

Grantee: State of Arkansas

Grant: B-08-DN-05-0001

October 1, 2010 thru December 31, 2010 Performance Report

Grant Number:

B-08-DN-05-0001

Obligation Date:**Grantee Name:**

State of Arkansas

Award Date:**Grant Amount:**

\$19,600,000.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

No QPR Contact Found

Disasters:**Declaration Number**

NSP

Narratives**Areas of Greatest Need:**

The NSP for Arkansas is authorized by the Housing and Economic Recovery Act ("HERA") (Public Law 110-289), which was signed into law by President Bush on July 30, 2008. Originally introduced as HR 3221, HERA Division B, Title III, establishes the NSP grant under the Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes heading. The NSP is administered by the Department of Housing and Urban Development ("HUD") and is considered a special Community Development Block Grant ("CDBG") allocation. CDBG allocations for Arkansas are administered by statute by the Arkansas Economic Development Commission ("AEDC"). Arkansas is expected to receive \$19,600,000 for the 2009 Program Year, contingent upon application approval by HUD. Arkansas Development Finance Authority ("ADFA") the housing agency for the state of Arkansas, has been designated by AEDC as administrator of NSP funds for the State of Arkansas. This designation is by virtue of a Memorandum of Understanding (MOU) executed by AEDC and ADFA dated October 7, 2008. ADFA will distribute NSP funds for the following "eligible uses": 1.Acquisition of abandoned and foreclosed properties; 2.Rehabilitation of acquired abandoned and foreclosed properties; 3.Demolition of blighted abandoned and foreclosed structures acquired using NSP funds; 4.Reasonable developer's fees related to NSP-assisted housing rehabilitation or construction activities; 5.New construction; 6.Sale of residential properties acquired or acquired/rehabilitated using NSP funds; 7.Rental of residential properties acquired or acquired/rehabilitated using NSP funds; 8.Payment of reasonable down payment and closing cost assistance; 9.Interest rate buy-down for fixed-rate first mortgages for eligible purchasers; 10.General administration and planning activities. 11.Provide mortgage counseling to all purchasers of properties constructed, acquired or acquired/rehabilitated with NSP funds. The NSP funding is available statewide to any unit of local government, nonprofit organization, public housing authority, or private developer. Priority will be given to applicants proposing a project located in an area meeting the criteria established for greatest needs. ADFA anticipates that the amount of funds that can be applied for and approved will vary with population and need of the area. ADFA reserves the right to adjust contracted amounts based upon actual performance and progress to use the funds within

Distribution and and Uses of Funds:

AREAS OF GREATEST NEED In determining areas of greatest need, ADFA will rely upon data provided by: 1)Local Initiatives Support Corporation ("LISC") 2)Department of Housing & Urban Development ("HUD") The Needs Score for areas in Arkansas range from 0 to 100, with a median score of 0.90. ADFA has determined a minimum Needs Score of 1.0 to indicate the areas of greatest need. Using LISC's Needs Score by U.S. Postal Service zip code area, ADFA has established the following as areas of greatest need ("Priority Areas"), translated into priority points: Level 1 - USPS zip code areas with INF score \geq 10.0 15 priority pts Level 2 - USPS zip code areas with INF score \geq 3.0 but \leq 9.9 10 priority pts Level 3 - USPS zip code areas with INF score \geq 1.0 but \leq 2.9 5 priority pts In addition, ADFA has designated additional areas of need, to be those 15 counties in Arkansas, identified by HUD, with the highest number of foreclosures ("Priority Counties"). Category A - counties with 1000 or more foreclosures: Benton; Pulaski; & Washington 10 priority pts Category B - counties with 500-999 foreclosures: Craighead; Garland; Saline; & Sebastian 7 priority pts Category C - counties with 300-499 foreclosures: Boone; Crawford; Crittenden; Faulkner; Jefferson; Lonoke; Mississippi; & White 5 priority pts DISTRIBUTION & USES OF FUNDS ADFA will distribute NSP funds on a competitive basis. Applicants must submit an application in accordance to established guidelines. Staff will review & score all applications according to Proposed Scoring Criteria. Points will be given to each application based upon: Need; Capacity; Financing; Quality of Plan; Ultimate Neighborhood Stabilization Goals; Time of Performance. Staff will submit their recommendations to ADFA's Board of Directors for final decision. DEFINITIONS & DESCRIPTIONS A structure shall be defined as blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, & public welfare. The Arkansas Code does not provide a definition of a "blighted structure." For purposes of the NSP, "affordable rents" shall be in accordance with the HOME Program Rents & FMRs as delineated in the HOME Investment Partnerships Program. The "affordable rents" are as follows: •Beneficiaries whose total household income is \leq 50% of AMI •Low HOME Rent •Beneficiaries whose total household income is 50%-60% of AMI •High HOME Rent •Beneficiaries whose total household income is 60%-120% of AMI •FMR Any activities undertaken NSP funds must adhere to affordability

requirements as follows based on the total amount of NSP funds used for the activity: • 5 years---Under • 10 years-- \$15,000-\$40,000 • 15 years-- Over \$40,000 • 20 years---New construction or acquisition of rental Housing that is rehabilitated or constructed with NSP funds shall, upon completion, meet or exceed all applicable minimum housing code & accessibility standards, as established by ADFA, & all state & local housing, State Model Energy Code, zoning, fire, & building codes, as amended. The ADFA Minimum Design Standards & the ADFA HOME Program General Specifications/Performance Manual describe construction/rehabilitation standards established by the agency. **LOW INCOME TARGETING** At least 25% of funds must be used for housing individuals & families whose incomes do not exceed 50 percent of area median income. The remaining balance of funds will target households at or below 120% AMI. On 11/14/08 ADFA advertised & posted on their website for public comments. Comments were received from 8 entities. All comments received were included in the submission to HUD on December 1, 2008.

Definitions and Descriptions:

Low Income Targeting:

Acquisition and Relocation:

Public Comment:

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$19,600,000.00
Total CDBG Program Funds Budgeted	N/A	\$19,600,000.00
Program Funds Drawdown	\$110,751.27	\$9,550,726.54
Obligated CDBG DR Funds	\$0.00	\$19,600,000.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$2,940,000.00	\$0.00
Limit on Admin/Planning	\$1,960,000.00	\$90,630.92
Limit on State Admin	\$0.00	\$90,630.92

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$4,900,000.00	\$12,480,974.00

Overall Progress Narrative:

During this quarter, staff continued to provide technical assistance to all our subrecipients. Fort Smith Housing Authority is 67% complete. They have identified a possible homebuyer for their first sale in 2011. City of North Little Rock is scheduled to close and will begin construction in the near future. Reed Property Group I have closed and schedule to begin construction in the near future. A pre-construction conference was conducted with The Meadows of Rogers and construction is schedule to start next quarter.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
NSP ACQ/R SF (B), Acquisition & Rehab (Single Family)	\$0.00	\$1,838,184.00	\$165,549.50
NSP ACQ/RR (B), Acquisition & Rehab (Rental)	\$0.00	\$7,748,974.00	\$7,748,915.03
NSP ADMIN, Administration	\$9,009.05	\$1,960,000.00	\$90,630.92
NSP DEM (D), Demolition	\$0.00	\$0.00	\$0.00
NSP HCN (E), Housing Counseling	\$0.00	\$0.00	\$0.00
NSP NCSF (E), New Construction (Single Family)	\$101,742.22	\$3,320,842.00	\$880,936.81
NSP RNC (E), New Construction (Rental)	\$0.00	\$4,732,000.00	\$664,694.28

Activities

Grantee Activity Number:	1-NSP ADMIN
Activity Title:	NSP ADMINISTRATION

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

NSP ADMIN

Project Title:

Administration

Projected Start Date:

03/20/2009

Projected End Date:

03/20/2013

Benefit Type:

N/A

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

ADFA

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,960,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,960,000.00
Program Funds Drawdown	\$9,009.05	\$90,630.92
Obligated CDBG DR Funds	\$0.00	\$1,960,000.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

ADMINISTRATION

Location Description:

ADFA ADMINISTRATION

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: 5-NSP SFNC (FT. SMITH HA)
Activity Title: FT. SMITH HOUSING AUTHORITY

Activity Category:

Construction of new housing

Project Number:

NSP NCSF (E)

Projected Start Date:

04/01/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

New Construction (Single Family)

Projected End Date:

10/01/2011

Completed Activity Actual End Date:

Responsible Organization:

ADFA

Overall

Oct 1 thru Dec 31, 2010

To Date

Total Projected Budget from All Sources	N/A	\$1,317,339.00
Total CDBG Program Funds Budgeted	N/A	\$1,317,339.00
Program Funds Drawdown	\$101,742.22	\$880,936.81
Obligated CDBG DR Funds	\$0.00	\$1,317,339.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Location Description:

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources
