



CDBG

Community Development Block Grant

City of Hot Springs, Arkansas

2019 Amendment to the 2018 Annual Action Plan to Fund Fair Housing Activities

For Public Review and Comment



City of Hot Springs, 2019 Amendment to 2018 Annual Action Plan as Amended

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. The use of those funds is described in an Annual Action Plan reviewed by residents, adopted by the City Board of Directors and approved by HUD.

An amendment is necessary to allow a change in use of 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 described in the 2018 Annual Action Plan.

This is the second amendment to the City's 2018 Annual Action Plan.

Purpose

This amendment generally involves reallocating unspent funds from projects completed under budget as described in the 2014-2018 Consolidated Plan and 2018 Annual Action Plan as amended.

Funds are being transferred to eligible fair housing education and outreach activities that meet federal objectives and the needs of Hot Springs residents as identified in the Analysis of Impediments to Fair Housing Choice Study.

Project

The City of Hot Springs and the Housing Authority of the City of Hot Springs worked together throughout 2018 to prepare a fair housing study that looked at housing choice and access to community resources. The study, known as an Analysis of Impediments to Fair Housing Choice (AI), discusses patterns of race, poverty, and housing needs; how residents decide where to live; what neighborhoods offer the most opportunity and other fair and affordable housing issues in Hot Springs. It also outlines strategies the City and Housing Authority plan to take to improve housing choices for residents. The study is required by the U.S. Department of Housing and Urban Development for jurisdictions that receive certain community development and affordable housing grant funds.

An important part of the AI involved hearing from local residents and stakeholders. During the community engagement process 132 residents responded to a survey and 38 participated in one-on-one or group discussions.

When survey participants were asked whether they thought housing discrimination was an issue in Hot Springs about 34% answered "yes" and 28% said it "may be an issue." About 19% said "no", and the remaining 29% didn't know. In addition, 21% of people did not understand their fair housing rights and a significant percentage (48%) did not know where to file a housing discrimination complaint. 17% responded that they had experienced housing discrimination while living in Hot

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Springs and none who had experienced discrimination filed a report of it. Reasons for not reporting included not knowing what good it would do, not knowing where to file, fear of retaliation, lack of time, and not knowing it was a violation.

AI recommendations include increasing fair housing outreach and enforcement by providing fair housing education to the public, landlords, realtors and other housing industry professionals, and raising awareness of housing opportunities, City of Hot Springs Housing Officer and fair housing complaint procedures.

Citizen Participation

Citizen participation is an integral part of the CDBG program (24CFR91.105). The City executed its Citizen Participation Plan and provided opportunities for public input throughout the development, review and approval of the Fair Housing study and this amendment to reallocate funds to address educational and outreach recommendations.

An important component of the research process for the development of the Analysis of Impediments to Fair Housing Choice study involved gathering input regarding fair and affordable housing conditions, perceptions, and needs. Several approaches were used to achieve meaningful public engagement with residents and stakeholders, including a public meeting, focus groups, interviews and a communitywide survey:

- A direct email was sent on June 16, 2018 to 30 CDBG mailing list subscribers sharing the online survey and public meeting information.
- A press release was issued to 17 media outlets, cityhs.net and shared on social media on June 19, 2018.
- Notice regarding the public meeting and survey were advertised in the local Sentinel Record newspaper on June 22, June 24, June 27, August 12 and August 15, 2018 including three (3) legal ads and two (2) displays ads.
- 20 individual and small group stakeholder interviews were held the week of June 25, 2018 and included organizations representing legal services, fair housing, veterans, lending institutions, housing developers, low- to moderate-income targeted neighborhood associations, transit, landlords and realtors, education, city departments and community-centric non-profits.
- The newspaper ran a front-page article about the AI survey and public meeting on June 27.
- Focus groups were held June 27 with Habitat for Humanity homeowners and June 28 with Cooperative Christian Ministries and Clinic case managers.
- A one-hour local radio interview was conducted the morning of June 28.
- Flyers advertising the project and opportunities to provide input were in public places including the Transportation Depot, City Hall and the Webb Center.
- 26 residents attended the public meeting on June 28, 2018 at 6:30pm.
- 132 residents completed a 25-question survey made available online and in hard copy between June and August of 2018.

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Opportunities to provide input on the draft Analysis of Impediments study during a 45-day public comment period were also advertised to a broad audience.

- The draft Analysis of Impediments and comment procedures were made available online and in hard copy in the City Planning & Development office between November 29, 2018 and January 14, 2019.
- A direct email was sent to 32 CDBG mailing list subscribers and the stakeholder interviewees and public meeting attendees on November 29 and December 26, 2018.
- Notice of the draft study and public comment opportunities were advertised in the local Sentinel Record newspaper on November 30, December 2, December 6 and December 30, 2018.
- A press release was issued to 17 media outlets, cityhs.net and shared on social media on November 30, 2018.
- Public meetings were held at 1:00pm and 6:30pm on December 6, 2018 and again at 1:00pm January 3, 2019 to present key findings and strategies, and hear public comment.

Notice of the amendment to reallocate funds to fair housing education and awareness activities and opportunities to comment was emailed to 32 CDBG mailing list subscribers on December 26 and advertised in the local Sentinel Record newspaper on December 30, 2018. A public meeting was held on January 3rd to discuss and hear public comment.

Public meetings were duly advertised, held in accessible facilities served by public transit, and included contact information to request accommodations.

Citizen Comments

As outlined in the City's Citizen Participation Plan, residents are given opportunities to review proposed amendments 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 December 28, 2018. No written comments have been received to date. All comments received on or before February 4, 2019 will be considered.

Available Funds

CDBG Annual Action Plans detail the eligible projects to be funded in a fiscal year. The following table lists two Habitat for Humanity projects that were funded in the 2018 Annual Action Plan that were completed under budget. These funds are available to be reprogrammed in this amendment.

Year	Annual Action Plan Activity	Annual Action Plan Funding	Amendment Amount
2018	Habitat for Humanity 207 Oma	\$ 4,350.00	\$ 2,397.50
2018	Habitat for Humanity 305 Cones Road Lots 5 & 6	\$10,200.00	\$ 5,105.64
		TOTAL	\$ 7,503.14

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Fair Housing Activities

The City of Hot Springs proposes reallocating \$7,503.14 in unspent, uncommitted funds as described above in order to provide fair housing services to implement recommendations in the Analysis of Impediments to Fair Housing Study and further the fair housing objectives of the Fair Housing Act.

Proposed activities include creating greater awareness of housing opportunities such as home buyer education and assistance programs, providing fair housing enforcement, education and outreach, and informing the community about their fair housing rights. The proposed activities will be eligible under 24 CFR 570.201 and 570.206(c), and subject to the 20% Administrative cap.

More specifically, activities to be undertaken may include but are not limited to print advertising, public service announcements, production of educational materials such as fair housing rights and complaint procedure brochures, flyers and posters, and reasonable costs associated with participation in and hosting of fair housing education events for the public and housing industry professionals.

Monitoring

The City Planning & Development and Finance departments monitor 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 shared financial reconciliation spreadsheets to allow ongoing review of activities and expenditures.

The Planning & Development Department monitors 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: Subrecipient risk assessment, pre-award conferences to finalize agreements, post award conferences to discuss and explain expectations and terms of the agreement, ongoing technical assistance and at least one (1) onsite monitoring visit per year.

City of Hot Springs Planning & Development and Finance department staff conduct an annual onsite monitoring visit of each sub-recipient of CDBG funds. A notification letter is sent to the agency concerning the time and date, and the period, programs and documentation under review. At the time of the visit, a pre-conference is held to explain the purpose of the visit and then City staff complete a monitoring checklist documenting compliance in the following areas: management and operations, beneficiary eligibility records, agreement compliance, financial records/audits, procurement standards and practices, property inventories and capital asset management, program income, insurance, and internal controls. A post monitoring conference and letter detail identified findings and concerns, required corrective actions and technical assistance, as well as areas of success and compliance.

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Agreements are regularly monitored through formal or informal reports and conversations with each sub-recipient. Through this process, potential problems are identified early and technical assistance can be provided as needed. This process also allows staff to manage timeliness of expenditures.

Contractors engaged by the City through competitive procurement are prepared for regulatory compliance through extensive documentation provided in bid packages, pre-bid and/or pre-construction conferences including the review of contract terms and 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 as applicable 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