



# **CDBG**

**Community Development Block Grant**

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**City of Hot Springs, Arkansas**

## **Amendment to 2011, 2013, 2014, 2015 & 2016 Annual Action Plans as Amended**

# City of Hot Springs, Amendment to 2011, 2013, 2014, 2015 & 2016 Annual Action Plans

## Cover Sheet

Name of Jurisdiction: City of Hot Springs, Arkansas

Lead Agency: City of Hot Springs  
Planning & Development Department  
133 Convention Boulevard  
Hot Springs, AR 71913

Contact: Kathleen A. Sellman  
Planning & Development Director

Phone: (501) 321-6855

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## **City of Hot Springs, Amendment to 2011, 2013, 2014, 2015 & 2016 Annual Action Plans**

### **Introduction**

This proposal includes data to fulfill federal requirements, as well as information of interest to the residents of Hot Springs.

The City of Hot Springs (City) receives funds annually from the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grant (CDBG) programs. This is the third amendment to the City's 2011 Annual Action Plan, the second amendment to the City's 2014 Annual Action Plan, and the first amendment to the City's 2015 Annual Action Plan.

An amendment is necessary to allow the change in use of Federal HUD funding as required by Title 24 of the Code of Federal Regulations (CFR), Section 91.505. The purpose of this amendment is to describe the City's proposed change in use of CDBG funds.

### **Purpose**

This amendment generally involves (1) deleting an activity that became ineligible July 1, 2014 after HUD LMI area percentage updates; and (2) reallocating unspent funds from projects completed under budget as described in the 2014-2018 Consolidated Plan, 2013 Annual Action Plan, 2014 Annual Action Plan, 2015 Annual Action Plan, 2016 Annual Action Plan, Significant Amendment to 2011, 2012 and 2013 Annual Action Plans, and Significant Amendment to 2011, 2012, 2013 & 2014 Annual Action Plans as amended.

Funds are being transferred to eligible neighborhood revitalization activities that can be spent in a timely manner on projects which are feasible, meet federal objectives and the priorities of low- to moderate-income Hot Springs residents.

### **Citizen Participation Overview**

Citizen participation is an integral part of the CDBG program (24CFR91.105). The City executed its Citizen Participation Plan and provided many opportunities for public input throughout the development and approval of the amendment.

Citizens were engaged in application public discussion using legal and public notices in the Sentinel Record newspaper, press releases to over seventeen (17) media outlets, online via cityhs.net and social media, CDBG representative attendance at neighborhood association and community meetings, monthly Community Development Advisory Committee (CDAC) public hearings, and City Board of Director meetings. All public meetings were duly advertised, held in accessible facilities served by public transit, and included contact information to request additional accommodations.

## **Results of the 2016 Citizen Survey**

A survey was conducted in June and July of 2016 to assess the citizen's expectations of the CDBG program. Choosing from 44 different eligible activities, residents prioritized neighborhood clean-up, revitalization, and infrastructure improvements.

1. Sidewalk/Pedestrian Improvements
2. Abandoned lot clean-up and development
3. Parks
4. Unsightly property trash / debris removal
5. Green Spaces
6. Code Enforcement
7. Infrastructure improvements to encourage job growth
8. Street improvements (not paving)
9. Street lighting
10. Historic Preservation

The 2016 priorities vary only slightly compared to those from 2013 and 2014 surveys used to develop the City's 2018-2018 Consolidated Plan and subsequent Annual Action Plans:

1. Unsightly property trash / debris removal
2. Street improvements
3. Infrastructure improvements to encourage job growth
4. Green spaces
5. Sidewalks
6. Neglected/abused children services
7. Abandoned lot clean-up and development
8. Historic preservation
9. Code enforcement
10. Parks

## **Project Selection**

The City of Hot Springs 2014-2018 Consolidated Plan specifies that uncommitted funds be reprogrammed to eligible neighborhood revitalization and affordable housing initiatives. The City uses the Annual Action Plan application period and selection process to identify projects to be included in an amendment to reallocate available funds.

An application period was opened August 4 to October 30, 2015. Applications were distributed at monthly Community Development Advisory Committee meetings, and made available online and in the City Planning & Development office. Legal notices to solicit applications were placed in the Sentinel Record newspaper August 2, August 30, September 1, September 27 and October 1. Press releases were issued to over 17 media outlets on August 4 and September 1, 2015. A radio interview was conducted in August. Three (3) duly advertised Community Development Advisory Committee public meetings were held August 6, September 3 and October 1, 2015 to answer applicant questions.

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Two (2) direct emails were sent to over forty (40) prospective applicants. Phone and in-person support was provided to prospective applicants upon request.

Twenty-three (23) applications were received from nine (9) applicants. One (1) application did not meet eligibility requirements because it was located outside of the City of Hot Springs.

The Community Development Advisory Committee (CDAC) held a public hearing on December 3, 2015 to hear public comment and recommend applications. Nineteen (19) residents attended. Applicants presented eligible projects and answered questions. Six (6) verbal public comments were heard in support of proposed projects. One (1) written comment was received requesting funding preference be given to organizations/associations without a 501c3 or grant writer on staff. Whittington Valley Neighborhood Association sent a letter of support in favor of the utility upgrade to encourage economic development on Ouachita Avenue. The meeting was advertised in the Sentinel Record newspaper, press release, online, and radio.

The City Board of Directors held a public meeting on January 5, 2016 to review the recommendation from CDAC and adopt a prioritized list of projects for the 2016 Annual Action Plan. Contingency language was included in the resolution specifying that projects that could not be funded through the Annual Action Plan would be funded in priority order as funds became available during the calendar year. Approximately fifty (50) citizens attended the meeting.

The Community Development Advisory Committee held a public hearing on March 3, 2016 recommending the 2016 Annual Action Plan including projects in the approved priority to the Board of Directors. Eight (8) residents attended. No verbal or written comments were received.

The City Board of Directors held a public meeting on April 5, 2016 adopting the 2016 Annual Action Plan. The 2016 Annual Action Plan stated that projects unable to be funded in the Annual Action Plan would be considered in the Board approved priority order as part of an Amendment to be developed in late 2016 to reallocate unspent, uncommitted funds to eligible neighborhood revitalization projects.

The Community Development Advisory Committee will hold a public hearing on November 3, 2016 to review the proposed Amendment. Legal notices were placed in the Sentinel Record October 29 and November 1, 2016, and meeting notices were advertised October 30 and November 2, 2016. The amendment and related project applications were made available for public review online and in the City Planning & Development office.

***<insert additional amendment advertising/outreach efforts here when complete>***

The projects selected for Amendment funding meet HUD national objectives and timeliness requirements, and demonstrate City priorities to address public health and safety, create suitable living environments for low- to moderate-income neighborhoods and those with special mobility needs, influence future public and private development and investment, and leverage other funds and in-kind resources for maximum benefit.

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### **Citizen Comments**

As outlined in the City's Citizen Participation Plan, residents are given opportunities to review the amendment and submit written comments or make public statements. Copies of the amendment were made available online and in the City's Planning and Development office.

*<insert comments here when received>*

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**Available Funds**

The City’s CDBG Annual Action Plans include eligible activities to be funded during a program year. Fiscal year funding is to be expended on activities as described in the Annual Action Plan. Per the City’s plans unspent funds are to be reallocated to eligible neighborhood revitalization and affordable housing initiatives following an application and review period. The following table lists the unspent funds to be reprogrammed by this amendment.

<b>Year</b>	<b>Annual Action Plan Activity</b>	<b>Annual Action Plan Funding</b>	<b>Amendment Amount</b>
2016	Linden Park Pavilion Usability Improvements completed under budget	7,900.00	322.17
2013 Unspent Funds to be Reprogrammed			322.17
2015	Planning & Administration completed under budget	45,000.00	8,358.44
2015	Habitat for Humanity Watt Street completed under budget	3,900.00	1,167.26
2015	Reserve & Spring Street Sidewalk & ADA Improvements completed under budget	11,600.00	1.00
2015*	Silver & Wade Street Sidewalk & ADA Improvements completed under budget	20,776.00	676.00
2015	Linden Park Lot Acquisition under budget	4,430.00	793.45
2015 Unspent Funds to be Reprogrammed			10,996.15
2014	Fair Housing Study reduced funding	25,000.00	5,000.00
2014**	Baseball Trail Park Improvements became ineligible after HUD LMI area benefit changes in July 2014 (\$19,923.86 reprogrammed in a previous amendment)	41,200.00	21,276.14
2014 Unspent Funds to be Reprogrammed			26,276.14
2013*	Pleasant Street Sidewalk & ADA Improvements completed under budget	7,567.46	10.20
2013 Unspent Funds to be Reprogrammed			10.20
2011*	Webb Center Picnic Area will be completed under budget	17,500.00	7,690.35
2011 Unspent Funds to be Reprogrammed			7,690.35
<b>TOTAL AS OF NOVEMBER 1, 2016</b>			<b>\$45,295.01</b>

\*Project included in the 2014 Amendment of Annual Action Plans 2011, 2012 & 2013 as amended

\*\* Project included in the 2015 Amendment of Annual Action Plans 2011, 2012, 2013 & 2014 as amended



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**Proposed Projects To Be Funded**

Proposed activities are eligible per 24CFR 570.201 of the CDBG Entitlement Program regulations and comply with the national objective to benefit low- and moderate-income persons as an area benefit.

PARK AVENUE REVITALIZATION PHASE III D & E Curb and gutter construction to decrease pedestrian street crossing distance thereby improving public safety, and drainage improvements to reduce flooding at the intersections of Bower and Park and Dell and Park.	\$21,211.00
MALVERN AVENUE PHASE II SUPPLEMENTAL The University of Arkansas Community Design Center (UACDC) is currently developing a Complete Street Master Plan for the Malvern Avenue segment between Grand Avenue and Spring Street, eight blocks in scope. Activities to be undertaken by CDBG funds cannot be identified until UACDC presents base drawings and the strategic framework plan to the City in December 2016. Malvern Avenue is located in an area that qualifies for public facilities & improvements on an LMI area basis. All proposed activities will be examined to ensure grant eligibility prior to initiating the Environmental Review and Request for Release of Funds. Activities may or may not include: sidewalk construction and reconstruction, ADA curb cut ramp installation and reconstruction, curb and gutter, drainage improvements, pedestrian safety improvements (e.g. crosswalk markings and lights) or a bus shelter.	\$24,084.01
<b>TOTAL TO BE REALLOCATED AS OF NOVEMBER 1, 2016</b>	<b>\$45,295.01</b>

**Request That Additional Funds be Reallocated as Part of This Amendment**

Considering that (1) there are projects currently underway that may be completed under budget before the end of the year, (2) timely spend down is a demanding grant requirement, (3) expending funds requires commitments to specific activities approved by HUD, and (4) reallocation of unspent funds exceeding 10% of the annual allocation can only be accomplished by committing funds to projects through an amendment, the **Planning & Development Department requests that the public, Community Development Advisory Committee and Board of Directors make allowance in this amendment to include all unspent funds from projects completed under budget on or before December 31, 2016 up to a maximum of \$70,419.00.**

If approved, additional unspent, uncommitted funds realized between November 1, 2016 and December 31, 2016 up to \$70,419.00 would be reallocated to the Park Avenue (\$21,211 total) and Malvern Avenue (up to \$49,208) projects as described above.

Should unspent, uncommitted funds exceed \$70,419.00 on or before December 31, 2016 this Amendment will be revised and presented again to the public, Community Development Advisory Committee and Board of Directors for review and reconsideration.

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### Monitoring

The City Planning & Development Department monitors its CDBG program to ensure compliance with HUD regulations and attainment of Consolidated Plan goals. Annual Action Plan activities are set up and tracked in IDIS and in a shared financial reconciliation spreadsheet to allow ongoing review of activities expenditures.

The Planning & Development Department monitors all projects in the Consolidated Plan/Action Plan to ensure sub-recipients are complying with projected performance standards, contractual requirements, and applicable federal regulations. The standards and procedures used to monitor activities carried out in furtherance of the Consolidated Plan include: Pre-award conferences to finalize agreements and post award conferences to discuss and explain in detail the terms of the agreement, ongoing technical assistance and at least one (1) monitoring visit per year.

The Planning & Development Department conducts on-site monitoring visits for each sub-recipient of CDBG funds. A notification letter is sent to each agency concerning the time and date of the monitoring visit. At the time of the visit, a standard report is completed to monitor compliance in the following areas: management and operations, eligibility records, agreement compliance, financial records/audits, procurement standards and practices, property inventories, program income, insurance, and internal controls. Monitoring results indicate the sub-recipients receiving CDBG funds are performing in compliance or require additional assistance to correct findings or concerns.

Each agreement receives on-going monthly or quarterly monitoring through review of regular reports submitted by each sub-recipient. Through this process, potential problems can be identified early in the program year and technical assistance and/or on-site visitation can be conducted as well. This process also allows staff to properly manage timeliness of expenditures and have the sub-recipient make adjustments accordingly for compliance.

Contractors engaged by the City through a competitive procurement process are prepared for regulatory compliance through extensive documentation contained in bid packages, pre-bid conferences, pre-construction conferences including the review of contract terms & conditions, and ongoing technical assistance. Quality and quantity of work is verified by the overseeing City Department at the time of invoice submission. Compliance with Davis Bacon, Fair Labor Standards and related acts is confirmed by the Planning & Development Department at the time of invoice submission. Invoices are held until any required corrections are satisfactorily completed and confirmed.

## Addendum A: Resolution

## Addendum B: Public Notices