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November 22, 2013

Mr. Matthew Jennings  
Community Development Director  
City of Ft. Smith  
P. O. Box 1908  
Ft. Smith, AR 72902

Dear Mr. Jennings:

We have completed our review of the City of Ft. Smith's Consolidated Annual Performance and Evaluation Report (CAPER), which covers the period July 1, 2012 through June 30, 2013. The enclosed report conveys to you the results of our review and assessment of the City's performance in the administration of its Community Development Block Grant (CDBG) and HOME Programs during this period.

This review was made in conformance with the requirements of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, which provides that the Secretary of the U. S. Department of Housing and Urban Development (HUD) will make an annual assessment of the grantee's capacity to continue to administer HUD-funded programs. We are hopeful that, in addition to meeting Departmental mandates, this review and assessment will provide a basis for working together as partners to help you achieve your housing and community development goals.

We congratulate the City on its many accomplishments during the past year and look forward to working with you during the upcoming program year. If you have questions, or if we may be of assistance to you in any way, please contact me on (501) 918-5700, or Lisa Spigner, Community Planning and Development Representative, on (501) 918-5734.

Sincerely,

A handwritten signature in black ink, appearing to read "Clinton E. Johnson", written over a horizontal line.

Clinton E. Johnson  
Director, Community  
Planning and Development

Enclosures

cc:  
Mr. Ray Gosack, City Manager

City of Ft. Smith, Arkansas  
Annual Community Assessment  
For the Period of July 1, 2012 through June 30, 2013

The U.S. Department of Housing and Urban Development's (HUD) Office of Community Planning and Development (CPD) is required to make an annual comprehensive performance assessment of HUD-sponsored CPD formula grant programs in accordance with HUD's Consolidated Plan regulations (24 CFR 91.525). Additionally, the Secretary of HUD must determine that the grant recipient is in compliance with the implementing statutes and regulations and has the continuing capacity to implement and administer the programs for which assistance is received.

This assessment meets the mandates of the statutes and provides a basis for working in partnership to help the City of Ft. Smith achieve housing and community development goals listed in the City's Consolidated Plan and subsequent Annual Action Plans. CPD's overall evaluation of the City's performance during the 2012 Program Year is based on documents and reports submitted by the City, including the City's Consolidated Annual Performance and Evaluation Report (CAPER) and HOME Annual Performance Report (APR).

#### Evaluation by HUD

HUD shall review the performance report and determine whether it is satisfactory. If a satisfactory report is not submitted in a timely manner, HUD may suspend funding until a satisfactory report is submitted, or may withdraw and reallocate funding if HUD determines, after notice and opportunity for a hearing, that the jurisdiction will not submit a satisfactory report.

#### Grantee Performance Reports

Regulation 24 CFR 91.520 requires each jurisdiction that has an approved Consolidated Plan to annually review and report on the progress it has made in carrying out its strategic plan and its Action Plan. The performance report must include a description of the resources made available, the investment of available resources, the geographic distribution and location of investments, the families and persons assisted (including the racial and ethnic status of persons assisted), actions taken to affirmatively further fair housing, and other actions indicated in the strategic plan and the Action Plan. This report must be submitted to HUD within 90 days after the close of the grantee's program year.

In supplying year-end information to HUD, grantees will submit details of specific activities undertaken and accomplishments achieved through the Integrated Disbursement and Information System (IDIS). In addition to IDIS reports, other required reporting components include Narrative Statements, Additional Program Narratives, and Supplemental Information, including maps and graphics.

Timely and accurate performance reporting by grantees to HUD meets three basic purposes: (1) it provides HUD with necessary information for the Department to meet its statutory requirements to assess each grantee's ability to carry out relevant CPD Programs in compliance with all applicable rules and regulations; (2) it provides information for HUD's Annual Report to Congress, also statutorily mandated; and (3) it provides grantees an opportunity to describe to citizens their successes in revitalizing deteriorated neighborhoods and meeting objectives stipulated in their Consolidated Plan.

### CAPER Requirements

#### Required Narrative Statements

The narrative statements provide a summary of the grantee's overall progress in meeting local priorities and goals during the program year and describe the status of the annual actions taken to address specific needs under the Consolidated Plan. The required narratives cover the following areas: Assessment of Strategic Plan Goals and Objectives; Affirmatively Furthering Fair Housing; Affordable Housing; Continuum of Care; Other Actions; Leveraging Resources; Citizen Comments; and Self-Evaluation.

A number of program narratives are required in addition to those identified above. These additional narratives address specific program-related concerns. Other special program-related narratives are also required when certain activities are carried out during the program year.

#### Citizen Participation

In accordance with Regulation 24 CFR 91.105, the performance report must be made available to citizens for review and comment at least 15 days prior to submission to HUD.

#### Summary of Assessment

It appears that the City has met or exceeded the goals of the 2012 Consolidated Plan. In addition, all of the activities described in the City's CAPER are viewed as contributing substantially to meeting the statutory primary objectives of the CDBG and HOME Programs and thus improving the living environment for citizens of the community. We commend the City for the creative ways it has leveraged CDBG and HOME funds into meaningful accomplishments by working with public and private partners. Overall, the City has made good use of available resources and has conducted its activities in a manner designed to primarily benefit low and moderate-income persons to fulfill the community development objectives stated in the City's Consolidated Plan and Annual Action Plans.

The City is in conformance with HUD's citizen participation requirements. The availability of the City's CAPER was published in the local newspaper on August 27, 2013, and copies were made available to the public for review. The advertisement explained the 2012 report and gave information on the comment period. The City did not report receiving any comments from the public on this report.

Meeting HUD's timeliness standard for expenditure of funds is a major concern for the Department and a concerted effort is being made to reduce the number of untimely grantees. Grantees failing to meet the regulatory standard for timeliness will be subject to having their grants reduced in amounts corresponding to the amount by which they fail to meet the HUD standard. HUD Regulations state that there should be no more than 1.5 times the annual grant remaining in the line of credit at 60 days prior to the end of the program year. The City is commended for meeting HUD's timeliness standard during this reporting period. Based on the 60-day drawdown ratio, the City's current ratio of timeliness for expending CDBG funds is at 1.08, which is well below the allowable 1.5 ratio. Accordingly, the City is on schedule as far as meeting the standard for the current program year.

We congratulate the City on its many accomplishments during the past year on achieving Departmental objectives and addressing the goals outlined in the City's Consolidated Plan/Annual Action Plan. The City has met and exceeded the regulatory requirement of expending at least 70 percent of CDBG funds for activities that principally benefit low and moderate-income persons, and has operated the program within the regulatory limitation of 20 percent of CDBG funds for planning and administration and 15 percent for public services. The City's timely submission of reports to HUD is appreciated.

### Conclusion

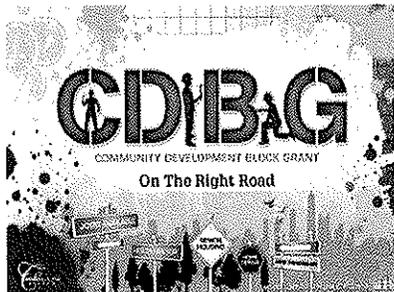
Based on our review of the City's CAPER and other available information, all required CAPER elements have been submitted in a timely manner and mandatory reporting requirements have been met. It appears that the City of Ft. Smith's CDBG and HOME Programs are being carried out as proposed in the City's approved 2012 Consolidated Plan and is in compliance with HUD Regulations. The City's performance is viewed as good and the City is determined to have the continuing capacity to administer the CDBG and HOME Programs in accordance with applicable Federal requirements.

### Grantee Review and Comment Period

In accordance with Consolidated Plan Regulation 24 CFR 91.525(b), grantees have 30 days in which to review and comment on HUD's review of the CAPER. HUD may revise the report after considering a grantee's views and shall make the report, the grantee's comments, and any revisions available to the public, upon request, within 30 days after receipt of such comments.



# 2012 Consolidated Annual Performance and Evaluation Report



## Forward

Throughout this report, the reader will note the following acronyms:

CD = Community Development

CDAC = Community Development Advisory Committee

CDBG = Community Development Block Grant

CHDO = Community Housing Development Organization

CSCDC = Crawford-Sebastian Community Development Council, Inc.

ELI\* = Extremely Low Income Person(s) or Family (30% of Area Median Income)

FY = Fiscal Year (July 1 through June 30)

HOME = HOME Investment Partnership Act

HOPWA = Housing Opportunities for Persons With Aids

HUD = U. S. Department of Housing and Urban Development

LI\* = Low Income Person(s) or Family (80% of Area Median Income)

LMI = Low to Moderate Income Person(s) or Family

MI\* = Moderate Income Person(s) or Family

PI = Program Income

PY = Program Year (July 1 through June 30)

VLI\* = Very Low Income Person(s) or Family (50% of Area Median Income)

\*These income levels are formulated by the U.S. Department of Housing and Urban Development for the City of Fort Smith and are subject to change on an annual basis.

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## General

### Executive Summary

The U. S. Department of Housing and Urban Development annually provides formula based grants to Cities with populations of 50,000 or more. These entitlement Cities must use the grant funds to develop, within their cities, viable communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally benefitting the low to moderate income persons and families. As an entitlement city, Fort Smith receives Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds each year to support such activities.

In November 2010, the City of Fort Smith adopted a 5 Year Consolidated Plan. The Plan was developed with community wide input, including residents, businesses, non-profits and the faith-based community. It consists of a detailed description of the outcome of goals and objectives to be considered over a 5 year period.

The issues identified by the Plan include:

- 1.) Housing and Homeless Needs
  - a. Including current needs for housing assistance
  - b. Current estimated counts of homeless populations
  - c. Homeless population needs
- 2.) Non-Housing and Community Development Needs
  - a. Public (human) services
  - b. Public facilities
  - c. Public infrastructure and improvements

### General Questions

During the 2012 Program Year, the following funds were available to further the goals and objectives of the City of Fort Smith Consolidated Plan; Funds received through the CDBG entitlement \$1,006,688\* and \$38,780.03 in program income received through the City's Housing Assistance loan program. Funds received through HOME entitlement \$415,303 and \$310,063.99 in program income through the First Time Homebuyer loan repayments, project proceeds from the sale of newly constructed homes, and the recaptured funds from previously assisted down payment assistance clients. As you will read throughout this report, the funds were allocated to various agencies in the City of Fort Smith to assist with activities designated as priorities in the 5 year Consolidated Plan, including but not limited to: Housing Rehabilitation assistance, Down Payment assistance, Homeless population needs, Public (human) Service programs.

\*Includes funds from previous program year, available for re-allocation during this program year.

The following agencies were allocated from the CDBG and HOME funding for the PY year July 1, 2012 through June 30, 2013.

<b>CDBG Funding available for allocation in FY 2012</b>		<b>\$1,006,688*</b>
<b>Neighborhood Develop. Including Agency Rehabilitation and Homeless (60%)</b>		<b>\$700,172*</b>
BOST, Inc.	Renovations to childcare facility	\$9,000*
Children's Emergency Shelter	Replace security system	\$36,684*
City of Fort Smith	Housing Rehabilitation Program	\$262,966*
City of Fort Smith Rehab Admin	Program Delivery	\$60,000
Lend A Hand	Partial funding for Phase 1 Fisher's Way	\$59,955
Next Step Day Room	Acquisition/renovation of facility	\$90,721
Old Fort Homeless Coalition	Acquisition/renovation of facility	\$150,282*
The ARC for the River Valley	Drainage improvements for complex	\$1,400*
Westark RSVP	Renovation to main facility	\$29,164*
*(Includes \$222,441 reallocation from previous years funding)		
<b>Public Service (15%)</b>		<b>\$115,977</b>
The ARC for the River Valley	Case Management fees	\$ 4,000
Community Dental Clinic	Patient fees	\$ 15,289
First Tee of Fort Smith	Membership Fees	\$ 200
Crisis Intervention Center	Case Management Fees	\$ 23,700
Fountain of Youth	Case Management Fees	\$ 2,400
Good Samaritan Clinic	Patient Fees	\$ 20,289
Girls Inc.	Membership Fees	\$ 1,500
Heart to Heart	Essential Baby Items	\$ 8,199
Lincoln Childcare Center	Tuition Fees	\$ 5,400
Next Step Day Room	Case Management	\$ 20,000
WestArk RSVP	Tax Assistance	\$ 9,000
WestArk RSVP	Medicare Counseling	\$ 6,000
<b>Administration (20%)</b>		<b>\$169,800*</b>
City of Fort Smith	Program Administration	\$154,563
*(Includes \$15,237 reallocation from previous years funding)		
<b>Un-Programmed (5%)</b>		<b>\$ 20,739*</b>
CDBG Un-programmed funds	Project Overruns	\$18,835
*(Includes \$1,904 reallocation from previous years funding)		
<b>HOME Funding available for allocation in FY 2012</b>		<b>\$415,784*</b>
City of Fort Smith	Program Administration	\$32,192
CSCDC, Inc. CHDO	Acquisition/Rehab/Resale	\$141,296*
CSCDC, Inc.	Down payment assistance	\$84,982
Fort Smith Housing Authority	New construction	\$74,606
Lend A Hand	New construction	\$80,000
City of Fort Smith	Unprogrammed	\$2,708
*(Includes \$93,378 re-allocation from previous years CHDO funds)		

## Affirmatively Furthering Fair Housing

In an effort to affirmatively further fair housing the Community Development (CD) department created an online list for all staff members to use of the impediments to fair housing and is working to address all suggested actions that were identified in the 2010 Analysis of Impediments. The following bulleted actions are from that list:

- A letter dated March 20, 2013 was sent to the Arkansas Fair Housing Commission (AFHC) offering coordination of and facilities for the delivery of educational services by the AFHC to local renters.
- The same letter (above) to AFHC offering coordination of and facilities for the delivery of educational services by the AFHC to landlords, program managers, and other housing providers.
- April 2013, the City received Fair Housing Posters from the National Fair Housing Alliance. The disability posters were delivered to all 9 public service “partner” agencies, community posters went to all 3 housing partner agencies and posters regarding religion were delivered to Masjid Al Salam Mosque. Masjid Al Salam Mosque also offered to allow delivery to Masjid Annoor Mosque and the Annoor Academy.
- The October 2010 Fair Housing brochure explains definitions of reasonable accommodation and modification. It also gives examples of discriminatory terms and conditions in rental markets and the differences between affirmatively furthering fair housing, affordable housing production and preservation as well as landlord/tenant rights and responsibilities. The brochure was placed online at [www.fortsmithar.gov](http://www.fortsmithar.gov) in February of 2013.
- Beginning the 2011 program year R-57-11, R72-12 the Community Development Resolution and Section 5, the Fair Housing Resolution is reaffirmed annually and has now included the protected classes of disabilities and familial status since the original Fair Housing resolution No. 2214 was approved.
- Requested that AFHC create its own Fair Housing Hotline by letter dated March 20, 2013.
- Requested that AFHC conduct a small sample of fair housing audit tests including race and disability testing and record the findings by letter dated March 20, 2013.
- Requested that AFHC by letter dated March 20, 2013 track data more closely and use data to compare year to year changes in fair housing activities.
- Set up a Facebook page for the Community Development department in February of 2013 to educate citizens on fair housing as well as other CDBG functions.

Staff training and participation in AFHC events continues to be a priority though not identified as an impediment

The CD staff continues to monitor and operate a local Fair Housing Hotline for complaints, questions and concerns. No calls were received for PY2012.

Fair Housing fliers and brochures have been updated and complaint forms are available in the CD office and on the city website [www.fortsmithar.gov](http://www.fortsmithar.gov). A Fair Housing announcement is also broadcast daily on the City Access TV Channel.

CD continues to work with their housing partners to assure affirmative marketing through their advertisements by use of the Equal opportunity logo and the requirement they have a FH/EO program in place.

## **Fair Housing Impediments**

As recommended by the City's Consolidated Plan, the Board of Directors adopted a property maintenance code. Since the Code's effective date of January 1, 2005, there have been 2069 structures identified as being in violation. As of June 30, 2013, approximately 1601 of these structures have been repaired by the property owners and are no longer in violation of the code.

Also in 2005 after the adoption of the property maintenance code, the City developed the City of Good Neighbors Program to assist low income and elderly property owners with home repairs and property maintenance needs. Distribution of program brochures and public service announcements to educate the public on the property maintenance code has made the City of Good Neighbors a popular program. Efforts to reach those who may need more than housing assistance is being made by the Neighborhood Services staff by referring those cited with a code violation to the Community Services Clearinghouse. The Clearinghouse is a community action agency and food pantry that provides information and guidance on grants, low income loans, neighborhood associations, churches, and civic groups who provide various types of assistance.

The Community Development Department partnered again this year with the Planning Department to sponsor a Good Neighbors Event during the week of June 17, 2013. World Changers was composed of 285 volunteers, representing various church groups across the nation. They donated 6840 hours in labor to assist homeowners with projects such as new roofs, siding, painting, window replacements and miscellaneous other projects. Grand Avenue Baptist was the host church again this year, and their staff organized all the teams with the projects. All work performed was done so with experienced staff, overseeing the youth groups that worked on the projects. City Staff provided technical assistance and ensured that all projects met current City Codes. The church also ensured that all the volunteers' needs were met while staying in Fort Smith. A total of 16 homeowners were assisted this year. CDBG funds totaling \$18,971.91 were spent on 12 of those homes and 3 were private pay. A total of \$68,400 was provided in donated labor.

### **1. Inadequate outreach and education efforts.**

**Action:** The City will evaluate initiating a Fair Housing Committee within the Arkansas Community Development Association for efficient use of fair housing resources. The City has also sent letters to the Arkansas Fair Housing Commission to offer meeting spaces in Fort Smith to assist in local delivery of education services. City staff members have also attended fair housing training in March of 2013.

### **2. Rental markets in the City appear to demonstrate discriminatory actions by housing providers.**

**Action:** The City will attempt to increase the knowledge and understanding of fair housing and affirmative furthering fair housing through outreach and educational efforts. The City has also disseminated printed media to local organizations as well as in the office and on the City's website.

**3. Disproportionately high home purchase loan denial rates exist for selected racial and ethnic minorities.**

**Action:** The City of Fort Smith will endeavor to work with the Arkansas Fair Housing Commission to establish a baseline of actual level and types of discrimination occurring in the community through audit testing activities.

**4. Home purchase loan denial rates are disproportionately high in lower income areas.**

**Action:** The City of Fort Smith provides funding for the Crawford-Sebastian Community Development Council, which provides a homebuyer assistance course to aid potential homebuyers with the tools necessary to become mortgage ready.

**5. Survey results show that some respondents still believe that land-use and development practices may not be in the spirit of affirmatively furthering fair housing.**

**Action:** The City of Fort Smith utilizes a variety of notification methods to inform citizens of land use and zoning changes and policies. Notification methods include legal notices in the local newspaper, posting signs on property with requested land use and/or zone changes, and letters to property owners within 300 feet of any property with proposed land use and/or zone changes. In addition to these notification methods, the city requires applicants who request land use and zoning changes to hold neighborhood meetings to present the requested changes to surrounding property owners.

Citizens may also stay informed about proposed land use/zoning changes by visiting the city's website. The website regularly contains planning commission and board of director meeting dates, agendas, and meeting minutes. Citizens who are unable to attend Board of Director meetings, may also watch televised meetings in order to stay informed about proposed land use and zone changes. The city will continue to improve notification methods to ensure that citizens are informed about land use and zoning changes and policies and have an opportunity to provide input on those proposed changes.

**Other Actions**

The actions described in City of Fort Smith Consolidated Plan and Annual Action Plan were taken.

**Leveraging Resources**

The City of Fort Smith continues to work with State and Federal officials to provide resources that apply to the area of economic development. The City also uses sales tax funds to improve LMI neighborhoods with street and associated drainage improvements and the funding of non-profits who serve LMI and the elderly. During July 1, 2012- June 30, 2013 City street segments, levee repairs and streetscape has been improved, consistent with the Capitol Improvements Program. See Exhibit "A-G". All projects are located within the LMI Area of Fort Smith and represent an investment in excess of \$6.6 million. The City of Fort Smith also provided \$540,000.00 in the Sidewalk Improvement program from the general fund that had a direct effect on the LMI population and neighborhoods in Fort Smith. See Exhibit "L".

**Leveraging Resources Continued**

The following agencies, who primarily serve LMI received \$335,735 in funding from the City’s share of the county sales tax and/or General fund in the Calendar Year 2012 (January 1 – December 31) Budget. See Exhibit “M” for location of benefiting agencies and their proximity to the LMI area.

Alzheimers Association	\$1,937	Lincoln Youth Service Center	\$12,504
ARC for the River Valley	\$2,292	Next Step Day Room	\$7,558
Area Agency on Aging	\$50,000	Project Compassion	\$7,500
Community Services Clearinghouse	\$8819	River Valley Reg. Food Bank	\$10,861
Crisis Intervention Center	\$10,861	SRCA, Inc. Social Services	\$171,363
Fort Smith Boys & Girls Club	\$21,384	The First Tee, Inc.	\$8,952
Fort Smith Girls, Inc.	\$10,728		
Girls Shelter	\$3,589		
Gregorty Kisler Treatment Center	\$1,662		
Lincoln Childcare Center	\$5,725		

In PY 2012 (July 1, 2012 – June 30, 2013), the City of Fort Smith provided requested Certifications of Consistency for HUD programs in a fair and impartial manner and did not hinder Consolidated Plan implementation by action or willful inaction.

**Managing the Process**

The annual funding application process is based on goals and objectives of the 5 Year Consolidated Plan with emphasis on annual goals and objectives. Applicants must specify which goal, objective and strategy the agency will meet when applying for funding. Each application is rated by the Community Development Advisory Committee based on past performance, capacity to perform, non-duplication of service, and fund to client ratio.

Agencies receiving CDBG and/or HOME funds are monitored annually for compliance. Financial management, client eligibility, source documentation, and procurement records are verified. Agencies are notified in writing of any finding(s) or concern(s) based on the monitoring, with an explanation of corrective measures to be taken.

**Citizen Participation**

Notice to public, encouraging participation in development of the Consolidated Annual Performance and Evaluation Report (CAPER). The ad was published on 07/01/13 with comments being accepted through 07/22/13. See Exhibit “H”.

This report was made available to the public for review on 08/26/13 in the City Clerk’s Office, the Community Development Department, and two Fort Smith Public Libraries. Written comments

submitted by 5:00 pm 09/10/13, will be submitted with the report to the Little Rock Field office. See Exhibit "F".

### **Institutional Structure**

The Community Development Staff continues to attend, what is now the joint effort of the Old Fort Homeless Coalition Executive Board and Ad Hoc Homeless Campus Committee meetings on a regular basis. The members of the Coalition are identifying the obstacles in meeting the under-served needs and discussing efforts needed to overcome the gaps in the institutional structure. This year, the City of Fort Smith and the Housing Authority of Fort Smith funded and filled a position titled the Homeless Program Director. Efforts to support the cause and increase agency participation has allowed an increased perspective on the various problems many institutions face in finding appropriate housing and social services for released patients and inmates. The Coalition continues to work toward a solution for the clients who no longer qualify for specialized services with the ultimate goal of ending homelessness. The Riverview Hope Campus project is coming to fruition and it is expected that within a year, the potential campus building rehabilitation will be underway and we should be able to project an occupancy date. Funding sources are coming together and will be fully defined within the next CAPER.

### **Monitoring**

All agencies are monitored on an annual basis, unless there are identified finding(s) or concern(s), at which time the agency would be put on probation and monitored quarterly or semi-annually. Public Service agencies are required to submit, to the City, monthly intake forms, to account for all clients served. Requests for payments and/or reimbursement must be submitted with back-up documentation including invoices and receipts, if applicable.

Agencies are notified in writing, by mail, of the upcoming monitoring. City staff verifies: banks statements for prompt deposits and check disbursements, invoice and back-up documentation; client file documentation – application, proof of income and residence on both eligible and ineligible clients, ineligible client documentation; CDBG/HOME program recognition; signed agency agreement; procurement methods; environmental compliance and overall agreement compliance.

All agencies were found to be in compliance with HUD's timeliness and regulations with the exception of the Chaffee Crossing Project which is under remediation during the reporting period.

### **Self-Evaluation**

As demonstrated in the various tables for each category, all of the activities and strategies addressed in the strategy and action plans are making an impact on identified needs and the status of the grant programs. With efforts continuing during the next year working toward the specific goals of achieving more affordable housing, our community's vision of the future will become a reality. The commitment of 60% of future CDBG – Community Development category – allocations toward addressing housing needs will ensure those efforts.

To ensure economic opportunities are given to low to moderate income persons in areas where CDBG or HOME funds are expended, the City of Fort Smith encourages all contractors and sub-contractors to follow Section 3 for contracts less than \$199,999.99 and requires they comply with Section 3 for all contracts over \$200,000. Section 3 agreements must be completed and on file by all contractors and sub-contractors prior to work beginning on qualified projects. At the completion of work contractors and sub contractors must complete a Section 3 reporting form with employee's information such as addresses, hire date and job title. This information is used to complete the HUD 60002 that is then submitted to the HUD field office. In the 2012 fiscal year there were no contracts were awarded at \$200,000 or more, therefore no Section 3 actions were triggered. Section 3 reports have been completed and submitted to HUD. See Exhibit "J".

### **Lead-Based Paint**

In an effort to meet both the EPA and HUD's lead based paint standards the City of Fort Smith has always taken steps to evaluate and reduce lead paint hazards through use of both visual inspections and lead clearance testing. Interim control measures and/or lead safe work practices are used whenever lead painted surfaces are being disturbed by trained and EPA certified contractors and tradespersons on all owner occupied housing units being rehabilitated through the Housing Assistance Program. Whenever such rehabilitation work requires that lead clearance testing be performed it is sampled by a certified Lead Inspector and sent to a laboratory for analysis and cleared prior to the final payment being issued to the contractor. Annual agreements between the City of Fort Smith and its sub-recipients or CHDOs through the Housing Rehabilitation Assistance programs ensures that all homes rehabilitated with CDBG and HOME program funds are safe from lead paint hazards.

The city's Housing Assistance Coordinator in the past has hosted several Lead Based Paint training classes as well as the EPA Renovator, Remodeler and Painter (RRP) rule; participants in these courses have included contractors, trades persons and other housing professionals. The City will strive to offer the courses again in the future whenever funding and demand allow.

In the tables on page 12 the reader will note the homes in which interim controls were in place.

## **HOUSING**

### **Housing Needs**

The Community Development Advisory Committee and the Fort Smith Board of Directors are committed to improving the condition and availability of housing by allocating funds to undertake these high priority activities. The City has committed to rehabilitate 6 single family, owner-occupied dwellings, to reconstruct one single family home, to provide emergency repair assistance to 20 single family owner occupied homes, and to purchase materials for faith-based or non-profit organization to assist 13 single family owner occupied homes with minor repairs, each year for the term of the 5 Year Consolidated Plan. The City operates the following programs: Housing Assistance Program which

includes total rehabilitation and re-construction, the Emergency Aid Program (emergency repairs) and the Materials Only Purchase Program (minor repairs).

Through the Housing Assistance Program, the City has completed total rehabilitation on 5 single family owner occupied dwellings. See the table titled “2012 Total Rehabilitation Assistance” on page 13.

Housing Needs continued

Through the Emergency Aid Program the City has assisted with addressing the health, safety and life threatening code problems in homes. Such as electrical wiring, accessibility, and sanitary sewer issues, etc. See table titled “2012 Emergency Rehabilitation” on page 13. The City has completed Emergency rehabilitation on 21 single family owner occupied homes.

In 2005, the City began a new program to purchase materials for faith-based or non-profit organizations wanting to assist qualified single family owner occupied homeowners. These projects were a major effort by the City and other organizations to continue our goal to foster and maintain affordable housing and were reported in the 2011 CAPER. The number of calls continues to increase annually from groups interested in participating in our volunteer program.

The reader will note that the City along with its’ CHDO and sub-recipient partners are meeting the goals in all categories. The Down Payment / Closing Cost Assistance program is designed to continue to eliminate other barriers to affordable housing for the LMI citizens of Fort Smith.

### **Specific Housing Objectives**

The City of Fort Smith Housing Assistance Program was allocated \$262,966 in CDBG funds to carry out the rehabilitation of existing substandard housing units, the emergency aid program, the reconstruction of a house deemed unfeasible to rehabilitate, and the materials purchase only program. The City of Fort Smith was also awarded \$258,404 Ike-1 funds to assist homeowners with repairs to their homes that were affected by the April 2008 storms. The IKE-1 was officially closed during the reporting period and \$30,102.00 was deobligated from the grant. As of June 30, 2013, \$199,644.95 has been expended to execute the programs. The balance of funds comes from continue use of last year’s rehabilitation funds and program income received. Program expenditures are explained in tables below:

The Rehabilitation Program completed 5 homes spending \$74,909.01 to the Rehabilitation program or by funds provided by the grant recipient themselves.

The loan amounts in the table below are paid to the City of Fort Smith Housing Assistance Program at 3% interest rate with varying terms depending on the ability to pay and income level of the beneficiary. All loans and grants are secured with a mortgage in favor of the City of Fort Smith Housing Assistance Program.

2012 Total Rehabilitation Assistance						
Project #	Address	Grant Amt	Loan Amt	Interim	Income	FHOH
09-034	3103 Spradling	\$15,440.00	\$0.00	Yes	LI	Y
09-036	4219 Armour	\$10,575.00	\$0.00	Yes	VLI	Y
09-037	1515 N. 33 <sup>rd</sup> St.	\$11,629.01	\$0.00	Yes	VLI	Y
09-038	1418 N. Greenwood	\$22,600.00	\$5,000.00	Yes	VLI	Y
09-039	823 S. 23 <sup>rd</sup> St.	\$14,665.00	\$0.00	Yes	LI	N

\*Includes fees for advertisement, environmental testing and payment coupon books.

Total Rehabilitation-Racial Composition of Beneficiaries				
White	Black	Hispanic	American Indian	Asian/Pacific Islander
4	1	0	0	0

The Emergency Aid Program assisted with the minor repairs associated with health, safety and life threatening code problems in 21 single family owner occupied homes, spending \$99,235.94 in CDBG funds. Unless otherwise noted all projects have been completed.

2012 Emergency Rehab Assistance						
#	Project #	Address	Description	Grant Amt.	Income	FHOH
1	12-006E	2204 S. "M" St.	Ramp/chimney Rpr.	\$2,495.00	LI	Y
2	12-007E	2305 Louisville	Ramp	\$2,143.00	ELI	Y
3	12-008E	3012 Gary St.	Roof repairs	\$5,350.00	VLI	Y
4	12-009E	1918 Wirsing	Roof repairs	\$3,950.00	LI	N
5	12-010E	3222 S. 39 <sup>th</sup> St.	Roof repairs	\$5,425.00	VLI	Y
6	12-011E	1453 N. 37 <sup>th</sup> St.	Bathroom repairs	\$6,344.00	LI	Y
7	12-012E	1430 N. 34 <sup>th</sup> St.	HVAC	\$3,904.00	ELI	Y
8	12-013E	5017 Speer St.	HVAC	\$4,975.00	LI	Y
9	12-014E	923 N. 16 <sup>th</sup> St.	HVAC	\$5,305.15	VLI	N
10	12-015E	2821 N. 53 <sup>rd</sup> St.	Electrical	\$1,500.00	LI	N
11	12-016E	5218 Johnson St.	Sewer repair	\$2,240.00	VLI	Y
12	12-018E	1818 N. 7 <sup>th</sup> St.	Roof/window Rpr.	\$10,825.00*	ELI	Y
13	12-019E	3610 N. 25 <sup>th</sup> St.	Bathroom/foundation	\$4127.79	ELI	Y
14	12-020E	2711 N. "R" St.	Foundation/Roof Rpr	\$6,728.00	LI	Y
15	12-022E	701 N. 18 <sup>th</sup> St.	Circuit repair	\$75.00	ELI	Y
16	12-024E	618 S. 20 <sup>th</sup> St.	Roof/porch repair	\$9,350.00*	ELI	N
17	12-025E	3801 N. 57 <sup>th</sup> St.	Siding/roof repair	\$9,600.00*	ELI	Y
18	13-001E	21 Sylvan Hills	Bath/ gutter repair	\$1,600.00	LI	Y
19	13-002E	3100 Spradling	Ceiling rpr./Heater	\$5,000.00	LI	N
20	13-003E	1805 N. 12 <sup>th</sup> St.	HVAC	\$3,399.00	VLI	N
21	13-005E	3314 Oak Grove	Bathroom Repair	\$4,900.00	LI	N

\*An \$8,500.00 dollar grant was used for each of these cases through the Disaster Assistance Recovery grant (DAR).

<b>Emergency Rehabilitation - Racial Composition of Beneficiaries</b>				
<b>White</b>	<b>Black</b>	<b>Hispanic</b>	<b>American Indian</b>	<b>Asian/Pacific Islander</b>
16	4	1	0	0

The Disaster Aid Relief Program assisted with the minor repairs associated with April 2010 storms in 3 single family owner occupied homes, spending \$25,500.00 in Ike-I funds. All projects have been completed.

<b>2011 Ike-I Disaster Assistance Recovery Projects</b>						
<b>#</b>	<b>Project #</b>	<b>Address</b>	<b>Description</b>	<b>Grant Amt.</b>	<b>Income</b>	<b>FHOH</b>
1	DAR102	618 S. 20 <sup>th</sup> St.	Roof & porch repair	\$8,500.00	ELI	N
2	DAR104	3801 N. 57 <sup>th</sup> St.	Siding & roof repair	\$8,500.00	ELI	Y
3	DAR106	1818 N. 7 <sup>th</sup> St.	Roof & window repair	\$8,500.00	ELI	Y

<b>Ike- I Rehabilitation - Racial Composition of Beneficiaries</b>				
<b>White</b>	<b>Black</b>	<b>Hispanic</b>	<b>American Indian</b>	<b>Asian/Pacific Islander</b>
3	0	0	0	0

Progress of specific objectives of providing affordable housing has met or exceeded in all years of the Consolidated Plan. The City of Fort Smith does not operate an affordable rental housing program.

<b>2012 Housing Summary - Goals vs. Actual Assistance</b>					
<b>Income Level</b>	<b>Housing Total Rehabilitation CDBG/HOME</b>	<b>Emergency Aid. Minor Repair CDBG</b>	<b>Re-Construction CDBG</b>	<b>Volunteer Material Purchase CDBG</b>	<b>New Construction HOME</b>
ELI	0	7	0	1	0
VLI	3	5	0	7	1
LI	2	9	0	4	4
FHOH	4	14	0	9	2
<b>Total</b>	<b>G 6/A 5</b>	<b>G 20/A 21</b>	<b>G 1/A 0</b>	<b>G 13/A12</b>	<b>G 5/A 5</b>

G= Goal / A=Actual

<b>Housing Summary - Racial Composition of Beneficiaries</b>				
<b>White</b>	<b>Black</b>	<b>Hispanic</b>	<b>American Indian</b>	<b>Asian/Pacific Islander</b>
29	10	3	1	0

<b>Neighborhood Development Projects</b>			
<b>Agency</b>	<b>Address</b>	<b>Project Type</b>	<b>Status</b>
Lend-A-Hand	Chaffee Crossing	Planning/Engineering Fees. Mixed-income subdivision, 38 lots	PY 10, 11, & 12 <i>In Remediation</i>

The Fisher's Way at Chaffee Crossing Project was awarded to Lend-A-Hand in the amount of \$38,008.00 in PY 2011, \$20,000 in PY2010 and \$56,643.00 in PY 2009 for a total of \$114,651 over the three years. \$62,211.49 of these CDBG funds was expended. The project is currently in remediation. The balance of funds (\$52,439.51) were transferred to Down Payment Assistance program as stated in the Board approved Resolution 73-12.

### **Public Housing Strategy**

The Housing Authority has embarked on a sustained effort to obtain HOME funds and Low Income Housing Tax Credits (LIHTC) through the Arkansas Development Finance Authority to build quality, affordable rental housing for low income families within mixed income developments in Fort Smith. The first three projects, North Pointe I (2008) and II (2011) and Clayton Heights at Williams Lane (2013), will result in the construction of 172 single-family and duplex rental housing units to replace the former Ragon Homes family public housing (170 units), demolished in 2008. The City provided over \$1.5 million in CDBG and City Street Tax funds to assist with the construction of North Pointe I and II, as well as other assistance in the demolition of Ragon Homes. A fourth LIHTC project was submitted to ADFA in February 2013 to build 75 single-family and duplex units at two locations in

Public Housing Strategy  
Fort Smith. Thirty-six single-family units are planned for the Bailey Hill reservoir site in south Fort Smith and 39 units of single-family and duplex units are planned for an area just south of the current North Pointe homes. If awarded in June 2013, construction should begin in 2014. The City of Fort Smith has committed \$1.1 million in street tax funds to assist in the street and drainage infrastructure construction for the project. Additional Low Income Housing Tax Credit projects are in design and will be submitted to ADFA for funding in future years.

In 2011, the City of Fort Smith in partnership with the Fort Smith Housing Authority was awarded \$820,000 by the Arkansas Economic Development Commission for Disaster Assistance (Ike-2) funding, specifically for a Neighborhood Revitalization Project. The project funds were used to acquire at least 23 properties that had fallen into disrepair, were blighted, abandoned and otherwise damaged as a result of the March and April 2008 hail and windstorms. The project included the acquisition, demolition and preparation of the lots for redevelopment of single family homes for sale to low income eligible families over the next several years. The construction of new homes is not included in the scope of this grant, but the City and Housing Authority will be looking for other partnerships and funding sources to provide for construction. The Ike-2 project was amended in spring 2013 to purchase two additional properties, resulting in 26 buildable lots as of the reporting date, four of which will be donated to other non-profit low-income housing builders in Fort Smith.

Ike-2 built upon an earlier \$1.3 million grant awarded to FSHA in April 2010 through the Neighborhood Stabilization Program – 1 (NSP-1) administered by the Arkansas Development Finance Authority. The grant provided for the acquisition of blighted, abandoned and vacant properties on the north side of Fort Smith in order to demolish the houses and redevelop the lots with new construction houses available for sale to income eligible families. A total of eight new homes were constructed on scattered lots in the target area. Four of these homes have now been sold to income qualified households and three are currently for sale. These two projects further the City's strategy to stabilize and strengthen neighborhoods through elimination of blighted homes and replacement with new construction in-fill houses.

The Fort Smith Housing Authority is receiving approximately \$5.0 million in Housing Assistance Payment funds on an annual basis to serve 1239 families during the funding period of January 1 - December 31, 2012. The service area for the Authority is both Sebastian County and the City of Fort Smith, although most of the families reside in Fort Smith. Specifically, 85% of the housing voucher assistance families reside in Fort Smith.

Nelson Hall Homes, the Housing Authority's 288 unit public housing development for elderly and disabled income eligible citizens, is undergoing a \$3.5 million interior remodel of each apartment/unit which should be completed in 2014. The project was constructed in 1968 and has never undergone any significant interior modernization. Nearly \$3 million was spent in the previous 3 years to upgrade the site sidewalks, parking, sewer systems, lighting, handicapped accessibility and unit exteriors following a hail and windstorm event in April 2008 that caused significant damage. The modernization of the interiors will extend the useful life of the project for at least another 30 years and provide a better quality of life and living experience for the residents. The City of Fort Smith will continue to assist these projects through the 50/50 sidewalk improvement program and upgrades to the interior streets and drainage of the development. In addition, a major resurfacing and drainage improvement project was completed in 2011 to a major internal street (Futrall).

The Fort Smith Housing Authority has set the following goals in the PHA's Five Year Plan:

- 1) Expand the supply of assisted housing;
- 2) Improve the quality of assisted housing;
- 3) Increase assisted housing choices;
- 4) Provide an improved living environment;
- 5) Promote self-sufficiency and asset development of assisted households; and
- 6) Ensure equal opportunity and affirmatively further fair housing.

Fort Smith officials and citizens are pleased to have a PHA that continues to work closely with local housing and service agencies. The Fort Smith Housing Authority continues to be highly rated by HUD for its operations and maintenance of the facilities. Specifically, the Fort Smith Housing Authority recently earned a 100% score and a designation of "High Performer" on the Section Eight Management Assessment Program (Housing Assistance Payments/Housing Choice Voucher program) report for the most recent fiscal year. Similarly, the public housing development, Nelson Hall Homes was awarded "High Performer" status by scoring 95 out of a possible 100 points. The Fort Smith Housing Authority was named "Agency of the Year" for 2010 by the Arkansas Chapter of the National Association of Housing and Redevelopment Officers.

**Barriers to Affordable Housing**

The Community Development Advisory Committee and the Fort Smith Board of Directors approved and allocated \$84,982.00 for Down Payment Assistance. In addition to that funding \$42,102.77 in previous years HOME funding, HOME Program Income and cancelled projects funds that were re-allocated to Down Payment and Closing Cost Assistance program to further the impact and assist low income citizens of Fort Smith. These loans were leveraged with an additional \$1,857,713.42 in private funds. This program is administered by Crawford Sebastian Community Development Council (CSCDC) and is deferred 5 years. Both CSCDC and the City of Fort Smith received program income

from previous years' Down Payment Assistance loans when repayment was required. All loans are secured by second mortgages in favor of the City of Fort Smith.

<b>2012 Downpayment Assistance Projects</b>				
#	Address	Amount Funded	Income	FHOH
1	6325 Parkfront Drive	\$4,550.00	LI	Yes
2	2321 North 57 <sup>th</sup> Lane	\$3046.00	LI	Yes
3	2004 North 46 <sup>th</sup> Terrace	\$4800.00	VLI	No
4	8005 Huntington Way	\$4,720.00	LI	No
5	1417 North 58 <sup>th</sup> Terrace	\$4,630.00	LI	No
6	4419 South 21 <sup>st</sup> Street	\$4,172.00	LI	No
7	618 North 21 <sup>st</sup> Street	\$3,250.00	ELI	No
8	3916 North 57 <sup>th</sup> Street	\$2797.00	LI	No
9	1904 South "O" Street	\$1,745.00	ELI	No
10	3709 Bradley Drive	\$2,822.00	LI	No
11	4300 Mussett Road	\$3,250.00	VLI	No
12	544 North 35 <sup>th</sup> Street	\$3,270.00	VLI	Yes
13	905 North 21 <sup>st</sup> Street	\$2,845.00	ELI	No
14	3526 North 6 <sup>th</sup> Street	\$3,528.00	VLI	Yes
15	411 North 21 <sup>st</sup> Street	\$2,718.00	VLI	Yes
16	2813 Kendall Avenue	\$4,350.00	ELI	No
17	4613 N. 31 <sup>st</sup> Street	\$5,750.00	VLI	No
18	2026 Independence Street	\$5,221.00	LI	Yes
19	1447 North 39 <sup>th</sup> Street	\$1,850.00	LI	No
20	2600 South "M" Street	\$3,150.00	ELI	No
21	3300 South 68 <sup>th</sup> Circle	\$3025.00	LI	Yes

<b>2012 Downpayment Assistance – HOME Program</b>			
ELI	VLI	LI	Amount Expended
5	6	10	\$75,489.00

<b>Downpayment Assistance - Racial Composition of Beneficiaries</b>				
White	Black	Hispanic	American Indian	Asian/Pacific Islander
12	1	6	0	2

**HOME/American Dream Down Payment Initiative (ADDI)**

The City of Fort Smith receives no ADDI funds. As noted, the table titled “2012 New Construction Single Family Housing” on page 17, there are 10 new single family units completed, with 5 units in various states of construction during this reporting period. In the table title “2012 Housing Goals vs. Actual Assistance” on page 15 the reader will note that 5 of these homes were sold by June 30, 2013. All of the City’s housing partners are adapting current programs to the challenging conditions of the housing market. They are utilizing the flexibility of their programs when assisting potential homebuyers. In addition to the HOME and CDBG funds spent on these projects there was an additional leverage of \$315,014.00 in private funds secured for the financing of these mortgages.

2012 New Construction Single Family Housing							
Address	Agency	BP Date/CO Date*	Funds Expended	ELI	VLI	LI	FHOH
2104 Pryor Avenue	AR Valley Habitat for Humanity	06/08/12	\$4,266.55 HOME	Under Construction			
2108 Pryor Avenue	AR Valley Habitat for Humanity	01/18/13	\$4,265.55 HOME	Under Construction			
2112 Pryor Avenue	AR Valley Habitat for Humanity	No permits issued	\$4,265.55 HOME	Lot Acquisition			
1815 North 12 <sup>th</sup> St.	AR Valley Habitat for Humanity	No permits issued	\$6,032.01 HOME	Construction Underway			
1809 N. 12 <sup>th</sup> St.	AR Valley Habitat for Humanity	10-26-11 8-7-12	\$4,265.55 HOME \$6,032.01 HOME		X		
1908 N. 9 <sup>th</sup> St.	Housing Authority of Fort Smith	06-27-11/ 11-07-11	\$5,469.12 CDBG \$44,563.68 HOME			X	
1914 N. 9 <sup>th</sup> St.	Housing Authority of Fort Smith	06-27-11/ 11-07-11	\$337.50 CDBG** \$40,179.55 HOME	Construction complete; Not sold			
2120 N. 12 <sup>th</sup> St.	Housing Authority of Fort Smith	No permits issued	\$647.50 CDBG \$600.00 HOME	Preliminary costs			
2308 Edwards St.	Housing Authority of Fort Smith	10-09-12	\$7671.21 CDBG \$34,552.19 HOME	Construction complete; Not sold			
2312 Edwards St.	Housing Authority of Fort Smith	10-09-12	\$7671.21 CDBG \$31,838.63 HOME	Construction complete; Not sold			
2318 Edwards St.	Housing Authority of Fort Smith	12-03-12	\$7671.21 CDBG \$44,611.65 HOME	Construction complete; Not sold			
2324 Edwards St.	Housing Authority of Fort Smith	12-03-12	\$7671.20 CDBG \$41,030.53 HOME	Under Contract			
2720 Emrich St.	Housing Authority of Fort Smith	No permits issued	\$1,781.00 CDBG \$10,279.34 HOME	Lot Acquisition			
3022 N. 26 <sup>th</sup> St.	Housing Authority of Fort Smith	03/08/13 08/02/13	\$15,015.77 CDBG \$41,943.62 HOME	Construction underway			
3026 N. 26 <sup>th</sup> St.	Housing Authority of Fort Smith	06-13-13	\$15,015.77 CDBG \$29,868.24 HOME	Construction underway			
N. 26 <sup>th</sup> – 3 vacant lots	Housing Authority of Fort Smith	No permits issued	\$45,047.29 CDBG				

3600 N. 32 <sup>nd</sup> Ct	Housing Authority of Fort Smith	04-01-10/ 07-20-10	\$77,478.58 HOME**			X	X
3601 N. 32 <sup>nd</sup> Ct	Housing Authority of Fort Smith	08-16-10/ 03-29-11	\$77,671.07 HOME			X	
3623 N. 32 <sup>nd</sup> Ct	Housing Authority of Fort Smith	08-16-10/ 03-29-11	\$79,826.76 HOME			X	X

\*BP=Building Permit, CO=Certificate of Occupancy. \*\*Lease purchase

Housing Summary - Racial Composition of Beneficiaries				
White	Black	Hispanic	American Indian	Asian/Pacific Islander
1	2	2		0

All of the homes sold above, were appropriately deed restricted.

2012 CHDO Acquisition/Rehab/Resale of Existing Sub-Standard Housing Units							
Address	Agency	Home Funds Expended /Program Income(PI)	Lead Abatement /Interim Control	ELI	VLI	LI	FHOH
3411 North 47 <sup>th</sup>	CSCDC, Inc.	12-07-11/03-23-12	IC		X		Y
2808 Alabama	CSCDC, Inc.	02-09-12/08-06-12	IC	On Market			
6712 Independence	CSCDC, Inc.	02-27-12/06-08-12	IC	Under contract			

Housing Summary - Racial Composition of Beneficiaries				
White	Black	Hispanic	American Indian	Asian/Pacific Islander
0	1	0	0	0

This CHDO will have deed restriction placed on the above listed properties that have not sold and have place deed restriction on those sold. CSCDC, Inc. was awarded \$141,296 in Year 19 funds to acquire/rehab and resale 2 units.

**HOME Match Report**

See Exhibit "N" The HOME Match Log.

**HOME MDE and WBE Report**

See Exhibit "O" The APR for the HOME Program.

**Assessment**

The City of Fort Smith does not fund affordable rental housing assistance under the HOME Program, therefore, no on-site inspections were required.

During FY 2007, the Community Development Department collaborated with the Planning Department for a section on the City business license application. The section gives applicants the option to provide

additional information to identify them as a Minority and/or Women-owned business and the option to be included in the MBE/WBE listing. This action has proven to be affective in obtaining additional businesses interested in participating in the listing. As of June 2012, the MBE/WBE listing is available on the Cities website.

An advertisement encouraging MBE/WBE participation of contracts is placed in the local newspaper annually. The MBE/WBE listing is continually updated to include businesses that are new to the City of Fort Smith.

**HOMELESS**

**Homeless Needs**

The objectives in this category are to encourage usability and accessibility of transitional housing and emergency shelters by providing Community Development Block Grant funds. The goal is to rehabilitate one shelter or transitional housing facility on an annual basis, including addressing accessibility issues. The other goal is to encourage transitional housing by providing funding through the CDBG program, for acquisition and/or rehab of one housing unit for homeless family with children.

As per CPD Notice 13-06, new information on homelessness required by 24 CFR 91.520(b) and (c), as amended by the ESG Program interim rule is as follows:

**Fort Smith Housing Authority (FSHA)**

1. Affordable Housing:

**AHP** (City of Fort Smith HOME Program)-Two families, total of six persons, both families Low Income (<80% AMI)

**NSP** (Arkansas Development Finance Authority)- Four families, 17 persons, two families Very Low Income (<50% AMI), one family Low Income, and one family Moderate (80%-120%).

2. Homelessness: Seven families were placed into permanent housing using the Homeless Preference/Housing Choice Voucher program at FSHA. Total of 19 persons served, all families Extremely Low Income (<30% AMI).

**CSCDC**

CSCDC staff members met with homeless families and individuals from shelters, living on the river, sleeping in cars or other non-inhabitable housing. CSCDC staff along with other agencies have gone to the river to assist families with finding shelter, then worked with the family and placed in stable housing. One family assisted was chronically homeless for five years. ESG program funding has assisted other homeless agencies to reach out to the homeless. The families and individuals work with case managers on a case plan to stabilize their housing and income. These agencies work with homeless individuals in obtaining jobs or signing up with Social Security or VA benefits. ESG also works with the VA in getting the veterans stable housing and income. All Old Fort Homeless Coalition members work closely with the HUD offices or income-based housing in getting information to the clients to sign up, this allows them to become stable with housing. ESG gives information on SNAP programs to help assist with food. Other resources are also used to help families and individuals.

The Next Step Day Room was awarded \$90,721 in FY12 which are to be used to construct or rehabilitate a safe haven for homeless persons.

2012 Homeless Projects			
Agency	Address	Project Type	Status
Next Step Day Room	To be determined	New Construction or rehabilitation of facility to be used as a safe haven for homeless persons	Project <i>Underway</i> Expended \$0.00

Homeless Project Beneficiaries				
White	Black	Hispanic	American Indian	Asian/Pacific Islander
0	0	0	0	0

**Specific Homeless Prevention Elements**

**Continuum of Care**

The city staff continues to assist the Old Fort Homeless Coalition (OFHC) by attending executive committee meeting which are held concurrently with the Homeless Task Force Committee. These meetings are to assist in the location and funding of a homeless campus. The OFHC has completed its’ ten year plan to end homelessness and the City Board of Directors adopted Resolution number R-260-12 supporting the plan. The city’s CDBG funding has earmarked almost a half million dollars towards the acquisition of property for the campus, however all the financial commitments are not in place to rehabilitate the building for its use. It is expected that the funding sources will be in place by the end of calendar year 2013.

**Community Development**

The objective in this high priority category is to encourage non-profit organizations to meet the needs of the very low income community. The strategy is to make CDBG funds available to non-profits to provide medical and dental services, emergency programs, drug abuse education and other critical social services.

The approved allocation for 12 public service agencies totaled \$115,977. As of June 30, 2013 a total of \$106,143.16 was expended by the agencies. After July 1, 2013 the amount of \$9,833.84 was transferred to the Fort Smith Housing Assistance Program. See Exhibit “K” for location map of Public Service agencies funded with CDBG.

<b>2012 Public Service Providers</b>			
<b>Agency</b>	<b>Address</b>	<b>Services Provided</b>	<b>Status of Funds</b>
The ARC for the Rivervalley	2301 South 56 <sup>th</sup>	Case management	Project Cancelled
Community Dental Clinic	109 N. 17 <sup>th</sup> Street	Dental services for un-insured	Project Completed Expended \$15,289
Crisis Intervention Ctr.	5603 S. 14 <sup>th</sup> St.	Case management	Project Completed Expended \$20,400*
The First Tee	5800 Geren Road	Tuition fees	Project Cancelled
Fountain of Youth	2409 S. 56 <sup>th</sup> St. Ste. 121	Adult Daycare Services	Project Completed Expended \$2,400
Girls, Inc.	1415 Old Greenwood Rd.	Tuition fees	Project Completed Expended \$1,500
Good Samaritan Clinic	615 North "B"	Patient Fees	Project Completed Expended \$20,007.16*
Heart to Heart	416 N. 17 <sup>th</sup>	Essential Baby Items	Project Completed Expended \$8,199
Lincoln Childcare	1415 N. 9 <sup>th</sup>	Tuition Fees	Project Completed Expended \$3,348*
Next Step Day Room	123 N. 6 <sup>th</sup> Street	Case Management	Project Completed Expended \$20,000
WestArk RSVP	401 N. 13 <sup>th</sup>	Tax Assistance	Project Completed Expended \$9,000
WestArk RSVP	401 N. 13 <sup>th</sup>	Medicare Counseling	Project Completed Expended \$6,000

\*Had funds returned to due timeliness. Funds were transferred to the Housing Assistance Program.

<b>Racial Composition of Beneficiaries</b>					
	<b>White</b>	<b>Black</b>	<b>Hispanic</b>	<b>American Indian</b>	<b>Asian/Pacific Islander</b>
Medical Services	567	124	80	3	5
Food/Deposits					
Crime Awareness/ Social Services	1543	457	269	67	74
Totals	2110	581	349	70	79

<b>2012 Public Service Actual Assistance</b>			
	<b>Medical Services</b>	<b>Food/Deposits</b>	<b>Crime Awareness/Social Services</b>
ELI	458		914
VLI	300		81
LI	21		1415
Total	779		2410

During the report period, the City was involved in the acquisition of 3 properties. No displacement of person(s) or businesses occurred as a result of this or any other program year activities. The City will continue its policy to minimize the amount of displacement resulting from CDBG assisted living. All grant disbursements are timely. The City of Fort Smith does not have a line of credit disbursement.

All programs primarily are 100% direct benefit. All other Community Development projects are required to meet HUD income guidelines and/or benefit at least 51% of the clientele served. This information is verified monthly through the intake information obtained and submitted to the City of Fort Smith.

### **Program Income Received**

The City of Fort Smith received program income funds in the amount of \$38,780.03 in CDBG for housing rehabilitation loans (re-allocated for housing rehabilitation and the Emergency Aid Program) and \$310,063.99 in HOME for Down Payment Assistance loans and project proceeds from the sale of new constructed/renovated homes (re-allocated for First Time Home Buyers loans unless agencies agreement state otherwise) during the PY2012. There were no other loan repayment activities that took place during the PY 2012. The City of Fort Smith did not receive income from the sale of property by parcel. There have been no disallowed expenditures during this reporting period.

### **Loans and other receivables**

The City of Fort Smith does not participate in float-funded activities. During this reporting period the City of Fort Smith has 64 outstanding loans with a \$936,762.48 principal balance owed and 40 loans outstanding that have forgivable grant amounts with an estimated \$228,000. The terms of forgiveness for these CDBG Housing Assistance grants is 20% a year over a 5 year period. The terms of the loans vary based on loan amount and the homeowners' ability to repay. The City of Fort Smith does not purchase parcels of property with CDBG funds to be sold. The City does not have any Lump Sum Agreements and the City did not request HUD approval for Neighborhood Revitalization Strategies.

### **Non-Housing Community Development**

This category allows non-profit organizations to apply for CDBG funds for rehabilitation or acquisition of agency buildings. The objective is to assist non-profits in meeting the needs of the low income community they serve through the improvement of their facilities.

The strategy is to provide CDBG funds to agencies that provide services consistent with the goals of the Strategic Plan for the rehabilitation of facilities. The following chart indicates projects approved and their status regarding rehabilitation.

As of the end of the reporting period, two projects are complete and one is underway. CDBG funds in the amount of \$66,123.00 have been expended.

<b>2012 Agency Rehabilitation / Acquisition Project</b>				
<b>Agency</b>	<b>Address</b>	<b>Project Type</b>	<b>Services Provided</b>	<b>Status</b>
BOST, Inc.	4401 Yorkshire	Interior renovations of classrooms	Childcare for developmentally challenged children	Project Underway \$275.00 spent.
WestArk RSVP	401 North 13 <sup>th</sup> St.	Exterior renovations	Serves senior citizens with tax prep and medicare counseling	Project Completed \$29,164.00 \$3,836 agency funds
Children's Emergency Shelter	3015 S. 14 <sup>th</sup> St.	Replace security systems	Serves children removed from guardians by welfare authorities	Project Completed \$36,684.00 *\$1,561.00 agency funds
Old Fort Homeless Coalition	301 S. "E" Street	New construction or rehabilitation of facility to be used as a safe haven for homeless persons.	Serves homeless persons	Project Underway \$0.00 expended

The City of Fort Smith received a grant through The Arkansas Community and Economic Development Program which was administered by The Western Arkansas Planning Development District in the amount of \$108,000 to purchase equipment for the River Bend Corporation that would allow retention and/or creation of jobs. At its completion, Riverbend created 24 jobs, with 82% being LMI.

**Anti-Poverty Strategy**

The City of Fort Smith continues to work with the Fort Smith Chamber of Commerce to attract corporate relocations and expansion of existing facilities to increase the total number of jobs available. The City of Fort Smith also continues to promote the workforce development programs offered through the University of Arkansas Fort Smith through its Business and Industrial Institute, and promotes and refers to the GED courses offered through the Fort Smith Adult Education Center.

During the PY 2012, BOST, Inc. was allocated \$9,000.00 and Fort Smith Children's Emergency Shelter received \$36,684 to make improvements to their facilities. Both of these agencies traditionally serve presumed benefit clientele.

The City of Fort Smith includes in all agreements and contracts, Section 3 requirements to ensure first consideration was or will be given to low/moderate income persons, when a job position becomes available.

## **NON-Homeless Special Needs**

### **Non-Homeless Special Needs**

In 2012, Community Development Advisory Committee recommended and the Fort Smith Board of Directors approved CDBG funding for the Public Service Category in the amount of \$115,977.00, spread over diverse populations of the City of Fort Smith. See the table titled “2012 Public Service Providers” on page 21. Each agency provides an essential service to the community. Community Development Block Grant funds supported these agencies in the following ways: The Good Samaritan Clinic provides medical care and prescriptions to uninsured. The programs reach a wide spectrum of the community including: Crawford-Sebastian Community Development Council which offers first time home buyer courses to help aspiring persons become “mortgage ready” and to become prepared and informed homeowners. The Community Dental Clinic provides emergency dental care to many individuals who have no alternative. Heart to Heart Pregnancy Support Center is providing young women and families with guidance, education and support during and after pregnancy. Fountain of Youth Adult Day Center provides invaluable respite for the daily caregivers of adults who cannot stay by themselves.

**Addendum to PY 2009 CAPER:**

New Construction Single Family Housing							
Address	Agency	Start/Comp Date	Funds Expended	ELI	VLI	LI	FHOH
1912 N. 12 <sup>th</sup>	AR Valley Habitat for Humanity	01-30-09/ 01-05-11	\$4,356.72 HOME		X		X

In addition to the HOME and CDBG funds spend on this project, there was an additional leverage of \$47,770.05 in private funds secured for the financing of this mortgage.

**Addendum to PY 2011 CAPER:**

New Construction Single Family Housing							
Address	Agency	Start/Comp Date	Funds Expended	ELI	VLI	LI	FHOH
1401 Belle Ave.	AR Valley Habitat for Humanity	01-24-11/ 02-14-11	\$6,271.20 HOME		X		X
1403 Belle Ave.	AR Valley Habitat for Humanity	01-24-11/ 01/31/11	\$6,271.21 HOME		X		X
2307 N. 28th	AR Valley Habitat for Humanity	01-05-11/ 10-19-12	\$6,326.20 HOME		X		
3904 N. 28 <sup>th</sup> St.	Lend A Hand	04-15-10/ 06-30-10	\$8,107.69 CDBG \$22,500 HOME (PI)			X	
3905 N. 29 <sup>th</sup> St.	Lend A Hand	04-15-10/ 06-30-10	\$8,108.00 CDBG \$22,500 HOME (PI)	X			

In addition to the HOME and CDBG funds spent on these projects there was an additional leverage of \$353,016.44 in private funds secured for the financing of these mortgages.