

**ARKANSAS  
COMMUNITY DEVELOPMENT BLOCK GRANT  
DISASTER RECOVERY PROGRAM**

**CDBG-DR Action Plan**

**HUD Partial Approval (Administration Only)**

**February 12, 2021**

**Public Law 116-20: \$8,940,000 Allocation Federal Register  
Notice:**

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Submitted by the Arkansas Economic Development Commission (AEDC) to the U.S. Department of Housing and Urban Development (HUD) in fulfillment of requirements for the Community Development Block Grant- Disaster Recovery (CDBG-DR) program for recovery from Arkansas riverine flooding, Disaster FEMA-4441, allocated under Public Law 116-20

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# Record of Amendments

Summary of Arkansas DR-4441 Community Development Block Grant Disaster Recovery (CDBG-DR) Program Action Plan Amendments.

Date Amendment Approved		Description of Amendment

# Table of Contents

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<b>Executive Summary</b> .....	<b>6</b>
<b>Section One – Introduction</b> .....	<b>12</b>
A. Appropriations Act .....	12
<b>Section Two: Summary of Disaster Damage and Presidential Declaration</b> .....	<b>15</b>
A. Description of Storm Events.....	15
B. Storm Impact and Presidentially Declared Counties .....	16
C. Counties Eligible for Assistance.....	19
Figure 2: FEMA Eligibility Map .....	20
<b>Section Three: Arkansas Disaster Recovery</b> .....	<b>22</b>
A. Arkansas Disaster Recovery Framework .....	22
<b>Section Four: Unmet Needs Assessment</b> .....	<b>28</b>
A. Unmet Needs Assessment Purpose.....	28
B. Calculating Unmet Needs .....	29
C. Determining the Most Impacted and Distressed Areas .....	30
D. Serious Unmet Housing Needs .....	31
E. Serious Unmet Business Needs .....	31
F. Unmet Infrastructure Needs .....	32
G. Unmet Needs Assessment Scope .....	33
H. Eligible Counties .....	34
CDBG-DR Eligible Counties Map .....	34
I. Areas Designated “Most Impacted and Distressed” .....	35
<b>Section Five: Community Profile and Overall Storm Impact</b> .....	<b>36</b>
A. Pre-Disaster Conditions .....	36
B. Economic Impacts and Conditions.....	37
C. Population Density .....	39
D. Income Levels .....	40
E. Aging .....	40
F. Education.....	40
G. Social Vulnerability .....	41
H. Demographic Profile – Protected Classes.....	43
<b>Section Six – Impact and Unmet Needs Assessment.</b> .....	<b>49</b>
A. Impact on Low- to Moderate-Income Households.....	49
B. Overview of Impact to Core Sectors.....	51
1. Impact on Infrastructure .....	53
2. Infrastructure Unmet Needs .....	54
3. Impact on Housing.....	58
k. Owner-Occupied and Renter-Occupied Housing.....	66
n. Owner-Occupied Unmet Needs .....	76
4. Affordable and Public Housing .....	84
5. Housing Impact to Vulnerable Populations.....	84
o. Homeless Needs Assessment.....	85

Economic Impacts & Business Unmet Needs .....	88
7. Estimated Economic Revitalization Unmet Need .....	88
C. Planning Needs.....	91
D. Public Service Needs .....	92
E. Resiliency Needs Assessment.....	92
F. Federal Assistance Provided.....	93
<b>Section Seven - Method of Distribution &amp; Program Priorities .....</b>	<b>98</b>
A. Method of Distribution.....	98
B. Program Budget.....	98
C. Program Priorities.....	100
8. Overall Requirements .....	100
D. Additional Priorities .....	101
9. Prioritizing Vulnerable Populations .....	101
10. Enhancing Resilience .....	102
11. Leveraging Recovery Programs.....	103
<b>Section Eight– Program Design &amp; Connection to Unmet Need .....</b>	<b>106</b>
A. Connection to Unmet Need.....	106
B. Allocation of Funds .....	106
C. Method of Distribution .....	108
D. Program Allocations.....	109
E. Housing Assistance Program .....	109
F. Voluntary Local Buyouts & Acquisition.....	114
d. Residential Buyouts .....	116
e. Relocation Assistance .....	117
f. Tenant Relocation Assistance.....	117
g. Hazard Mitigation Grant Program (HMGP) and (FMA) Local Match .....	117
G. Multi-Family Rental Recovery .....	118
H. Infrastructure and Public Facilities Program.....	123
<b>Section Nine – Grant Administration .....</b>	<b>129</b>
A. Administrative Funds .....	129
B. Grant Management Capacity.....	130
C. Expenditures .....	130
D. Amendment Process.....	131
E. Administration Requirements.....	131
F. Program Implementation.....	133
G. Monitoring and Compliance .....	138
H. Stakeholder Engagement.....	138
19. Public Website.....	138
20. Citizen Participation.....	139
21. Public Comment.....	139
22. Jurisdictional Engagement.....	139
23. Application Status .....	140
24. Policies and Procedures.....	140
25. Training and Technical Assistance .....	141

**Appendix A – Acronyms List ..... 142**  
**Appendix B – CDBG Disaster Recovery Website DR-4441..... 144**  
**Appendix C – CDBG-DR Citizen Participation Plan..... 145**  
**Appendix D – CDBG-DR Four Factor Analysis Language Access Plan (LAP)..... 150**  
**Appendix E – Certifications..... 162**  
    Certifications Waiver and Alternative Requirement ..... 162  
**Appendix F – Public Participation & Stakeholder Engagement..... 165**

# Executive Summary

In December 2019, the U.S. Department of Housing and Urban Development (HUD) allocated over \$2.3 billion in Community Development Block Grant Disaster Recovery (CDBG-DR) funding to support long-term disaster recovery in communities impacted by disasters occurring since 2017. Of this allocation, the State of Arkansas was allocated \$8,940,000 in CDBG-DR funds to support disaster recovery efforts following flooding of the Arkansas River in May of 2019. This funding is tied to Federal Emergency Management (FEMA) Major Disaster Declaration DR-4441, declared on June 8, 2019. The Arkansas Economic Development Commission (AEDC) is the responsible entity for administering CDBG-DR funding allocated to the State of Arkansas.

HUD requires all CDBG-DR grantees to submit an Action Plan detailing the proposed use of all funds. The plan must describe unmet needs, the programs to be implemented in addressing those unmet needs, the budget allocated for those programs, and how the programs and activities will meet HUD requirements. This Action Plan covers the \$8.94 million in CDBG-DR funds appropriated in Public Law 116-20 and the document follows requirements outlined in the Federal Register Notice published on January 27, 2020.<sup>1</sup>

## Overview of Qualifying Disasters

During the week of May 21, 2019 a ridge of high pressure built over the southeastern United States. In that week, six to 12 inches of rain fell in parts of the Plains and Midwest, impacting northeast Oklahoma requiring releases from already high lakes. This resulted in widespread flooding and produced record-breaking crests downstream along the Arkansas River. A river flood of this magnitude has never happened before and had significant and widespread impacts along the Arkansas River according to inundation models released by the Army Corps of Engineers. Additional rainfall over Northwest Arkansas prolonged major flooding by several days, putting prolonged pressure on river levees.

It is estimated that flooding in the Arkansas River basin caused \$3 billion in damage. Five deaths were reported in Arkansas. After the storming and flooding ended, 17 of Arkansas's 75 counties were declared Federal disaster areas. More than 1,147 residences homes were initially assessed as damage, destroyed, or affected. In addition, there were initial estimated damages of \$8,582,911 million to roads, bridges and other public infrastructure. This assessment would increase in size to just under \$50 million when final FEMA Project Worksheets were tallied. FEMA deployed its host of tools in the Individual Assistance and Public Assistance Programs.

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<sup>1</sup> Department of Housing and Urban Development. January 2020. Federal Register Notice. 85 FR 4681. Available at: <https://www.govinfo.gov/content/pkg/FR-2020-01-27/pdf/2020-01204.pdf>

# Arkansas River Flooding

Weather Forecast Office  
Little Rock, AR

Updated June 9, 2019 12:00 PM CDT



Location	Latest Stage	Flood Stage	Projected Crest	Crest Info	Flood Category (Currently)
Van Buren	25.8 ft @ 11 AM	22.0 ft	Falling	Crested <b>R</b>	Minor
Ozark	362.5 ft @ 11 AM	357.0 ft	Steady	Cresting	Minor
Dardanelle	30.6 ft @ 11 AM	32.0 ft	Falling	Crested <b>R</b>	Below Flood
Morrilton	35.3 ft @ 11 AM	30.0 ft	Falling	Crested <b>R</b>	Moderate
Toad Suck	278.7 ft @ 10 AM	275.0 ft	Falling	Crested <b>R</b>	Moderate
Little Rock	24.5 ft @ 10 AM	23.0 ft	Falling	Crested	Minor
Pine Bluff	48.3 ft @ 11 AM	42.0 ft	Falling	Crested	Major
Pendleton	35.9 ft @ 11 AM	31.0 ft	Falling	Crested <b>R</b>	Major

**R = Record Crest**

**Water levels along the Arkansas River are slowly falling, but have briefly rebounded this weekend upstream towards Oklahoma.**

The Impact and Unmet Needs Assessment section of this Action Plan details quantified losses resulting from the disaster, the resources available to address identified losses, and the remaining unmet recovery needs as of the publication of this Action Plan. In the months after the flooding, and as a result of the allocation of Supplemental Disaster CDBG funding, the AEDC Grants Division, in conjunction with its partner agencies, the Arkansas Department of Emergency Management (ADEM), the Arkansas Development Finance Authority (ADFA), and the Arkansas Natural Resources Division (ANRD), Department of Agriculture, assessed the remaining unmet need in the affected counties. As with all disasters, the assessment of damage is done multiple times by different organizations and for different purposes. This document attempts to reflect those counts as time progressed post-disaster to show the need and impact resulting from the flooding of the Arkansas River. AEDC used data on the number of applications for assistance as the basis of unmet need calculations while supplementing it with the most current survey information, public outreach, and ongoing consultation with stakeholders. In March 2020, AEDC met with impacted jurisdictions, state agencies, and other stakeholders to assess unmet need. Between March 2020 and December 2020, AEDC consulted directly with the state's Continuums of Care (CoCs), public housing authorities (PHAs), and tribal entities regarding impact and unmet recovery need. Following the public comment period for the draft Action Plan, AEDC held a public workshop in September 2020 aimed at collecting additional input from impacted citizens and community leaders. As a result of the assessment and feedback received from stakeholders, unmet recovery need was identified in the areas of housing, public infrastructure, and economic revitalization.

<http://water.weather.gov/ahps2/index.php?ufc=rlk>

weather.gov/rlk

Unmet needs, as defined by HUD, are needs that are not covered by other funding sources and can be covered by CDBG-DR funds. This Action Plan includes an Unmet Needs Assessment (UNA) that analyzes the impacts of DR-4441 and unmet recovery needs related to housing, infrastructure, and the economy. HUD estimated a total of \$8,940,268 in unmet needs related to DR-4441, including \$4,174,349 in serious unmet housing need in the most impacted areas, \$2,040,158 unmet infrastructure needs for FEMA

Category C to G public assistance projects (representing the 25% local share), and \$2,725,761 for serious unmet business needs.

This Action Plan utilizes more current and comprehensive data to estimate unmet recovery needs. As a result, we estimate a total of \$18,466,828 in unmet needs, including \$7,959,073 for housing, \$7,781,994 for infrastructure, and \$2,725,761 in economic recovery needs. This Action Plan outlines the use of CDBG-DR funds in a manner that directly addresses the identified unmet need. Per the Federal Register Notice, grantees receiving an allocation for a 2018 or 2019 disaster are required to primarily consider and address unmet housing recovery needs. Grantees may, however, propose the use of funds for unmet economic revitalization and infrastructure needs unrelated to unmet housing needs if the needs assessment demonstrates that there is no remaining unmet housing need, or that the remaining unmet housing need will be addressed by other sources of funds. In accordance with the Federal Register Notice, this Action Plan identifies a number of funding categories that affected communities can access to assist them with their specific needs. Because the State found more unmet need than the initial allocation of CDBG-DR funds, the State will prioritize project applications based upon project scoring which aggregates two primary factors targeted to reach the most impacted and distressed areas: the relative damage to housing in the County as compared to the total housing in the County, and the severity of the County's SoVI® index number.

The CDBG-DR Program will accept applications from local jurisdictions using an "open cycle" format allowing cities and counties to apply under any of the program activity categories established. Using an "open cycle" approach, applicants will be selected on a first-come, highest rated basis guided by a robust framework of funding priorities as outlined in Section Seven - Method of Distribution & Program Priorities and Section Eight - Program Design & Connection to Unmet Need. At the point that the unmet housing need is exhausted, the Grants Division will formally amend the Plan to reflect the use of remaining funds in areas of unmet need in the categories of infrastructure and economic revitalization. This current Plan provides the unmet needs information for both of those categories and the amended Plan will provide an update as well as a method of distribution that reflects areas most impacted. The amendment will provide detail on categories of funding available, deadline dates, as applicable, and any maximums per applicant or beneficiary.

Arkansas will implement three programs to address its unmet needs, as summarized in Table 1 below. For infrastructure, the State will implement a Non-Federal Share Match program to meet the local match requirement for the Federal Emergency Management Agency (FEMA) Public Assistance (PA), Flood Mitigation Assistance (FMA) and Hazard Mitigation Grant (HMGP) programs. As discussed in the Introduction section which follows, the economic and fiscal crisis brought on by Coronavirus Disease 2019 (COVID-19) increases the challenge for local governments to meet match requirements. To meet unmet housing recovery needs, Arkansas will implement three Housing Assistance Programs (HAP). The HMGP Match Program and the FMA Match Program are designed to assist local governments with meeting the local match for voluntary buyout for redevelopment and acquisition projects, and to help support low- and moderate- income households. The Multi-family Rental Recovery Program is designed to meet the needs of low- and moderate- income renter households.

Table 1 illustrates the State's CDBG-DR categorical funding allocations and are current to date. It should be understood that the requested funds as illustrated in the table below are based solely on preliminary estimates at the time of submission. The table below reflects the most current CDBG-DR category funding amounts and is updated each time a non-substantial or substantial amendment is accomplished. Each numbered revision submitted to HUD for approval is meant to supersede the earlier category totals



in the earlier published Action Plan.

With limited funding available, and the requirement to address unmet housing needs before addressing other unmet recovery needs, AEDC proposes using 62% of its CDBG-DR funding to address housing needs. The Unmet Needs section of the Action Plan provides further details on the sources for each item captured below, but even with the \$8,940,000 available in CDBG-DR, the State still faces additional unmet recovery needs.

**Table 1: Current CDBG-DR Category Funding Amounts**

Category	Total Unmet Need	Percentage of Unmet Need	Proposed CDBG-DR Allocation	Percent of Funding	Other Resources	Remaining Unmet Need
Housing	\$8,189,313	46%	\$5,543,000	62%	-	\$2,646,313
Infrastructure	\$7,466,792	42%	\$2,500,000	28%	-	\$4,966,792
Economic Revitalization	\$2,009,561	11%	N/A	0%	-	\$2,009,561
Planning	N/A	-	\$450,000	5%	-	-
Administration	N/A	-	\$447,000	5%	-	-
<b>Total</b>	<b>\$17,665,665</b>	<b>100%</b>	<b>\$8,940,000</b>	<b>100%</b>	<b>-</b>	<b>\$9,622,665</b>

AEDC anticipates that in some cases CDBG-DR funding could potentially be available later in the program due to unforeseen events such as the cancellation of projects, project completion under budget, or from funds designated but not allocated. AEDC reserves the right to adjust and reprogram any of the remaining CDBG-DR funding to ensure maximum utilization of funds. Such reprogramming of CDBG-DR funding shall be the minimum amount necessary to fund projects efficiently. Reprogramming of CDBG-DR funding may also be made available to offset any unforeseen project eligible cost increases such as in the case of construction. All reprogrammed CDBG-DR funding will be subject to the same expenditure deadlines and compliance requirements set forth in the Federal Register Notice. Funding deemed by the AEDC Grants Division as available for reprogramming will be evaluated and allocated according to the following considerations.

In addition to first meeting the core CDBG-DR Program eligibility requirements as outlined in this Action Plan, reprogrammed funding will be prioritized in order to allow the State to meet the minimum Federal Register Notice specified objectives should these objectives remain unfulfilled at the time of the availability of reprogrammed funds. Should this happen, AEDC may continue to fund-down the officially scored list of submitted CDBG-DR applications for eligible disaster recovery activities as long as funding and time restrictions permit. Any additional requested disaster activity funding will be subject to the same expenditure and compliance deadlines set forth in the Federal Register Notice and CDBG-DR program selection priorities established by the State.

Reprogrammed funding will be first considered for current grantees whose projects have been significantly impacted by unforeseen increased project completion costs and require additional funds to ensure timely completion of their eligible project.

Reprogrammed funding consideration will depend on the amount required by the eligible CDBG-DR project in relation to the amount of limited remaining CDBG-DR funding available.

Reprogrammed funding consideration will depend on the amount of time required for final project completion in relation to the amount of time remaining under the imposed Federal Register Notice deadlines.

Any remaining CDBG-DR funding that cannot meet the expenditure deadlines and compliance requirements set forth in the Federal Register Notice will be returned to HUD as required under federal guidelines.

The State's first priority is to get CDBG-DR funding to as many affected residents as possible in order to assist them in repairing their homes, infrastructure, and small businesses so they can get their lives back in order and get the local economy back in business. With this priority in mind, the State has developed additional factors to determine allocations of the Funding down to the level of specificity required by HUD.

The following additional factors (priorities) will guide the allocation of CDBG-DR funding:

- The State's estimate of the unmet needs in the activity areas for which the funding can be used.
- The State's estimates are based on its review of FEMA, SBA, Census data, and the results of the surveys designed by the State and submitted to the State by municipalities and other local stakeholders in the eligible areas.

**The unmet needs estimate is necessarily preliminary.** The State recognizes that the actual needs of the State's communities in the aftermath of the disasters will change as recovery and rebuilding programs are implemented. As such, the State continues to receive and evaluate new or revised data pertaining to unmet needs and the availability of funding from private insurance, FEMA, SBA and other sources. The State's estimate of the both the number of homes and businesses affected by the disasters as well as the magnitude of unmet needs will continue to be refined.

Eighty percent of CDBG-DR funding under this Action Plan will be used to fund housing and infrastructure unmet needs in the identified MIDs. HUD identified Jefferson County zip code 71602 and Perry County zip code 72016 as the MID in Arkansas. Based on authorization from HUD, Arkansas will expand the MID areas to cover the entire counties of Jefferson and Perry. This step enables the state to direct additional funding to those two counties where a portion (the two zip codes) were identified as being among the most impacted. Since much of the necessary data is still being gathered and analyzed by the State, regional planning organizations and units of local government, and since future allocations (subject to Federal Funding) of CDBG-DR Program funding will focus on unmet infrastructure and public facility's needs, a description of the allocation of such future funds will be set forth in any future plan required in connection with such funds.

The prioritization of (a) infrastructure, resiliency, and housing activities and other activities that directly addresses an unmet need and can be commenced with minimal delay and thereafter completed promptly and, (b) in the case of more complicated projects, necessary planning and predevelopment work that will facilitate the speedy commencement and completion of such projects should additional funds are allocated to the State.

The availability of sufficient funds to efficiently and effectively administer the CDBG-DR funding in compliance with all applicable laws.

**Direct Relationship to the Disaster Area.** All projects must show a direct relationship to the DR 4441 Disaster Declaration and must be located in the impact area. Projects must show the damage that still needs to be addressed (unmet need) or the mitigation/resiliency measures to be taken to prevent or lessen the impacts of a future related disaster.

**Readiness to Proceed.** Each project must be capable of being undertaken (design and construction) immediately to provide outcomes to intended beneficiaries affected by the disaster. All projects must include a project timeline that allows AEDC to meet the Federal six (6) year deadline.

**Feasibility.** Each project must be found to be financially feasible, sustainable and likely to contribute to the long-term recovery of the disaster impacted community.

**Recovery needs change over time.** As program needs evolve, programs may shift and change to meet the need. Changes to unmet needs, which result in a change in program benefit or eligibility criteria, the addition or deletion of an activity, or the allocation or reallocation of funds may result in either a non-substantial or substantial amendment to the Action Plan.

# 1. Section One – Introduction

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## A. Appropriations Act

On December 3, 2019, the U.S. Department of Housing and Urban Development (HUD) allocated over \$2.3 billion to support the long-term disaster recovery process associated with disasters since 2017, including FEMA DR 4441 (the Arkansas River Flooding), declared on June 8, 2019, as well as other hard-hit areas in 15 states and four U.S. territories.

Of that \$2.3 billion, Arkansas is expecting to receive an allocation of \$8,940,000 in disaster recovery funds for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et. Seq.) related to housing redevelopment and rebuilding, business assistance, economic revitalization, and infrastructure repair. The State of Arkansas will be required to spend 80 percent of these recovery funds in “most impacted” areas of the state as identified by HUD. HUD has identified Jefferson County zip code 71602 and Perry County zip code 72016 as the MID; however, based on authorization from HUD, Arkansas will expand the MID areas to cover the entire counties of Jefferson and Perry. This step enables the state to direct additional funding to those two counties where a portion (the two zip codes) were identified as being among the most impacted. HUD has issued administrative guidelines in the form of the January 27, 2020 Federal Register Notice 85 FR 4681 (applicability date, February 3, 2020), for funding appropriated under Public Laws 115-254 and 116-20, for use of the funds to address grantees’ long-term recovery needs, particularly in the area of housing recovery.

These funds are to be used to satisfy a portion of unmet need that remains after other federal assistance, such as the Federal Emergency Management Agency (FEMA), Small Business Administration (SBA), and/or private insurance, has been allocated.

HUD uses the “best available” data to identify and calculate unmet needs for disaster relief, long-term recovery, restoration of infrastructure, and housing and economic revitalization. Based on this assessment, HUD notified the State of Arkansas that it will receive an allocation of \$8,940,000 in disaster recovery funds to assist in recovery from the floods of 2019.

In the few months since the allocation was announced, the nation has experienced the COVID-19 pandemic. Along with rest of the nation, this unprecedented public health crisis is profoundly changing economic conditions within the state for foreseeable future, and, as a result, tax revenues are declining due to reductions in economic activity. Although extensive federal resources are being directed to governments, businesses, and individuals to mitigate the impact of the COVID-19 pandemic, just as with the 2019 disasters, the actual needs far exceed the amount of funds available. While working to ensure that this downturn is as short-lived as possible, it is incumbent upon the state to pursue policies and outcomes that maximize the financial resources available. The State of Arkansas faces the difficult work of assessing where the greatest needs and impacts lie.

It is in this emerging environment that the state must consider how best to make use of the CDBG-DR funding which, by federal law, is intended to address unmet recovery needs arising from the 2019 event. This Action Plan responds to unmet needs arising from the 2019 disasters, yet it has been shaped by the current and projected impacts of the COVID-19 health crisis. While this Action Plan may not be what was

envisioned when the drafting effort was launched in February of 2020, the use of CDBG-DR funds is consistent with enabling the plan to provide substantial and lasting benefit to Arkansans in the years to come.

In addition to the significant CDBG-DR funds, the state will be receiving an estimated \$50 million from FEMA through its PA program for the repair and reconstruction of public infrastructure. Additionally, the state will receive over \$1.2 million through HMGP and approximately \$568,000 FMA to protect against future damage via acquisition, demolition, and elevation projects both within and outside of the floodplain. The funding allocated under these three programs has the potential to generate positive direct and indirect impacts on housing across Arkansas.

These FEMA resources, while generous, can only cover up to 75% of a project's cost, leaving the state and/or local governments in the position of having to fund the remaining 25%. Prior consideration by the state to partially address this requirement using tax revenues is now problematic, as those tax receipts have fallen and are likely to remain abnormally low over the next few years. This largely leaves the burden to local governments to meet the 25% match requirement. Many governments were already in an arduous financial environment prior to the pandemic and associated economic downturn.

To this end, to ensure that FEMA funds are made available and invested in projects beneficial to Arkansas, it has become apparent that an alternative source of the necessary matching funds must be identified. One of the attractive features of CDBG-DR is that, in most cases, it can be used as the state or local matching funds for other federal programs, including FEMA PA, HMGP, and FMA. As such, this Action Plan devotes at least 20% of the available CDBG-DR funding as matching funds to FEMA programs to maximize the overall investment in Arkansas's flood recovery effort.

Pursuant to the Federal Register Notice, CDBG-DR grantees are required to primarily consider and address its unmet housing recovery needs. Grantees may propose the use of funds for unmet economic revitalization and infrastructure needs unrelated to unmet housing needs if the needs assessment demonstrates there is no remaining unmet housing need or that such need will be addressed by other funding sources. In alignment with this requirement, the Action Plan does not put forward economic development programming. The COVID-19 crisis has had a profound impact on businesses in the State of Arkansas and offers unique funding opportunities to address needs of these businesses.

CDBG-DR represents a down payment against unmet long-term recovery needs, which this Action Plan estimates at approximately \$18.5 million. The reality is that difficult decisions on the deployment of the CDBG-DR funds were always on the horizon, and the COVID-19 crisis has altered the state's evaluation of the alternatives. In making these decisions, it is important for Arkansans with unmet recovery needs and for Arkansas's federal partners to understand that there is a concerted commitment to finding the best possible options to address those remaining needs. Many such needs can be resolved more quickly, effectively, and reasonably with resources other than CDBG-DR. Our goal is ensuring that Arkansas recovers from the 2019 floods and is more resilient in the face of any similar event in the future. The Disaster Relief Appropriations Act requires that the state or local government must expend the funds within six years of the signed agreement between HUD and the grantee unless an extension is granted by HUD. To ensure that the funds assist the most impacted areas, at least 80 percent of the combined total awarded to the state will go to the most impacted and distressed counties. All the allocated funds must be used for eligible disaster-related activities. Effective controls must be in place and monitored for compliance to ensure that fraud, waste, and misuse of funds does not occur.

The State of Arkansas will serve as the grantee for the CDBG-DR program and the Arkansas Economic Development Commission (AEDC) will be responsible for overseeing the administration of different grant-funded recovery programs. In compliance with the policies and procedures of the CDBG-DR program, AEDC has developed this Action Plan (“Plan” or “AP”) to:

- Summarize the unmet needs of recovery from DR-4441;
- Describe the method of distribution of funding; and
- Describe the programs and activities that AEDC will implement using the funding.

AEDC also administers the State CDBG Program. The purpose of CDBG-DR funding is similar to the CDBG program in terms of the core principles (e.g., meeting of the national objectives) and cross-cutting requirements (e.g., procurement requirements). Key differences between the CDBG program and the CDBG-DR funding includes elements of eligibility (e.g., “tie-back” to the declared disaster) and some flexibility in program delivery that allows for activities to be carried out in non-entitlement and entitlement areas.<sup>2</sup>

Arkansas submits this Action Plan to outline its unmet needs and establish how the state will allocate its funds through its programs. This includes the proposed use of funds, criteria for eligibility, and how funds will address long-term recovery in the most impacted and distressed areas. The Unmet Needs Assessment, which evaluates the three core aspects of recovery – housing, infrastructure, and economic development-- forms the basis for the decisions outlined in the Method of Distribution. This Action Plan was developed with the help of many state and local stakeholders as well as the public to target the unmet need that can be addressed by these limited federal funds.

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<sup>2</sup> HUD, n.d. CDBG and CDBG-DR: A Comparison. Retrieved at: <https://files.hudexchange.info/resources/documents/CDBG-and-CDBG-DR-Comparison.pdf>

## 2. Section Two: Summary of Disaster Damage and Presidential Declaration

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### A. Description of Storm Events

Infrastructure damage as result of the 2019 disaster was widespread, with 17 out of 75 counties impacted, reporting damage to roads, bridges, levees, dams, and many other critical infrastructure facilities.<sup>3</sup>

The events of the Flood of 2019 are well-described in the CALS Encyclopedia of Arkansas. “The flood along the Arkansas River that occurred in the spring of 2019 broke a number of high-water records and proved to be one of the costliest natural disasters in the state’s history. In addition, the flood cast light upon the state’s aging levee and transportation infrastructure.”<sup>4</sup>

“By May 25, 2019, as many as 200 people had evacuated in Fort Smith; about 545 homes in the county were eventually affected. Flooding led to the closure of a number of highways, such as the westbound lanes of U.S. 64 at the Arkansas River bridge in Fort Smith and a section of Arkansas Highway 105 in Pope County early in the flooding; by the end of May, more than two dozen state highways were closed due to high water. As the flooding continued, voluntary and mandatory evacuation orders were issued all along the course of the river. By late May, residents were leaving the Island Harbor Estates neighborhood in Pine Bluff as it became inundated, and 550 homes that lay inside the county’s levee system were at risk in Jefferson County.

“Due to the volume of water, all gates along the river were opened, and water began backing up into a number of tributaries, such as Massard Creek in Sebastian County, Palarm Creek in Faulkner County, and Fourche Creek in Little Rock. Palarm Creek even started flowing backward across the dam that impounds Lake Conway, leading the shallow reservoir to spill out into neighborhoods. Continued rain in Arkansas during the flood did not necessarily raise the water level but prolonged the flood, keeping the ground too wet to absorb additional floodwaters. Even larger tributaries such as the White River experienced flooding due to a combination of the Arkansas River backing into it and heavy rains in the northwestern part of the state.

“Along the course of the river, people sandbagged their businesses and homes. On May 29, Governor Hutchinson formally requested federal emergency assistance for counties along the river; he also released \$350,000 from the Governor’s Disaster Assistance Fund. That same day, water topped a levee in Perry County, leading to the closure of the Arkansas Highway 60 bridge linking Perry and Faulkner counties. A second levee was later topped in Logan County. Early on the morning of May 31, a levee broke just south of Dardanelle (Yell County), putting the community at risk as water poured into the rural area near Holla Bend National Wildlife Refuge; the levee breach was later measured at 346 feet wide and 45 feet deep, and Dardanelle residents worked to construct a temporary levee south of their community to protect the town. That same day, the National Weather Service warned of a levee breach and imminent flash flooding in an industrial area near North Little Rock (Pulaski County); however, it was later revealed that a containment unit near the levee, and not the levee itself, had been breached. Levee damage was also

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<sup>3</sup> FEMA, 2019. *Arkansas Severe Storms and Flooding (DR-4441)*. Retrieved at <https://www.fema.gov/disaster/4441>

<sup>4</sup> Cobb, William H. *Commonwealth College*. In *CALS Encyclopedia of Arkansas*. Retrieved October 21, 2019, from <https://encyclopediaofarkansas.net/entries/flood-of-2019-14746/>



reported in the Yoestown Bottoms area of Crawford County and in rural Faulkner County, where signs of seepage were reported at the Lollie Levee. On June 5, officials acknowledged that Lollie Levee had started to erode, and the following day, county officials recommended the evacuation of area residents. Although a large chunk of the levee did collapse into the river, the levee held, aided by declining flood waters.

“Major flooding moved into central Arkansas in late May and early June. In North Little Rock, the city sealed its floodgates along Riverfront Park in an effort to keep water from entering the Argenta Historic District, and sinkholes appeared on the field of Dickey-Stephens Park. Parts of the Arkansas River Trail in both Little Rock and North Little Rock were underwater during the worst of the flooding, and the Big Dam Bridge was inaccessible due to high water in the area of Murray Lock and Dam. The Tour de Rock charity cycling tour had to be re-routed due to flooding. In Little Rock, Murray Park and Rebsamen Park were underwater by late May, while Cooks Landing Park and parts of Burns Park in North Little Rock were also flooded. As water backed up into the Little Maumelle River, parts of Pinnacle Mountain State Park experienced flooding. However, perhaps the worst-hit recreational site was Two Rivers Park, which lies between the Little Maumelle River and the Arkansas River. A number of expensive homes in the area were inundated. The flood was particularly hard on the city’s homeless population, many of whom often camp by the river. North Little Rock authorities recommended the evacuation of the Dixie Addition, a historically black neighborhood, on June 1, while homes along Willow Beach Road flooded. A portion of the Arkansas River Trail in North Little Rock caved in due to the flooding.”<sup>5</sup>

“By the early days of June, the water began to recede in western Arkansas. For example, the Arkansas River crested at Dardanelle on June 2 at 45.3 feet. Three days later, the Arkansas River crested at Little Rock at 29.71 feet, or 6.71 feet above flood stage. Farther down the river, in Pine Bluff, Union Pacific moved rail cars and engines out of the city and pulled up tracks in some areas to allow gaps in the levee system to be filled. The river crested at Pine Bluff on June 6 at 50.86 feet, almost nine feet above flood stage. In the Desha County community of Pendleton, the last town along the Arkansas River before it empties into the Mississippi, the river crested there at 37.63 feet, or 6.63 feet above flood stage, on June 6, and an estimated eighty to ninety percent of homes had been flooded by the time the water began to recede in the middle of the month. In June, the Federal Emergency Management Agency and the U.S. Small Business Administration opened disaster aid sites in North Little Rock and Mayflower (Faulkner County).”<sup>6</sup>

## B. Storm Impact and Presidentially Declared Counties

On June 6, 2019, Governor Asa Hutchinson requested a major disaster declaration due to severe storms and flooding beginning on May 21, 2019 and continuing. The Governor requested a declaration for Individual Assistance and assistance for debris removal and emergency protective measures (Categories A and B), including direct Federal assistance, under the Public Assistance program for eight counties and Hazard Mitigation statewide. Beginning on June 2, 2019, and continuing, joint federal, state, and local government Preliminary Damage Assessments (PDAs) were conducted in the requested areas and are summarized below. PDAs estimate damages immediately after an event and are considered, along with several other factors, in determining whether a disaster is of such severity and magnitude that effective response is beyond the capabilities of the state and the affected local governments, and that Federal assistance is necessary.<sup>7</sup>

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<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*

<sup>7</sup> *The Preliminary Damage Assessment (PDA) process is a mechanism used to determine the impact and magnitude of damage and*



On June 8, 2019, President Trump declared that a major disaster exists in the State of Arkansas. This declaration made Individual Assistance requested by the Governor available to affected individuals and households in Conway, Crawford, Faulkner, Jefferson, Perry, Pulaski, Sebastian, and Yell Counties. This declaration also made debris removal and emergency protective measures (Categories A and B), including direct federal assistance, under the Public Assistance program requested by the Governor available to state and eligible local governments and certain private nonprofit organizations on a cost-sharing basis in Conway, Crawford, Faulkner, Jefferson, Perry, Pulaski, Sebastian, and Yell Counties. Furthermore, this declaration made emergency protective measures (Category B), limited to direct federal assistance, under the Public Assistance program available to Arkansas, Chicot, Desha, Franklin, Johnson, Lincoln, Logan, and Pope Counties. Finally, this declaration made Hazard Mitigation Grant Program assistance requested by the Governor available for hazard mitigation measures statewide.<sup>8</sup>

# 1. Summary of Damage Assessment Information Used in Determining Whether to Declare a Major Disaster<sup>9</sup>

## a. Individual Assistance

Total Number of Residences Impacted:<sup>10</sup> 1,147

Destroyed -	352
Major Damage -	505
Minor Damage -	268
Affected -	22

Percentage of insured residences:<sup>11</sup> 1.0%  
 Percentage of poverty households:<sup>12</sup> 19.1%  
 Population receiving other government assistance such as SSI and SNAP: 20.7%  
 Percentage of ownership households:<sup>13</sup> 62.5%

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resulting needs of individuals, businesses, public sector, and community as a whole. Information collected is used by the State as a basis for the Governor’s request for a major disaster or emergency declaration, and by the President in determining a response to the Governor’s request (44 CFR § 206.33).

<sup>8</sup> When a Governor’s request for major disaster assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (Stafford Act) is under review, a number of primary factors are considered to determine whether assistance is warranted. These factors are outlined in FEMA’s regulations (44 CFR § 206.48). The President has ultimate discretion and decision-making authority to declare major disasters and emergencies under the Stafford Act (42 U.S.C. § 5170 and § 5191).

<sup>9</sup> FEMA-4441-DR-AR Preliminary Damage Assessment Report, last updated October 30, 2019. Retrieved at <https://www.fema.gov/media-library/assets/documents/184211>

<sup>10</sup> Degree of damage to impacted residences:

- Destroyed – total loss of structure, structure is not economically feasible to repair, or complete failure to major structural components (e.g., collapse of basement walls/foundation, walls or roof);
- Major Damage – substantial failure to structural elements of residence (e.g., walls, floors, foundation), or damage that will take more than 30 days to repair;
- Minor Damage – home is damaged and uninhabitable, but may be made habitable in short period of time with repairs; and
- Affected – some damage to the structure and contents, but still habitable.

<sup>11</sup> By law, Federal disaster assistance cannot duplicate insurance coverage. 42 U.S.C. § 5155 and 44 C.F.R. § 206.48(b)(5).

<sup>12</sup> Special populations, such as low-income, the elderly, or the unemployed may indicate a greater need for assistance. 44 C.F.R. § 206.48(b)(3).

<sup>13</sup> Ibid. 44 C.F.R. § 206.48(b)(3).

Pre-Disaster Unemployment:	7.2%
Age 65 and older:	15.7%
Age 18 and under:	23.7%
Disability:	18.4%
IHP Cost to Capacity (ICC) Ratio:	151
Total Individual Assistance cost estimate:	\$21,213,290

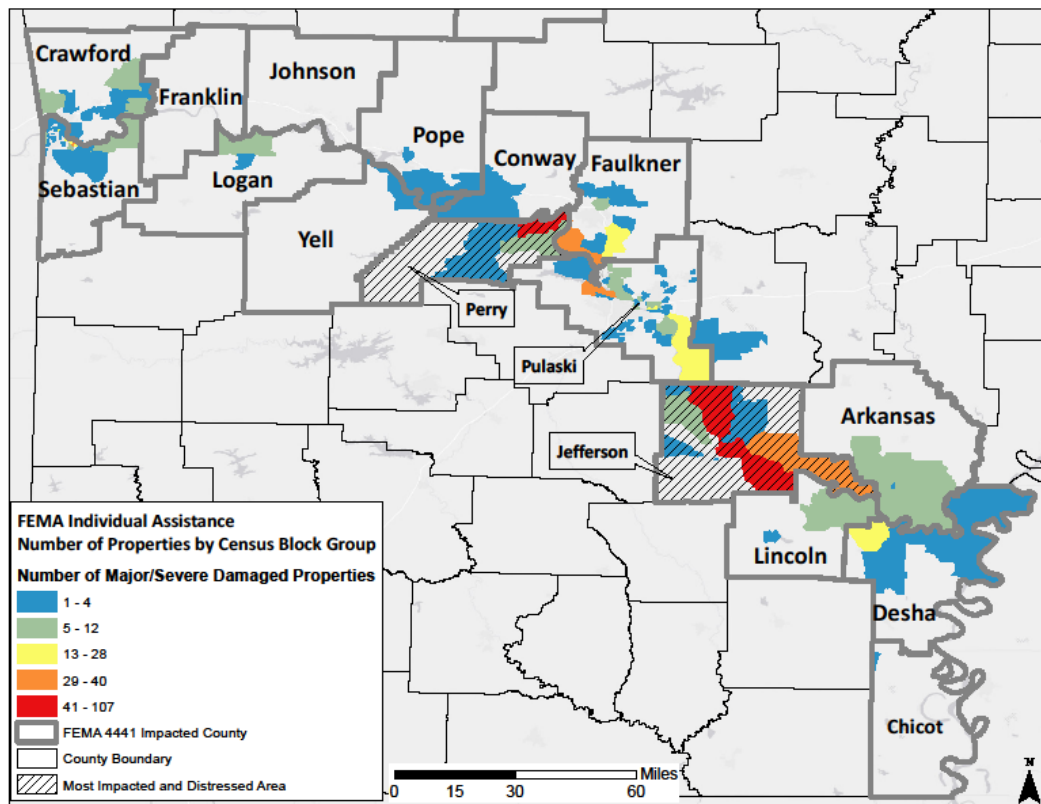
## b. Public Assistance

Primary Impact:	Emergency protective measures
Total Public Assistance cost estimate:	\$8,582,911
Statewide per capita impact: <sup>14</sup>	\$2.94
Statewide per capita impact indicator: <sup>15</sup>	\$1.50
Countywide per capita impact:	

Conway County (\$28.41), Crawford County (\$6.24), Faulkner County (\$5.67), Jefferson County (\$6.08), Perry County (\$18.15), Pulaski County (\$4.25), Sebastian County (\$24.95), and Yell County (\$7.30). PDAs have not been performed in the remaining eight counties that were included under FEMA-3414-EM.

Countywide per capita impact indication: <sup>16</sup>	\$3.78
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**Figure 1: State of Arkansas FEMA Individual Assistance (IA) Map**



<sup>14</sup> Based on State population in the 2010 Census.

<sup>15</sup> Statewide Per Capita Impact Indicator for FY19, Federal Register, October 1, 2018.

<sup>16</sup> Countywide Per Capita Impact Indicator for FY19, Federal Register, October 1, 2018

## C. Counties Eligible for Assistance

The following counties in the State of Arkansas have been designated adversely affected by the disaster and are eligible for FEMA assistance:

**Table 2: State of Arkansas Eligible Counties**

County	Population	Public Assistance	Individual Assistance
Arkansas	17,486	√	√
Chicot	10,118	√	
Conway	20,846	√	√
Crawford	63,257	√	√
Desha	11,361	√	√
Faulkner	126,007	√	√
Franklin	17,715	√	
Jefferson	66,824	√	√
Johnson	26,578	√	
Lincoln	13,024	√	√
Logan	21,466	√	√
Perry	10,455	√	√
Pope	64,072	√	√
Pulaski	391,911	√	√
Searcy	7,881	√	
Sebastian	127,827	√	√
Yell	21,341	√	√

Disaster declarations allow financial assistance to be made available to support recovery efforts.

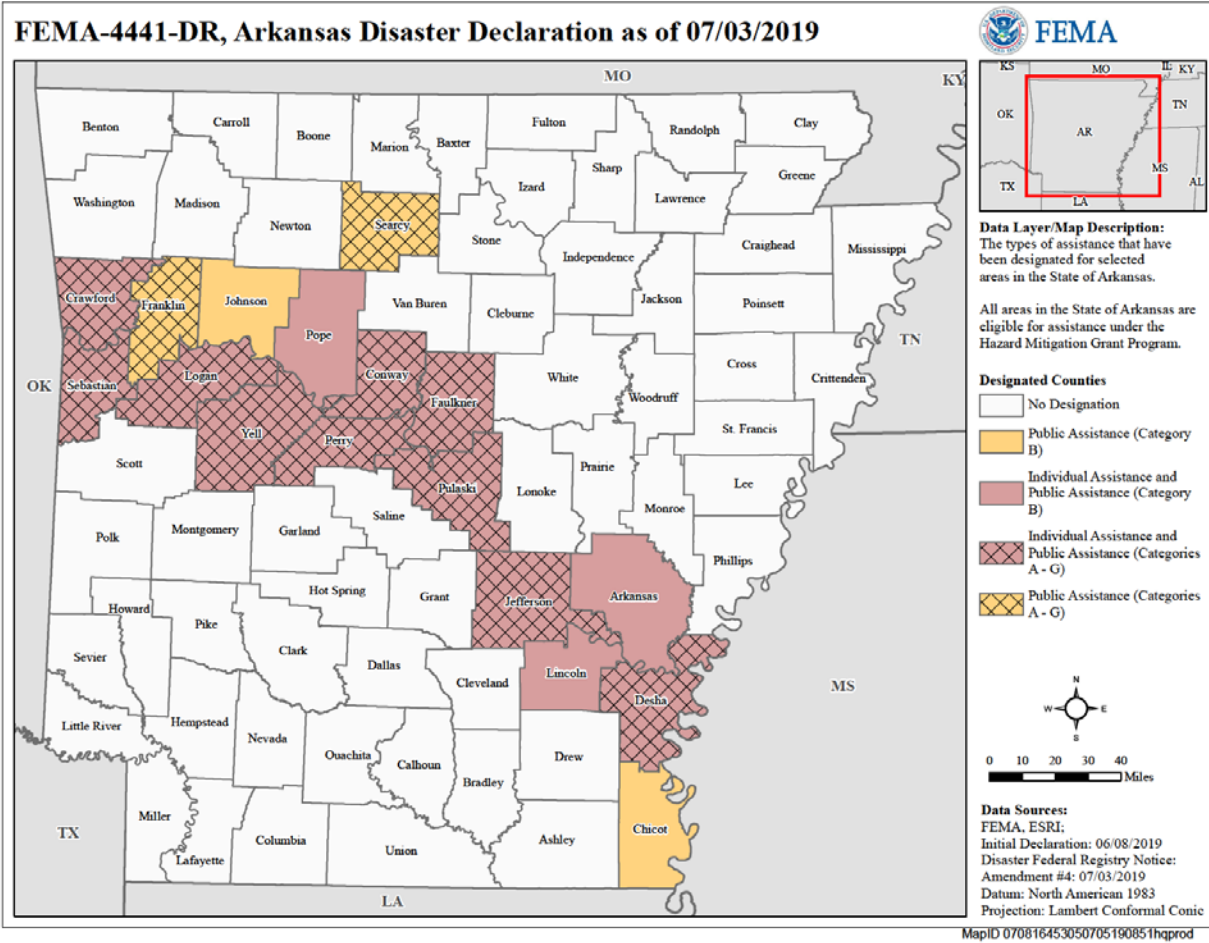
The funding made available to designated counties is categorized in the following way:

- FEMA Individual Assistance (IA): Direct assistance provided to individuals and households through IHP. IHP provides financial assistance and direct services to eligible individuals and households who have uninsured and underinsured necessary expenses and serious needs. IHP is not a substitute for insurance and cannot cover all losses.<sup>17</sup>
- FEMA Public Assistance (PA): Assistance provided to state and territorial governments, local governments, Indian tribal governments and private non-profit organizations. PA is provided through two categories of activities;
- Emergency Protective Measures for Debris Removal (Category A) and Emergency Protective Measures (Category B); and,

<sup>17</sup> FEMA, 2019. *Individuals and Households Program*. Retrieved at [https://www.fema.gov/media-library-data/1571949706314-838a916aad698391afe34b45ac13100a/1\\_FACTSHEET\\_Individuals\\_and\\_Households\\_Program.pdf](https://www.fema.gov/media-library-data/1571949706314-838a916aad698391afe34b45ac13100a/1_FACTSHEET_Individuals_and_Households_Program.pdf)

- Permanent Work for the Restoration of Roads and Bridges (Category C), Water Control Facilities (Category D), Buildings and Equipment (Category E), Utilities (Category F), and Parks, Recreational, and Other Facilities (Category G).<sup>18</sup>

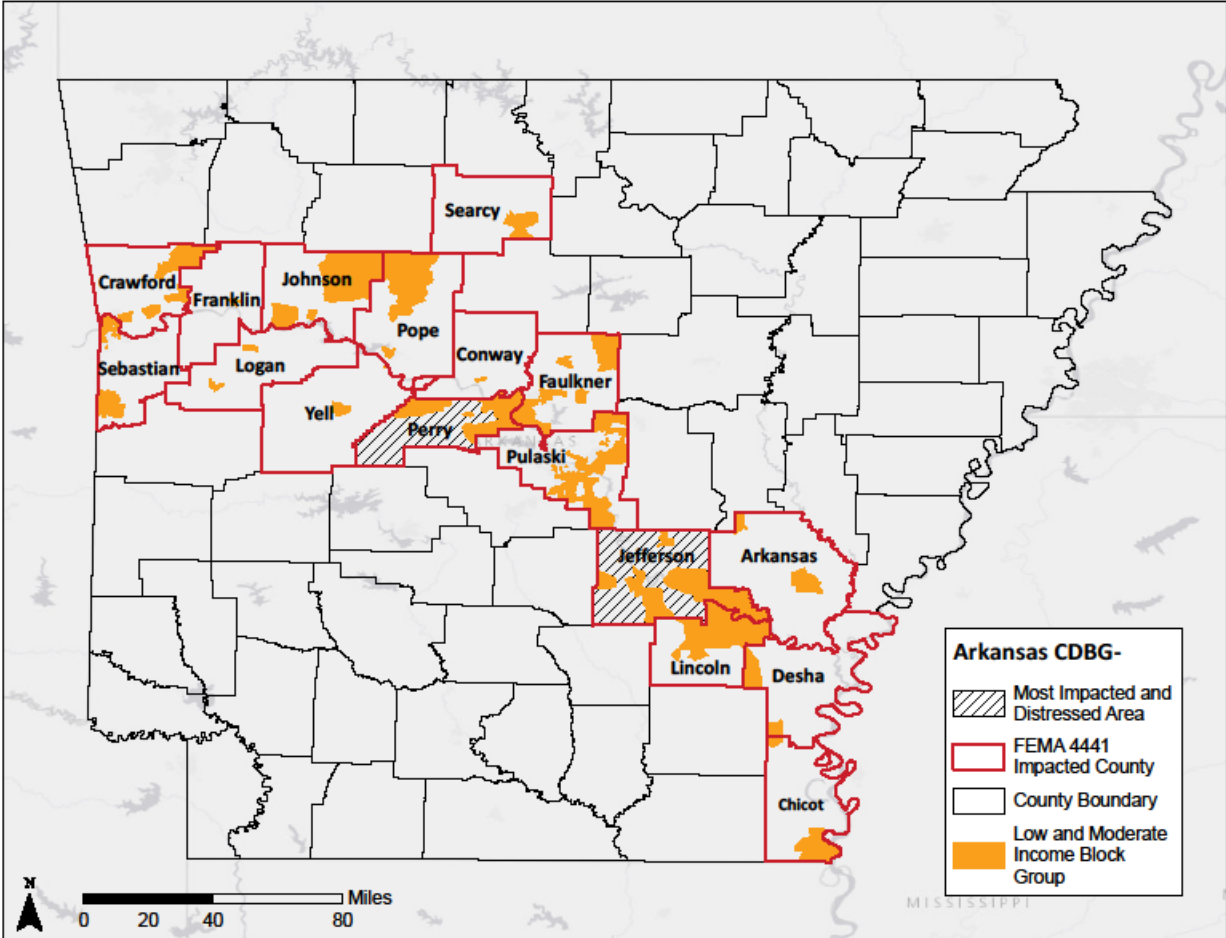
**Figure 2: State of Arkansas FEMA Eligibility Map, 07/03/2019 (final)**



<sup>18</sup> FEMA 2020. *Public Assistance Program and Policy Guide, Version 4, Effective June 1, 2020*. Retrieved at [https://www.fema.gov/media-library-data/1594239534694-ea876c73c2135c4273e4914586e7879f/PAPPG\\_V4\\_Final\\_6-1-2020\\_508.pdf](https://www.fema.gov/media-library-data/1594239534694-ea876c73c2135c4273e4914586e7879f/PAPPG_V4_Final_6-1-2020_508.pdf)

The following map highlights the Most Impacted and Distressed (MID) areas of DR-4441: Jefferson and Perry county. Jefferson county has a population of 69,282, accounting for roughly 7% of the total population for all counties impacted by the disaster. The population of Perry county is 10355 and constitutes roughly 1% of the total population of all counties impacted by DR-4441. The combined population of both MID counties account for 7.8% of the total population of impacted counties.

**Figure 3: State of Arkansas Most Impacted and Distressed (MID) Areas**



# 3. Section Three: Arkansas Disaster Recovery

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## A. Arkansas Disaster Recovery Framework

### 1. Recovery Process

Disasters in Arkansas can occur at any time and without warning. When this occurs, it is first the responsibility of the local government to alleviate and minimize impact to the community and citizens. The local government will be responsible to provide any immediate needs to its residents, necessary sheltering, and immediate debris clearance on roads allowing emergency services and restoration of immediate services.

After an event takes place, the State's Emergency Operations Center (SEOC) becomes the central coordinating point for state, federal and volunteer agency response activities; in general, these actions are initiated by Local/State Declarations of Emergency and the need for emergency response resources. However, even in the initial response phase of a disaster, recovery must begin to lay the foundation not just for restoring health and safety to affected communities but also for rebuilding and revitalizing those communities in the long-term. Many recovery operations are being coordinated from the SEOC in advance of and immediately following an event so service can begin as soon as possible.

State assistance may be available if the local government has exhausted all resources and the Chief Elected Official (i.e. County Judge) or his/her designee has declared an emergency or disaster to the SEOC by submission of a disaster emergency proclamation within five (5) business days of the event.

Many times, combined local and state efforts are not sufficient to effectively cope with the direct results of the disaster. This situation calls for Federal assistance to supplement the State and local efforts. The Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288 as amended; (Stafford Act) was designed to do this. The Stafford Act authorizes the President to provide assistance to individuals and to State and local governments to help them respond to and recover from a disaster. Certain types of private nonprofit organizations may also receive assistance.

Under the provisions of Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207 (Stafford Act), and implemented by 44 CFR § 206.36, on June 6, 2019, Arkansas Governor Asa Hutchinson requested the President declare a major disaster for the State of Arkansas as a result of the Severe Storms and Flooding that began May 21, 2019.

### 2. Recovery Field Operations

In the aftermath of a disaster, with or without a Presidential Declaration, the State may deploy several specialized Recovery personnel into the disaster area, including: Preliminary Damage Assessment Teams, Community Response Teams/Area Coordinators, and Disaster Recovery Centers.

In response to the 2019 flooding, the Governor took appropriate action under the state law and directed the execution of the Arkansas Comprehensive Emergency Management Plan on May 23, 2019, and declared a state of emergency on May 24, 2019. The jurisdictions of Conway, Crawford, Faulkner, Jefferson, Perry, Pulaski, Sebastian, and Yell Counties were all declared states of emergency.

### **3. Preliminary Damage Assessment**

Damage assessments are used to determine the magnitude of the disaster and/or emergency. It is used to identify the immediate needs of individuals, critical facilities, businesses, and local government services or facilities.

Once it was determined that the extent of the 2019 flood damages was found to be beyond the capacity of local jurisdictions, ADEM requested Preliminary Damage Assessments (PDAs) from FEMA for Sebastian, Crawford, Perry, Conway, Faulkner, Yell, Pulaski, and Jefferson Counties, respectively. Because most, if not all areas were inaccessible due to flooded roadways, aerial PDAs were conducted. It was anticipated that the number of homes damaged would increase due to the inability to view all areas by air. As the Arkansas River had not yet crested in areas downstream, it was necessary to conduct additional aerial PDAs as practicable in future impacted areas such as Arkansas and Desha Counties.

### **4. Area Coordinators**

During emergencies, the area coordinator responds to the impacted county to provide assistance, support and coordination with the SEOC for asset requests and to act as a link for information going between local and state governments. In response to DR-4441, the SEOC activated to Level 1 (Full Activation) on May 25, 2019 with support from all 16 Emergency Support Functions. ADEM Area Coordinators supported the local EOCs with technical and logistical support. ADEM hosted daily response coordination calls with all Emergency Management partners at the local, state, and federal levels and partnered with the U.S. Army Corp of Engineers (USACE) to conduct levee monitoring/inspections and sandbagging operations. The Arkansas Forestry Commission provided levee patrol flights along the river and providing areas of concern to the local jurisdictions.

The Arkansas Department of Information Systems prepared the Arkansas Wireless Information Network (AWIN) site-on-wheels for deployment to support local communications. They also coordinated with Verizon and AT&T for potential response.

The Arkansas Department of Human Services maintained situational awareness and coordinated any mass care needs with local jurisdictions and volunteer agencies. The state has utilized EMAC to bring in two Voluntary Agency Liaisons from Arizona and Pennsylvania to support mass care efforts.

The Department of Finance and Administration supported procurement needs in the SEOC. They located additional sand and procured sandbagging machines for future operations.

The Arkansas Department of Health (ADH) monitored all infrastructure along the river to include Arkansas Nuclear One plant in coordination with the ADH Nuclear Planning and Response Office and Radiation Control. ADH engineering were notified of ongoing waste water facility impacts in Fort Smith. ADH Health



Preparedness & Emergency Response (HPER) Branch, Healthcare Preparedness Program (HPP), conducted medical coordination virtually with Regional Healthcare Coalitions, Arkansas Hospital Association (AHA), and Arkansas Health Care Association (AHCA - long term care & nursing homes).

The Arkansas Game and Fish Commission continued to monitor the river valley and prepared to support local jurisdictions with any swift water rescue missions.

Arkansas State Police (ASP) Emergency Response Teams monitored the event and were capable of response if necessary and were prepared to support local law enforcement and ARDOT with road closures and traffic control points. State Police in Troops A, E, H, and J were heavily impacted by floodwaters.

The Arkansas Department of Environmental Quality and Arkansas Public Services Commission continued to monitor the flooding situation with potential impacts to Hazardous Materials and Energy.

Historic sandbagging efforts took place throughout the state. Volunteer, prison and county labor were utilized around the clock to battle the historically unparalleled river flooding levels. Sandbagging machines were sent from county to county, racing the rising of the river to prevent devastation from the record-breaking water levels. The state utilized EMAC to bring in additional sandbagging machines from Missouri and Tennessee to assist in the effort.

Throughout the course of this event, the American Red Cross managed shelters in Faulkner County at Conway Sports Center, Sebastian County at Evangelical Temple Assembly of God and in Yell County at Dardanelle Community Center, as well as Seabrook YMCA in Jefferson County and the North Little Rock Community Center. They also collaborated with a shelter in Crawford County at Dyer Community Building. American Red Cross also utilized local donations or Salvation Army to support feeding shelter clients. Arkansas Baptist Relief deployed a shower, laundry and feeding unit to Fort Smith to assist the displaced. They communicated with chainsaw and flood recovery units in anticipation of those items being needed along the Arkansas River in the coming weeks. They also sent a feeding team to Conway to feed inmates assisting in sandbag operations and set up a remote incident management team to organize and coordinate supplies.

## **5. Disaster Recovery Centers**

Disaster Recovery Centers (DRC) are established as a result of a Gubernatorial or Presidential declared disaster. It allows government and volunteer agencies near the most impacted areas to offer disaster related assistance and resources. It also allows citizens the ability to apply for any assistance that is made available by local, state, federal, and volunteer agencies.

Arkansas/FEMA Disaster Recovery Centers (DRCs) were open daily Monday through Friday from 8 a.m. to 5 p.m., Saturday, 8 a.m. to 1 p.m. and closed on Sundays.

Disaster survivors were instructed to visit any Disaster Recovery Center location for assistance, and to use the [FEMA mobile app](#) or visit <http://www.fema.gov/disaster-recovery-centers> for center locations and times.



Homeowners, renters and businesses should have registered for disaster assistance before visiting a recovery center. There were several ways to register:

- Online to [disasterassistance.gov](https://disasterassistance.gov) or [disasterassistance.gov/es](https://disasterassistance.gov/es) (for Spanish).
- Using the FEMA mobile app in English or Spanish.
- Calling the disaster assistance helpline at 800-621-3362 or 800-462-7585 (TTY). Multilingual operators were available.

All recovery centers were accessible to people with disabilities. Centers had assistive technology to aid in communication. To schedule an American Sign Language interpreter, survivors were instructed to call or text 717- 395-1379.

The Disaster Recovery Centers provided are listed below:

**CRAWFORD COUNTY**

Mulberry Community Center  
29 Kirksey Pkwy (Just off of Hwy 215 N)  
Mulberry, AR 72947

**DESHA COUNTY**

First United Methodist Church Fellowship Hall  
230 Court St.  
Dumas, AR 71639

**FAULKNER COUNTY**

Mayflower Community Shelter  
4 Grove Circle (Behind 1st Security Bank)  
Mayflower, AR 72106

**JEFFERSON COUNTY**

Donald W. Reynolds Community Services Center  
211 West 3rd Ave  
Pine Bluff, AR 71601

**PERRY COUNTY**

Houston Assembly of God  
2151 HWY 60  
Houston, 72070

**POPE COUNTY**

Atkins Fire Department  
104 Ave 2 NE  
Atkins, AR 72823

**PULASKI COUNTY**

Josephine Pankey Community Center  
13700 Cantrell Rd  
Little Rock, AR 72223

**PULASKI COUNTY**

N. Little Rock Community Center  
2700 Willow St  
North Little Rock, AR 72114

**SEBASTIAN COUNTY**

Central Mall  
Suite 605, upstairs near Dillard's  
5111 Rogers Ave.  
Ft. Smith, AR 72903

**YELL COUNTY**

Dardanelle Community Center  
2011 HWY 22 West  
Dardanelle, AR 7283

## **6. Individual Assistance Activities**

The Governor may authorize the State IA Program for qualified homeowner and renters whose primary residence has been damaged in a declared area. If damages exceed criteria of the State IA Plan then federal assistance may be requested.

In June 2019, the Governor reported to the President that the individuals that reside in the eight counties that were initially declared states of emergency sought to remain in their communities but asked for assistance to repair their property. Based on preliminary damage assessments conducted by the Federal Emergency Management Agency (FEMA), an estimated cost of \$27,198,644 was needed to cover the cost of temporary housing, repair and replacement housing, as well as provide for other needs required by citizens of these communities. Through the Individual and Household Program (IHP), FEMA had estimated housing assistance for 1,133 individuals with 810 individuals requiring Other Needs Assistance (ONA) such as clothing, household appliances, vehicle repairs and additional items needed to help regain some normalcy.

## **7. Public Assistance Activities**

The Governor may authorize the State PA Program for eligible applicants and facilities that are located in a declared area. If damages exceed criteria of the State PA Plan, then federal assistance may be requested.

As with any county, the infrastructure, as well as the citizens of these disaster areas is equally important in the recovery and sustainability of a community.

As of June 2019, The State of Arkansas had sustained an estimated \$8,582,910.73 in Categories A and B. The State of Arkansas sustained an estimated \$1,359,600.00 in Category A, making up 15.84% of the total estimated cost; an estimated \$7,223,310.73 in Category B, making up 84.16% of the total estimated cost. Preliminary damage estimates showed a huge impact to local jurisdictions with damages as high as \$28.41 per resident in Conway County, \$24.95 per resident in Sebastian County, and \$18.15 per resident in Perry County. Due to the inaccessibility of several areas, Public Assistance PDAs would be completed as the water receded. The state anticipated a request for additional categories of work once damage assessment data was collected. Due to having several power and utility plants under water, public buildings and

facilities submerged, roads and bridges compromised, parks and recreational facilities affected, and countless unknown damages, the Governor anticipated the additional infrastructure request to be of great magnitude.

# 4. Section Four: Unmet Needs Assessment

Through the Additional Supplemental Appropriations for Disaster Relief Act 2019<sup>19</sup>, HUD allocated the State of Arkansas \$8,940,000 million to address housing, infrastructure, and economic recovery unmet needs<sup>20</sup> and to support the long-term recovery efforts following the 2019 disasters<sup>21</sup>. Grantees, such as the State of Arkansas, that are awarded CDBG-DR funding after a major disaster declaration are provided an allocation of funding based on unmet needs as defined and calculated by HUD, using damage estimates reported by FEMA and the US Small Business Administration (SBA). Arkansas’s \$8,940,000 million allocation represents the aggregate of serious unmet housing needs in the most impacted and distressed areas, unmet business needs, and unmet infrastructure need as calculated by HUD.

**Table 3: Unmet Needs**

HUD Serious Unmet Housing Need in Most Impacted Areas	Serious Unmet Business Needs	Unmet Infrastructure Need	Total CDBG-DR Allocation
\$4,174,349	\$2,725,761	\$2,040,158	\$8,940,000

## A. Unmet Needs Assessment Purpose

Grantees who receive an allocation through the CDBG-DR program are required to conduct an Unmet Needs Assessment (UNA) to assist in the identification and prioritization of critical unmet needs following a disaster and to identify long-term recovery efforts that will mitigate against future disasters. The goal is to enable the grantee to design recovery programs to meet the needs of its citizens and to be responsive to the types and locations of actual needs on the ground. As a grantee, the State of Arkansas must use the funds allocated in a strategic manner, utilizing the funding in the most-impacted, vulnerable areas while addressing a wide range of projects and needs throughout the impacted areas.

The UNA analyzes short- and long-term impacts of the disaster, assesses immediate recovery needs of the communities affected, and describes the ongoing recovery efforts. The assessment also includes mitigation and resilience measures for long-term planning. The analysis of unmet needs will evolve over time and will be re-evaluated as assistance is provided and needs shift.

The UNA presents findings based on best available data at the time of publication. These findings represent a point-in-time snapshot of disaster impacts and are subject to change as new data is collected or identified. The maps and graphics contained in this report are intended to help synthesize available information to convey the scale and location of impacts; however, no single map or image can effectively summarize the impacts of the 2019 disasters. These images are intended to supplement the narrative contained within the report.

<sup>19</sup> Per Public Law 116-20

<sup>20</sup> The unmet need is defined as the anticipated gap in estimated costs of damage and the federal assistance that can be met with local and state contributions and/or other sources

<sup>21</sup> Allocations, Common Application, Waivers, and Alternative Requirements for Disaster Community Development Block Grant Disaster Recovery Grantees, 85 Fed. Reg. 17 (January 27, 2020). Federal Register: The Daily Journal of the United States. Web

## B. Calculating Unmet Needs

CDBG-DR funds are intended to primarily address unmet needs in the Most Impacted and Distressed (MID) areas with a focus on housing for low- and moderate-income (LMI) households and individuals.<sup>22</sup> HUD defines LMI as households and individuals that are 80% of the area median income (AMI). The following sections describe how HUD determines which areas represent the MID and how unmet infrastructure needs, serious unmet housing needs, and serious unmet economic revitalization needs are calculated by HUD.

For disasters that meet the most impacted threshold described above, the unmet need allocations are based on the following factors summed together:

- A. Repair estimates for seriously damaged owner-occupied units without insurance (with some exceptions) in most impacted areas after FEMA and SBA repair grants or loans; an estimate for homeowners served by FEMA’s Permanent Housing Construction program is also deducted from the homeowner unmet need estimates;
- B. Repair estimates for seriously damaged rental units occupied by very low-income renters in most impacted areas;
- C. Repair and content loss estimates for small businesses with serious damage denied by SBA; and,
- D. The estimated local cost share for Public Assistance Category C to G projects.

The following table depicts 80% AMI limits for each impacted county.

**Table 4: HUD 80% AMI Limits for DR-4441 Impacted Counties**

County	Median Family Income	80% Area Median Income (AMI) Limit for a 4-Person Family
Arkansas County	\$49,400	\$41,700
Chicot County	\$38,400	\$41,700
Conway County	\$53,600	\$42,900
Crawford County	\$52,900	\$42,300
Desha County	\$39,600	\$41,700
Faulkner County	\$69,600	\$55,700
Franklin County	\$50,700	\$41,700
Jefferson County	\$51,000	\$41,700
Johnson County	\$45,300	\$41,700
Lincoln County	\$51,000	\$41,700
Logan County	\$46,800	\$41,700

<sup>22</sup> 85 Fed. Reg. 17 (January 27, 2020)

Perry County	\$69,600	\$55,700
Pope County	\$53,600	\$42,900
Pulaski County	\$69,600	\$55,700
Searcy County	\$44,300	\$41,700
Sebastian County	\$52,900	\$42,300
Yell County	\$46,900	\$41,700

## C. Determining the Most Impacted and Distressed Areas

In accordance with the Federal Register<sup>23</sup> and statutory requirements, HUD is required to identify the MID areas and directs grantees to use a majority of their award (no less than 80% of the total allocation) in these areas. HUD also takes into consideration:

- Individual Assistance (IA) Individuals and Households Program (IHP) designation. HUD limits its allocations to the areas where FEMA determined damage was sufficient to declare the county as eligible to receive IHP funding. IHP is a FEMA program that provides financial and direct services to eligible individuals and households affected by a disaster who have uninsured or underinsured necessary expenses and serious needs.
- Concentrated damage. HUD limited its estimate of serious unmet housing needs to counties and zip codes with high levels of damage, collectively referred to as MID areas. For this allocation, HUD defines the MID areas as either most impacted counties—counties exceeding \$10 million in serious unmet housing needs—and most impacted zip codes—zip codes with \$2 million or more of serious unmet housing needs.
- Disasters meeting the most impacted threshold. HUD only provided funds to 2018 and 2019 disasters that met the “most impacted” damage threshold described above.

Each of the FEMA inspected owner units are categorized by HUD into one of five categories:

- Minor-Low: Less than \$3,000 of FEMA inspected real property damage.
- Minor-High: \$3,000 to \$7,999 of FEMA inspected real property damage
- Major-Low: \$8,000 to \$14,999 of FEMA inspected real property damage and/or 1 to 3.9 feet of flooding on the first floor;
- Major-High: \$15,000 to \$28,800 of FEMA inspected real property damage and/or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than \$28,800 of FEMA inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

It is relevant to note that this data does not account for whether a household is low- to moderate- income.

<sup>23</sup> 85 Fed. Reg. 18 (January 27, 2020)

## D. Serious Unmet Housing Needs

Housing unmet needs are calculated using data obtained by FEMA and SBA from housing inspections completed on damaged properties as of November 1, 2019. Based on the amount of real and personal property damage, HUD categorizes each inspected unit into five categories, as listed above. The calculation HUD uses to determine unmet housing needs is based on verified damage above the Major-Low threshold in the MID areas, which does not account for all inspected units that experienced damage.

**Table 5: Serious Unmet Housing Needs**

Most Impacted Area	Serious Unmet Housing Need Estimate Most Impacted Area	Total Any Damage	Total Serious Damage	Owner Serious Unmet	Renter Serious Unmet	Total Serious Unmet
71602:Jefferson (County)	\$2,144,847	89	74	41	4	45
72016:Perry (County)	\$2,029,502	75	66	43	5	48
<b>Total</b>	<b>\$4,174,349</b>		<b>140</b>			

HUD's calculation only accounts for 164 FEMA IA applicants with any damage (out of 355 total) to determine the unmet needs. This UNA accounts for all inspected properties with reported damage to demonstrate the State of Arkansas's total comprehensive unmet housing need. The below table shows the comparison of HUD's unmet needs versus the unmet needs calculated in this assessment, which utilizes the entire population of damaged owner-occupied housing units.

**Table 6: Comparison of HUD's Unmet Needs to Unmet Needs Calculated in Assessment**

Category	HUD Serious Unmet Housing Need in MID	UNA Calculated Housing Need - All Counties	Difference (HUD vs UNA Calculation)
Unmet Needs	\$4,174,349	\$7,959,073	\$3,784,724

## E. Serious Unmet Business Needs

To estimate serious unmet economic revitalization needs, HUD analyzes SBA disaster loan data to create five categories of damage based on the combined verified real estate and content losses of the pool of applicants. Of the five categories HUD establishes, serious unmet needs include only Category 3 and above:

- Category 1: real estate + content loss = below \$12,000
- Category 2: real estate + content loss = \$12,000 - \$29,999
- Category 3: real estate + content loss = \$30,000 - \$64,999
- Category 4: real estate + content loss = \$65,000 - \$149,000
- Category 5: real estate + content loss = \$150,000 and above

For properties with real estate and content loss of \$30,000 or more (i.e., Category 3 and above), HUD calculates the estimated amount of unmet needs for small businesses by multiplying the median damage estimate by the number of small businesses denied an SBA loan. This amount includes those denied a loan prior to inspection due to inadequate credit or income (or where a decision had not been made), under the assumption that damage among those denied at pre- inspection have the same distribution of damage as those denied after inspection.

HUD’s estimation of total unmet economic revitalization need equates to \$2,725,761 (based on data from January 2019). While this approach yields an estimate that seems appropriate based on the relatively low number of loans applied for reported by SBA, there is concern for the small businesses that did not apply and may still need financial assistance. However, due to lack of more thorough unmet business needs available to the state at the time of the drafting of this plan, and the recent effects of the COVID-19 and resulting state and federal assistance made available to businesses, the State will use the HUD determined unmet need.

**Table 7: 2019 Disasters – Serious Unmet Business Need (Data 11/15/2019)**

Grantee	Estimated Serious Unmet Business Needs	Applicants Inspected with serious damage and denied or still in processing	Multiplier for pre-inspection denial due to credit or income	Estimated Applicants with Serious Unmet Needs (Inspected and Uninspected)
Arkansas	\$2,725,761	10	1.94	19

## F. Unmet Infrastructure Needs

**Table 8: 2019 Infrastructure Need (Data 11/15/2020)**

Grantee	Category C to G FEMA PA Estimate	Federal Share	Local Share (Unmet Need)	Federal Share percent
Arkansas	\$8,160,632	\$6,120,474	\$2,040,158	75%

The above estimates were made in November 2019 and do not account for any additional damage reported after that date, nor does HUD’s calculation include the cost of promoting resilience through FEMA HMGP, underrepresenting the total infrastructure unmet needs.

**Table 9: Unmet Needs, HUD vs. UNA**

	HUD Permanent Facilities (FEMA Cat C-G) Estimate	UNA Calculated Infrastructure Need	Difference (HUD to UNA Calculation)
<b>Unmet Need</b>	\$2,040,158	\$7,781,994	\$5,741,836



## G. Unmet Needs Assessment Scope

Arkansas deployed three tactics to determine and define the unmet need from the 2019 flooding in the key sectors of Housing, Infrastructure and Economic Revitalization. First, the State worked from HUD's estimates to determine broader unmet needs, incorporating additional information and data provided by local and state stakeholders and federal agencies. This UNA provides an analysis of the impacts of the 2019 floods to inform how the State will utilize this assistance to address the identified gaps.

To assist in the development of the Unmet Needs Assessment (UNA), the AEDC, in collaboration with partners from Planning and Development Districts, engaged in public outreach using the "Appendix: E Valuation Tool for Prioritizing Needs by Sector, Funding, and Capacity" offered by HUD. The tool offers CBDG-DR grantees a method to analyze the strength of three key sectors within their communities—housing, infrastructure, and economy.

The valuation tool implements a ranking system (low, medium, and high) that prioritizes activities within each of the key sectors, including: public infrastructure, community facilities, rental housing, owner occupied housing, business assistance, and commercial infrastructure.

The tool was used to identify and collect data regarding the unmet needs of the 17 counties that were declared as Federal disaster areas under DR-4441. Of the 17 counties declared, 5 counties (Arkansas County, Chicot County, Desha County, Jefferson County, Perry County) returned disaster recovery gap assessment worksheets detailing the level of assistance required to complete disaster recovery activities outlined within the valuation tool, as well as the extent of damage across sectors.

The results of the survey offered further insight into the damage and needs of impacted counties. Public infrastructure, rental housing, and business assistance activities were highlighted by respondents as priority areas of need, having experienced high levels of damage. Apart from Perry County, most counties noted lower levels of need to conduct activities related to community facilities, owner housing, and commercial infrastructure.

Several counties chose to return alternative sources of estimates, related to their unmet local share needs for FEMA acquisition projects or other infrastructure need estimates. Faulkner County provided HMGP and FMA estimates in which 9 properties were in need of single-family home repair and reconstruction. Lincoln county provided flood damage costs related to the remediation of damaged transportation infrastructure between May and June 2019, totaling \$75,842.10.

These worksheets were solicited from counties during the COVID-19 pandemic, which contributed to the delay, capacity issues at the local level to prepare the information, and general lack of response from some counties.

In addition to the survey data, the AEDC Grants Division used available databases from FEMA, SBA and National Flood Insurance Program (NFIP) to extract and extrapolate unmet need by applying assumptions to circumstances based upon eligibility and access to disaster funding.

The data represents the state's estimated unmet needs based on best available data provided during the development of this assessment. These estimates represent a point-in-time analysis that will continue to evolve and does not include unreported losses, which may be attributed to:

- Impacted individuals not applying for assistance to repair their damaged homes;

- Damage exacerbated before repairs could begin;
- Economic impacts as a result of the disaster; and
- Infrastructure repairs that are necessary but deemed ineligible for federal assistance.<sup>24</sup>

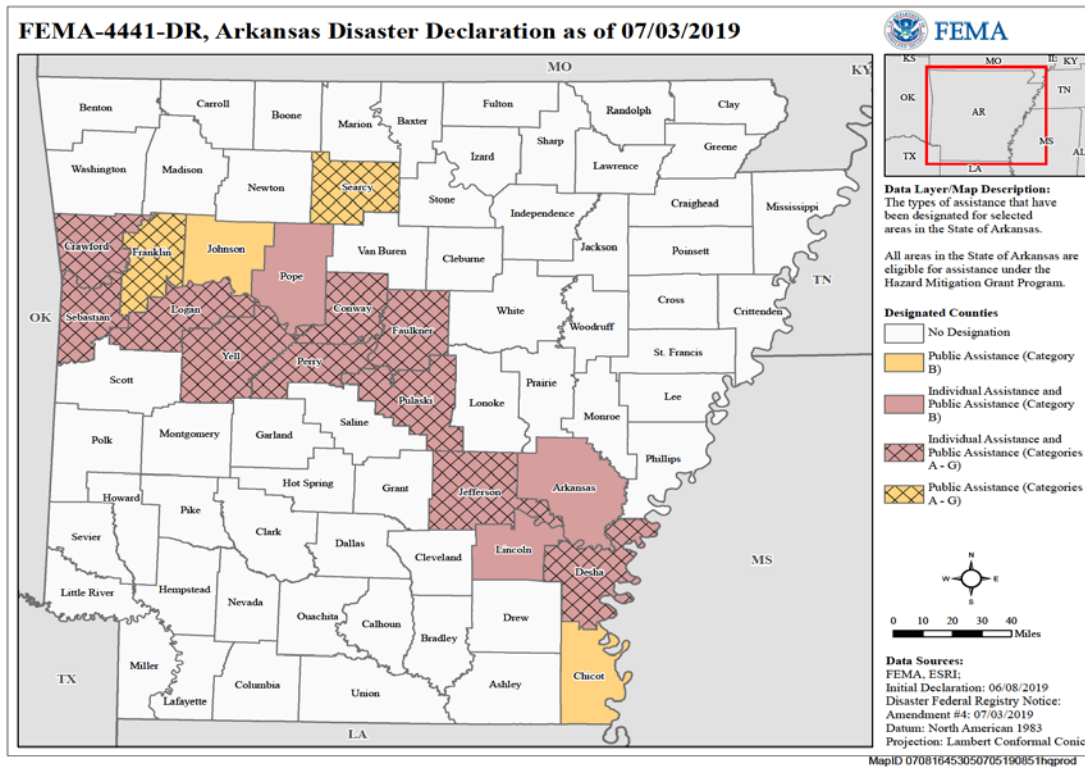
Throughout the state, recovery efforts are underway for public and private housing and infrastructure facilities. Local jurisdictions reported having completed repairs on homes that were damaged or destroyed as well as repairing infrastructure facilities. Data gathering regarding these repairs is ongoing to determine if these expenses were federally or locally funded.

## H. Eligible Counties

The disaster declaration for the 2019 floods through FEMA made available financial assistance to certain eligible counties determined to have sustained damage from the impact of the floods between on May 21<sup>st</sup> and June 14<sup>th</sup>. The initial declaration dated June 8, 2019 designated eight counties eligible to receive assistance for individuals and eight counties to receive financial assistance for public assistance in the immediate aftermath of the disaster. Continuing preliminary damage assessments conducted throughout June and July 2019 resulted in five more Arkansas counties being designated for individual assistance, bringing the total for IA to 13.

As shown in the below map, 17 of Arkansas 75 counties (23%) were ultimately covered by DR-4441, of which 12 were deemed eligible to receive IA funding.

**Figure 4: CDBG-DR Eligible Counties Map**



<sup>24</sup> Note this list is not comprehensive of all potential sources of unreported loss.

# I. Areas Designated “Most Impacted and Distressed”

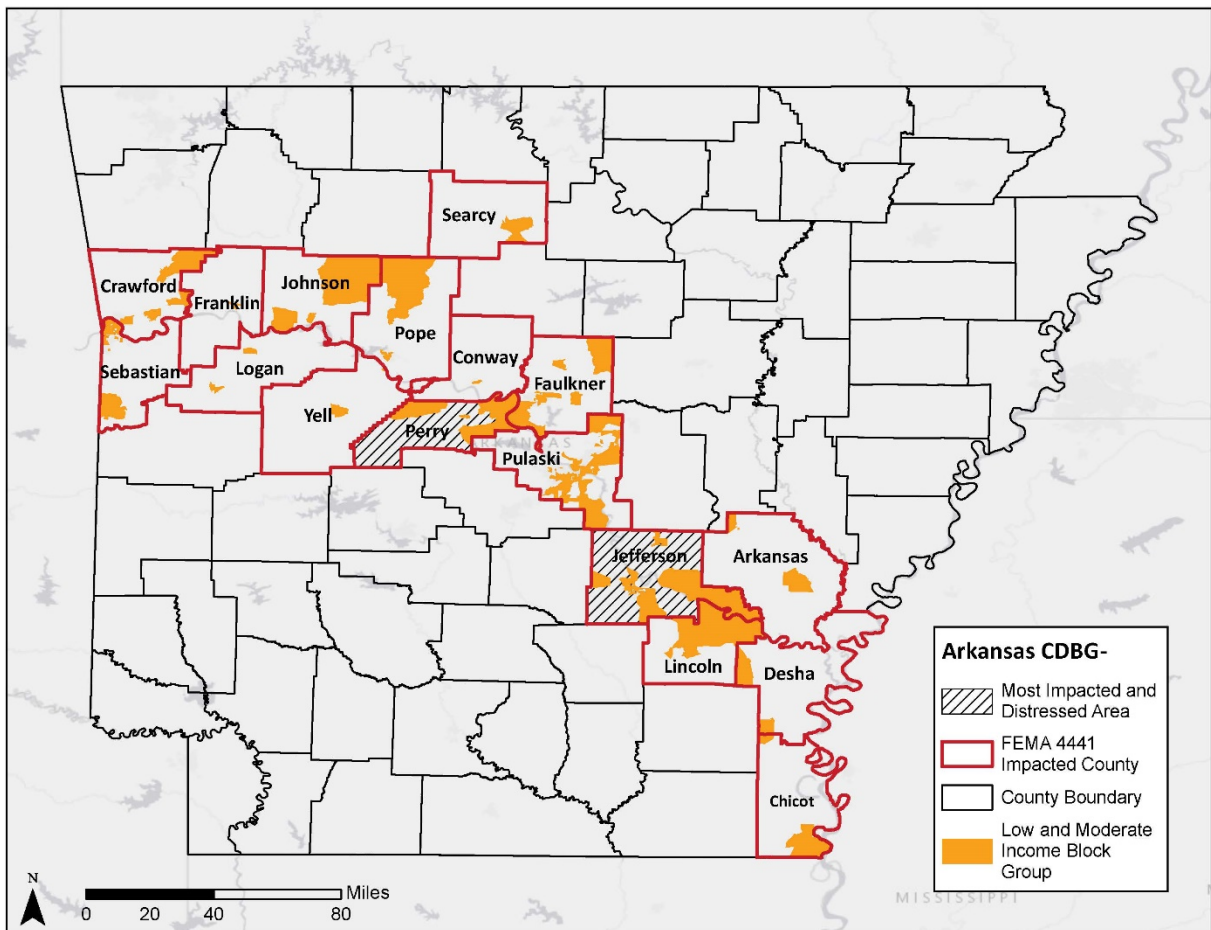
HUD defines “most impacted areas” as either most impacted counties—counties exceeding \$10 million in serious unmet housing needs—and most impacted Zip Codes—ZIP Codes with \$2 million or more of serious unmet housing needs.

HUD identified two areas in Arkansas as the MID:

- Jefferson County zip code 71602
- Perry County zip code 72016

Based on authorization<sup>25</sup> from HUD, Arkansas will expand the MID areas to cover the *entire* counties of Jefferson and Perry. This step enables the state to direct additional funding to those two counties where a portion (the two zip codes) were identified as being among the most impacted.

**Figure 5: DR-4441 Most Impacted and Distressed (MID) Areas Map**



<sup>25</sup> The January 27, 2020 Federal Register Notice, HUD states that if a zip code is identified as a MID designated area, the grantee may indicate in their action plan that it intends to expand the MID to cover the entire county.

# 5. Section Five: Community Profile and Overall Storm Impact

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## A. Pre-Disaster Conditions

Seventeen counties included in the McClellan-Kerr Navigation System make up the declared area for this disaster grant. The System begins at the Arkansas border in Sebastian (Fort Smith) and Crawford (Van Buren) Counties, runs through the Arkansas River Valley to central Arkansas (Little Rock area) and Jefferson (Pine Bluff) County, ending in Desha County where the Arkansas River meets the Mississippi River.

The Arkansas River Valley, located in the western part of the declared area, is between the Ozark and Ouachita Mountain ranges. The area has many acres of fertile farmland, is a popular region for tourism and outdoor recreation, and has several subsidiaries of the state's largest manufacturing companies which employ a substantial number of Arkansans. The Valley is home to Arkansas's wine country, which has a long-running outstanding reputation as one of the state's top tourism destinations. Holla Bend National Refuge in Yell County (one of the 17), protects over 7,000 acres for wintering waterfowl and other migrating species. The Valley boasts a good number of museums, state parks and recreational activities for nature enthusiasts.

Downstream from the River Valley is Arkansas's State Capital, Little Rock, and central Arkansas, which is the state's primary hub for government, entertainment, health care and financial activities. Perry County is part of the central Arkansas area. The County is home to the Heifer Ranch, a non-profit working farm and agricultural training facility. Agriculture (poultry, cattle and hog farming) and tourism including the Harris Brake Wildlife Management Area, Lake Nimrod and Fourche LaFave River, are primary industries in the county. The eastern border of Perry County follows the Arkansas River.

The lower region of the McClellan-Kerr Navigation System includes five of the 17 declared counties (Jefferson, Arkansas, Desha, Lincoln and Chicot). This area is known as the Arkansas Delta and the rice production center of the state. Arkansas is ranked #1 in rice production and this region significantly contributes to that ranking. The Arkansas Delta has a rich heritage with its numerous lakes, museums, and musical history. Arkansas County (Stuttgart) is known as the Rice and Duck Capitals of the World.

Jefferson County is the second oldest settlement on the Arkansas River. Pine Bluff today is the trade, entertainment, recreation and health-care center for Southeast Arkansas. Located in the heart of the rich Arkansas River Basin farming area, the community is a leading producer of cotton, soybeans, rice, poultry and timber. However, a diverse industrial base also exists.

The community affords varied cultural and recreational activities. One focal point is the Arts and Science Center for Southeast Arkansas, which provides a broad spectrum of exhibits and events. In 2001, the center received accreditation by the American Association of Museums, placing it among the nation's best. The Pine Bluff Convention Center hosts a variety of events, including the December 2018 reintroduction of the nationally recognized King Cotton Holiday Classic basketball tournament. And sportsmen and outdoor enthusiasts are drawn to a variety of parks, ball fields, championship golf courses and premier fishing waters.

Though this 17-county declared area has its great amenities, being located on a major waterway can have its shortcomings. The Arkansas River has a history of flooding all along the McClellan-Kerr Navigation System. Federal declarations in 2008, 2010, 2011, 2014, 2015, 2016, and 2017 spring flooding events have affected all or some of the areas within the System (declared area).

## B. Economic Impacts and Conditions

The DR-4441 flood event from May 23 to June 14, 2019 was caused by heavy rainfall and the melting of late fallen snows coming from upstream. The Arkansas River started to swell in May 2019. This historic flood submerged homes, displaced residents, compromised levees, ceased river transport of goods, and prompted the loss of crops and road closures.

Flood disrupt infrastructure critical to the continued success of the economy. In 2015, The Maritime Transportation Research and Education Center (MarTREC) at the University of Arkansas conducted a regional economic impact study regarding the McClellan-Kerr Arkansas River Navigation Systems (MKARNS)—a premiere inland waterway system within the area that also serves as a flood control system. The study identified significant impacts to the Arkansas economy in the event that the MKARNS becomes inoperable. Researchers found that the State of Arkansas will experience significant losses with the closure of the MKARNS, such as the loss of \$62 million generated in sales associated with activity on the waterway.<sup>26</sup> Additionally, the study highlights the economic impacts of an MKARNS closure on sectors vital to the state economy, including: hydropower and energy generation, United States Army Corps of Engineers operation and management expenditures, private sector investment expenditures, port and shipper activities, transportation cost savings, and recreation benefits of the waterway.

Below are brief synopses of the flood activity and impacts by region of the 17-county declared area:

### 1. Arkansas River Valley

On May 23, 2019, the river began to rise in Crawford and Sebastian Counties and residents were asked to evacuate their homes. Barge traffic was shut down at the Van Buren port. On June 1, 2019, the river crested at 40.79 feet, surpassing the 1945 record, with water running at 570,000 feet per second. The U.S. Corp of Engineers, administrator of the levees and dams along the Arkansas River, opened dam locks for relief of the large amount of water running at a high rate. In total, the flood submerged 25 homes in Crawford County, 500 in Fort Smith and 45 in Sebastian County rural areas. One death was reported due to the flooding. The community response ranged from area residents filling sandbags to meal distribution by the Fort Smith School District.

In the Yell County area downstream, Lake Dardanelle, approximately 75 miles northwest of the Little Rock, had a 40-foot section of levee to breach. Approximately 160 homes in the rural areas of Dardanelle and Holla Bend National Refuge were evacuated. A temporary levee had to be built to protect the city of Dardanelle. Extra sand was added to areas of the levee that had not yet been affected. The Arkansas River crested at Lake Dardanelle on June 2, 2019 at 45.3 feet, which overtakes the 44.10 feet record set in 1943.

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<sup>26</sup> *Maritime Transportation Research and Education Center (MarTREC). 2015. Regional Economic Impact Study for the McClellan Kerr Arkansas River Navigation System. Retrieved at: <https://martrec.uark.edu/research/regional-economic-impact-study-for-the-mcclellan-kerr-arkansas-river-navigation-system.pdf>*

Two National Guard high-water teams were assigned to western Arkansas for this flooding event.

Three levees were breached between Fort Smith and Little Rock and five others experienced substantial damage. In total, an estimated cost of \$3.1B to repair.

The Arthur V. Ormond Lock & Dam located at Morrilton (Conway County) crested on June 4, 2019 at 43.04 feet, surpassing a record of 42.00 set in 1927.

## **2. Central Arkansas/Little Rock Area**

In Faulkner County, Toad Suck Ferry and Toad Suck Park have been closed since the flood event. The entrance to the Park sustained major damage as well as destroyed roads, electric lines, RV power outlets, septic tanks and water lines. The River crested at 285.40 feet on June 4, 2019 at Toad Suck surpassing the 282.9 feet record set in 1990. Residents living on the banks of Lake Conway were evacuated due to the rising waters.

In Pulaski County, barge and some rail traffic at the Little Rock Port were shut down due to the flood event. A trickle-down effect was felt on the Mississippi River all the way to the Port of New Orleans. Shipping activity came to a halt.

The river crested on June 5, 2019 at 29.71 feet, which was 6.71 feet above flood stage. The city of North Little Rock Levy area experienced significant flooding in its industrial area. Dickey-Stephens Park Ballpark sustained approximately \$2M in damage (two sinkholes) with repairs funded by FEMA and Burns Park was closed for several weeks after the waters receded due to the flood damage. Approximately \$500,000 was added to the city's budget in November 2019 to repair a golf cart shed. North Little Rock's hydro plant underwent repairs with funding by FEMA.

In Little Rock, the Riverdale area was ordered to evacuate closing numerous offices, restaurants and recreation areas until the waters receded. In Perry County, the closure of Arkansas Highway 60 Bridge, connecting the county's residents to Faulkner and Conway Counties, impacted 28% of the 3,560 workers commuting to those areas.

## **3. Arkansas Delta**

In Jefferson County, the Arkansas River at Lock and Dam No. 5 crested at 50.86 feet, almost 9 feet above flood stage on June 6, 2019. A mandatory evacuation of parts of the County was enacted due to the rising waters on June 1-2 by city and county officials.

In the Town of Pendleton (Desha County), the Arkansas River crested at 37.63 feet, 6.63 above flood stage, surpassing the record set in 1973. This is the last stop before the Arkansas River connects to the Mississippi River.

## **4. Agriculture**

In December 2019, the University of Arkansas Agriculture Cooperative Extension Service reported a \$347M decline in total value (output) of agriculture products due to the 2019 Flood Event.



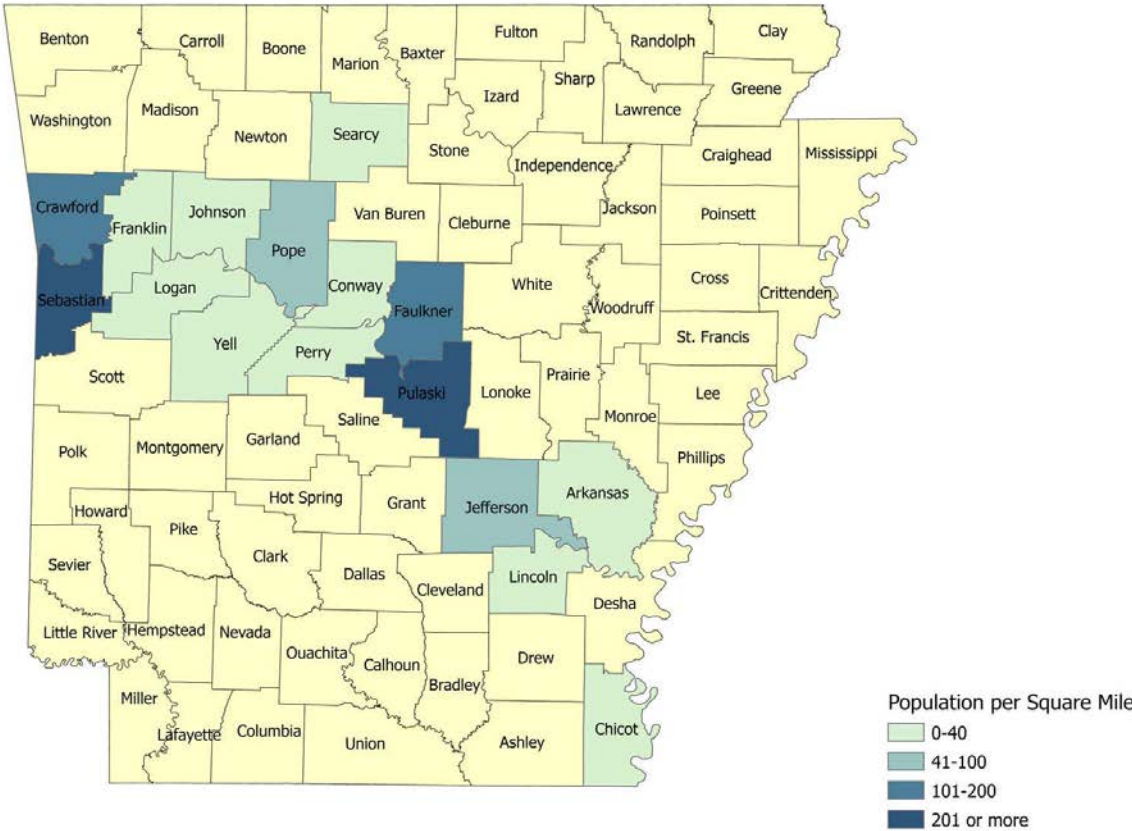
The Arkansas Department of Agriculture reported it would affect the state economy totaling \$142M with \$75M in labor costs (loss of estimated 1,150 jobs). The Flood Event would prevent Arkansas Farmers from planting:

- 327,732 acres of corn
- 38,348 acres of cotton
- 511,729 acres of rice
- 187,800 acres of wheat

### C. Population Density

Thirty-four (34%) percent of Arkansas’s residents live the declared counties. Geographically, those counties make up 23% of the state’s area. The average population per square mile of the declared counties is 86, however, the median population per square mile is just 32 persons compared to 56 persons per square mile in the state. Only four counties have more than 100 persons per square mile. Pulaski County has just over 500 residents per square mile. This disparity is one of the factors that makes it essential that the program design be customized by area to meet the varied needs of each region.

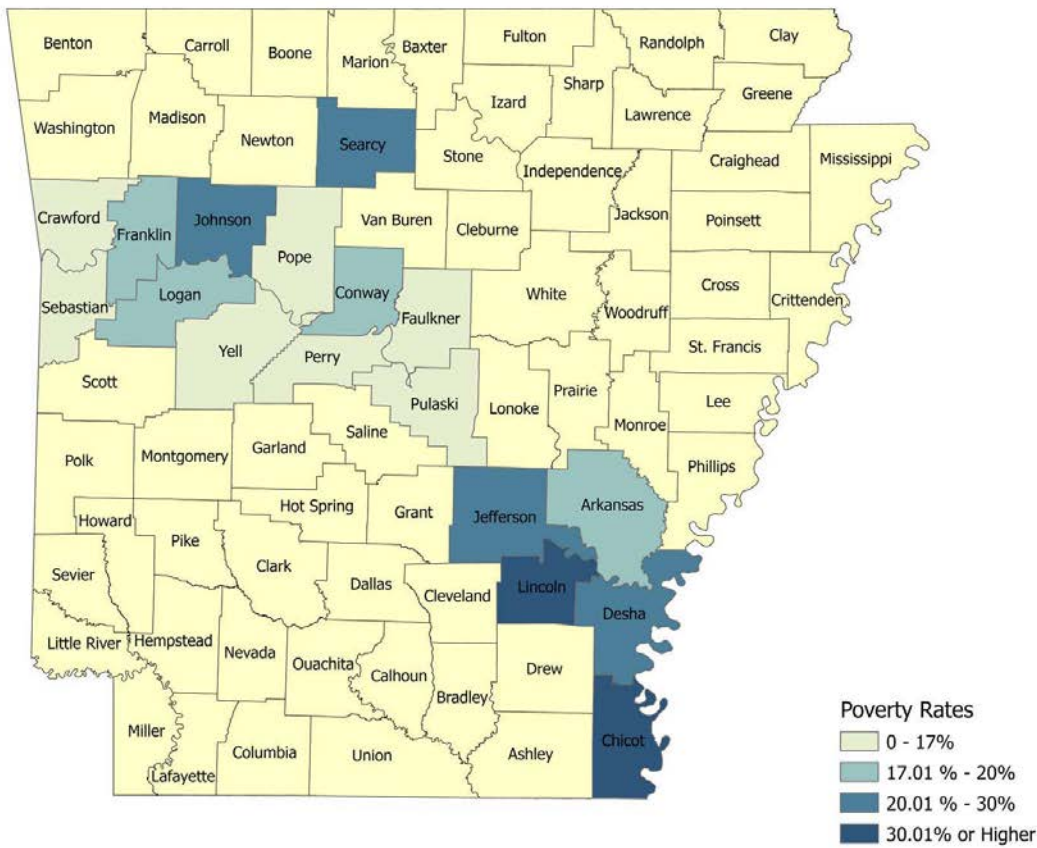
**Figure 6: Arkansas Population Density**



## D. Income Levels

Arkansans living in the declared counties are poorer by 17% than the statewide average. The median household income is \$42,766 compared to \$47,094 throughout the state. Poverty affects 19.7% of the total population and 27.7% of children living in the declared counties live in poverty as compared with 23.8% across the state.

**Figure 7: Arkansas Poverty Rates**



## E. Aging

Arkansas asserts a lower cost-of-living and scenic attractions which makes the state attractive to retirees. The average age of citizens in the declared counties is 39.7 years old compared to 37.9 years old statewide.

## F. Education

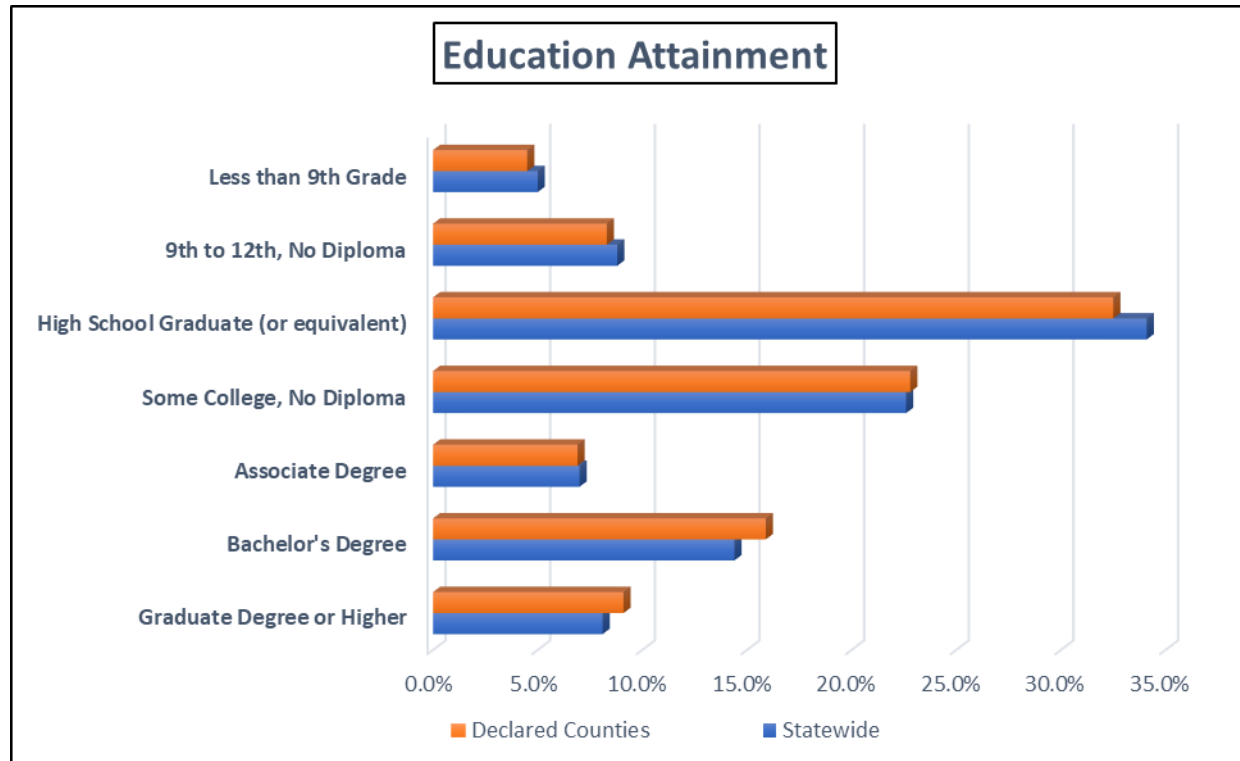
Overall, across the declared counties, the level of education attainment is lower than the statewide levels as some of the areas have experienced an increasingly aging population and an outflow of younger residents to other areas. The chart is below. The correlation between education and wage is present in the



declared counties with a full 11% difference between the average wages of the declared counties\* (\$46,230) and the entire state (\$52,575). Because of some counties being mostly rural, their ability to attract larger businesses is limited and younger workers seek employment in the more urban area of the declared counties.

\*Excludes Pulaski and Sebastian Counties to not skew the data.

**Figure 8: Arkansas Educational Attainment**

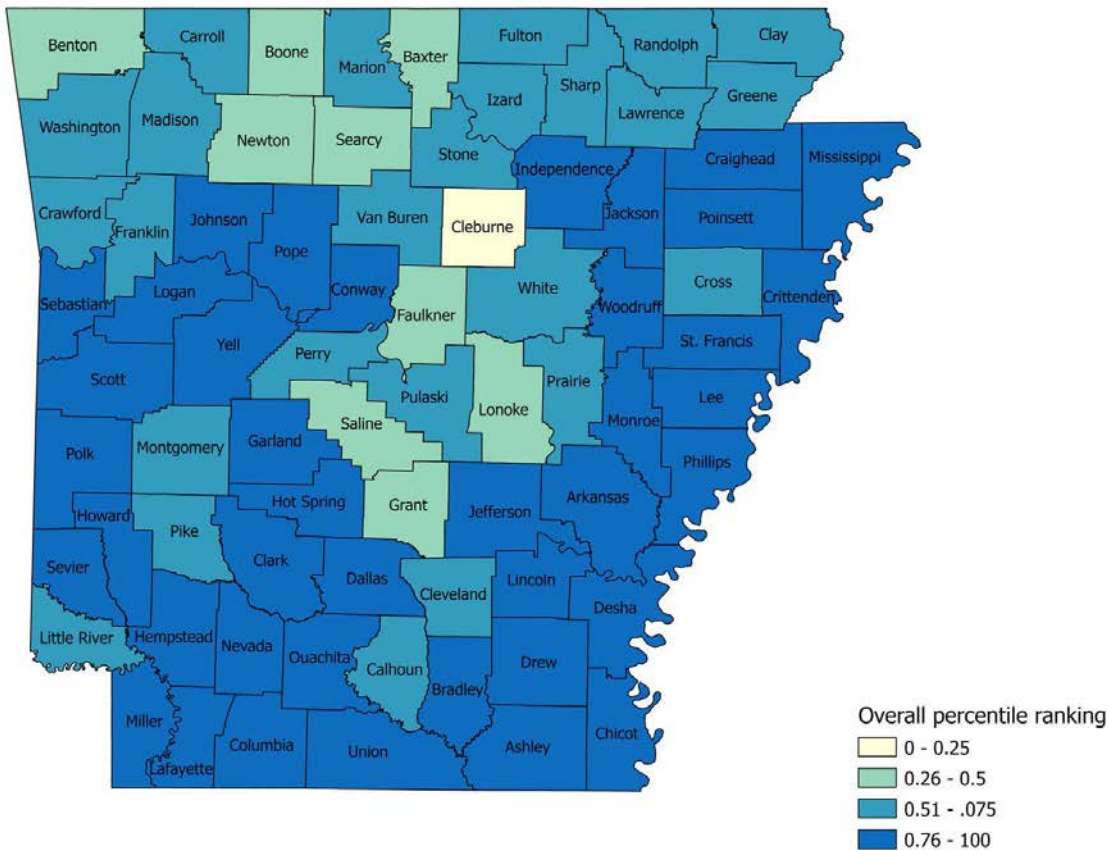


## G. Social Vulnerability

The cumulative effects of the demographics of the declared counties contribute to the social vulnerability of the area. The CDC Social Vulnerability Index (SOVI) was created to help emergency response planners and public health officials identify and map communities that will most likely need support before, during and after a hazardous event. The map below<sup>27</sup> illustrates that most of the impacted counties are in the top two quartiles of vulnerability. The vulnerability of the communities and citizens affected indicate a longer time period and a further distance toward resilient economic well-being. Since the two disasters impacted many families back to back, the ability to recover may be even more strained and difficult.

<sup>27</sup> Centers for Disease Control and Prevention/ Agency for Toxic Substances and Disease Registry/ Geospatial Research, Analysis, and Services Program. Social Vulnerability Index [Insert 2018, 2016, 2014, 2010 or 2000] Database [Insert US or State]. data-and-tools-download.html. Accessed on [Insert data year].

**Figure 9: Arkansas Top Two Quartiles of Vulnerability**



It can be seen that the HUD-identified most impacted and distressed counties of Jefferson is in the highest quartile and Perry is in the 3<sup>rd</sup> quartile. Eighty-eight percent of the declared counties rate in the top two quartiles suggesting there is a strong social vulnerability correlation present.

The connection between physical hazards and populations that may have factors that reduce their ability to plan in advance, cope during an event and recover after an event is directly related with housing. It is important to plan for housing in locations away from repeated risk factors such as flooding and provide assistance during natural events like tornadoes. Assistance that may be needed includes transportation during an event to a shelter or safe place. Public shelters are often needed for those in apartments, mobile homes, or housing without private shelters. The elderly may have general mobility or cognitive issues that can mean additional assistance is needed for transportation or even design of facilities. Those that may be unemployed or underemployed, renters, minorities, persons in poverty and many other factors may lead to great need for temporary housing if their housing or employment has been destroyed in an event. Many of these socially vulnerable people may not have insurance or family or other resources to assist them if they experience losses from an event. This analysis helps to raise awareness that while hazards exist for all the population within a county, some may need additional attention and focus to ensure their safety, health and recovery.

## H. Demographic Profile – Protected Classes

The following is a summary of demographics for each county impacted by DR-4441. The summary was developed using 5-year American Community Survey (ACS) 2019 estimate data. The demographics profile includes summaries pertaining to the following topics: race and ethnicity, elderly populations, populations with disabilities, and populations with Limited English Proficiency (LEP). This section provides insight into vulnerable populations impacted by DR-4441 and protected classes as identified in 84 FR 45847. Federally protected classes under the Fair Housing Act includes race, color, national origin, religion, sex, familial status, and disability. Protected classes have fewer resources to rebound from disasters, and the State is committed to addressing the needs of protected classes with its limited CDBG-DR programs. While the program section of this Action Plan provides an overview of proposed CDBG-DR programs, the State will provide further detail on how programs will serve LMI and protected classes in the development of program policies and procedures.

### 5. Race and Ethnicity

Table 10 illustrates the ethnic and racial composition of each county designated by FEMA as impacted areas under DR-4441. With the exception of Desha, Chicot, and Jefferson county, the white population of impacted counties constitutes the racial majority of each counties' respective community. The racial demographic composition of communities within the designated MID areas of Jefferson and Perry County greatly differ. In Jefferson county, 39.7% of the population identify as white while 56.5% of the population identifies as Black or African American. In Perry County, 96.2% identify as white. With the exception of Sebastian, Yell, and Johnson county, impacted counties have Hispanic populations that comprise less than 10% of the total population. In the MID areas of Jefferson and Perry County, Hispanic communities make up less than 3% of the total population. In total, the majority of individuals residing within the impacted counties identify as white, representing 68.7% of the total population.

**Table 10: DR-4441 Population Demographics (Race and Ethnicity)**

Impacted County	Total Population	Percent White	Percent Black or African American	Percent American Indian	Percent Asian	Percent Other	Percent Hispanic
Arkansas County	17,914	72.1%	25.8%	0.2%	0.0%	3.1%	3.2%
Chicot County	10,615	43.4%	53.9%	0.1%	0.6%	3.1%	5.5%
Conway County	20,858	85.1%	10.4%	0.3%	0.3%	7.6%	3.9%
Crawford County	62,739	88.0%	1.6%	2.3%	1.9%	9.4%	7.7%
Desha County	11,709	48.8%	46.6%	0.3%	0.4%	5.8%	6.1%
Faulkner County	123,624	82.1%	11.4%	0.4%	1.3%	7.4%	4.1%
Franklin County	17,738	94.0%	1.0%	1.6%	0.8%	4.4%	3.0%
Jefferson County	69,282	39.7%	56.5%	0.3%	1.0%	3.8%	2.1%
Johnson County	26,372	91.2%	1.6%	0.2%	2.1%	7.5%	13.9%
Lincoln County	13,455	65.9%	30.5%	0.5%	0.0%	4.0%	3.9%
Logan County	21,668	91.8%	1.4%	0.8%	2.2%	6.7%	3.0%
Perry County	10,355	96.2%	0.7%	0.1%	0.0%	4.2%	2.9%
Pope County	63,761	91.2%	3.0%	0.6%	1.0%	6.7%	9.0%
Pulaski County	392,967	55.9%	36.8%	0.3%	2.2%	7.4%	6.2%
Searcy County	7,908	93.2%	0.6%	2.8%	0.7%	4.9%	2.4%
Sebastian County	127,591	73.5%	6.8%	1.1%	4.5%	18.8%	14.2%
Yell County	21,464	78.6%	2.5%	0.5%	1.1%	18.5%	20.1%
<b>Total</b>	<b>1,020,020</b>	<b>68.7%</b>	<b>22.9%</b>	<b>0.6%</b>	<b>2.0%</b>	<b>8.6%</b>	

## 6. Elderly Population

Table 11 provides estimates of elderly populations (65 years or older) within each of the DR-4441 impacted counties. Individuals 65 years or older constitute 15.6% of the total population across all DR-4441 impacted counties. Searcy County has the highest concentration of population over 65, comprising 25.3%

of the population. However, all other counties have smaller elderly populations of less than 20% of their respective total populations. The size of elderly populations within the designated MID areas of Jefferson and Perry County slightly differ. Individuals over 65 years make up 16.8% of Jefferson County’s total population. A slightly larger percent of Perry County’s population, 19.9%, is comprised of elderly individuals.

**Table 11: DR-4441 Population 65 years And Over**

<b>Impacted County</b>	<b>Population 65 Years and Over</b>	<b>Percent of Population 65 Years and Over</b>
Arkansas County	3,405	19%
Chicot County	2,120	20%
Conway County	3,939	19%
Crawford County	10,276	16%
Desha County	2,187	19%
Faulkner County	15,058	12%
Franklin County	3,397	19%
Jefferson County	11,625	17%
Johnson County	4,285	16%
Lincoln County	2,030	15%
Logan County	4,284	20%
Perry County	2,062	20%
Pope County	9,732	15%
Pulaski County	58,959	15%
Searcy County	2,001	25%
Sebastian County	19,894	16%
Yell County	3,745	17%
Total	158,999	

## 7. Population with Disabilities

The U.S. Census American Community Survey (ACS) collects data pertaining to six types of disabilities<sup>28</sup>:

<sup>28</sup> U.S. Census Bureau. “How Disability Data are Collected from The American Community Survey”. Retrieved at: <https://www.census.gov/topics/health/disability/guidance/data-collection-ac.html>

- **Hearing difficulty:** deaf or having serious difficulty hearing (DEAR)
- **Vision difficulty:** blind or having serious difficulty seeing, even when wearing glasses (DEYE)
- **Cognitive difficulty:** because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions (DREM)
- **Ambulatory difficulty:** having serious difficulty walking or climbing stairs (DPHY)
- **Self-care difficulty:** having difficulty bathing or dressing (DDRS)
- **Independent living:** difficulty because of a physical, mental, or emotional problem, having difficulty doing errands alone such as visiting a doctor’s office or shopping (DOUT)

The figure below represents the proportion of disabled persons within each DR-4441 impacted county. Noninstitutionalized persons with a disability constitute 17.2% of the total population of all impacted counties. Additionally, noninstitutionalized persons with a disability make up less than 25% of the total population within each respective impacted county. The designated MID area of Perry County has a relatively high percentage of noninstitutionalized individuals with a disability that constitute its total population (23.9%). The percentage of the total population with a disability in the MID area of Jefferson County is slightly lower, with 18% of the total population.

**Table 12: DR-4441 Noninstitutionalized Persons with a Disability**

<b>Impacted County</b>	<b>Total Civilian Noninstitutionalized Population</b>	<b>Total Civilian Noninstitutionalized Population with a Disability</b>	<b>Percent of Total Noninstitutionalized Population with a Disability</b>
Arkansas County	17,673	3,907	22.1%
Chicot County	9,939	2,538	25.5%
Conway County	20,767	4,784	23.0%
Crawford County	62,057	12,366	19.9%
Desha County	11,644	2,255	19.4%
Faulkner County	122,146	17,456	14.3%
Franklin County	17,449	3,973	22.8%
Jefferson County	6,4532	11,609	18%
Johnson County	26,188	5,290	20.2%
Lincoln County	8,363	1,764	21.1%
Logan County	21,420	4,721	22.0%
Perry County	10,248	2,450	23.9%
Pope County	63,168	11,172	17.7%
Pulaski County	386,447	60,864	15.7%
Searcy County	7,823	1,614	20.6%
Sebastian County	126,506	24,993	19.8%
Yell County	21,161	4,178	19.7%
<b>Total</b>	<b>997,531</b>	<b>175,934</b>	<b>17.2%</b>

## 8. Population with Limited English Proficiency

The U.S. Census Bureau defines Limited English Proficiency (LEP) persons as individuals 5 years or older that self-identify as speaking English less than “Very Well”.<sup>29</sup> LEP persons constitute 3.22% of the total population of all DR-4441 impacted counties. Less than 10% of each counties’ respective population self-identify as LEP persons. Yell county has the highest percentage of a population comprised of LEP persons (8%). Of the MID counties, only Jefferson county has a percent of the population that self-identify as LEP persons (2%). For further information on LEP outreach, AEDC included its LEP outreach strategy as an Attachment to this Action Plan.

**Table 13: DR-4441 Limited English Proficiency Persons**

Impacted County	Estimate Speak English Less Than “Very Well”	Percent Speak English Less Than “Very Well”
Arkansas County, Arkansas	150	1%
Chicot County, Arkansas	201	2%
Conway County, Arkansas	261	1%
Crawford County, Arkansas	2,052	3%
Desha County, Arkansas	546	5%
Faulkner County, Arkansas	1,810	2%
Franklin County, Arkansas	8	0%
Jefferson County, Arkansas	984	2%
Johnson County, Arkansas	1,498	6%
Lincoln County, Arkansas	230	2%
Logan County, Arkansas	241	1%
Perry County, Arkansas	33	0%
Pope County, Arkansas	2,768	5%
Pulaski County, Arkansas	12,468	3%
Searcy County, Arkansas	25	0%
Sebastian County, Arkansas	7,927	7%
Yell County, Arkansas	1,602	8%
Total	32,804	3.22%

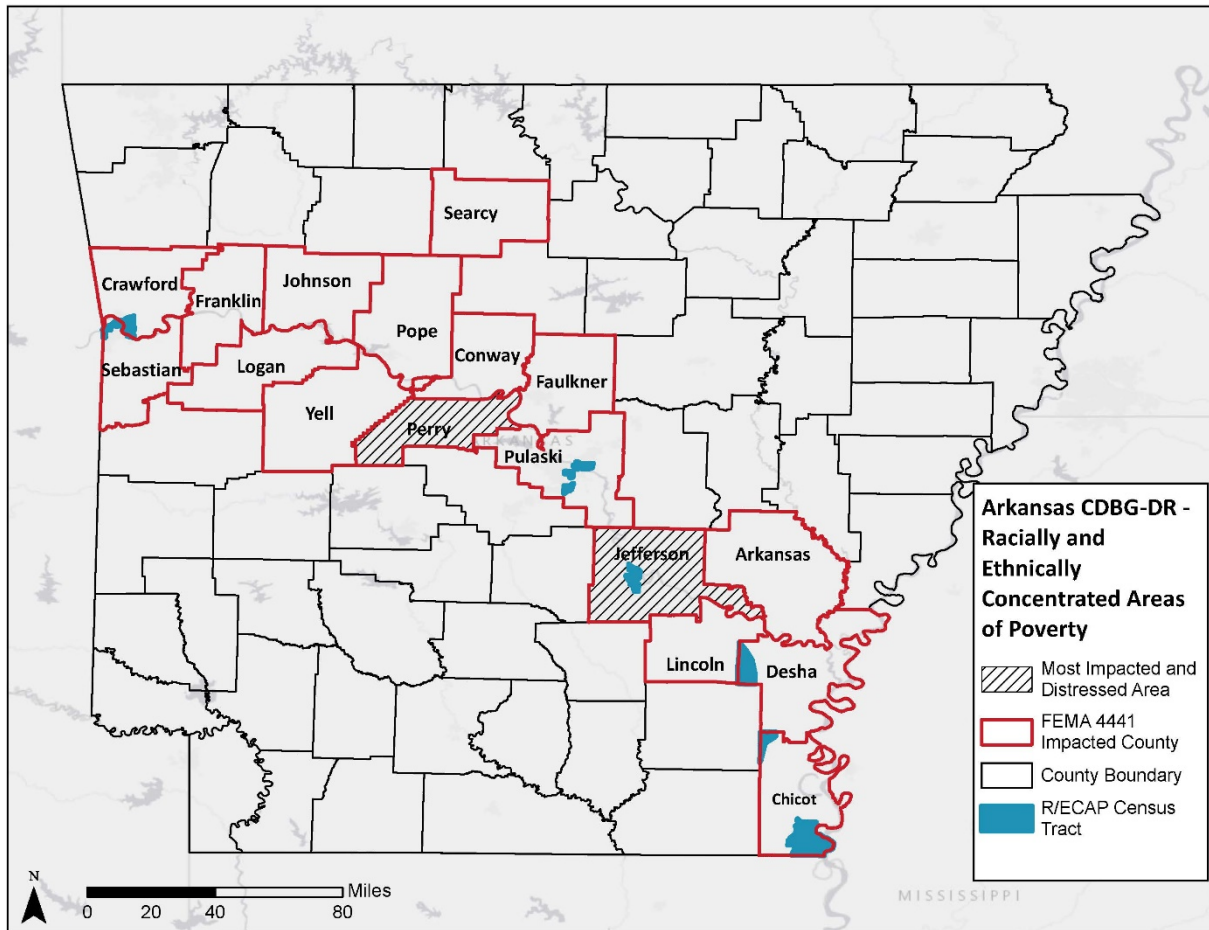
<sup>29</sup> The Interagency Working Group on Limited English Proficiency (LEP). 2020. Retrieved at: <https://www.lep.gov/source-and-methodology#:~:text=We%20have%20defined%20limited%20English,Survey%205%2DYear%20Estimate%20data>.



## 9. Racially and Ethnically Concentrated Areas of Poverty

Figure 10 illustrates Racially and Ethnically Concentrated Areas of Poverty (RECAP) within DR-441 impacted counties. RECAP areas are defined as census tracts in which the non-white population is greater than 50% and 40% or more of the population is in poverty OR where the poverty rate is greater than three times the average poverty rate in the area<sup>30</sup>. RECAP areas are present within 6 DR-441 impacted counties: Chicot, Crawford, Desha, Jefferson, Pulaski, and Sebastian county. Additionally, Jefferson county is designated as a MID area under DR-4441.

**Figure 10: DR-4441 Racially and Ethnically Concentrated Areas of Poverty (RECAP)<sup>31</sup>**



<sup>30</sup> Policy Map. Joshua Davidson. 2016. Retrieved at: <https://www.policymap.com/2016/12/affirmatively-furthering-fair-housing/>

<sup>31</sup> U.S. Census Bureau 2020, Department of Housing and Urban Development, 2020



# 6. Section Six: Impact and Unmet Needs Assessment

## A. Impact on Low- to Moderate-Income Households

A core principle of the CDBG program is the “development of viable urban communities, by providing decent housing, a suitable living environment and expanding economic opportunities, principally for persons of [LMI].” To meet this core principle, the CDBG authorizing statute requires that no less than 70% of the aggregate of CDBG program funds be expended for activities benefitting LMI persons and this requirement is also applicable to CDBG-DR funds.

For purposes of the CDBG program, low- to moderate-income is defined as total household income at or below 80% of Area Median Income (AMI) as defined by HUD. AMI is calculated yearly at the state level with each county and for certain metropolitan areas having defined income limits. The below Section 3 Income Limits Chart shows the statewide AMI for the Extremely Low-Income Limit (ELIL, 30%), Very Low-Income Limit (VLIL, 50%) and Low-Income Limit (LIL, 80%).

**Table 14: Statewide Income Limits for Arkansas<sup>32</sup>**

FY 2019 Very Low-Income (50%) Limit (VLIL)								
Median Family Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
59,000	20,650	23,600	26,550	29,500	31,850	34,200	36,600	38,950
FY 2019 Extremely Low-Income (30%) Limit (ELIL)								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
	12,400	14,150	15,950	17,700	19,100	20,550	21,950	23,350
FY 2019 Low-Income (80%) Limit (LIL)								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
	33,050	37,750	42,500	47,200	51,000	54,750	58,550	62,300

HUD provides grantees with LMI data to justify area basis<sup>33</sup> benefit activities that is accessible via HUD’s

<sup>32</sup> FY 2019 Income Limits Documentation System, Retrieved at [https://www.huduser.gov/portal/datasets/il/il2019/2019summary.odn?inputname=STTL\\*0599999999\\*2BArkansas&selection\\_ty pe=county&stname=Arkansas&statefp=05.0&year=2019](https://www.huduser.gov/portal/datasets/il/il2019/2019summary.odn?inputname=STTL*0599999999*2BArkansas&selection_ty pe=county&stname=Arkansas&statefp=05.0&year=2019)

<sup>33</sup> Low- and moderate-income benefit can be demonstrated in four ways: area basis, limited clientele, housing, and creation/retention of jobs. The “area basis” approach is based on HUD-supplied income data from the US Census, while the “limited clientele” approach makes an assumption based on income characteristics of a specific group being assisted. Demonstrating low- and moderate-income benefit through housing and jobs is focused on the income of the individual or household receiving the direct benefit of the activity.

website<sup>34</sup>. Grantees, such as the State of Arkansas, and their subrecipients must maintain documentation verifying the LMI benefit for each beneficiary of the grant funding. The table below highlights the percentage of the total population that is LMI by census tract in the disaster designated counties.

**Table 15: FEMA Owner-Occupied and Rental Unit Application Data<sup>35</sup>**

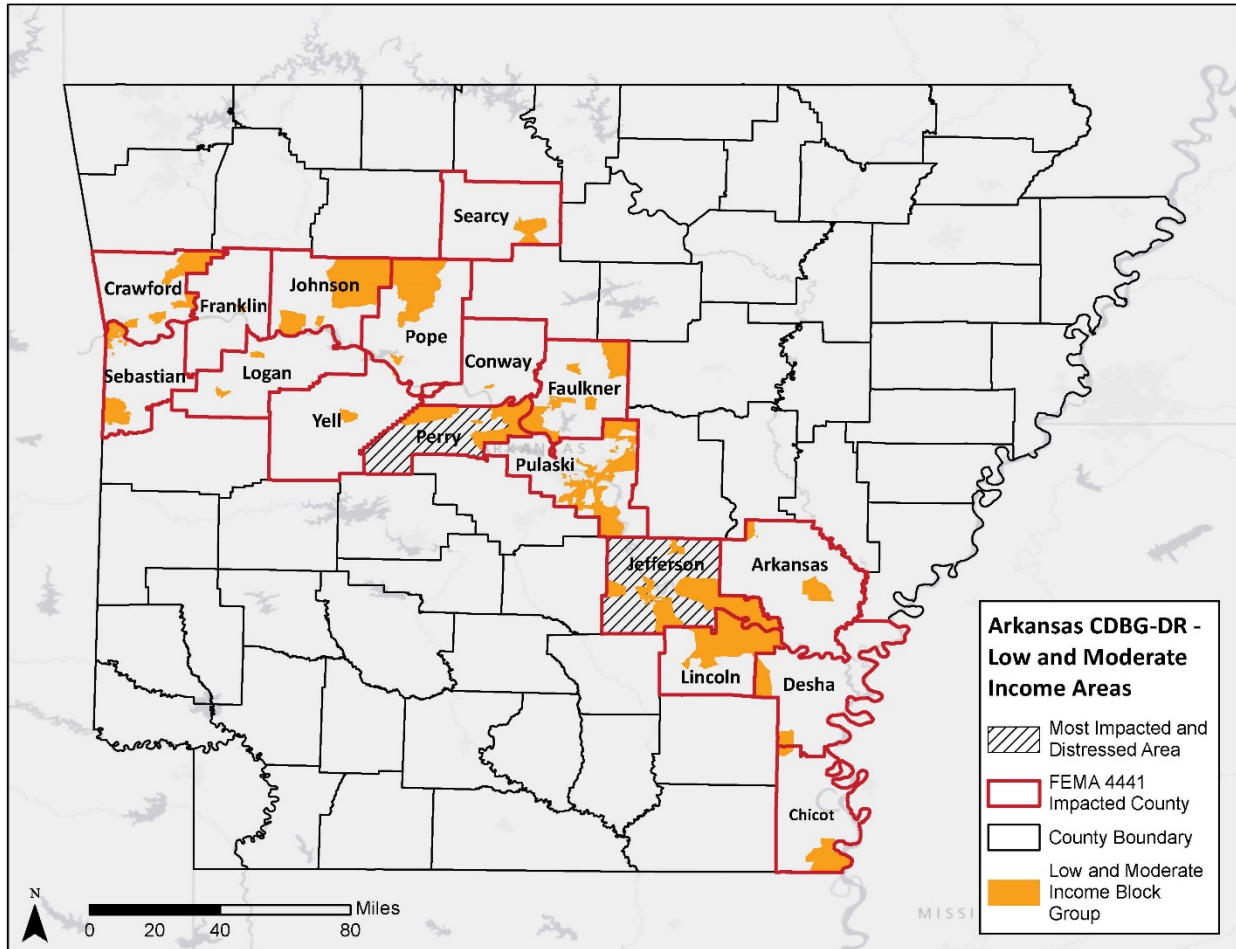
County	Total Owner Applications	Total Rental Applications	LMI% (less than 80% AMI)
Arkansas	19	3	40.18
Conway	16	6	39.62
Crawford	40	16	39.16
Desha	48	11	51.05
Faulkner	186	32	40.61
Jefferson	341	46	41.46
Lincoln	18	2	43.02
Logan	24	4	41.71
Perry	134	34	50.27
Pope	13	7	40.03
Pulaski	317	168	44.38
Sebastian	243	92	43.26
Yell	36	7	37.42

**c. DR-4441 Low- to Moderate-Income (LMI) Areas**

The following map shows the Low and Moderate Income (LMI) areas within DR-4441 impacted counties. Flooding occurred in census tracts that are both predominantly LMI and predominantly Non-LMI. The highest percent of LMI population impacted by DR-4441 occurred in Desha County, where 51.05% of the population is considered LMI. Within the MID area Perry county, more than half the population are considered LMI (50.27%). In the MID area Jefferson county, less than half the population are considered LMI (41.46%). In comparison to the total LMI population of all impacted counties, LMI population of MID counties account for 8.3% of the total LMI population.

<sup>34</sup> HUD Exchange, FY 2020 ACS 5-Year 2011-2015 Low- and Moderate-Income Summary Data. Retrieved at: <https://www.hudexchange.info/programs/acs-low-mod-summary-data/>  
<sup>35</sup> Application and inspection data obtained from FEMA database last updated 03/16/2020. American Community Survey data obtained from 2018: ACS 5-Year Estimates Data Profiles, Retrieved at <https://www.census.gov/acs/www/data/data-tables-and-tools/data-profiles/> and U.S. Census Bureau (July 1, 2019) QuickFacts, retrieved from <https://www.census.gov/quickfacts/fact/table/AR/PST045219>

**Figure 11: DR-4441 Low- to Moderate-Income (LMI) Areas**



## B. Overview of Impact to Core Sectors

Three core sectors define disaster recovery: infrastructure, housing, and economic revitalization. To understand the need, each sector is summarized, including defining aspects and pivotal areas to be addressed for a successful recovery effort. The sectors are each allotted a certain percentage of funding that may be spent on projects in their respective sector. HUD may grant a waiver to shift funding allocations to other sectors depending on the needs in each community. If a community can demonstrate that their housing needs have been addressed, the grantee may request that the allocation be shifted to allow for additional infrastructure or economic recovery funding.

### 1. Impact on Infrastructure

The preliminary damage assessment as of October 30, 2019, lists estimated public assistance costs at \$8,582,911, and total funds requested for PA projects to repair infrastructure facilities is currently valued at more than \$50 million,<sup>36</sup> but the number is thought to be significantly higher, as data on flood control

<sup>36</sup> \$50 million is the sum of estimated damage presented in the Infrastructure Unmet Needs table below

works is not currently available. FEMA defines flood control works as structures, such as levees, flood walls, flood control channels, and water control, that are designed and constructed to have an appreciable effect in preventing damage due to an irregular and unusual rise in water levels.<sup>37</sup> State and local governments moved quickly after the disasters to repair roads and other public infrastructure; however, rebuilding and mitigating for future events is an ongoing effort. Infrastructure remains a critical component in unmet needs and, due to a lack of centralized data and data that may not exist, the full extent of the damage to these systems is still unknown.

While an actual figure is not known for how much the wide-ranging damages to infrastructure resulted in subsequent damages to housing and businesses, anecdotally from the widely reported and numerous personal accounts of individuals and businesses affected, it is broadly acknowledged that infrastructure is, in large part, the backbone of community and commerce, and the tangible systems connecting housing to businesses and both to their larger communities.

Additionally, survey results from public outreach conducted by the AEDC, in collaboration with partners from Planning and Development Districts, relay high levels of damage to public and commercial infrastructure. Disaster recovery gap assessments of the “Appendix E: Valuation tool for Prioritizing Needs by Sector, Funding, and Capacity” were submitted to the AEDC by five counties: Arkansas, Chicot, Desha, Jefferson, and Perry county.

All counties reported damage to public infrastructure related to DR-4441. Damage to transportation infrastructure, such as roads and bridges, were most commonly reported. Arkansas, Jefferson, and Perry County reported damage rankings to transportation infrastructure ranging from medium-high damage levels. Additionally, Perry County reported high and medium level damage to communications infrastructure (e.g. telephone lines and fiber optic cables) as well as water and sewer infrastructure.

Counties also reported high levels of damage to flood related commercial infrastructure, including commercial drainage and flood mitigation systems, as well as commercial districts. Desha and Chicot also reported damage to publicly owned commercial spaces within the Lake Village Park area.

A FEMA Public Assistance Summary for DR-4441 indicates that 61 applicants requested a total of 293 projects (project worksheets received) requesting assistance of which all were approved. The public infrastructure costs derived from the FEMA project worksheets total just under \$50 million, a significant increase from the initial estimate of \$8,582,911. The federal cost share is listed at 75% or \$38.2 million and the local share as just under 25%, or \$11.768 million.

The largest number of applications for FEMA Public Assistance (FEMA PA) came from city and county governments. Additional applicants came from levee and drainage improvement districts, wastewater utilities and water associations, a port authority, a sheriff’s office, a fire department, and a number of state agencies.

The following data provides FEMA PA totals by Category as of December 2020. FEMA PA Categories include:

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<sup>37</sup> FEMA Fact Sheet: Public Assistance. Retrieved at: [https://www.fema.gov/media-library-data/1579196182575-ca576e176a344d81c01557191d2337ac/PA\\_Fact\\_Sheet\\_Flood\\_Control\\_Works\\_2017\\_508.pdf](https://www.fema.gov/media-library-data/1579196182575-ca576e176a344d81c01557191d2337ac/PA_Fact_Sheet_Flood_Control_Works_2017_508.pdf)

**Table 16: FEMA PA Totals by Category**

Category	Description
A	Debris Removal
B	Emergency Protective Measures
C	Roads and Bridges
D	Water Control Facilities
E	Public Buildings and Contents
F	Public Utilities
G	Parks, Recreational, and Other Facilities
Z	Grant Management Costs

Categories A and B cover emergency protective work and Categories C through G cover permanent work. As of December 2020, the estimated local share for FEMA PA projects related to DR-4441 is \$5,686,710. The following table provides a breakdown by PA Category. The FEMA PA projects will assist with addressing the unmet housing need by supporting the development of infrastructure to support the rebuilding of impacted communities. The state is proposing to use CDBG-DR funding to assist with matching funds for infrastructure projects to support its recovery from DR-4441. While the state considers all FEMA PA categories as needed for rebuilding from DR-4441, Categories C through G alone total \$2,419,602 of unmet need.

**Table 17: Breakdown by PA Categories**

PA Category	Total Project Amount	Federal Share	Estimated Local Share
A	\$7,931,971.28	\$5,963,237.10	\$1,968,734.18
B	\$5,193,495.51	\$3,895,121.64	\$1,298,373.88
C	\$5,108,487.36	\$3,831,365.52	\$1,277,121.84
D	\$477,738.62	\$358,303.97	\$119,434.66
E	\$478,076.83	\$358,557.62	\$119,519.21
F	\$1,369,588.94	\$1,027,191.71	\$342,397.24
G	\$2,244,514.97	\$1,683,386.23	\$561,128.74
Z	\$115,538.14	\$115,538.14	\$0.00
Total	\$22,919,411.65	\$17,232,701.92	\$5,686,709.73

## 2. Infrastructure Unmet Needs

In order to calculate unmet needs, the Arkansas Grants Division used two methods. The first was to determine the *total* amount of FEMA Public Assistance project worksheets and calculate the 25% cost share. This includes all categories.

**Table 18: FEMA Infrastructure Unmet Need**

Funding Source	Total Cost	Approved Funding	Unmet Needs (Local Share)
Total FEMA Public Assistance	\$49,979,135	\$38,211,162	\$11,767,973

*\*local share doesn't account for 100% federal share projects*

The third method was to use data from HUD's allocation methodology:

To calculate 2018 and 2019 unmet needs for infrastructure projects, HUD obtained FEMA cost estimates (as of November 13, 2019 for the 2019 disasters) of the expected local cost share to repair the permanent public infrastructure (Categories C to G) to their pre-storm condition.

**Table 19: 2019 Infrastructure Need (Data 1/15/2019)**

Grantee	Category C to G FEMA PA Estimate	Federal Share	Local Share (Unmet Need)	Federal Share percent
Arkansas	\$8,160,632	\$6,120,474	\$2,040,158	75%

### a. Roads and Bridges

The 2019 disaster devastated roads and bridges throughout the State of Arkansas. Currently, the estimated project cost of damage reported to FEMA to roads and bridges is \$7.132 million. Local, state, and federal roads and bridges were all impacted with closures of state highways and state highway bridges. In the aftermath of the disaster, the Arkansas Department of Transportation (ARDOT) and local governments moved quickly to provide emergency and temporary repairs to enable roads to reopen.

**Table 20: Roads and Bridges Damage Reported to FEMA**

Funding Source	Damage <sup>38</sup>	Anticipated Funding	Unmet Needs
PA-Eligible Roads (Category C)	\$7,132,116	\$5,349,087.11	\$1,783,028

Due to closures on many of the roadways, other local roads that were not rated for heavy-use were more heavily used, causing additional wear and tear. These indirect impacts on local roads and privately-owned roads made recovery efforts even more difficult. The local roads are used for personal travel for Arkansas’s individuals and families and for the transportation of agricultural equipment and trucks, making these roads critical to the state economy. These indirect impacts may not be covered by federal disaster recovery assistance, with responsibility potentially falling on the local and state governments.

### d. Water Control and Wastewater Treatment Facilities

In June 2019, Governor Asa Hutchinson created the Arkansas Levee Task Force after the state experienced the record flooding that caused extensive damage to the state’s levee system. The Governor appointed both state and local representatives to the Task Force, including a county judge, a county clerk, an elected municipal official, state agency secretaries, state legislators, citizens representing flood-impacted areas, citizens with knowledge of the engineering, construction, funding, or oversight of levees, and other key stakeholders.

They were asked to address four objectives:

- analyze the condition of the state’s system of 92 levees;
- identify sources and requirements for funding levee construction, repair and maintenance;
- study the prospective monitoring and reporting of systems for the maintenance of levees;

<sup>38</sup> This table represents current repair estimates, which are subject to change

- and to review the adequacy of current laws and organizational structure of the levee system and levee district boards.

The report from the 26-member Task Force includes 17 recommendations<sup>39</sup>. Among these are recommendations that the state provide financial incentives to encourage districts to participate in a federal levee inspection and maintenance program, and the consolidation of certain levee districts that are dependent on each other. Up to \$10 million in grant funds was made available by the Governor for levee repair.

It is believed that a prominent levee failure in Dardanelle would need \$1.7 million for repairs, but that amount could be lessened by other work being done on the levee. Another larger grant from the Arkansas Natural Resources Commission (ANRC) was for \$1.6 million in the Riverdale area in Little Rock.

**Table 21: Damage to Water Control and Treatment Facilities<sup>40</sup>**

Funding Source	Damage	Anticipated	Unmet
PA-Eligible Levees (Category D)	\$2,351,209	\$1,763,407	\$587,802
Natural Resources Conservation Service (NRCS) Emergency Watershed Protection Program (EWPP)			
United States Army Corps of Engineers (USACE) Rehabilitation and Inspection Program (RIP)			
State of Arkansas Natural Resources Division, Department of Agriculture	\$8,800,000	\$8,800,000	
<b>All Water Control</b>			<b>\$587,802</b>

### e. Utility Systems

The 2019 floods resulted in significant disruptions to electrical services throughout the impacted areas. Power, water, and sewer services throughout the State of Arkansas reported damage and the current total estimated cost for utility repair projects is approximately \$12.25 million based on FEMA PA data.<sup>41</sup> Due to the nature of the storm and its lingering effects, the continued flooding made it difficult to determine the exact extent of the damage to these facilities. Furthermore, road and bridge closures also hindered the state’s ability to make expedient repairs.

**Table 22: Damage to Utility Systems<sup>42</sup>**

Funding Source	Damage	Anticipated Funding	Unmet Need
PA-Eligible Utilities (Category F)	\$12,255,588	\$9,191,691	\$3,063,897

<sup>39</sup> Arkansas Levee Task Force, December 2019. Retrieved at [https://governor.arkansas.gov/images/uploads/Levee\\_Taskforce\\_Final\\_report\\_Dec\\_2019.pdf](https://governor.arkansas.gov/images/uploads/Levee_Taskforce_Final_report_Dec_2019.pdf)

<sup>40</sup> This table represents current repair estimates, which are subject to change

<sup>41</sup> Data obtained from ADEM and current as of July 20, 2020

<sup>42</sup> This table represents current repair estimates, which are subject to change



## f. Parks, Recreational, and Other Facilities

In total, seven counties applied for FEMA PA to fund the restoration of municipal parks, sports facilities, trail facilities, and natural resource protection. This may not account for all the damage incurred to these facilities as less than half of the PA-eligible counties reported damage in this category. Moreover, it is possible that the impacts caused damage to recreational facilities that are ineligible for FEMA assistance.

**Table 23: Damage to Parks, Recreational, and Other Facilities<sup>43</sup>**

Funding Source	Damage	Anticipated	Unmet
PA-Eligible Buildings (Category E)	\$5,229,141	3,921,855	\$1,307,285
PA-Eligible Recreational (Category	\$4,159,929	3,119,947	1,039,982
<b>All Buildings and Recreational Facilities</b>	\$9,389,070	\$7,041,802	\$2,347,267

## g. Infrastructure Damage in the Most Impacted and Distressed Areas

The counties that HUD designated as MID (Jefferson and Perry) did not necessarily experience a disproportionate amount of damage from the 2019 disasters. This is clearly demonstrated in the FEMA PA data from the disaster, as MID counties account for about 10% of total PA costs despite representing 12% of all counties eligible for PA funding. Accordingly, it is helpful to compare the cost of infrastructure damage per capita within and outside of the MID across FEMA PA categories of work, as Perry County, with a population of only 10,455, experienced a per capita damage of approximately \$205, whereas, across the other counties, per capita damage is estimated between \$30-40.

Additional context regarding the extent of infrastructure damage within designated MID counties can be derived from disaster recovery gap assessment survey results associated with the Appendix E: Valuation Tool. Jefferson county reported damage ranging from low to medium for transportation infrastructure, including roads, bridges and emergency systems. In addition to transportation infrastructure, Perry county reported high levels of damage to water and sewer treatment facilities, as well as drainage and flood mitigation systems.

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<sup>43</sup> This table represents current repair estimates, which are subject to change



**Table 24: PA Cost per Capita in MID Counties<sup>4445</sup>**

	Jefferson	Perry	Non-MID Counties
<b>Population</b>	66,824	10,455	1,018,169
<b>Cat. A – Debris Removal</b>	\$ 60,718.00	\$ 49,174.00	\$ 8,153,586.00
<b>Cat. B – Emergency Measures</b>	\$ 110,123.00	\$ 119,809.00	\$ 5,247,703.00
<b>Cat. C – Roads and Bridges</b>	\$ 138,049.69	\$ 1,844,004.41	\$ 5,150,061.00
<b>Cat. D – Water Control Facilities</b>	\$ 226,846.34	\$ -	\$ 2,124,363.53
<b>Cat. E – Buildings and Equipment</b>	\$ 108,993.00	\$ -	\$ 5,120,148.00
<b>Cat. F – Utilities</b>	\$ 310,750.00	\$ 125,468.00	\$11,819,370.00
<b>Cat. G – Parks, Rec. Facilities, and Other Items</b>	\$1,242,155.00	\$ -	\$ 2,917,774.00
<b>Total</b>	\$2,197,635	\$2,138,455	\$40,533,006

## h. Promoting Resilience

Resiliency is considered a key component under the State’s CDBG-DR Action Plan. Resiliency is not seen as a single independent CDBG-DR activity but rather a sub-component of the eligible CDBG-DR activities. Building back better and creating resilient housing and infrastructure is an important part of any eligible CDBG-DR activity. Resiliency/mitigation can represent a wide range of unmet need encompassing numerous types of activities. For example, resiliency/mitigation activities can include the clearance/demolition of houses in identified floodplain areas. The State’s needs assessment also indicates an unmet need for repairs related to drainage systems for which resiliency measures will also play a significant role. As applicable, resiliency is to be considered in conjunction with all CDBG-DR activities.

The HMGP will be a critical part of long-term resilience improvements for infrastructure in the impacted areas, as these funds can be used for mitigation and planning activities. HMGP is generally allocated based on 15% of the total PA funds provided by FEMA, in addition to the FEMA IA funds made available. Despite the size of the total award, jurisdictions that receive HMGP awards are expected to contribute a portion of funding to the eligible project or activity, likely yielding unmet needs for resilience improvements.

CDBG-DR funds may be used as a non-federal share match in specific instances where a particular project can meet CDBG-DR requirements. These funds can also be used to address mitigation measures for housing and infrastructure where it is not reasonable to build back to pre- disaster status due to the damage of the structures. Integral to the CDBG-DR program is rebuilding structures to meet code and be resilient in the face of another disaster.

<sup>44</sup> FEMA database current as of July 20, 2020

<sup>45</sup> HUD Exchange, FY 2020 ACS 5-Year 2011-2015 Low- and Moderate-Income Summary Data. Retrieved at: <https://www.hudexchange.info/programs/acs-low-mod-summary-data/>

**Table 25: Infrastructure Resilience Unmet Needs**

<b>Funding Source</b>	<b>Damage</b>	<b>Anticipated Funding</b>	<b>Unmet Need</b>
FEMA PA	\$22,919,412	\$17,232,702	\$5,686,710
HMGP	\$4,848,134	\$3,636,100	\$1,212,034
FMA	\$3,241,794	\$2,673,746	\$568,048
Total	\$31,009,340	\$23,542,548	\$7,466,792

### **3. Impact on Housing**

Evaluating the FEMA applications for housing assistance will demonstrate the impact on housing throughout the State of Arkansas, highlighting the housing unmet needs resulting from the 2019 disaster. While the MID areas demonstrate the areas with the highest unmet needs, these areas may not represent the LMI areas of highest unmet needs. HUD’s unmet needs calculation does not consider the LMI population, which may inadvertently misrepresent the highest need areas in terms of vulnerable populations and the directive to address LMI persons with CDBG-DR funds.

Following the disaster declaration, individuals may apply for assistance through FEMA and SBA for home repairs, rental assistance, and other needs assistance. The FEMA tables below show the total FEMA Individual Assistance registrations and share data on registrations and Individuals and Households Program (IHP) where registration for disaster is valid.

The total number of applicants in the MID designated areas (Jefferson and Perry) represent 28% of the total applications submitted to FEMA and 47% of all approvals for individual assistance, a disproportionate share for these two counties. Looking at the MID designated areas, including the entire county of Jefferson and Perry, these areas have a substantially higher per capita rate of applications submitted and applications approved for both owner-occupied and renter-occupied applications.

The Appendix E: Valuation Tool disaster gap recovery assessments submitted by impacted counties provide further information regarding the scale and scope of housing related damages and needs as a result of DR-4441. Perry and Jefferson county reported a high level of need regarding substantial rental housing unit rehabilitation (in excess of \$25,000 per unit), as well as the demolition of existing rental housing. Additionally, Jefferson county relayed a high level of need across most disaster recovery activities related to rental housing, such as new construction of rental housing and rental and utility assistance.

Regarding owner-occupied housing, Perry county reported a high level of households (including low-income households) affected by the Arkansas riverine flooding of 2019. The county also noted high levels of need for housing assistance programs, including vouchers for rental and utility payments, as well as homebuyer assistance. Arkansas and Jefferson county reported some level of need for owner housing disaster recovery activities, such as minor repairs and moderate rehabilitation of owner-occupied units.

#### **i. Housing Unmet Needs**

The data HUD uses to calculate unmet needs for 2018 qualifying disasters come from the FEMA Individual Assistance program data on housing-unit damage as of July 17, 2019. The data for 2019 qualifying disasters is as of November 13, 2019. However, since this estimate, the State of Arkansas has collected updated data

and this section outlines the additional unmet housing needs caused by DR-4441.

**Table 26: Unmet Housing Needs Caused by DR-4441**

Most Impacted Area	Serious Unmet Housing Need Estimate Most Impacted Area	Total Any Damage	Total Serious Damage	Owner Serious Unmet	Renter Serious Unmet	Total Serious Unmet
71602:Jefferson (County)	\$2,144,847	89	74	41	4	45
72016:Perry (County)	\$2,029,502	75	66	43	5	48

The core data on housing damage for both the unmet housing needs calculation and the concentrated damage are based on home inspection data for FEMA’s Individual Assistance program and SBA’s disaster loan program. HUD calculates “unmet housing needs” as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds already provided by FEMA and SBA.

Each of the FEMA inspected owner units are categorized by HUD into one of five categories:

- Minor-Low: Less than \$3,000 of FEMA inspected real property damage.
- Minor-High: \$3,000 to \$7,999 of FEMA inspected real property damage
- Major-Low: \$8,000 to \$14,999 of FEMA inspected real property damage and/or 1 to 3.9 feet of flooding on the first floor;
- Major-High: \$15,000 to \$28,800 of FEMA inspected real property damage and/or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than \$28,800 of FEMA inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

When owner-occupied properties also have a personal property inspection or only have a personal property inspection HUD reviews the personal property damage amounts such that if the personal property damage places the home into a higher need category over the real property assessment, the personal property amount is used as follows:

- Minor-Low: Less than \$2,500 of FEMA inspected personal property damage
- Minor-High: \$2,500 to \$3,499 of FEMA inspected personal property damage
- Major-Low: \$3,500 to \$4,999 of FEMA inspected personal property damage or 1 to 3.9 feet of flooding on the first floor.
- Major-High: \$5,000 to \$9,000 of FEMA inspected personal property damage or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than \$9,000 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

To meet the statutory requirement of “most impacted” in this legislative language, homes are determined

to have a high level of damage if they have damage of “major-low” or higher. That is, they have a FEMA inspected real property damage of \$8,000 or above, personal property damage \$3,500 or above, or flooding 1 foot or above on the first floor.

Furthermore, a homeowner with flooding outside the 1% risk flood hazard area is determined to have unmet needs if they reported damage and no flood insurance to cover that damage. For homeowners inside the 1% risk flood hazard area, homeowners without flood insurance with flood damage below the greater of national median or 120% of Area Median Income are determined to have unmet needs. For non-flood damage, homeowners without hazard insurance with incomes below the greater of national median or 120% of Area Median Income are included as having unmet needs.

FEMA does not inspect rental units for real property damage so personal property damage is used as a proxy for unit damage. Each of the FEMA-inspected renter units are categorized by HUD into one of five categories:

- Minor-Low: Less than \$1,000 of FEMA inspected personal property damage
- Minor-High: \$1,000 to \$1,999 of FEMA inspected personal property damage
- Major-Low: \$2,000 to \$3,499 of FEMA inspected personal property damage or 1 to 3.9 feet of flooding on the first floor.
- Major-High: \$3,500 to \$7,500 of FEMA inspected personal property damage or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than \$7,500 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

To meet the statutory requirement of “most impacted” for rental properties, homes are determined to have a high level of damage if they have damage of “major-low” or higher. That is, they have a FEMA personal property damage assessment of \$2,000 or greater or flooding 1 foot or above on the first floor.

Furthermore, landlords are presumed to have adequate insurance coverage unless the unit is occupied by a renter with income less than the greater of the Federal poverty level or 50% of median income. Units occupied by a tenant with income less than the greater of the poverty level or 50% of median income are used to calculate likely unmet needs for affordable rental housing.

The average cost to fully repair a home for a specific disaster to code within each of the damage categories noted above is calculated using the median real property damage repair costs determined by the SBA for its disaster loan program for the subset of homes inspected by both SBA and FEMA for each eligible disaster.

Minimum multipliers are not less than the 1st quarter median for all Individual Assistance (IA) eligible disasters combined in each disaster year at the time of the allocation calculation, and maximum multipliers are not more than the 4th quarter median for all IA eligible disasters combined in each disaster year with data available as of the allocation. Because SBA is inspecting for full repair costs, their estimate is presumed to reflect the full cost to repair the home, which is generally more than the FEMA estimates on the cost to make the home habitable. If there is a match of fewer than 20 SBA inspections to FEMA inspections for any damage category, the minimum multiplier is used.

For each household determined to have unmet housing needs (as described above), their estimated average unmet housing need is equal to the average cost to fully repair a home to code less assistance from FEMA and SBA provided for repair to the home, based on their damage category (noted above).

**Table 27: Open FEMA - Individual Assistance Data - Open Disaster Statistics, Data as of: 7/6/2020<sup>4647</sup>**

County	Valid Registrations	Occupants Under Two	Occupants Two to Five	Occupants 5 to 18	Occupants 19 to 64	Occupants 65 and Older	Home Damage	Access or Functional Need	Utilities Out	Auto Damage	Emergency Needs	Food Need	Shelter Need
Arkansas	38	0	0	5	39	13	33	5	20	0	15	10	10
Conway	33	5	10	15	39	20	29	10	5	0	11	5	10
Crawford	58	5	15	26	85	25	50	20	20	5	26	25	20
Desha	69	5	5	19	85	22	62	13	9	5	32	26	26
Faulkner	228	11	17	81	303	114	198	30	34	10	84	57	54
Jefferson	402	21	40	87	438	236	376	79	102	25	145	91	105
Lincoln	26	0	0	5	31	6	25	5	5	5	5	5	5
Logan	37	0	5	15	48	5	29	10	5	0	10	10	10
Perry	156	12	21	86	198	77	134	36	30	5	62	42	43
Pope	34	5	5	15	34	15	25	15	15	5	25	25	15
Pulaski	493	27	69	233	613	209	342	116	103	68	251	211	111
Sebastian	343	20	29	135	452	189	288	60	72	20	100	69	53
Yell	58	5	5	18	63	30	35	14	6	5	7	5	5
<b>Totals</b>	<b>1,975</b>	<b>116</b>	<b>221</b>	<b>740</b>	<b>2,428</b>	<b>961</b>	<b>1,626</b>	<b>413</b>	<b>426</b>	<b>153</b>	<b>773</b>	<b>581</b>	<b>467</b>

<sup>46</sup> Data Resource: OpenFEMA, <https://www.fema.gov/media-library/assets/documents/132213> last updated July 6, 2020

<sup>47</sup> Privacy Act Statement All totals from 1-4 have been rounded up to 5.

This dataset contains aggregated, non-PII data generated by FEMA’s Enterprise Coordination & Information Management (ECIM) Reporting team to share data on registrations and Individuals and Households Program (IHP) where registration for disaster is valid. Additional core data elements include: valid call center registrations, IHP eligible, IHP amount, Housing Assistance (HA) referrals, HA eligible, HA amount, Other Needs Assistance (ONA) eligible, and ONA amount. FEMA and the Federal Government cannot vouch for the data or analyses derived from these data after the data have been retrieved from the Agency's website(s) and/or Data.gov.<sup>48</sup>

**Table 28: Data on Registrations and Individuals in Households Program (IHP)**

County	Registration Intake (RI) Information		Individuals and Households Program (IHP) Information								
	Total Valid Registrations	Valid Call Center Registrations	IHP Referrals	IHP Eligible	IHP Amount	HA Referrals	HA Eligible	HA Amount	ONA Referrals	ONA Eligible	ONA Amount
Arkansas	22	11	17	11	\$ 81,284.57	17	11	\$ 81,284.57	2	0	\$ -
Crawford	71	39	52	33	\$ 311,053.57	52	33	\$ 275,920.34	25	12	\$ 35,133.23
Desha	58	21	50	36	\$ 391,896.75	50	35	\$ 366,146.81	22	14	\$ 25,749.94
Faulkner	220	115	189	109	\$ 669,430.75	184	106	\$ 639,951.90	76	21	\$ 29,478.85
Jefferson	386	195	329	262	\$ 3,172,821.96	326	260	\$ 2,950,054.87	148	67	\$ 222,767.09
Lincoln	19	4	9	7	\$ 110,618.17	9	7	\$ 109,646.26	2	1	\$ 971.91
Logan	25	9	18	13	\$ 205,836.53	17	13	\$ 176,489.51	7	6	\$ 29,347.02
Perry	147	65	125	104	\$ 1,093,075.58	125	103	\$ 1,022,576.58	57	24	\$ 70,501.00
Pope	20	10	14	4	\$ 52,456.61	12	4	\$ 52,456.61	6	0	\$ -
Pulaski	465	252	340	138	\$ 789,341.65	313	127	\$ 725,391.54	169	29	\$ 63,950.11
Sebastian	331	112	277	192	\$ 2,044,320.94	263	191	\$ 1,972,939.86	115	40	\$ 71,381.08
Yell	42	27	28	16	\$ 112,910.28	27	16	\$ 105,402.67	11	2	\$ 7,507.61
<b>TOTALS</b>	<b>1806</b>	<b>860</b>	<b>1448</b>	<b>925</b>	<b>\$ 9,035,047.36</b>	<b>1395</b>	<b>906</b>	<b>\$ 8,478,261.52</b>	<b>640</b>	<b>216</b>	<b>\$ 556,787.84</b>

<sup>48</sup>FEMA, July 2020, Registration Intake and Individuals and Households (RI-IHP) Program Data. Retrieved at <https://www.fema.gov/media-library/assets/documents/34752>

## j. FEMA Individual Assistance

As a result of the DR-4441 Disaster, the State of Arkansas received a total of 1,858 applications for FEMA Individual Assistance. Of the total applicants 23% were renter-occupied households, and 77% were owner-occupied households. In addition to the large number of applicants in the Most Impacted and Distressed Areas, Jefferson and Perry Counties, Pulaski, Sebastian, and Faulkner also had significant FEMA IA registrations.

**Table 29: Total FEMA Individual Applicants, Renter and Owner**

County	Owner	Renter	Total Applicants
Arkansas (County)	19	3	22
Chicot (County)	1	1	2
Conway (County)	16	6	22
Crawford (County)	40	16	56
Desha (County)	48	11	59
Faulkner (County)	186	32	218
Franklin (County)	4	1	5
Jefferson (County)	342	46	388
Johnson (County)	3		3
Lincoln (County)	18	2	20
Logan (County)	24	4	28
Perry (County)	121	27	148
Pope (County)	14	7	21
Pulaski (County)	318	168	486
Sebastian (County)	244	92	336
Yell (County)	37	7	44
Grand Total	1,435	423	1,858

Of the 1,858 total FEMA IA registrations, 1,881 registrants had a FEMA Verified Loss Over \$0. FEMA Verified Loss is based on calculations taken from a FEMA inspector. FEMA home repair assistance only covers costs to return an eligible applicant’s home to a safe, sanitary, and secure condition, not a full recovery. Homeowners in Jefferson, Pulaski, Sebastian, and Faulkner Counties had the highest number of FEMA Verified Losses. Renters in Pulaski, Sebastian, and Jefferson Counties had the highest number of FEMA Verified Losses.

**Table 30: Total FEMA IA Applicants with FEMA Verified Loss Over \$0**

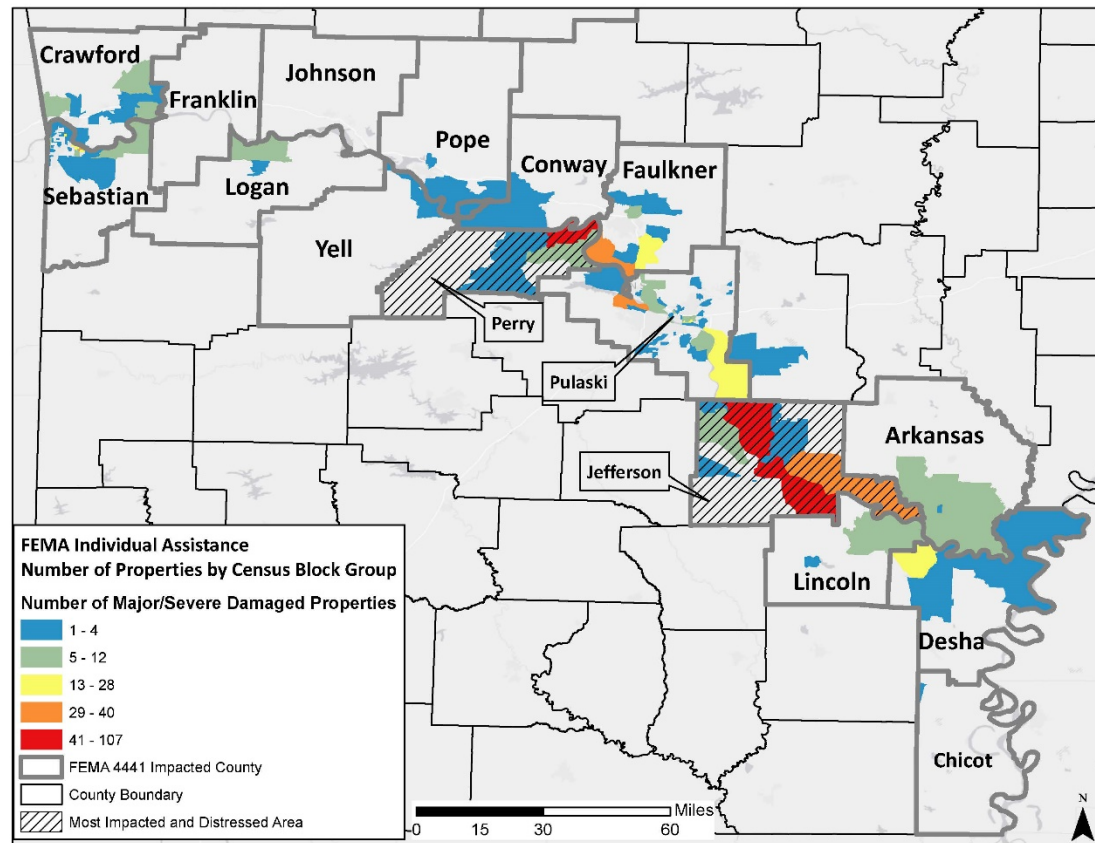
<b>County</b>	<b>Owner</b>	<b>Renter</b>	<b>Did Not Answer</b>	<b>Total</b>
Arkansas (County)	19	3		22
Chicot (County)	1	1		2
Conway (County)	16	6	1	23
Crawford (County)	40	16	1	57
Desha (County)	48	11	1	60
Faulkner (County)	186	32	4	222
Franklin (County)	4	1		5
Jefferson (County)	342	46	7	395
Johnson (County)	3			3
Lincoln (County)	18	2	1	21
Logan (County)	24	4		28
Perry (County)	121	27		148
Pope (County)	14	7		21
Pulaski (County)	318	168	3	489
Sebastian (County)	244	92	3	339
Yell (County)	37	7	2	46
<b>Total</b>	<b>1,435</b>	<b>423</b>	<b>23</b>	<b>1,881</b>



**i. DR-4441 FEMA Individual Assistance Properties**

The following map illustrates the number of major and severely damaged properties across DR-4441 impacted counties by census block group. The highest number of major and severely damaged properties (ranging from 41-107 properties) occurred within the MID areas, Perry and Jefferson county. The lowest numbers are shown in blue, and the highest are shown in red. The HUD identified MID areas, Perry and Jefferson Counties are shown with cross hatches.

**Figure 12: FEMA Individual Assistance for Major/Severe Damaged Properties by Block Group**



### k. Owner-Occupied and Renter-Occupied Housing

The 2019 disasters impacted owners and renters throughout the State of Arkansas. While HUD identified Jefferson and Perry as the MID areas, the impacts were felt statewide. The tables prepared below detail FEMA IA applications submitted by owners and renters, the types of residences inspected, and the demographics of those applications in each county. According to the US Census Bureau, Arkansas has an average poverty rate of 17.2%, and is home to vulnerable populations including aging individuals (17.4%) and persons age 65 or older living alone (11.3%) and people with disabilities (12.5%). However, only one of the 17 declared counties has an income at or below 80% of the AMI.<sup>49</sup>

**Table 31: FEMA Owner-Occupied and Rental Unit Application Data<sup>50</sup>**

County	Total Owner Applications	Total Rental Applications	LMI% (Less than 80% AMI)	Poverty	Disabled (under age 65)	Speak English less than "very well"	Age Dependent (Less than 5, Over 65)	Minority Group	Un-employment
Arkansas	19	3	40.18	17.9	24.444	0.9	26.8%	28.2	3.6
Conway	16	6	39.62	31.4	23.3	1.6	25.7	15.2	3.4
Crawford	40	16	39.16	16.0	20.2	2.9	23.6	9.3	2.8
Desha	48	11	51.05	24.3	20.7	5.1	26	50.6	5.85
Faulkner	186	32	40.61	15.4	10.8	1.7	18.9	16.4	2.9
Jefferson	341	46	41.46	22.2	13.1	1.2	23.9	63.2	5.1
Lincoln	18	2	43.02	27.5	15.9	1.6	19.9	32.4	1.1
Logan	24	4	41.71	18.6	14.6	1.4	26.3	6.8	4.8
Perry	134	34	50.27	14.7	17.6	0.2	26.6	5.5	3.3
Pope	13	7	40.03	16.0	13.0	4.8	22.5	7.9	3.5
Pulaski	317	168	44.38	16.7	11.6	3.6	22.6	42.8	3.2
Sebastian	243	92	43.26	15.6	15.0	6.6	23.1	18.2	2.9
Yell	36	7	37.42	16.3	15.7	8.0	24.2	6.1	3.1

<sup>49</sup> The Citizen Participation Plan (Appendix C of this Action Plan) addresses the outreach requirements as outlined in the federal register for this allocation.

<sup>50</sup> Application and inspection data obtained from FEMA database last updated 03/16/2020. American Community Survey data obtained from 2018: ACS 5-Year Estimates Data Profiles, Retrieved at <https://www.census.gov/acs/www/data/data-tables-and-tools/data-profiles/> and U.S. Census Bureau (July 1, 2019) QuickFacts, retrieved from <https://www.census.gov/quickfacts/fact/table/AR/PST045219>

Renters are eligible to apply for assistance to help pay for monthly rental assistance and replace damaged or destroyed personal property. In total, there were 423 applications submitted by renters with only 104 (25%) approved to receive assistance. The average payment for rental assistance was \$1,659. When compared to Arkansas’s median monthly rental payment (\$729)<sup>51</sup>, 73 of the renters received amounts that account for less than two months of rent. A total of 49 rental applications received Other Needs Assistance, of amounts ranging from \$203 to \$8,175.

Table 31 above shows the density of rental applications in the MID counties (only 19% of applicants approved for rental assistance were located in the MID). The majority of rental applicants were in Pulaski and Sebastian Counties.

## ii. Renters

Vulnerable populations are most vulnerable to disasters, and while all households impacted by disasters face challenges, renters face additional barriers to recovery. The following table shows FEMA IA registrations for renter-occupied households with personal property Damage over \$0 by Counties impacted by the DR-4441 disaster. FEMA does not inspect rental properties for real property damage, so Table 32 below only covers personal property damage.

**Table 32: FEMA IA Renters by Damage with Personal Property Damage Over \$0**

Impacted County	Major-High	Major-Low	Minor-High	Minor-Low	Severe	Grand Total
Arkansas (County)	0	0	0	1		1
Chicot (County)	0	0	0	0	1	1
Conway (County)	0	0	0	1	1	2
Crawford (County)	2	0	0	0	10	12
Desha (County)	1	1	2	3		7
Faulkner (County)	1	1	1	4	6	13
Franklin (County)	0	0	0	0	1	1
Jefferson (County)	7	4	2	2	13	28
Lincoln (County)	0	0	0	1	1	2
Logan (County)	0	1	0	0	3	4
Perry (County)	3	7	1	4	6	21
Pope (County)	0	0	0	1	2	3
Pulaski (County)	5	2	2	6	80	95
Sebastian (County)	4	4	7	11	38	64
Yell (County)	0	0	0	0	4	4
<b>Total</b>	<b>23</b>	<b>20</b>	<b>15</b>	<b>34</b>	<b>166</b>	<b>258</b>

<sup>51</sup> U.S. Census Bureau, Quick Facts, Population Estimates, July 1, 2019. Retrieved at <https://www.census.gov/quickfacts/fact/table/AR/PST045219>

Using HUD’s unmet recovery needs methodology, the table below shows renter-occupied households with Major-Low, Major-High, and Severe damage only. The 209 renters with Major or Severe damage, the highest concentrations of impacted renters were located in Pulaski and Sebastian Counties. Overall, 64% renters who reported damages fell into the Severe Category, and 72% of renters had major or severe damage.

**Table 33: FEMA IA Renters by Damage with Personal Property Damage Over \$0, Major/Severe Damage Only**

<b>Impacted County</b>	<b>Major-High</b>	<b>Major-Low</b>	<b>Severe</b>	<b>Total – Major/Severe Only</b>
Arkansas (County)				0
Chicot (County)			1	1
Conway (County)			1	1
Crawford (County)	2		10	12
Desha (County)	1	1		2
Faulkner (County)	1	1	6	8
Franklin (County)			1	1
Jefferson (County)	7	4	13	24
Lincoln (County)			1	1
Logan (County)		1	3	4
Perry (County)	3	7	6	16
Pope (County)			2	2
Pulaski (County)	5	2	80	87
Sebastian (County)	4	4	38	46
Yell (County)			4	4
<b>Grand Total</b>	<b>23</b>	<b>20</b>	<b>166</b>	<b>209</b>

**iii. Owner Occupied Households**

DR-4441 severely impacted homeowners across the State of Arkansas. The following table shows the number of owner-occupied homes with FEMA personal property damage over \$0 by HUD’s damage categories. Jefferson, Sebastian, and Pulaski Counties have the highest number of FEMA IA registrants, and a majority of the damaged households fall into the Major/Severe categories.

**Table 34: FEMA IA Homeowners by Damage Category with Personal Property Damage Over \$0**

<b>Row Labels</b>	<b>Major-High</b>	<b>Major-Low</b>	<b>Minor-High</b>	<b>Minor-Low</b>	<b>Severe</b>	<b>Grand Total</b>
Arkansas (County)	1			5	7	13
Chicot (County)				1		1
Conway (County)	3			5	4	12
Crawford (County)		2		14	11	27
Desha (County)	2	2		10	22	36
Faulkner (County)	7	7	2	42	38	96
Franklin (County)				4		4
Jefferson (County)	16	3	2	71	188	280
Johnson (County)				3		3
Lincoln (County)				12	3	15
Logan (County)				7	6	13
Perry (County)	3		1	23	59	86
Pope (County)				8	2	10
Pulaski (County)	6	2	2	117	43	170
Sebastian (County)	3	3	3	49	123	181
Yell (County)	1			15	3	19
<b>Grand Total</b>	<b>42</b>	<b>19</b>	<b>10</b>	<b>386</b>	<b>509</b>	<b>966</b>

Using HUD’s damage categories for personal property damage, Table 35 shows that 59% of owner-occupied households impacted by DR-4441 are categorized as Major or Severe. Within the Major/Severe categories, 89% of impacted homeowners fall into the Severe category.

**Table 35: FEMA IA Homeowners by Damage Category with Personal Property Damage Over \$0, Major/Severe Only**

Impacted County	Major-High	Major-Low	Severe	Total Major/Severe Only
Arkansas (County)	1		7	8
Chicot (County)				0
Conway (County)	3		4	7
Crawford (County)		2	11	13
Desha (County)	2	2	22	26
Faulkner (County)	7	7	38	52
Franklin (County)				0
Jefferson (County)	16	3	188	207
Johnson (County)				0
Lincoln (County)			3	3
Logan (County)			6	6
Perry (County)	3		59	62
Pope (County)			2	2
Pulaski (County)	6	2	43	51
Sebastian (County)	3	3	123	129
Yell (County)	1		3	4
Grand Total	42	19	509	570

## I. Housing Characteristics

While moving homes from floodplains and replacing (versus repairing) mobile homes may provide residents with more suitable living situations, cost-effectiveness must be taken into account when making determinations about the programs that will be more beneficial to Arkansans. The below tables outline the housing types reported on FEMA applications and then show the distribution of these housing types. These figures show the high density of mobile homes within the MID.

**Table 36: Housing Types Reported on FEMA Applications**

County	Owner	Renter	Apartment	Assisted Living	Boat	Condo	House/Duplex	Mobile Home	Other	Townhouse	Travel Trailer
Arkansas	19	3	1	0	0	0	8	11	2	0	0
Conway	16	6	0	0	0	0	11	6	4	0	2
Crawford	40	16	1	1	0	0	27	19	7	0	2
Desha	48	11	6	0	0	0	15	35	2	0	2
Faulkner	186	32	3	0	0	0	129	75	11	0	4
Jefferson	341	46	9	0	4	0	223	139	13	0	6
Lincoln	18	2	1	0	0	0	7	11	1	0	1
Logan	24	4	0	0	0	0	16	7	4	0	1
Perry	134	34	2	0	0	0	70	76	13	1	6
Pope	13	7	1	0	0	0	11	3	4	0	1
Pulaski	317	168	32	0	5	0	382	17	41	4	7
Sebastian	243	92	46	0	0	2	237	13	35	4	1
Yell	36	7	1	1	0	0	28	6	8	0	1
<b>Totals</b>	<b>130</b>	<b>428</b>	<b>103</b>	<b>2</b>	<b>9</b>	<b>2</b>	<b>1164</b>	<b>418</b>	<b>145</b>	<b>9</b>	<b>34</b>

\*discrepancies between total owners and renters and dwelling type include "unknown" whether owner or renter. No unknown had an RP FVL (real property FEMA verified loss)



**Table 37: FEMA Applicants– Owner and Renter Housing Types Impacted and Insurance Status**

Residence Type	Total Residences	Owners	Renters	Flood Insurance	No Flood Insurance	Homeowners Insurance	No Homeowners Insurance
Apartment	102	1	101	0	102	1	101
Assisted Living	2	0	2	0	2	0	2
Boat	9	9	0	1	8	1	8
Condo	2	2	0	0	2	2	0
House/Duplex	1162	947	206	277	885	719	443
Mobile Home	420	357	56	50	370	162	258
Other	142	90	49	0	142	0	142
Townhouse	9	5	4	0	9	5	4
Travel Trailer	33	26	7	0	33	3	30
<b>TOTAL</b>	<b>1881</b>	<b>1437</b>	<b>425</b>	<b>328</b>	<b>1553</b>	<b>893</b>	<b>988</b>

**m. Low- and Moderate-Income Renters and Owners**

HUD defines Low and Moderate Income (LMI) households as earning under 80% Area Median Income. Seventy percent of CDBG-DR funds must be spent to benefit LMI households. However, to understand the variation of household income, the following table provides FEMA IA information on renters and owners for LMI (Under 80% AMI), Very Low-Income (Between 50% and 80% AMI), and Extremely Low-Income (Under 30% AMI).

The table below shows FEMA IA impacted homeowners by income level. While 47% of impacted owner-occupied households are over the LMI income threshold (Over 80% AMI), the disaster heavily impacted Extremely Low-Income (ELI, Under 30% AMI) households and Very Low-Income households (ELI, between 30% and 50% AMI).

**Table 38: Owner Occupied Households, with Over \$0 in FEMA Verified Loss, by Income Category**

Damage Category	Total Owners	Over 80% AMI	50% AMI – 80% AMI	30% AMI – 50% AMI	Under 30% AMI
Major-High	72	26	15	13	18
Major-Low	44	14	14	7	9
Minor-High	26	13	3	3	7
Minor-Low	593	283	95	76	139
Severe	559	276	106	60	117
Total	1,294	612	233	159	290

Renters also experienced significant impacts from DR-4441, with disproportionate impacts to ELI renters (Under 30% AMI). A majority of renters also fall into the Severe damage category.

**Table 39: Renter Occupied Households with Over \$0 in FEMA Verified Loss by Income Category**

Damage Category	Total Renters	Over 80% AMI	50% AMI - 80% AMI	30% AMI - 50% AMI	Under 30% AMI
Major-High	23	5	2	6	10
Major-Low	20	8	4	2	6
Minor-High	15	6	1	3	5
Minor-Low	34	8	10	7	9
Severe	166	38	23	32	73
Total	258	65	40	50	103

In addition to the differences between renters and owners impacted by DR-4441, FEMA IA also captures broad categories of residence types. The following table provides an overview of the type of impacted residence types by owner, renter, and households who qualify as LMI. Not all FEMA IA registrations provided an answer to this question.

Houses and duplexes make up the majority of impacted households, 63% of FEMA IA registrations. Mobile homes were also heavily impacted, making up 22% of impacted households.

**Table 40: Residence Type for Households with Unmet Needs by Income Level**

Residence Type	FEMA IA Registrants with Unmet Needs	All Households -Under 80% AMI	Owner Occupied - Under 80% AMI	Renter - Under 80% AMI
Apartment	43	30	0	30
Assisted Living Facility	2	2	0	2
Boat	3	2	2	0
Condo	2	0	0	0
House/Duplex	812	413	335	78
Mobile Home	281	178	158	20
Townhouse	7	61	2	3
Travel Trailer	15	5	11	1
Other	134	12	33	28
<b>Total</b>	<b>1,299</b>	<b>703</b>	<b>541</b>	<b>162</b>

**Table 41: FEMA Applicants– Total Owner and Renter Income Breakdown by Housing Type**

Residence Type	Income less than \$33,050 (LMI)	Income between \$33,050-\$49,999	Income between \$50-99k	Income at or over \$100k	Unknown Income
Apartment	75	14	9	0	4
Assisted Living	2	0	0	0	0
Boat	7	2	0	0	0
Condo	0	0	1	1	0
House/Duplex	477	178	239	158	110
Mobile Home	45	34	44	19	19
Other	21	3	8	5	12
Townhouse	4	2	2	0	1
Travel Trailer	21	3	2	0	6
<b>TOTAL</b>	<b>652</b>	<b>236</b>	<b>305</b>	<b>183</b>	<b>152</b>

**Table 42: FEMA Applicant – Total Owner and Renter Income Breakdown by County**

<b>County</b>	<b>Income at or less than \$33,050 (LMI)</b>	<b>Income between \$33,051-\$49,999</b>	<b>Income between \$50-99k</b>	<b>Income at or over \$100k</b>	<b>Unknown Income</b>
Arkansas	6	5	4	3	4
Conway	14	2	2	3	2
Crawford	27	7	15	7	1
Desha	31	9	8	5	7
Faulkner	91	42	50	21	18
Jefferson	166	63	96	34	35
Lincoln	3	2	4	3	9
Logan	10	8	5	2	3
Perry	85	30	27	8	18
Pope	11	4	3	0	2
Pulaski	264	60	61	42	61
Sebastian	103	46	79	71	39
Yell	25	7	9	4	0

## n. Owner-Occupied Unmet Needs

The state used a similar methodology of amalgamating multiple sources to capture unmet needs data across all sectors of recovery. Resources for the housing sector included FEMA and SBA data.

### iv. FEMA Data – Housing

When using the FEMA data related to both owner-occupied and rental housing, the state chose to deploy a similar method used by HUD in its calculation of unmet need for the two identified most impacted counties. The data collected in the FEMA registrations was sorted by those owners with *uninsured* real property verified loss, and then by income level to determine the low- and moderate-income persons. Following HUD’s process, units were separated into categories of Major Low Need Value, Major High Need Value, and Severe Need Value. Each of those categories is based upon a value range of reported real property verified loss (for homeowners). Each category is also assigned a multiplier to account for the estimated cost it would take to rehabilitate or reconstruct the home.

Housing Multipliers 2019 Disasters – Estimated average cost to repair for uninsured properties after subtracting out average per unit amount estimated to be covered by SBA and FEMA assistance

**Table 43: Serious Unmet Housing Need Multipliers**

	Major-Low	Major-High	Severe
Arkansas	\$26,431	\$37,804	\$63,084

**Table 44: Owner-Occupied Serious Unmet Housing Need Multiplier by Category**

Owner-Occupied No Flood Insurance	# of Uninsured Units Damaged	# of Units Major-Low (\$8,000 to \$14,999 RP FVL)	Major-Low (\$26,431 multiplier)	# of Units Major-High (\$15,000 to \$28,800 RP FVL)	Major-High (\$37,804 multiplier)	# of Units Severe (greater than \$28,800 RP FVL)	Severe (\$63,084 multiplier)	Total Estimated Average Cost to Repair with Multipliers (Estimated Unmet Need)
Units with applicable level RPVL with unreported income	19	7	185,017.00	8	\$302,432.00	4	\$252,336.00	\$739,785.00
Units with applicable level RPVL occupied by extremely low income (<30% MFI)	28	11	\$290,741.00	13	\$491,452.00	4	\$252,336.00	\$1,034,529.00
Units with applicable level RPVL occupied by very low income (<50% MFI)	26	8	\$211,448.00	12	\$453,648.00	6	\$378,504.00	\$1,043,600.00
Units with applicable level RPVL occupied by low income (<80%	41	13	\$343,603.00	21	\$793,884.00	7	\$441,588.00	\$1,579,075.00

MFI)								
Units with applicable level RPVL occupied by moderate income (>80% MFI)	46	14	\$370,034.00	24	\$907,296.00	8	\$504,672.00	\$1,782,002.00
Total Units with applicable RPVL	160	53	\$1,400,843.00	78	\$2,948,712.00	29	\$1,829,436.00	\$6,178,991.00

The estimated average cost to repair owner-occupied uninsured properties after subtracting out average per unit amount estimated to be covered by SBA and FEMA assistance is \$6,178,991.

Note: This data provides an estimated unmet need for uninsured owner-occupied households in the 13 counties for which there is an Individual Assistance disaster declaration. It does not incorporate potential need for homeowners or renters in the other four counties that only qualified for public assistance, or for any of the other 58 that may have suffered losses and were not included because the County did not receive a declaration.

**Table 45: FEMA Applicant – Total Owner and Renter Real Property FEMA Verified Loss vs. Housing Assistance Awarded by Housing Type**

Residence Type	Total FVL	Total HA Awarded	Unmet Needs before possible SBA
Apartment	\$0	\$46,729	\$0
Assisted Living	\$0	\$0	\$0
Boat	\$1,297	\$8,534	\$0
Condo	\$14,340	\$15,740	\$0
House/Duplex	\$9,063,162	\$4,873,071	\$4,190,090
Mobile Home	\$4,569,333	\$3,348,142	\$1,221,191
Other	\$14,493	\$17,245	\$0
Townhouse	\$8,926	\$9,964	\$0
Travel Trailer	\$113,347	\$96,156	\$17,190
<b>TOTAL</b>	<b>\$13,784,898</b>	<b>\$8,415,581</b>	<b>\$5,369,317</b>

**Table 46: FEMA Applicant – By County, Total Owner and Renter Real Property FEMA Verified Loss, Severe Need vs. Housing Assistance Awarded by Housing Type**

County	FVL > 8K	Total FVL Severe Need	Total HA Awarded Severe Need	Unmet Needs before possible SBA
Arkansas	8	\$105,680	\$63,763	\$41,917
Conway	4	\$67,499	\$72,581	\$0
Crawford	11	\$403,827	\$128,179	\$275,648
Desha	25	\$446,526	\$334,111	\$112,415
Faulkner	51	\$993,047	\$448,111	\$544,936
Jefferson	202	\$4,709,655	\$2,742,946	\$1,966,709
Lincoln	5	\$124,790	\$108,286	\$16,504
Logan	6	\$150,962	\$159,724	\$0
Perry	76	\$1,828,019	\$975,319	\$852,700
Pope	2	\$46,531	\$50,334	\$0
Pulaski	55	\$1,255,132	\$557,939	\$697,193
Sebastian	131	\$2,961,939	\$1,805,306	\$1,156,633
Yell	4	\$78,452	\$68,941	\$9,511
<b>TOTAL</b>	<b>580</b>	<b>\$13,172,059</b>	<b>\$7,515,540</b>	<b>\$ 5,656,519</b>

**Table 47: Homeowner Unmet Need by Income**

	Owner Income	# of Apps	RP FVL	HA Awarded	Unmet Need before SBA
Unreported Income		154	\$1,631,353	\$1,137,054	\$494,299
<30% MFI	\$0 - \$12,400	160	\$1,001,976	\$609,846.73	\$392,129.27
<50% MFI	\$12,401 - \$20,650	169	\$1,254,232	\$1,029,304.99	\$224,927.01
<80% MFI	\$20,651 - \$33,050	209	\$2,041,807	\$1,338,186.15	\$703,620.85
<b>Total LMI renters</b>		538			
Moderate-Income (Non-LMI) level RPVL occupied by moderate income (>80% MFI)	\$33,051 and above	743	\$8,022,904	\$4,156,275	\$3,866,629
<b>TOTAL</b>		<b>1435</b>	<b>\$13,952,272</b>	<b>\$8,270,667</b>	<b>\$5,681,605</b>

Arkansas residents received a total of \$8,999,713.46 in Individual Assistance from FEMA, a combination of \$8,443,221 for Housing Assistance (HA), and \$556,491 in Other Needs Assistance (ONA).

Low income renters and homeowners are disproportionately impacted by disasters and face barriers in recovering from disasters. The following table shows the number of Very Low Income renters with a FEMA verified loss, and homeowners without homeowner and flood insurance. Homeowners without insurance face significant challenges with rebuilding.



**Table 48: Low Income Renter and Owner Characteristics**

<b>Owners and Renters with a FEMA Verified Loss</b>	<b>Very Low Income (Under 50% AMI) Renters with FEMA Verified Loss</b>	<b>Low Income (Under 80% AMI) Homeowners without Homeowner Insurance</b>	<b>Low Income Homeowners (Under 80% AMI) without Flood Insurance</b>
Major-High	16	26	11
Major-Low	8	14	5
Severe	105	132	80
<b>Total</b>	<b>129</b>	<b>172</b>	<b>96</b>

Elderly populations face additional barriers when recovering from a disasters. A total of 633 FEMA IA applicants reported their age as over 65 years old. 91% of persons over the age of 65 are homeowners, while 7% are renters. Jefferson County has the highest concentration of persons over the age of 65 who applied for FEMA IA assistance.

**Table 49: FEMA Individual Assistance Applicants Over Age 65**

<b>Row Labels</b>	<b>Owner</b>	<b>Renter</b>	<b>Did Not Report</b>	<b>Grand Total</b>
Arkansas (County)	7			7
Chicot (County)	1			1
Conway (County)	8	1		9
Crawford (County)	7	1		8
Desha (County)	17	1		18
Faulkner (County)	72	5	2	79
Franklin (County)	1			1
Jefferson (County)	156	5	6	167
Lincoln (County)	4			4
Logan (County)	4	1		5
Perry (County)	44	1		45
Pope (County)	4	1		5
Pulaski (County)	132	20		152
Sebastian (County)	109	7	1	117
Yell (County)	13	2		15
<b>Grand Total</b>	<b>579</b>	<b>45</b>	<b>9</b>	<b>633</b>

FEMA IA collects information on applicants with Access and Functional Needs (AFN). Applicants self report access and/or functional needs through their FEMA IA applications. Pulaski and Jefferson Counties both have the highest number of FEMA IA applicants, and a majority of persons with AFN are homeowners in the impacted areas.

**Table 50: FEMA Individual Assistance with Access and Functional Needs**

County	Owner	Renter	Did Not Report	Total
Arkansas (County)	1			1
Chicot (County)	1			1
Conway (County)	4	1	1	6
Crawford (County)	5	2	1	8
Desha (County)	7	3		10
Faulkner (County)	21	6	1	28
Franklin (County)	2			2
Jefferson (County)	55	6	1	62
Lincoln (County)	2	1		3
Logan (County)	2			2
Perry (County)	32	1		33
Pope (County)	1	3		4
Pulaski (County)	62	22		84
Sebastian (County)	37	12		49
Yell (County)	10	1		11
<b>Total</b>	<b>242</b>	<b>58</b>	<b>4</b>	<b>304</b>

**v. Hazard Mitigation and Flood Risk**

Due to the nature of the DR-4441 disaster, the State of Arkansas analyzed the FEMA IA applicants to understand the flood zone of each applicant. The flood zone designation has implications for prioritizing impacted properties in high-risk areas. The State proposes to serve these households through its Housing programs. The following provides definitions for FEMA’s Flood Zones

Flood Zone Descriptions<sup>52</sup>:

- b. Category A** - Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones
- c. Category AE** - The base floodplain where base flood elevations are provided. AE Zones are now used on new format FIRMs instead of A1-A30 Zones.
- d. Category AH** - Areas with a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones
- e. Category X** – An area of moderate or minimal flood hazard that is determined to be outside the Special Flood Hazard Area between the limits of the base flood and the .2 percent annual chance (or 500-year) flood)

The majority of FEMA IA applicants fall into either the AE or X flood zones. 47% of impacted households are located in an AE zone, and 41% are located in X zones. The State will work with local governments and residents impacted by DR-4441 to address properties at high risk for flooding and repetitive loss.

<sup>52</sup> <https://www.fema.gov/glossary/flood-zones>

**Table 51: FEMA IA Flood Zones – For Properties with Over \$0 in FEMA Verified Loss**

County	Flood Zone				Grand Total
	A	AE	AH	X	
Arkansas (County)	17			2	19
Chicot (County)	1			1	2
Conway (County)	11	1		4	16
Crawford (County)	12	4		32	48
Desha (County)	45			6	51
Faulkner (County)	6	126		46	178
Franklin (County)				5	5
Jefferson (County)	3	268		78	349
Johnson (County)				3	3
Lincoln (County)	6			13	19
Logan (County)	3			25	28
Perry (County)					
Pope (County)	3	2		10	15
Pulaski (County)		140	57	159	356
Sebastian (County)	6	117		170	293
Yell (County)	5	2		27	34
<b>Grand Total</b>	<b>118</b>	<b>660</b>	<b>57</b>	<b>581</b>	<b>1,416</b>

**vi. Housing Unmet Need Calculation**

The section above provides an overview of the housing data available as of December 2020. For its unmet housing needs calculation HUD only considers Major-Low, Major-High, and Severe damage categories for both owner and renter households. The following provides the damage multipliers for DR-4441 for the State of Arkansas.

**Table 52: Housing Unmet Need by Category**

Category	Amount
Major-Low	\$26,431
Major-High	\$37,804
Severe	\$63,084

To qualify as most impacted and distressed, FEMA IA data must meet the following requirements:

- Owner-Occupied Properties – If a property has real property damage of \$8,000 or above, personal property damage of \$3,500 or above, or flooding 1 foot or above the first floor.
- Renter-Occupied Properties – Personal property damage is used as a proxy for unit damage. To qualify as most impacted and distressed, the level of damage must exceed \$2,000 of personal property damage and/or 6 or more feet of flooding on the first floor.

The following table uses the HUD damage multipliers to show the impacts of DR-4441 on owner-occupied and renter-occupied households. The owner-occupied properties use the personal property damage of \$3,500 or above, and the renter-occupied properties use personal property damage over

\$2,000. In total, there is over \$51 million in damage to owner and renter occupied housing. This number only captures FEMA IA registrants and does not include a full scope of the disaster.

**Table 53: DR-4441 Impacts by Damage Multipliers**

HUD Damage Category	Count – Owner-Occupied	Calculation – HUD Multiplier	Count – Renter-Occupied	Calculation – HUD Multiplier	Total Damage
Major-High	72	\$2,721,888.00	23	\$869,492.00	\$3,591,380.00
Major-Low	44	\$1,162,964.00	40	\$1,057,240.00	\$2,220,204.00
Severe	559	\$35,263,956.00	166	\$10,471,944.00	\$45,735,900.00
Total	675	\$39,148,808.00	229	\$12,398,676.00	\$51,547,484.00

FEMA IA provides one method of calculating unmet housing recovery needs for both renter and owner-occupied households impacted by DR-4441. Table 54 provides an overview of the renter and owner-occupied FEMA IA registrants that meet HUD’s definition of most impacted and distressed, meeting the Major-Low, Major-High, or Severe damage categories. The Unmet Needs Category is taken from FEMA IA data for each household, showing the total unmet recovery needs for households that fall into these damage categories. However, this estimate undercounts the damage caused to rental properties.

**Table 54: Renter and Owner-Occupied FEMA IA Most Impacted and Distressed Registrants**

Damage Category	Count – Owner-Occupied	Sum of Unmet Needs – Owner-Occupied	Count - Renter	Unmet Needs – Renter-Occupied	Total	Total Unmet Need
Major-High	72	\$251,321.42	23	\$49,644.53	95	\$300,965.95
Major-Low	44	\$99,577.92	40	\$34,244.95	84	\$133,822.87
Severe	559	\$7,737,352.51	166	\$17,171.24	725	\$7,754,523.75
Total	675	\$8,088,251.85	229	\$101,060.72	904	\$8,189,312.57

vii. SBA Data – Housing

**Table 55: SBA Disaster Statistics (Issued/Received/Loans Approved) for AR #15982 as of 03/13/2020**

County	Home Loan Applications Received	Home Loan Applications Approved	Dollars Approved
Arkansas County	6	3	\$230,600
Conway County	4	1	\$121,800
Crawford County	13	3	\$143,600
Desha County	14	8	\$534,900
Faulkner County	58	27	\$1,737,400
Jefferson County	123	62	\$4,924,300
Lincoln County	5	0	-
Logan County	6	1	\$40,000
Perry County	37	19	\$1,196,200
Pope County	4	0	-
Pulaski County	82	34	\$2,699,500
Sebastian County	83	42	\$3,730,200
Yell County	6	3	\$203,800
<b>Totals</b>	<b>441</b>	<b>203</b>	<b>\$15,562,300</b>

**Table 56: FEMA Serious Unmet Needs – SBA Approved Loans**

County	Total FVL Severe Need	Total HA Awarded Severe Need	SBA Approved Loans	Remaining Unmet Need
Arkansas	\$105,680	\$63,763	\$230,600	\$0
Conway	\$67,499	\$72,581	\$121,800	\$0
Crawford	\$403,827	\$128,179	\$143,600	\$
Desha	\$446,526	\$334,111	\$534,900	\$0
Faulkner	\$993,047	\$448,111	\$1,737,400	\$0
Jefferson	\$4,709,655	\$2,742,946	\$4,924,300	\$0
Lincoln	\$124,790	\$108,286	-	
Logan	\$150,962	\$159,724	\$40,000	\$0
Perry	\$1,828,019	\$975,319	\$1,196,200	\$0
Pope	\$46,531	\$50,334	-	\$0
Pulaski	\$1,255,132	\$557,939	\$2,699,500	
Sebastian	\$2,961,939	\$1,805,306	\$3,730,200	\$0
Yell	\$78,452	\$68,941	\$203,800	\$0
<b>TOTAL</b>	<b>\$13,172,059</b>	<b>\$7,515,540</b>	<b>\$15,562,300</b>	

viii. Survey Data – Counties Not Declared for Individual Assistance

Arkansas did not achieve declarations for Individual Assistance alone in any county but achieved

declarations for Public Assistance (PA) alone in four counties, and both Individual and Public Assistance in 13 counties, for a total of 17 declared counties. No assumption is being made of possible household damage in counties not declared for Individual Assistance and therefore not counted in the data kept by FEMA and SBA. Further indication is evidenced in the Open FEMA Individual Assistance Data report which indicates 1,975 valid registrants, all from declared counties. There were ultimately three applications for FEMA assistance in Johnson County, but it was not approved for Individual Assistance, and those applicants are not reported to have received any housing or other assistance from FEMA.

## **4. Affordable and Public Housing Data**

Lack of affordable housing throughout the State of Arkansas presented challenges prior to the 2019 disaster. Various housing authorities have conducted studies and outreach to communities with vulnerable populations to determine the need to address the lack of affordable housing. To assess recovery needs related to affordable and public housing, AEDC conducted public outreach and ongoing consultation with stakeholders. In March 2020, AEDC met with impacted jurisdictions, state agencies, and other stakeholders to assess unmet housing need. Between March 2020 and December 2020, AEDC consulted directly with the state’s Continuums of Care (CoCs), public housing authorities (PHAs), and tribal entities regarding impact and unmet recovery need related to affordable and public housing. A summary of consultation and outreach is summarized in Appendices H, I, and J. Following the public comment period for the draft Action Plan in August 2020, AEDC also held a public workshop aimed at collecting additional input from impacted citizens and community leaders.

To support the unmet needs assessment, AEDC reached out to 35 PHAs and within the impacted areas to understand the unmet needs of PHAs resulting from the 2019 disasters. The PHAs AEDC contacted are noted in Appendix I. As a result of the assessment and feedback received from PHA and CoC stakeholders, AEDC is currently unaware of any damage to public housing units, transitional housing, or emergency shelters. However, stakeholders did report damage to a public housing authority office building following the 2019 disasters, as well as impact to units occupied by households with Housing Choice Vouchers and other federal rental assistance.

The need to identify additional housing units impacted by the 2019 disasters, particularly those affordable to low-income households or those occupied by Housing Choice Voucher holders, is an ongoing effort. AEDC will continue to consult with PHAs, CoCs, and local jurisdictions regarding unmet housing need. To date, no specific information has been received indicating that rental housing units receiving subsidy through the Housing Choice Voucher program were damaged by the disaster. The state will continue to coordinate with impacted local governments and public housing authorities to evaluate the need for CDBG-DR funding to support affordable housing recovery and development. AEDC will work directly with impacted PHAs to identify necessary and reasonable costs and to ensure that adequate funding from all available sources, including CDBG-DR, are dedicated to addressing the unmet needs of damaged public housing and housing occupied by low-income renters.

## **5. Housing Impact to Vulnerable Populations**

Returning to pre-flood circumstances is not an acceptable alternative for many vulnerable community members, including those experiencing homelessness, seniors, persons with disabilities, and those with Limited English Proficiency (LEP). As a community rebuilds its housing, infrastructure and economic base, there is also a necessary effort to improve the opportunities for citizens, particularly those who

are members of vulnerable populations, protected classes, and those who reside in racially and ethnically concentrated areas or in areas where poverty is concentrated. CDBG-DR grantees must assess how planning decisions may affect these populations. The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 (Stafford Act), as amended, contains Section 308, Nondiscrimination in Disaster Assistance which is designed to protect individuals from discrimination based on their race, color, nationality, sex, age or economic status. All recipients of CDBG-DR funding must comply with Title VI of the Civil Rights Act of 1964. The U. S. Department of Justice offers the following guidance to communities undertaking disaster recovery:

- Reaffirm commitment to non-discrimination protections,
- Engage and include diverse racial, ethnic and Limited English Proficient (LEP) populations,
- Provide meaningful access to LEP individuals,
- Include immigrant communities in recovery efforts, and
- Collect and analyze data.

In addition to the Language Assistance Plan (see Appendix D) and other activities and supportive services to ensure the inclusion of all affected persons, AEDC must also evaluate the physical infrastructure that supports vulnerable populations such as housing for disabled persons, permanent supportive housing, public housing, emergency shelters for those experiencing homelessness, and transitional housing.

As previously noted, AEDC conducted outreach to 35 PHAs and each of the state's CoCs to assess the impact of the 2019 disaster and solicit information regarding unmet recovery needs of those experiencing homelessness and other vulnerable populations (see Appendix J). To date, AEDC has not received information from the state's PHAs or CoCs identifying an unmet need for recovery efforts related to physical or structural damage to public housing, emergency shelter facilities, or transitional and supportive housing facilities resulting from the DR-4441 disaster. Though flooding reportedly affected persons experiencing homelessness, particularly along the riverfront in Little Rock, no additional feedback regarding unmet housing need has been received. Through outreach and engagement efforts conducted by AEDC between March 2020 and December 2020 (see Appendix H, I, and J), AEDC has received no information from local government, CoCs, or other entities identifying a need for financial assistance to address an increase in homelessness or physical damage to housing facilities for any of the events covered by the Federal Register Notice.

As the State continues to work on recovery efforts and planning activities to mitigate damage due to future disasters, it will continue to coordinate with PHAs, CoCs, owners/operators of HUD-assisted housing, homeless services and shelter providers, as well as the owners and managers of transitional and permanent housing for the homeless in order to address any newly identified unmet recovery needs that may arise. Should information relative to unmet housing need for vulnerable populations and members of protected classes associated with the 2019 disasters become apparent, the State is committed to allocating necessary resources consistent with all federal requirements and obligations.

## **o. Homeless Needs Assessment**

In January of every year, a Point-in-Time (PIT) count is conducted to count the number of sheltered and unsheltered people experiencing homelessness nationwide. The count is conducted by CoCs which are regional planning bodies that coordinate housing and services for homeless families and individuals. As of January 2019, Arkansas had an estimated 2,717 people experiencing homelessness on any given day,



as reported by the state’s CoCs the annual PIT Count. The total PIT Count is a 3.9 percent decrease from the count identified in 2018, the year prior to the disasters covered by this Action Plan. Of that 2019 total PIT Count, 132 were family households, 238 were Veterans, 336 were unaccompanied young adults (aged 18-24), and 691 were individuals experiencing chronic homelessness.

**Table 57: 2019 PIT Count, State of Arkansas<sup>53</sup>**

CoC Number	CoC Name	Impacted County	2019 Homeless PIT Count (Total CoC Geography)
AR-500	Little Rock/Central Arkansas CoC	Pulaski	1,066
AR-501	Fayetteville/Northwest Arkansas CoC	N/A	518
AR-503	Arkansas Balance of State CoC	Conway, Faulkner, Johnson, Perry, Pope, Yell	811
AR-504	Delta Hills CoC	Searcy	N/A
AR-505	Southeast Arkansas CoC	Arkansas, Chicot, Desha, Jefferson, Lincoln	75
AR-508	Fort Smith CoC	Crawford, Franklin, Logan, Sebastian	247
Total:			2,717

The following table provides an estimate of homeless individuals and families within several categories. As the 2020 PIT Count data is not yet publicly available via HUD Exchange, these numbers are taken from the January 24, 2019 PIT Counts for each of the six continuums located in Arkansas. This data was gathered regarding persons experiencing homelessness prior to the disaster. As a result of the consultation with CoCs and other stakeholders indicated previously, AEDC has not received a separate count of homeless individuals or families residing in rural areas. Three of the State’s six CoCs are considered largely rural, and two of the three submitted PIT Count data to HUD for 2019. While it is acknowledged that there are persons experiencing homelessness in rural areas of Arkansas, the data included below may not reflect the totality of homelessness in rural areas.

**Table 58: State of Arkansas CoC Point-in-Time Count Estimates<sup>54</sup>**

Population	Sheltered	Unsheltered
Persons in Households with Adult(s) and Child(ren)	100	32
Persons in Households with Only Children	34	1
Persons in Households with Only Adults	907	1,241
Chronically Homeless Individuals	238	0
Chronically Homeless Families	6	0
Veterans	153	85
Unaccompanied Child	34	1

<sup>53</sup> HUD 2019 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations reports, available at: [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_State\\_AR\\_2019.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_State_AR_2019.pdf)

<sup>54</sup> HUD 2019 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations, available at: [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_State\\_AR\\_2019.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_State_AR_2019.pdf)

<b>Population</b>	<b>Sheltered</b>	<b>Unsheltered</b>
Persons with HIV	5	10

Public school data reported to the U.S. Department of Education during the 2017-2018 school year also shows that an estimated 14,052 public school students experienced homelessness over the course of the year. Of that total, 244 students were unsheltered, 737 were in shelters, 567 were in hotels/motels, and 12,504 were doubled up.

The majority of homeless persons in Arkansas are White, non-Hispanic, reflecting the demographic prevalence of the White population in Arkansas. In 2018, Whites comprised 79 percent of the total population of Arkansas and, as the data below show, represented over 50 percent of the homeless population. African American and Hispanic populations also show percentages reflective of their concentrations in the overall population of Arkansas, though at about twice the percentage. In 2018, African Americans were 16 percent of the total population and Hispanics were 7 percent. The PIT Count data showed African Americans represented 33 percent of the homeless population.

**Table 59: PIT Count Data by Race/Ethnicity<sup>55</sup>**

<b>Race</b>	<b>Sheltered</b>	<b>Unsheltered</b>
White	789	862
Black or African American	431	471
Asian	3	1
American Indian or Alaska Native	26	10
Pacific Islander	8	16
<b>Ethnicity</b>	<b>Sheltered</b>	<b>Unsheltered</b>
Hispanic	29	31
Not Hispanic	1,273	1,384

The PIT Count data show that about 52 percent of homeless persons in Arkansas were unsheltered, indicating a need for both interim and permanent, affordable housing. These individuals are primarily single, chronic homeless persons, frequently with substance use and/or mental problems. According to 2019 CoC System Performance Measure data, there are approximately 3,713 persons experiencing homelessness each year as reflected by HMIS counts for five of the State’s six CoCs. Approximately 3,392 of these people were experiencing homelessness for the first time. During this same period, however, 892 persons exited homelessness to permanent housing destinations.

While data collected in the 2019 PIT Count does not provide sufficiently detailed information to draw specific conclusions about the nature and extent of homelessness for the various subpopulations pre- and post-disaster, the data do show significant numbers of households and individuals in need of shelter and supportive services in Arkansas prior to the 2019 disaster. Rates of first-time homelessness, as well as 2019 PIT Count data, indicate that there was need for affordable housing prior to the 2019 disaster. The needs of those experiencing homelessness pre-disaster will be taken into consideration as AEDC evaluates applicant projects for its CDBG-DR funded Multifamily Rental Recovery Program aimed at

<sup>55</sup> HUD 2019 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations, available at: [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_State\\_AR\\_2019.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_State_AR_2019.pdf)

leveraging CDBG-DR funding with Low Income Housing Tax Credits to support the development of affordable housing units in the impacted counties. Table 60: CoC System Performance Measure Data<sup>56</sup>

Total HMIS Count	Total Persons First Time Homeless for ES, SH, TH, PH	ES-SH-TH Median Days Homeless	Total Persons Exiting ES, TH, SH, RRH to Permanent Housing	Total Persons Returning to Homelessness within 24 months
3,713	3,392	31	892	196

## 6. Economic Impacts & Business Unmet Needs

Arkansas’s economy is equally as diverse as its geography. Over the past fifty years, Arkansas's economy has become even more diversified, moving from being predominantly agricultural to include manufacturing, advanced manufacturing, information technology and service businesses. On any given day in Arkansas, we’re curating the world's largest private database and operating one of the nation's largest truckload carriers, while commanding the world's dominant retail empire. Home to six Fortune 500 companies and more than 141 international corporations, Arkansas is an industry melting pot from which one success builds on another.

### p. Agriculture

In December 2019, the University of Arkansas Agriculture Cooperative Extension Service reported a \$347M decline in total value (output) of agriculture products due to the 2019 Flood Event:

The Arkansas Department of Agriculture reported it would affect the state economy totaling \$142M with \$75M in labor costs (loss of estimated 1,150 jobs). The Flood Event would prevent Arkansas Farmers from planting:

- 327,732 acres of corn
- 38,348 acres of cotton
- 511,729 acres of rice
- 187,800 acres of wheat

### q. Economic Resilience

Arkansas’s diverse industrial base provides an ample supply of experienced manufacturing workers. The manufacturing sector accounts for 13% of the state’s jobs. Throughout the years, the sector has shifted from agriculture-based to light manufacturing to more sophisticated processes and products such as advanced food packaging, transportation equipment, and primary and fabricated metals.

## 7. Estimated Economic Revitalization Unmet Need

The flood caused commercial property damage and resulted in short- and long-term profit losses. Based

<sup>56</sup> HUD CoC System Performance Measures Data 2019 report for AR-500, AR-501, AR-503, AR-505, and AR-508, available at: <https://www.hudexchange.info/resource/5691/system-performance-measures-data-since-fy-2015/>

on data provided by SBA, only business owners in Jefferson, Perry, Pope, and Sebastian Counties received monetary claims for damage to their businesses’ real and personal property. In total, SBA approved \$716,200 in business loan applications as of March 13, 2020. Following is a breakdown of businesses in areas most affected by the floods that were approved for SBA loans and the funding amount. The State has continued to engage businesses in the community areas most affected by the 2019 floods to determine if any additional unmet or unreported damage occurred to local businesses or to economic development projects in the affected community areas.

The AEDC Grants Division used SBA and the HUD allocation methodology information to determine unmet needs in the Economic Revitalization Category.

The Small Business Administration (SBA) makes low-cost disaster loans available to qualified small businesses. The SBA defines small business as a “business with a maximum of between 250 and 1,500 employees, depending upon the industry. They’re privately owned corporations, partnerships, or sole proprietorships that have less revenue than larger businesses.”<sup>57</sup> According to the SBA’s business and economic injury loss data, 66 businesses across the state applied for SBA business loans after the 2019 disasters. Among the 66, seven of these applications came from within the MID. Of the businesses that applied for assistance, nine were approved for loans, totaling \$716,200.

Impacted counties offered additional insight into the business sectors and activities impacted by DR-4441, as well as the extent of damage. According to information collected from AEDC’s implementation of the Appendix E: Valuation Tool offered by HUD, Perry and Arkansas county experienced high levels of damage in their respective farming and fishing sectors. Perry county also experienced high levels of damage to its retail sector and identified substantial need for repairs to commercial establishments. Jefferson county also identified some level of damage to its farming and fishing sectors, and some level of assistance required to engage in economic revitalization efforts.

**Table 61: SBA Disaster Statistics (Issued/Received/Loans Approved) for AR #15982 as of 03/13/2020**

County	Business Loan Applications Received	Business Loan Applications Approved	Dollars Approved
Arkansas	2	0	\$0
Conway	1	0	\$0
Crawford	2	0	\$0
Desha	2	0	\$0
Faulkner	7	0	\$0
Jefferson	6	1	\$25,000
Lincoln	1	0	\$0
Logan	2	0	\$0
Perry	1	1	\$183,000
Pope	1	1	\$183,000

<sup>57</sup> Small Business Administration, 2020. Size Standards. Retrieved at <https://www.sba.gov/federal-contracting/contracting-guide/size-standards>

Pulaski	13	2	\$25,500
Sebastian	20	3	\$327,000
Yell	2	0	\$0
<b>Totals</b>	<b>66</b>	<b>9</b>	<b>\$716,200</b>

#### r. HUD’s Method for estimating serious unmet economic revitalization needs

Based on SBA disaster loans to businesses using data as of November 14, 2019, HUD calculates the median real estate and content loss by the following damage categories for each state:

- Category 1: real estate + content loss = below \$12,000
- Category 2: real estate + content loss = \$12,000–\$29,999
- Category 3: real estate + content loss = \$30,000–\$64,999
- Category 4: real estate + content loss = \$65,000–\$149,999
- Category 5: real estate + content loss = \$150,000 and above

For properties with real estate and content loss of \$30,000 or more, HUD calculates the estimated amount of unmet needs for small businesses by multiplying the median damage estimates for the categories above by the number of small businesses denied an SBA loan, including those denied a loan prior to inspection due to inadequate credit or income (or a decision had not been made), under the assumption that damage among those denied at pre-inspection have the same distribution of damage as those denied after inspection.

**Table 62: 2019 Disasters – Serious Unmet Business Need (Data 1/15/2019)**

Grantee	Estimated Serious Unmet Business Needs	Applicants Inspected with serious damage and denied or still in processing	Multiplier for pre-inspection denial due to credit or income	Estimated Applicants with Serious Unmet Needs (Inspected and Uninspected)
Arkansas	\$2,725,761	10	1.94	19

#### ix. Unmet Needs Calculation

The previous section outlined the total damages, resources available, and unmet recovery needs from the DR-4441 disaster. This section provides an overall summary of the unmet recovery needs that will be addressed through the State of Arkansas’s proposed CDBG-DR programs.

- **Housing** – The totals are taken from the most recent FEMA IA data, with Total Impact as a total of FEMA Verified Loss for renters and homeowners. The total unmet needs includes the amount of funding not currently covered by FEMA or other resources.
- **Infrastructure** – The infrastructure totals include FEMA Public Assistance, Hazard Mitigation Grant Program, and Flood Mitigation Assistance. The total impact includes total applications for

each program, total resources note the federal share for DR-4441 projects, and the unmet need includes the local share needed to complete the projects.

- **Economic Revitalization** – The total impact includes the Estimated Serious Unmet Business Needs, and total resources includes approved SBA resources.

**Table 63: Summary of Unmet Recover Needs**

Category	Total Impact	Total Resources	Total Unmet Need
<b>Housing</b>	<b>\$15,791,435</b>	<b>\$7,602,122</b>	<b>\$8,189,313</b>
<b>Infrastructure</b>	<b>\$31,009,340</b>	<b>\$23,542,548</b>	<b>\$7,466,792</b>
FEMA PA	\$22,919,412	\$17,232,702	\$5,686,710
HMGP	\$4,848,134	\$3,636,100	\$1,212,034
FMA	\$3,241,794	\$2,673,746	\$568,048
<b>Economic Revitalization</b>	<b>\$2,725,761</b>	<b>\$716,200</b>	<b>\$2,009,561</b>
<b>Total</b>	<b>\$49,526,535</b>	<b>\$31,860,870</b>	<b>\$17,665,665</b>

## C. Planning Needs

Some demand may exist for resiliency/mitigation investments, which could be specifically addressed via CDBG-DR Planning activities, however, due to the availability of COVID-19 funds being made available for this purpose, limited CDBG-DR funds are not being prioritized for disaster resiliency planning, except to provide funds for Action Plan and Action Plan Amendments, should it be necessary.

Of particular relevance, Hazard Mitigation Plans (HMPs) at either the county or city level seek to document past events, past damages, and address proactive measures to improve the community’s response to an event and efforts to have a more resilient community. Part of addressing hazards and risks in an area is understanding and planning in advance as best as possible to be prepared to minimize damage and loss of life. Often one of the tools for communities to fully understand their risks and how they plan to address them when they occur is to prepare a Hazard Mitigation Plan or HMP. Those communities that lack an HMP, have an outdated plan, or expired plan should consider the benefits of having both an HMP and Emergency Operation Plan (EOP) given natural events are a part of living in Arkansas but how we respond and plan for these events can help minimize loss of life and property. Funding for working on HMPs can come from FEMA on an annual cycle basis. In many cases, counties and communities are eager to create or update their HMPs however lack funding for technical expertise in preparing the plan. Additionally, coordination with FEMA also can be a perceived or real barrier to final adoption of an HMP. Despite this, there are general principles that are covered in an HMP that are relevant for communities to employ related to creating safe, appropriate, and sustainable housing in the state.

CDBG-DR funds are being made available on a limited basis for unmet planning needs at the state level. The State of Arkansas has an existing [Comprehensive Emergency Management Plan](#) and [All-Hazards Mitigation Plan](#) in place to address disaster hazard mitigation. AEDC will work in coordination with the state Hazard Mitigation Officer to incorporate long-term recovery and pre-and post-disaster hazard mitigation into future planning efforts. Should specific CDBG-DR categorical funding allocations need to be revised to meet any newly defined unmet needs, AEDC has a defined CDBG-DR amendment process in place to accomplish these necessary revisions, which is fully addressed within this CDBG-DR Action Plan. Planning needs and programming are addressed in more detail in Section Eight – Program Design &

Connection to Unmet Need.

## D. Public Services Needs

The primary focus of CDBG-DR funds is to address the unmet housing recovery need. However, CDBG-DR funds may be used to fund public services which complement the housing need. Public services include activities which provide a benefit to employment, health, drug abuse, education, fair housing counseling, energy conservation, and certain welfare activities. The Housing and Community Development Act of 1974, as amended (HCDA) permits the use of CDBG funds for the purpose of public services under HCDA 105(a)(8). In accordance with HCDA 105(a)(8), no more than 15 percent of the allocation will be directed to the provision of public services. In response to DR-4441, the Arkansas Department of Human Services coordinated care needs with local jurisdictions and volunteer agencies. The state utilized EMAC to bring in two Voluntary Agency Liaisons from Arizona and Pennsylvania to support mass care efforts.

AEDC solicited input regarding unmet needs, including public services, through stakeholder meetings conducted in March 2020 with MID Counties, local jurisdictions, and state agencies. Through additional direct engagement with stakeholders, including public outreach efforts conducted between March 2020 and December 2020, the State received limited feedback regarding existing unmet need for public services. Case management was not identified as a specific need following the disaster and Disaster Case Management was not, therefore, requested from FEMA for DR-4441. However, individual case management was provided by the Arkansas Voluntary Organizations Active in Disaster (ARVOAD) on a referral basis for those individuals with unmet needs.

Based on the feedback received, AEDC's unmet needs assessment, and the current post-disaster time lapse, public services are not a state priority for CDBG-DR funding at this time. However, AEDC will continue to collaborate with ADEM and the ARVOAD regarding any additional public services and case management needs that may be identified. Should sufficient eligible public services requests arise in the future or be identified through the CDBG-DR application process, AEDC will consider amending the CDBG-DR Action Plan as appropriate and as funding is available.

## E. Resiliency Needs Assessment

Resiliency is considered a key component under the State's CDBG-DR Action Plan. As noted, resiliency is not seen as a single independent CDBG-DR activity but rather a sub-component of the eligible CDBG-DR activities. Building back better and creating resilient housing and infrastructure is important part of any eligible CDBG-DR activity. Resiliency/mitigation can represent a wide range of unmet need encompassing numerous types of activities. For example, resiliency/mitigation activities can include the clearance/demolition of houses in identified floodplain areas. The State's needs assessment also indicates an unmet need for repairs related to damaged drainage systems for which resiliency measures will also play a significant role. As applicable, resiliency is to be considered in conjunction with all CDBG-DR activities.

When addressing the intersection between housing needs and disaster resiliency the major areas of overlap is planning by location (proximity to risk, likelihood of threat and impact) and methods to avoid and/or recover after an event. Of the typical hazards addressed within an HMP, the threats that are most connected to housing include: Earthquake, Flood, Hailstorm, High winds, Winter Storm, Extreme



Heat, Wildfire, and Tornado.

This Action Plan will use the serious unmet housing need estimate due to lack of additional SBA details at the time of plan development but does not allocate funding for all of these needs due to a subsequent injection of financial support for the private sector (COVID-19 relief). Upon preliminary review of applications for COVID-19 related funding, it was apparent that the economic needs attributed to that event, along with available economic recovery resources, were much more significant than those attributed to the 2019 disasters. Furthermore, these mitigating factors make it increasingly difficult to draw the necessary nexus between needs and the 2019 disaster. See the Introduction section of this Action Plan for further discussion of how funds are being prioritized in the wake of COVID-19.

## F. Federal Assistance Provided

Various funding streams are available to assist with the recovery from DR-4441. These funding sources range from local to federal assistance with varying degrees of allowable uses and amounts. Communities should assess all available sources to determine the viability of each source and their capacity to administer the funds appropriately.

### 8. Federal Emergency Management Agency (FEMA)

The presidential declaration for DR-4420 enabled FEMA to allocate funding for immediate emergency recovery needs in Arkansas. With the declaration, IA and PA was made available to supplement local recovery efforts in the designated counties. Designated counties (areas included in disaster declaration as sustaining damage) are eligible for one or more of the following types of assistance:

**Table 64: Types FEMA of Assistance**

FEMA Individuals and Households Program (IHP)	Through IHP, FEMA provides IA directly to individuals and households, as well as state, local, and tribal territory government to support individual survivors. For this declaration, assistance available through the IHP program included: Federal IHP Housing Assistance and Other Needs Assistance (ONA).
FEMA PA Emergency Work Assistance (Categories A and B)	FEMA is authorized to provide PA funding for Emergency Work, including emergency protective measures and debris removal. Emergency Work is that which must be done immediately to save lives, protect public health and safety, protect improved property, or eliminate or lessen an immediate threat of additional damage.
FEMA PA Permanent Work Assistance (Categories C through G)	Permanent Work is work required to restore a facility to its pre-disaster design (size and capacity) and function in accordance with applicable codes and standards.

Table 65 below represents the final awards for each category of funding available to eligible counties in Arkansas.



**Table 65: FEMA Approved Financial Assistance**

Category	FEMA Dollars Approved (as of 03/2020)		
	Individuals and Households Programs	Housing Assistance (HA)	Other Needs Assistance (ONA)
\$8,443,221.52		\$556,491.94	\$8,999,713.46
Public Assistance Grants	Emergency Work - Category A-B	Permanent Work – Categories C-G	Total
	\$10,262,898.16	\$23,345,992.69	\$33,608,890.85 <sup>58</sup>

### s. Individuals and Households Program

IHP assistance provides financial help and direct services to eligible individuals and households who have uninsured or underinsured necessary expenses and serious needs. IHP assistance is not a substitute for insurance and cannot compensate for all losses caused by a disaster; it is intended to meet basic needs and supplement disaster recovery efforts.

IHP assistance is limited to 18 months following the date of the disaster declaration. The period of assistance begins at the date of the presidential declaration and not the date on which the disaster is designated for IA. Disaster declaration DR-4441 was issued on June 8, 2019 and, as of the date of this report, assistance for the State of Arkansas under DR-4420 is slated to end December 8, 2020.

### t. Public Assistance: Emergency and Permanent Work

Eligibility for public assistance is based on four factors: applicant, facility, work, and cost.

- Applicant: must be a state, territory, tribe, local government, or nonprofit organization.
- Facility: must be a building, public works, system, equipment, or natural feature.
- Work: categorized as either emergency or permanent. The work must be required as a result of the declared incident, located within the designated disaster area, and the legal responsibility of the applicant.
- Cost: funding must be tied directly to eligible work and be adequately documented, authorized, necessary and reasonable. Eligible costs include labor, equipment, materials, contract work, as well as direct and indirect administrative costs.<sup>59</sup>

FEMA evaluates the estimated cost of federal and non-federal public assistance against the statewide population to give some measure of the per capita impact within the state. FEMA uses a figure of \$1 per capita, which is adjusted annually based on the Consumer Price Index for All Urban Consumers, as an indicator that the disaster is of such size that it might warrant federal assistance. For a jurisdiction to qualify for a presidential disaster declaration, the estimated cost of damage must meet or exceed \$1 million in public assistance damage per disaster.<sup>60</sup>

FEMA also examines the reported damage at the county and local government level because at times there are extraordinary concentrations of damage that might warrant federal assistance even if the

<sup>58</sup> Dollars obligated will be made available to the state following FEMA review and approval

<sup>59</sup> Federal Emergency Management Agency, 2020. *Public Assistance: Local, State, Tribal, Private Nonprofit*. Retrieved at: <http://www.fema.gov/public-assistance-local-state-tribal-and-non-profit>

<sup>60</sup> Per 44 CFR 206.48

statewide per capita is not met. This is particularly true where critical facilities are involved or where localized per capita impacts might be extremely high.

Counties deemed ineligible for PA may still have sustained damage, but it was not severe enough to include that county in the declaration based on the pre-determined threshold.

#### **u. Hazard Mitigation Assistance**

FEMA's Hazard Mitigation Assistance (HMA) program is an umbrella of funding programs FEMA uses to support communities in their effort to reduce risk to hazards and increase resilience. Specific to recovery, FEMA HMGP provides funding for hazard mitigation projects to states following a presidentially declared disaster. HMGP can fund both housing and infrastructure projects; elevation and the acquisition and demolition of private homes; and community flood control projects such as repairing drainage issues, ditch improvements, and repairing or replacing flood walls. HMGP funding is dependent on the amount of FEMA IHP and PA provided to states post-disaster. FEMA provides 15% of the first \$2 billion provided through FEMA IHP and PA and 10% of the next \$8 billion. Based on the estimated funding provided through FEMA IHP and PA, currently, the state understands that \$55 million is expected in the next six months; however, the total expected amount of funding and delivery time is unknown.

#### **v. Flood Mitigation Assistance (FMA)**

The Flood Mitigation Assistance (FMA) grant program is funded by FEMA and administered through a partnership with the Natural Resources Division (NRD), Arkansas Department of Agriculture. The NRD has the authority and responsibility for reviewing FMA Program sub-applications, recommending technically feasible and cost-effective sub-applications to FEMA and providing pass-thru funding for FEMA approved and awarded project subgrants to eligible sub-applicants. NRD has managed the FMA program since 2012. The FMA program is housed within the Floodplain Management Section (FMS) of NRD, the FMS has a full staff of four personnel, which includes the FMA Grant Program Coordinator and the State NFIP Coordinator.

#### **w. Community Development Block Grant - Disaster Recovery (CDBG-DR)**

Public Law 116-20 appropriated CDBG-DR funds for the 2019 disaster with HUD allocating \$8.94 million to Arkansas in response to damage caused by the Arkansas Severe Storms and Flooding (DR-4441). The CDBG-DR allocations are based on the sum of the following factors:

- -Repair estimates for seriously damaged owner-occupied units without insurance (with some exceptions) in the MID areas after FEMA and SBA repair grants or loans are applied;
- Repair estimates for seriously damaged renter-occupied units with very low-income renters in the MID areas;
- Repair and content loss estimates for small businesses with serious damage denied by SBA; and
- The estimated local cost share for Public Assistance Categories C to G.

Grantees are required to spend no less than 80% of the total allocation on the MID designated counties and zip codes. The below shows the total amount required to be spent in the MID counties on housing and infrastructure needs and the balance to be spent in the remaining counties. Administration and

planning will come out of these amounts.

**Table 66: Arkansas HUD CDBG-DR Allocation for Unmet Needs** <sup>61</sup>

	<b>Allocation</b>
<b>Allocation Required for MID Counties</b> (80% of Total Allocation)	\$7,152,000
<b>Balance for Remaining Counties</b>	\$1,788,000
<b>Total Allocation</b>	<b>\$8,940,000</b>

#### x. Federal Highway Administration Emergency Relief

Federal Highway Administration (FHWA) classifies urban and rural roadways by road function. Each function class is based on the type of service the road provides to the motoring public, and the designation is used for data and planning purposes.<sup>62</sup> Recovery of road and bridge infrastructure is dependent on the type of road or bridge damaged. The FHWA certified roads are potentially eligible for Federal Highway Administration Emergency Relief (FHWA ER) funding, while all other roads are potentially eligible for FEMA PA funding.<sup>63</sup> FEMA’s PA Program may pay for repairs to roads not covered by the FHWA ER program.

An example of FHWA funds provided in Arkansas include \$1 million to be used on SH-41 and SH-71 in Franklin County to repair landslide damage and to protect piers and bridge abutments along the Red River. The funds will also help resurface damaged roads and repair embankments.

#### y. US Army Corps of Engineers Rehabilitation and Inspection Program

The USACE RIP supports community recovery by providing funding for flood control and restoration projects. This program was created to ensure flood control projects continue to protect communities and if they are damaged, restored immediately. The extent of the damage to flood control and restoration projects from the 2019 disasters supported by the USACE RIP has continued to evolve throughout the recovery process.

Damage cost was unaccounted for in the unmet needs calculation by HUD and may reflect a potential recovery gap not reflected in the UNA.

#### z. United States Department of Agriculture Natural Resources Conservation Service Emergency Watershed Protection Program

The United States Department of Agriculture (USDA) NRCS EWPP provides recovery funding to local communities to support long-term restoration of infrastructure and the environment. Cities, counties, towns, conservation districts, and federally recognized tribes are eligible. The extent of the damage to

<sup>61</sup> *Allocations, Common Application, Waivers, and Alternative Requirements for Disaster Community Development Block Grant Disaster Recovery Grantees, 85 Fed. Reg. 17 (January 27, 2020). Federal Register: The Daily Journal of the United States. Web. 27 January 2020.*

<sup>62</sup> *Federal Highway Administration, 2000. Road Functions Classification. Retrieved at: [https://safety.fhwa.dot.gov/speedmgmt/data\\_facts/docs/rd\\_func\\_class\\_1\\_42.pdf](https://safety.fhwa.dot.gov/speedmgmt/data_facts/docs/rd_func_class_1_42.pdf)*

<sup>63</sup> *United States Department of Transportation Federal Highway Administration, 2019. Special Federal-aid Funding: Emergency Relief Program. Retrieved at: <https://www.fhwa.dot.gov/programadmin/erelief.cfm>*

flood control projects from the 2019 disasters supported by the USDA NRCS EWPP has continued to evolve throughout the recovery process. Depending on the project, NRCS will fund between 75% and 90%, with the local cost-share between 10% and 25%.

This cost was unaccounted for in the unmet needs calculation by HUD and may reflect a potential recovery gap not reflected in the UNA.

# 7. Section Seven - Method of Distribution & Program Priorities

## A. Method of Distribution

As the UNA and HUD’s early assessments both indicate, DR-4441 generated similar impacts to housing and infrastructure. To address the infrastructure and mitigation needs within the state, the state is prioritizing CDBG-DR funding under DR-4441 for housing recovery, and should unmet needed be met, infrastructure recovery. This decision was also informed by subsequent allocations of funding under the CARES Act, which made additional funds available for housing support and economic recovery. Further still, the realized and forecasted revenue loss across municipal and state governments are likely to prove challenging for municipalities struggling to contribute to local match requirements. CDBG-DR funds will be distributed in accordance with the Program Budget below, which is described in greater detail in Section Eight – Program Design and Connection to Unmet Need.

## B. Program Budget

The table below presents the details of Arkansas’s CDBG-DR program. According to the program budget, 90% of the CDBG-DR program funding will be distributed through the housing and infrastructure programs. This program budget accounts for the programmatic administration and planning requirements, including the provisions that five percent of the grant total (plus program income) may be used for administrative costs and 15% of the grant total can be used for planning.<sup>64</sup> Eighty percent of the outlined budget will be allocated to the MID areas per the applicable Federal Register Notices.

**Table 67: Program Budget**

Category	Total Unmet Need	Percentage of Unmet Need	Proposed CDBG-DR Allocation	Percent of Funding	Other Resources	Remaining Unmet Need
Housing	\$8,189,313	46%	\$5,543,000	62%	-	\$2,646,313
Infrastructure	\$7,466,792	42%	\$2,500,000	28%	-	\$4,966,792
Economic Revitalization	\$2,009,561	11%	N/A	0%	-	\$2,009,561
Planning	N/A	-	\$450,000	5%	-	-
Administration	N/A	-	\$447,000	5%	-	-
<b>Total</b>	<b>\$17,665,665</b>	<b>100%</b>	<b>\$8,940,000</b>	<b>100%</b>	<b>-</b>	<b>\$9,622,665</b>

### 1. Accessing Disaster Funds

Arkansas will use a Method of Distribution that allows Eligible Cities and Counties to apply for funds from the CDBG-DR Program under a series of Program Categories which are laid out over a Program

<sup>64</sup> 83 Fed. Reg. 83 (February 9, 2018).

Year and based upon either calendar deadline dates, per Category, or an open-cycle (first-come/highest rated) process.

## **2. Federal Funding Priority – Distribution Ratios**

### **a. 80% of Funds**

HUD has provided, by rule, that all funds shall first serve unmet needs in housing with 80 percent of the funds prioritized in the following two counties determined to be the most impacted and distressed:

- Jefferson (County)
- Perry (County)

### **b. 20% of Funds**

The remaining 20% of the funds may be made available to the Counties covered by a presidential disaster declaration under DR-4441 (see Figure 4).

## **3. Federal Priority Funding - Housing**

HUD has also provided, by rule, that the unmet needs in the housing sector be addressed prior to entertaining any application for funds under the categories of Economic Revitalization or Infrastructure. When evaluating all applications, the AEDC Grants Division will evaluate and prioritize all infrastructure projects upon their effect on housing.

NOTE: The State Grants Division Method of Distribution for funding under the category of Economic Revitalization will come as an amendment to this Action Plan, if applicable. That amendment will constitute a substantial change to this document and a publicized draft, notification and comment period will accompany the amendment, allowing and encouraging citizen input. The needs assessment data found in this document may be refreshed at that time. Distribution of funds under categories will take into consideration the most impacted communities and the unmet needs. The burden to prove that all housing unmet needs have been addressed is a requirement of the state, prior to accepting applications under other categories. Permission from HUD will be required, through acceptance and approval of the Action Plan amendment.

The expenditure of funds rate will be analyzed to ensure a timely use of funds. If the “open cycle” application methodology is not producing applications and activities at a pace consistent with the planned expenditure rate, the State reserves the right to establish category deadlines with the intention of increasing the expenditure pace. Any change in access to applications for assistance will be announced publicly. Maximum application amounts, if applicable, and maximum beneficiary amounts, if applicable are spelled out in the Plan. At the point that the unmet housing need is exhausted, the Grants Division will formally amend the Plan to reflect the use of remaining funds in areas of unmet need in the categories of infrastructure and economic revitalization. This current Plan provides the unmet needs information for both of those categories and the amended Plan will provide an update as well as a method of distribution that reflects areas most impacted. The amendment will provide detail on categories of funding available, deadline dates, as applicable, and any maximums per applicant or beneficiary.

## 4. Eligible Applicants

City and County governments only within the 17 counties presidentially declared under DR-4441 (see map on p. 21 and p. 31).

### c. Eligible Sub-Applicants/Sub-Recipients

City and county governments may choose to partner with eligible quasi-governmental agencies or non-profits.

## 5. Program Categories

Categories indicate the use of funds for a specific purpose. This Action Plan defines the categories of funds under Housing and Infrastructure. The categories define the specific purpose, the total funds allocated to the category, the application method for accessing funds, deadline dates for applications within the Category, the maximum amounts available per applicant and the maximums per beneficiary.

## 6. Program Year

The year beginning at the point in which the agreements are executed between HUD and the State of Arkansas. The program regulations provided that CDBG-DR funds are to be expended in six years.

## 7. Application and Guidelines

Each program Category will have an accompanying application form and guidelines Cities and Counties may use to submit their requests to the AEDC Grants Division.

## C. Program Priorities

### 8. Overall Requirements

- 80% of the total grant amount (\$7,152,000) must benefit the Most Impacted and Distressed (MID) areas determined by HUD to be Jefferson (71602) and Perry (72016) Counties. The remaining 20% of funds (\$1,788,000) will be available to benefit other declared counties.
- 70% of the total funds must benefit low- to moderate-income (LMI) persons (\$6,258,000)
- The national objectives of the CDBG program will guide development of activities to be funded through Arkansas's CDBG-DR program. To be funded, each activity and program needs to be eligible and tied to a specific national objective.<sup>65</sup> The national objectives include:
  - Benefit persons of low- and moderate-income;  
This is the primary national objective in that at least 70% of the funding be expended for activities that benefit LMI populations.<sup>66</sup> Four approaches may be utilized to meet this

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<sup>65</sup> Meeting a national objective is a requirement for a program activity to be funded according to 42 USC 5304(b)(3).

<sup>66</sup> 42 USC 5301(c)

objective, each with their own requirements for the CDBG program. These categories include: Low- and Moderate-Income Area Benefit (LMA), Low- and Moderate-Income Limited Clientele (LMC), Low- and Moderate-Income Housing Activities (LMH), and Low- and Moderate-Income Job Creation or Retention Activities (LMJ).<sup>67</sup>

- Aid in the prevention or elimination of slums or blight; or, This national objective benefits areas that are deteriorating by upgrading the physical environment. Meeting this objective is achieved by determining the extent of blight and physical conditions that contribute to it in the proposed area. There are two approaches, Slum Blight Area Basis (SBA) and Slum Blight Spot Basis (SBS) to demonstrate compliance with this national objective, each with its own requirements under the CDBG program.<sup>68</sup>
- Meet other urgent community development needs. This objective alleviates emergency conditions and while its use is rare within the regular CDBG program, it does have utility in CDBG-DR. The criteria for the Urgent Need objective include existing conditions pose an immediate threat to the health or welfare of the community, these conditions developed recently, and there is no alternative way for the project to be funded.<sup>69</sup>

Programs must stem from an unmet recovery need not already addressed by other federal, state/local, nonprofit funds, or private insurance. Grantees will be required to document a connection to the disaster.

The priorities of the State shall be to:

- Address needs of the most vulnerable populations.
- Address the needs of low- to moderate income persons and families.
- Mitigate risk and hazards due potentially related to future natural disasters.

## D. Additional Priorities

### 9. Prioritizing Vulnerable Populations

The State's CDBG-DR housing programs prioritize LMI households through their eligibility thresholds and funding priorities. In addition to prioritizing LMI persons, the State prioritizes recovery for vulnerable populations through the implementation of its housing, infrastructure, and planning programs. Vulnerability is a fluid term, which, depending on the vulnerability and hazard, can refer to a broad spectrum of the population with unique needs in the context of a disaster. In the development of policies and procedures to guide its CDBG-DR programs, including the Multifamily Rental Recovery Program, AEDC will prioritize the needs of vulnerable populations and protected classes, including the prevention of low-income individuals and families with children (especially those with incomes below 30 percent of the area median) from becoming homeless, to ensure equitable implementation. Program

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<sup>67</sup> 24 CFR 570.483

<sup>68</sup> *Ibid.*

<sup>69</sup> *Ibid.*



scoring criteria will also include criteria which prioritizes the needs of vulnerable populations, tenant needs, the needs of extremely low-income households, or needs for supportive housing.

To support the prioritization of vulnerable populations, Arkansas will address disparities in access to opportunities through the development of CDBG-DR program policies and procedures focused addressing disparities, including those related to:

- Areas of concentrated poverty;
- School proficiency;
- Labor market engagement;
- Jobs proximity;
- Transportation costs;
- Transit trips index; and
- Environmental health indicator.<sup>70</sup>

AEDC will additionally ensure that program design and implementation address the needs of those households experiencing housing problems, including:

- Lack of complete plumbing or kitchen facilities;
- Severe overcrowding; and/or
- Housing cost burden.<sup>71</sup>

The State's Action Plan and proposed programs, including the Multifamily Rental Recovery Program, are intended to address the assessed unmet need for:

- Transitional, supportive, and permanent housing for people experiencing or at-risk of homelessness;
- Homelessness prevention for low-income households, particularly those with incomes below 30% AMI; and
- Supportive housing.

## 10. Enhancing Resilience

Arkansas's CDBG-DR program aims to invest in programs to increase strength and resilience of the state. Overall, funding allocated under Arkansas's CDBG-DR program will incorporate concepts of resilience, including preparedness, mitigation, and sustainability in order to enhance the state's resilience, build back stronger communities, and prepare for future conditions. There are multiple benefits for allocating funding with the concepts of resilience in mind, including fiscal responsibility and protection of Arkansas's communities. Specifically, this includes consideration of hazard risk (e.g., flood risk) in the determination of resource allocation during the planning phase. This also includes implementation of policy measures such as resilient, green building, and infrastructure codes and standards that address durability, utility efficiency, public health, and hazard risk. Additionally, this will include encouraging the rebuilding high quality, durable, energy efficient, mold resistant, healthy, and sustainable construction.

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<sup>70</sup> AEDC, 2020. *State of Arkansas 2020 Analysis of Impediments to Fair Housing Choice*. Retrieved at: [https://www.arkansasedc.com/docs/default-source/default-document-library/final-state-of-arkansas-analysis-of-impediments-6-4-2020.pdf?sfvrsn=309d982b\\_2](https://www.arkansasedc.com/docs/default-source/default-document-library/final-state-of-arkansas-analysis-of-impediments-6-4-2020.pdf?sfvrsn=309d982b_2)

<sup>71</sup> *Ibid.*

## 11. Leveraging Recovery Programs

AEDC will maintain an ongoing commitment to identify and leverage other federal and non-federal funding sources to meet the State’s recovery needs. The Arkansas CDBG-DR program will not work in isolation. The FEMA HMGP (administered by ADEM) and the FMA program (administered by NRD) are engaged in additional disaster recovery-related activities that are ongoing and concurrent to the development of the State’s CDBG-DR program. In order to maximize efficiency and efficacy of recovery efforts, the program will prioritize the leveraging of supplementary funding sources at the federal, regional, state, local, private, and non-profit level. By administering a variety of programs funded from both state and federal sources, AEDC has the opportunity to leverage existing programs, increasing the impact of CDBG-DR funding. AEDC will examine existing state resources and other funds from the disaster appropriation to ensure that all available funding is used where it is most needed. Close partnership and coordination with ADEM and NRD on implementation of CDBG-DR programs will further support the leveraging of alternative funding sources. AEDC will utilize its existing relationships and work to create new partnerships with other federal and state agencies, corporations, foundations, nonprofits, and other stakeholders as a means of leveraging all viable sources of funding.

**Table 68: Potential Sources of Leverage**

Program	Administering Agency	Uses of Funds	Expected Amount Available 2020 Allocations	Website or Application Link:
Community Development Block Grant (CDBG)	Arkansas Economic Development Commission	Public Facilities Public Infrastructure Economic Development	\$18,406,738	<a href="http://arkansasedc.com">Community Development Block Grant (arkansasedc.com)</a>
CDBG-CV	Arkansas Economic Development Commission	Public Services Public Facilities Public Infrastructure Rental Assistance Food Assistance Microenterprise Assistance  *To prevent, prepare for, and respond to COVID-19.	\$26,387,954	<a href="http://arkansasedc.com">Community Development Block Grant (arkansasedc.com)</a>
HOME	Arkansas Development Finance Authority (ADFA)	New Construction, Multi-Family and Single Family Rehabilitation Tenant Based Rental Assistance (TBRA) Low Income Housing Tax Credit (LIHTC) gap financing	\$10,105,793	<a href="http://arkansas.gov">Home Investment Partnerships (arkansas.gov)</a>

<b>Program</b>	<b>Administering Agency</b>	<b>Uses of Funds</b>	<b>Expected Amount Available 2020 Allocations</b>	<b>Website or Application Link:</b>
Emergency Solutions Grant (ESG)	Arkansas Department of Human Services (DHS)	Street Outreach (SO) Emergency Shelter (ES) Rapid Re-Housing (RRH) Homelessness Prevention (HP) Homeless Management Information System (HMIS)	\$2,264,323	<a href="#">2020 Emergency Solutions Grant Application Final.pdf (arkansas.gov)</a>
ESG-CV	Arkansas Department of Human Services (ADHS)	Street Outreach Homelessness Prevention Rapid Re-Housing Emergency Shelter  *To prevent, prepare for, and respond to COVID-19.	\$23,786,858	<a href="#">COVID ESG Rental AssistanceAgencies.pdf (arkansas.gov)</a>
Housing Opportunities for People with HIV/AIDS (HOPWA) Program	Arkansas Department of Health (ADH)	Permanent housing in facilities Permanent housing placement (PHP) Short term or transitional housing facilities Short-term Rent, Mortgage and Utility Assistance (STRMU) Supportive services Tenant Based Rental Assistance (TBRA)	\$918,174	<a href="#">HOPWA FAQs.pdf (arkansas.gov)</a>
HOPWA-CV	Arkansas Department of Health (ADH)	TBRA STRMU PHP  *To prevent, prepare for, and respond to COVID-19.	\$133,620	<a href="#">HOPWA Contacts.pdf (arkansas.gov)</a>

Program	Administering Agency	Uses of Funds	Expected Amount Available 2020 Allocations	Website or Application Link:
National Housing Trust Fund (NHTF)	Arkansas Development Finance Authority (ADFA)	New construction of qualified rental housing including single family, assisted living units and multi-family residential rental units, targeted to veterans	\$3,000,000	<a href="http://arkansas.gov">National Housing Trust Fund (arkansas.gov)</a>

## 8. Section Eight– Program Design & Connection to Unmet Need

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### A. Connection to Unmet Need

The principal consideration in developing impactful CDBG-DR programming is the unmet needs analysis. The state’s assessment of unmet recovery needs related to DR-4441 revealed remaining need across housing and infrastructure activities however, housing presents the greatest unmet recovery need. The analysis detailed in Section Six – Impact and Unmet Needs Assessment, identifies the methodology and results of the unmet needs relative to housing, infrastructure, and economic recovery. The table below provides an overview of the unmet recovery needs from DR-4441 by category, totaling over \$17 million in unmet recovery needs.

**Table 69: Unmet Recovery Needs from DR-4441**

Category	Total Impact	Total Resources	Total Unmet Need
<b>Housing</b>	<b>\$15,791,435</b>	<b>\$7,602,122</b>	<b>\$8,189,313</b>
<b>Infrastructure</b>	<b>\$31,009,340</b>	<b>\$23,542,548</b>	<b>\$7,466,792</b>
FEMA PA	\$22,919,412	\$17,232,702	\$5,686,710
HMGP	\$4,848,134	\$3,636,100	\$1,212,034
FMA	\$3,241,794	\$2,673,746	\$568,048
<b>Economic Revitalization</b>	<b>\$2,725,761</b>	<b>\$716,200</b>	<b>\$2,009,561</b>
<b>Total</b>	<b>\$49,526,535</b>	<b>\$31,860,870</b>	<b>\$17,665,665</b>

### B. Allocation of Funds

The needs assessment, as well as consultation with stakeholders, local governments, Continuum of Care Programs (CoCs), and public housing authorities, shaped the development and prioritization of recovery activities as outlined in the Action Plan. The programs and allocations have been developed to address the most severe unmet needs and in full compliance with the Federal Register Notices. Therefore, addressing the unmet housing and infrastructure recovery needs are the primary focus of the Action Plan. Applications for housing program assistance will be prioritized beginning with the homeowner buyout program followed by the multifamily program; once AEDC has determined that there is no remaining unmet housing need, assistance under the State’s infrastructure program will be rolled out. In addition to addressing unmet need, programs funded by CDBG-DR must also consider eligible CDBG activities, meet CDBG national objectives, comply with regulatory guidance, and must consider best practices in similar recovery efforts. When designing program priorities AEDC also considered the needs of protected classes and vulnerable populations.

The total CDBG-DR allocation set forth in Public Laws 115-254 and 116-20 is \$8,940,000. AEDC will set aside five percent of these funds (\$447,000) for administrative costs associated with disaster recovery. AEDC will also set aside 5 percent (\$450,000) of the allocation to support a statewide planning effort to coordinate across FEMA PA, FEMA HMGP, and CDBG-DR programs. Per HUD’s guidance, AEDC will

prioritize housing unmet recovery needs first and utilize 62% of its funds on housing recovery programs. All of AEDC’s housing programs will prioritize assisting households making 80 Area Median Income and below and assist the State with meeting its 70% Low- and Moderate-Income requirement. The State is allocating more resources to its housing program in order to address unmet housing needs, by addressing the need for rental housing serving LMI population and providing assistance to owner-occupied households impacted by flooding to prevent future repetitive losses. The rental housing programs will work to address impacted rental households and address the Cost Burden faced by renters in DR-4441 impacted Counties. In total 57,707 rental households in the DR-4441 impacted areas pay more than 30% of their income on housing costs.<sup>72</sup> Residents impacted by DR-4441 remain at risk to future flooding, according to the FEMA IA registrations, 581 impacted properties are located within X Flood Zones (moderate or minimal flood hazard), and 660 are located within AE flood zones (base flood elevations provided).

Due to limited data available on housing services, AEDC will continue working with local governments and nonprofits in the DR-4441 impacted area to address the identified unmet housing needs. AEDC will also use the planning funds to collaborate with local jurisdictions, leverage all available funding sources, and encourage the implantation of more impactful projects.

**Table 70: CDBG-DR Allocation**

Category	Total Unmet Need	Percentage of Unmet Need	Proposed CDBG-DR Allocation	Percent of Funding	Other Resources	Remaining Unmet Need
Housing	\$8,189,313	46%	\$5,543,000	62%	-	\$2,646,313
Infrastructure	\$7,466,792	42%	\$2,500,000	28%	-	\$4,966,792
Economic Revitalization	\$2,009,561	11%	N/A	0%	-	\$2,009,561
Planning	N/A	-	\$450,000	5%	-	-
Administration	N/A	-	\$447,000	5%	-	-
<b>Total</b>	<b>\$17,665,665</b>	<b>100%</b>	<b>\$8,940,000</b>	<b>100%</b>	-	<b>\$9,622,665</b>

At this time, AEDC commits to directing 70 percent of allocated CDBG-DR funds to low and moderate income (LMI) individuals or areas in accordance with Section 103 of the Housing and Community Development Act of 1974. Funded activities that do not predominantly benefit LMI persons will address a different national objective and be related to the unmet recovery need. Additionally, AEDC commits to directing 80 percent of all CDBG-DR funding to the Most Impacted and Distressed areas as identified by HUD. These Most Impacted and Distressed Areas include Jefferson County zip code 71602 and Perry County zip code 72016. Based on authorization from HUD, Arkansas will expand the MID areas to cover the entire counties of Jefferson and Perry. This step enables the state to direct additional funding to those two counties where a portion (the two zip codes) were identified as being among the most impacted.

<sup>72</sup> Department of Housing and Urban Development Comprehensive Housing Affordability Strategy, 2013-2017, <https://www.huduser.gov/portal/datasets/cp.html>

## C. Method of Distribution

AEDC will distribute grant funds to beneficiaries through local government (known as “sub-applicants”) administered projects. Sub-applicants will engage with AEDC to ensure that local housing and infrastructure recovery needs are addressed. AEDC will establish programs through which sub-applicants will submit project proposals for funding. AEDC will vet projects for CDBG-DR compliance and eligibility, ensuring that proposed projects adhere to federal requirements and the requirements set forth in the Action Plan. The implementation and management of individual projects will be the responsibility of participating sub-applicants, while AEDC will provide monitoring and broad oversight of sub-applicant administered funds.

AEDC staff will provide technical assistance to sub-applicants to meet these requirements as needed. AEDC will enter into agency partner agreements with Arkansas Department of Emergency Management (ADEM), Arkansas Development Finance Authority (ADFA), and Natural Resources Division (NRD) to assist in carrying out these projects.

FEMA PA, and HMGP projects, which are sometimes initiated before CDBG-DR is awarded, will be reviewed by AEDC to determine, in consultation with HUD, what eligibility requirements remain. All projects must comply with applicable federal and state laws and regulations and effectively meet project goals.

### **1. Arkansas Department of Emergency Management**

ADEM is responsible for processing and approving drawdown requests under the FEMA PA and HMGP programs requiring local cost shares. AEDC and ADEM will coordinate closely on the timing of draw requests, document sharing, and payment schedules to ensure eligible invoices are paid in a timely and compliant manner. ADEM is responsible for reporting on the status of project obligations and drawdowns to AEDC, so priority projects can be identified.

### **2. Arkansas Natural Resources Division, Department of Agriculture**

The Flood Mitigation Assistance (FMA) grant program is funded by FEMA and administered through a partnership with the Natural Resources Division (NRD) of the Arkansas Department of Agriculture. The NRD has the authority and responsibility for reviewing FMA Program sub-applications, recommending technically feasible and cost-effective sub-applications to FEMA and providing pass-thru funding for FEMA approved and awarded project subgrants to eligible sub-applicants. NRD has managed the FMA program since 2012. The FMA program is housed within the Floodplain Management Section (FMS) of NRD, the FMS has a full staff of four personnel, which includes the FMA Grant Program Coordinator and the State NFIP Coordinator.

The Hazard Mitigation Assistance (HMA) Guidance provides information on sub-applicant and activity eligibility as well as other requirements, including performance period, cost-effectiveness, environmental review, and required documentation. The HMA Guidance is available at

## D. Program Allocations

Allocations for the recovery programs are based on needs as identified through an analysis of FEMA IA and FEMA PA claims. As shown in Section Six – Impact and Unmet Needs Assessment, the total unmet recovery needs surpass the CDBG-DR funds allocated to the state by HUD. AEDC based programming decisions on best available data from multiple sources, including FEMA, SBA, private insurance, state agencies, and local governments, broad engagement with the public and stakeholders, and thorough conversations about program typologies and design options to maximize the benefits of the available funding.

For housing, funds for the Housing Assistance Program (HAP) were determined by the unmet housing needs for homeowners and the outstanding need to move residents away from repetitive loss properties. The multifamily program allocation was developed using the dollar amount of FEMA IA assistance for rental households in counties and entitlement areas.

Infrastructure funding was allocated according to the FEMA PA match requirement for PA categories C (Roads and Bridges), D (Water Control Facilities), E (Buildings and Equipment), F (Utilities), and G (Parks, Recreational Facilities, and Other Facilities).

## E. Housing Assistance Programs

AEDC proposes two housing recovery programs to address the unmet recovery need: A Voluntary Residential Buyout and Acquisition Program and a Multi-Family Rental Recovery Program .

In compliance with applicable Federal Register Notices, AEDC has proposed an allocation of CDBG-DR funds that primarily considers and addresses unmet housing need through eligible housing related activities. The Housing Assistance Programs (HAP) component of the State’s CDBG-DR program, informed by AEDC’s unmet needs assessment and stakeholder consultation, will provide assistance in the form of grants to local governments and a multi-family rental recovery component leveraging CDBG-DR with low income housing tax credits (LIHTCs) to address unmet housing recovery needs related to DR 4441.

Given standard CDBG requirements, each HAP activity must: (1) Be a CDBG-eligible activity (or be eligible under a waiver or alternative requirement in this notice); (2) meet a national objective; and (3) address a direct or indirect impact from the major disaster in a Presidentially-declared county.

All applications for housing activities under the HAP should consider the following objectives:

- Primary residence located in the most impacted and distressed areas designated by HUD for 80% of the funds. The remaining 20% of the allocated funds provide for opportunities in federally declared counties.
- Address unmet housing recovery needs that resulted from a direct or indirect impact from the disaster.
- Priority will be given to vulnerable populations such as the homeless and at-risk of



homelessness, disabled persons, elderly persons, and families with children, especially those with incomes below 30 percent of the area median.

- Program Design Standards emphasize high quality, durability, energy efficiency, sustainability and mold resistance. Grantees must comply with minimum standards established by the program or local code ordinance, whichever is stricter. Minimum standards include compliance with Housing Quality Standards (HQS). New housing construction, and reconstruction or rehabilitation meeting the substantial damage/improvement definition, must include compliance with one of the Green Standards outlined in the policies and procedures implementation manual. Grantees are also strongly encouraged to incorporate a Resilient Home Construction Standard, meaning that all construction meets an industry-recognized standard such as those set by the FORTIFIED Home standards. Rental units will also follow decent, safe, and sanitary housing quality standard requirements, and will have affordable rent that is no more than 30% of the household's adjusted gross income.
- All sub-applicants, and all program participants must consent to a Duplication of Benefits review by signing the Duplication of Benefits Release Authorization form. In order to receive CDBG-DR assistance, a Duplication of Benefits review will be conducted to determine any previous disaster assistance received from any source, including insurance. Any previous assistance received for the same purpose as CDBG –DR funds must be deducted.

A CDBG-DR Policies & Procedures Manual as well as Application Guidelines for each program will be made available as a resource for CDBG-DR recipients in the administration of disaster recovery grants. It will provide guidance regarding the general requirements and checklists to ensure compliance with applicable laws and regulations. Sub-applicants will be required to submit quarterly performance reports to AEDC during the life of the project.

### **3. Eligible Activity**

42 USC 5305(a)(4) authorizes the clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately owned properties, and including the renovation of closed school buildings).

The eligibility of housing projects is further established in 83 CFR 5850, which requires grantees to address unmet housing recovery needs with CDBG-DR funds.

### **4. Eligible Area**

Projects must be located within the DR-4441 FEMA declared areas.

### **5. Ineligible Activities**

Ineligible activities identified in the Federal Register are the use of CDBG-DR for forced mortgage payoff, construction of dam/levee beyond original footprint, incentive payments to households that move to disaster-impacted floodplains, assistance to privately owned utilities, not prioritizing assistance to businesses that meet the definition of a small business, or assistance for second homes and activities identified in 24 CFR 570.207. All activities and uses authorized under Title I of the Housing and

Community Development Act of 1974, allowed by waiver, or published in the Federal Register, are eligible.

Eligible use of CDBG-DR funds in a floodway are restricted to voluntary buy-outs.

AEDC will not limit any eligible activities beyond what is specifically excluded by HUD to allow communities as much flexibility as possible.

## **6. National Objective**

Projects using CDBG-DR funds must meet one of the following HUD-designated national objectives to be an eligible housing activity:

- **Benefitting Low- to Moderate-Income Persons (LMH):** Low to Moderate Income Housing (LMH) provides that any assisted activity that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low-to moderate-income only to the extent such housing will, upon completion, be occupied by such persons.
- **Low to Moderate Income Buyout (LMB):** Benefitting low- to moderate-income persons where the award amount is greater than their post-disaster fair market value of the property
- **Low to Moderate Housing Incentive (LMHI):** Benefitting low- to moderate-income persons participating in the voluntary buyout or other voluntary acquisition of housing to move outside of the affected floodplain or to a lower-risk area; or when the housing incentive is for the purpose of providing or improving residential structures that, upon completion, will be occupied by an LMI household.
- **Urgent Need –** providing housing assistance to applicants making in excess of 80% of the area median income
- **Preventing or Eliminating Slum or Blight –** used for buyout or acquisition with demolition.

## **7. Allocation Amount**

Together the HAP component programs will receive \$5,543,000, or 62 percent, of the total CDBG-DR allocation. The unmet needs analysis identified a total housing unmet recovery need of \$7,959,073 for both owner-occupied and rental dwellings.

## **8. Funding Priorities**

The Unmet Needs Assessment revealed a greater impact to homeowners versus renters. As a result, the Voluntary Local Buyout and Acquisition Program will take priority over the Multi-Family Rental Recovery Program. Given the complexity of the work in the Voluntary Local Buyout and Acquisition Programs, along with the desire to complete a consistent and compliant HAP, the State will prioritize applications for assistance that use Planning and Development Districts for Voluntary Local Buyout and Acquisition.

80 percent of the available funds will be allocated to the HUD Most Impacted and Distressed areas, Jefferson and Perry Counties.

## **9. Maximum Assistance**

AEDC follows a cost analysis process as part of standard contracting procedures, which includes a review of each cost element to determine allowability, reasonableness, and necessity. For all HAP projects, the State's housing guidelines has established housing assistance maximums. Local governments may choose to adopt housing guidelines stricter than the State Program as long as like persons and like circumstances are treated the same. All local guidelines and optional relocation plans, as applicable must be adopted by resolution. The resolution must include the structure of their programs and processes and conform to state guidelines. The guidelines must detail how assistance will be prioritized for vulnerable populations. The order of priority of addressing applicants must be established and included in the local guidelines.

HAP projects will receive priority, as a result, maximum assistance for infrastructure projects will be set after HAP needs have been exhausted. AEDC may provide exceptions on a case-by-case basis to the maximum amount of assistance and will describe how it will analyze the circumstances under which an exception is needed and how it will demonstrate that the amount of assistance is necessary and reasonable in the policies and procedures.

## **10. Agreements between Grantee and Sub-Applicants for Housing Assistance Programs**

Under each of the HAP programs there is a required relationship built between the entity delivering the program at the local level and the potential beneficiaries of the program. Depending upon the type of assistance provided (buyout, rehabilitation, down payment assistance, tenant relocation assistance, etc.) there is required program paperwork, including agreements, which must be executed. For example, in the case of a buyout, all of the typical paperwork required for a real estate transaction necessary to get to a closing on the property and to affect a legal transfer is also required under this program. The property will also have a deed restriction placed on it for perpetuity to prevent any further redevelopment.

Contracts and legal agreements are part of every level of the Housing Assistance Program. They will occur between the State and local government, between the local government and the sub-recipient, between the sub-recipient and other professional service providers and between the sub-recipient and the beneficiary.

The policies and procedures manual will outline each of the contracts and agreements used in each program transaction.

## **11. Accessibility Accommodations**

The use of CDBG-DR funds must meet accessibility standards, provide reasonable accommodations to persons with disabilities, and take into consideration the functional needs of persons with disabilities in the relocation process. Guidance on relocation considerations for persons with disabilities may be found in Chapter 3 of HUD's Relocation Handbook 1378.0 (available on the [HUD Exchange website](#)). A checklist of accessibility requirements under the Uniform Federal Accessibility Standards (UFAS) is available [here](#). The HUD Deeming Notice 79 FR 29671 (May 23, 2014) explains when HUD recipients can use 2010 ADA Standards with exceptions, as an alternative to UFAS to comply with Section 504.

## 12. Fair Housing

The State of Arkansas is committed to providing housing assistance programs in a manner that furthers fair housing opportunities to all residents. The State will enact planning and outreach efforts to ensure rebuilding is equitable across communities. The State will implement all regulations in accordance with the Fair Housing Act. All sub-applicants will be required to certify that they will administer their programs in accordance with the Fair Housing Act and that the program will Affirmatively Furthering Fair Housing (AFFH). AEDC will follow policies and procedures for compliance with AFFH requirements during the planning and implementation of each housing activity to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing across the disaster-affected areas. Programs will also be developed with the intent to minimize displacement of persons or entities following 24 CFR part 42.325, 49 CFR part 24 of the URA, 104(d) of the HCDA, and regulations under 24 CFR part 570.496(a).

All projects under HAP will follow affirmative marketing procedures for outreach to protected class groups least likely to apply. Additionally, materials will be provided in other languages, such as Spanish, to accommodate LEP persons.

## 13. Housing Construction and Rehabilitation Standards

Housing Assistance programs implemented by the State will incorporate uniform best practices of construction standards for all construction contractors performing work in all relevant jurisdictions. Construction contractors will be required to carry required licenses and insurance coverage(s) for all work performed. Arkansas will promote high quality, durable and energy efficient construction methods in affected counties. All newly constructed buildings must meet locally adopted building codes, standards and ordinances. In the absence of locally adopted and enforced building codes that are more restrictive than the state building code the requirements of the State Building Code will apply. Future property damage will be minimized by incorporating resilience standards by requiring that any rebuilding be done according to the best available science for that area with respect to base flood elevations.

The State will implement construction methods that emphasize high quality, durability, energy efficiency, sustainability, and mold resistance. All rehabilitation, reconstruction, and new construction will be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigation against the impact of future disasters.

Under the CDBG-DR Program, the State will require all construction activities to follow the guidelines specified in the HUD CPD Green Building Checklist and meet an industry-recognized standard that has achieved certification under at least one of the following programs:

- ENERGY STAR (Certified Homes or Multifamily High Rise)
- Enterprise Green Communities
- LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development)
- ICC 700 National Green Building Standard
- EPA Indoor AirPlus (ENERGY STAR a prerequisite)
- any other equivalent comprehensive green building program

Arkansas will implement and monitor construction to ensure the safety of residents and the quality of projects developed. All multifamily units developed must comply with the current Minimum Quality Standards (MQS).

For rehabilitation other than substantially damaged residential buildings, grantees must follow the guidelines specified in the HUD CPD Green Building Retrofit Checklist. Grantees must apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall.

## **14. Construction Warranties**

In addition to the licenses and insurance requirements, Contractors will be required to provide a warranty period for all work performed. Assisted homeowners will be provided a warranty on the work performed and funded through the housing programs. All work performed by the contractor will be guaranteed consistent with standards of Arkansas, or standards adopted by the State and referenced in contractor agreements to be executed between the homeowner/applicant and contractor. Contractors will be required to guarantee 1 year of general warranty for the entire home, 2 years of electrical, delivery, and mechanical system warranty, and 10 years of structural warranty. Applicants will have access to a thorough appeals process to address any construction quality concerns identified by the homeowner during the construction process.

## **15. Appeals Process**

The State will implement an appeals process for homeowners, rental property owners, and other program participants related to program eligibility and program application process. In addition, the state will implement an appeals process for the Housing Assistance programs to allow for appeals of rehabilitation and new construction contractor work not meeting established contractor standards and workmanship that will be detailed in the policies and procedures manual. This protocol will include details on the appeals process, appealable decisions, review criteria, as well as development of governance mechanisms as part of the program operations and guidelines. Upon the approval of this Action Plan and the implementation of any such activity, the appeals process specific to such activity will be announced and placed on the Arkansas Disaster Recovery webpage.

## **F. Voluntary Local Buyouts and Acquisition**

The term “buyout” as referenced in this Action Plan refers to acquisition of properties located in a floodway and floodplain that is intended to reduce risk from future flooding and the acquisition of properties in Disaster Risk Reduction Areas as designated by the grantee. The key factor in determining whether the acquisition is a buyout is whether the intent of the purchase is to reduce risk of property damage in a floodplain or a Disaster Risk Reduction Area.

Reducing the risk of flooding in residential areas is a priority for AEDC. Sub-applicants can use CDBG-DR funds to buy properties, both commercial and residential, in a target area with the intent to demolish the structures and create park amenities, open space, or flood storage/overflow areas. Voluntary buyout and acquisition will be part of a multi-pronged approach to community revitalization that includes relocation of residents and businesses in addition to business development activities. AEDC will continue to work with organizations on the ground to assess homeowner unmet need and connect

homeowners with available opportunities beyond buyouts.

It is the responsibility of sub-applicants interested in pursuing the buyout projects to support and provide:

- Appraisals
- Title and legal services
- Homeowner counseling services
- Environmental review, and
- Related buyout processes.

All applications for housing activities under the HAP should consider the following objectives:

- Only structures that serve as the primary household will be eligible. These structures must have been occupied at the time of the disaster.
- The Homeowner Assistance Program has eligibility requirements for rehabilitation in the floodplain. Only homeowners who either maintain flood insurance or have incomes under 120% of the Average Median Income may qualify for rehabilitation assistance. However, to receive assistance and remain in the floodplain, flood insurance must be maintained.
- As the intent is to move people out of areas that are prone to flooding or at a higher risk of flooding, there will be no rehabilitation conducted in the floodway, and no rental rehabilitation conducted inside the 100-year floodplain. Other housing alternatives may be available and sought.
- Priority will be given to vulnerable populations such as the homeless and at-risk of homelessness, disabled persons, elderly persons, and families with children, especially those with incomes below 30 percent of the area median.
- Sub-applicants must determine when the cost of rehabilitation or reconstruction of a structure will not be cost-effective relative to other means of assistance, such as buyout of the property, or offering different housing alternatives.
- Only owner-occupied rehabilitation may be allowed in the 100-year floodplain. CDBG-DR assistance provided for repairs of substantial damage, defined as over 50% damaged, must include elevation of the structure with the lowest floor, including the basement, at least two feet above the base flood elevation. Note: This elevation standard may be above the local ordinance but is a program requirement. The total cost for rehabilitation and elevation must be cost effective when compared to different housing alternatives.

## 16. Delivery

Local Governments that are interested in participating will have two potential funding options for pursuing home buyout. The first option is to leverage CDBG-DR funding as match for projects that are also eligible for the Hazard Mitigation Assistance (HMA) grant programs. The second option is to work directly with AEDC on projects located in low- and moderate-income areas to buyout residential areas in support of permanent open space supporting green infrastructure or other floodplain management systems.

AEDC will prioritize home buyout projects that focus on the acquisition of concentrations of residential areas that meet low- and moderate-income area requirements. The CDBG-DR driven buyout program

will be required to meet a low-moderate area (LMA) benefit for funding so that AEDC meets or exceeds its overall low- and moderate-income support requirements.

Local Governments that are interested in this program will work with the AEDC team to determine feasibility of the project. Once a project is determined feasible, it will be eligible for funding in this program. Local governments are encouraged to leverage matching funds under this program and will also be eligible to include homeowner incentives to encourage relocation.

Additional criteria for the both homeowner buyout program options will be detailed in Voluntary Local Buyout and Acquisition Program guidance to be released after the approval of this action plan.

## **17. Eligibility**

### **d. Residential Buyouts**

Program eligible activities include acquisition buyout of residential real property, clearance and demolition. Relocation Assistance is available to households with less than 120 percent Area Median Income.

Recent flooding events have caused significant damage to areas outside of the 100-year floodplain. These areas may be determined to be a Disaster Risk Reduction Area. Sub-applicants will need to establish criteria to designate a Disaster Risk Reduction Area, subject to the following requirements: the hazard must have been caused or exacerbated by the Presidentially declared disaster for which the grantee received its CDBG-DR allocation; the hazard must be a predictable environmental threat to the safety and well-being of program beneficiaries, as evidenced by the best available data and science; and the Disaster Risk Reduction Area must be clearly delineated so that HUD and the public may easily determine which properties are located within the Disaster Risk Reduction Area. All property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity, with a deed restriction or covenant running with the property, for a use that is compatible with open space, recreational, or floodplain and wetlands management practices. The guidelines associated with buyouts, will be developed in accordance with CDBG-DR requirements and regulation to set maximum assistance amounts, that may be more restrictive than the state's maximums, target area locations, and additional eligibility requirements.

The buyout program combines the acquisition of properties with relocation assistance that results in occupancy and meets the LMHI national objective for LMI persons. This includes additional assistance to rental property owners to provide affordable replacement rental properties outside of the floodplain. Affordability rental periods apply. Non-LMI persons can be assisted with buyout under the Urgent Need national objective. The purchased property, either existing home or newly constructed home, must be located outside of the 100-year floodplain, and outside the Disaster Risk Reduction Area, within the grantee's jurisdiction and be comparable to the participant's previous property.

The State will accept proposals for CDBG-DR funds from eligible applicants for primary residential properties, but priority will be given to LMI residents and vulnerable populations as defined by HUD:

- Owner-Occupied Single-Family Homes
- Single Family Rental Units



- Multi-Family Housing Units

Buyout projects will be funded under the following circumstances:

- Buyouts proposing CDBG-DR funding to assist in meeting the required match for FEMA funding (up to 25% of eligible buyout costs).
- Buyouts for which FEMA funding is not eligible or not available. CDBG-DR funds may be awarded for up to 100% of the anticipated project budget.

At a minimum, the Residential Buyout program guidelines will include the following criteria:

- Application for assistance must present a direct or indirect connection to the disaster.
- CDBG-DR funds are prohibited from being used for activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency (FEMA).
- All property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity, with a deed restriction or covenant running with the property, for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.

#### **e. Relocation Assistance**

In a voluntary buyout, the property will be acquired at the pre-flood fair market value established by the appraisal, less any duplication of benefits. If the homeowner chooses to apply buyout proceeds for relocating within the same community, they are eligible for relocation assistance, not to exceed \$50,000, to be applied to the purchase of an existing home. If a comparable home is unavailable within the affordable housing stock, new construction is an option. If the owner is moving outside of the community or is not purchasing a replacement home, the relocation payment is not available.

#### **f. Tenant Relocation Assistance**

Tenants who are affected by a voluntary buyout will be provided relocation assistance under the procedures of the Uniform Relocation Assistance and Real Property Acquisition Act, as amended at 49 CFR 24.

- Relocation assistance payment not to exceed \$7,200. Such payment shall be 42 times the amount obtained by subtracting the base monthly rental for the displacement dwelling from the lesser of the monthly rent and estimated average monthly cost of utilities for a comparable replacement.
- Moving costs.
- The Relocation Expense Benefit may be used to purchase replacement site or dwelling.

#### **g. Hazard Mitigation Grant Program (HMGP) and Flood Mitigation Assistance (FMA Local Match)**

As a result of damage sustained from the 2019 disaster, AEDC will assist local jurisdictions with the match share associated with eligible projects under FEMA HMGP and FEMA FMA. AEDC, through its coordination with ADEM and NRD, will ensure that projects meet CDBG-DR eligibility requirements in addition to the requirements of FEMA HMGP. Activities may include but are not limited to:



- Acquisition and Demolition;
- Structural elevations,
- Flood risk reduction, and
- Infrastructure retrofits.

As projects are evaluated through the HMGP and FMA processes, AEDC will pay close attention to those that benefit housing recovery and address long-term housing needs throughout communities. The HMGP and FMA processes are in the initial stages at this time and will be rolled out over the coming months from the date of release of this report.

#### **x. National Objective**

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. For the Voluntary Local Buyout and Acquisition Program, all projects will meet the low to moderate income national objective.

#### **xi. Maximum Award**

For homeowner relocation assistance, the amount of assistance is based on the determined need of the participant; the amount will not exceed \$50,000. Tenants who are affected by a voluntary buyout will be provided relocation assistance under the procedures of the Uniform Relocation Assistance and Real Property Acquisition Act, as amended at 49 CFR 24. Relocation assistance payment to tenants will not exceed \$7,200.

#### **xii. Timeline**

The Voluntary Local Buyout and Acquisition Program is expected to commence in quarter three of 2021 and remain operational until the end of the grant term or until all projects are complete and funds are expended.

## **G. Multifamily Rental Recovery Program**

The Multifamily Rental Recovery Program will provide necessary gap financing for rehabilitation, reconstruction and new construction of affordable multi-family rental housing units in areas impacted by DR-4441. The program will seek to leverage CDBG-DR with low income housing tax credits (LIHTCs) or other sources to address the unmet rental housing needs resulting from the disaster. Multifamily projects include apartment complexes and mixed-use developments. These multifamily developments are also intended to assist with replacement of rental housing units available to Housing Choice Voucher holders that were lost due to DR-4441. As noted in Section Six, there were no reports of damage to emergency shelter or transitional housing facilities from CoCs or local governments upon consultation, the program will not include the rehabilitation, reconstruction, or replacement of shelters or transitional housing.

Program guidelines will be established that outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals. In addition, the guidelines will outline requirements relative to a minimum percentage of affordable units, the percentage of affordable versus market rate units, requirements for deep affordability, requirements for permanent supportive housing units, as well as the per unit

maximum. Multifamily Rental Recovery Program applications will include affirmative marketing plans according to AEDC's affirmative marketing procedures and requirements for all CDBG-assisted housing with five or more units, including efforts to reach those least likely to apply and LEP persons. Applications should also demonstrate that the proposed projects will affirmatively further fair housing, and are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard related impacts. Projects should also be designed with the established community in mind to lessen the displacement of families and must commit to the affordability periods as outlined in the table below. If other funds requiring a longer affordability period are committed to the project, the longest affordability period will prevail for the project. Local governments helping to administer multifamily housing projects may either follow the state's Residential Anti-Displacement and Relocation Assistance Plan (RARAP) to minimize displacement or develop its own plan with the state's and public's approval.

All construction activities are required to follow the guidelines specified in the HUD CPD Green Building Checklist and meet an industry-recognized standard that has achieved certification under at least one of the following programs:

- ENERGY STAR (Certified Homes or Multifamily High Rise)
- Enterprise Green Communities
- LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development)
- ICC 700 National Green Building Standard
- EPA Indoor AirPlus (ENERGY STAR a prerequisite)
- Any other equivalent comprehensive green building program

For rehabilitation other than substantially damaged residential buildings, grantees must follow the guidelines specified in the HUD CPD Green Building Retrofit Checklist. Grantees must apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall.

Any substantial rehabilitation or new construction of a building with more than four rental units must include installation of broadband infrastructure, except where the grantee documents that the location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible.

## **18. Affordable Rent, Tenant Income Limits, and Minimum Affordability Period**

Multifamily developments funded under this CDBG-DR grant will adhere to standard requirements set by AEDC and ADFA to ensure compliance with not only the CDBG-DR requirements, but also the specific requirements set by the governing federal income limits. All requirements of the multifamily program will be outlined in detail in the program manual and application guidelines for sub-applicants. At a minimum, the following thresholds must be adhered to in all programs:

- AEDC will determine affordable rents in multifamily projects by calculating the Fair Market Rents (FMR) along with the maximum of 30 percent of an LMI household's income.

- FMRs are the standard for the Housing Choice Voucher program, as well as to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab), determining rent ceilings for rental units in both the HOME Investment Partnerships Program (HOME) and the Emergency Solution Grants (ESG) program, for the calculation of maximum award amounts for CoC recipients and the maximum amount of rent a recipient may pay for property leased with CoC funds, and calculation of flat rents in Public Housing units.
- Affordability is also determined by rates not exceeding 30 percent of a household’s income. Per HUD definitions, housing costs are a cost burden when greater than 30 percent of a household’s income.
- AEDC will determine the percent of units in any approved multifamily development that will be leased to tenants with an income of up to 80 percent of the area median income based on regulatory and program requirements.
- Multifamily developments must meet the following affordability requirement: a minimum affordability period of 15 years for the rehabilitation or reconstruction of multifamily rental projects with eight or more units and a minimum affordability period of 20 years for the new construction of multifamily rental units with five or more units. If a rental project that requires rehabilitation or reconstruction is subject to existing affordability requirements associated with other funding sources, AEDC will allow that the 15-year affordability period required by the CDBG-DR funding may run concurrently (or overlap) with the affordability requirements associated with such other funding.
- While AEDC does not anticipate funding single family new construction, should single family units be constructed under this grant, they will also be subject to a minimum affordability period of five years. If units are rentals, the above income and FMR terms will apply. However, the affordability period does not apply to rehabilitation or reconstruction of single-family housing

**Table 71: Minimum Affordability Period Based on Number of Units**

<b>Multi-family Rental Activity</b>	<b>Number of Units</b>	<b>Minimum Affordability Period</b>
Rehabilitation or Reconstruction	8 or more	15 years
Rehabilitation or Reconstruction	Less than 8	5 years
New Construction	5 or more	20 years
New Construction	Less than 5	5 years

## 19. Delivery

The Multifamily Rental Recovery Program is administered and monitored by AEDC. However, CDBG-DR funds are sub-granted to local governments. AEDC will publish program guidelines that will include the process for local governments to submit project proposals. Local governments are responsible for determining how to select projects within their jurisdictions (e.g. through an RFP, NOFA, or similar solicitation process) and prioritize the use of the allocated funding (through cost estimates and analysis). Once local governments have selected projects, they will submit proposals to AEDC for review and approval. The review process will ensure compliance with the established program guidelines,

regulatory requirements, and broader recovery goals. In reviewing the proposed projects submitted by local governments, newly constructed or substantially rehabilitated multifamily housing must comply with the accessibility requirements of both the federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.

As projects are approved, AEDC will enter into a Standard Agreement with the local government, which will define each party's obligations, commit funding to the project, establish timelines and milestones, and reiterate relevant compliance requirements. Sub-applicants will operate the approved multifamily housing project(s) in accordance with their local requirements, the established program guidelines, and as set forth in a Standard Agreement between AEDC and the sub-applicant. Their role will include the procurement of qualified developers and/or construction contractors, project management, environmental reviews, compliance monitoring (including Section 3 and applicable labor and wage requirements), construction management, and project closeout. Sub-applicants can open solicitations to qualified developers. Procurements of developers and contractors must adhere to the procurement requirements set forth the state procurement policies and procedures. Construction advertisement and procurement will include notifying minority and women-owned businesses of contracting opportunities available for federally assisted projects. AEDC will review developer experience as a part of the project review process to ensure that developers have multifamily housing development experience.

Multifamily developments funded under this CDBG-DR grant will adhere to standard requirements set by AEDC to ensure compliance, as well as specific requirements set by the governing federal income limits. All requirements of the multifamily program will be outlined in detail in the program manual and application guidelines for sub-applicants. AEDC will provide technical assistance to ensure compliance with CDBG-DR requirements and consistency with the program guidelines. In addition, regular monitoring of the sub-applicant and specific projects will be conducted to test compliance and ensure timely project completion.

## **20. Eligibility**

Sub-applicants may be governmental agencies and private non-profits. Planning & Development Districts are examples of eligible sub-applicants, although local governments may work with the funding and partnering agencies directly.

Local governments may make applications "on-behalf of" eligible entities whereby the sub-applicant is provided the CDBG-DR funds for their use to carry out the agreed upon, eligible activities. This is different than a local government receiving a CDBG-DR grant and directly contracting or procuring for a service.

Eligible sub-applicants may be established and designated by choice of the local government, as a partner in a project, versus the local government procuring a contractor to deliver the work. The latter cannot be a sub-applicant and may not be "provided the CDBG-DR funds for their use."

Eligible sub-applicants may subcontract with other eligible non-profits.

Local governments may contract directly with a Planning and Development District for grant administration of projects. Local governments should also coordinate with HUD-certified housing counseling organizations to ensure that information and services are made available to both tenants and homeowners, depending upon the program.

Eligibility of multifamily housing project proposals will be assessed by AEDC and ADFA. Specific eligibility criteria include:

- The proposed project must be located in a Most Impacted and Distressed area, or otherwise have been impacted by DR-4441.
- All sources of funding required to complete the project must be identified and secured or readily accessible.
- The proposed project must be cost reasonable, which is what a reasonable person would pay in the same or similar circumstances for the same or similar item or service. Cost reasonableness may be documented by comparing costs between vendors or by comparing submitted costs to an independent cost estimate.
- The proposed project must not exceed the HOME per-unit subsidy limit.
- The proposed project must meet the following affordable rent requirements and tenant income limits over the duration of the minimum affordability period. At a minimum, the following thresholds must be adhered to in all projects:
  - AEDC will determine the percent of units in an approved multifamily development that will be leased to tenants with an income of up to 80 percent of the area median income based on regulatory and program requirements.
  - Affordable rents in multifamily projects will be determined by calculating FMR along with the maximum of 30 percent of an LMI household's income.
  - Multifamily developments must meet the following affordability requirement: a minimum affordability period of 15 years for the rehabilitation or reconstruction of multifamily rental projects with eight or more units and a minimum affordability period of 20 years for the new construction of multifamily rental units with five or more units. Multifamily projects with funding sources that require longer affordability periods will have the longer affordability period prevail over the 15- or 20-year requirement

AEDC will monitor sub-applicants to ensure that appropriate environmental reviews, award closings, monitoring, and closeout are conducted on a per-project basis. AEDC will also monitor to ensure that the specific requirements of other funding sources committed to the project are also satisfactorily met. A monitoring plan will be established with the sub-applicant upon closing of the grant award.

## **21. National Objective**

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. For the multifamily program, all projects will meet the low to moderate income housing national objective. While proposed projects may be mixed-income units, CDBG-DR funds will only be applied to the affordable units for occupation by low- to moderate-income households.

## **22. Timeline**

The Multi-Family program will follow the Voluntary Buyout Program and, in an effort to leverage federal low-income housing tax credits, will align with the Arkansas Development Finance Authority (ADFA) 2022 Qualified Allocation Plan (QPA). Thus the program is expected to commence in quarter two of 2022 and remain operational until the end of the grant term or until all projects are complete and funds are expended. Individual construction timeframes will be specific to each selected proposal.

ADFA is charged with administering (a) federal low-income housing tax credits (the “LIHTCs”), (b) State of Arkansas low-income housing tax credits (the “State LIHTCs”), and (c) State of Arkansas Affordable Neighborhood Housing Tax Credits (the “ANHTCs”; together with the State LIHTCs and the LIHTCs, the “Tax Credits”).

## H. Infrastructure and Public Facilities Program

The 2019 floods caused severe damage to the state’s infrastructure systems and created cascading impacts across many sectors. Infrastructure damage was widespread, with 17 out of 75 counties impacted, reporting damage to roads, bridges, levees, dams, and many other critical infrastructure facilities. As of the date of the release of this Action Plan, estimated repair costs to infrastructure damage submitted to FEMA total approximately \$50 million, though the number is thought to be significantly higher, as full data on flood control works is not currently available. The 2019 disasters, which wreaked havoc on Arkansas, signaled a new reality of extreme weather events that occur with increased frequency and destructive power. The infrastructure damage sustained in the disaster had an immediate and, in many cases, ongoing impact on access to housing in many communities. The disasters also signaled the need to rebuild communities in a way that will mitigate against future risk and increase resilience.

The Infrastructure and Public Facilities Program will provide the FEMA PA and HMGP match to projects that will strengthen and build more resilient communities driven by the needs, opportunities, and strategies to mitigate future impacts throughout the state. The State has identified impacted areas with proposed infrastructure projects that have unmet needs related primarily to flooding and road deterioration caused by the disaster and post-disaster debris clean-up. The State’s allocation for infrastructure projects will focus on unmet needs that are urgent in nature and shovel ready, including, but not limited to drainage repairs and critical road repairs.

AEDC and its partners have identified the following categories with unmet needs:

- Roads and Bridges: foundational to transportation in Arkansas, enables residents to access jobs, schools, food and other daily supplies, medical services, and social networks.
- Water Control Facilities: performs critical flood control, irrigation, navigation, erosion control, and critical to the safety and economy of Arkansas.
- Buildings and Equipment: support the wellbeing of the community, provides government services, fosters arts and culture, supports the health and safety of the community, and cultivates community education.
- Utilities: includes power service, water service, and sewer service; the lifelines to Arkansas’s communities.
- Parks and Recreational Facilities: core component of restoring the quality of life in communities throughout the state.

The above categories of unmet need, as well as the gaps identified in this Action Plan, will assist the State in identifying projects for funding through the Infrastructure and Public Facilities Program. In alignment with the CDBG-DR program priorities as discussed in Section Six, the State will also work to identify projects that:

- Emphasize green infrastructure,<sup>73</sup>
- Increase capacity for resilience by upgrading stormwater and drainage infrastructure,
- Demonstrate a tie to housing recovery,
- Align with local planning efforts, and
- Align with needs outlined in the UNA (Section Four and Section Six).

## 23. Delivery

Many federal programs require local governments to pay a share of the cost of a project, called the local share or match. In the aftermath of a disaster, the match requirements can be burdensome on grant recipients with limited resources who have been overwhelmed by emergency and recovery work and further weakened by lost government revenues. The PA local match program and HMGP match programs, under the Infrastructure and Public Facilities program, will help alleviate this burden through utilization of CDBG-DR funding.

As AEDC reviews projects for funding under the PA and HMGP local match programs, the following criteria will be applied to assist in the selecting of projects:

- Projects that support local housing recovery needs will be prioritized;
- Projects that meet the LMI national objective will be prioritized over projects that meet the Urgent Need national objective;
- Projects located in MID areas will be prioritized over projects outside the MID;
- Projects that are complete, underway, or shovel ready will be prioritized;
- Projects that represent a significant proportion of the local entity's non-federal cost share will be prioritized.

AEDC has evaluated current FEMA PA projects to identify those that will directly impact LMI communities. It is the intent of AEDC to continue to vet the LMI projects to further evaluate their eligibility under CDBG-DR.

The portion of funds applied as match for any project must meet CDBG-DR eligibility requirements in addition to the requirements of the federal and state agency administering the project. CDBG-DR funds may be used to fund improvements to PA or HMGP funded projects that demonstrate an unmet recovery need remains, that other avenues for funding have been exhausted, and that the project is critical to restoring and making the community more resilient. The local match is determined by the extent of damage as a result of the disaster (DR-4441). In accordance with the table below, the federal/local cost-share ratio is 75 percent in federal funds and 25 percent state or local funds. Under FEMA regulations, HMGP and FMA is a 75-25 cost share program.

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<sup>73</sup> Green infrastructure is defined as "...the range of measures that use plant or soil systems, permeable pavement or other permeable surfaces or substrates, stormwater harvest and reuse, or landscaping to store, infiltrate, or evapotranspire stormwater and reduce flows to sewer systems or to surface waters" (Section 502 of the Clean Water Act).

**Table 72: Arkansas DR-4420 Match Requirements for Federal Programs**

Federal Agency	FEMA Section	Category of Work	Program	Type of Work	Federal Cost Share	Local Cost Share
FEMA	Section 407	A	PA: Debris Removal	Emergency	75%	25%
FEMA	Section 403	B	PA: Emergency Protective Measures	Emergency	75%	25%
FEMA	Section 403	B	PA: Sheltering and Temporary Essential Power	Emergency	75%	25%
FEMA	Section 406	C-G	PA: Public Assistance and Mitigation	Permanent	75%	25%
FEMA	Section 428	C-G	PA: Public Assistance Alternative Procedures	Permanent	75%	25%
FEMA	N/A	N/A	PA: Direct Administrative Costs	N/A	75%	25%
FEMA	N/A	Z	PA: State Management Costs	N/A	100%	0%
FEMA	Section 404	N/A	HMGP	Mitigation	75%	25%
FHWA	N/A	N/A	Emergency Relief Program	Emergency Permanent	75%	25%
USACE and Other Federal Agencies	N/A	N/A	Mission Assignment	Permanent	75%	25% \$250,000 max. per project



**Table 73: Total PA Local Match for MID Counties, Categories C-G**

	<b>Best Available Total</b>	<b>Best Available Non-Federal</b>
<b>Eligible Counties</b>	<b>Project Cost</b>	<b>Local Match (25%)</b>
Conway	\$420,752	\$105,188
Crawford	\$1,164,116	\$291,029
Desha	\$924,457	\$231,114
Faulkner	\$896,521	\$224,130
Franklin	\$934,224	\$233,556
Jefferson	\$2,026,795	\$506,698
Perry	\$1,969,473	\$492,368
Pulaski	\$14,661,577	\$3,665,394
Searcy	\$940,747	\$235,186
Sebastian	\$6,035,132	\$1,508,783
Yell	\$920,445	\$230,111
<b>Total</b>	<b>\$30,894,239</b>	<b>\$7,723,557</b>

## 24. Eligible Activity

Infrastructure repair is an eligible activity according to 42 USC 5305(a)(2), which authorizes the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements. In addition, CDBG-DR funds may be used as the non-federal cost share match for FEMA-PA projects.

For a project to be eligible for CDBG-DR funding under the Infrastructure and Public Facilities Program, Applicants must demonstrate all of the following:

- The damage and need to implement the project was directly impacted by the disaster (DR-4441) (i.e., “tie-back”),
- An unmet recovery need remains,
- Meeting of a CDBG National Objective
- Other avenues for funding have been exhausted, and
- The project is critical to enhancing housing recovery.

Generally, eligible activities will include:

- The acquisition, construction, reconstruction, rehabilitation, or installation of public facilities and improvements are eligible activities under CDBG and can be carried out by a grantee, sub-recipient, or other nonprofit. Public facilities may only be owned by these types of entities. Note: If the assisted facility is owned by a nonprofit, core CDBG regulations stipulate that the facility must be open to the public during normal working hours.
- Eligible types of facilities and improvements include: – Infrastructure improvements (construction or installation) including, but not limited to streets, curbs, and water and sewer

lines; – Neighborhood facilities including, but not limited to public schools, libraries, recreational facilities, parks, playgrounds; and – Facilities for persons with special needs such as facilities for the homeless or domestic violence shelters, nursing homes, or group homes for the disabled.

- Eligible costs associated with eligible activities may include: Handicapped accessibility improvements (including improvements to buildings used for general conduct of government)
- Public improvements may include streets, sidewalks, curbs and gutters, parks, playgrounds, water and sewer lines, public flood and drainage improvements, parking lots, and utility lines.

Typical CDBG-DR funded activities in this category include the repair, replacement, or relocation of damaged public facilities or public improvements. If applicable, infrastructure projects located in a floodplain must meet the requirements of 24 CFR Part 55 “Floodplain Management and Protection of Wetlands.”

## **25. Eligible Area**

Projects must be located within the DR-4441 FEMA declared areas.

## **26. Ineligible Activities**

The maintenance and repair of public facilities and improvements is generally ineligible (e.g., filling potholes, repairing cracks in sidewalks, mowing grass at public recreational areas or replacing street light bulbs). Operating costs associated with public facilities or improvements are ineligible unless part of a CDBG-DR assisted public service activity or eligible as an interim assistance activity.

## **27. National Objective**

PA Match funded projects do not relieve the necessity of meeting a CDBG national objective and must also meet applicable CDBG-DR requirements. PA Match funding requires a case-by-case analysis of FEMA-PA project worksheets as well as the funding scenario for the local government.

AEDC funds infrastructure repair based on either benefit to a low- and -moderate income area (LMA) or the urgent need national objective. It is the responsibility of the local government to substantiate LMA or urgent need as part of its proposal to AEDC.

## **28. Allocation Amount**

Consistent with the data HUD used in determining Arkansas’s CDBG-DR allocation and the findings of the Unmet Needs Assessment- Section Six, Arkansas proposes investing \$2,500,000 of its allocation toward unmet infrastructure and public facility needs. Still, applications for housing program assistance will be prioritized; once AEDC has determined that there is no remaining unmet housing need, assistance under the State’s infrastructure programming will be rolled out.

## **29. Maximum Assistance**

AEDC will make funding available to impacted jurisdictions based on the local match requirement for

FEMA PA Category C-G projects. The maximum assistance allowable per project is the amount necessary to meet the match requirement on a project by project basis based on the funding cap for each county.

## 30. Funding Priorities

### h. Housing Priority

Application scoring priority will be given to infrastructure projects that meet the following criteria:

- Focused on housing related needs.
- Shovel-ready.
- Benefit LMI persons and/or are located in LMI Areas (i.e. an area with household incomes at or below 80% of the area median income).
- Enable the State to satisfy the federal requirement that at least 80% of the funding be spent in the MID.
- Incorporate mitigation/resiliency measures to be taken to prevent or lessen the impacts of a future related disaster.
- Address conditions that threaten the health and safety of either the occupants or the public;
- Contribute significantly to the long-term recovery and economic revitalization of the affected area.

### i. Timeline

The Infrastructure and Public Facilities Program will roll out after the housing needs have been satisfied. Each project must be shovel ready to provide outcomes to intended beneficiaries affected by the disaster. All projects must include a project timeline that allows AEDC to meet the six (6) year federal expenditure deadline.

## 9. Section Nine – Grant Administration

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### A. Administrative Funds

The State is entitled to a maximum of 5% of the total CDBG-DR allocation and will act as the lead agency for the overall administration of the CDBG Disaster Recovery funding (\$447,000). Together, Planning and Administration are capped at 20% of the total grant allocation. Of this, by regulation up to 5% of the grant can be used for administration. The State will administer and utilize sub-grantees to disburse the CDBG Disaster Recovery funding directly to benefit homeowners, multifamily property owners, and other eligible beneficiaries of the funding. Administration of the CDBG Disaster Recovery funding by the State will ensure that program activities reach affected residents in a consistent and coordinated manner. The State will implement the programs and activities detailed in this Action Plan primarily through dedicated staff but may also need to hire consultants and third-party contractors.

It is important to define the difference between Activity, Activity Delivery, and Grant Administrative Costs. 24 CFR 570.205 covers grant administration.

- Activity Costs: Actual costs to acquire, rehabilitate or construct projects, or provide assistance.
- Activity Delivery Costs (ADC): costs incurred by sub-recipients to facilitate the development of specific projects and programs (e.g. environmental review, work write up, applicant selection, rehab standards), can include soft costs tied to specific project and are reported within the project or program.
- Grant Administrative Costs: Costs that grantee (State) must incur to administer or manage the CDBG DR grant (e.g. monitoring, financial management, reporting).

Any third-party contractors to be retained by AEDC will vary by activity category (i.e. Buyouts and Acquisitions, Mitigation, Infrastructure, Economic Revitalization, Infrastructure and Public Facilities, and Planning) and may include, but not be limited to:

- Architectural and Engineering services;
- AEDC Internal CDBG-DR Program Auditing;
- Environmental Review services (including historic preservation review);
- Construction Management services;
- General Contracting (including subcontracting); and,
- Application Intake and Evaluation (in the case of any homeowner programs).

The AEDC Grants Division staff dedicated to the administration of the CDBG-DR funding will be responsible for complying with the significant federal requirements related to financial management and control, programmatic compliance and monitoring, affirmative fair housing, the prevention of fraud, waste and abuse. These staff members will be responsible for administering all aspects of the State's CDBG-DR Program, including oversight of all contractors, working with individual applicants, processing the necessary payments, tracking projects and program activities, reporting in the federal Disaster Recovery Grants Reporting (DRGR) system, as well as coordinating the activities of other state agencies in relation to disaster recovery.

The AEDC staff dedicated to the administration of the funding will be responsible for complying with the significant federal requirements related to financial management and control, programmatic compliance and monitoring, affirmative fair housing, the prevention of fraud, waste and abuse. These staff members will be responsible for administering all aspects of the State’s CDBG-DR Program, including oversight of all contractors, working with individual applicants, processing the necessary payments, tracking projects and program activities, reporting in the federal Disaster Recovery Grants Administration (DRGR) system, as well as coordinating the activities of other state agencies in relation to the disaster recovery.

AEDC staff will also oversee the extensive federal requirements associated with programmatic compliance and monitoring. These staff members will be responsible for ensuring the overall administration of the Funding complies with all applicable federal requirements. They will monitor other AEDC staff to ensure the proper implementation of consistent processes and procedures, particularly as they relate to the identification and prevention of the duplication of benefits. This compliance team will also be responsible for monitoring all AEDC contractors and service providers as detailed in the CDBG-DR Policy and Procedures Manual located on the AEDC CDBG-DR website <https://www.arkansasedc.com/CDBG-Disaster-Recovery/>. As previously noted, there will also be long-term compliance requirements associated with some of these program activities (i.e. liens on homeowner and multifamily properties for extended periods).

In order to effectively administer the CDBG Disaster Recovery funding, consistent with these federal requirements, and to ensure that the necessary safe guards are provided, and monitoring processes and procedures are established and followed, the State intends to utilize the full allotment of administrative funds allowed under the Federal Register Notice. By regulation, the CDBG Disaster Recovery administration for this allocation is subject to 5% of the total funding amount.

## B. Grant Management Capacity

In order to support management and maintain compliance, AEDC developed a framework for ensuring the capacity needs of administering the grant are met. This framework was presented to HUD via the CDBG-DR Financial Management and Grant Compliance Certification for States and Grantees (“Grantee Certifications Package”). Modification to positions approved in the CDBG-DR Grantee Certifications Package will require a formal amendment to the Implementation Plan (and will require HUD approval). Modification to non-key positions, however, are considered a function of operations and will be reported as a part of the regular grant reporting cycle as it affects operations.

To support scaling up AEDC’s capacity, key staff will be trained on all program-related activities. This training will support maintaining compliance and providing a high quality of service to beneficiaries. The AEDC Grants Division will also partner and enter into partner agency agreements with ADEM, NRD, and ADFA, as appropriate, to administer the HMGP, FMA and Multi-Family housing programs, where applicable.

## C. Expenditures

AEDC will initiate drawing down funds immediately after HUD’s approval of the Action Plan in the Disaster Recovery Grant Reporting (DRGR) system. Funds will be spent within six years of the date HUD

obligates the funds to AEDC.<sup>74</sup>

## D. Amendment Process

Should the needs of the state throughout the disaster recovery process change, AEDC will be responsible for amending the Action Plan to most effectively use the CDBG-DR funds. Amendments may include updates to the UNA, the program sections, or redistribution of funding allocations. The process required for completing a plan amendment varies based on the size of the amendment.

A substantial amendment is defined by the minimum threshold for requiring substantial amendment procedures, including:

- A change in program benefit or eligibility criteria;
- An addition or deletion of an activity; or
- An allocation or reallocation of 10 percent or more of the CDBG-DR allocation.

As appropriate, AEDC will be responsible for coordinating with partner agencies or jurisdictions to update the plan. All amendments will be clearly marked in the body of the plan. Moreover, at the beginning of each amended plan there will be a summary of the amendment (i.e., record of change). Substantial amendments will utilize the process for public participation as outlined in the Citizen Participation Plan (Attachment C). After finalization, the most up-to-date version of the plan will be available on the CDBG-DR public website and available upon request from AEDC.

## E. Administration Requirements

The following requirements guide the administration of the CDBG-DR grant programs regarding the expenditure of funds. Additional requirements are outlined in the Method of Distribution and Program Priorities section (Section Seven) and in the individual program descriptions (Section Eight).

### 1. Administrative Funds

State administrative costs, including grantee administration costs, will not exceed five percent, \$440,000 of the \$8,940,000 allocation. Planning and administrative costs combined will not exceed 20 percent.

The provisions outlined under 42 U.S.C. 5306(d) and 24 CFR §570.489(a)(1)(i) and (iii) will not apply to the extent that they cap state administration expenditures and require a dollar-for-dollar match of state funds for administrative costs exceeding \$100,000. Pursuant to 24 CFR §58.34(a)(3), except for applicable requirements of 24 CFR §58.6, administrative and management activities are exempt activities under this Action Plan.

### 2. Duplication of Benefits

In the administration of the CDBG-DR programs, the State of Arkansas will implement its CDBG- DR

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<sup>74</sup> *The Appropriations Act; 24 CFR 570.494 and 24 CFR 570.902.*

Duplication of Benefits (DOB) Policy to assure beneficiaries do not receive DOB.<sup>75</sup> DOB refers to a situation where a beneficiary receives assistance from multiple sources (e.g., private insurance, FEMA, NFIP, non-profits, etc.), and the total assistance amount exceeds the need for a particular recovery purpose. This ensures that beneficiaries receive assistance to the extent that the recovery need has not been fully met. In accordance with HUD Federal Register Notices of 2019, declined, cancelled, and undisbursed loans are not considered DOB. Receiving DOB could result in required repayment of duplicative funds and de-obligation of funding. DOB policies apply to any recipient of CDBG-DR funds, including homeowners, property and business owners, and local governments. Additional information regarding DOB can be found in the State of Arkansas CDBG-DR DOB Policy.<sup>76</sup>

### 3. Pre-Agreement Costs

Grantees of the CDBG-DR programs are permitted to charge eligible pre-award and pre-application costs incurred in response to the 2019 disasters.<sup>77</sup> The regulation cited at 2 CFR 200.458 defines pre-agreement costs as “those incurred prior to the effective date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency”.

Since the disaster occurred in mid-2019 and access to the disaster funding is expected in mid-2021, the AEDC Grants Division anticipates the request of pre-agreement costs, consistent with the regulation, the accompanying CPD Notices and the related Federal Register for only a few specific project costs incurred, including some salary costs.

Once a grant agreement is fully executed, the AEDC Grants Division will allow the drawdown of pre-agreement costs associated with eligible disaster recovery activities dating back to the date of the disaster for subrecipients with appropriate documentation. The AEDC Grants Division will submit only those costs that follow the CDBG cross-cutting regulations and only those that are a direct result of activities related to the presidentially declared flooding event. No requests shall be of the size or amount that will cause a substantial amendment to the Action Plan and all costs will be clearly identified in a category recognized in the Action Plan.

### 4. Program Income

AEDC does not anticipate generating program income throughout the duration of the grant period. If program income is generated, AEDC will follow the procedures as outlined in Chapter 8 – Program Income of the Arkansas CDBG Administration Manual.<sup>78</sup> Should program income be generated, it may only be used for eligible project or administration costs related to the awarded project before additional grant dollars are expended. AEDC will report all program income to HUD through the DRGR quarterly. As AEDC finalizes program designs and determines if program income will be generated, AEDC will refine

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<sup>75</sup> In accordance with Section 312 of the Robert T. Stafford Act, as amended, 76 FR 71060 published November 16, 2011, 84 FR 28848 published June 20, 2019, and 84 FR 28836 published June 20, 2019.

<sup>76</sup> Arkansas AEDC Duplication of Benefits Policy for CDBG-DR Disaster Recovery, July 2020

<sup>77</sup> US HUD, 2015. “Guidance for Charging Pre-Application Costs of Homeowners, Businesses, and Other Qualifying Entities to CDBG Disaster Recovery Grants.” Retrieved at: <https://www.hud.gov/sites/documents/15-07CPDN.PDF>

<sup>78</sup> Arkansas AEDC Duplication of Benefits Policy for CDBG-DR Disaster Recovery, July 2020

CDBG-DR policies to accurately describe how program income will be managed.

## 5. CDBG-DR Reprogrammed Funds

AEDC anticipates that in some cases CDBG-DR funding could potentially be available later in the program due to unforeseen events such as the cancellation of projects, projects completed under budget, or from funds designated but not allocated. AEDC reserves the right to adjust any of the remaining CDBG-DR funding to ensure maximum utilization of funds. Such CDBG-DR funding adjustments shall be the minimum amount necessary to fund projects efficiently. Reprogrammed CDBG-DR funding is also being made available to offset any unforeseen project eligible cost increases such as in the case of construction. All CDBG-DR reprogrammed funding will be subject to the same expenditure deadlines and compliance requirements set forth in the Federal Register Notice. Funding deemed available for reprogramming will be evaluated and allocated according to the following considerations.

- In addition to first meeting the core CDBG-DR program eligibility requirements as outlined in this Action Plan, reprogrammed funding will be prioritized in order to allow the State to meet the minimum specified objectives in the Federal Register Notice should these objectives still remain unfulfilled at the time of availability of reprogrammed funding.
- Reprogrammed funding will be first considered for current grantees whose infrastructure projects have been significantly impacted by unforeseen increased project completion costs and require additional funds to ensure timely completion of their eligible project.
- Reprogrammed funding consideration will depend on the amount required by the eligible CDBG-DR project in relation to the amount of limited remaining CDBG-DR funding available.
- Reprogrammed funding consideration will depend on the amount of time required for final project completion in relation to the amount of time remaining under the imposed Federal Register Notice deadlines.
- Any remaining CDBG-DR funding that cannot meet the expenditure deadlines and compliance requirements set forth in the Federal Register Notice will be returned to HUD as required under federal guidelines.

## F. Program Implementation

The program implementation section discusses eligibility requirements, the application process, and implementation requirements for Arkansas's CDBG-DR grant program.

### 6. Eligible and Ineligible Activities

The CDBG-DR funds must be used toward disaster recovery activities, addressing disaster relief, restoration of infrastructure, and housing and economic revitalization, directly related to the 2019 disasters.

### 7. Eligible Activities

CDBG-DR funds from the HUD disaster appropriation may be used for eligible CDBG activities.<sup>79</sup> The

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<sup>79</sup> *Eligible activities are as identified at 42 USC 5305 (a), that meet the state CDBG program regulations as found at 24 CFR*



assistance may be provided for eligible projects to which FEMA has provided assistance, or that other sources, including FEMA, cannot fund or cannot fund in full, but that are nevertheless critical to recovery, or for activities where the costs significantly exceed the amount of assistance that FEMA or other sources can fund. However, any appropriation covered by this Plan<sup>80</sup> shall be reviewed for compliance with duplication of benefits (DOB) guidelines.<sup>81</sup> A key update is described by HUD, “CDBG–DR grantees shall not treat declined subsidized loans, including declined SBA loans, as a DOB (but are not prohibited from considering declined subsidized loans for other reasons, such as underwriting).”<sup>82</sup> Funds may also be used as a matching requirement, share, or contribution for any other federal program, provided all activities are CDBG-DR eligible and in compliance with DOB guidelines.

- Program delivery costs may include, but are not limited to: applicant intake, development of cost estimates, engineering design, and compliance actions for environmental hazards.
- By the terms of the applicable HUD Federal Register Notices, activities using 80% of the CDBG-DR funding may be funded in the following MID Counties: Dodge County, Douglas County, and Sarpy County. Per the January 27, 2020, Federal Register Notice, Arkansas elected to expand the MID per automatic waver to cover the extent of the three counties.<sup>83</sup>
- Activities using 20% of the CDBG-DR funding may be funded outside of the MID Counties outlined above.
- Structures used by faith-based organizations may be assisted where a structure is used for both religious and secular uses, and the rehabilitation and/or construction costs are attributable to the non-religious use. As of this writing, no specific CDBG-DR eligible projects for religious institutions have been identified; however, the state reserves the right to assist eligible projects as need and identified.

## 8. Ineligible Activities

Ineligible activities include, but are not be limited to, the following:

- General government expenses;
- Political activities;
- Operations and maintenance;
- Income payments;
- Assistance to second homes;
- Replacement of lost business revenue as a result of the storm;
- Assistance to private utilities;
- Purchase of equipment (with several exceptions, e.g., as part of an eligible economic development activity, a public service activity, a solid waste disposal facility, or an integral part of a public facility project);
- Any assistance to a business or property owner who received FEMA assistance in the past where required flood insurance has not been maintained.

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570.482 or any activity for which HUD has issued a waiver/alternative requirement in the applicable Federal Register Notices

<sup>80</sup> Per Public Law 116-20

<sup>81</sup> As noted in 84 FR 28836, which updates existing DOB requirements to reflect recent CDBG–DR supplemental appropriations acts and amendments to the Robert T. Stafford Disaster Relief and Emergency Assistance Act

<sup>82</sup> Per 84 FR 28836.

<sup>83</sup> 83 Fed. Reg. 83 (February 9, 2018)

## **9. Implementation Requirements**

The following requirements guide the implementation of the CDBG-DR grant programs. Additional requirements are outlined in the Program Priorities section (Section Seven) and in the individual program descriptions (Section Eight).

## **10. Procurement**

The State of Arkansas will require full and open competition and evaluation of the cost for procurement of contractor support utilizing procurement policies as outlined in the State of Arkansas Procurement Manual, which applies to all programs regardless of source of funds. Procurement for CDBG programs are governed by those specific requirements set forth under 24 CFR 570.489(g) and Arkansas Procurement Laws and Rules, and all applicable state laws and regulations.<sup>84</sup> As applicable, partnering agencies will follow their stated procurement requirements. These rules and regulations are applicable for all applicants and any potential subrecipients. The state's procurement policies were submitted in the State of Arkansas Grantee Certifications Package.

Procurement requirements will depend on the type of program. When construction contractors are required, a licensed contractor with the State of Arkansas and local jurisdictions will be required. According to each local jurisdiction, permits may be required for work conducted utilizing CDBG-DR funding. For all work being performed, construction contractors will be required to have a one-year warranty. Each homeowner will have the right to appeal work performed by a contractor.

## **11. Project Construction Costs**

Controls to assure that project construction costs funded by CDBG-DR programs are necessary and reasonable are outlined in the CDBG-DR Financial Management and Grant Compliance Certification for States and Grantees. Furthermore, the State of Arkansas Procurement Manual outlines specific policies for determining and demonstrating necessary and reasonable project costs.

## **12. Use of Technical Assistance**

The State of Arkansas plans will utilize technical assistance resources provided through HUD staff to support program implementation and program management, including potential support for local governments and other eligible applicants under the programs described in this Action Plan where appropriate.

## **13. Exceptions**

AEDC recognizes that it might be necessary to grant exceptions to the maximum amount of assistance designated per program (outlined in Section 5) and any such exception will be instituted through an appropriate Action Plan amendment. Exceptions will have to demonstrate good cause and will be considered case-by-case, based on funding availability as well as competing accessibility, environmental

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<sup>84</sup> *State of Arkansas Procurement Laws & Rules, March 16, 2020. Retrieved at <https://www.dfa.arkansas.gov/images/uploads/procurementOffice/lawsRegs.pdf>*

compliance, or historic preservation requirements. All exceptions will be made in accordance with the CDBG-DR policies and procedures and will be documented.

## 14. Minimizing Displacement

In alignment with Federal Register Notice requirements, AEDC plans to minimize displacement of grant recipients and support recipients that have been displaced through implementation of the CDBG-DR program. All recovery programs outlined in this Action Plan will be implemented with the goal of minimizing displacement of families from their home, whether rental or owned, and/or their neighborhoods. Minimizing displacement is not designed to limit the programs that AEDC can implement, but rather support a fair recovery process. AEDC will minimize displacement of persons or entities when implementing CDBG-DR projects by ensuring that all programs are administered in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended (49 CFR Part 24) and §104(d) of the Housing and Community Development Act of 1974 and the implementing regulations at 24 CFR Part 570.496(a).

## 15. Elevation Requirements

To promote a resilient recovery, AEDC will require the use of the following elevation standards as outlined in the Federal Register<sup>85</sup> by HUD:

- Per HUD requirements, residential structures located in the one percent annual chance floodplain where assistance is provided for new construction, repair of substantially damaged structures, or substantial improvements in flood hazard areas, are required to elevate such that the lowest floor (including the basement) is two feet above the base flood elevation. This Plan does not allow for any construction in the one percent annual chance floodplain.
- Mixed-use structures with no dwelling units and residents below two feet above base flood are required to be elevated or floodproofed up to at least two feet above base flood elevation.
- Nonresidential structures are required to be elevated or floodproofed up to at least two feet above the one percent annual chance floodplain.
- All critical actions<sup>86</sup> located within the 0.2% annual chance (500-year) floodplain are required to be elevated or floodproofed to the 0.2% annual chance floodplain or three feet above the one percent annual chance floodplain elevation. If the 0.2% annual chance floodplain is unavailable, any critical action in the one percent annual chance floodplain must be elevated three feet above the floodplain elevation.

The Arkansas Natural Resources Division work with AEDC to support local community floodplain managers to ensure that all federal, state, and local floodplain regulations are met. AEDC will require its sub-applicants to comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas. All structures designed for residential use within a 100-year (or one percent annual chance) floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 CFR 5850.

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<sup>85</sup> 83 Fed. Reg. 83 (February 9, 2018)

<sup>86</sup> Critical Actions are defined as an “activity for which even a slight chance of flooding would be too great, because such flooding might result in loss of life, injury to persons or damage to property” (24 CFR 55.2[b][3]).

AEDC's priority is to support a resilient recovery. If elevation is proposed, AEDC will look to industry standards for the most relative average cost associated with elevating structures and will demonstrate that elevation is cost reasonable relative to alternative programs to promote a community's long-term recovery. Costs of elevation will be included as part of the overall cost of rehabilitation of a property. If a home is within a 100-year floodplain, a cost estimate will be completed and compared with local and national averages comparable to the home's size, number of feet required for elevation, and the geography of the location. AEDC will outline how it will document on a neighborhood or local government level that elevation, as opposed to alternative strategies, is cost reasonable to promote a community's long-term recovery in programmatic policies and procedures.

## **16. Fair Housing**

As discussed in Section six, the State of Arkansas prioritizes vulnerable populations. Specifically, this will apply to the implementation of Arkansas's CDBG-DR Action Plan by requiring all projects to affirmatively further fair housing for all project types (Title VIII of the Civil Rights Act of 1968).<sup>119</sup> This is not restrictive to housing program projects, but rather any project implemented using CDBG-DR funding. Fair housing choice promotes program implementation that does not discriminate based on race, color, religion, sex, disability, familial status, or national origin. More information regarding fair housing requirements can be found in the Arkansas CDBG Program Administration Manual.<sup>120</sup>

Specifically, Arkansas will provide reasonable accommodation and access to language resources to affirmatively further fair housing. Arkansas is committed to ensuring that individuals with disabilities are able to participate and benefit from the CDBG-DR programs as outlined in this action plan. As a part of the planning process, AEDC considered the needs of individuals with disabilities. Additionally, individuals with disabilities can request accommodation, including those that require modification of policies and programs or exceptions, unless doing so would be a fundamental alteration of the program. Additionally, Arkansas is committed to ensuring that individuals with Limited English Proficiency (LEP) are able to participate and benefit from the CDBG-DR programs as outlined in this action plan. More information regarding this accommodation is available in the Citizen Participation Plan (Attachment C).

## **17. Green Building Requirements**

In the implementation of the CDBG-DR program, residential structures must meet at least one of the following green building standards for new construction and repair of substantially damaged structures, including:

- ENERGY STAR (certified homes or multifamily high-rise);
- Enterprise Green Communities;
- LEED (new construction, homes, midrise, existing buildings operations and maintenance, or neighborhood development);
- ICC-700 National Green Building Standard;
- EPA Indoor AirPlus (ENERGY STAR certification is a prerequisite); or
- Any other equivalent comprehensive green building program acceptable to HUD.

## **18. Use of Eminent Domain**

The use of eminent domain is not anticipated in the implementation of the CDBG-DR program. In the

case that eminent domain is exercised, it will only be used for acquisition for public purpose.

## G. Monitoring and Compliance

Monitoring and compliance are critical to successful implementation of the CDBG-DR program to ensure the program is carried out in accordance with state and federal requirements. Monitoring and compliance activities will include documenting compliance with program rules; ensuring timely expenditure of CDBG-DR funds and timely closeout of projects, tracking program and project performance; and identifying technical assistance needs.<sup>121</sup> The state will conduct monitoring activities, including the following:

- Desktop Monitoring is conducted offsite and allows for performance to be monitored (via progress reports and other supporting documentation).
- On-site Monitoring is conducted at the location of the project activity and is generally conducted once, unless otherwise identified.

After monitoring is conducted, a report will be produced summarizing what was reviewed; the applicable state or federal statute; and the conclusion reached through the monitoring process.

**Table 74: Monitoring Report Determinations**

<b>Determination</b>	<b>Description</b>
Satisfactory Performance	No identifiable issues.
Concern	An issue is identified but does not involve a statute, regulation or requirement, such as a management issue.
Question of Performance	Monitoring review is inconclusive as to if there is a violation of a statute, regulation, or requirement and additional information will be required.
Clear Violation	Clear violation of a statute, regulation, or requirement and a remedy is required.

## H. Stakeholder Engagement

### 19. Public Website

AEDC will maintain a CDBG-DR website at [www.ArkansasEDC.com/CDBG-Disaster-Recovery](http://www.ArkansasEDC.com/CDBG-Disaster-Recovery) which will contain a copy of the Action Plan, Action Plan amendments, public comments, application status reporting for grantee and beneficiaries, procurement information including contracts for outside services, a contractor complaint hotline and general contact information, and more. A complete list of website content is available in Appendix B of this Action Plan document. Throughout the duration of the grant, AEDC will maintain the public website listed above to provide information on how the CDBG-DR program funds are being used and administered. Specifically, this will include:

- The Action Plan, including any and all amendments;
- The current approved Disaster Recovery Grant Reporting (DRGR) system action plan;

- Each quarterly performance report (QPR), as created using the DRGR system;
- Citizen participation requirements;
- Language Access Plan;
- Procurement policies and procedures;
- Announcements of public hearing;
- Instructions on how to apply for assistance;
- The grievance procedure;
- A directory of names of staff, responsibilities, and contact information;
- Statement on Anti-Fraud, Waste, and Abuse;
- Description of services or goods currently being procured by the grantee;
- A copy of contracts the grantee has procured directly; and
- A summary of all procured contracts.<sup>87</sup>

## 20. Citizen Participation

A Citizen Participation Plan (CPP) (Attachment C) was developed to establish citizen participation efforts to be conducted throughout the implementation of the Action Plan. This plan specifically outlines the 30-day public comment period. As discussed in the CPP, the State of Arkansas recognizes the importance of public participation in the process of disaster recovery, particularly for those most vulnerable to the impacts of the disaster. These individuals include low- and moderate-income persons; residents of low- and moderate-income areas; residents of slums and blighted areas; individuals and organizations located where federal and state resources may be used; minorities and non-English speaking residents, including those with Limited English Proficiency (LEP); and persons with disabilities. The CPP was used for the development of the Action Plan and will be utilized throughout program implementation and for review of substantial amendments.

## 21. Public Comment

The draft Action Plan was posted on the State’s CDBG-DR website and published for public comment from July 27, 2020 to August 26, 2020. To ensure equal access and opportunity to comment for all citizens, a Public Notice was published in the Arkansas Democrat Gazette on July 26, 2020. AEDC considers all public comments received in writing, via e-mail, or delivered in person at official public hearings regarding this Action Plan or any substantial amendments. AEDC will make public comments available to citizens, public agencies, and other interested parties upon request.

## 22. Jurisdictional Engagement

To support efficient and effective use of the CDBG-DR allocation, AEDC will engage with local and regional governments, federal partners, non-governmental organizations, private sector stakeholders, and other entities to sufficiently assess the needs of all areas affected by the 2019 disaster.<sup>88</sup> Additionally, comprehensive jurisdictional engagement supports:

- Alignment and consistency between the action plan and other regional recovery efforts;

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<sup>87</sup> 83 Fed. Reg. 83 (February 9, 2018)

<sup>88</sup> This engagement includes CDBG entitlement communities.

- Development of relationships to enhance resilience; and,
- Information sharing of best practices, challenges, and resources.

During the planning process, AEDC held multiple meetings with jurisdictional stakeholders and consulted directly with impacted jurisdictions between March 2020 and December 2020. To assist in the development of the Unmet Needs Assessment (UNA), the State of Arkansas utilized the “ Valuation Tool for Prioritizing Needs by Sector, Funding, and Capacity” as described in Appendix G. The Valuation Tool implements a ranking system that prioritizes activity areas within each of the key sectors of housing, infrastructure, and economy. AEDC conducted outreach to impacted jurisdictions, providing the Valuation Tool as a method of soliciting feedback on unmet recovery needs. AEDC utilized this feedback in completing its UNA and designing programs to meet unmet recovery needs.

## **23. Application Status**

AEDC is responsible for the implementation of the CDBG-DR programs and projects, including the means of communicating with program applicants. AEDC is committed to sharing timely and accurate information. For each of the CDBG-DR programs proposed, oversight of the application process will be managed by the AEDC Grants Division. Once an application for CDBG-DR assistance has been submitted, AEDC will ensure adequate means of informing applicants on application status are maintained throughout program implementation. This will include utilization of the public website, contact through program representatives, and via email, phone, or mail. The State’s CDBG-DR website will be used to provide grant updates, publication of action plan amendments, and critical grant communications. Additional methods of communication include:

- Mailings to the damaged and current mailing addresses;
- Emails to primary and secondary email addresses, as needed; and
- Phone calls to primary and secondary phone numbers as needed.

Applicants with LEP who require translation or interpretation services are provided these services in accordance with AEDC’s Language Assistance Plan (LAP). Furthermore, AEDC provides status updates and program materials in a format that is in accordance with the Americans with Disabilities Act (ADA). In sharing information related to each application, AEDC will ensure that personally identifiable information (PII) is protected.

## **24. Policies and Procedures**

A manual outlining the Policies and Procedures associated with the use of CDBG funding will be available to all interested parties. In addition to the federal compliance areas of procurement, citizen participation, financial management, labor standards, equal opportunity and fair housing, environmental review and contract management, the manual will include housing quality standards and construction standards related to housing rehabilitation, housing reconstruction and new construction, duplication of benefits requirements and processes, deed restrictions, applicable Uniform Relocation Act (URA) requirements, Optional Relocation Plans, resolutions related to flood insurance requirements, program agreements and contract documents, beneficiary intake forms, etc. For URA purposes, the terms "demonstrable hardship" and "not suitable for rehabilitation" will be specifically defined in the forthcoming policies and procedures. In general terms, a demonstrable hardship is considered a substantial change in a household’s situation that prohibits or severely affects their ability to provide

and maintain a minimal standard of living or basic necessities.

## **25. Training and Technical Assistance**

The complexity associated with using CDBG funds requires training and technical assistance to ensure that project goals are achieved while remaining compliant with program rules and regulations. The Grants Division will offer training opportunities to interested parties at the application stage and the new grantee training stage. Training to build capacity will be implemented throughout the year by focusing on specific program compliance areas. Technical assistance is available to every potential application, sub-applicant, and professional service provider throughout each stage of the process. The Arkansas Grants Division employs regional field representatives assigned to specific areas of the state, as well as specialists, who maintain expertise in certain fields such as housing, economic development, and infrastructure and compliance areas such as procurement, equal opportunity and fair housing, Uniform Relocation Act, labor standards, financial management, and environmental review.



# Appendix A – Acronyms List

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## Acronym Term

ADEM	Arkansas Department of Emergency Management
ADFA	Arkansas Development Finance Authority
AEDC	Arkansas Economic Development Commission
AHTC	Affordable Housing Tax Credits
AMI	Area Median Income
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant – Disaster Recovery
CFR	Code of Federal Regulations
COVID-19	Coronavirus Disease 2019
CPP	Citizen Participation Plan
DOB	Duplication of Benefits
DR	Disaster Recovery
DRGR	Disaster Recovery Grant Reporting
ELIL	Extremely low-income limit
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FR	Federal Register
HMGP	Hazard Mitigation Grant Program
HOME	Home Investment Partnerships Program
HTF	National Housing Trust Fund
HUD	United States Department of Housing and Urban Development
IA	Individual Assistance
IHP	Individuals and Households Program
LEP	Limited English Proficiency
LIHTC	Low income housing tax credit
LIL	Low-income limit

LMI	Low- and moderate- income
MID	Most Impacted and Distressed
NFIP	National Flood Insurance Program
NRD	Arkansas Natural Resources Division, Department of Agriculture
OFA	Other Federal Agencies
PA	Public Assistance
PII	Personally Identifiable Information
PW	Project Worksheet
QPR	Quarterly Performance Report
RSF	Recovery Support Function
SBA	Small Business Administration
SR	Subrecipient
SRA	Subrecipient Agreement
UNA	Unmet Needs Assessment
USACE	United States Army Corps of Engineers
VLIL	Very low-income limit

## Appendix B – CDBG Disaster Recovery Website

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A common means for communication among all parties will be the CDBG-DR website maintained by AEDC. Development and build out of the site will incorporate Action Plans, Action Plan amendments, memorandums, Q&A, best practices, and information sought by our partners and potential beneficiaries. The website is Section 508 compliant, as are all of the websites sponsored by the State of Arkansas. Documents and information included on the website will be converted, as necessary, to the predominant languages prevalent in the region.

Arkansas CDBG-Disaster Recovery Website

<https://www.arkansasedc.com/CDBG-Disaster-Recovery>

The CDBG-DR website will maintain its own web address as well as maintain access directly from the AEDC homepage. It will contain the following information:

- Grantee Application Status information
- Beneficiary Application Status information
- Draft and final Action Plans
- Action Plan amendments, as applicable
- Unmet needs assessment background data
- Grant awards
- Copies of relevant procurement documents, grantee administrative contracts, and details of ongoing procurement processes
- Technical Memoranda
- Contractor fraud reporting or hotline
- A means for an applicant “review request” process prior to making an appeal to avoid unnecessary legal review
- Guidance and form for filing a Formal Appeal
- Program general inquiry phone number and general inquiry email
- Program and policy FAQs
- General program expenditure and production progress reports
- Public announcements such as housing program intake center locations, application intake beginning, and end periods, etc.
- Referral to other support agencies and nonprofit services for items such as mortgage foreclosure, insurance claim disputes, title clearance
- Links to standardized program forms
- A link for homeowner/contractor disputes on extended warranty claims
- Link to FEMA floodplain maps, NFIP and related information
- Language Access Plan

# Appendix C – Arkansas CDBG-DR Citizen Participation Plan

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The following table summarizes changes to the State of Arkansas DR-4441 CDBG-DR Citizen Participation Plan.

Version	Date	Summary of Changes

## CITIZEN PARTICIPATION PLAN CDBG-DR

### Background

The State of Arkansas is a recipient of a U.S. Department of Housing and Community Development Block Grant-Disaster Recovery (CDBG-DR) Grant appropriated in accordance of the Disaster Relief Appropriations Act, 2016 (Public Law 114-223). This describes the applicable waivers and alternative requirements, relevant statutory and regulatory requirements, the grant award process, criteria for the action plan approval, and eligible disaster recovery activities. The funds are being made available to assist disaster recovery efforts in response to FEMA DR 4441 (the Arkansas River Flooding), declared on June 8, 2019.

The primary goal of this Citizen Participation Plan is to provide all Arkansas citizens with an opportunity to participate in the planning, implementation, and assessment of the State’s recovery programs. The plan set forth policies and procedures for citizen participation, which are designed to maximize the opportunity for citizen involvement in the community recovery process.

### Public Hearing

Unlike the Citizen Participation Plan for the Consolidated Plan process, there is no requirement for a public hearing relative to the CDBG-DR Action Plan. The State’s disaster recovery needs will be incorporated into the next required update of the Consolidated Plan. The public will be engaged in the recovery planning process through public and stakeholder outreach, including public meetings, in order to collect input from impacted citizens and community leaders. Public meetings are publicized in coordination with impacted jurisdictions and feedback received is collected and incorporated into the Action Plan process. In addition, the State will ensure that all grantees adhere to fair housing requirements and will capture, review, and maintain records of its status.

**Contact Information:** Citizens may make comments or request information regarding the Consolidated Planning process by mail, telephone, facsimile transmission, or email to the Arkansas Economic Development Commission, Grants Division, 1 Commerce Way, Suite 601, Little Rock, Arkansas 72202, Tel. (501) 682-7389, TTY: 1-800-285-1131 or dial 711 for Arkansas Relay Service, Fax (501) 682-7499, email [JNoble@ArkansasEDC.com](mailto:JNoble@ArkansasEDC.com).

The State will respond to written comments as appropriate.

**Encouragement of Citizen Participation and Outreach:** The State will invite and encourage citizen participation in the Action Plan process with a focus on outreach to low- and moderate- income persons, racial/ethnic minorities, persons with disabilities, and persons with Limited English Proficiency.

**Strategy:** The State will advertise opportunities for public participation in the Action Plan process through stated, federal, local governments, tribal communities, public housing, housing-related service providers, for-profit developers, professional organizations, other known constituency groups, and citizens who have requested notification. Additionally, the State will advertise through: Groups, organizations, agencies, and churches providing services to or advocating for low- and moderate-income persons, racial/ethnic minorities, persons with disabilities, and persons with Limited English Proficiency; and Media sources that have direct contact with low- and moderate-income persons, racial/ethnic minorities, persons with disabilities, and persons with Limited English Proficiency.

The AEDC Grants Division is committed to ensuring that all populations impacted by the storm are aware of the programs to assist in the recovery from the 2019 riverine flooding. Through in persons meeting, outreach events, online and traditional media, the state has publicized the programs and conducted outreach efforts throughout the storm impacted areas.

### **Public Notice and Comment Period**

A comment period of at least thirty (30) days, as required by HUD, shall be provided for citizens, affected local governments, and other interested parties an opportunity to comment on substantial amendments to the Action Plan. Notices advertising the public comment period will be placed in daily newspapers, non- English newspapers, and weekly community newspapers.

In accordance with CDBG-DR requirements, the State of Arkansas has developed and will maintain a comprehensive website regarding all disaster recovery activities assisted with these funds. The State will post all Action Plans and amendments on the State's CDBG-DR website <https://www.arkansasedc.com/CDBG-Disaster-Recovery> to give citizens an opportunity to read the plan and to submit comment(s). This website is featured prominently on, and is easily navigable from, the State's homepage <https://www.arkansasedc.com/>.

Paper copies of the Action Plan will be available in both English (including large, 18pt type) and Spanish.

Comments and complaints may be submitted as follows:

Written comments may be mailed to:  
Arkansas Economic Development Commission – Grants Division

Consolidated Planning Coordinator  
1 Commerce Way, Suite 601, Little Rock, AR 72202

By telephone: (501) 682-7389, TTY: 1-800-285-1131 or dial 711 for Arkansas Relay Service, or Fax (501) 682-7499, or Email: [JNoble@ArkansasEDC.com](mailto:JNoble@ArkansasEDC.com)

At the end of the comment period, all comments shall be reviewed, and a State response will be incorporated into the document. A summary of the comments and the State's responses will be submitted to HUD with the Action Plan. The Action Plan and any amendments including public comments and responses will be posted on the State's CDBG-DR website.

### **Individuals with Limited English Proficiency (LEP)**

Based on LEP data within the impacted areas collected by the State, both the instructions for commenting on, and access to, the Action Plan will be translated into Spanish. Comments will be accepted through the online commenting form in English and Spanish. The State will make every possible effort to translate and consider comments submitted in any other language within the timeframe.

### **Persons with Disabilities**

As noted above, hard copies of Action Plans will be available in large print format (18pt font size) at the location listed above. The online materials will also be accessible for the visually impaired. For more information on how people with disabilities can access and comment on the Action Plan, dial 1-800-285-1131

### **Response to Citizen Complaints**

The AEDC Grants Division shall provide a written response to every complaint relative to the CDBG-DR Plan within fifteen (15) working days of receipt if practicable. Complaints may be emailed to [dpolk@arkansasedc.com](mailto:dpolk@arkansasedc.com), with a copy to [jnoble@arkansasedc.com](mailto:jnoble@arkansasedc.com). Complaints may also be submitted via mail as provided in the "Complaints" section noted below. The state will execute its Appeals Process in response to complaints and will require grantees to adopt a similar process that weighs complaints through an unbiased process of the citizen's peers. The process will be tiered whereby applicants will be able to appeal a decision and received further review from another level.

### **Performance Review**

The requirements for submission of a Performance Evaluation Report (PER) are waived for the CDBG-DR program. As an alternative, the State's Action Plan must be entered into HUD's Disaster Recovery Grant Reporting (DRGR) system. The State will submit a performance report in a form to be prescribed by HUD no later than thirty days following the end of each quarter, beginning after the first full calendar quarter after grants award and continuing until all funds have been expended. The quarterly reports shall use the DRGR system and be posted on the State's website within three days of submission.

### **Action Plan Amendments**

In the case of amendments, the State of Arkansas will follow two alternative citizen participation processes. In the cases of a substantial amendment, the procedures detailed above will be followed.

A substantial amendment shall be defined as: a change in program benefit, beneficiary or eligibility criteria, the allocation or re-allocation 10 percent or more of the budget, or the addition or deletion of an activity. For amendments considered to be non-substantial, the State shall notify HUD, but public comment is not required. Every amendment, substantial or not, shall be numbered sequentially and posted on the website.

### **Applicant Status**

The usual methods of notifying citizen of their application status regarding CDBG-DR programs involves communicating through interviews, telephone, email and written. In addition to these very effective methods, the Arkansas CDBG-DR program will include a system where applicants will be able to access their status online.

### **The Final HUD-Approved Action Plan**

Following HUD approval of the Action Plan or amendment(s), it will be posted on the State's CDBG-DR website. Copies of the Final Action Plan will also be made available upon request.

### **Complaints**

AEDC will respond in writing to written citizen complaints about the Consolidated Plan, Annual Action Plan, Annual Performance Report, and Substantial Amendments. Citizen complaints should be submitted to the Arkansas Economic Development Commission. Complaints may also be received verbally, and by other means, as necessary where the AEDC determines that a citizen is not reasonably able to submit a written complaint due to a physical or intellectual impairment. In these instances, AEDC may convert these complaints into written form.

AEDC will respond to complaints within fifteen (15) working days, where practicable. Complaints may be submitted as follows:

Compliance Officer  
Grants Management Division  
Arkansas Economic Development Commission  
1 Commerce Way, Suite 601  
Little Rock, AR 72202

Complaints may also be submitted by email to: [dpolk@arkansasedc.com](mailto:dpolk@arkansasedc.com) with a copy to [jnoble@arkansasedc.com](mailto:jnoble@arkansasedc.com).

If you need assistance in filing a written complaint, you may contact Dori Polk at 501-682-7335.

Any person that feels that the Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 regulations were not complied with may file a complaint directly to the Assistant Secretary for Fair Housing and Equal Opportunity at the following links (or as otherwise directed):

FORT WORTH REGIONAL OFFICE U.S. Department of Housing and Urban Development Southwest Office 801 Cherry St., Unit 45, Suite 2500 Fort Worth, TX 76102	Garry Sweeney, Regional Director	(817) 978-5868  Fax: (817) 978-5876
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Or Contact (888) 560-8913 and for the hearing impaired, please call TTY (800) 927-9275

The Arkansas Fair Housing Commission can be reached toll-free at (800) 340-9108.



# Appendix D – CDBG-DR Four-Factor Analysis & Language Access Plan

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The following table summarizes changes to the State of Arkansas DR-4441 CDBG-DR Language Assistance Plan.

Version	Date	Summary of Changes

## A. POLICY STATEMENT

It is the policy of the Arkansas Economic Development Commission (AEDC) to take reasonable steps to provide meaningful access to its programs and activities for persons with Limited English Proficiency (LEP). The AEDC’s policy is to ensure that staff will communicate effectively with LEP individuals, and LEP individuals will have access to important programs and information. AEDC is committed to complying with federal requirements in providing free meaningful access to its programs and activities for LEP persons.

## B. HISTORY

Title VI of the Civil Rights Act of 1964 is the federal law which protects individuals from discrimination on the basis of their race, color, or national origin in programs that receive federal financial assistance. In certain situations, failure to ensure that persons who have Limited English Proficiency can effectively participate in, or benefit from, federally assisted programs may violate Title VI’s prohibition against national origin discrimination.

Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter.

On August 11, 2000, Executive Order 13166, titled, “Improving Access to Services by Persons with Limited English Proficiency,” was issued. Executive Order 13166 requires federal agencies to assess and address the needs of otherwise eligible persons seeking access to federally conducted programs and activities who, due to LEP cannot fully and equally participate in or benefit from those programs and activities. Section 2 of the Executive Order 13166 directs each federal department or agency "to

prepare a plan to improve access to...federally conducted programs and activities by eligible LEP persons...."

### C. DEFINITIONS

Beneficiary: The ultimate consumer of HUD programs and receives benefits from a HUD Recipient or Sub-recipient.

Limited English Proficient Person (LEP): Individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English because of national origin.

Language Assistance Plan (LAP): A written implementation plan that addresses identified needs of the LEP persons served.

Recipient: Any political subdivision of the State of Arkansas, or an eligible nonprofit organization, to whom Federal financial assistance is extended for any program or activity, or who otherwise participates in carrying out such program or activity, including any successor, assign or transferee thereof, but such term does not include any Beneficiary under any such program.

Sub-recipient: Any public or private agency, institution, organization, or other entity to whom Federal financial assistance is extended, through another Recipient, for any program or activity, or who otherwise participates in carrying out such program or activity but such term does not include any Beneficiary under any such program.

Vital Document: Any document that is critical for ensuring meaningful access to the Recipient's major activities and programs by Beneficiaries generally and LEP persons specifically.

### D. FRAMEWORK & METHODOLOGY

This Four Factor Analysis is the first step in providing meaningful access to federally funded programs for LEP persons. The Four Factor Analysis completed by AEDC addresses the following:

1. The number or proportion of LEP persons eligible to be serviced or likely to be encountered by AEDC;
2. The frequency with which LEP persons using a particular language come in contact with AEDC;
3. The nature and importance of the AEDC program or activity provided to the individual's life; and,
4. The resources available to the AEDC, and costs associated with providing LEP services.

### E. FOUR FACTOR ANALYSIS

- 1. The number or proportion of LEP persons eligible to be served or likely to be encountered by AEDC.**

AEDC is the recipient of funding from the United States Department of Housing and Urban Development (HUD). This includes Community Development Block Grant Program (CDBG or CDBG Program) funds and HOME Investment Partnerships Program (HOME or HOME Program)

funds. AEDC sub-grants this funding to eligible Recipients throughout the State of Arkansas, and such Recipients undertake projects in specific services areas (i.e. within a particular local government, a group of counties, or other identified service area). AEDC does not often come into direct contact with LEP persons, as most direct contact with an LEP person occurs at the project level between the Recipient and the LEP person.

AEDC’s service area generally consists of the entire State of Arkansas, (although the Cities of Little Rock, North Little Rock, Conway, Pine Bluff, Fayetteville, Ft. Smith, Rogers, Hot Springs, Springdale, Jacksonville, Texarkana, West Memphis and Jonesboro are each HUD entitlement communities). In order to determine the LEP population of Arkansas, AEDC reviewed the 2015 5-year American Community Survey (ACS) data (Table B16001) to find what the primary languages were for people that spoke English less than “very well”. Based on this data, in addition to English, Arkansas’s population speaks Spanish (144,270 or 5.2%), with 3% speaking English less than “very well.”

This data shows that the Spanish speaking population is the largest LEP population in Arkansas, (69,912, or 3%), and therefore would likely be the LEP population most likely to be encountered by AEDC. Because AEDC does not directly provide assistance to individuals, AEDC also looked at the ACS data to determine what LEP populations are present on a county level.

HUD has established a “safe harbor” regarding the responsibility to provide translation of Vital Documents for LEP populations. This safe harbor is based upon the number and percentages of the service area-eligible population or current beneficiaries and applicants that are LEP. According to the safe harbor rule, HUD expects translation of Vital Documents to be provided when the eligible LEP population in the service area or beneficiaries exceed 1,000 persons or if it exceeds 5% of the eligible population or beneficiaries along with more than 50 people. In cases where more than 5% of the eligible population speaks a specific language, but fewer than 50 persons are affected, there should be a translated written notice of the person’s right to an oral interpretation.

With the Spanish speaking population being the largest LEP population in Arkansas, AEDC has identified 14 counties that have Spanish speaking LEP populations exceeding the 1,000 person or 5% (+50 persons) threshold. These are depicted in the following table. With the exception of these counties, no other Arkansas county has an LEP population other than the Spanish speaking population that exceeds the HUD safe harbor threshold. Disaster declared counties are highlighted below (neither of the two HUD-identified MID counties are included in the below):

<b>County</b>	<b>Total Population</b>	<b>Estimate of Spanish speakers who speak English less than “very well”</b>	<b>% of total Spanish speaking population who speak English less than “very well”</b>
Benton	220,576	12,194	5.53%
Bradley	10,448	538	5.15%
Carroll	26,047	1,665	6.39%
Craighead	94,333	1,501	1.59%

Crawford	57,948	1,668	2.88%
Garland	91,642	1,378	1.50%
Hempstead	20,858	1,259	6.04%
Howard	12,680	634	5.00%
Pope	58,809	1,925	3.27%
Pulaski	363,219	8,439	2.32%
Sebastian	118,529	5,387	4.54%
Sevier	15,892	2,679	16.86%
Washington	200,572	14,790	7.37%
Yell	20,383	1,975	9.69%

Source: U.S. Census 2015 5-year American Community Survey Data Table B16001 LANGUAGE SPOKEN AT HOME BY ABILITY TO SPEAK ENGLISH FOR THE POPULATION 5 YEARS AND OVER. The estimates from the ACS are based on a sample survey and hence are subject to sampling error

**2. The frequency with which LEP persons using a particular language come in contact with AEDC.**

AEDC understands that the more frequently contact occurs with LEP persons, the more likely enhanced language services will be needed. However, AEDC does not provide direct assistance to individuals. AEDC awards HUD funds to Recipients that carry out eligible projects that benefit individuals in the service area. As such, LEP persons rarely come into contact with AEDC administered HUD-funded programs at the State level. However, it is possible that some citizen participation efforts may be directed to the State by persons seeking to participate in the annual planning process for AEDC programs.

**3. The nature and importance of the AEDC program or activity provided to the individual’s life.**

AEDC understands that the more important the activity, information, services or program, or the greater the possible consequences of the contact to the LEP persons, the more likely language services are needed. The programs administered by AEDC result in Recipients of HUD funding from AEDC carrying out projects, and in some instances, providing direct assistance to LEP individuals and families. It is likely that the type of project activities proposed by the Recipient will impact the level and type of language assistance needed to be provided. At the AEDC level, it is most important for language assistance services be provided for citizen participation efforts undertaken by AEDC, as this is when it is most likely that LEP individuals will come into contact with AEDC directly. It is also important that AEDC provide information to LEP persons that will allow them to file a complaint if they believe they have been denied the benefits of language assistance.

**4. The resources available to AEDC, and costs associated providing LEP services.**

AEDC has very limited resources available for administration of the CDBG-DR funded program over the six year expenditure period. These resources primarily come from the percentage of CDBG funding that is allowed to be used for administration of this program (5%, or \$447,000). AEDC will have to use these administration funds to provide LEP services, in addition to using such funds for fulfilling all other statutory and regulatory requirements of these programs.

The costs associated with providing LEP services will vary depending upon the service provided. If AEDC uses existing resources, such as having AEDC staff members who are proficient in languages other than English assist in translation and/or interpretation, this will be a cost effective method of providing LEP services. Another cost effective method of providing LEP services would be to make LEP persons aware of the many brochures, handbooks, booklets, factsheets and forms that are available in multiple languages on the HUD website. AEDC may also, when appropriate, utilize free websites to translate written materials. The most costly option for providing LEP services would be to contract with outside persons that are proficient in interpretation of spoken word and in translation of documents. AEDC will do this only when necessary, when dealing directly with beneficiaries in the above highlighted disaster impacted areas. It is expected that the cost of obtaining such services will vary depending upon the nature of the services requested, and the service provider selected.

#### **F. LANGUAGE ASSISTANCE PLAN**

As a result of the preceding Four Factor Analysis, AEDC has developed a Language Assistance Plan. The Language Assistance Plan addresses the identified needs of the LEP persons AEDC serves, the process by which AEDC will monitor and update the LAP.

AEDC understands that the actions AEDC is expected to take to meet its LEP obligations depend upon the results of the Four Factor Analysis including the services AEDC offers, AEDC's service area, the resources AEDC possesses, and the costs of various language service options. However, AEDC is to take reasonable steps to ensure meaningful access to LEP persons. The meaningful access is based upon a reasonableness standard that is both flexible and fact-dependent.

- 1. The procedures AEDC will use to identify LEP persons with whom AEDC has contact, the size of LEP populations, and the languages of LEP populations.** AEDC will review American Community Survey data as it is updated to determine the size of LEP populations and the languages of LEP populations within the State of Arkansas. AEDC will use its citizen participation process conducted on at least an annual basis in conjunction with preparation of the required regular CDBG Annual Action Plan to determine whether additional contact with LEP persons is likely to occur at the State level. This will be accomplished by including information in public notices for Annual Action Plan hearings regarding obtaining language assistance in order to participate in the planning process. AEDC staff persons will also interact with public hearing attendees and informally engage in conversation to gauge each attendee's ability to speak and understand English. AEDC will keep records of language assistance requests in order to determine whether language assistance may be needed at future hearings.
- 2. Points and types of contact AEDC may have with LEP persons.**

LEP persons rarely come into contact with AEDC administered HUD-funded programs at the State level. However, AEDC is aware that LEP populations may wish to participate in the citizen participation efforts of AEDC, especially when AEDC is determining state and local needs and program policies. AEDC's LAP focuses on the need for AEDC to ensure that individuals have access to citizen participation efforts, and that Recipients of HUD funding from AEDC fulfill their LEP obligations so as to ensure that the LEP community has access to appropriate language assistance.

**3. Ways in which language assistance will be provided by AEDC, and the plan for outreach to LEP populations.**

AEDC will provide language assistance as requested, and as appropriate. AEDC has limited resources available for administration of HUD funded programs, and such resources must be used to provide LEP services in addition to fulfilling all other statutory and regulatory requirements of these programs. AEDC will provide language assistance as follows:

(1) AEDC will maintain a list of identified AEDC staff members (and where possible other state agency employees) who are proficient in languages other than English who are willing to assist in translation and/or interpretation, and will make this list available to staff persons so that they can appropriately obtain language assistance services for LEP persons.

(2) AEDC will use and make persons aware of the many brochures, handbooks, booklets, factsheets and forms that are available in multiple languages on the HUD website.

Many of these are available at: <http://www.hud.gov/offices/fheo/promotingfh/leptranslated.cfm>

(3) When, and if appropriate, AEDC may utilize free websites and computer programs to translate written materials. AEDC's website [www.ArkansasEDC.com](http://www.ArkansasEDC.com) utilizes a 94 language translation program.

(4) As needed, AEDC will contract with entities that are proficient in interpretation of spoken word and translation of documents. AEDC will maintain a list of identified contractors.

(5) When language assistance is needed via telephone, staff will immediately contact the individual from the AEDC internal list of staff persons proficient in the particular language and have such individual provide assistance; or in the alternative, the staff will seek assistance through services like Language Line.

(6) AEDC will provide, on a prior request basis, interpretation assistance for AEDC public hearings and/or meetings via staff persons proficient in the particular language requested; or in the alternative if no staff person is available to provide such assistance, the staff will seek assistance from a qualified contractor.

(7) AEDC will translate Vital Documents, including but not limited to the Citizen Participation Plan and Complaint procedures, into Spanish (and other languages as need may be identified in the future).

**Outreach Plan**

AEDC will conduct outreach to LEP persons as follows:

(1) AEDC will provide notification to LEP persons of the availability of language assistance services (both interpretation and translation) through public notices published in conjunction with the Action Plan, and on the AEDC website.

(2) AEDC will provide a link on the AEDC website to the HUD translated materials site.

(3) AEDC will provide its Recipients with technical assistance regarding their responsibilities to provide language assistance services to individuals in their jurisdiction and/or service area, and request information from them on how they will provide outreach to LEP persons in their jurisdiction and/or service area.

**4. AEDC’s plan for training staff members on LEP guidance and the LAP, including specific provisions for training staff that are responsible for monitoring Recipients of HUD funding.**

AEDC will ensure that AEDC staff persons are given proper LEP training so that they are aware of their obligations to provide meaningful access to information and services for LEP persons. Staff associated with HUD funded programs will have a greater need for in-depth training, and AEDC will ensure such staff persons have been trained on providing language assistance and/or obtaining language assistance for LEP individuals. Training for these individuals will include the following:

(1) Staff persons will be trained on language assistance requirements by being made aware of applicable law and resources.

(2) Staff persons will be provided with a copy of the Four Factor Analysis and Language assistance Plan, and will be informed when such information is updated.

(3) Staff persons will be informed of other staff persons who are proficient in providing language assistance, and receive instructions on actions to take when LEP individuals are encountered, including instructions on the use of Language Line.

(4) Front desk receptionists will be trained on the use Language Line and on use of language identification cards, or “I speak cards”, which invite LEP persons to identify their language needs. I speak cards will be kept at the front desk.

(5) All staff persons that monitor Recipient’s will be trained on examining the efforts of Recipients to comply with LEP requirements. This will include the following: (1) evaluating whether the Recipient has completed a Four Factor Analysis; (2) determining whether such Four Factor Analysis necessitated the preparation of a Language Assistance Plan; (3) determining whether Recipient provided language assistance outreach and services as identified in the Language Assistance Plan; and, (4) determining whether Vital Documents have been made available in appropriate languages.

(6) Supervisors and managers will be trained on language assistance requirements so that they can reinforce the importance of compliance and ensure implementation by staff.

**5. A list of Vital Documents to be translated, the languages into which they will be translated and the timetable for translations.**

AEDC will translate Vital Documents into appropriate languages. Vital Documents are any documents that are critical for ensuring meaningful access to AEDC's major activities and programs by beneficiaries generally and LEP persons specifically. Based upon the information gathered through completion of the Four Factor Analysis, AEDC has determined that the Citizen Participation Plan and complaint procedure contained in the AEDC program administration manuals are Vital Documents. The Citizen Participation Plan provides the plan for ensuring that citizens are aware of when activities will take place, which will help ensure they have the opportunity to participate and/or request the necessary assistance to participate. The complaint procedure provides information on how to inform AEDC if an individual has a complaint against AEDC or its Recipient's in administering funding. AEDC will translate both of these documents into Spanish. The Citizen Participation Plan will be translated prior to citizen participation efforts for the next Action Plan or Amendment at that time. AEDC also plans to have the complaint procedure in the AEDC program administration manuals translated.

AEDC will document requests received for language assistance, observe interactions with LEP that occur as a result of the Vital Documents translated, continue to review American Community Survey data as it is updated, and determine whether there are other Vital Documents that need to be translated, or whether other languages are necessary.

AEDC will also ensure that public notices include a clause in Spanish, which informs individuals that they may request language assistance services in order to participate in the process addressed in the public notice.

**6. AEDC's plan for translating informational materials that detail services and activities provided to Beneficiaries and AEDC's plan for providing appropriately translated notices to LEP persons.**

Because the cost of translation can be high, AEDC will continue to evaluate the need for translation of informational materials, and consider the best way to undertake translation services. AEDC wishes to be resourceful in providing language assistance without compromising quality and accuracy of the language services provided. If AEDC receives a request for translation of materials, AEDC will proceed to have such materials translated into the language requested, unless it is determined that the requester would also be satisfied with a competent oral interpretation of the document (e.g. documents only a few pages in length), and the oral interpretation can be more promptly provided.

As explained in the Four Factor Analysis, AEDC does not provide services directly to beneficiaries, but instead provides funding to Recipients who then provide services to beneficiaries. Therefore, AEDC believes it is appropriate to focus upon ensuring Recipients are taking appropriate action to ensure notice of language assistance services is provided to LEP persons, and that documents that are identified as Vital Documents by Recipients are translated into appropriate languages.

**7. AEDC's plan for providing interpreters for large, medium, small and one-on-one meetings.**

As part of AEDC's citizen participation plan, AEDC will make the LEP persons aware that an interpreter can be provided without charge to allow for participation in public hearings or meetings. AEDC will require a request, in advance of the public hearing or meeting, for an interpreter to be provided. In the event a LEP person requests to have a family member or



friend act as an interpreter for them at a hearing or meeting, AEDC will make every effort to ensure the LEP person knows that AEDC will provide an interpreter free of charge. If the LEP person continues to insist upon use of such family member or friend, AEDC will inform the LEP person that they need to be confident that the family member or friend can provide quality and accurate interpretation. If the LEP person wishes to proceed with such individual as an interpreter, AEDC will accommodate for such interpretation assistance to occur at the hearing or meeting.

**8. AEDC’s plan for developing community resources, partnerships, and other relationships to help with the provision of language services.**

AEDC is aware that other Arkansas government agencies and entities have Language Assistance Plans. These include the Arkansas State Courts, Arkansas Highway and Transportation Department, and Arkansas Department of Education, among others. AEDC will communicate with these agencies regarding their methods of LEP outreach and provision of language assistance services. Through this communication, AEDC will attempt to determine best practices for the provision of such services, and incorporate those into AEDC’s Language Assistance Plan.

AEDC will also communicate with community organizations that serve LEP populations. Such organizations include Hispanic Community Services, Inc., Hispanic Women’s Organization of Arkansas, Arkansas Latino Nonprofit Leadership Academy, Marshallese Educational Initiative, Arkansas Literacy Councils, ¡Hola! ARKANSAS and others that assist people of all cultures by teaching English language and literacy skills. Many of these organizations also partner with educational institutions, community groups, and churches to provide services to LEP persons. Identification of these groups through interaction with literacy skill providers will help AEDC become more aware of the needs that exist for language assistance services.

AEDC will provide Recipients with technical assistance regarding their responsibilities to provide language assistance services. In particular, AEDC will educate Recipients on HUD’s safe harbor provision for translation of written materials, and the requirement to provide reasonable, timely, oral language assistance to LEP persons. AEDC will require all Recipients to provide reasonable oral language assistance, and such assistance may involve use of an in-person interpreter or telephone line interpreter, as may be appropriate. AEDC will require Recipients in counties that have populations that exceed the HUD safe harbor threshold to complete a Four Factor Analysis, and where necessary prepare a Language Assistance Plan to address identified needs of LEP persons. AEDC will prepare a template that can be used as a starting point for Recipients in preparing a Language Assistance Plan. After provision of technical assistance and training, AEDC will monitor Recipients to evaluate action taken comply with LEP requirements and, where applicable, compliance with provisions contained in a Language Assistance Plan.

AEDC will make Recipients aware of LEP resources, especially those noted at the end of the Language Assistance Plan. In particular, AEDC will use the LEP video, “Breaking Down the Language Barrier: Translating Limited English Proficiency into Practice.” This video, which is available as a streaming video on [www.lep.gov](http://www.lep.gov), explains the language access requirements of Title VI and Executive Order 13166 through vignettes that expose the problems resulting from the absence of language assistance. The video goes on to show how these same situations could have been handled more appropriately if the service provider took reasonable steps to provide meaningful access.

## 9. AEDC’s plan for monitoring and updating the LAP.

AEDC will monitor, maintain and update the Language Assistance Plan at least annually, and more frequently in response to new information. AEDC will review American Community Survey data as it is updated to determine the size of LEP populations and the languages of LEP populations within the State of Arkansas, review additional guidance provided by HUD, and update the Language Assistance Plan accordingly.

### **AVAILABLE LEP RESOURCES**

HUD Frequently Asked Questions on the Final LEP Guidance:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/promotingfh/lep-faq](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq)

HUD’s LEP Website:

<http://www.hud.gov/offices/fheo/lep.xml>

Federal LEP Website:

<http://www.lep.gov/>

LEP and Title VI Videos:

<http://www.lep.gov/video/video.html>

“I Speak” Card:

<http://www.lep.gov/ISpeakCards2004.pdf>

### **Individuals with Disabilities or Language Impairments**

The State values the public’s opinion by accepting citizen and other interested parties’ comments throughout development and implementation of its CDBG Disaster Recovery program. Every effort will be made to reach minorities, non-English speaking residents, as well as persons with disabilities. For all meetings, to facilitate comments, questions, and other information; a Spanish-speaking translator and/or Hearing Impaired Sign Language interpreter is made available upon request. Program information posted to the website will be accessible and available in accessible formats, including those readable by screen readers. AEDC works to publish all public documentation in formats supportive of screen reader technology. AEDC will make information available in alternate formats as needed and upon request to ensure effective communication to persons with disabilities and language related impairments. Requests for this Plan or related documents in alternate formats consistent with the provisions of federal requirements related to persons with disabilities or related to limited English proficiency can be directed to AEDC using the following methods:

- Via telephone: (501) 682-7389
- Via email: [JNoble@ArkansasEDC.com](mailto:JNoble@ArkansasEDC.com)
- Online at: <https://www.arkansasedc.com/cdbg-disaster-recovery/>
- In writing at: Arkansas Economic Development Commission

Attn: Grants Division  
1 Commerce Way, Ste. 601  
Little Rock, AR 72202

### **Individuos con Discapacidades o Impedimentos de Lenguaje**

El Estado valora la opinión del público al aceptar los comentarios de los ciudadanos y otras partes interesadas durante el desarrollo y la implementación de su programa de Ayuda Local de Desarrollo Comunitario Recuperación de Desastres (CDBG-DR). Se hará todo lo posible para llegar a las minorías, los residentes que no hablan inglés, así como a las personas con discapacidades. Para todas las reuniones, para facilitar comentarios, preguntas y otra información; Un traductor de habla hispana y / o un intérprete de lenguaje de señas para discapacidad auditiva está disponible si es solicitado. La información del programa publicada en el sitio web será accesible y estará disponible en formatos accesibles, incluidos los que puedan leer los lectores de pantalla. AEDC Grants Division trabaja para publicar toda la documentación pública en formatos compatibles con la tecnología de lector de pantalla. AEDC pondrá a disposición información en formatos alternativos según sea necesario y a pedido para garantizar una comunicación efectiva a las personas con discapacidades y discapacidades relacionadas con el lenguaje. Las solicitudes de este Plan o documentos relacionados en formatos alternativos consistentes con las disposiciones de los requisitos federales relacionados con el dominio limitado del inglés pueden dirigirse a AEDC utilizando los siguientes métodos:

- Por el teléfono: (501) 682-7389
- Por el correo electrónico: JNoble@ArkansasEDC.com
- En línea a: <https://www.arkansasedc.com/cdbg-disaster-recovery/>
- Por escrito en: Arkansas Economic Development Commission  
Attn: Grants Division  
1 Commerce Way, Ste. 601  
Little Rock, AR 72202

### **COMPLAINTS**

If you believe that you have been denied the benefits of this Language Assistance Plan, you may file a written complaint by mail to:

Compliance Officer  
Grants Management Division  
Arkansas Economic Development Commission  
1 Commerce Way, Ste. 601  
Little Rock, AR 72202

Or by email to: [dpolk@arkansasedc.com](mailto:dpolk@arkansasedc.com) with a copy to [jnoble@arkansasedc.com](mailto:jnoble@arkansasedc.com)

If you need assistance in filing a written complaint, you may contact Dori Polk at 501-682-7335

Any person that feels that the Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 regulations were not complied with may file a complaint directly to the Assistant Secretary for Fair Housing and Equal Opportunity at the following links (or as otherwise directed):

FORT WORTH REGIONAL OFFICE U.S. Department of Housing and Urban Development Southwest Office 801 Cherry St., Unit 45, Suite 2500 Fort Worth, TX 76102	Garry Sweeney, Regional Director	(817) 978-5868 Fax: (817) 978-5876
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# Appendix E – Certifications

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## Certifications Waiver and Alternative Requirement

Per the Federal Register<sup>89</sup> the State of Arkansas certifies that with its Action Plan:

- a. The State of Arkansas certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program (See Section 6.2.2.5).
- b. The State of Arkansas certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- c. The State of Arkansas certifies that the Action Plan for disaster recovery is authorized under State and local law (as applicable) and that the State, and any entity or entities designated by the State, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG–DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this notice. The State of Arkansas certifies that activities to be undertaken with funds under this notice are consistent with its Action Plan.
- d. The State of Arkansas certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this notice.
- e. The State of Arkansas certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- f. The State of Arkansas certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 or 91.105 (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each local government receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant) (See Attachment C).
- g. The State of Arkansas certifies that it has consulted with affected local governments in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the uses of funds, including the method of distribution of funding, or activities carried out directly by the State.
- h. The State of Arkansas certifies that it is complying with each of the following criteria:
  - 1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in 2016 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.).

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<sup>89</sup> 83 Fed. Reg. 28 (February 9, 2018)

- 2) With respect to activities expected to be assisted with CDBG–DR funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.
- 3) The aggregate use of CDBG–DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent (or another percentage permitted by HUD in a waiver published in an applicable Federal Register notice) of the grant amount is expended for activities that benefit such persons.
- 4) The State of Arkansas will not attempt to recover any capital costs of public improvements assisted with CDBG–DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:
  - a) Disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or
  - b) For purposes of assessing any amount against properties owned and occupied by persons of moderate income, The State of Arkansas certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).
- i. The State of Arkansas certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601– 3619), and implementing regulations, and that it will affirmatively further fair housing (see Section 6.2.2.7).
- j. The State of Arkansas certifies that it has adopted and is enforcing the following policies, and, in addition, that the State of Arkansas will require local governments that receive grant funds to certify that they have adopted and are enforcing:
  - 1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
  - 2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
- k. The State of Arkansas certifies that it currently has or will develop and maintain the capacity to carry out disaster recovery activities in a timely manner and that the grantee has reviewed the requirements of this notice. The State of Arkansas certifies to the accuracy of its Public Law 115– 56 Financial Management and Grant Compliance certification checklist, or other recent certification submission, if approved by HUD, and related supporting documentation and its Implementation Plan and Capacity Assessment and related submissions to HUD.
- l. The State of Arkansas certifies that it will not use CDBG–DR funds for any activity in an area identified as flood prone for land use or hazard mitigation planning purposes by the State, local, or tribal government or delineated as a Special Flood Hazard Area (or 100- year floodplain) in

FEMA's most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the State, local, and tribal government land use regulations and hazard mitigation plans and the latest issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

- m. The State of Arkansas certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
- n. The State of Arkansas certifies that it will comply with environmental requirements at 24 CFR part 58.
- o. The State of Arkansas certifies that it will comply with applicable laws.

The State of Arkansas acknowledges that any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.

# Appendix F – Public Comment & Stakeholder Engagement

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## Public Comment and Response

The draft Action Plan was posted on the State’s CDBG-DR website and published for public comment from July 27, 2020 to August 26, 2020.

To ensure equal access and opportunity to comment for all citizens, a Public Notice was published in the Arkansas Democrat Gazette on July 26, 2020.

AEDC considers all public comments received in writing, via e-mail, or delivered in person at official public meetings regarding this Action Plan or any substantial amendments. AEDC makes public comments available to citizens, public agencies, and other interested parties upon request.

During the applicable public comment period, public comments were received in response to the draft Action Plan. AEDC received feedback from a variety of stakeholders through public meetings and consultation as outlined and described in Appendix G, H, and I.

The following provides a summary of public comments received for the CDBG-DR Unmet Needs Action Plan during the public comment period of July 27, 2020 to August 26, 2020.

**PUBLIC COMMENT:** I’m finding it difficult to make a connection between the large sum of CDBG-DR funds allocated to Multifamily Housing and the unmet needs in the MID areas.

In addition, (unlike other program components) it is unclear whether applications for those funds “must present a direct or indirect connection to the disaster.” If this is the case, its possible the City of Pine Bluff (and likely Jefferson County) will NOT be in a position to benefit from any of the Multifamily Housing funds. The only place within the city limits with damage reported to housing was Riverside Drive. The zoning for this neighborhood does NOT permit multifamily housing. If this is not the case, will multifamily projects be permitted ANYWHERE in Jefferson County? Also, MUST multifamily project funds be used in conjunction with LIHTC funds? How do you see allocating such a large portion of the funding to multifamily housing as supportive to the requirement to spend 80% of the funding in Jefferson and Perry Counties?

**AEDC RESPONSE:** Jefferson and Perry Counties are designated as a Most Impacted and Distressed area by HUD and in this Action Plan. This means that 80% of all CDBG-DR funds must be spent on eligible projects within the impacted counties. Further details on the multifamily housing program will be available in the program guidelines after Action Plan approval by HUD.

**PUBLIC COMMENT:** The Code Council supports Arkansas’s ongoing work to consider updating its State Building Codes, but respectfully believes that the AEDC should commit, through its CDBG-DR Plan, to updating its building codes, and leave itself the option of leveraging CDBG-DR funding to do so. We believe this approach is particularly prudent given code updates provide significant provisions that mitigate the hazards the AEDC has identified as presenting the greatest risk to Arkansas and will



enhance resilience by ensuring high quality and sustainable construction.

**AEDC RESPONSE:** AEDC will consider this comment as it designs its CDBG-DR programs. With limited funding, AEDC currently does not have a program to update building codes but may consider depending performance of proposed programs.

**PUBLIC COMMENT:** Building code application is most commonly measured through a community's Building Code Effectiveness Grading Schedule (BCEGS) score, an evaluation conducted by ISO, an analytics provider for the property/casualty insurance industry. Among other measures, BCEGS scores evaluate communities on code official training, continuing education, and certification. Better BCEGS scores (i.e., lower scores out of 10) typically translate into lower insurance premiums for communities. According to ISO, Arkansas's average department employee training expenditure per capita of population served is roughly half the national average.

FEMA also uses BCEGS scores in determining recipients of competitive grant awards. The Agency's current \$500 million Building Resilient Infrastructure and Communities (BRIC) grant program gives applications more weighting to those that have achieved a BCEGS score of 5 or lower for commercial and residential buildings. As a state, Arkansas is rating 6 for commercial and 7 for residential.<sup>19</sup> Investing in training and certification, and adopting up to date codes, would improve the state and its communities' BCEGS scores.

Therefore, the Code Council encourages Arkansas's CDBG-DR Plan to include code official training and certification under its proposed allocation for mitigation given these investments help increase loss avoidance, can lead to insurance savings, and can make jurisdictions in the state more competitive for FEMA grants.

**AEDC RESPONSE:** Due to limited funding available for CDBG-DR projects, AEDC is not currently proposing code official trainings in this Action Plan.

**PUBLIC COMMENT:** Section 3, Page 22 of the CDBG-DR Plan emphasizes that "Disasters in Arkansas can occur at any time and without warning. When this occurs, it is first the responsibility of the local government to alleviate and minimize impact to the community and citizens." Further, the CDBG-DR Plan outlines that, "In the aftermath of a disaster, with or without a Presidential Declaration, the State may deploy several specialized Recovery personnel into the disaster area, including: Preliminary Damage Assessment Teams, Community Response Teams/Area Coordinators, and Disaster Recovery Centers."

To this end, we strongly recommend Arkansas and the Arkansas Department of Emergency Management to partner with the Code Council, the Code Officials of Arkansas (COAR) and the Arkansas Fire Marshals Association (AFMA) to promote and alert communities about post disaster damage assessment training programs and to provide funding for these programs. After a disaster, an affected community is often left on its own to struggle with assessing its damage and determining whether structures can be re-inhabited. Local government officials may not be instructed on how to perform rapid safety evaluations or what data to collect. When assessments are not conducted quickly, a community's residents may potentially reoccupy unsafe structures.

Effective post-disaster building damage assessment can minimize the possibility for additional bodily injury by advising residents and aiding providers of eminent hazards at specific locations.

In addition, we recommend the AEDC promote participation in existing post-disaster damage assessment training programs like the “When Disaster Strikes Institute.” This institute provides hands-on instruction on assessing damage through activities, case studies and interactive simulations that walk participants through various disaster scenarios. The institute stimulates discussion between participants and describes how paperwork should be completed. Participants learn techniques on how to become a properly trained second responder and, on completion, can be relied on to assist with performing post-disaster building assessments. As an indication of its support for When Disaster Strikes, FEMA mitigation grants under BRIC can be used specifically to provide this training.

**AEDC RESPONSE:** AEDC values stakeholder input and partnerships to understand how to improve disaster response and will coordinate with the Arkansas Department of Emergency Management and stakeholders to explore other training and funding opportunities.

**PUBLIC COMMENT:** As discussed above, Arkansas’s adopted codes do not incorporate the latest hazard resistant design (not only for flood, but also for high wind events). The 2012 and 2009 I-Code editions are not captured in FEMA’s current definition of a hazard resistant code. For these reasons, the Code Council recommends ADOC require adherence to the codes specified in FEMA’s Consensus-Based Codes, Specifications and Standards for Public Assistance funding to the construction projects proposed in its CDBG-DR Plan. Utilizing the 2018 I-Code editions, as required by FEMA’s Public Assistance program, aligns with FEMA’s position on the adoption of current codes and the Agency’s prioritization in grant allocation:

*“FEMA supports the adoption and use of the latest published editions of the I-Codes as a minimum standard for hazard resistance, including flood hazards, high winds, and earthquake hazards. FEMA encourages states and communities to adopt the most recent edition of the I- Codes to ensure enforcement of the latest hazard-resistant provisions. This will increase safety and reduce financial losses for individuals, supporting more rapid recovery after disasters. For the purposes of evaluating whether a community is deemed hazard-resistant, FEMA considers the two latest published editions of the I-Codes to be adequate. Additionally, **new federal law and emerging policies tie some pre- and post-disaster federal assistance to the latest editions of codes and standards.**”<sup>24</sup>*

**AEDC RESPONSE:** At this time, AEDC will meet all federally required code standards for its proposed CDBG-DR programs. AEDC will consult with other state agencies responsible for implementation of the FEMA PA program.

# Appendix G – Valuation Tool for Prioritizing Needs by Sector, Funding, and Capacity

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## Valuation Tool Data Analysis

The Arkansas Economic Development Commission (AEDC), in collaboration with partners from Planning and Development Districts, engaged in community outreach to better understand the impact of DR-4441 within the region. AEDC conducted a survey using the “Appendix E: Valuation Tool for Prioritizing Needs by Sector, Funding, and Capacity”. During the month of March 2020, the most impacted and distressed (MID) counties that were declared under DR-4441, as well as the entitlement city of Pine Bluff (Jefferson County), received disaster recovery gap assessment worksheets. Local governments were requested to complete the evaluation to assist AEDC and its partners in identifying unmet needs associated with the Arkansas riverine flooding of 2019.

Of the 17 counties declared, 5 counties (Arkansas County, Chicot County, Desha County, Jefferson County, Perry County) returned disaster recovery gap assessment worksheets detailing needs areas, as well as available funding sources and capacity for each disaster recovery activity type outlined within the valuation tool: public infrastructure, community facilities, rental housing, owner-occupied housing, businesses assistance, and commercial infrastructure. The following provides a summary of key themes assessed from an evaluation of data obtained from participating counties:

- **Public Infrastructure** — All participants highlighted transportation infrastructure, such as roads and bridges, as an area of high priority and need. Additionally, Arkansas, Chicot, Desha, and Jefferson County reported receiving at least one source of financial support to engage in disaster recovery activities related to public infrastructure.
- **Community Facilities** — Chicot, Desha, and Jefferson county reported some level of damage to community facilities during DR-4441, including fire stations, parks, and recreational centers.
- **Rental Housing** — Perry and Jefferson county reported a high level of need regarding substantial rental housing unit rehabilitation (in excess of \$25,000 per unit), as well as the demolition of existing rental housing. Additionally, Jefferson county relayed a high level of need across most disaster recovery activities related to rental housing, such as new construction of rental housing and rental and utility assistance.
- **Owner Housing** — Perry county reported a high level of households (including low-income households) affected by the Arkansas riverine flooding of 2019. The county also noted high levels of need for housing assistance programs. Arkansas and Jefferson county reported low and medium levels of need for owner housing disaster recovery activities.
- **Business Assistance** — Arkansas and Perry county reported high levels of damage to businesses within the retail sector. Both counties identified available aid from federal government organizations, including the U.S. Department of Agriculture and the Small Business Administration.

- **Commercial Infrastructure** — Perry County reported high levels of damage to transportation and flood related commercial infrastructure, such as main streets and flood mitigation systems. Chicot and Desha county identified medium levels of damage to publicly-owned commercial infrastructure within Arkansas' Lake Village Park area.

In summary, public infrastructure, rental housing, and business assistance activities were highlighted by respondents as priority areas of need, having experienced high levels of damage. Apart from Perry County, most counties noted lower levels of need to conduct activities related to community facilities, owner housing, and commercial infrastructure. Additionally, participant responses indicated a lack of available funding sources across disaster recovery activity types. On average, 2.6 respondents reported receiving at least one form of funding per activity type. According to survey responses, the highest number of funding sources available to a county for a specific type of disaster recovery activity were three.

In substitution of disaster recovery gap assessments, several counties supplied data regarding Hazard Mitigation Assistance Grant Program (HMGP) and Flood Mitigation Assistance (FMA) estimates, as well as other costs related to DR-4441. Faulkner County provided HMGP and FMA estimates in which 9 properties were in need of single-family home repair and reconstruction. Lincoln county provided flood damage costs related to the remediation of damaged transportation infrastructure between May and June 2019, totaling \$75,842.10.

The following are data obtained from participant disaster recovery gap assessment worksheets, pertaining to each disaster recovery activity type within the Valuation Tool:

#### a) **Public Infrastructure**

**PERRY COUNTY**

<b>Need Areas</b>	<b>Extent of damage (high, medium, low, N/A)</b>	<b>General Location(s)</b>
Damage to water lines & treatment facilities?	High	Bigelow, Perry, Perryville
Damage to sewer lines & sewer treatment plants?	High	Bigelow, Perry, Perryville
Damage to solid waste facilities?	Low	Perryville
Damage to drainage & flood mitigation systems, dams?	High	Toad Suck
Damage to roads?	High	Toad Suck
Damage to telephone lines & 911 system?	Medium	Toad Suck
Damage to cable TV/fiber optic/broadband?	Medium	Toad Suck

**JEFFERSON COUNTY**

<b>Need Areas</b>	<b>Extent of damage (high, medium, low, N/A)</b>	<b>General Location(s)</b>
Damage to roads?	Medium	
Damage to bridges?	Low	
Damage to emergency systems (sirens, warning systems etc)?	Low	Jefferson County

<b>Other Available Funding Sources</b>	<b>Funds Available for this Activity (Yes/No) -- If known, how much?</b>
FEMA-- Public Assistance	Yes
FEMA-- National Flood Insurance	No
Local Government	No
State Government	No
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No

**DESHA COUNTY**

<b>Need Areas</b>	<b>Extent of damage (high, medium, low, N/A)</b>	<b>General Location(s)</b>
Damage to roads?	Yes	Immigrent Road

<b>Other Available Funding Sources</b>	<b>Funds Available for this Activity (Yes/No) -- If known, how much?</b>
HUD Entitlement/State CDBG & Section 108	No
Other HUD:	No
FEMA-- Public Assistance	No
FEMA-- National Flood Insurance	No

FEMA-- Hazard Mitigation Grant	No
Corps of Engineers	No
EPA	No
USDA	No
Other Federal:	No
Local Government	No
State Government	Yes
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No

**CHICOT COUNTY**

<b>Need Areas</b>	<b>Extent of damage (high, medium, low, N/A)</b>	<b>General Location(s)</b>
Damage to roads?	Yes	Immigrent Road

<b>Other Available Funding Sources</b>	<b>Funds Available for this Activity (Yes/No) -- If known, how much?</b>
HUD Entitlement/State CDBG & Section 108	no
Other HUD:	no
FEMA-- Public Assistance	no
FEMA-- National Flood Insurance	no
FEMA-- Hazard Mitigation Grant	no
Corps of Engineers	no
EPA	no
USDA	no
Other Federal:	no
Local Government	no
State Government	yes
Foundation	no
Other Nonprofit:	no
Private (lenders, corporate)	no

**ARKANSAS COUNTY**

<b>Need Areas</b>	<b>Extent of damage (high, medium, low, N/A)</b>	<b>General Location(s)</b>
Damage to roads?	medium	SW part of County

<b>Other Available Funding Sources</b>	<b>Funds Available for this Activity (Yes/No) -- If known, how much?</b>
HUD Entitlement/State CDBG & Section 108	No
FEMA-- Public Assistance	No
FEMA-- National Flood Insurance	No

FEMA-- Hazard Mitigation Grant	No
Corps of Engineers	No
EPA	No
USDA	No
Dept of Transportation	No
Other Federal:	No
Local Government	No
State Government	No
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	Yes, \$50,000

**b) Community Facilities**

**PERRY COUNTY**

**JEFFERSON COUNTY**

Need Areas	Extent of damage or need (high, medium, low, N/A)	General Location(s)
Damage to fire stations/HQ?	Low	Island Harbor, White Hall
Number of people affected by the damage to community facilities?	125	
Number of low and very low income people affected by damage to community facilities?	25	

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
Other HUD:	No
FEMA-- Public Assistance	No
FEMA-- National Flood Insurance	No
USDA	No

**DESHA COUNTY**

Need Areas	Extent of damage or need (high, medium, low, N/A)	General Location(s)
Damage to parks & recreational centers?	Yes	Lake Village City Parks

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
Other HUD:	No

FEMA-- Public Assistance	No
FEMA-- National Flood Insurance	No
FEMA-- Hazard Mitigation Grant	No
USDA	No
Other Federal:	No
Local Government	No
State Government	Yes
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No

**CHICOT COUNTY**

Need Areas	Extent of damage or need (high, medium, low, N/A)	General Location(s)
Damage to parks & recreational centers?	Yes	Lake Village City Parks

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
Other HUD:	No
FEMA-- Public Assistance	No
FEMA-- National Flood Insurance	No
FEMA-- Hazard Mitigation Grant	No
USDA	No
Dept of Transportation	No
Dept of Education	No
Dept of Homeland Security	No
Dept of Health & Human Services	No
Other Federal:	No
Local Government	No
State Government	Yes
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No

**ARKANSAS COUNTY**

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
FEMA-- Public Assistance	Yes
FEMA-- National Flood Insurance	No
FEMA-- Hazard Mitigation Grant	No
USDA	No
Dept of Transportation	No



Dept of Education	No
Dept of Homeland Security	No
Dept of Health & Human Services	No
Other Federal:	No
Local Government	No
State Government	No
Foundation	No
Private (lenders, corporate)	Yes, \$50,000

**c) Rental Housing**

**PERRY COUNTY**

<b>Need Areas</b>	<b>Extent of damage or need (high, medium, low, N/A)</b>	<b>General Location(s)</b>
Damage to existing privately owned rental projects of 1-4 units?	Low	Toad Suck
Units/projects needing minor repair?	Medium	Toad Suck
Units/projects needing moderate rehab (<\$25,000 per unit, no major systems)?	Medium	Toad Suck
Units/projects needing substantial rehab (≥\$25,000 per unit, major systems)?	High	Toad Suck
Existing rental housing to be demolished?	High	Toad Suck
Need for vouchers for rent/utilities?	Medium	Toad Suck
Total number of households affected by the damage to rental units?	Medium	Toad Suck
Number of low and very low income households affected by damage to rental units?	Medium	Toad Suck
Number of persons with special needs affected by damage to rental units (elderly, homeless, persons with disabilities, etc)?	High	Toad Suck
Need for associated services to tenants (counseling)?	Low	Toad Suck

**JEFFERSON COUNTY**

<b>Need Areas</b>	<b>Extent of damage or need (high, medium, low, N/A)</b>	<b>General Location(s)</b>
Damage to existing privately owned rental projects of 1-4 units?	High	Wright
Damage to units for special needs populations (elderly, homeless, persons with disabilities, etc)?	Medium	Wright, Island Harbor, Swan Lake
Units/projects needing minor repair?	High	County Wide

Units/projects needing moderate rehab (<\$25,000 per unit, no major systems)?	High	County Wide
Units/projects needing substantial rehab (≥\$25,000 per unit, major systems)?	High	County Wide
New construction of rental housing?	High	Wright
Existing rental housing to be demolished?	High	County Wide
Need for vouchers for rent/utilities?	Medium	County Wide
Total number of households affected by the damage to rental units?	High	County Wide
Number of low and very low income households affected by damage to rental units?	Medium	County Wide
Number of persons with special needs affected by damage to rental units (elderly, homeless, persons with disabilities, etc)?	Medium	County Wide
Need for associated services to tenants (counseling)?	Low	

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Public Housing	No
HUD Section 8	No
HUD Entitlement/State CDBG & Section 108	No
HUD HOME program	No
HUD HOPWA program	No
HUD ESG or other homeless housing program	No
HUD 202/811 programs	No
Other HUD:	No
FEMA-- Individual Assistance	Yes
FEMA-- National Flood Insurance	No
FEMA-- Hazard Mitigation Grant	No
Local Government	No
State Government	No
Foundation	No
Other Nonprofit:	No

**DESHA  
COUNTY**

**CHICOT  
COUNTY**

**ARKANSAS  
COUNTY**

Need Areas	Extent of damage or need (high, medium, low, N/A)	General Location(s)

Damage to existing privately owned rental projects of 1-4 units?	Medium	Tedford Island
Damage to units for special needs populations (elderly, homeless, persons with disabilities, etc)?	Low	Tedford Island
Units/projects needing minor repair?	Low	Tedford Island
Units/projects needing moderate rehab (<\$25,000 per unit, no major systems)?	Low	Tedford Island
Need for vouchers for rent/utilities?	Low	Tedford Island
Total number of households affected by the damage to rental units?	Low	Tedford Island
Number of low and very low income households affected by damage to rental units?	Low	Tedford Island
Number of persons with special needs affected by damage to rental units (elderly, homeless, persons with disabilities, etc)?	Low	Tedford Island
Need for associated services to tenants (counseling)?	Low	Tedford Island

<b>Other Available Funding Sources</b>	<b>Funds Available for this Activity (Yes/No) -- If known, how much?</b>
HUD Public Housing	No
HUD Section 8	No
HUD Entitlement/State CDBG & Section 108	No
HUD HOME program	No
HUD HOPWA program	No
HUD ESG or other homeless housing program	No
HUD 202/811 programs	No
FEMA-- Individual Assistance	Yes
FEMA-- National Flood Insurance	Yes
FEMA-- Hazard Mitigation Grant	No
FEMA--Cora Brown Fund	No
LIHTC & Historic Tax Credits	No
New Market Tax Credits	No
Treasury - Other	No
USDA	No
Local Government	No
State Government	No
Foundation	No
Private (lenders, corporate)	No

**d) Owner Occupied Housing**

**PERRY COUNTY**

<b>Need Areas</b>	<b>Extent of damage or need (high, medium, low, N/A)</b>	<b>General Location(s)</b>
Owner units needing minor repair?	Medium	Toad Suck
Owner units needing moderate rehab (<\$25,000 per unit, no major systems)?	Medium	Toad Suck
Owner units needing substantial rehab (≥\$25,000 per unit, major systems)?	High	Toad Suck
New construction of owner units?	Low	Toad Suck
Existing owner units to be demolished?	High	Toad Suck
Need for vouchers for mortgage payments/utilities?	High	Toad Suck
Need for homebuyer assistance (tenants to become buyers)?	High	Toad Suck
Total number of households affected by the damage to owner units?	High	Toad Suck
Number of low and very low income households affected by damage to owner units?	High	Toad Suck
Number of persons with special needs affected by damage to owner units (elderly, persons with disabilities, etc)?	Medium	Toad Suck
Number of owners no longer residing within the jurisdiction?	Medium	Toad Suck
Need for associated services to owners (counseling)?	Low	Toad Suck

**JEFFERSON COUNTY**

<b>Need Areas</b>	<b>Extent of damage or need (high, medium, low, N/A)</b>	<b>General Location(s)</b>
Owner units needing minor repair?	Medium	County Wide
Owner units needing moderate rehab (<\$25,000 per unit, no major systems)?	Medium	
Owner units needing substantial rehab (≥\$25,000 per unit, major systems)?	Medium	
New construction of owner units?	Medium	
Existing owner units to be demolished?	Medium	
Need for vouchers for mortgage payments/utilities?	Medium	
Need for homebuyer assistance (tenants to become buyers)?	Medium	
Total number of households affected by the damage to owner units?	Medium	
Number of low and very low income	Low	

households affected by damage to owner units?		
Number of persons with special needs affected by damage to owner units (elderly, persons with disabilities, etc)?	Low	
Number of owners no longer residing within the jurisdiction?	Low	
Need for associated services to owners (counseling)?	Low	

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
FEMA-- Individual Assistance	Yes
FEMA-- National Flood Insurance	Yes
FEMA-- Hazard Mitigation Grant	Yes
FEMA--Cora Brown Fund	No
Treasury - Other	No
USDA	No
Local Government	No
State Government	No
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No

**DESHA COUNTY**

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
Other HUD:	No
FEMA-- Individual Assistance	No
FEMA-- National Flood Insurance	No
FEMA-- Hazard Mitigation Grant	No
USDA	No
Other Federal:	No
Local Government	No
State Government	No
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No

**CHICOT COUNTY**

**ARKANSAS COUNTY**

Need Areas	Extent of damage or need (high, medium, low, N/A)	General Location(s)

Owner units needing minor repair?	Medium	Tedford Island
Owner units needing moderate rehab (<\$25,000 per unit, no major systems)?	Low	Tedford Island
Owner units needing substantial rehab (≥\$25,000 per unit, major systems)?	Low	Tedford Island
New construction of owner units?	Low	Tedford Island
Existing owner units to be demolished?	Low	Tedford Island
Need for vouchers for mortgage payments/utilities?	Medium	Tedford Island
Need for homebuyer assistance (tenants to become buyers)?	Low	Tedford Island
Total number of households affected by the damage to owner units?	Medium	Tedford Island
Number of low and very low income households affected by damage to owner units?	Medium	Tedford Island
Number of persons with special needs affected by damage to owner units (elderly, persons with disabilities, etc)?	Low	Tedford Island
Need for associated services to owners (counseling)?	Low	Tedford Island

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
HUD HOME program	No
FEMA-- Individual Assistance	Yes
FEMA-- National Flood Insurance	Yes
FEMA-- Hazard Mitigation Grant	No
FEMA--Cora Brown Fund	No
Treasury - Other	No
USDA	No
Local Government	No
State Government	No
Foundation	No
Private (lenders, corporate)	No

**e) Business Assistance**

**Perry County**

Need Areas	Extent of damage or need (high, medium, low, N/A)	General Location(s)
Current unemployment rate/number of available jobs?	Medium	Toad Suck
Permanent business closures due to disaster?	Low	Toad Suck
Temporary business closures due to	Medium	Toad Suck

disaster?		
Damage to businesses in sector: manufacturing?	Medium	Toad Suck
Damage to businesses in sector: retail?	High	Toad Suck
Damage to businesses in sector: farming/fishing?	High	Toad Suck
Commercial establishments needing minor repair?	High	Toad Suck
Commercial establishments needing moderate rehab (<\$50,000 per business, no major systems)?	Medium	Toad Suck
Commercial establishments needing substantial rehab (≥\$50,000 per business, major systems)?	High	Toad Suck
Existing commercial space to be demolished?	Low	Toad Suck
Need for new business/microenterprise start-up assistance?	Low	Toad Suck
Need for loans to existing small businesses?	Medium	Toad Suck
Need for loans to existing large businesses?	High	Toad Suck
Need for associated services to businesses owners & employees (counseling, job training, business planning etc.)?	Medium	Toad Suck

**JEFFERSON COUNTY**

<b>Need Areas</b>	<b>Extent of damage or need (high, medium, low, N/A)</b>	<b>General Location(s)</b>
Permanent business closures due to disaster?	Low	
Temporary business closures due to disaster?	Low	
Damage to businesses in sector: manufacturing?	Low	
Damage to businesses in sector: farming/fishing?	Low	
Damage to businesses in sector: hotel/tourism/recreation?	Low	
Damage to businesses in sector: office space/services?	Low	
Commercial establishments needing minor repair?	Low	

<b>Other Available Funding Sources</b>	<b>Funds Available for this Activity (Yes/No) -- If known, how</b>
--	--

	<b>much?</b>
HUD Entitlement/State CDBG & Section 108	No
Other HUD:	No
New Market Tax Credits	No
Treasury - Other	No
Economic Development Administration	No
Small Business Administration - Economic Injury Disaster Loans	Yes
Small Business Administration - Physical Disaster Loans	No
Dept of Agriculture, Farm Service Agency - Emergency Loans for Farms	No
USDA	No
Other Federal:	No
Local Government	No
State Government	No
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No

**DESHA  
COUNTY**

**CHICOT  
COUNTY**

**ARKANSAS  
COUNTY**

<b>Need Areas</b>	<b>Extent of damage or need (high, medium, low, N/A)</b>	<b>General Location(s)</b>
Damage to businesses in sector: farming/fishing?	High	SW part of County

<b>Other Available Funding Sources</b>	<b>Funds Available for this Activity (Yes/No) -- If known, how much?</b>
HUD Entitlement/State CDBG & Section 108	No
New Market Tax Credits	No
Treasury - Other	No
Economic Development Administration	No
Small Business Administration - Economic Injury Disaster Loans	No
Small Business Administration - Physical Disaster Loans	No
Dept of Agriculture, Farm Service Agency - Emergency Loans for Farms	Yes



USDA	Yes
Local Government	No
State Government	No
Foundation	No
Private (lenders, corporate)	No

**f) Commercial Infrastructure**

**PERRY COUNTY**

Need Areas	Extent of damage (high, medium, low, N/A)	General Location(s)
Need for rebuilding of commercial districts/"main streets"?	High	Toad Suck
Damage to convention centers, docks, farmers markets and other publicly-owned commercial space?	Medium	Toad Suck
Damage to drainage & flood mitigation systems within commercial/industrial development?	High	Toad Suck
Damage to roads within commercial/industrial development?	High	Toad Suck
Damage to electrical/natural gas distribution system/lines within commercial/industrial development?	Low	Toad Suck
Damage to telephone lines within commercial/industrial development?	Low	Toad Suck
Damage to fiber optic/broadband within commercial/industrial development?	Low	Toad Suck
Number of businesses affected by damage to commercial infrastructure?	High	Toad Suck
Number of jobs affected by damage to commercial infrastructure?	Medium	Toad Suck

**JEFFERSON COUNTY**

**DESHA COUNTY**

Need Areas	Extent of damage (high, medium, low, N/A)	General Location(s)
Damage to convention centers, docks, farmers markets and other publicly-owned commercial space?	Medium	Lake Village Park

<b>Other Available Funding Sources</b>	<b>Funds Available for this Activity (Yes/No) -- If known,</b>
--	--

	how much?
State Government	Yes
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No

### CHICOT COUNTY

Need Areas	Extent of damage (high, medium, low, N/A)	General Location(s)
Damage to convention centers, docks, farmers markets and other publicly-owned commercial space?	Medium	Lake Village Park

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
State Government	Yes
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No

### ARKANSAS COUNTY

## Valuation Tool Summary

To assist in the development of the Unmet Needs Assessment (UNA), the state of Arkansas utilized the “Appendix G: Valuation Tool for Prioritizing Needs by Sector, Funding, and Capacity.” Authored by global consulting and technology services company ICF International in collaboration with the United States Department of Housing and Urban Development (HUD), the tool offers CBDG-DR grantees a method to analyze the strength of three key sectors within their communities—housing, infrastructure, and economy.

The valuation tool implements a ranking system that prioritizes activity areas within each of the key sectors. There are two activity areas per sector, and each have the possibility of obtaining a ranking of high, medium, or low importance. The following table outlines the types of disaster recovery activities included in the tool within each key sector:

### Appendix G: Valuation Tool Activity Types by Sector

Sector	Activity Type
Infrastructure	Activities within the infrastructure sector include those related to public infrastructure and community facilities.

<b>Housing</b>	Activities within the housing sector include those related to rental housing and owner-occupied housing.
<b>Economy</b>	Activities within the economy sector include those related to business assistance and commercial infrastructure.

The rankings identified by the evaluation tool for each activity type are developed using disaster recovery gap assessments. The disaster recovery gap assessments compare damage estimates to available funding sources outside of CDBG-DR awards. Additionally, each activity is evaluated on the CDBG-DR grantee and partners’ capacity to conduct the recovery activity (e.g. the level of staffing), as well as availability of skills required for the activity (e.g. inspections and environmental review). The assessments are designed to include data specific to each activity type.

The tool provides a summary of rankings so that CDGB-DR grantees may compare the level of importance of activity types across sectors and use the evaluation to facilitate dialogue with partners and stakeholders in the disaster recovery process.

## Appendix H – Consultation Summary

To support the unmet needs assessment and Action Plan development, AEDC conducted the following outreach and engagement activities with key stakeholders, impacted jurisdictions, state agencies, voluntary organizations, and the general public:

<b>Date</b>	<b>Contact Type</b>	<b>Meeting/ Outreach</b>	<b>Purpose</b>	<b>Parties Represented</b>
March 11, 2020	Stakeholder Engagement	Stakeholder Engagement Meeting	AEDC provided CDBG-DR overview for impacted local jurisdictions, state departments, and federal government agencies.	Impacted Local Governments, ADFA, ADEM, Arkansas Department of Human Services, Natural Resources Commission, Department of Agriculture, FEMA, VOAD
March 12, 2020	Stakeholder Engagement	CDBG-DR Launch Meeting	HUD CDBG-DR Launch Meeting for the CDBG-Dr grant.	HUD, AEDC, ADFA
March 18-24, 2020	Outreach	Outreach to Impacted Local Jurisdictions and Public Housing Authorities (PHAs)	AEDC conducted email outreach regarding the Unmet Needs Assessment.	6 Planning & Development Districts, Jefferson County, Perry County, and Pine Bluff PHA
July 26, 2020	Outreach	Public Notice	Public Notice published in the Arkansas Democrat Gazette.	General Public, Impacted Local Governments
July 27, 2020 to August 26, 2020	Public Comment	Public Comment Period	AEDC solicited public comment on the Draft Action Plan.	General Public, Impacted Local Governments
September 9, 2020	Public Meeting	Virtual Public Input Session	AEDC provided CDBG-DR overview for impacted households and the general public.	General Public, AEDC
December 14,	Outreach	Outreach to	Email outreach to	See Appendix I and

2020		Continuums of Care (CoCs) and Public Housing Authorities (PHAs)	impacted CoCs and PHAs regarding input on unmet recovery needs.	Appendix J
December 18, 2020	Outreach	Outreach to Public Housing Authorities (PHAs)	Email outreach to impacted PHAs regarding input on unmet recovery needs.	See Appendix I
December 18, 2020	Outreach	Outreach to Tribal Entities	Email outreach to tribal entities within the State of Arkansas regarding input on unmet recovery needs.	Alabama-Quassarte Tribal Town, Apache Tribe of OK, Caddo Nation of OK, Choctaw Nation of OK, Coushatta Tribe of LA, Delaware Nation of OK, Mississippi Band of Choctaw Indians, Muscogee (Creek) Nation, Osage Nation, Quapaw Tribe of Indians

# Appendix I – Public Housing Authority Consultation

To support the unmet needs assessment, AEDC reached out to 31 public housing authorities (PHAs) within the impacted areas to understand the unmet needs of PHAs resulting from the 2019 disasters. The PHAs AEDC contacted are identified in the table below.

**Public Housing Authorities Contacted**

Impacted County	Public Housing Authority	Date of Consultation
Arkansas	Stuttgart Housing Authority	December 2020
Chicot	Lake Village Housing Authority	December 2020
Conway	Housing Authority of the City of Morrilton	December 2020
Conway	Conway County Housing Authority	December 2020
Crawford	Crawford County Public Facilities Board	December 2020
Crawford	Housing Authority of the City of Van Buren	December 2020
Desha	Housing Authority of the City of McGehee	December 2020
Desha	McGehee Public Facilities Board	December 2020
Desha	Desha County Residential Housing Facilities Board	December 2020
Desha	Housing Authority of the City of Dumas	December 2020
Faulkner	Housing Authority of the City of Conway	December 2020
Franklin	Housing Authority of the City of Ozark	December 2020
Franklin	Franklin County Public Housing Agency	December 2020
Jefferson	Housing Authority of the City of Pine Bluff	December 2020
Johnson	Housing Authority of the City of Coal Hill	December 2020
Johnson	Johnson County Public Housing Agency	December 2020
Johnson	Housing Authority of the City of Clarksville	December 2020
Lincoln	Housing Authority of the City of Gould	December 2020
Lincoln	Star City Housing Authority	December 2020
Logan	Housing Authority of the City of Paris	December 2020
Logan	Logan County Housing Authority	December 2020
Logan	Housing Authority of the City of Booneville	December 2020
Polk	Polk County Housing Authority	December 2020
Pope	Russellville Housing Authority	December 2020
Pope	Pope County Public Facilities Board	December 2020
Pope	Housing Authority of the City of Dover	December 2020
Pope	Housing Authority of the City of Atkins	December 2020
Pulaski	Pulaski County Housing Authority	December 2020
Pulaski	Metropolitan Housing Authority	December 2020
Pulaski	North Little Rock Housing Authority	December 2020
Pulaski	Jacksonville Housing Authority	December 2020
Sebastian	Housing Authority of the City of Greenwood	December 2020
Sebastian	Housing Authority of the City of Fort Smith	December 2020
Yell	Housing Authority of the City of Dardanelle	December 2020
Yell	Housing Authority of the City of Ola	December 2020

## Appendix J – Continuum of Care Consultation

To support the unmet needs assessment, AEDC reached out to Continuums of Care (CoCs) within the impacted areas to understand the unmet needs of vulnerable populations, including those experiencing homelessness, resulting from the 2019 disasters. The CoCs AEDC contacted are identified in the table below.

**Continuums of Care Contacted**

<b>County</b>	<b>Continuum of Care</b>	<b>Date of Consultation</b>
Arkansas	Southeast Arkansas CoC	December 2020
Chicot	Southeast Arkansas CoC	December 2020
Conway	Balance of State CoC	December 2020
Crawford	Fort Smith CoC	December 2020
Desha	Southeast Arkansas CoC	December 2020
Faulkner	Balance of State CoC	December 2020
Franklin	Fort Smith CoC	December 2020
Jefferson	Southeast Arkansas CoC	December 2020
Johnson	Balance of State CoC	December 2020
Lincoln	Southeast Arkansas CoC	December 2020
Logan	Fort Smith CoC	December 2020
Perry	Balance of State CoC	December 2020
Pope	Balance of State CoC	December 2020
Pulaski	Little Rock/Central Arkansas CoC	December 2020
Searcy	Delta Hills CoC	December 2020
Sebastian	Fort Smith CoC	December 2020
Yell	Balance of State CoC	December 2020