



CDBG

Community Development Block Grant

City of Hot Springs, Arkansas

2018 Amendment to 2014, 2017 & 2018 Annual Action Plans as Amended

V1.2 Pending Approval September 2018



Cover Sheet

Name of Jurisdiction: City of Hot Springs, Arkansas

Lead Agency: City of Hot Springs
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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 fourth amendment to the City's 2014 Annual Action Plan, and the first amendment to the City's 2018 and 2017 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, 2018 Annual Action Plan, 2017 Annual Action Plan, and a 2015 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 surveys, legal and public notices in the Sentinel Record newspaper, press releases to over seventeen (17) media outlets, online via cityhs.net and social media, 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 2018 Citizen Survey

A survey was conducted in 2018 to assess the citizen's expectations of the CDBG program. Choosing from 44 eligible activities, residents prioritized:

1. Public Parks
2. Sidewalks / Pedestrian Improvements
3. Abandoned Lot Clean-up & Development
4. Unsightly Property Trash & Debris Removal
5. Historic Preservation
6. Childcare Services
7. Housing Repairs
8. Neglected / Abused Children's Services
9. Street Lighting
10. Youth Center Facilities

The 2018 priorities varied slightly compared to those from 2016 and 2014 surveys:

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

Project Selection

Three (3) objectives were identified in the 2014-2018 Consolidated Plan:

1. Create suitable living environments and promote decent, affordable housing initiatives
2. Encourage economic development and job growth through targeted infrastructure improvements
3. Provide assistance, support and resources to further fair housing opportunity, expand neighborhood revitalization and strengthen Continuum of Care service efforts

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.

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An application period was opened July 6 to August 25, 2017. 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 June 27, June 29, July 6, July 30, August 1, and August 3, 2017. Two (2) duly advertised Community Development Advisory Committee public meetings were held July 6 and August 3, 2017 to answer applicant questions. Two (2) direct emails were sent to over forty (40) prospective applicants. Phone and in-person support was provided to prospective applicants upon request. Applications were made available at the Difference Makers Community Resources Fair August 12, 2017, which included a direct mail campaign to all property owners in the Pleasant Street National Historic District.

Sixteen (16) proposals were received from nine (9) applicants representing four (4) neighborhood associations, three (3) non-profit organizations and two (2) city departments.

The Community Development Advisory Committee (CDAC) held a public hearing on October 5, 2017 to hear public comment and recommend applications. Twenty-one (21) residents attended. Applicants presented eligible projects and answered questions. Three (3) verbal public comments were heard. No written comments were received. The meeting was advertised in the Sentinel Record newspaper, press release, online, and radio.

The City Board of Directors held a public meeting on December 5, 2017 to review the recommendation from CDAC and adopt a prioritized list of projects for the 2018 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 twenty-five (25) citizens attended the meeting.

The Community Development Advisory Committee held a public hearing on May 15, 2018 recommending the 2018 Annual Action Plan including projects in approved priority to the Board of Directors. Sixteen (16) residents attended. Six (6) public comments were heard: 2 supporting Spot Blight Nuisance Abatement, 1 in support of the John Lee Webb House, 2 supporting Malvern Avenue and 2 supporting Park Avenue improvements. No written comments were received.

The City Board of Directors held a public meeting on June 5, 2018 adopting the 2018 Annual Action Plan. Approximately 40 residents attended. No comments were heard; no written comments were received. The Board unanimously adopted the plan as presented.

The 2018 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 2018 to reallocate unspent, uncommitted funds to eligible projects.

The Community Development Advisory Committee held a public hearing on September 6, 2018 to review the proposed Amendment and hear public comment. 6 residents attended. 2 comments were heard in support of Park Avenue improvements and 2 in support of John Lee Webb House historic restoration. Legal notices advertising the meeting were placed in the Sentinel Record newspaper September 1st and 5th, 2018 and online in the City Highlights newsletter for two weeks prior.

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The City Board of Directors held a duly advertised meeting on September 18, 2018. Approximately 12 attended. No comments were heard. The Substantial Amendment was adopted in a unanimous vote (7:0).

The projects proposed for Amendment funding meets a HUD national objective and timeliness requirements, and demonstrates City priorities to 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 beginning August 28, 2018. No written comments were received. All verbal comments were considered.

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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.

Year	Annual Action Plan Activity	Annual Action Plan Funding	Amendment Amount
2018	2018 CDBG Planning & Administration	\$70,000.00	\$20,000.00
2017	2017 CDBG Planning & Administration	\$47,770.00	\$12,159.52
2017	Chattanooga Park Pavilion & ADA Improvements	\$ 9,500.00	\$ 623.69
2014*	Pleasant Street Pocket Park Lot Acquisition	\$11,000.00	\$ 207.55
2014*	Habitat for Humanity Ruth Cones Supplemental	\$ 3,000.00	\$ 15.68
		TOTAL	\$33,006.44

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

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.

JOHN LEE WEBB HOUSE HISTORIC RESTORATION	\$14,000.00
Reconstruction of the perimeter structural foundation including structural engineering (analysis of site conditions by a licensed structural engineer), foundation field work and installation of new piers all in accordance with the Certificate of Appropriateness issued by the Hot Springs Historic District Commission and guidelines for the rehabilitation of historic properties required by the Secretary of the Interior.	
PARK AVENUE 1000 BLOCK SIDEWALK, ADA & DRAINAGE IMPROVEMENTS SUPPLEMENTAL	\$19,006.44
Supplemental funding for the reconstruction of sidewalks, ADA accessibility curb cut ramps, and installation of new curb/gutter and sidewalks between 300 and 1100 Park Avenue. This is a continuation of pedestrian and drainage improvements, and adds funds to previously approved 2017 & 2018 CDBG projects in the 300, 400, 1000 and 1100 blocks that due to significant increases in labor and materials costs over the past 12 months require supplemental funds for successful completion.	
TOTAL TO BE REALLOCATED AS OF SEPTEMBER 19, 2018	\$33,006.44

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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 and/or 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

RESOLUTION NO. 9322

A RESOLUTION AMENDING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FISCAL YEARS (FY) 2014, 2017, & 2018 ANNUAL ACTION PLANS (AAP) AS AMENDED TO REALLOCATE \$33,006.44 TO ELIGIBLE PROJECTS.

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

WHEREAS, \$33,006.44 in unexpended funds remain from three prior fiscal years; and that

WHEREAS, Hot Springs Board of Directors recognizes that CFR title 24 Section §91.505 requires formal plan amendment in order to reallocate unexpended funds to neighborhood revitalization projects as described in the adopted 2014-2018 Consolidated Plan; and that

WHEREAS, the City's CDBG Annual Action Plans specify that unspent funds will be reallocated in an amendment to projects in the prioritized order adopted by the Board of Directors; and that

WHEREAS, at a duly advertised public meeting on September 6, 2018 the Hot Springs Community Development Advisory Committee (CDAC) reviewed this amendment and recommended the Hot Springs Board of Directors approve said amendment.

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

Section One. That \$14,000.00 in available FY 2014, 2017 & 2018 Community Development Block Grant funding be reallocated to John Lee Webb House historic restoration activities and \$19,006.44 to pedestrian, ADA and drainage improvements on Park Avenue.

Section Two: Prior to disbursement of any funding the City shall ensure that project is in compliance, or has the capacity to be in compliance, with all guidelines, regulations, assurances and certifications as may now or hereafter be required or recommended by the U.S. Department of Housing and Urban Development (HUD) or the City of Hot Springs for the selection, management or oversight of activities. In the event that any project should fail to meet any and all of the forgoing requirements, those funds shall be re-allocated in a future amendment.

Section Three: That the City Manager or his designee is hereby authorized to execute and file an Amendment to FY 2014, 2017 and 2018 Annual Action Plans as amended, with the U.S. Department of Housing and Urban Development (HUD). Provided, further, that the City Manager or his designee, is hereby authorized to act as the official representative of the City in connection with the Consolidated Plan, Amendment, grant application, grant agreement, and projects; and to provide such additional information or make corrections, revisions or modifications as may be required by HUD in connection with the Consolidated Plan, the Amendment, grant application, grant agreement or listed projects.

PASSED: September 18, 2018

APPROVED: 
PAT MCCABE, MAYOR

ATTEST: 
LANCE SPICER, CITY CLERK

Addendum B: Public Notices