Grantee: Arkansas

Grant: B-19-DF-05-0001

January 1, 2023 thru March 31, 2023 Performance

Grant Number:
B-19-DF-05-0001

Obligation Date:

Award Date:

Grantee Name:
Arkansas

Contract End Date:
12/17/2027

Review by HUD:
Reviewed and Approved

Grant Award Amount:
$8,940,000.00

Grant Status:
Active

QPR Contact:
No QPR Contact Found

LOCCS Authorized Amount:
$8,940,000.00

Estimated PI/RL Funds:

Total Budget:
$8,940,000.00

Disasters:

Declaration Number

FEMA-4441-AR

Narratives

Disaster Damage:

During the week of May 21, 2019, a ridge of high pressure built over the southeastern United States. In that week, six to 12 inches of rain fell in parts of the Plains and Midwest, impacting northeast Oklahoma requiring releases from already high lakes. This resulted in widespread flooding and produced record-breaking crests downstream along the Arkansas River. A river flood of this magnitude has never happened before and had significant and widespread impacts along the Arkansas River according to inundation models released by the Army Corps of Engineers. Additional rainfall over Northwest Arkansas prolonged major flooding by several days, putting prolonged pressure on river levees.
It is estimated that flooding in the Arkansas River basin caused $3 billion in damage. Five deaths were reported in Arkansas. After the storming and flooding ended, 17 of Arkansas's 75 counties were declared Federal disaster areas. More than 1,147 residences homes were initially assessed as damage, destroyed, or affected. In addition, there were initial estimated damages of $8,582,911 million to roads, bridges, and other public infrastructure. This assessment would increase in size to just under $50 million when final FEMA Project Worksheets were tallied. FEMA deployed its host of tools in the Individual Assistance and Public Assistance Programs.
As a result of the DR-4441 Disaster, the State of Arkansas received a total of 1,858 applications for FEMA Individual Assistance who specifically registered as an owner or renter (does not include nonresponses). 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. Using HUD's methodology for unmet recovery needs, 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.
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. Using HUD's damage categories for personal property damage, 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.
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), 73 of the renters received amounts that account for less than two months of rent.

Recovery Needs:

Unmet needs, as defined by HUD, are needs that are not covered by other funding sources and can be covered by CDBG-DR funds. The full Action Plan, referenced on the CDBG-Disaster Recovery website, includes an Unmet Needs Assessment (UNA) that analyzes the impacts of DR-4441 and unmet recovery needs related to housing, infrastructure, and the economy. The State estimates 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.
The UNA shaped the development and prioritization of recovery activities as outlined in the Action Plan, and the programs and allocations have been developed to address the most severe unmet needs in full compliance with the Federal Register Notices. With limited funding available, and the requirement to address unmet housing needs before addressing other unmet recovery needs, AEDC will prioritize housing unmet recovery needs first and utilize 100% of its funds implementing two Housing Assistance Programs.
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 address the needs of impacted low-

and moderate- income renter households, and address the cost burden faced by renters in DR-4441 impacted Counties. The housing programs will address the need for affordable rental housing serving LMI populations and provide assistance to owner-occupied households impacted by flooding to prevent future repetitive losses.
Arkansas's total CDBG-DR allocation set forth in Public Law 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. 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 of Arkansas prioritizes vulnerable populations, and 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. Specifically, this will apply to the implementation of Arkansas's CDBG-DR Action Plan by requiring all subrecipients to affirmatively further fair housing for all project types (Title VIII of the Civil Rights Act of 1968). 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. 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.More information regarding fair housing requirements can be found in the policies and procedures manual.
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.
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.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	$0.00	$447,000.00
Total Budget	$0.00	$447,000.00
Total Obligated	$0.00	$0.00
Total Funds Drawdown	$0.00	$0.00
Program Funds Drawdown	$0.00	$0.00
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$0.00	$0.00
HUD Identified Most Impacted and Distressed	$0.00	$0.00
Other Funds	$ 0.00	$ 0.00
Match Funds	$ 0.00	$ 0.00
Non-Match Funds	$ 0.00	$ 0.00

Funds Expended

Overall	This Period	To Date
ADFA	$ 0.00	$ 0.00
ARKANSAS DEVELOPMENT FINANCE AUTHORITY	$ 0.00	$ 0.00

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	70.00%	.00%	$.00
Minimum Non Federal Match	$.00	$.00	$.00
Overall Benefit Amount	$5,945,100.00	$.00	$.00
Limit on Public Services	$1,341,000.00	$.00	$.00
Limit on Admin/Planning	$1,788,000.00	$447,000.00	$.00
Limit on Admin	$447,000.00	$447,000.00	$.00
Most Impacted and Distressed	$7,152,000.00	$.00	$.00

Overall Progress Narrative:

During this quarter, the State continued to finalize a Draft Substantial Amendment to the Initial Action Plan, analyzing updated data indicating a need to eliminate the Multi-Housing Rental Recovery and Voluntary Residential Buyouts programs, as well as launch an Infrastructure Program.

AEDC determined that there is sufficient funding available for multi-family rental rehabilitation and construction, and that significant funding has also been made available for elevations, acquisitions and buyouts in flood affected areas. Since the state determined that there are no remaining unmet housing needs, the state will address and allocate funds to meet unmet infrastructure needs through its proposed Substantial Amendment #1.
The Substantial Amendment was advertised for public comment on December 11, and the state solicited for public comments from December 12, 2022 to January 11, 2023.
As of the time of submission of the March 30, 2023 performance report, the Draft Substantial Amendment #1 was still under internal executive review and approval, along with the draft MOU for the internal audit function. The Substantial Amendment is expected to be ready to submit to HUD for review in April 2023.

Overall, no expenditures have been made, no environmental or procurement activities have occurred, no subrecipient awards have been made, and no agreements or MOUs have been entered into. The state complies with all required efforts to affirmatively further fair housing.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
2019 Admin, Administration	$0.00	$447,000.00	$0.00
2019 Buyouts, Housing - Voluntary Local Residential	$0.00	$0.00	$0.00
2019 Multi-Family, Housing - Multi-Family Rental Recovery	$0.00	$3,397,200.00	$0.00
9999, Restricted Balance	$0.00	$0.00	$0.00