

City of Hot Springs, Arkansas

HUD Community Development Block Grant

Entitlement Program



Building Better Neighborhoods



PY2021 Consolidated Annual Performance Evaluation Report

July 1, 2021 – June 30, 2022

Version A.1 For Public Comment and Review

133 Convention Boulevard

Hot Springs, Arkansas 71901

CAPER

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

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The 2021 Consolidated Annual Performance and Evaluation Report (CAPER) assesses the period from July 1, 2021 through June 30, 2022. This is the third program year (PY) of the five (5) year 2019-2023 Consolidated Plan. The main focus of this report is a summary of accomplishments in the use of annual Community Development Block Grant (CDBG) entitlement funds supporting various housing and community development priorities identified in the Consolidated Plan.

Throughout 2021, the City of Hot Springs CDBG program made progress in meeting goals described in the Consolidated Plan to create suitable living environments, promote affordable housing initiatives, further fair housing, strengthen Continuum of Care service efforts, and prevent the spread of and respond to the impacts of COVID-19 on low-to-moderate income households. No CDBG funds were expended in PY2021 to encourage economic development and job growth through targeted infrastructure improvements as no transformative projects were proposed during the reporting period.

Significant progress has been made on several of the goals and outcomes listed in the 2019-2023 Consolidated Plan through implementation of PY2020 and PY2019 projects, however, greater impacts were limited during PY2021 as a large share of the annual project budget for PY2021 was dedicated to the FY21 Quarantine/Shelter Facility project. Delays in this project can be seen throughout this CAPER as expected outcomes have not been met for several goals aligned with the FY21 Quarantine/Shelter Facility project.

Home Buyer Education courses from grant year 2020 were conducted that benefitted 31 Hot Springs residents. Courses were held at the Transportation Depot and included trainings, counseling, and information for prospective homebuyers from HUD-certified educators INAFFORDABLE HOUSING. Prospective homebuyers that complete the courses and credit hours are eligible for \$10,000.00 in downpayment and closing cost assistance from the Arkansas Department of Finance.

RA Psychle reported 7 more lawns serviced in program year 2021 building off the 33 lawns serviced in program year 2022. This program will not continue through program year 2022. CDBG program staff are working with RA Psychle to determine how the unused funds assigned to the project can be best used to provide benefit to Hot Springs LMI residents.

Neighborhood revitalization efforts through infrastructure improvements made significant progress in program year 2021 from past year projects including significant investment in the Gateway/Langston Garden neighborhoods along Malvern Avenue and Jefferson Street. These streetscape improvements aim to promote reinvestment in the area while promoting pedestrian and cyclist safety in the neighborhood. The Malvern Avenue project combined CDBG funds with Federal Transit Administration (FTA) funds to make these targeted investments in the LMI neighborhood.

Infrastructure improvements and neighborhood revitalization efforts were also completed for the Cedar Street 2020 project and the Garden Street 2020 project that repaired and replaced sidewalks and improved curb and guttering.

Several efforts in program year 2021 were made to prevent and respond to the COVID-19 pandemic among the homeless community of Hot Springs. COVID-19 testing, access to a shower trailer, and cleaning of day shelter facilities benefitted 59 individuals and aided the City’s outreach efforts to homeless individuals. Further coordination in program year 2022 with local service providers can improve these outcomes and accomplishments.

The City of Hot Springs CDBG program staff are confident in the future implementation of the FY21 Quarantine/Shelter Facility project through PY2022 and PY2023.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Affordable Housing	Affordable Housing Homeless	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	4	0	0.00%			

Affordable Housing	Affordable Housing Homeless	CDBG: \$6,321.00	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	31		0	31	
Affordable Housing	Affordable Housing Homeless	CDBG: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	250	0	0.00%			
Affordable Housing	Affordable Housing Homeless	CDBG: \$	Homeowner Housing Added	Household Housing Unit	15	0	0.00%			
Affordable Housing	Affordable Housing Homeless	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	20	0	0.00%	20	0	0.00%
Economic Development and Job Growth	Non-Housing Community Development	CDBG: \$	Jobs created/retained	Jobs	25	0	0.00%			
Economic Development and Job Growth	Non-Housing Community Development	CDBG: \$	Businesses assisted	Businesses Assisted	3	0	0.00%			
Fair Housing	Affordable Housing Non-Housing Community Development	CDBG: \$	Other	Other	5	0	0.00%			

Gateway and Langston Gardens Stabilization	Affordable Housing Public Housing Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$96,320.59	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	100	3650	3,650.00%	0	3650	
Gateway and Langston Gardens Stabilization	Affordable Housing Public Housing Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	100	0	0.00%			

Gateway and Langston Gardens Stabilization	Affordable Housing Public Housing Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	100	0	0.00%			
Gateway and Langston Gardens Stabilization	Affordable Housing Public Housing Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	100	0	0.00%			
Neighborhood Revitalization	Non-Housing Community Development	CDBG: \$39,990.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	16260	1190	7.32%	0	1190	

Neighborhood Revitalization	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	7		0	7	
Neighborhood Revitalization	Non-Housing Community Development	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	20	0	0.00%			
Neighborhood Revitalization	Non-Housing Community Development	CDBG: \$	Buildings Demolished	Buildings	50	0	0.00%	0	0	
Neighborhood Revitalization	Non-Housing Community Development	CDBG: \$	Housing Code Enforcement/Foreclosed Property Care	Household Housing Unit	1	0	0.00%			
Planning and Administration		CDBG: \$40,042.00	Other	Other	5	0	0.00%	1	1	100%
Prevent, prepare for and respond to COVID-19	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$1,756.57	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	100	59	59.00%	0	59	

Prevent, prepare for and respond to COVID-19	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	0	0		0	0	
Prevent, prepare for and respond to COVID-19	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Homelessness Prevention	Persons Assisted	0	0		0	0	
Prevent, prepare for and respond to COVID-19	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Other	Other	1	0	0.00%			

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The City of Hot Springs CDBG has worked to address the priorities and specific objectives identified in the 2019-2023 Consolidated Plan and 2021 Annual Action Plan:

- Create suitable living environments
- Promote decent, affordable housing initiatives
- Encourage economic development and job growth through targeted infrastructure improvements
- Support strategies to stabilize and grow the Gateway and Langston Garden communities
- Provide assistance, support, and resources to further fair housing opportunity, expand neighborhood revitalization and strengthen Continuum of Care service efforts
- Prevent, prepare for, and respond to the novel Coronavirus (COVID-19) pandemic.

Preventing the spread of COVID-19 and responding to the continued effects of the pandemic remained a high priority of the CDBG program for much of PY2021 with significant funds and programmatic time spent addressing the needs of homeless and low-to-moderate income individuals related to COVID-19. For many low-to-moderate income individuals, the COVID-19 pandemic created a real personal and economic strain on their lives. Economic hardships including reduced hours at work due to COVID-19 exposure, supply-chain induced inflation on everyday goods and services, and the loss of family members or loved ones who may have provided significant financial support have all been commonplace themes across individuals receiving CDBG or other assistance.

Coordination with local homeless service providers has also further improved throughout PY2021 through staff participation and coordination with the Local Homeless Coalition (LHC), the Southwest Arkansas Partnership (SWAP) and the statewide Continuum of Care, the Arkansas Balance of State. While delays in the FY21 Quarantine/Shelter Facility Project have hampered homeless assistance from the CDBG program, staff have been able to work with local homeless service providers to direct CDBG and local resources to aid their efforts.

Neighborhood revitalization efforts including targeted infrastructure improvements have made significant headways in PY2021 from past grant year projects representing the above outcomes. When infrastructure improvements are made including pedestrian safety and accessibility,

drainage and stormwater management, and community resource improvements through parks or public space upgrades, the entire community benefits. After improvement these areas also attract significant private development as business owners feel more confident and comfortable in providing investments. These improvements can have multiplied community benefits even beyond the effects and outcomes presented in this report.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted). 91.520(a)

	CDBG
White	3,696
Black or African American	853
Asian	75
American Indian or American Native	26
Native Hawaiian or Other Pacific Islander	0
Total	4,938
Hispanic	503
Not Hispanic	4435

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

For area and citywide benefit projects where individual household data is not collected such as infrastructure improvements, racial composition data above was estimated using the 2021 U.S. Census Profile for the City of Hot Springs. For reference, the U.S. Census indicates that Hot Springs is 72.7% White, 16.8% Black or African American, and 10.2% of the population is Hispanic or Latino of any race.

The percentage numbers collected by the most recent U.S. Census are unable to be reconciled with the current limitations of IDIS in that the percentages provided from the U.S. Census include "Two or More Races" and do not include "Hispanic or Latino" as a separate race. This can explain the differences in the above columns related to the total populations. 4,938 individuals received benefit from the City of Hot Springs CDBG program in PY2021.

Home Buyer Education courses were provided and collected race information from participants. 31 total participants attended the PY2021 Home Buyer Education courses, 18 were Black or African American, 9 were white, 2 were American Indian or American Native, and 2 were Two or more races,

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	\$445,947	\$144,440.16

Table 3 - Resources Made Available

Narrative

The FY21 annual CDBG allocation totaled \$445,947.00. This amount was split between two activities for PY2021: the Quarantine/Shelter Facility receiving \$369,840.96 and annual Planning and Administration of the CDBG program receiving \$76,106.04, the 20% maximum cap in administration. The only funds expended from the FY21 allocation came from Planning and Administration as there were significant delays in the implementation of the Quarantine/Shelter Facility project as discussed in several sections throughout this CAPER.

The amount expended during Program Year 2021 out of the FY21 Annual Action Plan totaled \$40,042.

Progress made on past year projects including CDBG-CV funds totaled \$104,398.16 expended during program year 2021.

Significant progress has been made on past year projects including several infrastructure improvements around the City and Home Buyer Education courses , but no FY21 funds were expended on these projects.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
City Wide Project	100	100	
Downtown	0		
East Albert Pike Area	0		
Forest Hill Neighborhood	0		
Greater Gateway Neighborhood	0		
Greater Hobson Area	0		
Langston Gardens	0		
Non-Targeted Area	0		
Oaklawn Park Neighborhood	0		
Park Avenue Area	0		
Whittington Valley Area	0		

Table 4 – Identify the geographic distribution and location of investments

Narrative

The geographic distribution and location of investments for the FY21 allocation for PY2021 was confined to the 2021 Planning and Administration budget which is a City Wide project as it provides benefit to all residents and does not have a geographic limitation.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The City of Hot Springs routinely leverages CDBG funds with local and federal funds including in-kind contributions from the City of Hot Springs Engineering and Public Works Departments. The Malvern Avenue Improvement project has been a multi-year long term improvement of Malvern Avenue's streetscape which has used FTA, CDBG, local funds, and cross-departmental support and services to make positive impacts and improvements in a historically-African American district of Hot Springs, the Gateway neighborhood. City of Hot Springs Engineering routinely works with local neighborhood associations and interest groups to consult on infrastructure improvements, create design plans, cost estimates and timetables, prioritize needed improvements in neighborhoods, manage bids for construction, and develop long term plans for infrastructure improvements through the CDBG program.

City Departments including Engineering, Public Works, and Parks have also coordinated improvements that can be installed, completed, or managed by existing City staff support and resources.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	14	0
Number of Non-Homeless households to be provided affordable housing units	5	0
Number of Special-Needs households to be provided affordable housing units	1	0
Total	20	0

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	2	0
Number of households supported through Rehab of Existing Units	0	0
Number of households supported through Acquisition of Existing Units	1	0
Total	3	0

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The 14 homeless households to be provided housing goal was set for the CV and FY21-funded quarantine/shelter. A suitable site has been identified for this project at 109 Oklahoma Street in Hot Springs, AR. The City of Hot Springs is currently seeking a service provider to operate the facility post-construction.

There were no other affordable housing projects proposed as a part of the FY21 Annual Action Plan. One-year expected goals included in this report displays the estimation that some affordable housing projects from past fiscal year projects would come to completion in PY2021 including the purchase of lots in partnership with Garland County Habitat for Humanity. After lot acquisition, Garland County Habitat for Humanity develops single-family housing on the site and provides these homes to low-to-moderate income individuals. These projects have not manifested in the program year subject to this CAPER leading to the Actual results listed above for the non-homeless and special needs categories.m

A significant problem encountered by CDBG program staff in providing affordable housing in partnership with Garland County Habitat for Humanity is a real delay between identification of a proposed project site by Garland County Habitat for Humanity staff and completion of all HUD requirements for the project to move forward. In the time between first contact between a potential property owner and Garland County Habitat for Humanity staff and when all HUD requirements, namely the environmental review, are completed, the property owner typically decides to sell the property to another interested party. This occurrence has significantly hampered the ability of the City of Hot Springs to use the Lot Acquisition funds provided in the FY20 Annual Action Plan. Several properties have also been identified by Garland County Habitat for Humanity staff but were later cancelled due to the environmental review disqualifying the site from selection.

CDBG program staff have attempted to rectify this problem by providing Garland County Habitat for Humanity with an Options Agreement to take to prospective property owners. This Options Agreement would confirm with a property owner site identification, price, and give the option for Garland County Habitat for Humanity to pull out of the agreement if the site reveals issue during the Environmental Review conducted by CDBG program staff.

Discuss how these outcomes will impact future annual action plans.

These outcomes are unfortunate and reflect the trouble projects like these can run into with a bad streak of luck in site identification. Several sites identified were unsuitable for development through an assortment of issues revealed during environmental reviews of the properties identified. This experience is not anticipated to continue into future program years and can be thought of as one off unfortunate results as a project is rolled out. Greater coordination between CDBG program staff and Garland County Habitat for Humanity staff in site selection can ease some of the issues identified above.

The FY22 Annual Action Plan includes an additional \$15,000.00 project for Habitat for Humanity Lot Acquisition activities. It is anticipated that additional funding will allow Garland County Habitat for Humanity target larger lots and provide greater flexibility in finding suitable sites for single-family housing development.

Affordable Housing continues to be a real present need in Hot Springs and will continue to feature prominently in the use of CDBG funds in the community and in future Annual Action Plans. Future proposals to support affordable housing development, reducing barriers preventing homeownership, connecting future home buyers to financial assistance resources, and extensive housing planning will feature prominently in coming annual action plans and projects.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	0	0
Low-income	0	0
Moderate-income	0	0
Total	0	0

Table 7 – Number of Households Served

Narrative Information

Hot Springs is in desperate need for more affordable housing options for low-to-moderate income individuals. Though large economic growth is present in the City, continued support to low-to-moderate income service industry and tourism economy workers for affordable housing will continue to be needed. According to the Housing Analysis in the 2019-2023 Consolidated Plan, rental cost burdens, paying over 30% of income on rent, is the most common housing problem regardless of household category. 18.9% of households citywide spend more than half of their income on housing, and this becomes more pronounced by household category as 75% of extremely low-income single persons are self-reported to be experiencing a severe rental cost burden. These issues are magnified and more common in the LMI, CDBG-eligible areas of the City including Districts 1, 2, and 5.

Affirmative steps are being taken by the City of Hot Springs CDBG program staff to further improve affordable housing in the City of Hot Springs. Through providing the lot acquisition funds in partnership with Garland County Habitat for Humanity to provide affordable single-family housing, CDBG program staff are confident in the future capacity of the program and partnership to provide affordable housing in the community. No further affordable housing projects are planned through the FY22 Annual Action Plan other than the additional funding identified above.

The City will continue to coordinate with homeless service providers and the local homeless coalition to affirmatively further affordable housing as these organizations work to further address compounding homeless and affordable housing issues in the community.

The City's approach to affordable housing needs includes supporting new construction, ameliorating barriers preventing homeownership, connecting future home buyers to financial assistance resources, and examining policies and trends affecting the availability of affordable homes in the market. Future education or counseling efforts related to affordable housing and promoting homeownership will feature prominently in future CDBG Annual Action Plans.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

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

The City of Hot Springs works in partnership with local nonprofit service providers to coordinate resources and disseminate public information on where individuals experiencing homelessness can get supportive services.

On January 27, 2022, a HUD annual Point-in-Time (PIT) count was conducted by the Southwest Arkansas Partnership (SWAP), the local homeless coalition within the Arkansas Balance of State CoC. The PIT is a survey used to count the number of homeless individuals living in Hot Springs on the streets, in shelters, and areas not meant for human habitation. The survey was limited by the surge in the COVID-19 pandemic related to the Omnicron variant, leading organizers to conduct a PIT count of only sheltered individuals (those living in transitional housing or staying at temporary emergency shelters). Unsheltered individuals were not counted in this PIT count. This decision was made to reduce the likelihood of spread of COVID-19 in vulnerable communities, protect the targeted populations being surveyed, and protect volunteers conducting the survey.

A total of 15 adults and 16 children were reported in the PIT count as temporarily sheltered homeless, totaling 31 individuals counted. The majority of these numbers came from emergency warming shelters during the winter months. This is compared to 31 unsheltered counted in 2021, 22 counted in 2020, 35 counted in 2019, and 88 counted in 2018.

Under McKinney Vento, Garland County schools reported a total of 538 children as homeless in the first quarter of 2022, compared to 498 reported in 2021, 386 reported in 2020, and 422 reported in 2019. This is an increase since 2019 and displays worrying trends in the number of homeless students in Garland County and Hot Springs.

While some of these numbers are increasing year-to-year, it is understood that as more homeless assistance services become more widely available, surveyors are getting a more accurate picture and count of the homeless population of Hot Springs rather than undercounting or missing individuals in past years. SWAP will conduct the next PIT count in January 2023 and that count will include a survey of unsheltered individuals.

Ouachita Children Youth and Family Services (OCYFS) launched their street outreach program for homeless youth in January 2018 and opened a day shelter later that year. Staff regularly locate, create relationships with, and offer survival kits and services to homeless youth in Garland County including shelter, case management, counseling, education, and employment assistance with the ultimate goal of helping youth get off the streets and into permanent and safe environments. OCYFS will continue this program and are actively applying for ESG funds for FY22 operation of this facility. The 2022 Annual Action Plan includes two projects in partnership with OCYFS. Both projects aim to provide

improvements at the OCYFS facility. These projects include a playground for the clients to use as well as a classroom that will allow OCYFS to better serve their client base of homeless families and children.

Ouachita Behavioral Health and Wellness was awarded a HUD PATH grant to support individuals with serious mental illnesses, as well as individuals with co-occurring substance use disorders, who are homeless or at risk of becoming homeless. Through community outreach they are providing diagnostic screening and therapeutic treatment for serious mental illness, case management services and referrals to other available programs. The City of Hot Springs has partnered with OBHAW to provide rental and utility emergency subsistence payments to individuals behind on bills to keep the residents from being evicted.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City of Hot Springs does not currently provide emergency shelter or transitional housing support services. The FY21 Annual Action Plan provided funds for a Quarantine/Shelter facility, however, several delays in the project have led to no funds being disbursed towards this goal in PY2021. When this facility is constructed, it is estimated that the facility will provide emergency shelter to 30-35 individuals each night. The City of Hot Springs will work with an operator of the facility, a local service provider, to manage the day-to-day operation of the facility and coordinate supportive services with other area nonprofits to be offered at the facility. A contractor will be selected to be the operator of this facility through a competitive Request for Qualification proposal that is currently underway at the time of this CAPER.

Along with this City-led effort, local nonprofits currently provide emergency and transitional shelter in specific cases.

OCYFS operates case-specific shelter opportunities including transitional housing, rapid re-housing, and a domestic violence shelter. In 2021, the transitional housing shelter assisted 11 women and 8 children, the rapid re-housing program assisted 29 women and 37 children, and the domestic violence shelter assisted 51 women and 56 children.

There are twenty-eight (28) emergency and transitional shelter beds for men only at Samaritan Ministries, nineteen (19) beds for victims of domestic violence, eight (8) residential and eighteen (18) temporary beds for unaccompanied, neglected and abused youth at Ouachita Children Youth and Family Services. Additional emergency and transitional shelter beds are dedicated to recovering substance abusers such as Quapaw House, and supportive housing for the developmentally disabled at risk of institutionalization or homelessness.

St. Lukes Episcopal Church and Lakeview Assembly of God Church coordinate resources to serve the homeless and at risk across the community in times of severe winter weather and extraordinary hot days and throughout the week with showers, laundry and meals. SWAP and the City are encouraging additional collaboration among faith-based organizations to meet underserved needs in a coordinated effort for the greatest good.

Further collaboration between the City and its partner nonprofits will be necessary for addressing the emergency shelter and transitional housing needs of the community. It is expected that the new facility, completed by the end of fiscal year 2022, will provide additional capacity to address these needs with a dedicated 24/7 shelter available to all low-to-moderate income individuals in Hot Springs.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

In December 2019, the City of Hot Springs announced a Hope Works pilot program with non-profit Eleanor Klugh Jackson House which connects individuals to resources including daily meals, clothing, transportation, and identification services, . The Hope Works program is available to Hot Springs homeless and at-risk populations who are offered minimum wage to remove litter from roadways, creating a relationship between the city and Jackson House that has the potential to develop more profound connections and long-term solutions for homeless individuals. Hope Works has operated since September 2020 and will continue to operate in the remainder of 2022. 17 individuals participating in the program have found full or part time employment and 3 were able to begin or return to college. 12.08 tons of litter have been picked up by participants in the program.

Samaritan Ministries of Hot Springs offers a job skills training wood shop for men housed in their transitional shelter who have graduated their 10-month resident program. The resident program helps restore a structured lifestyle, provides life skills, finance and budgeting training, employment skills and relapse prevention through a 12-step program, while finding affordable housing.

OCYFS homeless youth street outreach and drop-in day center connects unaccompanied youth ages 14-24 with education and employment opportunities to move toward independent living, and shortened time periods of experienced homelessness. In 2021, 33 different youth utilized the drop-in shelter, 44 were served through street outreach and 298 survival kits were distributed.

In 2021, 146 individuals entered the PATH program; 49 identified as disabled, 112 suffered from mental illness, 20 drug abuse, 23 a physical disability. 88 had been living in non-housing circumstances (street, car, etc.), 0 were referred by an emergency shelter program, 29 had been living with friends or relatives, 28 were in rental housing and 1 had recently exited incarceration. 10 were placed in non-subsidized rental housing, 0 in subsidized housing, 0 emergency shelter, 0 with family/friends, and 41 individuals were reported as staying in places not meant for human habitation (e.g. street).

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 City of Hot Springs, as a result of the COVID-19 pandemic and through allotments of CDBG-CV funds successfully operated a rental and utility emergency subsistence payment program managed by Ouachita Behavioral Health and Wellness. This program successfully deployed \$127,000 in payments to 80 individuals for back payment of rent and utilities during the COVID-19 pandemic. These payments kept these individuals in their homes and away from homelessness. In 2022, a key aspect of the Housing Strategy Plan (paid for using available CDBG Planning and Administration funds) scope of work requested by City staff in an RFP for qualified consulting firms will be a feasibility study of a permanent public-private partnership for rental and utility emergency subsistence payments in order to keep individuals in their homes year-round and helping individuals avoid homelessness.

The United Way of the Ouachitas (UWO) uses Charity Tracker and provides access to area nonprofits. Charity Tracker allows nonprofits to better coordinate and communicate for non-duplicative service delivery and collaborative responses to critical needs. This allows for several nonprofits from around the community to better understand and respond to the needs of their clients, many of whom frequent several different nonprofits for different services. UWO has also been leading the effort to use 211 as a non-emergency call service meant to connect local residents in need with the local services available to them. Calls to 211 connecting individuals with local resources have steadily increase in the Garland County area over the past years.

Spa Area Independent Living Services (SAILS), a local disability advocacy organization, advocates for individuals exiting nursing homes and other institutions. SAILS works to identify potential housing for disabled individuals, works with homeowners and landlords on needed home modification projects, and provides Housing Choice Vouchers for individuals transition to permanent housing. SAILS has also recently acquired a larger dedicated facility and will provide drop-in resources including laundry, computer and internet access, and other valuable resources and services for the disabled community of Hot Springs.

Cooperative Christian Ministries and Clinic (CCMC) work with a wide variety of clientele from across the community in finding access to and developing their own resources related to healthcare, mental health, law enforcement, food, shelter, transportation and education. Case managers work with clients to obtain resources and create individuals plan towards self-sufficiency.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The City of Hot Springs works closely with the Housing Authority of the City of Hot Springs (HACHS) to coordinate resources, provide supportive services to residents, and transition individuals from the Housing Authority programs to permanent housing. No CDBG funds have been allocated or disbursed to the Hot Springs Housing Authority in PY2021, although several CDBG projects may provide indirect benefits to HACHS residents, including development in the Gateway/Malvern Avenue neighborhoods in which the main HACHS facility, the Mountainview Towers resides. Through the Housing Choice Vouchers (HCV) program, several HACHS residents have been able to find housing around the City in LMI, CDBG-eligible areas. Infrastructure improvements meant to provide area benefit to individuals in CDBG-eligible areas of the City may have indirectly benefited these HCV individuals.

Continued coordination with the Hot Springs Housing Authority staff will allow the CDBG program to remain responsive to public housing needs in the future.

Preliminary planning for the 2024 Analysis of Impediments to Fair Housing will begin in FY22 in consultation with the Hot Springs Housing Authority.

The Housing Authority of the City of Hot Springs transitioned from public housing (PHA) units to housing choice project-based voucher (PBV) units rented at fair market rates (FMR) through the HUD Rental Assistance Demonstration (RAD) program. Units include Eastwood Gardens and Eastwood Heights consisting of duplexes, triplexes and quadplexes of one (1) to four (4) bedroom units housing 140 households, and Mountainview Towers, a 120-unit complex for elderly and disabled residents.

Additionally, the Housing Authority administers approximately 921 Housing Choice (HCV) vouchers for privately owned homes and apartments across Hot Springs and Garland County and maintains an Affordable Housing List of Section 8/HCV Homes.

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

HACHS residents are encouraged to enroll in the voluntary Family Self Sufficiency program, which through coaching, goal setting and budgeting is designed to assist families in achieving self-sufficiency through employment and/or higher education. The program includes participation in an escrow savings plan that matches the difference in rent as adjusted gross income rises during employment. This escrow can then be used for college, home buying or other goals.

The City of Hot Springs promotes the CDBG-funded home buyer education program from past year allocations with the Housing Authority. Family Self Sufficiency program participants who complete the home buyer education class are eligible for up to \$10,000 in down payment and closing cost assistance toward the purchase of a home, further assisting FSS families in achieving the goal of home ownership and self-sufficiency. 31 individuals participated in this program in PY2021, it is unclear how many of these individuals were HACHS residents or have received HSHA supportive services in the past.

Actions taken to provide assistance to troubled PHAs

The Housing Authority of the City of Hot Springs is not designated as troubled.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

The City of Hot Springs and HACHS have worked to complete the Analysis of Impediments to Fair Housing Choice Study in 2019 that took a scrutinous eye to public policies, ordinances, and codes that may impede fair housing. In response to that study, the City of Hot Springs Board of Directors have further regulated and limited short-term residential vacation rentals in an effort to retain some affordable housing stock for residents and stem negative external effects on area neighborhoods and residents.

No other action has been taken by the CDBG program in PY2021 to remove the negative effects of public policies that serve as barriers to affordable housing. It is expected that the Housing Strategy Plan conducted in PY2022 will provide further recommendations for land use controls, tax policies, zoning ordinances and building codes that can further improve affordable housing in the City of Hot Springs.

The City of Hot Springs Planning and Development department has also engaged a contractor to review current codes and ordinances at the time of this CAPER to identify changes that can be made to better reflect and benefit area residents.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City of Hot Springs plans to maintain its position as a collaborative and communicative entity within the nonprofit and service providers ecosystem of Hot Springs. The City will continue providing resources, leading initiatives, developing new programming, and working with existing partners to meet the needs of the underserved individuals of the community.

Meeting underserved needs in the City through the CDBG program is consistently hampered by a routine lack of funds that cancels projects placed lower on the annual priority lists. While these projects may rank lower, many of them are valuable projects that will meet the needs of low-to-moderate income individuals in Hot Springs. An increase in formula grant funding amounts will greatly increase the City of Hot Springs' ability to meet the underserved needs of the community.

The City of Hot Springs CDBG program has made it an internal program goal for PY2022 to improve public information and communication with the Hispanic community of Hot Springs, improve coordinatrion and CDBG efforts on affordable housing, and improve program efforts on sourcing public input and community engagement.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

As many existing residential structures in Hot Springs were built before the federal ban on lead-based paint in 1978, especially prominent in CDBG-eligible, low-to-moderate income areas, it is understood that lead-based paint hazards are present in the community. The City of Hot Springs has existing

strategies and policies in place to mitigate the hazards of lead-based paint use including testing and abatement in all of its HUD funded housing activities.

The City of Hot Springs ensures that all lead-based paint hazard mitigation regulations are followed and that any projects using federal funds are compliant with federal lead-based paint standards. The City uses EPA-certified, licensed lead-based paint consulting firms for inspection, risk assessment, and eventual lab testing and clearance reports for HUD-funded housing projects if lead-based paint is suspected or known to be present. After evaluation, mitigation strategies are employed including repairing any disturbed surfaces and controlling or abating hazards as needed.

The City maintains a proactive stance on lead-based paint hazard mitigation in supplying information on lead-based paint hazard and regulations to staff, public agencies, community-based organizations, non-profits, contractors, and homeowners. If a case of lead poisoning or elevated levels of lead in blood is suspected, referrals are made to the Garland County Public Health Department.

The development of new affordable housing options without lead-based paint and rehabilitation of existing housing with the risk of lead-based paint will further reduce the lead-based paint hazard in the community.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

Economic development and expanding opportunity throughout the community are clear priorities of the City of Hot Springs. The City utilized an Economic Development and Downtown Redevelopment plan as its main planning guide for future growth and action. This plan includes strategies that build on the City's existing economic infrastructure and promote job growth and vitality throughout the community. As many of the CDBG-eligible areas of the City flank the Historic Downtown district, strategies for stabilization and economic growth of these corridors expanding out from downtown Hot Springs including the Whittington Valley neighborhood, the Park Avenue neighborhood, the Pleasant Street neighborhood, the Malvern Avenue/Gateway Community, and the Morrison Avenue and Forrest Hills neighborhoods. Targeted infrastructure improvements, improving low-to-moderate income affordable housing options, encouraging small business development, coordination in bringing high-quality jobs to and retaining existing jobs in Hot Springs in partnership with the Hot Springs Chamber of Commerce, and encouraging businesses to participate in the City's Section 3 Economic and Employment Opportunities program that encourages contractors to hire low-to-moderate income individuals, are all strategies that the City is proactively taking to reduce the number of poverty-level families.

In PY2021, significant progress was made on the Malvern Avenue Improvement project with CDBG funds complementing FTA funds to provide infrastructure improvements along this corridor.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City's internal and institutional structure is well-suited to address the ever-changing needs of the community. Close coordination within departments and within the City's overall structure is tantamount to the success of City programming and this structure has been evaluated and modified as needed over the

years. Continued evolution and modification of this system will take place as needs arise.

The City has developed an incredibly close working relationship with area nonprofits through the CDBG program and other relevant City programming. This relationship is the basis for the effectiveness of the CDBG program and the proper utilization and deployment of CDBG funds in the community. Area nonprofits assist the City in identifying and documenting the changing needs of the community. The City then tries to provide resources to addressing issues on the City-wide scale. The CDBG program is constantly working with nonprofits and seeking input from them on how to better address developing issues and how the CDBG program can better function to serve these needs.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City of Hot Springs stays in constant communication with public and private entities addressing housing issues and working with these entities including the Hot Springs Housing Authority, Garland County Habitat for Humanity and private landlords and housing developers. The City is committed to providing a coordination and funding role between these entities to support their efforts. Past homebuyer education courses have provided an outlet for further collaboration with mutual benefit across all parties.

A key aspect of the 2022 Housing Strategy Plan will be the identification of members for a housing affordability ad-hoc committee to work on implementing strategies that come out of that report. This plan will provide a roadmap for future housing affordability and future coordination and collaboration across the housing sector.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The 2019 Analysis of Impediments to Fair Housing Choice Study identified eight (8) impediments:

1. Poor rental housing conditions limiting mobility and choice.
2. Continued need for neighborhood reinvestment and expanded access to opportunity.
3. Additional fair housing enforcement and education.
4. Eviction regulations contributing to housing instability.
5. An ambiguity in the City zoning codes that may limit housing options for people with disabilities.
6. Publicly supported housing choices are limited.
7. Racial disparities exist in access to homeownership.
8. Seasonal and vacation rentals may constrain affordable housing supply.

Several actions have been taken since the reports finalization in 2019 including significant effort from the City to provide neighborhood investment infrastructure improvements. Progress on the Malvern Avenue Improvement project in PY2021 represents the City's commitment to this goal with further improvements expected in PY2022 and PY2023.

Fair Housing Education has also received significant support from the City of Hot Springs CDBG program. 31 residents attended 8 virtual and inperson Homebuyer Education Courses held across PY2021. These individuals were able to learn more about what is needed to become a homebuyer and owner and contribute to course hours required to access credit counseling and downpayment/closing cost assistance opportunities through the Arkansas Department of Finance and Administration (ADFA).

It is expected that the Housing Strategy Plan in PY2022 will provide an update on progress made on the goals of the 2019 Analysis of Impediments to Fair Housing Choice study.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City of Hot Springs Planning and Development Department monitors the CDBG program to ensure ecompliance with HUD regulations and attainment of Annual Action Plan and Consolidated Plan goals. Annual Action Plan activities are set up and tracked in IDIS to allow ongoing review of activities and expenditures. Accounts are regularly monitored and reconciled with Finance Department reports. Finance, purchasing, department heads, and key staff meet prior to initiating large-scale City projects in order to plan and ensure compliance with all applicable local, state and federal regulations. The City of Hot Springs frequently uses several federal, state and local grant or funding sources for large-scale projects. These meetings are also important in determining which source of funds will play what role in large-scale projects. The City self-audits CDBG project files at project inception and closeout to confirm required documentation is being maintained.

The City of Hot Springs encourages the participation of disadvantaged business enterprises, woman owned business enterprises and minority owned business enterprises in the City's procurement process. The City awards contracts to the lowest responsive bidder possessing the ability to perform the project successfully. DBE/WBE are typically awarded 5 points during competitive bidding rate and rank processes. These points can contribute to DBE/WBE receiving City contracts.

Bid packages and contractor pre-award meetings include documentation and discussion of Federal Labor Standards provisions, Davis Bacon and related acts, Section 3 and current Department of Labor Wage Rate Determinations. Bidder certification of compliance with wage and hour laws is required for a bid to be considered responsive and is incorporated in contracts. City Department heads are required to monitor and sign off on the quality and quantity of work performed prior to the payment of any construction-related invoice. Contractors subject to Davis Bacon and other wage laws are required to submit payroll reports and other documentation as requested, which are reviewed prior to payment of any invoice. Periodic, unannounced contractor employee interviews have been conducted to further ensure compliance with Federal labor laws.

Subrecipients of CDBG funds are routinely monitored and inspected to ensure contract and program compliance. As all subrecipients have different needs, capacities, abilities, and experiences, the CDBG program works with subrecipients to determine exactly what technical assistance is needed to ensure programmatic compliance. Each subrecipient meets with CDBG program staff prior to the beginning of a project to discuss federal requirements and what support is needed to ensure the compliance is met. Some recipients may require significant support while others, who have received CDBG funds in the past, may require no additional support. Preaward meetings are pivotal in ensuring the subrecipients are meeting the goals of the CDBG program in an effective, timely manner and are in full understanding of the reporting and monitoring responsibilities they owe to the CDBG program.

Subrecipients are monitored through a compliance visit at least once annually to ensure that the goals of the project are being met and that all financial information is being collected and recorded in appropriate manners. These visits are instrumental in collecting feedback on the function of the CDBG program and how staff can better work to meet the needs of the community and the subrecipient.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

This CAPER planning document was posted online to [https://www.cityhs.net/563/Community-Development on August 28](https://www.cityhs.net/563/Community-Development-on-August-28), 2022 for public review and comment. The Consolidated Annual Performance and Evaluation Report Notice of Availability was published on August 28, 2022, and August 30, 2022 in the local Sentinel Record. The public comment period was open from August 28, 2022 - September 20, 2022. The notice included the provision that records related to community development activities were available for public review online at cityhs.net and in paper copies at the Planning and Development Department office located in the lobby of City Hall, 133 Convention Boulevard, Hot Springs, AR 71901. The notice also provided instructions and a timeline for the submission of public comments as well as two in person public comment opportunities available to the public.

The Community Development Advisory Committee will hold a public hearing regarding the CAPER on September 1, 2022. The hearing will be available in person and by teleconference with live question, comment and response opportunities. It is anticipated that the City of Hot Springs Board of Directors will consider the CAPER during their regularly scheduled September 20, 2022 meeting. This will constitute the second in person public comment opportunity for residents of Hot Springs.

A summary of the public comments received will be included in the section below.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The City of Hot Springs CDBG program did not modify program objectives during PY2021. Work on the FY21 Quarantine Shelter/Facility project has made significant progress in PY2021 with slight modifications to the goals of the project developing as a result of conversations with local homeless service providers, conversations with other communities in Arkansas that have taken on similar projects, and internal discussions with City leadership. The goal of providing a permanent facility for emergency shelter has not waivered and it is anticipated that this project will near completion in PY2022.

A Substantial Amendment has been approved by the City of Hot Springs Board of Directors at the time of this CAPER and is awaiting final approval from HUD, but this Substantial Amendment will only modify 2017, 2018, 2019, and 2020 Annual Action Plans. This Substantial Amendment will be further reported

on in the PY2022 CAPER.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

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