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Subcommittee on Oversight and Investigations

Committee on Financial Services

Hearing: “**Broken Promises: Failures of the Little Rock Housing Authority and the Impact on Residents**”

Good morning, Chairman Hill and members of the Subcommittee.

My name is **Dr. Nadine Jarmon**, and I serve as Executive Director of the **Little Rock Housing Authority, doing business as Metropolitan Housing Alliance (MHA)**.

I appreciate the opportunity to appear before you today to discuss the challenges the agency has faced and the work currently underway to stabilize its operations and restore trust.

I have served **two separate terms** with the agency. My first term was from **May 2022 to August 2023**. During that period, I participated in the submission of a **161-page complaint filed on June 21, 2021**, which raised serious concerns about governance and operational issues at the Housing Authority. Following that filing, I was terminated from my position.

In **June 2024**, I returned to the agency as part of the resolution of my wrongful termination lawsuit and because of my experience working with troubled housing authorities and leading recovery efforts.

When I returned, the agency was facing severe operational and financial challenges.

At that time:

- The Housing Authority had **failed to submit audits for more than four years**
- The agency was **more than \$600,000 in arrears** to its software provider and legal counsel
- HUD had identified **more than \$22 million in noncompliance findings**
- The agency was operating under a **54-item Corrective Action Plan**

These conditions reflected years of instability and systemic breakdown within the organization.

In **November 2024**, the Housing Authority entered into a **Recovery Agreement with HUD** to guide the agency's stabilization and reform. Since entering that agreement, we have remained in compliance and have worked methodically to implement the required corrective actions.

One of the most urgent issues we confronted during the recovery process was the **pending foreclosure of Madison Heights I and II**, which threatened the loss of **more than 240 units of public and affordable housing** in our community.

Preserving those units became a top priority.

Since my return, and through the dedicated work of the agency's staff, the Housing Authority has made significant progress in a relatively short period of time.

Key milestones include:

- Implementing stronger **management and operational controls**
- Bringing the agency's **audits current through 2024** with the assistance of a national accounting firm
- Advancing a **refinancing strategy for Madison Heights** through partnerships with Community Development Financial Institutions, including **Southern Bancorp and Enterprise**, to prevent foreclosure
- Improving the agency's HUD performance designation from **"Troubled" to "Standard Performer"** based on the **August 2025 HUD assessment**

Equally important, we have worked to **rebuild trust with residents, landlords, and community partners** who depend on the Housing Authority's programs.

The recovery process has required significant effort from agency staff and leadership. While the agency has faced challenges with coordination and support from external stakeholders, our focus has remained on stabilizing operations, addressing compliance issues, and protecting housing for residents.

The work of rebuilding this agency is not complete. However, meaningful progress has been made, and the Housing Authority is moving in the right direction.

Our priority moving forward is clear:

- maintain strong governance
- ensure financial transparency

- strengthen operational accountability
- and most importantly, ensure that residents receive **safe, stable, and reliable housing**

I appreciate the opportunity to share the progress we have made and the lessons learned during this recovery process.

I welcome your questions.

Thank you.