



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

2023 ANNUAL UPDATE TO THE CONSOLIDATED PLAN

Effective July 1, 2023 – June 30, 2024

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The 2023 Annual Action Plan (AAP) is the fourth annual plan and update to the State of Arkansas 2020-2024 Consolidated Plan (Consolidated Plan), a five-year plan (2020-2024) addressing the State's housing and community development needs. Federal resources provided by the United States Department of Housing and Urban Development (HUD) that are discussed within the Plan include: Community Development Block Grant (CDBG); the HOME Investment Partnerships Program (HOME); Emergency Solutions Grant Program (ESG); Housing Opportunities for Persons with AIDS Program (HOPWA); and National Housing Trust Fund (HTF).

HUD Standard Form 424 (Application for Federal Assistance) is submitted as part of the plan to request federal funding for the State of Arkansas.

The CDBG Program is administered through the Arkansas Economic Development Commission (AEDC) and AEDC is the lead agency responsible for coordinating the development of the Consolidated Plan. The HOME program and NHTF are administered through the Arkansas Development Finance Authority (ADFA), the ESG program is administered by the Arkansas Department of Human Services, Office of Community Services (DHS), and the HOPWA program is administered by the Arkansas Department of Health, Division of Health (ADH). ADFA, DHS, and ADH work in conjunction with AEDC in developing the Consolidated Plan.

The HOME funds received by ADFA for the State exclude the entitlement cities Fort Smith, Little Rock, North Little Rock, and Pine Bluff, as these cities are responsible for distribution and administration of their own HOME award. HOPWA funds received by ADH for the state exclude the entitlement city of Little Rock, who is responsible for their own HOPWA award. Allocations are based on a formula. The formula is determined using a minimum funding amount for all regions, population base, poverty data, and pro-rata percent. The formal and funding process emphasizes equitable distribution as well as quality projects and programs.

The Arkansas 2023 Annual Action Plan affirms the goals and objectives of Title I of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, as amended, which relate to major commitments and priorities of the four agencies. This complex set of goals can be compressed into three main areas that include:

- **Provide Decent Housing**
- **Provide a Suitable Living Environment**
- **Expand Economic Opportunity**

The state views this mandate as an opportunity to extend and strengthen partnerships among organizations in the public, private, and nonprofit sectors. Through this collaboration, AEDC, ADFA, DHS, and ADH hope to streamline approaches to meet these goals and effectively use limited resources.

Arkansas anticipates receiving the following amounts in 2023.

CDBG: \$17,807,834

HOME: \$10,580,305

ESG: \$2,315,051

HOPWA: \$1,412,776

HTF: **\$3,000.000 - *Amount subject to change with 2023 HTF award notice*

Covering all areas of the State, except the cities of Conway, Fayetteville, Fort Smith, Hot Springs, Jacksonville, Jonesboro, Little Rock, North Little Rock, Pine Bluff, Rogers, Springdale, Texarkana, and West Memphis, the Annual Action Plan identifies a one-year action plan for program implementation. As CDBG Entitlement Areas, the cities listed previously receive funds for these programs directly and are required to prepare and submit their own Annual Action Plans.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items, or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis, or the strategic plan.

The State of Arkansas identified five priorities, which summarize the goals of the five-year Consolidated Plan.

The main priorities and objectives within the 2023 AAP include:

- Housing Priority Need
- Community Development Priority Need
- Economic Development Priority Need
- Homeless Services Priority Need
- HOPWA Services Priority Need

Through the development of the Consolidated Plan, it was determined that there were three overarching objectives guiding the proposed activities that include:

Annual Action Plan
2023

- Provide Decent Housing
- Provide a Suitable Living Environment
- Expand Economic Opportunity

Outcomes were developed to show how programs and activities would benefit a community or the persons within a community served. The three outcomes that will illustrate the benefits of each activity funded by the CDBG, HOME, ESG, HOPWA, or HTF programs are:

- Improved availability/accessibility
- Improved affordability
- Improved sustainability

The future activities funded within the next year will support at least one objective and one outcome as described above. The statutes for CDBG, HOME, ESG, HOPWA, and HTF covered by the Consolidated Plan Rule include a number of basic goals discussed in the Housing and Community Development Act, as amended, and the National Affordable Housing Act, as amended. The framework for realizing these objectives and outcomes will be associated with the specific priorities, as noted above.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The State of Arkansas has been successful in its efforts to address the priority needs identified in the 2020-2024 Consolidated Plan. The state has worked hard to further the primary national CDBG objective of developing viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low- and moderate-income persons (LMI). The projects selected by the state in FY 2023 address the priority needs identified in the states 2020-2024 Consolidated Plan.

Specific details about past performance by the state on priorities covered by the 2020-2024 Consolidated Plan and strategies contained in Annual Action Plans are available through the state's Annual Performance reports that are submitted to HUD each year. The 2021 Consolidated Annual Performance and Evaluation Report was submitted to HUD on September 28, 2022 and is the most recent report submitted. The Report contains information regarding significant achievements in meeting the needs of Arkansans.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The State of Arkansas conducted one public hearing on housing and community development issues in to allow citizens the opportunity to provide comments and input for the 2023 Annual Action Plan. The meeting, held virtually, included presentations which focused on housing and community development strategies to address housing and community development needs throughout the state.

Prior to the meeting, notices were published in newspapers throughout the state and emails were sent to local officials, economic developers, non-profit organizations, Planning & Economic Development Districts, and Continuum of Care's throughout the state, as well as other interested parties.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The State of Arkansas conducted one virtual public hearing on April 12, 2023, to provide the public an opportunity to review the draft of the Annual Action Plan, and to receive oral comments. At least ___ people were in attendance representing all areas of community and economic development, housing, and homeless needs areas.

Public comments are included in the Attachment section.

6. Summary of comments or views not accepted and the reasons for not accepting them

N/A

7. Summary

Minutes from public hearing will be included in Appendix.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	ARKANSAS	Arkansas Economic Development Commission
HOPWA Administrator	ARKANSAS	Arkansas Department of Health
HOME Administrator	ARKANSAS	Arkansas Development Finance Authority
ESG Administrator	ARKANSAS	Arkansas Department of Human Services
HTF Administrator	ARKANSAS	Arkansas Development Finance Authority

Table 1 – Responsible Agencies

Narrative

The Annual Action Plan was developed in partnership between the four responsible agencies listed above. The amounts represented in the 2023 Annual Action Plan include those awarded by HUD for the Community Development Block Grant Program (CDBG), administered by the Arkansas Economic Development Commission (AEDC); HOME Investment Partnerships Program (HOME) and the National Housing Trust Fund (HTF), administered by the Arkansas Development Finance Authority (ADFA); Emergency Solutions Grants Program (ESG), administered by the Arkansas Department of Human Services (DHS); and Housing Opportunities for Persons with AIDS Program (HOPWA), administered by the Arkansas Department of Health (ADH).

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AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

The State of Arkansas works with a wide variety of agencies, organizations, and service providers to bring various viewpoints to bear in the identification of local housing and service needs. Ongoing relationships focused on specific needs and targeted meetings designed to bring public input into the Consolidated Plan process are two of the ways that the state utilizes outside organizations in the consultation process.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

The state has ongoing relationships with many housing providers working on housing development activities. The state also works with the many public housing authorities to address the housing needs of the state's lowest income households. Through the Continuum of Care (CoC) processes throughout the state, the State of Arkansas maintains relationships with mental health providers, homeless shelter and services providers, and local governmental agencies with specific responsibilities for homeless individuals and families. The state also participates in a variety of other coalitions that seek to address other issues that relate to housing and service needs.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

State staff works actively with the six Continuum of Care (CoC) organizations in the state. Staff participates in regularly scheduled meetings. In the past, the state has provided administrative support to supplement CoC initiatives and distributed Emergency Solutions Grant (ESG) funding to the various agencies that make up the membership of the CoC organizations.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The State of Arkansas supports a variety of housing and public service programs operated to service the homeless and special needs population. The efforts of the homeless coalitions, through the CoC process, have provided guidance on the needs of these communities. The process has resulted in a better understanding of the homeless and special needs community and their housing needs, enabling the state to arrive at a set of goals and objectives. As required by ESG regulations, DHS meets annually with

the CoC chairpersons to discuss the topics mentioned above. Results of those discussions are incorporated into the ESG Program.

2. Agencies, groups, organizations, and others who participated in the process and consultations.

See Table 2 below

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Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	ARKANSAS ECONOMIC DEVELOPMENT COMMISSION
	Agency/Group/Organization Type	Other government - State Grantee Department
	What section of the Plan was addressed by Consultation?	All sections
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Plan Coordinator, Advisory Board, other Agency Departments also consulted on plan, including Community Developers, Economic Developers, and Rural Services Division
2	Agency/Group/Organization	ARKANSAS DEVELOPMENT FINANCE AUTHORITY
	Agency/Group/Organization Type	Other government - State Grantee Department
	What section of the Plan was addressed by Consultation?	All sections
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consolidated Plan Board Member.
3	Agency/Group/Organization	ARKANSAS DEPARTMENT OF HUMAN SERVICES
	Agency/Group/Organization Type	Other government - State Grantee Department
	What section of the Plan was addressed by Consultation?	All sections
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consolidated Plan Board Member.

4	Agency/Group/Organization	ARKANSAS DEPARTMENT OF HEALTH
	Agency/Group/Organization Type	Other government - State Grantee Department
	What section of the Plan was addressed by Consultation?	All sections
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consolidated Plan Board Member.

Identify any Agency Types not consulted and provide rationale for not consulting

No specific organizations were intentionally left out of the public participation process.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Balance of State Continuum of Care	The Strategic Plan provides a set of goals for addressing homelessness, with are supported by the Balance of State Continuum of Care and its participating agencies.

Table 3 - Other local / regional / federal planning efforts

Narrative

N/A

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Citizen participation is an essential component of a statewide planning effort. Arkansas strongly encourages public participation throughout the consolidated planning process.

A virtual public hearing is scheduled:

- April 12, 2023: 10:00 AM – 11:30 AM.

A news release, announcing the public hearing and public comment period was sent to statewide media and notices were sent to approximately 1,500 contacts including: ADFA, DHS, ADH; Public Housing Authorities; City and County officials; Continuum of Care contacts; Arkansas Municipal League; and CDBG Grant Administrators.

A public notice was placed in the statewide newspaper, Arkansas Democrat-Gazette. The draft plan was featured in two locations on the AEDC website. AEDC made additional efforts to increase non-traditional public participation in addition to notification methods used in the past and will continue to develop additional innovative public awareness strategies.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Non-targeted/broad community	The State of Arkansas conducted one virtual public hearing on April 12, to provide the public an opportunity to review the draft of the Annual Action Plan, and to receive oral comments. There were at least ____ people in attendance during the meeting. Minutes from the hearing will be included in the Appendix.		N/A	www.arkansasedc.com/grants

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Newspaper Ad	Non-targeted/broad community	A newspaper ad was published in the Arkansas Democrat-Gazette announcing the public hearing and 30-day public comment period. A copy of the ad A copy of the ad will be included.		N/A	www.arkansasedc.com/grants
3	Internet Outreach	Non-targeted/broad community	All notices, public hearing information, and drafts were posted on the Arkansas Economic Development Commission website, on the homepage of the Grants Division. Other means of outreach included press releases, social media, and email contacts.		N/A	www.arkansasedc.com/grants

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Press Release	Non-targeted/broad community	A press release was issued to the network of all statewide newspapers announcing the 30-day public comment period and public hearing where oral comments will be received, and availability of the draft of the plan.		N/A	www.arkansasedc.com/grants

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

The State of Arkansas receives funding from the Community Development Block Grant Program (CDBG), HOME Investment Partnerships (HOME), Housing Opportunities for People With AIDS (HOPWA), Emergency Solutions Grant (ESG), and National Housing Trust Fund (HTF). These grant programs will bring over \$35 million into the State to support affordable housing, homeless, and community development programs and projects in the first program year including program income received.

Arkansas anticipates receiving the following amounts in 2023.

CDBG: \$17,807,834

HOME: \$10,580,305

ESG: \$2,315,051

HOPWA: \$1,412,776

HTF: \$3,000,000* - (*Amount subject to change with 2023 HTF award notice)

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	17,807,834	2,000,000	0	19,807,834	39,615,668	Expected amount for remainder of Con Plan equals the Year 4 annual allocation, plus Program Income, times two. CDBG resources are provided to units of local government for CDBG-eligible activities. A portion of resources is reserved for state administration and technical assistance funds that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). State recipients and sub-recipients may also receive administration funds. Additional funds will be provided by AEDC as a match to the CDBG allocation. This amount will fulfill the dollar-for-dollar matching requirement of the CDBG Program.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	10,580,305	8,398,955	24,005,976	42,985,236	85,970,472	Expected amount for year 4 of the 5-Year Con Plan annual allocation. The expected amount available for the remainder of Con Plan is estimated to be the Year 4 annual allocation times two. A portion of resources is reserved for state administration and technical assistance funds that may not exceed 10% of annual allocation. Per CFR 92.207. State recipients and sub-recipients may also receive administration funds. Additional funds will be provided by applicants and other entities to fulfill the matching requirement of the HOME Program.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	1,412,776	0	0	1,412,776	2,825,552	Expected amount for year 4 of the 5-Year Con Plan annual allocation. The expected amount available for the remainder of Con Plan is estimated to be the Year 4 annual allocation times two. (Federal allocation for Year 4 (GY 2023) of the 5-Year Con Plan is \$1,412,776).

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	2,315,051	0	1,949,148	4,264,199	6,213,347	Expected amount for year 4 of the 5-Year Con Plan annual allocation. The expected amount available for the remainder of Con Plan is estimated to be the Year 4 annual allocation times two.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	*3,000,000	0	*7,476,609	*10,476,609	*20,953,218	Expected amount for year 4 of the 5-Year Con Plan annual allocation. The expected amount available for the remainder of Con Plan is estimated to be the Year 4 annual allocation times two. A portion of resources is reserved for state administration and technical assistance funds that may not exceed 10% of annual allocation. Per 24 CFR 93.202.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state, and local funds), including a description of how matching requirements will be satisfied

Federal funds will be leveraged through the ability of service organizations to raise program funds through outside sources, other loan sources needed for housing development activities, the present value of forgiven property taxes for properties owned by non-profit housing providers, and the State's General Fund, where appropriate.

**Amount subject to change with 2023 HTF award notice – Minimum \$3,000,000 expected*

CDBG funds will be leveraged with other local resources within the General Assistance, Economic Development and Rural Services set asides. CDBG resources are provided to units of local government for CDBG-eligible activities. A portion of resources is reserved for state administration and technical assistance funds that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). State recipients and sub-recipients may also receive administration funds for project delivery costs. Additional funds will be provided by AEDC as match to the CDBG allocation. This amount will fulfill the dollar for dollar matching requirement of the CDBG Program.

ESG provides funding to: Engage homeless individual and families living on the street; improve number and quality of emergency shelters for homeless individuals and families; help operate these shelters; provide essential services to shelter residents; rapidly rehouse homeless individuals and families; and prevent families and individuals from becoming homeless.

ESG funds may be used for five components, street outreach, emergency shelter, homeless prevention, rapid re-housing assistance, and HMIS as well as administrative activities (up to 7.5% of a recipient's allocation can be used for administrative activities).

ESG funds may also be used during pandemic circumstances. This will be in accordance with the guidance provided at that time.

DHS is required to provide a 100% match for the ESG grant. The requirement is passed on to sub-grant recipients and monitored through the submission of a Match Certification Form with each monthly sub-grant invoice. The first \$100,000 of the State's fiscal year grant is not required to be matched, and the state may pass this exception through to sub-grant recipients who are least capable of providing matching contributions.

HOME funds, unless a waiver is granted per Presidential Declaration of National Emergency, will be leveraged with other public and private, discounted or donated local resources. Such resources may be in the form of professional services, cash, land, equipment, appliances, and/or sweat equity, for a required match of 25% of the annual allocation. A portion of resources is reserved for state administration and technical assistance funds that may not exceed 10% of annual allocation. Per 24 CFR 92.207. State recipients and sub-recipients may also receive administration funds.

All proposed activities' budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

HTF is not required to provide match resources for the annual allocation of funds. Per 24 CFR 93

All proposed activities' budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

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If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

None currently identified. The State will continue to evaluate opportunities to use public lands for future development.

Discussion

The state has programmed more than \$35 million from the CDBG, HOME, HOPWA, ESG, and HTF programs for the 2023 program year. These funds will be used to operate a range of private and public services as described later in the Annual Action Plan.

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Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Admin	2020	2024	Administration	Statewide	Program Administration	CDBG: \$634,234 HOPWA: \$141,278 HOME: \$1,058,031 ESG: \$171,043 HTF: \$300,000	Other: 1 Other
2	Eco Dev	2020	2024	Non-Housing Community Development	Statewide	Employment Training Industry and Job Creating	CDBG: \$6,230,000	Jobs created/retained: 250 Jobs
3	Fac/ Infra	2020	2024	Non-Housing Community Development	CDBG Eligible Areas	Infrastructure	CDBG: \$9,943,600	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 7000 Persons Assisted
4	Fire Prot	2020	2024	Non-Housing Community Development	CDBG Eligible Areas	Fire Equipment	CDBG: \$1,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 3000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Purc Asst	2020	2024	Affordable Housing	Statewide	Housing Assistance - Homeownership	HOME: \$211,606	Direct Financial Assistance to Homebuyers: 65 Households Assisted
6	CHDO	2020	2024	Affordable Housing	Statewide	Housing Development and Reconstruction	HOME: \$1,587,046	Rental units constructed: 31 Household Housing Unit Homeowner Housing Added: 10 Household Housing Unit
7	TBRA	2020	2024	Affordable Housing	Statewide	Rental Housing Subsidies	CDBG: \$1,058,031	Tenant-based rental assistance / Rapid Rehousing: 75 Households Assisted
8	Rent Hsg	2020	2024	Affordable Housing	Statewide	Housing Development and Reconstruction	HOME: \$3,914,713	Rental units constructed: 31 Household Housing Unit
9	Rent Rehab	2020	2024	Affordable Housing	Statewide	Housing Repair	HOME: \$2,750,879	Rental units rehabilitated: 28 Household Housing Unit
10	Prev	2020	2024	Homeless	Statewide	Homeless Prevention and Emergency Assistance	ESG: \$923,632	Homeless Person Overnight Shelter: 1000 Persons Assisted Homelessness Prevention: 1000 Persons Assisted
11	Shel	2020	2024	Homeless	Statewide	Homeless Facilities Homeless Prevention and Emergency Assistance	ESG: \$615,755	Homeless Person Overnight Shelter: 1000 Persons Assisted Homelessness Prevention: 1000 Persons Assisted
12	HOPWA Hsg Asst	2020	2024	Non-Homeless Special Needs	Statewide	Homeless Prevention and Emergency Assistance Rental Housing Subsidies	HOPWA: \$801,044	Tenant-based rental assistance / Rapid Rehousing: 150 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
13	HOPWA Sup Svs	2020	2024	Non-Homeless Special Needs	Statewide	Homeless Case Management Mental Health and Supportive Services	HOPWA: \$470,454	Public service activities other than Low/Moderate Income Housing Benefit: 150 Persons Assisted
14	Perm Hsg	2020	2024	Homeless	Statewide	Fair Housing Housing Development and Reconstruction	HTF: \$2,700,000	Rental units constructed: 15 Household Housing Unit

Table 6 – Goals Summary

*\$3,000.000 - *Amount subject to change with 2023 HTF award notice

Goal Descriptions

1	Goal Name	Admin
	Goal Description	Program Administration: Develop, Administer, revise, implement and evaluate the day-to-day operation of entitlement program. Activities include program design; grant administration, Sub recipient compliance monitoring, program outreach, public relations, and training.
2	Goal Name	Eco Dev
	Goal Description	Improve economic opportunities through activities aimed at improving the conditions needed for successful business and economic development.
3	Goal Name	Fac/ Infra
	Goal Description	Provide enhancement to public facilities and infrastructure by improving availability, accessibility and affordability of public facilities, and public infrastructure.
4	Goal Name	Fire Prot
	Goal Description	Provide improvements to community centers and improve access to affordable fire protection and enhanced fire protection equipment.

5	Goal Name	Purc Asst
	Goal Description	Create decent housing with improved affordability by providing funding for homebuyer assistance programs such as down payment and closing cost to low and moderate-income (less than 80 percent area median income) homebuyers
6	Goal Name	CHDO
	Goal Description	Provide funding to CHDO organization to develop new affordable housing for low-moderate income persons for homeownership, and providing construction financing for single-family housing, financial mechanisms and improved communication with partners and constituents throughout the state.
7	Goal Name	TBRA
	Goal Description	Create decent housing through improved affordability and accessibility by providing rental subsidies and security and utility deposit assistance for very low- to moderate-income (less than 60 percent of area median income) households and persons with disabilities.
8	Goal Name	Rent Hsg
	Goal Description	HOME and NHTF are utilized to create decent housing with improved affordability and accessibility of multi-family housing and other rental housing through the construction of affordable rental housing units.
9	Goal Name	Rent Rehab
	Goal Description	HOME and NHTF are utilized to preserve decent housing through improved sustainability and affordability of existing multi-family housing and other rental housing stock through rehabilitation projects for low- and moderate-income (less than 80 percent of area median income) households.
10	Goal Name	Prev
	Goal Description	Increase the availability and affordability of and supportive services offered to homeless families and individuals by providing Emergency Solutions Grant (ESG) funds to projects that focus on the prevention of homelessness, such as averting eviction, foreclosure, and /or utility disconnection, as well as paying deposits and first month's rent.

11	Goal Name	Shel
	Goal Description	Improve the availability and affordability of shelters and supportive services offered to homeless families and individuals by providing ESG funds to assist shelters and homeless providers to finance their operating cost.
12	Goal Name	HOPWA Hsg Asst
	Goal Description	Goal Description Provide tenant-based rental assistance (TBRA); short-term rent, mortgage, and utility assistance (STRMU); rapid emergency housing under facility-based rental assistance (FBRA) and Permanent Housing Placement (PHP) Assistance.
13	Goal Name	HOPWA Sup Svs
	Goal Description	Enhance a suitable living environment through improved access to affordable health and local housing services through improvements of referrals to local available health units and local public housing and supportive social services.
14	Goal Name	Perm Hsg
	Goal Description	National Housing Trust Funds (HTF) are used to provide and improve housing conditions for extremely low-income (ELI) households in Arkansas.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

Funding allocation priorities are detailed below by funding source. The HOME funding total reflects \$1 million of HOME Program Income that has not yet been allocated.

Funding Allocation Priorities

	Admin (%)	Eco Dev (%)	Fac/ Infra (%)	Fire Prot (%)	Purc Asst (%)	CHDO (%)	TBRA (%)	Rent Hsg (%)	Rent Rehab (%)	Prev (%)	Shel (%)	HOPWA Hsg Asst (%)	HOPWA Sup Svs (%)	Perm Hsg (%)	Total (%)
CDBG	3	35	56	6	0	0	0	0	0	0	0	0	0	0	100
HOME	10	0	0	0	2	15	10	37	26	0	0	0	0	0	100
HOPWA	10	0	0	0	0	0	0	0	0	0	0	63	27	0	100
ESG	8	0	0	0	0	0	0	0	0	45	47	0	0	0	100
HTF	10	0	0	0	0	0	0	0	0	0	0	0	0	90	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

The allocation priorities reflect input from participants in the forums and survey, staff consideration of past allocations, and needs as determined through the Needs Assessment.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

The distribution of funds is directly correlated to the specific objectives described in the Consolidated Plan. Each goal of the Strategic Plan is addressed in the funding distribution, as are many, though not all, of the priority needs.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

CDBG funds will be used for several activities authorized in Section 105(a) of the amended 1974 Housing and Community Development Act that meet national CDBG objectives. Projects are funded in order to meet at least one of three CDBG National Objectives that include: (1) benefit low- and moderate-income persons; (2) prevent or eliminate slums or blight; and (3) meet urgent community development needs. The State annually certifies that not less than 70% of the aggregate funds received during a 3-year period (as identified to HUD) shall be used for activities benefitting low and moderate income (LMI) persons.

CDBG funds are not specifically targeted to areas of minority concentration but are distributed throughout the state's non-entitlement areas targeted for activities that serve LMI persons. Since projects funded with CDBG resources typically provide a community-wide benefit, it can be assumed that minority groups benefit equally in the same proportion as they occur in the general population.

The State Programs set forth within this Method of Distribution of the current CDBG allocation attempt to balance the need for providing jobs and suitable places to live. Funds are reserved in each category based on a percent of the total funds available for distribution to local governments. The State is allowed \$100,000 plus 3% of the State grant for administration and technical assistance in accordance with HUD regulations. The State is also allowed 3% of the program income received by units of general local government (whether retained by the unit of general local government or paid to the State) and funds reallocated by HUD to the State.

To achieve the most effective and efficient use of CDBG funds, AEDC may, at its discretion, use categorical adjustments. A categorical adjustment allows AEDC to reserve up to 25% of the total CDBG allocation for use as needed among categories. An adjustment of more than 25%, or \$4,451,958, of the total allocation, or the creation or elimination of a category, will be considered a substantial amendment to the Annual Action Plan and would require further steps as identified within the Citizen Participation Plan section of the Consolidated Plan. Adjustments may be made for remaining balances within a Category within the last 3 months following a 12-month Program Year in order to meet the HUD Timely Distribution requirement which requires the CDBG grant amount for a given Federal Fiscal Year to be distributed within a HUD required 15-month time frame.

For purposes of the Consolidated Plan and the Annual Action Plan, the overall CDBG Program includes activities within the Community

Development Priority Need, and the Economic Development Priority Need.

The state certifies that benefit to low- and moderate-income persons for the three-year periods beginning in 2020 (2020-2023, 2023-2025) will be equal to or greater than 70% and that no project claiming benefit to low- and moderate-income persons will be approved if the benefit calculated is less than 51%.

Approximately 90% of HOME and 90% NHTF funds, will be allocated to meet the limited housing opportunities priority need as identified in the NA, by addressing the following goals: Affordable Housing - Housing Assistance Homeownership, Housing Development, Rental Housing Subsidies, Rental Housing Development, New Construction/Acquisition Rental Rehabilitation, and New Construction/Acquisition Rehabilitation Housing.

All proposed activities budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

A description and details of each State Program will be identified below.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	Community Development - General Assistance
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	<p>Within the Public and Community Facilities, and Infrastructure Priority Need, CDBG funds will be utilized for public infrastructure and public facility projects. Within this Program, CDBG funds will be utilized for and will generally be made available under the LMI Area Benefit or LMI Limited Clientele or Presumed Benefit National Objective measures. Funds are awarded for: residential water and wastewater; senior centers; child care centers; public health facilities; youth centers; accredited public libraries; removal of architectural barriers from city halls or county courthouses for accessibility; street, curb, gutter, sidewalk, or storm sewer; flood control and drainage; and, other public facility or infrastructure project determined to be a high priority, and not eligible to be funded under another CDBG program. For more information see Application Guidelines, posted online at http://arkansasedc.com/grants</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The Method of Distribution section of the Application Guidelines contains specific information regarding the scoring criteria for each Program. A summary of the scoring criteria is noted within each Program’s Selection Criteria Matrix. For General Assistance applications, Section 2, Application Forms and Instructions, Part III: Project Description and Scoring Criteria, provides details on scoring and the points assigned to all scoring criteria.</p> <p>Program Guidelines and Application include a Scoring Criteria Matrix for the General Assistance Program. The Matrix describes each selection criteria as a numerical score within the General Assistance Program. The maximum number of points available within any application is 100 points.</p> <p>The Matrix below describes each selection criteria as a numerical score within the General Assistance Program. The maximum number of points available within any application is 100 points:</p> <ul style="list-style-type: none"> • PROJECT NEED: Up to 25 points possible. The level of project need will be compared to other applicants. • PROJECT IMPACT: 15 points maximum possible. Describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. The significance of the project impact will be scored as compared to other applicants. • PROJECT READINESS: Up to 30 points possible. The level of capacity and commitment by the community will be scored as compared to other applicants. • CITIZEN PARTICIPATION: Up to 15 points possible. Applicant’s description of public participation and the process used to identify community needs and allocate resources to address needs will be compared to other applicants.
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	<ul style="list-style-type: none"> • FUNDING LEVERAGE: Up to 5 points is possible. For purposes of General Assistance applications, leverage is defined as local funds provided by the community committed to the project's non-administrative activities as a ratio to the grant funds requested. Points will be awarded to applicants based on the amount of leverage provided in ratio to the grant funds requested. Communities who provide more leverage will receive points within this section. • LMI Benefit: Up to 5 points is possible. No minimum points in this section are required in order to meet threshold. This scoring category is designed to give points to communities with higher concentrations of LMI persons. Communities with a LMI population of 60% or more will receive 5 points. Communities with a LMI population between 51% - 59.99% will receive no points in this section • Bonus Points: Up to 5 points possible. Applicant has demonstrated management capacity, and/or project is located within an Arkansas Opportunity Zone (OZ).
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the AEDC website at: http://www.arkansasedc.com/grants

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>For the 2023 Program Year (PY), AEDC is considering funding public infrastructure and public facility projects with an anticipated \$9,443,600 in CDBG resources. The award amount is based on beneficiary data of the project area as well as the feasibility and need for the project.</p>

	Describe threshold factors and grant size limits.	Grant requests should range from a minimum of \$75,000.00 to a maximum of \$500,000, and up to \$1,000,000.00 for specific types of water or wastewater projects, including design fees, although maximum awards may be based on project type, as designed upon release of program application package. Administrative fees will be added to the announced award amount. Additional project awards may be made throughout the year from the existing pool of applications as funds become available, including from unexpended funds from prior funding years, if eligible under that funding year's annual action plan. Technical assistance will be available.
	What are the outcome measures expected as a result of the method of distribution?	For water and wastewater funding, AEDC will be able to identify those areas that meet a CDBG National Objective and target those projects that are impacting the safety of our citizens. Through a collaborative effort with other funding agencies, AEDC is better able to leverage federal and state grant resources in order to obtain maximum impact. An estimated 7,000 people will benefit from these public infrastructure and public facility projects.
2	State Program Name:	Community Development - Rural Services
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	Within the Public and Community Facilities and Fire Equipment Priority Need, CDBG funds will be utilized for community center, fire station, multi-purpose center, and fire truck and fire-fighting equipment projects. CDBG funds will be utilized for and made available under the LMI-Area Benefit National Objective measures. For more information see Application Guidelines.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The Arkansas Rural Development Commission will review Application and make recommendations for funding of projects to benefit rural communities with a population of less than 3,000 persons. Applicants should contact the AEDC Division of Rural Services to obtain an application for the Rural Services Block Grant Program (RSBGP). In order to receive funding from AEDC, the applicant must receive approval from the Arkansas Rural Development Commission. Up to \$1,000,000.00 of the annual CDBG allocation will be used for this category. Applications will be evaluated on:</p> <ol style="list-style-type: none"> 1. The extent to which the project will benefit low- and moderate-income persons and meet CDBG eligibility requirements; 2. The extent to which other funds will be used to leverage the grant funds proposed for the project; 3. Appropriateness of the project to Division of Rural Services-Rural Community Fire Protection Grant Program and the Rural Community Development Block Grant Program. Projects may include fire protection and multi-use community centers; 4. The applicant's readiness to proceed with the project; 5. Other criteria as defined in the application as prepared by the Division of Rural Services. <p>Note: legislation intends for priority to be placed on the use of CDBG funds for multi-use facilities that will offer combined facilities for programs commonly offered in separate facilities such as senior centers, public health centers, child care centers and community centers.</p>
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If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the RSBGP. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the AEDC Division of Rural Services website: https://www.arkansasedc.com/Rural-Services/division/grants/rural-services-block-grant .
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
Describe how resources will be allocated among funding categories.	For the 2023 Program Year, AEDC will fund Rural Services projects in partnership with the AEDC Division of Rural Services, with an anticipated \$1,000,000 in CDBG resources. The RSBGP award amount is based on beneficiary data of the project area as well as the feasibility and need for the project.

	Describe threshold factors and grant size limits.	Each project funded must meet the CDBG National Objective of benefiting low- to moderate-income persons. Up to \$75,000 to \$100,000 (pending legislation) , in CDBG funds may be awarded per project for project activity and general administration combined; no more than 15% of the total award may be used for general administration. The match for this grant is 10% and may be comprised of in-kind labor, in-kind materials or cash.
	What are the outcome measures expected as a result of the method of distribution?	Approximately 3,000 people will benefit from these activities.
	3 State Program Name:	Community Development- Emergency/Urgent Need
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	Within the Public and Community Facilities, and Infrastructure Priority Need, CDBG funds will be used to assist local units of government with situations that pose a serious and immediate threat to public health, safety, or welfare. Priority is given to those projects that are meeting the Urgent Need national objective criteria but could qualify under LMI Benefit Area or Limited Clientele.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Local units of government must submit a pre-application to the WWAC (if a water/wastewater project) or should otherwise consult with the AEDC Grants Division before submitting a full application. Applications are accepted any time during the year. The Grants Division will determine whether the community and project are eligible for funding. This determination may be made in consultation with appropriate federal, state and/or local agencies. If the pre-application and/or consultation meets the requirements, AEDC will invite the local unit of government to submit a full application. Full applications are reviewed on a quarterly basis by AEDC. AEDC will issue a notice of approval to those applicants who demonstrate a need, eligible CDBG activity, and meet the CDBG national objective. The applications must be signed by the chief elected official and must identify how the proposed project meets and/or addresses all of the following:</p> <p>In applying for an Urgent Need grant from the Community Development Block Grant program, the city/county is certifying that the project primarily serves persons of low- to moderate-income, and that:</p> <ul style="list-style-type: none"> • The proposed project must alleviate existing conditions which pose a serious and immediate threat to the health and welfare of the community. • The conditions developed or became urgent within 18 months of the date the proposal is submitted (not as result of neglect or lack of proper maintenance). • The applicant locality is unable to finance the project on its own, no other funding is available to address the problem, and the CDBG funding will be directly targeted towards alleviation of the threatening conditions; and, • The threat must be supported by either: • A current declaration of an emergency by the Governor of Arkansas relative to a flood, a hurricane, a tornado, an earthquake, or other disaster event, not including droughts, snow, or ice conditions; or,
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	<ul style="list-style-type: none"> A current declaration of an immediate and severe health threat by the Arkansas Department of Health or Arkansas Department of Environmental Quality relative to the complete failure of a public water or sewer system or incident of similar significance.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	<p>As noted above, and within the description of the criteria used to select applications under the Emergency/Urgent Need set-aside, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Application Guidelines and the Emergency/Urgent Need application, when made available on the AEDC website. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the AEDC website at: http://www.arkansasedc.com/grants.</p>
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A

Describe how resources will be allocated among funding categories.	For the 2023 Program Year, AEDC is considering funding emergency projects with the anticipated \$500,000 of funding allocated to this Program.
Describe threshold factors and grant size limits.	Grant requests should range from a minimum of \$75,000 to a maximum of \$1,000,000 for specific types of projects, including design fees, although maximum awards may be based on project type, as designed upon release of program application package. Administrative fees will be added to the announced award amount. Additional project awards may be made throughout the year from the existing pool of applications as funds become available, including from unexpended funds from prior funding years, if eligible under that funding year's annual action plan. Technical assistance will be available.
What are the outcome measures expected as a result of the method of distribution?	For water and wastewater funding, AEDC will be able to identify those areas that meet a CDBG National Objective and target those projects that are impacting the safety of our citizens. Through a collaborative effort with other funding agencies, AEDC is better able to leverage federal and state grant resources in order to obtain maximum impact. An estimated 1,000 people will benefit from these public infrastructure and public facility emergency/urgent need projects.

4	State Program Name:	Economic Development (ED)
	Funding Sources:	CDBG

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<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Within the Economic Development Priority Need, CDBG funds will be utilized for providing communities with resources to assist businesses which expand the State's economic base and which create quality jobs principally benefiting LMI employees and made available under the LMI CDBG National Objective criteria. Eligible activities will generally include: grants or loans to for-profit businesses (through the applicant community) for a variety of business purposes; or public facilities (infrastructure) projects undertaken by applicant communities for economic development purposes, where a benefiting business agrees to locate or expand premised on the infrastructure improvements and agrees to create jobs for LMI persons.</p> <p>AEDC shares the cost of project infrastructure needs by committing grants from state and federal infrastructure funds. The amount of assistance committed is dependent upon the strength of the company, number of jobs, average wage, project investment and costs associated with facility/site improvements.</p> <p>Funds may be used by eligible applicants to:</p> <ol style="list-style-type: none"> 1. Provide infrastructure necessary to serve the location of a new or expansion of an existing industry which will create new jobs or retain existing jobs; or 2. Provide loans to industry for economic development purposes when it can determine that the provision of such financing is necessary to create new jobs and/or retain existing jobs. Eligible activities for loans include, but are not limited to the following: acquisition, construction and equipment; or 3. Provide funds for the construction of facilities; or 4. Provide funds for a Commission-approved training program; or Undertake any combination of 1 through 4 above, provided that all other requirements can be met.
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Projects are generally evaluated through a cost benefit analysis process; and for basic eligibility, financial feasibility, appropriateness, and the extent to which the project will result in the creation and/or retention of permanent jobs, primarily for low and moderate-income persons. The Housing and Community Development Act (HCDA) and HUD's CDBG regulations outline basic project "underwriting" guidelines/standards so that State programs will achieve the federal objectives of the CDBG Program. The underwriting standards used in the Arkansas ED program are designed to address these federal guidelines.</p> <p>Application for Economic Development funds are reviewed according to the following process:</p> <p>Loans. Applications complete a four-step process:</p> <ol style="list-style-type: none"> 1. Review for eligibility and compliance with applicable requirements; 2. Evaluation of the business plan for appropriateness, feasibility, and credit worthiness; 3. Review and recommendation by Economic Development Commission; and 4. Decision made by the Commission's Executive Director. <p>Infrastructure. Applications complete a three-step process:</p> <ol style="list-style-type: none"> 1. Review for eligibility and compliance with applicable requirements; 2. Determination of appropriateness, feasibility, need, and recommended funding level; and 3. Decision by the Commission's Executive Director. <p>This information provided is a summary. Additional information will be available within the ED Program Guidelines.</p>
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If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Economic Development Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the AEDC website at: http://www.arkansasedc.com/grants
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A

<p>Describe how resources will be allocated among funding categories.</p>	<p>For the 2023 PY, AEDC is considering funding economic development activities/projects with the anticipated \$6,230,000 of funding allocated to this Program. Other activities/projects will be funded from AEDC's CDBG Economic Development State Revolving Loan Fund (SF). There is no limitation on the number of economic development applications and/or active projects which an eligible applicant may have with the Commission except as limited by the requirements defined in the Method of Distribution. Approximately 35% of the 2023 allocation will be used for this category and 100% of any program income received by the Commission generated from economic development projects will be used to make additional projects through the State Revolving Loan Fund, with up to 3% of that being eligible to be budgeted for State Administration.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>AEDC shares the cost of project infrastructure needs by committing grants from state and federal infrastructure funds. The amount of assistance committed is dependent upon the strength of the company, number of jobs, average wage, project investment and costs associated with facility/site improvements. It is generally expected that CDBG grants will be a minimum of \$75,000, and there is no specific maximum grant size limit, although required to be considered is a company's ability to meet the public benefit standard per job to be created as a result of the grant funding.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Through the Economic Development Program additional jobs will be created or retained throughout the state which will create additional opportunities for Arkansans, particularly those who are LMI. An estimated 250 people will benefit from these activities through the creation of jobs.</p>

5	State Program Name:	Emergency Solutions Grant Program
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	State of Arkansas supports a variety of housing and public service programs to service the homeless and special needs population. The efforts of the homeless coalitions, through the Continuum of Care process, have provided guidance on the needs of these communities. The process has resulted in a better understanding of the homeless and special needs community and their housing needs, enabling the State to arrive at a set of goals and objectives. These goals and objectives are provided below, with performance goals for FY 2023 Annual Plan Budget \$2,280,574.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<ol style="list-style-type: none"> 1. Geographic Need for the Project 2. Financial Controls 3. Project Viability 4. Project Delivery Capacity 5. Administrative Capacity 6. Project Narrative 7. Community Support 8. Monitoring and Performance History [previous recipients only] <p>Preparation for Program [new applicants only]</p>
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Emergency Solutions Grant Program funds are made available to non-profit organizations and to units of local government that develop and operate homeless shelters and/or provide supportive services to homeless persons and families. Funds are distributed statewide through a competitive Request For Proposals Application process in amounts based on applicant requests and funding availability.</p> <p>Application Process:</p> <p>All applicants must be non-profit agencies or units of local government and must be in good standing with the appropriate local Continuum of Care.</p> <ol style="list-style-type: none"> 1. The Department of Human Services will hold a meeting with the chairpersons of all six Continuum of Care (CoC) organizations in the state. The purpose of these meetings is to discuss gaps in service, agency performance for the previous year, development of performance standards for agencies, funding allocations, and data collection. Recommendations for funding for each CoC will be formulated. 2. A meeting identical to that mentioned above will be held with representatives of each entitlement city in the state. 3. Requests for Proposals will be posted on the DHS website, e-mailed to interested organizations and existing participating agencies, posted in each DHS county office, and announced in the Arkansas Democrat Gazette. 4. A workshop will be held to introduce potential applicants to the ESG Program, to educate applicants on DHS Policies and Procedures relating to ESG, to provide a detailed explanation of the application and grant award process, and to provide technical assistance to applicants. 5. Completed applications will be received by DHS by published deadline. 6. Applications will be screened by a screening committee appointed by the Assistant Director of the DHS Division of County Operations – Office of Community
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	<p>Services (DCO-OCS) and made up of representatives of various divisions of DHS. Each committee member will screen each application.</p> <p>7. All applications meeting minimum standards for completeness and eligibility will be passed through by the Screening Committee for subsequent review and funding consideration.</p> <p>8. Each member of the DHS DCO-OCS staff will carefully review each application passed through by the Screening Committee and score each application against published scoring criteria.</p> <p>9. Scores from each reviewer will be averaged to a single numerical score for each applicant. That averaged score will be used to rank applicants and make final funding level decisions.</p> <p>10. DHS DCO-OCS will set funding targets for each ESG component based on available funding, and successful screening and review will not guarantee full or even partial funding. DHS DCO-OCS may set a cut-off score below which no applicant will be funded.</p> <p>11. A second workshop will be held for successful sub-grant recipients to review program requirements and discuss administration of the ESG Grant funds.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>Of the \$2,280,574.00 from ESG, the state will designate \$114,028.70 to Street Outreach; \$615,754.98 to Homelessness Prevention; \$456,114.80 to Rapid Re-housing; \$923,632.47 to Emergency Shelters; and \$169,601 will fund Program Administration.</p> <p>Pending HUD approval, any remaining funds from prior years will be reallocated.</p> <p>HUD has approved the use of any remaining funds from fiscal years 2015 through 2020. These funds will be used for special projects, invoice processing, and HMIS activities.</p>
<p>Describe threshold factors and grant size limits</p>	<p>The amount of the grant that a sub-grantee may receive is depended on available funding for the categories in which funding is being requested. The percentage of funding per category is based on need identified throughout the state.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Funding is expected to assist an estimated 2,000 individuals with homeless prevention services, 2,500 individuals with rapid re-housing, 5,000 individuals/families with shelter and shelter services, and 600 individuals with street outreach, totaling 10,000 individuals.</p> <p>Outcomes will be tracked on a monthly basis throughout the grant performance period. Performance indicators will be incorporated into the application scoring process during the next grant cycle.</p>

6	State Program Name:	HOME Investment Partnerships Program
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	<p>The State of Arkansas receives HOME Funds through a formula allocation from HUD and ADFA is the designated agency that administers the funds allocated to the State. Under the HOME Program, ADFA is designated a “Participating Jurisdiction” or “PJ”. The local PJs in Arkansas include the Cities of Fort Smith, Little Rock, North Little Rock, and Pine Bluff.</p> <p>ADFA has broad discretion in administering the HOME Funds. ADFA may administer activities directly, allocate funds to units of local government, for-profit entities, and non-profit entities, evaluate and fund projects, or a combination of the two approaches. ADFA allocates funds to various partners through their formal application process. The application process is continual based upon funds availability.</p> <p>ADFA may undertake jointly funded projects with local PJs and may use HOME funds anywhere within the State including within the boundaries of local PJs. ADFA Programs funds allocated within a designated local PJ will be limited to down payment and closing costs assistance loans, CHDO Set-Aside projects, and Low-Income Housing Tax Credit/HOME developments. ADFA may also allocate funds to for-profit developers, housing non-profits and Community Housing Development Organizations (CHDO).</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>ADFA has set the following parameters regarding the amount of HOME Program Funds that can be allocated per applicant. NOTE: ADFA Board of Directors reserve the right to increase or decrease the maximum program allocation during the program year to meet HOME program requirements. Allocations are subject to availability of funds.</p> <ul style="list-style-type: none"> • Applicants must request a minimum of \$100,000 of HOME Program funds to be considered a HOME Program allocation (with the exception of TBRA projects). • At present, the maximum loan amount that can allocated by ADFA is \$2,000,000 at 1% for a term of 20 – 35 yrs; and up to an additional \$1,000,000 at 2% for a term of 20 – 35 yrs; for a maximum of up to \$3,000,000 per Activity in HOME Program funds, subject to availability, and discretion of ADFA Board in response to market demand. • The maximum amount that can be requested and allocated for TBRA projects by ADFA is \$2,000,000, subject to availability of funds. • TBRA applicants may apply for funding once a year and when 75% of the current allocation has been expended. <p>Applicants may be awarded maximum of 3 HOME projects, one project per housing activity type (Rental New Construction, Rental Rehab, TBRA), per HOME Fiscal year (July 1 to June 30) based upon capacity as determined by ADFA.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>

Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
Describe how resources will be allocated among funding categories.	<p>Resources to be allocated among funding categories according to need reflected in the Needs Assessment and programmatic experience from years of operating housing programs with HOME funding.</p> <p>Funding among the categories include up to \$211,606.10 for Down Payment Assistance for Single-Family New Construction/Acquisition Housing; \$1,587,045.75 for New Construction activities by CHDOs; \$1,058,030.50 for Tenant-Based Rental Assistance; \$3,914,712.85 for Multifamily Rental Housing Development; and \$2,750,879.30 for Multifamily Rental Rehabilitation.</p> <p>In no case will the ADFA investment exceed the maximum HOME investment allowed under 24 CFR 92.250. The maximum per unit subsidy in HOME is published each year by HUD.</p>

<p>Describe threshold factors and grant size limits.</p>	<p>ADFA has set the following parameters regarding the amount of HOME Program Funds that can be allocated per applicant. NOTE: ADFA Board of Directors reserve the right to increase or decrease the maximum program allocation during the program year to meet HOME program requirements. Allocations are subject to availability of funds.</p> <ul style="list-style-type: none"> • Applicants must request a minimum of \$100,000 of HOME Program funds to be considered a HOME Program allocation (with the exception of TBRA projects). • At present, the maximum loan amount that can allocated by ADFA is \$2,000,000 at 1% for a term of 20 – 35 yrs; and up to an additional \$1,000,000 at 2% for a term of 20 – 35 yrs; for a maximum of up to \$3,000,000 per Activity in HOME Program funds, subject to availability, and discretion of ADFA Board in response to market demand. • The maximum amount that can be requested and allocated for TBRA projects by ADFA is \$2,000,000, subject to availability of funds. • TBRA applicants may apply for funding once a year and when 75% of the current allocation has been expended. <p>Applicants may be awarded maximum of 3 HOME projects, per housing activity (Rental, Homeowner, TBRA), per HOME Fiscal year (July 1 to June 30) based upon capacity as determined by ADFA.</p>
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	What are the outcome measures expected as a result of the method of distribution?	The HOME Program funding is expected to provide 65 households with Down Payment Assistance, 10 new homes through CHDO Development Projects, assist 75 households with Tenant-Based Rental Assistance, develop 31 Rental Units and Rehab 28 Rental units.
7	State Program Name:	Housing Opportunities for Persons with AIDS Program
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	Arkansas Department of Health (ADH) HIV Services provides oversight for HOPWA funding granted to the State. The Northeast Arkansas Regional AIDS Network (NARAN) is under contract to use HOPWA dollars to administer HOPWA housing assistance including Tenant-Based Rental Assistance (TBRA), Facility-based rental assistance (FBRA) for short-term hotel/motel stays, Short-Term Rent, Mortgage, and Utility (STRMU), Permanent Housing Placement (PHP) programs, and the support services or service coordination appropriate to ensure effective case management and attainment of HOPWA goals.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Project sponsors will be selected through a statewide Request for Applications (RFA) process that will include, but is not limited to, evaluation of the following parameters:</p> <ul style="list-style-type: none"> • Concentration of persons with HIV/AIDS in the geographic area to be served by the project sponsor; • Availability of suitable housing stock in the defined areas; • Demonstrated capacity of the applicant to provide quality services in compliance with ADH and HUD regulations; • Ability of the applicants to coordinate complimentary supportive services; and • Ability of the project sponsor to meet the urgent unmet needs of person with HIV/AIDS and their families. <p>Project sponsors are contracted for a period of 7 years (the initial year of contracting plus 6 renewals) with contract subject to annual review for continuance based upon Project sponsor's attainment of ADH and HUD goals and deliverables</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Project sponsors selected through a statewide Request for Applications (RFA) process that include, but is not limited to, evaluation of the following parameters:</p> <ul style="list-style-type: none"> • Concentration of persons with HIV/AIDS in the geographic area to be served by the project sponsor; • Availability of suitable housing stock in the defined areas; • Demonstrated capacity of the applicant to provide quality services in compliance with ADH and HUD regulations; • Ability of the applicants to coordinate complimentary supportive services; and • Ability of the project sponsor to meet the urgent unmet needs of person with HIV/AIDS and their families. <p>By the process defined above one project sponsor was selected for GY2023 and has a contract with a life span of seven (7) years (initial year plus 6 extensions). Contract extensions are on an annual basis, contingent upon project sponsor performance and attainment of HOPWA goals and objectives.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>2023 Estimated Distributions- Housing Opportunities for Persons with AIDS are as follows:</p> <p>I. Administration: (10%)</p> <ul style="list-style-type: none"> a. Grantee: up to 3% of FY 2023 allocation from HUD. b. Project Sponsors: up to 7%. <u>Subject to adjustment</u> based on actual of total funds approved by the ADH under contract terms to project sponsor. <p>II. Direct Housing and Related Support Services (DHRSS): Balance of Award less Admin.</p> <ul style="list-style-type: none"> a. Direct Housing Assistance: \$801,044 <ul style="list-style-type: none"> 1. TBRA + STRMU 2. PHP 3. FBRA b. Support Services: \$470,454 <p><i>TOTAL HOPWA FY 2023 allocation from HUD: \$1,412,776</i></p>
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<p>Describe threshold factors and grant size limits.</p>	<ul style="list-style-type: none"> • Availability of housing units that meet FMR (fair market rent): for TBRA, FBRA and PHP. • Availability of housing that meets HQS (housing quality standards): for TBRA. • Seasonal adjustments (or fluctuations) in utility rates-primarily gas and electricity: for STRMU and TBRA. • Availability of public housing units: for TBRA. • Availability of short-term rapid housing (hotel/motel)*: for FBRA <p>These are among multiple thresholds that may influence allocation and ongoing budgetary adjustments of funds to applicable activities.</p> <p><i>*Duration of not more than 60 days in any 6-month period.</i></p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Supportive services and Case Coordination:</p> <ul style="list-style-type: none"> • Improve access to health care and other supportive services for 175 clients and their families per year. • Clients will remain in stable housing and will receive coordinated complimentary supportive services. <p>TBRA , FBRA, PHP and STRMU:</p> <p>Program will assist 200 clients per year establish and or better maintain permanent safe, decent, stable, and affordable housing.</p>
<p>State Program Name:</p>	<p>Housing Trust Fund (HTF) from HUD</p>

8	Funding Sources:	HTF
	Describe the state program addressed by the Method of Distribution.	<p>The State of Arkansas receives HTF Funds through a formula allocation from HUD and ADFA is the designated agency that administers the funds allocated to the State. Under the HOME Program, ADFA is designated a “Participating Jurisdiction” or “PJ”. The local PJs in Arkansas include the Cities of Fort Smith, Little Rock, North Little Rock, and Pine Bluff.</p> <p>This National Housing Trust Fund (HTF) Plan seeks to ensure that, where economically feasible, applicants will have an opportunity to compete for funding to address their unmet rental housing needs. ADFA has established certain basic housing requirements to be used in the allocation of HTFs, which are briefly described below.</p> <ol style="list-style-type: none"> 1. <i>Geographic Diversity</i> – ADFA anticipates allocating available HTF to expand the Extremely Low-income (ELI) overall rental housing supply located throughout Arkansas. 2. <i>Applicant Capacity</i> – Great consideration will be given to ability of the applicant to undertake and complete the construction of the proposed type of housing in a timely manner. The applicant must have the financial capacity to complete the proposed development and must provide a list of experienced development team members such as a general contractor, architect, property manager and legal counsel. 3. <i>Rental Assistance</i> – Due to the targeted population of ELI, the ability to secure rental assistance so that rents are affordable to ELI families will be a major factor in the success of any proposed development. 4. <i>Duration of Affordability Period</i> – All NHTF rental units must have affordability requirements for a minimum of thirty (30) years. The Development Team must demonstrate strength to enforce the affordability period.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>ADFA may issue a Rental Housing Request for Proposals (RFP) on a periodic basis based, in part, on the availability of funds. The RFP will outline specific application deadlines, any funding focus (e.g., by project type, population served, etc.), and other special considerations applied to a given funding round.</p> <p>Applications received for any project within the State of Arkansas will be underwritten and reviewed for those preferences identified in the guidelines published online as ADFA HOME and National Housing Trust Fund Rental Program Guidelines and ADFA National Housing Trust Fund Operations Manual at https://adfa.arkansas.gov/files - HOME & National Housing Trust Fund Rental Housing Guidelines and National Housing Trust Fund Operations Manual</p> <p>A. Funding Availability</p> <p>Upon submission of a proposal for HTF funds, ADFA staff will conduct a review and analysis of the project and developer(s) as presented in the proposal. Proposals may be scored based on criteria in the RFP, if issued. Regardless of strict numerical ranking, the scoring does not operate to vest in an applicant or project any right to a reservation or commitment of HTF funds. ADFA will, in all instances, commit HTF funds consistent with sound and reasonable judgment, prudent business practices, and the exercise of its inherent discretion.</p> <p>Projects seeking HTF funds prior to the receipt of all other funding sources, including federal tax credit reservations, may be provided with nonbinding Letters of Intent. Further, the Letter of Intent may be contingent upon the 1) approval of the State's Annual Action Plan (including its HTF Allocation Plan); 2) ADFA's receipt HTF funds from HUD; 3) applicant's award from ADFA for Low Income Housing Tax Credits (LIHTC), if applicable; 4) ADFA's receipt of the HUD Authority to Use Grant Funds following completion of the Environmental Review process (as applicable); and other items noted in the Letter of Intent.</p> <p>B. Submission of Materials</p>
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	<p>All HTF Rental Housing Program applicants must comply with the submission criteria set forth in as ADFA HOME and National Housing Trust Fund Rental Program Guidelines and application materials. ADFA reserves the right to require the submission of additional information as needed to complete project underwriting.</p> <p>Additionally, funds will be awarded based on the application (at a minimum) meeting the general HTF requirements listed above and the total score of the application. Once ADFA has determined that the application meets or exceeds all requirements, ADFA will award funds to projects meeting the preferences identified in the guidelines published online as ADFA HOME and National Housing Trust Fund Rental Program Guidelines and ADFA National Housing Trust Fund Operations Manual at https:// adfa.arkansas.gov/files - HOME & National Housing Trust Fund Rental Housing Guidelines and National Housing Trust Fund Operations Manual</p>
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A

Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
Describe how resources will be allocated among funding categories.	<p>90% of the annual *\$3,000,000 allocation (\$2,700,000) – (*Amount subject to change with 2023 HTF award notice) will be funding Multifamily Rental Development and Rehabilitation projects.</p> <p>HTF regulations at 24 CFR 93.300 require ADFA to establish a maximum subsidy limit for units assisted with HTF funding as part of ADFA's annual HTF Allocation Plan. In no case will the ADFA investment exceed the limits established in the HTF Allocation Plan as approved by HUD.</p> <p>Waivers will be considered, but in no case will the ADFA investment exceed the maximum HOME investment allowed under 24 CFR 92.250. The maximum per unit subsidy in HOME is published each year by HUD.</p> <p>If awarded, investment in HTF-funded operating cost assistance or operating deficit reserves is not counted against the maximum per unit subsidy required by 24 CFR 93.300.</p>
Describe threshold factors and grant size limits.	The maximum grant size is \$1,000,000 and waivers will be considered. To qualify for HTF funding, a project must demonstrate the need for an investment of no less than \$1,000 in HTF funding per HTF-assisted unit.

<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Example:</p> <p>_____ Multifamily Rental Homes _____ \$900,000</p> <p>_____ 10 Multifamily Rental Units _____ \$1,500,000</p> <p>Estimated Total Units: 15 for a cost of approximately *\$2,400,000</p> <p>This example pertains to each year's *\$3,000,000 allotment.</p> <p>*\$3,000.000 - *Amount subject to change with 2023 HTF award notice</p>
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Discussion:

The State Programs set forth within this Method of Distribution of the current CDBG, HOME, ESG, HOPWA, and HTF allocations attempt to balance the need for providing jobs and suitable places to live. Funds are reserved in each category based on a percent of the total funds available for distribution to local governments.

DRAFT

AP-35 Projects – (Optional)

Introduction:

The 2023 CDBG Program Year allocation priorities have been included below as projects. Actual activities will not be determined until the application cycle has generated competitive projects and selections for awards have been made.

Proposed beneficiary information for each priority set-aside has been included in AP-30, Method of Distribution.

#	Project Name
1	2023 SF HOUSING ASSISTANCE - HOME OWNERSHIP
2	2023 MF HOUSING DEVELOPMENT & RECONSTRUCTION
3	2023 RENTAL HOUSING SUBSIDIES – HOME TBRA
4	2023 HOME ADMIN
5	2023 NHTF ADMIN
6	2023 CDBG Economic Development
7	2023 CDBG General Assistance
8	2023 CDBG Emergency/Unmet Need
9	2023 CDBG Rural Services
10	2023 CDBG State Administration
11	2023 CDBG Technical Assistance

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The 2023 Program Year allocation priorities were determined through the 2020-2024 Consolidated Planning process. The largest obstacle to meeting underserved needs include a lack of funding opportunities to meet all needs. The State makes every attempt to coordinate efforts to provide services and facilities throughout the State.

AP-38 Project Summary

Project Summary Information

1	Project Name	SF HOUSING ASSISTANCE - HOME OWNERSHIP
	Target Area	Statewide
	Goals Supported	Purc Asst
	Needs Addressed	Housing Assistance - Homeownership Housing Development and Reconstruction
	Funding	HOME: 1,798,651.85
	Description	Create decent housing with improved affordability by providing funding for homebuyer assistance programs such as down payment and closing cost to low and moderate-income (less than 80 percent area median income) homebuyers; develop new affordable housing for low-moderate income persons for homeownership and providing construction financing for single-family housing.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 75 low- and moderate-income (less than 80 percent area median income) homebuyers.
	Location Description	Statewide
	Planned Activities	HOME - ADDI - Down Payment Assistance HOME - Homebuyer Assistance
2	Project Name	MF HOUSING DEVELOPMENT & RECONSTRUCTION
	Target Area	Statewide

	Goals Supported	Rent Hsg Rent Rehab Perm Hsg
	Needs Addressed	Fair Housing Housing Development and Reconstruction
	Funding	HOME: \$6,665,592.15 HTF: \$2,700,000.00
	Description	Create decent housing with improved affordability and accessibility of multi-family housing and other rental housing through the construction of affordable rental housing units; and preserve decent housing through improved sustainability and affordability of existing multi-family housing and other rental housing stock through rehabilitation projects for low- and moderate-income (less than 80 percent of area median income) households.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	Create decent housing with improved affordability and accessibility of multi-family and single family housing, and other rental housing, through the construction of affordable rental housing units; and preserve decent housing through improved sustainability and affordability of existing multi-family housing and other rental housing stock through rehabilitation projects for low- and moderate-income (less than 80 percent of area median income) of approximately 74 households.
	Location Description	Statewide
	Planned Activities	HOME - Multifamily Rental Acquisition, Construction and Rehabilitation HTF - Multifamily Rental Acquisition, Construction and Rehabilitation
3	Project Name	RENTAL HOUSING SUBSIDIES
	Target Area	Statewide
	Goals Supported	TBRA

	Needs Addressed	Fair Housing Rental Housing Subsidies Transitional Housing
	Funding	HOME: \$1,058,030.50
	Description	Create decent housing through improved affordability and accessibility by providing rental subsidies and security and utility deposit assistance for very low- to moderate-income (less than 60 percent of area median income) households and persons with disabilities.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 75 low- to moderate-income (less than 60 percent of area median income) households and persons with disabilities.
	Location Description	Statewide
	Planned Activities	HOME - Tenant Based Rental Assistance (TBRA)
4	Project Name	HOME ADMIN
	Target Area	Statewide
	Goals Supported	Admin
	Needs Addressed	Program Administration
	Funding	HOME: \$1,058.030.50
	Description	Program Administration: Develop, Administer, revise, implement and evaluate the day-to-day operation of entitlement program. Activities include program design; grant administration, Sub recipient compliance monitoring, program outreach, public relations, and training.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	Provide for HOME Funding statewide to all eligible citizens.
	Location Description	Statewide
	Planned Activities	Program Administration
5	Project Name	NHTF ADMIN
	Target Area	Statewide
	Goals Supported	Admin
	Needs Addressed	Program Administration
	Funding	HTF: \$300,000.00
	Description	Program Administration: Develop, Administer, revise, implement and evaluate the day-to-day operation of entitlement program. Activities include program design; grant administration, Sub recipient compliance monitoring, program outreach, public relations, and training.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	Provide HTF Program funding to all eligible citizens
	Location Description	Statewide
	Planned Activities	
6	Project Name	2023 CDBG Economic Development
	Target Area	Statewide
	Goals Supported	Eco Dev

	Needs Addressed	Industry and Job Creating Job Training, Workforce Development Employment Training Business Retention Business Technical Assistance
	Funding	CDBG: \$8,300,000
	Description	CDBG funds will be utilized for providing communities with resources to assist businesses which expand the State's economic base and which create quality jobs principally benefiting LMI persons. Eligible activities will generally include: grants or loans to for-profit businesses (through the applicant community) for a variety of business purposes; or public facilities (infrastructure) projects undertaken by applicant communities for economic development purposes, where a benefiting business agrees to locate or expand premised on the infrastructure improvements and agrees to create jobs for LMI persons.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
7	Project Name	2023 CDBG General Assistance
	Target Area	Statewide
	Goals Supported	Fac/ Infra

	Needs Addressed	Public and Community Facilities Infrastructure ADA Modifications Homeless Facilities
	Funding	CDBG: \$9,443,600
	Description	CDBG funds will be utilized for public facilities and public infrastructure projects. Funds are awarded for: senior centers; child care centers; public health facilities; youth centers; accredited public libraries; removal of architectural barriers from city halls or county courthouses for accessibility; residential water and wastewater; street, curb, gutter, sidewalk, or storm sewer; flood control and drainage; and, other public facility or infrastructure project determined to be a high priority, and not eligible to be funded under another CDBG program.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
8	Project Name	2023 CDBG Emergency/Unmet Need
	Target Area	Statewide
	Goals Supported	Fac/ Infra
	Needs Addressed	Public and Community Facilities Infrastructure
	Funding	CDBG: \$500,000

	Description	CDBG funds will be used to assist local units of government with situations that pose a serious and immediate threat to public health, safety, or welfare. Priority is given to those projects that are meeting the Urgent Need national objective criteria but could qualify under LMI Benefit Area or Limited Clientele.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
9	Project Name	2023 CDBG Rural Services
	Target Area	
	Goals Supported	Fire Prot
	Needs Addressed	Public and Community Facilities Fire Equipment
	Funding	CDBG: \$1,000,000
	Description	CDBG funds will be utilized for community center, fire station, multi-purpose center, and fire truck and fire-fighting equipment projects. The Arkansas Rural Development Commission will review Application and make recommendations for funding of projects to benefit rural communities with a population of less than 3,000 persons, where at least 51% of the beneficiaries are of low- to moderate-income.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	

	Location Description	
	Planned Activities	
10	Project Name	2023 CDBG State Administration
	Target Area	
	Goals Supported	Admin
	Needs Addressed	Fair Housing Program Administration
	Funding	CDBG: \$456,156
	Description	Program Administration: Develop, Administer, revise, implement and evaluate the day-to-day operation of state CDBG program. Activities include program design; grant administration, Sub recipient compliance monitoring, program outreach, public relations, and training.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
11	Project Name	2023 CDBG Technical Assistance
	Target Area	
	Goals Supported	Admin
	Needs Addressed	Technical Assistance
	Funding	CDBG: \$178,078

Description	<p>The 1% technical assistance set-aside may be used by State for the following activities: 1. Providing UGLG's with the capability of using the Integrated Disbursement and Information System (IDIS). The purchase of appropriate materials and equipment including computers and computer software for UGLG's is eligible to aid in developing and sustaining increased capacity at the local level. 2. Compiling the infrastructure needs of the non-entitlement jurisdictions in the State so that UGLG's will know specifically what their needs are in developing CDBG applications. This is not a specific plan on how to improve an area or community, and does not count against the 20% planning and administration cap as a planning activity. 3. Writing technical assistance handbooks or developing technical assistance in other media (film, slides, and computer programs) for potential applicants and program participants. 4. Giving workshops (including satellite conferences) on applying for and implementing CDBG programs. 5. Funding peer-to-peer technical assistance. 6. Funding attendance by UGLG and nonprofit personnel at regularly scheduled workshops and academic courses that will enable the attendees to improve their capacity to implement a CDBG program. 7. State staff time that is spent on technical assistance provided onsite during a monitoring visit is eligible under the set-aside. Likewise, technical assistance sessions to help potential applicants for State CDBG funds learn the application process are an eligible technical assistance expenditure. 8. Training State staff to provide technical assistance to UGLG's and nonprofits on specific aspects of program administration or application preparation (e.g., economic development loan underwriting, procurement rules, Davis-Bacon requirements). 9. Development and implementation of a community development certified practitioner certification for UGLG personnel. 10. Assistance provided to UGLG's in affirmatively furthering fair housing.</p>
Target Date	
Estimate the number and type of families that will benefit from the proposed activities	
Location Description	
Planned Activities	

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

N/A

Acceptance process of applications

N/A

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State's Process and Criteria for approving local government revitalization strategies

N/A

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

Projects created in response to the five federal funding programs, CDBG, HOME, HOPWA, ESG, and HTF, will be spread across non-entitlement communities throughout the state. The vast majority of the combined funding will be provided through individual benefit criteria, available to low-income individuals/households regardless of the demographics of the community in which they reside. A smaller portion, primarily funded through the CDBG Program, will address infrastructure and public facility concerns within CDBG eligible areas where more than 51 percent of residents earn less than 80 percent of the area median income. For CDBG, 50 percent of CDBG funding will be used in CDBG area benefit eligible areas.

Geographic Distribution

Target Area	Percentage of Funds
Statewide	83
CDBG Eligible Areas	17

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The proposed allocation of funds is based on federal funding requirements for each formula-allocated grant. Areas of low- to moderate-income concentration and certain areas of high minority concentration are targeted. Areas of low homeownership and deteriorating housing conditions were also considered in the targeting process.

Discussion

The distribution of funds by target area is projected to be primarily statewide due to use of funds for administrative, non-profit support, and individual benefit-oriented programmatic uses of the funds. The remaining funds are estimated to be spread through smaller CDBG-eligible areas.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

The annual goals listed previously specify the following production numbers for housing assistance and for homelessness, non-homeless, and special needs populations.

One Year Goals for the Number of Households to be Supported	
Homeless	2
Non-Homeless	206
Special-Needs	16
Total	224

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	75
The Production of New Units	51
Rehab of Existing Units	33
Acquisition of Existing Units	65
Total	224

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

These figures relate to production targets specified in the annual goals for 2023 through HOME funded programs. Additional funding will be provided for rental assistance through the homeless prevention and rapid re-housing programs promoted through the ESG funding. Each program will provide benefits for 1,770 individuals during the program year, but it is unknown at this point-in-time what portion of each program will be used for rental assistance and what portion will provide rent deposit, utility payments, or mortgage payment assistance.

Arkansas has completed the Needs Assessment. Additionally, Arkansas is researching and potentially drafting an updated Fair Housing Action Plan, and re-drafting a Memorandum of Understanding (MOU), with the Arkansas Fair Housing Commission, which provides education, training, and outreach of fair housing rights and remedies in the State of Arkansas.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

The State does not manage any public housing units.

Actions planned during the next year to address the needs to public housing

N/A

Actions to encourage public housing residents to become more involved in management and participate in homeownership

N/A

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

Discussion:

The State does not manage any public housing units.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

The State of Arkansas is active in the Balance of State Continuum of Care, addressing issues related to homeless in the region. Funding for homeless projects and services are sourced primarily through that process.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Balance Continuum of Care, the coalition of local homeless service agencies covering the smaller communities in the state, conducts annual surveys of homeless individuals, including unsheltered persons. These surveys serve to help focus agency activities for the coming year, as well as provide documentation in response to HUD program requirements.

Addressing the emergency shelter and transitional housing needs of homeless persons

This Annual Action Plan includes ESG funding to address emergency shelter needs of homeless persons. Program goals include funding 20 programs per year, providing emergency shelter to approximately 5,000 individuals/households per year. These funding and performance plans extend the full five years of this Consolidated Plan.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The State has a goal of funding at least one permanent housing project during the five-year span of this Consolidated Plan. The State will work with local agencies and organizations to identify and promote opportunities to invest funds for these activities.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving

assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The State is providing for services through ESG funding that address homeless prevention and rapid re-housing to help low-income individuals and families avoid becoming homeless. These programs include funding for rent assistance, mortgage payment emergency assistance, first and last month rents, and utility payment assistance. An estimated 8,000 individuals/households will be assisted through these efforts statewide.

Discussion

The State, ESG subgrantees, and participants in the Balance Continuum of Care work closely together to meet the needs of homeless individuals and families through the continuum of services coordinated through the partnership.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	75
Tenant-based rental assistance	60
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	15
Total	150

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

The Housing and Community Development Act of 1974 requires that any community receiving HUD funds affirmatively further fair housing. Communities receiving CDBG, HOME, ESG or HTF entitlement funds are required to: examine and attempt to alleviate housing discrimination within their jurisdiction; promote fair housing choice for all persons; provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, gender, disability, familial status, or national origin; promote housing that is accessible to and usable by persons with disabilities; and comply with the non-discrimination requirements of the Fair Housing Act. Arkansas has met this requirement through regular preparation and completion of the **2020-2024 Arkansas Analysis of Impediments to Fair Housing Choice (AI)**. Additionally, Arkansas is researching and potentially drafting an updated Fair Housing Action Plan, and re-drafting a Memorandum of Understanding (MOU), with the Arkansas Fair Housing Commission, which provides education, training, and outreach of fair housing rights and remedies in the State of Arkansas

The analysis of impediments in State of Arkansas revealed that the cost of new housing development and replacement housing is resulting in higher rental rates for Low- to Moderate-Income (LMI) persons. HUD approved Fair Market Rents (FMR) for Section 8 Housing Choice Voucher Program does not support access to market rate housing throughout the State. Rents for available market rate properties are generally higher than FMRs and participation by private owners of rental properties is voluntary. Other impediments include high cost of land, appraisal value after development that does not support financing, and de-concentration of race/ethnicity, poverty, and lower income persons. Currently, privately owned – federally subsidized housing developments also need repair and replacement of marginal and obsolete units. Current market values for existing developments versus the land and development cost to build new replacement units makes the sale of existing units and development of comparable replacement units infeasible. The cost to modernize and update existing units are difficult due to limited federal funding and the cost for renovation being similar to the cost for building new replacement units on current and alternative sites.

The combination of quantitative data analysis and qualitative research identified a series of factors that significantly contribute to fair housing issues in Arkansas. These contributing factors were assigned three priority levels: high, medium, low based on the strength of supporting evidence that initially identified the factor:

- High – factors that limit or deny fair housing choice or access to opportunity, as well as other

factors that are urgent or establish a foundation for future actions

- Medium – moderately urgent or building on prior actions
- Low – limited impact on fair housing issues

For a list of Impediments see Discussion below.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The major focus of the recommended remedial actions and goals are centered on creating partnerships, identifying new federal resources, and leveraging private funding needed to enhance the State of Arkansas' ability to increase the supply of affordable housing and its ability to better meet the needs of low-income and moderate-income households in the State. Other remedial actions are recommended as a means of reversing the negative and sometimes disparate impacts of market conditions and mortgage lending that adversely and disproportionately impact minorities and members of the protected classes under the Fair Housing Act. These include sub-prime lending, credit and collateral deficiencies impacting loan origination rates, poverty, unemployment, living wages and limited income.

Recommended remedial actions and goals were identified and prioritized with input from the public. The details of the identified goals and remedial actions are presented in Section VI of the **2020-2024 Analysis of Impediments to Fair Housing Choice** report. Best practice examples are presented to demonstrate alternative ways other jurisdictions have successfully responded to similar impediments identified in their communities. However, the State of Arkansas will need to evaluate the fiscal impact of implementing recommendations and the best practice program examples' potential for addressing impediments in State of Arkansas. Some programs and approaches will need to be customized for use in the State of Arkansas.

Discussion:

Impediments

- Increasing Poverty, Lower Income, and lack of Affordable Housing among protected class members, minority, and special needs populations – High Priority
- Limited Development Subsidies, Increasing Cost of Development – High Priority
- Housing Affordability, Insufficient Income, Cost Burden – High Priority
- Limited Housing Resources to assist lower income, elderly, and disabled homeowners maintain

homes and enhance neighborhood stability – High Priority

- Expanding the supply of Affordable Housing, Housing Choices and Access to Financing – High Priority
- Limited Special Needs housing and services – High Priority
- Increasing Homeownership among protected Class Members, Increase Rehabilitation of existing housing, and sustainability – High Priority
- Regulatory and Policy Changes – High Priority
- Expanding Protected Classes under State Fair Housing Regulations – High Priority
- Increase Outreach to Developers, Real Estate Professionals, Landlords, and Citizens on Fair Housing rights – High Priority
- Continue Economic Development, Job Creation, Small Business Entrepreneurial Opportunities and Jobs paying “living wages” – High Priority
- Improve Transportation and Mobility for LMI Populations, Seniors, and Disabled Persons – High Priority

AP-85 Other Actions – 91.320(j)

Introduction:

The state currently provides a variety of services to the residents of Arkansas, some funded by CDBG, HOME, ESG, HOPWA, and HTF allocations, with private and State funding bringing additional assets to bear on these problems. Below are some of the actions currently performed by the state or subgrantees or under consideration for the future.

Actions planned to address obstacles to meeting underserved needs

The state will continue to look for new funding sources for programs to address underserved needs. Funding is the major obstacle in providing the services needed to focus on the vast variety of issues that prevent families from breaking out of poverty and from living in the best, most affordable housing possible.

Actions planned to foster and maintain affordable housing

The state of Arkansas provides funding through HOME for new single-family housing programs. Arkansas also utilizes HOME and NHTF to fund multifamily rental housing development and rehabilitation programs. State staff also manages the Low-Income Housing Tax Credit allocation for Arkansas.

Actions planned to reduce lead-based paint hazards

- Continue to meet HUD lead-based paint abatement standards in rental housing rehabilitation programs operated by subgrantee communities.
- Seek funding as it becomes available to provide testing and abatement of lead-based paint hazards in single-family housing where young children are present.
- Expand the stock of lead safe housing units through new housing initiatives.
- Seek funding as it becomes available to provide for testing, abatement, training, and educational awareness.

Actions planned to reduce the number of poverty-level families

The state will continue its efforts in conjunction with the five Continua of Care in Arkansas to reduce the number of poverty-level families through the development of services needed to assist those families with educational opportunities, job growth, and life skills training through the various social service

agencies operating in the communities across the state.

Actions planned to develop institutional structure

- Work with non-profit organizations to address community needs and provide support to federal and non-federal funding initiatives.
- Work with private industry to address important issues that hamper housing and community development efforts.
- Identify opportunities to create private/public partnerships for project finance and development to leverage federal funds.

Actions planned to enhance coordination between public and private housing and social service agencies

The state will continue to coordinate planning activities with subgrantees and private housing and social service agencies, including participation in the Balance of State Continuum of Care meetings, development of the Continuum of Care, and coordinate the enumeration of point-in-time and homeless surveys by continua throughout the state. State staff will also continue its participation in other coalitions and study groups as the opportunity arises.

Discussion:

These actions are primarily the continuation of what the state is currently doing in the various areas. No major obstacles in the institutional structure have been identified that need to be addressed. The state is also satisfied with its efforts to coordinate with private housing and social service agencies.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

The following provides details on program specific requirements for each of the five entitlement programs, CDBG, HOME, HOPWA, ESG, and HTF.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	2,000,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	2,000,000

Other CDBG Requirements

1. The amount of urgent need activities	500,000
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

HOME Investment Partnerships Program (HOME)
Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The State will continue to support the many efforts of the non-profits and social service provider agencies in the community in their efforts to obtain funding from various sources for their programs.

Many of these organizations receive private donations to sustain their programs, and most apply for funding on the federal, state, and local level.

The availability of federal funds would enhance any of the listed programs and would mean that more services, and housing, could be provided. Because of the scarcity of any type of funding, the State has been working with various organizations to try to develop programs that would increase the leveraging capacity of federal funding mechanisms so that more money would be available for other needed endeavors. Better use of the existing resources is a main concern of everyone.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

1) Any amount repaid as a result of a homebuyer property being sold within the affordability period. The recaptured provisions must be stated in written agreements between Recipients and the income of any eligible homebuyers. 2) Recaptured funds are a return of the original HOME investment and are technically not program income. Therefore, unlike program income, 10 percent of recaptured funds cannot be used for planning and administrative costs and must be returned to ADFA. 3) When HOME funds are expended for projects that are terminated before completion, voluntary or involuntary, the HOME funds that have been expended are ineligible and must be repaid. 4) The termination of affordability restrictions does not relieve ADFA of its repayment obligations for housing that does not remain affordable for the required period.

ADFA HOME Program Operations Manual - CHAPTER 5:

HOMEOWNER HOUSING PROGRAM – HOMEBUYER:

1) The HOME Program requires that if a property is sold during the Affordability Period, either voluntarily or involuntarily (e.g., foreclosure) during the affordability period, the HOME investment must be “repaid.” The HOME Program refers to this repayment requirement as “recapture.” 2) What is recapture? Recapture is defined as an affordability mechanism where the Recipient or developer executes a written agreement with the homebuyer that only includes the amount of “direct HOME assistance” that enabled the homebuyer to buy the housing unit. This assistance must be

“recaptured,” in whole or in part, if the unit is sold before the end of the affordability period. 3) This “direct HOME assistance” is defined as a “mortgage subsidy” and includes the following for ADFA programs: Down payment and closing cost assistance; Gap financing (e.g., second mortgage); and/or Reduction in purchase price from market value to an affordable sales price, if HOME funds were provided to a developer. 4) The period of affordability, shown above, is based on the direct HOME assistance to the homebuyer. 5) ADFA provides a 0% forgivable loan that is forgiven commensurate with the period of affordability.

HOMEOWNER HOUSING PROGRAM - DOWN PAYMENT ASSISTANCE:

1) If the down payment assistance is in the form of a forgivable loan, the assistance will be forgiven in equal annual installments over the period of affordability. The homebuyer must maintain the house as their principal residence for the full affordability period. If the property is sold during the affordability period, ADFA will recapture the amount of HOME funds that have not been forgiven. 2) If the down payment assistance is in the form of a repayable loan, the assistance will be repayable at a nominal interest rate with an amortization set by ADFA but not to exceed the term of the 1st mortgage. The homebuyer must maintain the house as their principal residence for the full affordability period. If the property is sold during the affordability period, ADFA will recapture the amount of HOME funds that have not been repaid.

These guidelines are published online as: ADFA’s HOME Program Operations Manual - [https://adfa.arkansas.gov/files_pcrarrz5pkifu4fk0muhnxeveeu7\(d38t1cionx51tx.cloudfront.net\)](https://adfa.arkansas.gov/files_pcrarrz5pkifu4fk0muhnxeveeu7(d38t1cionx51tx.cloudfront.net)) – **HOME Program Operations Manual**; [i9yutvnfifgm8pr6bkrwk1mtreq7\(d38t1cionx51tx.cloudfront.net\)](https://adfa.arkansas.gov/files_i9yutvnfifgm8pr6bkrwk1mtreq7(d38t1cionx51tx.cloudfront.net)) – **HOME Single Family Housing Development Programs Guidelines**; and [9yutvnfifgm8pr6bkrwk1mtreq7\(d38t1cionx51tx.cloudfront.net\)](https://adfa.arkansas.gov/files_9yutvnfifgm8pr6bkrwk1mtreq7(d38t1cionx51tx.cloudfront.net)) – **Arkansas Development Finance Authority Homeownership Program Guidelines**

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

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

homeowner (or his/her estate). If the recapture of proceeds is effectuated through a completed foreclosure action, and the property is legally owned by ADFA, the balance of net proceeds recaptured will return to ADFA.

- 4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

The State does not intend to use HOME funding for this purpose.

Emergency Solutions Grant (ESG) Reference 91.320(k)(3)

- 1. Include written standards for providing ESG assistance (may include as attachment)**

Currently funded agencies or those who have received prior funding from the Office of Community Services of the Department of Human Services will be evaluated on past performance in carrying out programmatic activities and contractual compliance. Factors such as agency ability to meet service delivery goals, timely expenditure of funds, timely reporting, accuracy of reporting, ability to meet audit requirements, and other programmatic and fiscal contractual requirements will be considered. These other factors will be considered in conjunction with the proposal score in developing an overall recommendation for agency funding.

- 2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.**

Congress has directed HUD to improve the collection of data on the extent of homelessness locally and nationally. Communities must collect an array of data including an unduplicated count of homeless persons, analyze their patterns of the use of the McKinney-Vento and other assistance, including information on how they enter and exit the homelessness assistance system and assess the effectiveness of that assistance. Through the Federal Register Notice, the Emergency Solutions Grants Program and Community Development Block Grants were made a part of this mandate. Therefore, all proposed projects/organizations must provide written certification of their participation in an existing HMIS.

- 3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).**

The Office of Community Services, Department of Human Services administers the State of Arkansas

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

The grants will be offered using a Request for Proposal process which will be done on a statewide basis. The Emergency Solutions Grants Committee, composed of up to 6 members, will review grant awards. They include the following divisions in the Arkansas Department of Human Services:

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

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

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

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

- 4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.**

The State requires non-profits participating in the ESG program to have homeless representatives on

their boards of directors.

5. Describe performance standards for evaluating ESG.

The Arkansas Department of Human Services will be responsible for tracking the measures for the four objectives under the Homelessness goal of expanding and improving the housing services offered to families and individuals in the State of Arkansas. The indicators relating to homelessness, listed below, will be tracked quarterly by DHS, and reported in the “State of Arkansas Annual Update to the Consolidated Plan.” The first objective, to continue coordination within and among the State Continua of Care, has five indicators. This objective serves to improve services offered to homeless families and individuals through the sharing of knowledge throughout the supportive services network. seminars, conferences, and participation in the Homeless Management Information System (HMIS) elevate the capacity of members of the thirteen Continuums of Care within the State. The indicators under this objective measure the participation level of the Continuums and of the non-profits under them. The second objective is to support services aimed at the prevention and elimination of homelessness. The first indicator under this objective is a count of the number of programs assisted per year with operating costs at a level of \$15,000. This indicator measures the number of larger programs sustained by the HUD funding for monthly operating costs. The second indicator is the number of programs assisted per year with funding for prevention activities. This indicator will be measured along with the total number of persons served by these programs to establish an overall effectiveness measure for the funding directed at prevention programs. The third objective, to expand emergency shelter facilities, particularly those serving homeless families, has two indicators to measure the State’s progress. The two indicators directly measure the number of shelters and the persons served. The fourth objective with indicators measured by the Arkansas Department of Human Services is the support to nonprofit organizations seeking to develop permanent housing opportunities for homeless persons. The indicator measures the number of nonprofit organizations DHS is able to aid in their attempt to secure funding sources.

Housing Trust Fund (HTF) Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

☒ Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made

available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

In accordance with the requirements of Section 93.2, eligible recipients are defined as follows: an organization, agency, or other entity (including a public housing agency, or a for-profit entity or a non-profit entity) that receives NHTF assistance from a grantee as an owner or developer to carry out an NHTF-assisted project. A recipient must make acceptable assurances to the grantee that it will comply with the requirements of the NHTF program during the entire period that begins upon selection of the recipient to receive NHTF funds and ending upon the conclusion of all NHTF-funding activities. A recipient must demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity; and demonstrate its familiarity with the requirements of other Federal State, or local housing programs that may be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs. The recipients must have demonstrated experience and capacity to conduct an eligible NHTF activity as evidenced by its ability to design, construct, own, manage, operate, and market affordable multi-family rental housing. No NHTF application will be processed for any applicant or related entity which is not in good standing with ADFA and any other State housing finance authority, the Arkansas Economic Development Commission (AEDC), HUD, USDA Rural Development, or VA. An applicant can be denied consideration of the NHTF funds if the applicant or its related parties have a history of payment delinquencies, bankruptcy, foreclosure, or activities determined to be unsound or unlawful. ADFA will distribute NHTF by directly selecting applications submitted from eligible recipients and will not use sub-grantees. "Eligible Applicant" consists of the "Development Team" who will construct new rental housing (single family or multi-family units) or rehabilitation of existing units. "Development Team" means the applicant, consultant, contractor, architect, accountant, property manager, and attorney.

ADFA will measure these requirements per methods listed and published online as ADFA HOME and National Housing Trust Fund Rental Program Guidelines and ADFA National Housing Trust Fund Operations Manual at: <https://adfa.arkansas.gov/files> - HOME & National Housing Trust Fund Rental Housing Guidelines and National Housing Trust Fund Operations Manual

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

ADFA will evaluate each application to determine which projects should receive an award of NHTF (also referred to as HTF) funds. All applicants must submit an application with supporting documentation, including evidence sufficient to ADFA that the applicant's proposed project, at a minimum, meets all of the housing priority factors in order to be considered for funding. Funds will be awarded, based on the application (at a minimum) meeting the general NHTF requirements and the total score of the application. Once ADFA has determined that the application meets or exceeds all requirements, ADFA will award funds to the highest-scoring projects until all NHTF funds have been allocated. There is no minimum score.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

ADFA's underwriter will review each application. Funds will be awarded based on the application (at a minimum) meeting the general NHTF requirements listed above. Once ADFA has determined that the application meets or exceeds all requirements, ADFA will award funds to projects meeting the preferences identified in the guidelines published online as **ADFA HOME and National Housing Trust Fund Rental Program Guidelines** and **ADFA National Housing Trust Fund Operations Manual** at <https://adfa.arkansas.gov/files> - **HOME & National Housing Trust Fund Rental Housing Guidelines** and **National Housing Trust Fund Operations Manual**

All required application documents should be submitted with original signatures, legible and complete, and with all required third-party documents. ADFA will post the HTF application checklist and instructions for the complete list of the application cycle. All applicants must comply in all respects with ASTM E157-13 (the "ASTM Standards") as to content and adhere to ADFA's Environmental Policy Requirements for purposes of determining whether the property is environmentally suitable for construction of residential housing. ADFA may, within its discretion, deny applications based upon the unreasonableness of costs, regardless of whether the costs per-unit complies with the maximum costs per-unit limitation. Upon request by ADFA staff, applicants may provide justification and supporting documentation.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applications received for any project within the State of Arkansas will be underwritten and scored. In the event of a tie, the tie breaking system described in the ADFA NHTF Allocation Plan will be used.

Construction costs do not vary much in Arkansas for different areas of the State. Some regions do require a soils report and more foundation work. At the time of ADFA underwriting of each application, the costs are thoroughly reviewed and adjusted for under-estimates or excessive costs. ADFA uses discretion to determine the reasonableness of all costs stated in the proposed development budget regardless of whether the costs per-unit comply with the maximum costs per-unit limitation set forth in the ADFA NHTF Allocation Plan. ADFA may, within its discretion, deny applications based upon the unreasonableness of costs, regardless of whether the costs per-unit complies with the maximum costs per-unit limitation. Upon request by ADFA staff, applicants may provide justification and supporting documentation of costs. ADFA will review the items submitted and make a final determination. ADFA's determination will be set forth in writing as to whether the application will be further considered or rejected.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Preference will be given to the applicant's ability to meet deadlines in a timely manner, based upon past history with ADFA, or letters of support from other stakeholders (banks, government agencies, or local authorities), or documentation submitted in the application evidencing efficient use of time in meeting deadlines on past projects. It is expected that construction will start within 6 months from the award date, with completion of the project expected within 18 months of the construction start date.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Preference will be given to applicants with projects that have secured Federal, or State of loan project based (PBRA) and/or voucher(s) for rental assistance so that rents are affordable to ELI households. A funding priority of up to 10 points will be given to applicants that have a commitment from other non-

federal sources. To qualify for points for receiving additional subsidies, the funds may be loaned, with repayment required, or granted during construction and/or as a permanent source of funds.

10 points - Greater than 75% per unit

7 points - 50% to 75% per unit

5 points - Greater than 25% per unit

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Preference will be given to projects that demonstrate the ability to remain financially feasible five (5) years beyond the required thirty (30) year period. The longer affordability term is more desirable, to promote affordable housing for a longer period.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Preference will be given for applicants demonstrating an ability to meet the needs of beneficiaries by means of proximity to Veteran medical facilities, support services, public transportation, grocery stores, and metropolitan centers giving preferential consideration to jobs for Veterans.

Also, preference will be given for applicants targeting rental housing needs for ELI Veterans who are not only Veterans but are homeless (or at risk of becoming homeless), those with special needs, individuals leaving correctional institutions, and those with mental health issues. The applicants must identify this population needing assistance in their service area and should specifically address the needs (housing and services) of this population. They should use quantifiable data, specific to their service area, to the maximum extent possible. Data should include the number of individuals and families serviced during the last calendar year as well as specific services provided.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Preference for funding will be based on the applicant's ability for leveraging non-federal resources and the extent to which the applicant makes use of non-federal funding sources. Non-federal resources may

include funds from state, local publicly controlled funds, private funds of in-kind commitments and/or land donated by state or local government to achieve deep affordability for ELI households.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established, or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low-Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established, or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The Maximum Per-unit Development Subsidy Amount of Housing Assisted with HTF funds, described in the appendix, is based upon guidelines from **ADFA's National Housing Trust Fund Operations Manual**, and **ADFA's HOME and National Housing Trust Fund Rental Program Guidelines**, published online at: <https://adfa.arkansas.gov/files> - **HOME & National Housing Trust Fund Rental Housing Guidelines & National Housing Trust Fund Operations Manual**, and attached in the appendix.

Waivers will be considered, but in no case will the ADFA investment exceed the maximum HOME investment allowed under 24 CFR 92.250. The maximum per unit subsidy in HOME is published each year by HUD.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

ADFA has established Minimum Design Standards (MDS) for new construction and rehabilitation. The MDS standards are attached in the appendix.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.”

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

ADFA will give preference to ELI Veterans.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum

level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

N/A

Discussion:

The State strives to meet all program specific requirements as detailed in the enabling legislation and program guidelines. State staff work with subgrantees to ensure that these requirements are met and oversees internal operations towards the same goal.

If HUD's future HTF Allocation amounts are different than what has been planned for, ADFA will adjust the number of units to be built accordingly.

