



2004 Program Year

January 1, 2004 to December 31, 2004

Consolidated Annual Performance Evaluation Report (CAPER) for Housing and Urban Development

Submitted for
public review:
April 15, 2005

Submitted to
HUD Field Office:
March 15, 2005

Amended:
April 12, 2005

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A. Introduction

This report summarizes the activities undertaken by the City of Bentonville during the 2004 Program Year (January 1 – December 31, 2004). Funds for these activities are provided by the US Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Entitlement Cities Program. The purpose and goal of the CDBG program is to develop viable urban communities by providing decent housing, suitable living environment, and expanding economic opportunities principally for low-to-moderate income persons.

Decent housing includes assisting homeless persons to obtain appropriate housing and assisting persons at risk of becoming homeless; retention of affordable housing stock; and increasing the availability of permanent housing in standard condition and affordable cost for low-to-moderate income families, particularly to members of disadvantage minorities, without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability. Decent housing also includes increasing the supply of supportive housing, which combines structural features and services needed to enable persons with special needs, including persons with HIV/AIDS and their families to live with dignity and independence; and providing housing affordable to low-income persons accessible to job opportunities.

A suitable living environment includes improving the safety and livability of neighborhoods; increasing access to quality public and private facilities and services; reducing the isolation of income groups within a community or geographical area through the spatial deconcentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods; restoring and preserving properties of special historic, architectural, or aesthetic value; and conservation of energy resources.

Expanded economic opportunities include job creation and retention; establishment, stabilization and expansion of small businesses; the provision of public services concerned with employment; the provision of jobs involved in carrying out activities under programs and activities; availability of mortgage financing for low-income persons at reasonable rates using nondiscriminatory lending practices; access to capital and credit for development activities that promote the long-term economic and social viability of the community; and empowerment and self-sufficiency opportunities for low-income persons to reduce generational poverty in federally assisted and public housing.

Each activity undertaken using CDBG funds must address one of the following three national objectives as described by the CDBG Program regulations:

- Benefit low-to-moderate income persons. A low-to-moderate income person is one whose household income does not exceed 80% of the area median income, adjusted for family size. Income limits for persons benefiting from CDBG programs are published annually by HUD.
- Activities which aid in the prevention or elimination of slums or blight on an area basis, spot basis, or in an urban renewal area.

- Activities designed to meet community development needs having a particular urgency. The activity must address a recently occurring, existing condition that poses a serious and immediate threat to the health or welfare of the community.

The CAPER summary report is intended to inform the public how the funds administered by the City of Bentonville have been expended, and to describe the extent to which the purposes of the grant programs have been carried out. Further information may be obtained from the City of Bentonville's Planning Office located at 315 SW A Street, Bentonville, AR 72712. Shelli Rushing, Planning Services Manager. Telephone 479-271-3126, Fax 479-271-5906, or email srushing@bentonvillear.com.

Interested or concerned citizens are encouraged to submit their comments or questions concerning the CAPER report to the office listed above.

B. Assessment of Goals

The City of Bentonville's first and most recent three year Consolidated Plan was completed in 2003. Program Year 2004 was the first year of activity under this plan. Since the City was new to the program, the first year focused on primarily infrastructure projects within the targeted low-to-moderate income areas.

Three-Year Consolidated Plan Objectives			
Priority	Need	Progress in Meeting Needs	CDBG Funds Expended in 2004
1	Continue to support the Emergency Shelter operated by the Salvation Army.	In 2004, initiated a grant program for local agencies. The Homeless Shelter applied for 2005 funds to provide daytime operations at the shelter.	\$ -0-
2	Expand the existing services of local transitional shelters to better meet the residential needs.	Notified local transitional shelters about the grant process for 2005 funds.	\$ -0-
Special Needs Objectives			
3	Assist in meeting the transportation needs for special populations.	When the local taxi service provider went out of business, the City worked with Ozark Regional Transit to allow for the use of our taxi program voucher for the public buses.	\$-0-

Rental Housing Objectives			
4	Seek opportunities to find additional funding for rental assistance programs offered by the Housing Authority to help those on the two-year waiting list.	No action taken.	\$ -0-
Owner Housing Objectives			
5	Provide financial assistance to agencies that provide affordable housing, such as the Community Development Corporation and Habitat for Humanity.	Initiated a grant program for such agencies. Habitat for Humanity applied for funding for the 2005 program year.	\$ -0-
6.	Provide financial assistance to agencies that assist with bringing houses up to code and meeting property maintenance codes.	No action taken.	\$ -0-
7.	Seek additional funds for assisting eligible homeowners with meeting code compliance issues.	No action taken.	\$ -0-
Infrastructure Objectives			
8.	Use CDBG funds to improve infrastructure in the two target areas, to include primarily water and sewer improvements.	CDBG funds used to upgrade two water lines, install a fire hydrant and begin a drainage improvement project.	\$28,957.56
Public Service Objectives			
9.	The City will work with Ozark Regional Transit and leverage city funds to establish at least one fixed public bus route within Bentonville.	The City committed the necessary funds to Ozark Regional Transit to establish a fixed bus route within Bentonville for 2005.	\$-0-
Economic Development Objectives			
10.	The City plans to assist with improving public transportation that will assist with providing people with access to jobs.	The City committed the necessary funds to Ozark Regional Transit to establish a fixed bus route within Bentonville for 2005.	\$-0-

The Consolidated Plan identified 10 top priority water infrastructure improvement needs, 10 top priority sewer infrastructure improvement needs and one drainage improvement. The goal is to complete all of these projects within a five year time frame. The projects using Community Development Block Grant funds (CDBG) were all infrastructure projects for the first year to get a head start on meeting this goal.

One of the objectives in the Consolidated Plan is to assist in meeting the transportation needs for special populations. Historically, the City has participated in the Senior Taxi Program which provides financial assistance for transportation for seniors. In late 2004, the cab company providing the service went out of business. With no other taxi services available, the City began discussions with Ozark Regional Transit (ORT). The Senior Taxi Program coupons are now available for use on the public buses operated by ORT. The City has budgeted more toward public transportation for the 2005 year than ever before in the past, committing to providing public transportation within the City of Bentonville.

2004 Action Plan Projects		
Project	Action Taken	CDBG Funds Expended
Program Administration	Costs associated with travel and training.	\$6,243.14
Drainage Improvements	Approximately 70% of project is complete.	\$19,926.63
Water Line Upgrade – SE 6 th ST.	No action taken. Determined not to be a necessary project.	\$-0-
Water Line Upgrade – SE 7 th St.	Project completed under budget.	\$4,373.70
Water Line Upgrade – SE D St.	Project completed under budget.	\$4,657.23
Sewer Line Upgrade – S Main, bt. 11 th and 12 th	No action taken. Determined staff not available to undertake this project.	\$-0-
Sewer Line Upgrade – S. Main, bt. 12 th and 13 th .	No action taken. Determined staff not available to undertake project.	\$-0-
Fire Hydrants- Two on SE 3 rd St.	One fire hydrant installed under budget. The Drawdown was not requested until after Dec. 31, 2004.	\$-0-
Total		\$35,200.70

C. Affirmatively Furthering Fair Housing

In December 2004, the Bentonville City Council awarded a bid to J. Quad and Associates to prepare the City's Analysis of Impediments to Fair Housing. The analysis should be completed by May 2005. When the results of this analysis are provided, the City will begin to address any impediments identify in the report.

D. Affordable Housing

The City of Bentonville recently adopted the Downtown Master Plan. The study area for the plan encompasses the two target LMI areas, as well as other portions of central Bentonville where the

most affordable housing in Bentonville is located. The plan suggests that the housing for the downtown area being a mixture of housing types, while maintaining the affordability of housing in this area.

Affordable housing is available for seniors with several facilities: Osage Heights with 24 units for low-income seniors; Osage Terrace with 40 units for low-income seniors; Parkwood with 13 units for low-income seniors. Meadowood has 24 units for low-income seniors and persons with disabilities.

The City is aware of the rising cost of land in the Bentonville city limits, which continues to create a barrier for new affordable housing. In one year, there was a significant change in the value of new housing construction in Bentonville. The number of homes with a value of \$60,000 to \$75,000 built in 2003 was 11. That dropped to a single unit in 2004. Similarly, the homes valued between \$75,000 and \$100,000 dropped from 58 in 2003 to 3 in 2004. Both of these ranges show a 90% or more decrease in new housing valued less than \$100,000. New houses valued between \$100,000 and \$120,000 also decreased by almost 50% during that one year time period. On the other hand, construction of houses valued over \$150,000 is rapidly growing. Those between \$150,000 and \$200,000 increase by 143% and those over \$300,000 increased 155%.

Housing Values

Range	2003		2004		Percent Change (2003 to 2004)
	Number	Percent of Total	Number	Percent of Total	
\$60,000 - 75,000	11	2.72%	1	0.16%	-90.91%
\$75,000 - 100,000	58	14.36%	3	0.47%	-94.83%
\$100,000 - 120,000	31	7.67%	16	2.52%	-48.39%
\$120,000 - 150,000	74	18.32%	123	19.40%	66.22%
\$150,000 - 200,000	114	28.22%	278	43.85%	143.86%
\$200,000 - 300,000	107	26.49%	188	29.65%	75.70%
\$300,000 and up	9	2.23%	24	3.79%	166.67%
Total	404	100.00%	634	100.00%	n/a

E. Continuum of Care

Bentonville is fortunate to have several organizations that provide supportive housing located right in Bentonville. The Salvation Army Emergency Shelter provides temporary shelter for the homeless and will begin to expand their operation hours into the daytime beginning in 2005. The Benton County Women's Shelter provides temporary housing for battered women and children and it is located in Bentonville. The Northwest Arkansas Children's Shelter provides 24-hour emergency residential facility for children and adolescents within the State of Arkansas.

The City of Bentonville is not currently actively involved with a Continuum of Care. However, in the 2005 City budget, a person to administer the Community Development Block Grant program was approved. The City is in the process of interviewing for the position and should have a person hired and ready to start working by early March. This person will be able to expand the program and look into working with the local Continuum of Care.

F. Other Actions

The City Council approved the 2005 budget which included the addition of a Community Program Coordinator to administer the Community Development Block Grant Program. The position is filled and the new coordinator begins on February 28, 2004.

The Bentonville CDBG Program began its first year of offering a grant program for sub-recipients. This included a grant application packet, an information packet for preparing the application and an applicant training session. The City received five applications for the 2005 Program Year.

(1) *Obstacles to meeting underserved needs.* The City continues to work with non-profit organizations and public institutions to identify and address underserved needs.

(2) *Foster and maintain affordable housing.* The City is currently looking into tools and techniques that can be implemented to promote affordable housing. One option is inclusionary zoning where a certain percent of home build have to be affordable. This is a technique that the City continues to research. Also the City's Downtown Master Plan, adopted by the City Council, promotes the retention of the housing stock in downtown, which is a primary source of affordable housing in Bentonville.

(3) *Eliminate barriers to affordable housing.* Although there are impact fees for new development, homes that are built for low and moderate incomes can receive a waiver of impact fees to help keep construction costs low.

(4) *Overcome gaps in institutional structures and enhance coordination.* The CDBG program is administered by City staff in the Community Development Department. To improve the structure and enhance coordination, the city is seeking a staff person dedicated to administration of the CDBG program. Staff continues to establish partnerships with private groups, non-profits and public institutions.

(5) *Improve public housing and resident initiatives.* The City does not have a public housing program. The Bentonville Housing Authority provides rental assistance to qualified persons.

(6) *Evaluate and reduce lead-based paint hazards.* The City is not conducting housing rehabilitation activities. Should the City begin these activities, lead-based paint hazards will be addressed.

(7) *Ensure compliance with program and comprehensive planning requirements.* Staff continues to monitor the program for compliance with the adopted consolidated plan and action plans.

(8) *Reduce the number of persons living below the poverty level.* Although the City does not have an economic development program, staff decided to establish a subrecipient program so that agencies that provide job skills training could be funded to help bring people above the poverty level. The City is also working to establish a fixed public bus route within the City to address the identified lack of transportation for those living below the poverty level.

G. Leveraging Resources

The City elected to initiate a sub-recipient program for the 2005 program year in order to reach more of the goals and priorities of the Consolidated Plan. Several agencies already provide services to meet these needs. Therefore, the CDBG program hopes to fund several of those agencies in 2005 in order to meet more goals with limited resources.

The City of Bentonville is still in the early stages of the Community Development Block Grant program and will continue to look for ways to enhance and broaden the program to better serve the needs of the citizens of Bentonville.

H. Citizen Comments

The City of Bentonville encourages citizen participation in the Consolidated Plan and the action plan process. The City advertises its meetings in all local newspapers and provides direct notice to community agencies. Public notice of the 2004 Consolidated Annual Performance & Evaluation Report (CAPER) for CDBG Funds was published in the *Arkansas Democrat Gazette (Northwest Arkansas Edition)/Benton County Record* on February 22, 2005. Citizens were encouraged to review the CAPER and submit comments. No comments were received by the end of the 15 day comment period.

I. Self-Evaluation

When the city became an entitlement community eligible for funds in 2004, existing city staff took on the responsibility of administering the CDBG program. After a year of its administration, staff realized the need to have someone administer the program full-time. Therefore, they requested and received a position in the 2005 budget. The Community Programs Coordinator will be administering the CDBG program. This person will be able to commit to the development and betterment of this program.

We will be working to improving the timing of completion of project using CDBG by working closer with our water and sewer departments. Now that we are beyond the initial learning phase of working with this program, the upcoming years should prove to be more timely and better address the priorities of the Consolidated Plan.

J. Community Development Block Grant

1. The city of Bentonville used the first year of Community Development Block Grant funds solely for improvements of the infrastructure in the low-to-moderate income areas of the city. This is consistent with the Consolidated Plan's Priority Non-housing Community Development needs.
2. There were no changes to the program objectives during the year and no changes are anticipated at this time.
3. The City of Bentonville used its own resources in carrying out proposed activities. The City pursued all resources that it indicated it would. The city provided

certifications of consistency for HUD programs in a fair and impartial manner, and did not hinder the Consolidated Plan implementation by action of willful inaction.

4. CDBG funds were used exclusively for the three national objectives and complied with benefit certification.
5. The City did not acquire land during the 2004 CDBG program year.
6. There were no economic development activities undertaken during the 2004 program year.

K. HOME Funds

The City of Bentonville does not receive HOME funds.

L. HOPWA Funds

The City of Bentonville does not receive HOPWA funds.

M. ESG Funds

The City of Bentonville does not receive ESG funds.

Community Development Block Grant (CDBG)

A. Funding

The City of Bentonville's CDBG efforts continue to be funded solely by the annual grant from HUD. No money was utilized in the program other than the federal funds. The grant award for 2004 was \$204,000. The Action Plan was initially prepared based on a funding amount of \$250,000. Due to the decrease, we were required to revise our action plan, eliminating the taxi service and a sub-grant program. This was the first year Bentonville was awarded CDBG funds, therefore, there were no additional funds available from previous grant years.

B. Description of the Projects

The 2004 Action Plan identified administration activities and several infrastructure projects in the eligible neighborhoods.

1. Program Administration

Although the Action Plan indicated that program administration funds would be used to assist with the salary and benefits of the Long Range Planning Manager and Development Technician that was not the case. Instead the funds were used to attend training workshops. This approach was selected in order to get as much information as possible on the administration of the program.

Training involved the following training workshops:

- Travel for two to Portland, OR for the CDBG Basics Training Workshop
- Travel for one to Atlanta, GA for IDIS Training
- Travel for two to Plano, TX for New Entitlement Training

Staff also participated in the state community development organization by attending several meeting and training sessions:

- Travel for two to West Memphis for ACDA meeting
- Travel for one to Hot Springs for ACDA meeting
- Travel for one to NAHRO conference and ACDA meeting

The City also paid dues to several organizations, including NCDA, NCDA Region VI and ACDA.

As of Dec. 31, 2004, \$6,243.14 was spent on program administration.

2. Drainage Improvements

As of Dec. 31, 2004, \$19,926.63 was spent on the Hillcrest area drainage improvement project, located in an LMI area (Census Tract 205.02, Block Group 1, 54.4% LMI). The following items were accomplished on the project between November 5 and December 30, 2004:

- 1) Installed a 250' long by 2' wide by 6" deep concrete swale from SE "D" to SE "C" St. The swale runs between 1210 and 1302 SE "D" St. and between 1211 and 1301 SE "C" St.
- 2) Installed 30 LF of 11" x 18" HECP under SE "D" St. as a cross drain from the ditch on the east side of the street to the concrete swale on the west side of the street.
- 3) Installed a 30 LF 17" x 13" CMPA including two FES at 1301 SE "D" St. We also replaced the section of concrete driveway that covers the drainage pipe (approx 16' long by 22' wide by 6" deep).
- 4) Installed two 12" FES on the existing culvert at 1303 SE "D" St.
- 5) replaced a 10' long by 16' wide by 6" deep section of concrete driveway at 1305 SE "C" St. We formed a swale in the driveway due to the water breaking at this point.
- 6) Installed a 24 LF 17" x 13" CMPA including two FES at 1309 SE "D" St. We also replaced a 9' long by 18' wide by 6" deep section of concrete driveway that covers the drainage pipe.
- 7) Installed a 24 LF 17" by 13" CMPA including two FES at 1309 SE "D" St. to allow homeowner access to their back yard.
- 8) Installed an 18 LF 17" x 13" CMPA including two FES at 1311 SE "D" St. We also replaced a 10' long by 16' wide by 6" deep section of concrete driveway that covers the drainage pipe.
- 9) Installed 52 LF of 17" x 13" CMPA including one FES at 1313 SE "D" St. We also asphalted an 8' long by 48' wide by 3" deep section of the driveway that covers the drainage pipe. We also replaced seven holly bushes that were originally obstructing the drainage ditch.
- 10) Constructed a four foot square by three foot tall drainage junction box on the east side of SE "D" St. approx 45 feet north of SE 14th Street. The south end of the 52 LF pipe runs into the box, refer to # 8.
- 11) Installed 40 LF of 23" x 14" HECP from constructed junction box to existing junction box located on the north side of SE 14th St. Coring and Cutting Inc cut a hole in the side of the existing junction box to allow the HECP to enter.
- 12) We cleaned the ditch on the east side of SE "D" St. from 1301 to SE 14th (approx 500 feet). The ditch was seeded with winter rye and fescue grass seed, fertilized and covered with erosion control netting.

We used approx 161 ton of base on the project in 2004.

ABBREVIATIONS:

CMPA= corrugated metal pipe arch

FES= flared end sections

HECP= horizontal elliptical concrete pipe

FL= flow line

3. Water Line Upgrades

Three water line upgrade projects were indicated in the Action Plan at a cost of \$20,000 each. Two of the projects were started and completed within the 2004 program year. Both projects came in significantly under budget.

The SE 7th Street project, located between SE C and SE D Streets replaced a ½ inch water line with a 6 inch water line for 400'. The project improved water service within the eligible neighborhood. This project was completed with total expenditures of \$4,373.70, 22% of the estimated budget. This project is located in Census Tract 205.02, Block Group 1 with 54.4% LMI.

The second project completed was on SE D Street between SE 3rd and SE 4th Streets. The project replaced a 1 ½ inch water line with 6 inch water line for 400 feet. The project improved water service within the eligible neighborhood. This project was completed with total expenditures of \$4,657.23. This is 23% of the estimated budget. This project is located in Census Tract 205.01, Block Group 2, with 57.9% LMI.

The third project located at SE 6th St., between SE C and SE D Streets, was not initiated during the 2004 program year.

4. Sewer Line Upgrades

The 2004 Action Plan indicated two sewer line upgrades at a cost of \$16,000 each – S Main Street between SE 11th and SE 12th Streets; and S Main Street between SE 12th and SE 13th Streets. Neither of these projects began in the 2004 program year. The Water/Sewer Department indicated a lack of availability of crews to dedicate to the projects.

5. Fire Hydrant Installations

The Action Plan indicated the installation of two fire hydrants on SE 3rd Street between SE F and SE J Streets. This project was budgeted at \$6,000. Only one fire hydrant was installed, however, the drawdown was not made until after Dec. 31, 2004. This project is located in Census Tract 205.01, Block Group 2 with 57.9% LMI.