

Action Plan

Grantee: Southern Bancorp Capital Partners

Grant: R-I1-0A-RC-0002

LOCCS Authorized Amount:	\$ 1,998,621.00
Grant Award Amount:	\$ 1,998,621.00
Status:	Reviewed and Approved
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Total Budget:	\$ 1,998,621.00

Funding Sources

Funding Source	Funding Type
Southern Bancorp Community Partners	Other Private Funds
Phillips County Community College	Other Private Funds
Southern Bancorp Bank	Other Private Funds
Main Street Helena	Other Private Funds
Phillips County Chamber of Commerce	Other Private Funds

Narratives

1. Capacity of the Applicant and Relevant Organizational Experience:

RATING FACTOR 1: CAPACITY AND RELEVANT EXPERIENCE

1(a) Applicant Capacity:

Southern Bancorp Capital Partners (DBA: Southern Bancorp Community Partners, SBCP, the applicant) requested \$1,998,621 to conduct a three-year Rural Innovation project under Category 1, Comprehensive Approach, in Helena-West Helena (HWH), the county seat of Phillips County, Arkansas. Phillips County is a rural community located on the banks of the Mississippi River in the heart of the Lower Mississippi Delta Region. SBCP has invested more than 20 years working to revitalize struggling rural communities in Arkansas and Mississippi. SBCP has worked in Phillips County since 2004, leveraging more than \$100 million in investments from multiple sources for projects including a \$25 million biodiesel plant, a 20-unit affordable housing development, and KIPP Delta, a nationally-renowned public charter school. SBCP's work in Phillips County has garnered national accolades, including the Council on Foundations, Critical Impact Award and Bloomberg's BusinessWeek 2010 Top Social Entrepreneurs in America, and is increasingly recognized as a best practice model for rural revitalization. This experience, combined with SBCP's full-time community development staff, existing partnerships with key local organizations, and ability to manage and leverage significant and diverse funding streams, ensures that SBCP will successfully execute the proposed project. SBCP is a nonprofit affiliate of Southern Bancorp (collectively, Southern), a \$1.1 billion rural development bank serving 80,000 customers through 39 branches in rural communities from northern Arkansas to the Gulf Coast. Southern's community banks and nonprofit affiliates provide an array of development, housing, and asset-building services that affect all aspects of community and economic development in the struggling rural communities that Southern serves. SBCP and Southern Bancorp are each certified as Community Development Financial Institutions (CDFIs) by the U.S. Treasury Department. Southern seeks to achieve three 20-year transformational goals in its communities: reduce poverty, increase employment, and raise educational attainment. SBCP's affiliation with Southern, the nation's largest rural development bank, equips it with financial resources, administrative capacity, and networking opportunities that significantly increase its ability to create community impact beyond the ability of typical nonprofit development agencies. The project outlined under Rating Factor 3 below builds directly on the work SBCP has done in Helena-West Helena over the past nine years. This process has involved mobilizing hundreds of local residents from diverse backgrounds to develop and execute a comprehensive strategy for revitalizing their struggling community. The community's goals are contained in a Strategic Community Plan document, which touches on five pillars of community life: economic development, tourism, quality of life, healthcare, education, and leadership development. Residents are organized into a Steering committee, all-volunteer goal



teams, and executive committees to work on specific projects. SBCP provides support to residents, technical assistance to local groups, and access to financing. This model has proven tremendously effective in bringing complex, high-impact projects to fruition, with more than \$100 million leveraged for projects that touch every aspect of SBCP's Economy, referred to as "Delta Innovations".

With regard to housing, SBCP provided and leveraged financing for the county's first quality affordable housing development in several decades. The \$2.1 million, 20-unit, Southern Place Apartments was developed and is managed by Southern Bancorp Community Development Corporation, which owns more than 120 units of affordable housing across the region. SBCP has also worked to develop multiple loft apartments above businesses on downtown Helena's main thoroughfare and five units owned by the Boys, Girls, and Adults CDC in a nearby community. SBCP spearheaded the removal of 347 condemned or dilapidated homes and buildings in the HWH community; another 36 have been cleared by the City. These properties provide viable and shovel-ready properties for new construction as the economy begins to improve.

SBCP has also helped to launch several significant economic development initiatives in Phillips County, including a \$25 million biodiesel plant, a \$2.1 million sweet potato processing facility (which created a new industry in the county that benefitted limited resource minority farmers and produced 25 new jobs), and a new small business incubator which is operated by the local community college. Through over \$3.5 million of financing and \$750,000 in grant support, SBCP brought KIPP Delta Preparatory School to HWH (producing 90 new jobs and nearly doubling the number of college-ready high school graduates in the county) and helped finance a new \$4.5 million health and wellness center. SBCP also spearheaded a \$400,000 process with the Helena-West Helena community and consultants to develop a master plan for revitalizing the historic downtown business district. SBCP helped raise more than \$3.5 million in grant funding and established a \$3 million revolving loan fund for downtown projects. Loans from this revolving fund have helped to expand the Quapaw Canoe Company, which has attracted national attention for its unique Mississippi River boat trips; opened a renovated historic home as the area's first top-notch bed and breakfast inn; and funded the renovation of an historic property as a personal residence. In addition to its community development activities, SBCP operates a \$15 million development lending program for community facilities and small businesses in its market areas.

In the process of delivering these results, SBCP has developed deep ties with diverse parts of the Helena-West Helena community as well as a sophisticated understanding of how to create economic impact and social change in this community. SBCP has also learned effective strategies for engaging low-income residents, a hard-to-reach population. Additionally, SBCP has built significant capacity to manage diverse funding streams and leverage investments, including federal, state, and foundation grants; market-rate and below-market loans; and direct grant and loan investments from Southern Bancorp and SBCP itself. Southern collectively has made \$6.3 million in grants and more than \$6.75 million in loans for Phillips County projects since 2005. The proposed project, outlined below, would similarly require SBCP to mobilize community groups, administer diverse funding streams, and deliver tangible results. In this case, the results will include 74 new jobs, 10 new businesses, and 106 one-on-one consultations in purchasing or renovating 95 homes.

Capability and Qualifications of Key Staff. SBCP will serve as the organizing body, fiscal agent, and chief representative to HUD for the proposed project, and ensure its successful execution. Southern's extensive experience managing public and private grants indicates its capacity to administer HUD funds. SBCP's affiliation with Southern is a unique advantage, aligning SBCP with a large bank that has substantial financial resources, a mission to promote social change, and a clear strategy for bringing about that change. Further, because it is so closely aligned with a federally-regulated profitable banking institution, SBCP maintains a much higher level of fiscal discipline and administrative accountability than the typical nonprofit organization. SBCP staff possess diverse backgrounds in relevant fields, specific experience with similar projects, and strong relationships in the region that will contribute to the project. The following SBCP staff will be involved in the project:

Joe Black, SBCP President, previously served as project director for the HUD RIF program. Mr. Black has been on extended medical leave for the past few months and is not expected to return in the short-term. SBCP's CEO Tanya Wright has provided administrative oversight for this project since Mr. Black's leave began. Ms. Wright has recently taken a new position with SBCP's affiliate, though she continues to be involved in the project on an as-needed basis. Mr. Dominik Mjartan, SBCP's recently-appointed CEO leads SBCP in its mission to revitalize rural communities in Arkansas and Mississippi. Mr. Mjartan has been with Southern since 2006. He was formerly a senior vice president for Southern, managing Southern's product development, communications, marketing, resource development, social metrics, and corporate strategy development. Mr. Mjartan continues to administer these programs in addition to providing leadership across SBCP's organization. He formerly served as a director of a high tech company providing services to the Fortune 500 sector. He earned an MBA from the University of Ulster.

Tim Schuringa was SBCP's Senior Community Development Officer in Phillips County and previously served since 2004, has served as project manager, overseeing day-to-day implementation of the planning project in the community and devoting 50 percent of his time to this project. Mr. Schuringa has resigned his position to pursue a doctorate degree. In August 2013, SBCP hired Mr. Mircha King as Senior Community Development Officer in Phillips County. A Boston native, King received his Bachelor's degree from the University of Massachusetts Amherst, his Master's degree from the University of Arkansas Clinton School of Public Service and his Juris Doctor degree from the William H. Bowen School of Law. In addition to legal work in the areas of labor law, including a year working with Labor Law Service Center International in China, King has served as a development consultant for the Arkansas Land and Farm Development Corporation in Brinkley and program director for the Federation of Southern Cooperatives Land Assistance Fund in Atlanta, Ga. King has been working closely with Mr. Choate and Ms. Gerber toward implementation of the HUD RIF grant. Mr. King has recently left SBCP and Dr. Karama Neal now supervises all community staff. Dr. Karama Neal, who has served as the director for SBCP's family economic services, including housing and credit counseling programs, has recently been promoted to Chief Operating Officer. Dr. Neal has increased her involvement with the HUD RIF project, overseeing all community staff for SBCP at this time. Her qualifications are discussed below.

To ensure there were no further delays in the implementation of the HUD Rural Innovation program, SBCP has contracted with Dustin Choate as a consultant to serve as project manager for the economic development and Community Champion activities of the HUD Rural Innovation grant. Choate devoted 45 percent of his time to the HUD RIF project. In 2012, Mr. Choate was appointed a full-time community Development Officer for SBCP and since that time has devoted approximately 60 percent of his time to the RIF project. Mr. Choate is a graduate of the Clinton School of Public Service and holds a bachelor degree in Economics and Sociology from Wheaton College. Mr. Choate has participated in multiple business development projects in Arkansas and international development initiatives in Kampala, Uganda. He is well-suited to serve in this capacity. Choate continues to work to implement the Helena Start-up Challenge, facilitate the entrepreneur training and assistance effort, and provide assistance to Ms. Gerber on the Riverside Renewal Project (downtown development project). As Mr. Choate's position with the HUD project is winding down, he will be leaving in the coming weeks to pursue a graduate degree. Concerned about moving the RIF project forward, SBCP contracted with Ms. Brooke Gerber in June 2013 to take the lead in the Helena Job Incentive, Community



Champion, and Riverside Renewal Project, with Mr. Choate's assistance. Ms. Gerber received a bachelor degree in journalism, public relations, advertising and applied communication and a Master's in Public Administration in non-profit/public/organizational management from the University of Georgia. Before contracting with SBCP, Gerber served as the program coordinator for Together for Hope in Arkansas and as a Graduate Assistant in the School of Public and International Affairs at the University of Georgia. Ms. Gerber's current contract is 100 percent directed toward the HUD RIF project. Dr. Neal and other HUD program staff will ensure that all HUD project efforts continue through the end of the no-cost extension.

Julia Nordsieck served as a project manager for the Delta Bridge Project in Phillips County since 2010 and for a brief time filled in for Mr. Schuringa; she no longer works with SBCP. Cathy Cunningham is a community development officer on contract, was initially expected to work on the HUD project, but other responsibilities have precluded her from having the time to devote to the project, though she continues to provide technical assistance where necessary. Ben Kaufman currently serves as SBCP's Social Metrics Director, replacing Mr. John Yarbrough in that position. Mr. Kaufman is responsible for tracking, reporting and analyzing Southern's program data and will devote 5-10 percent of this time to the HUD Rural Innovation grant as needed for evaluation and reporting purposes. Mr. Kaufman has a B.A. in anthropology and sociology from Drake University and a Master in Public Service through the University of Arkansas' William J. Clinton School of Public Service. Southern's experienced staff of award-winning Senior Grant Development Officer Nancy Sullivan, who has been with Southern since 2009, has over three decades of experience in grant development and management and will lead the grant team in providing assistance in the development of grant management documents and reports, as well as pursuing additional investments to further expand the Delta Innovations initiatives. Ms. Sullivan has been and continues to be involved in the ongoing management of the HUD RIF project. She holds a BA in Psychology and an MA in Education. SBCP has also hired Nathan Watkins, who has also been working to help implement the HUD RIF project by compiling environmental reviews. Ms. Watkins has a Master's of Science in Environmental Science (Hydrology) and a Masters of Arts in Nonprofit Organizations, with an emphasis on consumer economics. In addition to her grantwriting and housing counseling background, she also has a background in conducting environmental site assessments and has contracted with FEMA on environmental reviews for federally funded disaster recovery projects. SBCP has also hired Nathan Pittman as the Director of Communications who is responsible for providing all agency communications and marketing efforts including working with vendors providing creative and marketing services. Pittman holds a Bachelor of Arts degree and Bachelor of Arts in Politics from Hendrix College. Prior to joining Southern, he served as communications director for Arkansas Advocates for Children and Families, a managing supervisor at Vox Global, and president of Pittman Strategies LLC, providing a wide range of public relations and graphic services as well as political campaign planning.

1 (b) Partner Capacity.

SBCP's activities are coordinated with those of Southern Bancorp, which has a \$2.6 billion track record of development lending in the region. As a key partner in Delta Innovations, the bank will lend its considerable community network and leadership to facilitate the project's implementation. Southern will also serve as the depository and regulatory body to implement the proposed loan projects and will provide office space, administrative support, and work with community leaders in developing new businesses.

James E. Boyd, Jr. is presently the Regional CEO for Southern Bancorp's Central Region. He previously served as President and CEO of First Bank of the Delta, N.A., a HWH-headquartered bank that consolidated with Southern Bancorp in 2001. Mary Warner Bell, Vice President and Director of Finance at Southern Bancorp, serves as the chief financial officer for SBCP. Ms. Bell holds a BS/BA in accounting from Henderson State University and has worked for Southern for over 20 years. SBCP undergoes an annual external audit with the firm JPMS Cox.

Another partner in Delta Innovations implementation was identified in SBCP's original proposal as SBCP's sister nonprofit affiliate, Southern Good Faith Fund (SGFF). As of January 1, 2012, SGFF legally merged in 2012, so they are no longer a partnering organization, but part of SBCP. Thus, the information following now describes the applicant, rather than a partner: In the late 1990s, SBCP expanded its strategies to include a focus on asset development. In 1999, SBCP began offering Individual Development Accounts (IDA) and has served more than 1,700 families with this matched-savings product supporting homeownership, entrepreneurship, and education. In Phillips County alone, a total of 228 savers have purchased assets, with 20 home purchases and 136 homes repaired in 2010. During that year, SBCP served 136 IDA savers, sixty of whom made 60 asset purchases, with 39 savers purchasing \$107,800 in home repairs and 5 savers investing over \$13,000 in the purchase of their homes. SBCP also offers in-depth group education and one-on-one housing and credit counseling through the Homebuyer and Credit Counseling program. The HBCC program has served more than 1,150 clients since inception in 2007, including more than 300 in Phillips County. SBCP provided housing counseling to 106 people in the HWH area in 2010; 6 purchased homes; 2 secured home improvement loans; and 2 refinanced their homes. SBCP is a certified HUD Housing Counseling agency and is certified through Arkansas Development and Finance Authority. SBCP has experienced housing counselors and IDA staff already in place. SBCP's Director, Karama Neal, Ph.D., who has recently been promoted to Chief Operating Officer, is responsible for all aspects of SBCP's Asset Building and Workforce Development programs. The programs include housing counseling partner relations; grant reporting; supervision of the IDA counselors and housing/credit counselors, workforce development manager, all community staff, and the public policy team in addition to agency operations. In Coahoma County, Mississippi: Mindy Maupin, IDA coordinator, has been with SBCP since 2002 and is a long-term resident of the Delta region. Her previous experience as a SBB employee allows her to bring a banker's perspective to her work. Vida Fielder, Housing/Credit Counselor, is certified as a housing counselor through the U.S. Department of Housing and Urban Development.

Phillips Community College of the University of Arkansas (PCCUA), a two year college located in Helena-West Helena, will also partner in Delta Innovations. The university contributes staff hours, meeting space, research, and expertise to community development projects in Helena. It operates the Phillips County Business Incubator (called the Helena Entrepreneur Center), a training and resource center for new entrepreneurs that was begun as part of the DBP. PCCUA also operates one of 22 Career Pathways programs in the state. Career Pathways is a job training program for adults that was initially piloted by SBCP and subsequently adopted by community colleges across the state with \$12 million in annual state funding. PCCUA's role in Delta Innovations' implementation will be to continue growing the Phillips County Business Incubator, to help conceptualize the Business Plan Competition, and to continue its work toward providing an educated workforce for the area economy. Dr. Steven Murray, chancellor at PCCUA, was the founding chairperson of the Delta Bridge Project Steering Committee in 2004 and has been involved with the planning process since that time. Dr. Murray will manage the Phillips County Business Incubator, implement the training stipends for entrepreneurs, and partner with Southern staff to manage the business plan incentive award program and other economic development activities.

The Phillips County Chamber of Commerce will also be a significant partner in Delta Innovations' economic development focus. The Chamber was created to enhance the quality of life in Phillips County through education, service, leadership, and community and economic development. The Chamber's director, Doug Friedlander, is a long-time volunteer leader in the Delta Bridge



Project, and a founder of the nationally-recognized Boys and Girls Club of Phillips County. Since coming to the Chamber, Mr. Friedlander has initiated a number of new business retention/expansion projects and secured an administrative contract with the local port authority. In Delta Innovations, the Chamber of Commerce will work in partnership with SBCP to promote all of the economic development projects and provide technical assistance to ensure success.

2. Need and Extent of the Problem:

RATING FACTOR 2: NEEDS AND EXTENT OF THE PROBLEM

Project Area Description

As noted above, Helena-West Helena is a rural community located along the banks of the Mississippi River in the Delta region of east Arkansas with a population of 15,012, according to the 2000 U.S. Census. Helena-West Helena was incorporated after the merger of Helena and West-Helena in 2005, which combined city operations to consolidate administrative functions, enhance municipal infrastructure, and reduce costs. The city covers over 13 square miles and is at an elevation of 188 feet. The geographic coordinates for the target area are 34°31'46"N 090°35'30"W. Helena-West Helena features two scenic byways, a port on the Mississippi River, an airport, and railway access. The proposed project encompasses sections of the following: Census Tracts ζ 05107980300, 05107980500, 05107980100, 05107980400, 05107980200, 05107980600; and Block Groups - 051079176731180980: -100U5, -300U3, -400R1, -500R3; 051079176774450980: -100R3, -100U5, -300R4, -300U1, -300U2, -300U3, -300U4, -300U5, -400R1, -500R3, -500U1, -500U2, -500U3, -500U4; 051079176799999980: -100U5, -300R4, -300U1, -300U3, -300U4, -300U5, -400R1, -500R3, -500U3, -600R3; 051079327631180980100: -R3, -U1, -U2, -U3, -U4, -U5; 051079327631180980400: -R1, -R2, -U1, -U2, -U3, -U4; 051079327674450980100U5; 051079327699999980100: -R3, -U5, -R1, -R3. Educational services represent more than 24 percent of the employment base in Helena-West Helena, while retail, entertainment services, and manufacturing each provide around 15 percent (2000 U.S. Census). According to HUD, 6,605 housing units are within the target area. Reflecting the entire county, Helena-West Helena is a majority (63 percent) African-American community (Unless otherwise indicated, data in this application comes from the 2006-2008 American Community Survey). As part of the Lower Mississippi River Delta, Helena-West Helena exemplifies the complex challenges and strengths of a region with a rich cultural heritage but staggering poverty levels. The factors discussed in detail below provide a broad overview of the region.

Indicators of Need in the Target Area

2(a) Poverty Rate. Helena-West Helena has a poverty rate of 37.22 percent, which is 306 percent of the national rate of 12.16 percent. Poverty is the starkest indicator of the level of distress in the community, and there is significant disparity in poverty among races; the poverty rate for African Americans, 49.9 percent, is four times the poverty rate of white residents, 12.9 percent. Poverty is particularly concentrated among the 6,579 children under the age of 18 at 50.3 percent.

2(c) Dilapidated or Abandoned Housing. Helena-West Helena has a dilapidated/abandoned housing score of 3.11, which is 2.2 times greater than the national rate of 1.42. This factor has presented a particular challenge for the community and was cited not only in the 2005-2010 Phillips County Strategic Community Plan (Delta Bridge Project) but also in the 2008 Downtown Helena Master Plan for revitalization.

2(e) Other Indicators of Social or Economic Decline

Population Decline and Tax Base Shrinkage: Population decline is a factor that clearly links housing and economic development. Residents are likely to leave a community that lacks affordable, available, high-quality housing, and/or access to financing to purchase it. Phillips County has lost 55 percent population significantly reduced economic activity in the community. And the tax base continues to shrink. According to the Arkansas Department of Finance and Administration, the Phillips County tax base has decreased by nearly 25.5 percent in the past three years.

Chronic Unemployment: Having lost its traditional employment base as agriculture became mechanized; the Helena-West Helena area has long had an unemployment rate significantly higher than national rates. In this period of high national unemployment, Phillips County remains high. In December 2010, for instance, the Phillips County unemployment rate was 10.0 percent, compared to 9.1 percent for the country as a whole (Bureau of Labor Statistics data). Further, this unemployment figure does not account for a significant number of disenfranchised adults in Phillips County that, after years of dwindling job opportunities are resigned to unemployment and poverty. According to the 2000 U.S. Census, less than 63 percent of Phillips County adults have received a high school diploma; it is likely that many members of this disenfranchised population do not have the education or job skills to be competitive in the workforce.

Substandard Housing: The target area fares significantly worse than the state or the country in regard to the traditional measures of substandard housing. In Helena-West Helena, 3.0 percent of housing units lack complete kitchen facilities (compared to 1.9 percent in Arkansas and 1.3 percent in the United States); 2.1 percent of housing units lack complete plumbing facilities (compared to 1.7 percent in Arkansas and 1.2 percent in the United States); and 7.3 percent of housing units are overcrowded, having 1.01 or more persons per room (compared to 3.7 percent in Arkansas and 5.7 percent in the United States, US Census 2000).

Lack of Access to Financing and Other Impediments to Fair Housing: Low- or moderate- income families in Helena-West Helena and the surrounding region have limited options for obtaining a mortgage. Traditional commercial banks frequently do not see "risky" low- and moderate-income families as part of their target market or eliminate many applicants based on low credit scores. Predatory mortgage lenders exist in the target region as an option, but their adjustable rates and exorbitant fees strip low- and moderate-income families of their assets. Among all the nation's counties, Phillips County had the tenth highest rate of subprime mortgages in 2004, with 36.7 percent of conventional mortgages held by subprime lenders (according to Home Mortgage Disclosure Act data). The subprime market is thriving because of the large numbers of people who do not meet the income, credit, and equity criteria for traditional bank mortgages that can be sold on the secondary market. The State of Arkansas 2010-2015 Consolidated Plan and the 2009 Analysis of Impediments to Fair Housing identify several impediments to fair housing characteristic of the project's target area. These include banking impediments, such as predatory and sub-prime lending, which have resulted in rising home foreclosures in the area. The Plan also identifies socioeconomic impediments, including lack of income; the rising costs of land, materials, and construction; lack of affordable housing; limited resources to help lower income homeowners maintain their homes; and the inability of borrower to build the assets necessary foreclosing or to rehabilitate housing.

Rates of crime, including violent crime: Phillips County has the highest rate of deaths by homicide of any county in Arkansas ζ23 deaths by homicide per 100,000 in population per year, compared to 8 for the state as a whole (2000-2006 CDC data). Helena-West Helena has the highest violent crime rate of any municipality in the State of Arkansas, with 25 violent crimes per 1,000 residents. The state average for all municipalities was seven violent crimes per 1,000 residents (data from 2006 FBI Uniform Crime Report).



2(f) Demographics of Distress Special Factors. The target area, Helena-West Helena, lies within Phillips County, which is in the Lower Mississippi Delta Region as defined by the Delta Regional Authority legislation. The target region is an eligible rural area under Definition C, because Helena-West Helena has fewer than 20,000 inhabitants and lies outside of a Metropolitan Statistical Area. These residents will be served through all facets of SBCP's proposed strategy.

3. Soundness of Approach:

RATING FACTOR 3: SOUNDNESS OF APPROACH

3 (a) Consistency and Appropriateness of Proposed Activities with Identified Needs

SBCP will implement a comprehensive approach to address concentrated poverty, economic decline, and lack of affordable housing in Helena-West Helena, the county seat of Phillips County, Arkansas. SBCP recognizes that concentrated poverty is a complex and pervasive challenge that requires a multi-faceted approach, especially in an area like Helena-West Helena, which has a poverty rate of 37.22 percent, triple the national rate of 12.16 percent. The project outlined below, therefore, weaves together these innovative strategies for improving the economy and housing market in Helena-West Helena. Each strategy stands on its own as a substantial economic development initiative, but when coordinated within the larger revitalization process already underway in the target area Phillips County, this project plan has the potential to improve the lives of thousands of people and move the target area from poverty to prosperity. SBCP will address economic development by focusing efforts in three key areas: job creation through support of existing business; job creation through entrepreneurship support; and job and housing creation through new business and alternative housing incentives. SBCP will also address lack of affordable housing by focusing on supports and incentives for homeowners. In all, the project will create 74 new jobs, 10 new businesses and enable 106 homeowners purchase or renovate 95 homes.

3(c) Description of Comprehensive Approach

I. Economic Development: Job Creation through Support of Existing Business

Two new initiatives will be pursued under this strategy, which addresses the needs of concentrated and individual poverty, unemployment, the lack of funding for affordable housing, and a limited tax base: the Loan Loss Reserve Support and the Job Creation Incentive Fund.

I A. Downtown Revolving Loan Fund Loan Loss Reserve Support. SBCP originally anticipated utilizing \$75,000 in HUD Rural Innovation funding to create a loan loss reserve for the existing Downtown Revolving Loan Fund (Loan Fund). Initiated in 2009, the Loan Fund was a \$3 million program that offers a low-interest loan option for entrepreneurial and housing activities in the historic Helena-West Helena downtown area. The Loan Fund competes directly with the subprime and predatory mortgage products that currently thrive in the market and provides prospective homeowners and entrepreneurs in the area a distinct advantage to more traditional funding streams. As of the submission of our proposal, four loans had been approved for the renovation of a new public library facility, the expansion of the area's first high-quality historic bed and breakfast inn, expansion of a canoe company that is drawing national attention for its unique Mississippi River boat adventures, and the renovation of a single-family home. As noted in submitted progress reports, the Loan Fund was originally capitalized largely with a \$1.5 million investment from the Walton Family Foundation and \$1 million from the U.S. Department of Agriculture but is no longer available in its original form. While the Revolving Loan Fund capital is not available in the original form, SBCP and its affiliate, Southern Bancorp Bank, has committed to providing needed capital to make credit-worthy loans. Southererved up to \$1 million in capital for mortgage loans to community champions. SBCP will also leverage loans and grant funds to support downtown revitalization loans and other sources of capital will be secured as needed, including exploring program related investment opportunities for specific revitalization projects. The potential for \$75,000 in HUD funding helped to expand SBCP's capacity to make affordable home and business loans through the Loan Fund. Over the three years of the grant period, the Loan Loss Reserve will result in significant commercial activity, including nine loans to a combination of existing and new businesses. Since the RIF program was approved, SBCP has made eight loans for a total of \$788,500 in matching funds through the Loan Fund; two others are in process. Because loan loss reserve funds are only drawn down if a loan defaults, SBCP does not anticipate needing these funds for that purpose and would like to reallocate them. Due to challenges that exist in job creation in a high poverty, rural community like Phillips County, SBCP would like to utilize these funds to augment funding for job creation incentives and the Riverside Renewal Project. A total of \$13,981 was retained originally and \$17,000 was added to this project activity to cover ongoing personnel costs through the end of the no-cost extension, as SBCP continues to make loans for downtown renovations through its matching capital resources. Some of these loan funds will be used as matching funds, funds over and beyond those needed for match may be used to match a related federal grant.

Southern Bancorp will provide underwriting, loan processing and maintenance support. SBCP expects to provide up to \$1.5 million in low-cost loans through the Loan Fund and grants during the grant period. As noted above, Southern Bancorp also offered to provide up to \$1,000,000 in lending capital for mortgage and home renovation loans for community champions and to provide loans made through the revolving loan fund at a reduced cost with underwriting valued at a minimum of \$600 per loan. Mortgage loans will not be restricted to the downtown area and require credit worthiness. SBCP markets the loan fund through partnerships with the Chamber of Commerce, the Helena Entrepreneur Center, the Helena A&P Commission, and Main Street Helena.

I.B. Job Creation Incentives Fund (JCIF). SBCP will use \$380,000 in HUD Rural Innovation funding to create the JCIF as a pilot program to offer cash incentives for industry leaders seeking to expand their businesses or relocate in the target area. This amount is approximately \$65,000 over the originally requested amount of \$270,000 (including \$5,000 for marketing). This increase is needed due to the expense of creating jobs in a high poverty area and because of the quality and nature of the jobs. SBCP will administer the JCIF and work with the Chamber of Commerce, Main Street Helena, the HWH A&P Commission, and other partners to identify and recruit existing or new industry with the ability to create 50 new local jobs. Incentive awards up to \$7,500 per job created will match, where feasible, similar job-related incentives provided by the Arkansas Economic Development Commission, and motivate business expansion. AEDC grants usually fall between \$5,000 and \$15,000 per job created. The criteria used to determine grant/loan amounts; job and payroll numbers, investment numbers and commercial availability of the company. Over the three-year period, the Job Creation Incentive Fund is expected to create 50 new jobs. SBCP anticipates collaborating with partners to leverage funding for an ongoing incentive program. Approximately \$5,000 of this funding will be invested into the development of promotional materials and implementation of marketing efforts to attract new jobs in the Helena-West Helena area. HUD approved the exclusion of job creation incentives from environmental review. To date, SBCP has approved applications to create over 60 jobs through the Helena Jobs Incentive program, with incentives totaling over \$350,000, at \$7,500 per job. This number includes jobs that have been developed both through the Helena Start-up Challenge and businesses occupying newly renovated spaces through the Riverside Renewal Project. SBCP is reserving remaining funds to support the creation of additional jobs through September 28, 2015. Originally, SBCP targeted only the business



industry for job creation, but the eligibility guidelines have been modified to allow non-profits creating jobs to also apply, to spark additional job creation. In addition to the 42 jobs expected through applications received by SBCP to date, SBCP requests adding another \$110,000 in funds to this program category, which would potentially fund another 16 jobs, 8 over the anticipated total of 50 jobs. Based on the challenges of creating new positions in Helena's continuing depressed economy, awards per jobs vary between \$2,500 and \$7,500 per job; incentive amounts are determined by the panel of judges based on wages, benefits, the nature of the positions, and other factors. As Helena has lost a number of jobs in recent months, this program continues to provide critical new employment opportunities.

In order to continue the groundwork that has been laid through the HUD RIF project, SBCP requests permission to use approximately \$20,000 of remaining funds to develop a promotional strategy that will enable the Helena Port Authority to continue to recruit new jobs over the coming months and beyond the life of the grant period. This strategy would include approximately \$15,000 for the creation of a video about Helena's attributes by Cranford, Inc. SBCP has worked closely with Cranford over the past few years and they have a proven capacity for developing high quality products. The company has developed a comprehensive understanding of SBCP's efforts and the unique aspects of the Delta and has a proven track record for providing high quality products. In addition to the video, SBCP's talented creative staff would create and arrange printing for additional promotional materials to use in displays at recruiting conferences and in one-on-one recruitment efforts.

II. Economic Development: Job Creation through Entrepreneurship Support

II.A. Business Incubator and Entrepreneurial Scholarships. The Phillips Community College of the University of Arkansas (PCCUA) has, with support from SBCP, developed a small business incubator to address the lack of employment opportunities in Helena-West Helena. Small businesses are the most promising way to stimulate job growth in a rural economy. Statewide, small businesses in Arkansas accounted for 97 percent of all jobs in 2006 (U.S. Census Bureau). In HUD Rural Innovation funding to provide entrepreneurial scholarships. Initially, ten Incubator clients per year (30 total) were to have received scholarships of \$1,000 each. An additional \$5,000 will be available to cover additional training costs based on individual need and the proposed business's potential for job creation; 50 entrepreneurs have been trained to date. Through the incubator program, entrepreneurs will participate in a training program on developing a successful business model and creating a marketable business plan. The program curricula is administered with the supervision of Phillips Community College and through partnerships with the SCORE program, a national resource partner of the Small Business Administration that provides technical assistance to businesses. The educational component of the program is especially important because it will enable new entrepreneurs to develop important leadership and management skills, maximizing their potential for success. SBCP has been pleased with the progress of this project activity and anticipates increasing funding by \$15,000 to provide assistance to 50 entrepreneurs working to create new enterprise. This will bring the total amount of funding for this contract to \$60,000. If sufficient HUD RIF funds are available, SBCP would like to provide technical assistance to up to 20 additional entrepreneurs and small businesses, which would require up to \$20,000 in additional funding at \$1,000 per business. Additional funds would be transferred for this purpose, as they are available.

A significant part of SBCP's HUD Rural Innovation Fund grant efforts have been focused on supporting the start-up and continuing development of entrepreneurship and small business in the Helena-West Helena area through entrepreneur training and assistance as well as the Helena Start-up Challenge. A recent study found that 91 percent of businesses in the Delta are small businesses, which represents a significant majority of employers and underscores that fostering small business is the most critical focus for increasing jobs in the Helena area. Through the implementation of its project activities, SBCP has supported entrepreneurs primarily through the Helena Entrepreneur Center, which has done an excellent job in training and providing support to entrepreneurs with HUD RIF funding. Without funding to continue supporting the Helena Entrepreneur Center directly, SBCP has been exploring ways that this vital support can continue to be provided to entrepreneurs in Helena and throughout the surrounding areas, as new enterprise in the region positively impacts Helena. In fact, SBCP's Board of Directors recently approved an ambitious new vision that incorporates the goal of supporting 35,000 jobs over the next decade in its target market, which not only speaks to SBCP's desire to support job creation and new enterprise, but also to HUD's desire that the project efforts it funds continue beyond the life of the grant.

In accordance with the HUD Rural Innovation Fund NOFA, which provides that up to 5% of the RIF program budget can be spent on securing technical assistance to implement SBCP's project activities, SBCP has identified a company called Entrepreneurial Learning Initiative (ELI), that provides quality training to entrepreneurs, educators, lenders, and others to understand the entrepreneurial mindset and better support entrepreneurs to grow successful businesses; ELI has worked in collaboration with the Kauffman Foundation to provide this training and has experienced success in positive training outcomes. SBCP requests HUD's approval; to spend up to \$40,000 in remaining HUD RIF Funds to provide a training event based on a successful entrepreneurship concept found in the book "Who Owns the Ice House," which tells the remarkable story of a Delta man who became a successful entrepreneur. The first day of this four-day training will offer a half-day training session open to anyone interested in attending. This session will introduce the entrepreneurial mindset to participants, including an estimated 45-50 participants including SBCP staff, community leaders, educators, lenders, and others primarily from Helena and surrounding Delta communities. This initial session would be followed by a three-day intensive Train the Trainers session that would enable 25-30 individuals to facilitate the Ice House training efforts, thus continuing to share the expertise on a longer-term basis. Approximately \$30,000-\$35,000 (depending on number trained) would be funds provided to the ELI group. Remaining funds would be provide for a training venue, catering, marketing, supplies, and travel expenses for key SBCP staff. If this action plan revision is approved in a timely manner, SBCP would like to host this training before July 31, 2015 in Helena. SBCP believes this will be a critical step to enabling SBCP staff, educators, community leaders, and others in Helena and surrounding areas to continue the gains made through the HUD RIF project. Approximately \$40,000 (less \$3,693 remaining in the project activity) would be transferred to supplement the cost of this effort. As the HUD RIF program continues over the next few months; more funds may be directed toward the support of this effort, if funds remain unspent in other project activities.

II.B. Business Plan Award Competition Fund. As an added incentive for area entrepreneurs, SBCP will sponsor an innovative Business Plan Award Competition Fund, open to all entrepreneurs who seek to begin new or expand existing industry in Helena-West Helena; Utilizing \$140,000 in HUD Rural Innovation Funds, Southern will partner with PCCUA and the Incubator to conduct the competition that will provide awards of \$25,000 (first prize) and \$15,000 (second prize) each year for the three-year grant period. A primary judging criterion will be the number of new jobs created (minimum of two jobs created per business), the quality of the business plan, and the leverage (a minimum one-to-one match will be required to receive the award). Competition rules will require the award recipients to utilize the funding to implement the winning business plans in the HWH area. \$20,000 of this HUD funding will be reserved for marketing expenses to recruit new business and promote the proposed incentives. Finalists will have the opportunity to participate in a public forum to generate additional support for their new businesses by attracting potential investors. It is projected that 10 businesses will be started over three years (six prize



recipients and four additional entrepreneurs and Incubator graduates able to start with private investments alone). SBCP projected that 12 jobs would be created/supported. With HUD's approval, SBCP has issued all but two of the six awards originally anticipated under this project activity for \$80,000 in awards; the last \$40,000 in awards are expected to be issued by the end of May 2015. With this project activity winding down, SBCP would like to transfer \$30,483.85 that we had anticipated spending in staff and other costs to support the entrepreneurship mindset training discussed above.

Initially, SBCP projected that 14 businesses will be started over three years (six prize recipients and eight additional entrepreneurs and Incubator graduates able to start with private investments alone) averaging two jobs each (28 jobs) and an increased tax base. The effort was also expected to motivate the Chamber of Commerce and the business community to join Southern in sustaining the programs into the future. Already, the City of Helena-West Helena and Phillips County have committed \$6,000 to support Incubator clients, a small but significant indicator that local government is willing to invest in viable job creation strategies. However, the number of Helena Start-Up Challenge applicants with quality business plans was less than originally anticipated; thus SBCP reduced its projections to a goal of creating 10 new business ventures and the creation/retention of 12 jobs. Guidelines and other materials SBCP is using to conduct the Helena Start-Up Challenge have been provided to HUD.

III. Economic Development and Housing: Downtown Job Creation and Housing Incentives

III.A. Renovation of Downtown Buildings. The construction of new buildings and homes has been at a virtual stand-still in the past few years in the Helena-West Helena area, which not only speaks to the challenges inherent across the housing and construction industry, but also to the increased need to renovate existing structures. This need is especially critical in downtown Helena because of the unique heritage of this corridor, which includes three nationally-designated historic districts. SBCP anticipated using \$500,000 in HUD Rural Innovation funding to recruit and offer incentives to encourage the redevelopment of existing downtown structures such as mixed-use spaces, with commercial space on the first floor and residential space on the upper floors. SBCP also anticipated that these incentives would lead to the creation of at least six units of housing (individual residential units) and retail space for five businesses. While this project, now called the Riverside Renewal Project (RRP), was delayed in implementation due to the delay in getting access to HUD funds, unexpected staff turnover, and the need to develop complex program guidelines (provided to HUD), SBCP has received an encouraging response. In mid-2014, eleven applications requesting \$725,000 in incentives had been received and approved, pending ample HUD funding is available after environmental review clearance. Based upon successful environmental reviews for all of these applications, developers were expected to create renovated spaces for 13 commercial units and 11 residential units. Furthermore, SBCP originally anticipated that 20 jobs could be created through the development of five retail spaces; however, experience with applicants has led to the reduction of that goal to an estimated 10 jobs, primarily because several developers are planning to lease renovated spaces to other retailers, rather than create new businesses to populate the renovated sites. Development incentives award recipients are required to match incentives on a dollar-for-dollar basis with private funds. A total of \$788,493 in awards have been issued for the creation of nine commercial and seven residential units -- more than we originally anticipated of six residential and five retail units. One project did not make it through environmental review and a couple of potential developers decided not to pursue an incentive, so SBCP anticipates \$97,879.44 in remaining funds being transferred to other project activities. One factor that SBCP has recognized in the implementation of these projects, is that developers rather than new businesses were able to meet the project requirements for 1:1 matching funding. New businesses could not afford to renovate properties for their own purposes. Thus, a number of developers will lease renovated spaces to other retailers, rather than create new businesses to populate the renovated sites, so SBCP may not know of the potential for job creation and business creation until well after the renovations are completed; renovations are required to be completed by the end of August 2015.

Since working to implement the Riverside Renewal Project, SBCP has recognized that a major challenge has been the lack of a comprehensive marketing promotional tool that will provide potential developers and employers the information needed to attract them to the Helena area. There simply are not the resources within Phillips County to create such a promotional tool or to effectively address this need in any other way. In anticipation of developing a marketing package to recruit additional developers, SBCP's research has identified a nationally-known agency called Buxton. Buxton has the extensive data research and resources to create an impressive marketing strategy/package that has the potential to attract industry to the Helena area. The development of this plan would require an investment of \$80,000, including access to extensive marketing and retail information for one year. In addition, Buxton will create a comprehensive promotional package designed to recruit retailers and other developers/employers to the Helena area by the end of 2014, if approved quickly, so it could be utilized to maximize jobs and development prior to the end of the extended grant period. This tool, which can be personalized to the specific type of retailer/business, is expected to be especially important as SBCP is trying to secure developers to renovate and reutilize two historic hotels into mixed use facilities and to attract new industry to the community. This contract would also provide information that would enable SBCP to analyze the visitors throughout the surrounding areas, which could help to increase visitorship to the area and, in turn, strengthen local businesses and attract new industry. SBCP, the Chamber of Commerce, and the City's Advertising and Promotions Commission all believe that an informative developer/employer recruitment package like this could result in a substantial improvement in Helena-West Helena's economic base.

Development and distribution of a promotional packet to recruit developers to bring jobs into the downtown Helena area will also be an important part. Creating both residential and commercial spaces within one project addresses both the job creation and housing goals of the HUD Rural Innovation program. In the past two years, six new businesses have opened in downtown Helena, an indicator that additional incentives are likely to spur increased investments and job creation. In recent years, five downtown loft apartments have been completed, with five additional apartments under construction. SBCP's leadership established criteria for this incentive program based on a thorough review of comparable incentive programs in other communities. Evaluation criteria included jobs created, units of housing created, and funds leveraged. SBCP's local partner, Main Street Helena, has offered a smaller facade improvement incentive fund for several years; this more robust incentive fund is a natural extension of that effort and serve to spur significantly more substantial investments in downtown Helena. Moreover, the housing units created will be designed to attract young professionals to the area, including teachers for the top-performing KIPP Delta public charter school in downtown Helena, which has created over 100 downtown jobs in the past eight years. This renovation effort will address the need for new enterprise as well as increased affordable housing. The Chamber of Commerce, Main Street Helena, and the A&P Commission will assist in marketing and recruiting project developers. As another innovative pilot program, its sustainability will be tied to its success and is expected to generate ample tax base support to motivate the municipal government to maintain the incentive program.

IV. Housing: Assistance for Individual Homeowners

SBCP plans to address impediments to fair housing, lack of capital for housing, poverty, credit issues, and the need for green renovation and retrofitting through two programs focused on assisting individual homeowners.



IV.A. Individual Development Accounts and Homebuyer and Credit Counseling. SBCP currently offers Individual Development Account (IDA) programs and Homebuyer and Credit Counseling in the target market. SBCP originally anticipated using \$350,000 in HUD Rural Innovation funding to significantly expand housing counseling and IDA services in the Phillips County area. Due to delays in accessing HUD funds for IDAs, SBCP anticipated using at least \$70,000 to help IDA savers purchase 161 assets over the three-year period, with the goals of helping at least 15 clients purchase homes, 108 make home repairs and renovations; another 19 to develop new or expand existing businesses, and 19 to pursue a college education. Approximately \$99,086.04 was approved for this project activity as of the last Action Plan revision. With HUD's exclusion of education-focused IDA funds from the environmental review requirement and has also excluded downpayment and closing cost assistance from the environmental review requirement and SBCP's experience with processing requests for environmental reviews more quickly with HUD's assistance, SBCP continues to increase the number of IDA participants. Therefore, SBCP anticipates providing approximately \$80,000 or more in additional IDA matched savings funds by the end of the no-cost extension period in September 2015.

As part of this initiative, SBCP anticipated focusing its education-related IDAs to assist individuals who are seeking to improve their workforce skills by completing college coursework toward achievement of a degree. Unfortunately, participants with nearly complete degrees had incomes too high for IDA eligibility and those who met income guidelines had more than a couple of terms to accomplish before graduation. Further, SBCP experienced significant delays initially in being able to access HUD funds in a timely manner and later, unexpected delays to secure environmental reviews have made it difficult for homeowners needing repair funds. HUD funds for home down payment and closing costs have been excluded from environmental review which will facilitate SBCP being able to utilize HUD funds for individuals seeking to purchase housing, through the no-cost extension period. HUD has also approved the exclusion of funds for down payment and closing costs for the purchase of homes from the environmental review requirement.

SBCP can provide as much as \$5,300 per household to meet down payment requirements in a region where home prices are very low compared to national averages. (According to 2005 HMDA data, the average size of mortgage loans in Phillips County is \$55,872, placing the county in the third lowest percentile nationally.) Funding for home repairs is particularly important in Helena-West Helena because virtually no new housing stock is available and many existing affordable homes are older and frequently substandard. Repairing a home is often the only affordable avenue to homeownership in the area. While IDAs can make a powerful difference in addressing the lack of financing for affordable housing and enabling low- and middle-income families to become homeowners, housing down payment and repair costs are often beyond what can be provided within the matched savings program. Where feasible, HUD funding will be used to provide IDA matched savings funding in addition to \$120,000 in funding SBCP will provide from current IDA match sources. SBCP encourages and provides information on green retrofitting and renovations. SBCP explored the potential for providing additional assistance for green retrofitting or renovation but this has not been an identified priority among IDA participants. It is difficult at best to secure a qualified contractor in the rural communities SBCP services, and especially to find an affordable contractor able to provide green renovation and retrofitting services.

SBCP's Homebuyer and Credit Counseling (HBCC) program will help 340 low- and middle-income clients increase assets and credit scores, improve budgeting skills, become more knowledgeable homebuyers, and avoid home foreclosure. The HBCC program specifically addresses fair housing needs with intensive support for individuals through the homeownership process, including group education, one-on-one housing and credit counseling, loan document review, and financial tools targeted to the needs of low- to middle-income families. By improving credit scores, clients not only have greater potential for securing and maintaining a home mortgage repair loan and lower interest and insurance rates, they also have access to more and better employment opportunities. These programs jointly address virtually every indicator of need discussed earlier: poverty rate, dilapidated housing, lack of access to funding, impediments to fair housing, substandard housing and chronic unemployment. Enhancing these programs will maximize their effectiveness, capitalize on their successful track records, and address HUD's sustainability priority.

From October 1, 2011 to March 31, 2014, 147 Phillips County residents received housing and credit counseling or education; 26 residents were focused on credit and 121 were focused on housing. During the project period, 14 individuals purchased housing, one received a consumer loan, and two refinanced their present home; 13 used IDAs for home purchase but were funded through alternative means, as they could not wait for ER review to purchase their homes, prior to HUD excluding funds for down payment and closing costs from environmental review requirements. Most others are still in counseling or have decided against home purchase. While decisions by counseling clients not to purchase a home are generally not relevant to employers or developers, SBCP sees these decisions as very important outcomes of a successful counseling process. For many consumers, particularly those with low- and middle- income, purchasing a home is not always the best option. Counseling helps prospective homeowners to fully understand the challenges of homeownership; this increased understanding of responsibilities and true expenses of homeownership often leads consumers to make decisions based on longer-term planning, such as delaying purchase of home while creating an emergency savings account. Approximately 118 individuals have received financial education classes, though everyone receiving housing counseling receives individualized, one-on-one financial education/counseling.

We would like to transfer \$3,595.71 to this project activity to enable SBCP to provide additional financial education. A critical part of homebuyer counseling project activities is to help potential homeowners to become knowledgeable home purchasers. SBCP has recently begun to offer financial education through online eHome America. While this online educational program does not replace one-on-one homebuyer counseling, it does help participants gain a thorough understanding of the homebuying process whenever it is convenient for them to take the course. USDA with the participation of HUD has recently evaluated the online course and determined that it meets the Agency's needs as a provider for online homeowner education (see letter at this site: <http://ehomeamerica.org/images/USDA%20Letter.pdf>). Those purchasing a home can often get reduced fees by taking an accepted course in homeownership, which is especially helpful for individuals we serve who are typically low-to-middle income. More importantly, this would enable us to reach more potential homeowners and others who want to increase their understanding of personal finance. SBCP would like to partner with area real estate agencies, the local community college, and others to offer financial education to many more prospective homeowners by providing access to this education at no cost to the homeowners. SBCP would like to be able to provide scholarships for up to 350 prospective homeowners and others to participate in this online financial education, which would cost a total of \$8,250. This effort contributes to the sustainability of the HUD RIF project.

IV.B. Community Champion Home Buyer Program. SBCP will pilot an innovative housing assistance program called the Community Champion Home Buyer (Champions) program. Funded with \$85,000 in HUD Rural Innovation funding, the Champions program will provide housing assistance to eligible professionals who are primarily middle-income, first-time homeowners who work in professions that contribute to a quality community. Qualifying professions will include but are not limited to police personnel, teachers, firefighters, and nurses. The Champions program will be developed as a recruitment



vehicle for these critical professions, though the community also struggles to retain its champions. For instance, police are often hired at a lower salary and, when they become certified, move to a department that provides higher pay. It is also difficult to keep good teachers. Approximately \$5,000 will be invested into developing promotional materials to recruit participants. Clients will be required to make a commitment to stay in the community for at least two years to take advantage of the program, this changed from three years due to the delay in implementing this program activity and the difficulty in monitoring the program after HUD funding ceases. The housing assistance stipend of \$8,000 per champion will help to pay for down payment assistance, closing costs, and added incentives for green renovations or retrofitting, as only older housing stock is available in Helena-West Helena. HUD has authorized the exclusion of down payment assistance and closing costs from the environmental review process, though renovation funds would still be required to clear environmental review. The Champions program will serve at least 10 champions, rather than 35 originally targeted, due to the limited time remaining in the grant period through September 28, 2015 and the depressed housing market in Helena. However, SBCP has been able to serve over 20 champions to date and have the potential to serve a number of other participants with the transfer \$35,204.31 into this project activity. The Champions program was designed to address HUD's sustainability priority, the Champions pilot program will also increase the amount and quality of affordable housing in the area and will provide stability in employment by providing an incentive for community champions to stay in the area. Like IDAs, this program will also help to reduce poverty by increasing the assets of participants. The Champions program's sustainability will be tied directly to the well-established relationships and successful track record of SBCP, which has facilitated hundreds of home repairs and purchases. Champions owning their own homes will also be encouraged to take advantage of additional assistance for green retrofitting and repairs and the mortgage and renovation loans provided through Southern Bancorp. Southern Bancorp Bank continues to be willing to provide up to \$1 million in capital for mortgage and/or home renovation loans to credit-worthy community champions. However, the implementation of this program has been so delayed that it is unlikely Southern will be able to provide significant capital for these mortgages. Furthermore, most of SBCP's housing counseling and other clients opt to secure their mortgages through other banks. The guidelines and agreement that SBCP has developed to implement this program activity are provided with this action plan revision.

PROJECT TIMELINES AND SEQUENCING *

Due to the inability to access administrative and programmatic grant funding for the first year of its program, the timing of SBCP's grant activities has been delayed from initial projection

Grant Activity	Year 1	Year 2	Year 3	Year 4
Q1	Q2	Q3	Q4	Q5
Q6	Q7	Q8	Q9	Q10
Q11	Q12	Q13	Q14	Q15
Q16				

Downtown Revolving Loan Fund

- 1. Expand Loan Fund Reserve Q 5-Q 16
- 2. Increase Marketing of Loan Fund Q 2-16
- 3. Offer low-cost loans Q 2-16
- B Job Creation Incentive Fund
 - 1. Establish JCIF Account Q 2-12
 - 2. Establish JCIF Incentive Criteria Q 2-8
 - 3. Publicize JCIF Availability Q 6-16
 - 4. Distribute JCIF Incentives Q 6-16
- II Job Creation - Supporting Entrepreneurs
 - A Finalize Contract to Incubator Q 3-5
 - 1. Distribute training stipends Q 1-16
 - 2. Train entrepreneurs Q1-16
 - B 1. Finalize Criteria for Awards Q 1-8
 - 1. Advertise Plan Competition Q 8-9
 - 3. Collect and Judge Business Plans Q8-16
 - 4. Issue Awards for Winning Plans Q 10-16
- III Downtown Business and Housing Options
 - A Develop developer recruitment package Q6-13
 - B Recruit potential developers Q 8-10
 - C Issue loan(s) for multi-use development Q 10-16
- IV Homeowner and Housing Assistance Q 5-16
 - A Issue contract to SGFF (no longer required)
 - 1. Provide housing counseling services Q 5-16
 - 2. Provide financial education services Q 5-16
 - 3. Provide IDAs for asset purchases Q 5-16
 - B Finalize Champion Benefit Criteria Q 6-10
 - 1. Recruit Champion Participation Q 10-16
 - 2. Provide Housing Assistance Q 10-16
 - 3. Explore Employer-Supported Housing Q5-10
- V Project Management Tasks
 - A Finalize HUD Agreement Documents Q 1
 - B Subcontract with Incubator Q 3-16
 - C Leverage funding for business expansion Q 3-16
- VI Conduct Program Evaluation
 - A Finalize data elements to track Q 1-6
 - B Track data on all project activities Q1-15
 - C Evaluate impact of project components Q8, Q12, Q16

4. Leveraging Resources:

RATING FACTOR 4: LEVERAGING RESOURCES

As described in the attached budget and budget narrative, SBCP requests \$1,998,621 in HUD Rural Innovation funding and will leverage this funding with a total of \$2,748,143 in additional funding and in-kind services, a 1:1.38 match. Leverage funding is provided by each partner in the following amounts: SBCP offers \$1.5 million in revolving loan fund capital and direct grants that SBCP provides and leverages to create and support increased economic development in Helena-West Helena/Phillips County area



that proved so successful it was adopted in 22 two-year colleges across Arkansas and has become a \$14 million statewide program. PCCUA operates the program in Helena, which provides job-related training and support, including transportation subsidies, to TANF-eligible low-income parents. Last year, 141 students earned certificates for employability, proficiency, technical skills, and career readiness; five earned associate degrees. PCCUA also provides work training to high school students with funding from the Arkansas Department of Workforce Education. Southern recently provided \$263,000 to provide scholarships for 30 high school students each year to attend PCCUA, removing key financial obstacles to help low- and middle-income individuals pursue a secondary education. Though HUD funding was not requested to provide additional job training, we anticipate that Southern will provide 90 college scholarships over the coming three years and over 420 students will achieve job-related certificates and associate degrees during that time. SBCP's IDA program also provides a matched savings vehicle for low-income families to save for entrepreneurship, homeownership, and higher education and will also focus part of its education-related IDA support to help individuals complete college coursework to achieve degrees. SBCP's credit counseling programs also help individuals with limited income to raise their credit scores, making them eligible for more and higher quality job opportunities. (4) Minority- and women-owned business creation: HWH is a majority African America community with a 37.22 percent poverty rate and many local businesses owned by minorities and women. Southern has provided over \$13 million in loans in the Helena area, many geared toward the creation of new businesses and jobs. Efforts will be made to ensure that minority and women entrepreneurs are able to take advantage of these programs. SBCP will continue to provide IDA savings for the purpose of creating or expanding businesses, particularly important for low-income and minority individuals. More than 70 percent of SBCP's IDA savers are African American and all are low- to middle-income. (5) Work-related transportation services. SBCP has found work-related transportation a particular challenge for rural communities. Previous attempts have been unsustainable due to the high level of funding required. Delta Innovations will explore the potential of providing IDAs for work-related transportation.

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
0003	Admin	00301	Administrative Costs for Program Implementation
001 (RLF)	Downtown Revolving Loan Fund	00101	Downtown Revolving Loan Fund-Loan Loss Reserve
002	Economic Development--Job	00201	Job Creation Incentive Fund
		00202	Business Incubator and Entrepreneurial Scholarship
		00203	Business Plan Award Competition Fund
		00204	Developer Recruitment and Loan Program
004	Housing Assistance for	00401	Homebuyer and credit counseling services
		00402	Individual Development Accounts
		00403	Community Champion Home Buyer Program
9999	Restricted Balance	<i>No activities in this project</i>	



Activities

Project # / Title: 0003 / Admin

Grantee Activity Number: 00301
Activity Title: Administrative Costs for Program Implementation

Activity Type:

RIF - Administration

Project Number:

0003

Projected Start Date:

10/04/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Rural Innovation Fund

Environmental Assessment:

EXEMPT

Benefit Report Type:

NA

Activity Status:

Under Way

Project Title:

Admin

Projected End Date:

09/30/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 56,559.03

Other Funds: \$ 0.00

Total Funds: \$ 56,559.03

Proposed Accomplishments

Total

of Strategic Planning Sessions

of Community Input Sessions

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Southern Bancorp Community Partners

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Southern Bancorp Community Partners

Organization Type

Non-Profit

Proposed

\$ 56,559.03



Location Description:

Helena-West Helena and Phillips County, AR with some support staff located in Little Rock, AR and Arkadelphia, AR

Activity Description:

This activity includes the indirect costs for the overall management of the HUD grant, including accounting, administrative expenses, auditing, and other costs pertinent to the grant implementation. SBCP will not be expending the 10 percent amount of indirect funds originally anticipated; we expect to bill a total of \$56,559.03 and move remaining funds to direct project costs.

Project # / Title: 001 / Downtown Revolving Loan Fund (RLF)

Grantee Activity Number: 00101
Activity Title: Downtown Revolving Loan Fund-Loan Loss Reserve

Activity Type:

RIF - Financial and Technical Assistance to Business

Project Number:

001 (RLF)

Projected Start Date:

06/01/2012

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Rural Innovation Fund

Environmental Assessment:**Benefit Report Type:**

NA

Activity Status:

Under Way

Project Title:

Downtown Revolving Loan Fund

Projected End Date:

09/30/2015

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:**

\$ 30,356.00

Other Funds

\$ 1,516,280.00

Total Funds

\$ 1,546,636.00

Proposed Beneficiaries

of Micro-Enterprises Established

Total

Low

Mod

Low/Mod%

0.0

of Permanent Jobs Retained

0.0

of Permanent Jobs Created

0.0



Proposed Accomplishments

Total

# of Businesses Receiving Loans from a Revolving Loan Fund	5
\$ Amount of Money Used to Capitalize a Business Revolving Loan Fund	
\$ of Leverage Funds- Tribal Organizations	
# of Leverage Partners Participating	
\$ of Leverage Funds- Government	
\$ of Leverage Funds- Private	
# of Persons Participating in Small Business Training	
# of New CDFIs Established	
# of New Businesses Established	
# of Existing Businesses Assisted	
# of Business Incubators Created	
# of Business Development Loans Offered to New Businesses	4
# of Business Development Loans Offered to Existing Businesses	

Activity is being carried out by Grantee:

Activity is being carried out through:

No

Organization carrying out Activity:

Southern Bancorp Community Partners

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Southern Bancorp Community Partners	Non-Profit	\$ 30,356.00

Funding Source Name	Matching Funds	Funding Amount
Southern Bancorp Bank	Yes	\$ 10,000.00
Southern Bancorp Community Partners	Yes	\$ 1,506,280.00

Location Description:

The Downtown Revolving Loan Fund is available to businesses and individuals wanting business or home loans in the downtown Helena-West Helena area.

Activity Description:

SBCP had originally planned to utilize \$75,000 in HUD Rural Innovation funding to create a loan loss reserve for the existing Downtown Revolving Loan Fund (Loan Fund). However, the loan loss reserve fund is only drawn down in the case of a loan default. SBCP does not anticipate a loan default at this time and is requesting approval to reallocate these funds to other project activities. SBCP will continue to work to make loans through this loan program. SBCP has made 8 loans to date, nearly reaching the 9 loans originally anticipated. SBCP is actively working to leverage additional funds to capitalize the revolving loan fund, as private funding that originally created the loan is no longer available. Regardless, SBCP and its affiliate, Southern Bancorp Bank, are committed to increasing lending in Phillips County and ensuring residents and the business community has access to affordable loan capital. SBCP is also working to meet its matching requirement with direct grants to support economic development and housing assistance projects in the Helena-West Helena area that are consistent with HUD RIF priorities. Southern Bancorp will provide loan services for significantly reduced costs for these loans by providing free underwriting valued at a minimum of \$600 per loan. Approximately \$30,356 in staff time and other costs will be invested into this project activity.



Project # / Title: 002 / Economic Development--Job Creation and Business

Grantee Activity Number: 00201
Activity Title: Job Creation Incentive Fund

Activity Type:
 RIF - Financial and Technical Assistance to Business

Activity Status:
 Under Way

Project Number:
 002

Project Title:
 Economic Development--Job Creation and

Projected Start Date:
 10/04/2013

Projected End Date:
 09/30/2015

Project Draw Block by HUD:
 Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:
 Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 Rural Innovation Fund

Total Budget: \$ 482,039.00

Other Funds: \$ 44,070.00

Environmental Assessment:
 EXEMPT

Total Funds: \$ 526,109.00

Benefit Report Type:
 NA

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# of Micro-Enterprises Established				0.0
# of Permanent Jobs Retained				0.0
# of Permanent Jobs Created	50			0.00

Proposed Accomplishments	Total
# of Businesses Receiving Loans from a Revolving Loan Fund	
\$ Amount of Money Used to Capitalize a Business Revolving Loan Fund	
\$ of Leverage Funds- Tribal Organizations	
# of Leverage Partners Participating	
\$ of Leverage Funds- Government	
\$ of Leverage Funds- Private	
# of Persons Participating in Small Business Training	
# of New CDFIs Established	
# of New Businesses Established	



of Existing Businesses Assisted

of Business Incubators Created

of Business Development Loans Offered to New Businesses

of Business Development Loans Offered to Existing Businesses

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Southern Bancorp Community Partners

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Southern Bancorp Community Partners

Organization Type

Non-Profit

Proposed

\$ 451,439.00

Funding Source Name

Main Street Helena

Matching Funds

Yes

Funding Amount

\$ 6,000.00

Southern Bancorp Community Partners

Yes

\$ 38,070.00

Location Description:

Helena-West Helena and Phillips County, AR

Activity Description:

SBCP anticipates using approximately \$350,000 (originally \$270,000) in HUD Rural Innovation funding to create the JCIF as a pilot program to offer cash incentives for industry leaders seeking to expand their businesses or relocate in the target area. Approximately \$5,000 of this amount will be invested into developing program materials and promoting the program to potential job developers. SBCP will administer the JCIF and work with the Chamber of Commerce, Main Street Helena, the HWH A&P Commission, and other partners to identify and recruit existing or new industry with the ability to create 50 new local jobs. Incentive awards up to \$7,500 per job created will match, where feasible, similar job-related incentives provided by the Arkansas Economic Development Commission, and motivate business expansion. To date, agreements totaling \$350,007 have already been approved for the creation of 64 new jobs, including those developed through the Helena Start-Up Challenge and businesses occupying newly renovated spaces through the Riverside Renewal Project. SBCP is reserving approximately \$27,500 in remaining funds to support the creation of additional jobs through September 30, 2015. The total funds with staff and expenses is projected to be \$431,369. The Chamber of Commerce has committed the matching of \$25,000 of staff time and organizational resources toward the RIF grant project and Main Street Helena has committed \$6,000 of staff time and organization resources toward the RIF Project.

SBCP is also working to ensure that the momentum of recruiting new business and developing new jobs in the Helena area continues beyond the scope of the grant period, consistent with HUD's desire to have its projects continued after federal funding ends. Experience implementing the HUD RIF project led SBCP to realize that the Helena Port Authority has the best potential for continuing to recruit new enterprise leading to more new jobs and SBCP works closely with the Port toward that end. In order to continue the groundwork that has been laid through the HUD RIF project, SBCP requests permission to use approximately \$20,000 of the remaining project funds to develop a promotional strategy that will enable the Helena Port Authority to continue recruiting new business and new jobs over the coming months and after the HUD RIF grant closes. This strategy would include approximately \$15,000 for the creation of a video about Helena's attributes by Cranford, Inc. SBCP has worked closely with Cranford over the past few years. During that time, Cranford has developed a comprehensive understanding of SBCP's efforts and the unique aspects of the Delta; they have proven their capacity to produce high quality products. In addition to the video, SBCP's talented creative staff would create and arrange for printing for additional promotional materials to display at recruiting conferences and share in one-on-one recruitment efforts.

Since implementing the Job Incentive Fund award project, SBCP has approved Incentive awards that have created 66.5 new jobs, including five created through other grant activities. Several of these awards have not yet been paid, but all should be paid by the end of July. We also have two companies that have been approved quite recently to receive Job Incentives that will create an additional nine new jobs before the end of the grant period. Presuming all



jobs are hired, this critical budget revision would allow us to meet our deliverables, SBCP would like to move all remaining funds (\$20,070.00) not needed to cover other program costs into this project activity, which would bring the total for this project activity to \$451,439.00.



Grantee Activity Number: 00202
Activity Title: Business Incubator and Entrepreneurial Scholarship

Activity Type:
 RIF - Job Training and Education for Economic and Business

Activity Status:
 Under Way

Project Number:
 002

Project Title:
 Economic Development--Job Creation and

Projected Start Date:
 10/04/2011

Projected End Date:
 09/30/2015

Project Draw Block by HUD:
 Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:
 Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 Rural Innovation Fund

Total Budget: \$ 103,161.70

Other Funds: \$ 335,781.00

Environmental Assessment:
 EXEMPT

Total Funds: \$ 438,942.70

Benefit Report Type:
 NA

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# of Persons Who Received Training And Obtained a Job				0.0
# of Persons Receiving Job Training in Green Building or Energy Efficiency				0.0
# of Persons Receiving Job Training in Construction or Home Repair				0.0
# of Persons Participating in On-The-Job Training				0.0

Proposed Accomplishments	Total
\$ of Leverage Funds- Tribal Organizations	
# of Leverage Partners Participating	
\$ of Leverage Funds- Government	
\$ of Leverage Funds- Private	
# of Training Participants	30
# of Persons Receiving Career Counseling or Support Services	



Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Southern Bancorp Community Partners

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Southern Bancorp Community Partners	Non-Profit	\$ 103,161.70
Funding Source Name	Matching Funds	Funding Amount
Phillips County Community College	Yes	\$ 326,000.00
Southern Bancorp Community Partners	Yes	\$ 9,781.00

Location Description:

Helena-West Helena and Phillips County, AR

Activity Description:

Business Incubator and Entrepreneurial Scholarships.

The Phillips Community College of the University of Arkansas (PCCUA) has, with support from SBCP, developed a small business incubator (Helena Entrepreneur Center) to address the lack of employment opportunities in Helena-West Helena. SBCP subgranted \$45,000 in HUD Rural Innovation funding to the Incubator to provide entrepreneurial scholarships. Originally, SBCP anticipated providing scholarships for 30 entrepreneurs to receive training; 39 have been trained to date and an additional \$5,000 has been provided each year for technical assistance based on individual need and the proposed business' potential for job creation. SBCP proposes to increase its contract with the Helena Entrepreneur Center by \$15,000 to continue training entrepreneurs and providing additional technical assistance, for a total contract of \$60,000. A total of \$7,855 in staff time and other expenses is also anticipated, which brings the total revised project cost to \$67,855. Through the incubator program, entrepreneurs will participate in a training program on developing a successful business model and creating a marketable business plan. The program curricula is administered with the supervision of Phillips Community College and through partnerships with the SCORE program, a national resource partner of the Small Business Administration that provides technical assistance to businesses. The educational component of the program is especially important because it will enable new entrepreneurs to develop important leadership and management skills, maximizing their potential for success. To date, approximately 50 entrepreneurs have received training and 20 have received technical assistance through the \$60,000 subaward to the Helena Entrepreneur Center. If sufficient HUD RIF funds are available, SBCP would like to provide technical assistance to up to 20 additional entrepreneurs and small businesses, which would require up to \$20,000 in additional funding at \$1,000 per business. Additional funds would be transferred for this purpose, as they are available. Phillips Community College (PCCUA) has committed staff time, organizational resources, space, and other in-kind support in the amount of \$326,000 toward this and other job creation activities for the HUD RIF project.

A significant part of SBCP's HUD Rural Innovation Fund grant efforts have been focused on supporting the start-up and continuing development of entrepreneurship and small business in the Helena-West Helena area through entrepreneur training and assistance as well as the Helena Start Up Challenge. A recent study found that 91 percent of businesses in the Delta are small businesses, which represents a significant majority of employers and underscores that fostering small business is the most critical focus for increasing jobs in the Helena area. Through the implementation of its project activities, SBCP has supported entrepreneurs primarily through the Helena Entrepreneur Center, which has done an excellent job in training and providing support to entrepreneurs with HUD RIF funding. Without funding to continue supporting the Helena Entrepreneur Center directly, SBCP has been exploring ways that this vital support can continue to be provided to entrepreneurs in Helena and throughout the surrounding areas, as new enterprise in the region positively impacts Helena. In fact, SBCP's Board of Directors recently approved an ambitious new vision that incorporates the goal of supporting 35,000 jobs over the next decade in its target market, which not only speaks to SBCP's desire to support job creation and new enterprise, but also to HUD's desire that the project efforts it funds continue beyond the life of the grant.

In accordance with the HUD Rural Innovation Fund NOFA, which provides that up to 5% of the RIF program budget can be spent on securing technical assistance to implement SBCP's project activities, SBCP has identified a company called Entrepreneurial Learning Initiative (ELI), that provides quality training to empower community leaders, educators, lenders, and others to understand the entrepreneurial mindset and better support entrepreneurs to grow successful businesses. ELI has worked in collaboration with the Kauffman Foundation to provide this training and has experienced success in positive training outcomes. SBCP requests HUD's approval; to spend up to \$40,000 in

remaining HUD RIF Funds to provide a training event based on a successful entrepreneurship concept found in the book *Who Owns the Ice House*, which tells the remarkable story of a Delta man who became a successful entrepreneur. The first day of this four-day training will offer a half-day training session open to anyone interested in attending. This session will introduce the entrepreneurial mindset to participants, including an estimated 45-50 participants including SBCP staff, community leaders, educators, lenders, and others primarily from Helena and surrounding Delta communities. This initial session would be followed by a three-day intensive Train the Trainers session that would enable 25-30 individuals to facilitate the Ice House training efforts, thus continuing to share the expertise on a longer-term basis. Approximately \$30,000-\$35,000 (depending on number trained) would be funds provided to the ELI group. Remaining funds would be provide for a training venue, catering, marketing, supplies, and travel expenses for key SBCP staff. If this action plan revision is approved in a timely manner, SBCP would like to host this training before July 31, 2015 in Helena. SBCP believes this will be a critical step to enabling SBCP staff, educators, community leaders, and others in Helena and surrounding areas to continue the gains made through the HUD RIF project. Approximately \$40,000 (less \$3,693 remaining in the project activity) would be transferred to supplement the cost of this effort. As the HUD RIF program continues over the next few months; more funds may be directed toward the support of this effort, if funds remain unspent in other project activities. SBCP anticipates that approximately \$1,000 in funds could be transferred from this project activity with all deliverables met. The full amount of this entire activity would be \$103,161.70.



Grantee Activity Number: 00203
Activity Title: Business Plan Award Competition Fund

Activity Type:

RIF - Financial and Technical Assistance to Business

Project Number:

002

Projected Start Date:

10/01/2012

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Rural Innovation Fund

Environmental Assessment:

EXEMPT

Benefit Report Type:

NA

Activity Status:

Under Way

Project Title:

Economic Development--Job Creation and

Projected End Date:

09/30/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 157,977.78

Other Funds: \$ 57,071.00

Total Funds: \$ 215,048.78

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# of Micro-Enterprises Established				0.0
# of Permanent Jobs Retained				0.0
# of Permanent Jobs Created	12			0.00

Proposed Accomplishments

	Total
# of Businesses Receiving Loans from a Revolving Loan Fund	
\$ Amount of Money Used to Capitalize a Business Revolving Loan Fund	
\$ of Leverage Funds- Tribal Organizations	
# of Leverage Partners Participating	
\$ of Leverage Funds- Government	
\$ of Leverage Funds- Private	
# of Persons Participating in Small Business Training	
# of New CDFIs Established	
# of New Businesses Established	10
# of Existing Businesses Assisted	
# of Business Incubators Created	
# of Business Development Loans Offered to New Businesses	
# of Business Development Loans Offered to Existing Businesses	



Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Southern Bancorp Community Partners

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Southern Bancorp Community Partners	Non-Profit	\$ 206,309.63
Funding Source Name	Matching Funds	Funding Amount
Phillips County Chamber of Commerce	Yes	\$ 25,000.00
Southern Bancorp Community Partners	Yes	\$ 32,071.00

Location Description:

Helena-West Helena and Phillips County, AR

Activity Description:

SBCP will sponsor an innovative Business Plan Award Competition Fund, open to all entrepreneurs who seek to begin new or expand existing industry in HWH. Utilizing \$140,000 in HUD Rural Innovation funding, Southern will partner with PCCUA and the Incubator to conduct the competition that will provide awards of \$25,000 (first prize) and \$15,000 (second prize) each year for the three-year grant period. Competition rules will require the award recipients to utilize the funding to implement the winning business plans in the HWH area. Up to \$20,000 of this HUD funding will be reserved for marketing expenses to recruit new business and promote the proposed incentives. It is projected that 10 businesses will be started over three years (six prize recipients and four additional entrepreneurs and Incubator graduates will be able to start with private investments alone). SBCP projects that 12 jobs would be created.

SBCP had previously issued \$40,000 in awards. In the most recent competition, judges awarded an additional \$80,000 in awards and signed agreements are being processed and matching funds documented. These awards are expected to be issued by March 31, 2015. With these new awards, SBCP has approved all of the originally-planned awards. Marketing and staff expenses were not as high as originally anticipated, so SBCP projects that these will total approximately \$38,835.78 in addition to the \$120,000 in direct awards for a total of \$158,835.78 in this project area. With HUD's approval, SBCP transferred \$30,483.85 in funds into the Entrepreneurship Training and Assistance project activity to support the entrepreneurship mindset training that is discussed under that activity. With HUD's approval \$18,142 will be transferred back into this category to cover additional costs. Main Street Helena has committed \$6000 and the Chamber of Commerce has committed \$25,000 in staff time and organization resources in support of the effort to bring new businesses into the community. PCCUA has also contributed \$326,000 in matching in-kind support for the activities of the RIF project.

SBCP has approved all six of its Start-Up Challenge Awards and five of six have been paid. The sixth award is presently under review by HUD to ensure there are no environmental review concerns prior to paying the award. The costs that we incurred running a second business plan competition and working with awardees to ensure they met qualifications in order to get awards issued has exceeded our projections. With the transfer of \$18,142.00 in funding back into this project activity, we will be able to pay our final \$25,000 award and cover remaining costs to close out this project activity. This will bring the total for this project activity to \$176,977.78, not far from the originally expected budget. Participants have provided 1:1 matching private funds for their awards, which offers additional leverage for this grant.



Grantee Activity Number: 00204
Activity Title: Developer Recruitment and Loan Program

Activity Type:

RIF - Rehabilitation/reconstruction of Residential Structures

Project Number:

002

Projected Start Date:

10/01/2012

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Rural Innovation Fund

Environmental Assessment:

UNDERWAY

Benefit Report Type:

Direct (Households)

Activity Status:

Under Way

Project Title:

Economic Development--Job Creation and

Projected End Date:

09/30/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 847,183.23

Other Funds \$ 31,070.00

Total Funds \$ 878,253.23

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households				0.0
# Owner Households	6			0.00
# of Households	6			0.00
# of Green Building or Energy Jobs Created				0.0
# of Construction Jobs Created				0.0

Proposed Accomplishments

	Total
# of Singlefamily Units	
# of Multifamily Units	6
# of Housing Units	6
# of Leverage Partners Participating	
\$ of Leverage Funds- Government	
\$ of Leverage Funds- Private	
\$ Amount Contributed by Households to IDA Accounts for Housing Rehabilitation	
# of New CDFIs Established	
# of Housing Units with Green/Energy Efficiency Improvements	
# of Households Receiving Loans	
# of Households Receiving Direct Financial Aid	
# of Households Establishing IDA Accounts for Housing Rehabilitation	
# of buildings (non-residential)	5



of Properties

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Southern Bancorp Community Partners

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Southern Bancorp Community Partners

Organization Type

Non-Profit

Proposed

\$ 565,344.00

Funding Source Name

Southern Bancorp Community Partners

Matching Funds

Yes

Funding Amount

\$ 31,070.00

Location Description:

Helena-West Helena and Phillips County, AR

Activity Description:

SBCP has had an unexpectedly positive response to this program so SBCP anticipates needing a total of \$800,000 in HUD Rural Innovation funding to recruit and offer incentives to encourage the redevelopment of existing downtown structures as mixed-use spaces, with commercial space on the first floor and residential space on the upper floors. Another \$96,051.29 in staff time and expenses will also be required. SBCP also anticipated developing a marketing package to recruit additional developers. Since working to implement the Riverside Renewal Project, SBCP has recognized that a major challenge has been the lack of a comprehensive marketing promotional tool that will provide potential developers and employers the information needed to attract them to the Helena area. There simply are not the resources within Phillips County to create such a promotional tool or to effectively address this need in any other way. In anticipation of developing a marketing package to recruit additional developers, SBCP's research has identified a nationally-known agency called Buxton. Buxton has the extensive data research and resources to create an impressive marketing strategy/package that has the potential to attract industry to the Helena area. The development of this plan would require an investment of \$80,000, including access to extensive marketing information for one year. In addition, Buxton will create a comprehensive promotional package designed to recruit retailers and other developers/employers to the Helena area by the end of 2014, if approved quickly. This tool is expected to be especially important, as SBCP is trying to secure developers to renovate and reutilize two historic hotels into mixed use facilities. An informative developer/employer recruitment package like this could eventually result in a substantial improvement in Helena-West Helena's economic base. With HUD's approval of the last action plan revision, SBCP has contracted with Buxton and they are in the process of accomplishing this analysis.

All awards that have been approved through the Environmental Review process, except for one, have been issued. Awards for this project activity, totaling \$788,493, will create nine commercial and seven residential units – more than we originally anticipated of five retail and six residential units. These projects have all provided 1:1 matching private funds that provide additional leverage. With limited time, having had one project that did not make it through environmental review and with a couple of potential developers who decided not to pursue an incentive, we anticipate \$97,879.44 in remaining funds being transferred to other project activities.

SBCP was approved to return \$48,388 of funds previously transferred to other projects back to this project activity, which will cover all obligated costs and ensure we can complete these projects before the end of the project period. The total amount of HUD RIF funds for this project activity would be \$847,183.23, less than we had originally budgeted.



Project # / Title: 004 / Housing Assistance for Homeowners

Grantee Activity Number: 00401
Activity Title: Homebuyer and credit counseling services

Activity Type:
 RIF - Homeownership Counseling and Education

Activity Status:
 Under Way
Project Title:
 Housing Assistance for Homeowners

Project Number:
 004

Projected End Date:
 09/30/2015

Projected Start Date:
 10/04/2012

Project Draw Block by HUD:
 Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:
 Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 Rural Innovation Fund

Total Budget: \$ 64,892.71
Other Funds: \$ 274,185.00
Total Funds: \$ 339,077.71

Environmental Assessment:
 EXEMPT

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households				0.0
# of Households				0.0

Proposed Accomplishments	Total
# of Leverage Partners Participating	
\$ of Leverage Funds- Government	
\$ of Leverage Funds- Private	13333
\$ Amount Contributed by Households to IDA Education Accounts	
# of Persons Educated on Fair Housing (AFFH)	150
# of Households Establishing IDA Accounts for Education	19
# of Homeowners Receiving Home Maintenance Training	130



Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Southern Bancorp Community Partners

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Southern Bancorp Community Partners

Organization Type

Non-Profit

Proposed

\$ 77,492.71

Funding Source Name

Southern Bancorp Community Partners

Matching Funds

Yes

Funding Amount

\$ 274,185.00

Location Description:

Helena-West Helena and Phillips County, Arkansas.

Activity Description:

SBCP will offer homebuyer and credit counseling to help 340 low- and middle-income clients increase assets and credit scores, improve budgeting skills, become more knowledgeable homebuyers, and avoid home foreclosure. This program activity specifically addresses fair housing needs with intensive support for individuals through the homeownership process, including group education, one-on-one housing and credit counseling, loan document review, and financial tools targeted to the needs of low- to middle-income families. By improving credit scores, clients not only have greater potential for securing and maintaining a home mortgage or repair loan and enjoy lower interest and insurance rates, but they also have access to more and better employment opportunities. SBCP anticipates using \$73,896.50 in staff time and expenses. SBCP will also provide a matching contribution of approximately \$267,100 in free income tax preparation and utility assistance to eligible area residents and homeowners.

(With the year-long delay in having access to program funds, SBCP had to secure additional funding to support its homebuyer and credit counseling activities; therefore none of the people served between October 2011 and September 2012 could be counted for the RIF project. SBCP anticipates that it will need to secure a no-cost extension in order to meet the original deliverables for individuals served over a three-year period.)

We would like to transfer \$3,595.71 to this project activity to enable SBCP to provide additional financial education. A critical part of homebuyer counseling project activities is to help potential homeowners to become knowledgeable home purchasers. SBCP has recently begun to offer financial education through online eHome America. While this online educational program does not replace one-on-one homebuyer counseling, it does help participants gain a thorough understanding of the homebuying process whenever it is convenient for them to take the course. USDA with the participation of HUD has recently evaluated the online course and determined that it meets the Agency's needs as a provider for online homeowner education (see letter at this site:<http://ehomeamerica.org/images/USDA%20Letter.pdf>). Those purchasing a home can often get reduced fees by taking an accepted course in homeownership, which is especially helpful for individuals we serve who are typically low-to-middle income. More importantly, this would enable us to reach more potential homeowners and others who want to increase their understanding of personal finance. SBCP would like to partner with area real estate agencies, the local community college, and others to offer financial education to many more prospective homeowners by providing access to this education at no cost to the homeowners. SBCP would like to be able to provide scholarships for up to 350 prospective homeowners and others to participate in this online financial education, which would cost a total of \$8,250. This effort contributes to the sustainability of the HUD RIF project.

SBCP has continued to provide housing counseling assistance to individuals in Phillips County and anticipate meeting our anticipated deliverables. SBCP had requested to be able to provide scholarships for online training through area real estate agents to individuals seeking to purchase a home. However, we would not have been able to serve but a few individuals prior to the end of the program. We are on target to meet our housing counseling deliverables. Approximately \$6,000 would be transferred from this project activity, leaving the full cost of the project activity at \$71,492.71.



Grantee Activity Number: 00402
Activity Title: Individual Development Accounts

Activity Type:
 RIF - Rehabilitation/reconstruction of Residential Structures

Project Number:
 004

Projected Start Date:
 10/04/2012

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 Rural Innovation Fund

Environmental Assessment:
 UNDERWAY

Benefit Report Type:
 Direct (Households)

Activity Status:
 Under Way
Project Title:
 Housing Assistance for Homeowners

Projected End Date:
 09/30/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 102,694.58
Other Funds: \$ 127,085.00
Total Funds: \$ 229,779.58

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households				0.0
# Owner Households	108			0.00
# of Households	108			0.00
# of Green Building or Energy Jobs Created				0.0
# of Construction Jobs Created				0.0

Proposed Accomplishments	Total
# of Singlefamily Units	
# of Multifamily Units	
# of Housing Units	
# of Leverage Partners Participating	
\$ of Leverage Funds- Government	
\$ of Leverage Funds- Private	
\$ Amount Contributed by Households to IDA Accounts for Housing Rehabilitation	76667
# of New CDFIs Established	
# of Housing Units with Green/Energy Efficiency Improvements	
# of Households Receiving Loans	
# of Households Receiving Direct Financial Aid	161
# of Households Establishing IDA Accounts for Housing Rehabilitation	108



of buildings (non-residential)

of Properties

15

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Southern Bancorp Community Partners

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Southern Bancorp Community Partners	Non-Profit	\$ 99,086.04
Funding Source Name	Matching Funds	Funding Amount
Southern Bancorp Community Partners	Yes	\$ 127,085.00

Location Description:

Helena-West Helena, Phillips County, Arkansas.

Activity Description:

SBCP plans to significantly expand its present Individual Development Account services in the Phillips County area to help IDA savers purchase 161 assets over the three-year period, with the goals of helping at least 15 clients purchase homes, 108 make home repairs and renovations; another 19 to develop new or expand existing businesses, and 19 to pursue a college education. SBCP had focused a portion of its HUD IDA support to help borrowers complete college education to gain a degree or certification. Unfortunately, SBCP's college completion IDAs did not yield any qualified participants and SBCP is reconsidering how best to provide education-related IDAs.

SBCP has explored the potential of utilizing IDAs for work-related transportation but this did not prove a viable option. IDAs can provide as much as \$5,300 per household to meet down payment requirements in a region where home prices are very low compared to national averages. Funding for home repairs is particularly important in Helena-West Helena because virtually no new housing stock is available and many existing affordable homes are older and frequently substandard. Repairing a home is often the only affordable avenue to homeownership in the area. While IDAs can make a powerful difference in addressing the lack of financing for affordable housing and enabling low- and middle-income families to become homeowners, housing down payment and repair costs are often beyond what can be provided within the matched savings program. HUD funding will be used to provide IDA matched savings funding in addition to currently available matching funds and will provide information to IDA savers on green retrofitting and renovations. SBCP will also explore providing an additional housing assistance stipend green retrofitting or renovation. SBCP will document \$127,085 in private funds used to match IDAs, as part of its match requirement. Further the majority of IDAs will be provided through other federal and state funding, though these funds cannot be used as match. This was necessary because of the challenges SBCP experienced in getting funds approved through environmental review and people not participating in college IDAs.

SBCP had originally budgeted \$350,000 to provide IDAs and homebuyer and credit counseling. With initial delays in being able to access funds and the need to recruit other funding, we had expected to be able to spend about \$99,086.04 in this project activity. However, with HUD's exclusion of education-focused IDA funds and down payment and closing cost assistance from the environmental review requirement and SBCP's experience with processing requests for environmental review more quickly with HUD's assistance, SBCP continues to increase the number of IDA participants that will receive HUD-RIF funded IDAs. Therefore, SBCP anticipates being able to provide approximately \$80,000 or more in additional IDA matched savings funds by the end of the no-cost extension period in September 2015 and would like to transfer that amount to this project activity. When we submitted the last Action Plan revision, SBCP anticipated that we would have a significant increase in the number of people who sought matched savings accounts. However, the response was much lower than anticipated in part because of the time it takes participants to save enough funds to receive their matching awards. While we are on target to meet our deliverables in this project activity, SBCP will not need the full amount requested to achieve this. We believe the additional jobs that will be created with the transfer of these funds offer greater value to Helena-West Helena's economic development. Thus, \$54,100.00 will be transferred to other project activities leaving this project activity with a total budget of \$107,694.58.





Grantee Activity Number: 00403
Activity Title: Community Champion Home Buyer Program

Activity Type:
 RIF - Rehabilitation/reconstruction of Residential Structures

Activity Status:
 Under Way
Project Title:
 Housing Assistance for Homeowners

Project Number:
 004
Projected Start Date:
 07/01/2014

Projected End Date:
 09/30/2015
Project Draw Block by HUD:

Not Blocked

Activity Draw Block Date by HUD:

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 Rural Innovation Fund

Total Budget: \$ 153,756.97
Other Funds: \$ 368,604.00
Total Funds: \$ 522,360.97

Environmental Assessment:

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# of Households	10			0.00
# of Green Building or Energy Jobs Created				0.0
# of Construction Jobs Created				0.0

Proposed Accomplishments	Total
# of Singlefamily Units	
# of Multifamily Units	
# of Housing Units	
# of Leverage Partners Participating	
\$ of Leverage Funds- Government	
\$ of Leverage Funds- Private	
\$ Amount Contributed by Households to IDA Accounts for Housing Rehabilitation	
# of New CDFIs Established	
# of Housing Units with Green/Energy Efficiency Improvements	
# of Households Receiving Loans	
# of Households Receiving Direct Financial Aid	10
# of Households Establishing IDA Accounts for Housing Rehabilitation	
# of buildings (non-residential)	
# of Properties	



Activity is being carried out by Grantee:

No

Activity is being carried out through:**Organization carrying out Activity:**

Southern Bancorp Community Partners

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Southern Bancorp Community Partners	Non-Profit	\$ 138,052.66
Funding Source Name	Matching Funds	Funding Amount
Southern Bancorp Bank	Yes	\$ 360,000.00
Southern Bancorp Community Partners	No	\$ 8,604.00

Location Description:

Phillips County, AR

Activity Description:

SBCP will pilot an innovative housing assistance program called the Community Champion Home Buyer (Champions) program. Funded with \$85,000 in HUD Rural Innovation funding, the Champions program will provide housing assistance to eligible professionals who are primarily middle-income, first-time homeowners who work in professions that contribute to a quality community. Qualifying professions will include but are not limited to policemen, teachers, firefighters, and nurses. The Champions program will be developed as a recruitment and retainment vehicle for these critical professions, though the community also struggles to retain its champions. For instance, police are often hired at a lower salary and, when they become certified, move to a department that provides higher pay. It's also difficult to keep good teachers. Approximately \$5,000 will be utilized to develop program materials and conduct client recruitment activities. Clients will be required to make a commitment to stay in the community for at least two years to take advantage of the program primarily due to the late implementation timing and the need to encourage champions to participate in the project. This housing assistance stipend will help to pay for down payment assistance, closing costs, and added incentives for green renovations or retrofitting to existing homeowners. Through the Champions program, which is expected to support 10 homeowners due to the delayed implementation date, SBCP will seek to assist as many Champions as possible through the extended grant period. The Champions program addresses the needs of dilapidated or abandoned housing, lack of access to financing, substandard housing, and the high crime rate. Champions will also be encouraged to take advantage of additional assistance for green retrofitting and repairs and the lower-cost mortgage and renovation loans provided through Southern Bancorp, which will provide up to \$1,000,000 in capital for loans for eligible, credit-worthy applicants of this program in Phillips County over the grant period. SBCP also plans to explore the potential of creating an Employer Assisted Housing Program, based on other models across the country.

Due to the late start-up in this program, SBCP anticipated only serving 10 people (the original projection was 35). However, SBCP has already served 20 community champions and have the potential to serve a number of other participants with the transfer \$35,204.31 into this project activity.

SBCP's Community Champion program was launched very late in the grant period, for several reasons discussed in previous Action Plan revisions and reports. We had initially anticipated that we would not be able to serve more than 10 Champions before the end of September. However, we more than doubled that number, helping 9 Community Champions to purchase homes and 12 to make repairs or green upgrades of their homes. SBCP plans to move \$19,500.00 in remaining funds out of this program activity, which would make the total cost of this activity \$153,756.97.



Action Plan History

Version	Date
R-I1-0A-RC-0002 AP#1	09/17/2015
R-I1-0A-RC-0002 AP#2	07/24/2015
R-I1-0A-RC-0002 AP#3	04/28/2015
R-I1-0A-RC-0002 AP#4	03/03/2015
R-I1-0A-RC-0002 AP#5	08/25/2014
R-I1-0A-RC-0002 AP#6	03/26/2013
R-I1-0A-RC-0002 AP#7	05/01/2012

