

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

BOARD OF DIRECTORS MEETING



Thursday, March 17, 2016

Little Rock, Arkansas

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING**

Thursday, March 17, 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 February 18, 2016 meeting of the Board of Directors.

I. OTHER BUSINESS:

- Loan Committee
- Board Committee Reports: None.

II. NEW BUSINESS:

Resolution No. 1. A resolution expressing the intent of the Arkansas Development Finance Authority to reimburse expenditures of the Authority and the Borrower pertaining to certain capital improvements from the proceeds of Capital Improvement Revenue Bonds to be issued by the Authority; approving and authorizing the execution and use of a Preliminary Official Statement in connection with the marketing of the Authority's Capital Improvement Revenue Bonds; authorizing the Bond Purchase Agreement; authorizing and prescribing other matters pertaining thereto.. **(Presenter: Michele Allgood)**

III. ADJOURNMENT

The next regular meeting of the ADFA Board of Directors is scheduled for **Thursday, April 21, 2016**, in the Second Floor (2nd) Conference Room, 900 West Capitol, Little Rock, Arkansas.

RESOLUTION

A RESOLUTION EXPRESSING THE INTENT OF THE ARKANSAS DEVELOPMENT FINANCE AUTHORITY TO REIMBURSE EXPENDITURES OF THE AUTHORITY AND THE BORROWER PERTAINING TO CERTAIN CAPITAL IMPROVEMENTS FROM THE PROCEEDS OF CAPITAL IMPROVEMENT REVENUE BONDS TO BE ISSUED BY THE AUTHORITY; APPROVING AND AUTHORIZING THE EXECUTION AND USE OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE MARKETING OF THE AUTHORITY'S CAPITAL IMPROVEMENT REVENUE BONDS; AUTHORIZING THE BOND PURCHASE AGREEMENT; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, Arkansas Development Finance Authority (the "Issuer" or the "Authority") is authorized and empowered under the provisions of Act No. 1062 of the Acts of Arkansas of 1985, as amended (the "Act"), to issue revenue bonds, either alone or as a composite issue, and to expend the proceeds thereof to finance the acquisition, constructing and equipment of land, buildings, equipment or facilities which can be used in securing or developing industry for industrial enterprises and educational facilities; and

WHEREAS, the Issuer has heretofore agreed to provide permanent financing, through the issuance of one or more series of taxable or tax-exempt revenue bonds under the Act, of the costs of acquiring, constructing and equipping educational facilities consisting of lands, buildings, improvements, equipment and facilities to be located in Maumelle, Arkansas (the "Project"), and that the Issuer loan the proceeds to Maumelle Foundation for Education, Inc. (the "Borrower"); and

WHEREAS, the Issuer is now prepared to issue its Capital Improvement Revenue Bonds (Academics Plus Charter School Project), Series 2016 (the "Bonds") for the purpose of financing the acquisition, construction and equipping of the Project; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Issuer is now prepared to proceed to complete the financing of the Project and to issue up to \$17,000,000 in principal amount of its Capital Improvement Revenue Bonds (Academics Plus Charter School Project), Series 2016 and to loan the proceeds from the sale of the Bonds to the Borrower; and

WHEREAS, the Borrower intends to incur preliminary expenses related to the Project, including, but not limited to architectural, engineering, and design costs (the "Preliminary Costs") and intends to reimburse itself for such Preliminary Costs with the loan that will be funded from the sale of the Bonds; and

WHEREAS, this Resolution is intended as official action of the Authority declaring its intent to finance the Project with the Bonds and for the Borrower to be reimbursed from bond proceeds for the Preliminary Costs of the Project it may incur, in compliance with the provisions

of Section 1.150-2 of the Department of Treasury Regulations, promulgated pursuant to the provisions of the Internal Revenue Code of 1986 (the “Applicable Treasury Regulations”); and

WHEREAS, in order for the Underwriter (as identified below) to market the Bonds, it is necessary to prepare a Preliminary Official Statement and bond purchase agreement and to authorize the President to sign the bond purchase agreement subject to ratification by the Board of Directors of the Authority; and

WHEREAS, in order to market the Bonds and determine the total principal amount of the Bonds, the Underwriter requires a Preliminary Official Statement in a form deemed final pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Arkansas Development Finance Authority:

Section 1. Authorization of Issuance and Sale of Bonds. In order to finance the Project, there is hereby approved and authorized the issuance and sale of not to exceed \$17,000,000 in aggregate principal amount of Arkansas Development Finance Authority Capital Improvement Revenue Bonds (Academics Plus Charter School Project), Series 2016, for the purposes of loaning the proceeds of the Bonds to the Borrower to finance the acquisition, construction and equipping of the Project, paying necessary expenses incidental to the sale and issuance of the Bonds, funding a capitalized interest fund (if any), and funding a debt service reserve fund (if any). The Bonds shall bear interest at a rate not to exceed four and 90/100 percent (4.90%), calculated on the basis of true interest cost (after taking into account original issue discount and premium and Underwriter’s discount, but excluding costs of issuing such Bonds). The Bonds shall mature not later than January 1, 2043. The Bonds may be issued in one or more series if necessary to differentiate the tax treatment of interest on the Bonds for federal income tax purposes or for other reasons deemed necessary or appropriate by the Issuer. The security for the Bonds shall be clearly identified, and the status of such security with respect to other debt obligations of the Borrower shall be as agreed to by the Authority. The sale of the Bonds shall be pursuant to a bond purchase agreement hereinafter authorized, in a form satisfactory to the President of the Authority.

Section 2. Compliance with the Rule. This Resolution is to provide for compliance with Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). Upon compliance with the terms hereof, the President of the Authority is hereby authorized to deem the Preliminary Official Statement (referenced below) a final official statement, as such term is defined in the Rule, as of its date, except for the interest rates, underwriter’s discount, offering prices, delivery dates, aggregate principal amount, principal amount per maturity, ratings and other terms of the Bonds depending on such matters.

Section 3. Preliminary Official Statement. To provide for the offering and sale of the Bonds, there will be prepared a Preliminary Official Statement setting forth information concerning the Bonds, the Borrower, the Project and the Issuer. The President or the Chairman is each hereby individually authorized to review and approve the form and the distribution of the Preliminary Official Statement. The Underwriter, upon final approval of the President or the Chairman of the Authority, is authorized to rely upon and to use the Preliminary Official

Statement to market the Bonds to potential purchasers. The distribution of the Preliminary Official Statement in the form approved by the President or the Chairman in marketing the Bonds is hereby approved and authorized.

Section 4. Bond Purchase Agreement. The Chairman, Vice Chairman, President, Vice President-General Counsel and the Vice President for Development Finance are hereby authorized to approve the form of a bond purchase agreement between the Issuer and the Underwriter, and the President is authorized to execute the agreement on behalf of the Issuer. The purchase price of the Bonds shall be approved by the President and the staff. The bond purchase agreement shall provide for the sale of the Bonds upon terms substantially as set forth above.

Section 5. Reimbursement. The Authority hereby declares its present and official intent to reimburse the Borrower for Preliminary Costs from the proceeds of the Bonds of the Authority and, further, declares as follows:

a. The Preliminary Costs to be reimbursed by the proceeds of the Bonds will not exceed twenty percent (20%) of the aggregate issue price of the Bonds.

b. The Preliminary Costs will be “preliminary expenditures” within the meaning of the Applicable Treasury Regulations, including architectural, engineering, surveying, soil testing, and bond issuance costs incurred prior to commencement of acquisition and construction of the Project.

c. The Preliminary Costs to be reimbursed will have been paid between the date that is 60 days prior to the date of adoption of this Resolution and the date that the Bonds are issued or otherwise in a manner consistent with the Applicable Treasury Regulations.

Section 6. Professionals. The Authority hereby designates the firm of Crews & Associates, Inc., as Underwriter (the “Underwriter”), Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., as Bond Counsel (“Bond Counsel”) and Bank of Ozarks, as Trustee, for the Bonds.

Section 7. Credit Enhancement for the Bonds. The Authority recognizes that it may be of economic benefit to obtain a rating on or bond insurance for the Bonds. The Authority hereby authorizes and directs the Underwriter, in consultation with the staff of the Authority and Bond Counsel, to determine the feasibility of obtaining a rating from one or more nationally recognized rating agencies for the Bonds or of obtaining bond insurance from a nationally recognized bond insurer for the Bonds. The Chairman and/or President of the Authority are authorized to execute and deliver such documents, including the Preliminary Official Statement, as may be necessary in connection with obtaining a rating on or bond insurance for the Bonds.

Section 8. Authority’s Review and Approval. This resolution and the approvals contained herein are subject to the Authority’s review and approval of cost of issuance including counsel fees and underwriter’s discount.

Section 9. This Resolution is adopted to document compliance with the Applicable Treasury Regulations and other provisions of the Internal Revenue Code of 1986, including the rules and regulations promulgated thereunder.

Section 10. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 11. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 12. This Resolution shall be in force and effect immediately upon and after its passage.

PASSED: March 17, 2016.

APPROVED:

By: _____
Dr. Richard Burnett, Chairman

ATTEST:

By: _____
Aaron Burkes, President/Secretary

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
February 18, 2016

The Board of Directors of the Arkansas Development Finance Authority held its regular board meeting on Thursday, February 18, 2016, 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; John Cooley, Vice-Chair; Anthony Brooks; Stan Green; Charley Baxter; Greg Stanfill; Alan Turnbo; Stephen Rose; Tom Spillyards; Ricky Quattlebaum, Administrator of Internal Audit for Arkansas Department of Finance and Administration; Jim Harris, Chief of Staff, Office of State Treasurer and Aaron Burkes, President and Board Secretary of the Authority.

Absent: Seth Mims.

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; Bev Lambert; Development Finance; Charlie Lynch, Finance Manager; Derrick Rose, Communications; Cheryl Schluterman, Vice President of Finance & Administration; Ben Van Kleef, Vice President of Housing; Kent Vestal, Multi-Family Manager; Ro Arrington, Public Finance Officer.

Others present: Jim Hathaway, Kutak Rock; Shep Russell, Friday, Eldredge & Clark; Taylor Marshall, Friday, Eldredge & Clark; Michele Allgood, Mitchell Williams; Kate Fletcher, William and Anderson; Jack Williams, Williams and Anderson; Edmond Hurst, Crews & Assoc.; Andrew Stephens, Stephens; Jack Truemper, Stephens; Glenda Dean, Simmons; Stan Russ, Regions; Daniel Allen, Raymond/James; Leigh Ann Biernat, Stephens and Ron Pyle, Raymond/James.

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 January 21, 2016, meeting of the loan committee.

Apptegy. The committee recommended approval of an investment in the amount of \$100,000 from the ADFA Co-Investment Fund and State Small Business Credit Initiative (SSBCI) funds. Mr. Spillyards made a motion to approve the loan. Mr. Baxter seconded the motion. By roll call, all members present voted, 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 January 21, 2016 Board Housing Review Committee.

HOME:

Arkansas Land & Farm Development Corporation (ALFDC)-Scattered Sites-St. Francis County Project. The committee reviewed a request for \$478,500.00 in HOME Funds for an owner-occupied project consisting of three (2) rehabs and four (4) reconstructions. Mr. Baxter made a motion to approve the request. Mr. Spillyards seconded the motion. By roll call, all present board members voted and the motion passed.

Eastern Arkansas Community Outreach & Development Corporation (EACODC) Scattered Sites - West Memphis (Crittenden County). The committee reviewed a request for \$495,000.00 in HOME Funds for five (5) owner-occupied reconstruction units at various sites. Mr. Baxter made a motion to approve the request. Mr. Stanfill seconded the motion. By roll call, all present board members voted and the motion passed.

White River Regional Housing Authority (WRRHA) - TBRA Scattered Sites in Cleburne, Van Buren, Izard, Sharp and Stone Counties. The committee reviewed and approved a request to add Cleburne and Van Buren counties to WRRHA's coverage area of a Tenant Based Rental Assistance (TBRA) Project, previously approved on October 15, 2015.

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

MULTI-FAMILY:

Alden Torch Financial - Chapel Ridge of Forrest City. Phase I, Forrest City. The committee reviewed and approved a request from Alden GP-AR, LLC as the replacement general partners on the above-referenced development. Hunt Affordable Holdings, LLC, the limited partner, has requested approval of their new name change to Alden Affordable Holdings, LLC.

Majestic View Apts. At Maple Church, Arkansas Limited Partnership-Harrison. The committee reviewed and approved a request to replace the Co-General Partner, M. View, Inc., (a wholly owned subsidiary of Harrison Housing Authority), with HIIA Majestic View, Inc., an Arkansas non-profit corporation.

Nona McVay. The committee reviewed a request for a waiver and/or determination of the minimum experience requirement as outlined in Paragraph 17, Section C. Threshold Requirements. She is requesting approval from ADFA to proceed, as a development team consultant who can provide the "minimum required experience", where the affordable housing developer and/or owner do not

meet the minimum experience requirement for the application in Arkansas. Mr. Baxter made a motion to approve the request. Due to a lack of a second, the request was denied.

ADFA – Multi-Family Program Guideline Changes. Mr. Baxter made a motion that the language of Section II be stricken and amend the language of Section VI(B) to the Guidelines for the Reservation of Volume Cap for the Tax-Exempt Private Activity Bonds for Residential Housing (“Reservation Guidelines”). Mr. Cooley seconded the motion. By roll call, all present board members voted, and the motion passed unanimously.

HOME UPDATES:

Arkansas Land & Farm Development Corporation (AFLDC)-Lee County Project. The committee reviewed the update of a \$2,000 increase in construction costs as part of a change in the construction contractors from Wright & Wright Construction to AISOR Construction for the owner-occupied reconstruction for Ethel Brooks.

MULTI-FAMILY UPDATES:

Homewood Village Apartments- Ash Flat. Thom Embach and Mr. John Gerrard of Ozark Solar, presented an update of the solar installation at Homewood Village Apartments in Ash Flat, Arkansas.

COMPLIANCE UPDATES:

Multiple Limited Partners-7 Developments: Cedar Park Apts., Jonesboro; Hillside Apts., Flippin; Park at Whispering Pine, Conway; Park Plaza I, West Memphis; Riverside Park I, II & III, West Memphis. The committee reviewed the update from Clifton Bates & J.H. Thames, Jr., to change the managing agent from LEDIC Management Company to United Apartment Group.

Delinquent Fees- February 2016. The committee was updated on delinquent fees for February, 2016.

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

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

Minutes. The committee approved the minutes from the December 17, 2015 meeting of the Board Investment Committee.

Operating Results and General Fund Review as of December 31, 2015. The committee reviewed and approved the Operating Results and General Fund Review as of December 31, 2015.

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

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

Bond Counsel for Tobacco Refunding: The committee reviewed and approved Kutak Rock as Bond Counsel for a possible Tobacco Refunding.

ADFA Professional Term Expiration Extensions. The committee reviewed and approved the following extension of Professional Terms:

External Auditor – BKD – extended to February 2017

Issuers Counsel – Williams & Anderson; Kutak Rock; Mitchell Williams; Friday, Eldredge & Clark; Rose Law Firm; Pugh Jones & Johnson; Hawkins Delafield & Wood; Wright, Lindsey & Jennings; Smith Hurst and Jamie Fugit (PPGRM) – extended to March 2017

Arkansas Natural Resources Commission (ANRC) Program/Indenture Counsel – Friday, Eldredge & Clark – extended to February 2017

Higher Education 2007A Refunding. Mr. Cooley made a motion to approve the following team of professionals for Higher Education 2007A Refunding: Raymond/James, Underwriter; Simmons, Trustee; Friday, Eldredge & Clark, Issuer Counsel, subject to successful fee negotiations and ability to close within 180 days. Mr. Baxter seconded the motion. By roll call, all present board members voted, and the motion passed unanimously.

Mr. Baxter made a motion to accept the report as presented. Mr. Spillyards 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 December 17, 2015 Board of Directors Meeting. Mr. Cooley made a motion to approve the minutes. Mr. Baxter seconded the motion. By roll call, all members voted and the motion passed unanimously.

Resolution No. 1. Dr. Burnett called on Shep Russell to present the resolution identified under Tab 1, authorizing the offering of State of Arkansas Higher Education General Obligation Bonds to refund the outstanding State of Arkansas Higher Education General Obligation Bonds, Series 2007A; authorizing the preparation of a Trust Indenture, a Bond Purchase Agreement, Preliminary and Final Official Statements, continuing Disclosure Agreement and related documents in connection therewith; and authorizing other matters pertaining thereto. Mr. Brooks made a motion to approve the resolution. Mr. Green seconded the motion. By roll call, all present members voted, and the motion passed.

Resolution No. 2. Dr. Burnett called on Taylor Marshall to present the resolution identified under Tab 2, authorizing the issuance of Revenue Bonds to refund bonds issued to finance facilities for Episcopal Collegiate School; authorizing a Fourth Supplemental Trust Indenture, a Fourth Supplemental Loan Agreement and a Preliminary and Final Official Statement in connection therewith; and authorizing other matters pertaining thereto. Mr. Cooley made a motion to approve the resolution. Mr. Turnbo seconded the motion. By roll call, all present members voted and the motion passed.

Board Committee Appointments. The following newly appointed board members were appointed to these committees by Arkansas Development Finance Authority President, Aaron Burkes.

Seth Mims appointed to the Board Housing Review Committee.

Stephen Rose appointed to the Board Professional Selection Committee.

Greg Stanfill appointed to the Board Investment Committee as Chair.

Adjournment. Dr. Burnett stated the next Board meeting would be held on Thursday, March 17, 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 17th day of March, 2016.

Aaron Burkes, President/Secretary

Dr. Richard Burnett, Chair
John Cooley, Vice-Chair



MEMORANDUM

TO: ADFA Board of Directors
FROM: Aaron Burkes, President *AB*
DATE: March 10, 2016
RE: Board Report

- This month's board meeting will begin with a board orientation in which I will describe the Board's role and responsibilities here at ADFA. Staff members will also provide an overview of the Authority and introduce you to their divisions.
- ADFA welcomes our two new board members:
 - Denise Sweat is a Vice President for Farm Credit Services of Western Arkansas, located in Nashville, AR. She and her family live on a small family farm in nearby McCaskill, AR. Denise replaces Sonny Jones.
 - Sarah E. Capp is owner of Capp Law Firm, a small general practice law firm located in Ozark, AR. Sarah replaces Alan Turnbo.
- On Monday, March 7, at 4:30 p.m. ADFA stopped accepting applications for its 2016 Low Income Housing Tax Credit round. ADFA received approximately 37 applications. Decisions are still pending on the eligibility of several applications. Over \$11 million in LIHTC's have been requested, exceeding availability by over \$4 million. Staff recommendations should be brought before the Board in August.
- We have entered the early stages of preparation to refund Series 2007 Single Family bonds to provide new lendable funds for ADFA's single family loan programs in 2016. We are also investigating the possibility of including Series 2006 Single Family Bonds. We anticipate a single family bond issue in an amount between \$50 million and \$110 million, depending on the Series 2006 inclusion.
- We are collaborating with Academics Plus on a conduit bond issue to provide financing for a new high school to be located in Maumelle, AR.
- We continue to work with Arkansas State Police on their upcoming regional headquarters financing and hope to have a resolution before the board in April.

***** Please Note: Board Committees will not meet this month.**

The schedule for Thursday, March 17, 2016, is as follows:

9:30 a.m.	Board Orientation
12:00 Noon	Lunch will be served – 3 th Floor Conference Room
1:00 p.m.	Non-Public "Loan Review Session"
1:30 p.m.	Public Board meeting

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 02/29/2016	\$	-
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

Closing Date	Development Name	Committed	Funded	Less: Balance Remaining 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
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in Mitas
in Mitas
in Mitas (forgivable)
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in Mitas

CDBG Funds Available to Commit at 02/29/2016	\$	506,705.00 (1)
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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 02/29/2016, \$142,033.74 in administrative fees have been paid. 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 02/29/2016	\$	992,137.04
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Breakdown:		
Program Income received life to date	\$	992,615.29
Interest Income received life to date	\$	326.75
Less: Program Income Spent for Trustee Fees life to date	\$	(805.00)
Unspent Program Income per Trust Account (cash balance) and Funds Available to Commit at 02/29/2016	\$	992,137.04 (1)

Applications received but not submitted for board approval yet:
 - none
992,137.04 amount available if additional applications/requests were approved

Notes:
(1) As of 02/29/2016, 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 2/29/2016 \$ 1,824,017.86

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	Drew 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	356,000.00	-	in Mitas
de-obligated	Housing Solutions Alliance-NLR, AR--Silver City Courts--DE-OBLIGATED \$450K 2/19	-	-	-	de-obligated
3/31/2015	JPM Development--Milwood 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	397,333.90	52,666.10	in Mitas
		3,532,000.00	2,984,333.90	547,666.10	
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)		8,266,217.64	7,442,774.35	823,443.29	

Settlement Funds Available at 1/31/2016 \$ 1,000,574.57

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	\$ 3,532,000.00	\$ 768,000.00	\$ -	\$ 768,000.00
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	\$ -	\$ -	\$ 681.72	\$ -	\$ 681.72
Loan Repayments Received (P&I)	\$ -	\$ -	\$ 223,232.35	\$ -	\$ 223,232.35
Trustee fees/Other Expenses	\$ -	\$ -	\$ (2,150.00)	\$ -	\$ (2,150.00)
Grand Total	\$ 9,045,028.14	\$ 8,266,217.64	\$ 1,000,574.57	\$ -	\$ 1,000,574.57



Memorandum

TO: ADFA Board of Directors
FROM: Derrick Rose
DATE: March 8, 2016
SUBJECT: Board Report

- I've been pleased with the positive response to ADFA's new website. I'm still busy updating many of the forms and applications for 2016. If you haven't yet looked around the new site, the address is <http://adfa.arkansas.gov>.
- I've been working with Aaron and agency staff to create an informative and what I hope is a dynamic presentation for ADFA's board orientation.
- News Clippings follow this report.



Supportive Services, Creative Funding

State agency helps fill current housing needs,
looks toward future goals

Since 1985, the Arkansas Development Finance Authority (ADFA) has served as the state's largest source for affordable housing funding. A state department, the agency provides various programs that range from home loan assistance to a small business credit initiative.

Currently, ADFA is focused on keeping up with the state's changing affordable housing needs.

"We are known for working with nonprofit organizations in Arkansas to help develop their knowledge of helping their residents," says J. Benjamin Van Kleef, Vice President of Housing for ADFA. "Most of the nonprofits here provide numerous social services, but neglect housing, so we try to educate them as much as possible on how to get housing into their mission statements."

Through continuing to work with nonprofits, providing supportive services and working to modernize its operations, ADFA plans to make affordable housing efforts in Arkansas as effective and efficient as possible.

ADDRESSING PRESSING NEEDS

In 2015 alone, ADFA spent more than \$11 million on affordable housing and secured up to \$100 million in contracts with developers and builders who promise to increase the state's affordable housing stock. When searching for development efforts to support, ADFA has several key criteria.

"We first look at financial feasibility, but we also look at the quality of service the developer and management company give to the tenants," Van Kleef says. "We have developers and management companies that have worked with us before and have provided a tremendous service to the tenants, and we really look for [developments] that are going to provide residents with more than just a roof over their heads."

Typical supportive services that come with affordable housing include nutritional programs, educational programs, childcare, community gathering spaces and career counseling.



Arkansas Development
Finance Authority

Vice President of Housing :: J. Benjamin Van Kleef
Location :: Little Rock, Arkansas

Using these requirements as a benchmark, ADFA has secured plans for the building, rehabilitation or ownership of more than 1,000 new units of affordable housing throughout Arkansas.

In addition to looking for developers and management companies that will include supportive services, ADFA also aims to address the disparity between income and housing prices that plagues many low-income individuals and families in the state.

The "30 percent rule" states that to be financially stable, one should not spend more than 30 percent of one's income on housing. This rule originated during the New Deal era and is still often used as a benchmark in affordable housing. The reasoning behind the rule is that, in order to pay for food, clothes, utilities, transportation and other necessities, no low- or moderate-income household can afford to dedicate more than roughly 30 percent of its regular income to rent or a mortgage.

"To alleviate that [cost burden], we are concentrating on putting affordable housing closer to the major employment centers," Van Kleef says. "That way, tenants can not only be close to the job but can also afford their housing, and they don't have that as a burden on their take-home pay."

FUTURE PLANS

In 2016, ADFA hopes to have another big year in terms of planning and developing more affordable housing that includes helpful services and convenient locations for residents in communities statewide.

In the near future, the agency's team hopes to modernize its procedures in two key ways: updating the agency's application process and changing funding methods.

On the application front, ADFA plans to implement a change that will save money and be more environmentally sustainable.

"We are hoping to be fully electronic and significantly reduce the amount of paper we use," Van Kleef says. "Each application is around 600 pages, and right now, we require an electronic and a paper copy. As soon as we can get the software development down to where the electronic submission populates our forms, that will be a big cost saver for the developer."

Although ADFA is pursuing this goal, Van Kleef estimates that it is still at least several years away from being fully implemented.

"We are just testing the waters with HDS, the software company we use," he says. "That is still far down the pipeline at this point, but we're getting closer."

As far as funding goes, ADFA's recent year of planning was mostly fueled by Low Income Housing Tax Credits (LIHTC), along with federal HOME programs, Rural Development Preservation Revolving Loan Funds and Finance Adjustment Factor loans.

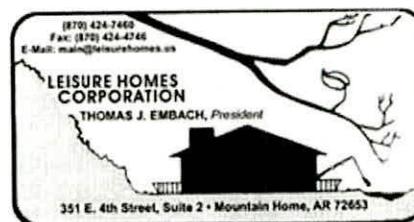
Although the agency plans to continue to pursue these avenues of funding, Van Kleef hopes to also broaden the agency's funding horizons.

"We aim to utilize our volume cap for [LIHTC] 4 percent tax credit deals," he says. "We are hopefully going to be changing policy soon to allow more creative financing structures, akin to our surrounding states." 



LEISURE HOMES CORPORATION

Leisure Homes Corporation has successfully developed or rehabilitated over 90 market, affordable, and assisted housing projects totaling over 2,700 units throughout Arkansas and Southern Missouri. Founded in 1971 by Thomas J. Embach Leisure Homes is based in Mountain Home, Arkansas and is committed to making quality, affordable housing available for families, senior citizens, and persons with special needs. Construction of the projects is through T&E Contractors, Inc which was formed in 1992 and is owned by Thomas E. Embach.



Leisure Homes Corporation (Thomas J. Embach, President) and T & E Contractors, Inc. (Thom E. Embach, President) are proud and honored to have a partnership with ADFA and congratulate the agency on their many years of providing affordable housing, both rental and ownership, to eligible persons in the state of Arkansas.

Asa Hutchinson Makes Appointments to Boards, Commissions

by Arkansas Business Staff

Posted 2/23/2016 08:52 am

Updated 3 days ago

Gov. Asa Hutchinson on Monday announced the following appointments:

Lance Lindow, Benton, to the Arkansas State Board of Nursing. Appointment expires Oct. 1, 2017. Replaces Patricia Staggs.

Damon Reed, Conway, to the Arkansas Local Police and Fire Retirement System Board of Trustees. Appointment expires Jan. 1, 2020. Replaces Terrell Henson.

Keith Rutledge, Batesville, to the Arkansas Sentencing Commission. Appointment expires June 15, 2020. Replaces Chris Palmer.

Jerry Cash, Harrison, to the Career Education and Workforce Development Board. Appointment expires June 30, 2016. Replaces Dan Serrano.

Sharon Ingram, North Little Rock, to the Martin Luther King Jr. Commission. Appointment expires Sept. 1, 2019. Replaces N. Wesley Hunt.

Christopher Kauffman, Searcy, to the Arkansas Livestock and Poultry Commission. Appointment expires Jan. 14, 2023. Replaces Greg Hale.

Garland “Gary” Dowdy, to the Board of Visitors for the Arkansas School for Mathematics, Sciences, and the Arts. Appointment expires Jan. 14, 2023. Replaces Donna Casparian.

Dee Collins, Trumann, to the Breast Cancer Control Advisory Board. Appointment expires Jan. 14, 2020. Replaces Debra Walden.

Elise Hampton, Conway, to the Black History Commission. Appointment expires

Jan. 14, 2023. Replaces Barry Dobson.

Cherisse Jones-Branch, Jonesboro, to the Black History Commission. Appointment expires Jan. 14, 2023. Replaces James Lawson.

Seth Mims, Springdale, to the Arkansas Development Finance Authority Board of Directors. Appointment expires Jan. 14, 2020. Replaces Jesse Sharp.

Stephen Rose, Blytheville, to the Arkansas Development Finance Authority Board of Directors. Appointment expires Jan. 14, 2020. Replaces Jennifer Ronnel.

Matishia Bland, West Helena, to the Delta Cultural Center Policy Advisory Board. Appointment expires Oct. 1, 2018. Replaces Christine Allen.

Chintan Desai, Helena, to the Delta Cultural Center Policy Advisory Board. Appointment expires Oct. 1, 2018. Replaces Reginald Jackson.

Myka Sample, Benton, to the Electronic Recording Commission. Appointment expires Sept. 1, 2017. Replaces Andrea Billingsley.

Kristi McKinnon, Little Rock, to the Electronic Recording Commission. Appointment expires Sept. 1, 2017. Replaces Martha Smith.

Misty Richardson, Harrisburg, to the Electronic Recording Commission. Appointment expires Sept. 1, 2017. Replaces Adam Davis.

Mary Pankey, Texarkana, to the Electronic Recording Commission. Appointment expires Sept. 1, 2017. Open Position.

Ryan Clayborn, Harrison, to the Arkansas Early Childhood Commission. Appointment expires June 30, 2018. Replaces Janice Dancer.

Kathy Pillow-Price, Beebe, to the Arkansas Early Childhood Commission. Appointment expires June 30, 2018. Replaces Kelley Smith.



MEMORANDUM

To: ADFA Board of Directors
From: Brad Henry, Vice President Development Finance *BH*
Re: Monthly Activity Report
Date: March 17, 2016

Economic Development Bonds, ADFA Bond Guaranty & Conduit Bond Issues

It has been business as usual here in the last month. While there is not much new activity in the bond programs at the moment, 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.

State Small Business Credit Initiative (SSBCI)

Staff completed the Q4 2015 Report and is working on the Annual Report, which is due at the end of March.

Venture Capital and Seed/Angel Capital

We continue to think 2016 will be an extremely active year in Venture Capital. The management transition for the Arkansas Institutional Fund is progressing as planned. Specifically, we have been meeting with tax and audit professionals to begin work on the 2015 financial audit and tax filing.

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

Capital Access now has enrolled its 550th loan with most of them since 2011 being in the SSBCI program. ArCash has 28 loans enrolled. Bev Lambert continues to travel to market our program to various lenders throughout the state. Summaries of the CAP and ArCash program activity through the end of February are included for your review.

Community Outreach

Aaron Burkes and I toured the University of Arkansas Research and Technology Park (ARTP) on March 11th and also met with several companies headquartered at ARTP. Many of these companies have benefitted from ADFA's development finance programs. Also, on April 7th Bev Lambert will be attending a conference on the Arkansas Delta, which is being hosted by Simmons Bank. A report on this conference will be provided at the April Board Meeting.

Capital Access Loan Program

Cumulative Program Activity

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08-Mar-16

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	32.36%	\$7,617,856.43	\$194,130.54	29.59%	\$42,797
21: Stone Mining, Rock Quarry	1	0.18%	\$3,000.00	\$135.00	0.02%	\$3,000
23: Construction	37	6.73%	\$1,234,413.92	\$44,062.65	6.72%	\$33,363
31, 32, 33: Mfg - Food-Wood-Metal	39	7.09%	\$1,737,936.00	\$67,893.28	10.35%	\$44,562
42, 44-45: Wholesale / Retail Trade	102	18.55%	\$3,133,247.15	\$126,903.80	19.34%	\$30,718
48-49: Transportation / Warehousing	25	4.55%	\$828,914.65	\$34,790.13	5.30%	\$33,157
51: Information	2	0.36%	\$13,000.00	\$585.00	0.09%	\$6,500
52: Finance & Insurance	3	0.55%	\$46,000.00	\$1,680.00	0.26%	\$15,333
53-81: All Other Services (except Public Admin)	163	29.64%	\$4,971,284.16	\$185,984.36	28.34%	\$30,499
Totals	550	100.00%	\$19,585,652.31	\$656,164.76	100.00%	

BY COUNTY

Benton	15	2.73%	191,000.00	8,955.00	1.36%	\$12,733.33
Boone	33	6.00%	\$734,562.54	\$33,055.57	5.04%	\$22,259.47
Bradley	94	17.09%	\$4,124,271.91	\$113,183.69	17.25%	\$43,875.23
Carroll	10	1.82%	\$174,150.00	\$7,836.75	1.19%	\$17,415.00
Chicot	1	0.18%	\$10,000.00	\$450.00	0.07%	\$10,000.00
Clark	63	11.45%	\$1,513,855.78	\$52,672.70	8.03%	\$24,029.46
Clay	1	0.18%	\$200,000.00	\$9,000.00	1.37%	\$200,000.00
Columbia	2	0.36%	\$121,145.00	\$3,635.00	0.55%	\$60,572.50
Craighead	1	0.18%	\$18,000.00	\$18.00	0.12%	\$18,000.00
Crittenden	2	0.36%	\$55,000.00	\$2,475.00	0.38%	\$27,500.00
Crawford	3	0.55%	\$40,000.00	\$1,800.00	0.27%	\$13,333.33
Cross	2	0.36%	\$30,000.00	\$900.00	0.14%	\$15,000.00
Dallas	3	0.55%	\$73,500.00	\$2,985.00	0.45%	\$24,500.00
Desha	6	1.09%	\$486,000.00	\$12,915.00	1.97%	\$81,000.00
Drew	1	0.18%	\$333,400.00	\$10,002.00	1.52%	\$333,400.00
Garland	18	3.27%	\$1,283,679.00	\$29,815.58	4.54%	\$71,315.50
Hempstead	11	2.00%	\$782,952.12	\$21,590.12	3.29%	\$71,177.47
Hot Spring	3	0.55%	\$89,500.00	\$4,515.00	0.69%	\$29,833.33
Howard	2	0.36%	\$47,000.00	\$1,560.00	0.24%	\$23,500.00
Jefferson	18	3.27%	\$928,702.73	\$37,822.12	5.76%	\$51,594.60
Lafayette	31	5.64%	\$996,672.06	\$24,969.52	3.81%	\$32,150.71
Lee	1	0.18%	\$15,000.00	\$675.00	0.10%	\$15,000.00
Lincoln	1	0.18%	\$48,000.00	\$2,160.00	0.33%	\$48,000.00
Lonoke	3	0.55%	\$386,000.00	\$17,370.00	2.65%	\$128,666.67
Madison	21	3.82%	\$171,300.00	\$7,708.50	1.17%	\$8,157.14
Marion	1	0.18%	\$10,000.00	\$450.00	0.07%	\$10,000.00
Miller	76	13.82%	\$3,464,214.61	\$86,395.70	13.17%	\$45,581.77
Mississippi	2	0.36%	\$33,945.50	\$3,360.00	0.51%	\$16,972.75
Monroe	10	1.82%	\$928,721.63	\$29,884.95	4.55%	\$92,872.16
Newton	3	0.55%	\$30,000.00	\$1,350.00	0.21%	\$10,000.00
Phillips	7	1.27%	\$181,620.00	\$9,700.32	1.48%	\$25,945.71
Pike	1	0.18%	\$11,500.00	\$345.00	0.05%	\$11,500.00
Poinsett	15	2.73%	\$482,490.50	\$38,310.32	5.84%	\$32,166.03
Polk	2	0.36%	\$65,000.00	\$3,675.00	0.56%	\$32,500.00
Pope	1	0.18%	\$20,000.00	\$900.00	0.14%	\$20,000.00
Prairie	1	0.18%	\$62,500.00	\$2,812.50	0.43%	\$62,500.00
Pulaski	38	6.91%	\$695,127.70	\$34,524.99	5.26%	\$18,292.83
Searcy	4	0.73%	\$30,000.00	\$1,350.00	0.21%	\$7,500.00
Sebastian	1	0.18%	\$3,000.00	\$135.00	0.02%	\$3,000.00
Sevier	1	0.18%	\$10,000.00	\$450.00	0.07%	\$10,000.00
St. Francis	9	1.64%	\$221,039.73	\$8,027.30	1.22%	\$24,559.97
Union	2	0.36%	\$90,000.00	\$4,950.00	0.75%	\$45,000.00
Van Buren	1	0.18%	\$31,560.00	\$2,840.40	0.43%	\$31,560.00
Washington	28	5.09%	\$326,000.00	\$14,670.00	2.24%	\$11,642.86
Woodruff	1	0.18%	\$35,241.50	\$3,171.73	0.48%	\$35,241.50
Totals	550	100.00%	\$19,585,652.31	\$656,164.76	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	\$71,827.64	Community State Bank 7 \$429,766.91
Community First Bank	\$7,273.14	Community First Bank 8 61917.88
Southern Bancorp	\$66,885.26	Elk Horn Bank & Trust 8 \$209,161.86
Enterprise Corp of the Delta Regions [closed]	\$85,623.11	Ent Corp of the Delta 1 \$127,000.00
1st Jacksonville Bank [closed]	\$0.00	Regions [closed]
Little River Bank of Lepanto	\$0.00	First Jacksonville Bank 1 \$4,564.07
Alt.Consulting	\$35,991.54	Little River Bank (Inactive) 1 \$47,658.33
ACCION	\$26,915.70	Alt.Consulting 2 \$1,522.66
Fidelity National	\$1.29	ACCION 2 \$48,556.65
FORGE	\$0.00	Fidelity National
	\$65,004.48	FORGE
Totals	\$359,522.16	Claim Totals 33 \$949,822.63

Capital Access Loan Program

Cumulative Program Activity

08-Mar-16

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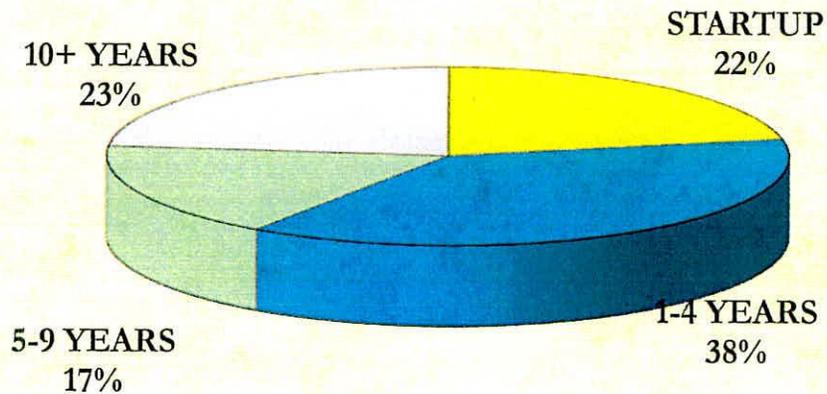
BY SIZE

Guaranteed Loan Size	No. of Loans	% of Loans	Dollar Amount
0-\$24,999	330	60.00%	\$4,875,520.98
\$25,000-\$49,999	120	21.82%	\$4,225,739.50
\$50,000-\$74,999	38	6.91%	\$1,900,533.65
\$75,000-\$99,999	14	2.55%	\$909,682.92
\$100,000-\$124,999	14	2.55%	\$1,364,031.50
\$125,000 and up	34	6.18%	\$6,310,143.76
Totals	550	100.00%	\$19,585,652.31

No. of Jobs	2524
Public \$ Leverage	30.21 to 1

BY AGE

LOANS BY AGE OF BUSINESS



Capital Access Loan Program

Minority Program Activity

March-16

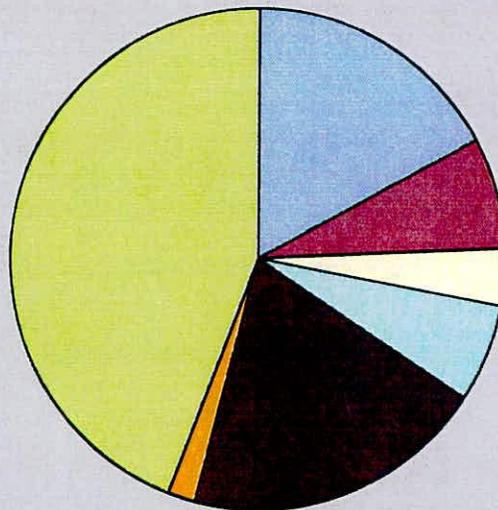
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INDUSTRY	NO. OF LOANS	AMOUNT OF LOANS	PUBLIC FUNDS
11-Nonmfg-Agriculture	19	616,139.50	\$21,908.92
23-Construction	8	108,652.73	\$4,025.37
31, 32, 33: Mfg - Food-Wood-Metal	4	75,939.00	\$2,728.17
48-49 Nonmfg-Transp/PubUtil	7	135,194.63	\$6,967.95
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	49	1,307,485.59	\$51,432.17
Totals	111	\$ 2,670,878.22	\$103,208.44

Program Comparative	NO. OF LOANS	AMOUNT OF LOANS	PUBLIC FUNDS
Totals			
Minority Loan Totals	111	\$2,670,878.22	\$103,208.44
Total Cap Program Activity	550	\$19,585,652.31	\$656,164.76
Percentage Minority Activity	20.18%	13.64%	15.73%

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 3/7/2016	TOTAL # OF LOANS	LOAN AMOUNT	RESERVE ACCT BALANCE	ADFA FEE AMOUNT	BORROWER FEE AMOUNT	MINORITY OWNED	F/T JOBS	P/T JOBS	CLAIM FILED	2015 LOAN BALANCE
BANK NAME										
ARVEST BANK Fort Smith	26	631,291.95	56,732.04	52,370.00	6,313.65	9	94	121		\$448,764.27
Southern Bancorp Arkadelphia	2	53,676.75	4,530.82	4,000.00	525.00	1	2	8		\$35,121.94
TOTALS	28	\$684,968.70	\$61,262.86	\$56,370.00	\$6,838.65	10	96	129		\$483,886.21

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	28	\$684,968.70	\$56,370.00
Percentage Minority/Female Loan Activity	36%		



MEMORANDUM

TO: Board of Directors
FROM: Jack Bell, Farm Mediator
DATE: March 10, 2016
RE: February Farm Mediation Report

06

For the month of February 2016, twenty-three (23) Arkansas farmers were offered mediation and provided statutory notice of the right to request mediation. The amount of debts from the initiating lenders totaled \$9,050,576.01. There were two (2) credit mediations and no USDA /FSA adverse decision voluntary mediation requests.

Plans to attend the CAMP conference are being solidified for May 2016 in Santa Fe, New Mexico. The bi-annual Arkansas ADR Summit will be attended in March of 2016.

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.

5000
10000
CAPITOL BOND
25% COTTON





MEMORANDUM

To: ADFA Board of Directors
 From: Cheryl Schluterman, CPA *CS/KMC*
 Vice President for Finance & Administration
 Re: March Board Report
 Date: March 9, 2016

The following items are presented for Board review:

- **Bond Calls – March 2016**

Bonds Called, From Prepayment, Monthly Remittances and/or Excess Revenues

<u>Single Family Bonds</u>	<u>Amount</u>
2006 Series DE	\$ 265,000
2008 Series C	115,000
2013 Series A	834,677
<u>Multi Family Conduit Issue</u>	
Gables of Maumelle 2001 B	<u>4,240,000</u>
Total Bond Calls	\$ <u>5,454,677</u>

- **Interagency Programs as of February 29, 2016.** 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.

<u>Program</u>	<u>Loan Balance</u>	<u>No. of loans</u>	<u>Net Bond Balance</u>
<u>ANRC</u>			
Wastewater RLF	\$230,045,757	60	\$38,166,206
Safe Drinking	\$171,817,578	60	\$24,925,340
Wetlands Mitigation	\$932,514	2	
<u>Higher Education</u>			
Community/Technical College	\$6,212,716	12	
<u>AEO-AEDC</u>			
Industry Energy Technical	-	0	
Employer Assisted Home Energy	\$88,780	3	
<u>DHS</u>			
Assisted Living Fund	\$760,000	1	



- **Prison Construction Trust Fund as of February 29, 2016**

Bank Balance	Unfunded Contracts	Unfunded Loans	Bonds Outstanding
\$8,545,550	\$6,157,269	\$958,505	\$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 February 29, 2016**

	Cash	Investments	Loans	Total
Enterprise Development				
Ark Risk Capital Matching	\$150,739	\$3,469,479	\$200,000	\$3,820,218
SSBCI		1,629,291		1,629,291
Technology Validation	2,661	1,154,137	\$108,000	1,264,798
Arkansas Co-Investment Fund:				
Discretionary (GQAC)		8,758,730		8,758,730
SSBCI		2,093,023		2,093,023
Arkansas Seed & Angel Network:				
Discretionary (GQAC)		215,000		215,000
SSBCI		2,166,520		2,166,520
Arkansas Venture Capital "General Account"				
Recycled SSBCI	615,403			615,403
Undesignated	402,441			402,441
Totals	\$1,171,244	\$19,486,180	\$308,000	\$20,965,424

The information for February 29, 2016 for the Arkansas Institutional Fund ("AIF") was not available at this report date as we are in the process of transitioning with Cimarron Capital.

State Operating Budget Summary as of February 29, 2016

	Actual	Budget	Percent Expended
Salaries and Benefits	\$3,003,574	\$4,614,328	65%
General Operations	488,801	825,458	59%
Travel and Education	21,788	81,715	27%
Professional Fees and Services	102,623	117,915	87%
Information Technology	139,514	264,512	53%
Capital Outlay	-	23,000	0%
Housing Trust Fund	30,000	45,718	66%
TOTAL OPERATING EXPENDITURES	3,786,300	5,972,646	63%
HUD HOME Program	7,690,887	16,341,215	47%
Neighborhood Stabilization Program (NSP)	-	1,400,000	0%
Special Federal Grants	-	6,600,000	0%
TOTAL FEDERAL PROGRAM EXPENDITURES	7,690,887	24,341,215	32%
TOTAL EXPENDITURES	\$11,477,187	\$30,313,861	38%

- **General Fund Programs as of February 29, 2016**

Program Name	Board Authorization Date	Amount	Original Loan Amount	2/29/2016 Outstanding Balance
Arkansas Tourism Revolving Loan Fund	6/18/1998	\$2,000,000	\$645,000	\$175,817
Habitat for Humanity, Pulaski County	12/20/2012	300,000	224,813	201,411
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	398,754
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	7,069,833
Single Family DPA	**	revolving		6,328,444
TOTAL				<u><u>\$14,174,259</u></u>

*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 January 31, 2016 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.

Training/Conferences Attended by Finance & Administration Department in February 2016:

Forensic Accounting & Litigation (Accounting & Financial Women's Alliance):
Hope Lewis, Kim Poposky, Cheryl Schluterman

Annual Reporting Update (State Small Business Credit Initiative):
Hope Lewis, Cheryl Schluterman

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BALANCE SHEET - UNAUDITED
JANUARY 31, 2016

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	34,531,874	2,587,839	3,814,939	10,679,005	23,289,508	4,316,372	10,060,357	304,735	3,497,445	128,210,138	221,292,212
Accounts receivable		526,719	216	35,418	106,693		382,921			25,268,500	26,320,467
Accrued interest receivable	1,042,491	69,325	19,039	87,856	243,643	5,126	277,272	40,572	3,388	638,670	2,427,382
Accrued rent receivable				2,042	233,281						235,323
Investments, at amortized cost	276,852,534		2,578	17,781,875	2,736,880		59,121,161	4,230,085	5,200,892	158,789,657	524,715,662
Loans receivable, at amortized cost, net		85,101,253	4,543,841	47,409,557	71,941,424	3,165,366	21,313,953	58,956,467	50,000,000	409,309,372	751,741,233
Long Term Receivable											0
Real Estate Owned		72,769					1				72,770
Deferred charges	105,151						827,275			13,875	946,301
Direct Financing Leases				3,288,597	113,068,968						116,357,565
Installment Sale Agreements											0
Capitalized Assets							46,087				46,087
TOTAL ASSETS	312,532,050	88,357,905	8,380,613	79,284,350	211,620,397	7,486,864	92,029,027	63,531,859	58,701,725	722,230,212	1,644,155,002
LIABILITIES AND FUND BALANCES											
LIABILITIES:											
Bonds and notes payable, net of unamortized discounts and premiums	203,923,940	2,125,000		58,425,000	191,380,000			83,101,467	50,000,000	63,170,240	652,125,647
Accrued interest payable	596,249	16,797		508,401	1,358,246			209,152		446,079	3,134,924
Accounts payable		278,429	1,944,489	35,519	6,358,473	4,274	885,100	12,796	3,424,178	25,001,819	37,945,077
OPEB and pension liabilities							4,553,898				4,553,898
Deferred fees, advances, grants and credits				3,894,967	12,522,593	22,641	1,093,125	3,760,946	5,277,547	42,262	26,614,081
Total liabilities	204,520,189	2,420,226	1,944,489	62,863,887	211,619,312	26,915	6,532,123	87,084,361	58,701,725	88,660,400	724,373,627
FUND BALANCES											
Restricted by bond resolution and programs	108,011,861	85,937,679	6,436,124	16,420,463	1,085	7,459,949		(23,552,502)	0	633,569,812	834,284,471
Invested in capital assets							46,087				46,087
Unrestricted							85,450,817				85,450,817
TOTAL LIABILITIES AND FUND BALANCES	312,532,050	88,357,905	8,380,613	79,284,350	211,620,397	7,486,864	92,029,027	63,531,859	58,701,725	722,230,212	1,644,155,002

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR
THE SEVEN MONTH PERIOD ENDED JANUARY 31, 2016 - 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		415,190	27,437	1,305,590	3,876,565	48,079	486,887	1,664,411		4,447,529	12,271,688
Investments	7,631,230	583	395	153,452		1,209	1,158,716			435,599	9,381,184
Amortization of discounts and premiums on loans and investments, net	85,858		(80)	(3,356)			14,017			(175,551)	(79,112)
Financing fee income		372		168,629		47,077	2,090,690			2,290,816	4,597,584
Total Interest Income	7,717,088	416,145	27,752	1,624,315	3,876,565	96,365	3,750,310	1,664,411	-	6,998,393	26,171,344
Federal financial assistance		4,828,186		168,930	215,791		41,177			18,796,898	24,050,982
Other income (loss)				(9,818)			4,871			75,199	70,252
TOTAL REVENUES	7,717,088	5,244,331	27,752	1,783,427	4,092,356	96,365	3,796,358	1,664,411	-	25,870,490	50,292,578
EXPENSES:											
Interest on bonds and notes:											
Current interest	4,564,368	12,315		1,258,471	4,091,271			772,824		1,567,463	12,266,712
Accreted interest								1,664,411			1,664,411
Total interest on bonds and notes	4,564,368	12,315	0	1,258,471	4,091,271	0	0	2,437,235	0	1,567,463	13,931,123
Amortized public discounts and premiums on bonds and notes	(207,436)									(550,860)	(758,296)
Amortized bond and note issuance cost											0
Provision for losses		(874,642)	533,898	(49,896)		319,981	126,339				55,680
Federal financial assistance programs		2,653,140		168,930						2,324,083	5,146,153
Pymts to BMIR Reincintive Participants											0
Administrative expenses:											
Salaries and benefits		506,867					2,696,463				2,696,463
Operations and maintenance		50,846					705,259				1,212,126
Other	542,183	50,846	(1,353)	116,674		40,337	275,091			189,613	1,213,391
TOTAL EXPENSES	4,899,115	2,348,526	532,545	1,494,179	4,091,271	360,318	3,803,152	2,437,235	0	3,530,299	23,496,640
REVENUES OVER (UNDER) EXPENSES	2,817,973	2,895,805	(504,793)	289,248	1,085	(263,953)	(6,794)	(772,824)	0	22,340,191	26,795,938
Transfer (to) from other funds	28,436	858				(264,134)	(171,810)			(1,488,763)	(1,895,413)
REVENUES OVER (UNDER) EXPENSES	2,846,409	2,896,663	(504,793)	289,248	1,085	(528,087)	(178,604)	(772,824)	0	20,851,428	24,900,525
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	108,011,861	85,937,679	6,436,124	16,420,463	1,085	7,459,949	85,496,904	(23,552,502)	0	633,569,812	919,781,375

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
DELINQUENCY AND OTHER REAL ESTATE SUMMARY
February-16**

Program	Program Name	Number of Loans Delinquent	Delinquent Payments			Total Delinquent Loan Balance	Total Program Loan Balance
			1 Payment	2 Payments	3 or More Payments		
21	Rural Housing Multifamily	0	\$ -	\$ -	\$ -	\$ -	\$ 1,222,895.99
27	Tax Credit Assistance Program (TCAP)	1	\$ -	\$ -	\$ 10,420.86	\$ 490,749.20	\$ 19,470,437.71
28	Exchange Program Forgivable Loans	0	\$ -	\$ -	\$ -	\$ -	\$ 92,869,859.00
31	Guaranteed ED	3	\$ 18,162.38	\$ -	\$ 82,752.31	\$ 2,003,628.11	\$ 56,594,636.58
35	Arkansas Department of Correction	0	\$ -	\$ -	\$ -	\$ -	\$ 5,141,495.17
49	Assisted Living Revolving Fund (ALIF)	0	\$ -	\$ -	\$ -	\$ -	\$ 760,000.00
50	CDBG	0	\$ -	\$ -	\$ -	\$ -	\$ 7,700,000.00
52	PRLF	0	\$ -	\$ -	\$ -	\$ -	\$ 2,019,828.95
65	SSBCI	4	\$ -	\$ -	\$ 227,963.66	\$ 1,523,568.72	\$ 3,954,258.01
70	Settlement Funds Repayable Loans (SH)	3	\$ 1,252.28	\$ -	\$ -	\$ 131,025.58	\$ 4,240,529.60
81	FAF/BMIR	25	\$ -	\$ 6,458.11	\$ 161,330.95	\$ 1,374,622.72	\$ 7,475,569.37
81	CTC (College Tech)	0	\$ -	\$ -	\$ -	\$ -	\$ 6,212,715.93
81	DPA (Repurchased)	5	\$ -	\$ -	\$ 9,685.65	\$ 7,948.04	\$ 7,948.04
81	DPA (Table Funded)	32	\$ -	\$ -	\$ 3,724.70	\$ 2,509.95	\$ 51,273.58
81	Habitat for Humanity	0	\$ -	\$ -	\$ -	\$ -	\$ 201,411.06
81	Project Fund (Direct Loans)**	0	\$ -	\$ -	\$ -	\$ -	\$ 5,211,976.39
81	RECDS	0	\$ -	\$ -	\$ -	\$ -	\$ 27,641.40
81	Tourism Reserve Fund	0	\$ -	\$ -	\$ -	\$ -	\$ 175,816.54
83	Bond Guaranty Fund	0	\$ -	\$ -	\$ -	\$ -	\$ 2,945,519.27
84	HOME	104	\$ 7,117.67	\$ 13,306.26	\$ 537,676.50	\$ 8,780,367.54	\$ 108,186,174.41
95	Neighborhood Stabilization (NSP)	0	\$ -	\$ -	\$ -	\$ -	\$ 15,169,484.51
96	Neighborhood Stabilization (NSP)III	0	\$ -	\$ -	\$ -	\$ -	\$ 4,750,000.00
TOTAL		177	\$ 26,532	\$ 19,764	\$ 1,033,555	\$ 14,314,420	\$ 344,389,472

DELINQUENT LOAN BALANCES

	30 Days	60 Days	90 or More	Total Delinquent	Program Balance
Master Servicing *	\$ 23,591.85	\$ -	\$ 42,766.73	\$ 66,358.58	\$ 273,346.73

OTHER REAL ESTATE OWNED

Program	Property Name	Value
HOME	FANNIE CAMPBELL	24,000
HOME	RAYMOND ADAMS	21,632
HOME	WILLIE EARL KING	26,704
NSP	3 REED PROPERTIES	3
		\$ 72,339

FINANCED SALES OF REO

ECONOMIC DEVELOPMENT	Bradley Lumber/Ouachita Hardwood Lease	403,000
ECONOMIC DEVELOPMENT	PBS Lumber/Victory Lumber Lease	526,052
ECONOMIC DEVELOPMENT	H&l Poultry/ Ozark Mountain Poultry	1,481,331
		\$ 2,410,383

INSUBSTANCE FORECLOSURES

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

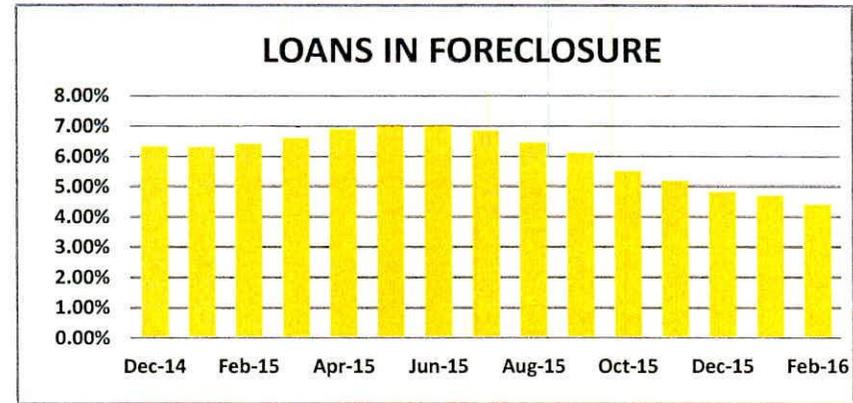
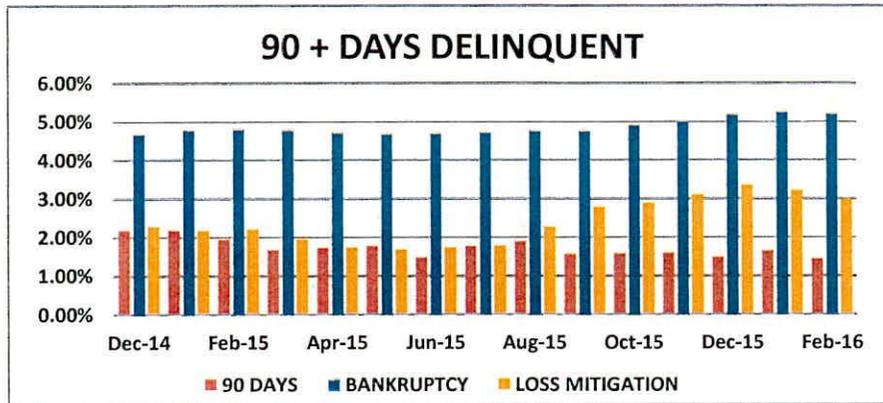
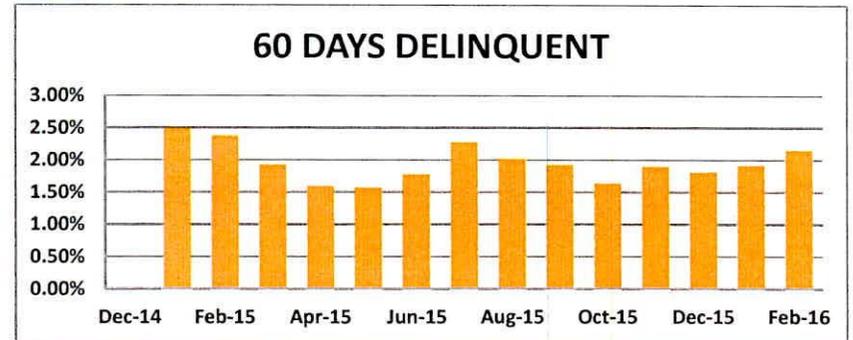
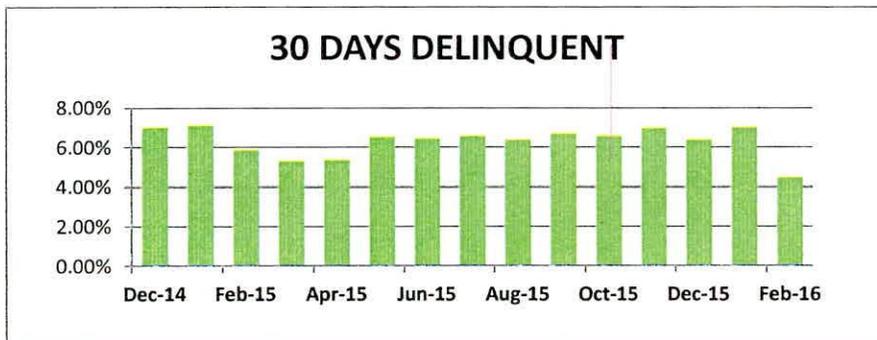
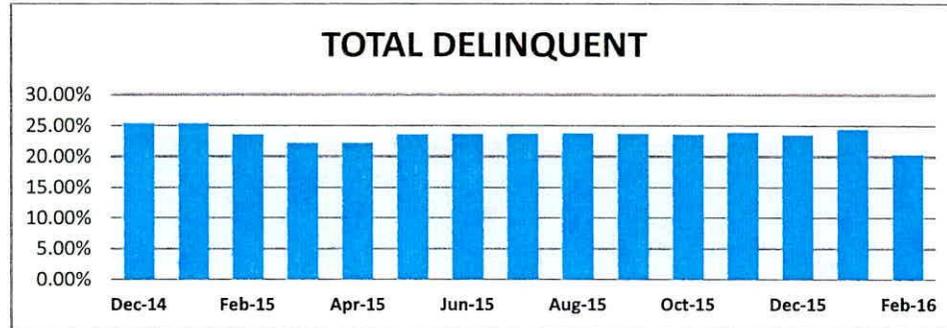
*Primarily Single Family Whole Loans

**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.

US BANK MASTER SERVICING DELINQUENCY REPORT FOR FEBRUARY 2016

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



DELINQUENCY REPORT PRESENTED TO THE BOARD OF DIRECTORS FOR FEBRUARY 2016
DIRECT SERVICED - MASTER SERVICED - 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.

