



State of Arkansas
Annual Update to the Consolidated Plan
For
July 1, 2014 through June 30, 2015

Arkansas Economic Development Commission
Arkansas Development Finance Authority
Arkansas Department of Human Services
Arkansas Department of Health

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July 1, 2014 – June 30, 2015

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Annual Action Plan

Introduction

As set forth in 24 CFR Part 91, the U.S. Department of Housing and Urban Development (HUD) requires jurisdictions to incorporate their planning and application requirements into one plan called the Consolidated Strategy Plan. A Consolidated Plan was prepared for federal fiscal years 2010-2015. An Annual Action Plan must be prepared for each year of the Consolidated Plan.

The State's proposed allocation for FY 2014 consists of an estimated \$26,448,255 in projected support from the following programs: (1) Community Development Block Grant (CDBG) \$16,382,141, (2) HOME Investment Partnerships (HOME) \$7,565,698; (3) Emergency Solutions Grants \$1,967,063; (4) Housing Opportunities for Persons with AIDS (HOPWA) \$533,353. Final grant amounts for each program may vary slightly from these figures, based upon final appropriation from Congress.

The activities and programs described in the Annual Action Plan are aligned with the Strategic Plan, as outlined in the Consolidated Plan.

This plan was developed using an effective citizen participation process in compliance with the regulations set forth in 24 CFR Part 91. A copy of the comments that were received is incorporated into this document. The State's participation plan encourages and empowers citizens to participate in the development of viable urban programs.

The following is the proposed FY 2014 Annual Action Plan, which identifies the method of distributing HUD funds and outlines the State's overall housing and community development needs and strategies.

Year Five – Goals and Objectives

The Strategic Plan provides guidance on affordable housing goals and objectives for FY 2014. These are stated below with 2014 performance goals.

Affordable Housing

Goal: Improve the condition, availability, and accessibility of affordable housing in Arkansas over a five-year period.

Objective 1: Provide *Decent Housing* through Homebuyer Assistance Programs.

Outcome: Affordability

Outcome Statement: Create decent housing with improved affordability by providing funding for homebuyer assistance programs such as down payment and closing costs to low-income homebuyers.

Performance Indicator 1.1: Increase/maintain funding for homeownership assistance programs to aid 150 families including first-time homebuyers by the end of FY 2014.

Objective 2: Increase *Decent Housing* for homebuyers through new Single-Family Housing.

Outcome: Affordability and Accessibility

Outcome Statement: Create decent housing with improved affordability and accessibility to new housing by providing construction financing for single-family housing throughout the state via enhanced financial mechanisms and improved communication with partners and constituents.

Performance Indicator 2.1: Provide financing to construct 15 single-family homes for low and moderate-income (less than 80 percent AMI) families by the end of FY 2014.

Performance Indicator 2.2: Provide financing to construct at a minimum 15 single-family units for homeownership that incorporates universal design and/or Energy Star standards by the end of FY 2014.

Objective 3: Provide *Decent Housing* through Rental Assistance Programs

Outcome(s): Affordability and Accessibility

Outcome Statement: Create decent housing through improved affordability and accessibility by providing rental subsidy and security deposit assistance for very low to moderate-income households and persons with disabilities.

Performance Indicator 3.1: Provide funding to assist 225 families utilizing Tenant-Based Rental Assistance (TBRA) by the end of FY 2014.

Performance Indicator 3.2: Provide funding to assist 30 persons with disabilities utilizing TBRA by the end of FY 2014.

Objective 4: Provide *Decent Housing* through Multifamily Housing and other Rental Housing Developments.

Outcome: Affordability and Accessibility

Outcome Statement: Create decent housing with improved affordability accessibility of multifamily housing and other rental housing through the construction and rehabilitation of rental units.

Performance Indicator 4.1: Create an additional 75 rental units throughout the state by the end of FY 2014.

Objective 5: Create a *Suitable Living Environment* by forging partnerships among HUD recipient agencies to evaluate the resources needed for infrastructure improvements to support Single-Family and Multifamily affordable housing.

Outcome: Affordability and Accessibility

Outcome Statement: Enhanced Suitable Living Environments through improved affordability and accessibility of infrastructure projects, which support affordable housing.

Performance Indicator 5.1: Develop at a minimum 1 affordable housing project, which combine infrastructure improvements and an affordable housing development by the end of the FY 2014.

Objective 6: Preserve *Decent Housing* for Homeowners through Rehabilitation of Single-Family Housing.

Outcome: Sustainability and Affordability

Outcome Statement: Create decent housing through improved sustainability and affordability of existing single-family housing stock through rehabilitation or reconstruction projects for low-income persons.

Performance Indicator 6.1: Rehabilitate or reconstruct 60 housing units by funding major homeowner rehabilitation programs by the end of FY 2014.

Objective 7: Preserve *Decent Housing* through Rehabilitation of Rental Housing.

Outcome: Sustainability and Affordability

Outcome Statement: Create decent housing through improved sustainability and affordability of existing multifamily and other rental housing stock through rehabilitation or reconstruction projects for low-income persons

Performance Indicator 7.1: Rehabilitate or reconstruct 25 housing units by funding major rental rehabilitation programs by the end of FY 2014.

Homeless and Special Needs Housing

The State of Arkansas supports a variety of housing and public service programs operated to service the homeless and special needs population. The efforts of the homeless coalitions, through the Continuum of Care process, have provided guidance on the needs of these communities. The process has resulted in a better understanding of the homeless and special needs community and their housing needs, enabling the State to arrive at a set of goals and objectives. These goals and objectives are provided below, with performance goals for FY 2014.

Goal: Improve housing and supportive services for the homeless population.

Objective 1: Increase the availability and affordability of *Decent Housing* and supportive services offered to homeless families and individuals in Arkansas.

Outcome: Availability and Accessibility

Outcome Statement: Improve the availability and affordability of decent housing and supportive services offered to homeless families and individuals by expanding and improving the capacity of the State Continuum of Care Network to apply for funding.

Performance Indicator 1.1: Support at least one outreach effort to the Continuum of Care Network, attend at least 10 meetings of the Interagency Council and one annual state-wide homeless conference, and make the meeting proceedings and materials electronically available.

Performance Indicator 1.2: Support and encourage non-profit participation in the HMIS and increase participation by 2%.

Performance Indicator 1.3: Continue to provide ESG funds to assist shelters and homeless providers to finance their operating costs, homelessness prevention and rapid re-housing activities.

Performance Indicator 1.4: Assist 55 programs per year with operating costs at a level of \$10,000.

Performance Indicator 1.5: investigate the possibility of expanding funding opportunities for the Arkansas Balance of State Continuum Care.

Objective 2: Increase the availability and affordability of *Decent Housing* and supportive services offered to homeless families and individuals by preventing homelessness and by rapidly re-housing homeless families.

Outcome: Availability and Accessibility

Outcome Statement: Increase the availability and affordability of *Decent Housing* and supportive services offered to homeless families and individuals by providing Emergency Solutions Grant (ESG) funds to projects that focus on the prevention of homelessness, such as averting eviction, foreclosure, and /or utility disconnection, as well as paying deposits and first month's rent. Continue to expand rapid re-housing services to homeless families.

Performance Indicator 2.1: Assist 27 programs per year with funding for prevention activities. Assist 22 programs per year with rapid re-housing activities.

Performance Indicator 2.2: Increase the number of family shelter facilities by three over the next five years.

Performance Indicator 2.3: Increase the availability of shelters services by increasing the number of persons served, particularly single parents with children, by one percent.

Performance Indicator 2.4: Support fundraising efforts with entrepreneurial training opportunities.

Objective 3: Improve the availability and affordability of **Decent Housing** and supportive services through permanent housing

Outcome: Availability and Accessibility

Outcome Statement: Improve the availability and affordability of decent housing and supportive services offered to homeless families and individuals by supporting permanent housing opportunities for homeless families and individuals.

Performance Indicator 3.1: Work with Continuum of Care organizations to aid at least 1 permanent housing project per year, to be funded through alternative federal, state, local, and/or private fundraising efforts.

Other Special Needs

The strategies to address non-homeless special needs from the Strategic Plan are duplicated below.

Goal: Evaluate upcoming needs related to the non-homeless special needs populations.

Strategies:

1. Provide funding for organizations that deliver services for the victims of domestic violence, which may include shelter, counseling, and job services.
2. Provide funding for organizations that deliver health services to persons with mental health and other chronic illnesses, including case management, referral, homeless shelter, and counseling.
3. Provide funding for organizations that deliver assistance to persons with disabilities, including job training and housing assistance.

4. Investigate the feasibility of providing funding for a wheelchair ramp program to address mobility issues for the physically disabled.
5. Expand access to substance abuse treatment and other services that assist addicts in their recovery process.
6. Continue to provide tenant based rental assistance program (long term housing) for persons with AIDS.
7. Reduce the number of persons served who are likely to become homeless after being discharged from publicly funded institutions and systems of care and those receiving assistance from public and private service agencies by 5%.

Housing Opportunities for Persons with AIDS (HOPWA)

Goal 1: Provide housing assistance and appropriate supportive services to enable low-income, HIV-positive individuals to remain in their homes and to reduce their risks of homelessness.

Objective 1: Provide tenant-based rental assistance (TBRA).

Outcome: Housing stability.

Outcome Statement: Establish and/or better maintain a stable living environment in housing that is safe, decent, affordable, and sanitary.

Performance Indicator 1.1: Provide funding to maintain assistance to 99 households utilizing tenant-based rental assistance (TBRA).

Objective 2: Provide short-term rent, mortgage, and utility assistance (STRMU).

Outcome: Housing stability.

Outcome Statement: Establish and/or better maintain a stable living environment in housing that is safe, decent, affordable, and sanitary.

Performance Indicator 2.1: Provide funding to maintain or increase assistance to 70 households accessing short-term rent, mortgage, and utility assistance (STRMU) for some portion of the permitted 21-week period.

Objective 3: Provide Permanent Housing Placement assistance (PHP).

Outcome: Housing stability.

Outcome Statement: Establish permanent residence by placing clients who are homeless or living in undesirable situations in safe, decent, and affordable rental units.

Performance Indicator 3.1: Spend approximately **\$43,000** to pay for up to two months of rent, and (or) a one-time security and (or) utility deposits.

Goal 2: Improve access to health care and other supportive services for HIV-positive individuals and their families.

Objective 1: Provide support in conjunction with HOPWA-funded housing assistance.

Outcome: Access to health care and support.

Outcome Statement: Improve access to health care and other supportive services.

Performance Indicator 1.1: To spend approximately **\$200,000** to provide service coordination to assist clients with obtaining housing, to coordinate a long-term plan to allow clients to remain in housing and to coordinate complimentary supportive services.

Non-Housing Community Development

Public improvements, economic development and infrastructure objectives, strategies, and outcomes for FY 2014, as listed in the Strategic Plan, are provided below.

Goal 1: Enhance a suitable living environment for the citizens of Arkansas by improving the availability, accessibility and affordability of public facilities.

Objective 1.1: Enhance a *Suitable Living Environment* for senior citizens.

Outcome: Availability, Accessibility

Outcome Statement: Enhance a suitable living environment for the senior citizens of Arkansas through the improved access to, and availability of, Senior Citizen Centers.

Performance Indicator 1.1: In FY 2014 the State of Arkansas, in partnership with the Area Agencies on Aging, will make available approximately 5% of the CDBG funds for the construction, expansion or renovation of Senior Centers in four of the eight regions of the state served by the Area Agencies on Aging. These centers will provide transportation services, meals, senior health clinics, and centers for socialization for approximately 506 senior citizens, 100% of whom are below 80% of the area median income.

Objective 1.2: Enhance a *Suitable Living Environment* through improved access to affordable health services.

Outcome: Availability, Accessibility, and Affordability

Outcome Statement: Enhance a suitable living environment for the citizens of Arkansas by improved availability, accessibility, and affordability of health services.

Performance Indicator 1.2: In FY 2014 the State of Arkansas, in partnership with the Arkansas Department of Health, will make available approximately 2% of the CDBG funds for the construction, expansion or renovation of at least one County Health Unit in the state. This unit will provide health

screenings and health services to approximately 500 persons, more than 51% of whom will be below 80% of the area median income.

Objective 1.3: Enhance a *Suitable Living Environment* through improved access to affordable child care services.

Outcome: Availability, Accessibility, and Affordability

Outcome Statement: Enhance a suitable living environment for the citizens of Arkansas by improved availability, accessibility, and affordability of Child Care Services.

Performance Indicator 1.3: In FY 2014 the State of Arkansas, in partnership with the Arkansas Department of Human Services, will make available approximately 4% of the CDBG funds for the construction, expansion or renovation of child care centers in the state. These centers will provide affordable child care services to approximately 100 children, more than 51% of whom will be from families that are below 80% of the area median income.

Objective 1.4: Enhance a *Suitable Living Environment* through improved access to community centers and affordable fire protection.

Outcome: Availability, Accessibility, and Affordability

Outcome Statement: Enhance a suitable living environment for rural Arkansans through the improved access to Community Centers, and through the availability of affordable fire protection services.

Performance Indicator 1.4: In FY 2014 the State of Arkansas, in partnership with the Arkansas Department of Rural Services, will make available approximately 2% of the CDBG funds for the construction, expansion or renovation of Community Centers and Fire Stations, and for the purchase of fire trucks and fire protection equipment in cities and unincorporated rural areas with a population of less than 3,000 persons. These centers will provide meeting areas and will provide fire protection for approximately 5,000 persons, more than 51% of whom will have incomes below 80% of the area median income.

Objective 1.5: Enhance a *Suitable Living Environment* through improved access to public facilities and public infrastructure, and through funding for innovative projects.

Outcome: Availability, Accessibility, and Affordability

Outcome Statement: Enhance a suitable living environment for the citizens of Arkansas through improvements in the availability, accessibility and affordability of public facilities, public infrastructure and projects of an innovative nature.

Performance Indicator 1.5: In FY 2014 the State of Arkansas will make available approximately 4% of the CDBG funds for the construction of public infrastructure, including such projects as drainage, streets, and roads. Funds will be available for the construction of public facilities, including such projects as homeless shelters, youth centers, and halfway houses. Funds will also be available for projects deemed to be of an innovative nature. These grants will be awarded through a competitive process. These grants will provide assistance to approximately 5,000 persons. At least 51% of all persons benefiting from this line item will have incomes below 80% of the area median income, or the project will meet another national objective, such as the elimination of slum and blight or to address an urgent need. Note that additional funds may be provided for this line item in the future through the deobligation of unused funds from other line items, or from deobligated funds from previous funding years.

Goal 2: Enhance a suitable living environment for the citizens of Arkansas by improving the availability, accessibility and affordability of public infrastructure.

Objective 2.1: Enhance a *Suitable Living Environment* through the construction of water and sewer systems.

Outcome: Availability, Accessibility, and Affordability

Outcome Statement: Enhance a *Suitable Living Environment* for the citizens of Arkansas through the availability of clean, safe drinking water and safe sanitary sewer systems.

Performance Indicator 2.1: In FY 2014 the State of Arkansas will enhance a suitable living environment for the citizens of Arkansas by providing improved access to clean, safe drinking water and safe sanitary sewer systems. In partnership with the Arkansas Natural Resources Commission, the state will make available approximately 40% of the CDBG funds for the construction or expansion of water and sewer projects. These improvements will provide assistance to approximately 1,000 persons. At least 51% of all households benefiting from this line item will have incomes below 80% of the area median income.

Goal 3: Improve the economic opportunity of the citizens of Arkansas by identifying and funding economic development projects which provide access to new jobs.

Objective 3.1: Improve *Economic Opportunities* by identifying and funding projects which provide access to new jobs.

Outcome: Accessibility

Outcome Statement: Improve economic opportunities through activities aimed at improving the conditions needed for successful business and economic development.

Performance Indicator 3.1: In FY 2014 the State of Arkansas will identify and fund projects which lead to employment opportunities for the citizens of Arkansas. The State will make available approximately 40% of the CDBG

funds to provide grants to cities and counties to fund eligible economic development activities primarily grants for the improvement of public infrastructure related to the location or expansion of industry in the state, and to capitalize loans that benefit businesses and industries that are locating or expanding in Arkansas. These grants will provide job opportunities to approximately 500 persons. At least 51% of all new jobs created or retained by these projects will be held by or made available to persons with household incomes below 80% of the area median income.

Objective 3.2: Improve *Economic Opportunities* through access to Individual Development Accounts.

Outcome: Accessibility

Outcome Statement: Improve economic opportunities for families through improved access to Individual Development Accounts.

Performance Indicator 3.2: Through a partnership with the Assets Coalition, the State of Arkansas will make Individual Development Accounts available to approximately 30 persons in participating counties. One hundred percent of the households receiving these funds would have incomes below 80% of the area median income. This funding will be taken from the Economic Development Set Aside line item.

Objective 3.3: Improve *Economic Opportunities* by the establishment of a Small and Micro Business Program.

Performance Indicator 3.3: Through a partnership with the Small and Minority Business Division of the Arkansas Economic Development Commission investigate the feasibility of establishing a program for grants and/or loans for creation or expansion of businesses that employ low to moderate income persons, and establish such a program if found to be feasible.

Objective 3.4: Improve *Economic Opportunities* through the creation of regional planning grants.

Performance Indicator 3.4: As described in the Arkansas Strategic Plan for Economic Development, investigate the feasibility of awarding planning grants to promote regional economic development, and establish such a program if found to be feasible.

Barriers to Affordable Housing

The following provides the Strategic Plan strategies to address barriers to affordable housing.

Goal: Address barriers to affordable housing development and availability in order to reduce the cost burden on low and moderate-income residents.

Strategies:

1. Provide training to local entities on the mechanisms to fully implement strategies to return vacant lots to affordable housing production.
2. Encourage homebuyer education and credit repair classes to increase the stream of qualified homebuyers entering the housing market.

Fair Housing Impediments

The Analysis of Impediments to Fair Housing provides a list of impediments to fair housing in Arkansas. Appendix C contains an identification of the impediments to fair housing for the seven protected classes. Included in the analysis are remedial actions to address these impediments. The goal listed below is addressed by the remedial actions.

Goal: Address barriers and impediments to fair housing for seven protected classes.

Strategies:

1. Provide training to local entities on the mechanisms to fully implement strategies to return vacant lots to affordable housing production.
2. Review the feasibility of providing assistance to the Arkansas Fair Housing Commission in its outreach efforts.

Lead Based Paint

The State of Arkansas continues to work in the community to identify, test, and abate lead-based paint hazards in housing where young children may be present.

Goal: Increase the inventory of lead safe housing units.

Strategies:

1. Continue to meet HUD lead-based paint abatement standards in housing rehabilitation programs.
2. Seek funding to provide testing and abatement of lead-based paint hazards in single-family housing where young children are present.

3. Expand the stock of lead safe housing units through housing initiatives.
4. Promote the outreach opportunities available through ADH.

Anti-Poverty Strategy

The State of Arkansas will work toward reducing poverty through the following objectives and strategies.

Goal: Reduce the size of the impoverished population in the State of Arkansas.

Objective 1: Expand job opportunities in the State of Arkansas.

Strategies:

1. Promote educational and job training programs aimed at improving life skills and earning capacity.
2. Continue to provide economic and community development assistance to the communities in Arkansas to build economic growth.

Objective 2: Improve the earning capacity of persons with physical and mental disabilities.

Strategy:

1. Continue to fund income maintenance and medical programs for persons with physical and mental disabilities.

Objective 3: Increase childcare and educational opportunities for children from low-income families.

Strategy:

1. Continue to provide funding to deliver childcare services to low-income households.

Objective 4: Expand affordable housing opportunities.

Strategies:

1. Provide funding to increase the availability of new affordable and adequate single family housing throughout the state through enhanced financial mechanisms and improved communication with partners and constituents.
2. Provide funding to increase the availability of new affordable and adequate multi-family housing and other rental housing options throughout the state.
3. Encourage partnership among HUD recipient agencies to evaluate the resources needed for infrastructure to support affordable housing.

4. Evaluate the feasibility of providing matching funds for the Individual Development Account (IDA) program for purposes which enhance the economic condition of low to moderate income persons.

Institutional Structure

Gaps in the institutional structure will be addressed as follows:

Goal: Identify and address gaps in the institutional structure for the implementation of the housing and community development plan.

Strategies:

1. Work with nonprofit organizations to address community needs and provide support to federal and non-federal funding initiatives.
2. Work with private industry to address important issues that hamper housing and community development efforts.
3. Continue to identify opportunities to create private/public partnerships for project finance and development to leverage federal funds.
4. Improve networking opportunities for housing providers, local staff, and program managers by conducting training and workshops.
5. Tighten bonds between service providers by continued support via electronic communications and data availability.

Coordination

Coordination between the State of Arkansas and other agencies and organizations will be addressed as follows:

Goal: Improve coordination efforts between the State, local and other agencies and organizations committed to the improvement of housing and community development services in the State of Arkansas.

Strategies:

1. Expand participation with various agencies and organizations in order to implement the Consolidated Strategic Plan.
2. Make use of monitoring activities as a basis for expanded outreach to local housing and service providers and building a strong base for coordination.
3. ADFA will collaborate with United States Department of Agriculture, Rural Development to increase the number of families receiving housing assistance.

Performance Measurement System

Introduction

As part of the President's Management Agenda, the U. S. Department of Housing and Urban Development has undertaken an initiative to make the Consolidated Plan more results-oriented and useful to communities in assessing their progress toward addressing the problems of low and moderate-income neighborhoods. HUD therefore strongly encourages the development of performance measurement systems as a means of assessing the impact of the programs and strategies developed during the consolidated planning process.

Accountability and Indicator Report Initiatives have arisen around the nation, as local government, business, and grassroots leaders seek better ways to measure progress, to engage community members in a dialogue about the future, and to change community outcomes.

Arkansas has organized an Indicator Measurement Chart to keep track of each program's goals. These Indicators have been developed to monitor and track trends in the currently funded programs and projects. At year end, progress can be demonstrated in the Consolidated Annual Performance Evaluation Report (CAPER) using Arkansas Indicator data to identify positive trends in achieving strategic goals or target items for corrective action.

Performance Indicators: Affordable Housing

The performance indicators for the seven (7) objectives relating to affordable housing listed below will be tracked quarterly by ADFA and reported in the “State of Arkansas Consolidated Annual Performance Report.” The performance indicators under the objective to “Provide Decent Housing for Homebuyer Assistance Programs,” will track the number of households which are served through downpayment and principal reduction programs. The second objective, to “Increase Decent Housing for Homebuyers through new Single-Family Housing,” has two indicators to measure if the strategies developed are effectuating a positive change. The first of these two indicators measure the total number of newly constructed single-family homes. The second indicator measures the number of newly constructed units incorporating universal design and/or Energy Star standards for low and moderate-income families. Objectives three, “Provide Decent Housing through Rental Assistance Programs”, and four “Provide Decent Housing through Multifamily Housing and other Rental Housing Developments,” address affordability and accessibility of decent rental housing for low and moderate-income families. The indicators measure the number of families receiving Tenant-Based Rental Assistance and the number of new rental units created. The fifth objective is to “Create a Suitable Living Environment by forging partnerships among HUD recipient agencies to evaluate resources needed for Infrastructure Improvements to support Affordable Housing.” The indicator for this objective will measure the number of affordable housing projects supported by infrastructure improvements being financed with community development funds. Finally, the sixth and seventh objectives are to “Preserve Decent Housing for Homeowners through Rehabilitation of Single-Family Housing” and “Preserve Decent Housing through Rehabilitation of Rental Housing,” respectively. These indicators measure the number of units, owner-occupied and rental, that are either rehabilitated or reconstructed through assistance programs. Ultimately, tracking the indicators measure how effective the State’s efforts are in the area of improving the Availability, Accessibility and Sustainability of affordable housing that is decent, safe and sanitary.

Goal : Improve the condition, availability and accessibility of affordable housing in Arkansas over a five-year period.

Objective 1: Provide Decent Housing through Homebuyer Assistance Programs.

Indicator #1– Increase/maintain funding for homeownership assistance programs to aid 150 families including first-time homebuyers that received downpayment assistance and/or principal reduction assistance by the end of FY 2014 (Performance Indicator 1.1).

Objective 2: Increase Decent Housing for homebuyers through new single family housing.

Indicator #1– Number of single family housing units 15 constructed for low and moderate-income homebuyers (Performance Indicator 2.1).

Indicator #2– Number of single family units 15 that incorporate universal design. (Performance Indicator 2.2).

Objective 3: Provide Decent Housing through Rental Assistance Programs.

Indicator #1– Number of families 225 assisted through TBRA by the end of FY 2014 (Performance Indicator 3.1).

Indicator #2– Number of persons 30 with disabilities assisted through TBRA by the end of FY 2014 (Performance Indicator 3.2).

Objective 4: Provide Decent Housing through Multifamily Housing and other Rental Housing Developments.

Indicator #1– Number of rental units 75 created throughout the state by the end of FY 2014 (Performance Indicator 4.1).

Objective 5: Create a Suitable Living Environment by forging partnerships among HUD recipient agencies to evaluate resources needed for infrastructure improvements to support single family and multi-family housing.

Indicator #1– Number of projects 1 completed, which combine infrastructure improvements with an affordable housing development by the end of FY 2014 (Performance Indicator 5.1).

Objective 6: Preserve Decent Housing for Homeowners through Rehabilitation of Single Family Housing.

Indicator #1– Number of single-family units 60 rehabilitated or reconstructed by the end of FY 2014 (Performance Indicator 6.1).

Objective 7: Preserve Decent Housing through Rehabilitation of Rental Housing.

Indicator #1– Number of rental units 25 rehabilitated or reconstructed by the end of FY 2014 (Performance Indicator 7.1).

Performance Measures: Homelessness

The Arkansas Department of Human Services will be responsible for tracking the measures for the four objectives under the Homelessness goal of expanding and improving the housing services offered to families and individuals in the State of Arkansas. The indicators relating to homelessness, listed below, will be tracked quarterly by DHS and reported in the “State of Arkansas Annual Update to the Consolidated Plan.” The first objective, to continue coordination within and among the State Continuums of Care, has four indicators. This first objective serves to improve services offered to homeless families and individuals through the sharing of knowledge throughout the supportive services network. Seminars, conferences and participation in the Homeless Management Information System (HMIS) elevate the capacity of members of the thirteen Continuums of Care within the State. The indicators under this objective measure the participation level of the Continuums and of the non-profits under them. The second objective is to support services aimed at the prevention and elimination of homelessness. The first indicator under this objective is a count of the number of programs assisted per year with operating costs at a level of \$10,000. Programs receiving this level of funding are established operations receiving the base funding levels to maintain their operations. This indicator measures the number of larger programs sustained by the HUD funding for monthly operating costs. The second indicator is the number of programs assisted per year with funding for prevention activities. This indicator will be measured along with the total number of persons served by these programs to establish an overall effectiveness measure for the funding directed at prevention programs. The third objective, to expand emergency shelter facilities, particularly those serving homeless families, has three indicators to measure the State’s progress. The first two indicators directly measure the number of shelters and the persons served. The third indicator recognizes the fact that HUD funding is not the only, and in many cases, not the primary funding source for non-profits. To decrease non-profit agency dependency on a sole funding source they may utilize the unified technical assistance offered through the Continuum of Care networks in obtaining additional funding sources. This leverages the HUD funding over an increased base of nonprofit organizations. The fourth objective with indicators measured by the Arkansas Department of Human Services is

the support to nonprofit organizations seeking to develop permanent housing opportunities for homeless persons. The indicator measures the number of nonprofit organizations DHS is able to aid in their attempt to secure funding sources.

Goal: Expand and improve the housing and services offered to homeless families and individuals in Arkansas.

Objective 1: Continue coordination within and among the State Continuums of Care to reduce and end homelessness through outreach and assessment by Emergency Solutions Grant sub-recipients and by addressing emergency shelter and permanent housing needs of homeless persons.

Indicator #1– Number of homeless outreach meetings, conferences and seminars conducted or attended (Strategy 1.1).

Indicator #2– Increase in participation of non-profit organizations in the HMIS (Strategy 1.2).

Objective 2: Support services aimed at the prevention and elimination of homelessness.

Indicator #1– Number of programs assisted per year with operating costs at a level of \$10,000 (Strategy 2.1).

Indicator #2– Number of programs assisted per year with funding for prevention activities (Strategy 2.2).

Objective 3: Expand emergency shelter facilities, particularly those serving homeless families.

Indicator #1– Number of family shelter facilities increased (Strategy 3.1).

Indicator #2– Increase in the number of persons served at shelter facilities by funding street outreach, homelessness prevention and rapid re-housing activities through the Emergency Solutions Grant, including assessment of needs and case management activities designed to assist homeless individuals and families in making the transition to permanent housing and independent living through shortening the period of time homeless preventing return to homelessness and facilitating access to affordable housing (Strategy 3.2).

Indicator #3– Number of nonprofits that utilized unified technical assistance through the Continuum of Care networks in obtaining additional funding sources (Strategy 3.3).

Objective 4: Support permanent housing opportunities for homeless.

Indicator #1– Number of nonprofits helped in their search in acquiring money for permanent housing (Strategy 4.1).

Performance Indicators: Other Special Needs

The indicators associated with the needs related to the non-homeless special needs populations will be measured by the Arkansas Department of Human Services (DHS), and by Arkansas Department of Health (ADH). The first indicator will be measured quarterly by DHS and will be reported with the indicators from the Homelessness section, above, in the “State of Arkansas Annual Update to the Consolidated Plan”. Indicators two through five will be measured quarterly by the DHS and will also be reported in the “State of Arkansas Annual Update to the Consolidated Plan”. The first four indicators are measures of funding levels directed to non-profit organizations, while the last two measure access to programs by the target populations. The first four indicators measure direct funding to nonprofit organizations that serve needs of victims of domestic violence, provide health services to persons with mental health and other chronic illnesses, serve persons with disabilities, and have wheelchair ramp programs to address mobility issues for the physically disabled. Indicators five and six measure the number of clients served by nonprofit substance abuse treatment and other services that assist addicts in the recovery process and through rental assistance programs (long term housing) for persons with AIDS, respectively. Indicator number 6 will be measured by ADH. Indicator number seven measures the number of clients served who will be likely to become homeless after being discharged from publicly funded institutions and systems of care and those receiving assistance from public and private service agencies. Indicator number seven will be monitored by DHS.

Goal: Evaluate upcoming needs related to the non-homeless special needs populations.

Indicator #1– Funding distributed to nonprofit organizations serving the victims of domestic violence (Strategy 1).

Indicator #2– Funding distributed to nonprofit organizations that provide health services to persons with mental health and other chronic illnesses (Strategy 2).

Indicator #3– Funding distributed to nonprofit organizations serving those persons with disabilities (Strategy 3).

Indicator #4– Funding distributed to wheelchair ramp programs to address mobility issues for the physically disabled (Strategy 4).

Indicator #5– Increased accesses to substance abuse treatment and other services that assist addicts in their recovery process (Strategy 5).

Indicator #6– Number of persons served through rental assistance programs (long term housing) for persons with AIDS (Strategy 6).

Indicator #7– Number of persons served who are likely to become homeless after being discharged from publicly funded institutions and systems of care and those receiving assistance from public and private service agencies (Strategy 7).

Performance Indicators: Non-housing Community Development

The Arkansas Economic Development Commission will be responsible for tracking the indicators relating to the objectives under the non-housing community development goal. There are five indicators linked to the objectives under the goal of “Enhance a suitable living environment for the citizens of Arkansas by improving the availability, accessibility and affordability of public facilities.” The indicators will be tracked annually and reported in the “State of Arkansas Annual Update to the Consolidated Plan.” The five indicators measure the number of projects identified in the strategies for these objectives, the amount of funding specifically allotted for non-housing community development needs projects, or the number of persons or families served. The first indicator measures the number of senior centers created or expanded through the CDBG funds. Under the second objective, “Enhance a ***Suitable Living Environment*** through improved access to affordable health services,” indicators are measures of persons served by County Health Units.

Goal 1: Enhance a suitable living environment for the citizens of Arkansas by improving the availability, accessibility and affordability of public facilities.

Objective 1.1: Enhance a ***Suitable Living Environment*** for senior citizens.

Performance Indicator 1.1: In FY 2014 the State of Arkansas, in partnership with the Area Agencies on Aging, will make available approximately 5% of the CDBG funds for the construction, expansion or renovation of Senior Centers in four of the eight regions of the state served by the Area Agencies on Aging. These centers will provide transportation services, meals, senior health clinics, and centers for socialization for approximately 500 senior citizens, 100% of whom are below 80% of the area median income.

Objective 1.2: Enhance a *Suitable Living Environment* through improved access to affordable health services.

Performance Indicator 1.2: In FY 2014 the State of Arkansas, in partnership with the Arkansas Department of Health, will make available approximately 2% of the CDBG funds for the construction, expansion or renovation of at least one County Health Unit in the state. This unit will provide health screenings and health services to approximately 500 persons, more than 51% of whom will be below 80% of the area median income.

Objective 1.3: Enhance a *Suitable Living Environment* through improved access to affordable child care services.

Outcome: Availability, Accessibility, and Affordability

Outcome Statement: Enhance a suitable living environment for the citizens of Arkansas by improved availability, accessibility, and affordability of Child Care Services.

Performance Indicator 1.3: In FY 2014 the State of Arkansas, in partnership with the Arkansas Department of Human Services, will make available approximately 4% of the CDBG funds for the construction, expansion or renovation of child care centers in the state. These centers will provide affordable child care services to approximately 100 children, more than 51% of whom will be from families that are below 80% of the area median income.

Objective 1.4: Enhance a *Suitable Living Environment* through improved access to community centers and affordable fire protection.

Outcome: Availability, Accessibility, and Affordability

Outcome Statement: Enhance a suitable living environment for rural Arkansans through the improved access to Community Centers, and through the availability of affordable fire protection services.

Performance Indicator 1.4: In FY 2014 the State of Arkansas, in partnership with the Arkansas Department of Rural Services, will make available approximately 2% of the CDBG funds for the construction, expansion or renovation of Community Centers and Fire Stations, and for the purchase of fire trucks and fire protection equipment in cities and unincorporated rural areas with a population of less than 3,000 persons. These centers will provide meeting areas and will provide fire protection for approximately 5,000 persons, more than 51% of whom will have incomes below 80% of the area median income.

Objective 1.5: Enhance a *Suitable Living Environment* through improved access to public facilities and public infrastructure, and through funding for innovative projects.

Outcome: Availability, Accessibility, and Affordability

Outcome Statement: Enhance a suitable living environment for the citizens of Arkansas through improvements in the availability, accessibility and affordability of public facilities, public infrastructure and projects of an innovative nature.

Performance Indicator 1.5: In FY 2014 the State of Arkansas will make available approximately 4% of the CDBG funds for the construction of public infrastructure, including such projects as drainage, streets, and roads. Funds will be available for the construction of public facilities, including such projects as homeless shelters, youth centers, and halfway houses. Funds will also be available for projects deemed to be of an innovative nature. These grants will be awarded through a competitive process. These grants will provide assistance to approximately 5,000 persons. At least 51% of all persons benefiting from this line item will have incomes below 80% of the area median income, or the project will meet another national objective, such as the elimination of slum and blight or to address an urgent need.

Note that additional funds may be provided for this line item in the future through the deobligation of unused funds from other line items, or from deobligated funds from previous funding years.

Under Goal 2, “Enhance a suitable living environment for the citizens of Arkansas by improving the availability, accessibility and affordability of public infrastructure,” there is one Objective and one Performance Indicator.

Objective 2.1: Enhance a *Suitable Living Environment* through the construction of water and sewer systems.

Performance Indicator 2.1: In FY 2014 the State of Arkansas will enhance a suitable living environment for the citizens of Arkansas by providing improved access to clean, safe drinking water and safe sanitary sewer systems. In partnership with the Arkansas Natural Resources Commission, the state will make available approximately 40% of the CDBG funds for the construction or expansion of water and sewer projects. These improvements will provide assistance to approximately 1,000 persons. At least 51% of all households benefiting from this line item will have incomes below 80% of the area median income.

Under Goal 3, “Improve the economic opportunity of the citizens of Arkansas by identifying and funding economic development projects which provide access to new jobs,” there are two objectives:

Objective 3.1: Improve *Economic Opportunities* by identifying and funding projects which provide access to new jobs.

Performance Indicator 3.1: In FY 2014 the State of Arkansas will identify and fund projects which lead to employment opportunities for the citizens of Arkansas. The State will make available approximately 40% of the CDBG

funds to provide grants to cities and counties to fund eligible economic development activities primarily grants for the improvement of public infrastructure related to the location or expansion of industry in the state, and to capitalize loans that benefit businesses and industries that are locating or expanding in Arkansas. These grants will provide job opportunities to approximately 500 persons. At least 51% of all new jobs created or retained by these projects will be held by or made available to persons with household incomes below 80% of the area median income.

Objective 3.2: Improve *Economic Opportunities* through access to Individual Development Accounts.

Performance Indicator 3.2: Through a partnership with the Assets Coalition, the State of Arkansas will make Individual Development Accounts available to approximately 30 persons in participating counties. One hundred percent of the households receiving these funds would have incomes below 80% of the area median income. This funding will be taken from the Economic Development Set Aside line item.

Objective 3.3: Improve *Economic Opportunities* by the establishment of a Small and Micro Business Program.

Performance Indicator 3.3: Through a partnership with the Small and Minority Business Division of the Arkansas Economic Development Commission investigate the feasibility of establishing a program for grants and/or loans for creation or expansion of businesses that employ low to moderate income persons, and establish such a program if found to be feasible.

Objective 3.4: Improve *Economic Opportunities* through the creation of regional planning grants.

Performance Indicator 3.4: As described in the Arkansas Strategic Plan for Economic Development, investigate the feasibility of awarding planning grants to promote regional economic development, and establish such a program if found to be feasible.

Performance Indicators: Barriers to Affordable Housing

The two performance indicators relating to addressing the barriers to affordable housing in the State measure the number of specific events or activities to be carried out to further this goal.

Goal: Address barriers to affordable housing development and availability in order to reduce the cost burden on low and moderate-income residents.

Indicator #1– Number of training sessions provided to local entities on the mechanisms to fully implement strategies to return vacant lots to affordable housing production (Strategy 1).

Indicator #2– Number of homebuyer education and credit repair classes provided to increase the stream of qualified homebuyers entering the housing market (Strategy 2).

Performance Indicators: Lead-based Paint Hazards

Goal: Increase the inventory of lead safe housing units.

Indicator #1– Funding opportunities explored to provide testing and abatement of lead-based paint hazards in single family housing where young children are present (Strategy 2).

Indicator #2– Number of lead safe housing units added to the housing stock in Arkansas through housing initiatives (Strategy 3).

Indicator #3– Number of outreach opportunities developed and available through ADH (Strategy 4).

Performance Indicators: Anti-Poverty Strategy

Goal: Reduce the size of the impoverished population in the State of Arkansas.

Objective 1: Expand job opportunities in the State of Arkansas.

Indicator #1– Number of educational and job training programs aimed at improving life skills and earning capacity (Strategy 1).

Indicator #2– Amount of funding provided for economic and community development assistance to the communities in Arkansas to build economic growth (Strategy 2).

Objective 2: Improve the earning capacity of persons with physical and mental disabilities.

Indicator #1– Amount of funding provided to income maintenance and medical programs for persons with physical and mental disabilities (Strategy 1).

Objective 3: Increase childcare and educational opportunities for children from low-income families.

Indicator #1– Amount of funding provided to deliver childcare services to low-income households, through the construction of child care centers (Strategy 1).

Objective 4: Expand affordable housing opportunities.

Indicator #1– Number of additional moderate and middle-income families in newly constructed homes of their own (Strategy 1).

Indicator #2– Number of additional affordable rental units added to the housing stock throughout the state (Strategy 2).

Indicator #3– Evaluation to determine the feasibility and impact of funding the IDA program (Strategy 4).

Program Specific Requirements

CDBG Program Specific Requirements

Arkansas's State CDBG funds are earmarked to continue to provide effective programming, monitoring, and management of activities meeting the CDBG national objectives: (1) benefiting low to moderate-income individuals; (2) eliminating slum and blight; and (3) addressing urgent needs.

Eligible recipients of CDBG funds are all Arkansas cities and counties except Bentonville, Conway, Fayetteville, Fort Smith, Hot Springs, Jacksonville, Jonesboro, Little Rock, North Little Rock, Pine Bluff, Rogers, Springdale, Texarkana, and West Memphis, which are CDBG Entitlement cities and may not seek CDBG grant funding from the State.

The Commission may refuse to provide assistance to otherwise eligible recipients based on sanctions imposed as the result of previous non-performance or non-compliance. The Commission will also limit the ability of eligible applicants to receive funds in the Categorical program as defined under "CDBG: Method of Distribution."

In the event of a state or national emergency, the Commission reserves the right to divert funds from current or previous funding years to fund a disaster line item.

In 2008 the State of Arkansas received Supplemental CDBG funds in two appropriations to address the effects of five presidentially declared disasters. Separate Action Plans for Disaster Recovery were written for each appropriation, and these plans will be considered as amendments to the 2008 State Action Plan.

HOME Specific Requirements

The State’s recapture policy, as directed by Section 92.254 Part (5) (ii), applies to both rental and homeownership projects. The subsidy will not be amortized for any of the remaining balance of the affordability period.”

ADFA HOME Resale and Affordability Provisions:

For homes purchased through HOME Program financed homebuyers assistance programs, ADFA has certified that it will assure that the initial purchaser receives a reasonable return on his/her investment at the time of the sale with the following provisions. ADFA shall agree to apply the following rate of appreciation to the homeowner’s investment calculated by:

- a. Adding purchaser’s down payment;
 - b. The portion of his/her monthly payments which were applied to the principal;
and,
 - c. The cost of documented major improvements which increased the value of the property.
 - d. In no case will ADFA assure the above when depreciation of the general housing market in which the property is located and/or depreciation of the property due to deferred maintenance, abandonment of the property, and lack of necessary maintenance results in an appraisal value less than the above appreciated value.
- Initial purchaser must sign an agreement of shared appreciation.

Resale Requirements:

The sale of the property to the new low-income family must be at a price which allows for:

- A fair return on investment, including any improvements to the seller;
- The property must be affordable to the subsequent low-income purchaser.

The subsequent purchaser’s affordable housing provision must remain in existence for a period of no less than:

HOME Subsidy	Affordability Period
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
\$40,000 +	15 years

ADFA or its designee administering the HOME Program funds may exercise the right of purchase from the initial homebuyer. The price paid to the initial homebuyer by the entity exercising the right of purchase is the amount specified in a firm contract between the initial homebuyer and the proposed purchaser. A promissory note is required if the homebuyer purchases the unit under the HOME Program for less than fair market value (FMV). A promissory note must be executed between ADFA and the initial homebuyer in the amount of the difference between FMV and the actual sales price. Subsequent purchasers within the affordability period of the initial sale must sign a new promissory note and mortgage.

Recapture Requirements:

ADFA will recapture that portion of HOME Program investment unforgiven during the affordability period or recapture the maximum net proceeds from sale of property (whether recapture is effected through foreclosure or no foreclosure action). Net proceeds will be used to: (1) Reimburse the HOME Program (approved activity) for the outstanding balance of HOME funds not repaid or forgiven during the applicable affordability period at the time of recapture; (2) Reimburse the HOME Program (administration) for “holding costs” or other costs associated with the recapture action (legal fees, insurance, taxes, realtor fees, appraisal/BPO costs, etc.). In the event net proceeds are less than the outstanding balance of HOME funds invested in the property (for all approved activities and holding costs incurred), the loss will be absorbed by the HOME Program and all HOME Program requirements would be considered to have been satisfied. If net proceeds recaptured are greater than the outstanding balance of HOME funds invested in the property (for all approved activities and holding costs incurred), the balance of net proceeds would be distributed to the homeowner (or his/her estate). If the recapture of proceeds is effectuated through a completed foreclosure action, and the property is legally owned by ADFA, the balance of net proceeds recaptured will inure to ADFA.

Tenant-Based Rental Assistance (TBRA)

ADFA, as the State's Administrator for the HOME program, will continue to allocate TBRA funding during the upcoming program year. ADFA will evaluate the demand, need, and feasibility of this activity on an on-going basis.

ADFA will work with Public Housing Authorities (PHAs) and nonprofit agencies in the rental assistance program in compliance with HOME regulation subpart E, 92.211, in accordance with the HOME Investment Partnerships Act and with 224 CFR 92.150 of the HOME Investment Partnerships Program Interim Rule. In areas that have no PHA, or in which the PHA affirms that it will not administer the TBRA, the local Section 8 administrator or nonprofit entities experienced in rental assistance programs may administer TBRA. ADFA will use funds for security deposits only in conjunction with rental assistance.

Tenant selection may be made from public housing authorities' Section 8 waiting lists giving priority to their local preference or Federal preference, if one is in place, or families residing in units selected for rehabilitation or acquisition using HOME funds. Federal preferences are given to families that occupy substandard housing (including families that are homeless or living in a shelter for homeless families); families that are paying more than 50% of gross family income for rent; or families that are involuntarily displaced.

The maximum rent subsidy may not exceed the difference between the rent standard established in the unit's market area and 30% of the family's adjusted income. The tenant's minimum contribution to rent shall be at least 30% of the family's income unless the rent

subsidy is in the form of a voucher. The rent standard may not be less than 80% of the current published Section 8 existing housing fair market rent for the unit size, nor more than the fair market rent, unless there is a HUD approved community-wide exception rent as specified in 24 CFR 92.911, (F)– (3).

Arkansas Dream Downpayment Initiative (ADDI)

ADDI Program Overview

ADFA will administer the ADDI program as part of its normal operations within the HOME Program and in accordance with the HOME Program regulations. ADDI may be used for downpayment assistance, and closing costs assistance in the purchase of single family housing to eligible individuals who are first-time homebuyers. A first-time homebuyer is an individual and his or her spouse who have not owned a home during the three-year period prior to purchase of a home with assistance under ADDI. The maximum amount of ADDI assistance may not exceed six percent (6%) of the purchase price of the home with a maximum of \$10,000. ADFA requires that all repairs be completed by the seller prior to release of funds.

ADFA Program - Description of Use:

ADFA will provide a maximum of six percent (6%) of the purchase price or \$10,000, whichever is less, in ADDI funds for downpayment assistance and closing costs for qualifying first-time homebuyers. The form of the assistance will be a forgivable loan with equal installments forgiven over the period of affordability. A first-time homebuyer is defined as an individual and his or her spouse who have not owned a home during the three-year period prior to the purchase of a home with ADDI assistance. The homeowner will be required to execute a promissory note, second mortgage and deed restriction for the amount of HOME assistance provided in accordance with established ADDI Program affordability periods.

Targeted Outreach:

ADFA will market the ADDI funds utilizing its official website, publications, brochures and proven marketing techniques. Public housing authorities, the manufactured housing industry and nonprofit providers will be notified of the availability of ADDI funds. ADFA will also promote the program through its annual regional housing workshops and application workshop to HOME program subrecipients and other ADFA partners and interested parties.

Suitability of Families Receiving ADDI Funds:

ADFA will require families receiving ADDI funds to complete a homebuyer counseling course acceptable to ADFA. The purpose of the counseling will be to educate families regarding the home buying process and the various issues related to maintaining homeownership.

CDBG Disaster Funds – Affordable Rental Housing

The CDBG Disaster Funds for Affordable Rental Housing is funded through the U.S. Department of Housing and Urban Development (“HUD”) and is considered a supplemental appropriation of the Community Development Block Grant (“CDBG”) program. Arkansas received a total of \$90,475,898 in CDBG Disaster Funds with a minimum set-aside of \$10,134,098 for affordable rental housing. Arkansas Development Finance Authority (“ADFA”), the housing agency for the state of Arkansas, has been designated as administrator of the CDBG Disaster Funds for Affordable Rental Housing through a Memorandum of Understanding (MOU) with the Arkansas Economic Development Commission (AEDC).

CDBG Disaster Funds for Affordable Rental Housing is the result of five Presidentially-declared disaster areas which include 71 of Arkansas’ 75 counties (excluding Columbia, Ouachita, Polk, and Sevier counties). The Presidentially-declared disasters pertaining to the CDBG Disaster funds allocated to Arkansas are as follows:

1. FEMA #1744, declared on February 7, 2008
2. FEMA #1751, declared on March 26, 2008
3. FEMA #1758, declared on May 20, 2008
4. FEMA #1793, declared on September 18, 2008
5. FEMA #1804, declared on October 22, 2008

CDBG Disaster Funds must relate to housing lost or damaged in the areas by one or more of the Presidentially-declared disasters. The CDBG Disaster funds may not be used for activities reimbursable by other entities (i.e., FEMA, SBA, Corps of Engineers, insurance proceeds, etc.).

Applications for CDBG Disaster Funds may be combined with other ADFA resources, such as the Low-Income Housing Tax Credit (LIHTC) program, HOME, BMIR, Bonds, or FAF program funds. Eligible applicants include cities, counties, public housing authorities, nonprofit, and for profit entities evidencing the capacity to develop affordable rental housing.

ESG Specific Requirements

The Office of Community Services, Department of Human Services administers the State of Arkansas Emergency Solutions Grants Program. The State awards grants to local nonprofit organizations. The prospective nonprofit organization will be required to have the appropriate unit of local government concur with and sign off on the request for assistance.

The grants will be offered using a Request for Proposal process which will be done on a statewide basis. The Emergency Solutions Grants Committee, composed of 10 members, will review grant awards. They include the following divisions in the Arkansas Department of Human Services:

1. County Operations
2. Children and Family Services
3. Development Disabilities
4. Volunteerism
5. Behavioral Health
6. Aging and Adult Services
7. Administrative Services

Each member of the committee votes independently and prior to the award meeting. At the award meeting, the committee reviews the applications and tabulates the scores according to the criterion established. The applicants receiving the highest scores will be funded until funds are depleted. In the event of a tie, the balance of funds will be divided equally among the applicants.

The criterion to be used by the committee deals with the nonprofit organization's ability to provide the services needed if they are listed as eligible activities, and the priority needs and specific objectives described are in the Consolidated Plan. Each year, the committee meets and establishes priority needs for the year and points are given if the nonprofit organization can address those needs as well as the basic services.

The release of funds will be contingent upon the applicant successfully completing the application, scoring the highest points, and having the ability to provide services needed. The application must contain the necessary provision, which adequately describe the program for which assistance is sought. The program must be consistent with the requirements issued under the Arkansas Consolidated Plan. The applicant must successfully complete the environmental review process and sign all the certifications and assurances as required by law. The applicant will be monitored to make sure they are in compliance and funding can and will be stopped if they fail to meet the obligation as outlined in their grant.

HOPWA Specific Requirements

Project sponsors will be selected through a statewide Request for Proposals (RFP) process that will include, but is not limited to, evaluation of the following parameters:

- Concentration of persons with HIV/AIDS in the geographic area to be served by the project sponsor;
- Availability of suitable housing stock in the defined areas;
- Demonstrated capacity of the applicant to provide quality services in compliance with ADH and HUD regulations;
- Ability of the applicants to coordinate complimentary supportive services; and
- Ability of the project sponsor to meet the urgent unmet needs of person with HIV/AIDS and their families.

Affirmative Marketing Plan

ADFA supports and maintains continuing efforts and programs which encourage the solicitation and utilization of Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs). ADFA will continue these efforts in its administration of the HOME Investment Partnerships Programs through program guidelines, agreement contracts, reporting requirements and monitoring of State recipients, sub-recipients, and grantees.

The Fair Housing Officer shall assume ADFA's oversight responsibilities. Recipients and Sub-recipients will be instructed to name the oversight person on staff who has access to a chief

elected official, such as City Mayor, County Judge, and Chairmen of Boards where projects are managed by nonprofits.

ADFA shall access such resources including, but not limited to:

1. The Arkansas Mississippi Minority Supplier Development Council
2. The Office of Minority Business Enterprises
3. The NAACP Fair Share Program
4. The Office of State Purchasing under the Department of Finance and Administration
5. The State Minority Business Advisory Council
6. Partnership with the Small and Minority Business Division of the Economic Development Commission to provide minority and women-owned businesses with opportunities to participate in ADFA programs

ADFA will have and shall require recipient, sub-recipients, and grantees to maintain a list of MBEs and WBEs according to their capabilities, services, and products.

ADFA shall and will require recipient, sub recipients, and grantees to routinely notify MBEs and WBEs by direct mail of all awards or agreements for HOME Projects involving five or more units, including a summary of the type of project, project costs, number of units to be developed, and the name and address of the project owner, manager, or sponsor. This will give MBEs and WBEs an opportunity to do subcontract work for prime contractors.

ADFA shall and will encourage recipient, sub-recipients, and grantees to use electronic and or print media to market and promote contract and business opportunities for MBEs and WBEs targeting minority-oriented media as well as local and statewide media.

ADFA shall require reporting from recipient, sub-recipients, and grantees to include a minimum of:

1. Description of Affirmative Marketing undertaken relative to HOME Projects
2. Percent and dollar amount of total HOME funds of MBE and WBE participation
3. Maintenance of current file lists of MBE vendors and service providers
4. Corrective measures to be taken (where applicable) in their MBE/WBE outreach program
5. A checklist of outreach initiatives

ADFA shall and will require recipient, sub-recipients, and grantees to maintain centralized records with data on the use and participation of MBEs and WBEs as contractors/subcontractors in HOME assisted program-contracting activities. This shall be accomplished through agreement contracts and reporting forms included in the application packet.

ADFA's Compliance Division monitors the HOME Program, the Low-Income Housing Tax Credit (LIHTC) Program and the Neighborhood Stabilization Program (NSP) for compliance with any applicable Federal Regulations. On-site Fair Housing technical assistance will be provided to HOME, LIHTC, and NSP recipients.

The Economic Development Commission requires that all grantees facilitate the use of minority and women business enterprises (MBE and WBE). For CDBG grants awarded, each grantee must take affirmative steps to assure that MBE/WBEs are used when possible as sources of supplies, equipment, construction and services. Affirmative steps include, but are not limited to, the following:

1. Including small and minority businesses on solicitation lists
2. Assuring that small and minority businesses are solicited whenever they are potential sources
3. When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority business participation
4. Where the requirements permit, establishing delivery schedules which will encourage participation by small and minority businesses
5. Using the services and assistance of such resources as:
 - The Small Business Administration
 - The Office of Minority Enterprise of the U.S. Department of Commerce
 - The Community Services Administration
 - The Small and Minority Business Division of the Economic Development Commission
 - Requiring prime contractors to take affirmative steps in the procurement of subcontractors

The Commission also requires that each grantee send any request for proposal (RFP) or invitation for bid to Small and Minority Business Division of the Commission.

Monitoring

Arkansas State Government receives funding through the CDBG Program, HOME Program, ESG, and HOPWA Programs. In their applications and documents submitted for funding, state agencies articulate clearly and describe specifically their program administration capacities, including their standards and procedures for monitoring subgrantees.

Funds from these programs are allocated by the recipient state agencies to public and private nonprofit subgrantees through competitive grant application procedures. Grant application procedures clearly and directly communicate accompanying statutory and regulatory requirements. Once projects are approved for funding, grant awards are made by contract to the subgrantees. Grant agreements specifically and directly bind the subgrantees to adhere to HUD's statutory and regulatory requirements.

State agencies monitor subgrantee adherence to grant agreements, including their compliance with statutory and regulatory requirements through receiving and reviewing regular written reports and through periodic site visits. In addition, state agencies host training and orientation workshops for subgrantees in which statutory and regulatory requirements are reviewed, discussed, and compliance issues are addressed.

Geographic Distribution

The proposed allocation of funds is based on federal funding requirements for each formula-allocated grant. For CDBG funds the Commission will use the method of fund distribution listed in the Five Year Consolidated Plan, except where unanticipated adjustments have to be made as a result of federal budget allocation to the State. Funds will be used for CDBG eligible priority activities as defined in the Consolidated Plan.

For the HOME Program ADFA has adopted a list of Target Area Designations. ADFA will include those places designated by USDA Rural Development and Qualified Census Tracts (QCTs) and Difficult to Develop Areas (DDAs) as defined by the U.S. Department of Housing and Urban Development.

ADFA has an open funding cycle allowing for submission of applications statewide and qualified applicants from all areas of the State are encouraged to apply. Priority points are used for areas where the State has determined clients are not being served.

Tenant-based rental assistance (TBRA), short-term rent, mortgage and utility (STRMU) assistance and supportive services will be provided to low-income HIV positive individuals and their families statewide with the exception of Faulkner, Grant, Lonoke, Perry, Pulaski and Saline Counties, which are included in the HOPWA entitlement funding to the City of Little Rock, and Crittenden County, which is covered under the Memphis TN-MS-AR HUD Metropolitan FMR Area. The priorities for distribution of funding will be the concentration

of person with HIV/AIDS reported by geographic area, the need for housing assistance by geographic area, and the availability of suitable housing stock by geographic area.

2014 Estimated Expenditures

2014 Estimated (Expenditures)		
Community Development Block Grant		
Administration	\$	330,141
Technical Assistance		75,000
Economic Development		6,500,000
Water and Wastewater		6,500,000
Childcare		490,000
Public Health Facilities		325,000
Senior Citizen Facilities		812,000
Rural Services Set Aside		700,000
General Assistance and Innovative Projects		650,000
Projected Program Income	\$	<u>2,000,000</u>
Total (Includes Program Income of \$2,000,000)	\$	18,382,141
HOME Investment Partnerships Funds		
Program Income	\$	1,000,000
Administration (10%)		756,569
Rental Units Rehabilitation		1,047,896
Homeowner Units Rehabilitation		1,955,385
Rental Units Development		1,544,930
Rental Subsidies (TBRA)		571,295
Downpayment Assistance (ADDI)		554,769
CHDO Set-Aside		1,134,854
Total (Includes Program Income of \$1,000,000)	\$	8,565,698
Emergency Solutions Grant		
Street Outreach		10,000
Shelter		890,945
Homeless Prevention		260,588
Rapid Re-Housing		658,000
Administration		<u>147,530</u>
Total	\$	1,967,063
Housing Opportunities for Persons With AIDS		
Grantee Administration (3%)	\$	16,000
Project Sponsor Administration (7%)		37,335
Direct Housing Subsidy & Support Services		<u>480,018</u>
Total	\$	533,353
Total Expenditures	\$	29,448,255