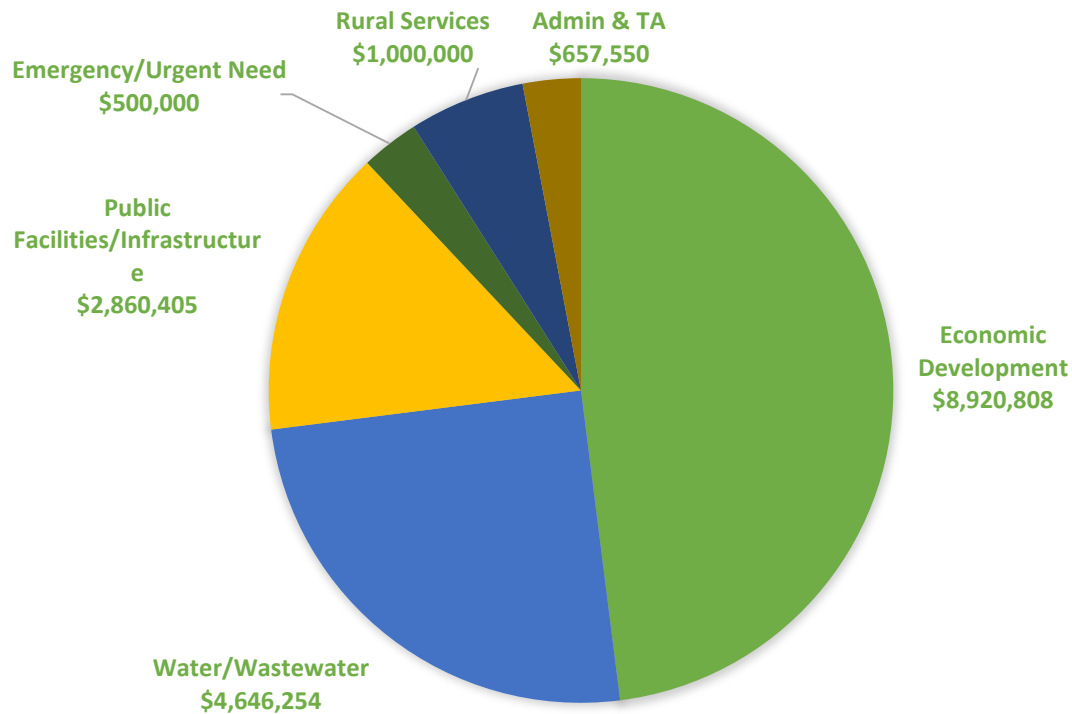




EXHIBIT B

**Arkansas Community & Economic Development Grant Program (ACEDP)
Community Development Block Grant (CDBG)
State's Program for Small Cities
July 1, 2021 – June 30, 2022
2021 Allocation: \$18,585,017**





The state is to distribute CARES Act CDBG-CV funds to city and county governments for activities that prevent, prepare for, and respond to the coronavirus.

AEDC will administer multiple allocations of approximately \$26.4 million of an overall \$5 billion in federal Community Development Block Grant Coronavirus (CDBG-CV) funding to assist in community-level **recovery, prevention, and preparation efforts relating to the coronavirus.**

This funding was allocated to the State by the Department of Housing and Urban Development (HUD) as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act (Public Law 116-136). The CARES Act created supplemental CDBG funding in 2020. The CARES Act identified the CDBG coronavirus response (CDBG-CV) funds to be made available through the CDBG program.

Federal Register Notice, FR-6218-N-01, published August 20, 2020

Who is Eligible? Units of General Local Government (UGLG, i.e., cities and counties) in Arkansas's non-entitlement areas are the sole eligible recipients of CDBG-CV funding for Round 1. However, a local government may partner with or project may benefit a nonprofit owned or operated facility (e.g., a food bank, senior center, clinic, etc.)

The entitlement cities received their own CDBG-CV allocation and are not eligible for Round 1. Rounds 2 and 3 are for statewide needs.

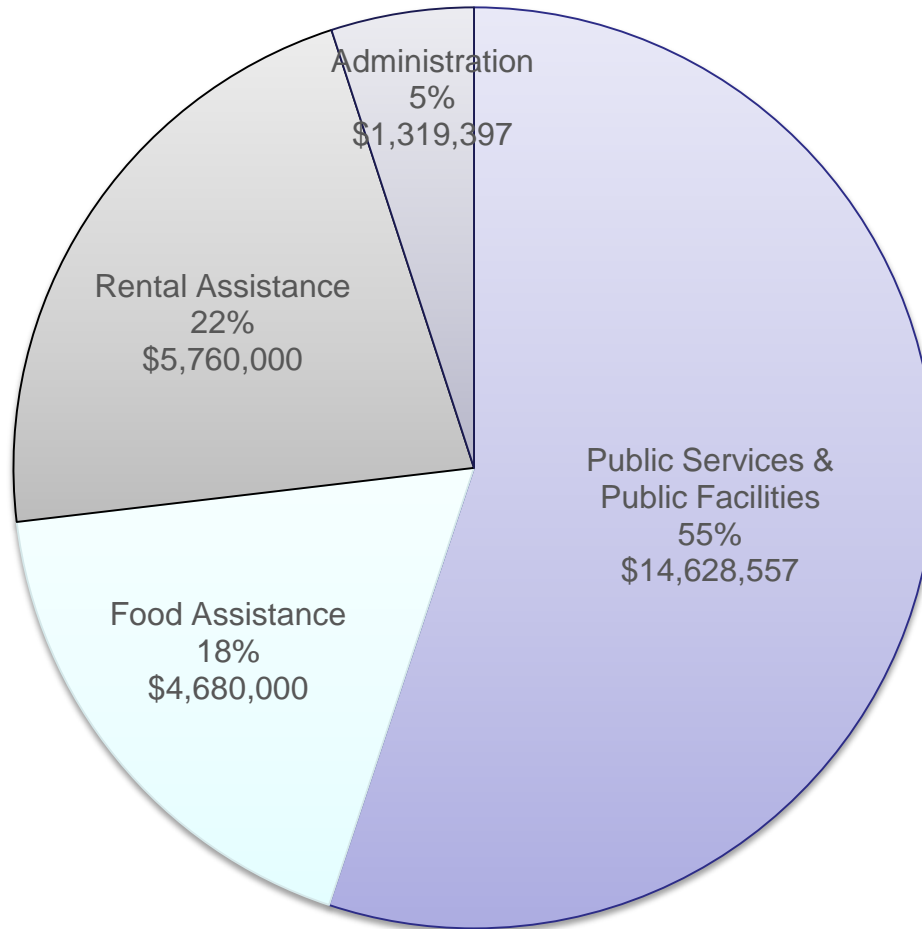
What Can the Funding be Used For? CDBG-CV funding is reserved for use in preventing, preparing for and/or responding to the outbreak of coronavirus in Arkansas. As with all CDBG program dollars, funding must also primarily address the unique needs of low- and moderate-income persons (i.e., less than 80% area median income), and 70% of the funds must be used to meet this National Objective, benefit to LMI persons. Other projects may qualify under Urgent Need.



| | CDBG-CV1 | CDBG-CV2 | CDBG-CV3 Part A | CDBG-CV3 Part B |
|-----------------------|--------------|-------------|-----------------|-----------------|
| Conway | \$269,734 | \$0 | \$334,809 | \$0 |
| Fayetteville | \$436,285 | \$0 | \$556,197 | \$0 |
| Fort Smith | \$530,840 | \$0 | \$483,022 | \$0 |
| Hot Springs | \$254,743 | \$0 | \$317,926 | \$0 |
| Jacksonville | \$123,984 | \$0 | \$125,472 | \$0 |
| Jonesboro | \$362,524 | \$0 | \$366,336 | \$0 |
| Little Rock | \$879,049 | \$0 | \$1,016,477 | \$0 |
| North Little Rock | \$406,388 | \$0 | \$383,436 | \$0 |
| Pine Bluff | \$411,412 | \$0 | \$182,932 | \$0 |
| Rogers | \$270,024 | \$0 | \$356,800 | \$0 |
| Springdale | \$478,318 | \$0 | \$445,382 | \$0 |
| Texarkana | \$165,006 | \$0 | \$149,895 | \$0 |
| West Memphis | \$186,531 | \$0 | \$190,650 | \$0 |
| State Non-Entitlement | \$10,814,424 | \$8,210,252 | \$7,363,278 | \$0 |

CDBG-CV Rounds 1 -3

\$26,387,954



■ Public Services & Public Facilities ■ Food Assistance ■ Rental Assistance ■ Administration

Public Services & Public Facilities

(Non-entitlements) - \$14,628,557

- Permitted uses must be specifically targeted to prevent, prepare for, and respond to COVID-19
- Examples: Improvements to public or non-profit health clinic facilities, homeless shelters, senior centers, food pantries, etc., or public services to be carried out at these facilities; expenses for testing supplies, PPE, education, broadband/wi-fi equipment
- Method of Award: Competitive application process, which is same process used for annual general assistance awards
- A minimum of the Round 1 allocation was required to be made available to non-entitlement local governments
- Applications due March 31st, same deadline as General Assistance (2nd Round October 15th)
- Minimum Grant \$75,000, Maximum \$300,000

Food Assistance -

\$4,680,000

- Food banks, food delivery for seniors, child nutrition, beef project
- Method of Award: AEDC will award to a single partner, Hunger Alliance of Arkansas, to coordinate state-wide distribution of assistance

Rental Assistance - \$5,760,000

- Available to households whose income is no more than 80% of area median income:
 - For a family of 4, the limit would be \$48,800 based on a state-wide average of income. (Actual limits will be based on area data.)
- Benefit Amount: Up to 2.5x months of actual rent, up to the fair market rental value, paid directly to landlord
- Funds have been awarded to 15 community action agencies who will process applications and make disbursements; funds divided amongst agencies based on population.

CDBG-CV Tieback Flexibilities

Since the first Community Development Block Grant coronavirus (CDBG-CV) allocations were announced in March 2020, a wide range of larger pandemic response and recovery funding sources focused on assistance to individuals and families have become available. As a result, CDBG-CV grantees have begun identifying gaps and creating activities to drive longer-term recovery and revitalization for low- and moderate-income (LMI) areas. Grantees may use CDBG-CV funds for pandemic recovery if each assisted activity prepares, prevents, and responds to coronavirus (also known as “PPR tieback”).

Grantees may use CDBG and CDBG-CV funds for a range of eligible activities with PPR tieback. A key for tieback is to focus on documented coronavirus effects or risks to overall economic, service, housing and infrastructure serving LMI neighborhoods and communities, and to consider both backward-looking and potential forward-looking risks or vulnerabilities to coronavirus.

Provision of new or quantifiably increased public services.

- Increase the capacity and availability of daycare or after-school services serving low/mod areas in which parents have dropped out of the workforce since January 2020 to enable workers to rejoin the workforce.
- Provide equipment, supplies, and materials necessary to carry-out a public service related to the effects of the pandemic, or to enable resilience to the effects of coronavirus in future, such as food banks, youth services, health care, WIFI, or senior services.
- Provide testing, diagnosis, vaccination, or other health services to low/mod persons at a mobile location.
- Provide up to six consecutive months of emergency subsistence payments (for example, for rent, mortgage, or utilities) to a provider on behalf of a family to prevent eviction or stabilize LMI neighborhoods affected by economic disruption since January 2020.

Buildings and Improvements, Including Public Facilities

- Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements. Construct a public facility, such as a park, serving an LMI area, to provide suitable outdoor fitness, and social space where insufficient facilities are available to support social distancing guidance.
- Rehabilitate a community facility to establish appropriately ventilated spaces for senior or youth services and activities.
- Prevent or address the spread of coronavirus in a vulnerable population by acquiring and rehabilitating, or constructing, a group living facility for persons recovering from substance abuse disorder. A quality study showing the effects of coronavirus worsened the incidence of local substance abuse disorder could also suffice for PPR tieback.
- Construct a public improvement, such as extending broadband infrastructure in an underserved area or reconstructing degraded water lines, to support tele-school and telemedicine and to ensure potable water to homes, schools, and health providers.

The CARES Act requires compliance with Stafford Act, i.e., funding is subject to the Duplication of Benefits (DOB) test. And, to the greatest extent feasible, CDBG funds are to be used as **gap financing**; this implies that other local, state, and federal funds will be invested in the project.

What is a Duplication of Benefit?

Federal disaster law prohibits the provision of federal assistance in excess of need. A duplication of benefit (DOB) is the receipt of funding from multiple sources for the same purpose. The Stafford Act) prohibits any person, business concern or other entity from receiving financial assistance from CDBG-CV funding with respect to any part of the loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other sources. It is an amount determined by the program that may result in the reduction of an award value or require repayment of grant funds disbursed.

Attachment 1

Duplication of Benefits Acknowledgment Form

In accordance with the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116–136) (CARES Act), the U.S. Department of Housing and Urban Development (HUD) allocated Community Development Block Grant coronavirus response (CDBG-CV) funds to the State of Arkansas to prevent, prepare for, and respond to coronavirus.

HUD requires each grantee to have procedures in place to prevent the duplication of benefits when it provides financial assistance with CDBG-CV funds. Grant funds may not be used to pay for a cost if another source of financial assistance is available to pay for the same cost.

This acknowledgment must be completed by any local government applicant, and public facility owner/operator or subrecipient intended to receive grant funds at the time of application. Any public facility, subrecipient, individual or family, business, direct beneficiary, or other entity that receives assistance will also be required to complete a **Duplication of Benefits Certification** after grant funds are awarded to document compliance with the CARES Act requirement to ensure that there are adequate procedures in place to prevent any duplication of benefits. Duplicate funds may include The Paycheck Protection Program, Treasury Funds (CARES Act), Federal Emergency Management Agency funds, Small Business Administration funds, and other Federal, State or local funding.

Local Government Applicant Name: _____

Have you received any other federal funding to provide coronavirus response assistance to this same project (person, household, business, or other entity) for the same purpose?

- Yes (*if yes, do not continue with this application*)
- Yes, but funds are not adequate to cover the project cost and a gap has been identified
- No

Have you used the **Duplication of Benefits Calculation Worksheet** to identify the Local Government's or Subrecipient's Total Need and Total Assistance Available, in accordance with the DOB policy, and used this calculation to determine the request for grant funds in this application? You must maintain this documentation in your grant files.

- Yes
- No

Do you agree to monitor compliance with the **Subrogation Agreement** for one year following the completion of the activity for which funds were awarded?

- Yes
- No

Do you agree to repay funds if it is determined that assistance has been duplicated for this grantee, applicant, subrecipient, individual, business, or other entity?

- Yes
- No

Attachment 2

CDBG-CV Applicant Duplication of Benefits Statement, Certification, and Subrogation Agreement

In accordance with the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116–136) (CARES Act), the U.S. Department of Housing and Urban Development (HUD) allocated Community Development Block Grant coronavirus response (CDBG-CV) funds to the State of Arkansas to prevent, prepare for, and respond to coronavirus. Recipients of CDBG-CV funds must implement procedures to prevent any Duplication of Benefits (DOB) as required by section 312 of the Stafford Act, as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–254; 42 U.S.C. 5121 et seq.). With this form, an applicant for CDBG-CV assistance 1) outlines the costs associated with a proposed coronavirus-related activity; 2) identifies other assistance received or anticipated for the activity; 3) states the CDBG-CV funding request; 4) certifies the accuracy of the information; and 5) agrees to repay any awarded CDBG-CV assistance that is duplicated.

| | |
|---|--|
| Applicant Name | |
| Proposed Activity ¹ | |
| Total Need ² | |
| Total Assistance Received or Anticipated for Proposed Activity ³ | |
| Total of Non-Duplicative Assistance ⁴ | |
| Total Duplication of Benefits (DOB) ⁵ | |
| CDBG-CV funding request ⁶ | |

1 Activity must be associated with an action to prevent, prepare for, or respond to coronavirus.

2 "Total Need" is the total activity cost. All costs included in total need must be reasonable and necessary. Applicant must provide applicable supporting documentation.

3 Not including CDBG-CV. "Assistance" includes resources such as cash awards, insurance proceeds, grants, and loans received or anticipated by the CDBG-CV applicant, including awards under local, state or federal programs, and from private or nonprofit charity organizations. "Anticipated" assistance means assistance likely to be received by acting reasonably to evaluate need and the resources available to meet that need. Applicant must provide applicable supporting documentation for any source of funding cited in the total assistance calculation. For reference, HUD's guidance document "[CARES Act Programs through SBA, FEMA, IRS, Treasury, USDA, and HHS for CDBG Grantees' Awareness for Duplication of Benefits](#)" provides a summary of federal CARES Act programs.

4 Assistance is non-duplicative if it is 1) provided for a different purpose; or 2) Provided for the same purpose (eligible activity), but for a different, allowable use (cost).

5 Total DOB equals "Total Assistance Received or Anticipated for Proposed Activity" minus "Total of Non-Duplicative Assistance."

6 The CDBG-CV funding request may not exceed the "Total Activity Cost" minus the "Total Duplication of Benefits (DOB)."

Proposed Itemized Activity Budget¹

| Funding Source | (Budget Item 1) | (Budget Item 2) | (Budget Item 3) | (Budget Item 4) | Total |
|----------------|-----------------|-----------------|-----------------|-----------------|-------|
| CDBG-CV | | | | | |
| (Source) | | | | | |
| (Source) | | | | | |
| (Source) | | | | | |
| (Source) | | | | | |
| Total | | | | | |

Under penalties of perjury, I/we certify that the information presented in this document is true and accurate to the best of my knowledge and belief. I/We further understand that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in my ineligibility to participate in this program or any other programs that will accept this document. Additionally, if I/we receive future funding for the same purpose of the any CDBG-CV funds received, I/we will agree to repay the assistance that was duplicated.

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.

Applicant Name/Title/Organization

Signature

Date

¹ Add or delete columns or rows, as needed.

CDBG-CV Scoring Criteria

| (1) | (2) | (3) | (4) | (5) | |
|--------------|----------------|-------------------|-----------------------|----------|-------------------|
| Project Need | Project Impact | Project Readiness | Citizen Participation | Leverage | TOTAL |
| 30 | 20 | 35 | 10 | 5 | 100 points |

- Timeliness & Readiness to Proceed: 80% of funds must be spent within three (3) years of our grant with HUD, with an overall six-year time of performance
- Grantee & Sub-awardee Capacity
- Cross-cutting requirements but also some streamlining
 - Environmental Review
 - Labor Standards Enforcement, if applicable
 - Fair Housing/Equal Opportunity
 - Public Participation (still two public hearings, but can be virtual)
- We can go back to January 21, 2020 (first reported case)
- *Clear* tie-back to COVID-19
- ***What are your current or future unmet needs?***
- ***No duplication of benefits, think about and strategize with CRF, other CARES Act funds and ARPA***

HOW TO APPLY?

- Application Guidelines
 - Application Forms
 - Exhibits Package
 - Scoring Criteria
 - Income Eligibility Information



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