

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 Partnership (HOME), Housing Opportunities for People With Aids (HOPWA), Emergency Solutions Grant (ESG), and National Housing Trust Fund. These grant programs will bring over \$34 million into the State to support affordable housing, homeless, and community development programs and projects in the first program year including program income received.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				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	18,585,017	2,000,000	0	20,585,017	61,755,051	Expected amount for remainder of Con Plan equals the Year 2 annual allocation times three. 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 2				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	10,125,629	0	0	10,125,629	30,376,887	Expected amount for year 2 of the 5-Year Con Plan annual allocation. The expected amount available for the remainder of ConPlan is estimated to be the Year 2 annual allocation times three.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				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	1,030,952	0	0	1,030,952	3,092,856	Expected amount for year 2 of the 5-Year Con Plan annual allocation. The expected amount available for the remainder of Con Plan is estimated to be the Year 2 annual allocation times three. (Federal allocation for Year 2 (GY 2021) of the 5-Year ConPlan is \$1,030,952).

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				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	2,261,347	0	300,000	2,561,347	7,684,041	Expected amount for year 2 of the 5-Year Con Plan annual allocation. The expected amount available for the remainder of Con Plan is estimated to be the Year 2 annual allocation times three.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				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	0	3,000,000	9,000,000	Expected amount for year 2 of the 5-Year Con Plan annual allocation. The expected amount available for the remainder of ConPlan is estimated to be the Year 2 annual allocation times three.

Table 1 - 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

If appropriate, describe publically 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 \$34 million from the CDBG, HOME, HOPWA, ESG, and NHTF programs for the 2021 program year. These funds will be used to operate a range of private and public services as described later in the Annual Action Plan.

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	2021	2022	Administration	Statewide	Program Administration	CDBG: \$657,550 HOPWA: \$103,095 HOME: \$1,012,563 ESG: \$169,601 HTF: \$30,000	Other: 1 Other
2	Eco Dev	2021	2022	Non-Housing Community Development	Statewide	Business Retention Industry and Job Creating	CDBG: \$8,920,808	Jobs created/retained: 250 Jobs
3	Fac/ Infra	2021	2022	Non-Housing Community Development	CDBG Eligible Areas	Infrastructure	CDBG: \$8,806,659	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5000 Persons Assisted
4	Fire Prot	2021	2022	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
5	Purc Asst	2021	2022	Affordable Housing	Statewide	Housing Assistance - Homeownership	HOME: \$1,012,563	Direct Financial Assistance to Homebuyers: : 265 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	CHDO	2021	2022	Affordable Housing	Statewide	Housing Development and Reconstruction	HOME: \$1,518,844	Homeowner Housing Added: 15 Household Housing Unit
7	TBRA	2021	2022	Affordable Housing	Statewide	Rental Housing Subsidies	HOME: \$1,012,563	Tenant-based rental assistance / Rapid Rehousing: 250 Households Assisted
8	Rent Hsg	2021	2022	Affordable Housing	Statewide	Housing Development and Reconstruction	HOME: \$3,037,689	Rental units rehabilitated: 30 Household Housing Unit
9	Rent Rehab	2021	2022	Affordable Housing	Statewide	Housing Repair	HOME: \$3,037,689	Rental units rehabilitated: 30 Household Housing Unit
10	Prev	2021	2022	Homeless	Statewide	Homeless Prevention and Emergency Assistance	ESG: \$1,062,833	Homeless Person Overnight Shelter: 1000 Persons Assisted Homelessness Prevention: 1000 Persons Assisted
11	Shel	2021	2022	Homeless	Statewide	Homeless Facilities Homeless Prevention and Emergency Assistance	ESG: \$1,017,606	Homeless Person Overnight Shelter: 1000 Persons Assisted Homelessness Prevention: 1000 Persons Assisted
12	HOPWA Hsg Asst	2021	2022	Non-Homeless Special Needs	Statewide	Homeless Prevention and Emergency Assistance Rental Housing Subsidies	HOPWA: \$649,500	Tenant-based rental assistance / Short-Term Rent, Mortgage, Utilities/Permanent Housing Placement/Rapid Rehousing-FBRA: Benefit: (200 assisted per year)
13	HOPWA Sup Svs	2021	2022	Non-Homeless Special Needs	Statewide	Homeless Case Management Mental Health and Supportive Services	HOPWA: \$278,357	Public service activities other than Low/Moderate Income Housing. Benefit: (150 Persons Assisted per year)

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
14	Perm Hsg	2021	2022	Homeless	Statewide	Homeless Prevention and Emergency Assistance Rental Housing Subsidies	HTF: \$2,700,000	Rental units constructed: 30 Household Housing Unit

Table 2 – Goals Summary

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	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	Preserve decent housing through improved sustainability and affordability of existing multi-family housing and other rental housing stock through rehabilitation or reconstruction 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	48	43	6	0	0	0	0	0	0	0	0	0	0	100
HOME	10	0	0	0	10	15	10	30	25	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	47	45	0	0	0	100
HTF	10	0	0	0	0	0	0	90	0	0	0	0	0	0	100

Table 3 – 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 \$4,646,254, 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.

Funds will be distributed to eligible applicants for specific Community Development or Economic Development projects. All funding considerations will be made according to reasonableness of cost and assurance that the grant amount represents the smallest amount of financing needed to cover the gap between reasonable project costs and local funding capacity.

The state certifies that benefit to low- and moderate-income persons for the three-year periods beginning in 2020 (2020-2022, 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%.

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

Distribution Methods

Table 4 - 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.	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>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>Below is the 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>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>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>
<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>

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 2021 Program Year (PY), AEDC is considering funding public infrastructure and public facility projects with an anticipated \$7,506,659 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.
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 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 Department 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 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 Department 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 Department 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, childcare centers and community centers.</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>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.</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>N/A</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>For the 2021 Program Year, AEDC will fund Rural Services projects in partnership with the Arkansas Department 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.</p>

	Describe threshold factors and grant size limits.	Each project funded must meet the CDBG National Objective of benefiting low to moderate (LMI) income persons. Up to \$75,000 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 or 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.
<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>As noted above, and within the description of the criteria used to select applications under the General Assistance 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> <p>Scoring for Emergency Projects will generally include Project Need, Project Impact, and Readiness to Proceed. Projects may be asked to instead apply through the General Assistance set-aside pending urgency, and available funding.</p> <p>Scoring for Emergency Projects will generally include Project Need, Project Impact, and Readiness to Proceed. Projects may be asked to instead apply through the General Assistance set-aside pending urgency, and available funding.</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>	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.	Grant requests should range from a minimum of \$75,000 to a maximum of \$500,000 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.
Describe threshold factors and grant size limits.	Grant requests should range from a minimum of \$75,000 to a maximum of \$500,000 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

<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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<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>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</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>N/A</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>For the 2021 PY, AEDC is considering funding economic development activities/projects with the anticipated \$8,920,808 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 48% of the 2021 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:	ESG Funding
	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 2021 Annual Plan Budget \$2,564,323.
	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] Preparation for Program [new applicants only]
	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 Services (DCO-OCS) and made up of representatives of various divisions of DHS. Each committee member will screen each application.
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	<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>
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>Of the \$2,261,347 from ESG, the state will designate \$11,3307 to street outreach; \$520,110 to homelessness prevention; \$542,723 to rapid re-housing; \$1,017,606 to Emergency shelters; and \$169,601 will fund program administration.</p> <p>Upon approval from HUD, any remaining funding for FY 2020 (2020-2021 program year) will be redistributed in FY 2021 (2021-2022 program year).</p>

	Describe threshold factors and grant size limits.	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.
	What are the outcome measures expected as a result of the method of distribution?	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. 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.
6	State Program Name:	HOME Funding
	Funding Sources:	HOME

<p>Describe the state program addressed by the Method of Distribution.</p>	<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 board 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 allocates funds to units of general local government, including cities, towns, townships and counties. The funds are then administered by local governments for eligible HOME uses. 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 joint 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>
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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>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). • The maximum amount that can be requested and allocated by ADFA is \$450,000 in HOME Program funds, subject to availability of funds. (Note: The maximum allocation for a CHDO project is \$900,000, subject to availability of funds). • The maximum amount that can be requested and allocated for TBRA projects by ADFA is \$225,000, 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>(A request has been made to the Board to increase these amounts.)</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>N/A</p>
<p>Describe how resources will be allocated among funding categories.</p>	<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. Funding among the categories include \$1,012,563 for down payment assistance, \$1,518,844 for new construction activities by CHDOs, \$1,012,563 for Tenant-Based Rental Assistance, \$3,037,689 for multifamily rental housing development, and \$2,531,407 for rental rehabilitation.</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). • The maximum amount that can be requested and allocated by ADFA is \$450,000 in HOME Program funds, subject to availability of funds. (Note: The maximum allocation for a CHDO project is \$900,000, subject to availability of funds). • The maximum amount that can be requested and allocated for TBRA projects by ADFA is \$225,000, 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> <p>(A request has been made to the Board to increase these amounts.)</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 265 households with down_payment assistance, 10 new homes through CHDO development projects, assist 250 households with Tenant-Based Rental Assistance, develop 25 rental units, and rehab 20 rental units.
7	State Program Name:	Housing Opportunities for Persons with AIDS (HOPWA)
	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), 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 sponsor(s) is (are) contracted for a period of 6 years, 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 sponsor(s) is(are) 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 two (2) project sponsors were selected beginning GY15 and have contracts with a life span of six (6) years but subject to renewal on an annual basis, contingent upon performance and attainment of HOPWA goals and objectives. In GY2021, the final of the 6-year contract cycle, one Project Sponsor withdrew from the contract. The state arranged for a remaining Project Sponsor to execute HOPWA activities across all eligible Arkansas jurisdictions pending issuance of a new RFA in 2021, which is expected to go into effect per contractual terms in FY 2022.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>2021 Estimated Distributions- Housing Opportunities for Persons with AIDS are as follows:</p> <p>I. Administration:</p> <p>a. Grantee: \$30,929.00, (or 3% of FY 2021 allocation from HUD)</p> <p>b. Project Sponsors: \$72,167.00 (or 7%. <u>Subject to adjustment</u> based on actual of total funds approved by the ADH under contract terms to project sponsor.</p> <p>II. Direct Housing and Related Support Services (DHRSS): \$927,857.00</p> <p>a. Direct Housing Assistance: \$649,500.00 (70% of DHRSS)</p> <ol style="list-style-type: none"> 1. TBRA + STRMU: \$570,500 2. PHP: \$59,000 3. FBRA: \$20,000 <p>b. Support Services: \$278,357.00 (30% of DHRSS)</p> <p><i>TOTAL HOPWA FY 2021 allocation from HUD: <u>\$1,030,952.00</u></i></p>
<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>

	What are the outcome measures expected as a result of the method of distribution?	<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>
8	State Program Name:	Housing Trust Fund (HTF) from HUD
	Funding Sources:	HTF

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>This National Housing Trust Fund (HTF or NHTF) 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 NHTFs, which are briefly described below.</p> <p>1. <i>Geographic Diversity</i> – ADFA anticipates allocating available NHTF to expand the Extremely Low-income (ELI) overall rental housing supply located throughout Arkansas.</p> <p>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.</p> <p>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.</p> <p>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>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The ADFA scoring matrix outlines specific points for each goal and is included on the ADFA website, under the Forms section at: https://adfa.arkansas.gov.</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.	Maximum Cost Per- Unit and Minimum Area Requirements				
				Min. Bedroom	Max. Cost
	Property Type	#Bedrooms	#Baths	Net Area	Per - Unit
	Rental Unit	3-4	2	120 sq. ft.	\$151,000
	Rental Unit	1-2	1-2	120 sq. ft.	\$120,000
	SFD	3-4	2	120 sq. ft.	\$162,000
	SFD	2	1-2	120 sq. ft.	\$140,000
	Per Unit Costs: calculated by dividing the total development costs by the total number of units.				
	Unit areas do not include outside storage, covered porches, patios, balconies, etc.				
Describe threshold factors and grant size limits.	The maximum grant size is \$1,000,000 and waivers will be considered.				

What are the outcome measures expected as a result of the method of distribution?	Example:		
	25 Single Family Dwelling Homes (5 x \$150,000)		\$ 750,000
	2 Projects of 6 General Rented Units (12 x \$151,000)		<u>\$1,812,000</u>
	Estimated Total Units 17 for a cost of approximately		\$2,562,000
	This example pertains to each year's \$3,000,000 allotment.		

Discussion:

The State Programs set forth within this Method of Distribution of the current CDBG, HOME, ESG, and HOPWA 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.

AP-35 Projects – (Optional)

Introduction:

The following prospective projects were developed by staff with consultation from non-profit service providers and community input through priorities established with involvement of the community survey.

#	Project Name
1	2021 CDBG Economic Development
2	2021 General Assistance
3	2021 CDBG Emergency/Urgent Need
4	2021 CDBG Rural Services
5	2021 CDBG Technical Assistance
6	2021 CDBG State Administration

Table 5 – Project Information

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

The projects listed above are the types of projects expected to be selected from the total of project proposals received in accordance with their consistency with the priorities established through the Consolidated Plan forums and community survey process. These projects meet needs enumerated in the Needs Assessment and prioritization process to the extent that funding was available.

AP-38 Project Summary

Project Summary Information

1	Project Name	2021 CDBG Economic Development
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	:
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
	2	Project Name
Target Area		
Goals Supported		
Needs Addressed		
Funding		:
Description		
Target Date		
Estimate the number and type of families that will benefit from the proposed activities		

	Location Description	
	Planned Activities	
3	Project Name	2021 CDBG Emergency/Urgent Need
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	:
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
4	Project Name	2021 CDBG Rural Services
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	:
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	

	Planned Activities	
5	Project Name	2021 CDBG Technical Assistance
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	:
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
6	Project Name	2021 CDBG State Administration
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	:
	Description	
	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

NA

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 four federal funding programs, CDBG, HOME, HOPWA, and ESG, 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 6 - 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	4
Non-Homeless	580
Special-Needs	48
Total	632

Table 7 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	250
The Production of New Units	62
Rehab of Existing Units	70
Acquisition of Existing Units	250
Total	632

Table 8 - One Year Goals for Affordable Housing by Support Type

Discussion:

These figures relate to production targets specified in the annual goals for 2021 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 4,000 individuals/households 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.

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

NA

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

NA

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

NA

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	110
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(Facility-based rental assistance, FBRA*)	15
Total	200

* Duration of not more than 60 days in any 6-month period.

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

Introduction:

The provision of safe, decent affordable housing is one of the greatest challenges facing the State of Arkansas, its development partners, and many jurisdictions across the State. The State is attempting to meet this challenge by providing financial and technical support to nonprofit housing developers, partnering with the private sector to develop mixed-income, mixed-use communities and encouraging the removal of barriers in zoning ordinances that serve as impediments to increased density in exchange for affordable apartments or condominiums.

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 State does not have authority over local zoning and development regulations but will support local governments with the removal of barriers as applicable.

- Review options to support local Homeowner Rehabilitation Program,
- Review options for providing support to local down payment assistance programs,
- Advocating for zoning changes to enhance affordable housing development,
- Securing future funding for affordable housing and services,
- Supporting the administration of rental, mortgage, and utility assistance programs
- Evaluating or assessing housing design to determine how lower costs per square foot can be achieved.
- The State will support local jurisdictions in efforts to actively market local homebuyer assistance programs to minority families and individuals.

Support broadband initiatives to provide access to LMI populations and rural communities

Discussion:

There are no known public policy barriers to affordable housing development in Arkansas, though market factors do influence the ability to produce a range of housing to address all income levels. Most of these factors, including the cost of construction, price of developable land, and tenant/homebuyer incomes, are beyond the influence of the State of Arkansas. Where possible, the State provides or funds services that address market factors, such as job training and business development activities.

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, HOPWA, and ESG 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 and multifamily housing development. The State also provides HOME funding for rental rehabilitation programs. State staff also manages the approximately \$8.5 million annual 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 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 seven 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 three entitlement programs, Community Development Block Grant, HOME Investment Partnership, HOPWA, and ESG.

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 Partnership 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 recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

- ◆ 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. ◆ 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. ◆ 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. ◆ 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; 5-15 January 2018:

Selling a Unit during the Affordability Period – Recapture Requirements ◆ The HOME Program requires that if a property is sold, 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.” ◆ 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. ◆ 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. ◆ The period of affordability, shown above, is based on the direct HOME assistance to the homebuyer. ◆ ADFA provides a 0% forgivable loan that is forgiven commensurate with the period of affordability.

For example, a 10-year period of affordability would be forgiven at 120th a month for each month occupied by the homebuyer. Under the ADFA required recapture mechanism, the unforgivable portion of the amount of direct HOME assistance is due when the property is sold (or title is transferred) during the period of affordability, subject to net proceeds, to protect the HOME investment throughout the period of affordability. ♦ Net proceeds are defined by the sales price minus superior loan repayment (other than HOME funds, if applicable) and any seller's closing costs. ♦ If net proceeds exceed the amount of HOME assistance, the homebuyer will receive the balance of these proceeds. ♦ If net proceeds are less than the amount of HOME assistance, the amount available will be repaid to ADFA and the loan will be considered satisfied.

DOWN PAYMENT ASSISTANCE RECAPTURE: ♦ 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 (5 years). The homebuyer must maintain the house as their principal residence for the full affordability period (5 years). If the property is sold during the affordability period, ADFA will recapture the amount of HOME funds that have not been forgiven. ♦ 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 (5 years). If the property is sold during the affordability period, ADFA will recapture the amount of HOME funds that have not been repaid.

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

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. ADFA will measure these requirements per methods listed in ADFA's Annual NHTF Allocation Plan and per documents submitted with the application (<https://adfa.arkansas.gov/files/>). 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.

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 selection of eligible recipients will be based upon those applicants achieving the highest scores, and awarded in that order, until funds are depleted. The reviewing underwriter will score each application, using the Scoring Matrix and criteria outlined in the NOFA-RFP (see attachments). All required application documents (<https://adfa.arkansas.gov/files/>) should be submitted with original signatures, legible and complete, and with all required third-party documents. ADFA will post the NHTF (also referred to as 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 ADFDA 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".

The ADFA NHTF Scoring Matrix gives up to 10 points for 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. Construction must be started within 6 months from award date, with completion of the project by 18 months from the start date of construction.

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".

The ADFA NHTF Scoring Matrix gives up to 10 points for 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".

The ADFA NHTF Scoring Matrix gives up to 10 points for 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".

The ADFA NHTF Scoring Matrix gives up to 10 points to 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, the ADFA NHTF Scoring Matrix gives up to 10 points for 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".

The ADFA NHTF Scoring Matrix gives up to 10 points for leveraging of 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 Maximum Per-unit Development Subsidy Amount of Housing Assisted with NHTF funds, described in the appendix, is based upon guidelines from ADFA's Minimum Designed Standards, also in the appendix.

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; 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".

☒ The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

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.

In accordance with the scoring matrix, 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 NHTF Allocation amounts are different than what has been planned for, ADFA will adjust the number of units to be built accordingly.