ARKANSAS
COMMUNITY DEVELOPMENT BLOCK GRANT
DISASTER RECOVERY PROGRAM

2020
CDBG-DR Action Plan

HUD Approval Date: April 30, 2021

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

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

AEDC does not discriminate on the basis of Race, Color, National Origin, Sex, Age, Religion or Disability; and provides upon request, reasonable accommodation including auxiliary aids and services necessary to afford an individual with a disability an equal opportunity to participate in all programs and activities.

Record of Amendments

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

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Executive Summary

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

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

A. Overview of Qualifying Disasters

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

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

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

FEMA Project Worksheets were tallied. FEMA deployed its host of tools in the Individual Assistance and Public Assistance Programs.[2]

Figure 1: Arkansas Department of Emergency Management (ADEM) State Emergency Operations Situation Report

Arkansas River Flooding

Weather Forecast Office
Little Rock, AR
Updated June 9, 2019 12:00 PM CDT

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

Source: Arkansas Department of Emergency Management (ADEM) State Emergency Operations Situation Report dated June 9, 2019, accessed at: https://www.weather.gov/lzk/

B. Unmet Recovery Needs

The Impact and Unmet Needs Assessment section (Section Four) of this Action Plan details quantified losses resulting from the disaster, the resources available to address identified losses, and the remaining unmet recovery needs as of the publication of this Action Plan. In the months after the flooding, and as a result of the allocation of Supplemental Disaster CDBG funding, the AEDC Grants Division, in conjunction with its partner agencies, the Arkansas Department of Emergency Management (ADEM), the Arkansas Development Finance Authority (ADFA), and the Arkansas Natural Resources Division (ANRD),

[2] *Source: Arkansas Department of Emergency Management (ADEM) State Emergency Operations Situation Report dated June 9, 2019*

Department of Agriculture, assessed the remaining unmet need in the affected counties. As with all disasters, the assessment of damage is done multiple times by different organizations and for different purposes.

This document attempts to reflect those counts as time progressed post-disaster to show the need and impact resulting from the flooding of the Arkansas River. AEDC used data on the number of applications for assistance as the basis of unmet need calculations while supplementing it with the most current survey information, public outreach, and ongoing consultation with stakeholders. In March 2020, AEDC met with impacted jurisdictions, state agencies, and other stakeholders to assess unmet need. Between March 2020 and March 2021, AEDC consulted directly with the state's Continuums of Care (CoCs), public housing authorities (PHAs), and tribal entities regarding impact and unmet recovery need. Following the public comment period for the draft Action Plan, AEDC held a public workshop in September 2020 aimed at collecting additional input from impacted citizens and community leaders. As a result of the assessment and feedback received from stakeholders, unmet recovery need was identified in the areas of housing, public infrastructure, and economic revitalization.

Unmet needs, as defined by HUD, are needs that are not covered by other funding sources and can be covered by CDBG-DR funds. This Action Plan includes an Unmet Needs Assessment (UNA) that analyzes the impacts of DR-4441 and unmet recovery needs related to housing, infrastructure, and the economy. HUD estimated a total of $8,940,268 in unmet needs related to DR-4441, including $4,174,349 in serious unmet housing need in the most impacted areas, $2,040,158 unmet infrastructure needs for FEMA Category C to G public assistance projects (representing the 25% local share), and $2,725,761 for serious unmet business needs.

This Action Plan utilizes more current and comprehensive data to estimate unmet recovery needs. As a result, we estimate a total of $19,912,799 in unmet needs, including $8,189,313 for housing, $7,466,792 for infrastructure, and $4,256,694 in economic recovery needs. This Action Plan outlines the use of CDBG-DR funds in a manner that directly addresses the identified unmet need. Per the Federal Register Notice, grantees receiving an allocation for a 2018 or 2019 disaster are required to primarily consider and address unmet housing recovery needs. Grantees may, however, propose the use of funds for unmet economic revitalization and infrastructure needs unrelated to unmet housing needs if the needs assessment demonstrates that there is no remaining unmet housing need, or that the remaining unmet housing need will be addressed by other sources of funds. In accordance with the Federal Register Notice, this Action Plan identifies a number of funding categories that affected communities can access to assist them with their specific needs. The Table below summarizes the current unmet needs resulting from DR-4441, the Impact and Unmet Needs Section (Section Four) provides further detail on how these amounts were determined.

Table 1: Summary of Unmet Recovery Needs

Category	Total Impact	Total Resources	Total Unmet Need
Housing	**$15,791,435**	**$7,811,889**	**$7,979,546**
FEMA IA		$7,602,122	

ADFA Recovery Loan		$209,767	
Infrastructure	**$22,919,412**	**$17,232,702**	**$5,686,710**
FEMA PA	$22,919,412	$17,232,702	
Economic Revitalization	**$5,174,194**	**$917,500**	**$4,256,694**
SBA		$917,500	
Total	**$43,885,050**	**$25,962,091**	**$17,922,940**

The CDBG-DR Program will accept competitive applications from local jurisdictions upon the announced deadlines allowing cities and counties to apply under the program activity categories established, per each program's policies and procedures. Applicants will be selected on a highest rated basis guided by a framework of funding priorities as outlined in Section Five - Method of Distribution & Connection to Unmet Needs and Section Six - Program Implementation & General Requirements. At the point that the unmet housing need is exhausted, the Grants Division will formally amend the Plan, as necessary, to reflect the use of remaining funds in areas of unmet need in the categories of infrastructure and economic revitalization. This current Plan provides the unmet needs information for both of those categories and the amended Plan will provide an update as well as a method of distribution that reflects areas most impacted. The amendment will provide detail on categories of funding available, deadline dates, as applicable, and any maximums per applicant or beneficiary.

Arkansas will implement two programs to address its unmet housing needs, as summarized in Table 1 below. As discussed in the Introduction section which follows, the economic and fiscal crisis brought on by Coronavirus Disease 2019 (COVID-19) increases the challenge for local governments to meet match requirements. To meet unmet housing recovery needs, Arkansas will implement two Housing Assistance Programs (HAP). The Voluntary Local Residential Buyout Program is designed to assist local governments with meeting the local match for voluntary buyout projects, or to assist with buyouts that do not include matching federal funds, and to help support low- and moderate- income households. The Multi-family Rental Recovery Program is designed to meet the needs of low- and moderate- income renter households.

Table 2 illustrates the State's CDBG-DR categorical funding allocations and are current to date. It should be understood that the requested funds as illustrated in the table below are based solely on preliminary estimates at the time of submission. The table below reflects the most current CDBG-DR category funding amounts and is updated each time a non-substantial or substantial amendment is accomplished. Each numbered revision submitted to HUD for approval is meant to supersede the earlier category totals in the earlier published Action Plan.

With limited funding available, and the requirement to address unmet housing needs before addressing other unmet recovery needs, AEDC proposes using 100% of its CDBG-DR program funds to address housing needs. Section Four of the Action Plan, Impact and Unmet Needs Assessment, provides further details on the sources for each item captured below.

Table 2: CDBG-DR Budget by Program Category

Program Category	Program Name	Allocation	Percentage of Total
Housing	Voluntary Local Residential Buyout	$5,095,800	60%
	Multi-Family Rental Recovery Program	$3,397,200	40%
	Total Housing Assistance Programs	**$8,493,000**	**100%**
Administration	Administration	$447,000	*5%*
	Total CDBG-DR Program Funding	**$8,940,000**	

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

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

Reprogrammed funding will be first considered for current grantees whose projects have been significantly impacted by unforeseen increased project completion costs and require additional funds to ensure timely completion of their eligible project. Reprogrammed funding consideration will also depend on the amount required by the eligible CDBG-DR project in relation to the amount of limited remaining CDBG-DR funding available, as well as the amount of time required for final project completion in relation to the amount of time remaining under the imposed Federal Register Notice deadlines.

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

The State's first priority is to get CDBG-DR funding to as many affected local governments and residents as possible to assist with resilient housing activities that directly address an unmet need and can be commenced with minimal delay and thereafter completed promptly. Each project must be capable of being undertaken (design and construction) immediately to provide outcomes to intended beneficiaries affected by the disaster. All projects must include a project timeline that allows AEDC to meet the Federal six (6) year deadline.

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

- The State's estimate of the unmet needs in the activity areas for which the funding can be used.
- 70 percent of total expenditures will benefit LMI persons
- The State's estimates are based on its review of Federal Emergency Management Agency (FEMA), Small Business Agency (SBA), the most recent Census and American Community Survey data available at the time of this published draft, and the results of surveys and unmet needs estimates submitted to the State by local governments and other stakeholders in the eligible areas.

No less than eighty percent of CDBG-DR funding under this Action Plan, $7,152,000, will be used to fund housing unmet needs in the HUD-identified most impacted and distressed (MID) areas. HUD identified Jefferson County zip code 71602 and Perry County zip code 72016 as the MID in Arkansas. Based on authorization from HUD, Arkansas will expand the MID areas to cover the entire counties of Jefferson and Perry (HUD-identified MIDs). This step enables the state to direct additional funding to those two counties where a portion (the two zip codes) were identified as being among the most impacted. In addition to the two HUD-identified MID counties, the Federal Register Notice (FRN) notes that a grantee "may determine where to use the remaining 20 percent of the allocation…to address unmet disaster areas that the grantee determines are 'most impacted and distressed' and received a presidential major disaster declaration." While each of the declared Counties continue to have unmet recovery needs and meet the definition of a grantee-identified MID area, due to limited funding, the State of Arkansas identified the following counties as most impacted and distressed due to disaster damage: Pulaski, Sebastian, Faulkner, and Desha (State-identified MIDs). Since much of the necessary data is still being gathered and analyzed by the State, regional planning organizations and units of local government, and since future allocations (subject to federal funding) of CDBG-DR Program funding will focus on unmet infrastructure and public facility needs, a description of the allocation of such future funds will be set forth in any future plan required in connection with such funds.

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

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

1. Introduction

A. Authority & Appropriations Act

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

Of that $2.3 billion, Arkansas is expecting to receive an allocation of $8,940,000 in disaster recovery funds for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et. Seq.) related to housing redevelopment and rebuilding, business assistance, economic revitalization, and infrastructure repair. The State of Arkansas will be required to spend no less than 80 percent of these recovery funds, $7,152,000 in "most impacted and distressed" (MID) areas of the state as identified by HUD. HUD has identified Jefferson County zip code 71602 and Perry County zip code 72016 as the MID; however, based on authorization from HUD as provided in Federal Register Notice 85 FR 4683, Arkansas will expand the HUD MID areas to cover the entire counties of Jefferson and Perry. This step enables the state to direct additional funding to those two counties where a portion (the two zip codes) were identified as being among the most impacted. The State may spend no more than 20 percent of its CDBG-DR allocation to address unmet disaster recovery needs in those areas that the State determines are the most impacted and distressed and received a presidential major disaster declaration. Due to limited funding, the State has identified the following counties to be eligible to receive up to 20 percent of its CDBG-DR allocation: Pulaski, Sebastian, Faulkner, and Desha (State-identified MIDs). HUD has issued administrative guidelines in the form of the January 27, 2020 Federal Register Notice 85 FR 4681 (applicability date, February 3, 2020), for funding appropriated under Public Laws 115-254 and 116-20, for use of the funds to address grantees' long-term recovery needs, particularly in the area of housing recovery.

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

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

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

It is in this emerging environment that the state must consider how best to make use of the CDBG-DR funding which, by federal law, is intended to address unmet recovery needs arising from the 2019 event. This Action Plan responds to unmet needs arising from the 2019 disasters, yet it has been shaped by the current and projected impacts of the COVID-19 health crisis. While this Action Plan may not be what was envisioned when the drafting effort was launched in February of 2020, the use of CDBG-DR funds is consistent with enabling the plan to provide substantial and lasting benefit to Arkansans in the years to come.

In addition to the significant CDBG-DR funds, the state will be receiving an estimated $50 million from FEMA through its PA program for the repair and reconstruction of public infrastructure. Additionally, Arkansas local governments will receive as estimated $3.3 million through the Hazard Mitigation Grant Program (HMGP), and $2.6 million in Flood Mitigation Assistance (FMA) funding, through the Hazard Mitigation Assistance (HMA) programs, to protect against future damage via acquisition, demolition, and elevation projects both within and outside of the floodplain. The funding allocated under these three programs has the potential to generate positive direct and indirect impacts on housing across Arkansas.

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

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

CDBG-DR represents a down payment against unmet long-term recovery needs, which this Action Plan estimates at approximately $17.9 million. The reality is that difficult decisions on the deployment of the CDBG-DR funds were always on the horizon, and the COVID-19 crisis has altered the state's evaluation of the alternatives. In making these decisions, it is important for Arkansans with unmet recovery needs and for Arkansas's federal partners to understand that there is a concerted commitment to finding the best possible options to address those remaining needs. Many such needs can be resolved more quickly, effectively, and reasonably with resources other than CDBG-DR. Our goal is ensuring that Arkansas recovers from the 2019 floods and is more resilient in the face of any similar event in the future. The Disaster Relief Appropriations Act requires that the state or local government must expend the funds within six years of the signed agreement between HUD and the grantee unless an extension is granted by HUD. To ensure that the funds assist the most impacted areas, at least 80 percent of the combined total awarded to the state will go to the HUD-identified most impacted and distressed counties. All the allocated funds must be used for eligible disaster-related activities. Effective controls must be in place and monitored for compliance to ensure that fraud, waste, and misuse of funds does not occur.

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

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

AEDC also administers the State of Arkansas CDBG Program. The purpose of CDBG-DR funding is similar to the CDBG Program in terms of the core principles (e.g., meeting of the national objectives) and cross-cutting requirements (e.g., procurement requirements). Key differences between the CDBG program and the CDBG-DR funding includes elements of eligibility (e.g., "tie-back" to the declared disaster) and some flexibility in program delivery that allows for activities to be carried out in non-entitlement and entitlement areas.[3]

Arkansas submits this Action Plan to outline its unmet needs and establish how the state will allocate its funds through its programs. This includes the proposed use of funds, criteria for eligibility, and how funds will address long-term recovery in the most impacted and distressed areas. The Unmet Needs Assessment, which evaluates the three core aspects of recovery – housing, infrastructure, and economic development-- forms the basis for the decisions outlined in the Method of Distribution. This Action Plan was developed with the help of many state and local stakeholders as well as the public to target the unmet need that can be addressed by these limited federal funds. Arkansas will ensure through policies and procedures that LMI individuals and households, vulnerable populations and members of protected classes, particularly the homeless and those at risk of homelessness, and other historically underrepresented or disparately treated groups, as well as the disabled, the elderly, and families with children, especially those with incomes below 30 percent of the area median income, receive fair treatment and equal opportunity in regard to the program. People with disabilities will not be denied opportunities to participate on an equal basis. Policies and procedures will address measures to eliminate discriminatory rules and policies; architectural, communication and transportation barriers; intentional exclusion; qualification standards; relegation to lesser services and opportunities, and lack of reasonable modifications or accommodations. AEDC commits to working with individuals and stakeholders to affirm the rights of disabled people to have

[3] *HUD, n.d. CDBG and CDBG-DR: A Comparison. Retrieved at: https://files.hudexchange.info/resources/documents/CDBG-and-CDBG-DR-Comparison.pdf*

equal access to the recovery effort, and to better serve the most vulnerable citizens of the State in their unique recovery conditions and needs.

AEDC is dedicated to continuing the mission of delivering recovery resources to recovering individuals, cities, counties, and other stakeholders across the most impacted areas of the State. At all times, AEDC's focus is on a rapid, compliant, and comprehensive recovery approach that best serves the people and places of the State of Arkansas to help them rebuild and recover safer, stronger, and smarter.

2. Summary of Disaster, State Response, and Presidential Declaration

A. Pre-Disaster Conditions

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

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

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

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

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

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

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

B. Description of Storm Events

The events of the State of Arkansas's flooding of 2019 are well-described in the CALS Encyclopedia of Arkansas.

"The flood along the Arkansas River that occurred in the spring of 2019 broke a number of high-water records and proved to be one of the costliest natural disasters in the state's history. In addition, the flood cast light upon the state's aging levee and transportation infrastructure."[4]

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

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

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

“Along the course of the river, people sandbagged their businesses and homes. On May 29, Governor Hutchinson formally requested federal emergency assistance for counties along the river; he also released $350,000 from the Governor’s Disaster Assistance Fund. That same day, water topped a levee in Perry County, leading to the closure of the Arkansas Highway 60 bridge linking Perry and Faulkner counties. A second levee was later topped in Logan County. Early on the morning of May 31, a levee broke just south of Dardanelle (Yell County), putting the community at risk as water poured into the rural area near Holla Bend National Wildlife Refuge; the levee breach was later measured at 346 feet wide and 45 feet deep, and Dardanelle residents worked to construct a temporary levee south of their community to protect the town. That same day, the National Weather Service warned of a levee breach and imminent flash flooding in an industrial area near North Little Rock (Pulaski County); however, it was later revealed that a containment unit near the levee, and not the levee itself, had been breached. Levee damage was also reported in the Yoestown Bottoms area of Crawford County and in rural Faulkner County, where signs of seepage were reported at the Lollie Levee. On June 5, officials acknowledged that Lollie Levee had started to erode, and the following day, county officials recommended the evacuation of area residents. Although a large chunk of the levee did collapse into the river, the levee held, aided by declining flood waters.

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

“By the early days of June, the water began to recede in western Arkansas. For example, the Arkansas River crested at Dardanelle on June 2 at 45.3 feet. Three days later, the Arkansas River crested at Little Rock at 29.71 feet, or 6.71 feet above flood stage. Farther down the river, in Pine Bluff, Union Pacific moved rail cars and engines out of the city and pulled up tracks in some areas to allow gaps in the levee system to be filled. The river crested at Pine Bluff on June 6 at 50.86 feet, almost nine feet above flood stage. In the Desha County community of Pendleton, the last town along the Arkansas River before it empties into the Mississippi, the river crested there at 37.63 feet, or 6.63 feet above flood stage, on June 6, and an estimated

[5] *Ibid.*

eighty to ninety percent of homes had been flooded by the time the water began to recede in the middle of the month. In June, the Federal Emergency Management Agency and the U.S. Small Business Administration opened disaster aid sites in North Little Rock and Mayflower (Faulkner County)."[6]

C. Arkansas Disaster Response & Recovery

1. Recovery Process

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

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

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

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

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

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[6] *Ibid.*

2. Recovery Field Operations

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

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

3. Area Coordinators

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

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

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

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

The Arkansas Department of Health (ADH) monitored all infrastructure along the river to include Arkansas Nuclear One plant in coordination with the ADH Nuclear Planning and Response Office and Radiation Control. ADH engineering were notified of ongoing wastewater facility impacts in Fort Smith. ADH Health Preparedness & Emergency Response (HPER) Branch, Healthcare Preparedness Program (HPP), conducted medical coordination virtually with Regional Healthcare Coalitions, Arkansas Hospital Association (AHA), and Arkansas Health Care Association (AHCA - long term care & nursing homes).

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

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

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

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

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

4. Disaster Recovery Centers

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

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

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

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

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

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

The Disaster Recovery Centers provided are listed below:

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

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

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

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

PERRY COUNTY
Houston Assembly of God
2151 HWY 60
Houston, 72070

POPE COUNTY
Atkins Fire Department
104 Ave 2 NE
Atkins, AR 72823

PULASKI COUNTY
Josephine Pankey Community Center

13700 Cantrell Rd
Little Rock, AR 72223

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

SEBASTIAN COUNTY
Central Mall
Suite 605, upstairs near Dillards
5111 Rogers Ave.
Ft. Smith, AR 72903

YELL COUNTY
Dardanelle Community Center
2011 HWY 22 West
Dardanelle, AR 7283

D. Preliminary Damage Assessments

Once it was determined that the extent of the 2019 flood damages was found to be beyond the capacity of local jurisdictions, ADEM requested Preliminary Damage Assessments (PDAs) from FEMA for Sebastian, Crawford, Perry, Conway, Faulkner, Yell, Pulaski, and Jefferson Counties, respectively.

PDAs estimate damages immediately after an event and are considered, along with several other factors, in determining whether a disaster is of such severity and magnitude that effective response is beyond the capabilities of the state and the affected local governments, and that Federal assistance is necessary.[7] These damage assessments are used to determine the magnitude of the disaster and/or emergency, and to identify the immediate needs of individuals, critical facilities, businesses, and local government services or facilities.

E. Disaster Declaration

On June 6, 2019, Governor Asa Hutchinson requested a major disaster declaration due to severe storms and flooding beginning on May 21, 2019 and continuing. The Governor requested a declaration for Individual Assistance and assistance for debris removal and emergency protective measures (Categories A and B),

[7] *The Preliminary Damage Assessment (PDA) process is a mechanism used to determine the impact and magnitude of damage and resulting needs of individuals, businesses, public sector, and community as a whole. Information collected is used by the State as a basis for the Governor's request for a major disaster or emergency declaration, and by the President in determining a response to the Governor's request (44 CFR § 206.33).*

including direct Federal assistance, under the Public Assistance program for eight counties and Hazard Mitigation statewide.

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

F. Presidentially Declared Counties Eligible for Assistance

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

Table 3: State of Arkansas Eligible Counties

County	HUD MID	State MID	Population	Public Assistance	Individual Assistance
Arkansas			17,914	√	√
Chicot			10,615	√	
Conway			20,858	√	√
Crawford			62,739	√	√
Desha		√	11,709	√	√
Faulkner		√	123,624	√	√
Franklin			17,738	√	

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

County	HUD MID	State MID	Population	Public Assistance	Individual Assistance
Jefferson	√		69,282	√	√
Johnson			26,372	√	
Lincoln			13,455	√	√
Logan			21,688	√	√
Perry	√		10,355	√	√
Pope			63,761	√	√
Pulaski		√	392,967	√	√
Searcy			7,908	√	
Sebastian		√	127,591	√	√
Yell			21,464	√	√

Source: United States Census Bureau. Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2019. U.S. Census Bureau, Population Division. Web. May 2020. http://www.census.gov/.

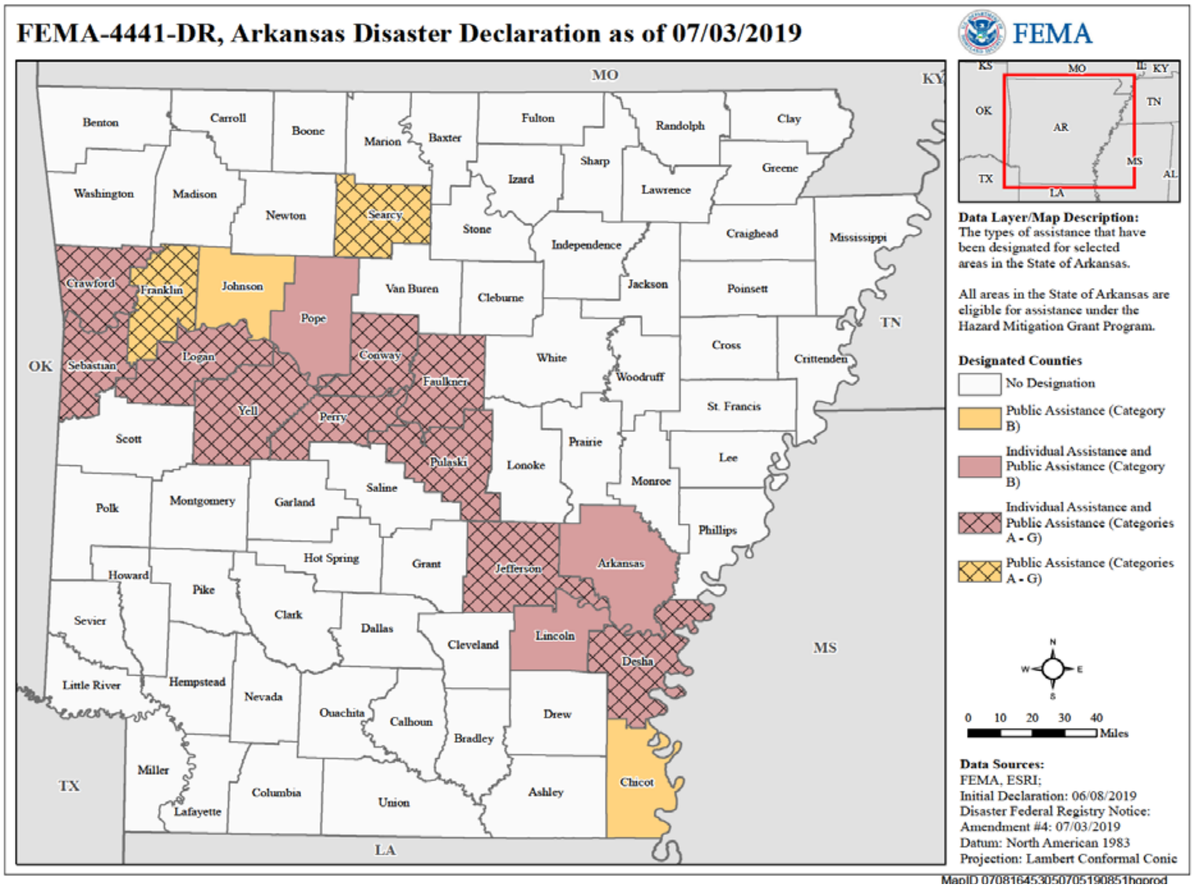
Disaster declarations allow financial assistance to be made available to support recovery efforts. The funding made available to designated counties is categorized in the following way:

- FEMA Individual Assistance (IA): Direct assistance provided to individuals and households through IHP. IHP provides financial assistance and direct services to eligible individuals and households who have uninsured and underinsured necessary expenses and serious needs. IHP is not a substitute for insurance and cannot cover all losses.[9]
- FEMA Public Assistance (PA): Assistance provided to state and territorial governments, local governments, Indian tribal governments, and private non-profit organizations. PA is provided through two categories of activities;
- Emergency Protective Measures for Debris Removal (Category A) and Emergency Protective Measures (Category B); and,
- Permanent Work for the Restoration of Roads and Bridges (Category C), Water Control Facilities (Category D), Buildings and Equipment (Category E), Utilities (Category F), and Parks, Recreational, and Other Facilities (Category G).[10]

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

[9] *FEMA, 2019. Individuals and Households Program. Retrieved at https://www.fema.gov/media-library-data/1571949706314-838a916aad698391afe34b45ac13100a/1_FACTSHEET_Individuals_and_Households_Program.pdf*

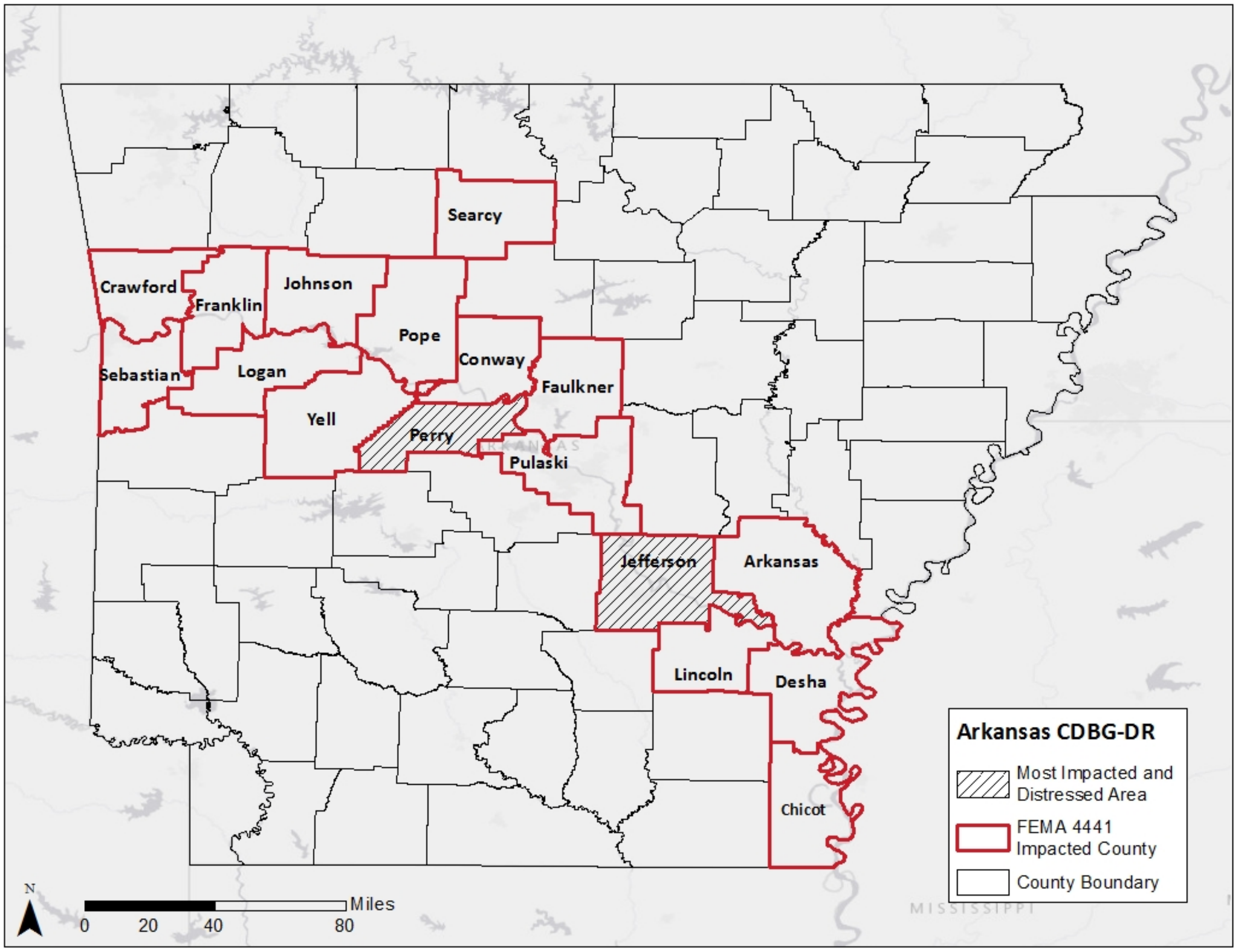
[10] *FEMA 2020. Public Assistance Program and Policy Guide, Version 4, Effective June 1, 2020. Retrieved at https://www.fema.gov/media-library-data/1594239534694-ea876c73c2135c4273e4914586e7879f/PAPPG_V4_Final_6-1-2020_508.pdf*



Source: FEMA, ESRI. 2019. Retrieved At: https://www.fema.gov/disaster/4441

The following map highlights the HUD-identified MID areas of DR-4441: Jefferson County and Perry County. Jefferson County has a population of 69,282, accounting for roughly 7% of the total population for all counties impacted by the disaster. The population of Perry County is 10,355 and constitutes roughly 1% of the total population of all counties impacted by DR-4441. The combined population of both HUD-identified MID counties account for 7.8% of the total population of impacted counties. The counties highlighted in red are the Presidentially Declared Disaster counties included in the FEMA DR-4441 disaster declaration and the two shaded counties, Jefferson and Perry are the HUD Most Impacted and Distressed Areas.

Figure 3: Most Impacted and Distressed Areas [11]



Source: U.S. Census Bureau, U.S. Department of Housing and Urban Affairs, (HUD), Federal Emergency Management Agency (FEMA). 2019

[11] U.S. Census Bureau, U.S. Department of Housing and Urban Affairs, (HUD), Federal Emergency Management Agency (FEMA). 2019

3. Community Profile & Overall Impact

While HUD identified Jefferson and Perry Counties as the MID areas, the 2019 flood impacted homeowners and renters throughout the impacted area of the state. The tables prepared below detail FEMA IA applications submitted by homeowners and renters, the types of residences inspected, and the demographics of those applications in each county. According to the US Census Bureau, Arkansas has an average poverty rate of 16.2%, and is home to vulnerable populations including aging individuals (17.4%) and persons age 65 or older living alone (11.3%) and people with disabilities (12.5%). However, only two of the 17 declared counties, Desha and Perry Counties, have total county populations which are 50 percent or more LMI households making 80% of Area Median Income (AMI) and below. While only two of the 17 declared counties, Desha and Perry Counties, have total county populations which are 50 percent or more LMI households with incomes making 80% of the AMI or below, the other counties included in the HUD and State MIDs have significant LMI and vulnerable populations. The Housing activities will meet National Objective based on benefit to direct LMI and vulnerable households.

A. Income

Low-income households are statistically more likely to be housed in less desirable housing stock and less desirable areas of State. Lack of funds often prevents those households from moving to areas where local amenities raise the value of the housing. Income plays an essential part in securing and maintaining housing.

The data in Table 4 shows the distribution of income across income classes among Whites, Black or African Americans, and Hispanics. Overall, the income distribution data show a higher proportion of low-income households within the Black or African American and Hispanic communities. This detailed income analysis will concentrate on the three major ethnic groups in Arkansas: White, Black or African American, and Hispanics. All other ethnic groups are smaller in number and percentage and, therefore, will not be examined and presented in as much detail.

The data in Table 4 also shows that the modal income classes (the income classes with the highest number of households) for Whites were the $75,000 to $99,999, with 11.4 percent and $60,000 to $74,999 percent, with 10.25 percent of Whites in these income ranges. The most frequently reported income for Black or African American households were the less than $10,000, with 15.23 percent and $10,000 to $14,999 percent, with 9.9 percent among Black or African Americans. The most frequently reported income for Hispanic households in the 2018 ACS data were the $60,000 to $74,999 range, with 10.17 percent and $75,000 – $99,999, with 8.15 percent of Hispanics in these ranges.

Table 4: Households by race by income for Arkansas, 2018

Household Type	White Non-Hispanic		Black or African American		Hispanic	
	# of Households	% of Households	# of Households	% of Households	# of Households	% of Households
Less than $10,000	60,636	6.88%	25,953	15.23%	3,700	6.46%
$10,000 to $14,999	48,894	5.55%	17,016	9.99%	3,113	5.43%
$15,000 to $19,999	45,436	5.16%	14,394	8.45%	3,833	6.69%
$20,000 to $24,999	54,880	6.23%	14,554	8.54%	5,077	8.86%
$25,000 to $29,999	44,822	5.09%	11,377	6.68%	4,949	8.64%
$30,000 to $34,999	47,883	5.44%	10,802	6.34%	3,942	6.88%
$35,000 to $39,999	43,406	4.93%	11,726	6.88%	4,199	7.33%
$40,000 to $44,999	43,918	4.99%	7,811	4.58%	3,533	6.17%
$45,000 to $49,999	43,454	4.93%	7,705	4.52%	3,433	5.99%
$50,000 to $59,999	71,757	8.15%	12,973	7.61%	5,681	9.92%
$60,000 to $74,999	90,331	10.25%	9,924	5.82%	5,824	10.17%
$75,000 to $99,999	100,576	11.42%	11,757	6.90%	4,667	8.15%
$100,000 to $124,999	69,938	7.94%	6,952	4.08%	2,506	4.37%
$125,000 to $149,999	39,262	4.46%	3,931	2.31%	1,072	1.87%
$150,000 to $199,999	39,024	4.43%	1,917	1.13%	858	1.50%
$200,000 or more	36,677	4.16%	1,599	0.94%	896	1.56%
Total	880,894	100%	170,391	100%	57,283	100%
Median Household Income	$49,996		$30,758		$39,787	
State Median Household Income			$45,762			

Source: 2018 American Community Survey (ACS) – U.S. Census

According to the 2018 ACS estimates, the median household income was reported to be $49,996 for White households, $30,758 for Black or African American households, and $39,787 for Hispanic households, compared to $45,762 for the overall State. There are significant disparities in income among minorities, particularly Black or African Americans.

The poverty data in Table 5, below, shows significant effects on the Black or African American and Hispanic communities. The incidence of poverty among Black or African Americans was 30.5 percent of the total population in 2018, and Hispanics were reported to be 27.5 percent. Among White persons, the data reported 13.8 percent lived in poverty. In comparison, the poverty rate for the State was 16.2 percent during the period.

Table 5: Poverty Status by Race Arkansas, 2018

Age Group	White Non-Hispanic		Black or African American		Hispanic	
	# in Poverty	% in Poverty	# in Poverty	% in Poverty	# in Poverty	% in Poverty
Under 6 years	27,308	1.3%	19,816	4.5%	11,238	5.2%
6 to 11 years	25,365	1.2%	18,055	4.1%	11,070	5.1%
12 to 17 years	23,648	1.1%	15,911	3.6%	7,958	3.7%
18 to 59 years	162,100	7.7%	64,970	14.8%	26,416	12.3%
60 to 74 years	35,417	1.7%	11,338	2.6%	2,055	1.0%
75 to 84 years	11,166	0.5%	2,835	0.6%	382	0.2%
85 years and over	5,840	0.3%	1,052	0.2%	54	0.0%
Total	290,844	13.8%	133,977	30.5%	59,173	27.5%
State Poverty %	**16.2%**					

Source: 2018 American Community Survey (ACS) – U.S. Census

1. Low- to Moderate-Income Areas

Low- and moderate-income (LMI) individuals are some of the most vulnerable populations impacted by major disasters. LMI individuals do not have the same financial resources to rebuild and may experience difficulty seeking disaster assistance.

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

For purposes of the CDBG program, low- to moderate-income is defined as households making 80% of AMI or below as defined by HUD. AMI is calculated yearly at the state level with each county and for certain metropolitan areas having defined income limits. The below Section 8 Income Limits Chart shows the statewide AMI for the Extremely Low-Income Limit (ELIL, 30%), Very Low-Income Limit (VLIL, 50%) and Low-Income Limit (LIL, 80%).

Table 6: Statewide Income Limits for Arkansas

FY 2020 Very Low-Income (50%) Limit (VLIL)								
Median Family Income	**1 Person**	**2 Person**	**3 Person**	**4 Person**	**5 Person**	**6 Person**	**7 Person**	**8 Person**
61,000	21,350	24,400	27,450	30,500	32,950	35,400	37,800	40,250

FY 2020 Extremely Low-Income Limit (ELIL)							
1 Person	**2 Person**	**3 Person**	**4 Person**	**5 Person**	**6 Person**	**7 Person**	**8 Person**
12,800	14,650	16,450	18,300	19,750	21,250	22,700	24,150
FY 2020 Low-Income (80%) Limit (LIL)							
1 Person	**2 Person**	**3 Person**	**4 Person**	**5 Person**	**6 Person**	**7 Person**	**8 Person**
34,150	39,050	43,900	48,800	52,700	56,600	60,500	64,400

Source: FY 2020 Income Limits Documentation System, Retrieved at: https://www.huduser.gov/portal/datasets/il/il2020/select_Geography.odn

HUD provides grantees with LMI data to justify area basis[12] benefit activities that is accessible via HUD's website[13]. Grantees, such as the State of Arkansas, and their subrecipients must maintain documentation verifying the LMI benefit for each beneficiary of the grant funding.

CDBG-DR funds are intended to primarily address unmet needs in the MID areas with a focus on housing for LMI households and individuals.[14] HUD defines the term LMI as households and individuals making 80% of AMI or below. The table below

The following table outlines the LMI percentage, median family income, and 80% AMI limits for each impacted county within the state. Only three of the 17 declared counties, Chicot, Desha, and Perry Counties, have a total population which is 50 percent or more LMI households making 80% of the AMI or below at the time of impact.

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

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

[14] *85 Fed. Reg. 17 (January 27, 2020)*

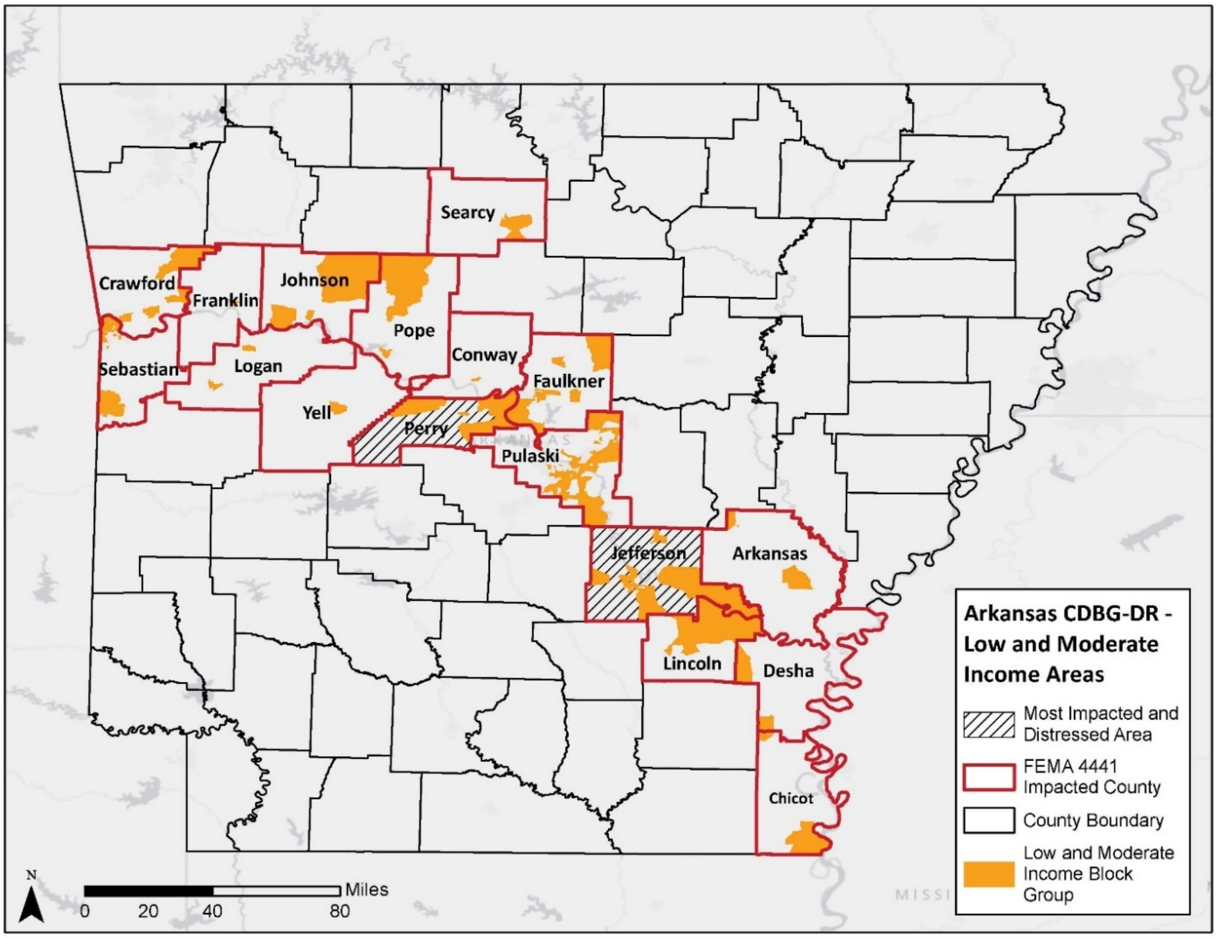
Table 7: LMI %, Median Family Income, and 80% AMI Limits for DR-4441 Impacted Counties

County	% LMI (Less than 80% AMI)	Median Family Income	80% Area Median Income (AMI) Limit for a 4-Person Family
Arkansas County	40.18	$51,800	$42,000
Chicot County	50.05	$41,500	$42,000
Conway County	39.62	$54,600	$43,700
Crawford County	39.16	$54,200	$43,350
Desha County	51.05	$39,600	$41,700
Faulkner County	40.61	$72,200	$57,750
Franklin County	38.29	$49,100	$42,000
Jefferson County	41.46	$52,600	$42,100
Johnson County	43.71	$45,600	$42,000
Lincoln County	43.02	$52,600	$42,000
Logan County	41.71	$48,900	$42,000
Perry County	50.27	$72,200	$57,750
Pope County	40.03	$54,100	$43,300
Pulaski County	44.38	$72,200	$57,750
Searcy County	41.00	$46,900	$42,000
Sebastian County	43.26	$54,200	$43,350
Yell County	37.42	$48,700	$42,000

Sources: FY2020 Income Limits Documentation System, FY2020 Income Limits Summary, accessed at https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn; American Community Survey data obtained from 2020: ACS 5-Year 2011-2015 Low- and Moderate-Income Summary Data, retrieved at: https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-local-government/

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

Figure 4: DR-4441 Low- to Moderate-Income (LMI) Areas



Source: U.S. Department of Housing and Urban Development, ESRI 2019

B. Employment

Employment opportunities in the area and educational levels of the employees make a significant impact on housing affordability and the location choice of residents. The data presented in Table 8 provide a portrait of the distribution of labor force participation and unemployment by race and ethnicity. A closer examination of the make-up of this total indicates that higher levels of unemployment are centered in the Black or African American community. In 2018, 2.7 percent of White persons age 16 and over reported being unemployed. Black or African Americans persons in the same age group reported a 5.6 percent unemployment rate, and Hispanics reported a 3.1 percent rate. As a comparison, the Statewide unemployment rate was 3.8% in 2018 and 3.5% in 2019.

Table 8: Employment Status by race for Arkansas, 2018

Employment Status	White Non-Hispanic		Black or African American		Hispanic		Total	
	#	%	#	%	#	%	#	%
In Labor Force:	1,015,500	57.1%	199,538	57.4%	98,195	69.2%	1,313,233	57.9%
In Armed Forces	3,022	0.2%	606	0.2%	396	0.3%	4,024	0.3%
Civilian	1,012,478	59.9%	198,932	57.2%	97,799	69%	1,309,209	57.7%
Employed	964,800	54.2%	172,990	49.7%	93,359	65.8%	1,231,149	54.3%
Unemployed	47,678	2.7%	19,553	5.6%	4,440	3.1%	71,671	5.5%
Not in Labor Force	763,335	42.9%	148,218	42.6%	43,613	30.8%	955,166	42.1%
Total	1,778,835	100%	347,756	100%	141,808	100%	2,268,399	100%

Source: 2018 American Community Survey (ACS) – U.S. Census

C. Education

In this analysis, educational attainment is shown as number of adults with less than a college education, and percent of residents without a college degree. Of the most impacted counties, Desha, Perry, Jefferson and Sebastian counties have a significant portion of the population without high school degrees, ranging from 69% - 80%, with Desha having the highest rate at 80%. This compares unfavorably with the Arkansas state average, where 67% percent of residents lack a high school degree. The highest percentage of residents without a college degree is in Lincoln County, at 84%.

A lack of education affects the recovery in many ways. Less educated individuals experience greater difficulty securing jobs and are at a greater risk of losing their jobs due to the disaster. Impediments to accessing programs is more frequent among this demographic. Recovery planning and programs must be carried out differently in counties with lower education levels to mitigate these barriers.

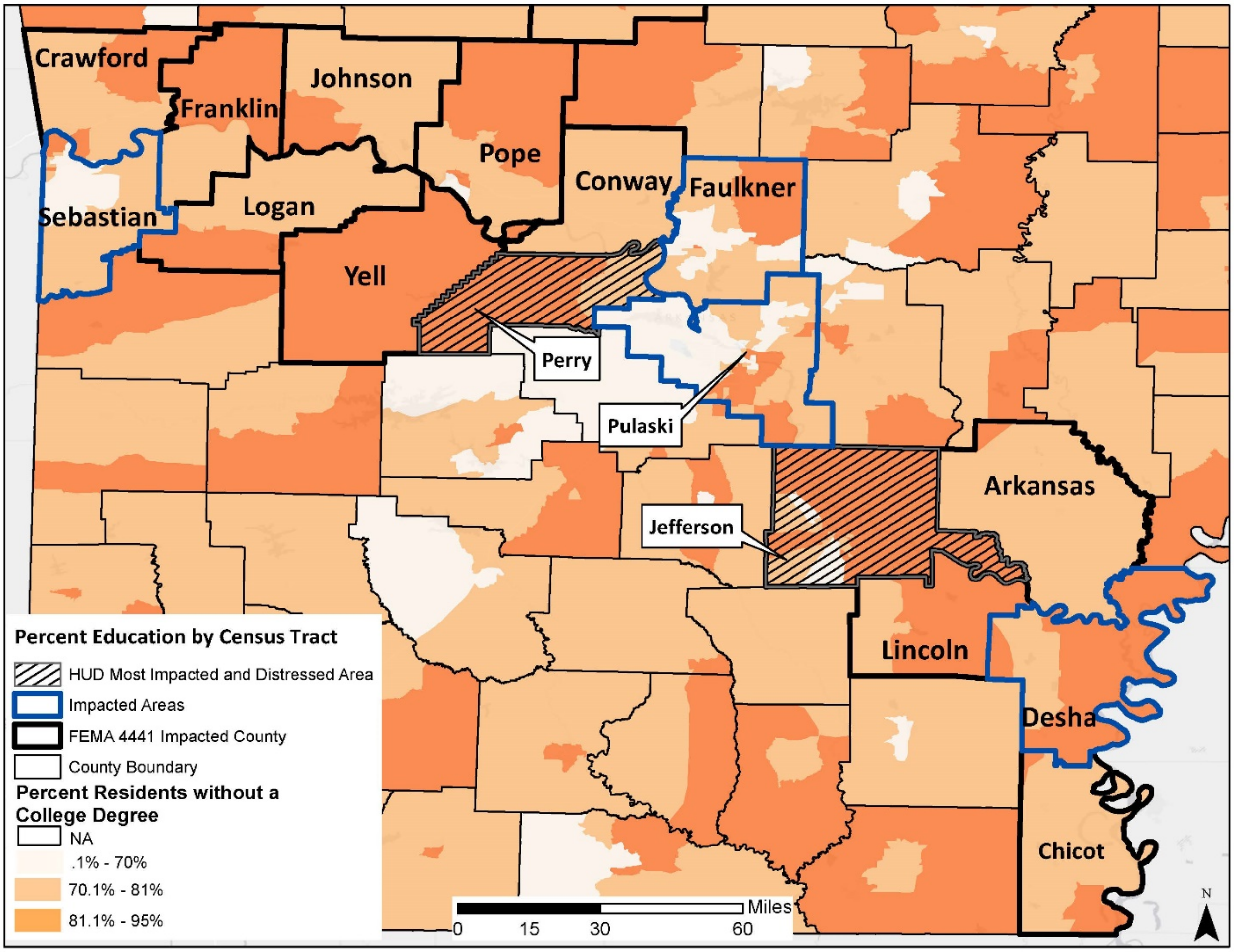
Table 9: Educational Attainment Arkansas, 2018

County	Population (Over 18)	Less Than College	Percent Residents without a College Degree
Arkansas County	13,811	10,128	73%

Chicot County	8,251	6,424	78%
Conway County	16,038	11,868	74%
Crawford County	47,267	34,986	74%
Desha County	8,709	6,935	80%
Faulkner County	94,887	52,275	55%
Franklin County	13,514	10,675	79%
Jefferson County	53,990	39,363	73%
Johnson County	19,996	15,546	78%
Lincoln County	11,423	9,539	84%
Logan County	16,926	13,031	77%
Perry County	8,030	6,212	77%
Pope County	49,161	31,666	64%
Pulaski County	301,305	173,067	57%
Searcy County	6,316	4,891	77%
Sebastian County	96,781	66,331	69%
Yell County	16,227	12,966	80%
Statewide	2,295,102	1,536,807	67%

Source: U.S. Census Bureau American Community Survey 5-Year Estimates (2015 -2019)

Figure 5: Educational Attainment – Percent of Population without a College Degree by Census Tract



Source: 2018 American Community Survey (ACS) – U.S. Census

D. Protected Classes & Vulnerable Populations

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

1. Race and Ethnicity

Table 10 illustrates the ethnic and racial composition of each county designated by FEMA as impacted areas under DR-4441. With the exception of Desha, Chicot, and Jefferson county, the white population of impacted counties constitutes the racial majority of each counties' respective community. The racial demographic composition of communities within the HUD-identified MID areas of Jefferson and Perry County greatly differ. In Jefferson county, 56.5% of the population identifies as Black or African American, while 39.7% of the population identify as white. In Perry County, 96.2% identify as white. In Desha County, 47% of the population identifies as Black or African American, and in Pulaski County 38% identifies as Black or African American. The populations of Faulkner and Sebastian Counties are 82% and 74% white, respectively. With the exception of Sebastian, Yell, and Johnson county, impacted counties have Hispanic populations that comprise less than 10% of the total population. In the HUD-identified MID areas of Jefferson and Perry County, Hispanic communities make up less than 3% of the total population. In total, the majority of individuals residing within the impacted counties identify as white, representing 68.7% of the total population.

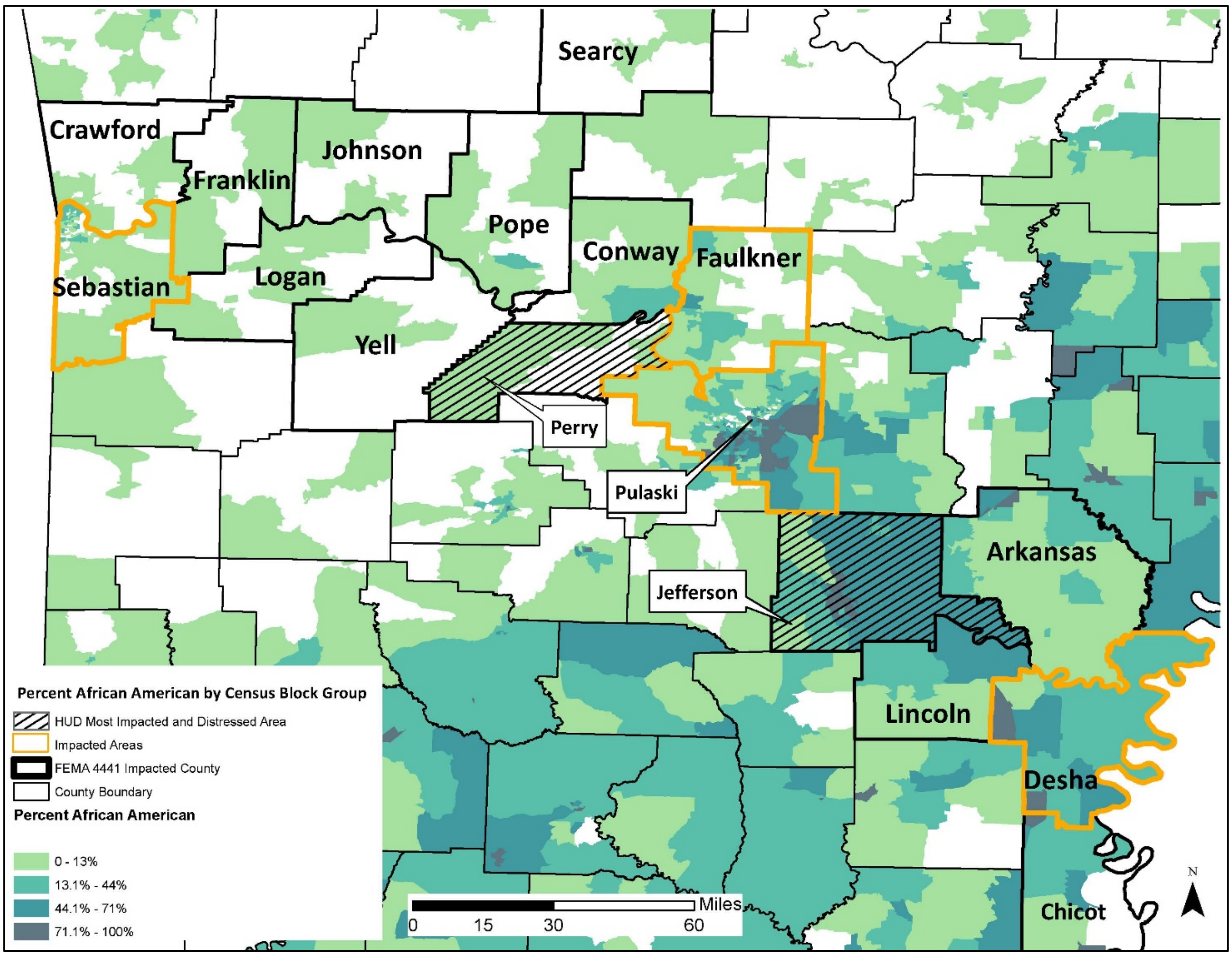
Table 10: DR-4441 Population Demographics (Race and Ethnicity)

Impacted County	Total Population	Percent White	Percent Black or African American	Percent American Indian	Percent Asian	Percent Other	Percent Hispanic
Arkansas County	17,914	72.1%	25.8%	0.2%	0.0%	3.1%	3.2%
Chicot County	10,615	43.4%	53.9%	0.1%	0.6%	3.1%	5.5%
Conway County	20,858	85.1%	10.4%	0.3%	0.3%	7.6%	3.9%
Crawford County	62,739	88.0%	1.6%	2.3%	1.9%	9.4%	7.7%
Desha County	11,709	48.8%	46.6%	0.3%	0.4%	5.8%	6.1%
Faulkner County	123,624	82.1%	11.4%	0.4%	1.3%	7.4%	4.1%
Franklin County	17,738	94.0%	1.0%	1.6%	0.8%	4.4%	3.0%
Jefferson County	69,282	39.7%	56.5%	0.3%	1.0%	3.8%	2.1%
Johnson County	26,372	91.2%	1.6%	0.2%	2.1%	7.5%	13.9%
Lincoln County	13,455	65.9%	30.5%	0.5%	0.0%	4.0%	3.9%
Logan County	21,668	91.8%	1.4%	0.8%	2.2%	6.7%	3.0%
Perry County	10,355	96.2%	0.7%	0.1%	0.0%	4.2%	2.9%
Pope County	63,761	91.2%	3.0%	0.6%	1.0%	6.7%	9.0%

Pulaski County	392,967	55.9%	36.8%	0.3%	2.2%	7.4%	6.2%
Searcy County	7,908	93.2%	0.6%	2.8%	0.7%	4.9%	2.4%
Sebastian County	127,591	73.5%	6.8%	1.1%	4.5%	18.8%	14.2%
Yell County	21,464	78.6%	2.5%	0.5%	1.1%	18.5%	20.1%
Total	1,020,020	68.7%	22.9%	0.6%	2.0%	8.6%	

Source: U.S. Census Bureau American Community Survey 5-Year Estimates (2015 -2019)

Figure 6: Percent Black or African American Population by Census Block Group



Source: U.S. Census Bureau American Community Survey 5-Year Estimates (2015 -2019)

2. Elderly Population

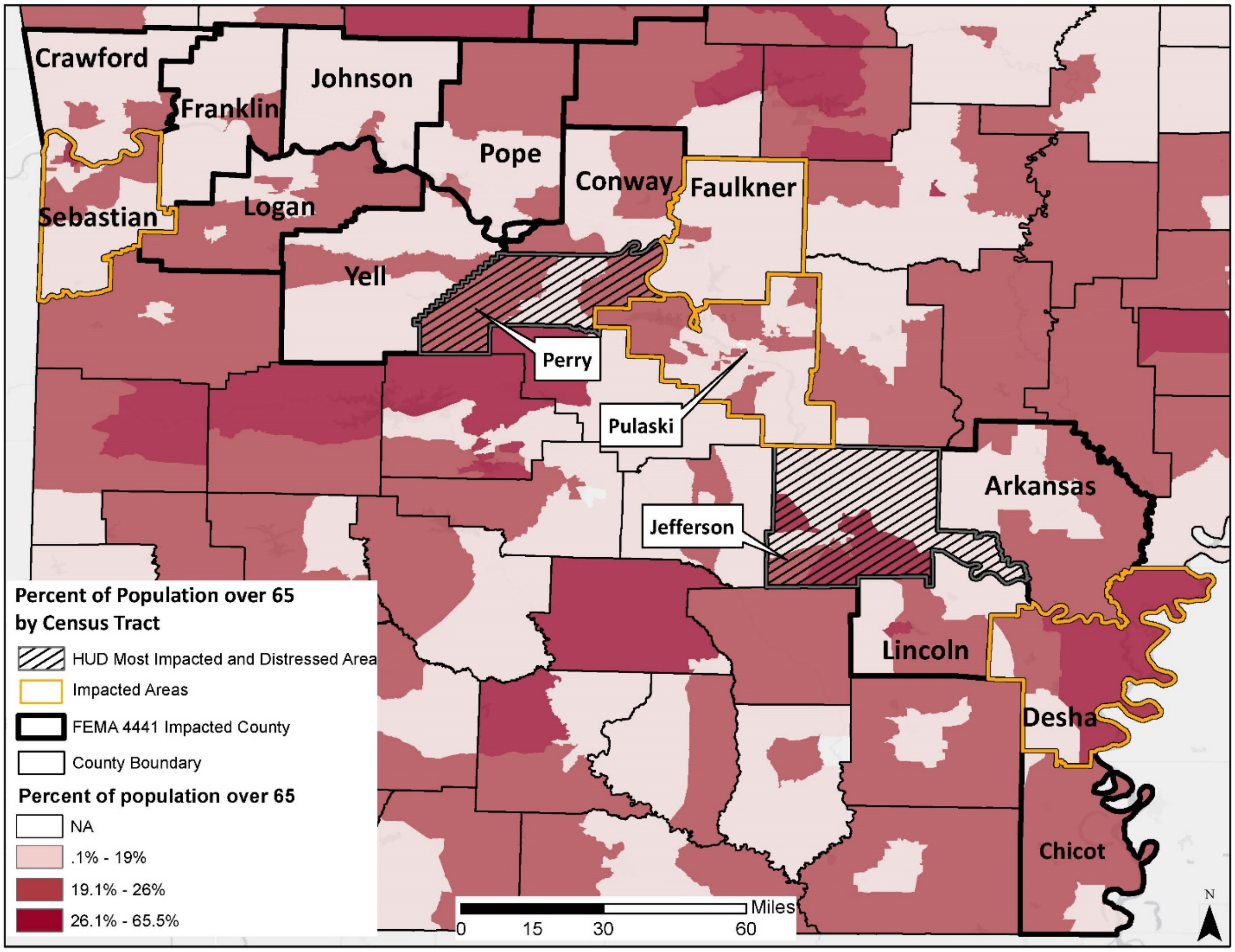
Table 11 provides estimates of elderly populations (65 years or older) within each of the DR-4441 impacted counties. Individuals 65 years or older constitute 15.6% of the total population across all DR-4441 impacted counties. Searcy County has the highest concentration of population over 65, comprising 25.3% of the population. However, all other counties have smaller elderly populations of less than 20% of their respective total populations. The size of elderly populations within the HUD-identified MID areas of Jefferson and Perry County slightly differ. Individuals over 65 years make up 16.8% of Jefferson County's total population. A slightly larger percent of Perry County's population, 19.9%, is comprised of elderly individuals. In Desha County 19% of the population is age 65 or over, while this figure is 16% in Sebastian County and 15% in Pulaski County. Of impacted counties, Faulkner County has the lowest percentage of the population age 65 or over at 12%.

Table 11: DR-4441 Population Demographics (Age 65 years And Over)

Impacted County	Population 65 Years and Over	Percent of Population 65 Years and Over
Arkansas County	3,405	19%
Chicot County	2,120	20%
Conway County	3,939	19%
Crawford County	10,276	16%
Desha County	2,187	19%
Faulkner County	15,058	12%
Franklin County	3,397	19%
Jefferson County	11,625	17%
Johnson County	4,285	16%
Lincoln County	2,030	15%
Logan County	4,284	20%
Perry County	2,062	20%
Pope County	9,732	15%
Pulaski County	58,959	15%
Searcy County	2,001	25%
Sebastian County	19,894	16%
Yell County	3,745	17%
Statewide	**498,778**	**17%**

Source: U.S. Census Bureau American Community Survey 5-Year Estimates (2015 -2019)

Figure 7: Percent Population Over Age 65 by Census Tract



Source: U.S. Census Bureau American Community Survey 5-Year Estimates (2015 -2019)

3. Population with Disabilities

The U.S. Census American Community Survey (ACS) collects data pertaining to six types of disabilities[15]:

- **Hearing difficulty**: deaf or having serious difficulty hearing (DEAR)
- **Vision difficulty**: blind or having serious difficulty seeing, even when wearing glasses (DEYE)

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[15] *U.S. Census Bureau. "How Disability Data are Collected from The American Community Survey". Retrieved at:* https://www.census.gov/topics/health/disability/guidance/data-collection-acs.html

- **Cognitive difficulty**: because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions (DREM)
- **Ambulatory difficulty**: having serious difficulty walking or climbing stairs (DPHY)
- **Self-care difficulty**: having difficulty bathing or dressing (DDRS)
- **Independent living**: difficulty because of a physical, mental, or emotional problem, having difficulty doing errands alone such as visiting a doctor's office or shopping (DOUT)

The table below represents the proportion of persons with disabilities within each DR-4441 impacted county. Noninstitutionalized persons with a disability constitute 17.2% of the total population of all impacted counties. Additionally, noninstitutionalized persons with a disability make up less than 25% of the total population within each respective impacted county. The HUD-identified MID area of Perry County has a relatively high percentage of noninstitutionalized individuals with a disability that constitute its total population (23.9%). The percentage of the total population with a disability in the HUD-identified MID area of Jefferson County is slightly lower, with 18% of the total population. In Desha and Sebastian Counties, 19% of the total population is comprised of noninstitutionalized individuals with a disability. In Faulkner and Pulaski Counties, this figure is 14.3% and 15.7%, respectively. Of all impacted counties, Faulkner has the lowest percentage of the population identifying as noninstitutionalized individuals with disabilities.

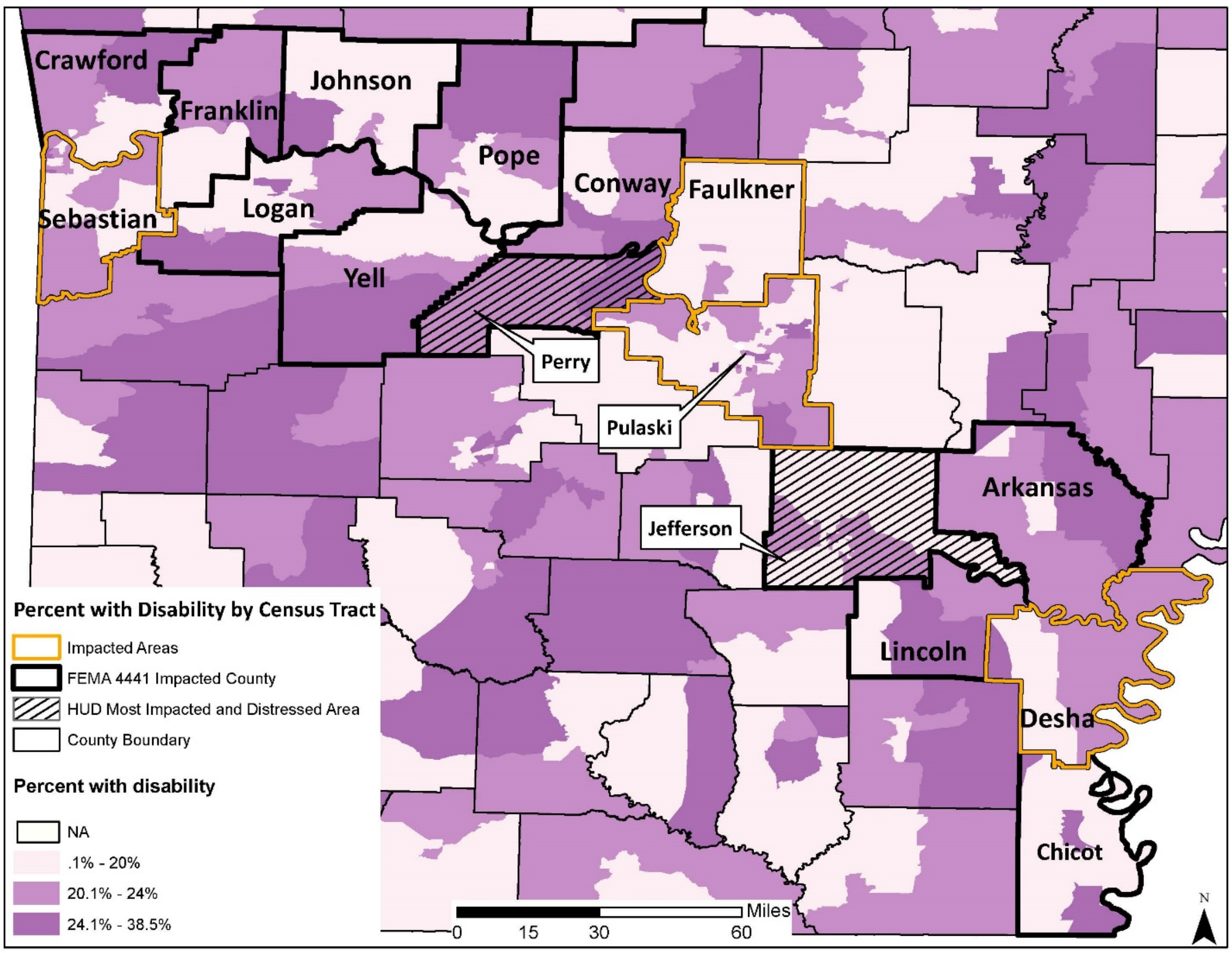
Table 12: DR-4441 Population Demographics (Noninstitutionalized Persons with a Disability)

Impacted County	Total Civilian Noninstitutionalized Population	Total Civilian Noninstitutionalized Population with a Disability	Percent of Total Noninstitutionalized Population with a Disability
Arkansas County	17,673	3,907	22.1%
Chicot County	9,939	2,538	25.5%
Conway County	20,767	4,784	23.0%
Crawford County	62,057	12,366	19.9%
Desha County	11,644	2,255	19.4%
Faulkner County	122,146	17,456	14.3%
Franklin County	17,449	3,973	22.8%
Jefferson County	6,4532	11,609	18%
Johnson County	26,188	5,290	20.2%
Lincoln County	8,363	1,764	21.1%
Logan County	21,420	4,721	22.0%
Perry County	10,248	2,450	23.9%
Pope County	63,168	11,172	17.7%

Pulaski County	386,447	60,864	15.7%
Searcy County	7,823	1,614	20.6%
Sebastian County	126,506	24,993	19.8%
Yell County	21,161	4,178	19.7%
Statewide	**2,945,234**	**510,910**	**17.3%**

Source: U.S. Census Bureau American Community Survey 5-Year Estimates (2015 -2019)

Figure 8: Percent of Total Noninstitutionalized Population with a Disability



Source: U.S. Census Bureau American Community Survey 5-Year Estimates (2015 -2019)

4. Population with Limited English Proficiency

The U.S. Census Bureau defines Limited English Proficiency (LEP) persons as individuals 5 years or older that self-identify as speaking English less than "Very Well".[16] LEP persons constitute 3.22% of the total population of all DR-4441 impacted counties. Less than 10% of each counties' respective population self-identify as LEP persons. Yell county has the highest percentage of a population comprised of LEP persons (8%). Of the HUD MID counties, only Jefferson county has a percent of the population that self-identify as LEP persons (2%). Of areas outside the HUD-identified MID which the State has identified as most impacted, the LEP rates are highest in Sebastian (7%) and Desha Counties (5%), followed by Pulaski (3%) and Faulkner (2%). For further information on LEP outreach, AEDC included its LEP outreach strategy as an Attachment to this Action Plan.

Table 13: DR-4441 Population Demographics (Limited English Proficiency Persons)

Impacted County	Estimate Speak English Less Than "Very Well"	Percent Speak English Less Than "Very Well"
Arkansas County, Arkansas	150	1%
Chicot County, Arkansas	201	2%
Conway County, Arkansas	261	1%
Crawford County, Arkansas	2,052	3%
Desha County, Arkansas	546	5%
Faulkner County, Arkansas	1,810	2%
Franklin County, Arkansas	8	0%
Jefferson County, Arkansas	984	2%
Johnson County, Arkansas	1,498	6%
Lincoln County, Arkansas	230	2%
Logan County, Arkansas	241	1%
Perry County, Arkansas	33	0%
Pope County, Arkansas	2,768	5%
Pulaski County, Arkansas	12,468	3%
Searcy County, Arkansas	25	0%
Sebastian County, Arkansas	7,927	7%
Yell County, Arkansas	1,602	8%
Statewide	**90,768**	**3.2%**

Source: U.S. Census Bureau American Community Survey 5-Year Estimates (2015 -2019)

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

E. Public and Affordable Housing Impact

1. Housing Availability, Tenure, Age and Cost

According to the 2018 American Community Survey, the total number of housing units in the State was 1,362,040 with 209,865 or 15% vacant units. Of the total housing units, 56% were owner-occupied, 29 percent were renter-occupied, and the remaining 15 percent were vacant. The median housing value in the State was $123,300, and the median contract rent was $540 in 2018. Of all housing units, 69.70 percent were categorized as single-family detached, 1.60 percent as single-family attached, 6.30 percent contained two to four units, 10.00 percent classified as multifamily, and 12.40 percent as a mobile home or other.

Approximately 25.6 percent of all housing units were built before 1961. About 10.2 percent of housing units were built between 1960 and 1969, 18.2 percent were built between 1970 and 1979, over 14.9 percent were built between 1980 and 1989, and 14.9 percent were built between 1980 and 1989. About 43.8 percent of the housing stock is more than 40 years old, built before 1980. These units may contain lead-based paint or likely need repairs and maintenance.

The homeownership rate among Whites was 71.7 percent, compared to 43.4 percent among Black or African Americans, and 50.2 percent among Hispanics.

Data contained in the Comprehensive Housing Affordability Strategy (CHAS) data compiled from American Communities Survey results from 2012 through 2016 indicates that the impact of housing costs on household incomes is very severe for low- and very low-income households in Arkansas. Data shows that 14 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and 2 percent of very low- income homeowner households pay more than 50 percent of their income on housing expenses. Further, about 17 percent more very low-income renters and about 5 percent more very-low-income homeowners pay between 30 and 50 percent of their incomes on housing expenses. Paying more than 30 percent on housing expenses is considered “Cost Burdened” and paying more than 50 percent on housing expenses is considered “Severely Cost Burdened” Looking at households earning between 31 percent and 50 percent of the median family income, 5 percent of low-income renters and 2 percent of low-income homeowners pay more than 50 percent on housing expenses. Also, 24 percent of renter households and 7 percent of homeowners are earning less than 30 percent of the median family income in Arkansas.

According to the 2018 ACS estimates, 21 percent of renter households with household incomes less than $20,000 paid more than 30 percent of their household income towards rent, 46 percent of the renter households that earned between $20,000 to $34,999, and 16 percent of the renter households that earned between $35,000 to $49,999 spent more than 30 percent of their households income towards rent during the 2018.

The ACS data also shows that 10.17 percent of owner households were 30 percent cost burden, and 6.79 percent of the owner households were 50 percent cost burden during the same period.

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

2. Impact on Public and Affordable Housing

To help assess the unmet needs for affordable and public housing, AEDC conducted public outreach and ongoing consultation with stakeholders. In March 2020, AEDC met with impacted jurisdictions, state agencies, and other stakeholders to assess unmet housing need. Between March 2020 and March 2021, AEDC consulted directly with the state's Continuums of Care (CoCs), public housing authorities (PHAs), and tribal entities regarding impact and unmet recovery need related to affordable and public housing. A summary of consultation and outreach is summarized in Appendices G and H. Following the public comment period for the draft Action Plan in August 2020, AEDC also held a public workshop aimed at collecting additional input from impacted citizens and community leaders.

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

AEDC will continue to engage with PHAs and CoCs to identify if there have been any additional housing units impacted by the 2019 disasters, particularly those affordable to low-income households or those occupied by Housing Choice Voucher holders. AEDC will continue to consult with PHAs, CoCs, and local jurisdictions regarding unmet housing need. To date, no specific information has been received indicating that rental housing units receiving subsidy through the Housing Choice Voucher program were damaged by the disaster. The state will continue to coordinate with impacted local governments and public housing authorities to evaluate the need for CDBG-DR funding to support affordable housing recovery and development. AEDC will continue to work directly with impacted PHAs to identify necessary and reasonable costs and to ensure that adequate funding from all available sources, including CDBG–DR, are dedicated to addressing the unmet needs of damaged public housing and housing occupied by low-income renters. In addition, should information relative to unmet housing need for vulnerable populations and members of protected classes associated with the 2019 disasters become apparent, the State is committed to allocating necessary and available resources consistent with all federal requirements and obligations.

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

3. Impact on People Experiencing Homelessness

In January of every year, a Point-in-Time (PIT) count is conducted to count the number of sheltered and unsheltered people experiencing homelessness nationwide. The count is conducted by CoCs which are regional planning bodies that coordinate housing and services for homeless families and individuals. As of January 2019, Arkansas had an estimated 2,717 people experiencing homelessness on any given day, as reported by the state's CoCs the annual PIT Count. The total PIT Count is a 3.9 percent decrease from the count identified in 2018, the year prior to the disasters covered by this Action Plan. Of that 2019 total PIT Count, 132 were family households, 238 were Veterans, 336 were unaccompanied young adults (aged 18-24), and 691 were individuals experiencing chronic homelessness.

Table 14: 2019 PIT Count, State of Arkansas (Pre-Disaster)

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

Total:	2,717

Source: HUD 2019 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations reports, available at: https://files.hudexchange.info/reports/published/CoC_PopSub_State_AR_2019.pdf

The following table provides an estimate of individuals and families experiencing homelessness. This data was gathered regarding persons experiencing homelessness prior to the disaster. As a result of the consultation with CoCs and other stakeholders indicated previously, AEDC has not received a separate count of homeless individuals or families residing in rural areas. Three of the State's six CoCs are considered largely rural, and two of the three submitted PIT Count data to HUD for 2019. While it is acknowledged that there are persons experiencing homelessness in rural areas of Arkansas, the data included below may not reflect the totality of homelessness in rural areas.

Table 15: State of Arkansas CoC Point-in-Time Count Estimates

Population	Sheltered	Unsheltered
Persons in Households with Adult(s) and Child(ren)	100	32
Persons in Households with Only Children	34	1
Persons in Households with Only Adults	907	1,241
Chronically Homeless Individuals	238	0
Chronically Homeless Families	6	0
Veterans	153	85
Unaccompanied Child	34	1
Persons with HIV	5	10

Source: HUD 2019 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations, available at: https://files.hudexchange.info/reports/published/CoC_PopSub_State_AR_2019.pdf

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

Table 16: PIT Count Data by Race/Ethnicity

Race	Sheltered	Unsheltered
White	789	862
Black or African American	431	471
Asian	3	1

Race	Sheltered	Unsheltered
American Indian or Alaska Native	26	10
Pacific Islander	8	16
Ethnicity	Sheltered	Unsheltered
Hispanic	29	31
Not Hispanic	1,273	1,384

Source: HUD 2019 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations, available at: https://files.hudexchange.info/reports/published/CoC_PopSub_State_AR_2019.pdf

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

However, according to Part 1 of the Annual Homelessness Assessment Report (AHAR) to Congress, compiled by HUD, Arkansas recorded a 13% decrease in homelessness in 2020 compared with the previous year based on the 2020 PIT Count.

Table 17: Change in Total Homelessness, Arkansas PIT Estimates 2019-2020

State	Change in Total Homelessness, 2019-2020
AR	-12.9%

Source: HUD 2007-2020 Point-in-Time Estimates by State, available at: https://www.hudexchange.info/resource/6291/2020-ahar-part-1-pit-estimates-of-homelessness-in-the-us/

The AHAR is a HUD report to the U.S. Congress that provides nationwide estimates of homelessness, including information about the demographic characteristics of homeless persons, service use patterns, and the capacity to house homeless persons. The report is based on Homeless Management Information Systems (HMIS) data about persons who experience homelessness during a 12-month period, point-in-time counts of people experiencing homelessness on one day in January, and data about the inventory of shelter and housing available in a community.

The report found 12,751 more people nationally experiencing homelessness in 2020 over 2019. According to the 2020 AHAR, however, the State of Arkansas had 2,366 people experiencing homelessness, 351, or

13%, fewer than were counted in 2019. According to a March 19, 2021 press release from HUD[17], however, the 2020 PIT counts of homelessness and the housing inventory information are based on data from January 2020 and do not reflect the health or economic consequences of the COVID-19 pandemic for levels of homelessness or the characteristic of people experiencing homelessness. Rates of first-time homelessness, as well as 2019 PIT Count data, indicate that there was a modest need for affordable housing, emergency, transitional housing, and/or homelessness prevention solutions to meet the needs of those experiencing homelessness prior to the 2019 disaster. The needs of those experiencing or at-risk of homelessness pre- and post-disaster will be taken into consideration through established scoring criteria as AEDC evaluates applicant projects for its CDBG-DR funded Multifamily Rental Recovery Program, which is aimed at leveraging CDBG-DR funding with Low Income Housing Tax Credits or other housing programs to support the development of affordable housing units in impacted counties. Please see Section 6, "Program Implementation & General Requirements," and Section 7, "Activities," for additional detail regarding how the State of Arkansas will specifically prioritize the needs of those experiencing or at-risk of homelessness through its CDBG-DR Program. For additional information regarding how the State of Arkansas is leveraging other funding sources in addition to CDBG-DR to meet the needs of those experiencing or at-risk of homelessness, please see Section 4(K)(2), "Leveraging Affordable Housing, Homelessness & Community Development Resources."

[17] *Accessed at https://www.hud.gov/press/press_releases_media_advisories/hud_no_21_041#:~:text=WASHINGTON%20%2D%20The%20U.S.%20Department%20of,or%202.2%20percent%2C%20from%202019.*

4. Impact and Unmet Needs Assessment

Through the Additional Supplemental Appropriations for Disaster Relief Act 2019[18], HUD allocated the State of Arkansas $8,940,000 million to address housing, infrastructure, and economic recovery unmet needs[19] and to support the long-term recovery efforts following the 2019 disasters[20]. Grantees, such as the State of Arkansas, that are awarded CDBG-DR funding after a major disaster declaration are provided an allocation of funding based on unmet needs as defined and calculated by HUD, using damage estimates reported by FEMA and the US Small Business Administration (SBA). Arkansas's $8,940,000 million allocation represents the aggregate of serious unmet housing needs in the most impacted and distressed areas, unmet business needs, and unmet infrastructure need as calculated by HUD. This section provides an update to HUD's unmet recovery needs calculation with current data.

A. Unmet Needs Assessment

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

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

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

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[18] *Per Public Law 116-20*

[19] *The unmet need is defined as the anticipated gap in estimated costs of damage and the federal assistance that can be met with local and state contributions and/or other sources*

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

Three core sectors define disaster recovery: infrastructure, housing, and economic revitalization. To understand the need, each sector is summarized, including defining aspects and pivotal areas to be addressed for a successful recovery effort. The sectors are each allotted a certain percentage of funding that may be spent on projects in their respective sector. Pursuant to the Prior Notices, each grantee receiving an allocation for a 2018 or 2019 disaster is required to primarily consider and address its unmet housing recovery needs. These grantees may, however, propose the use of funds for unmet economic revitalization and infrastructure needs unrelated to the grantee's unmet housing needs if the grantee demonstrates in its needs assessment that there is no remaining unmet housing need or that the remaining unmet housing need will be addressed by other sources of funds.

B. Calculating Unmet Needs

The following sections describe how HUD determines which areas represent the MID and how unmet infrastructure needs, serious unmet housing needs, and serious unmet economic revitalization needs are calculated by HUD. For disasters that meet the most impacted threshold described above, the unmet need allocations are based on the following factors summed together:

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

C. Housing Impact Assessment

DR-4441 led to significant impacts to housing across the State of Arkansas. This section examines the impacts to owner-occupied and rental housing across the state using available FEMA data.

FEMA Individual Assistance is the basis for establishing unmet recovery needs according to the Federal Register Notice. However, registration for FEMA IA is voluntary, and therefore limited to those with the means and resources to seek aid. Because it is not the entire damaged population it is only an approximation of the total damage. In total 1,858 households, renter and owner, applied for assistance. While the FEMA IA data only covers applicants, it does not show the full extent of the impacts to homeowners and renters across the state. The State of Arkansas will continue to refine the data on impacts as its available. HUD requires that CDBG-DR funding addresses housing unmet needs first; to address this, the State of Arkansas has proposed to address housing needs in several ways, which can be found in Section Seven. Using HUD's methodology for unmet recovery needs, detailed below, the state identified a total of over $51 million in damage to renter and owner households. For households that meet the HUD/FEMA definition of Major/Severe Damage, the state has identified an unmet housing need of nearly $8 million.

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

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

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

In addition to the qualitative data presented, the State conducted outreach to impacted local jurisdictions, service providers, and other organizations through a variety of email, phone, and in-person outreach strategies, but the data received was inconsistent. To ensure consistency, AEDC is using the methodology provided by HUD in the Federal Register Notice published on January 27, 2020[21] to calculate unmet needs. For further information on data collected from impacted local governments, refer to Appendix E and the Public Outreach section of the Action Plan.

1. Housing Impact Assessment Methodology

The following provides an overview of the HUD methodology for calculating housing impact.

FEMA IA claims and inspection data were used by AEDC to catalog the total damage. As a result of the DR-4441 Disaster, the State of Arkansas received a total of 1,858 applications for FEMA IA. Of the total applicants 23% were renter-occupied households, and 77% were owner-occupied households. In addition to the large number of applicants in the HUD-identified MIDs of Jefferson and Perry Counties, Pulaski, Sebastian, and Faulkner also had significant FEMA IA registrations.

a) Analysis of FEMA Inspection Data

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

[21] *Department of Housing and Urban Development, https://www.govinfo.gov/content/pkg/FR-2020-01-27/pdf/2020-01204.pdf*

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

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

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

To meet the statutory requirement of “most impacted” in this legislative language, homes are determined to have a high level of damage if they have damage of “major-low” or higher. That is, they have a FEMA inspected real property damage of $8,000 or above, personal property damage $3,500 or above, or flooding 1 foot or above on the first floor.

Furthermore, a homeowner with flooding outside the 100% floodplain is determined to have unmet needs if they reported damage and no flood insurance to cover that damage. For homeowners inside the 100% floodplain, homeowners without flood insurance with flood damage below the greater of national median or 120% of Area Median Income are determined to have unmet needs. For non-flood damage, homeowners without hazard insurance with incomes below the greater of national median or 120% of Area Median Income are included as having unmet needs.

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

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

- Severe: Greater than $7,500 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

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

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

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

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

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

2. Owner-Occupied and Rental Impact and FEMA Individual Assistance

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

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

There were 1,858 total FEMA IA registrations, who specifically registered as an owner or renter (does not include nonresponses). FEMA home repair assistance only covers costs to return an eligible applicant's home to a safe, sanitary, and secure condition, not a full recovery. Homeowners in Jefferson, Pulaski, Sebastian, and Faulkner Counties had the highest number of FEMA Verified Losses. Renters in Pulaski, Sebastian, and Jefferson Counties had the highest number of FEMA Verified Losses.

Table 18: Total FEMA IA, Renter and Owner

County	Owner	Renter	Total Applicants
Arkansas	19	3	22
Chicot	1	1	2
Conway	16	6	22
Crawford	40	16	56
Desha	48	11	59
Faulkner	186	32	218
Franklin	4	1	5
Jefferson	342	46	388
Johnson	3	-	3
Lincoln	18	2	20
Logan	24	4	28
Perry	121	27	148
Pope	14	7	21

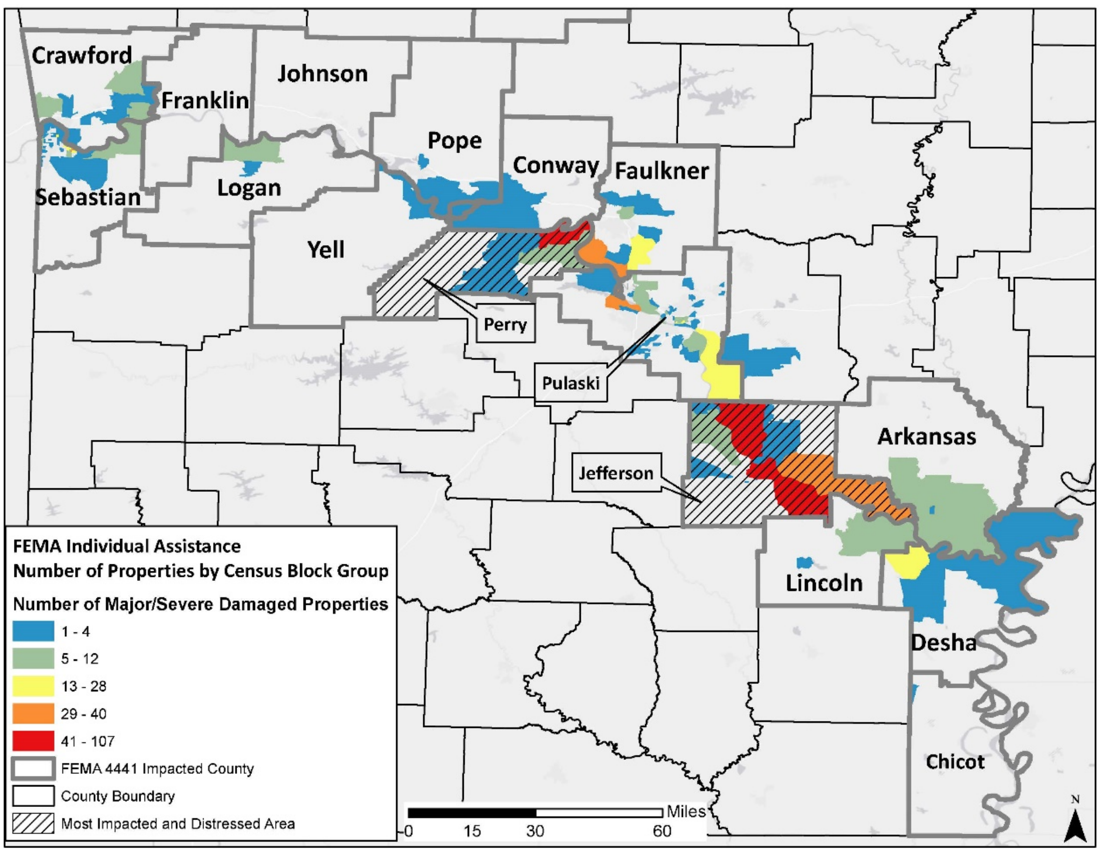
Pulaski	318	168	486
Sebastian	244	92	336
Yell	37	7	44
Grand Total	1,435	423	1,858

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

a) DR-4441 FEMA Individual Assistance Properties

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

Figure 9: FEMA Individual Assistance for Major/Severe Damaged



Source: FEMA Individual Assistance Program, 2020 Properties by Block Group

b) Impact on Renters

Renters are eligible to apply for assistance to help pay for monthly rental assistance and replace damaged or destroyed personal property. In total, there were 423 applications submitted by renters with only 104 (25%) approved to receive assistance. The average payment for rental assistance was $1,659. When compared to Arkansas's median monthly rental payment ($729)[22], 73 of the renters received amounts that account for less than two months of rent. A total of 49 rental applications received Other Needs Assistance, of amounts ranging from $203 to $8,175.

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

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

[22] *U.S. Census Bureau, Quick Facts, Population Estimates, July 1, 2019. Retrieved at https://www.census.gov/quickfacts/fact/table/AR/PST045219*

Table 19: FEMA IA Renters by Damage with Personal Property Damage Over $0

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

Source: U.S. Federal Emergency Management Agency (FEMA) Individual Assistance Program, December 2020.

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

Table 20: FEMA IA Renters by Damage with Personal Property Damage Over $0, Major/Severe Damage Only[23]

Impacted County	Major-High	Major-Low	Severe	Total – Major/Severe Only
Arkansas (County)				0
Chicot (County)			1	1

[23] *U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.*

Conway (County)			1	1
Crawford (County)	2		10	12
Desha (County)	1	1		2
Faulkner (County)	1	1	6	8
Franklin (County)			1	1
Jefferson (County)	7	4	13	24
Lincoln (County)			1	1
Logan (County)		1	3	4
Perry (County)	3	7	6	16
Pope (County)			2	2
Pulaski (County)	5	2	80	87
Sebastian (County)	4	4	38	46
Yell (County)			4	4
Grand Total	23	20	166	209

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

c) Impact on Owner-Occupied Households

The following table shows the number of owner-occupied homes with FEMA personal property damage over $0 by HUD's damage categories. Jefferson, Sebastian, and Pulaski Counties have the highest number of FEMA IA registrants, and a majority of the damaged households fall into the Major/Severe categories.

Table 21: FEMA IA Homeowners by Damage Category with Personal Property Damage Over $0

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

Sebastian (County)	3	3	3	49	123	181
Yell (County)	1			15	3	19
Grand Total	42	19	10	386	509	966

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

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

Table 22: FEMA IA Homeowners by Damage Category with Personal Property Damage Over $0, Major/Severe Only

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

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

3. Impact by Income

As described in the Community Profile and Overall Impact Section, HUD defines Low and Moderate Income (LMI) households making 80% of the Area Median Income (AMI) or below. Seventy percent of CDBG-DR funds must be spent to benefit LMI households. The table below shows the number of owner and renter applications, and the corresponding LMI% of each IA county.

Table 23: FEMA Owner-Occupied and Rental Unit Application Data

County	Total Owner	Total Rental	LMI % (less than 80%
Arkansas	19	3	40%
Conway	16	6	40%
Crawford	40	16	39%
Desha	48	11	51%
Faulkner	186	32	41%
Jefferson	341	46	41%
Lincoln	18	2	43%
Logan	24	4	42%
Perry	134	34	50%
Pope	13	7	40%
Pulaski	317	168	44%
Sebastian	243	92	43%
Yell	36	7	37%

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

However, to understand the variation of household income, the following table provides FEMA IA information on renters and owners for LMI (Under 80% AMI), Very Low-Income (Between 50% and 80% AMI), and Extremely Low-Income (Under 30% AMI).

Table 24: Owner Occupied Households, with Over $0 in FEMA Verified Loss, by Income Category

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

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

While 47% of impacted owner-occupied households are over the LMI income threshold (Over 80% AMI), the disaster heavily impacted Extremely Low-Income (ELI, Under 30% AMI) households and Very Low-Income households (ELI, between 30% and 50% AMI).

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

Table 25: Renter Occupied Households with Over $0 in FEMA Verified Loss by Income Category

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

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

Table 26: FEMA Applicant – Total Owner and Renter Income Breakdown by County

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

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

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

Table 27: Low Income Renter and Owner Characteristics

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

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

4. Impact by Housing Type, Income & Insurance Status

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

Table 28: Residence Type for Households with Unmet Needs by Income Level

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

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

Mobile homes are more at risk during disasters due to variation in construction types. The below tables outline the housing types reported on FEMA applications and then show the distribution of these housing types.

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

The table below also shows the self-reported status of insurance coverage of FEMA registered applicants, by housing type. While this does not show the full picture, nor provide payout data needed for the unmet needs calculation, it does provide information about the level of damage and number of residential households with insurance in the disaster impacted areas.

Approximately 37% of house/duplex owners lacked homeowners insurance, along with 72% of mobile home owners. For flood insurance, 93% of house/duplex owners lacked the coverage, along with nearly all mobile home owners.

Table 29: FEMA Applicants– Owner and Renter Housing Types Impacted and Insurance Status

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

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

a) Insurance Claims and Payments

AEDC requested address level information about claims and payouts from the Arkansas Insurance Department (AID) and FEMA, but as of the date of this publication the payout data has not been provided.

The Arkansas Insurance Department purpose, pursuant to Ark. Code Ann. § 23-61-101(c), is to serve and protect the public interest by the equitable enforcement of the state's laws and regulations affecting the insurance industry. The primary mission of the department shall be consumer protection through insurer solvency and market conduct regulation, and fraud prosecution and deterrence.[24]

On March 3, 2021, AEDC requested the following data from AID to further inform analysis of the needs of impacted communities and have a better understanding of financial resources that have been provided to date. As flood claims are federal, they reported that they did not have this level of data and have forwarded the request to FEMA. As the data of submission of this Action Plan, AEDC has not yet been provided with this data.

Data Request:

- Payments and claims
  - Number of payments resulting from claims
- Property conditions
  - Number of impacted single and multifamily properties
  - Number of owner-occupied properties and whether they are primary or secondary residences
  - Number of impacted rental units

AEDC will work with AID and ADEM to secure this information needed for CDBG-DR program implementation, and enter into any necessary Interservice or Interagency Agreements with which to gather this level of data for our duplication of benefits and data gathering efforts in the future.

5. Impact on Elderly Renters and Owners

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

Table 30: FEMA Individual Assistance Applicants Over Age 65

	Owner	Renter	Did Not Report	Grand Total
Arkansas (County)	7			7

[24] https://insurance.arkansas.gov/pages/about/

Chicot (County)	1			1
Conway (County)	8	1		9
Crawford (County)	7	1		8
Desha (County)	17	1		18
Faulkner (County)	72	5	2	79
Franklin (County)	1			1
Jefferson (County)	156	5	6	167
Lincoln (County)	4			4
Logan (County)	4	1		5
Perry (County)	44	1		45
Pope (County)	4	1		5
Pulaski (County)	132	20		152
Sebastian (County)	109	7	1	117
Yell (County)	13	2		15
Grand Total	579	45	9	633

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

6. Impact on Renters and Owners with Access and Functional Needs

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

Table 31: FEMA Individual Assistance with Access and Functional Needs

County	Owner	Renter	Did Not Report	Total
Arkansas (County)	1			1
Chicot (County)	1			1
Conway (County)	4	1	1	6
Crawford (County)	5	2	1	8
Desha (County)	7	3		10
Faulkner (County)	21	6	1	28
Franklin (County)	2			2
Jefferson (County)	55	6	1	62
Lincoln (County)	2	1		3
Logan (County)	2			2
Perry (County)	32	1		33
Pope (County)	1	3		4
Pulaski (County)	62	22		84

Sebastian (County)	37	12		49
Yell (County)	10	1		11
Total	242	58	4	304

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

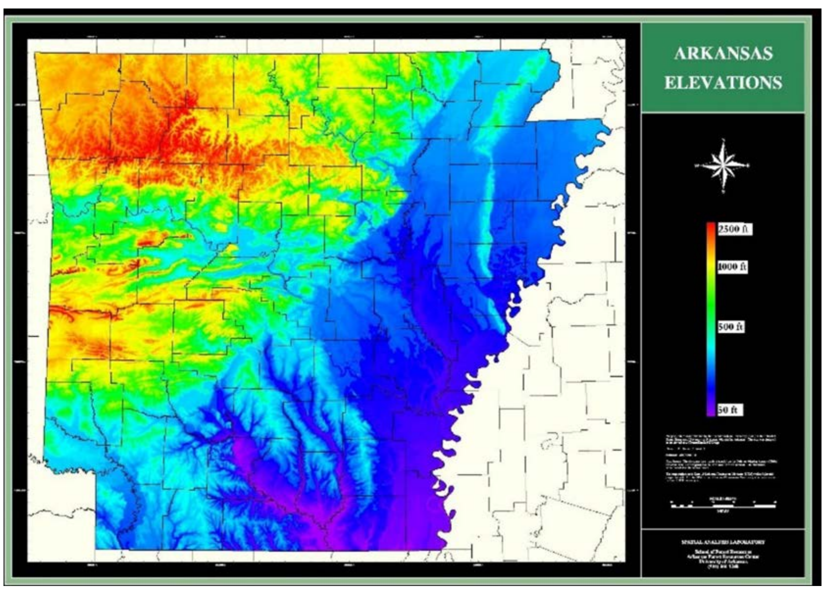
7. Hazard Impact and Flood Risk

The State of Arkansas All-Hazards Mitigation Plan[25] lists floods as one of the ten natural hazards that may affect the State of Arkansas, and floods can be generally classified under two categories:

- Flash Flood: The product of heavy, localized precipitation in a short time period over a given location
- Riverine Flood: Occurs when precipitation over a given river basin for a long period of time causes the overflow of rivers, streams, lakes and drains.

History indicates that flash floods in Arkansas are more typical of the Interior Highlands Region. This is due to its large number of smaller drainage basins and steep stream gradients when compared to the Gulf Coastal Plain Region. The following map details State of Arkansas elevations.

Figure 10: State of Arkansas Elevation

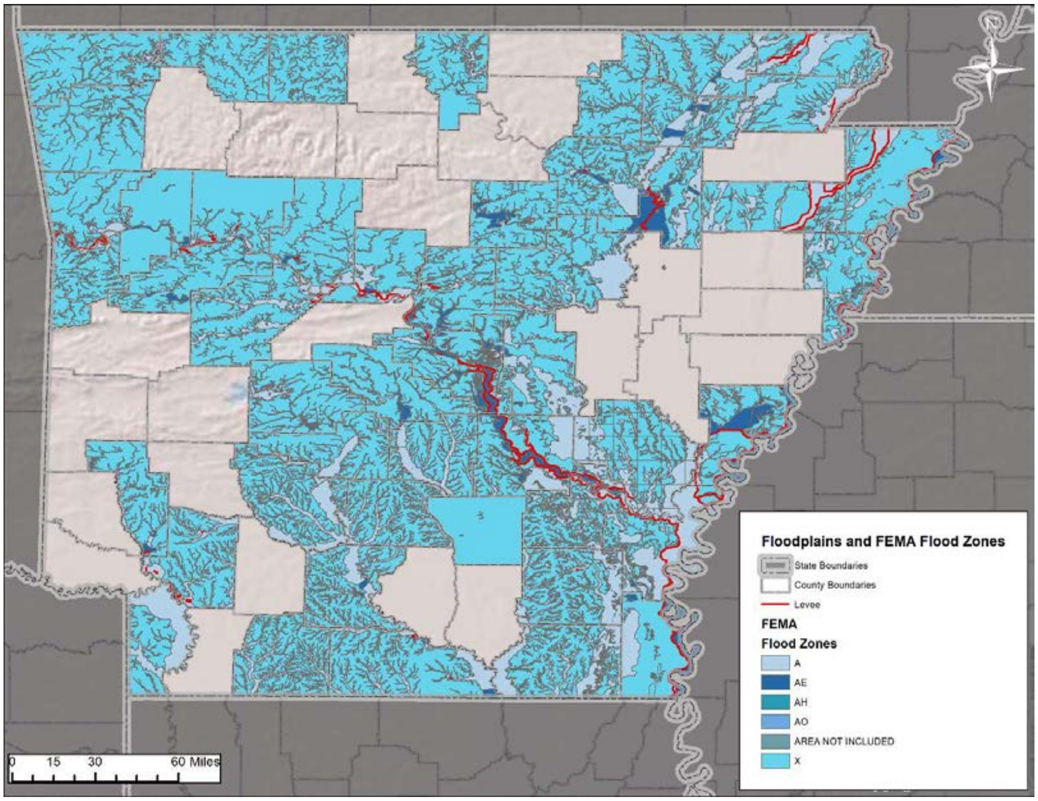


Source: State of Arkansas All-Hazards Mitigation Plan, September 2018

[25] *State of Arkansas All-Hazards Mitigation Plan, last updated September 2018, accessed at: https://www.dps.arkansas.gov/wp-content/uploads/2020/05/2018_Final_State_of_Arkansas_HMP.pdf*

The following maps from the FEMA Flood Map Service Center shows FEMA flood zones.

Figure 11: Floodplains and FEMA Flood Zones



Source: State of Arkansas All-Hazards Mitigation Plan, September 2018

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

Flood Zone Descriptions:[26]

- **Category A** - Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones
- **Category AE** - The base floodplain where base flood elevations are provided. AE Zones are now used on new format FIRMs instead of A1-A30 Zones.
- **Category AH** - Areas with a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-

[26] https://www.fema.gov/glossary/flood-zones

year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones

- **Category X** – An area of moderate or minimal flood hazard that is determined to be outside the Special Flood Hazard Area between the limits of the base flood and the .2 percent annual chance (or 500-year) flood)

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

Table 32: FEMA IA Flood Zones – For Properties with Over $0 in FEMA Verified Loss

	Flood Zone				
County	**A**	**AE**	**AH**	**X**	**Grand Total**
Arkansas (County)	17			2	19
Chicot (County)	1			1	2
Conway (County)	11	1		4	16
Crawford (County)	12	4		32	48
Desha (County)	45			6	51
Faulkner (County)	6	126		46	178
Franklin (County)				5	5
Jefferson (County)	3	268		78	349
Johnson (County)				3	3
Lincoln (County)	6			13	19
Logan (County)	3			25	28
Perry (County)[27]- Not Available					
Pope (County)	3	2		10	15
Pulaski (County)		140	57	159	356
Sebastian (County)	6	117		170	293
Yell (County)	5	2		27	34
Grand Total	118	660	57	581	1,416

Source: U.S. Federal Emergency Management Agency (FEMA), Individual Assistance Program, December 2020.

The following table summarizes flood event data for the State of Arkansas for the period 2013 through 2017, using available information from the National Climatic Data Center (NCDC).

[27] *As of March 2021, Perry County does not have a FEMA FIRM map on FEMA's National Flood Hazard Layer (NFHL) Viewer, https://hazards-fema.maps.arcgis.com/apps/webappviewer/index.html?id=8b0adb51996444d4879338b5529aa9cd*

Table 33: State of Arkansas Flood Data Summary

Data	Recorded
Number of Days with NCDC Reported Event (2013-	163
Average Events per Year	33
Number of Days with Event and Death or Injury:	4
Number of Days with Event and Property Damage:	60
Total Reported NCDC Property Damage (2013-2017)	$29,858,000
Average Property Damage per Year	$5,971,600
Number of Days with Event and Crop Damage	16
Total Reported NCDC Crop Damage (2013-2017)	$63,960,000
Average Crop Damage per Year	$12,792,000

Source: NCDC, 2013-2017

The following table summarizes flash flood event data for the State of Arkansas for the period 2013 through 2017.

Table 34: State of Arkansas Flash Flood Data Summary

Data	Recorded Impact
Number of Days with NCDC Reported Event (2013-2017)	154
Average Events per Year	31
Number of Days with Event and Death or Injury:	6
Number of Days with Event and Property Damage	82
Total Reported NCDC Property Damage (2013-2017)	$50,254,000
Average Property Damage per Year	$10,050,800
Number of Days with Event and Crop Damage:	2
Total Reported NCDC Crop Damage (2013-2017)	$875,000
Average Crop Damage per Year	$175,000

Source: NCDC, 2013-2017

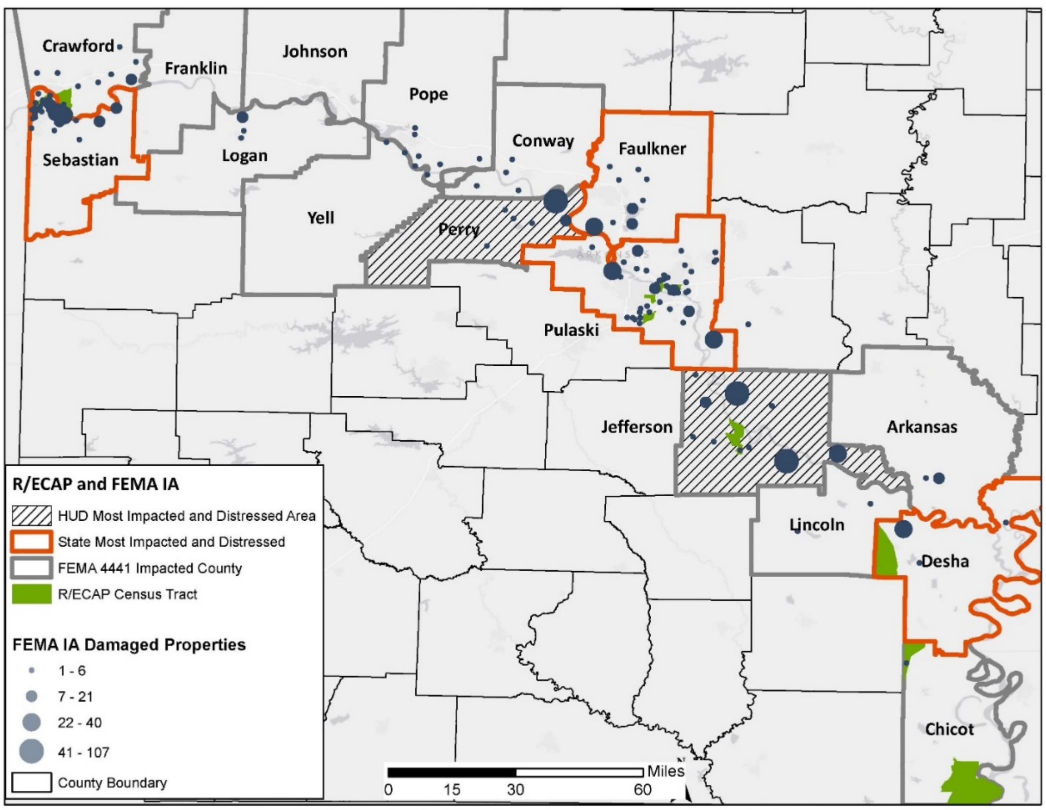
According to the data from NCDC, Arkansas experiences an average of over 187 flood events, $16,022,400 in property losses, $12,967,000 in crop damages, and two flood-related deaths or injuries each year. In addition, Arkansas has had 20 Presidentially Declared Disasters relating to flooding (and other causes) resulting in $213,928,100 obligated dollars in the last 15 years. This represents an average of 1.3 declared flood disaster annually.

D. Impact on Racially and Ethnically Concentrated Areas of Poverty

The poverty rate in Arkansas is 16.2 percent[28]. Three times the poverty is 48.6 percent, so 40 percent is the poverty threshold for the Racially and Ethnically Concentrated Areas of Poverty (R/ECAP) criteria for the State. R/ECAP areas are defined as census tracts in which the non-white population is greater than 50% and 40% or more of the population is in poverty OR where the poverty rate is greater than three times the average poverty rate in the area.[29] In addition to poverty, racial and ethnic concentrations, and segregation, resulting from low incomes and historic disinvestment, often have historic housing stock and aging infrastructure.

Figures 12, 13, and 14 below illustrate R/ECAPs within DR-4441 impacted counties. R/ECAP areas are present within six DR-4441 impacted counties: Chicot, Crawford, Desha, Jefferson, Pulaski, and Sebastian Counties. Additionally, Jefferson county is designated as a HUD MID area under DR-4441. One of the six areas is a HUD-identified MID, while three of the six are areas are outside of a HUD-designated MID but the State has noted are most impacted and distressed: Desha, Pulaski, and Sebastian Counties.

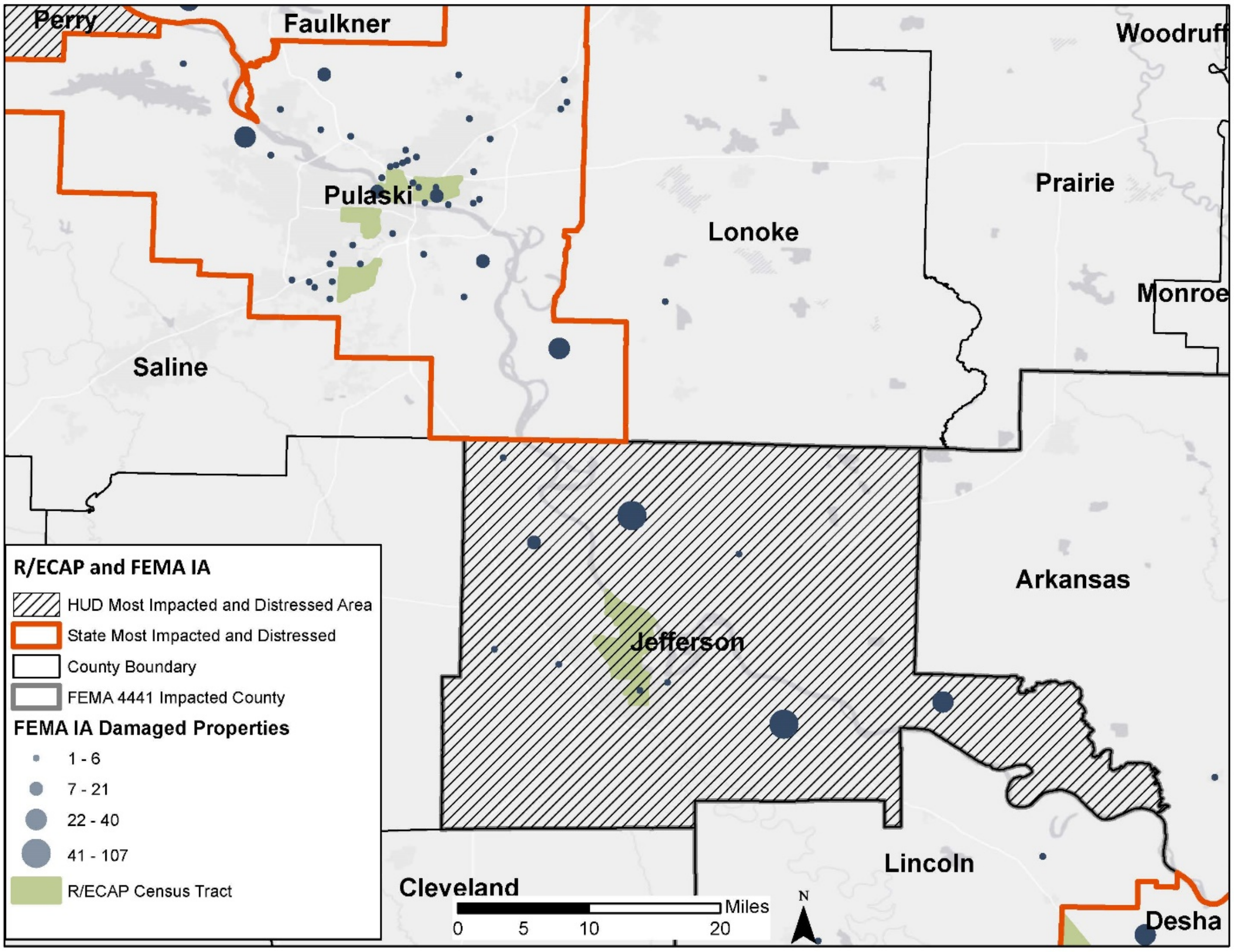
Figure 12: DR-4441 Racially and Ethnically Concentrated Areas of Poverty (R/ECAP)



[28] Source: 2019 American Community Survey (ACS), 1-year estimates, accessed at: https://www.census.gov/quickfacts/AR
[29] *Policy Map. Joshua Davidson. 2016. Retrieved at: https://www.policymap.com/2016/12/affirmatively-furthering-fair-housing/*

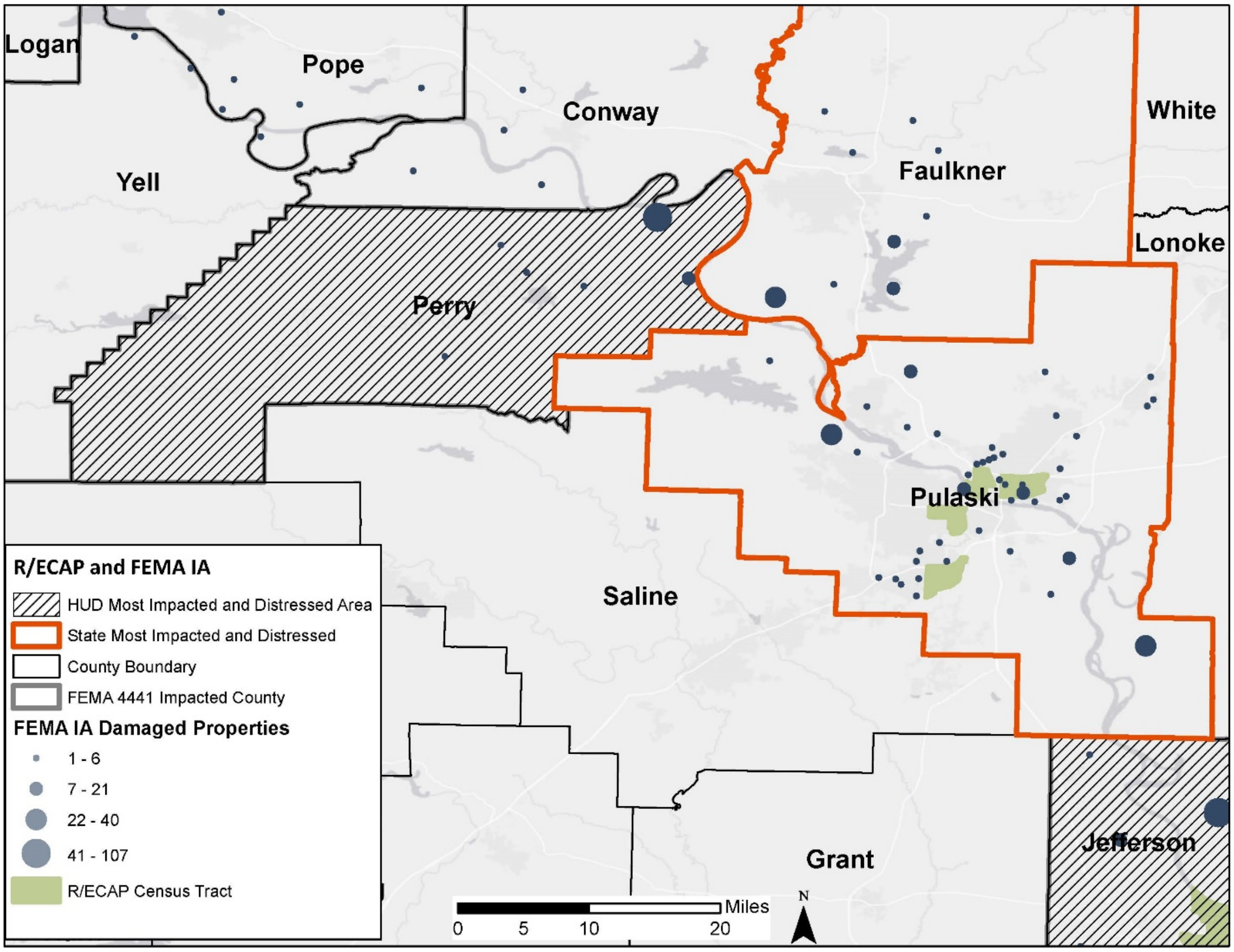
Source: U.S. Census Bureau 2020, Department of Housing and Urban Development, 2020

Figure 13: DR-4441 Racially and Ethnically Concentrated Areas of Poverty (R/ECAP)



Source: U.S. Census Bureau 2020, Department of Housing and Urban Development, 2020

Figure 14: DR-4441 Racially and Ethnically Concentrated Areas of Poverty (R/ECAP)



Source: U.S. Census Bureau 2020, Department of Housing and Urban Development, 2020

E. Analysis of Housing Unmet Need

1. Housing Unmet Recovery Needs

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

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

Table 35: Serious Unmet Housing Need Multipliers[30]

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

Source: U.S. Department of Housing and Urban Development (HUD), December 2020.

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

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

The following table uses the HUD damage multipliers to show the impacts of DR-4441 on owner-occupied and renter-occupied households. The owner-occupied properties use the personal property damage of $3,500 or above, and the renter-occupied properties use personal property damage over $2,000. In total, there is over $51 million in damage to owner and renter occupied housing. This number only captures FEMA IA registrants and does not include a full scope of the disaster.

Table 36: DR-4441 Impacts by Damage Multipliers for Impacted Area

HUD Damage Category	Count – Owner-Occupied	Calculation – HUD Multiplier	Count – Renter-Occupied	Calculation – HUD Multiplier	Total Damage
Major-Low	44	$1,162,964	40	$1,057,240	$2,220,204

[30] *U.S. Federal Emergency Management Agency (FEMA), U.S. Small Business Administration (SBA), 2019.*

Major-High	72	$2,721,888	23	$869,492	$3,591,380
Severe	559	$35,263,956	166	$10,471,944	$45,735,900
Total	675	$39,148,808	229	$12,398,676	$51,547,484

Source: U.S. Department of Housing and Urban Development (HUD), December 2020.

FEMA IA provides one method of calculating unmet housing recovery needs for both renter and owner-occupied households impacted by DR-4441. Table 36 provides an overview of the renter and owner-occupied FEMA IA registrants that meet HUD's definition of most impacted and distressed, meeting the Major-Low, Major-High, or Severe damage categories. The Unmet Needs Category is taken from FEMA IA data for each household, showing the total unmet recovery needs for households that fall into these damage categories.

To guide its unmet needs analysis, the state followed HUD's methodology as outlined in the January 2020 Federal Register Notice[31], Appendix A of amalgamating multiple sources to capture unmet needs data across all sectors of recovery. Resources for the housing sector included FEMA and SBA data.

The data collected in the FEMA registrations was sorted by those owners with uninsured real property verified loss, and then by income level to determine the low- and moderate-income persons. Following HUD's process, units were separated into categories of Major Low Need Value, Major High Need Value, and Severe Need Value. Each of those categories is based upon a value range of reported real property verified loss (for homeowners). Each category is also assigned a multiplier to account for the estimated cost it would take to rehabilitate or reconstruct the home.

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

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

2. Small Business Administration (SBA) Funds – Housing

[31] *Department of Housing and Urban Development, https://www.govinfo.gov/content/pkg/FR-2020-01-27/pdf/2020-01204.pdf*

Post-disaster, the U.S. Small Business Administration (SBA) provides subsidized low-interest disaster loans to homeowners and renters. SBA loans can be used to repair or replace real estate and personal property impacted by the storm.

Table 37: SBA Disaster Statistics (Issued/Received/Loans Approved) for AR #15982 as of 03/13/2020

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

Source: U.S. Small Business Administration, Disaster Assistance Program, March 2020.

3. Arkansas Disaster Recovery Housing Assistance Loan Program

In addition to the two federal data sources outlined above, the Arkansas Development Finance Authority (ADFA) developed the Arkansas Disaster Recovery Housing Assistance Loan Program for primary households located in a presidentially declared or gubernatorial-declared disaster area resulting from the 2019 natural disasters. Eligible homeowners could receive up to $30,000 for repair and rehabilitation on disaster-impacted households. The loans were 0 percent over 10 years, and ADFA ran the program in both 2019 and 2020.[32] In 2019, the program received a total of 25 applications totaling $309,049 in loans requested. Of the applications, 8 were approved for a total of $239,768 in assistance. 2020 applications are still in process, but

[32] Arkansas Development Finance Authority, 2019. Retrieved from:*https://adfa.arkansas.gov/media/file/2019_Arkansas_Flood_Disaster_Recovery_checklist_Info_Sheet_Edit_for_2020_DRHALP_06.12.20.pdf*

79 applications for assistance were received, the table below provides an overview of the applicants by impacted county (additional loans from non-impacted county were requested in 2019 and 2020).

Table 38: ADFA 2019-2020 Disaster Recovery Loan (Requested/Approved), Impacted Counties Eligible for IA

County	# of Loans Requested	Amount Requested	Total Approved Loan Amount
Arkansas	2	$0	$0
Faulkner	1	$12,250	$12,250
Jefferson	17	69,350	$0
Lincoln	4	$0	$0
Logan	1	$0	$0
Perry	1	$0	$0
Pulaski	9	$60,000	$60,000
Sebastian	6	$160,075	$137,517
Totals:	**41**	**$301,675**	**$209,767**

Source: ADFA Report, DRHALP2019 Applications Issued and Received, Received 1/19/2021

The State financial assistance under this program includes: Housing Repair/Rehabilitation Assistance. Individuals whose primary home was damaged by the 2019 disaster were able to receive financial assistance not to exceed $30,000 for the necessary and reasonable cost of eligible repair expenses for a disaster-affected home determined feasible for rehabilitation.

Assistance under this program was provided as a repayable loan, amortized over a 10-year period with a 0% interest rate. The first year of loan repayments could deferred upon request by the borrower and ADFA approval.

- Interest Rate: 0 percent (0%)
- Term: 10 Years / 120 Months (First year can be deferred)

If the home is located in a presidentially declared disaster area, the homeowner was required to register with FEMA and provide ADFA with the FEMA award/denial letter to be considered for eligibility under this program. Other criteria included: Owner-occupied at the time of the natural disaster; residency at the time of the natural disaster; and, damage to the home caused by the natural disaster. Disaster Recovery Housing Assistance Loan Program related forms may be found at https://adfa.arkansas.gov/files/.

Although participation in the disaster loan recovery program was limited in 2019 and the 2020 loans are not finalized, the State of Arkansas has included the $209,767 in its unmet needs analysis (see Table 61). As the State's CDBG-DR program moves to program design and implementation, this funding and any other similar funding will be considered in the state's duplication of benefits analysis for all CDBG-DR programs.

F. Most Impacted and Distressed Areas (MIDs)

In accordance with the Federal Register Notice[33] HUD identified two zip codes as most impacted and distressed for this Action Plan, 71602 (Jefferson County) and 72016 (Perry County). The FRN notes that

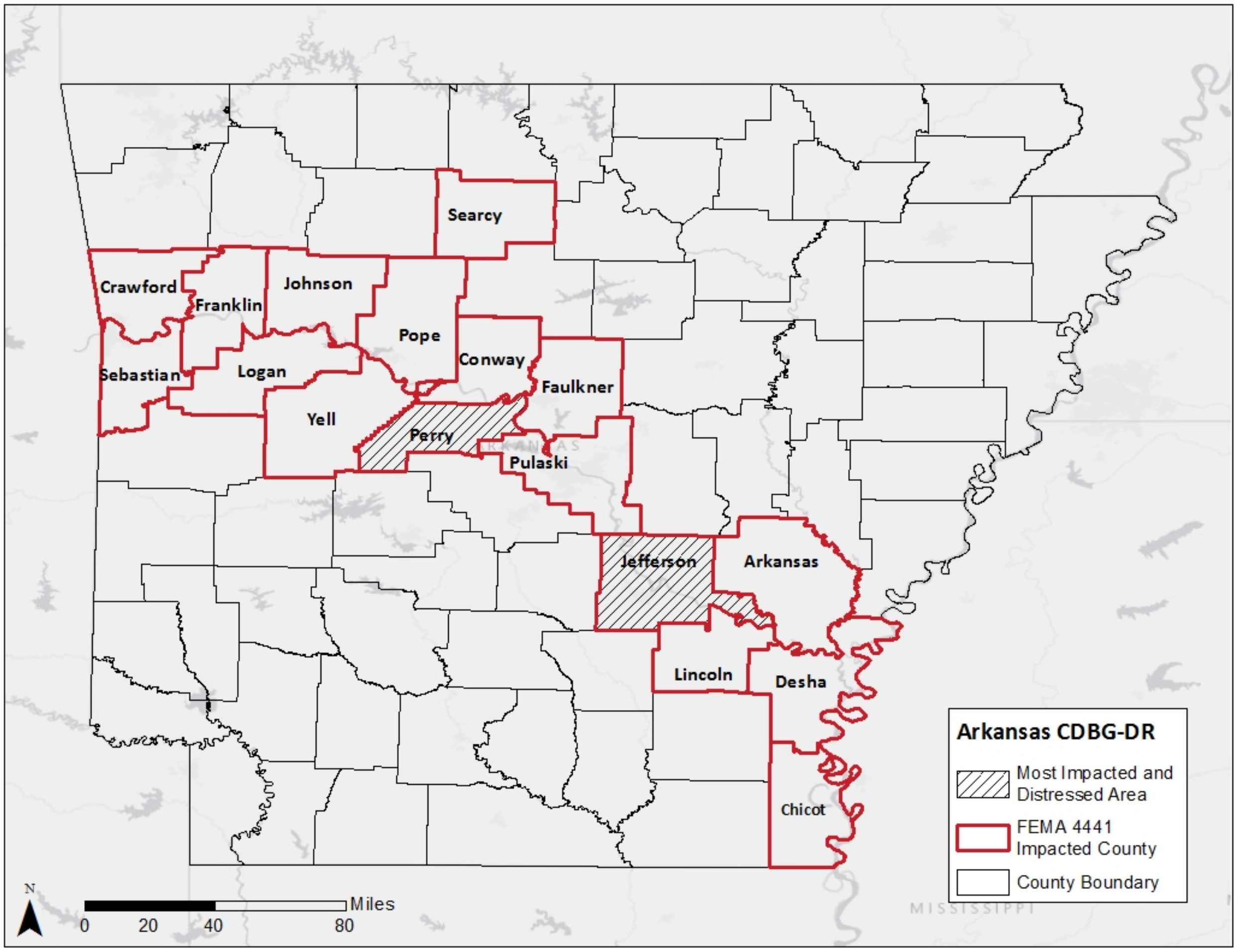
> "if HUD designates a ZIP Code for 2018 and 2019 disasters as a most impacted and distressed area for purposes of allocating funds, the grantee may expand program operations to the whole county is indicated in parentheses next to the ZIP Code as a most impacted and distressed area. The grantee should indicate the decision to expand eligibility to the whole county in its action plan."

Based on the impacts of the disaster, the State of Arkansas accepts this guidance from HUD and expands its HUD identified MID areas to include all of Jefferson and Perry Counties. At least 80 percent, $7,152,000, of the total funds, $8,940,000, must address unmet disaster needs within the HUD identified MID.

The following map highlights the HUD MID areas of DR-4441: Jefferson County and Perry County. Jefferson County has a population of 69,282, accounting for roughly 7% of the total population for all counties impacted by the disaster. The population of Perry County is 10,355 and constitutes roughly 1% of the total population of all counties impacted by DR-4441. The combined population of both HUD MID counties account for 7.8% of the total population of impacted counties. The counties highlighted in red are the Presidentially Declared Disaster counties included in the FEMA DR-4441 disaster declaration and the two shaded counties, Jefferson and Perry are the HUD Most Impacted and Distressed Areas.

[33] *85 Fed. Reg. 18 (January 27, 2020)*

Figure 15: Most Impacted and Distressed Areas [34]



Source: U.S. Census Bureau, U.S. Department of Housing and Urban Affairs, (HUD), Federal Emergency Management Agency (FEMA). 2019

In addition to the two HUD identified MID counties, the FRN notes that a grantee "may determine where to use the remaining 20 percent of the allocation…to address unmet disaster areas that the grantee determines are 'most impacted and distressed' and received a presidential major disaster declaration." Counties included in the DR-4441 disaster declaration include the following Counties: Arkansas, Conway, Crawford, Desha, Faulkner, Jefferson, Logan, Perry, Pope, Pulaski, Sebastian, and Yell. While each of these Counties meet the definition of a grantee-identified MID area, due to limited funding, the State of Arkansas identified

[34] *U.S. Census Bureau, U.S. Department of Housing and Urban Affairs, (HUD), Federal Emergency Management Agency (FEMA). 2019*

the following Counties as most impacted and distressed due to disaster damage: Faulkner, Sebastian, Desha, and Pulaski.

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

1. State-identified MIDs

The extent of the DR-4441 disaster, which includes 17 Counties in the Presidential Disaster Declaration (PDD), and the limited CDBG-DR allocation requires the State of Arkansas to target its limited resources. In an effort to ensure that the State is able to address the serious unmet needs from the disaster across the disaster impacted geography, due to limited CDBG-DR resources the State of Arkansas will prioritize four counties within the 17 county PDD area with the highest amount of damage form DR-4441. While at least 80 percent, $7,152,000, of CDBG-DR funding, $8,940,000, will be spent in HUD-identified MID areas (Jefferson and Perry), up to 20 percent, $1,788,000, will be spent in Faulkner, Sebastian, Desha, and Pulaski Counties. If more funding becomes available, or program needs shift, the state may expand the area to spend the remaining 20 percent of CDBG-DR funding outside of these four counties to the remaining PDD Counties.

This section provides an overview of the unmet needs data which supports the State's identification of Faulkner, Sebastian, Desha, and Pulaski Counties to spend up to 20 percent of its CDBG-DR allocation, with the other 80 percent to be spent in Jefferson and Perry Counties.

The extent of the disaster is widespread throughout the State and to ensure that the State is able to address the serious unmet needs, especially the serious housing needs, directing no more than 20 percent of the State's CDBG-DR allocation to Faulkner, Sebastian, Desha, and Pulaski Counties will assist the State with meeting HUD's LMI targets for unmet housing needs. The areas impacted by the disaster in Desha County include Low and Moderate Income block Groups and R/ECAP areas. Faulkner County also includes LMI areas that were severely impacted by the disaster.

a) Housing Unmet Need in MID Areas

The following tables provide an overview of the owner and renter occupied FEMA IA registrants under 80% Area Median Income that fall into HUD's major/severe damage categories, using the Serious Unmet Housing Need Multipliers from Table 35.

Table 39: FEMA IA Owner Occupied Registrants with Major/Severe Damage, 80% AMI and Under

Owner Occupied FEMA IA Registrations	HUD MID	State MID	Major-High Damage	Major-High Total	Major-Low Damage	Major-Low Total	Severe Damage	Severe Total	Total Major-Severe	Total Major-Severe Amount
Arkansas			1	$37,804		$0	3	$189,252	4	$227,056
Conway			1	$37,804		$0	2	$126,168	3	$163,972
Crawford				$0	1	$26,431	4	$252,336	5	$278,767
Desha		√	2	$75,608	2	$52,862	16	$1,009,344	20	$1,137,814
Faulkner		√	6	$226,824	7	$185,017	10	$630,840	23	$1,042,681
Franklin				$0		$0		$0	0	$0
Jefferson	√		13	$491,452	4	$105,724	75	$4,731,300	92	$5,328,476
Johnson				$0		$0		$0	0	$0
Lincoln				$0		$0	2	$126,168	2	$126,168
Logan				$0		$0	5	$315,420	5	$315,420
Perry	√		4	$151,216		$0	37	$2,334,108	41	$2,485,324
Pope				$0		$0	1	$63,084	1	$63,084
Pulaski		√	4	$151,216	1	$26,431	8	$504,672	13	$682,319
Sebastian		√		$0		$0	6	$378,504	6	$378,504
Yell			1	$37,804		$0	2	$126,168	3	$163,972
Grand Total			32	$1,209,728	15	$396,465	171	$10,787,364	218	$12,393,557

Source: FEMA Individual Assistance, 80% AMI and Under

Table 40: FEMA IA Renter Occupied Registrants with Major/Severe Damage, 80% AMI and Under

Renter Occupied FEMA IA Registrants	HUD MID	State MID	Major-High Damage	Major-High Total	Major-Low Damage	Major-Low Total	Severe Damage	Severe Total	Total Major-Severe Damage	Total Major-Severe Amount
Chicot				$0		$0	1	$63,084	1	$63,084
Conway				$0		$0	1	$63,084	1	$63,084
Crawford			1	$37,804		$0	8	$504,672	9	$542,476
Desha		√	1	$37,804	1	$26,431		$0	2	$64,235
Faulkner		√	1	$37,804		$0	4	$252,336	5	$290,140
Franklin				$0		$0	1	$63,084	1	$63,084
Jefferson	√		6	$226,824	2	$52,862	9	$567,756	17	$847,442
Lincoln				$0		$0	1	$63,084	1	$63,084
Logan				$0		$0	3	$189,252	3	$189,252
Perry	√		2	$75,608	5	$132,155	2	$126,168	9	$333,931
Pope				$0		$0	2	$126,168	2	$126,168
Pulaski		√	5	$189,020	1	$26,431	69	$4,352,796	75	$4,568,247
Sebastian		√	2	$75,608	3	$79,293	24	$1,514,016	29	$1,668,917
Yell				$0		$0	3	$189,252	3	$189,252
Grand Total			18	$680,472	12	$317,172	128	$8,074,752	158	$9,072,396

Source: FEMA Individual Assistance

The below table summarizes the above information for each of the HUD- and State-identified MIDs, using data from Tables 39 and 40, including the Serious Unmet Housing Multipliers from Table 35. In the Table below, Owners and Renters are defined as:

- Owners – Low and Moderate Income owner-occupied (under 80% AMI), with unmet recovery needs, without homeowner insurance, Major/Severe damage

- Renters – Low Income renter-occupied (under 80% AMI), with unmet recovery needs, Major/Severe Damage

Table 41: FEMA IA - Owner and Renter Unmet Recovery Need, HUD- and State-Identified MIDs

Designation	County	LMI, Unmet Need, Without Insurance **Owners**	LMI, Unmet Need **Renters**	Total
HUD-identified MID	Jefferson	$5,328,476	$801,950	$6,130,426
	Perry	$2,485,324	$126,168	$2,611,492
State-identified MID	Desha	$1,137,814	$64,235	$1,202,049
	Faulkner	$1,042,681	$278,767	$1,321,448
	Pulaski	$682,319	$4,522,755	$5,205,074
	Sebastian	$378,504	$1,680,290	$2,058,794

b) Infrastructure Unmet Need in HUD and State MIDs

The following table provides a summary of the current unmet recovery needs for the DR-4441 impacted areas. The following data is aggregated from project level information provided in December 2020 by FEMA and ADEM.

Table 42: Infrastructure Unmet Needs by Impacted County

County	HUD MID	State MID	A	B	C	D	E	F	G	Grand Total
Conway			$1,603	$82,991	$103,833	$1,355				$189,782
Crawford			$13,994	$74,765	$199,029		$1,038	$73,359	$17,604	$379,788
Desha		√	$25,196	$9,067	$231,114					$265,378
Faulkner		√	$75,833	$143,987	$0	$0	$0	$222,486	$1,645	$443,950
Franklin				$4,419	$206,316			$23,082	$4,158	$237,975
Jefferson	√		$15,180	$27,531	$34,512	$56,712	$27,248	$77,688	$310,539	$549,409
Logan				$26,447	$31,997					$58,444
Perry	√		$12,294	$31,452	$461,001			$37,157		$541,904
Pulaski		√	$1,809,152	$860,900	$114,086	$501,975	$53,312	$2,467,546	$549,124	$6,356,095
Searcy					$235,187					$235,187
Sebastian		√	$90,879	$30,934	$54,608	$24,482	$1,225,688	$136,418	$67,587	$1,630,596
Yell			$21,740	$70,632	$111,346	$3,279		$26,161	$89,326	$322,483
Total			$2,065,870	$1,363,125	$1,783,029	$587,802	$1,307,285	$3,063,897	$1,039,982	$11,210,991

Source: U.S. Federal Emergency Management Agency (FEMA) Public Assistance Data; December 2020

Table 43: FEMA PA by HUD- and State-identified MIDs

FEMA PA Category	HUD-identified MID		State-identified MID			
	Jefferson	Perry	Pulaski	Sebastian	Desha	Faulkner
A	$15,180	$12,294	$1,809,152	$90,879	$25,196	$75,833
B	$27,531	$31,452	$860,900	$30,934	$9,067	$143,987
C	$34,512	$461,001	$114,086	$54,608	$231,114	
D	$56,712		$501,975	$24,482		
E	$27,248		$53,312	$1,225,688		
F	$77,688	$37,157	$2,467,546	$136,418		$222,486
G	$310,539		$549,124	$67,587		$1,645
Total	$549,409	$541,904	$6,356,095	$1,630,596	$265,378	$443,950

c) Business Unmet Needs in Proposed MID Areas

- Total Verified Loss includes a total of Verified Real Estate Loss and Verified Content Loss
- Total Approved Loan Amount included Approved Real Estate and Content Loss
- Unmet Need is the Total Verified Loss minus the Total Approved Loan Amounts

Table 44: SBA Business Loans by County

Impacted County	HUD MID	State MID	Total Verified Loss	Total Approved Loan Amount	Unmet Need
Arkansas			$123,669	$0	$123,669

Conway			$65,442	$0	$65,442
Crawford			$184,844	$0	$184,844
Desha		√	$443,740	$0	$443,740
Faulkner		√	$240,338	$0	$240,338
Jefferson	√		$1,294,407	$25,000	$1,269,407
Lincoln			$109,583	$0	$109,583
Logan				$0	$0
Perry	√		$320,652	$255,900	$64,752
Pope			$352,175	$183,000	$169,175
Pulaski		√	$822,204	$126,600	$695,604
Sebastian		√	$1,217,141	$327,000	$890,141
Yell				$0	$0
Grand Total			$5,174,194	$917,500	$4,256,694

Source: U.S. Small Business Administration, Disaster Assistance Program, March 2020.

Table 45: SBA Business Loans for Proposed MID Counties

Designation	County	Total Verified Loss	Total Approved Loan Amount	Unmet Need
HUD-identified MID	Jefferson	$1,294,407	$25,000	$1,269,407
	Perry	$320,652	$255,900	$64,752

State-identified MID	Desha	$443,740	$0	$443,740
	Faulkner	$240,338	$0	$240,338
	Pulaski	$822,204	$126,600	$695,604
	Sebastian	$1,217,141	$327,000	$890,141

d) Unmet Need Summary – State-Identified Most Impacted and Distressed Counties

- **Housing** – This includes unmet housing needs for renter and owner-occupied households with verified losses over $0. Renters include Low and Moderate Income (80% AMI) with Major/Severe damage. Owner-occupied households include Low and Moderate Income households with Major/Severe Damage and no homeowner insurance.
- **Infrastructure** – The infrastructure unmet need represents the non-federal share amount for all infrastructure categories.
- **Economic** – The amount below shows the business unmet needs using SBA Business Loans, taking the Total Verified Loss minus the Total Approved Loan Amount.

Table 46: Unmet Needs Summary for HUD- and State-Identified MIDs

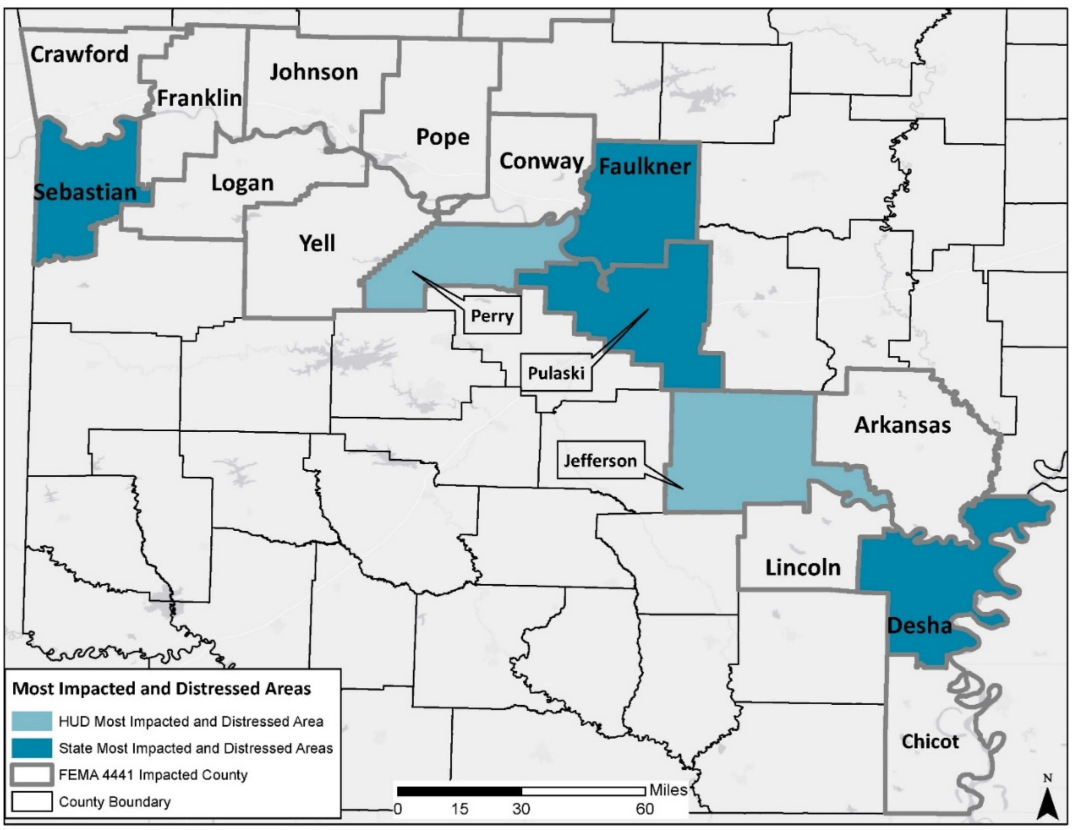
Designation	County	Housing	Infrastructure	Economic	Total
HUD-identified MID	Jefferson	$6,130,426	$549,409	$1,269,407	$7,949,242
	Perry	$2,611,492	$541,904	$64,752	$3,218,148
State-identified MID	Desha	$1,202,049	$265,378	$443,740	$1,911,167
	Faulkner	$1,321,448	$443,950	$240,338	$2,005,736
	Pulaski	$5,205,074	$6,356,095	$695,604	$12,256,773
	Sebastian	$2,058,794	$1,630,596	$890,141	$4,579,530

2. HUD- and State-Identified MIDs

Table 47: HUD- and State-Identified Most Impacted and Distressed Area Designation

HUD-Identified Most Impacted and Distressed Counties – at least 80 percent, $7,152,000, of CDBG-DR Funds	State-Identified Most Impacted and Distressed Counties – Up to 20 percent of CDBG-DR Funds
• Jefferson County • Perry County	• Pulaski County • Sebastian County • Desha County • Faulkner County

Figure 16: DR-4441 Most Impacted and Distressed (MID) Areas Map



Source: U.S. Census Bureau, U.S. Department of Housing and Urban Development (HUD), Federal Emergency Management Agency (FEMA) 2019

3. Public and Affordable Housing Unmet Needs

To help assess the unmet needs for affordable and public housing, AEDC conducted public outreach and ongoing consultation with stakeholders. In March 2020, AEDC met with impacted jurisdictions, state agencies, and other stakeholders to assess unmet housing need. Between March 2020 and March 2021, AEDC consulted directly with the state's Continuums of Care (CoCs), public housing authorities (PHAs), and tribal entities regarding impact and unmet recovery need related to affordable and public housing. A summary of consultation and outreach is summarized in Appendices G and H. Following the public comment period for the draft Action Plan in August 2020, AEDC also held a public workshop aimed at collecting additional input from impacted citizens and community leaders.

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

AEDC is currently unaware of any damage to public housing units, transitional housing, or emergency shelters. There were no FEMA Public Assistance Claims related to Public Housing in the FEMA PA application and claims information provided by ADEM.

AEDC will continue to engage with PHAs and CoCs to identify if there have been any additional housing units impacted by the 2019 disasters, particularly those affordable to low-income households or those occupied by Housing Choice Voucher holders. AEDC will continue to consult with PHAs, CoCs, and local jurisdictions regarding unmet housing need. To date, no specific information has been received indicating that rental housing units receiving subsidy through the Housing Choice Voucher program were damaged by the disaster. The state will continue to coordinate with impacted local governments and public housing authorities to evaluate the need for CDBG-DR funding to support affordable housing recovery and development. AEDC will continue to work directly with impacted PHAs to identify necessary and reasonable costs and to ensure that adequate funding from all available sources, including CDBG–DR, are dedicated to addressing the unmet needs of damaged public housing and housing occupied by low-income renters. In addition, should information relative to unmet housing need for vulnerable populations and members of protected classes associated with the 2019 disasters become apparent, the State is committed to allocating necessary and available resources consistent with all federal requirements and obligations.

Section 4 discusses the immediate response after the disaster, including temporary housing assistance and emergency shelter. There was adequate capacity in the emergency shelters to meet the temporary housing need. It does not appear that the floods resulted in any permanent homelessness, and AEDC will work to prevent any homelessness resulting in CDBG-DR activities through the provision of replacement rental housing or housing relocation assistance.

4. Public Services

The primary focus of CDBG-DR funds is to address the unmet housing recovery need. However, CDBG-DR funds may be used to fund public services which complement the housing need. Public services include activities which provide a benefit to employment, health, drug abuse, education, fair housing counseling, energy conservation, and certain welfare activities. These services are to be made accessible to individuals having wide-ranging disabilities including mobility, sensory, developmental, emotional, and other impairments.

AEDC will conduct outreach to HUD approved housing counseling agencies, organizations supporting disaster impacted areas, and legal aid providers in the HUD and State MIDs to discuss coordination of referrals for such services during the development of the program guidelines for each housing activity. AEDC will continue coordinating with agency partners in housing programs that serve vulnerable populations to ensure referrals for assistance are made. Section 7, Activities, describes how AEDC will require subrecipient applicants to demonstrate their process for making referrals for housing counseling and/or legal aid services (as public services) in conjunction with housing programs. AEDC will monitor subrecipients to ensure that they have a clear outreach plan and/or marketing plan that includes a referral process for all CDBG-DR funded activities.

G. Analysis of Infrastructure Unmet Need

The preliminary damage assessment as of October 30, 2019, lists estimated public assistance costs at $7,979,536, and total funds requested for PA projects to repair infrastructure facilities is currently valued at more than $50 million,[35] but the number is thought to be significantly higher, as data on flood control works is not currently available. FEMA defines flood control works as structures, such as levees, flood walls, flood control channels, and water control, that are designed and constructed to have an appreciable effect in preventing damage due to an irregular and unusual rise in water levels.[36] State and local governments moved quickly after the disasters to repair roads and other public infrastructure; however, rebuilding and mitigating for future events is an ongoing effort. Infrastructure remains a critical component in unmet needs and, due to a lack of centralized data and data that may not exist, the full extent of the damage to these systems is still unknown.

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

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[35] *$50 million is the total sum of PA projects reported to AEDC by ADEM*

[36] *FEMA Fact Sheet: Public Assistance. Retrieved at: https://www.fema.gov/media-library-data/1579196182575-ca576e176a344d81c01557191d2337ac/PA_Fact_Sheet_Flood_Control_Works_2017_508.pdf*

Additionally, survey results from public outreach conducted by the AEDC, in collaboration with partners from Planning and Development Districts, relay high levels of damage to public and commercial infrastructure. Disaster recovery gap assessments of the “Appendix E: Valuation tool for Prioritizing Needs by Sector, Funding, and Capacity” were submitted to the AEDC by five counties: Arkansas, Chicot, Desha, Jefferson, and Perry county, and several other counties responded to this outreach with alternative documentation, including Lincoln County who provided road damage estimates, described again in Appendix E.

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

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

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

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

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

Table 48: FEMA PA Totals by Category[37]

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

[37] *U.S. Federal Emergency Management Agency (FEMA) Public Assistance Data; December 2020.*

Source: U.S. Federal Emergency Management Agency (FEMA) Public Assistance Data; December 2020.

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

Table 49: Breakdown by PA Categories[38]

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

Source: U.S. Federal Emergency Management Agency (FEMA) Public Assistance Data; December 2020.

1. Infrastructure Unmet Needs

DR-4441 caused extensive damage to infrastructure across the 17 counties impacted by the disasters. As of February 2021, the disaster resulted in over $31 million in damage to infrastructure, and the current unmet infrastructure need exceeds $7.4 million. Section Eight provides additional information about the State's proposed CDBG-DR programs, but with limited CDBG-DR resources available, the State proposes limiting infrastructure programs to projects that directly address or support unmet housing needs.

To calculate unmet infrastructure need, the State of Arkansas examined three primary sources:

- FEMA Public Assistance (FEMA PA) – provides immediate assistance to impacted governments for emergency work and permanent work on infrastructure and community facilities.
    - Category A - Debris Removal
    - Category B – Emergency Protective Measures
    - Category C – Roads and Bridges
    - Category D – Water Control Facilities

[38] *U.S. Federal Emergency Management Agency (FEMA) Public Assistance Data; December 2020.*

- Category E – Public Buildings and Contents
    - Category F - Public Utilities
    - Category G – Parks, Recreational, and Other Facilities
- FEMA Hazard Mitigation Grant Program (HMGP) – this FEMA program serve to reduce the risk of loss of life and property after a major disaster. Each activities includes a 25 percent non-federal cost share.
- FEMA Flood Mitigation Assistance (FMA) – a competitive grant program can reduce or eliminate the risk of repetitive flood damage to buildings insured by the National Flood Insurance Program.

The following table provides a summary of the current unmet recovery needs for the DR-4441 impacted areas. The following data is aggregated from project level information provided in December 2020 by FEMA and ADEM.

Table 50: Infrastructure Unmet Needs by County

County	A	B	C	D	E	F	G	Grand Total
Conway	$1,603	$82,991	$103,833	$1,355				$189,782
Crawford	$13,994	$74,765	$199,029		$1,038	$73,359	$17,604	$379,788
Desha	$25,196	$9,067	$231,114					$265,378
Faulkner	$75,833	$143,987	$0	$0	$0	$222,486	$1,645	$443,950
Franklin		$4,419	$206,316			$23,082	$4,158	$237,975
Jefferson	$15,180	$27,531	$34,512	$56,712	$27,248	$77,688	$310,539	$549,409
Logan		$26,447	$31,997					$58,444
Perry	$12,294	$31,452	$461,001			$37,157		$541,904
Pulaski	$1,809,152	$860,900	$114,086	$501,975	$53,312	$2,467,546	$549,124	$6,356,095
Searcy			$235,187					$235,187
Sebastian	$90,879	$30,934	$54,608	$24,482	$1,225,688	$136,418	$67,587	$1,630,596
Yell	$21,740	$70,632	$111,346	$3,279		$26,161	$89,326	$322,483
Total	$2,065,870	$1,363,125	$1,783,029	$587,802	$1,307,285	$3,063,897	$1,039,982	$11,210,991

Source: U.S. Federal Emergency Management Agency (FEMA) Public Assistance Data; December 2020

In the table below, the total project amount provides the estimate, per FEMA PA category, for repairing infrastructure impacted by the disaster. The Federal Share column notes the federal cost share for each FEMA PA category, and the Estimated Local Share column notes the total non-federal cost share needed for the State of Arkansas to address infrastructure unmet recovery needs due to DR-4441.

Table 51: Unmet Need by FEMA PA Category[39]

PA Category	Total Project Amount	Federal Share	Estimated Local Share
A	$7,931,971.28	$5,963,237.10	$1,968,734.18

[39] *U.S. Federal Emergency Management Agency (FEMA) Public Assistance Data; December 2020.*

B	$5,193,495.51	$3,895,121.64	$1,298,373.88
C	$5,108,487.36	$3,831,365.52	$1,277,121.84
D	$477,738.62	$358,303.97	$119,434.66
E	$478,076.83	$358,557.62	$119,519.21
F	$1,369,588.94	$1,027,191.71	$342,397.24
G	$2,244,514.97	$1,683,386.23	$561,128.74
Z	$115,538.14	$115,538.14	$0.00
Total	$22,919,411.65	$17,232,701.92	$5,686,709.73

Source: U.S. Federal Emergency Management Agency (FEMA) Public Assistance Data; December 2020.

The summary table includes damage (total project amount from above), anticipated funding (federal share), and total unmet needs using the FEMA data above. This includes data for all counties impacted by DR-4441.

Table 52: Total Infrastructure Unmet Needs in Impacted Counties

Funding Source	Damage	Anticipated Funding	Total Unmet Need
FEMA Public Assistance[40]	$22,919,412	$17,232,702	$5,686,710
Total Infrastructure	**$22,919,412**	**$17,232,702**	**$5,686,710**

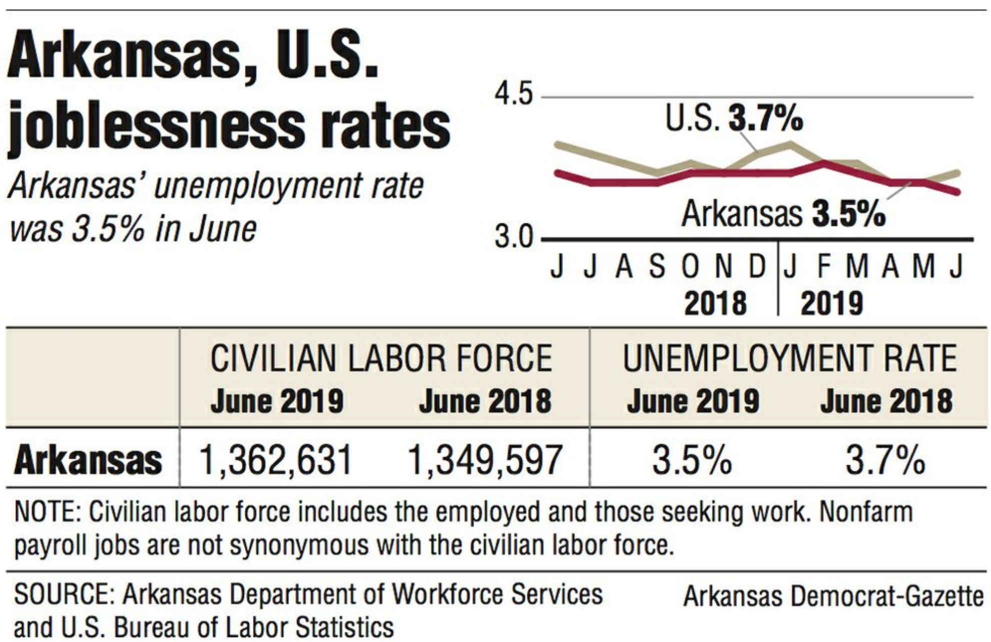
Source: U.S. Federal Emergency Management Agency (FEMA) Public Assistance Program, Hazard Mitigation Grant Program, Flood Mitigation Assistance Program, 2019.

[40] *Ibid.*

H. Economic Impacts and Unmet Needs

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

The 2019 floods struck the State at a time of economic strength. Arkansas’s unemployment rate dropped to 3.5% in June 2019, setting a record low as the number of Arkansans working continued to increase.


Arkansas, U.S. joblessness rates

Arkansas’ unemployment rate was 3.5% in June

	CIVILIAN LABOR FORCE		UNEMPLOYMENT RATE	
	June 2019	June 2018	June 2019	June 2018
Arkansas	1,362,631	1,349,597	3.5%	3.7%

NOTE: Civilian labor force includes the employed and those seeking work. Nonfarm payroll jobs are not synonymous with the civilian labor force.

SOURCE: Arkansas Department of Workforce Services and U.S. Bureau of Labor Statistics

Arkansas Democrat-Gazette

The flooding in 2019 does not appear to have caused any affect to the unemployment rate in any impacted county.

Table 53: Unemployment Rate in Impacted Counties, 2019

County	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	% Change May 2019 to Dec. 2019

Arkansas	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	0%
Chicot	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	0%
Conway	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	0%
Crawford	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	0%
Desha	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	0%
Faulkner	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	0%
Franklin	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	0%
Jefferson	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	0%
Johnson	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	0%
Lincoln	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	0%
Logan	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	0%
Perry	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	0%
Pope	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	0%
Pulaski	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	0%
Searcy	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	0%
Sebastian	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	0%
Yell	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	0%

Source: U.S. Bureau of Labor Statistics, U.S. Census Bureau, accessed via News.Press., accessed 2/10/2021 at *https://data.news-press.com/unemployment/arkansas/ST0500000000000/*

While the outreach to local governments did not yield significant data on economic losses, the combination of the disasters and impact of COVID-19 have left businesses with significant challenges. According to Small Business Administration data, which only includes businesses that applied for assistance, businesses in DR-4441 impacted counties had a Total Verified Loss (including Real Estate and Verified Content Losses) of over $5 million, of that amount impacted businesses have a remaining unmet recovery need of over $4 million. Due to limited CDBG-DR funding available, and HUD's requirement to prioritize housing and housing related recovery.

The Small Business Administration (SBA) makes low-cost disaster loans available to qualified small businesses. The SBA defines small business as a "business with a maximum of between 250 and 1,500 employees, depending upon the industry. They're privately owned corporations, partnerships, or sole proprietorships that have less revenue than larger businesses."[41] According to the SBA's business and economic injury loss data, 66 businesses across the state applied for SBA business loans after the 2019 disasters. Among the 66, seven of these applications came from businesses within the HUD MID of

[41] *Small Business Administration, 2020. Size Standards. Retrieved at https://www.sba.gov/federal-contracting/contracting-guide/size-standards*

Jefferson and Perry Counties. Of the total businesses that applied for SBA assistance, nine businesses were approved for SBA loans across five impacted counties, totaling $917,500.

Impacted counties offered additional insight into the business sectors and activities impacted by DR-4441, as well as the extent of damage. According to information collected from AECD's implementation of the Appendix E: Valuation Tool offered by HUD, representatives for Perry and Arkansas Counties reported experiencing high levels of damage in their respective farming and fishing sectors. Perry County also experienced high levels of damage to its retail sector and identified substantial need for repairs to commercial establishments. Jefferson County also identified some level of damage to its farming and fishing sectors, and some level of assistance required to engage in economic revitalization efforts. Outreach to impacted counties, including with regarding unmet economic need related to the 2019 disasters, is detailed in Appendix F. Additional information regarding unmet economic need may be reported through AEDC's continued outreach to local jurisdictions and impacted counties.

According to Small Business Administration (SBA) data, which only includes businesses that applied for assistance, businesses in DR-4441 impacted counties had a Total Verified Loss (including Real Estate and Verified Content Losses) of over $5 million. Of that $5 million in Total Verified Loss in impacted counties, impacted businesses have a remaining unmet recovery need of over $4 million according to SBA data. The following table shows SBA data from March 2020.

Table 54: SBA Disaster Statistics (Issued/Received/Loans Approved) for AR #15982 as of 03/13/2020[42]

County	Total Verified Loss	Total Approved Loan Amount	Unmet Need
Arkansas	$123,669	$0	$123,669
Conway	$65,442	$0	$65,442
Crawford	$184,844	$0	$184,844
Desha	$443,740	$0	$443,740
Faulkner	$240,338	$0	$240,338
Jefferson	$1,294,407	$25,000	$1,269,407
Le Flore		$0	$0
Lincoln	$109,583	$0	$109,583

[42] *U.S. Small Business Administration, Disaster Assistance Program, March 2020.*

Logan		$0	$0
Perry	$320,652	$255,900	$64,752
Pope	$352,175	$183,000	$169,175
Pulaski	$822,204	$126,600	$695,604
Sebastian	$1,217,141	$327,000	$890,141
Yell		$0	$0
Grand Total	$5,174,194	$917,500	$4,256,694

Source: U.S. Small Business Administration, Disaster Assistance Program, March 2020.

I. Summary of Unmet Needs

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

Housing – The totals are taken from the most recent FEMA IA data, with Total Impact as a total of FEMA Verified Loss for renters and homeowners. The total unmet needs includes the amount of funding not currently covered by FEMA or other resources.

Infrastructure – The infrastructure totals include FEMA Public Assistance, Hazard Mitigation Grant Program, and Flood Mitigation Assistance. The total impact includes total applications for each program, total resources note the federal share for DR-4441 projects, and the unmet need includes the local share needed to complete the projects.

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

Table 55: Summary of Unmet Recovery Needs

Source: Federal Emergency Management Agency (FEMA) Public Assistance, Hazard Mitigation Grant Program, and Flood Mitigation Assistance Program, U.S. Small Business Administration Program, 2019.

J. Planning Needs

Some demand may exist for resiliency/mitigation investments, which could be specifically addressed via CDBG-DR Planning activities, however, due to the availability of other state funds being made available for this purpose, limited CDBG-DR funds are not being prioritized for disaster resiliency planning.

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

ADEM is responsible for coordinating the development of local mitigation plans by providing grant funding, technical assistance, and review. Limited staff as well as funding restrictions cause challenges in local mitigation plan development. There is a high demand for local mitigation plans, but funding is usually contingent upon a grant, which could cause the plan to lapse.

ADEM is actively working at standardizing the methodology for all local mitigation plans. Currently, jurisdictions use different methodologies and data sets to determine risks and vulnerabilities. This creates a challenge in integrating plans into the HMP as data has to be translated to fit one planning standard.

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

K. Resiliency Needs Assessment

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

1. Cost of Resiliency Measures

To understand the cost of incorporating mitigation and resiliency measures to protect against future hazards, AEDC assumes a standard 15 percent resiliency multiplier for its unmet housing, infrastructure, and economic need. The costs will vary by proposed activity, project type, and by the type of disaster or hazard to be addressed. The 15 percent multiplier adds to the total unmet needs calculation identified by the State, but due to limited CDBG-DR dollars available, instead of adding the 15 percent to the unmet needs amount, the State addresses incorporating resiliency measures into the State's proposed CDBG-DR housing and infrastructure programs detailed in Section Seven.

2. Housing Resilience Needs

To prepare repaired or reconstructed homes for the impacts of Climate Change, it is necessary to apply green building construction or rehabilitation techniques to disaster impacted homeowners or renters. The increased cost to build or rehabilitate single or multi-family residential structures to a green building standard is considered an unmet need for the housing recovery in Arkansas.

In its early stages, green building techniques were thought to cost a significant premium over traditional building techniques. A 2017 study performed by Dodge Data & Analytics in coordination with the National Association of Home Builders asked homebuilders and remodelers what the additional cost of implementing green building techniques was. The result of the survey was that 49 percent of builders and 44 percent of remodelers believed that green construction methods cost 5–10 percent more than traditional building methods in a single- family home. When asked the same question for a multi-family structure, 36 percent of builders and remodelers answered that costs increased 5–10 percent and another

29 percent answered that it only added 1–4 percent to the total cost of the work.43 Therefore, there is some cost savings to implementing green building techniques in larger, multi-family residences.
Green building techniques result in fewer greenhouse gas emissions and cost savings to homeowners and renters due to deceased utility bills. As a condition of expending CDBG-DR funds, the needs of LMI individuals and areas must be prioritized. Green building techniques may prove beneficial to low-income households due to these operational cost savings, and this will be relevant to requirements that will be include in the program guidelines for the Multifamily Rental Recovery Program.

In consideration of this survey data, for the purpose of unmet needs calculation a 5 percent increase in cost is expected on average for residential construction work to comply with E.O. 80. The 5 percent factor is used to balance different expected costs associated with AEDC's Multifamily Rental Recovery activity construction. The 5 percent factor is also reliable as it is derived from a recent survey and does not need to be adjusted for inflation or other market factors.

Housing resilience elements must also consider the accessibility needs of those with disabilities. Access needs such as ramps and lifts, accessible bathrooms, and widened hallways are considered in the design and construction of new or repaired housing, and will be applicable to the Multifamily Rental Recovery activity as it related to the project scope of work being required to meet these requirements for the required set-aside number of units to meet ADA. These accessibility items are covered by program funds above the standard award cap.

3. Infrastructure Resilience Needs

Estimated unmet infrastructure recovery needs in relation to climate change is difficult to assess due to the variety of infrastructure projects which require recovery funding. AEDC commits to complying with E.O. 80 by assessing potential climate change impacts on vulnerable infrastructure projects as it relates to reconstruction. Specific recommendations provided to AEDC will be implemented to the greatest extent feasible in that they align with the unmet needs identified herein, comply with the Action Plan, meet a CDBG National Objective, and costs for those measures are determined to be reasonable.

Infrastructure, including public buildings, must be made accessible to those with disabilities, including sloped curbs, ramps, lifts, and elevators. The removal of architectural barriers for those with disabilities could be covered by CDBG-DR funds.

The HMGP will be a critical part of long-term resilience improvements for infrastructure in the impacted areas, as these funds can be used for mitigation and planning activities. HMGP is generally allocated based on 15% of the total PA funds provided by FEMA, in addition to the FEMA IA funds made available. Despite

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[43] *National Association of Home Builders, Green Multifamily and Single Family Homes 2017. https://www.nahb.org/-/media/Sites/NAHB/research/priorities/green-building-remodeling-development/green-multifamily-and-sf-homes-2017-smartmarket-brief-fff.*

the size of the total award, jurisdictions that receive HMGP awards are expected to contribute a portion of funding to the eligible project or activity, likely yielding unmet needs for resilience improvements.

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

a) Drainage, Flood Control & Storm Water Management System

(1) US Army Corps of Engineers Rehabilitation and Inspection Program

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

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

Given the limited CDBG-DR funds available to the State, it is difficult to meaningfully interface with the major infrastructure projects that the USACE typically undertakes. Instead, infrastructure recovery programs funded with CDBG-DR will support housing recovery more directly.

(2) United States Department of Agriculture Natural Resources Conservation Service Emergency Watershed Protection Program

The United States Department of Agriculture (USDA) NRCS EWPP provides recovery funding to local communities to support long-term restoration of infrastructure and the environment. Cities, counties, towns, conservation districts, and federally recognized tribes are eligible. The extent of the damage to flood control projects from the 2019 disasters supported by the USDA NRCS EWPP has continued to evolve throughout the recovery process. Depending on the project, NRCS will fund between 75% and 90%, with the local cost-share between 10% and 25%.

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

L. Leveraging Recovery Resources

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

The recovery effort for the State of Arkansas has been assisted through the provision of multiple funding sources. Primarily of interest to the recovery are funds received for FEMA Public Assistance (PA), FEMA Individual Assistance (IA), FEMA Hazard Mitigation Grant Program (HMGP), FEMA Flood Mitigation Assistance (FMA), Small Business Administration (SBA) Disaster Loans, Federal Highway Administration Emergency Relief (FHWA EF), Department of Transportation (DOT) funds, and U.S. Army Corps of Engineers (USACE) funds.

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

1. Federal Emergency Management Agency (FEMA) Public Assistance

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

Table 56: Types FEMA of Assistance

FEMA Individuals and Households Program (IHP)	Through IHP, FEMA provides IA directly to individuals and households, as well as state, local, and tribal territory government to support individual survivors. For this declaration, assistance available through the IHP program included: Federal IHP Housing Assistance and Other Needs Assistance (ONA).
FEMA PA Emergency Work Assistance (Categories A and B)	FEMA is authorized to provide PA funding for Emergency Work, including emergency protective measures and debris removal. Emergency Work is that which must be done immediately to save lives, protect public health

	and safety, protect improved property, or eliminate or lessen an immediate threat of additional damage.
FEMA PA Permanent Work Assistance (Categories C through G)	Permanent Work is work required to restore a facility to its pre-disaster design (size and capacity) and function in accordance with applicable codes and standards.

Table 54 below represents the final awards for each category of funding available to eligible counties in Arkansas.

Table 57: FEMA Approved Financial Assistance

Category	**FEMA Dollars Approved (as of 03/2020)**		
Individuals and Households Programs	**Housing Assistance (HA)**	**Other Needs Assistance (ONA)**	**Total**
	$8,443,221.52	$556,491.94	$8,999,713.46
Public Assistance Grants	**Emergency Work - Category A-B**	**Permanent Work – Categories C-G**	**Total**
	$10,262,898.16	$23,345,992.69	$33,608,890.85[44]

Source: U.S. Federal Emergency Management Agency (FEMA), March 2020.

a) FEMA Individual Assistance

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

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

Public Assistance: Emergency and Permanent Work

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

- Applicant: must be a state, territory, tribe, local government, or nonprofit organization.

[44] *Dollars obligated will be made available to the state following FEMA review and approval*

- Facility: must be a building, public works, system, equipment, or natural feature.
- Work: categorized as either emergency or permanent. The work must be required as a result of the declared incident, located within the designated disaster area, and the legal responsibility of the applicant.
- Cost: funding must be tied directly to eligible work and be adequately documented, authorized, necessary and reasonable. Eligible costs include labor, equipment, materials, contract work, as well as direct and indirect administrative costs.[45]

FEMA evaluates the estimated cost of federal and non-federal public assistance against the statewide population to give some measure of the per capita impact within the state. FEMA uses a figure of $1 per capita, which is adjusted annually based on the Consumer Price Index for All Urban Consumers, as an indicator that the disaster is of such size that it might warrant federal assistance. For a jurisdiction to qualify for a presidential disaster declaration, the estimated cost of damage must meet or exceed $1 million in public assistance damage per disaster.[46]

FEMA also examines the reported damage at the county and local government level because at times there are extraordinary concentrations of damage that might warrant federal assistance even if the statewide per capita is not met. This is particularly true where critical facilities are involved or where localized per capita impacts might be extremely high.

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

b) FEMA Hazard Mitigation Grant Program (HMGP)

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

c) Flood Mitigation Assistance (FMA)

The Flood Mitigation Assistance (FMA) grant program is funded by FEMA and administered through a partnership with the Natural Resources Division (NRD), Arkansas Department of Agriculture. The NRD has

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[45] *Federal Emergency Management Agency, 2020. Public Assistance: Local, State, Tribal, Private Nonprofit. Retrieved at:* [*http://www.fema.gov/public-assistance-local-state-tribal-and-non-profit*](http://www.fema.gov/public-assistance-local-state-tribal-and-non-profit)

[46] *Per 44 CFR 206.48*

the authority and responsibility for reviewing FMA Program sub-applications, recommending technically feasible and cost-effective sub-applications to FEMA, and providing pass-thru funding for FEMA approved and awarded project subgrants to eligible sub-applicants. NRD has managed the FMA program since 2012. The FMA program is housed within the Floodplain Management Section (FMS) of NRD, the FMS has a full staff of four personnel, which includes the FMA Grant Program Coordinator and the State NFIP Coordinator.

d) Federal Highway Administration Emergency Relief

Federal Highway Administration (FHWA) classifies urban and rural roadways by road function. Each function class is based on the type of service the road provides to the motoring public, and the designation is used for data and planning purposes.[47] Recovery of road and bridge infrastructure is dependent on the type of road or bridge damaged. The FHWA certified roads are potentially eligible for Federal Highway Administration Emergency Relief (FHWA ER) funding, while all other roads are potentially eligible for FEMA PA funding.[48] FEMA's PA Program may pay for repairs to roads not covered by the FHWA ER program.

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

e) Arkansas Levee Task Force

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

They were asked to address four objectives:

- Analyze the condition of the state's system of 92 levees;
- Identify sources and requirements for funding levee construction, repair, and maintenance;
- Study the prospective monitoring and reporting of systems for the maintenance of levees;
- And to review the adequacy of current laws and organizational structure of the levee system and levee district boards.

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[47] *Federal Highway Administration, 2000. Road Functions Classification. Retrieved at: https://safety.fhwa.dot.gov/speedmgt/data_facts/docs/rd_func_class_1_42.pdf*

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

The report from the 26-member Task Force includes 17 recommendations[49]. Among these are recommendations that the state provide financial incentives to encourage districts to participate in a federal levee inspection and maintenance program, and the consolidation of certain levee districts that are dependent on each other. Up to $10 million in grant funds was made available by the Governor for levee repair.

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

2. Leveraging Affordable Housing, Homeless & Community Development Resources

For affordable multifamily housing development projects, AEDC will review applications for funding in the context of other funds available. In its project selection, AEDC will evaluate the complete funding package and assess how other funds are leveraged to the fullest to maximize a return on investment with federal funds. Potential sources of leverage include other federal funds, such as SBA loans, Low Income Housing Tax Credits (LIHTC), private funding, and State or local funds. Favorable leverage opportunities will receive greater prioritization for CDBG-DR funding.

AEDC will evaluate proposer capacity as well as the individual projects proposed and may elect to enter into other subrecipient or partner relationships to execute affordable housing that is advantageous to the program and to the impacted area.

a) Homeless and Homeless Prevention Resources

The 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.

The Arkansas Department of Human Services (DHS) has been awarded and manages $2,264,323 in FY2020 formula Emergency Solutions Grant (ESG) funds, and $7,808,010 in ESG CARES Act funding (ESG-CV). The Community Development Block Grant CARES Act (CDBG-CV) funding will be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance, and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19. The CDBG-CV funds are managed by AEDC.

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[49] *Arkansas Levee Task Force, December 2019. Retrieved at https://governor.arkansas.gov/images/uploads/Levee_Taskforce_Final_report_Dec_2019.pdf*

Of the $2,264,323 from the annual FY2020 formula ESG funds, the state will designate $11,322 to street outreach; $520,794 to homelessness prevention; $543,438 to rapid re-housing; $1,018,945 to Emergency shelters; and $169,824 will fund program administration.

The components of the ESG-CV funding are Emergency Shelter, Homelessness Prevention, Rapid Re-Housing, Street Outreach, Administration and HMIS (Homeless Management Information System).

ESG 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.

The distribution of the funding for each component is based on the results of the needs assessment completed by various agencies who plan to apply for the ESG funding. This is an estimate and subject to change based on public input. The goal of the CDBG-CV funds is to reduce the number of homeless individuals by providing assistance to prevent, prepare for, and respond to the coronavirus pandemic among individuals who are homeless or receiving homeless assistance, and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19.

Below is an estimation of how the FY2020 and the ESG-CV funds will be allocated.

Table 58: Proposed Use of ESG and ESG-CV Funding for Housing

ESG-CV	**Administration (10%)**	**Rapid Rehousing (23%)**	**Homeless Prevention (17%)**	**Emergency Shelter (45%)**	**Street Outreach (5%)**
	$780,801.00	$1,795,842.30	$1,327,361.70	$3,513,604.50	$390,400.50
ESG 2020	**Administration (7.5%)**	**Rapid Rehousing (24%)**	**Homeless Prevention (23%)**	**Emergency Shelter (45%)**	**Street Outreach (.5%)**
	$169,824	$543,438	$520,794	$1,018,945	$11,322

b) Emergency Rental Assistance

In response to the COVID-19 pandemic, Governor Asa Hutchinson created the Arkansas Coronavirus Aid, Relief, and Economic Security (CARES) Act Steering Committee to make recommendations to the Governor on the "best uses of the CARES Act funding" under Section 601 of PL116-136, the "Coronavirus Relief Fund (CRF)." The Fresh Start COVID-19 Housing Stabilization Program was designed to support Arkansas Community Action Agencies to provide short-term rent assistance to individuals and families in Arkansas who are experiencing housing instability, as well as landlords who are experiencing a loss of revenues due to the economic impact of the COVID-19 pandemic and the temporary halt by the CDC on residential evictions to help prevent further spread of the virus.

CDBG-CV funds in the amount of $5.76 million will be made available in partnership with the Arkansas Community Action Agencies Association (ACAAA), to provide the payment of actual rent up to Fair Market Rental Value (FMRV) for up to 2.5 months. The Arkansas Fresh Start COVID-19 Housing Stabilization Program will be implemented by the statewide network of Arkansas Community Action Agencies, with program and communications support, and training and technical assistance to be provided by the Arkansas Community Action Agencies Association.

The State has also provided $4.24 million in Coronavirus Relief Funds (CRF) funding to the program, bringing the total expected program funding up to $10 million.

With a funding level of $4,240,000, it is estimated that up to 3,500 additional Arkansas households would avoid eviction following the end of the CDC moratorium, through payments of up to 2.5 months rent. This assistance would give these households the opportunity to have a fresh start in 2021. Up to an additional 4,800 households are expected to benefit from the CDBG-CV funds.

c) HOME Investment Partnership (HOME) and Tenant Based Rental Assistance

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.

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.

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).

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.

- 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.

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.

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 $1,010,579 for down payment assistance, $1,515,869 for new construction activities by CHDOs, $1,010,579 for Tenant-Based Rental Assistance, $3,031,738 for multifamily rental housing development, and $2,526,449 for rental rehabilitation.

The HOME Investment Partnership (HOME) Program funding is estimated to have provided 135 households with down payment assistance, 15 new homes through CHDO development projects, assist 224 households with Tenant-Based Rental Assistance, develop 30 rental units, and rehab 26 rental units.

Table 59: Potential Sources of Leverage

Program	Administering Agency	Uses of Funds	Expected Amount Available 2020 Allocations	Website or Application Link:
Community Development Block Grant (CDBG)	Arkansas Economic Development Commission	Public Facilities Public Infrastructure Economic Development	$18,406,738	Community Development Block Grant (arkansasedc.com)
CDBG-CV	Arkansas Economic Development Commission	Public Services Public Facilities Public Infrastructure Rental Assistance Food Assistance Microenterprise Assistance *To prevent, prepare for, and respond to COVID-19.	$26,387,954	Community Development Block Grant (arkansasedc.com)

Program	Administering Agency	Uses of Funds	Expected Amount Available 2020 Allocations	Website or Application Link:
HOME	Arkansas Development Finance Authority (ADFA)	New Construction, Multi-Family and Single Family Rehabilitation Tenant Based Rental Assistance (TBRA) Low Income Housing Tax Credit (LIHTC) gap financing	$10,105,793	Home Investment Partnerships (arkansas.gov)
Emergency Solutions Grant (ESG)	Arkansas Department of Human Services (DHS)	Street Outreach (SO) Emergency Shelter (ES) Rapid Re-Housing (RRH) Homelessness Prevention (HP) Homeless Management Information System (HMIS)	$2,264,323	2020_Emergency_Solutions_Grant_Application_Final.pdf (arkansas.gov)
ESG-CV	Arkansas Department of Human Services (ADHS)	Street Outreach Homelessness Prevention Rapid Re-Housing Emergency Shelter *To prevent, prepare for, and respond to COVID-19.	$23,786,858	COVID_ESG_RentalAssistanceAgencies.pdf (arkansas.gov)
Housing Opportunities for People with HIV/AIDS (HOPWA) Program	Arkansas Department of Health (ADH)	Permanent housing in facilities Permanent housing placement (PHP) Short term or transitional housing facilities Short-term Rent, Mortgage and Utility Assistance (STRMU) Supportive services Tenant Based Rental Assistance (TBRA)	$918,174	HOPWA_FAQs.pdf (arkansas.gov)
HOPWA-CV	Arkansas Department of Health (ADH)	TBRA STRMU PHP *To prevent, prepare for, and respond to COVID-19.	$133,620	HOPWA_Contacts.pdf (arkansas.gov)

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

d) Case Management, Shelter & Supportive Services

Case management was not identified as a specific need following the disaster and Disaster Case Management was not, therefore, requested from FEMA for DR-4441. However, the Arkansas Department of Human Services coordinated care needs with local jurisdictions and volunteer agencies, and individual case management was provided by the Arkansas Voluntary Organizations Active in Disaster (ARVOAD) on a referral basis for those individuals with unmet needs.

ARVOAD is a statewide association of independent, voluntary, 501c3 nonprofit, nonpartisan organizations who are active in disaster response.

Arkansas Conference of the United Methodist Church (ARUMC) and other AR VOAD partners coordinated with five Long Term Recovery Groups (LTRGs) across the affected counties to form and begin operations.

- A 6-county coalition (including the Arkansas counties of Sebastian, Crawford, Franklin and Logan; as well as the counties of Sequoyah and Le Flore in Oklahoma) formed in Fort Smith, AR. This group raised funding from their local communities to begin repair work. ARUMC believed that minimal resources, if any, will be needed in these Arkansas counties.
- A 3-county LTRG (including the counties of Desha, Lincoln and Arkansas), and an LTRG in Jefferson County, all in South East Arkansas were not likely have resources for recovery. There was an inquiry from a private foundation that indicated the possibility of a grant for recovery. This grant, if secured, would be designated for these four counties.
- A 5-county LTGR in Central Arkansas (Faulkner, Perry, Conway, Pope and Yell) was identified as an area where resources appear to be lacking for the recovery.
- An additional LTGR was formed in Pulaski County. This county has also been identified by the ARUMC as an area where resources are lacking for successful recovery.
- ARUMC recovery and response activities included:
  - 8 ERT Just in Time trainings
  - 3 LTRG Recovery Summits
  - Case Management training
  - Identified 20 homes that will need assistance with repairs. These repairs will consist initially of construction materials including sheetrock, mud and tape, insulation, doors and casing materials as well as window casings that have been damaged, lower cabinets in kitchen and bathrooms and volunteer labor.

        - One house has extensive roof damage due to a fallen tree that occurred during the storm. For this project, ARUMC partnered with Christian Aid Ministries (CAM) to do the repairs if ARUMC supplies the material.
- Temporary housing assistance has been provided for several clients. ARUMC also assisted with relocation costs including first month rent and utility deposits.
- The partners who have contributed include: the Arkansas Baptist State Convention (ABSC), AMBA and MDS along with CAM with cleanup. ABSC donated $14,000 to ARUMC to be used in long term recovery. AMBA donated 460 pieces of sheetrock to ARUMC to be used in repair and rebuild.
- The Salvation Army, Catholic Charities, Presbyterian Disaster Assistance and Episcopal Relief and Development all applied to their organizations to determine if they were able to contribute. Traditionally the Salvation Army and Catholic Charities have made significant contributions while PDA and Episcopal Relief and Development have made lesser contributions.
- In the area of Construction Management, ARUMC anticipated 8 homes would need assistance with repairs for this first phase consisting initially of construction materials to include: sheetrock, mud and tape, insulation, doors and window casing repair/replacement, lower cabinets in kitchen and bathrooms and volunteer labor.
    - ARUMC completed average cost estimates that would exceed the on hand donated materials. These estimates have averaged $5,000 per house including additional materials and appliances. ARUMC does not include floor covering and paint and HVAC in their estimates because their goal is to make the homes safe, secure and functional.
    - Temporary storage may also be necessary and was provided on an as needed basis.
    - ARUMC anticipated using volunteers to do the repairs and used minimal Professional Services. An average of 3 teams of 6-8 people per team working an average of 6 hours per day for 5 days each would be needed to complete the and they planned to do on each home equal to 720 man-hours per house.
    - ARUMC provided the Construction Management and Volunteer Management to oversee the projects that they would fund.
- In the area of Case Management:
    - ARUMC provided Case Management to 40 households during this phase. There was a need for numerous volunteer case managers to assist in the long-term recovery, anticipating providing Case Management to at least 120 families over an 18 month period. ARUMC hired two case managers to act as leads for the volunteers and to work in those areas of greatest need.
    - A Recovery Director was hired for the project to oversee case management and direct assistance as well as work with funding partners and Long-Term Recovery Groups. This position will help coordinate overall operations of the project.
    - ARUMC anticipated a need of $130,000 for the Phase One, 9 month project. ARUMC has committed $15,000 toward this amount, and ASBC has committed just under $15,000, as well. ARUMC requested $100,000 from UMCOR for Phase One. Continued collaboration with UMCOR consultants and training resources was also desired.

The following table lists some of the ARVOAD organizations available to support immediate disaster relief and the type of support and services offered:

Table 60: ARVOAD Organizations

Member Organization	Support or Service Offered	Counties Served	Source of Information
American Red Cross	The American Red Cross managed 4 shelters located in Fort Smith, Conway, North Little Rock, and Pine Bluff. • Evangel Temple, 1110 South 12 Street, Fort Smith, AR, 72901, POC: Lynda Morgan, Capacity: 150, Currently serving 67 • Don Owens/Conway Sports Center, 10 Lower Ridge Road, Conway, AR 72032, POC: Steve Ibitson, Capacity: 600, Currently serving 42 • North Little Rock Community Center, 2700 Willow, North Little Rock, AR POC: Tina Worrell, Capacity: 162, Currently serving 31 • SEARK /Seabrook YMCA, 6808 S. Hazel, Pine Bluff, AR 71603 POC: Karen Blevins, Capacity: 150, Currently serving 0	Sebastian Faulkner Pulaski Jefferson	https://www.redcross.org/local/arkansas/about-us/our-work/tornadoes-and-floods-response-and-relief.html ADEM SEOC Situation Report dated June 9, 2019
Arkansas Foodbank	In May 2019, the AR Food bank began to respond to request for assistance from sister foodbanks (OK and River Valley Foodbank), as well work on preparedness for areas impacted by the floods in their service area (west central, central to SE AR), staging products. Throughout June, they were serving meals at the Salvation Army in Pine Bluff to 12 families at the Swan Lake Shelter, proving food and snacks, partnered at CAPCA in Conway to provide water and snacks to volunteers and 15 families, and provided assistance at the River Valley Foodbank to 98 families, and served 208 at 1st Ward Outreach in Pine Bluff. **June 27, 2019 Report:** Households Served: 494 Individuals Served: 546 Meals Served: 50		Rhonda Sanders, CEO ARVOAD Chair Email Correspondence Situation Reports

	Snacks Served: 808 Pounds Distributed: 153,977		
The Salvation Army - Arkansas and Oklahoma	The Salvation Army provided feeding, emotional and spiritual care and limited bulk distribution support in Arkansas. The participated in Multi-Agency Resource Centers (MARCs) in three communities in Arkansas. They worked with OK and AR VOAD to support the start-up of long-term recovery committees in the impacted area and determine resources for additional financial assistance. More than 5,400 staff, officer and volunteer hours were utilized to provide services to Oklahoma and Arkansas. In Arkansas, approximately $16,000 was committed in four counties for a variety of needs, including electrical, appliances, HVAC systems, building materials and furniture.		Email: Laurie Fried - Emergency Disaster Services Director The Salvation Army Arkansas & Oklahoma Division
United Methodist Committee on Relief (UMCOR)	Current river flood recovery work projects include a rebuild in Perry and a replacement that needs access porches and steps in Houston. Also, see above narrative.		Janice Mann, Coordinator Volunteers In Mission / Disaster Response Ministries Arkansas Conference of the United Methodist Church
Presbytery of Arkansas	• Volunteer Hours: 108 • Value: $27.20 • Total: $2,937.60 • Funds Contributed: $6,112.06		Ray Stephens

According to the final State Emergency Operations Center (SEOC) Situation Report, dated June 9, 2019, in the Emergency Support Function (ESF) #6, Mass Care, Housing and Human Services, and ESF #8, Public Health and Medical services, the below shelter and supportive services were provided during the disaster in addition to the VOAD support listed above. These included four additional shelters, not managed by the Red Cross, as follows:

- Swan Lake VFD, 11997 Hwy 88, Altheimer, AR (Jefferson County)
  - Capacity: 30
  - Served: 19
- Wright - Pastoria, 8550 Surrat Road, Wright, AR (Pulaski County)

- Capacity: 50
- Served: 5

- Lavaca First Baptist Church, 100 West Main St. Lavaca, AR (Sebastian County)
  - Capacity: 50
  - Served: 0

- Dyer Community Building, 325 Loomis, Dyer, AR (Yell County)
  - Capacity: 15
  - Served: 0

3. Leveraging Mitigation Resources

The table below contains information regarding potential major mitigation grant programs. The recipients evaluate and recommend projects to FEMA for funding and pass federal grant funds through to sub-recipients. While ADEM is the lead agency for emergency planning and hazard mitigation in the state, many other state agencies play an important role in supporting and funding mitigation.

Table 61: Major Mitigation Grant Programs

Program	Funding Agency	Funding Recipient	Sub-Recipient	Funding Match Requirement	Award Range
Arkansas Hazard Mitigation Grant Program	Arkansas	ADEM	State and Local Jurisdictions	50%	50% local 50% state match, up to $150,000 state share; $3 million appropriated annually
Flood Mitigation Assistance	FEMA	ANRC	NFIP Participating Community	Varied	Program is subject to the availability of appropriation funding, as well as any program specific directive or restrictions. Individual planning grants shall not exceed $50,000 to any applicant or $25,000 to any sub-applicant.

Hazard Mitigation Grant Program (404)	FEMA	ADEM	State and Local Jurisdictions	25%	Federal funding is available following a major disaster declaration if requested by the Governor. Grant will depend on the costs associated with each disaster. State is eligible for up to 15% for amounts not more than $2 billion, 10 percent for amounts of more than $2 billion, and not more than $10 billion, and 7.5 percent on amounts more than $10 billion, not more than $35.3 billion.
Pre-Disaster Mitigation Program	FEMA	ADEM	State and Local Jurisdictions	25%	Up to $800,000 federal share may be requested for a planning grant to develop a new hazard mitigation plan, up to $300,000 for a planning grant to update a hazard mitigation plan, and up to $3 million in a sub-application to implement a mitigation project.
Public Assistance Mitigation Program (406)	FEMA	ADEM	State and Local Jurisdictions	Varied	Funding is used to restore the parts of a structure that was damaged during a disaster, and the restoration must provide protection from subsequent events.

While ADEM is the lead agency for emergency planning and hazard mitigation in the state, many other state agencies play an important role in supporting and funding mitigation. The Hazard Mitigation Grant Program (HMGP), Pre-Disaster Mitigation Program (PDM), Earthquake Program, and mitigation planning are all the direct responsibility of ADEM. The Flood Mitigation Assistance (FMA) Program and floodplain management are the responsibility of the ANRC. ADEM and ANRC work closely to ensure that mitigation goals and initiatives are integrated to the extent possible into all planning activities for federal, state, and local governments.

5. Method of Distribution & Connection to Unmet Needs

The principal consideration in developing impactful CDBG-DR programming is the unmet needs analysis. The state's assessment of unmet recovery needs related to DR-4441 revealed remaining need across housing and infrastructure activities, however, housing presents the greatest unmet recovery need. The analysis detailed in Section Four – Impact and Unmet Needs Assessment, identifies the methodology and results of the unmet needs relative to housing, infrastructure, and economic recovery. The table below provides an overview of the unmet recovery needs from DR-4441 by category, totaling over $19 million in unmet recovery needs. The table also details how various programs are expected to address remaining serious unmet housing needs in the impacted area. These programs will focus on permanent housing needs, as AEDC did not identify remaining interim housing needs during the unmet needs assessment. The table does not account for the activities of volunteer organizations as discussed above due to the lack of specific projections from the full universe of volunteer organizations.

Table 62: Summary of Unmet Recovery Needs

Category	Total Impact[50]	Total Resources[51]	Total Unmet Need[52]
Housing	**$15,791,435**	**$7,811,889**	**$7,979,546**
FEMA IA		$7,602,122	
ADFA Recovery Loan		$209,767	
Infrastructure	**$22,919,412**	**$17,232,702**	**$5,686,710**
FEMA PA	$22,919,412	$17,232,702	
Economic Revitalization	**$5,174,194**	**$917,500**	**$4,256,694**
SBA		$917,500	
Total	**$43,885,050**	**$25,962,091**	**$17,922,940**

[50] Total impact includes total damage. Housing data is taken from FEMA Individual Assistance; Infrastructure includes FEMA Public Assistance, Hazard Mitigation Grant Program, and FEMA Flood Mitigation Assistance; and Economic Revitalization is taken from SBA business loans.

[51] Total resources include any resources currently accounted for by funding. For housing, infrastructure, and economic revitalization this may include insurance, or other program funding. For more information about the calculation review the details in the unmet needs section.

[52] Total unmet need is calculated by taking total damage minus the resources available using the methodology provided by HUD in the January 2020 Federal Register Notice.

A. Connection between Unmet Recovery Need and Programming

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

The state is allocating funds for the buyout program in consideration of the cost of unmet housing needs for homeowners, the outstanding need to move residents away from repetitive loss properties, and the cost to repair substantial damage that requires elevation. The multifamily program allocation was developed using the dollar amount of FEMA IA assistance for rental households in counties and entitlement areas.

A detailed list of funded activities included below. Each funded program is in direct response to an unmet need identified in Section 4 above. The CDBG eligible activity is presented as the subsection of the Housing and Community Development Act, or specific waiver as stated in the Notice. The HUD National Objective criteria include the following:

- **LMA (Low/mod area benefit).** Activities providing benefits that are available to all the residents of a particular area, at least 51 percent of whom are low- and moderate- income. The service area of an LMA activity is identified by the local jurisdiction and approved by AEDC.
- **LMC (Low/mod limited clientele).** Activities which benefit specific groups of low- and moderate- income individuals. LMC activities provide benefits to a specific group of persons rather than to all residents of a particular area.
- **LMH (Low/Mod housing benefit).** Activities undertaken which improve or provide permanent residential structures that will be occupied by low/mod income households.
- **LMB (Low/Mod Buyout).** Set by HUD in 82 FR 36825 to allow for meeting a National Objective when CDBG-DR funds are used for a buyout award to acquire housing owned by a qualifying LMI household, where the award amount (including optional relocation assistance) is greater than the post-disaster (current) fair market value of that property.
- **LMHI (Low/Mod Housing Incentive).** Set by HUD in 82 FR 36825 to allow for meeting a National Objective when CDBG-DR funds are used for a housing incentive award, tied to the voluntary buyout or other voluntary acquisition of housing owned by a qualifying LMI household, for which the housing incentive is for the purpose of moving outside of the affected floodplain or to a lower-risk area; or when the housing incentive is for the purpose of providing or improving residential structures that, upon completion, will be occupied by an LMI household.

- **UN (Urgent Need).** Urgent Need projects include projects which pose a serious and immediate threat to the health or welfare of the community, are of recent origin or recently became urgent, and are unable to be otherwise financed.

This Action Plan does not modify any Federal standards or other legal requirements. Any effort by the State of Arkansas or its agents to modify such standards or other legal requirements must be preceded by the ordinary procedures to request a waiver from the appropriate Federal authority.

1. Allocation of Funds

The needs assessment, as well as consultation with stakeholders, local governments, Continuum of Care Programs (CoCs), and public housing authorities, shaped the development and prioritization of recovery activities as outlined in the Action Plan. The programs and allocations have been developed to address the most severe unmet needs and in full compliance with the Federal Register Notices. Therefore, addressing the unmet housing and infrastructure recovery needs are the primary focus of the Action Plan. Applications for housing program assistance will be prioritized beginning with the homeowner buyout program followed by the multifamily rental recovery program. Should additional funds be needed to support unmet housing needs, AEDC will facilitate a substantial amendment to the Action Plan to shift funds from infrastructure programming to the needed housing program(s). In addition to addressing unmet need, programs funded by CDBG-DR must also consider eligible CDBG activities, meet CDBG national objectives, comply with regulatory guidance, and must consider best practices in similar recovery efforts. When designing program priorities AEDC also considered the needs of protected classes and vulnerable populations. Please see Section Four for the analysis of unmet needs.

The total CDBG-DR allocation set forth in Public Laws 115-254 and 116-20 is $8,940,000. AEDC will set aside five percent of these funds ($447,000) for state administrative costs associated with disaster recovery. Per HUD's guidance, AEDC will prioritize housing unmet recovery needs first and utilize 100% of its funds on housing recovery programs. All of AEDC's housing programs will prioritize assisting households making 80% of Area Median Income and below and assist the State with meeting its 70% Low- and Moderate-Income expenditure requirement. All project activities will meet the LMI National Objective. The State is allocating 100% (includes 5% State Administration) of its CDBG-DR resources to its housing program in order to address unmet housing needs, by addressing the need for affordable rental housing serving LMI population and providing assistance to owner-occupied households impacted by flooding to prevent future repetitive losses.

Outstanding unmet needs facing LMI and vulnerable population homeowners in the floodplain are outlined in Section Four. The rental housing programs will work to address impacted rental households and address the Cost Burden faced by renters in DR-4441 impacted Counties. In total 57,707 rental households in the DR-4441 impacted areas pay more than 30% of their income on housing costs.[53] Residents impacted by DR-4441 remain at risk to future flooding, according to the FEMA IA registrations,

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[53] *Department of Housing and Urban Development Comprehensive Housing Affordability Strategy, 2013-2017,* https://www.huduser.gov/portal/datasets/cp.html

581 impacted properties are located within X Flood Zones (moderate or minimal flood hazard), and 660 are located within AE flood zones (base flood elevations provided).

Due to limited data available on housing services, AEDC will continue working with local governments and nonprofits in the DR-4441 impacted area to address the identified unmet housing needs. Should additional funds be needed to support unmet housing needs, AEDC will facilitate a substantial amendment to the Action Plan to shift funds from infrastructure programming to the needed housing program(s).

B. Program Budget

The table below presents the details of Arkansas's CDBG-DR program. According to the program budget, 100% of the CDBG-DR program funding will be distributed through housing programs. This program budget accounts for the programmatic administration requirements in the Federal Register Notice, including the provisions that five percent of the grant total (plus program income) may be used for administrative costs. At least 80% percent, $7,152,000, of the outlined budget will be allocated to the HUD-identified MID areas of Jefferson and Perry counties per the applicable Federal Register Notices.

The decision to budget $5,095,800 to the Voluntary Local Residential Buyouts Program, and $3,397,200 to the Multifamily Rental Recovery Program takes into account the ratio of FEMA IA Owner Occupied Registrants with Major/Severe Damage, 80% AMI and Under (60%), to FEMA IA Renter Occupied Registrants with Major/Severe Damage, 80% AMI and Under (40%), as detailed in Tables 41 and 42.

Table 63: CDBG-DR Budget by Program Category

Program Category	Program Name	Allocation	Percentage of Total
Housing	Voluntary Local Residential Buyout	$5,095,800	60%
	Multi-Family Rental Recovery Program	$3,397,200	40%
	Total Housing Assistance Programs	**$8,493,000**	**100%**
Administration	Administration	$447,000	*5%*
	Total CDBG-DR Program Funding	**$8,940,000**	

C. Method of Distribution and Delivery

As the Unmet Needs Assessment (UNA) and HUD's early assessments both indicate, DR-4441 generated similar impacts to housing and infrastructure. To address the infrastructure and mitigation needs within the state, the state is prioritizing CDBG-DR funding under DR-4441 for housing recovery, and should unmet housing needs be met, the state will fund infrastructure recovery. This decision was also informed by subsequent allocations of funding to the state under the CARES Act, which made additional funds available for housing support and economic recovery, as well as financial assistance provided to homeowners shortly after the disaster by ADFA through the Arkansas Disaster Recovery Housing Assistance Loan Program. The State financial assistance under ADFA's program included: Housing Repair/Rehabilitation Assistance. Individuals whose primary home was damaged by the 2019 disaster were able to receive financial assistance not to exceed $30,000 for the necessary and reasonable cost of eligible repair expenses for a disaster-affected home determined feasible for rehabilitation. Further still, the realized and forecasted revenue loss across municipal and state governments are likely to prove challenging for municipalities struggling to contribute to local match requirements. CDBG-DR funds will be distributed in accordance with the Program Budget below, which is described in greater detail in Section Six – Program Design and Connection to Unmet Need.

Arkansas will use a Method of Distribution that allows Eligible Cities and Counties to apply for funds from the CDBG-DR program categories in a competitively rated process.

City and County governments only within the 17 counties presidentially declared under DR-4441 (see Figure 2), and determined to be either a HUD-identified MID or State-identified MID.

Eligible applicants identify as city and county governments within the HUD-identified MID or State-identified MID. No less than 80 percent, $7,152,000, of the total allocation, $8,940,000, will be expended to support projects awarded to the HUD MID counties of Jefferson and Perry. This 80 percent of funds to support the HUD MIDs includes a portion of the State's grant administration funds. The HUD MID includes the counties of Jefferson and Perry with the State MID being Desha, Faulkner, Pulaski, and Sebastian Counties. The State may award up to 20 percent, $1,788,000 , of the total allocation to projects in these four counties. A portion of the 20 percent is also budgeted for State Admin funds.

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

Each activity will have an accompanying application form and guidelines that cities and counties may use to submit their requests to the AEDC Grants Division. Each application will be evaluated to determine the project's:

- **Direct Relationship to the Disaster Area.** All projects must show a direct relationship to the DR 4441 Disaster Declaration and must be located in the impact area. Projects must show the damage that still needs to be addressed (unmet need) or the mitigation/resiliency measures to be taken to prevent or lessen the impacts of a future related disaster. Programs must stem from an unmet recovery need not already addressed by other federal, state/local, nonprofit funds, or private insurance. Grantees will be required to document a connection to the disaster.
- **Readiness to Proceed.** Each project must be capable of being undertaken (design and construction) immediately to provide outcomes to intended beneficiaries affected by the disaster. All projects must include a project timeline that allows AEDC to meet the Federal six (6) year deadline. Projects will show a prioritization of (a) infrastructure, resiliency, and housing activities and other activities that directly address an unmet need and can be commenced with minimal delay and thereafter completed promptly and, (b) in the case of more complicated projects, necessary planning and predevelopment work has been completed that will facilitate the speedy commencement and completion of such projects should additional funds are allocated to the State. Applicants must show the availability of sufficient additional funds to complete the activity,

and the administrative capacity to administer the CDBG-DR funding efficiently and effectively in compliance with all applicable laws.

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

The Categories of funding will indicate the use of funds for a specific purpose. This Action Plan defines the categories of funds under Housing only. The activity description and corresponding policies, procedures, and application guidelines will define the purpose, indicate the total amount of funds allocated to the category, the application method for accessing funds, deadline dates for applications per activity, the maximum amounts available per applicant and the maximums per beneficiary.

D. Program Year & Time of Performance

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

E. Program Distribution Ratios

Grantees are required to spend at least 80% ($7,152,000) of the total allocation, $8,940,000, on the HUD-identified MID areas of Jefferson and Perry Counties. Due to limited funding, the State of Arkansas has identified Desha, Faulkner, Pulaski and Sebastian Counties as the State-identified MIDs eligible to make application for the remaining 20 percent of the allocation.

The below shows the total amount required to be spent in the HUD-identified MID counties on housing and infrastructure needs with up to 20% to be spent in the State-identified MIDs: Desha, Faulkner, Pulaski, and Sebastian Counties. Local activity delivery costs will come out of these amounts.

1. 80 Percent of Funds

HUD has provided, by rule, that all funds shall first serve unmet needs in housing with at least 80 percent, $7,152,000, of the funds prioritized in the following two counties determined by HUD to be the most impacted and distressed (HUD MID):

- Jefferson County
- Perry County

2. 20 Percent of Funds

Any remaining CDBG-DR funds, up to 20 percent, $1,788,000, may be made available to support projects in counties covered by a presidential disaster declaration under DR-4441 and identified by the State as most impacted and distressed. Based on the unmet needs assessment outlined in Section Five, the State has identified the following non-HUD MID Counties as most impacted and distressed due to disaster damage:

- Desha County
- Faulkner County
- Pulaski County
- Sebastian County

Table 64: Arkansas HUD CDBG-DR Allocation for Unmet Needs

Requirement	County	Allocation
At least 80% of Total Allocation for HUD-Identified MIDs	Jefferson and Perry Counties	$7,152,000
Up to 20% of Total Allocation for State - Identified MIDs	Desha, Faulkner, Sebastian, and Pulaski Counties	$1,788,000
	Total Allocation	**$8,940,000**

Source: Allocations, Common Application, Waivers, and Alternative Requirements for Disaster Community Development Block Grant Disaster Recovery Grantees, 85 Fed. Reg. 17 (January 27, 2020).

3. Prioritizing Housing

HUD has also provided, by rule, that the unmet needs in the housing sector be addressed prior to evaluating any application for funds under the categories of Economic Revitalization or Infrastructure.

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

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

4. Prioritizing Vulnerable Populations & Protected Classes

The State's CDBG-DR housing programs will only fund LMI households. In addition to prioritizing LMI persons, the State will prioritize recovery for vulnerable populations through the implementation of its housing and infrastructure programs. Vulnerability is a fluid term, which, depending on the vulnerability and hazard, can refer to a broad spectrum of the population with unique needs in the context of a disaster.

For example, one of the most revealing indicators that minorities are more likely to require rental housing and lag far behind Whites in obtaining housing of their choice is in the category of homeownership; the homeownership rate among Whites was 72 percent compared to 43 percent for Black or African Americans and 50 percent for Hispanics.

Other limitations for minorities include lower incomes and a disproportionate number of minority households living in poverty. The incidence of poverty among Black or African Americans was 30.5 percent of the total population in 2018, and Hispanics were reported to be 27.5 percent. Among White persons, the data reported 13.8 percent lived in poverty. In comparison, the poverty rate for the State was 17.6 percent during the period. The median household income was reported to be $49,996 for White households, $30,758 for African American households, and $39,787 for Hispanic households, compared to $45,762 for the overall State. All these factors combined limit housing choice of the State's minority populations. It is also recognized that poverty, and particularly deep poverty, is a strong predictor of homelessness. The National Alliance to End Homelessness (NAEH) reports that Black and Latinx groups are overrepresented in poverty relative to their representation in the overall national population, and are most likely to live in deep poverty.[54] According to HUD's CoC Racial Equity Analysis Tool, two out of the State's five CoCs, including Arkansas's largest CoC, report data showing that families experiencing homelessness are more likely to be Black or African American.[55]

Arkansas will ensure through policies and procedures that LMI individuals and households, vulnerable populations and members of protected classes, particularly the homeless and those at risk of homelessness, and other historically underrepresented or disparately treated groups, as well as the disabled, the elderly, and families with children, especially those with incomes below 30 percent of the area median income, receive fair treatment and equal opportunity in regard to program.

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[54] *National Alliance to End Homelessness, "Homelessness and Racial Disparities," available at: https://endhomelessness.org/homelessness-in-america/what-causes-homelessness/inequality/#_ftn1.*

[55] *HUD CoC Racial Equity Analysis Tool, available at: https://www.hudexchange.info/resource/5787/coc-analysis-tool-race-and-ethnicity/*

Multifamily projects are not yet known because it will be a competitive applications process with more weight placed on applications that address the needs of vulnerable populations. The multifamily guidelines will include a requirement that the applicant demonstrate the vulnerable populations it will serve and how it will meet their needs, and how they will market the units once they become available to those populations.

In addition to emergency rental assistance, rapid rehousing, homeless prevention, emergency shelter and street outreach programs and activities funded by the CARES Act and Coronavirus Relief Fund, as detailed in Section Four, Part K, Number 5 – Leveraging Affordable Housing, Homeless and Community Development Resources, the State's Action Plan and proposed programs, including the Multifamily Rental Recovery Program, are intended to address the assessed unmet need for:

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

AEDC develops each program with consideration for recovering individuals, especially concerning individuals with access and functional needs that will require assistance with accessing and/or receiving CDBG-DR disaster resources. These individuals may be children, senior citizens, persons with disabilities, from diverse cultures, transportation disadvantaged, homeless, having chronic medical disorders, and/or with limited English speaking, reading, having comprehension capacity, or altogether be non-English speaking. AEDC will help to coordinate needed public services activities with non-profits and other case management service providers as needed to support its CDBG-DR programs.

HUD and other federal crosscutting requirements and standards are applicable to activities proposed in this Action Plan. These requirements and standards and some common definitions of these items are included below:

- **Accessibility and Accessibility Standards.** The Uniform Accessibility Standards Act (UFAS) requires that buildings and facilities designed, constructed, or altered with federal funds be accessible and these standards were developed to define what "accessible" means. UFAS is one of the standards which federal grantee shall use to comply along with Title II of the Americans with Disabilities Act.

- **Affirmatively Furthering Fair Housing (AFFH).** AFFH is a legal requirement that AEDC further the requirements of the Fair Housing Act. The obligation to affirmatively further fair housing has been in the Fair Housing Act since 1968 (for further information see Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3608 and Executive Order 12892).

- **Areas of Opportunity.** The federal government defines high opportunity areas as either an area designated by the Department of Housing and Urban Development (HUD) as a Difficult Development Area (DDA) during any year covered by the Duty to Serve Plan or in the year prior to the Plan's effective date, whose poverty rate is lower than the rate specified by FHFA in Evaluation Guidance-those tracts with poverty rates below 10 percent (for metropolitan DDAs) and below 15 percent (for non-metropolitan DDAs); or an area designated by a state or local Qualified Allocation Plan (QAP)[56] as a high opportunity area and which meets a definition identified as eligible for Duty to Serve credit in the Evaluation Guidance for the issuance of Low Income Housing Tax Credits.

- **Community Participation.** The primary goal is to provide citizens where CDBG-funded activities will take place an opportunity to participate in an advisory role in the planning, implementation, and assessment of proposed programs and projects. AEDC commits to hearing from all impacted individuals regardless of race, color, national origin, income, or any other potential social disparity.

- **Effective Communication.** Communication methods include the provision of appropriate auxiliary aids and services, such as interpreters, computer-assisted real time transcription (CART), captioned videos with audible video description, visual alarm devices, a talking thermostat, accessible electronic communications and websites, documents in alternative formats (e.g., Braille, large print), or assistance in reading or completing a form, etc.

- **Environmental Justice.** Environmental justice means ensuring that the environment and human health are protected fairly for all people regardless of race, color, national origin, or income. Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-income Populations" (2/94) requires certain federal agencies, including HUD, to consider how federally assisted projects may have disproportionately high and adverse human health or environmental effects on minority and low-income populations.

- **Fair Housing and Equal Opportunity**. AEDC commits to working toward ensuring all Arkansans have equal access to the housing of their choice, while promoting economic opportunity, through its ongoing partnership with the Arkansas Fair Housing Commission (AFHC), the only state civil rights enforcement Agency in Arkansas. AFHC's mission is to promote equal housing access and eliminate barriers to integrated communities within Arkansas and to provide a statewide education outreach program to ensure access to fair housing information to providers, lenders, and the public at-large.

  The AFHC is a quasi-judicial, regulatory, enforcement agency that works in partnership with the U.S. Department of Housing and Urban Development (HUD) Office of Fair Housing and Equal Opportunity (FHEO) to enforce federal and state fair housing and fair lending laws throughout the state.

  With Act 1785 of 2001, the Arkansas Legislature declared that, "the opportunity to obtain housing and other real estate without discrimination based on race, color, national origin, religion, sex, disability or familial status… is recognized and declared to be a civil right." The Arkansas General

[56] *The 2021 QAP is located at https://adfa.arkansas.gov/media/file/ADFA2021QAPProposed.pdf*

Assembly further recognized that, "the right to seek housing underlies the general public's ability to secure health, safety and welfare; and seeks with this act to protect the public's access to fair housing."

The AFHC was created as part of the State's effort to safeguard that right and serves as a venue to redress the public's interest in ensuring accessible housing on the bases of race, color, national origin, sex, religion, disability, and familial status.

The Office of Fair Housing and Equal Opportunity implements and enforces the Fair Housing Act and other civil rights laws, including Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972, and the Architectural Barriers Act of 1968.

- **Limited English Proficiency**. Under Title VI of the Civil Rights Act of 1964 and in accordance with Supreme Court precedent in *Lau v. Nichols*, recipients of federal financial assistance are required to take reasonable steps to ensure meaningful access to their programs and activities by limited English proficient (LEP) persons. In accordance with Executive Order 13166, the meaningful access requirement of the Title VI regulations and the four-factor analysis set forth in the Department of Justice (DOJ) LEP Guidance apply to the programs and activities of federal agencies, including HUD. In addition, EO 13166 directs each federal agency that provides financial assistance to non-federalentities to publish guidance on how their recipients can provide meaningful access to LEP individuals and thus comply with Title VI regulations forbidding funding recipients from restricting an individual in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service, financial aid, or other benefit under the program. The Fair Housing Act prohibits national origin discrimination in both private and federally-assisted housing. For example, a housing provider may not impose less favorable terms or conditions on a group of residents of a certain national origin by taking advantage of their limited ability to read, write, speak or understand English.

- **Minority Low-income areas and Populations.** A low-income population is defined as a group of individuals living in geographic proximity to one another, or a geographically dispersed or transient (migrant) group of individuals that have household incomes at or below poverty level. Individuals who are members of the following population groups are considered minorities: American Indian or Alaskan Native, Asian or Pacific Islander, Black or African American (not of Hispanic origin), or Hispanic. A low income or minority population can be identified where either: Low income or minority individuals constitute more than 50% of the population of the project area; or The percentage of low income or minority individuals in an affected area is twice that as the county or state as a whole (for example: 30% of the project area is low income but only 15 percent of the county is low income). Several methods can be used to determine if there are low income or minority populations present in a project area. The most common and defensible method is to review data provided by the US Census Bureau at https://data.census.gov/cedsci/. The website maintains data for a variety of different areas, including: the entire country, a state, county, census tract, block group, and block. For most projects, data from the census tract or block group level are the mostrelevant.

- **Non-discrimination.** The practice of implementing programs such that no applicant or prospective applicant is treated differently based on race, religion, ancestry or national origin, gender, or the presence of any sensory, mental, or physical. In Arkansas's CDBG-DR program, this will also include taking steps to ensure access to those with Limited English Proficiency (LEP) and those with disabilities.

- **Protected Classes.** The seven classes protected under the Federal Fair Housing Act are color, disability, familial status, (i.e. having children under 18 in a household, including pregnant women), national origin, race, religion, and sex. Discrimination is also forbidden based on age (those 40 years of age or older) or genetic information.

- **Reasonable Accommodation.** A change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with disabilities to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces, or to fulfill their program obligations. Please note that the ADA often refers to these types of accommodations as "modifications." Any change in the way things are customarily done that enables a person with disabilities to enjoy housing opportunities or to meet program requirements is a reasonable accommodation. In other words, reasonable accommodations eliminate barriers that prevent persons with disabilities from fully participating in housing opportunities, including both private housing and in federally-assisted programs or activities. Housing providers may not require persons with disabilities to pay extra fees or deposits or place any other special conditions or requirements as a condition of receiving a reasonable accommodation.

a) Assessing the Needs and Location of Vulnerable Populations

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

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

AEDC takes into account the provision of specialized resources that may include, but are not limited to, public or private social services, transportation accommodations, information, interpreters, translators, I-speak cards, and other services for those persons who may be visually or speech impaired during the Action Plan process free of charge. AEDC is taking care to ensure that individuals are able to access disaster recovery resources.

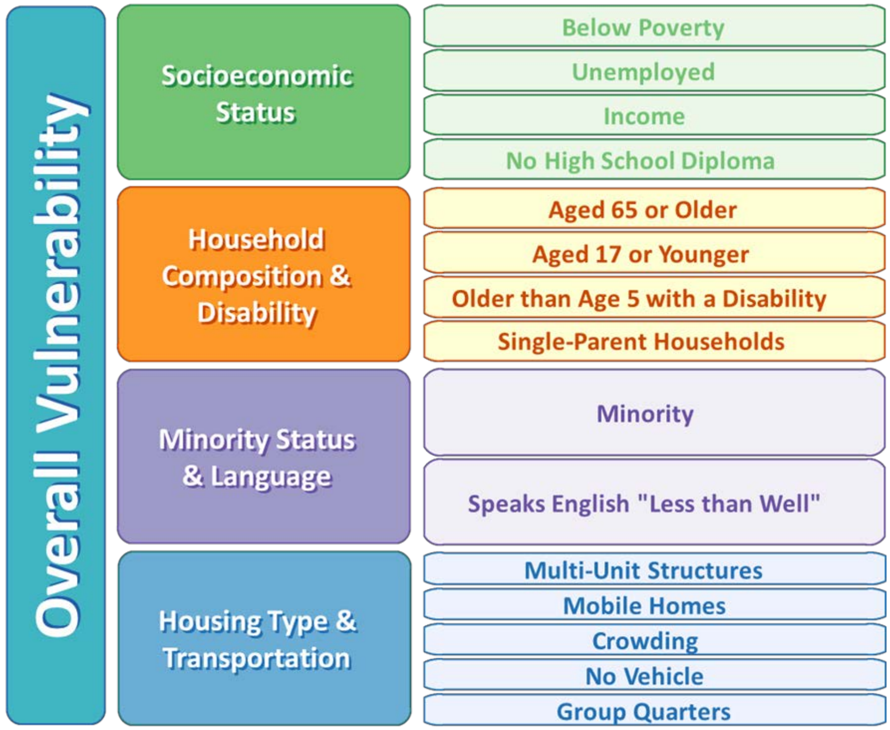
In addition to the Language Assistance Plan (see Appendix D) and other activities and supportive services to ensure the inclusion of all affected persons, AEDC must also evaluate the physical infrastructure that supports vulnerable populations such as particularly the homeless and those at risk of homelessness, and other historically underrepresented or disparately treated groups, as well as the disabled, the elderly, and families with children, especially those with incomes below 30 percent of the area median income, receive fair treatment and equal opportunity in regard to program.

A full analysis of the demographic population of the recovering areas affected by DR-4441 is found in Section Three of the Action Plan. AEDC believes that the Housing Assistance Programs are an avenue to address vulnerable populations in the recovery process. AEDC will prioritize through its selection criteria the homeless and those at risk of homelessness, and other historically underrepresented or disparately treated groups, as well as the disabled, the elderly, and families with children, especially those with incomes below 30 percent of the area median income.

The cumulative effects of the demographics of the declared counties contribute to the social vulnerability of the area. The Centers for Disease Control and Prevention (CDC) Social Vulnerability Index (SOVI) was created to help emergency response planners and public health officials identify and map communities that will most likely need support before, during and after a hazardous event.

SVI indicates the relative vulnerability of every U.S. Census tract. Census tracts are subdivisions of counties for which the Census collects statistical data. SVI ranks the tracts on 15 social factors, including unemployment, minority status, and disability, and further groups them into four related themes. Thus, each tract receives a ranking for each Census variable and for each of the four themes, as well as an overall ranking.

Figure 17: CDC's 15 SOVI Factors



Source: CDC SVI 2018 Documentation - 1/31/2020, accessed at https://svi.cdc.gov/Documents/Data/2018_SVI_Data/SVI2018Documentation.pdf

The degree to which a community exhibits certain social conditions, including high poverty, low percentage of vehicle access, or crowded households, may affect that community's ability to prevent human suffering and financial loss in the event of disaster. These factors describe a community's social vulnerability.

To measure the social vulnerability rating of Arkansas' impacted counties, each of the CDC's 15 SOVI factors were considered for census tracts throughout the state. As illustrated in the figure table and figure below, the HUD-identified MIDs of Jefferson and Perry are in the top two quartiles, with Jefferson County in the highest quartile. The State-identified MIDs of Pulaski, Sebastian, and Desha Counties rate in the top two quartiles, and Faulkner County rates in the third quartile. Overall, eighty-eight percent of the declared counties rate in the top two quartiles suggesting there is a strong social vulnerability correlation present.

The below table contains the 2018 SOVI data for the impacted counties. The CDC SVI data documentation and data dictionary can be found at: The data documentation is available here.

Table 65: Arkansas Statewide Percentile Ranking of Vulnerability

County	Total Population (2014-2018 ACS Estimate)	Sum of Series Themes	Overall Percentile Ranking

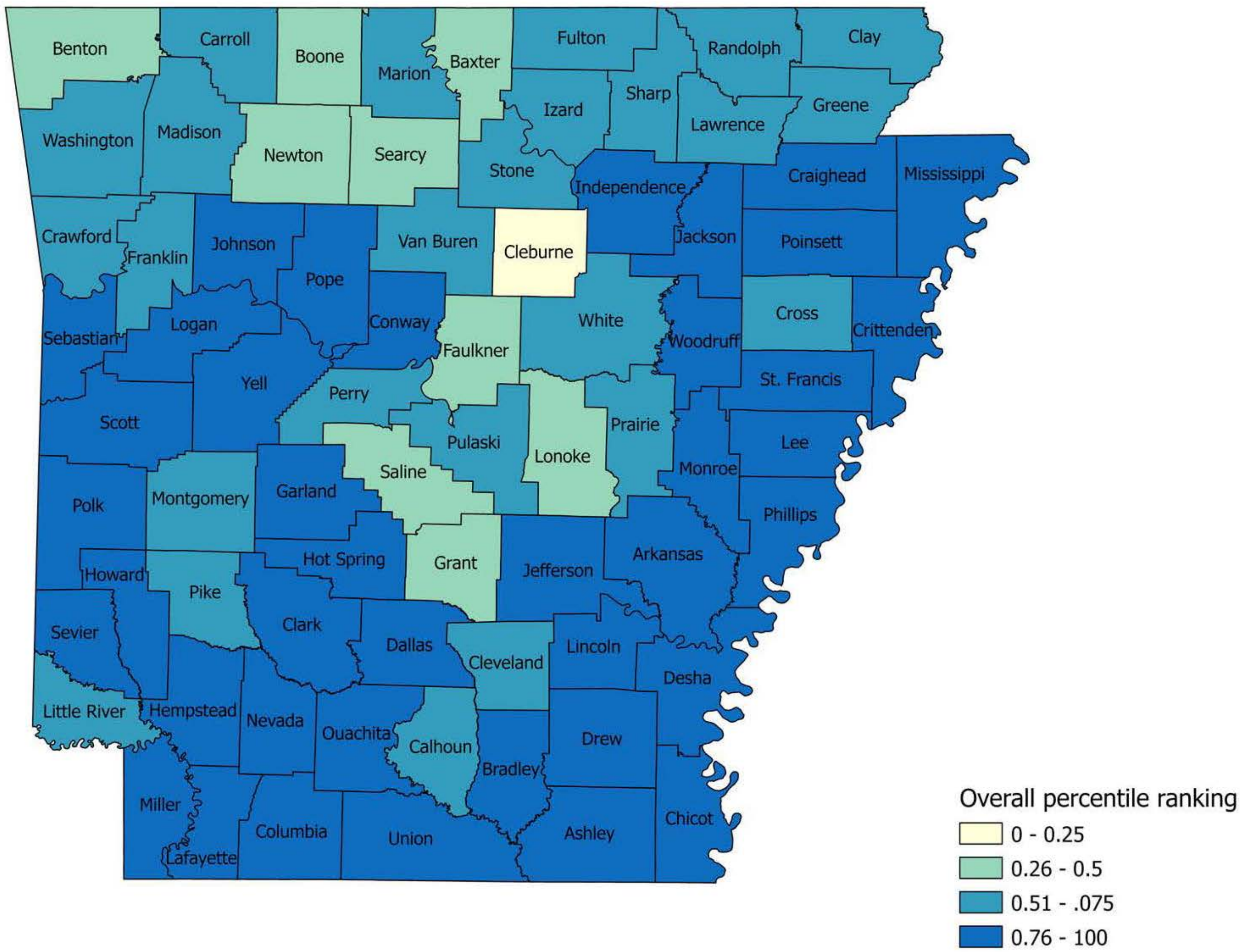
Arkansas	18,124	7.608	0.5676
Chicot	10,826	11.3785	1
Conway	20,906	7.1484	0.4595
Crawford	62,472	5.8379	0.1351
Desha	11,887	10.1082	0.9324
Faulkner	122,416	4.9188	0.1081
Franklin	17,780	6.9323	0.3919
Jefferson	70,424	8.9055	0.8243
Johnson	26,291	8.7703	0.7973
Lincoln	13,695	8.3783	0.7162
Logan	21,757	7.2164	0.4865
Perry	10,322	7.0002	0.4324
Pope	63,644	6.9054	0.3784
Pulaski	393,463	6.4459	0.2297
Searcy	7,923	5.9326	0.1622
Sebastian	127,461	7.6216	0.5946
Yell	21,573	8.311	0.6892

Source: Centers for Disease Control and Prevention/ Agency for Toxic Substances and Disease Registry/ Geospatial Research, Analysis, and Services Program. Social Vulnerability Index 2018 Database Arkansas. data-and-tools-download.html. Accessed on March 25, 2020

The figure below[57] illustrates that most of the impacted counties are in the top two quartiles of vulnerability.

[57] *Centers for Disease Control and Prevention/ Agency for Toxic Substances and Disease Registry/ Geospatial Research, Analysis, and Services Program. Social Vulnerability Index 2018 Database Arkansas. data-and-tools-download.html. Accessed on March 25, 2020.*

Figure 18: Arkansas Statewide Percentile Ranking of Vulnerability[58]

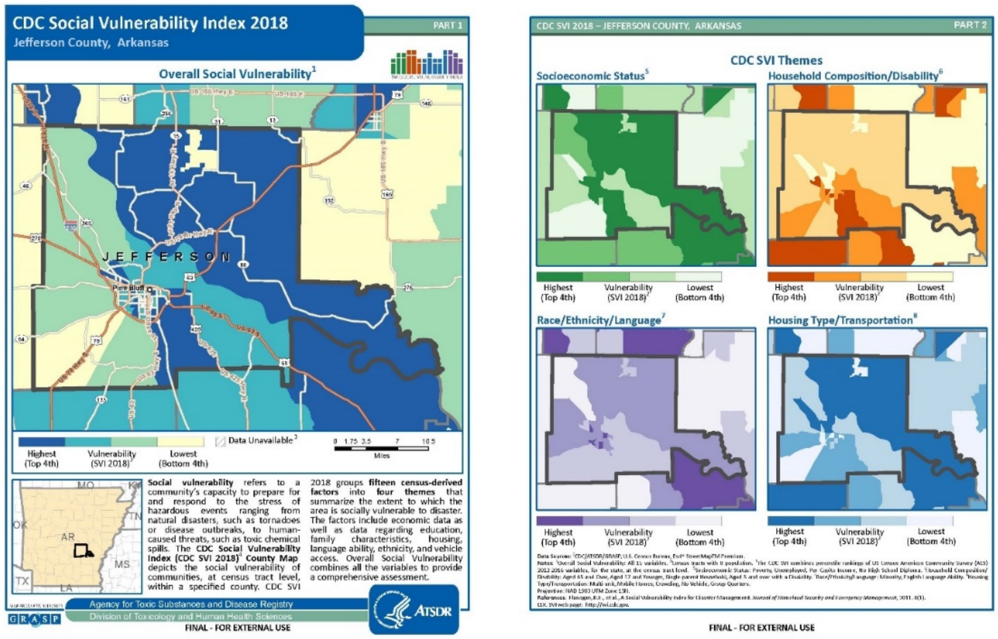


Source: Centers for Disease Control and Prevention/ Agency for Toxic Substances and Disease Registry/ Geospatial Research, Analysis, and Services Program. Social Vulnerability Index 2018 Database Arkansas. data-and-tools-download.html. Accessed on March 25, 2020.

HUD-designated MID Jefferson County presents a unique challenge in that it is one of the most socially vulnerable counties, as seen in Figure 19, below, particularly when compared to the other HUD-designated MID County, Perry County, as shown in Figure 20.

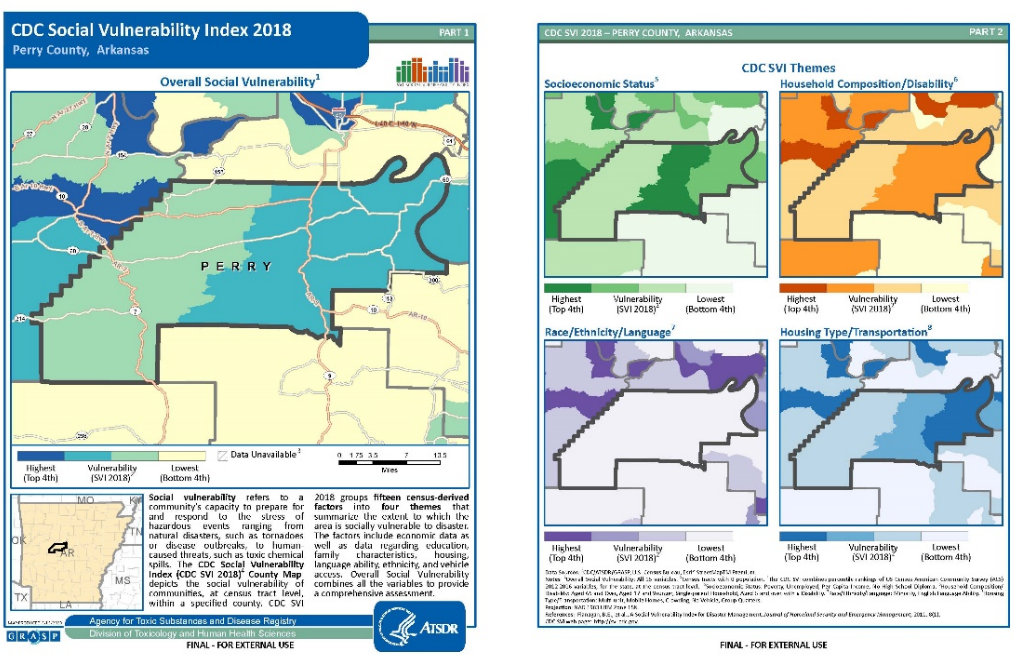
[58] *Centers for Disease Control and Prevention/ Agency for Toxic Substances and Disease Registry/ Geospatial Research, Analysis, and Services Program. Social Vulnerability Index 2018 Database Arkansas. data-and-tools-download.html. Accessed on March 25, 2020*

Figure 19: CDC Social Vulnerability Index 2018, Jefferson County



Source: [Agency for Toxic Substances and Disease Registry], **accessed at** [Arkansas2018_Jefferson.pdf (cdc.gov)]

Figure 20: CDC Social Vulnerability Index 2018, Perry County



Source: [Agency for Toxic Substances and Disease Registry], **accessed at** [Arkansas2018_Perry.pdf (cdc.gov)]

An awareness of these vulnerabilities is critical to understanding the unique recovery challenges for this area and ensuring that recovery programs account for those vulnerabilities, and if possible, address them.

AEDC commits to Affirmatively Furthering Fair Housing and complies with Civil Rights laws in the implementation of its programs. AEDC further understands the complexity of housing resilience in racially and ethnically concentrated areas, as well as concentrated areas of poverty. AEDC will coordinate with impacted stakeholders to determine the best course of action to provide equitable, meaningful housing solutions for all impacted individuals. To best serve vulnerable populations such as those requiring transitional housing, permanent supportive housing, permanent housing serving individuals and families (including subpopulations) that are homeless and at-risk of homelessness, and public housing developments, AEDC will strive to increase engagement more with local Public Housing Authorities (PHAs) to support resilience needs for public housing at the local level to help serve these groups, and to reach LMI and minority communities.

As previously noted, AEDC conducted outreach to 35 PHAs and each of the state's CoCs to assess the impact of the 2019 disaster and solicit information regarding unmet recovery needs of those experiencing homelessness and other vulnerable populations (see Appendices G and H). To date, AEDC has not received information from the state's PHAs or CoCs identifying an unmet need for recovery efforts related to physical or structural damage to public housing, emergency shelter facilities, or transitional and supportive housing facilities resulting from the DR-4441 disaster. Though flooding reportedly affected persons experiencing homelessness, particularly along the riverfront in Little Rock, no additional feedback regarding unmet housing need has been received. Through outreach and engagement efforts conducted by AEDC between March 2020 and March 2021 (see Appendices F, G, and H), AEDC has received no information from local government, CoCs, or other entities identifying a need for financial assistance to address an increase in homelessness or physical damage to housing facilities for any of the events covered by the Federal Register Notice.

AEDC, in partnership with ADFA, has taken additional steps to address extremely low income (ELI) individuals and households, defined as those which earn equal to or less than 30 percent of area median income, as well as the elderly, low-income families (or individuals with children), individuals with disabilities and homeless persons. In the prioritization criteria for proposals received for the Multi-Family Rental Recovery Program, proposals which include considerations for these groups will receive prioritization over similar projects which do not include plans for these populations.

AEDC is committed to rebuilding damaged communities in a more resilient manner that affirmatively furthers fair housing opportunities to all residents. For this reason, the analysis identifies which impacted neighborhoods have a disproportionate concentration of minority populations as well as those with Limited English Proficiency. As these communities rebuild, the State will focus its planning and outreach efforts to ensure that rebuilding is equitable across all neighborhoods, including making provision for all information available about CDBG-DR funding and programs in both English and Spanish (where feasible) and having appropriate translation, interpretation, and others services for persons with disabilities free of charge and accessible to the public in accordance with all HUD regulations and program guidelines.

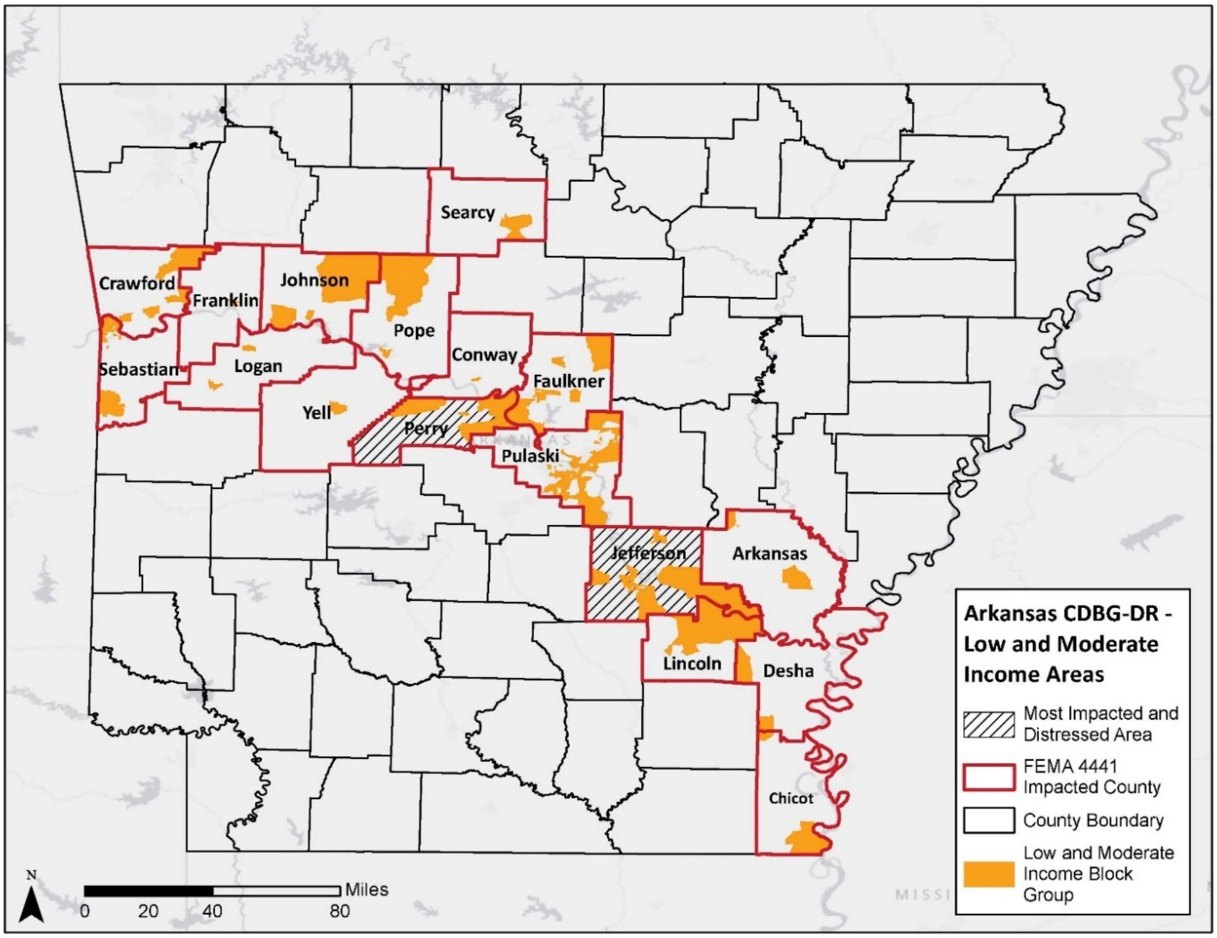
The connection between physical hazards and populations that may have factors that reduce their ability to plan in advance, cope during an event and recover after an event is directly related with housing. It is important to plan for housing in locations away from repeated risk factors such as flooding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

b) Prioritizing LMI Populations

As a result of historic and structural racism, communities of color are disproportionally concentrated in low- and moderate-income (LMI) neighborhoods. In the HUD-designated MID area of Jefferson County, the mean per capita income of white households is higher than the mean income of Black or African American households and Latino/Hispanic households, and white mean per capita income is higher than mean Native American household income. Given these racial disparities in income across the impacted counties, it is particularly important to consider how this action plan affects LMI, very low-income (VLI), and extremely low-income (ELI) communities. Low-income households have fewer resources to prepare for storms – by elevating structures, moving out of flood zones, or strengthening home construction – and fewer resources to dedicate to storm recovery, putting them at still greater risk of continuing damage as repairs are not made. Low-income households may also have less capacity to relocate during disasters. All these factors put these communities at risk for greater damage during the 2019 floods and will continue to put them at risk in future storms. The Arkansas CDBG-DR program is explicitly intended to assist the most vulnerable of Arkansas's citizens. These citizens, as HUD and AEDC rightly recognize, face the greatest barriers to long- term recovery.

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

Figure 21: DR-4441 Low- to Moderate-Income (LMI) Areas



Source: U.S. Department of Housing and Urban Development, ESRI 2019

CDBG-DR funds are intended to primarily address unmet needs in the MID areas with a focus on housing for low- and moderate-income (LMI) households and individuals.[59] HUD defines LMI as households and individuals that are 80% of the area median income (AMI).

AEDC is committed to serving the LMI population of the impacted areas of the State. The state intends to meet the LMI National Objective with all project activities. To the extent that it is feasible, all other programs will also be delivered to maximize LMI individual and household benefit.

5. Affirmatively Furthering Fair Housing

As discussed earlier in this section, the State of Arkansas prioritizes vulnerable populations. Specifically, this will apply to the implementation of Arkansas's CDBG-DR Action Plan by requiring all subrecipients to

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[59] *85 Fed. Reg. 17 (January 27, 2020)*

affirmatively further fair housing for all project types (Title VIII of the Civil Rights Act of 1968)[60]. This is not restrictive to housing program projects, but rather any project implemented using CDBG-DR funding. Fair housing choice promotes program implementation that does not discriminate based on race, color, religion, sex, disability, familial status, or national origin. More information regarding fair housing requirements can be found in the policies and procedures manual.

AEDC will follow policies and procedures for compliance with Affirmatively Furthering Fair Housing (AFFH) requirements during the planning and implementation of all the activities listed in this Action Plan. Such policies and procedures involve a review that includes an assessment of the demographics of the proposed housing project area, socioeconomic characteristics, environmental hazards or concerns, and other factors material to the AFFH determination. This is a Fair Housing review done at time of subrecipient application review.

Programs are required to comply with all relevant fair housing laws, including the federal Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act. These laws prohibit discrimination in housing and federally assisted programs on the bases of race, color, national origin, religion, sex, disability and familial status. The federal obligation to affirmatively further fair housing stems from the Fair Housing Act. State fair housing laws, including the Arkansas Fair Housing Act, are also required for Fair Housing compliance.

Multifamily program applications should demonstrate that the proposed projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard related impacts.

6. Meeting Accessibility Standards & Reasonable Accommodations

The use of CDBG-DR funds must meet accessibility standards, provide reasonable accommodations to persons with disabilities, and take into consideration the functional needs of persons with disabilities in the relocation process. Guidance on relocation considerations for persons with disabilities may be found in Chapter 3 of HUD's Relocation Handbook 1378.0 (available on the HUD Exchange website). A checklist of accessibility requirements under the Uniform Federal Accessibility Standards (UFAS) is available here. The HUD Deeming Notice 79 FR 29671 (May 23, 2014) explains when HUD recipients can use 2010 ADA Standards with exceptions, as an alternative to UFAS to comply with Section 504. When the subrecipient does not already have an up-to date identification of the area served for a given facility or service, and the national objective is LM Income Area Benefit, it is necessary for the subrecipient to determine the service area before CDBG-DR assistance is provided. The factors to be considered in making the determination of the area served (both by the subrecipient and ADEC) for these purposes are the nature of the activity, accessibility issues and the availability of comparable activities.

[60] https://www.law.cornell.edu/cfr/text/7/1901.203

Specifically, Arkansas will provide reasonable accommodation and access to language resources to affirmatively further fair housing. Arkansas is committed to ensuring that individuals with disabilities are able to participate and benefit from the CDBG-DR programs as outlined in this action plan. As a part of the planning process, AEDC considered the needs of individuals with disabilities. Additionally, individuals with disabilities can request accommodation, including those that require modification of policies and programs or exceptions, unless doing so would be a fundamental alteration of the program. Additionally, Arkansas is committed to ensuring that individuals with Limited English Proficiency (LEP) are able to participate and benefit from the CDBG-DR programs as outlined in this Action Plan. AEDC and subrecipients will be required to adhere to the State's Language Access Plan, including compliance with the four-factor evaluation process. More information regarding this accommodation is available in the CDBG-DR Citizen Participation Plan (Attachment C).

7. Promoting a Resilient Recovery & Protecting People from Harm

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

CDBG-DR funds may be used as a non-federal share match in specific instances where a particular project can meet CDBG-DR requirements. These funds can also be used to address mitigation measures for housing and infrastructure where it is not reasonable to build back to pre- disaster status due to the damage of the structures. Integral to the CDBG-DR program is rebuilding structures to meet code and be resilient in the face of another disaster. For additional details on specific mitigation efforts to be implemented through the Voluntary Residential Buyout and Infrastructure Programs, please see Section Seven.

AEDC realizes the potential cost of incorporating mitigation and resilience measures and will utilize Independent Cost Estimates (ICE) to document and ensure cost reasonableness in all funded projects and will include this requirement in all programmatic policies and procedures.

The analysis of the impact to households in high-risk flood areas described in the earlier section has implications for prioritizing impacted properties in high-risk areas. In observance of sustainable long-term recovery planning and responsible floodplain management, the CDBG-DR Voluntary Local Residential Buyout Program has been designed to relocate these households out of harm's way and mitigate the future cost of repairs from subsequent flooding. Under the Voluntary Local Residential Buyout Program, only buyouts within the floodplain of the HUD and State-identified MIDs will be eligible for funding. Should the need for buyouts outside the floodplain arise, the State will establish criteria in its CDBG-DR policies and procedures for designating Disaster Risk Reduction Areas (DRRAs) in a manner that is consistent with FRN requirements.

AEDC will prioritize activities which will assist in responding to natural hazard impacts, and which may be listed as a specific hazard mitigation activity in the state or local hazard mitigation plan.

8. Promoting Regional Post-Disaster Recovery & Mitigation Planning

Due to limited CDBG-DR funding, and in an effort to address HUD's requirement to address housing unmet needs first, the State of Arkansas is not at this time proposing to utilize CDBG-DR funds to develop a disaster recovery and response plan. However, the State coordinates closely with ADEM and will continue to work directly with the agency to ensure CDBG-DR programs address long-term recovery and algin with post-disaster hazard mitigation strategies. Please reference Section Four for details on the existing State of Arkansas All-Hazards Mitigation Plan and the Governor's Task Force on Levees.

The State of Arkansas All-Hazards Mitigation Plan (HMP), last updated in September 2018, is one of many planning tools utilized in order to make the state more resilient to natural and man-made hazards. The information contained in HMP serves as a guide toward community sustainability and the reduction of the state's vulnerability to hazards. Each hazard that poses a significant risk to the State of Arkansas has been assessed using the same methodology, providing historical background, vulnerability, exposure, and potential loss.

The State's HMP outlines the mitigation strategy developed by the mitigation planning team and adopted by the State of Arkansas; this strategy includes long-term goals, short-term objectives, and the assignment of specific, measurable actions. AEDC is using the HMP and partnership with ADEM to address mitigation planning and address long-term recovery and pre- and post-disaster hazard mitigation by specifically designing the CDBG-DR program to align with the strategy, goals and actions as described in the State's HMP by specifically designing the CDBG-DR program to align with the strategy, goals, and actions as described int eh State's HMG, as discussed below.

The implementation of the HMP is intended to help break the continuing cycle of disaster, damage, and reconstruction that our citizens have been suffering by focusing on the mitigation element of the comprehensive emergency management system. This mitigation element includes policy, planning and project activities that will reduce the vulnerability of Arkansas communities to all identified hazards.

The State's HMP is an overarching document that is both comprised of, and contributes to, various other state plans. In creating this HMP, all of the planning documents identified below were consulted and reviewed. In turn, when each of these other plans is updated, they will be measured against the contents of the HMP.

Below is a list of the state's various planning efforts, solely or jointly administered programs, and documents. While each plan can stand alone, their review and functional understanding was pivotal in the development of the State's HMP and further strengthens and improves Arkansas' resilience to disasters.

- Arkansas Comprehensive Emergency Management Plan (ARCEMP)
- ADEM Strategic Plan FY20-21
- Critical Infrastructure Protection Branch
- ADEM Exercise Section
- Arkansas Earthquake Program report
- Arkansas Hazardous Materials
- Arkansas Influenza Pandemic Response Plan
- Arkansas Natural Resources Division Floodplain Management Programs
- Arkansas Natural Resources Division State Water Plan
- Arkansas Natural Resources Division Dam Safety Program
- Arkansas CDBG-DR Action Plans

Information from each of these plans and programs is utilized within the applicable hazard sections of the State's HMGP to provide data and fully inform decision making and prioritization.

The general information in the HMP is also intended for use by local governments, universities, businesses, and private associations, in addition to state and federal departments and agencies. The HMP is available to all state agencies, like AEDC, to reference when seeking information and guidance on state mitigation goals and objectives, and AEDC will coordinate with ADEM on these goals and objectives as they develop, design, and implement their CDBG-DR programs.

The most significant of the goals listed in the most recent HMP, and which directly result in AEDC prioritizing local voluntary residential buyouts as well as infrastructure projects that include mitigation actions, is Goal 6, which is to:

Reduce the total number of repetitive loss and severe repetitive loss properties.

- **Objective 6.1:** Develop and implement a repetitive loss strategy to prevent future losses.
- **Objective 6.2:** Utilize HMGP, PDM, and FMA grant funds to perform acquisitions and elevations of severe repetitive loss and repetitive loss properties.
- **Objective 6.3:** Enhance education efforts that increase the public's, and home or business owners' knowledge and awareness of NFIP insurance, its benefits, and mitigation grants by conducting various outreach activities.
- **Objective 6.4:** Analysis of the repetitive loss communities and SRL properties with the greatest financial losses will be utilized to identify and prioritize areas for cost-effective mitigation projects.
- **Objective 6.5:** Work with jurisdictions to ensure grant eligibility by keeping mitigation plans current.
- **Objective 6.6:** Provide assistance in the implementation of flood mitigation plans and projects

in flood-prone areas, in accordance with federal and state regulatory, funding, and technical assistance programs.

Information from the HMP is often used by local jurisdictions to incorporate into their hazard mitigation plans. This information includes hazard identification and risk assessment, goals and objectives, local capabilities, and mitigation initiatives.

To search or view an interactive version of the status of local and regional statewide Hazard Mitigation Plans, click here. This map allows you to search for the current plan status for State, Local, Tribal, and Territorial governments. The national status map shows local jurisdictions with approved plans (green), Approvable-Pending-Adoption (APA) plans (light green), plans that will expire within 90 days (yellow), and expired plans (red).

ADEM is responsible for coordinating the development of local mitigation plans by providing grant funding, technical assistance, and review. Limited staff as well as funding restrictions cause challenges in local mitigation plan development. There is a high demand for local mitigation planning, but funding is usually contingent upon grant funding, which can cause the plans to lapse in the absence of additional funding to support mitigation planning.

ADEM is actively working to standardize the methodology for all local mitigation plans. Currently, jurisdictions use different methodologies and data sets to determine hazard risks and vulnerabilities. This creates a challenge in integrating local plans into the HMP as data has to be translated to fit one planning standard.

In its scoring and evaluation of CDBG-DR applications, AEDC will prioritize projects that also include mitigation actions which are specifically listed in the state or local Hazard Mitigation Plan and will assist in responding to natural hazard impacts in the HUD- and State-identified MID areas.

6. Program Implementation & General Requirements

A. Program Implementation

The program implementation section discusses eligibility requirements and implementation requirements for Arkansas's CDBG-DR grant program.

1. Eligible Activities

CDBG-DR funds must be used toward disaster recovery activities, addressing disaster relief, restoration of infrastructure, and housing and economic revitalization, directly related to the 2019 disasters, which are eligible for CDBG.[61] The assistance may be provided for eligible projects to which FEMA has provided assistance, or that other sources, including FEMA, cannot fund or cannot fund in full, but that are nevertheless critical to recovery, or for activities where the costs significantly exceed the amount of assistance that FEMA or other sources can fund. However, any appropriation covered by this Plan[62] shall be reviewed for compliance with duplication of benefits (DOB) guidelines.[63] A key update is described by HUD, "CDBG-DR grantees shall not treat declined subsidized loans, including declined SBA loans, as a DOB (but are not prohibited from considering declined subsidized loans for other reasons, such as underwriting)."[64] Funds may also be used as a matching requirement, share, or contribution for any other federal program, provided all activities are CDBG-DR eligible and in compliance with DOB guidelines.

- Program delivery costs may include, but are not limited to: applicant intake, development of cost estimates, engineering design, and compliance actions for environmental hazards.
- By the terms of the applicable HUD Federal Register Notices, activities using no less than 80%, $7,142,000, of the CDBG-DR funding will be funded in the following HUD MID Counties: Jefferson County and Perry County. Per the January 27, 2020, Federal Register Notice, Arkansas elected to expand the MID per automatic waiver to cover the extent of the two counties.[65]
- Up to 20% of the CDBG-DR funding allocation may be used to fund activities in declared areas outside of the HUD MID. Based on unmet need and limited funding availability, the State has identified Desha, Faulkner, Pulaski, and Sebastian Counties as the most impacted and distressed areas outside the HUD MID.

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[61] *Eligible activities are as identified at 42 USC 5305 (a), that meet the state CDBG program regulations as found at 24 CFR 570.482 or any activity for which HUD has issued a waiver/alternative requirement in the applicable Federal Register Notices*
[62] *Per Public Law 116-20*
[63] *As noted in 84 FR 28836, which updates existing DOB requirements to reflect recent CDBG–DR supplemental appropriations acts and amendments to the Robert T. Stafford Disaster Relief and Emergency Assistance Act*
[64] *Per 84 FR 28836.*
[65] *83 Fed. Reg. 83 (February 9, 2018)*

- Structures used by faith-based organizations may be assisted where a structure is used for both religious and secular uses, and the rehabilitation and/or construction costs are attributable to the non-religious use. As of this writing, no specific CDBG-DR eligible projects for religious institutions have been identified; however, the state reserves the right to assist eligible projects as need and identified.

2. Ineligible Activities

Ineligible activities include, but are not be limited to, the following:

- General government expenses;
- Political activities;
- Operations and maintenance;
- Income payments;
- Assistance to second homes (which may be allowed in certain circumstances, but due to program design including buyouts and not including housing rehabilitation, the assistance to second homes will remain an ineligible activity cost);
- Replacement of lost business revenue as a result of the storm;
- Assistance to private utilities;
- Purchase of equipment (with several exceptions, e.g., as part of an eligible economic development activity, a public service activity, a solid waste disposal facility, or an integral part of a public facility project);
- Any project that does not demonstrate a specific tie-back to DR-4441.

3. Duplication of Benefits

In the administration of the CDBG-DR programs, the State of Arkansas will implement its CDBG-DR Duplication of Benefits (DOB) Policy to assure beneficiaries do not receive DOB.[66] DOB refers to a situation where a beneficiary receives assistance from multiple sources (e.g., private insurance, FEMA, NFIP, non-profits, etc.), and the total assistance amount exceeds the need for a particular recovery purpose. This ensures that beneficiaries receive assistance to the extent that the recovery need has not been fully met. In accordance with HUD Federal Register Notices of 2019, declined, cancelled, and undisbursed loans are not considered DOB. Receiving DOB could result in required repayment of duplicative funds and de-obligation of funding. DOB policies apply to any recipient of CDBG-DR funds, including homeowners, property and business owners, and local governments. Additional information regarding DOB will be found in the State of Arkansas CDBG-DR DOB Policy and the CDBG-DR Policies & Procedures Manual.

All sub-applicants, and all program participants must consent to a Duplication of Benefits review by signing the Duplication of Benefits Release Authorization form. In order to receive CDBG-DR assistance, a Duplication of Benefits review will be conducted to determine any previous disaster assistance received

[66] *In accordance with Section 312 of the Robert T. Stafford Act, as amended, 76 FR 71060 published November 16, 2011, 84 FR 28848 published June 20, 2019, and 84 FR 28836 published June 20, 2019.*

from any source, including insurance. Any previous assistance received for the same purpose as CDBG-DR funds must be deducted.

a) Data Sharing Agreements

Due to the relatively low number of activities expected to be carried out through the various CDBG-DR activities proposed in this Action Plan, particularly buyouts, AEDC intends to build off of existing interservice partnerships with ADEM and ADFA to perform duplication of benefits checks. In addition, the Arkansas Insurance Department is in the process of finalizing an interservice agreement with FEMA with which to collect this information. AEDC will also work to secure data from the National Flood Insurance Program (NFIP). This will be used to determine if applicants seeking disaster recovery funding assistance have received other federal funding for the same purpose.

4. Procurement

Procurement for CDBG programs are governed by those specific requirements set forth under 24 CFR 570.489(g), 2 CFR 200, and Arkansas Procurement Laws and Rules, and all applicable state laws and regulations.[67] These rules and regulations are applicable for all applicants and any potential subrecipients. The state's procurement policies were submitted in the State of Arkansas Grantee Certifications Package.

As applicable, partnering agencies will follow their own procurement requirements. Where there is more than one funding source associated with a project, the project is subject to the procurement policy of each funding source; strictest procurement requirements will be applicable.

Procurement requirements will depend on the type of program. When construction contractors are required, a licensed contractor with the State of Arkansas and local jurisdictions will be required. According to each local jurisdiction, permits may be required for work conducted utilizing CDBG-DR funding.

5. Use of Technical Assistance

The State of Arkansas will utilize technical assistance resources provided through HUD staff to support program implementation and program management, including potential support for local governments and other eligible applicants under the programs described in this Action Plan where appropriate. Technical assistance resources will support the State's actions to ensure that compliance is met for environmental review requirements.

B. General Activity Requirements

[67] *State of Arkansas Procurement Laws & Rules, March 16, 2020. Retrieved at* https://www.dfa.arkansas.gov/images/uploads/procurementOffice/lawsRegs.pdf

1. Minimizing Displacement

ADEC does not intend for tenant-occupied properties to be eligible for the buyout program, however, ADEC will require subrecipients, implementing a buyout program, to distribute the URA Notice of Intent and General Information Notice in the subrecipient's outreach materials and buyout application. AEDC will include further details for minimizing displacement in the buyout program policies and procedures. Minimizing displacement is not designed to limit the programs that AEDC can implement, but rather support a fair recovery process. AEDC will minimize displacement of persons or entities when implementing CDBG-DR projects by ensuring that all programs are administered in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended (49 CFR Part 24) and §104(d) of the Housing and Community Development Act of 1974 and the implementing regulations at 24 CFR Part 570.496(a).

Consistent with the goals and objectives of activities assisted under the Act, AEDC and ADFA will require subgrantees to take the following steps to minimize the direct and indirect displacement of persons from their homes:

- Stage rehabilitation of apartment units to allow tenants to remain on-site during and after rehabilitation by working on empty units or buildings first.
- Where feasible, give priority to rehabilitation of housing, as opposed to demolition, to avoid displacement.

Infrastructure will not be rolled out until Housing Assistance Programs need has been exhausted. Multi-Family program will also follow the Voluntary Buyout Program, leveraging the LIHTC's program & commencing in Q2 2022. Given the start dates, these programs will not be subject to Stafford Act provisions of the URA, with funds subject to availability after the Voluntary Buyout Program need has been exhausted.

Only structures that were owner-occupied at the time of the disaster will be eligible in the Voluntary Buyout Program. As a result, AEDC is building in a strong mechanism that CDBG-DR funds will be targeted to persons who do not qualify as displaced under the URA (owner-occupants in voluntary acquisitions). Thus, this program should largely avoid displacement of tenants.

The terms "demonstrable hardship" will be specifically defined in the forthcoming policies and procedures. In general terms, a demonstrable hardship is considered a substantial change in a household's situation that prohibits or severely affects their ability to provide and maintain a minimal standard of living or basic necessities.

2. Elevation Requirements

AEDC does not anticipate funding housing activities that will be subject to HUD's elevation requirements, however the CDBG-DR Grant Administration Manual will include policies and procedures for compliance with elevation requirements**.** To promote a resilient recovery, AEDC will require the use of the following elevation standards as outlined in the Federal Register[68] by HUD:

- Per Federal Register Notice, 83 FR 5861, residential structures located in the one percent annual chance floodplain where assistance is provided for new construction, repair of substantially damaged structures, or substantial improvements in flood hazard areas, are required to elevate such that the lowest floor (including the basement) is at least two feet above the base flood elevation. Note: This Action Plan does not allow for any new construction in the one percent annual chance floodplain.
- Mixed-use structures with no dwelling units and no residents below two feet above base flood, must be elevated or floodproofed, in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above base flood elevation.
- Nonresidential structures are required to be elevated or floodproofed up to at least two feet above the one percent annual chance floodplain.
- All critical actions[69] located within the 500-year floodplain are required to be elevated or floodproofed to the to the *higher* of the 500-year floodplain elevation or three feet above the 100 year floodplain elevation. If the 500-year floodplain elevation is unavailable, any critical action in the 100-year floodplain must be elevated three feet above the floodplain elevation. Critical Actions include hospitals, nursing homes, police stations, fire stations and principal utility lines.
- Applicable State, local and tribal codes and standards for floodplain management that exceed the FRN requirements including elevation, setbacks, and cumulative substantial damage requirements must be followed, per 83 FR 5862.
- The state will review the accessibility requirements of the UFAS checklist and the HUD Deeming Notice to ensure structures comply with accessibility requirements, per 83 FR 5861).

The Arkansas Natural Resources Division (NRD) will work with AEDC to support local community floodplain managers to ensure that all federal, state, and local floodplain regulations are met. AEDC will require its sub-applicants to comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas All structures designed for residential use within a 100-year (or one percent annual chance) floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 CFR 5850. Applicable State, local and tribal codes and standards for floodplain management that exceed the FRN requirements including elevation, setbacks, and cumulative substantial damage requirements must be followed by sub-applicants.

AEDC's priority is to support a resilient recovery. If AEDC does amend the Action Plan to carry out housing activities that will propose elevation, AEDC will look to industry standards for the most relative average cost associated with elevating structures and will demonstrate that elevation is cost reasonable relative to alternative programs to promote a community's long-term recovery. Costs of elevation will be included as part of the overall cost of rehabilitation of a property.

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[68] *83 Fed. Reg. 83 (February 9, 2018)*

[69] *Critical Actions are defined as an ''activity for which even a slight chance of flooding would be too great, because such flooding might result in loss of life, injury to persons or damage to property" (24 CFR 55.2[b][3]). This applies to hospitals, nursing homes, fire and police stations, and roads providing sole egress from flood-prone areas.*

Should the state consider a request to use reprogrammed funds for an elevation activity, the Subrecipient's request to elevate structures in a particular neighborhood or local government must be cost reasonable relative to other alternatives strategies, such as demolition of substantially-damaged structures with reconstruction of an elevated structure on the same site, property buyouts, or infrastructure improvements to prevent loss of life and mitigate future property damage. A cost feasibility analysis should be conducted to decide on the most cost effective and reasonable solution for substantially damaged residential structures in the floodplain which could include elevation, acquisition, or reconstructing or replacing the structure in a different location.

An analysis of FMA project budgets provided to AEDC by the Natural Resource Division of the Arkansas Department Agriculture in April 2020 lists three property addresses for elevation with total project costs averaging $135,198.

Should the Action Plan be amended to carry out owner occupied home rehabilitation in the 100-year floodplain, a cost estimate will be completed and compared with local and national averages comparable to the home's size, number of feet required for elevation, and the geography of the location. AEDC will outline how it will document on a neighborhood or local government level that elevation, as opposed to alternative strategies, is cost reasonable to promote a community's long-term recovery in programmatic policies and procedures.

A grantee may only provide assistance for the rehabilitation/reconstruction of a house located in a floodplain if: (a) The homeowner had flood insurance at the time of the qualifying disaster and still has unmet recovery needs; or (b) the household earns less than the greater of 120% AMI or the national median and has unmet recovery needs. The property owner is also required to obtain and maintain flood insurance in a special flood hazard area (83 FR 5865/February 9, 2018).

3. Cost Reasonableness & Project Construction Costs

AEDC will follow a cost analysis process as part of standard contracting procedures, which includes a review of each cost element to determine allowability, reasonableness and necessity. Maximum assistance available to housing beneficiaries, as well as cost-effectiveness relative to other means of assistance, will be outlined in the CDBG-DR Policies & Procedures Manual. Maximum assistance per beneficiary for the Multifamily Rental Recovery and Voluntary Local Residential Buyout Programs has been set in Sections Six and Seven, and the maximum assistance available for infrastructure will be set by the applicant jurisdictions as part of the project submittal to AEDC and will be considered by AEDC upon review.

For all Housing Assistance projects, the state's program manuals will establish housing assistance maximums. Local governments may then choose to adopt housing guidelines stricter than the state's program's as long as like persons and like circumstances are treated the same. All local guidelines and optional relocation plans, as applicable, must be adopted by resolution. The resolution must include the structure of their programs and processes and conform to state guidelines. The guidelines must detail how assistance will be prioritized for vulnerable populations. The order of priority of addressing applicants must be established and included in the local guidelines.

Generally, at the time of application, the Subrecipient will provide the most cost reasonable approach to construction through the preliminary engineering report and engineer's estimate. The Subrecipient will follow established cost reasonableness criteria at the time of awarding a construction project and approving change orders to the construction contract. In the event AEDC funds new multifamily construction projects that exceed eight units, the Subrecipient will follow AEDC's cost reasonableness policy to ensure that the project costs do not exceed the market prices for comparable goods or services for the geographic area. Additionally, ADFA vets proposed costs for multifamily projects.

Generally, a cost is reasonable according to 2 CFR Part 200.404, if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration may be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award;
- The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, and other laws, and regulations; and terms and conditions of the Federal award;
- Market prices for comparable goods or services for the geographic area;
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the Subrecipient, its employees, the public at large, AEDC, and the Federal Government; and,
- Whether the Subrecipient significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the cost.

a) Exceptions

AEDC may find it necessary to provide exceptions on a case-by-case basis to the maximum amount of assistance or cost effectiveness criteria and must describe the process it will use to make such exceptions in its policies and procedures. Each grantee must adopt policies and procedures that communicate how it will analyze the circumstances under which an exception is needed, how it will demonstrate that the amount of assistance is necessary and reasonable, and how the grantee will make reasonable accommodations to provide accessibility features necessary to accommodate an occupant with a disability (83 FR 40321/August 14,2018).

4. Cost Effectiveness & Program Design

Long term cost effectiveness is a critical consideration in budget preparation and the allocation of limited resources. The state is offering the buyout program over the consideration of housing rehabilitation to mitigate future loss of life and property in the face of subsequent repetitive flooding. Structures in the floodplain must maintain flood insurance, and the National Flood Insurance Program (NFIP) provides a subsidized insurance program for existing structures in special flood hazard areas. Maintaining flood insurance can be a costly expense for LMI households and the most vulnerable population households. Repetitive repairs that result from repetitive flooding are an ongoing expense for property owners, but also for all taxpayers through NFIP subsidies. The state also took into consideration that substantial housing rehabilitation in the floodplain would require elevating the structure, which would significantly impact project costs. The state wishes to leverage the buyout funds with the FEMA Hazard Mitigation Grant Program (HMGP) to maximize the CDBG-DR dollars.

Buyout programs are incredibly effective vehicles, particularly for more vulnerable populations that otherwise cannot afford to relocate. Because, with the buyout program, the program will pay higher than what the post-storm fair market value is, which provides financially feasible solutions for lower income households to move to lower risk areas when otherwise they may not have any other alternatives.

From an infrastructure perspective, restoring the natural function of the flood plain, which can have co-benefits of reducing risk and depending on the project it can actually help reduce flooding risks or associate other hazard risks to surrounding built environment by creating those natural barriers.

Since buyout programs actually are in the community, point in the community rating system under FEMA, it also potentially can benefit the rest of the community by lowering their flood insurance rates.

Cost-effectiveness will be considered for any residential rehabilitation, reconstruction and/or new construction for multifamily housing projects of eight units or more. AEDC and its subrecipients will establish policies and procedures to assess the cost-effectiveness of each proposed project.

In partnership with ADFA, and as much in alignment with LIHTC scoring as possible, developments will be selected for funding based on the eligibility and selection criteria, including per unit total development cost. As outlined in Section Seven, projects with per unit development costs of $150,000 or less will be prioritized over those with costs over $200,000 per unit. The total cost of developing multifamily projects takes into account the cost of maintaining the property for the duration of the required affordability period. Similarly, applicable affordability requirements additionally help ensure that the State’s investment in affordable housing is protected for the duration of the affordability period. .

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

5. Construction Warranties

In the event that AEDC amends the Action Plan by substantial amendment to include owner occupied home rehabilitation, contractors will be required to provide a warranty period for all work performed, in addition to the licenses and insurance requirements. Assisted property owners will be provided a warranty on the work performed and funded through the housing programs and will be provided formal notification on a periodic basis, e.g. six months and one month prior to expiration of the warranty. As stated in earlier sections, all newly constructed buildings must meet locally adopted building codes, standards, and ordinances. In the absence of locally adopted and enforced building codes that are more restrictive than the state building code the requirements of the State Building Code will apply. Minimum standards include compliance with Housing Quality Standards (HQS).

Contractors will be required to guarantee one year of general warranty for the entire home, two years of electrical, delivery, and mechanical system warranty, and 10 years of structural warranty. Applicants will have access to a thorough appeals process to address any construction quality concerns identified by the homeowner during the construction process.

6. Personal Property vs. Real Property

The URA places the determination of real property under State law when the acquiring Agency is a State agency receiving Federal financial assistance. Federal and State laws require that those items considered to be real property under State law must be appraised and acquired as part of the real estate being acquired, while items considered to be personal property under state law must be moved in accordance with the URA. The determination of real property versus personal property is required during the appraisal stage (see 49 CFR 24.103(a)(2)(i)).

Per Arkansas Code, ACA § 14-86-102[70], a mobile home or manufactured home of any width or description permanently affixed to a foundation on property which is owned by the owner of the mobile home or manufactured home shall be deemed real property.

Mobile homes and manufactured homes located on leased property where the mobile home or manufactured home owner does not own any direct or indirect interest in the leased property shall be deemed personal property and shall not be considered real property.

The term "permanently affixed to a foundation" shall mean permanently attached or affixed by bolting, welding, or mortaring to a structural foundation placed on or in the ground by means other than:

1. Resting on concrete blocks or other devices used merely for leveling the floors of such structures; or
2. Attachment of underpinnings, underskirts, or other tie-downs customarily employed primarily for cosmetic or weather resistance purposes; or
3. A combination of the two above methods.

[70] *https://law.justia.com/codes/arkansas/2016/title-14/subtitle-5/chapter-86/subchapter-1/section-14-86-102*

7. Appeals Process

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

8. Use of Eminent Domain

The use of eminent domain is not anticipated in the implementation of the CDBG-DR program. In the case that eminent domain is exercised, it will only be used for acquisition for public purpose that does not involve economic development which primarily benefits private entities.

7. Activities

The following section provides a description for each recovery program and provides a general program overview, including award limits, eligibility criteria (both geographic and applicant criteria), prioritization criteria, and projected start and end dates. For all allocations, the focus remains on primarily addressing the unmet housing recovery need. The sub-applicant will be responsible to carry out the activity with technical assistance provided by the State. AEDC will provide administrative guidance and specific policies and procedures for each program. The State will provide oversight and monitoring of subrecipients.

Recovery needs change over time. As program needs evolve, programs may shift and change to meet the need. Changes to unmet needs which result in a change in program benefit or eligibility criteria, the addition or deletion of an activity, or the allocation or reallocation of more than 10 percent of the total budget (equal to $894,000) will result in a substantial amendment to the Action Plan.

A. Housing Assistance Programs

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

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

Given standard CDBG requirements, all applications for housing activities under the HAP will be evaluated using the following eligibility criteria, along with any further selection or rating criteria noted in the individual activity sections:

- CDBG-eligible activity (or eligible under a waiver or alternative requirement in this notice);
- Meets a national objective;
- Primary residence located in the most impacted and distressed areas designated by HUD for at least 80%, $7,152,000, of the funds. The HUD designated MIDs are Jefferson and Perry Counties. Up to 20% of the allocated funds can be used in federally declared counties; due to limited funding, the State has identified the following declared Counties as the most impacted and distressed areas due to disaster damage: Desha, Faulkner, Pulaski, and Sebastian Counties; and,
- Address unmet housing recovery needs that resulted from a direct or indirect impact from DR-4441.

Arkansas will ensure through policies and procedures that LMI individuals and households, vulnerable populations and members of protected classes, particularly the homeless and those at risk of homelessness, and other historically underrepresented or disparately treated groups, as well as the disabled, the elderly, and families with children, especially those with incomes below 30 percent of the area median income, receive fair treatment and equal opportunity in regard to the program.

Housing Assistance projects are not yet known because both will be a competitive applications process with more weight placed on applications that address the needs of vulnerable populations. The multifamily guidelines will include a requirement that the applicant demonstrate the vulnerable populations it will serve and how it will meet their needs, and how they will market the units once they become available to those populations.

A CDBG-DR Policies & Procedures Manual as well as Application Guidelines for each program will be made available as a resource for CDBG-DR recipients in the administration of disaster recovery grants. It will provide guidance regarding the general requirements and checklists to ensure compliance with applicable laws and regulations. Sub-applicants will be required to submit quarterly performance reports to AEDC during the life of the project. ADEC will provide technical assistance to the sub-applicant; and, following award will provide ongoing technical assistance, oversight, and monitoring of the sub-applicant. Sub-applicants will be known as subrecipients after award. Sub-applicants are responsible to carry out the activity, for which they have received award, during the implementation stage and will be required to submit quarterly performance reports to AEDC during the life of the project.

1. Allocation Amount

Together the HAP component programs will receive $8,493,000, or 100 percent of program funds from the total CDBG-DR allocation. The unmet needs analysis identified a total housing unmet recovery need of $7,979,546 for both owner-occupied and rental dwellings.

2. Contracts and Agreements

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

Contracts and legal agreements are part of every level of the Housing Assistance Program. They will occur between the State and local government, between the sub-applicant and other professional service providers, between the sub-applicant and the beneficiary, and between the subrecipient and a developer for Multifamily Rental Recovery.

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

3. Housing Counseling and Legal Aid

Because buyout programs in particular are unique, AEDC will conduct outreach to provide housing counseling and legal aid services located in the HUD and State MIDs to coordinate on referrals to housing counseling and/or legal aid services (as public services) in conjunction with its housing programs. This assistance can aid some of the following common barriers to participation:

- Challenges with finding affordable housing in lower-risk areas
- The logistics and costs of physically moving from one property to another
- Uncertainty and/or increased costs in new housing situation
- Identifying needed support services and transportation needs in new location
- Title issues on damaged property

HUD's Housing Counseling program provides counseling to consumers on seeking, financing, maintaining, renting, or owning a home. The program also addresses homelessness through counseling and assists homeowners in need of foreclosure assistance. Counseling is provided by HUD-approved housing counseling agencies.

HUD-approved housing counseling agencies in Arkansas serving impacted counties, include[71]:

- Credit Counseling of Arkansas
- Crawford Sebastian Community Development Council
- Southern Bancorp Community Partners
- Community Resources Technicians
- In Affordable Housing, Incorporated
- Money Management International
- NACA (Neighborhood Assistance Corporation of America)
- Universal Housing Development Corporation

As part of the subrecipient application process, AEDC will require that applicants demonstrate how they will coordinate with housing counseling and legal aid agencies, including which agencies they will specifically coordinate with, if and how applicants currently collaborate with those agencies, and what the local referral process will be for those identified as needing assistance. As local circumstances, partnerships, and need are unique, the referral process will be specific to the local context. AEDC will

[71] HUD Exchange, accessed at https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?&webListAction=search&searchstate=AR

monitor subrecipients to ensure that a referral process is implemented and utilized as described in the application process.

B. Multifamily Rental Recovery Program

Allocation: **$3,397,200**	$ to LMI: **$3,397,200**	$ to HUD-MID: **$3,397,200**	Proposed Accomplishments: **The state estimates it will be able to assist with up to 23 housing units which will serve 23 households**	Proposed Start Date: **October 2022**
% of Program Funds: **40%**	% to LMI: **100%**	% to HUD-MID: **100%**	National Objective: **LMH: Activities undertaken to provide or improve permanent multifamily residential structures that will be occupied by low- to moderate-income households**	Proposed End Date: **September 2024**

Because rental units house such a high percent percentage of underserved residents, AEDC has allocated 40 percent of the CDBG-DR budget to serve rental replacement in Jefferson and Perry County. This program will serve a variety of needs and assist to prevent greater homelessness in the communities most impacted by the disasters. The provision of safe, disaster resistant housing for residents impacted by the 2019 disasters is critical to the long-term recovery strategies of the eligible areas. The program will seek to leverage CDBG-DR with low income housing tax credits (LIHTCs) or other ADFA multi-family housing sources to address the unmet rental housing needs resulting from the disaster. Multifamily projects include apartment complexes and mixed-use developments. The program's eligible activities will include rehabilitation of existing affordable rental housing or construction of new rental housing units in areas impacted by DR-4441. The Multifamily Rental Recovery Program will facilitate the creation of quality, affordable housing units to help build resiliency and alleviate the rental stock shortage exacerbated the flooding event. In an effort to have the greatest impact, achieve maximum leverage of and depending of readiness of the projects, projects leveraging LIHTCs or other ADFA multi-family housing sources will be prioritized.

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

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

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

For rehabilitation other than of non-substantially damaged residential buildings where the repair costs are less than 50% replacement cost, grantees must follow the guidelines specified in the HUD CPD Green Building Retrofit Checklist. Grantees must apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall. Additional requirements for substantially damaged residential buildings, including those related to elevation, will be included in the policies and procedures.

In addition, any substantial rehabilitation, as defined by 24 CFR 5.100, or new construction of a building with more than four rental units must include installation of broadband infrastructure, except where the grantee documents that: (a) The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible; (b) the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or (c) the structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

All reconstruction, and new construction should be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters.

AEDC strongly encourages the use of the Resilient Home Construction Standard.

1. Eligible Activity

42 USC 5305(a)(4) authorizes the clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including

interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately owned properties, and including the renovation of closed school buildings). The eligibility of housing projects is further established in 83 CFR 40315, which requires grantees to address unmet housing recovery needs with CDBG-DR funds.

2. National Objective

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

3. Partnerships and Subrecipients

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

AEDC staff will provide technical assistance to sub-applicants to meet these requirements as needed. AEDC will enter into an agency partner agreement with the Arkansas Development Finance Authority (ADFA) to assist in carrying out these projects. The program activities are designed to take advantage of existing partnerships between AEDC and ADFA agencies, adding capacity to the state as a grantee in carrying out the activities.

a) Arkansas Development Finance Authority

The Arkansas Development Finance Authority (ADFA) will partner with AEDC to manage the Multifamily Rental Recovery Program. ADFA is charged with administering federal low-income housing tax credits (LIHTCs) and HOME Investment Partnership Act funding from HUD. ADFA’s enabling legislation authorizes it to borrow money and issue bonds to provide sufficient funding for financing affordable housing, various business and economic development projects, and capital improvements for state agencies. The Multifamily Rental Recovery Program will build off of existing ADFA policies and procedures including income verification, income limits for tenants of rental housing and to define affordable rent.

AEDC will be responsible for full approval of the CDBG-DR award, but the award will be contingent upon the “development” project securing other funds, such as LIHTCs or other ADFA multi-family housing sources. ADFA will perform the required stringent underwriting that ensures the long term financial sustainability of the properties.

ADFA is designated as Arkansas's LIHTC compliance monitoring agency. Crucial elements of compliance ensure that the appropriate number of tax credit units have been occupied by eligible households, following income eligibility guidelines, and restricting rents over a specified time period. ADFA also monitors to ensure LIHTC properties are decent, safe, sanitary, and in good repair. ADFA is available to provide guidance to owners in maintaining continuous compliance with federal and state LIHTC or other ADFA multi-family housing source guidelines throughout the compliance period.

4. Delivery

The Multifamily Rental Recovery Program is administered and monitored by AEDC and ADFA. However, CDBG-DR funds are sub-granted to eligible sub-applicants. AEDC will publish program guidelines that will include the process for sub-applicants to submit project proposals. Sub-applicants are responsible for determining how to select projects through an RFP, NOFA, or similar solicitation process that will be provided and expanded in AEDC's program guidelines and prioritize the use of the allocated funding (through cost estimates and analysis). Once sub-applicants have selected projects, they will submit proposals to AEDC and ADFA for review and approval as part of the QAP competitive process[72] or the process of other ADFA multi-family housing sources. The review process will ensure compliance with the established program guidelines, regulatory requirements, and broader recovery goals. In reviewing the proposed projects submitted, newly constructed, or substantially rehabilitated multifamily housing must comply with the accessibility requirements of both the federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. Prior to approval, subgrantees must have a Section 3 plan in place and submit it to AEDC and ADFA for review.

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

Multifamily developments funded under this CDBG-DR grant will adhere to standard requirements set by AEDC to ensure compliance, as well as specific requirements set by the governing federal income limits. All requirements of the multifamily program will be outlined in detail in the program manual and

[72] *The 2021 QAP is located at https://adfa.arkansas.gov/media/file/ADFA2021QAPProposed.pdf*

application guidelines for sub-applicants. AEDC and ADFA will provide technical assistance to ensure compliance with CDBG-DR requirements and consistency with the program guidelines. In addition, regular monitoring of the sub-applicant and specific projects will be conducted to test compliance and ensure timely project completion.

5. Eligibility

Eligible sub-applicants are local governments, who will work with the funding and partnering agencies directly.

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

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

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

Eligibility of multifamily housing project proposals will be assessed by AEDC and ADFA. To be considered for funding, the proposed development must meet the following threshold criteria:

- Meet a national objective – at least 51% of the units must have incomes that do not exceed 80% of the AMI;
- Include an eligible activity;
- Be located in a HUD-identified Most Impacted and Distressed area; the HUD-identified MID includes Jefferson County and Perry County;
- Show that the geographic location is not in a floodplain;
- Demonstrate a tie-back to DR-4441;
- Include Minimum Affordability Requirements;
- Meet Definition of Affordable Rents;
- Meet Green Building Standard Requirements;
- Meet Minimum Quality Standards; and,
- Meet Minimum Accessibility Standards.

More specific eligibility criteria include:

- Projects must address all applicable federal cross-cutting compliance
- CDBG-DR funds do not present a Duplication of Benefits
- Applicants will be encouraged to ensure that site control exists for a sufficient period of time to allow the environmental clearance process to be completed before purchase of the property. Applicants selected for funding must submit an Environmental Review Record (ERR) pursuant to 24 CFR Part 58. A successfully completed ERR will then require a 30-day public comment period prior to Release of Funds. Prior to receipt of environmental clearance from AEDC, the Applicant may not undertake, or commit any funds to, physical or choice-limiting actions, including property acquisition, demolition,

tenant relocation, rehabilitation, conversion, repair, or construction. Applicants and their counsel should be familiar with the full range of CDBG-DR requirements

- Site conditions shall be evaluated through a physical site inspection by ADFA and ADEC or a third party designated by ADFA or AEDC. Such inspection will evaluate the project site based upon the criteria to be determined and the inspector shall provide a written report of such site evaluation. "Unacceptable" sites include, without limitation, those containing an immitigable environmental factor that may adversely affect the health and safety of the residents.
- The proposed project must demonstrate how it proposes to increase the supply of affordable housing in high-opportunity areas.
- All sources of funding required to complete the project must be identified and secured or readily accessible.
- The proposed project must be cost reasonable, which is what a reasonable person would pay in the same or similar circumstances for the same or similar item or service. Cost reasonableness may be documented by comparing costs between vendors or by comparing submitted costs to an independent cost estimate.
- The proposed project must not exceed the HOME per-unit subsidy limit.
- The proposed project must meet affordable rent requirements and tenant income limits over the duration of the minimum affordability period. At a minimum, the following thresholds must be adhered to in all projects:
    - AEDC will determine the percent of units in an approved multifamily development that will be leased to tenants with an income at 80 percent of the area median income or below based on regulatory and program requirements.
    - Affordable rents in multifamily projects will be determined by calculating FMR along with the maximum of 30 percent of an LMI household's income.
    - Multifamily developments must meet the following affordability requirement: a minimum affordability period of 15 years for the rehabilitation or reconstruction of multifamily rental projects with eight or more units and a minimum affordability period of 20 years for the new construction of multifamily rental units with five or more units. Multifamily projects with funding sources that require longer affordability periods will have the longer affordability period prevail over the 15- or 20-year requirement
- Local governments will be required in the subrecipient applicant process to demonstrate how they coordinate with HUD-certified housing counseling and legal aid organizations to ensure that information and services are made available to both tenants and homeowners, depending upon the program. As local circumstances, partnerships, and need are unique, the referral process will be specific to the local context. AEDC will monitor subrecipients to ensure that a referral process is implemented and utilized as described in the application process.

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

6. Eligible and Ineligible Costs

AEDC commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waiver in 83 FR 5851. Selected projects will be funded through completion in accordance with their financing needs. AEDC, in coordination with the sub-applicant, will perform a check for duplication of benefit prior to issuing an award to ensure that duplicative assistance is not provided for multifamily housing. DOB checks will be maintained in the project file. Complete lists of eligible and ineligible costs will be provided in the program guidelines.

Eligible costs include:

- Architectural and engineering design
- Permitting fees
- Developer fees
- Mobilization, site prep, and clean up
- Construction costs

Ineligible costs identified in the Federal Register are the use of CDBG-DR for forced mortgage payoff, construction of dam/levee beyond original footprint, incentive payments to households that move to disaster-impacted floodplains, assistance to privately owned utilities, not prioritizing assistance to businesses that meet the definition of a small business, or assistance for second homes and activities identified in 24 CFR 570.207. All activities and uses authorized under Title I of the Housing and Community Development Act of 1974, allowed by waiver, or published in the Federal Register, are eligible. AEDC will not limit any eligible activities beyond what is specifically excluded by HUD to allow communities as much flexibility as possible.

AEDC and ADFA reserves the right to question the applicability and eligibility of costs on a per-proposal basis. AEDC and ADFA will also ensure that construction costs are reasonable and consistent with current market costs for the area where the multifamily construction will take place and AEDC and ADFA will require that construction contractors or developers present a plan to control costs over the duration of the project.

7. Affordable Rent, Tenant Income Limits, and Minimum Affordability Period

Multifamily developments funded under this CDBG-DR grant will adhere to standard requirements set by AEDC and ADFA to ensure compliance with not only the CDBG-DR requirements, but also the specific requirements set by the governing federal income limits.

All requirements of the multifamily program will be outlined in detail in the program manual and application guidelines for sub-applicants. At a minimum, the following thresholds must be adhered to in all programs:

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

- FMRs are the standard for the Housing Choice Voucher program, as well as to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab), determining rent ceilings for rental units in both the HOME Investment Partnerships Program (HOME) and the Emergency Solution Grants (ESG) program, for the calculation of maximum award amounts for CoC recipients and the maximum amount of rent a recipient may pay for property leased with CoC funds, and calculation of flat rents in Public Housing units.
- Affordability is also determined by rates not exceeding 30 percent of a household's income. Per HUD definitions, housing costs are a cost burden when greater than 30 percent of a household's income.

AEDC will determine the percent of units in any approved multifamily development that will be leased to tenants with an income of up to 80 percent of the area median income based on regulatory and program requirements.

Multifamily developments must meet the following affordability requirement: a minimum affordability period of 15 years for the rehabilitation or reconstruction of multifamily rental projects with eight or more units and a minimum affordability period of 20 years for the new construction of multifamily rental units with five or more units. If a rental project that requires rehabilitation or reconstruction is subject to existing affordability requirements associated with other funding sources, AEDC will allow that the 15-year affordability period required by the CDBG-DR funding may run concurrently (or overlap) with the affordability requirements associated with such other funding.

While AEDC does not anticipate funding single family new construction, should single family units be constructed under this grant, they will also be subject to a minimum affordability period of five years. However, the affordability period does not apply to rehabilitation or reconstruction of single-family housing. It should be noted that a 5 year affordability period applies to newly constructed single family homes sold by AEDC or its subrecipient through an affordable home ownership program. Construction of such homes would require AEDC to impose affordability restrictions (e.g. resale or recapture) and enforce the restrictions through recorded deed restrictions, covenants, or similar restrictions. The affordability period is not imposed on a newly constructed or reconstructed home meant to replace an owner occupied home that was damaged rather than rehabilitate the damaged home (85 FR 4687).

AEDC will adopt ADFA's minimum affordability period based on the HOME investment per unit requirements

Table 44: Minimum Affordability Period Based on Number of Units

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

8. Housing Construction and Rehabilitation Program Design Standards

Housing Assistance programs implemented by the State will incorporate uniform best practices of construction standards for all construction contractors performing work in all relevant jurisdictions. Construction contractors will be required to carry required licenses and insurance coverage(s) for all work performed. Arkansas will promote high quality, durable and energy efficient construction methods in affected counties. Future property damage will be minimized by incorporating resilience standards by requiring that any rebuilding be done according to the best available science for that area with respect to base flood elevations.

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

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

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

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

For rehabilitation of non-substantially damaged residential buildings where the repair costs are less than 50% replacement cost, grantees must, to the greatest extent applicable, follow the guidelines specified in the HUD CPD Green Building Retrofit Checklist. Grantees must apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall, and including standards for appliances and products when replaced as part of rehabilitation. This requirement does not apply when Energy star, Water-Sense Labeled, or FEMP-designated products do not exist. (83 FR 5850 and 83 FR 5861)

9. Green Building Requirements

In the implementation of the CDBG-DR program, residential structures must meet at least one of the following green building standards for all new construction of residential buildings and replacement of substantially damaged residential structures, including:

- ENERGY STAR (certified homes or multifamily high-rise);
- Enterprise Green Communities;
- LEED (new construction, homes, midrise, existing buildings operations and maintenance, or neighborhood development);
- ICC–700 National Green Building Standard;
- EPA Indoor AirPlus (ENERGY STAR certification is a prerequisite); or
- Any other equivalent comprehensive green building program acceptable to HUD.

10. Scoring Criteria

Scoring Criteria	Points

Project Feasibility:
• Budget Accountability:
  ◦ Budget accounts for total project needs to complete project and promote occupancy.
  ◦ Budget accounts for all sources of funding accountable to meet total project costs.
  ◦ Project does not supplant other local, state, or federal funds.
  ◦ Project demonstrates cost reasonableness
  ◦ Total Development cost and Per Unit Construction costs are reasonable and consistent with current market costs for the area
• Cost control plan for construction phase
• Proposed project must not exceed the HOME per-unit subsidy limit
• Rental Rate Impact (% of net rents below the allowable rents for a 60% AMI unit compared to area)
	10
	
	Points in this section include:
	
	0-2 points—has not completed a majority of the above criteria.
	
	3-5—has completed a majority of the above criteria.
	
	6-10—has completed and properly documented most or all of the above criteria.

Projects providing a greater ratio of affordable rental units to total units (i.e. a project where more than 51% of the total units are affordable)	**7**
Resilient Sustainable Construction Measures	**3**
Marketing Plan (for occupancy) includes priority for PHA waiting list	**4**
Site Selection: • The developer demonstrates that the proximity of the site to other services supporting special needs for tenants has been taken into consideration and meets the needs of tenants. This includes proximity and walkability of access to public transportation, employment opportunities, job training, community-based services, child care, public schools, and other neighborhood amenities. • Site conditions shall be evaluated through physical site inspection and Environmental Review Record (ERR). "Unacceptable" sites include, without limitation, those containing an immitigable environmental factor that may adversely affect the health and safety of the residents. • Deductions for adjacent or nearby incompatible uses (no limit) • Accessibility Impediments or Environmental Justice • Increases supply of affordable housing in high-opportunity areas. • Impact addresses reducing the concentration of persons of all protected classes (promotes housing choice in high opportunity area) • Lessens area racial, ethnic and low-income concentrations and promotes affordable housing in low-poverty, non-minority area.	**7** *Points in this section include:* *0-3 points—does not meet a majority of the above criteria.* *4-5 - meets a majority of the above criteria.* *6-7—meets and properly documented most or all of the above criteria.*
Coordination of Housing Counseling and/or Legal Aid Services for Tenants	**2**

Projects which are providing residential units and/or permanent Supportive Housing (PSH) units for at least one, or more, of the following: vulnerable populations, including minority and non-minority persons of populations of low-income, low-income seniors, adults with at least one disability, low-income families with children, those homeless or at risk of homelessness, persons with HIV or AIDS and their families, persons with alcohol or other drug addiction, projects providing housing for extremely low income (ELI) individuals or families, or projects accommodating “Deep Affordability” with at least 10% of units below 30% AMI. The subrecipient/developer will receive considerable priority points by including a supportive services plan to serve the special needs of tenants through successful partnerships or service providers. Supportive Services is defined as services provided to individuals with special needs which enable individuals to achieve a greater level of independence and/or self-sufficiency such as health services, housing counseling, employment counseling, referral and other services as defined at 24 CFR Section 882.802.	**14** *Points in this section include:* *0-7 points—does not meet a majority of the above criteria.* *8-11 - meets a majority of the above criteria.* *12-14—meets and properly documented most or all of the above criteria.*
Community Revitalization Plan Coordination	**1**
Mixed Development: consideration of single-family units included in the project that will eventually be owned by tenants	**2**
TOTAL	**50**

11. Form of Assistance

Selected proposals will be funded by grant on a reimbursement basis via a Standard Agreement between AEDC and the sub-applicant. Specific payment terms and conditions are outlined in the Standard Agreement. The Standard Agreement will define financial and property management requirements as well as remedies to correct deficient or non-compliant projects. Standard Agreements will also contain CDBG-DR recapture provisions for non-performance or breach of subgrantee responsibility. AEDC and ADFA will monitor construction agreements between the subgrantee and the developer or contractor to ensure that proper financial controls and safeguards are in place to protect CDBG-DR funds.

12. Maximum Amount of Assistance

Sub-applicants will be eligible to apply for up to $3,397,200 as the maximum amount of assistance from which a developer may benefit from CDBG-DR. This is the maximum amount of grant assistance a city or county may apply to AEDC with which to award to a developer as a grant, and as an incentive towards leveraging with a LIHTC or other ADFA multi-family housing funded project in a HUD-identified MID.

13. Timeline

The Multi-Family program is expected to commence in quarter three of 2022 and remain operational until the end of the grant term or until all projects are complete and funds are expended. Individual construction timeframes will be specific to each selected proposal. Project completion will be met when a National Objective has been met and CDBG-DR assisted units are occupied.

C. Voluntary Local Residential Buyout Program

Allocation: **$3,397,200**	Estimated $ to LMI: **$3,397,200**	Estimated $ to HUD-MID: **No less than $2,717,760**	Performance Projections: **Based on the accomplishments projections the buyout program is estimated to assist up to 23 households.**	Proposed Start Date: **October 2021**
% of Program Funds: **40%**	Minimum % to LMI: **100%**	% to HUD-MID: **No less than 80%**	National Objective: **Benefit to low- to moderate-income persons (LMI), Low/Mod Buyout (LMB), Low/Mod Housing Incentive (LMBHI)**	Proposed End Date: **December 2023**

This activity is designed to allow citizens living in the floodplain to voluntarily have their homes bought from them so the property can be demolished and returned to a use that is compatible with open space, recreational, or floodplain and wetlands management practices in perpetuity. Households receiving relocation assistance in addition to buyout proceeds are required to relocate to a residence outside of the floodplain.

The program will meet the benefit to low- to moderate-income national objective as it is the state's primary goal to assist LMI homeowners with the cost of relocating as opposed to providing financial assistance to investor-landlords.

The local jurisdiction acting as Subrecipient to the state will select targeted areas in the floodplain in which to carry out buyouts. This program will offer buyouts to property owners in these target areas who suffered real property damage as a result of DR-4441. Property owners must be able to provide direct or indirect impact from DR-4441 to be considered eligible. All offers to purchase made through this program will be based on the pre-flood fair market value.

The primary focus of the Subrecipient's housing buyout program is to provide relief for survivors affected by an event while complying with all CDBG-DR requirements and addressing recognized impediments to fair housing choice as required under the Fair Housing Act.

The buyout program will aim to meet the following objectives:

- Efficiently remove repetitive loss, severe repetitive loss, and otherwise vulnerable housing from flood prone areas while assisting homeowners with the process of purchasing safe replacement homes outside of the floodplain
- Prioritize the most vulnerable populations (such as the homeless and at-risk of homelessness, disabled persons, elderly persons, and families with children, especially those with income below 30 percent of the area median income), while also mitigating the area to protect against future loss of life and property in the face of subsequent flooding, while affirmatively furthering fair housing.
- Dedicate 100% of program funds to assisting low- to moderate -income households.

Grantees receiving CDBG–DR funds under this notice may establish optional relocation policies or permit their subrecipients to establish separate optional relocation policies. This waiver is intended to provide States with maximum flexibility in developing optional relocation policies with CDBG–DR funds.

1. Eligible Activity

105(a)(1) Acquisition of real property, 83 FR 5844-35 Housing incentives in disaster-affected communities.

2. National Objective

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. Projects have not been identified at the time of the Action Plan being submitted to HUD. The Voluntary Local Residential Buyout Program will meet the benefit to low- to moderate-income national objective.

3. Agency Partnerships

AEDC will vet projects for CDBG-DR compliance and eligibility, ensuring that proposed projects adhere to federal requirements and the requirements set forth in the Action Plan. The implementation and management of individual projects will be the responsibility of participating sub-applicants, while AEDC will provide monitoring and broad oversight of sub-applicant administered funds.

AEDC staff will provide technical assistance to sub-applicants to meet these requirements as needed. AEDC will enter into agency partner agreements with Arkansas Department of Emergency Management (ADEM) and Natural Resources Division (NRD) to leverage funds and assist in monitoring and oversight for carrying out these projects. The program activities are designed to take advantage of existing partnerships between AEDC and these agencies, adding capacity to the state as a grantee in carrying out the activities.

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

a) Arkansas Department of Emergency Management (ADEM)

AEDC and ADEM will coordinate closely on the timing of draw requests, document sharing, and payment schedules to ensure eligible invoices are paid in a timely and compliant manner. ADEM is responsible for reporting on the status of project obligations and drawdowns to AEDC, so priority projects can be identified.

b) Arkansas Natural Resources Division (NRD)

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

The Hazard Mitigation Assistance (HMA) Guidance provides information on sub-applicant and activity eligibility as well as other requirements, including performance period, cost-effectiveness, environmental review, and required documentation. The HMA Guidance is available online at: https://www.fema.gov/sites/default/files/2020-07/fy15_HMA_Guidance.pdf

4. Delivery

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

This is a voluntary real property acquisition program with awards that are limited to the pre-event FVM of the land and structure minus any duplication of benefits

To encourage households to relocate outside of the floodplain, subrecipients may offer a Housing Incentive for Replacement Assistance, awarding up to $50,000 in addition to the pre-event FMV minus duplication of benefits of the buyout home for buyout applicants. The housing incentive is utilized as down-payment assistance for replacement housing. The housing incentive may not be used as compensation, and program policy will address awarding undue enrichment.

Housing incentives awarded for replacement assistance are subject to the Robert T. Stafford Act, requiring that these funds be considered duplication of benefits. Additionally, applicants may only qualify for this additional assistance if they relocate outside of the floodplain to a lower-risk area. Subrecipients must maintain documentation describing how the amount of assistance was determined to be necessary and reasonable.

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

Additional criteria will be detailed in Voluntary Local Residential Buyout Program guidance to be released after the approval of this action plan.

5. Local Engagement Strategy

Since AEDC is carrying out the buyout activity through subrecipients, and is required to enter into a local engagement strategy with local governments carrying out buyout activities, these are the likely considerations for the participating jurisdictions:

- County or municipality in which the properties fall:
  - Local, long-term property tax implications
  - Costs of demolition and conversion of property to open space
  - Long-term maintenance and monitoring requirements
  - Lowered recovery costs from removing property form high-risk areas
- Buyout property owners:
  - Do they want to leave their high-risk areas?
  - What assistance and support services do they currently depend on (consider elderly residents, transportation, schools, and other services/support systems in their current community)?
- Resettlement and Relocation:
  - Where will the buyout property owners go?
  - Is there adequate affordable housing stock in lower-risk areas near their current homes?
  - What impacts will resettlement have on the remaining and receiving communities?

6. Eligible Buyout Areas

Reducing the risk of flooding in residential areas is a priority for the Arkansas Economic Development Commission, and, will therefore only fund the acquisition of properties without flood insurance that are located within Special Flood Hazard Areas (SFHA). SFHA are defined as the area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to as the base flood or 100-year floodplain. SFHAs are labeled as Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30.

Recognizing this great need, AEDC creates this Voluntary Local Residential Buyout program to realize risk reduction through the acquisition of residential property in high flood risk areas.

7. Eligible Costs

Program eligible activities include acquisition buyout of residential real property, clearance, and demolition. The Unmet Needs Assessment revealed a greater impact to homeowners versus renters. As a result, the Voluntary Local Residential Buyout Program will take priority over the Multi-Family Rental Recovery Program.

Eligible CDBG-DR Activities include:

- Acquisition and related costs- The purchase of the property is a payment made to the homeowner based upon the "pre-disaster' appraised value of the home and land.
- Clearance and Demolition
- Incentive payment to encourage resettlement outside of floodplain
- Relocation Assistance

Eligible Activity Costs include:

- The local voluntary buyout of residential properties in the 100-year floodplain. Residential properties are defined as owner-occupied homes siting on land owned by the same homeowner
- The purchase of the property is a payment made to the homeowner based upon the "pre-disaster" fair market value
- Acquisition of the property, & associated costs
- Environmental review
- Clearance
- Demolition
- Incentive payment to encourage resettlement outside of floodplain
- Activity Delivery Costs (ADCs)

All property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity, with a deed restriction or covenant running with the property, for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.

The buyout program combines the acquisition of properties with relocation assistance that results in occupancy and meets the LMHI national objective for LMI persons. The purchased property, either existing home or newly constructed home, must be located outside of the 100-year floodplain, within the grantee's jurisdiction and be comparable to the participant's previous property.

The State will accept proposals for CDBG-DR funds from eligible applicants for primary residential, owner-occupied properties. Of those eligible to be funded per the guidelines, priority will be given to LMI residents and vulnerable populations.

Buyout projects will be funded under the following circumstances:

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

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

- Application for assistance must present a direct or indirect connection to the disaster.
- CDBG-DR funds are prohibited from being used for activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency (FEMA).

- All property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity, with a deed restriction or covenant running with the property, for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.

a) Relocation Assistance

In a voluntary buyout, the property will be acquired at the pre-flood fair market value established by the appraisal, less any duplication of benefits. Eligible households may qualify for relocation assistance not to exceed $50,000 and the relocation assistance will serve to assist households in purchasing a replacement home.

b) One-for-One Replacement

The FRN modifies one-for-one replacement requirement when the housing unit to be demolished meets grantee's definition of "not suitable for rehabilitation". If the demolished housing unit does not meet this definition, AEDC must replace with affordable unit.

AEDC defines a structure as not suitable for rehabilitation in two scenarios: 1) the cost for rehabilitation is over 50 percent of the pre-disaster fair market value of the structure, or, 2) the cost for rehabilitation will exceed 75 percent of the estimated cost to reconstruct a comparable home offered by the program's comparable models for reconstruction. The home must be suitable for rehab under the financial constraints of this Program, and be able to meet minimum housing quality requirements, and all safety, health, and code standards. The property must be suitable for rehabilitation. The yard and home must be at a level of readiness and accessibility to allow the project to proceed. A dwelling that cannot be rehabilitated to meet safety, health, and code standards, and or has major structural damage will be considered non-feasible.

c) Tenant Relocation Assistance

Only structures that serve as the primary household will be eligible. These structures must have been occupied by the homeowner at the time of the disaster. The program's intention is to prioritize owner-occupied single family buyouts. Should there be an exception approved by the program to assist an investor-landlord property, the program will provide relocation expenses including moving costs for the involuntarily displaced tenant.

Tenants who are affected by a voluntary buyout will be provided relocation assistance under the procedures of the Uniform Relocation Assistance and Real Property Acquisition Act, as amended at 49 CFR 24. The Relocation Expense Benefit may be used to purchase replacement site or dwelling.

d) Hazard Mitigation Grant Program (HMGP) and Flood Mitigation Assistance (FMA) Local Match

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

- Acquisition and Demolition,
- Flood risk reduction, and
- Infrastructure retrofits.

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

8. Ineligible Costs

Ineligible costs identified in the Federal Register are the use of CDBG-DR for forced mortgage payoff, construction of dam/levee beyond original footprint, incentive payments to households that move to disaster-impacted floodplains, assistance to privately owned utilities, not prioritizing assistance to businesses that meet the definition of a small business, or assistance for second homes and activities identified in 24 CFR 570.207. All activities and uses authorized under Title I of the Housing and Community Development Act of 1974, allowed by waiver, or published in the Federal Register, are eligible.

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

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

9. Maximum Amount of Assistance

For homeowner relocation assistance, the amount of assistance is based on the determined need of the participant; the amount will not exceed $50,000. The maximum award for the buyout household beneficiary is pre-flood market value minus duplication of benefits. Tenants who are affected by a voluntary buyout will be provided relocation assistance under the procedures of the Uniform Relocation Assistance and Real Property Acquisition Act, as amended at 49 CFR 24.

10. Selection Criteria

AEDC will apply a two-phased, two-cycle process to solicit and review applications. In each cycle, proposals must pass Threshold Compliance Criteria. Second, AEDC will review and score each proposal, each cycle, based on Scoring Criteria.

If a proposal does not meet any of the Threshold Criteria, AEDC cannot proceed to score it for funding consideration.

a) Threshold Criteria

- For first cycle of applications, local government must be in a HUD-MID only; for second cycle of funding, local government must be in a HUD-MID or State-MID only;
- Funds must assist low- to moderate-income households only;
- Only structures that serve as the primary household will be eligible. These structures must have been occupied at the time of the disaster;
- Only structures without flood insurance that are located within the 100-year floodplain will be eligible; and,
- Projects must address a clear unmet need and be tied to DR-4441.

b) Scoring Criteria

Once a proposal is determined to satisfy the Threshold Compliance Criteria, then AEDC will apply scoring based on the following Scoring Criteria. The maximum Scoring Criteria score is 100.

1. **Management Capacity**: The level of capacity of the local government and its grant administrator including case and compliance management capacity to deliver services on-time and on-budget is demonstrated. **Max Points 30**
2. **Readiness to Proceed**: Applicant must show evidence for how proposed program or project will mobilize and operate in a timely manner. **Max Points 25**
3. **Cost Reasonableness**: Proposal budgets reflect cost reasonableness and affirmative efforts to leverage CDBG-DR funds with additional funding to address unmet needs. Budget narrative reflects research, quotes and/or contracted pricing. **Max Points 25**
4. **Vulnerable Populations:** In order of relative importance, AEDC will give priority points for a jurisdiction targeting an area for buyouts that will both target the most vulnerable populations (such as the homeless and at-risk of homelessness, disabled persons, elderly persons, and families with children, especially those with income below 30 percent of the area median income), while also mitigating the area to protect against future loss of life and property in the face of subsequent flooding, while affirmatively furthering fair housing. **Max Points 20**

11. Timeline

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

B. Projection of Expenditures and Outcomes

AEDC maintains a schedule of expenditures and outcomes, periodically updated in accordance with its mandatory reporting to HUD. The schedule of expenditures and outcomes is located at https://www.arkansasedc.com/cdbg-disaster-recovery

In accordance with the Notice, all funds will be expended within six years of HUD's initial grant agreement.

Table 66: Projected Expenditures Chart

	2021					
Program	**Allocation**	**Q1**	**Q2**	**Q3**	**Q4**	Remaining Funds
Local Buyout Program	$5,095,800				$ 50,000	$5,045,800
Multifamily Rental Recovery	$3,397,200					$3,397,200
Administration	$ 447,000			$ 17,000	$ 17,000	$413,000
Grand Total	$ 8,940,000			$ 17,000	$ 67,000	
Remaining Funds				$ 8,923,000	$ 8,856,000	

	2022					
Program	**Allocation**	**Q1**	**Q2**	**Q3**	**Q4**	Remaining Funds
Local Buyout Program	$5,067,175	$ 50,000	$ 100,000	$ 200,000	$ 300,000	$4,395,800
Multifamily Rental Recovery	$3,425,825				$ 200,000	$3,197,200
Administration	$ 447,000	$ 22,500	$ 22,500	$ 30,000	$ 35,000	$303,000
Grand Total	$ 8,940,000	$ 72,500	$ 122,500	$ 230,000	$ 535,000	
Remaining Funds		$ 8,783,500	$ 8,661,000	$ 8,431,000	$ 7,896,000	

	2023					
Program	**Allocation**	**Q1**	**Q2**	**Q3**	**Q4**	Remaining Funds
Local Buyout Program	$5,067,175	$ 400,000	$ 400,000	$ 500,000	$ 500,000	$2,595,800
Multifamily Rental Recovery	$3,425,825	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$1,997,200
Administration	$ 447,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$163,000
Grand Total	$ 8,940,000	$ 735,000	$ 735,000	$ 835,000	$ 835,000	
Remaining Funds		$ 7,161,000	$ 6,426,000	$ 5,591,000	$ 4,756,000	

	2024					
Program	**Allocation**	**Q1**	**Q2**	**Q3**	**Q4**	Remaining Funds
Local Buyout Program	$5,067,175	$ 500,000	$ 500,000	$ 500,000	$ 400,000	$695,800
Multifamily Rental Recovery	$3,425,825	$ 400,000	$ 400,000	$ 500,000	$ 697,200	$0
Administration	$ 447,000	$ 30,000	$ 30,000	$ 25,000	$ 25,000	$53,000
Grand Total	$ 8,940,000	$ 930,000	$ 930,000	$ 1,025,000	$ 1,122,200	
Remaining Funds		$ 3,826,000	$ 2,896,000	$ 1,871,000	$ 748,800	

	2025					
Program	**Allocation**	**Q1**	**Q2**	**Q3**	**Q4**	Remaining Funds
Local Buyout Program	$5,067,175	$ 617,175	$ 78,625			$0
Multifamily Rental Recovery	$3,425,825					$0
Administration	$ 447,000	$ 22,500	$ 22,500	$ 8,000	$ -	$0
Grand Total	$ 8,940,000	$ 639,675	$ 101,125	$ 8,000	$ -	
Remaining Funds		$ 109,125	$ 8,000	$ -	$ -	

	2026					
Program	**Allocation**	**Q1**	**Q2**	**Q3**	**Q4**	Remaining Funds
Local Buyout Program	$ 1,850,000					$0
Multifamily Rental Recovery	$3,425,825					$0
Administration	$ 447,000					$0
Grand Total	$ 5,722,825					
Remaining Funds						

	2027					
Program	**Allocation**	**Q1**	**Q2**	**Q3**	**Q4**	Remaining Funds
Local Buyout Program	$ 1,850,000					$0
Multifamily Rental Recovery	$ 4,587,000					$0
Administration	$ 447,000					$0
Grand Total	$ 6,884,000					
Remaining Funds						

8. Grant Administration

A. Administrative Funds

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

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

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

AEDC does not intend to carry out activities directly, however, any third-party contractors that may be retained by AEDC will vary by activity category (i.e. Buyouts, Mitigation, Infrastructure, Economic Revitalization, Infrastructure and Public Facilities, and Planning) and may include, but not be limited to:

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

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

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

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

B. Grant Management Capacity

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

To support scaling up AEDC's capacity, key staff will be trained on all program-related activities. This training will support maintaining compliance and providing a high quality of service to beneficiaries. The AEDC Grants Division will also partner and enter into partner agency agreements with ADEM, NRD, and ADFA, as appropriate, to administer the HMGP, FMA and Multi-Family housing programs, where applicable. AEDC will provide oversight and monitoring of Subrecipients that apply for CDBG-DR funding to carry out activities for the local voluntary buyout program.

C. Expenditures

AEDC will initiate drawing down funds as immediately as possible, pending eligibility of expenses, after HUD's full approval of the Action Plan in the Disaster Recovery Grant Reporting (DRGR) system. Funds will be spent within six years of the date HUD obligates the funds to AEDC.[73] See Table 67, Projected Expenditures Chart.

D. Amendment Process

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

- A substantial amendment is defined by the minimum threshold for requiring substantial amendment procedures, including:
- A change in program benefit or eligibility criteria;
- An addition or deletion of an activity; or
- An allocation for a new funding category or reallocation of a monetary threshold more than 10 percent (equal to $894,000) of the allocation transferred between funding categories not to exceed HUD-established minimums.
- As appropriate, AEDC will be responsible for coordinating with partner agencies or jurisdictions to update the plan. All amendments will be clearly marked in the body of the plan. Moreover, at the beginning of each amended plan there will be a summary of the amendment (i.e., record of change). Substantial amendments will utilize the process for public participation as outlined in the Citizen Participation Plan (Attachment C). After finalization, the most up-to-date version of the plan will be available on the CDBG-DR public website and available upon request from AEDC.

E. Administration Requirements

The following requirements guide the administration of the CDBG-DR grant programs regarding the expenditure of funds. Additional requirements are outlined in the sections covering Method of Distribution & Connection to Unmet Needs (Section Five), Program Implementation & General Requirements (Section Six), and Activities (Section Seven).

1. Administrative Funds

State administrative costs, including grantee administration costs, will not exceed five percent, or $447,000, of the $8,940,000 allocation. Planning and administrative costs combined will not exceed 20 percent.

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73 The Appropriations Act; 24 CFR 570.494 and 24 CFR 570.902.

The provisions outlined under 42 U.S.C. 5306(d) and 24 CFR §570.489(a)(1)(i) and (iii) will not apply to the extent that they cap state administration expenditures and require a dollar-for-dollar match of state funds for administrative costs exceeding $100,000. Pursuant to 24 CFR §58.34(a)(3), except for applicable requirements of 24 CFR §58.6, administrative and management activities are exempt activities under this Action Plan.

2. Pre-Agreement, Pre-Award, and Pre-Application Costs

In accordance with 24 CFR 570.489(b), the State may permit, in accordance with such procedures as the State may establish, a unit of general local government to incur costs for CDBG activities before the establishment of a formal grant relationship between the State and the unit of general local government and to charge these pre-agreement costs to the grant, provided that the activities are eligible and undertaken in accordance with the requirements of this part and 24 CFR part 58.

A State may incur costs prior to entering into a grant agreement with HUD and charge those pre-agreement costs to the grant, provided that the activities are eligible and are undertaken in accordance with the requirements of this part, part 58 of this title, and the citizen participation requirements of part 91 of this title.

Pre-application costs are defined are costs incurred by an applicant to CDBG-DR funded programs prior to the time of application to a grantee or subrecipient for CDBG-DR assistance. Notice CPD-15-07 further defines 24 CFR570.489(b) to limit expenses and activities covered:

- Expenses must have been within one year after the date of the disaster and before the date on which the person or entity applies for CDBG-DR assistance.
- Grantees may only charge the costs for rehabilitation, demolition, and reconstruction of single family, multifamily, and nonresidential buildings, including commercial properties, owned by private individuals and entities.

In keeping with the above guidance, the state will further provide eligibility guidance to applicants in the states program guidelines.

Further, once a grant agreement is fully executed, the AEDC Grants Division will allow the drawdown of pre- agreement costs associated with eligible disaster recovery activities dating back to the date of the disaster for subrecipients with appropriate documentation and following 24 CFR 570.489(b) and notice CPD-15-07 . The AEDC Grants Division will submit only those costs that follow the CDBG cross-cutting regulations and only those that are a direct result of activities related to the presidentially declared flooding event. No requests shall be of the size or amount that will cause a substantial amendment to the Action Plan and all costs will be clearly identified in a category recognized in the Action Plan.

Pre-Award costs are those costs incurred by the state grantee prior to the CDBG-DR Grant Agreement. AEDC does not intend to incur any pre-award costs.

3. Program Income

The use of CDBG-DR funds may potentially generate program income. Program income for CDBG-DR is defined within the Federal Register Notice allocating such funding to the State of Arkansas. Generally, program income is the gross income received by the Subrecipient that was generated from activities funded in whole or in part by the Subrecipient agreement. When program income is generated by an activity that is partially funded with CDBG-DR then the income must be prorated to reflect the percentage of the total funding that the CDBG-DR funding comprised. Program income, when used to carry out a CDBG-DR activity, is subject to all federal requirements. If a Subrecipient earns or anticipates generating or earning income from CDBGDR assisted activities, contact AEDC. (See 2 CFR § 200.307 and 24 CFR § 570.489 for additional regulations.)

To further assist potential subrecipients in recognizing program income if it is generated, examples of program income include, but are not limited to:

- Proceeds from the sale or long-term lease of real property purchased or improved with CDBG funds.
- Proceeds from the disposition of equipment purchased with CDBG funds.
- Gross income from the use or rental of property acquired by the Subrecipient with CDBG funds, less the costs incidental to the generation of such income.
- Gross income from the use or rental of property owned by the Subrecipient that was constructed or improved with CDBG funds, less any costs incidental to the generation of such income.
- Proceeds from the sale of obligations secured by loans made with CDBG funds.
- Interest earned on program income, pending disposition of such program income Generally, any program income received must be returned to the AEDC, subject to applicable terms and conditions within a Subrecipient agreement. Subrecipients may be permitted to maintain program in certain circumstances – contact the AEDC for more information.

Should any funds be generated, recovery of funds including program income, refunds and rebates will be used before drawing down additional CDBG-DR funds. The DRGR system requires grantees to use program income before drawing additional grant funds and ensures that program income retained by one will not affect grant draw requests for other grantees. Grantees will be required to report program income quarterly and will be subject to applicable rules, regulations, and HUD guidance. Retention of program income will be in compliance with the grantee agreements. Policies and procedures for program income will be included in the CDBG-DR Policies and Procedures Manual.

4. CDBG-DR Reprogrammed Funds

AEDC anticipates that in some cases CDBG-DR funding could potentially be available later in the program due to unforeseen events such as the cancellation of projects, projects completed under budget, or from funds designated but not allocated. AEDC reserves the right to adjust any of the remaining CDBG-DR funding to ensure maximum utilization of funds. Such CDBG-DR funding adjustments shall be the minimum amount necessary to fund projects efficiently. Reprogrammed CDBG-DR funding is also being made available to offset any unforeseen project eligible cost increases such as in the case of construction.

All CDBG-DR reprogrammed funding will be subject to the same expenditure deadlines and compliance requirements set forth in the Federal Register Notice. Funding deemed available for reprogramming will be evaluated and allocated according to the following considerations:

- In addition to first meeting the core CDBG-DR program eligibility requirements as outlined in this Action Plan, reprogrammed funding will be prioritized in order to allow the State to meet the minimum specified objectives in the Federal Register Notice should these objectives still remain unfulfilled at the time of availability of reprogrammed funding.
- Reprogrammed funding will be first considered for current grantees whose infrastructure projects have been significantly impacted by unforeseen increased project completion costs and require additional funds to ensure timely completion of their eligible project.
- Reprogrammed funding consideration will depend on the amount required by the eligible CDBG-DR project in relation to the amount of limited remaining CDBG-DR funding available.
- Reprogrammed funding consideration will depend on the amount of time required for final project completion in relation to the amount of time remaining under the imposed Federal Register Notice deadlines.
- Any remaining CDBG-DR funding that cannot meet the expenditure deadlines and compliance requirements set forth in the Federal Register Notice will be returned to HUD as required under federal guidelines.

5. Monitoring and Compliance

Monitoring and compliance are critical to successful implementation of the CDBG-DR program to ensure the program is carried out in accordance with state and federal requirements. Monitoring and compliance activities will include documenting compliance with program rules; ensuring timely expenditure of CDBG-DR funds and timely closeout of projects, tracking program and project performance; and identifying technical assistance needs. The state will conduct monitoring activities, including the following:

Desktop Monitoring is conducted offsite and allows for performance to be monitored (via progress reports and other supporting documentation).

On-site Monitoring is conducted at the location of the project activity and is generally conducted once, unless otherwise identified.

After monitoring is conducted, a report will be produced summarizing what was reviewed; the applicable state or federal statute; and the conclusion reached through the monitoring process.

Table 67: Monitoring Report Determinations

Determination	Description
Satisfactory Performance	No identifiable issues.
Concern	An issue is identified but does not involve a statute, regulation, or requirement, such as a management issue.

Question of Performance	Monitoring review is inconclusive as to if there is a violation of a statute, regulation, or requirement and additional information will be required.
Clear Violation	Clear violation of a statute, regulation, or requirement and a remedy is required.

F. Stakeholder Engagement

1. Public Website

AEDC will maintain a CDBG-DR website at www.ArkansasEDC.com/CDBG-Disaster-Recovery which will contain a copy of the Action Plan, Action Plan amendments, public comments, application status reporting for grantee and beneficiaries, procurement information including contracts for outside services, a contractor complaint hotline and general contact information, and more. Throughout the duration of the grant, AEDC will maintain the public website listed above to provide information on how the CDBG-DR program funds are being used and administered. Specifically, this will include:

- The Action Plan, including any and all amendments;
- The current approved Disaster Recovery Grant Reporting (DRGR) system action plan;
- Each quarterly performance report (QPR), as created using the DRGR system;
- Citizen participation requirements;
- Language Access Plan;
- Procurement policies and procedures;
- Announcements of public hearing;
- Instructions on how to apply for assistance;
- The grievance procedure;
- A directory of names of staff, responsibilities, and contact information;
- Statement on Anti-Fraud, Waste, and Abuse;
- Description of services or goods currently being procured by the grantee;
- A copy of contracts the grantee has procured directly; and
- A summary of all procured contracts.[74]

The website is equally accessible to blind or visually impaired visitors, and all documents and information included on the website will be converted, as necessary, to the predominant languages prevalent in the region.

2. Citizen Participation

A CDBG-DR Citizen Participation Plan (CPP) (Attachment C) was developed to establish citizen participation efforts to be conducted throughout the implementation of the Action Plan. This plan specifically outlines the 30-day public comment period. An initial draft of this CDBG-DR Action Plan as

[74] *83 Fed. Reg. 83 (February 9, 2018)*

published on the above-reference CDBG-DR website from July 27, 2020 to August 26, 2020. As discussed in the CPP, the State of Arkansas recognizes the importance of public participation in the process of disaster recovery, particularly for those most vulnerable to the impacts of the disaster. These individuals include low- and moderate-income persons; residents of low- and moderate-income areas; residents of slums and blighted areas; individuals and organizations located where federal and state resources may be used; minorities and non-English speaking residents, including those with Limited English Proficiency (LEP); and persons with disabilities. The CPP was used for the development of the Action Plan and will be utilized throughout program implementation and for review of substantial amendments.

3. Public Comment

The draft Action Plan was posted on the State's CDBG-DR website and published for public comment from July 27, 2020 to August 26, 2020. To ensure equal access and opportunity to comment for all citizens, a Public Notice was published in the Arkansas Democrat Gazette on July 26, 2020. AEDC considers all public comments received in writing, via e-mail, or delivered in person at official public hearings regarding this Action Plan or any substantial amendments. AEDC will make public comments available to citizens, public agencies, and other interested parties upon request.

4. Jurisdictional Engagement

To support efficient and effective use of the CDBG-DR allocation, AEDC will engage with local and regional governments, federal partners, non-governmental organizations, private sector stakeholders, and other entities to sufficiently assess the needs of all areas affected by the 2019 disaster.[75] Additionally, comprehensive jurisdictional engagement supports:

- Alignment and consistency between the action plan and other regional recovery efforts;
- Development of relationships to enhance resilience; and,
- Information sharing of best practices, challenges, and resources.

During the planning process, AEDC held multiple meetings with jurisdictional stakeholders and consulted directly with impacted jurisdictions between March 2020 and December 2020. To assist in the development of the Unmet Needs Assessment (UNA), the State of Arkansas utilized the "Valuation Tool for Prioritizing Needs by Sector, Funding, and Capacity" as described in Appendix G. The Valuation Tool implements a ranking system that prioritizes activity areas within each of the key sectors of housing, infrastructure, and economy. AEDC conducted outreach to impacted jurisdictions, providing the Valuation Tool as a method of soliciting feedback on unmet recovery needs. AEDC utilized this feedback in completing its UNA and designing programs to meet unmet recovery needs.

5. Application Status

[75] *This engagement includes CDBG entitlement communities.*

AEDC is responsible for the administration of the grant funds and will carry out implementation of the CBDG-DR programs and projects through Subrecipients. AEDC will communicate with program applicants at the Subrecipient level. AEDC is committed to sharing timely and accurate information. For each of the CDBG-DR programs proposed, oversight of the application process will be managed by the AEDC Grants Division. Once an application for CDBG-DR assistance has been submitted, AEDC will ensure adequate means of informing applicants on application status are maintained throughout program implementation. This will include utilization of the public website, contact through program representatives, and via email, phone, or mail. The State's CDBG-DR website will be used to provide grant updates, publication of action plan amendments, and critical grant communications. Subrecipients will carry out communication with applicants at the beneficiary level. Additional methods of communication that Subrecipients will use include:

- Mailings to the damaged and current mailing addresses;
- Emails to primary and secondary email addresses, as needed; and
- Phone calls to primary and secondary phone numbers as needed.

Applicants with LEP who require translation or interpretation services are provided these services in accordance with AEDC's Language Assistance Plan (LAP). Furthermore, AEDC provides status updates and program materials in a format that is in accordance with the Americans with Disabilities Act (ADA). In sharing information related to each application, AEDC will ensure that personally identifiable information (PII) is protected.

6. Policies and Procedures

A manual outlining the Policies and Procedures associated with the use of CDBG-DR funding will be available to all interested parties. In addition to the federal compliance areas of procurement, citizen participation, financial management, labor standards, equal opportunity and fair housing, environmental review and contract management, the manual will include housing quality standards and construction standards related to housing rehabilitation, housing reconstruction and new construction, duplication of benefits requirements and processes, deed restrictions, applicable Uniform Relocation Act (URA) requirements, Optional Relocation Plans, resolutions related to flood insurance requirements, program agreements and contract documents, beneficiary intake forms, etc. Training and Technical Assistance

The complexity associated with using CDBG funds requires training and technical assistance to ensure that project goals are achieved while remaining compliant with program rules and regulations. The Grants Division will offer training opportunities to interested parties at the application stage and the new grantee training stage. Training to build capacity will be implemented throughout the year by focusing on specific program compliance areas. Technical assistance is available to every potential application, sub-applicant, and professional service provider throughout each stage of the process. The AEDC Grants Division, as well as partnering agencies, employ specialists and generalists, who maintain expertise in certain fields such as housing, economic development, and infrastructure, and compliance areas such as procurement, equal opportunity and fair housing, Uniform Relocation Act, labor standards, financial management, and

Appendix A – Arkansas CDBG-DR Citizen Participation Plan

The following table summarizes changes to the State of Arkansas DR-4441 CDBG-DR Citizen Participation Plan.

Section	Sub-Section	Page	Description

CITIZEN PARTICIPATION PLAN CDBG-DR

Background

The State of Arkansas is a recipient of a U.S. Department of Housing and Community Development Block Grant-Disaster Recovery (CDBG-DR) Grant appropriated in accordance of the Disaster Relief Appropriations Act, 2016 (Public Law 114-223). This describes the applicable waivers and alternative requirements, relevant statutory and regulatory requirements, the grant award process, criteria for the action plan approval, and eligible disaster recovery activities. The funds are being made available to assist disaster recovery efforts in response to FEMA DR 4441 (the Arkansas River Flooding), declared on June 8, 2019.

The primary goal of this Citizen Participation Plan is to provide all Arkansas citizens with an opportunity to participate in the planning, implementation, and assessment of the State's recovery programs. The plan set forth policies and procedures for citizen participation, which are designed to maximize the opportunity for citizen involvement in the community recovery process.

Public Hearing

Unlike the Citizen Participation Plan for the Consolidated Plan process, there is no requirement for a public hearing relative to the CDBG-DR Action Plan. The State's disaster recovery needs will be incorporated into the next required update of the Consolidated Plan. The public will be engaged in the recovery planning process through public and stakeholder outreach, including public meetings, in order to collect input from impacted citizens and community leaders. Public meetings are publicized in coordination with impacted jurisdictions and feedback received is collected and incorporated into the Action Plan process. In addition, the State will ensure that all grantees adhere to fair housing requirements and will capture, review, and maintain records of its status.

Contact Information: Citizens may make comments or request information regarding the Consolidated Planning process by mail, telephone, facsimile transmission, or email to the Arkansas Economic Development Commission, Grants Division, 1 Commerce Way, Suite 601, Little Rock, Arkansas 72202, Tel. (501) 682-7389, TTY: 1-800-285-1131 or dial 711 for Arkansas Relay Service, Fax (501) 682-7499, email JNoble@ArkansasEDC.com.

The State will respond to written comments as appropriate.

Encouragement of Citizen Participation and Outreach: The State will invite and encourage citizen participation in the Action Plan process with a focus on outreach to low- and moderate- income persons, racial/ethnic minorities, persons with disabilities, and persons with Limited English Proficiency.

Strategy: The State will advertise opportunities for public participation in the Action Plan process through state, federal, and local governments, tribal communities, public housing, housing-related service providers, for-profit developers, professional organizations, other known constituency groups, and citizens who have requested notification. Additionally, the State will advertise through: Groups, organizations, agencies, and churches providing services to or advocating for low- and moderate-income persons, racial/ethnic minorities, persons with disabilities, and persons with Limited English Proficiency; and Media sources that have direct contact with low- and moderate-income persons, racial/ethnic minorities, persons with disabilities, and persons with Limited English Proficiency.

The AEDC Grants Division is committed to ensuring that all populations impacted by the flood are aware of the programs to assist in the recovery from the 2019 riverine flooding. Through in person meeting, outreach events, online and traditional media, the state has publicized the programs and conducted outreach efforts throughout the storm impacted areas.

Public Notice and Comment Period

A comment period of at least thirty (30) days, as required by HUD, shall be provided for citizens, affected local governments, and other interested parties an opportunity to comment on substantial amendments to the Action Plan. Notices advertising the public comment period will be placed in the state-wide daily newspaper, the AEDC website and social media, and distributed by press release, non- English newspapers, and weekly community newspapers.

In accordance with CDBG-DR requirements, the State of Arkansas has developed and will maintain a comprehensive website regarding all disaster recovery activities assisted with these funds. The State will post all Action Plans and amendments on the State's CDBG-DR website https://www.arkansasedc.com/CDBG-Disaster-Recovery to give citizens an opportunity to read the plan and to submit comment(s). This website is featured prominently on, and is easily navigable from, the State's homepage https://www.arkansasedc.com/.

Paper copies of the Action Plan will be available in both English (including large, 18pt type) and Spanish.

Comments and complaints may be submitted as follows:

Written comments may be mailed to:

Arkansas Economic Development Commission – Grants Division
Attn: Jean Noble
1 Commerce Way, Suite 601
Little Rock, AR 72202

By telephone: (501) 682-7389, TTY: 1-800-285-1131 or dial 711 for Arkansas Relay Service, or Fax (501) 682-7499, or Email: JNoble@ArkansasEDC.com

At the end of the comment period, all comments shall be reviewed, and a State response will be incorporated into the document. A summary of the comments and the State's responses will be submitted to HUD with the Action Plan. The Action Plan and any amendments including public comments and responses will be posted on the State's CDBG-DR website.

Individuals with Limited English Proficiency (LEP)

Based on LEP data within the impacted areas collected by the State, both the instructions for commenting on, and access to, the Action Plan will be translated into Spanish. The State will make every possible effort to translate and consider comments submitted in any other language within the timeframe.

Persons with Disabilities

As noted above, hard copies of Action Plans will be available in large print format (18pt font size) at the location listed above. The online materials will also be accessible for the visually impaired. For more information on how people with disabilities can access and comment on the Action Plan, dial 1-800-285-1131

Response to Citizen Complaints

The AEDC Grants Division shall provide a written response to every complaint relative to the CDBG-DR Plan within fifteen (15) working days of receipt if practicable. Complaints may be emailed to dpolk@arkansasedc.com, with a copy to jnoble@arkansasedc.com. Complaints may also be submitted via mail as provided in the "Complaints" section noted below. The state will execute its Appeals Process in response to complaints and will require grantees to adopt a similar process that weighs complaints through an unbiased process of the citizen's peers. The process will be tiered whereby applicants will be able to appeal a decision and received further review from another level.

Performance Review

The requirements for submission of a Performance Evaluation Report (PER) are waived for the CDBG-DR program. As an alternative, the State's Action Plan must be entered into HUD's Disaster Recovery Grant Reporting (DRGR) system. The State will submit a performance report in a form to be prescribed by HUD no later than thirty days following the end of each quarter, beginning after the first full calendar quarter after grants award and continuing until all funds have been expended. The quarterly reports shall use the DRGR system and be posted on the State's website within three days of submission.

Action Plan Amendments

In the case of amendments, the State of Arkansas will follow two alternative citizen participation processes. In the cases of a substantial amendment, the procedures detailed above will be followed.

A substantial amendment shall be defined as: a change in program benefit, beneficiary or eligibility criteria, the allocation or re-allocation 10 percent or more of the budget, or the addition or deletion of an activity.

For amendments considered to be non-substantial, the State shall notify HUD, but public comment is not required. Every amendment, substantial or not, shall be numbered sequentially and posted on the website.

Applicant Status

The usual methods of notifying citizen of their application status regarding CDBG-DR programs involves communicating through interviews, telephone, email and written. In addition to these very effective methods, the Arkansas CDBG-DR program will include a system where applicants will be able to access their status online.

The Final HUD-Approved Action Plan

Following HUD approval of the Action Plan or amendment(s), it will be posted on the State's CDBG-DR website. Copies of the Final Action Plan will also be made available upon request.

Complaints

AEDC will respond in writing to written citizen complaints about the Consolidated Plan, Annual Action Plan, Annual Performance Report, and Substantial Amendments. Citizen complaints should be submitted to the Arkansas Economic Development Commission. Complaints may also be received verbally, and by other means, as necessary where the AEDC determines that a citizen is not reasonably able to submit a written complaint due to a physical or intellectual impairment. In these instances, AEDC may convert these complaints into written form.

AEDC will respond to complaints within fifteen (15) working days, where practicable. Complaints may be submitted as follows:

Compliance Officer
Grants Management Division
Arkansas Economic Development Commission
1 Commerce Way, Suite 601
Little Rock, AR 72202

Complaints may also be submitted by email to: dpolk@arkansasedc.com with a copy to jnoble@arkansasedc.com.

If you need assistance in filing a written complaint, you may contact Dori Polk at 501-682-7335.

Any person that feels that the Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 regulations were not complied with may file a complaint directly to the Assistant Secretary for Fair Housing and Equal Opportunity at the following links (or as otherwise directed):

FORT WORTH REGIONAL OFFICE U.S. Department of Housing and Urban Development Southwest Office 801 Cherry St., Unit 45, Suite 2500 Fort Worth, TX 76102	Christina Lewis, Regional Director	(817) 978-5868 Fax: (817) 978-5876

Or Contact (888) 560-8913 and for the hearing impaired, please call TTY (800) 927-9275

The Arkansas Fair Housing Commission can be reached toll-free at (800) 340-9108.

Appendix B – CDBG-DR Four-Factor Analysis & Language Access Plan

The following table summarizes changes to the State of Arkansas DR-4441 CDBG-DR Language Assistance Plan.

Section	Sub-Section	Page	Description

A. Policy Statement

It is the policy of the Arkansas Economic Development Commission (AEDC) to take reasonable steps to provide meaningful access to its programs and activities for persons with Limited English Proficiency (LEP). The AEDC's policy is to ensure that staff will communicate effectively with LEP individuals, and LEP individuals will have access to important programs and information. AEDC is committed to complying with federal requirements in providing free meaningful access to its programs and activities for LEP persons.

B. History

Title VI of the Civil Rights Act of 1964 is the federal law which protects individuals from discrimination on the basis of their race, color, or national origin in programs that receive federal financial assistance. In certain situations, failure to ensure that persons who have Limited English Proficiency can effectively participate in, or benefit from, federally assisted programs may violate Title VI's prohibition against national origin discrimination.

Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter.

On August 11, 2000, Executive Order 13166, titled, "Improving Access to Services by Persons with Limited English Proficiency," was issued. Executive Order 13166 requires federal agencies to assess and address the needs of otherwise eligible persons seeking access to federally conducted programs and activities who, due to LEP cannot fully and equally participate in or benefit from those programs and activities. Section 2 of the Executive Order 13166 directs each federal department or agency "to prepare a plan to improve access to…federally conducted programs and activities by eligible LEP persons…."

C. Definitions

Beneficiary: The ultimate consumer of HUD programs and receives benefits from a HUD Recipient or Sub-recipient.

Limited English Proficient Person (LEP): Individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English because of national origin.

Language Assistance Plan (LAP): A written implementation plan that addresses identified needs of the LEP persons served.

Recipient: Any political subdivision of the State of Arkansas, or an eligible nonprofit organization, to whom Federal financial assistance is extended for any program or activity, or who otherwise participates in carrying out such program or activity, including any successor, assign or transferee thereof, but such term does not include any Beneficiary under any such program.

Sub-recipient: Any public or private agency, institution, organization, or other entity to whom Federal financial assistance is extended, through another Recipient, for any program or activity, or who otherwise participates in carrying out such program or activity, but such term does not include any Beneficiary under any such program.

Vital Document: Any document that is critical for ensuring meaningful access to the Recipient's major activities and programs by Beneficiaries generally and LEP persons specifically.

D. Framework & Methodology

This Four Factor Analysis is the first step in providing meaningful access to federally funded programs for LEP persons. The Four Factor Analysis completed by AEDC addresses the following:

- The number or proportion of LEP persons eligible to be serviced or likely to be encountered by AEDC;
- The frequency with which LEP persons using a particular language come in contact with AEDC;
- The nature and importance of the AEDC program or activity provided to the individual's life; and,
- The resources available to the AEDC, and costs associated with providing LEP services.

E. Four Factor Analysis

1. The number or proportion of LEP persons

eligible to be served or likely to be encountered by AEDC.

AEDC is the recipient of funding from the United States Department of Housing and Urban Development (HUD). This includes Community Development Block Grant Program (CDBG or CDBG Program) funds and HOME Investment Partnerships Program (HOME or HOME Program) funds. AEDC sub-grants this funding to eligible Recipients throughout the State of Arkansas, and such Recipients undertake projects in specific services areas (i.e. within a particular local government, a group of counties, or other identified service area). AEDC does not often come into direct contact with LEP persons, as most direct contact with an LEP person occurs at the project level between the Recipient and the LEP person.

AEDC's service area generally consists of the entire State of Arkansas, (although the Cities of Little Rock, North Little Rock, Conway, Pine Bluff, Fayetteville, Ft. Smith, Rogers, Hot Springs, Springdale, Jacksonville, Texarkana, West Memphis, and Jonesboro are each HUD entitlement communities). In order to determine the LEP population of Arkansas, AEDC reviewed the 2015 5-year American Community Survey (ACS) data (Table B16001) to find what the primary languages were for people that spoke English less than "very well". Based on this data, in addition to English, Arkansas's population speaks Spanish (144,270 or 5.2%), with 3% speaking English less than "very well."

This data shows that the Spanish speaking population is the largest LEP population in Arkansas, (69,912, or 3%), and therefore would likely be the LEP population most likely to be encountered by AEDC. Because AEDC does not directly provide assistance to individuals, AEDC also looked at the ACS data to determine what LEP populations are present on a county level.

HUD has established a "safe harbor" regarding the responsibility to provide translation of Vital Documents for LEP populations. This safe harbor is based upon the number and percentages of the service area-eligible population or current beneficiaries and applicants that are LEP. According to the safe harbor rule, HUD expects translation of Vital Documents to be provided when the eligible LEP population in the service area or beneficiaries exceed 1,000 persons or if it exceeds 5% of the eligible population or beneficiaries along with more than 50 people. In cases where more than 5% of the eligible population speaks a specific language, but fewer than 50 persons are affected, there should be a translated written notice of the person's right to an oral interpretation.

With the Spanish speaking population being the largest LEP population in Arkansas, AEDC has identified 14 counties that have Spanish speaking LEP populations exceeding the 1,000 person or 5% (+50 persons) threshold. These are depicted in the following table. With the exception of these counties, no other Arkansas county has an LEP population other than the Spanish speaking population that exceeds the HUD safe harbor threshold. Disaster declared counties are highlighted below (neither of the two HUD-identified MID counties are included in the below):

County	Total Population	Estimate of Spanish speakers who speak English less than "very well"	% of total Spanish speaking population who speak English less than "very well"
Benton	220,576	12,194	5.53%

Bradley	10,448	538	5.15%
Carroll	26,047	1,665	6.39%
Craighead	94,333	1,501	1.59%
Crawford	57,948	1,668	2.88%
Garland	91,642	1,378	1.50%
Hempstead	20,858	1,259	6.04%
Howard	12,680	634	5.00%
Pope	58,809	1,925	3.27%
Pulaski	363,219	8,439	2.32%
Sebastian	118,529	5,387	4.54%
Sevier	15,892	2,679	16.86%
Washington	200,572	14,790	7.37%
Yell	20,383	1,975	9.69%

Source: U.S. Census 2015 5-year American Community Survey Data Table B16001, Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over. The estimates from the ACS are based on a sample survey and hence are subject to sampling error

2. The frequency with which LEP persons using a particular language come in contact with AEDC.

AEDC understands that the more frequently contact occurs with LEP persons, the more likely enhanced language services will be needed. However, AEDC does not provide direct assistance to individuals. AEDC awards HUD funds to Recipients that carry out eligible projects that benefit individuals in the service area. As such, LEP persons rarely come into contact with AEDC administered HUD-funded programs at the State level. However, it is possible that some citizen participation efforts may be directed to the State by persons seeking to participate in the annual planning process for AEDC programs.

3. The nature and importance of the AEDC program or activity provided to the individual's life.

AEDC understands that the more important the activity, information, services, or program, or the greater the possible consequences of the contact to the LEP persons, the more likely language services are needed. The programs administered by AEDC result in Recipients of HUD funding from AEDC carrying out projects, and in some instances, providing direct assistance to LEP individuals and families. It is likely that the type of project activities proposed by the Recipient will impact the level and type of language assistance needed to be provided. At the AEDC level, it is most important for language assistance services be provided for citizen participation efforts undertaken by AEDC, as this is when it is most likely that LEP individuals will come into contact with AEDC directly. It is also important that AEDC provide information to LEP persons that will allow them to file a complaint if they believe they have been denied the benefits of language assistance.

4. The resources available to AEDC, and costs associated providing LEP services.

AEDC has very limited resources available for administration of the CDBG-DR funded program over the six year expenditure period. These resources primarily come from the percentage of CDBG funding that is allowed to be used for administration of this program (5%, or $447,000). AEDC will have to use these administration funds to provide LEP services, in addition to using such funds for fulfilling all other statutory and regulatory requirements of these programs.

The costs associated with providing LEP services will vary depending upon the service provided. If AEDC uses existing resources, such as having AEDC staff members who are proficient in languages other than English assist in translation and/or interpretation, this will be a cost effective method of providing LEP services. Another cost effective method of providing LEP services would be to make LEP persons aware of the many brochures, handbooks, booklets, and forms that are available in multiple languages on the HUD website. AEDC may also, when appropriate, utilize free websites to translate written materials. The most costly option for providing LEP services would be to contract with outside persons that are proficient in interpretation of spoken word and in translation of documents. AEDC will do this only when necessary, when dealing directly with beneficiaries in the above highlighted disaster impacted areas. It is expected that the cost of obtaining such services will vary depending upon the nature of the services requested, and the service provider selected.

5. Language Assistance Plan

As a result of the preceding Four Factor Analysis, AEDC has developed a Language Assistance Plan. The Language Assistance Plan addresses the identified needs of the LEP persons AEDC serves, the process by which AEDC will monitor and update the LAP.

AEDC understands that the actions AEDC is expected to take to meet its LEP obligations depend upon the results of the Four Factor Analysis including the services AEDC offers, AEDC's service area, the resources AEDC possesses, and the costs of various language service options. However, AEDC is to take reasonable steps to ensure meaningful access to LEP persons. The meaningful access is based upon a reasonableness standard that is both flexible and fact-dependent.

The procedures AEDC will use to identify LEP persons with whom AEDC has contact, the size of LEP populations, and the languages of LEP populations. AEDC will review American Community Survey data as it is updated to determine the size of LEP populations and the languages of LEP populations within the State of Arkansas. AEDC will use its citizen participation process conducted on at least an annual basis in conjunction with preparation of the required regular CDBG Annual Action Plan to determine whether additional contact with LEP persons is likely to occur at the State level. This will be accomplished by including information in public notices for Annual Action Plan hearings regarding obtaining language assistance in order to participate in the planning process. AEDC staff persons will also interact with public hearing attendees and informally engage in conversation to gauge each attendee's ability to speak and understand English. AEDC will keep records of language assistance requests in order to determine whether language assistance may be needed at future hearings.

Points and types of contact AEDC may have with LEP persons.

LEP persons rarely come into contact with AEDC administered HUD-funded programs at the State level. However, AEDC is aware that LEP populations may wish to participate in the citizen participation efforts of AEDC, especially when AEDC is determining state and local needs and program policies. AEDC's LAP focuses on the need for AEDC to ensure that individuals have access to citizen participation efforts, and that Recipients of HUD funding from AEDC fulfill their LEP obligations so as to ensure that the LEP community has access to appropriate language assistance.

Ways in which language assistance will be provided by AEDC, and the plan for outreach to LEP populations.

AEDC will provide language assistance as requested, and as appropriate. AEDC has limited resources available for administration of HUD funded programs, and such resources must be used to provide LEP services in addition to fulfilling all other statutory and regulatory requirements of these programs. AEDC will provide language assistance as follows:

AEDC will maintain a list of identified AEDC staff members (and where possible other state agency employees) who are proficient in languages other than English who are willing to assist in translation and/or interpretation, and will make this list available to staff persons so that they can appropriately obtain language assistance services for LEP persons.

AEDC will use and make persons aware of the many brochures, handbooks, booklets, factsheets, and forms that are available in multiple languages on the HUD website. Many of these are available at: https://www.hud.gov/program_offices/fair_housing_equal_opp/17lep

When, and if appropriate, AEDC may utilize free websites and computer programs to translate written materials. AEDC's website www.ArkansasEDC.com utilizes a 94 language translation program.

As needed, AEDC will contract with entities that are proficient in interpretation of spoken word and translation of documents. AEDC will maintain a list of identified contractors.

When language assistance is needed via telephone, staff will immediately contact the individual from the AEDC internal list of staff persons proficient in the particular language and have such individual provide assistance; or in the alternative, the staff will seek assistance through services like Language Line.

AEDC will provide, on a prior request basis, interpretation assistance for AEDC public hearings and/or meetings via staff persons proficient in the particular language requested; or in the alternative if no staff person is available to provide such assistance, the staff will seek assistance from a qualified contractor.

AEDC will translate Vital Documents, including but not limited to the Citizen Participation Plan and Complaint procedures, into Spanish (and other languages as need may be identified in the future).

Outreach Plan

AEDC will conduct outreach to LEP persons as follows:

(1) AEDC will provide notification to LEP persons of the availability of language assistance services (both interpretation and translation) through public notices published in conjunction with the Action Plan, and on the AEDC website.

(2) AEDC will provide a link on the AEDC website to the HUD translated materials site.

(3) AEDC will provide its Recipients with technical assistance regarding their responsibilities to provide language assistance services to individuals in their jurisdiction and/or service area, and request information from them on how they will provide outreach to LEP persons in their jurisdiction and/or service area.

AEDC's plan for training staff members on LEP guidance and the LAP, including specific provisions for training staff that are responsible for monitoring Recipients of HUD funding.

AEDC will ensure that AEDC staff persons are given proper LEP training so that they are aware of their obligations to provide meaningful access to information and services for LEP persons. Staff associated with HUD funded programs will have a greater need for in-depth training, and AEDC will ensure such staff persons have been trained on providing language assistance and/or obtaining language assistance for LEP individuals. Training for these individuals will include the following:

(1) Staff persons will be trained on language assistance requirements by being made aware of applicable law and resources.

(2) Staff persons will be provided with a copy of the Four Factor Analysis and Language assistance Plan, and will be informed when such information is updated.

(3) Staff persons will be informed of other staff persons who are proficient in providing language assistance, and receive instructions on actions to take when LEP individuals are encountered, including instructions on the use of Language Line.

(4) Front desk receptionists will be trained on the use Language Line and on use of language identification cards, or "I speak cards", which invite LEP persons to identify their language needs. I speak cards will be kept at the front desk.

(5) All staff persons that monitor Recipient's will be trained on examining the efforts of Recipients to comply with LEP requirements. This will include the following: (1) evaluating whether the Recipient has completed a Four Factor Analysis; (2) determining whether such Four Factor Analysis necessitated the preparation of a Language Assistance Plan; (3) determining whether Recipient provided language assistance outreach and services as identified in the Language Assistance Plan; and, (4) determining whether Vital Documents have been made available in appropriate languages.

(6) Supervisors and managers will be trained on language assistance requirements so that they can reinforce the importance of compliance and ensure implementation by staff.

A list of Vital Documents to be translated, the languages into which they will be translated and the timetable for translations.

AEDC will translate Vital Documents into appropriate languages. Vital Documents are any documents that are critical for ensuring meaningful access to AEDC's major activities and programs by beneficiaries generally and LEP persons specifically. Based upon the information gathered through completion of the Four Factor Analysis, AEDC has determined that the Citizen Participation Plan and complaint procedure contained in the AEDC program administration manuals are Vital Documents. The Citizen Participation Plan provides the plan for ensuring that citizens are aware of when activities will take place, which will help ensure they have the opportunity to participate and/or request the necessary assistance to participate. The complaint procedure provides information on how to inform AEDC if an individual has a complaint against AEDC or its Recipient's in administering funding. AEDC will translate both of these documents into Spanish. The Citizen Participation Plan will be translated prior to citizen participation efforts for the next Action Plan or Amendment at that time. AEDC also plans to have the complaint procedure in the AEDC program administration manuals translated.

AEDC will document requests received for language assistance, observe interactions with LEP that occur as a result of the Vital Documents translated, continue to review American Community Survey data as it is updated, and determine whether there are other Vital Documents that need to be translated, or whether other languages are necessary.

AEDC will also ensure that public notices include a clause in Spanish, which informs individuals that they may request language assistance services in order to participate in the process addressed in the public notice.

AEDC's plan for translating informational materials that detail services and activities provided to Beneficiaries and AEDC's plan for providing appropriately translated notices to LEP persons.

Because the cost of translation can be high, AEDC will continue to evaluate the need for translation of informational materials and consider the best way to undertake translation services. AEDC wishes to be resourceful in providing language assistance without compromising quality and accuracy of the language services provided. If AEDC receives a request for translation of materials, AEDC will proceed to have such materials translated into the language requested, unless it is determined that the requester would also be satisfied with a competent oral interpretation of the document (e.g. documents only a few pages in length), and the oral interpretation can be more promptly provided.

As explained in the Four Factor Analysis, AEDC does not provide services directly to beneficiaries, but instead provides funding to Recipients who then provide services to beneficiaries. Therefore, AEDC believes it is appropriate to focus upon ensuring Recipients are taking appropriate action to ensure notice of language assistance services is provided to LEP persons, and that documents that are identified as Vital Documents by Recipients are translated into appropriate languages.

AEDC's plan for providing interpreters for large, medium, small, and one-on-one meetings.

As part of AEDC's citizen participation plan, AEDC will make the LEP persons aware that an interpreter can be provided without charge to allow for participation in public hearings or meetings. AEDC will require a request, in advance of the public hearing or meeting, for an interpreter to be provided. In the event a LEP person requests to have a family member or friend act as an interpreter for them at a hearing or meeting, AEDC will make every effort to ensure the LEP person knows that AEDC will provide an interpreter free of charge. If the LEP person continues to insist upon use of such family member or friend, AEDC will inform the LEP person that they need to be confident that the family member or friend can provide quality and accurate interpretation. If the LEP person wishes to proceed with such individual as an interpreter, AEDC will accommodate for such interpretation assistance to occur at the hearing or meeting.

AEDC's plan for developing community resources, partnerships, and other relationships to help with the provision of language services.

AEDC is aware that other Arkansas government agencies and entities have Language Assistance Plans. These include the Arkansas State Courts, Arkansas Highway and Transportation Department, and Arkansas Department of Education, among others. AEDC will communicate with these agencies regarding their methods of LEP outreach and provision of language assistance services. Through this communication, AEDC will attempt to determine best practices for the provision of such services and incorporate those into AEDC's Language Assistance Plan.

AEDC will also communicate with community organizations that serve LEP populations. Such organizations include Hispanic Community Services, Inc., Hispanic Women's Organization of Arkansas, Arkansas Latino Nonprofit Leadership Academy, Marshallese Educational Initiative, Arkansas Literacy Councils, ¡Hola! ARKANSAS and others that assist people of all cultures by teaching English language and literacy skills. Many of these organizations also partner with educational institutions, community groups, and churches to provide services to LEP persons. Identification of these groups through interaction with literacy skill providers will help AEDC become more aware of the needs that exist for language assistance services.

AEDC will provide Recipients with technical assistance regarding their responsibilities to provide language assistance services. In particular, AEDC will educate Recipients on HUD's safe harbor provision for translation of written materials, and the requirement to provide reasonable, timely, oral language assistance to LEP persons. AEDC will require all Recipients to provide reasonable oral language assistance, and such assistance may involve use of an in-person interpreter or telephone line interpreter, as may be appropriate. AEDC will require Recipients in counties that have populations that exceed the HUD safe harbor threshold to complete a Four Factor Analysis, and where necessary prepare a Language Assistance Plan to address identified needs of LEP persons. AEDC will prepare a template that can be used as a starting point for Recipients in preparing a Language Assistance Plan. After provision of technical assistance and training, AEDC will monitor Recipients to evaluate action taken comply with LEP requirements and, where applicable, compliance with provisions contained in a Language Assistance Plan. AEDC will make Recipients aware of LEP resources, especially those noted at the end of the Language Assistance Plan. In particular, AEDC will use the LEP video, "Breaking Down the Language Barrier: Translating Limited English Proficiency into Practice." This video, which is available as a streaming video on www.lep.gov, explains the language access requirements of Title VI and Executive Order 13166 through vignettes that expose the problems resulting from the absence of language assistance. The video goes on to show how these same situations could have been handled more appropriately if the service provider took reasonable steps to provide meaningful access.

AEDC's plan for monitoring and updating the LAP.

AEDC will monitor and update the Language Assistance Plan at least annually, and more frequently in response to new information. AEDC will review American Community Survey data as it is updated to determine the size of LEP populations and the languages of LEP populations within the State of Arkansas, review additional guidance provided by HUD, and update the Language Assistance Plan accordingly.

AVAILABLE LEP RESOURCES

HUD Frequently Asked Questions on the Final LEP Guidance:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq

HUD's LEP Website:
http://www.hud.gov/offices/fheo/lep.xml

Federal LEP Website:
http://www.lep.gov/

LEP and Title VI Videos:
http://www.lep.gov/video/video.html

"I Speak" Card:
http://www.lep.gov/ISpeakCards2004.pdf

Individuals with Disabilities or Language Impairments

The State values the public's opinion by accepting citizen and other interested parties' comments throughout development and implementation of its CDBG Disaster Recovery program. Every effort will be made to reach minorities, non-English speaking residents, as well as persons with disabilities. For all meetings, to facilitate comments, questions, and other information; a Spanish-speaking translator and/or Hearing Impaired Sign Language interpreter is made available upon request. Program information posted to the website will be accessible and available in accessible formats, including those readable by screen readers. AEDC works to publish all public documentation in formats supportive of screen reader technology. AEDC will make information available in alternate formats as needed and upon request to ensure effective communication to persons with disabilities and language related impairments. Requests for this Plan or related documents in alternate formats consistent with the provisions of federal requirements related to persons with disabilities or related to limited English proficiency can be directed to AEDC using the following methods:

- Via telephone: (501) 682-7389

- Via email: JNoble@ArkansasEDC.com

- Online at: https://www.arkansasedc.com/cdbg-disaster-recovery/

- In writing at: Arkansas Economic Development Commission
  Attn: Grants Division
  1 Commerce Way, Ste. 601
  Little Rock, AR 72202

Individuos con Discapacidades o Impedimentos de Lenguaje

El Estado valora la opinión del público al aceptar los comentarios de los ciudadanos y otras partes interesadas durante el desarrollo y la implementación de su programa de Ayuda Local de Desarrollo Comunitario Recuperación de Desastres (CDBG-DR). Se hará todo lo posible para llegar a las minorías, los residentes que no hablan inglés, así como a las personas con discapacidades. Para todas las reuniones, para facilitar comentarios, preguntas y otra información; Un traductor de habla hispana y / o un intérprete de lenguaje de señas para discapacidad auditiva está disponible si es solicitado. La información del programa publicada en el sitio web será accesible y estará disponible en formatos accesibles, incluidos los que puedan leer los lectores de pantalla. AEDC Grants Division trabaja para publicar toda la documentación pública en formatos compatibles con la tecnología de lector de pantalla. AEDC pondrá a disposición información en formatos alternativos según sea necesario y a pedido para garantizar una comunicación efectiva a las personas con discapacidades y discapacidades relacionadas con el lenguaje. Las solicitudes de este Plan o documentos relacionados en formatos alternativos consistentes con las disposiciones de los requisitos federales relacionados con el dominio limitado del inglés pueden dirigirse a AEDC utilizando los siguientes métodos:

- Por el telephono: (501) 682-7389
- Por el correo electrónico: JNoble@ArkansasEDC.com
- En línea a: https://www.arkansasedc.com/cdbg-disaster-recovery/
- Por escrito en: Arkansas Economic Development Commission
  Attn: Grants Division
  1 Commerce Way, Ste. 601
  Little Rock, AR 72202

COMPLAINTS

If you believe that you have been denied the benefits of this Language Assistance Plan, you may file a written complaint by mail to:

Compliance Officer
Grants Management Division
Arkansas Economic Development Commission
1 Commerce Way, Ste. 601
Little Rock, AR 72202

Or by email to: dpolk@arkansasedc.com with a copy to jnoble@arkansasedc.com

If you need assistance in filing a written complaint, you may contact Dori Polk at 501-682-7335

Any person that feels that the Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 regulations were not complied with may file a complaint directly to the Assistant Secretary for Fair Housing and Equal Opportunity at the following links (or as otherwise directed):

FORT WORTH REGIONAL OFFICE U.S. Department of Housing and Urban Development Southwest Office 801 Cherry St., Unit 45, Suite 2500 Fort Worth, TX 76102	Christina Lewis, Regional Director	(817) 978-5868 Fax: (817) 978-5876

Appendix C – Certifications

Per the Federal Register[76] the State of Arkansas certifies that with its Action Plan:

a. The State of Arkansas certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program (See Section 6.2.2.5).

b. The State of Arkansas certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.

c. The State of Arkansas certifies that the Action Plan for disaster recovery is authorized under State and local law (as applicable) and that the State, and any entity or entities designated by the State, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG–DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this notice. The State of Arkansas certifies that activities to be undertaken with funds under this notice are consistent with its Action Plan.

d. The State of Arkansas certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this notice.

e. The State of Arkansas certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

f. The State of Arkansas certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 or 91.105 (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each local government receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant) (See Attachment C).

g. The State of Arkansas certifies that it has consulted with affected local governments in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the uses of funds, including the method of distribution of funding, or activities carried out directly by the State.

h. The State of Arkansas certifies that it is complying with each of the following criteria:

    1) Funds will be used solely for necessary expenses related to disaster relief, long- term recovery, restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in

[76] 83 Fed. Reg. 28 (February 9, 2018)

2019 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.).

2) With respect to activities expected to be assisted with CDBG–DR funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

3) The aggregate use of CDBG–DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent (or another percentage permitted by HUD in a waiver published in an applicable Federal Register notice) of the grant amount is expended for activities that benefit such persons.

4) The State of Arkansas will not attempt to recover any capital costs of public improvements assisted with CDBG–DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

    a) Disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or

    b) For purposes of assessing any amount against properties owned and occupied by persons of moderate income, The State of Arkansas certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).

i. The State of Arkansas certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601– 3619), and implementing regulations, and that it will affirmatively further fair housing (see Section 6.2.2.7).

j. The State of Arkansas certifies that it has adopted and is enforcing the following policies, and, in addition, that the State of Arkansas will require local governments that receive grant funds to certify that they have adopted and are enforcing:

1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and

2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

k. The State of Arkansas certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out disaster recovery activities in a timely manner and that the grantee has reviewed the requirements of this notice. The State of Arkansas certifies to the accuracy of its Public Law 116-20 and 115–56 Financial Management and Grant Compliance certification checklist, or other recent certification submission, if approved by HUD, and related supporting documentation referenced at A.1.a under Section VI and its Implementation Plan and Capacity Assessment and related submissions to HUD referenced at A.1.b under Section VI.

l. The State of Arkansas certifies that it will not use CDBG–DR funds for any activity in an area identified as flood prone for land use or hazard mitigation planning purposes by the State, local, or tribal government or delineated as a Special Flood Hazard Area (or 100- year floodplain) in FEMA’s most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the State, local, and tribal government land use regulations and hazard mitigation plans and the latest issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

m. The State of Arkansas certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

n. The State of Arkansas certifies that it will comply with environmental requirements at 24 CFR part 58.

o. The State of Arkansas certifies that it will comply with applicable laws.

Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.

Appendix D – Public Comment & Stakeholder Engagement

A. Public Comment and Response

The draft Action Plan was posted on the State's CDBG-DR website and published for public comment from July 27, 2020 to August 26, 2020.

To ensure equal access and opportunity to comment for all citizens, a Public Notice was published in the Arkansas Democrat Gazette on July 26, 2020.

AEDC considers all public comments received in writing, via e-mail, or delivered in person at official public meetings regarding this Action Plan or any substantial amendments. AEDC makes public comments available to citizens, public agencies, and other interested parties upon request.

During the applicable public comment period, public comments were received in response to the draft Action Plan. AEDC received feedback from a variety of stakeholders through public meetings and consultation as outlined and described in Appendices E, F, G and H.

The following provides a summary of public comments received for the CDBG-DR Unmet Needs Action Plan during the public comment period of July 27,2020 to August 26, 2020.

PUBLIC COMMENT: I'm finding it difficult to make a connection between the large sum of CDBG-DR funds allocated to Multifamily Housing and the unmet needs in the MID areas.

In addition, (unlike other program components) it is unclear whether applications for those funds "must present a direct or indirect connection to the disaster." If this is the case, its possible the City of Pine Bluff (and likely Jefferson County) will NOT be in a position to benefit from any of the Multifamily Housing funds. The only place within the city limits with damage reported to housing was Riverside Drive. The zoning for this neighborhood does NOT permit multifamily housing. If this is not the case, will multifamily projects be permitted ANYWHERE in Jefferson County? Also, MUST multifamily project funds be used in conjunction with LIHTC funds? How do you see allocating such a large portion of the funding to multifamily housing as supportive to the requirement to spend 80% of the funding in Jefferson and Perry Counties?

AEDC RESPONSE: Jefferson and Perry Counties are designated as a Most Impacted and Distressed area by HUD and in this Action Plan. This means that 80% of all CDBG-DR funds must be spent on eligible projects within the impacted counties. Further details on the multifamily housing program will be available in the program guidelines after Action Plan approval by HUD.

PUBLIC COMMENT: The Code Council supports Arkansas's ongoing work to consider updating its State Building Codes, but respectfully believes that the AEDC should commit, through its CDBG-DR Plan, to updating its building codes, and leave itself the option of leveraging CDBG-DR funding to do so. We believe this approach is particularly prudent given code updates provide significant provisions that mitigate the hazards the AEDC has identified as presenting the greatest risk to Arkansas and will enhance resilience by ensuring high quality and sustainable construction.

AEDC RESPONSE: AEDC will consider this comment as it designs its CDBG-DR programs. With limited funding, AEDC currently does not have a program to update building codes but may consider depending performance of proposed programs.

PUBLIC COMMENT: Building code application is most commonly measured through a community's Building Code Effectiveness Grading Schedule (BCEGS) score, an evaluation conducted by ISO, an analytics provider for the property/casualty insurance industry. Among other measures, BCEGS scores evaluate communities on code official training, continuing education, and certification. Better BCEGS scores (i.e., lower scores out of 10) typically translate into lower insurance premiums for communities. According to ISO, Arkansas's average department employee training expenditure per capita of population served is roughly half the national average.

FEMA also uses BCEGS scores in determining recipients of competitive grant awards. The Agency's current $500 million Building Resilient Infrastructure and Communities (BRIC) grant program gives applications more weighting to those that have achieved a BCEGS score of 5 or lower for commercial and residential buildings. As a state, Arkansas is rating 6 for commercial and 7 for residential.19 Investing in training and certification, and adopting up to date codes, would improve the state and its communities' BCEGS scores.

Therefore, the Code Council encourages Arkansas's CDBG-DR Plan to include code official training and certification under its proposed allocation for mitigation given these investments help increase loss avoidance, can lead to insurance savings, and can make jurisdictions in the state more competitive for FEMA grants.

AEDC RESPONSE: Due to limited funding available for CDBG-DR projects, AEDC is not currently proposing code official trainings in this Action Plan.

PUBLIC COMMENT: Section 3, Page 22 of the CDBG-DR Plan emphasizes that "Disasters in Arkansas can occur at any time and without warning. When this occurs, it is first the responsibility of the local government to alleviate and minimize impact to the community and citizens." Further, the CDBG-DR Plan outlines that, "In the aftermath of a disaster, with or without a Presidential Declaration, the State may deploy several specialized Recovery personnel into the disaster area, including: Preliminary Damage Assessment Teams, Community Response Teams/Area Coordinators, and Disaster Recovery Centers."

To this end, we strongly recommend Arkansas and the Arkansas Department of Emergency Management to partner with the Code Council, the Code Officials of Arkansas (COAR) and the Arkansas Fire Marshals Association (AFMA) to promote and alert communities about post disaster damage assessment training programs and to provide funding for these programs. After a disaster, an affected community is often left on its own to struggle with assessing its damage and determining whether structures can be re-inhabited. Local government officials may not be instructed on how to perform rapid safety evaluations or what data to collect. When assessments are not conducted quickly, a community's residents may potentially reoccupy unsafe structures.

Effective post-disaster building damage assessment can minimize the possibility for additional bodily injury by advising residents and aiding providers of eminent hazards at specific locations.

In addition, we recommend the AEDC promote participation in existing post-disaster damage assessment training programs like the "When Disaster Strikes Institute." This institute provides hands-on instruction on assessing damage through activities, case studies and interactive simulations that walk participants through various disaster scenarios. The institute stimulates discussion between participants and describes how paperwork should be completed. Participants learn techniques on how to become a properly trained second responder and, on completion, can be relied on to assist with performing post-disaster building assessments. As an indication of its support for When Disaster Strikes, FEMA mitigation grants under BRIC can be used specifically to provide this training.

AEDC RESPONSE: AEDC values stakeholder input and partnerships to understand how to improve disaster response and will coordinate with the Arkansas Department of Emergency Management and stakeholders to explore other training and funding opportunities.

PUBLIC COMMENT: As discussed above, Arkansas's adopted codes do not incorporate the latest hazard resistant design (not only for flood, but also for high wind events). The 2012 and 2009 I-Code editions are not captured in FEMA's current definition of a hazard resistant code. For these reasons, the Code Council recommends ADOC require adherence to the codes specified in FEMA's Consensus-Based Codes, Specifications and Standards for Public Assistance funding to the construction projects proposed in its CDBG-DR Plan. Utilizing the 2018 I-Code editions, as required by FEMA's Public Assistance program, aligns with FEMA's position on the adoption of current codes and the Agency's prioritization in grant allocation:

"FEMA supports the adoption and use of the latest published editions of the I-Codes as a minimum standard for hazard resistance, including flood hazards, high winds, and earthquake hazards. FEMA encourages states and communities to adopt the most recent edition of the I- Codes to ensure enforcement of the latest hazard-resistant provisions. This will increase safety and reduce financial losses for individuals, supporting more rapid recovery after disasters. For the purposes of evaluating whether a community is deemed hazard-resistant, FEMA considers the two latest published editions of the I-Codes to be adequate. Additionally, new federal law and emerging policies tie some pre- and post-disaster federal assistance to the latest editions of codes and standards."24

AEDC RESPONSE: At this time, AEDC will meet all federally required code standards for its proposed CDBG-DR programs. AEDC will consult with other state agencies responsible for implementation of the FEMA PA program.

Appendix E – Valuation Tool for Prioritizing Needs by Sector, Funding, and Capacity

Valuation Tool Data Analysis

The Arkansas Economic Development Commission (AEDC), in collaboration with partners from Planning and Development Districts, engaged in community outreach to better understand the impact of DR-4441 within the region. AEDC conducted a survey using the "Appendix E: Valuation Tool for Prioritizing Needs by Sector, Funding, and Capacity". During the month of March 2020, the most impacted and distressed (MID) counties that were declared under DR-4441, as well as the entitlement city of Pine Bluff (Jefferson County), received disaster recovery gap assessment worksheets. Local governments were requested to complete the evaluation to assist AEDC and its partners in identifying unmet needs associated with the Arkansas riverine flooding of 2019.

Of the 17 counties declared, 5 counties (Arkansas County, Chicot County, Desha County, Jefferson County, Perry County) returned disaster recovery gap assessment worksheets detailing needs areas, as well as available funding sources and capacity for each disaster recovery activity type outlined within the valuation tool: public infrastructure, community facilities, rental housing, owner-occupied housing, businesses assistance, and commercial infrastructure. The following provides a summary of key themes assessed from an evaluation of data obtained from participating counties:

- **Public Infrastructure** — All participants highlighted transportation infrastructure, such as roads and bridges, as an area of high priority and need. Additionally, Arkansas, Chicot, Desha, and Jefferson County reported receiving at least one source of financial support to engage in disaster recovery activities related to public infrastructure.
- **Community Facilities** — Chicot, Desha, and Jefferson county reported some level of damage to community facilities during DR-4441, including fire stations, parks, and recreational centers.
- **Rental Housing** — Perry and Jefferson county reported a high level of need regarding substantial rental housing unit rehabilitation (in excess of $25,000 per unit), as well as the demolition of existing rental housing. Additionally, Jefferson county relayed a high level of need across most disaster recovery activities related to rental housing, such as new construction of rental housing and rental and utility assistance.
- **Owner Housing** — Perry county reported a high level of households (including low-income households) affected by the Arkansas riverine flooding of 2019. The county also noted high levels of need for housing assistance programs. Arkansas and Jefferson county reported low and medium levels of need for owner housing disaster recovery activities.
- **Business Assistance** — Arkansas and Perry county reported high levels of damage to businesses within the retail sector. Both counties identified available aid from federal government organizations, including the U.S. Department of Agriculture and the Small Business Administration.
- **Commercial Infrastructure** — Perry County reported high levels of damage to transportation and flood related commercial infrastructure, such as main streets and flood mitigation systems. Chicot and Desha county identified medium levels of damage to publicly-owned commercial infrastructure within Arkansas's Lake Village Park area.

In summary, public infrastructure, rental housing, and business assistance activities were highlighted by respondents as priority areas of need, having experienced high levels of damage. Apart from Perry County, most counties noted lower levels of need to conduct activities related to community facilities, owner housing, and commercial infrastructure. Additionally, participant responses indicated a lack of available funding sources across disaster recovery activity types. On average, 2.6 respondents reported receiving at least one form of funding per activity type. According to survey responses, the highest number of funding sources available to a county for a specific type of disaster recovery activity were three.

In substitution of disaster recovery gap assessments, several counties supplied data regarding Hazard Mitigation Assistance Grant Program (HMGP) and Flood Mitigation Assistance (FMA) estimates, as well as other costs related to DR-4441. Faulkner County provided HMGP and FMA estimates in which 9 properties were in need of single-family home repair and reconstruction. Lincoln county provided flood damage costs related to the remediation of damaged transportation infrastructure between May and June 2019, totaling $75,842.10.

The following are data obtained from participant disaster recovery gap assessment worksheets, pertaining to each disaster recovery activity type within the Valuation Tool:

The tool provides a summary of rankings so that CDGB-DR grantees may compare the level of importance of activity types across sectors and use the evaluation to facilitate dialogue with partners and stakeholders in the disaster recovery process.

AEDC will continue to engage with PHAs and CoCs to identify if there have been any additional housing units impacted by the 2019 disasters, particularly those affordable to low-income households or those occupied by Housing Choice Voucher holders. AEDC will continue to consult with PHAs, CoCs, and local jurisdictions regarding unmet housing, infrastructure and economic development needs. The state will continue to coordinate with impacted local governments and public housing authorities to evaluate the need for CDBG-DR funding to support affordable housing recovery and development. AEDC will work directly with impacted PHAs to identify necessary and reasonable costs and to ensure that adequate funding from all available sources, including CDBG–DR, are dedicated to addressing the unmet needs of damaged public housing and housing occupied by low-income renters.

Public Infrastructure

PERRY COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Damage to water lines & treatment facilities?	High	Bigelow, Perry, Perryville
Damage to sewer lines & sewer treatment plants?	High	Bigelow, Perry, Perryville
Damage to solid waste facilities?	Low	Perryville
Damage to drainage & flood mitigation systems, dams?	High	Toad Suck
Damage to roads?	High	Toad Suck
Damage to telephone lines & 911 system?	Medium	Toad Suck
Damage to cable TV/fiber optic/broadband?	Medium	Toad Suck

JEFFERSON COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Damage to roads?	Medium	
Damage to bridges?	Low	
Damage to emergency systems (sirens, warning systems etc)?	Low	Jefferson County

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
FEMA-- Public Assistance	Yes
FEMA-- National Flood Insurance	No
Local Government	No
State Government	No
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No
Insurance	

CHICOT COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Damage to roads?	Yes	Immigrent Road

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	no
Other HUD:	no
FEMA-- Public Assistance	no
FEMA-- National Flood Insurance	no
FEMA-- Hazard Mitigation Grant	no
Corps of Engineers	no
EPA	no
USDA	no
Other Federal:	no
Local Government	no
State Government	yes
Foundation	no
Other Nonprofit:	no
Private (lenders, corporate)	no
Insurance	

ARKANSAS COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Damage to roads?	medium	SW part of County

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
FEMA-- Public Assistance	No
FEMA-- National Flood Insurance	No
FEMA-- Hazard Mitigation Grant	No
Corps of Engineers	No
EPA	No
USDA	No
Dept of Transportation	No
Other Federal:	No
Local Government	No
State Government	No

Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	Yes, $50,000
Insurance	

Community Facilities

PERRY COUNTY

JEFFERSON COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Damage to fire stations/HQ?	Low	Island Harbor, White Hall
Number of people affected by the damage to community facilities?	125	
Number of low and very low income people affected by damage to community facilities?	25	

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
Other HUD:	No
FEMA-- Public Assistance	No
FEMA-- National Flood Insurance	No
USDA	No
Insurance	

CHICOT COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Damage to parks & recreational centers?	Yes	Lake Village City Parks

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
Other HUD:	No
FEMA-- Public Assistance	No
FEMA-- National Flood Insurance	No

FEMA-- Hazard Mitigation Grant	No
USDA	No
Dept of Transportation	No
Dept of Education	No
Dept of Homeland Security	No
Dept of Health & Human Services	No
Other Federal:	No
Local Government	No
State Government	Yes
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No
Insurance	

ARKANSAS COUNTY

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
FEMA-- Public Assistance	Yes
FEMA-- National Flood Insurance	No
FEMA-- Hazard Mitigation Grant	No
USDA	No
Dept of Transportation	No
Dept of Education	No
Dept of Homeland Security	No
Dept of Health & Human Services	No
Other Federal:	No
Local Government	No
State Government	No
Foundation	No
Private (lenders, corporate)	Yes, $50,000
Insurance	

Rental Housing

PERRY COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Damage to existing privately owned rental projects of 1-4 units?	Low	Toad Suck
Units/projects needing minor repair?	Medium	Toad Suck
Units/projects needing moderate rehab (<$25,000 per unit, no major systems)?	Medium	Toad Suck
Units/projects needing substantial rehab (>$25,000 per unit, major systems)?	High	Toad Suck
Existing rental housing to be demolished?	High	Toad Suck
Need for vouchers for rent/utilities?	Medium	Toad Suck
Total number of households affected by the damage to rental units?	Medium	Toad Suck
Number of low and very low income households affected by damage to rental units?	Medium	Toad Suck
Number of persons with special needs affected by damage to rental units (elderly, homeless, persons with disabilities, etc)?	High	Toad Suck
Need for associated services to tenants (counseling)?	Low	Toad Suck

JEFFERSON COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Damage to existing privately owned rental projects of 1-4 units?	High	Wright
Damage to units for special needs populations (elderly, homeless, persons with disabilities, etc)?	Medium	Wright, Island Harbor, Swan Lake
Units/projects needing minor repair?	High	County Wide
Units/projects needing moderate rehab (<$25,000 per unit, no major systems)?	High	County Wide
Units/projects needing substantial rehab (>$25,000 per unit, major systems)?	High	County Wide
New construction of rental housing?	High	Wright
Existing rental housing to be demolished?	High	County Wide

Need for vouchers for rent/utilities?	Medium	County Wide
Total number of households affected by the damage to rental units?	High	County Wide
Number of low and very low income households affected by damage to rental units?	Medium	County Wide
Number of persons with special needs affected by damage to rental units (elderly, homeless, persons with disabilities, etc)?	Medium	County Wide
Need for associated services to tenants (counseling)?	Low	

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Public Housing	No
HUD Section 8	No
HUD Entitlement/State CDBG & Section 108	No
HUD HOME program	No
HUD HOPWA program	No
HUD ESG or other homeless housing program	No
HUD 202/811 programs	No
Other HUD:	No
FEMA-- Individual Assistance	Yes
FEMA-- National Flood Insurance	No
FEMA-- Hazard Mitigation Grant	No
Local Government	No
State Government	No
Foundation	No
Other Nonprofit:	No
Insurance	

DESHA COUNTY

CHICOT COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Damage to existing privately owned rental projects of 1-4 units?	n/a	
Damage to units for special needs populations (elderly, homeless, persons with disabilities, etc)?	n/a	

Units/projects needing minor repair?	n/a	
Units/projects needing moderate rehab (<$25,000 per unit, no major systems)?	n/a	
Units/projects needing substantial rehab (>$25,000 per unit, major systems)?	n/a	
New construction of rental housing?	n/a	
Existing rental housing to be demolished?	n/a	
Need for vouchers for rent/utilities?	n/a	
Total number of households affected by the damage to rental units?	n/a	
Number of low and very low income households affected by damage to rental units?	n/a	
Number of persons with special needs affected by damage to rental units (elderly, homeless, persons with disabilities, etc)?	n/a	
Need for associated services to tenants (counseling)?	n/a	

Other Available Funding Sources	**Funds Available for this Activity (Yes/No) -- If known, how much?**
HUD Public Housing	n/a
HUD Section 8	n/a
HUD Entitlement/State CDBG & Section 108	n/a
HUD HOME program	n/a
HUD HOPWA program	n/a
HUD ESG or other homeless housing program	n/a
HUD 202/811 programs	n/a
Other HUD:	n/a
FEMA-- Individual Assistance	n/a
FEMA-- National Flood Insurance	n/a
FEMA-- Hazard Mitigation Grant	n/a
Local Government	n/a
State Government	n/a
Foundation	n/a
Other Nonprofit:	n/a
Insurance	

ARKANSAS COUNTY

Need Areas	**Extent of damage or need (high, medium, low, N/A)**	**General Location(s)**

Damage to existing privately owned rental projects of 1-4 units?	Medium	Tedford Island
Damage to units for special needs populations (elderly, homeless, persons with disabilities, etc)?	Low	Tedford Island
Units/projects needing minor repair?	Low	Tedford Island
Units/projects needing moderate rehab (<$25,000 per unit, no major systems)?	Low	Tedford Island
Need for vouchers for rent/utilities?	Low	Tedford Island
Total number of households affected by the damage to rental units?	Low	Tedford Island
Number of low and very low income households affected by damage to rental units?	Low	Tedford Island
Number of persons with special needs affected by damage to rental units (elderly, homeless, persons with disabilities, etc)?	Low	Tedford Island
Need for associated services to tenants (counseling)?	Low	Tedford Island

Other Available Funding Sources	**Funds Available for this Activity (Yes/No) -- If known, how much?**
HUD Public Housing	No
HUD Section 8	No
HUD Entitlement/State CDBG & Section 108	No
HUD HOME program	No
HUD HOPWA program	No
HUD ESG or other homeless housing program	No
HUD 202/811 programs	No
FEMA-- Individual Assistance	Yes
FEMA-- National Flood Insurance	Yes
FEMA-- Hazard Mitigation Grant	No
FEMA--Cora Brown Fund	No
LIHTC & Historic Tax Credits	No
New Market Tax Credits	No
Treasury - Other	No
USDA	No
Local Government	No
State Government	No
Foundation	No
Private (lenders, corporate)	No
Insurance	

Owner Occupied Housing

PERRY COUNTY

Need Areas	Extent of Damage or need (high, medium, low, N/A)	General Location(s)
Owner units needing minor repair?	Medium	Toad Suck
Owner units needing moderate rehab (<$25,000 per unit, no major systems)?	Medium	Toad Suck
Owner units needing substantial rehab (>$25,000 per unit, major systems)?	High	Toad Suck
New construction of owner units?	Low	Toad Suck
Existing owner units to be demolished?	High	Toad Suck
Need for vouchers for mortgage payments/utilities?	High	Toad Suck
Need for homebuyer assistance (tenants to become buyers)?	High	Toad Suck
Total number of households affected by the damage to owner units?	High	Toad Suck
Number of low and very low income households affected by damage to owner units?	High	Toad Suck
Number of persons with special needs affected by damage to owner units (elderly, persons with disabilities, etc)?	Medium	Toad Suck
Number of owners no longer residing within the jurisdiction?	Medium	Toad Suck
Need for associated services to owners (counseling)?	Low	Toad Suck

JEFFERSON COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Owner units needing minor repair?	Medium	County Wide
Owner units needing moderate rehab (<$25,000 per unit, no major systems)?	Medium	
Owner units needing substantial rehab (>$25,000 per unit, major systems)?	Medium	
New construction of owner units?	Medium	
Existing owner units to be demolished?	Medium	

Need for vouchers for mortgage payments/utilities?	Medium	
Need for homebuyer assistance (tenants to become buyers)?	Medium	
Total number of households affected by the damage to owner units?	Medium	
Number of low and very low income households affected by damage to owner units?	Low	
Number of persons with special needs affected by damage to owner units (elderly, persons with disabilities, etc)?	Low	
Number of owners no longer residing within the jurisdiction?	Low	
Need for associated services to owners (counseling)?	Low	

Other Available Funding Sources	**Funds Available for this Activity (Yes/No) -- If known, how much?**
FEMA-- Individual Assistance	Yes
FEMA-- National Flood Insurance	Yes
FEMA-- Hazard Mitigation Grant	Yes
FEMA--Cora Brown Fund	No
Treasury - Other	No
USDA	No
Local Government	No
State Government	No
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No
Insurance	

CHICOT COUNTY

Need Areas	**Extent of Damage or Need (high, medium, low, N/A)**	**General Location(s)**
Owner units needing minor repair?	n/a	
Owner units needing moderate rehab (<$25,000 per unit, no major systems)?	n/a	
Owner units needing substantial rehab (>$25,000 per unit, major systems)?	n/a	
New construction of owner units?	n/a	
Existing owner units to be demolished?	n/a	

Need for vouchers for mortgage payments/utilities?	n/a	
Need for homebuyer assistance (tenants to become buyers)?	n/a	
Total number of households affected by the damage to owner units?	n/a	
Number of low and very low income households affected by damage to owner units?	n/a	
Number of persons with special needs affected by damage to owner units (elderly, persons with disabilities, etc)?	n/a	
Number of owners no longer residing within the jurisdiction?	n/a	
Need for associated services to owners (counseling)?	n/a	
Other	n/a	

Other Available Funding Sources	**Funds Available for this Activity (Yes/No) -- If known, how much?**
FEMA-- Individual Assistance	No
FEMA-- National Flood Insurance	\
FEMA-- Hazard Mitigation Grant	No
FEMA--Cora Brown Fund	No
Treasury - Other	No
USDA	No
Local Government	No
State Government	No
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No
Other	
Insurance	

ARKANSAS COUNTY

Need Areas	**Extent of Damage or Need (high, medium, low, N/A)**	**General Location(s)**
Owner units needing minor repair?	Medium	Tedford Island
Owner units needing moderate rehab (<$25,000 per unit, no major systems)?	Low	Tedford Island
Owner units needing substantial rehab (>$25,000 per unit, major systems)?	Low	Tedford Island
New construction of owner units?	Low	Tedford Island

Existing owner units to be demolished?	Low	Tedford Island
Need for vouchers for mortgage payments/utilities?	Medium	Tedford Island
Need for homebuyer assistance (tenants to become buyers)?	Low	Tedford Island
Total number of households affected by the damage to owner units?	Medium	Tedford Island
Number of low and very low income households affected by damage to owner units?	Medium	Tedford Island
Number of persons with special needs affected by damage to owner units (elderly, persons with disabilities, etc)?	Low	Tedford Island
Need for associated services to owners (counseling)?	Low	Tedford Island

Other Available Funding Sources	**Funds Available for this Activity (Yes/No) -- If known, how much?**
HUD Entitlement/State CDBG & Section 108	No
HUD HOME program	No
FEMA-- Individual Assistance	Yes
FEMA-- National Flood Insurance	Yes
FEMA-- Hazard Mitigation Grant	No
FEMA--Cora Brown Fund	No
Treasury - Other	No
USDA	No
Local Government	No
State Government	No
Foundation	No
Private (lenders, corporate)	No
Insurance	

Business Assistance

PERRY COUNTY

Need Areas	**Extent of damage or need (high, medium, low, N/A)**	**General Location(s)**
Current unemployment rate/number of available jobs?	Medium	Toad Suck
Permanent business closures due to disaster?	Low	Toad Suck

Temporary business closures due to disaster?	Medium	Toad Suck
Damage to businesses in sector: manufacturing?	Medium	Toad Suck
Damage to businesses in sector: retail?	High	Toad Suck
Damage to businesses in sector: farming/fishing?	High	Toad Suck
Commercial establishments needing minor repair?	High	Toad Suck
Commercial establishments needing moderate rehab (<$50,000 per business, no major systems)?	Medium	Toad Suck
Commercial establishments needing substantial rehab (>$50,000 per business, major systems)?	High	Toad Suck
Existing commercial space to be demolished?	Low	Toad Suck
Need for new business/microenterprise start-up assistance?	Low	Toad Suck
Need for loans to existing small businesses?	Medium	Toad Suck
Need for loans to existing large businesses?	High	Toad Suck
Need for associated services to businesses owners & employees (counseling, job training, business planning etc.)?	Medium	Toad Suck

JEFFERSON COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Permanent business closures due to disaster?	Low	
Temporary business closures due to disaster?	Low	
Damage to businesses in sector: manufacturing?	Low	
Damage to businesses in sector: farming/fishing?	Low	
Damage to businesses in sector: hotel/tourism/recreation?	Low	
Damage to businesses in sector: office space/services?	Low	

Commercial establishments needing minor repair?	Low	

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
Other HUD:	No
New Market Tax Credits	No
Treasury - Other	No
Economic Development Administration	No
Small Business Administration - Economic Injury Disaster Loans	Yes
Small Business Administration - Physical Disaster Loans	No
Dept of Agriculture, Farm Service Agency - Emergency Loans for Farms	No
USDA	No
Other Federal:	No
Local Government	No
State Government	No
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No
Insurance	

CHICOT COUNTY

Need Areas	Extent of damage or need (high, medium, low, N/A)	General Location(s)
Current unemployment rate/number of available jobs?	n/a	
Permanent business closures due to disaster?	n/a	
Temporary business closures due to disaster?	n/a	
Damage to businesses in sector: manufacturing?	n/a	
Damage to businesses in sector: retail?	n/a	
Damage to businesses in sector: farming/fishing?	n/a	
Commercial establishments needing minor repair?	n/a	

Commercial establishments needing moderate rehab (<$50,000 per business, no major systems)?	n/a	
Commercial establishments needing substantial rehab (>$50,000 per business, major systems)?	n/a	
Existing commercial space to be demolished?	n/a	
Need for new business/microenterprise start-up assistance?	n/a	
Need for loans to existing small businesses?	n/a	
Need for loans to existing large businesses?	n/a	
Need for associated services to businesses owners & employees (counseling, job training, business planning etc.)?	n/a	

Other Available Funding Sources	**Funds Available for this Activity (Yes/No) -- If known, how much?**
HUD Entitlement/State CDBG & Section 108	n/a
Other HUD:	n/a
New Market Tax Credits	n/a
Treasury - Other	n/a
Economic Development Administration	n/a
Small Business Administration - Economic Injury Disaster Loans	n/a
Small Business Administration - Physical Disaster Loans	n/a
Dept of Agriculture, Farm Service Agency - Emergency Loans for Farms	n/a
USDA	n/a
Other Federal:	n/a
Local Government	n/a
State Government	n/a
Foundation	n/a
Other Nonprofit:	n/a
Private (lenders, corporate)	n/a
HUD Entitlement/State CDBG & Section 108	n/a
Other HUD:	

Insurance	

ARKANSAS COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Damage to businesses in sector: farming/fishing?	High	SW part of County

Other Available Funding Sources	Funds Available for this Activity (Yes/No) -- If known, how much?
HUD Entitlement/State CDBG & Section 108	No
New Market Tax Credits	No
Treasury - Other	No
Economic Development Administration	No
Small Business Administration - Economic Injury Disaster Loans	No
Small Business Administration - Physical Disaster Loans	No
Dept of Agriculture, Farm Service Agency - Emergency Loans for Farms	Yes
USDA	Yes
Local Government	No
State Government	No
Foundation	No
Private (lenders, corporate)	No
Insurance	

Commercial Infrastructure

PERRY COUNTY

Need Areas	Extent of Damage or Need (high, medium, low, N/A)	General Location(s)
Need for rebuilding of commercial districts/"main streets"?	High	Toad Suck
Damage to convention centers, docks, farmers markets and other publicly-owned commercial space?	Medium	Toad Suck

Damage to drainage & flood mitigation systems within commercial/industrial development?	High	Toad Suck
Damage to roads within commercial/industrial development?	High	Toad Suck
Damage to electrical/natural gas distribution system/lines within commercial/industrial development?	Low	Toad Suck
Damage to telephone lines within commercial/industrial development?	Low	Toad Suck
Damage to fiber optic/broadband within commercial/industrial development?	Low	Toad Suck
Number of businesses affected by damage to commercial infrastructure?	High	Toad Suck
Number of jobs affected by damage to commercial infrastructure?	Medium	Toad Suck

JEFFERSON COUNTY

CHICOT COUNTY

Need Areas	Extent of damage (high, medium, low, N/A)	General Location(s)
Need for rebuilding of commercial districts/"main streets"?	n/a	
Damage to convention centers, docks, farmers markets and other publicly-owned commercial space?	Medium	Lake Village Park
Damage to water lines/systems within commercial/industrial development?	n/a	
Damage to sewer lines/systems within commercial/industrial development?	n/a	
Damage to drainage & flood mitigation systems within commercial/industrial development?	n/a	
Damage to roads within commercial/industrial development?	n/a	
Damage to sidewalks & street lights within commercial/industrial development?	n/a	
Damage to electrical/natural gas distribution system/lines within commercial/industrial development?	n/a	

Damage to telephone lines within commercial/industrial development?	n/a	
Damage to fiber optic/broadband within commercial/industrial development?	n/a	
Damage to airport & runways?	n/a	
Damage to rail spurs to local businesses?	n/a	
Number of businesses affected by damage to commercial infrastructure?	n/a	
Number of jobs affected by damage to commercial infrastructure?	n/a	

Other Available Funding Sources	**Funds Available for this Activity (Yes/No) -- If known, how much?**
HUD Entitlement/State CDBG & Section 108	n/a
New Market Tax Credits	n/a
Treasury - Other	n/a
Economic Development Administration	n/a
Small Business Administration - Economic Injury Disaster Loans	n/a
Small Business Administration - Physical Disaster Loans	n/a
Dept of Agriculture, Farm Service Agency - Emergency Loans for Farms	n/a
USDA	n/a
Local Government	n/a
State Government	Yes
Foundation	No
Private (lenders, corporate)	No
Other	No

Other Available Funding Sources	**Funds Available for this Activity (Yes/No) -- If known, how much?**
State Government	Yes
Foundation	No
Other Nonprofit:	No
Private (lenders, corporate)	No
Insurance	

ARKANSAS COUNTY

Valuation Tool Summary

To assist in the development of the Unmet Needs Assessment (UNA), the state of Arkansas utilized the "Valuation Tool for Prioritizing Needs by Sector, Funding, and Capacity." Authored by global consulting and technology services company ICF International, in collaboration with the United States Department of Housing and Urban Development (HUD), the tool offers CBDG-DR grantees a method to analyze the strength of three key sectors within their communities—housing, infrastructure, and economy. The tool was used by the State to gather unmet needs data from local jurisdictions based on their self-reported damage needs and locations of damage, as well as data regarding funds already made available for recovery activities to meet those recovery needs.

The valuation tool implements a ranking system that prioritizes the extent of damage within each of the identified key sectors. There are two activity areas per sector, and each have the possibility of obtaining a ranking of the extent of damage as high, medium/low, or not applicable (N/A). The following table outlines the types of disaster recovery activities included in the tool within each key sector:

Valuation Tool Activity Types by Sector

Sector	Activity Type
Infrastructure	Activities within the infrastructure sector include those related to public infrastructure and community facilities.
Housing	Activities within the housing sector include those related to rental housing and owner-occupied housing.
Economy	Activities within the economy sector include those related to business assistance and commercial infrastructure.

The rankings identified by the evaluation tool for each activity type are developed using disaster recovery gap assessments. The disaster recovery gap assessments compare damage estimates to available funding sources outside of CDBG-DR awards. Additionally, each activity is evaluated on the CDBG-DR grantee and partners' capacity to conduct the recovery activity (e.g. the level of staffing), as well as availability of skills required for the activity (e.g. inspections and environmental review). The assessments are designed to include data specific to each activity type.

The tool provides a summary of rankings so that CDGB-DR grantees may compare the level of importance of activity types across sectors and use the evaluation to facilitate dialogue with partners and stakeholders in the disaster recovery process.

Appendix F – Consultation Summary

To support the unmet needs assessment and Action Plan development, AEDC conducted the following outreach and engagement activities with key stakeholders, impacted jurisdictions, state agencies, voluntary organizations, and the general public:

Date	Contact Type	Meeting/ Outreach	Purpose	Parties Represented	Response Received
March 11, 2020	Stakeholder Engagement	Stakeholder Engagement Meeting	AEDC provided CDBG-DR overview for impacted local jurisdictions, state departments, and federal government agencies.	Impacted Local Governments (Jefferson County, Perry County, City of Pine Buff), ADFA, ADEM, Arkansas Department of Human Services, Natural Resources Commission, Department of Agriculture, FEMA, Arkansas Foodbank (VOAD Chair)	
March 18-24, 2020	Outreach	Outreach to Impacted Local Jurisdictions and Public Housing Authorities (PHAs)	AEDC conducted email outreach regarding the Unmet Needs Assessment.	5 Planning & Development Districts (CAPDD-Faulkner, Pulaski; NWAEDD-Searcy; SEAEDD-Arkansas, Chicot, Desha, Jefferson, Lincoln; WCAPDD-Conway, Johnson, Perry, Pope, Yell; WAPDD-Crawford, Franklin, Logan, Sebastian); Jefferson County, Perry County, City of Pine Bluff, Pine Bluff PHA	Responses are included in Appendix G – Valuation Tool for Prioritizing Needs by Sector, Funding, and Capacity
March 22, 2020	Outreach	Email Outreach from Scott	Scott Bass sent an email reminder of the due	See above	

		Bass to Stakeholder Meeting Attendees	date of implementation plan and unmet needs/action plan April 3 due date to HUD. Asked partners and local governments to continue to send AEDC necessary local data requested. A special email was set up for this purpose, CDBG-DR@adem.arkansas.gov.		
July 26, 2020	Outreach	Public Notice	Public Notice published in the Arkansas Democrat Gazette.	General Public, Impacted Local Governments	Direct notice of publication of Action Plan Draft, email can be submitted upon request
July 27, 2020 to August 26, 2020	Public Comment	Public Comment Period	AEDC solicited public comment on the Draft Action Plan.	General Public, Impacted Local Governments	Responses included in Appendix F – Public Comment & Stakeholder Engagement
September 9, 2020	Public Meeting	Virtual Public Input Session	AEDC provided CDBG-DR overview for impacted households and the general public.	General Public, AEDC	
December 14, 2020	Outreach	Outreach to Continuums of Care (CoCs) and Public Housing Authorities (PHAs)	Email outreach to impacted CoCs and PHAs regarding input on unmet recovery needs.	See Appendix I and Appendix J	Responses included in Appendix J
December 18, 2020	Outreach	Outreach to Public Housing	Email outreach to impacted PHAs regarding	See Appendix I	Responses included in Appendix I

		Authorities (PHAs)	input on unmet recovery needs.		
December 18, 2020	Outreach	Outreach to Tribal Entities	Email outreach to tribal entities within the State of Arkansas regarding input on unmet recovery needs.	Alabama-Quassarte Tribal Town, Apache Tribe of OK, Caddo Nation of OK, Choctaw Nation of OK, Coushatta Tribe of LA, Delaware Nation of OK, Mississippi Band of Choctaw Indians, Muscogee (Creek) Nation, Osage Nation, Quapaw Tribe of Indians	Response received 12/21, from Quapaw Nation, no known impacts or unmet needs No other responses received
March 4, 2021	Outreach	Follow-up Outreach to CoCs and PHAs	Phone call outreach to impacted CoCs and PHAs regarding input on unmet recovery needs, as well as 2020 PIT Count data from the CoCs who had not previously provided or was not found on HUD Exchange		Updates made to Appendices G and H
March 8-12, 2021	Outreach	Follow-up Outreach to Local Governments	AEDC conducted email and phone call outreach regarding Unmet Needs	Impacted Local Governments, both those that did not respond to earlier email outreach and also targeted follow-ups: Conway, Crawford, Franklin, Johnson, Lincoln, Logan, Pope, Searcy, Sebastian, and Yell Counties; City of Little Rock, City of North Little Rock	Conway County-no unmet need Johnson County-no unmet need Lincoln County-no unmet need Searcy County-no unmet need

Appendix G – Public Housing Authority Consultation

To support the unmet needs assessment, AEDC reached out to 31 public housing authorities (PHAs) within the impacted areas to understand the unmet needs of PHAs resulting from the 2019 disasters. The PHAs AEDC contacted are identified in the table below.

Public Housing Authorities Contacted

Impacted County	Public Housing Authority	Date of Consultation	Response Received
Arkansas	Stuttgart Housing Authority	December 2020 March 2021	Executive Director James Thompson reports no known damage.
Chicot	Lake Village Housing Authority	December 2020 March 2021	Executive Director Marcus Dickson reports no known damage.
Conway	Housing Authority of the City of Morrilton	December 2020 April 2021	Executive Director Richard Upton responded, mold damage to main PHA office and provided estimated costs; this office building is not adjacent to housing units, not aware of any damage to units; CDBG-DR will not be used to rebuild PHA office
Conway	Conway County Housing Authority	December 2020 April 2021	Executive Director Richard Upton responded, reported that one voucher tenant had to be relocated due to her rented trailer flooding but moved back after repairs made, funds received, if any, are unknown; property has

			been sold and tenant is moving on own
Crawford	Crawford County Public Facilities Board	December 2020	Exec. Director Dee Young responded, voucher only, no property owned, no known damage reported by clients or landlords
Crawford	Housing Authority of the City of Van Buren	December 2020 March 2021	Executive Director Patricia Free reports no damage.
Desha	Housing Authority of the City of McGehee	December 2020 March 2021	Executive Director Alan Evans reports no damage to housing authority properties.
Desha	McGehee Public Facilities Board	December 2020 March 2021	Executive Director Alan Evans reports no damage to housing authority properties.
Desha	Desha County Residential Housing Facilities Board	December 2020 March 2021	Executive Director Alan Evans reports no damage to housing authority properties.
Desha	Housing Authority of the City of Dumas	December 2020 March 2021	Executive Director Alan Evans reports no damage to housing authority properties.
Faulkner	Housing Authority of the City of Conway	December 2020 March 2021	No response to email. Left phone message, did not call back
Franklin	Housing Authority of the City of Ozark	December 2020 March 2021	Executive Director Patricia Free reports no damage.
Franklin	Franklin County Public Housing Agency	December 2020 March 2021	No response to email - could not be reached by phone.
Jefferson	Housing Authority of the City of Pine Bluff	December 2020 March 2021	No response to email - could not be reached by phone.
Johnson	Housing Authority of the City of Coal Hill	December 2020 March 2021	Executive Director Shelly Parker reports no damage.

Johnson	Johnson County Public Housing Agency	December 2020	No response by email. Could not leave a message
Johnson	Housing Authority of the City of Clarksville	December 2020 March 2021	Per Shelly Woods, no damage to housing authority properties
Lincoln	Housing Authority of the City of Gould	December 2020 March 2021	Executive Director Annette Holmes reports no damage.
Lincoln	Star City Housing Authority	December 2020 March 2021	Executive Director Sherman Rochelle reports no damage.
Logan	Housing Authority of the City of Paris	December 2020 March 2021	Executive Director Brooke Mingo reports no damage.
Logan	Logan County Housing Authority	December 2020 March 2021	Director Sara Kiefer reports no damage.
Logan	Housing Authority of the City of Booneville	December 2020 March 2021	Director Sara Kiefer reports no damage.
Polk	Polk County Housing Authority	December 2020	Exec. Director Dixie Shrader reports no damage to housing authority properties
Pope	Russellville Housing Authority	December 2020 March 2021	Executive Director Donna Smith reports no damage.
Pope	Pope County Public Facilities Board	December 2020 March 2021	No response to email - could not be reached by phone
Pope	Housing Authority of the City of Dover	December 2020 March 2021	Per Shelly Woods, no damage to housing authority properties
Pope	Housing Authority of the City of Atkins	December 2020 March 2021	No response to email. Could not be reached by phone
Pulaski	Pulaski County Housing Authority	December 2020	Director Fredrick Love responded, no project-based housing, only vouchers
Pulaski	Metropolitan Housing Authority	December 2020	No response
Pulaski	North Little Rock Housing Authority	December 2020	Executive Director Belinda Snow

			responded, no damages, no impact
Pulaski	Jacksonville Housing Authority	December 2020	Executive Director David Gates responded, no flood damage
Sebastian	Housing Authority of the City of Greenwood	December 2020 March 2021	Executive Director Brenda Gann reported no damages.
Sebastian	Housing Authority of the City of Fort Smith	December 2020 March 2021	Could not leave a message
Yell	Housing Authority of the City of Dardanelle	December 2020 March 2021	Per Amanda Craig, no flood damage
Yell	Housing Authority of the City of Ola	December 2020 March 2021	Executive Director Charlene Harrison reported no damages.

Appendix H – Continuum of Care Consultation

To support the unmet needs assessment, AEDC reached out to Continuums of Care (CoCs) within the impacted areas to understand the unmet needs of vulnerable populations, including those experiencing homelessness, resulting from the 2019 disasters. The CoCs AEDC contacted are identified in the table below.

Continuums of Care Contacted

County	Continuum of Care	Date of Consultation	Response Received
Arkansas	Southeast Arkansas CoC	December 2020 March 2021	March 2021-Cortina Johnson reported no damage
Chicot	Southeast Arkansas CoC	December 2020 March 2021	March 2021-Cortina Johnson reported no damage
Conway	Balance of State CoC	December 2020 March 2021	No response on damage, Sue Legal provided PIT Count data
Crawford	Fort Smith CoC	December 2020 March 2021	No response
Desha	Southeast Arkansas CoC	December 2020 March 2021	March 2021-Cortina Johnson reported no damage
Faulkner	Balance of State CoC	December 2020 March 2021	No response on damage, Sue Legal provided PIT Count data
Franklin	Fort Smith CoC	December 2020 March 2021	No response
Jefferson	Southeast Arkansas CoC	December 2020 March 2021	March 2021-Cortina Johnson reports no damage to CoC facilities
Johnson	Balance of State CoC	December 2020 March 2021	No response on damage, Sue Legal provided PIT Count data
Lincoln	Southeast Arkansas CoC	December 2020 March 2021	March 2021-Cortina Johnson reported no damage
Logan	Fort Smith CoC	December 2020 March 2021	No response

Perry	Balance of State CoC	December 2020 March 2021	No response on damage, Sue Legal provided PIT Count data
Pope	Balance of State CoC	December 2020 March 2021	No response on damage, Sue Legal provided PIT Count data
Pulaski	Little Rock/Central Arkansas CoC	December 2020	Michelle Spencer-Gardner acknowledged, forwarded to CoC board; Nathan Spicer reports no damage to housing facilities
Searcy	Delta Hills CoC	December 2020 March 2021	Exec. Director Charlie Morris responded, no flood damage or impact to agencies
Sebastian	Fort Smith CoC	December 2020 March 2021	No response
Yell	Balance of State CoC	December 2020 March 2021	No response on damage, Sue Legal provided PIT Count data