,025.37
31, 32, 33: Mfg - Food-Wood-Metal	4	75,939.00	\$2,728.17
48-49 Nonmfg-Transp/PubUtil	6	101,473.00	\$3,933.00
42, 44, 45 Nonmfg-Whol/Retail Tra	22	414,466.77	\$15,560.86
51: Information	2	13,000.00	\$585.00
53-81-Other Nonmfg-Services	48	1,294,485.59	\$50,262.17
Totals	109	\$ 2,624,156.59	\$99,003.49

Program Comparative Totals	NO. OF LOANS	AMOUNT OF LOANS	PUBLIC FUNDS
Minority Loan Totals	109	\$2,624,156.59	\$99,003.49
Total Cap Program Activity	539	\$19,418,320.68	\$646,569.81
Percentage Minority Activity	20.22%	13.51%	15.31%

Paid Off

Renewed

MINORITY ACTIVITY BY INDUSTRY



■ 11-Nonmfg-Agriculture	■ 23-Construction
□ 31, 32, 33: Mfg - Food-Wood-Metal	□ 48-49 Nonmfg-Transp/PubUtil
■ 42, 44, 45 Nonmfg-Whol/Retail Trade	■ 51: Information
■ 53-81-Other Nonmfg-Services	

AR CASH PROGRAM

ACR Summary 1/11/2016	TOTAL # OF LOANS	LOAN AMOUNT	RESERVE ACCT BALANCE	ADFA FEE AMOUNT	BORROWER FEE AMOUNT	MINORIT Y OWNED	F/T JOBS	P/T JOBS	CLAIM FILED	2014 LOAN BALANCE	2014 CURRENT ANNUAL	2014 F/T	2014 P/T
BANK NAME													
ARVEST BANK Fort Smith	25	614,291.95	52,557.42	50,370.00	6,143.65	9	93	116		\$178,024.59	\$4,784,270.85	49	2
Southern Bancorp Arkadelphia	2	53,676.75	4,530.15	4,000.00	525.00	1	2	8		\$46,553.12	\$190,200.00	2	6
Not updated for Nov books													
TOTALS	27	\$667,968.70	\$57,087.57	\$54,370.00	\$6,668.65	10	95	124		\$224,577.71	\$4,974,470.85	51	8

Program Comparative Totals	No. Of Loans	Amount of Loans	Public Funds
Minority/Female Loans Report	10	\$292,161.49	\$20,370.00
Total Program Activity	27	\$667,968.70	\$54,370.00
Percentage			
Minority/Female Loan Activity	37%		



Board Report
December 2016
Farmer / Creditor Mediation Program

For the month of December 2015, twenty two (22) Arkansas farmers were offered mediation and provided statutory notice of the right to request mediation. The amount of debts from the initiating lenders totaled \$5,855,849.46. There were two (2) USDA /FSA adverse decision voluntary mediation requests. There were no credit mediations performed during the month of December.

The calendar year total of the number of Arkansas farmers that were offered statutory notice of the right to request mediation was 441. The calendar year total of the amount of debts from initiating lenders totaled \$128,334,805.04. Total number of mediations conducted through the program for calendar year 2015 was 68 mediations.

The processing and log-in procedure for the mediation program was automated. The system was converted to Excel so that it will be routinely backed up enabling greater record retention.

The search continues for 3 additional qualified and experienced mediators to ensure our roster covers the entire state. Additional mediators are being sought to be added to the roster for the Southeast Arkansas, Southwest Arkansas, and Mountain Home Arkansas Regions.

The USDA Grant Mediation Program provided us our USDA signed copy of the FSA 1940-1 Request for Obligation of Funds for FY16. The FSA 1940-1 is our official notification that we may begin submitting our SF-270 for FY 16 expenses.

The Steering Committee for the Conference of Agriculture Mediation Programs (CAMP) is seeking a call for proposals for their annual conference. The CAMP conference is scheduled for three days in the beginning of May 2016 in Santa Fe, New Mexico.

The program coordinator consistently averages a number of cases each month that request mediation and /or are scheduled for a mediation session. Some are ultimately settled by phone. The pre-session settlement activity and other phone consultations by the coordinator between the farmers, creditors and attorneys generally save time and money for the parties.



MEMORANDUM

To: ADFA Board of Directors
From: Cheryl Schluterman, CPA
Re: January Board Report
Date: January 13, 2016

The following items are presented for Board review:

Bond Calls - January 2016

Bonds Called, From Prepayment and Excess Revenues

Single Family Bonds

Table with 2 columns: Bond Series and Amount. Includes rows for 2005 Series D through 2013 Series A, totaling 6,299,750.

Non-Guaranteed EDBR

Table with 3 columns: Description, Amount, and Call Date. Includes rows for 2012 Series C Hendrix College, totaling 305,000.

Total Bond Calls \$6,604,750

*Call Notification was received after reporting period.



- **Interagency Programs as of December 31, 2015.** The following programs are managed by other state agencies whereby ADFA serves as issuer and/or financial administrator. These programs are not considered part of ADFA's financial reporting entity for purposes of the year-end auditor's report.

Program	Loan Balance	No. of loans	Net Bond Balance
<u>ANRC</u>			
Wastewater RLF	\$228,151,485	59	\$38,258,803
Safe Drinking	\$172,566,464	60	\$24,990,132
Wetlands Mitigation	\$932,514	2	
<u>Higher Education</u>			
Community/Technical College	\$6,508,507	12	
<u>AEO-AEDC</u>			
Industry Energy Technical		0	
	-		
Employer Assisted Home Energy	\$128,954	3	
<u>DHS</u>			
Assisted Living Fund	\$760,000	1	

- **Prison Construction Trust Fund as of December 31, 2015**

Bank Balance	Unfunded Contracts	Unfunded Loans	Bonds Outstanding
\$8,521,001	\$6,623,185	\$1,122,606	\$26,230,000

* Represents 2009 A Correctional Facilities. One year's debt service is pledged to the bonds, funded by the Prison Construction Trust Fund.

- **Venture Capital Public Trust Fund as of December 31, 2015**

	Cash	Investments	Loans	Total
Enterprise Development				
Ark Risk Capital Matching	\$649,556	\$2,969,479	\$200,000	\$3,819,035
SSBCI		1,629,291		1,629,291
Technology Validation	4,021	1,130,998	\$108,000	1,243,019
Arkansas Co-Investment Fund:				
Discretionary (GQAC)		8,758,730		8,758,730
SSBCI		2,024,523		2,024,523
Arkansas Seed & Angel Network:				
Discretionary (GQAC)		215,000		215,000
SSBCI		2,104,049		2,104,049
Arkansas Venture Capital "General Account"				
Recycled SSBCI	615,403			615,403
Undesignated	388,297			388,297
Totals	\$1,657,277	\$18,832,070	\$308,000	\$20,797,347

The Arkansas Institutional Fund ("AIF") is administered and reported on by Cimarron Capital through December 31, 2015.

- **State Operating Budget Summary as of December 31, 2015**

	Actual	Budget	Percent Expended
Salaries and Benefits	\$2,381,750	\$4,614,328	52%
General Operations	366,584	825,458	44%
Travel and Education	21,788	81,715	27%
Professional Fees and Services	102,623	117,915	87%
Information Technology	105,559	264,512	40%
Capital Outlay	-	23,000	0%
Housing Trust Fund	-	45,718	0%
TOTAL OPERATING EXPENDITURES	2,978,304	5,972,646	50%
HUD HOME Program	5,626,057	16,341,215	34%
Neighborhood Stabilization Program (NSP)	-	1,400,000	0%
Special Federal Grants	-	6,600,000	0%
TOTAL FEDERAL PROGRAM EXPENDITURES	5,626,057	24,341,215	23%
TOTAL EXPENDITURES	\$8,604,361	\$30,313,861	28%

- **General Fund Programs as of December 31, 2015**

Program Name	Board Authorization Date	Amount	Original Loan Amount	12/31/2015 Outstanding Balance
Arkansas Tourism Revolving Loan Fund	6/18/1998	\$2,000,000	\$645,000	\$179,547
Habitat for Humanity, Pulaski County	12/20/2012	300,000	224,813	203,161
Habitat for Humanity, Saline County	9/18/2014 & 11/20/2014	180,000	—	—
Speculative Building Program (additional funding approved)	Unknown 3/18/99,3/20/03	5,000,000	4,666,102	409,423
Port Authority	8/17/1997	2,000,000	54,334	—
Day Care Center Program	9/96	500,000	137,500	—
Direct Loan Program		*	106,986,646	7,238,097
Single Family DPA	**	revolving		6,565,797
TOTAL				\$14,596,025

*ADFA has not set a specific amount for this program.

**Principal and interest received on outstanding DPA loans are designated revolving loan funds by ADFA's Board of Directors. (Board approval dates of 1/17/02, 5/16/02, 8/15/02, 10/17/02, 2/20/03, 9/18/03 totaling \$6,569,732.)

- **Financial Statements.** The November 30, 2015 financial statements are presented for your review.

- **Servicing Reports.** Included in this month's fiscal report are two servicing reports. The first is a Delinquency and Other Real Estate Summary, detailing delinquent loan and related portfolio balances. The second is a Delinquency Report, which includes a set of graphs that express delinquency figures for three loan portfolios. These graphs are designed to signal possible trends and to measure portfolio performance.

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BALANCE SHEET - UNAUDITED
NOVEMBER 30, 2015**

For Internal Purposes Only

	SINGLE FAMILY	FEDERAL HOUSING PROGRAMS	MULTI FAMILY	ECONOMIC DEVELOPMENT BOND GUARANTY PROGRAMS	STATE & HEALTH FACILITIES PROGRAMS	OTHER ECONOMIC DEVELOPMENT PROGRAMS	GENERAL FUND	TOBACCO SETTLEMENT	AMENDMENT 82 BOND DEALS	INTER-AGENCY PROGRAMS	TOTAL
ASSETS:											
Cash and cash equivalents	42,960,914	2,420,022	3,756,624	11,767,560	41,611,664	4,318,763	5,854,647	2,663,742	3,477,169	164,826,250	283,657,355
Accounts receivable		550,544	388	(3,610)	48,791		502,582			25,279,661	26,378,356
Accrued interest receivable	1,082,425	76,334	6,114	83,992	56,350	6,557	294,153	125,852	16,834	536,915	2,285,526
Accrued rent receivable					86,526						86,526
Investments, at amortized cost	284,225,711		2,918	17,565,736	2,204,720		62,929,667	4,230,085	5,200,892	118,666,084	495,025,813
Loans receivable, at amortized cost, net		83,628,737	5,118,801	47,450,747	73,134,891	3,365,967	21,483,282	58,476,720	50,000,000	408,428,809	751,087,954
Long Term Receivable											0
Real Estate Owned		74,774					1				74,775
Deferred charges	125,003						827,275			15,642	967,920
Direct Financing Leases				3,363,344	113,280,418						116,643,762
Installment Sale Agreements											0
Capitalized Assets							50,711				50,711
TOTAL ASSETS	328,394,053	86,750,411	8,884,845	80,227,769	230,423,360	7,691,287	91,942,318	65,496,399	58,694,895	717,753,361	1,676,258,698
LIABILITIES AND FUND BALANCES											
LIABILITIES:											
Bonds and notes payable, net of unamortized discounts and premiums	218,238,336	2,125,000		59,342,500	209,145,000			84,401,719	50,000,000	63,327,629	686,580,184
Accrued interest payable	2,846,345	13,188		631,916	2,076,597			676,406		1,338,238	7,582,690
Accounts payable		369,532	1,946,182	(3,510)	7,122,892	3,773	885,276	12,796	3,424,118	25,000,882	38,761,941
OPEB and pension liabilities							4,553,898				4,553,898
Deferred fees, advances, grants and credits				3,975,237	12,077,786	22,633	1,093,125	3,748,827	5,270,777	43,452	26,231,837
Total liabilities	221,084,681	2,507,720	1,946,182	63,946,143	230,422,275	26,406	6,532,299	88,839,748	58,694,895	89,710,201	763,710,550
FUND BALANCES											
Restricted by bond resolution and programs	107,309,372	84,242,691	6,938,663	16,281,626	1,085	7,664,881		(23,343,349)	0	628,043,160	827,138,129
Invested in capital assets							50,711				50,711
Unrestricted							85,359,308				85,359,308
TOTAL LIABILITIES AND FUND BALANCES	328,394,053	86,750,411	8,884,845	80,227,769	230,423,360	7,691,287	91,942,318	65,496,399	58,694,895	717,753,361	1,676,258,698

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR
THE FIVE MONTH PERIOD ENDED NOVEMBER 30, 2015 - UNAUDITED

For Internal Purposes Only

	SINGLE FAMILY	FEDERAL HOUSING PROGRAMS	MULTI FAMILY	ECONOMIC DEVELOPMENT BOND GUARANTY PROGRAM	STATE & HEALTH FACILITIES PROGRAMS	OTHER ECONOMIC DEVELOPMENT PROGRAMS	GENERAL FUND	TOBACCO SETTLEMENT	AMENDMENT 82 BOND DEALS	INTER-AGENCY PROGRAMS	TOTAL
REVENUES:											
Interest income:											
Loans and direct leases		290,128	(3,647)	916,786	2,837,013	39,849	385,700	1,184,664		3,292,339	8,942,832
Investments	5,523,249	151	97	110,217		477	817,757			298,234	6,750,182
Amortization of discounts and premiums on loans and investments, net	65,839		(57)	(2,810)			9,484			(177,238)	(104,782)
Financing fee income		199		120,160		27,668	1,371,147			1,713,675	3,232,849
Total Interest Income	5,589,088	290,478	(3,607)	1,144,353	2,837,013	67,994	2,584,088	1,184,664	-	5,127,010	18,821,081
Federal financial assistance		3,203,205		120,664	154,205		21,517			13,050,207	16,549,798
Other income (loss)				(7,737)			3,591			37,798	33,652
TOTAL REVENUES	5,589,088	3,493,683	(3,607)	1,257,280	2,991,218	67,994	2,609,196	1,184,664	-	18,215,015	35,404,531
EXPENSES:											
Interest on bonds and notes:											
Current interest	3,316,278	8,705		885,284	2,990,133			563,672		1,119,617	8,883,689
Accreted interest								1,184,663			1,184,663
Total interest on bonds and notes	3,316,278	8,705	0	885,284	2,990,133	0	0	1,748,335	0	1,119,617	10,068,352
Amortized public discounts and premiums on bonds and notes	(121,710)									(393,472)	(515,182)
Amortized bond and note issuance cost											0
Provision for losses		(91,049)				148,037					56,988
Federal financial assistance programs		2,039,699		120,664						1,256,887	3,417,250
Pymts to BMIR Reincenptive Participants											0
Administrative expenses:											
Salaries and benefits							2,080,967				2,080,967
Operations and maintenance		308,182					571,575				879,757
Other	253,137	27,329	(1,353)	100,921		28,978	219,088			135,021	763,121
TOTAL EXPENSES	3,447,705	2,292,866	(1,353)	1,106,869	2,990,133	177,015	2,871,630	1,748,335	0	2,118,053	16,751,253
REVENUES OVER (UNDER) EXPENSES	2,141,383	1,200,817	(2,254)	150,411	1,085	(109,021)	(262,434)	(563,671)	0	16,096,962	18,653,278
Transfer (to) from other funds	2,537	858				(214,134)	(3,055)			(772,186)	(985,980)
REVENUES OVER (UNDER) EXPENSES	2,143,920	1,201,675	(2,254)	150,411	1,085	(323,155)	(265,489)	(563,671)	0	15,324,776	17,667,298
FUND BALANCES:											
Beginning of period	105,165,452	83,041,016	6,940,917	16,131,215	0	7,988,036	85,675,508	(22,779,678)	0	612,718,384	894,880,850
End of Period	107,309,372	84,242,691	6,938,663	16,281,626	1,085	7,664,881	85,410,019	(23,343,349)	0	628,043,160	912,548,148

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
DELINQUENCY AND OTHER REAL ESTATE SUMMARY
December-15**

Program	Program Name	Number of Loans Delinquent	Delinquent Payments			3 or More Payments	Total Delinquent Loan Balance	Total Program Loan Balance
			1 Payment	2 Payments				
21	Rural Housing Multifamily	0	\$ -	\$ -	\$ -	\$ -	\$ 1,228,492.48	
27	Tax Credit Assistance Program (TCAP)	0	\$ -	\$ -	\$ -	\$ -	\$ 19,536,373.63	
28	Exchange Program Forgivable Loans	0	\$ -	\$ -	\$ -	\$ -	\$ 92,869,859.00	
31	Guaranteed ED	2	\$ -	\$ -	\$ 110,967.82	\$ 1,887,267.46	\$ 57,221,082.93	
35	Arkansas Department of Correction	0	\$ -	\$ -	\$ -	\$ -	\$ 4,977,394.40	
49	Assisted Living Revolving Fund (ALIF)	0	\$ -	\$ -	\$ -	\$ -	\$ 760,000.00	
50	CDBG	0	\$ -	\$ -	\$ -	\$ -	\$ 7,700,000.00	
52	PRLF	0	\$ -	\$ -	\$ -	\$ -	\$ 2,029,672.94	
65	SSBCI	4	\$ 12,465.26	\$ -	\$ 182,670.24	\$ 1,523,568.72	\$ 3,996,741.50	
70	Settlement Funds Repayable Loans (SH)	8	\$ 2,508.71	\$ 1,381.00	\$ -	\$ 338,671.04	\$ 4,015,312.74	
81	FAF/BMIR	22	\$ -	\$ 1,106.02	\$ 162,543.90	\$ 886,909.97	\$ 7,519,760.43	
81	CTC (College Tech)	0	\$ -	\$ -	\$ -	\$ -	\$ 6,508,506.65	
81	DPA (Repurchased)	5	\$ -	\$ -	\$ 3,174.63	\$ 7,964.01	\$ 7,964.01	
81	DPA (Table Funded)	32	\$ 386.84	\$ 322.20	\$ 3,015.66	\$ 2,591.83	\$ 100,689.06	
81	Habitat for Humanity	0	\$ -	\$ -	\$ -	\$ -	\$ 28,012.15	
81	Project Fund (Direct Loans)**	1	\$ -	\$ -	\$ 32,187.93	\$ 2,140,000.00	\$ 7,530,908.84	
81	RECDS	0	\$ -	\$ -	\$ -	\$ -	\$ 28,012.15	
81	Tourism Reserve Fund	0	\$ -	\$ -	\$ -	\$ -	\$ 179,547.42	
83	Bond Guaranty Fund	0	\$ -	\$ -	\$ -	\$ -	\$ 2,979,762.28	
84	HOME	112	\$ 39,116.69	\$ 16,382.95	\$ 487,206.13	\$ 9,416,313.94	\$ 107,505,078.84	
95	Neighborhood Stabilization (NSP)	0	\$ -	\$ -	\$ -	\$ -	\$ 15,235,580.61	
96	Neighborhood Stabilization (NSP)III	0	\$ -	\$ -	\$ -	\$ -	\$ 4,750,000.00	
TOTAL		186	\$ 54,478	\$ 19,192	\$ 981,766	\$ 16,203,287	\$ 346,708,752	

DELINQUENT LOAN BALANCES

	30 Days	60 Days	90 or More	Total Delinquent	Program Balance
Master Servicing *	8	\$ 31,532.16	\$ -	\$ 40,386.41	\$ 297,999.62

OTHER REAL ESTATE OWNED

Program	Property Name	Value
HOME	FANNIE CAMPBELL	26,662
HOME	RAYMOND ADAMS	21,632
HOME	ROBERT HARRIS	27,874
NSP	3 REED PROPERTIES	3
		\$ 76,171

FINANCED SALES OF REO

ECONOMIC DEVELOPMENT	Bradley Lumber/Ouachita Hardwood Lease	418,500
ECONOMIC DEVELOPMENT	PBS Lumber/Victory Lumber Lease	536,899
ECONOMIC DEVELOPMENT	H&I Poultry/ Ozark Mountain Poultry	1,485,575
		\$ 2,440,974

INSUBSTANCE FORECLOSURES

PROJECT FUND (DIRECT LOAN)	Norphlet Chemical	1
		\$ 1

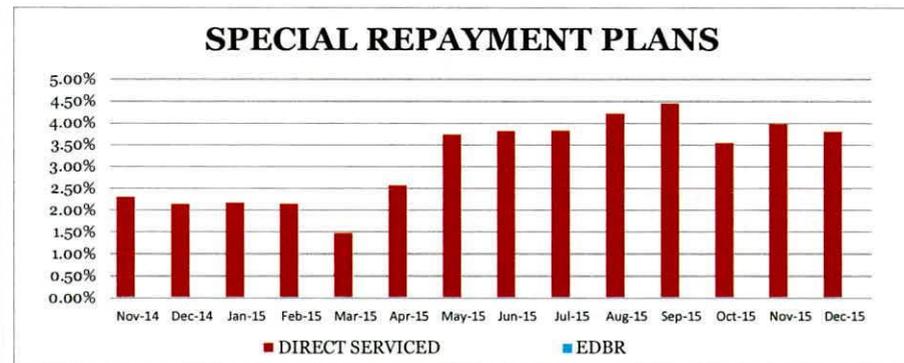
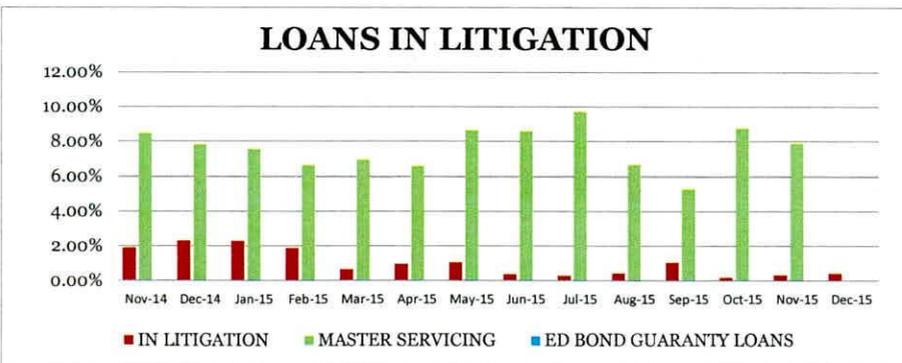
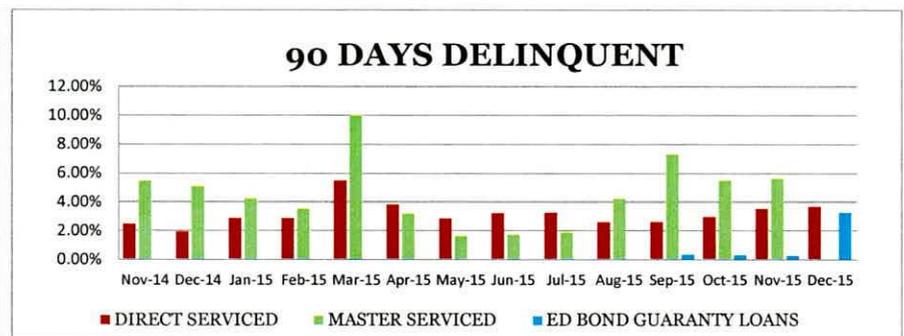
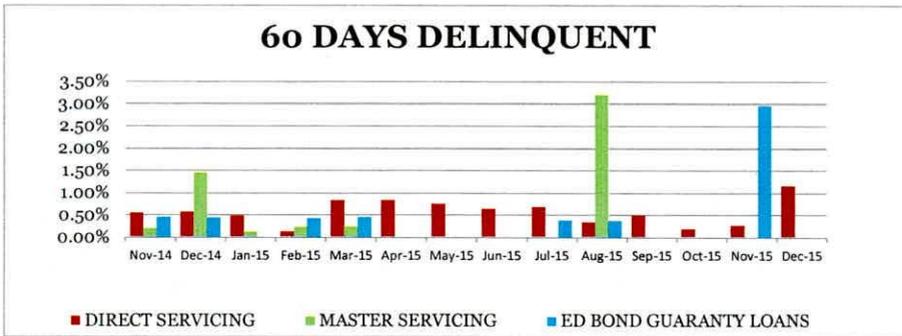
*Primarily Single Family Whole Loans

**Delinquent payment amount on project fund does not include any payments on Catfish loan. The Catfish loans are included in the "Delinquent Loan Balance" amount.

***Value listed is based upon total HOME funds disbursed. This amount will be adjusted to market value when that is determined.

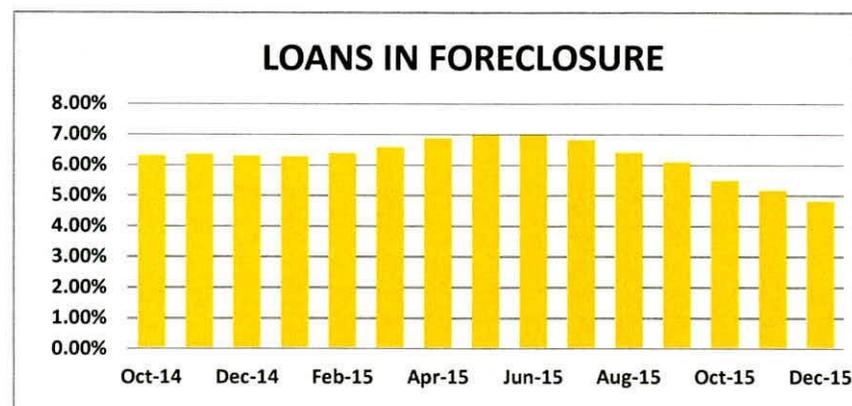
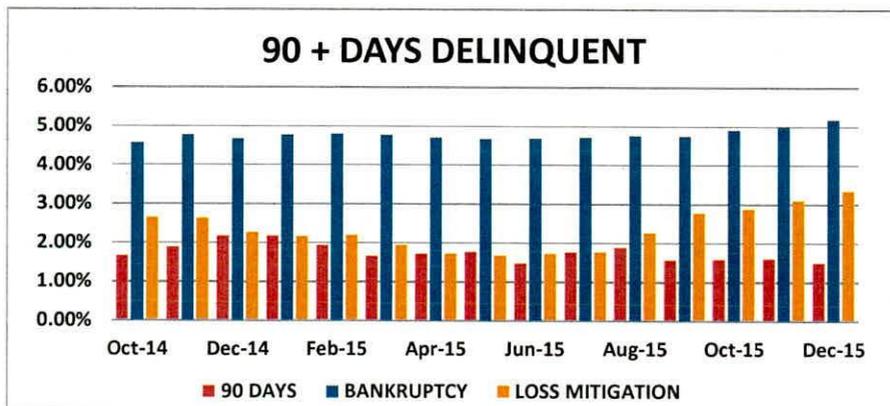
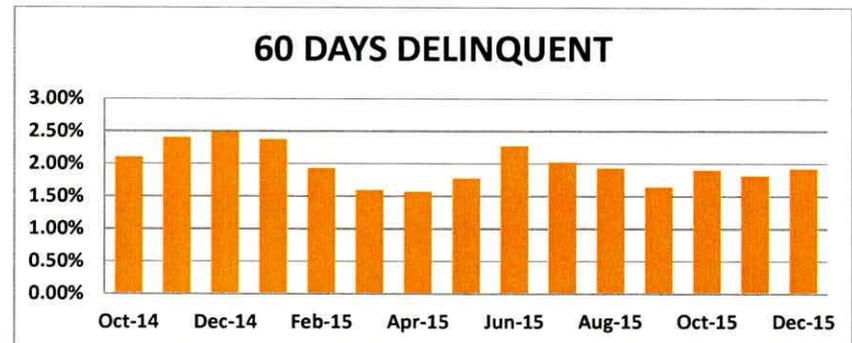
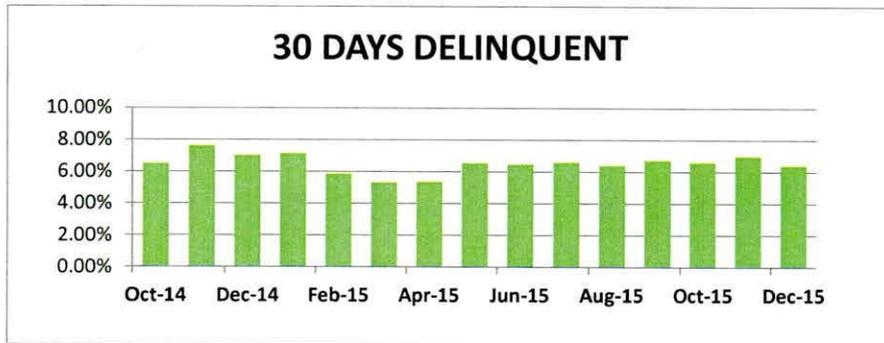
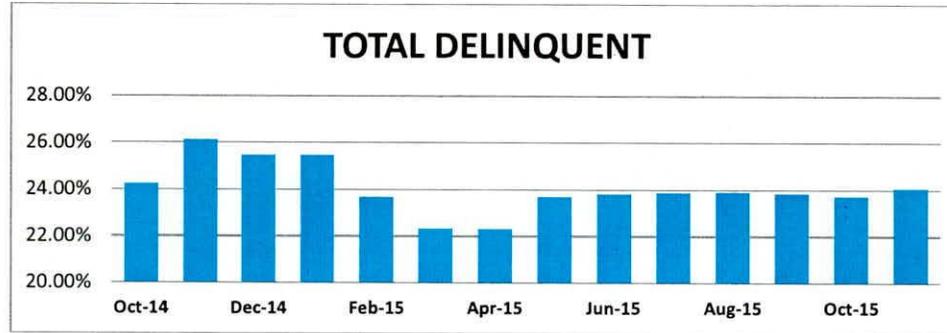
DELINQUENCY REPORT PRESENTED TO THE BOARD OF DIRECTORS FOR DECEMBER 2015 DIRECT SERVICED - MASTER SERVICING - ECONOMIC DEVELOPMENT GUARANTY LOANS DELINQUENCY REPORT (AS A PERCENT OF TOTAL LOAN BALANCES)

A loan is considered 90 days delinquent when it has three or more payments past due and it is not involved in any litigation nor any special repayment agreements. The "In Litigation" chart reflects any loan that is 90 or more days delinquent and involved in some type of litigation. Examples may be bankruptcy, foreclosure, etc. THESE LOANS WILL NOT APPEAR IN THE OTHER DELINQUENCY NUMBERS. A loan balance will be included in the "Special Repayment Agreement" chart when it is at least 60 days delinquent and the borrower and ADFA have reached a specific agreement to spread a delinquency over time in order to bring the loan current. If the agreement is not kept the loan will normally proceed to the litigation category. If the agreement is kept, the loan will appear in the Special Repayment Agreement numbers until it is less than 60 days delinquent.



US BANK MASTER SERVICING DELINQUENCY REPORT FOR DECEMBER 2015

THIS REPORT REPRESENTS THE FIRST MORTGAGE LOANS (% PRINCIPAL) SERVICED BY US BANK IN THE HOME-TO-OWN PROGRAM



Arkansas Development Finance
Board of Directors Report for
December 2015 / January 2016

Research & Web Content Activity
by Judy Brummett, ADFA Research Manager

January 12, 2016



Monthly Activities

Act 36 Reports or Program Fact Sheet: In accordance with A.C.A. § 15-5-212(b), ADFA has submitted the following three program fact sheets to the Arkansas Bureau of Legislative Research and they will be presented before the Arkansas Legislative Council in February 2016.

- Taxable Economic Development Revenue Bonds
ADFA / AEDC Guaranty Programs, Series 2015
\$13,700,000 (Southwest Steel Processing LLC, \$11,000,000 and Global Food Group, Inc., \$2,700,000)
- State Agencies Facilities Revenue Refunding Bonds
Arkansas Department of Correction Project, Series 2015
\$7,305,000
- State Agencies Facilities Revenue Refunding Bonds
Justice Building Project, Series 2015
\$2,735,000

Reports are attached.

FY2015 Annual Report of Program Activity is almost complete and will be submitted by the end of the month to the Arkansas Bureau of Legislative Research.

Web Content Project: Staff is continuing to work on the web content project.

Other: Staff prepared the Quarter 4, 2015 Mitas billing report for Murray Harding.

Attachments



PROGRAM FACT SHEET IN ACCORDANCE WITH A.C.A. § 15-5-212(b)

FOR LEGISLATIVE COUNCIL REVIEW

CY2015DF008

Taxable Economic Development Revenue Bonds

ADFA/AEDC Guaranty Programs, Series 2015

\$13,700,000

Closing Date:	October 21, 2015	Dated Date:	October 21, 2015
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Fees:	ADFA Guaranty Fee	\$435,000
	AEDC Guaranty Fee	\$250,000
	Cost of Issuance Including Underwriter's Discount	\$126,949
	TOTAL FEES	\$811,949
Interest Rate on Bonds:	Serial Bonds	1.197% to 3.387%
	Term Bonds	4.107%
Average Life:	6.106	
Average Coupon:	2.8688%	

Final Maturity Date:	October 1, 2030
Gross Spread:	Underwriters' Discount = \$74,665.00

Program Officers:	Brad Henry, Vice President for Development Finance
Issuer:	Arkansas Development Finance Authority

<u>Professionals:</u>	
Trustee:	Regions Bank
Bond Counsel:	Mitchell, Williams, Selig, Gates & Woodyard, PLLC, Little Rock, AR

Underwriters:	<i>Stephens, Inc., Crews & Associates, Inc., Raymond James & Associates, Inc.</i>
Underwriter's Bond Counsel:	<i>N/A</i>

Ratings:	<i>Standard & Poor's Corporation: A+</i>
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Authority for Bonds:	<i>A.C.A. §§ 15-5-101 et seq.</i>
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Use of Funds:	<p><u>Southwest Steel Processing LLC</u></p> <p>\$11,000,000</p> <p>10 year term</p> <p>ADFA & AEDC Guaranty</p> <p><i>“Will purchase equipment to expand forging component parts operations at the company’s manufacturing facilities located at 4900 Lighthouse Drive, Newport, Jackson County, Arkansas”</i></p>
	<p><u>Global Food Group, Inc.</u></p> <p>\$2,700,000</p> <p>15 year term</p> <p>ADFA Guaranty</p> <p><i>“Will acquire and renovate a manufacturing facilities located at 245 Quality Drive, Clinton, Van Buren County, Arkansas”</i></p>

Other Comments:

Submitted to:	<p>Marty Garrity, Bureau of Legislative Research</p> <p>Roger Norman, Division of Legislative Audit</p>
---------------	---

Submitted by:

Judy Brummett, Research Manager
Arkansas Development Finance Authority

501-682-5917

Judy.Brummett@adfa.arkansas.gov

cc: Aaron Burkes
Brad Henry
Robert Arrington

In accordance with A.C.A. § 25-1-118, all Act 36 reports are to be posted to ADFA's website.

PROGRAM FACT SHEET IN ACCORDANCE WITH A.C.A. § 15-5-212(b)

FOR LEGISLATIVE COUNCIL REVIEW



CY2015DF009

State Agencies Facilities Revenue Refunding Bonds

Arkansas Department of Correction Project

Series 2015

\$7,305,000

Closing Date:	<i>November 1, 2015</i>	Dated Date:	<i>November 12, 2015</i>
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Fees:	<i>Estimated Costs of Issuance (Including Underwriter's Discount): \$120,052.87</i>
Interest Rate on Bonds:	<i>Serial Bonds: 3.000% to 4.000%</i>
Average Life:	<i>2.476</i>
Average Coupon:	<i>3.2963%</i>

Final Maturity Date:	<i>November 1, 2019</i>
Gross Spread:	<i>Underwriters' Discount = \$43,464.75</i>

Program Officers:	<i>Brad Henry, Vice President for Development Finance</i>
Issuer:	<i>Arkansas Development Finance Authority</i>

<u>Professionals:</u>	
Trustee:	<i>Simmons First Trust Company, N.A.</i>

Bond Counsel:	<i>Mitchell, Williams, Selig, Gates & Woodyard, PLLC, Little Rock, AR</i>
Underwriters:	<i>Crews and Associates</i>
Underwriter's Bond Counsel:	<i>N/A</i>

Ratings:	<i>Standard & Poor's Rating Services: "AA-"</i>
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Authority for Bonds:	<i>A.C.A. §§ 15-5-101 et seq.</i>
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Use of Funds:	<p><i>"(a) to refund the Authority's State Agencies Facilities Revenue Bonds (Arkansas Department of Corrections Project), Series 2005 A;</i></p> <p><i>"(b) to pay Underwriter's compensation and other legal, financing and miscellaneous costs of issuing the bonds."</i></p>
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Other Comments:

Submitted to:	<p>Marty Garrity, Bureau of Legislative Research</p> <p>Roger Norman, Division of Legislative Audit</p>
Submitted by:	<p>Judy Brummett, Research Manager</p> <p>Arkansas Development Finance Authority</p>

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Judy.Brummett@adfa.arkansas.gov

cc: Aaron Burkes
Brad Henry
Robert Arrington

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PROGRAM FACT SHEET IN ACCORDANCE WITH A.C.A. § 15-5-212(b)

FOR LEGISLATIVE COUNCIL REVIEW

CY2015DF010

State Agencies Facilities Revenue Refunding Bonds

Justice Building Project

Series 2015

\$2,735,000



Closing Date:	<i>December 1, 2015</i>	Dated Date:	<i>December 1, 2015</i>
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Fees:	<i>Costs of Issuance (including Underwriter's Discount) - \$71,351.45</i>
Interest Rate on Bonds:	<i>Serial Bonds - \$2.000% to 3.000%</i>
Average Life:	<i>3.652</i>
Average Coupon:	<i>2.5940%</i>

Final Maturity Date:	<i>December 1, 2022</i>
Gross Spread:	<i>Underwriters' Discount = \$19,145</i>

Program Officers:	<i>Brad Henry, Vice President for Development Finance</i>
Issuer:	<i>Arkansas Development Finance Authority</i>

<u>Professionals:</u>	
Trustee:	<i>Regions Bank</i>

Bond Counsel:	<i>Mitchell, Williams, Selig, Gates & Woodyard, PLLC, Little Rock, AR</i>
Underwriters:	<i>Stephens, Inc.</i>
Underwriter's Bond Counsel:	<i>N/A</i>

Ratings:	<i>Standard & Poor's Corporation: A (Stable Outlook)</i>
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Authority for Bonds:	<i>A.C.A. §§ 15-5-101 et seq.</i>
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Use of Funds:	<i>"(i) refunding the Authority's State Agencies Facilities Revenue Bonds (Justice Building Project) Series 2005; (ii) establishing a Debt Service Reserve Fund; and (iii) paying the costs of issuing the Bonds."</i>
---------------	--

Other Comments:

Submitted to:	Marty Garrity, Bureau of Legislative Research Roger Norman, Division of Legislative Audit
Submitted by:	Judy Brummett, Research Manager Arkansas Development Finance Authority 501-682-5917

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