



# CDBG

Community Development Block Grant

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City of Hot Springs, Arkansas

## 2020 Amendment to 2017, 2018 and 2019 Annual Actions Plans as amended

Version 2.0 for Public Review & Comment



**2020 Substantial Amendment to 2017, 2018 and 2019 Annual Action Plans**

**Cover Sheet**

Name of Jurisdiction: City of Hot Springs, Arkansas

Lead Agency: City of Hot Springs  
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**2020 Substantial Amendment to 2017, 2018 and 2019 Annual Action Plans**

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## 2020 Substantial Amendment to 2017, 2018 and 2019 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. 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 2017, 2018 and 2019 Annual Action Plans.

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

### Purpose

This amendment reprograms unencumbered funds from projects completed under budget or were cancelled in order to provide public services for low- to moderate-income residents and limited clientele in response to the coronavirus (COVID-19) including the purchase of medical supplies for COVID-19 evaluation drive-thru clinics to test and assist those who may be experiencing symptoms.

Funds are being transferred to eligible public service activities that meet federal objectives and the priorities of low- to moderate-income and limited clientele Hot Springs residents.

### Citizen Participation

Citizen participation is an integral part of the CDBG program (24 CFR 91.105). The City executed its Citizen Participation Plan using the urgent needs exemption to the 30-day public comment period and instead made the Substantial Amendment available for two (2) weeks of public review and comment.

The Hot Springs Board of Directors proclaimed a state of emergency on March 18, 2020 during a duly advertised public meeting in response to the infectious disease known as coronavirus (COVID-19). COVID-19 poses a serious and immediate threat to the health, safety and welfare of the community and therefore meets the conditions described in the Citizen Participation Plan to suspend normal public comment periods.

In addition, the U.S. Department of Housing and Urban Development held a national briefing on Community Development Block Grant Support for Infectious Disease Response on March 16, 2020 covering CDBG eligible activities, citizen participation and timeliness considerations. The statutory 15% cap on public services applies.

This substantial amendment was made available for review and comment online at cityhs.net, in hard copy in City Hall at 133 Convention Blvd Monday through Friday between 8:00am and 5:00pm, and electronically distributed to over forty (40) residents on the CDBG mailing list on March 23, 2020. Citizens were notified of

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public discussions and comment opportunities using legal notices in the Sentinel Record newspaper on March 25, 2020 and a press release to seventeen (17) media outlets on March 24.

The Community Development Advisory Committee (CDAC) will hold a public hearing on April 2, 2020 at 1:00 PM in the Board Chambers at City Hall, 133 Convention Blvd to review the Substantial Amendment and hear public comment.

### **Project Selection**

The Hot Springs Board of Directors adopted Resolution 6323 on March 18, 2020, passing an ordinance authorizing actions of the City Manager during the impending pandemic associated with Coronavirus Disease 2019 (COVID-19); declaring an emergency; and for other purposes essential to the public health, safety, and welfare of employees, residents, and visitors of the City of Hot Springs, and its environs.

On March 19, 2020, under this ordinance, the City Manager requested that available, unencumbered Community Development Block Grant (CDBG) funds be reallocated to eligible public services and medical supplies to respond to urgent community health and welfare needs arising from COVID-19.

The public services recommended for funding through this Substantial Amendment meet a HUD national objective and timeliness requirements.

### **Citizen Comments**

As outlined in the City's Citizen Participation Plan, residents are provided 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 mailing list, and made available online and in the lobby at City Hall beginning March 23, 2020. A 2 week public review and comment period legal notice was published on March 25, 2020 describing opportunities for public comment.

No written comments have been received.

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### Available Funds

The City’s CDBG Annual Action Plans detail eligible activities to be funded during a program year. Fiscal year funding must be expended on activities as described in the Annual Action Plan. An amendment is necessary to allow a change in use of funding. The following table lists unspent prior year funds to be reprogrammed by this amendment.

Fiscal Year	Annual Action Plan Activity	Annual Action Plan Funding	Amendment Amount
2017	Ouachita Children’s Center Staircase Restoration completed under budget	\$ 11,770.00	\$ 10,070.00
2018	Fair Housing Education and Outreach Activities cancelled	\$ 7,503.14	\$ 2,257.14
2019	2019 CDBG Planning and Administration completed under budget	\$ 45,000.00	\$ 2,068.00
<b>TOTAL</b>			<b>\$ 14,395.14</b>

### Proposed Projects to be Funded

Using the state of emergency ordinance, the City Manager has proposed the reallocation of unencumbered prior year CDBB funds for eligible public services including medical supplies for low- and moderate-income and limited clientele residents that are deemed necessary to respond to COVID-19.

Activity	Amendment Amount
COVID-19 Relief & Response Public Services	\$14,395.14

The ongoing status of these public services will be discussed at Community Development Advisory Committee public meetings, and all activities will adhere to applicable regulations.

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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 subrecipients 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: Written Comments



## Addendum B: Public Notice

## Addendum C: Resolution