



CDBG

Community Development Block Grant

City of Hot Springs, Arkansas

2022 Amendment to 2017, 2018, 2019, and 2020 Annual Actions Plans and CDBG-CV as amended

Version 1.0 for Public Review & Comment



2022 Substantial Amendment to 2017, 2018, 2019, and 2020 Annual Action Plans

Cover Sheet

Name of Jurisdiction: City of Hot Springs, Arkansas

Lead Agency: City of Hot Springs
Planning & Development Department
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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 2017, 2018, 2019, and 2020 Annual Action Plans.

This is the third amendment to the City's 2017 Annual Action Plans, fourth amendment to the 2018 Annual Action Plan, second amendment to the 2019 Annual Action Plan, and the second amendment to the 2020 Annual Action Plan.

Purpose

This amendment reprograms unencumbered funds from projects completed under budget or were cancelled to provide rent and utility service cost burden relief for low- to moderate-income residents and limited clientele in response to the coronavirus (COVID-19) pandemic.

Citizen Participation

Citizen participation is an integral part of the CDBG program (24 CFR 91.105). The City executed its Citizen Participation Plan and has instituted a 30-day public comment period for this substantial amendment. This public comment period will be open from July 5, 2022 to August 4, 2022. All written public comments on this Substantial Amendment can be made to ksellman@cityhs.net or mailed to 133 Convention Boulevard, City of Hot Springs Planning and Development, Hot Springs, AR 71901. The public will have two opportunities for verbal public comment, the Community Development Advisory Committee (CDAC) meeting on July 7, 2022 at 1:00 pm in City Hall Board Chambers, 133 Convention Boulevard, Hot Springs, AR and the City of Hot Springs Board of Directors meeting on August 9th at 6:00 pm in City Hall Board Chambers, 133 Convention Boulevard, Hot Springs, AR.

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.

This substantial amendment was made available for review and comment online at cityhs.net, in hard copy in the Planning and Development office and electronically distributed to over sixty (60) residents on the CDBG mailing list. Citizens were notified of public discussions and comment opportunities using legal notices in the Sentinel Record newspaper on July 3, 2022 and July 10, 2022, online via cityhs.net, a Community Development

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Advisory Committee (CDAC) public hearing, and a Hot Springs Board of Directors meeting. All public meetings were duly advertised and included contact information to request accommodations.

Project Selection

The City of Hot Springs CDBG program has selected the below past fiscal year projects that were completed under budget or were modified to reduce scope for repurposing.

This Substantial Amendment also repurposes 2020 CDBG-CV funds, including \$213,042.08 from the 2020 CV-3 Quarantine/Shelter Facility project. This proposed repurposing will aid the City in drawing down the 2020 CDBG-CV funds before a portion of the funds are returned to HUD on November 2, 2023. The City must draw down at least 80% of the total CDBG-CV funds before this deadline or the difference up to 80% will be returned to HUD.

The Quarantine/Shelter Facility project has run into several delays that may hinder the ability of the City to expend these funds before the November 2, 2023 deadline. Repurposing some of these funds, while keeping part of the budget intact, will ensure that the 2020 CDBG-CV funds will be expended in a timely manner and keep some CDBG-CV support in place for the project. The City will supplement this difference using the SLFRF funds received through the American Rescue Plan when the project is ready to begin. The City of Hot Springs CDBG program has also allocated \$369,840.96 from the FY21 CDBG allocation towards this project.

This Substantial Amendment repurposes \$249,969.31 in total funds

Citizen Comments

Citizen comments will be added to this section when 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	\$ 7,503.14	\$ 2,407.14
2019	Budget Overage	-	\$ 1,511.00
2019	Bus Shelter at Ouachita Behavioral Health and Wellness	\$ 8,290.23	\$ 470.77
2019	Bus Shelter at Hobson near Lacy	\$ 9,899.23	\$ 1,100.77
2019	2019 CDBG Planning and Administration completed under budget	\$ 45,000.00	\$ 2,068.00
2020	2020 CDBG Planning and Administration completed under budget	\$ 76,909.00	\$ 19,038.55
2020	Cedar Street Sidewalks completed under budget	\$ 10,261.00	\$ 261.00
2020 CV-3	CV-3 Quarantine Shelter Facility	\$ 317,926.00	\$ 213,042.08
		TOTAL	\$ 249,969.31

Proposed Projects to be Funded

The City Manager has proposed repurposing funds from these past year projects for the following purposes:

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Activity	Amendment Amount
Rent Emergency Subsistence Payments	\$ 133,042.08
Utility Emergency Subsistence Payments	\$ 90,284.99
Community-Based Arts C4K	\$ 5,321.24
Miss Ida’s House of Care and Love Rehabilitation Phase I and II	\$ 21,321.00
TOTAL	\$ 249,969.31

The proposed programs to be funded by this Substantial Amendment include the extension of two successful past funding year programs: the Rent Emergency Subsistence Payments program and the Utility Emergency Subsistence Payments program and the funding of two FY22 CDBG projects that were unable to be funded through the FY22 CDBG allocation from HUD. These programs alleviated past-due rent and utility burdens for low-to-moderate income residents of Hot Springs and those who were negatively impacted by the COVID-19 pandemic. The COVID-19 pandemic caused economic hardship through job losses and cut hours, emotional hardship from the loss of relatives or family members, and individual and public health issues through the spread of a contagious, dangerous disease. These payment programs prevented evictions and kept Hot Springs residents in their homes, prevented further hardship through the loss of utility service, and belayed future blight or abandoned property nuisances throughout Hot Springs.

In working with nonprofit partners and in listening to the needs of the community, this rent and utility cost burden has remained an identified need among low-to-moderate income residents of Hot Springs. City staff have consistently received calls and requests from residents on rent or utility relief since the completion of the original payment programs on October 1, 2021. An extension of these two programs aims to provide further relief and security to these residents experiencing significant rent or utility cost burden.

Ouachita Behavioral Health and Wellness (OBHAW) managed the past payment programs as a subrecipient of CDBG-CV funds from the City of Hot Springs. Program management for the repurposed funds will be contracted out through a Request for Proposal.

Two FY22 CDBG projects were not fully funded through the FY22 allocation. The Community-Based Arts Cutwell 4 Kids (C4K) project and the Miss Ida’s House of Care and Love (MIHCL) Rehabilitation Phase I and II project were not funded due to a lack of available funds.

The Community-Based Arts C4K project aims to provide community-based arts classes at the Hot Springs Housing Authority Mountainview Tower.

The MIHCL project aims to renovate an existing abandoned home in the Langston Gardens neighborhood to provide a nonprofit Residential Care Home for two elderly, low-to-moderate income residents of Hot Springs.

With the FY22 allocation set at \$460,152.00 by HUD, MIHCL was not funded and the Community-Based Arts C4K project was funded at a reduced rate. In the original application submitted to the CDBG program, the Community-Based Arts C4K application requested \$13,200.00 and will receive \$7,848.76 through the FY22 Annual Action Plan. This Substantial Amendment would provide the remaining \$5,351.24 for the Community-Based Arts C4K project and the \$21,321.00 requested from MIHCL from past year underbudget project funds.

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Both projects are eligible CDBG activities and address an identified need in the community consistent with the goals of the 2019-2023 Consolidated Plan and the 2014-2018 Consolidated Plan. In discussion with the Cutwell 4 Kids organization, the reduced funding rate of \$7,848.76 will provide for six months of classes, while the original proposal and the proposed funding rate of \$13,200.00 will provide for a full year of classes.

This Substantial Amendment proposes repurposing \$26,642.24 in past year budgeted project funds to fund these two FY22 projects. This Substantial Amendment proposes repurposing \$213,042.08 from the 2020 CV-3 Quarantine Shelter Facility project towards the Rent and Utility Emergency Subsistence Payments programs with an additional \$10,273.99 towards the Rent and Utility Emergency Subsistence Payments programs from past year budgeted project funds. For a total amendment of \$249,969.31.

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

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& 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