



CDBG

Community Development Block Grant

City of Hot Springs, Arkansas

Amendment to 2014, 2015 & 2016 Annual Action Plans as Amended

Pending Review & Approval November 2017



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

Cover Sheet

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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 2014 Annual Action Plan, and the second amendment to the City's 2015 and 2016 Annual Action Plans.

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 reallocating unspent funds from projects completed under budget as described in the 2014-2018 Consolidated Plan, 2014 Annual Action Plan, 2015 Annual Action Plan, 2016 Annual Action Plan, and Substantial 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 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.

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Results of the 2016 Citizen Survey

A survey was conducted in 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 28, 2016. 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 July 31, August 4, August 28, September 22, September 25 and October 3, 2016. Press releases were issued to over 17 media outlets on August 2 and September 20, 2016. Three (3) duly advertised Community Development Advisory Committee public meetings were held August 4, September 1 and October 6, 2016 to answer applicant questions. Two (2) direct emails

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

Twenty-four (24) proposals were received from eleven (11) applicants including four (4) neighborhood associations, four (4) non-profit organizations and three (3) city departments.

The Community Development Advisory Committee (CDAC) held a public hearing on December 6, 2016 to hear public comment and recommend applications. Twenty (20) residents attended. Applicants presented eligible projects and answered questions. One (1) verbal public comment was heard. Seven (7) written comments were received supporting an Ali's Angels Wonderland application and the Pleasant Street Pocket Park. The meeting was advertised in the Sentinel Record newspaper, press release, online, and radio.

The City Board of Directors held a public meeting on February 7, 2017 to review the recommendation from CDAC and adopt a prioritized list of projects for the 2017 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 June 1, 2017 recommending the 2017 Annual Action Plan including projects in approved priority to the Board of Directors. Three (3) residents attended. One verbal comment in support of the plan was heard. No written comments were received.

The City Board of Directors held a public meeting on June 20, 2017 adopting the 2017 Annual Action Plan. Approximately 40 residents attended. Four (4) verbal comments were heard in support of the plan; 1 comment requested a change to the proposed plan. The Board unanimously (6:0) adopted the plan as presented.

The 2017 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 2017 to reallocate unspent, uncommitted funds to eligible neighborhood revitalization projects.

The Community Development Advisory Committee held a public hearing on November 2, 2017 to review the proposed Amendment. Four (4) residents attended; 2 comments in support of the amendment were heard. The Committee unanimously (4:0) recommended the amendment for City Board of Directors consideration. Legal notices were placed in the Sentinel Record October 29 and November 1, 2017; a direct email was sent to fifteen (15) residents on the CDBG mailing list and the amendment and meeting were discussed on local radio October 31, 2017. The amendment and related project applications were made available for public review online and in the City Planning & Development office October 30, 2017.

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The project selected for Amendment funding meets 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, influence future public and private development and investment, and leverage other funds and in-kind resources for maximum benefit.

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.

Mark Toth of the Whittington Valley Neighborhood Association spoke in favor of the amendment adding that the neighborhood supports the development of Watkins Park and has benefited from CDBG funded spot blight nuisance abatement as part of ongoing neighborhood revitalization.

Cindy Rogers with the Park Avenue Community Association supported the amendment and noted that the neighborhood has fundraised for lighting, bioswales, bridge, playground equipment, irrigation and plantings for Watkins Park.

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PART I. 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.

Year	Annual Action Plan Activity	Annual Action Plan Funding	Amendment Amount
2017	Program Income from the repayment of a spot blight nuisance abatement lien	0	1,303.68
2016	Planning & Administration completed under budget	40,000.00	3,732.00
2015	Habitat for Humanity Garden & Mound completed under budget	11,318.42	540.00
2014*	Gateway Bus Shelter completed under budget	7,300.00	2,584.86
2014*	Habitat for Humanity 240 Hobson completed under budget	7,859.92	5,129.73
TOTAL			\$13,290.27

* Project funded by the 2015 amendment of Annual Action Plans 2011, 2012, 2013 & 2014 as amended

PART I. Proposed Project 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 a spot blight abatement benefit.

SPOT BLIGHT NUISANCE ABATEMENT	\$13,290.27
Demolition and clearance of vacant, condemned single family structures in low- to moderate-income areas to reduce public health and safety concerns associated with vacant buildings, and further revitalization and redevelopment efforts of the surrounding area.	
TOTAL TO BE REALLOCATED AS OF NOVEMBER 1, 2017	\$13,290.27

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PART II: Off-Cycle Infrastructure Improvements

Typically projects to be undertaken are specifically named and described in Annual Action Plans however, the 2014 and 2017 CDBG Annual Action Plans established limited funding for targeted, transformative infrastructure improvements to encourage economic development and/or neighborhood revitalization for eligible activities occurring outside of the annual CDBG application and authorization timeline. The availability of these off-cycle infrastructure improvement funds as recommended by CDAC and approved by the City Board of Directors has been an invaluable tool to the City and CDBG program to meet the needs of the community on an as needed basis.

As authorized by the Board of Directors, the City Manager’s office has approved the use of \$25,000 in 2014/2017 Infrastructure Improvement funds to supplement the construction of the David F. Watkins Memorial Park retaining wall and amphitheater. In the absence of other available funding, completion of the west side retaining wall and amphitheater delays further park development activities currently funded through other grants and public donations including General Improvement Fund (GIF) security lighting installation, crowd sourced bridge construction, Civitan funded playground equipment installation, park signage, bioswale creation, and plantings. In short, heavy construction of the retaining wall and amphitheater must be finished before other park elements that have already been funded can commence.

Since this request is occurring during the Substantial Amendment timeframe it is included herein for public comment.

Year	Annual Action Plan Activity	Annual Action Plan Funding	Unencumbered Balance	Amendment Amount
2014	Infrastructure Improvements to Revitalize Neighborhoods and Encourage Business & Job Growth	60,000.00	23,119.49	23,119.49
2017	Infrastructure Improvements to Revitalize Neighborhoods and Encourage Business & Job Growth	10,000.00	10,000.00	1,880.51
TOTAL				\$25,000.00

These funds will supplement \$7,000 in 2016 CDBG funding and \$39,938 in 2017 CDBG funding recommended by the Community Development Advisory Committee, approved by the City Board of Directors in resolutions 8901 and 9116 respectively, and authorized by the U.S. Department of Housing and Urban Development.

The exact amount required to complete the west side of the retaining wall and amphitheater will not be known until a competitive, responsive low bid is accepted in accordance with the City of Hot Springs Purchasing Policy and federal procurement standards 2 CFR 200.317-326. Should the project be completed under budget, unused funds will be returned to provide infrastructure improvements that encourage business & job growth and/or further neighborhood revitalization.

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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: Resolutions

RESOLUTION NO. 9037

A RESOLUTION APPROVING A COMMUNITY DEVELOPMENT ADVISORY COMMITTEE'S PRIORITIZED FY2017 APPLICATIONS TO BE A BASIS FOR A FY2017 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL ACTION PLAN TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD).

WHEREAS, the City was designated as a Community Development Block Grant (CDBG) Entitlement Community by HUD in July, 2003 and that

WHEREAS, the City is required to submit an Annual Action Plan to HUD; and that

WHEREAS, at a duly advertised Meeting on December 1, 2016, the Hot Springs Community Development Advisory Committee (CDAC) considered applications submitted in anticipation of FY2017 grant award and having a quorum voted 4-0 to recommend a prioritized project list; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Hot Springs, Arkansas:

1. FY2017 CDBG Annual Action Plan will be presented for Board approval within 60 days of HUD/Congressional allocation which shall reflect the listed projects in rank order according to the following list:

CDAC Rank	Project Name	Amount
1	CDBG Planning & Administration	\$ 47,700.00
2	Malvern Avenue Revitalization matching funds for FTA grant	\$ 30,000.00
3	Spot Blight Nuisance Abatement HALF OF REQUESTED AMOUNT	\$ 20,000.00
4	Ouachita Children's Center Staircase	\$ 11,770.00
5	Home Buyer Education Classes	\$ 15,000.00
6	Park Ave Revitalization Phase IV - Elements (A) Lodestone to Ramble Improvements, and (B) 400 Park Drainage Improvements	\$ 42,202.00
7	David F Watkins Park Retaining Wall & Amphitheater site prep, demo & removal of retaining wall, concrete stage risers and slab	\$ 12,338.00
8	Bell Street Sidewalk & ADA Improvements	\$ 38,093.00
9	Highrise Circle Bus Shelter	\$ 6,500.00
10	Myrtle Street Sidewalk & Drainage Improvements	\$ 40,000.00
11	Pleasant Street Pocket Park - Element (A) Elevation Plan & Plot Design	\$ 2,500.00
12	Habitat For Humanity Bellview survey and lot prep for 1 home	\$ 6,800.00
13	Chattanooga Park Pavilion Improvements & ADA Accessibility	\$ 9,500.00

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14	Getting Ahead for Youth Program, the youth Bridges Out of Poverty program	\$ 7,500.00
15	Whittington Bus Shelter	\$ 6,500.00
16	Park Ave Revitalization Phase IV - Element (C) Sidewalk & ADA Improvements west side 100-900 blocks	\$ 37,394.00
17	City Manager Infrastructure Improvements Fund for economic development, neighborhood revitalization and affordable housing. PARTIAL	\$ 10,000.00
18	Pleasant Street Pocket Park - Element (B) Basketball court prep - Concrete/asphalt, grading, pouring, power lines	\$ 18,775.00
19	David F Watkins Park Retaining Wall & Amphitheater Concrete ADA Ramp to Amphitheater	\$ 26,600.00
20	Ouachita Children's Center Fire Escape	\$ 16,615.00
21	Spot Blight Nuisance Abatement REMAINDER	\$ 20,000.00
22	Habitat for Humanity Garland survey and lot prep for 1 home	\$ 2,800.00
23	Linden Park Playground Equipment Replacement	\$ 59,500.00
24	All's Wonderland ADA Parking Lot	\$ 38,153.00
25	Habitat for Humanity Belding/Lincoln acquisition, survey and lot prep for 2 new homes	\$ 8,800.00
26	Habitat for Humanity Gaines Henry acquisition, survey and lot prep for 2 new homes	\$ 8,400.00
27	City Manager Infrastructure Improvements Fund for economic development, neighborhood revitalization and affordable housing. PARTIAL	\$ 10,000.00
28	Linden Park Bathroom Replacement	\$ 125,000.00
29	The Hope Movement HVAC & duct replacement	\$ 8,000.00
30	All's Wonderland ADA Bathroom	\$ 94,500.00
31	Habitat for Humanity Property Acquisition Fund	\$ 29,000.00
		\$ 809,940.00

2. Should available FY2017 CDBG funds be less than the total amount requested, CDAC recommends that the Board fund projects in the above priority order up to the amount available. Projects in excess of the available amount of funding will be placed on hold for reconsideration should additional funding become available in FY2017.

3. Should the actual grant exceed the total amount requested, unallocated funds in excess shall be reserved for eligible neighborhood infrastructure improvements where such funds may be used for projects or CDAC may recommend other allocation to the Board of Directors.

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PASSED: February 7, 2017

APPROVED: Ruth Carney
RUTH CARNEY, MAYOR

ATTEST: Lance Spider
LANCE SPIDER, CITY CLERK

Addendum B: Public Notices