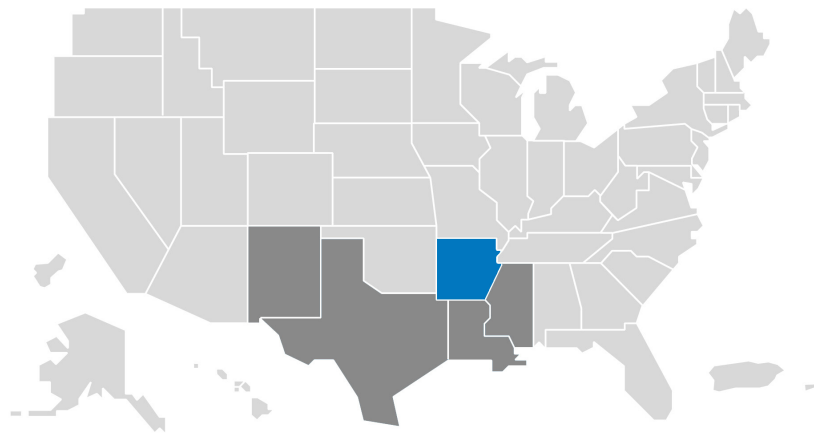


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



Member driven.
Community focused.

ARKANSAS
STATE REPORT

ARKANSAS STATE REPORT

Table of Contents



Rental, Home Construction and Rehabilitation Activities Economic Basis	2
Home Purchase Activities Economic Basis.....	3
Rental, Home Construction and Rehabilitation Activities Economic Impact	4
Home Purchase Activities Economic Impact.....	5
Story Narrative.....	6
Story Narrative.....	7
Project Profile: Rental Activities	8

Since its creation in 1989, the Federal Home Loan Bank System’s Affordable Housing Program (AHP) has been a substantial and valuable source of real estate equity for the financing of affordable housing in the United States. From 1990 through 2016, the 11 Federal Home Loan Banks (FHLBanks) collectively contributed more than \$4.1 billion (\$5.4 billion in inflation-adjusted dollars) in AHP real estate finance equity for rental, home construction and rehabilitation activities. This equity was combined with \$65.7 billion (\$83.9 billion in inflation-adjusted dollars) in leveraged dollars from other private and public sources, enabling \$69.9 billion (\$89.3 billion in inflation-adjusted dollars) in total development funding for more than 601,000 housing units. From 1995 through 2016, the FHLBanks also collectively contributed approximately \$1.0 billion (\$1.2 billion in inflation-adjusted dollars) in AHP equity for down payment assistance and mortgage principal reduction, assisting more than 183,000 home purchase activities. Each FHLBank allocates at least 10 percent of its annual net earnings to fund its AHP. As such, the continued operating and mission success of the FHLBanks has directly enhanced the development and purchase of affordable housing throughout the country and has had a positive impact on local and state economies and on the national economy. The state of Arkansas is in the Dallas district. This report details the economic impact of housing within Arkansas that has been enhanced by AHP funding from 1990 through 2016.*

* Note: some projects within Arkansas may have received AHP funding from a Federal Home Loan Bank other than FHLBank Dallas. For further detail on the economic impact study methodology, please see: Study Methodology and Appendices Report.

ARKANSAS Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$27.25 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$34.98 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$270.58 MILLION

DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

\$347.74 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **870**

PROJECTS

Projects refers to the distinct use of AHP funding for a specific acquisition, construction or rehabilitation of building(s) or housing unit(s).

 **5,359**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

ARKANSAS Home Purchase Activities

Economic Basis



\$9.51 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$12.25 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$48.83 MILLION

FIRST MORTGAGES

First Mortgages refers to the volume and value of first-lien position mortgages financed by lenders in a home purchase activity.

\$55.60 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED



2,084

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

ARKANSAS Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$675.99 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with rental, home construction and rehabilitation enhanced by AHP funding.



5,446 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced rental, home construction and rehabilitation activities.



\$224.11 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.94

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home construction and rehabilitation of affordable rental and housing units.

\$21.01 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

All dollars are in inflation-adjusted dollars.

ARKANSAS Home Purchase Activities

Economic Impact



\$426.11 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with home purchases, enhanced by AHP funding.



2,916 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced home purchase activities.



\$107.10 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

2.04

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home purchases of affordable housing units.

\$12.02 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

All dollars are in inflation-adjusted dollars.

Grant Helped Arkansas Mother Purchase First Home



Morgan Drayton

After renting an apartment for two years, Morgan Drayton decided that she wanted a home of her own. Wanting to save money for a down payment on a home, the 23-year-old mother of two moved into her parents' house.

A \$7,000 Homebuyer Equity Leverage Partnership (HELP) grant from Centennial Bank and the Federal Home Loan Bank of Dallas (FHLB Dallas) was just what Ms. Drayton needed to get out of her parents' house and into one of her own. The 2016 grant gave Ms. Drayton the necessary capital she needed for a down payment for a three-bedroom, two-bathroom home in Conway, Arkansas.

HELP grants are offered by FHLB Dallas through its member financial institutions, like Centennial Bank, to assist income-qualified, first-time homebuyers with down payments and closing costs on newly constructed or existing homes.

Ms. Drayton says her new home gives her the space needed for her five-year-old son, infant daughter and dog.

"I love my new home because it is mine," she says. "Also, I didn't want to be a renter because rent payments were higher than my mortgage payment. I also wanted to build equity, which is impossible as a renter."

Centennial Bank CRA Officer Jera Horton says HELP grants are a great way to get first-time homebuyers across the finish line.

"HELP recipients work hard to get to where they are," she says. "The grant gives them that extra boost they need to realize their dream of homeownership."

**Centennial Bank
Arkansas**



Disabled Adults Live Independently with Help of Affordable Housing Program Grant



Harold Court

While conducting a tour of her daughter’s two-bedroom apartment, Jackie Gorton made it clear that her 26-year-old daughter has always been particular about the placement of her items. As guests toured the neatly kept apartment, which was decorated with posters from the Disney movie “Frozen,” Gorton expressed her gratitude for the services provided by Harold Court, a 14-unit apartment complex in Little Rock, Arkansas that allows physically and developmentally disabled adults to live independently.

“Harold Court is the best thing to happen to us. It has allowed my daughter to live independently because of the 24-hour adult supervision Harold Court provides,” says Gorton.

In addition to supervision, the complex, developed by Easter Seals Arkansas, also offers services such as transportation to nearby grocery stores, as well as a clubhouse in the main building where residents socialize.

Thanks in part to a \$98,000 Affordable Housing Program grant from Bank OZK and the Federal Home Loan Bank of Dallas, Harold Court was able to make updates to the facilities to make life even more enjoyable for its residents. Updated amenities include sprinkler systems and new fencing.

Open to residents since May 2015, Harold Court is built on land donated to Easter Seals and is close to shopping and two blocks from city transportation. Its name honors Harold Rousch, one of the first residents of an Easter Seals property, Armistead Village, in Little Rock. Rousch passed away in 2011, but his memory lives on through the independence enjoyed by Harold Court residents and those who knew him.

“We helped Harold get his first job at a local restaurant,” says Mac Bell, development director at Easter Seals Arkansas. “His parents didn’t think he could live independently, but we helped prove that he could live on his own.”

**Little Rock
Arkansas**



ARKANSAS

Project Profile: Rental Activity



Harold Court

A \$98,000 Affordable Housing Program grant from Bank OZK and the Federal Home Loan Bank of Dallas funded updates to Harold Court, a 14-unit apartment complex allowing physically and developmentally disabled adults to live independently. Updated amenities funded by the grant to the Little Rock, Arkansas complex include sprinkler systems and new fencing.

Open to residents since May 2015, Harold Court is built on land donated to Easter Seals and is close to shopping and two blocks from city transportation. In addition to 24-hour supervision, the complex, developed by Easter Seals Arkansas, also offers services such as transportation to nearby grocery stores, as well as a clubhouse in the main building where residents socialize.

SOURCES

Housing and Urban Development (HUD)	\$	1,491,100
Central Arkansas Planning and Development District	\$	125,000
AHP Grant - FHLB Dallas	\$	98,000
Easter Seals	\$	40,157
Total	\$	1,754,257