



CDBG

Community Development Block Grant

City of Hot Springs, Arkansas

2019 Amendment to 2016, 2017, 2018 and 2019 Annual Actions Plans as amended

Version 1.0 for Public Review and Comment November 2019



2019 Substantial Amendment to 2016, 2017, 2018 and 2019 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. 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 2016, 2017, 2018 and 2019 Annual Action Plans.

This is the second amendment to the City's 2016 and 2017 Annual Action Plans, third amendment to the 2018 Annual Action Plan and first amendment to the 2019 Annual Action Plan.

Purpose

This amendment generally involves reprogramming a bus shelter and reallocating unspent funds from projects completed under budget or cancelled as described in the 2014-2018 Consolidated Plan, 2019-2024 Consolidated Plan and 2016, 2017, 2018 and 2019 Annual Action Plans as amended.

Funds are being transferred to eligible neighborhood revitalization, economic development and affordable housing activities that meet federal objectives and the priorities of low- to moderate-income Hot Springs residents.

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 this 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, a monthly Community Development Advisory Committee (CDAC) public hearing, and City Board of Director meeting. 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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Project Selection

Five (5) goals were identified in the 2019-2023 Consolidated Plan:

- Create suitable living environments
- Promote decent, affordable housing initiatives
- Support strategies to stabilize and grow the Gateway and Langston Garden communities
- Encourage economic development and job growth through targeted infrastructure improvements
- Provide assistance and resources to further fair housing, strengthen neighborhoods and subrecipients, and improve Continuum of Care service efforts

The City of Hot Springs 2014-2018 Consolidated Plan specifies that uncommitted funds be reprogrammed to eligible neighborhood revitalization, economic development 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 July 3 to August 28, 2019. Applications were distributed at monthly Community Development Advisory Committee meetings, direct emailed to interested parties and previous applicants, and made available online and in the City Planning & Development office. Legal notices to solicit applications were placed in the Sentinel Record newspaper June 30 and July 3, 2019. A press release was issued to seventeen (17) media outlets on June 27, 2019. Two (2) duly advertised Community Development Advisory Committee public meetings were held July 3 and August 1, 2019 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.

Seventeen (17) proposals were received from nine (9) applicants representing four (4) neighborhood associations, two (2) non-profit organizations and three (3) city departments.

The Community Development Advisory Committee (CDAC) held a public hearing on October 3, 2019 to review all applications, hear public comment and recommend applications in a priority order. Twenty (20) 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 at community events.

The Community Development Advisory Committee will hold a public hearing on November 7, 2019 to review the proposed Amendment and hear public comment. Notices advertising the meeting were placed online and in the local Sentinel Record newspaper November 3 and November 6, 2019.

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.

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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 distributed via email to over forty (40) residents on the CDBG email list, and made available online and in the City’s Planning and Development office beginning November 4, 2019. No written comments have been received to date.

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, economic development and affordable housing initiatives following an application and review period. The following table lists the unspent funds to be reprogrammed by this amendment.

Fiscal Year	Annual Action Plan Activity	Annual Action Plan Funding	Amendment Amount
2016	Unoccupied Property Boarding Pilot Project (Under Budget)	\$10,000.00	\$ 820.92
2017	OCC Getting Ahead for Youth Program (Under Budget)	\$ 7,500.00	\$ 2,090.08
2017	Habitat for Humanity Bellview (Cancelled)	\$ 6,800.00	\$ 6,800.00
2018	CDBG Planning & Administration (Under Budget)	\$50,000.00	\$ 1,391.60
2018	Bus Shelter at Central and Crestwood (Under Budget)	\$ 7,000.00	\$ 1,057.38
2019	Ouachita Children’s Center (OCC) Bathrooms (Cancelled)	\$49,019.00	\$49,019.00
TOTAL			\$61,178.98

Proposed Projects to be Funded

Excluding 2020 CDBG Planning & Administration, the projects proposed for reallocated funds include the two (2) highest priorities recommended by the Community Development Advisory Committee to the City Board of Directors during the fiscal year 2020 application review and prioritization public hearing on October 3, 2019, and a recommendation to apply the \$6,800.00 from the cancelled Habitat for Humanity Bellview project to the 2020 Habitat for Humanity Property Acquisition application. 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 or eliminate/reduce spot blight conditions.

Annual Action Plan Activity	Prioritized FY2020 Request	Proposed Amendment Amount	Adjusted FY2020 Request
2. Spot Blight Nuisance Abatement	\$40,000.00	\$14,378.98	\$25,621.02
3. Off-Cycle Infrastructure Improvements	\$40,000.00	\$40,000.00	\$ 0.00
11. Habitat for Humanity Property Acquisition	\$15,000.00	\$ 6,800.00	\$ 8,200.00

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Should the proposed amendment be adopted, the amount of funding to be reallocated will be deducted from the amount requested in each related fiscal year 2020 application. Amendment funding is not additional funding for these projects, but rather funding that will be available earlier in 2020 than the annual allocation.

Spot Blight Nuisance Abatement funds are regularly spent before the end of the calendar year. There are currently no uncommitted CDBG Off-Cycle funds for targeted neighborhood revitalization, economic development or housing infrastructure improvement needs that arise outside of the annual application cycle. Habitat for Humanity is in need of funds to purchase additional lots for 2020 new affordable home building. Project statuses will be discussed at regularly scheduled Community Development Advisory Committee meetings, and all projects must adhere to applicable HUD CDBG regulations.

Proposed New Location of an Unused Bus Shelter

During the fiscal year 2017 open application period, the Whittington Avenue Neighborhood Association requested a bus shelter to be placed near 948 Whittington Avenue to serve residents of nearby multi-unit apartments, a mobile home park and a Habitat for Humanity village. The project was approved by the City of Hot Springs Board of Directors and the U.S. Department of Housing and Urban Development. Funding was authorized on September 20, 2017. The CDBG-funded concrete pad has been poured and the bus shelter purchased, but not installed.

During the course of public outreach discussions regarding planned pedestrian, cycling and drainage improvements on Whittington Avenue funded by a National Parks Service Federal Lands Access Program (FLAP) grant, several Whittington Avenue residents expressed a desire to have a more decorative, custom, wooden bus shelter rather than the standard bus shelter that had been purchased with CDBG funds. The CDBG-funded, concrete, ADA accessible bus shelter pad is located in an eligible low- to moderate income area meeting a national objective. However, decorative items including the requested custom wooden bus shelter are not eligible for CDBG funding. Rather than sell or return the previously purchased bus shelter, which could result in a loss, the unused bus shelter may be reprogrammed through an amendment to another eligible location.

This amendment proposes that the bus shelter originally purchased for Whittington Avenue that is in storage at the City of Hot Springs Streets Maintenance Building, be reallocated to an existing non-sheltered bus stop location at 1554 Malvern Avenue serving the Indiandale Shopping Plaza, nearby residences and businesses.

The Census Block Group in which this bus stop is located is largely residential to the east and west of the heavily trafficked Malvern Avenue commercial corridor, with 640 low to moderate income households, or 56.64% LMI overall.

At present, the bus stop on Malvern does not have shelter or seating. During inclement weather, those waiting for the bus may seek shelter under business awnings set back from the road and as a result miss the Intra-City Transit bus. Intra-City Transit indicated this was the highest ridership stop without a shelter. Intra-City Transit riders at this stop include many elderly and disabled residents.

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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.

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 methods 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