



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Council Agenda City Council

Tuesday, June 20, 2017

5:30 PM

Municipal Center

PUBLIC SERVICES COMMITTEE MEETING AT 4:00 P.M.

Council Chambers, Municipal Center

PUBLIC SAFETY COMMITTEE MEETING AT 5:00 P.M.

Council Chambers, Municipal Center

1. CALL TO ORDER BY MAYOR PERRIN AT 5:30 P.M.

2. PLEDGE OF ALLEGIANCE AND INVOCATION

3. ROLL CALL BY CITY CLERK DONNA JACKSON

4. CONSENT AGENDA

All items listed below will be voted on in one motion unless a council member requests a separate action on one or more items.

MIN-17:065 Minutes for the City Council meeting on June 6, 2017

Attachments: [Minutes.pdf](#)

RES-17:052 A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO AUTHORIZE THE MAYOR AND CITY CLERK TO ACCEPT A PERMANENT DRAINAGE EASEMENT FROM ERIKA OR DUSTIN CHUDY FOR THE PURPOSE OF MAKING DRAINAGE IMPROVEMENTS

Sponsors: Engineering

Attachments: [Permanent Drainage Easement - Chudy](#)

Legislative History

6/6/17	Public Works Council Committee	Recommended to Council
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RES-17:076 A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO AN AGREEMENT WITH FISHER & ARNOLD, INC. TO PERFORM PROFESSIONAL ENGINEERING SERVICES

Sponsors: Engineering

Attachments: [Agreement](#)
[Schedule](#)

Legislative History

6/6/17 Public Works Council Recommended to Council
Committee

RES-17:082 RESOLUTION TO MAKE APPOINTMENTS, REAPPOINTMENTS AND REMOVALS
TO THE COMMUNITY TRANSPORTATION ADVISORY BOARD, LAND USE
ADVISORY COMMISSION AND STORMWATER MANAGEMENT BOARD

Sponsors: Mayor's Office

Legislative History

6/6/17 Nominating and Rules Recommended to Council
Committee

RES-17:083 A RESOLUTION FOR THE SUBMISSION OF A GRANT APPLICATION TO THE
COPS (COMMUNITY ORIENTED POLICING SERVICES) HIRING PROGRAM
THROUGH THE U.S. DEPARTMENT OF JUSTICE FOR THE HIRING OF FIVE
POLICE OFFICERS.

Sponsors: Grants and Police Department

Attachments: [oppCOPS-HIRING-PROGRAM-APPLICATION-2017-cfda16.710](#)
[COPS Hiring Grant - Budget Breakdown](#)

Legislative History

6/13/17 Finance & Administration Recommended to Council
Council Committee

RES-17:084 A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN
AGREEMENT WITH THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT (HUD) FOR THE EXECUTION OF THE CONTINUUM OF CARE
PROGRAM

Sponsors: Grants

Attachments: [CoC Agreement](#)
[Continuum of Care Program Special Conditions](#)

Legislative History

6/13/17 Finance & Administration Recommended to Council
Council Committee

RES-17:085 A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO APPROVE
CHANGE ORDER NO. 1 FOR THE CRAIGHEAD FOREST PARK ROAD
IMPROVEMENTS PROJECT

Sponsors: Parks & Recreation

Attachments: [Change Order #1](#)

Legislative History

6/13/17 Finance & Administration Recommended to Council
Council Committee

5. NEW BUSINESS***ORDINANCES ON FIRST READING***

ORD-17:032 AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2017 GENERAL FUND BUDGET IN ORDER TO ADD TWO FULL-TIME SANITATION WORKER POSITIONS TO THE SANITATION - RESIDENTIAL DEPARTMENT

Sponsors: Mayor's Office

Attachments: [Maps](#)

Legislative History

6/6/17 Public Works Council Recommended to Council
Committee

ORD-17:035 AN ORDINANCE TO AMEND THE JONESBORO CODE OF ORDINANCES TO ESTABLISH A PERMIT PROCESS AND REGULATIONS FOR TEMPORARY STREET AND LANE CLOSURES IN THE CITY OF JONESBORO, ARKANSAS

Sponsors: Engineering

Attachments: [Temporary Street and Lane Closure Regulations](#)

Legislative History

6/6/17 Public Works Council Recommended to Council
Committee

ORD-17:042 AN ORDINANCE TO ESTABLISH A FEE SCHEDULE FOR THE STREET DEPARTMENT

Sponsors: Streets

Attachments: [Street Fee Sched 2017](#)

Legislative History

6/13/17 Finance & Administration Recommended to Council
Council Committee

ORD-17:043 AN ORDINANCE TO ESTABLISH A FEE SCHEDULE FOR THE ENGINEERING DEPARTMENT

Sponsors: Engineering

Attachments: [Engineering Fee Sched 2017](#)

Legislative History

6/13/17 Finance & Administration Recommended to Council
Council Committee

ORD-17:044 AN ORDINANCE TO ESTABLISH A FEE SCHEDULE FOR THE PARKS & RECREATION, CEMETERY DEPARTMENT

Sponsors: Parks & Recreation

Attachments: [Parks Fee Sched 2017](#)

Legislative History

6/13/17 Finance & Administration Recommended to Council
Council Committee

ORD-17:045 AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2017 BUDGET TO ADD GRANT BUDGET FOR THE U.S. DEPARTMENT OF HOUSING

AND URBAN DEVELOPMENT CONTINUUM OF CARE (CoC) PROGRAM AWARD,
AND DECLARING AN EMERGENCY

Sponsors: Grants and Finance

Attachments: [CoC Agreement](#)

EMERGENCY CLAUSE

Legislative History

6/13/17	Finance & Administration Council Committee	Recommended to Council
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RESOLUTIONS TO BE INTRODUCED

RES-17:049 RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS to condemn property located at 904 Belt, Owner: Charles Mabry, DBA Mabry Properties and Holdings LLC.

Attachments: [pic 1](#)

[pic 2](#)

[pic 3](#)

[pic 4](#)

[county data](#)

[Inspection report](#)

[Title search](#)

Legislative History

5/16/17	Public Safety Council Committee	Recommended to Council
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6. UNFINISHED BUSINESS

ORDINANCES ON THIRD READING

ORD-17:026 AN ORDINANCE TO REPEAL AND ADOPT AN ORDINANCE RELATING TO TOWING SERVICES IN THE CITY OF JONESBORO

Sponsors: Mayor's Office

Legislative History

5/16/17	Public Safety Council Committee	Recommended to Council
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6/6/17	City Council	Waived Second Reading
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7. MAYOR'S REPORTS

COM-17:034 Airport Commission financial statements for the five months ended May 31, 2017 and 2016

Attachments: [JAC Jonesboro Airport Financials 5_17.pdf](#)

COM-17:037 CITY OF JONESBORO FINANCIAL UPDATE

Sponsors: Finance

Attachments: [2017 April Franchise tax report.pdf](#)
[April 2017 Rev Exp and Changes in FB.pdf](#)
[Required Reserves April 2017.pdf](#)
[Jan. to Dec. 2017 401 A Non-Uniform Pension Funds - Changes in Positions.pdf](#)
[April 2017 Revenue Report.pdf](#)
[Jan. to Dec. 2017 Non-Uniform Pension Funds - Changes in Positions.pdf](#)
[April 2017 Deposit Collateralization.pdf](#)
[April 2014 Expenditure Report.pdf](#)
[April 2017 Hotel Tax Comparison.pdf](#)
[04-2017 State Turnback Report.pdf](#)
[04 2017 Sales tax.pdf](#)
[2017 Adopted Budget \(Jan-Apr\) Suz .pdf](#)
[Observations Regarding 2017 Financial Statements.docx](#)

8. CITY COUNCIL REPORTS

9. PUBLIC COMMENTS

Public Comments are limited to 5 minutes per person for a total of 15 minutes.

10. ADJOURNMENT



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Legislation Details (With Text)

File #: MIN-17:065 **Version:** 1 **Name:** Minutes for the City Council meeting on June 6, 2017
Type: Minutes **Status:** To Be Introduced
File created: 6/7/2017 **In control:** City Council
On agenda: **Final action:**
Title: Minutes for the City Council meeting on June 6, 2017
Sponsors:
Indexes:
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Attachments: [Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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Minutes for the City Council meeting on June 6, 2017



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes City Council

Tuesday, June 6, 2017

5:30 PM

Municipal Center

SPECIAL CALLED PUBLIC SAFETY COMMITTEE MEETING AT 4:30 P.M.

SPECIAL CALLED NOMINATING & RULES COMMITTEE MEETING AT 4:45 P.M.

PUBLIC WORKS COMMITTEE MEETING AT 5:00 P.M.

PUBLIC HEARING AT 5:20 P.M.

There was no opposition to this Public Hearing.

PUBLIC HEARING AT 5:25 P.M.

There was no opposition to this Public Hearing.

1. CALL TO ORDER BY MAYOR PERRIN AT 5:30 P.M.

2. PLEDGE OF ALLEGIANCE AND INVOCATION

3. ROLL CALL BY CITY CLERK DONNA JACKSON

Present 11 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Gene Vance; Charles Coleman; Bobby Long; Joe Hafner and David McClain

Absent 1 - Chris Gibson

4. SPECIAL PRESENTATIONS

Presentation to the ASU Ladies Softball Team for winning the 2017 National Championship

ASU Ladies Softball Team was recognized as the 2017 National Champions. June 6, 2017 was named as the ASU Women's Softball Team Day for Jonesboro, Arkansas. Coach Chris Powers stated that Mayor Perrin has been a huge supporter and they really appreciate it.

[COM-17:033](#)

2016 Annual Report Presentation by Police Chief Rick Elliott

Attachments: [2016 Annual Report Presentation.pdf](#)

Chief Rick Elliott gave a summary of the 2016 Annual JPD Report. He said what he thought was important to talk about was some of the crime statistics in Jonesboro and how Jonesboro has progressed over the years. Recently we had a bad, tragic incident in Jonesboro and after that incident, we had a lot of negative publicity about Jonesboro being violent and comparing us to other larger cities with a lot of violent crime. We went back and pulled data from the past ten years. The bottom line is that we have held a pretty close average for the past ten years in our crime rate. We have averaged 3-4 homicides in the city each year for the past ten years. For some of our other violent crimes, it has been about the same. Our only big spike in crimes is theft from motor vehicles. We have had a huge spike in that in the past year and the past couple of years. We attribute that to people leaving their vehicles unlocked and valuables inside of their vehicles. We have had several different groups of individuals going around, entering vehicles, and stealing valuables. We have made several arrests on these, but from time-to-time, different groups get out and do the same thing. When you look at the crime stats over the last ten years, we are holding a pretty good average. What you need to look at is how much Jonesboro has grown in ten years. 2.5%-3% is probably a close estimate. When you look at that type of growth in ten years and the crime has held its average, it speaks volumes that we are doing pretty good in trying to maintain control of things in spite of the fact that we have been shorthanded. There was a time that I was down 25 officers. We are out of that hole now. We are short eight officers. We have brought special programs like Street Crimes back. They have made a huge increase since they have been back on the street in reducing some of the criminal activity that has taken place. We do monthly reporting of crimes and this is public record. Anyone can get a copy, but I am going to include the Council on the list so they can get the report to see what is going on monthly. There will also be a traffic study that will tell you about accidents and locations of accidents. Statistically speaking, Caraway Road at 12:00 noon is not the place to be because there are a lot of accidents. We keep stats on everything we do in the Police Department. All of this is public record and it is what we do for transparency. I think it is important that the Council get this monthly report for you to be able to view and speak with the people that you are involved with and you can educate them on what is going on in Jonesboro. We have always collected data on what we do. Katie Haydar is our Crime Analyst. She is a civilian in the Police Department. She runs the stats and puts this data together in a weekly report, a monthly report, and the annual report. We are running numbers every week. There are a lot of numbers and a lot of data. She has the help of a part-time person to keep this office up and going. Keith Inman and The Jonesboro Sun have already taken this data and put out an article in the media.

Councilman Coleman said that after looking at the data, we need more officers. What is the City's way of trying to get more officers within the next year? Chief Elliott said that Officers and equipment all come down to the budgeting process. Councilman Coleman stated that on the North side of Jonesboro, there is a lot more walkability and there needs to be a more patrol in that area. He also asked if there would be any bicycle police out. Chief Elliott said yes, they anticipate putting some bicycle patrols out for the summer. It has been a manpower issue, but they now have more officers and can put more out for bicycle patrol and Street Crimes Unit. We can target some problematic areas. Again, we look at stats every week to focus our manpower on what we do on a weekly basis depending on what's going on in what part of town, what we call the hotspots. If last week we had a particular hotspot, then we are going to focus more officers in that area and get things quieted down. The hotspots move from one end to another. Councilman Coleman said he appreciates what they are doing, but at the same time, we need more officers. We will have a feeding program this summer and it will increase traffic. I have asked for extra officers because we

have some incidences within our feeding program. He said he appreciates the extra patrols very much.

Chief Elliott said that in the past year they have made several connections with the community in different projects. With cleanups, we have seen a lot more involvement with the Police Department in the community. We are starting to see positive results. We are getting more information back out of the community on things that are going on. It gives us a chance to resolve some of these situations. I have always said that Policing is not a community sport. It takes the whole community to be involved to protect and make your community safe. I encourage each and every one if you see something, say something. Pick up the phone and get involved. Too many times, we have tragic things go on and people do not want to get involved. We encourage the community to stay involved in your community to keep your community safe and a desirable place to live.

Mayor Perrin stated that the DOJ just opened up their grants for COPS. We will be applying for that grant for more police officers. We have been adding probably one or two or three a year every year. Chief Elliott is in command of over two hundred people and certified or on Patrol is less than that. Chief Elliott said on patrol is about 101. Mayor Perrin said that is where we are going to look. I want to commend the Chief on the Citizen's Police Academy. You will see police work from the beginning to the end. Chief Elliott said they have graduated over 150 citizens through the program. Our next session will start this fall. Mayor Perrin said they formed an alumni and that alumni is there on the very first day or night for those classes and feed the new ones that come in and talk about it. It is just an incredible program.

Councilman Dover asked Chief Elliott if he said they were eight officers down. Chief Elliott said yes. He has had two retirements. Councilman Dover thought that recently we were full. Chief Elliott said we were. Over the next few years, he has several officers up for retirement. He has another officer retiring in January. We are seeing some transition now. We have had some leave for different reasons. Councilman Dover asked how often do we test. Chief Elliott said we are open for testing two times a year. I am about to change that protocol and go to more often. We are in the process of doing that. We just finished a testing cycle. We are finishing up backgrounds. We will hire for these eight positions in July. They will go to the Academy this fall, but the day we hire them, you are looking at eight months before they are ever out on their own by themselves and being productive for the City. That is why we are so behind.

Mayor Perrin said that Chief Elliott got permission from Jamie Cook. The work that they do on in-house training is now certified. That was a big step. They had to send all of their stuff to Ms. Cook for her to verify that training. Chief Elliott said we went through a period of shortage and he had to do something quick. We certified our own Academy curriculum. We are back on schedule with Black River at this point. We will be sending people back through there. Like I said, we can hire today, but it's eight months out before they are really an asset to the Department. The sooner off I can hire, the better off we are.

Councilman Hafner said that when he sat through the ward meetings last year in Fairview, they had a lot of concerns and you had mentioned doing increased patrols. Is that paying off? Have you seen much improvement over there? Chief Elliott said it has. Things like the ward meetings and making connections with people in the community has made a difference. There are people over there now that communicate with me through email mostly. We are getting information in so we can get resources put out to take care of the problems. That is all we are trying to encourage people to do is to communicate with the Police Department and remain

anonymous. It takes people to get involved in their own neighborhoods and do these cleanups and these different projects and take control of your neighborhood and we will help you.

Councilman Long asked Chief Elliott what the trend has been from some of the violent crimes to some of the other areas of higher concern with people from outside of the Jonesboro area coming in and perpetrating more serious crimes. Have you seen an increase in that or do you measure that? Chief Elliott said you start looking at the violent crimes and the trend is pretty much the same whether they are from here or they are from somewhere else. We are not breaking it down to who is from where. We can tell you how many assaults and different batteries and thefts, but even shoplifting has kind of maintained 400-500 cases per year for the past ten years and that is with people coming from all over with what Jonesboro has to offer. We are not going to try to put blame on someone coming from out-of-town. It is a little bit of everything and everybody. The drugs in our society is the catalyst for most of this, especially the thefts. They are out here stealing to support their drug habit. Our marijuana arrests have gone way down and our methamphetamine arrests have gone way up. Dealing with cocaine has gone way down and again, meth is up. Now that we are cracking down and the DEA is cracking down on doctor's writing these prescriptions, we are probably going to see a big spike in heroin. With that being said, it presents a whole other problem for officer safety that now we will have to address and equip officers with some different gear in case they are exposed to some kind of opioid. There are a lot of health hazards since things are changing and we are going to have to change with it. It is going to cost us to do so. Those are the trends. You can see the rise and peaks with what is going on, what crimes people are being arrested for and what is causing that. Again, that is in your monthly report.

Councilman McClain asked Chief Elliott what he would consider to be the top two priorities in the next year. Chief Elliott said that obviously manpower would be the number one priority. With more people, I can do more things. Along with manpower, comes equipment needs. You can tie up \$10,000 in equipment per officer pretty quick. Those are our top two priorities. With those two, with more bodies, we can do more. I've been short and we are still maintaining. I think we have a great bunch of dedicated men and women and we still maintain. No crime is acceptable, but it has not gotten out of hand. We do want to be able to control some things and do better than what we are doing. Our goal is always to strive to do better than what is being done.

Mayor Perrin stated that the Council will be getting a report every month. He thanked Chief Elliott and Crime Analyst Katie Haydar. Chief Elliott said he would be around if anyone had any questions.

Filed

5. CONSENT AGENDA

Approval of the Consent Agenda

A motion was made by Councilman Chris Moore, seconded by Councilman Gene Vance, to Approve the Consent Agenda. The motioned PASSED

Aye: 11 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Gene Vance; Charles Coleman; Bobby Long; Joe Hafner and David McClain

Absent: 1 - Chris Gibson

[MIN-17:058](#) Minutes for the City Council meeting on May 16, 2017

Attachments: [Minutes](#)

This item was passed on the Consent Agenda.

[RES-17:057](#) A RESOLUTION TO THE CITY OF JONESBORO TO PLACE VARIOUS TRAFFIC SIGNS AT DESIGNATED LOCATIONS AS DETERMINED BY THE TRAFFIC CONTROL COMMITTEE

This item was passed on the Consent Agenda.

[RES-17:060](#) A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH ARKANSAS STATE UNIVERSITY TO EXTEND THEIR CONTRACT TO SPONSOR THE WRAP ON A JET BUS

Attachments: [A-State Contract 2017](#)

This item was passed on the Consent Agenda.

[RES-17:068](#) RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO ADOPT A REVISED EMPLOYEE HANDBOOK FOR ALL EMPLOYEES FOR THE CITY OF JONESBORO (PREVIOUSLY REVISED BY RES-14:198 ON NOV. 18, 2014)

Attachments: [Handbook 2017 Final Draft for revisions.pdf](#)

This item was passed on the Consent Agenda.

[RES-17:071](#) RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO AMEND THE CITY OF JONESBORO, ARKANSAS NON-UNIFORMED EMPLOYEES 401(a) DEFINED CONTRIBUTION PLAN

Attachments: [COJ 401\(a\) Plan Cycle E.2 FDL 4-11-2017.pdf](#)

This item was passed on the Consent Agenda.

[RES-17:072](#) A RESOLUTION TO CONTRACT WITH ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC. (ESRI) CORPORATION FOR A THREE-YEAR ESRI SMALL PUBLIC SAFETY ENTERPRISE LICENSE AGREEMENT (ELA)

Attachments: [Jonesboro Public Safety Depts ELA](#)

This item was passed on the Consent Agenda.

[RES-17:073](#) A RESOLUTION TO CONTRACT WITH EAB BROADCASTORS INC FOR RENTAL OF JOE MACK CAMPBELL PARK

Attachments: [Joe Mack 4th of july 2017.pdf](#)

This item was passed on the Consent Agenda.

[RES-17:074](#) A RESOLUTION TO CONTRACT WITH NETTLETON LIONS CLUB FOR

SPONSORSHIP OF ONE FENCE SIGN AT MIRACLE LEAGUE COMPLEX

Attachments: [Nettleton Lions Club.pdf](#)

This item was passed on the Consent Agenda.

RES-17:075

A RESOLUTION TO ADOPT A DISADVANTAGED BUSINESS ENTRPRISE (DBE) PROGRAM FOR FEDERALLY ASSISTED PROJECTS

Attachments: [DBE Program FY 2016-2018 - COJ](#)

This item was passed on the Consent Agenda.

6. NEW BUSINESS**ORDINANCES ON FIRST READING****ORD-17:026**

AN ORDINANCE TO REPEAL AND ADOPT AN ORDINANCE RELATING TO TOWING SERVICES IN THE CITY OF JONESBORO

Councilman Moore offered by title only.

Mayor Perrin stated that we are updating our stuff and we are getting a little bit tighter on the towing. Several of them are all on call on rotation. Some may have set up several corporations. What is happening is that the same companies are getting more calls. This is basically a cleanup with the ordinance we have. City Attorney Carol Duncan said that we met with all of the towing companies and they all understand. Mayor Perrin said they all understood it and agreed. Councilman Street said he saw something in there about their responsibility to clean up after an accident scene and a lot of times they are not doing a good job of that and there is debris everywhere. I was glad to see that in the ordinance.

Councilman Dover motioned, seconded by Councilman Street, to suspend the rules and waive the second reading.

Councilman McClain asked Councilman Dover why he asked to suspend the rules. Councilman Dover said there wasn't opposition so far, but that still gives them two weeks if someone wants to say something. Councilman McClain said ok.

A motion was made by Councilman Darrel Dover, seconded by Councilman John Street, that this matter be Waived Second Reading . The motion PASSED with the following vote.

Aye: 11 - Darrel Dover;Ann Williams;Charles Frierson;Chris Moore;John Street;Mitch Johnson;Gene Vance;Charles Coleman;Bobby Long;Joe Hafner and David McClain

Absent: 1 - Chris Gibson

ORD-17:033

AN ORDINANCE AMENDING THE 2016 BUDGET ORDINANCE FOR THE CITY OF JONESBORO

Attachments: [2016 Budget Ordinance Justification](#)
[2016 Revenues and Expenditures Handout.pdf](#)

Councilman John Street offered by title only.

Mayor Perrin said there was a lot of discussion on this in the Finance Committee meeting. Each one of you has a packet with a line item on each one of those and Ms. Allen can give you a summary on those.

Chief Financial Officer Suzanne Allen said she wanted to make a clarification on one that we did not really discuss in the Finance Committee meeting. This cleanup ordinance does not indicate that we were over budget for our total budget. It is only an indicator within departments. We may be over in one department, but not necessarily over in another. In reality with our O&M budget, we were \$511,000 under in total for the budget. When you pit the actual expenses and actual revenues against one another, we were \$1.3 million ahead, nearly \$1.4 million.

Councilman Moore asked if we were against a timeline from the state to adopt the cleanup ordinance. Ms. Allen said no. Councilman Moore asked what the reason for the emergency clause was on this one. Ms. Allen said there were no other changes and this was just to get it done. Councilman Moore asked if we were against a hard timeline. Ms. Allen said no. Councilman Dover asked if we are not actually spending any money from this ordinance. Ms. Allen said no. Councilman Dover said the emergency clause is a moot point because the money has already been expended. Councilman Moore said that was his point. He didn't see that an emergency existed because we are not appropriating any money.

Mayor Perrin said by state law, you have to do a cleanup ordinance. During the year, legislative audit is here. They may be leaving soon. Ms. Allen said they would be leaving the second week in July.

Councilman Dover motioned, seconded by Councilman Street, to suspend the rules and waive the second and third readings. All voted aye.

Councilman Dover asked if the reason for this is that the money has already been expended. Mayor Perrin said that was correct. Councilman Dover said that this was just paper entries. Mayor Perrin said that was exactly right.

Mayor Perrin asked about the emergency clause. Councilman Dover asked if it had to be removed. City Attorney Carol Duncan said that if you do not pass it, then it did not happen. Mayor Perrin said they would just ignore that and go on. He said that we budgeted somewhere around a \$900,000 deficit in O&M, but the department heads have done an outstanding job. We are running these departments very efficiently and very lean.

A motion was made by Councilman Darrel Dover, seconded by Councilman John Street, that this matter be Passed . The motion PASSED with the following vote.

Aye: 11 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Gene Vance; Charles Coleman; Bobby Long; Joe Hafner and David McClain

Absent: 1 - Chris Gibson

ORD-17:034

AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2017 CAPITAL IMPROVEMENT PARKS PROJECT BUDGET AND TO ENTER INTO AN AGREEMENT WITH FISHER & ARNOLD, INC. TO PERFORM PROFESSIONAL SERVICES TO DESIGN A NEW RESTROOM/CONCESSION FACILITY AT JOE MACK CAMPBELL PARK

Attachments: [fisher arnold concession restroom jmc.pdf](#)

Councilman Street offered by title only.

Councilman Dover asked Mayor Perrin if this money was in the budget. Mayor Perrin stated it was not in the budget. This is actually hiring Fisher & Arnold to draw and get the plans ready to go out for bid. This was discussed at the Finance Meeting. This is the one that would be at the four new fields to the west where all the small children are. We have four port-a-potties out there and a Pepsi concession truck out there. It absolutely needs to be done. What I would anticipate that we could do is get these plans drawn, go out for bid, and I would hope I could come back to you all and ask to get started. Some of that money would be in 2017 and we could take the balance of that and put it in 2018. It is desperately needed in that area.

Councilman Vance said that this is time sensitive because if we don't get started on the design, the budget, and the approval process, we won't have it ready for next season.

Councilman Dover motioned, seconded by Councilman Vance, to suspend the rules and waive the second and third readings. All vote aye.

A motion was made by Councilman Mitch Johnson, seconded by Councilman John Street, that this matter be Passed . The motion PASSED with the following vote.

Aye: 11 - Darrel Dover;Ann Williams;Charles Frierson;Chris Moore;John Street;Mitch Johnson;Gene Vance;Charles Coleman;Bobby Long;Joe Hafner and David McClain

Absent: 1 - Chris Gibson

ORD-17:036

ORDINANCE TO VACATE AND ABANDON AN UNIMPROVED FIFTEEN FEET (15') WIDE DRAINAGE EASEMENT ACROSS 4221 AND 4225 VILLA COVE AS REQUESTED BY BRIAN AND LINDY CARTER

Attachments: [Utility Letters](#)
 [Plats](#)
 [Petition](#)
 [Engineering & Planning Dept. Letter](#)

Councilman Street offered by title only.

Councilman Street asked City Engineer Craig Light to explain the abandonment.

Councilman Hafner said he was interested why both abandonments have an emergency clause. City Engineer Craig Light said there are two abandonments. They are looking to move the drainage easement. They are abandoning it in one location and they are going to plat it on a new plat in the actual location. I think they bought some additional property and extended their property lines. They are going to add some additional drainage easements to the new plat. Councilman Dover asked if Engineering was ok with this. Mr. Light said they are fine with it. He said he did not know why there was an emergency clause.

Councilman Dover motioned, seconded by Councilman Frierson, to suspend the rules and waive the second and third readings. All voted aye.

Mayor Perrin asked if they were trying to get in their early to do this work. You are saying there is no need for an emergency clause. City Attorney Carol Duncan said Mr. Light said he didn't know why it was there. He doesn't know one way or the other. Mayor Perrin said it would be 30 days before it goes into effect without the

emergency clause. Councilman Hafner said there was no one there to talk about it at the Public Hearing so it shouldn't be too pressing. Councilman Moore said he would assume they have to have the new drainage easement on the new plat before doing any work.

Mr. Light said the condition of the Engineering Department approval was that they plat those new easements. Mayor Perrin stated that we would ignore the emergency clause.

A motion was made by Councilman Darrel Dover, seconded by Councilman John Street, that this matter be Passed . The motion PASSED with the following vote.

Aye: 11 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Gene Vance; Charles Coleman; Bobby Long; Joe Hafner and David McClain

Absent: 1 - Chris Gibson

ORD-17:037

ORDINANCE TO VACATE AND ABANDON AN UNIMPROVED FIFTEEN FEET (15') WIDE DRAINAGE EASEMENT ACROSS 4209 VILLA COVE AS REQUESTED BY TONY AND KIM FUTRELL

Attachments: [Petition](#)
[Plats](#)
[Utility Letters](#)
[Engineering & Planning Dept. Letter](#)

Councilman Street offered by title only.

Councilman Street said that was the adjoining property of the one we just did.

Councilman Street motioned, seconded by Councilman Frierson, to suspend the rules and waive the second and third readings. All voted aye.

Mayor Perrin stated that the emergency clause is not needed.

A motion was made by Councilman John Street, seconded by Councilman Chris Moore, that this matter be Passed . The motion PASSED with the following vote.

Aye: 11 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Gene Vance; Charles Coleman; Bobby Long; Joe Hafner and David McClain

Absent: 1 - Chris Gibson

7. UNFINISHED BUSINESS

ITEMS THAT HAVE BEEN HELD IN COUNCIL

ORD-17:021

AN ORDINANCE TO AMEND CHAPTER 117, KNOWN AS THE ZONING ORDINANCE PROVIDING FOR CHANGES IN ZONING BOUNDARIES FROM C-3, GENERAL COMMERCIAL TO PD-RM, MULTIFAMILY RESIDENTIAL PLANNED DEVELOPMENT FOR PROPERTY LOCATED AT 3911 SOUTH CARAWAY ROAD AS REQUESTED BY RONNIE HART AND KAREN WINTERS

Attachments: [Amended Staff Summary](#)
[3911 S Caraway Application Amendment.pdf](#)
[3911 S Caraway Plat.pdf](#)
[Staff Summary RZ 17-08 3911 South Caraway Road - Council.pdf](#)
[Braxton-Traffic Impact Analysis-April 12, 2017.pdf](#)
[Quit Claim Deed.pdf](#)
[Site Plan.pdf](#)
[Front Elevations.pdf](#)
[Rear Elevations.PDF](#)
[Receipts from Notifications - USPS Receipts.pdf](#)
[Rendering of Project.pdf](#)
[South Baptist Church Letter.pdf](#)
[Updated Access Analysis](#)
[Opposition Presentation](#)
[Opposition Video](#)
[Parker Opposition Letter](#)
[Opposition Petition.pdf](#)
[Opposition Petition 2.pdf](#)
[Opposition Presentation Packet.pdf](#)
[Proponent Handouts 06062017.pdf](#)

NOTE: Under Council Reports, the Mayor abstained on this matter.

Jim Lyons, 3608 Augusta Cove, said that he represents the petitioners. The first item in the packet handed out shows the approval criteria of Chapter 117 amendments to the ordinance of the City of Jonesboro. You will see that the City of Jonesboro has determined at the MAPC level and at the City level that this complies with all of the criteria in regards to the City of Jonesboro for the approval of the rezoning. Because of that, we believe that the petition for rezoning should be approved.

It is in an area which is designated as a high-intensity use and that is the next item in the handout which is a land use map. Currently, the area is zoned C-3 Commercial so it is a high-intensity use and is on Caraway Road. We do have a letter of support from the South Caraway Baptist Church which is included in your handout which is the next item mentioned in there. I also have available that the Nettleton School District is in favor of this. They said they would prefer that this be given verbally rather than by written approval. They said we were welcome to tell any council member that talked and are on the same page in regards to this. If anyone contacts the Nettleton School District, they will be very positive about the project and good luck.

The next issue is the Traffic Study. We have our Traffic Engineer here and he would like to present some items in regards to that. Rick Gafford with Fisher and Arnold came to the podium to speak. Our business office here is at 1801 Latourette Drive. We were asked to do a traffic study. Typically, when we are asked to do a traffic study, we look at the site, we look at what information needs to be gathered, and what analysis needs to be made. We put all of that together and then we go to the governing agency, which in this case is the City of Jonesboro's Engineering Department to make sure they are online with what we propose in our scope of work. This will always consist with gathering existing traffic volumes and typically in the peak hours, the a.m. peak hour, the p.m. peak hour. The reason you do that is you want the most critical, heaviest volume hour that you can find that's why you use the

peak hour. We did more than that this time because the City requested that we look at the potential for a traffic signal. Would it be warranted at the intersection of Glenn Place and Caraway?

So, we did a fourteen-hour count. We counted all of the vehicles. We counted all of the pedestrians. We counted the bicycles. We counted the trucks for a fourteen-hour period on a weekday between Tuesday, Wednesday, and Thursday, which are the heaviest volume days. On Monday and Friday, traffic typically drops off a little bit. Once we did that, we did an analysis there for a benchmark of what the existing conditions are at S. Caraway and Glenn Place. We ran that analysis. It is a free flow of course on Caraway. The only problem is the southbound left turn would have to wait for the northbound traffic to clear to get a gap in the traffic stream. That operates at a service level of A which is very good. Coming out of Glenn Place, it is a C, it is a one-lane, which C-D in an urban area that is built up is pretty good too. Then, we took the development and we projected the traffic volumes from using the ITE Trip Generation manual. We took those volumes and added them to that intersection. In addition, then we ran it again to see a comparison to see how did it get worse, the same. Of course, it would get a little worse because you are adding traffic.

As far as Caraway goes, the southbound left remained at a level of service A. The Glenn Place traffic westbound slipped from a C to a D, but really it only slipped a three-second average per vehicle. So, Caraway is fine. I wish I could tell you the left turn was fine coming out of the development, but that is a little bit of a challenge to make a left during certain times of the day. It is no worse than any other business or development along the corridor. In reality, it will add some traffic to Caraway, but not a significant amount enough to make it a poor level of service. It did not warrant a traffic signal. If there are any questions, I will be happy to answer.

Councilman Dover asked when you are doing a study, obviously people coming out of that have a choice to go either right or left, so how do you determine which or does that even factor into it. Mr. Gafford said it does. We actually count. We look at the movements. We film it. Councilman Dover said there is nothing there yet so do you use some kind of assessment. Mr. Gafford said that we have to make some assumptions. Councilman Dover said that will have a great impact on the traffic. Mr. Gafford said it will. It is a lot easier to make a right turn than it is to make a left turn. We assume the worst case of what we thought that 95% would be turning left which is significant.

Councilman Long asked Mr. Gafford if he could explain Table 5 for S. Caraway Road and Glenn Place proposed conditions built with main entrance. It is an F on eastbound left to right. There looks like there is a significant increase in seconds per vehicle from 207. Mr. Gafford said that coming out of the apartments, that left turn is not an easy move. An E and an F is what it equated to with 20/20 volumes. Again, that is pretty consistent with what you see down through that roadway now.

Councilman Long asked if they are taking a bad situation and making it worse. Mr. Gafford said that one car would make it worse. Councilman Long stated you are talking about 600 vehicles possible with a 300+ unit development with two cars per unit. You are looking at putting 600 new vehicles on that road. Mr. Gafford stated it was not that many. It is only about 80 in the peak hour. He asked if Councilman Long was talking about for the day. Councilman Long said I am talking about the total number of units on that development is going to be how much? How many units? It is 300+ units. Mr. Lyons said it is 300 units. Councilman Long said there will be 600 parking spaces so if that is fully rented out, you are possibly looking at 600 more vehicles on that road or coming out of that entrance with there being only one entrance and one exit. Mr. Gafford said that if every parking space was filled in a day,

you could have that happen. Mr. Lyons said there are two entrances. Councilman Long said they both entrance and exit onto S. Caraway Road. There is no back egress or ingress. Mr. Lyons said yes.

Councilman Dover asked how do you say in a traffic study a percentage is going to come out at 7:30. Obviously, not all will come out at the same time. Is there a formula for that? Mr. Gafford said there is. Years of studies for when they come out and how many come out depend upon the size of the development. Councilman Dover asked if there was a formula that they used to disperse that out. Mr. Gafford said yes. We have to estimate because they are not there yet. Councilman Dover asked if that was figured into their assessment. Mr. Gafford said yes. It is really a little over one per minute that come out.

Councilman Street asked how they came about with a 14-hour study opposed to a 24-hour study. He thinks he saw somewhere it was critical of that study because it wasn't a 24-hour study. Mr. Gafford said typically you don't do a 24-hour study. Usually, you just look at the peak hours. The reason we went to 14 is because if you are looking to analyze if a signal is warranted, you need more data. What is happening at 3 a.m. or 2 a.m., there is not a traffic capacity problem during those times. Councilman Street asked Mr. Gafford if his approach was acceptable methodology for the study of the traffic analysis of that area. Mr. Gafford said yes, most definitely. City Traffic Engineer Mark Nichols said yes that is correct.

Jim Lyons said the other issue in regard to traffic is whether this property is developed as commercial. Without rezoning, it can be developed as commercial today and the commercial zoning would substantially increase the traffic over the apartment numbers. Because assuming only 10% of the area is developed as commercial, which is a very low number and a very low assumption, then the traffic would be significantly greater than the 600 cars per day that Councilman Long mentioned. The problem, especially with commercial development if it occurs, is that there would be more traffic at peak hours created by commercial development than by a residential development.

Councilman Long asked what type of commercial development were you assuming. If you were to drive down S. Caraway Road, the commercial development that is already there, you are looking at little strip malls that may have 10-15 cars parked there at a time. I was wondering what your assumption is as far as commercial development would be on that property. Mr. Lyons said it would be commercial development within that C-3 and you look at the IT studies in which Mr. Gafford is more familiar with, but that is what they look at. Anything that could go in C-3 and they take an average of those.

The other thing that is an issue is that currently the City of Jonesboro has a market deficit depending upon whose study you look at of anywhere from 700-900 units. The units that are going to be built will be built over a period of years. It is not going to happen overnight. It is not going to be immediate. It will take approximately five years for this to be developed. Councilman Dover asked if he was saying that it would take five years to get to three hundred units. Mr. Lyons said yes. It will take about 2.5 years to get to the 184 units. It will be developed in two phases. It will be about three years before the first phase would be online and then about two more on the second phase. It is not like this is going to be there tomorrow. It is going to be over a significant period of time.

Councilman McClain asked Mr. Lyons how much of a deficit he said. Mr. Lyons said there would be somewhere between 700-900 units is what the City studies have told us. Councilman McClain asked if in the study he mentioned, does it say where those

possible units should go. Did it make a recommendation? Mr. Lyons said he didn't believe that it did. I don't believe the City study suggests or recommends a place for that. I am not aware of that. He said it has been a while since he has seen the study and he can't remember. Mr. Lyons asked the Mayor if he could recall if it did. Mayor Perrin said he has seen the study but it has been a while. Councilman Dover said he didn't think so. He said he didn't remember that being part of the study. He thought the study indicated that a percentage of land that was available for multifamily in the various areas, but he doesn't think there was ever a recommendation. They showed the area of land that was already zoned for multifamily. Mayor Perrin said that was correct. At that time, it showed somewhere between 1,200-1,400 doors could be built without rezoning because it is already zoned that.

Councilman Hafner asked if the developer has looked at property that is already zoned for multifamily during this process or has this been the property that they have been focused on. Mr. Lyons said they looked at this particular property. He doesn't know if they looked at other property, but he is quite sure they did before they chose this one. Councilman Hafner said with the amount of property that is already zoned multifamily, he was just wondering if they looked at any of it.

Mr. Lyons said that the next item in the handout is an artistic rendering of the multifamily prospective for the City of Jonesboro. This is going to be a relatively high-end development. It will possibly be closest to the highest rent in the City of Jonesboro. They do maintain 24/7 on-site property management. They are going to have open spaces. They are going to have a pool. They are going to have a car wash. They are going to have a dog walk. They do have a specific area dedicated for school bus pickup inside of the area to make it safe for children. They own the Willows Apartments up the road. They have run those for about five years. They are very nice apartments. They do maintain their management and they do make sure that the people that are living there properly qualify from the standpoint of having sufficient income. They don't have a lot of transition. They don't have a lot of moving in and out. That was one of the things that the Nettleton School District liked. They have garages for a number of these apartments which also calls for a little bit of a higher rent. That helps assure that this will be a maintained and a proper property that the City of Jonesboro can be very proud to have.

Mr. Lyons said the Mayor asked if there was anything done for a deceleration lane. If you will look on the next page in the handout, you will see that one of the issues has been the development of Caraway and the developer has agreed to put in a deceleration lane at both entrances so that people turning right can move over to the right. There will be a third lane added that will allow them to decelerate and turn into the property at both entrances. This would obviously help the City in future development of Caraway because essentially the lane will already be built and will be available for use by the City of Jonesboro. We talked to the traffic engineer yesterday. He said there is some difference in grade, but it is my understanding that we can probably just overlay that when the City does develop that. Traffic Engineer Mark Nichols said they would have to look at it, but that it is a possibility.

There is a picture included in the handout that also shows the rendering of the entire apartment complex and it shows the deceleration lanes. They will be on your right if you are looking at it as it reads. It shows a turn here at 100 feet each length, 100 feet of stacked length, and approximately 6:1 taper. The second turn lane will be a turn lane 100 feet stacked length and approximately 10:1 taper. We met with the Mayor yesterday to address all of the concerns and that was one of his concerns. The developers agreed to put that in. They spoke with the City Traffic Engineer also and he was pleased with that.

There is another issue that is big on a lot of developers right now and that is sidewalks. They are agreeing to put in sidewalks and there will be sidewalks away from the street so they will be safe away and from the turn lanes so that they will be safe. That will be for the entire length of their property. If someone next to them does a development, they will be able to be connected to that so the entire area will be connected.

Councilman Dover asked if both entrances and exits will be accessible to every part of this once it is fully developed. Mr. Lyons said yes. You can go in and out whichever one you want. It does fit all of the development principles of the City of Jonesboro. Based upon all of these things, cooperation with the City, working with the City to answer any concerns, we believe this proposed rezoning should be granted.

Councilman Dover asked about a detention pond. Is the City sure the detention pond is adequate? Mr. Lyons said that Mr. Terry Bare will have to answer that because he is not a detention engineer. Terry Bare with Fisher & Arnold came to the podium to speak. We have not calculated the amount. There will be detention ponds. There will be detention and retention ponds for fountains. There will be detention ponds on the site.

Councilman Vance asked if the sidewalks would interfere with the future development of a wider Caraway Road. Mr. Bare said the rendering they produced shows it out being away from all of those lanes. Councilman Vance said that if Caraway Road is three-laned or four-laned, that sidewalk will be located such that it will not interfere with future plans for Caraway Road. Mr. Bare said correct and that we can work with the City to determine what that width is and place the sidewalk outside of that area.

Councilman McClain asked Mr. Lyons about the verbal agreement from Nettleton Public Schools. He read in the MAPC report that Nettleton is ok with more multifamily development. When was the last conversation that you had with them about that? Mr. Lyons said they had a conversation with Nettleton Public Schools on April 24, 2017.

Mayor Perrin asked if they could explain about the backside on their map that says well site. Councilman Street said that is CWL's well site. Mayor Perrin said that it looks like the Links is almost next door. Mr. Lyons said he didn't know what the distance was between the properties. Mr. Bare said the Links are abutting property owners. The property line is mutual on this property as well as the Links.

Councilman Hafner asked why the main entry is not lining up with Glenn Place, a busier street instead of a commercial developments entrance. Mr. Lyons said they met with the City and the City preferred us to have the main entrance at the other location. Mr. Parker raised at the last meeting that he would prefer it to be at the other one. After that, we met with Mr. Parker and we also met with the City and the City Engineer, the Traffic Engineer was opposed to that and preferred it to where it is. Traffic Engineer Mark Nichols said that the goal is to have less conflicting movements for the north drive than lining up with Glenn Place. Ultimately, it will be safer to use that drive.

Councilman Hafner said he knew that at a MAPC meeting a traffic light was mentioned and he thought it would be more useful at the entrance to a neighborhood than at an entrance to a commercial development. Mr. Nichols said that the study indicates that a signal is not warranted for Glenn Place. Even at full buildout, there is not potential for a signal at that location and for the long term development of the corridor to be safer to utilize the north driveway. Councilman Hafner asked Mr. Nichols if the City did their own traffic study or have they only depended on the traffic study done by the applicant. Mr. Nichols said we worked closely with Fisher & Arnold

through that process and reviewed it all the way through. We haven't done a separate study of our own, but we did review their study closely and we concur with their findings. Councilman Long asked if the traffic study was assuming a full buildout. Mr. Nichols said yes, that was right. As a matter of fact, we even moved all of the traffic to Glenn Place and to the south drive and it still didn't warrant a signal in the future.

Nate Looney, 1605 Garland, came to the podium to speak for the opposition. He had some handout as well. Mr. Looney said there are several people who have come tonight that are opposing this project and he asked them to stand for the record. He is here on behalf of almost 500 residents on S. Caraway that have signed a petition saying they are opposed to this project because of what it is going to do to the existing community that they are living and working in.

Mr. Looney said one of the things that they learned while knocking on doors is that not a lot of people were paying attention when this project was coming through the process. As we began to discuss this with them, as they became more knowledgeable about what was going on, they have questions and rightfully so. Anytime there is going to be 300 new apartment units put into any space, there is going to be some amount of disruption. What we are here to talk about is how this project is going to affect the people who are going to be living in this project and inside of this planned development, but also how this planned development is going to impact those living in that community. I want to make it clear that we are not here to say that we are anti-multifamily development. We are here tonight because this specific project in this specific area where they are trying to place it is not right for Jonesboro. If this property was already zoned in a way that could support this project, we wouldn't be up here complaining about it, but the fact of the matter is that is not the case.

Because of our current infrastructure issues in that area, there are some real things we have to look at because it is going to jeopardize the quality of life of those living there and working there and the future people who are going to living and working in that area. Our argument is this moving forward as it relates to S. Caraway that the City Council should deny all rezoning requests on that area until we make the proper investments in infrastructure needed to support the population already living there so that we are maintaining and making sure that we make the commitment in answering the call to the people who live in that area.

Mr. Looney said there are several reasons that we are opposed to this. When you are looking at a rezoning as it relates to a planned development in addition to the normal criteria, you have to look at Section 117-34 criteria. You also have to consider the Section 117-175 criteria. There are separate processes in place and timelines and a lot of different things that should have been in the record that I haven't seen that we don't know if the City of Jonesboro has made any decisions on. We don't know if the MAPC looked at it and we haven't heard tonight that these things were followed. This could have a real impact on whether or not this is something that should be considered moving forward because those are things you all have to consider. We are also against this because of the location as it relates to this project. Also, the density and composition of apartments in that area now is something to be considered.

Mr. Looney said he wanted to give an overview of Section 117-175 process as it relates to Section 117-34 process. The purpose of zoning in general, which comes straight out of the ordinances is that there are a couple of key take-a-ways that relate to the purpose of zoning. The first is that it promotes the safety, efficiency, and prosperity of the City. It provides for orderly growth. It protects the character and

stability of areas of the City. It promotes a healthy and convenient distribution of the population. Going back to these factors we have to consider when we are moving from the general rule of the purpose of zoning to changing a classification, there are things you all have put in place, safeguards, to make sure those changes are going to be appropriate. We have seen them in Section 117-34 and we also have to look at them in Section 117-175. We are not here tonight to look at a typical rezoning. We are here tonight to see if a planned development is appropriate for S. Caraway. To do that, we have to look at whether or not that planned development, this existing project as is on paper right now, whether or not that is seamlessly going to be able to integrate into the overall existing community that it is trying to be dumped in. We maintain the position that it does not and that it won't until we make the proper investments in our infrastructure.

Mr. Looney said he wanted to look at the factors real quick. These are all things I want to talk about because I know there are standards that you all have to follow not only by the Code of Ordinances, but also from judicial decisions that say we need to look at these things. One of our primary objections related to this is location. The first thing I want to talk about is the concentration of apartments that are in this area. This alone should give pause to any future development when you are asking someone to rezone property in this area. Over the last 20 years, this property has been overdeveloped. Right now, there are about 1,300 existing units in about a 1500 square foot radius right along S. Caraway. If expand beyond that, there is even more. If you look at the map, the only other area that rivals that is in north Jonesboro.

Another thing that is an issue with this project is that these apartments in this area have been disproportionally placed in the Nettleton Public School District. From the numbers he has received, there are already over 5,100 apartments in that district. This is a major issue. I finally had a chance to speak with Mr. James Dunivan, Superintendent of Nettleton Public Schools immediately before our last meeting. He said that since he had a chance to meet with the developers that there were conversations with stakeholders, conversations with people in the community, and conversations with the Board. It has to be the policy of Nettleton Public Schools moving forward that they are going to oppose any new apartments in their district and that includes this specific project. In the packet, Tab H, is a letter from Mr. Dunivan that states that they are opposed to this project and any future development of apartments in their district. In Section 117-34, that is a criteria that you have to look at and that you all have said is important and put into the Code of Ordinances. It is number six. Whenever, this was in front of MAPC, when this was being talked about with City Planners, this was something that was not considered. I am asking you to look at this factor hard tonight because this is something that is important to the future of this District and to the future of all districts in Jonesboro.

Mr. Looney stated that beyond that, it has been noted several times, that whenever there is a high concentration of apartments, there are issues that could result related to blight and to crime. That is something we have to be careful of. There is a place where we reach a tipping point. There comes a point where there is no one developer that could come in and change the course of a neighborhood and that is just from a practical standpoint. The density and where these apartments are located, how closely they are located, and the detrimental impact that it is going to have on Nettleton Public Schools is why they are opposing it. That goes to the core of whether or not this is going to be beneficial to the existing community, a factor that on number two that we have to look at when we are trying to approve a planned development.

Mr. Looney said that additionally, this revolves around location. This is not necessarily a bad project. I think they have done a lot of good work here and I am

proud they are wanting to look into Jonesboro. I think there are several other places that they could look at that are already zoned appropriately. The problem is this specific location and infrastructure as it relates to that. We have significant issues. There are no sidewalks and it is dangerous and that is something that we have got to look at. Traffic is something you have to look at whenever you are looking at the traditional factors. When you are looking at number five, you also have to pay careful attention to it whenever you are looking whether or not this is appropriate for a planned development. If you look at three and four, there are two things in particular that deal specifically with the roads and whether or not those roads are going to be significant enough for traffic inside of the development and also getting to it. Basically taking the overall picture and seeing if it is going to be good for that area.

Let's talk a little bit about traffic in this area. On S. Caraway Road, we have about 15,000 cars that travel along this roadway each and every day. From my understanding, this is the part of S. Caraway from about Fox Meadows to I-555, which is what the Arkansas Highway Transportation Department says. There has been about a 50% increase from 2003. Again, you can look at the buildout of apartments in that same time period and you can draw a correlation there. Since 1993, there have been no major road improvements from Latourette Drive south and that is a significant issue when you are talking about a 50% increase in traffic. What does this mean from an accident standpoint? When you look at the area from I-555 south, over the last five years alone, there has been 314 accidents on this stretch, which costs property owners in this area about \$1.47 million in damage. That is an estimated damage that would be on the police report. We don't know the incidental cost of that with rises in insurance premiums. We see the 30,000 foot approach and the numbers are not shocking if you live in Jonesboro. I appreciate the study and the diligence done by Braxton Development in doing a traffic study. I think that is important and a standard that any developer should be embracing whenever they are trying to put forth anything in front of the Council.

I had to go out and find someone who could take a look at this study. If you look under tab F, you will see a Curriculum Vitae of an expert retained to help us analyze this study and traffic in this area. Dr. Zahid Hossain is a traffic engineer. He is an assistant professor of Civil Engineering at Arkansas State University. We were able to bring him on right before the last meeting to get him to take a look at this. Whenever he looked at this study and he looked at the benchmarks that most engineers look at, he found some things that were critical of the study that I think are important to talk about. Also, I want to talk about some of the things the data says even if the data is correct. There are still some significant issues related to this. If you look under Tab F, his analysis is presented there. I tried to highlight some of the deficiencies that Dr. Hossain saw with this study. As it relates to his first findings, he noted that the design of the study does not comply with AHTD standards that are set out in the handbook or follow the best practices from traffic impact studies. As per the AHTD handbook as it relates to the ADT or Average Daily Traffic study, it says that it is usually a traffic study that is collected between Monday and Thursday, but it says at a minimum for short-term traffic counts, they should be done on a 24-hour period. Again, he says one of the issues that should have been assessed so we get a true picture of what this project is going to do is annual average daily traffic which estimates the typical daily traffic on a segment of road for all days of the week for a period of one year. He noted that the ADT is not calculated. He noted also that there is no seasonal factor. He said this is not accounted for in this study. He says that Best Practice actually calls for a look even further beyond, actually five years beyond the buildout. None of the data in this report reflects anything beyond 2020.

Even if all of the data is 100% correct, he said let's take a look at this study and see what this means for the existing community in this area. When we are looking at

Section 117-34, number five is that traffic is a significant issue. When looking at Section 117-175, the internal streets and primary and secondary roads are a significant issue. Whether the site would be accessible for the public is a significant issue. What he has found on the report that was presented to us is that when you are looking at level of service (LOS), which is a qualitative measure that basically ranks the best roads which are A to the worst roads which are F, he said if you look at these things that are noted, some of the traffic is about as bad as you can get. So, how can any development make it worse when you are talking about these standards. He specifically noted the PM eastbound Glenn Place lane which he said the LOS will drop from E to F which indicates forced breakdown flow and travel time is unable to be predicted. He also noted AM westbound on Glenn Place, he said the LOS will drop from C to D. This indicates the level will drop from a stable flow to approaching an unstable flow. The same thing with AM eastbound Glenn Place, the LOS will remain an E with an average delay of 48 seconds per vehicle which is in close proximity to an LOS-F which is 50 seconds per vehicle. It is right there on the edge. He noted PM westbound Glenn Place will remain LOS-C. However, it would be a close proximity to LOS-D. Finally, the PM eastbound main entrance which shows the LOS as E with an average delay of 49.6 seconds per vehicle which is a close proximity to an LOS-F with a delay of 50 seconds per vehicle. As it relates to Glenn Place, there are about 270 rooftops in that area with only one point of ingress and egress and they want to put this project right on the other side of this. The areas he is noting are going to go from miserable to even worse. Again, when you are considering this project, it is not just the project on its face. You have to look at it in a way that it affects the community that its going to be dropped around.

Councilman Dover asked for an explanation on what the difference was between E and F. He asked if he could get one of our Engineers up to explain this. Traffic engineer Mark Nichols said it is a measure of the delay and the difference could be seconds. Councilman Dover asked if it was a delay of going from point A to point B. Mr. Nichols said there is a line where if you add two or three seconds of delay of the vehicle waiting to exit the roadway, it goes from an E to an F.

Mr. Looney said as you will note, there are existing issues already with the traffic in this area. This was not something that was completely addressed in the other report. Dr. Hossain also mentioned that 90% of the traffic from the proposed site is estimated to travel between the proposed site and I-555, but there is no LOS analysis done between I-555 and the proposed development. Additionally as it relates to traffic, Dr. Hossain said that referring to the Best Practices for Traffic Impact Studies, this recommends an evaluation of how this proposed development will impact the other forms of transportation. He said that the safety of pedestrians and bicyclists because of the nature of this project and where it is situated, is something that should have been considered. Whenever you are considering this, the factors that should have been looked at and would have been helpful for you all to be able to make a determination, are six factors and this comes from the traffic impact studies, TIS, which is referenced in the report as well. They include: 1) Are pedestrian and bicycle needs safely accommodated?; 2) Will the proposed development maintain or improve safety for pedestrians and bicyclists?; 3) Will the proposed development's access points increase potential conflicts with pedestrians and bicycles?; 4) Will site-generated traffic adversely affect pedestrians and bicycles?; 5) Will site-generated traffic adversely affect existing and planned pedestrian and bicycle facilities?; and 6) How will proposed mitigation affect pedestrians and bicyclists? Those are questions that would have been helpful for you all to be able to know based on Best Practices, but we don't have those answers.

City Attorney Carol Duncan asked if Mr. Looney gave a copy of this to the City's Traffic Engineer. Mr. Looney said he had not. Ms. Duncan asked if he could be given

one because she feels like he will be called on to answer questions and it might be helpful for him to read along while you are going through a traffic study he has not seen.

Mr. Looney said that Mr. Hossain said that other things that would be helpful would be a transit analysis impact, a foot traffic attempting to use transit services and how this project is going to relate to that. And finally, a truck generation analysis which he said was not there. I know that you all have to have an objective record of fact whenever you are looking at these things because the code requires it. It requires you to look into traffic. It requires you to look into the existing network.

In the report that was done from the Planning Department Staff, the older report since there has been an amended report, there are a couple of things we need to note on that. There is a place on the report that called it a moderate-intensity growth area which I believe Council correctly referred to earlier as a high-intensity growth area. Also, if you look at Letter E, it says that in this report that traffic may be an issue. This road already has quite a bit of traffic yet we have a checkmark there. To me, based on the study that has been produced, as it is, that doesn't get you from traffic may be an issue to how that traffic is going to be resolved.

Councilman McClain asked City Planner Derrel Smith if the area is considered moderate-intensity growth or high-intensity growth and what does that mean. City Planner Derrel Smith said that it is a high-intensity growth area. Mr. Looney asked if anyone knew how the MAPC analyzed this since one report states moderate-intensity and one report states high-intensity. Mr. Smith said it was shown as a high-intensity growth sector at MAPC and they looked at the map.

Mr. Looney said going back to the traffic. We have talked about whether or not a light is going to be important. We have heard from the City that if they actually widen the road, there is not going to be a need for a light and that is a good thing because as Dr. Hossain has pointed out, although the study looks at traffic, it doesn't actually do a signalized study. The study we are looking at is an unsignalized study which Dr. Hossain has pointed out in his report.

If you look at the point where this project is going to be positioned, it is on one of the busiest sections of two-lane roads that we have in Jonesboro. There is already a tremendous amount of traffic and wear and tear on that roadway and there is nothing in the City's Plan that says they are going to alleviate these infrastructure concerns. We heard earlier from the petitioner's side that any car can increase traffic. Well, just think, there are 600 parking spots allotted for this project. You know that it is going to have an effect on traffic. Whether it relates to location because the composition and density of apartments or the existing infrastructure, if you go back to these factors, we don't have enough in the record to be able to show that these things are appropriately and adequately addressed. In fact, in response to drainage, I believe those decisions haven't been made yet.

That brings me to my final point, not only is this not right for the community, this is a complicated process and you have to see how the processes were followed. In the record, it doesn't quite get there. There are specific timelines that are setup that we have no record of whether or not these things were adhered to. If you look at Section 117-174 D, F, & G, there are specific timelines that have to be followed. If you look at the application itself, it says there should have been names and addresses of all property owners residing within 200 feet presented. I didn't see that. There is no letter of consent to rezone that is in the record. Most importantly, there is nothing in this staff report, there is nothing in the MAPC meeting minutes, there is nothing of any of the criteria that we looked at as it relates to Section 117-175. That section of the

Code of Ordinances that I provided to you all tonight, there are some important things that you need to look at. One of those things is common space because the key ingredient to a planned development is to make it a vibrant and open community is common space. In the record, there is no mention of what this common space is going to look like. Specifically Section 117-171, requires that 20% of common open spaces for planned developments for all residential dwelling units, and there is a specific definition that says what common open space is. There are specific things that you can include in that and specific things you cannot include in that. Again, I don't see any evidence in any of these reports related to those factors. In the same line, if you look at Section 117-175, that goes back to our broad classifications and there has to be analysis done at that stage or there should be analysis done whenever you are considering all of these things as to whether or not this minimum common open space has been designated and has been duly transferred to the legally established homeowner's association where applicable or have been dedicated to the City or another public or quasi-public agency as provided in Section 117-171. There is just not any evidence that this was considered by staff. There is no evidence that it was considered by the MAPC. Other than us discussing it now, I am not seeing anything in here about it. There are some technical things that I needed to discuss that are important, but I don't want us to lose sight of why everyone is here tonight, why these 500 people signed this petition. In addition to these 500 people that signed this petition that live on S. Caraway, we also opened up an online petition. I'm not giving this to you because of the numbers on it and the fact that we couldn't track the addressees on it, but it does say that the people are from Jonesboro. The most important thing is that it allowed people to offer comments.

I want to do two things in closing. I want to offer some comments we found from this petition and then we have a video of people that we have discussed this project with in the area that live there, that deal with these issues every single day that I want to be able to present for the record tonight.

Councilman Long said he had a question about how many undeveloped acres are there right now in the City of Jonesboro that could be developed in this manner that are not developed. Mayor Perrin said he could not calculate it. He could not say the exact number of acres. He said there were several, but he doesn't know the exact number.

Mr. Looney said that if you look on the back on the handout, what it does is basically put everyone in there except the 100 or so he took out. I want to highlight a few things that were noted here. On 5/27/17, Allison McArthur commented that the S. Caraway area has been too highly trafficked for a long time now. I can't imagine what putting more multi-family housing will do when it's already very dangerous. We need to add the infrastructure of increased lanes before anyone is allowed to build. If the City Council votes for this housing, they are putting the interest of a few builders ahead of the safety of the entire City of Jonesboro. On 6/2/17, Briley Schoolfield commented that traffic on S. Caraway is an absolute nightmare. The road needs to be widened, there needs to be a turning lane, and there needs to be sidewalks for the numerous pedestrians who walk this road daily and who have worn a path in the grass from all of their foot traffic. On 6/3/17, Cory Vaughn commented that during high traffic hours, this two lane stretch is incredibly packed and dangerous already. Another 300 plus people driving on it would be terrible. On 6/5/17, Jenniver McCampbell commented that S. Caraway simply cannot handle a higher volume of traffic than it currently does. The road must be widened with sidewalks added before any more apartments are built.

Mr. Looney said I know you all eat, sleep, and breathe these issues. I know that you know that Jonesboro is one of the biggest cities as far as geographic footprints are

concerned. I know you know the strains on infrastructure. I know you know what the pressing projects are. I know you know all of that. The fact of the matter is that until we make infrastructure investments, until we make the commitment to the people that live and work in this area of our community, we should not be rezoning property on S. Caraway that is going to increase that burden. That is why people are here tonight. That is why they have shown up. That is why they care. The proponents have failed to show, they have failed to meet the responsibilities of showing how this project is going to be beneficial to the people that are in that area and to the overall community. This is a safety issue. This is an infrastructure issue. This is a quality of life issue for those who live in this area and for the greater Jonesboro community. I ask you tonight to side with the people on S. Caraway and make the improvements necessary before accepting any new rezonings as it relates to apartments in particular the one that is before you tonight. I close with this video and I appreciate your time and your questions and your attention and your service to the citizens.

Don Parker said he is here as a property owner who owns property directly across the street from this development. He provided a letter with outlines in detail of his concerns that relate to this proposed rezoning. He is certainly not against multifamily rezoning. He said he thinks that Mr. Braxton and his crew have done an excellent job in what appears to be a beautiful project and something that the City of Jonesboro could be very proud of. However, he does not like it on S. Caraway.

Mr. Parker said that personally as a property owner, that will be directly across the street from the main entrance into this project with the infrastructure that is currently in place and that is critically important. My wife and I have lived in Jonesboro for 22 years. We have owned this property on S. Caraway since approximately 2003. When we bought the property, there was a sales tax that had been passed during the Brodell administration for infrastructure improvements. On that list of improvements was the widening of S. Caraway south of what is now I-555. Either we were misled by the use of proceeds from the sales tax or the City ran out of money. That being said, we have a serious situation on S. Caraway. Mr. Lyons is absolutely right when he says the property is zoned C-3 and could be developed for commercial use that would far exceed the traffic that is going to be generated by 300 apartment units. I don't believe that any developer or bank would loan money and build a large scale commercial project that would yield that kind of traffic on a two-lane road. It's just not going to happen.

Mr. Parker said that right now we are faced with what do we do. I would love to see S. Caraway three-laned. That would alleviate a lot of my concern as a business owner and property owner across the street. I wish I was more aware of the budgeting process in terms of street improvements. I do know that it is critically important for not only the businesses on S. Caraway, but most importantly for those people who live in south Jonesboro. There have been numerous times when I have been driving on S. Caraway when there is a lot of traffic that I have seen adults as well as children not only walking, but riding bicycles on the dirt path that you saw that was literally a foot from the white line of the road. I have seen a child riding a bike hit a rock on the side of the road making his bike turn into the lane of traffic. Luckily, I was able to swerve to avoid him and there wasn't any oncoming traffic. It is just a matter of time without sidewalks in this area and without widening the street with 15,000 cars a day that there is going to be an accident. I would like to ask you all to very carefully consider what you are doing tonight and I would ask that you think long and hard whether it is a good idea to put more concentration of apartments in this area particularly on a two-lane road carrying 15,000 cars a day. Many of our three and four-lane roads in Jonesboro don't carry that many cars.

Mr. Parker said he would also question the whole idea of a light. I think a light would

be helpful. Most importantly, I feel the road should be widened, but a light would certainly be helpful. I know our City Traffic Engineer said it is not warranted. Then, I question whether there is a need for a number of our street lights around town. I question the wisdom of whatever we are looking at in terms of a City and traffic volume to warrant a stop light. If it is not warranted there, maybe we need to get rid of some of our stoplights. I do think the business owners as well as the residents of south Jonesboro deserve better infrastructure. I am very pleased to see infrastructure being improved somewhat in north Jonesboro. It sure would be nice if you all could find the money or develop a bond program or something where we can move forward and address the infrastructure problems in this community particularly on S. Caraway. Until that happens, I would encourage you and ask for your support in denying this rezoning request.

Harold Carter, 902 Tony, said this isn't going to affect him directly, but he has one question. Is the Nettleton School Board really for this or against this? Councilman Long stated that according to the letter dated 6/6/17, they are against this rezoning. Mayor Perrin said one correspondence was an email or verbal commitment and what you have in this last presentation is a letter in writing signed by Mr. Dunivan who is the Superintendent of Nettleton Public Schools stating that in the very beginning they didn't have much opposition. However, after further investigation, they are opposing this rezoning.

Councilman Long read the letter from Mr. Dunivan out loud for the audience.

Mr. Lyons, legal counsel for the proponent, said that he would like to address Mr. Looney's comments about there not being open space. The drawing presented to the MAPC, which is the drawing that is included in your packet, it provides tabulations of Phase I, Phase II and Phase III showing open spaces in phases. In Phase I, the open space required is 104,300 sq. ft. In fact, there is 144,000 sq. ft. provided. In Phase II, 53,900 sq. ft. required. There is 65,000 sq. ft. provided of open space. In Phase I and Phase II, it is a total of 158,200 sq. ft. required and there is 209,000 sq. ft. provided.

Mr. Lyons said that Mr. Looney had commented on sidewalks and obviously we have answered that question. Sidewalks will be put in in this area. It will take the people along the area that we have control of away from the road and will protect those people. We can't control what they do on the other sides of us, but we are doing absolutely everything that can be done to protect those people by putting in the sidewalks and by providing the deceleration lanes that will assist the City of Jonesboro in regard to the development of this three-lane or four-lane or five-lane traffic area. The proponents are certainly doing what they can in order to answer the questions that have been raised. Another issue that was raised was the number of accidents on S. Caraway. They looked at the entire length of S. Caraway. If you look at the length of S. Caraway between Links Drive and Latourette Drive in the past five years, there have only been 64 accidents in that area with a total damage estimate of \$92,900 and this is from City statistics that we compiled and we obtained from the City of Jonesboro. There was another issue about the drainage. Obviously, the drainage has to be addressed and has to be adequate and it has to come back before the MAPC for that so that will be addressed and will be adequate. Mr. Bare regularly does that for people in the City of Jonesboro. Obviously, that will be considered.

Mr. Lyons said another thing that he asked Mr. Looney for on April 23, 2017 was for who he represented. He still has not told me who he represents. I believe he represents a developer of apartments who is opposed to this and simply doesn't want the competition. He has not told me who his client is. He provided me with the petition

last night at 7:55 p.m. which I asked for on May 23, 2017. It is our position that we have done everything we can and that this is a proper matter to be rezoned. If it is not, it will probably be developed as commercial and the problems that you are hearing about tonight will only be worse because they are probably not going to address a lot of these issues that we are addressing simply because we want this to be a good development for the City of Jonesboro to answer the request of the City of Jonesboro for additional apartments. For that reason, I believe this should be rezoned.

Mr. Looney came to the podium and said he would brief and not recite facts based on every one of those things. One of the most important things I was referring to was the common open space. If you turn to Section 117-175, I do want to address it in terms of what has been provided because that is something of significance. On the site plan, it does mention that there is common open space. It says in three different phases, there is open space. That is different than what is in the code for you all to consider. The code requires specific factors in whether or not that is common open space. Right here in that site plan, I believe it says there is 18.5 acres there to be developed and that is what they used to calculate common or their open space. The MAPC report says that there is 17.9 acres that is going to be developed so that changes the whole calculation of open space. All I was trying to say was that there has not been an adequate assessment of this in the record. The final thing on sidewalks is that while we appreciate the developers and what they are wanting to do which is a noble thing, that still doesn't address the concern for residents getting to and from that proposed spot all the way to wherever their destination is going to be. It does for a small portion, but it does not address the additional burden that those 600 additional parking spaces that are going to be reserved for those 600 cars that are going to be there are going to have on infrastructure. As it relates to the other matters, I would be happy to meet with Mr. Lyons afterwards about any of those things. I'm sure you all don't care to discuss those tonight. With that, I yield the floor and I thank you for your time and attention.

Dewayne Winters, 320 Huntcliff, said that this property is owned by his wife and his brother-in-law. Of the testimony he has heard tonight, most of it dealt with traffic. The traffic studies from both sides stated the commercial will produce the most traffic. We will develop this property. If the concern in this neighborhood is traffic, it is going the wrong way if we do it commercially. I respect this Council and give honor for your service. I think you do a fine job. I think some things have touch away from reality. Whether or not sidewalks are there really doesn't have a bearing on where an apartment is built. I assure you that it t will be developed. It is time that my family had income from this property.

Mayor Perrin said he had a couple of comments he wanted to make. Someone made the statement that back in the MATA that the money was raised to widen Caraway Road. That is true I think and also the fact the utilities to widen that road have been moved. The bridge that we put in on Caraway Road last year was put in for a five-lane road. We have put the banisters in there just to accommodate the two-lanes now. There is no question in my mind that Caraway Road needs to be widened. I think anyone in this room would agree that it needs to be widened. Whether it be three-lanes or it be five-lanes, it needs to be widened.

Mayor Perrin said we have been talking a lot about traffic studies. The traffic study seems to be quite totally opposite on what I am gathering. I know Traffic Engineer Mark Nichols has not had a chance to look at that traffic study that you just got. There has been a lot of a difference of opinion in these traffic studies.

Councilman Dover asked if Traffic Engineer Mark Nichols could come up and answer

some questions. He asked about page four and the problems about the study. Can you go through those and make sure we understand if those statements are concurrent and if you agree with those statements. Mr. Nichols said the first bullet point is not specific. I would have to look. We are not governed by that specific handbook. Councilman Dover asked if we required that from any other developer in the City. Mr. Nichols said no and it's kind of a Highway Department thing. As far as the 14-hr. vs. the 24 hr. study, usually that is required if you do not know anything about the area and you want to see what happens at 12:00 a.m. or 4:00 a.m. We know the area so it really wouldn't be reasonable to require them to collect data at 2:00 a.m. As far as the average daily traffic estimates, we know that. We have that data at our disposal from the Highway Department. It has been thrown around a lot tonight, the 15,000 vehicles a day. As far as this type of study, that doesn't really tell you a lot about the operation of the drives. That is a large number throughout the day, but that doesn't tell you specific numbers. The study revealed specific numbers down to 15-minute counts and hourly counts. As far as that not being in the study, we already knew that and it wasn't necessary to put it in there. As far as the other modes of transportation that was addressed by Mr. Lyons as far as the sidewalks. As far as including bike lanes along the front of the development, we do not require that at this time and don't know if that would be a good recommendation to have it on that. You could have a multi-use trail along the frontage to address bicycle issues, but that is not required through our ordinances as you know. The sidewalk is as good as we can do with our given ordinances in place. Five-years beyond buildout, you are talking about the development and Glenn Place. With both of those, there is no connectivity throughout the City on those two legs of the intersection. When you look at traffic signal warrant analysis, you look at the full buildout. There is no additional room on Glenn Place and the development. It is the side street that is really governing your warrant for that hour and it's not the major. Even if traffic goes up on Caraway Road, the chances of it warranting a signal is not going to affect it because it is the side street that is the limiting factor.

Councilman Vance commented that the Mayor indicated that Mr. Nichols had not had time to read this study. You have had time to be very aware of this study and know all about the study itself. You didn't get it today. Mr. Nichols said the document passed out by Mr. Looney today is the first time he has seen it, this critique of the study? Councilman Vance said not the critique of the study, but the study itself. Mr. Nichols said that was correct. We are in concurrence with the Braxton Study. Nothing that I have heard tonight makes me question and say we should have included that.

Councilman Dover asked about page Five on the E and F classifications and C and D classifications. He asked what Caraway Road is classified as. Mr. Nichols said that during certain times of the day, at the Parker Road intersection, it is probably considered an F, especially during the 5 p.m. rush hour traffic. D is considered acceptable. D in an urban environment is considered functioning properly as far as the level of delay. If you say a five-lane cross-section is operable at a level D, that is actually a fairly good level for an urban environment. Councilman Dover asked if we had a lot of D's and F's in the City. Mr. Nichols said that was correct.

Mayor Perrin commented that the study he was talking about was the last study that was just handed to him during the meeting. Obviously, Mr. Nichols has been working along with the other one with the developer. Mr. Nichols said that was correct.

Councilman Frierson stated for the purpose of getting it before us and for the purpose of getting it done, I move to approve the ordinance. Councilman Street said we need to have City Planner Derrel Smith go through these steps with us that has been pointed out by Judge Fogleman. Councilman Frierson said he thinks the steps have been pointed out already by the other people and we listened and we have

considered them. Councilman Dover said he would like to ask Mr. Smith some questions. Councilman Frierson said it doesn't hurt to second the motion and get it on the table. Councilman Johnson said he would second the motion so they can finish discussion of the issue.

Councilman Dover said he needed some clarification on open space. He asked if that is that under our purview or if it is under the site plan. City Planner Derrel Smith said what we have looked at is a concept plan which does have green space calculations in it. We will look at the actual green space, open space during the MAPC review. Councilman Dover said they are the ones who make sure they meet the criteria and not the Council. Mr. Smith said that is correct.

Councilman Hafner asked about F regarding the impact of the proposed development on community facilities and services, including those related to utilities, streets, drainage, parks, open space, fire, police, and emergency medical services with the response that minimal impact if rezoned due to the fact that a majority of lots surrounding this address have already been developed. There are already several multifamily developments in the area. Does the fact that there are already several multifamily developments in the area give you any concern as far as density? Just because there are a lot of something already there doesn't always mean that it is the best. Mr. Smith said this is considered a high-intensity area which multifamily fits into the high-intensity areas. When looking at multifamily areas, you want to put them along your major arterial streets. You want them along where the traffic is going to be. Normally, this is what we would look at. I think this is proper for this area.

Councilman Dover asked where the closest R-1 to this proposed development is. Mr. Smith said that it was probably a cemetery, but he doesn't have the zoning map in front of him. Councilman Dover said discounting the cemetery, what would be the closest R-1? It is critical for him to know where the closest R-1 is to this development. Mr. Smith said that across the street you have commercial and you will have some residential behind it. Councilman Dover asked if was adjacent to it. Mr. Smith said that it will not be adjacent to it. It will be behind the commercial. Councilman Dover said there is a buffer of commercial. Mr. Smith said that where CWL property is located is probably residential. I would have to look. It could zone commercial, but as far back as it is it could be residential. I don't have those in front of me. There is not a lot of single-family adjacent to it. It is either adjacent to open land that has some type of industrial use like CWL, a cemetery, or a commercial tract. That is what it is adjacent to.

Councilman Dover asked Mr. Smith to go down each one of those criteria and tell us why your Planning Department came up with each decision. Mr. Smith said Criteria A is consistency of the proposal with the Comprehensive Plan/Land Use Map. It is classified as a High-Intensity Growth Sector. There are other planned developments in the area. Criteria B is the consistency of the proposal with the purpose of Chapter 117-Zoning. The proposal will achieve consistency with the purpose of Chapter 117. Councilman McClain asked on the first criteria in our packet right now it says Moderate-Intensity Growth Sector. What is the difference between Moderate and High-Intensity? Mr. Smith said the number of units. In multifamily, it depends upon the number of units. A Moderate is eight to twelve units per acre. High-Intensity is more than that. It can be up over sixteen.

Mr. Smith said that Criteria C is the compatibility of the proposal with the zoning, uses and character of the surrounding area. This area has several multifamily developments in the area already so it is compatible. Criteria D is the suitability of the subject property for the uses to which it has been restricted without the proposed zoning map amendment. This property is located on S. Caraway Road. There are

other commercial developments in the area. Commercial is a good buffer between multifamily and single-family. Criteria E is the extent to which approval of the proposed rezoning will detrimentally affect nearby property including, but not limited to, any impact on property value, traffic, drainage, visual, odor, noise, light, vibration, hours of use/operation and any restriction to the normal and customary use of the affected property. This site and use should not be a detriment to the area if controls are implemented to screen and buffer the multifamily from the single-family residential. Traffic may be an issue. This road already has quite a bit of traffic. Criteria F is the impact of the proposed development on community facilities and services, including those related to utilities, streets, drainage, parks, open space, fire, police, and emergency medical services. There will be minimal impact if rezoned due to the fact that a majority of lots surrounding this address have already been developed. There are already several multifamily developments in the area and services are in the area.

NOTE: Please see continued discussion below.

A motion was made by Councilman Charles Frierson, seconded by Councilman Mitch Johnson, that this matter be Passed . The motion FAILED with the following vote:

Aye: 6 - Darrel Dover; Charles Frierson; Chris Moore; John Street; Mitch Johnson and Gene Vance

Nay: 5 - Ann Williams; Charles Coleman; Bobby Long; Joe Hafner and David McClain

Absent: 1 - Chris Gibson

NOTE: Continued discussion of ORD-17:021 is below.

Councilman McClain stated that it seems that we have in one district an overabundance of apartments. In your experience have you seen this and what as far as planning goes do we need to do to address it and not just focus it in one area. Mr. Smith said you need to focus it around the entire community and not just in one area.

Councilman Vance asked Mr. Smith if he could take a little time and explain how much open area that can be built in multifamily is in the Jonesboro School District. Mr. Smith said the majority of the open area that we have in that area now that is already zoned multifamily is in the Nettleton School District. I don't have percentages, but it's probably way over 50%. Councilman Vance asked if the areas that are available are big enough for multifamily, are either in the Nettleton or Valley View School Districts. Mr. Smith said that was correct.

Councilman Hafner said he thought what made things a little more difficult is because we have so many school districts. A lot of towns the size of Jonesboro don't have four or five school districts within the city limits. I think that impacts it also. Am I right in your opinion? Mr. Smith said he has never seen five school districts in the same city before. It is unique. Councilman Vance said that Westside and Brookland School Districts are not located in our city limits.

Councilman Johnson said as we have looked down through here and saw green checkmarks, this body is here tonight just to make a rezoning decision. A lot of the stuff that was brought up we know will be worked out and developed on the site plan. He asked Mr. Smith if he feels if our decision tonight with what has been presented from MAPC and staff fits the criteria that we are looking at. Mr. Smith said he does

yes.

Councilman Hafner said that Mr. Looney brought up the Planned Urban Development requirements. Is that something that would normally be documented or should be documented from here on out. Mr. Smith said those that Mr. Looney brought up are in there already and have been documented. As he was questioning, I was pulling them up and showing Chief Operations Officer Ed Tanner where they were at in the documents. I think most of those have been included. There was a letter that I did not print from my packet, but I know its there. It is probably in your packet.

Councilman Hafner said when we are asking the different departments for their opinion such as Engineering, Streets, Police, Fire, MPO, JETS, and utility, what sort of documentation do they provide back to you? Mr. Smith said normally nothing. If they have a problem, they will let us know. If they do not have any concerns, we give them the information, but we normally don't get anything back. Councilman Hafner said that it would be great to have some sort of response that we can document in staff findings or staff reports because I have never seen one, but it would be nice if the head of that department would say that we have no issues with this. Mr. Smith said he would put a form together and make sure that it goes out with everything. Mayor Perrin said you would have to state why you would have objections. We have had the form for years, but you are asking for more details. Councilman Hafner said that they could include it in the staff report.

Councilwoman Williams said that she had a question on the criteria E. It is checked even though it says that traffic may be an issue. Mr. Smith said that traffic is an issue out there now and that is the reason why we checked it the way it was because if it remains vacant, traffic still remains an issue.

Councilman Long asked Mr. Smith if he said that 50% of the property in Jonesboro that is already zoned multifamily that could already be built multifamily without rezoning a square foot of property, resides already in the Nettleton School District. Mr. Smith said he guessed at 50%, but that he could get an exact number. Councilman Long said that is a lot. Mr. Smith agreed and said that is why people are looking in that area. Mayor Perrin said he thought Mr. Smith had said it included Nettleton and Valley View School Districts. Councilman Vance said there is none in the Jonesboro School District that I could think of. When we went through our moratorium committee, that was one of the things that the Jonesboro Superintendent brought to our attention was that there was nowhere for any to be developed in the Jonesboro School District. It is misleading when a lot of the open land that we talk about is not easily developed without spending a lot of money on site work. I don't think we need to be considering money necessarily, the cost to develop or the cost not to develop. However, at the same time, developable property is not as big as what zoned property is.

Councilwoman Williams said with Criteria E, at what point do you not check the box? At what point is it going to be over the tolerable amount as far as traffic? If it is a problem and you say it is going to continue to be a problem, at what point do you not check that? Mr. Smith said with a lot of that it depended on Traffic Engineer Mark Nichols and the traffic study. The level of service out there with the development is not going to change that much. If it was going to change dramatically, we would have put an X there instead of a checkmark. With the changes and level of service, we saw it wasn't where we needed to do that. Councilwoman Williams asked if we have determined that it is 15,000 as far as the daily count. Does that make it the most heavily traveled two-lane road in town or not? Where would it stand in comparison to N. Patrick? Traffic Engineer Mark Nichols said that N. Patrick has around 4,000 vehicles a day. It would be an accurate statement to say that the heaviest two-lane

road in Jonesboro is S. Caraway. Councilman Dover asked Mr. Nichols if it was just S. Caraway or all of Caraway was the most traveled. Councilwoman Williams said that S. Caraway is the most heavily traveled two-lane road. Mr. Nichols said that it was the most heavily traveled two-lane road in Jonesboro.

Councilman Vance said that he had a question for the City Engineer. At what point in a development is drainage designed and you get to look at it in the development process and not in the conceptual or rezoning stage? City Engineer Craig Light said that when it is submitted for a City permit through MAPC. He said it was not in the rezoning stage.

City Attorney Carol Duncan said that the reason she is slowing everyone down is that we have been going real quick about announcing whether something passes or doesn't pass before we look at the required votes. She said you have to have seven to pass and it was 6-5. Mayor Perrin said that it requires 7 and he can vote in the case of breaking a tie. Ms. Duncan said the Mayor can vote to pass a measure. She said she thinks in MAPC rules in order to pass a measure, and it may be City Council rules that say to break a tie so it did not pass. Mayor Perrin stated that what Ms. Duncan said is that only on MAPC can you vote to have a majority so therefore it was 6-5 and it did not pass.

8. MAYOR'S REPORTS

Mayor Perrin said that he was going to be very brief. For lack of time, he is just going to send this in an email. A lot of it is administrative so he will just send it tomorrow.

Please find below the Mayors Report that he was unable to give due to the length of the Council meeting.

1. Final mitigation plan for Craighead County received May 26, 2017
2. The CDBG Audit had no exceptions
3. The AML Convention starts next Wednesday through Friday
4. Striping – 30.9 miles completed through May
5. Overlay project list is going great, only nine left out of twenty-four projects
6. Combined City/County Sales Tax up over 2016 by 2.82% - \$294,123.17
7. The National Take Back of Prescription Drugs – on Saturday we received 671 pounds of prescription drugs
8. Advertising for JETS \$7,253.03; May ridership was 11,000
9. The Ice House hearing is set for July 5 and the trial starts July 24
10. Sidewalk projects – 19 projects with only six to go
11. Mt. Dew Classic held last weekend at Southside Ball Park netted \$16,013.69
12. E-tickets – 14 installed in patrol cars, working with Dept. of Justice on grant to install in all patrol cars
13. Kids & Family Expo at Turtle Creek Mall will be held this Sat. June 10 from 10-1
14. Scenic Hills Clean-up – 9 tons
15. Building Permits: Commercial - \$26.3 million-79% and Residential - \$6.8 million-21% for a Total of \$33,192.432.00

9. CITY COUNCIL REPORTS

RES-17:069

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING THE MAYOR TO ENTER INTO AN AMENDED AGREEMENT WITH ABILITIES UNLIMITED OF JONESBORO, INC. TO PERFORM RECYCLING SERVICES FOR THE RESIDENTS OF THE CITY

Attachments: [Amended Abilities Unlimited Recycling Contract.doc](#)
[Amended Abilities Unlimited Recycling Contract \(PDF\)](#)
[Chamber of Commerce Green Business Committee](#)

Councilman Street said at the Public Works Committee meeting we considered a resolution and was asked to suspend the rules and walk on tonight RES-17:069 so we can have the alternate week in place for the blue bag collection.

Councilman Street motioned, seconded by Councilman Johnson, to suspend the rules and walk-on RES-17:069. All voted aye.

Councilman Hafner asked the Mayor if he could explain why we would be going to twice a month on the blue bag recycling collection. Mayor Perrin said we have an agreement with Abilities Unlimited and they have come back to us and wanted to add another \$49,000 to the annual contract that we have. The contract actually ends in June of 2018, which is basically a year from now. What we want to do as administration is to take this year and look at all of the options that we have available on that and get with our legal counsel. The question I asked of Abilities Unlimited at the table in discussion is will they come back with an additional increase besides the \$49,000. Ever since we have had the contract, we have come back with an extension, more money, and they will probably come back with another increase. We are going to look at this. We have talked about being a first-class City with the carts. I want to get with our City Attorney and make sure that we would never do anything against the one-cent sales tax that we did for MATA. We will take a look at that, come back, and do our study. We will do that before we get into our budget process in November. We will also be putting notes in the bags to remind the public when they will be doing the recycling. The green committee concurred with that. We are going to put the stickers on the bags to make it official as of July 1st. We have been studying this thing pretty hard on the recycling. We obviously want to increase recycling. We do not want to go the other way and discourage it. What we are trying to do is get it in a format and operation where it is very efficient. We have had some comments on the way it is being done now that some has not been picked up and some have. Abilities Unlimited took on a pretty big load when they took on the City of Jonesboro and its 82 square miles to pick up recycling. Somewhere between 15-25% of the population is recycling now. I hope that goes up to save our landfill. The only way you are going to be able to do that is to make it easier and more convenient for the citizens of Jonesboro to do. That is what we are trying to look for.

A motion was made by Councilman John Street, seconded by Councilman Mitch Johnson, that this matter be Passed . The motion PASSED with the following vote:

Aye: 11 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Gene Vance; Charles Coleman; Bobby Long; Joe Hafner and David McClain

Absent: 1 - Chris Gibson

RES-17:081

A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH CASELOADPRO TO PROVIDE COMPUTER MONITORING SERVICES FOR THE PROBATION SERVICES FOR CRAIGHEAD COUNTY DISTRICT COURT

Attachments: [Probation CaseloadPro Contract](#)

Councilman Johnson said that Public Safety called a Special Called meeting regarding RES-17:081. It is software from CaseLoadPro to provide computer monitoring services for Probation Services for Craighead County District Court. Chief

Elliott feels that this is pretty time sensitive because he is trying to get his program up and running.

Councilman Johnson motioned, seconded by Councilman Street, to suspend the rules and walk-on RES-17:081. All Voted aye.

A motion was made by Councilman Mitch Johnson, seconded by Councilman John Street, that this matter be Passed . The motion PASSED with the following vote:

Aye: 11 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Gene Vance; Charles Coleman; Bobby Long; Joe Hafner and David McClain

Absent: 1 - Chris Gibson

Councilman Hafner said he is looking forward to next week's Municipal League Conference in Little Rock. As we continue to look at this sidewalk ordinance that I proposed, I am going to try to set up some meetings with representatives from other cities and see what they do as far some of the concerns that I have heard as far as topography and stuff like that.

Councilman McClain asked about the cycling/pedestrian trail plan that was mentioned in April. He wanted to know where we were and when they could actually see that. Mayor Perrin said he didn't have a plan, that he had a proposal to do a plan. The cost of that is somewhere around \$135,000-\$138,000. I am getting with the Engineering Department, Parks and Recreation Department, Administration, to take a look at that and trying to go through there. One of the things that was left out of there the first time was that it didn't follow the guidelines of the Highway Department. They just released their new guidelines on bikes and walking trails. I want to make sure we have everything in that contract before I ever think about bringing it back to you all.

Councilman Moore said he had a Point of Order to be clarified. As ex facto parliamentarian, I would ask City Attorney Carol Duncan to read Arkansas Code 14-43-501 subsection B. Please read that section for the record. Ms. Duncan said that it is talking about the organization of City Council in 14-43-501 subsection B. The section you are referring to in the first part of the section says that the Mayor shall be an ex officio President of the City Council and shall preside at its meetings. In Section B, it says the Mayor shall have a vote to establish a quorum of the City Council at any regular meeting of the City Council and when his or her vote is needed to pass any ordinance, bylaw, resolution, order, or motion. This is what I was looking for originally, but in your City Council Rules, it says the Mayor only votes in the case of a tie.

Mayor Perrin said this is what the Nominating & Rules Committee submitted to this Council and was approved. Ms. Duncan said that is what your City Council rules say. Above that, it says one of the things that the City Council can do is set their agenda, set their rules. Councilman Vance asked if they could change the duties of the Mayor. Councilman Frierson said that if legislative enactments specifically says that, I don't believe the City can change that. Ms. Duncan stated it does say shall. It doesn't say may. It says shall. Councilman Frierson asked what are we going to do now. Ms. Duncan said that depends upon the Mayor.

Mayor Perrin said that he is only going by what we set up every year and we went through that several times on the Rules and Nominating Committee to put the way

that the Council is going to operate with rules and procedures. That is what I was going by when I made that statement. Councilman Johnson asked if in the event that we end up in court over this, does state law not supersede our rules. Ms. Duncan said she thinks state law can supersede your rules. Councilman Long asked in that case, does the Mayor have to vote? Councilman Dover said no that he can abstain. Ms. Duncan said that he can abstain from voting. He can abstain or vote to pass. Mayor Perrin said abstaining is a no vote. Councilman Moore asked that they listen to the City Attorney. Ms. Duncan said he can either abstain or he can vote to pass.

Councilman Dover asked if we were clear that they supersede our rules. Ms. Duncan said there is no doubt that state law supersedes what the Council chooses. She said it also states the Council can make their rules. She said she would read it one more time. The Mayor shall have a vote to establish a quorum and that is not what we are talking about here. And, when his or her vote is needed to pass any ordinance, bylaw, resolution, order, or motion. It doesn't say he has to vote. It says he has a vote. He can vote which is what I started off saying that he can vote to pass a measure. Councilman Dover said I thought you said the Council can pass its own rules. Ms. Duncan said it can, but that doesn't mean they can compete with state law. Councilman Vance said it would have to be within state law or we would be breaking the law. Councilman Moore said the Mayor can simply abstain. You have the right to chose to abstain. You cannot vote no.

Mayor Perrin said that state law is going to override anything that we do. Ms. Duncan said that was correct. Councilman Vance said it can be brought up at the next council meeting to revote. Mayor Perrin said you will have another councilman here possibly. Councilman Vance said that would be fair to both sides is to put it back on the agenda because we messed up. Ms. Duncan said this is exactly what we dealt with at MAPC recently. That is why I slowed everyone down to try to look at the rules because we made a hasty pass when it did not pass. Therefore, I believe, what we determined in MAPC and looked at and made the decision that the Chair could move or a member of MAPC could move to put it back on the agenda. I realize that their rules are different. We wanted to give sufficient notice however and that is the problem that you run into. When we started looking at it, you have got to give sufficient notice to both sides that it is going to be back on the agenda. The question then arises if it is a new vote, does Chris Gibson vote who was absent today which might make a difference one way or another or can you change your vote. I will have to look into this. There are a lot of issues that go with that. The Council has not adjourned this meeting. I think it is cleaner to vote tonight and let people be notified. They weren't going to get to speak again no matter what the Mayor's vote was. They were going to be mad either way if his vote changed the outcome of the decision. I think it is worse to put it off two weeks and worry that you have not provided adequate notice.

Councilman Hafner asked if the AND in there to establish a quorum AND vote to pass a measure is for two totally separate issues. Ms. Duncan said she thought it was separate issues. Councilman Vance asked if they should go back and take a roll call vote to make it correct. Councilman Moore said first the Mayor has to decide if he wants to abstain or pass it. If he was to vote, based on the outcome of that, there is a procedure for how at the next council meeting, one alderman on one side of that issue has the right to bring that back up. But, that is only based on what the Mayor's vote is. If he abstains, it is not going to be a point. If he votes to pass it, then which alderman brings that up for redress? Ms. Duncan said she has reviewed this in MAPC rules, but not in Council rules. It would have to be someone on the side that prevailed. Councilman Moore said that was correct, but only if the Mayor votes to pass it. If he decides to abstain, then that won't be an issue.

Mayor Perrin said he was not an attorney and he is sitting here on two different deals and he is going to abstain.

10. PUBLIC COMMENTS

Phillip Cook, 5216 Richardson, said he would like to give praise were it is due. Chief Elliott and his people have done an excellent job on slowing the traffic down on his street. He wanted to say thank you.

11. ADJOURNMENT

A motion was made by Councilman Mitch Johnson, seconded by Councilman Chris Moore, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 11 - Darrel Dover;Ann Williams;Charles Frierson;Chris Moore;John Street;Mitch Johnson;Gene Vance;Charles Coleman;Bobby Long;Joe Hafner and David McClain

Absent: 1 - Chris Gibson

_____ **Date:** _____

Harold Perrin, Mayor

Attest:

_____ **Date:** _____

Donna Jackson, City Clerk



Legislation Details (With Text)

File #:	RES-17:052	Version:	1	Name:	Accept a permanent drainage easement from Erika or Dustin Chudy for the purpose of making drainage improvements
Type:	Resolution	Status:			Recommended to Council
File created:	4/28/2017	In control:			Public Works Council Committee
On agenda:		Final action:			
Title:	A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO AUTHORIZE THE MAYOR AND CITY CLERK TO ACCEPT A PERMANENT DRAINAGE EASEMENT FROM ERIKA OR DUSTIN CHUDY FOR THE PURPOSE OF MAKING DRAINAGE IMPROVEMENTS				
Sponsors:	Engineering				
Indexes:	Easement				
Code sections:					
Attachments:	Permanent Drainage Easement - Chudy				

Date	Ver.	Action By	Action	Result
6/6/2017	1	Public Works Council Committee		

A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO AUTHORIZE THE MAYOR AND CITY CLERK TO ACCEPT A PERMANENT DRAINAGE EASEMENT FROM ERIKA OR DUSTIN CHUDY FOR THE PURPOSE OF MAKING DRAINAGE IMPROVEMENTS

WHEREAS, the City of Jonesboro, Arkansas desires to accept the following described easement for the purpose of making drainage improvements:

A part of Lot 24 in Block A of Country Club Terrace Addition; NW part of Section 20, Township 14, Range 04 being more particularly described as follows: A easement along north and east property lines starting on the NW corner of property also known as 1210 E. Country Club Terrace, hence East 120', South 70', West 20', North 55', West 100', North 15' to the point of beginning proper.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

Section 1: The Mayor and City Clerk are hereby authorized by the City Council for the City of Jonesboro, Arkansas to accept the easement described above.

3RD FLOOR

Return recorded document to:
CITY OF JONESBORO
300 South Church Street
JONESBORO, AR 72401

The above space is reserved for Craighead County recording information.

PERMANENT DRAINAGE EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

That Erika or Dustin Chudy, hereinafter referred to as Grantor (whether one or both), does hereby dedicate, grant and convey unto the Public, and that the **CITY OF JONESBORO**, a Municipal Corporation of the State of Arkansas, hereinafter referred to as Grantee, does hereby accept on behalf of the public, for use as a permanent drainage easement the following described real property in Craighead County, State of Arkansas, to-wit:

A part of Lot 24 in Block A of Country Club Terrace Addition; NW part of Section 20, Township 14, Range 04 being more particularly described as follows: A easement along north and east property lines starting on the NW corner of property also known as 1210 E. Country Club Terrace, hence East 120', South 70', West 20', North 55', West 100', North 15' to the point of beginning proper.

This easement and right of way is for the purpose of making drainage improvements and maintaining said improvements within the City of Jonesboro. Any other use of this area, other than by record owners, shall only be granted by record owners, but they are not precluded from using or granting other use, so long as same does not interfere unreasonably with the express purpose intended.

This grant of easement and right of way shall be binding upon the heirs, successors, administrators and assigns of the grantor.

IN WITNESS WHEREOF, the GRANTOR executed this instrument on the 24 day of April, 2017.

Signature Erika Krennerich Chudy
Erika Krennerich Chudy

Signature Dustin Chudy
Dustin Chudy

ACKNOWLEDGMENT

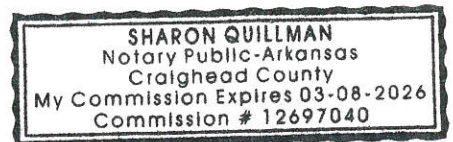
STATE OF ARKANSAS
COUNTY OF CRAIGHEAD

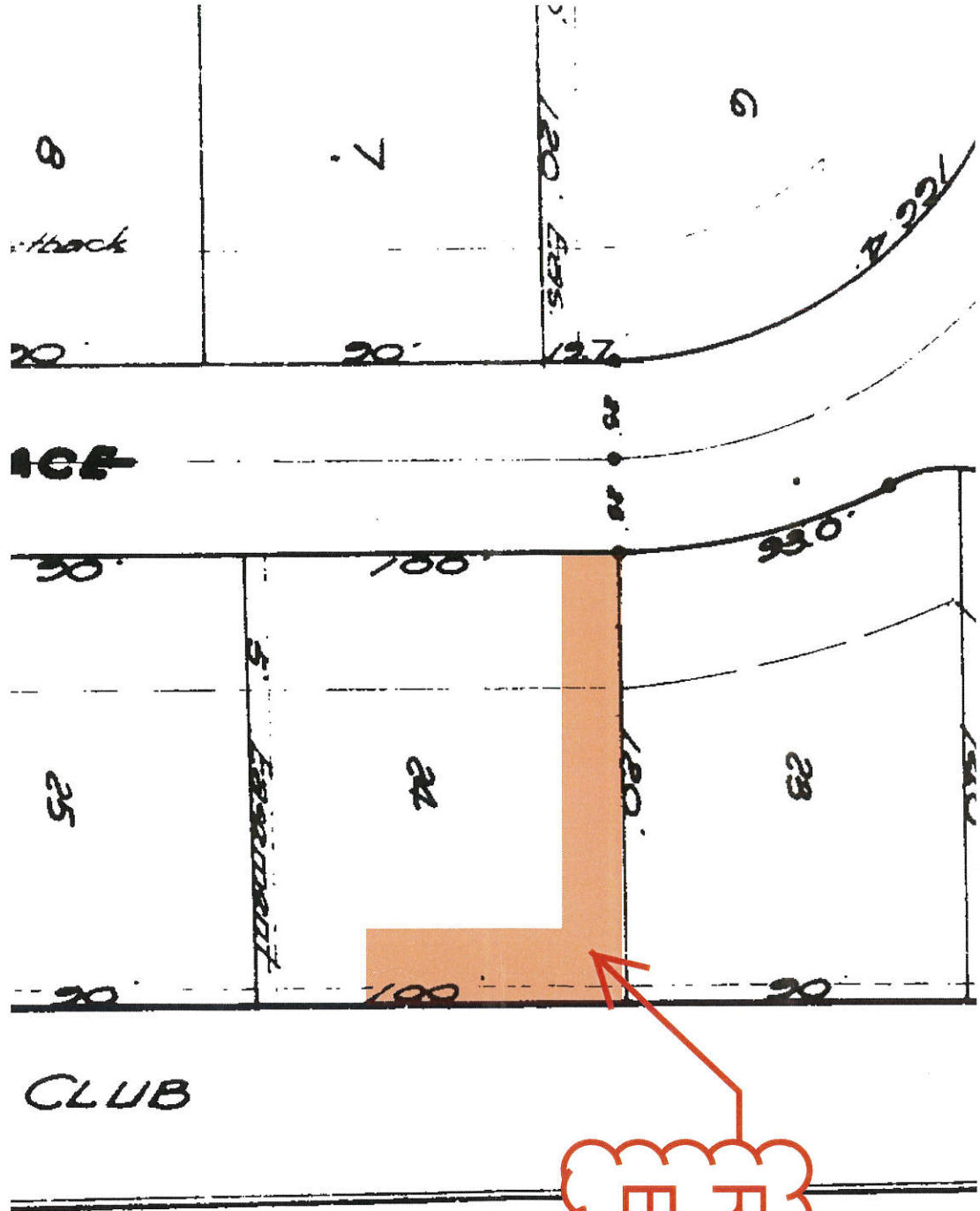
On this day before me, the undersigned officer, personally appeared Erika Krennerich Chudy Dustin Chudy to me well known to be the person whose name is subscribed to the foregoing instrument, and acknowledged that they had executed the same for the purposes therein stated and set forth.

WITNESS my hand and seal this 24th day of April, 2017.

Notary Public (Signature) Sharon Quillman

My Commission Expires: 3/8/26





Requested Easement



Legislation Details (With Text)

File #:	RES-17:076	Version:	1	Name:	Contract with Fisher & Arnold for engineering services
Type:	Resolution	Status:			Recommended to Council
File created:	5/30/2017	In control:			Public Works Council Committee
On agenda:		Final action:			
Title:	A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO AN AGREEMENT WTH FISHER & ARNOLD, INC. TO PERFORM PROFESSIONAL ENGINEERING SERVICES				
Sponsors:	Engineering				
Indexes:	Contract				
Code sections:					
Attachments:	Agreement Schedule				

Date	Ver.	Action By	Action	Result
6/6/2017	1	Public Works Council Committee		

A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO AN AGREEMENT WTH FISHER & ARNOLD, INC. TO PERFORM PROFESSIONAL ENGINEERING SERVICES WHEREAS, the City of Jonesboro desires to enter into an agreement for professional engineering services for the design and final construction documents for Highway 49 at Parker Road Intersection Improvements in the City of Jonesboro; and,

WHEREAS, based on annual Statement of Qualifications submitted, the firm selected to perform professional engineering services for the above mentioned project is Fisher & Arnold, Inc.

WHEREAS, Fisher & Arnold, Inc. has agreed to provide the services detailed in the attached proposal; and,

WHEREAS, funding for the execution of the agreement shall come from the Capital Improvement - STIP account and compensation shall be paid in accordance with the agreement.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

Section 1: That the City of Jonesboro shall enter into an agreement with Fisher & Arnold, Inc. to perform professional engineering services for the design and final construction documents for Highway 49 at Parker Road Intersection Improvements in the City of Jonesboro.

Section 2: Funding for the execution of the agreement shall come from the Capital Improvement - STIP account and compensation shall be paid in accordance with the agreement.

Section 3: The Mayor is hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate this agreement.



FISHER ARNOLD
ENGINEERING INTEGRATION

May 25, 2017

Mr. Craig Light, P.E., City Engineer
City of Jonesboro
300 S. Church Street
Jonesboro, AR 72401

**RE: PROPOSAL FOR HIGHWAY 49 AT PARKER ROAD INTERSECTION IMPROVEMENTS
JOB 100879**

Dear Mr. Light:

Fisher & Arnold, Inc. is pleased to submit the following Scope of Work and Proposal for providing design and final construction documents for the Highway 49 at Parker Road Intersection Improvements Project. The proposed improvements would include the following: addition of a third northbound (NB) thru lane on Highway 49 (beginning approximately 700 feet south of Parker Road and terminating in a dedicated right-turn lane at the Interstate 555 southbound (SB) ramp terminal; addition of a NB right-turn deceleration lane terminating at Parker Road (length approximately 300' including taper; addition of a second eastbound (EB) left-turn lane on Parker Road, addition of a second southbound (SB) left-turn lane on Highway 49; separate the westbound (WB) thru and left-turn movements on Parker Road; addition of a second eastbound (EB) travel lane on Parker Road between Highway 49 and Highway 141 (Culberhouse Street); and the addition of a second eastbound (EB) thru lane to the west leg of Parker Road. The Scope of Work is more particularly described as follows:

NEPA Environmental Document Preparation (Title 1)

F&A proposes to prepare environmental documents in the form of an expected Categorical Exclusion (CE) to meet the AHTD and FHWA process. The CE will be developed in accordance with applicable regulations. The various subtasks to be addressed in this component will include the following:

1. Purpose and Description
2. Mapping
3. Technical Noise Study
4. Endangered Species
5. Fish and Wildlife
6. Floodplain
7. SHPO/Historical Resources Impacts
8. Bicycle and Pedestrian Impacts
9. Hazardous Materials / Sites Study
10. Prepare CE Document for Submittal to AHTD
11. Amend CE Document per ADEQ Comments as required to obtain approval

TOTAL FEE (NOT-TO-EXCEED) \$17,126.73

Task Deliverables:

Environmental Document (Two hard copies and an electronic copy to the City).

9180 Crestwyn Hills Drive
Memphis, TN 38125

901.748.1811
Fax: 901.748.3115
Toll Free: 1.888.583.9724

www.fisherarnold.com

NEPA Exclusions

It is anticipated that formal public involvement (project web-site and public involvement plan) will not be required for the NEPA phase of the project. The proposed scope includes preparation and attendance for one public meeting during the course of the project at a time determined by the City.

Any permitting, application, or similar project fees will be paid directly by the City.

ROADWAY DESIGN (TITLE 1) – For Alternative 2 (AHTD Memo Dated March 31, 2017)

- 1. Project Administration
- 2. Title Sheet
- 3. Typical Sections
- 4. Create Plan & Profile Sheets
- 5. Horizontal Alignment
- 6. Vertical Alignment
- 7. Run Pattern Lines
- 8. Cut Existing and Final Cross Sections
- 9. Property Strip Map
- 10. Legal Descriptions
- 11. Drainage Design
- 12. Maintenance of Traffic Plan
- 13. Signing and Pavement Marking Plan
- 14. Traffic Signal Design
- 15. Erosion Control Plans
- 16. Lighting Plans
- 17. Pavement Design Recommendation
- 18. Plan Submittals (30%, 60%, 90%)
- 19. Revise Plans Per Reviews
- 20. Item Nos./Quantity Calculations
- 21. Prepare Cost Estimate (60% & 90%)
- 22. QA/QC of Plans
- 23. Public Meeting and Exhibits
- 24. Meetings, Correspondence, etc. (Meetings to occur monthly during the course of the design phase)

TOTAL FEE (NOT-TO-EXCEED) \$165,938.46

Task Deliverables: Deliverables will include Preliminary Plans (30%) and Right-of-Way Plans (60%) which will include Plans and Descriptions, 90% Construction Plans, and Final Construction Plans.

Design Exclusions

This fee does not include time for performing any field surveys, including drafting of survey topo. At time of this proposal, it is our understanding that all survey required for this project will be completed by AHTD. Our proposal is based on the assumption that all necessary survey files required for the design of this project will be supplied by AHTD.

Additionally, no traffic studies and development of traffic signal timings are included in the proposed scope.

BID PHASE (Title II)

1. Answer questions from contractors during bid phase
2. Issue addenda
3. Attend Bid Opening
4. Review and certify bids for construction
5. Issue letter of recommendation for acceptance of bid

TOTAL FEE (NOT-TO-EXCEED) \$5,435.20

SUMMARY OF COSTS (TITLE 1):

NEPA	\$17,126.73
DESIGN	<u>\$165,938.46</u>
SUBTOTAL PLANS LABOR AND OVERHEAD.....	\$183,065.19

DIRECT COSTS (TITLE 1):

Miscellaneous Expense (Mileage, Printing, Deliveries, Mail, etc.).....	\$1,275.50
Geotechnology, Inc.	\$16,684.41
PanAmerican	\$4,422.67
Enercon	\$3,605.00
Bowlby & Associates	\$3,757.92
EDR	<u>\$500.00</u>

SUBTOTAL DIRECT COSTS \$30,245.50

TOTAL TITLE I (NOT-TO-EXCEED FEE)..... \$213,310.69

TITLE II SUMMARY:

BID PHASE (Title II) \$5,435.20

DIRECT COSTS (Title II) \$21.40

TOTAL TITLE II (NOT-TO-EXCEED FEE)..... \$5,456.60

PROJECT GRAND TOTAL (NOT-TO-EXCEED)..... \$218,767.29

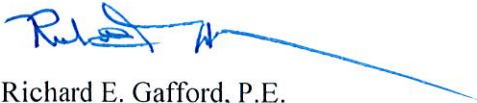


Mr. Craig Light, P.E.
May 25, 2017
Page 4

We are looking forward to working with you on this project. If you have any questions regarding this proposal, please do not hesitate to call.

Sincerely,

FISHER & ARNOLD, INC.



Richard E. Gafford, P.E.
Vice President

REG/mkg

Cc: Mr. Mark Nichols, P.E.
Mr. John Pankey, P.E.



Mr. Craig Light, P.E.

May 25, 2017

Page 5

Failure To Complete Work On Time

Time is an essential element of the Agreement and it is important that the work be pressed vigorously to completion in accordance with the proposed project schedule. The cost to the Owner (City of Jonesboro) of the administration of the Agreement will be increased as the time occupied in the work is lengthened. Loss will accrue to the public due to delayed completion of the design and construction documents.

This being the case the Owner reserves the right to withhold payment from the Consultant for failure to perform services in a timely manner as per the mutually agreed upon schedule for factors within the Consultant's control. Payment will be withheld from the Consultant until the Owner is satisfied that the Consultant is progressing towards meeting the agreed upon schedule or upon completion of the project.

The Owner and Consultant are aware that many factors outside the Consultant's control may affect the Consultant's ability to complete the services to be provided under this Agreement. The Consultant will perform these services with reasonable diligence and expediency consistent with sound professional practices.

If the Consultant becomes aware of delays due to time allowances for review and approval being exceeded, delay by the Owner, the Owner's consultants, reviews by governing agencies, or any other cause beyond the control of the Consultant, which will result in the schedule for performance of the Consultant's services not being met, the Consultant shall promptly notify the Owner. If the Owner becomes aware of any delays or other causes that will affect the Consultant's schedule, the Owner shall promptly notify the Consultant. In either event, the Consultant's schedule for performance of its services shall be equitably adjusted

Terms and Conditions

The obligation to provide further services under the Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. In the event of termination, Fisher & Arnold, Inc. will be paid for all services rendered to the date of termination.

The fees shown in this proposal are based on the Owner agreeing to limit the Professional's liability for all planning, engineering and analytical services to the Owner due to the Professional's negligent acts, errors or omissions, such that the total aggregate liability of the Professional to all those named shall not exceed the Professional's total fee for services rendered on the project.

This proposal represents the entire understanding between you and us in respect to the "Project" and may only be modified in writing signed by both of us. If this satisfactorily sets forth your understanding of the arrangement between us, please sign the acceptance of this proposed Letter Agreement in the space provided below and return it to us.

Mr. Craig Light, P.E.
May 25, 2017
Page 6

ACCEPTED BY:

CITY OF JONESBORO, AR

Name

Date

Title

O:\MARKETING\PROPOSAL\PLANNING\JohnP\Light (Hwy 48 at Parker) 5-25-17.doc





Legislation Details (With Text)

File #: RES-17:082 **Version:** 1 **Name:** Appointments, reappointments and removals from boards and commissions
Type: Resolution **Status:** Recommended to Council
File created: 6/1/2017 **In control:** Nominating and Rules Committee
On agenda: **Final action:**
Title: RESOLUTION TO MAKE APPOINTMENTS, REAPPOINTMENTS AND REMOVALS TO THE COMMUNITY TRANSPORTATION ADVISORY BOARD, LAND USE ADVISORY COMMISSION AND STORMWATER MANAGEMENT BOARD
Sponsors: Mayor's Office
Indexes: Appointment/Reappointment, Board/Commission
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
6/6/2017	1	Nominating and Rules Committee		

RESOLUTION TO MAKE APPOINTMENTS, REAPPOINTMENTS AND REMOVALS TO THE COMMUNITY TRANSPORTATION ADVISORY BOARD, LAND USE ADVISORY COMMISSION AND STORMWATER MANAGEMENT BOARD
WHEREAS, the following appointments, reappointments and removals have been recommended by Mayor Harold Perrin.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS, that the following boards and commissions appointments, reappointments and removals be confirmed:

COMMUNITY TRANSPORTATION ADVISORY BOARD (JET)
Appointment of Marsha Smith to fill the unexpired term of Robert Wells with a term expiration of February 17, 2018

LAND USE ADVISORY COMMISSION
Reappointment of Rusty Trevathan to a five-year term expiring June 1, 2022
Removal of Dr. Jim Sanders, who resigned from the commission

STORMWATER MANAGEMENT BOARD
Reappointment of Jeremy Bevill and Jeannie Gillis to three-year terms expiring June 1, 2020



Legislation Details (With Text)

File #: RES-17:083 **Version:** 1 **Name:** Grant application for COPS hiring program
Type: Resolution **Status:** Recommended to Council
File created: 6/2/2017 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: A RESOLUTION FOR THE SUBMISSION OF A GRANT APPLICATION TO THE COPS (COMMUNITY ORIENTED POLICING SERVICES) HIRING PROGRAM THROUGH THE U.S. DEPARTMENT OF JUSTICE FOR THE HIRING OF FIVE POLICE OFFICERS.
Sponsors: Grants, Police Department
Indexes: Grant
Code sections:
Attachments: [oppCOPS-HIRING-PROGRAM-APPLICATION-2017-cfda16.710](#)
[COPS Hiring Grant - Budget Breakdown](#)

Date	Ver.	Action By	Action	Result
6/13/2017	1	Finance & Administration Council Committee		

A RESOLUTION FOR THE SUBMISSION OF A GRANT APPLICATION TO THE COPS (COMMUNITY ORIENTED POLICING SERVICES) HIRING PROGRAM THROUGH THE U.S. DEPARTMENT OF JUSTICE FOR THE HIRING OF FIVE POLICE OFFICERS.

WHEREAS, applications are now accepted for the COPS Hiring Program for 2017; and

WHEREAS, the COPS Hiring Program is funded at 75% by the U.S. Department of Justice and a 25% local match is required during the three year period of the said grant and one year of attrition required; and

WHEREAS, the City of Jonesboro is seeking funding of \$832,010 for the employment of five police officers (salaries and benefits) of which \$624,007 is federally funded and \$208,003 is local match, this assistance will provide more officers in the protection of our residents from certain crimes such as burglary and larceny.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

SECTION 1: The Jonesboro City Council supports the submission of the 2017 application to the COPS Hiring Program for the employment of five additional police officers for the aforementioned criminal activities.

SECTION 2: The Mayor and the City Clerk are hereby authorized by the City Council for the City of Jonesboro to execute all necessary documents to effectuate the grant application.

SECTION 3: The Grants Administrator is hereby authorized by the City Council for the City of Jonesboro to submit all necessary documents for this federal program.

Embedded Adobe XML Form

The file <http://jonesboro.legistar.com/View.ashx?M=F&ID=5239172&GUID=BB548A87-F33E-4E2E-B4BA-09134959E6CD> is an Adobe XML Form document that has been embedded in this document. Double click the pushpin to view.



COPS Hiring Grant

First Year Officers

Salary (1 officer)	\$ 34,500.00
Benefits (1 officer)	\$ 17,786.00
Total Officer Pay	<u>\$ 52,286.00</u>

5 Officers \$ 261,430.00

Second Year Officers

Salary (1 officer)	\$ 36,200.00
Benefits (1 officer)	\$ 19,637.00
Total Officer Pay	<u>\$ 55,837.00</u>

5 Officers \$ 279,185.00

Third Year Officers

Salary (1 officer)	\$ 37,050.00
Benefits (1 officer)	\$ 21,229.00
Total Officer Pay	<u>\$ 58,279.00</u>

5 Officers \$ 291,395.00

First Year Budget

Federal Share - 85%	\$ 230,229.55
Local Match - 15%	\$ 31,200.45

Total Budget \$ 261,430.00

Second Year Budget

Federal Share - 75%	\$ 227,184.25
Local Match - 25%	\$ 52,000.75

Total Budget \$ 279,185.00

Third Year Budget

Federal Share - 40%	\$ 166,593.20
Local Match - 60%	\$ 124,801.80

Total Budget \$ 291,395.00

Total Project Budget

Federal Share - 75%	\$ 624,007.00
Local Match - 25%	\$ 208,003.00
Total Budget	\$ 832,010.00



Legislation Details (With Text)

File #:	RES-17:084	Version:	1	Name:	Agreement with HUD for Continuum of Care Program
Type:	Resolution	Status:		Status:	Recommended to Council
File created:	6/8/2017	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:			
Title:	A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR THE EXECUTION OF THE CONTINUUM OF CARE PROGRAM				
Sponsors:	Grants				
Indexes:	Contract, Grant				
Code sections:					
Attachments:	CoC Agreement Continuum of Care Program Special Conditions				

Date	Ver.	Action By	Action	Result
6/13/2017	1	Finance & Administration Council Committee		

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR THE EXECUTION OF THE CONTINUUM OF CARE PROGRAM

WHEREAS, the City of Jonesboro has been granted its allocation for the Continuum of Care (CoC) Program for \$94,397; and

WHEREAS, the CoC funds are 75% federally funded and local match is 25% from in-kind contributions and CDBG funds; and

WHEREAS, these funds shall be use for rapidly rehousing the homeless, who are unsheltered and require additional supportive services such as bus passes, healthcare, life skills training and financial literacy; and

NOW, THEREFORE LET IT BE RESOLVED BY THE CITY COUNCIL FOR THE JONESBORO, ARKANSAS THAT

SECTION 1: The City of Jonesboro will enter into an agreement with the Department of Housing and Urban Development for the execution of the Continuum of Care Program for the aforementioned activities.

SECTION 2: The Mayor and City Clerk are hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate this agreement.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Little Rock Field Office, Region VI
Office of Community Planning and Development
425 West Capitol Avenue, Suite 1000
Little Rock, AR 72201
Phone (501) 324-6375 - Fax (501) 324-5954
www.hud.gov or espanol.hud.gov

June 5, 2017

Ms. Kimberly Marshall
Grants Administrator
City of Jonesboro
P.O. Box 1845
Jonesboro, AR 72403

Dear Ms. Marshall:

SUBJECT: Transmittal of FY2016 Homeless Assistance Grants
Program: Continuum of Care Program
Project Name: AR-503 – NEW- Ending Homelessness
Sponsor Name: City of Jonesboro
CoC: AR-503 – Arkansas Balance of State CoC
Project Number: AR0056L6F031600

Congratulations on City of Jonesboro's conditional selection for funding under the United States Department of Housing and Urban Development's (HUD) fiscal year 2016 Continuum of Care (CoC) competition. Addressing homelessness is one of the Department's top priorities and the following conditionally-selected project will make a significant contribution toward developing a stronger continuum of care system in your community.

The conditions or issues that HUD identified when it reviewed your application have been resolved. You are encouraged to return the enclosed three (3) copies of the Renewal Grant Agreement between City of Jonesboro and HUD within seven (7) days.

Thank you for your commitment to assisting homeless persons. HUD looks forward to continuing its work with you to eliminate homelessness. If you have questions regarding the award or the enclosures, please contact Chandra Taylor, Senior Community Planning and Development Representative on (501) 918-5737.

Sincerely,

A handwritten signature in blue ink, appearing to read "Clinton E. Johnson".

Clinton E. Johnson
Director, Community
Planning and Development

Enclosure(s)

Tax ID No.: 71-6013749

CoC Program Grant Number: AR0056L6F031600

Effective Date:

DUNS No.: 073540288

Component: RRH

Recipient: City of Jonesboro

Official Contact Person and Title: Harold Perrin, Mayor

Telephone Number: (870) 935-7210

Fax Number: (870) 933-4626

E-mail Address: hperrin@jonesboro.org

Operating Start Date: _____

Project Location(s): Jonesboro, Arkansas

CONTINUUM OF CARE PROGRAM Grant Agreement

This Grant Agreement (“this Agreement”) is made by and between the United States Department of Housing and Urban Development (“HUD”) and **City of Jonesboro** (the “Recipient”).

This Agreement is governed by title IV of the McKinney-Vento Homeless Assistance Act 42 U.S.C. 11301 *et seq.* (the “Act”) and the Continuum of Care Program rule (the “Rule”).

The terms “Grant “ or “Grant Funds” mean the funds that are provided under this Agreement. The term “Application” means the application submissions on the basis of which the Grant was approved by HUD, including the certifications, assurances, and any information or documentation required to meet any grant award condition. All other terms shall have the meanings given in the Rule.

The Application is incorporated herein as part of this Agreement, except that only those projects listed, and only in the amounts listed on a Scope of Work exhibit, are funded by this Agreement. In the event of any conflict between any application provision and any provision contained in this Agreement, this Agreement shall control.

Exhibit 1, the FY2016 Scope of Work, is attached hereto and made a part hereof. If in the future appropriations are made available for Continuum of Care grants; if the Recipient applies under a Notice of Funds Availability published by HUD; and, if pursuant to the selection criteria in the Notice of Funds Availability, HUD selects the Recipient and one or more projects listed on Exhibit 1 for renewal, then additional Scope of Work exhibits may be attached to this Agreement. Those additional exhibits, when attached, will also become a part hereof.

The effective date of the Agreement shall be the date of execution by HUD and it is the date the usage of funds under this Agreement may begin. Each project will have a performance period that will be listed on the Scope of Work exhibit(s) to this Agreement. For renewal projects, the period of performance shall begin at the end of the Recipient’s final operating year for the project being renewed and eligible costs incurred for a project between the end of the Recipient’s final operating year under the grant being renewed and the execution of this Agreement may be paid with funds from the first operating year of this Agreement.

For each new project funded under this Agreement, the Recipient and HUD will set an operating start date in eLOCCS, which will be used to track expenditures, to establish the project performance period and to determine when a project is eligible for renewal. The Recipient hereby authorizes HUD to insert the project performance period for new projects into the exhibit without the Recipient's signature, after the operating start date is established in eLOCCS.

This Agreement shall remain in effect until termination either: 1) by agreement of the parties; 2) by HUD alone, acting under the authority of 24 CFR 578.107; 3) upon expiration of the final performance period for all projects funded under this Agreement; or 4) upon the expiration of the period of availability of funds for all projects funded under this Agreement.

The Recipient agrees:

1. To ensure the operation of the project(s) listed on the Scope of Work in accordance with the provisions of the Act and all requirements of the Rule;
2. To monitor and report the progress of the project(s) to the Continuum of Care and HUD;
3. To ensure, to the maximum extent practicable, that individuals and families experiencing homelessness are involved, through employment, provision of volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating facilities for the project and in providing supportive services for the project;
4. To require certification from all subrecipients that:
 - a. Subrecipients will maintain the confidentiality of records pertaining to any individual or family that was provided family violence prevention or treatment services through the project;
 - b. The address or location of any family violence project assisted with grant funds will not be made public, except with written authorization of the person responsible for the operation of such project;
 - c. Subrecipients will establish policies and practices that are consistent with, and do not restrict, the exercise of rights provided by subtitle B of title VII of the Act and other laws relating to the provision of educational and related services to individuals and families experiencing homelessness;
 - d. In the case of projects that provide housing or services to families, subrecipients will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including early childhood programs such as Head Start, part C of the Individuals with Disabilities Education Act, and programs authorized under subtitle B of title VII of the Act;
 - e. The subrecipient, its officers and employees are not debarred or suspended from doing business with the Federal Government; and

- f. Subrecipients will provide information, such as data and reports, as required by HUD;
5. To establish such fiscal control and accounting procedures as may be necessary to assure the proper disbursement of, and accounting for grant funds in order to ensure that all financial transactions are conducted, and records maintained in accordance with generally accepted accounting principles if the Recipient is a Unified Funding Agency;
6. To monitor subrecipient match and report on match to HUD;
7. To take the educational needs of children into account when families are placed in housing and will, to the maximum extent practicable, place families with children as close as possible to their school of origin so as not to disrupt such children's education;
8. To monitor subrecipients at least annually;
9. To use the centralized or coordinated assessment system established by the Continuum of Care as required by the Rule. A victim service provider may choose not to use the Continuum of Care's centralized or coordinated assessment system, provided that victim service providers in the area use a centralized or coordinated assessment system that meets HUD's minimum requirements;
10. To follow the written standards, developed by the Continuum of Care, for providing Continuum of Care assistance, including those required by the Rule;
11. Enter into subrecipient agreements requiring subrecipients to operate the project(s) in accordance with the provisions of this Act and all requirements of the Rule; and
12. To comply with such other terms and conditions as HUD may have established in the applicable Notice of Funds Availability.

HUD notifications to the Recipient shall be to the address of the Recipient as stated in the Application, unless HUD is otherwise advised in writing. Recipient notifications to HUD shall be to the HUD Field Office responsible for executing the Agreement. No right, benefit, or advantage of the Recipient hereunder may be assigned without prior written approval of HUD.

The Agreement constitutes the entire agreement between the parties hereto, and may be amended only in writing executed by HUD and the Recipient.

By signing below, Recipients that are states and units of local government certify that they are following a current HUD approved CHAS (Consolidated Plan).

This agreement is hereby executed on behalf of the parties as follows:

**UNITED STATES OF AMERICA,
Secretary of Housing and Urban Development**

BY: _____

(Signature)

Clinton E. Johnson, Community Planning and Development Director

(Typed Name and Title)

(Date)

RECIPIENT

City of Jonesboro

(Name of Organization)

BY: _____

(Signature of Authorized Official)

Honorable Harold Perrin, Mayor

(Typed Name and Title of Authorized Official)

(Date)

Tax ID No.: 71-6013749
CoC Program Grant Number: AR0056L6F031600
Effective Date:
DUNS No.: 073540288

EXHIBIT 1
SCOPE OF WORK for FY2016 COMPETITION

1. The project listed on this Scope of Work is governed by the Continuum of Care program Interim Rule attached hereto and made a part hereof as Exhibit 1a. Upon publication for effect of a Final Rule for the Continuum of Care program, the Final Rule will govern this Agreement instead of the Interim Rule. The project listed on this Exhibit at 4 below, is also subject to the terms of the Notice of Funds Availability for the fiscal year listed above.
2. The Continuum that designated Recipient to apply for grant funds has not been designated a high performing community by HUD for the applicable fiscal year.
3. Recipient is not the only Recipient for the Continuum of Care. HUD's total funding obligation for this grant and project is **\$94,397**, allocated between budget line items, as indicated in 4. below. In accordance with the Rule, the Recipient is prohibited from moving more than 10% from one budget line item in a project's approved budget to another without a written amendment to this Agreement.
4. Subject to the terms of this Agreement, HUD agrees to provide the Grant funds, in the amount specified for the project application listed, to be used during the performance period established below. However, no funds for new projects may be drawn down by Recipient until HUD has approved site control pursuant to the Rule and no funds for renewal projects may be drawn down by Recipient before the end date of the project's final operating year under the grant that has been renewed

Project No. AR0056L6F031600 **Performance Period** ()

allocated between budget line items as follows:

a. Continuum of Care planning activities	\$0 _____
b. UFA costs	\$0 _____
c. Acquisition	\$0 _____
d. Rehabilitation	\$0 _____
e. New construction	\$0 _____
f. Leasing	\$60,600 _____
g. Rental assistance	\$ _____
(of which \$ _____ is for short-term and medium-term rental assistance for persons at risk of homelessness)	
h. Supportive services	\$25,215 _____
i. Operating costs	\$0 _____
j. Homeless Management Information System	\$0 _____

k. Administrative costs	\$8,582
l. Relocation costs	\$0
m. Housing relocation and stabilization services	\$0

5. If grant funds will be used for payment of indirect costs, pursuant to 2 CFR 200, Subpart E - Cost Principles, the Recipient is authorized to insert the Recipient's federally recognized indirect cost rates (including if the de minimis rate is charged per 2 CFR §200.414) on the attached Federally Recognized Indirect Cost Rates Schedule, which Schedule shall be incorporated herein and made a part of the Agreement. No indirect costs may be charged to the grant by the Recipient if their federally recognized cost rate is not listed on the Schedule. Do not include indirect cost rates for Subrecipients; however, Subrecipients may not charge indirect costs to the grant if they do not also have a federally recognized indirect cost rate.
6. The following project has not been awarded project-based rental assistance for a term of fifteen (15) years. Funding is provided under this Scope of Work for the performance period stated in paragraph 4. Additional funding is subject to the availability of annual appropriations.
7. Program income earned during the grant term shall be retained by the recipient and used for eligible activities. Program income may also be counted as match.

Tax ID No.: 71-6013749

CoC Program Grant Number: AR0056L6F031600

Effective Date:

DUNS No.: 073540288

FEDERALLY RECOGNIZED INDIRECT COST RATE SCHEDULE

<u>Grant No.</u>	<u>Recipient Name</u>	<u>Indirect cost rate</u>	<u>Cost Base</u>
_____	_____	_____ %	_____

UNITED STATES OF AMERICA,
Secretary of Housing and Urban Development

BY: _____

(Signature)

Clinton E. Johnson, Community Planning and Development Director

(Typed Name and Title)

(Date)

RECIPIENT

City of Jonesboro

(Name of Organization)

BY: _____

(Signature of Authorized Official)

Honorable Harold Perrin, Mayor

(Typed Name and Title of Authorized Official)

(Date)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
24 CFR Part 578 [Docket No. FR-5476-I-01] RIN 2506-AC29
Homeless Emergency Assistance and Rapid Transition to Housing:
Continuum of Care Program

AGENCY: Office of the Assistant Secretary for Community Planning and Development.

ACTION: Interim rule.

PART 578 — CONTINUUM OF CARE PROGRAM

Introductory Sections		<i>Commenting Instructions</i>	
		<i>Executive Summary</i>	
		<i>Background / Summary</i>	
Subpart A – General Provisions			<u>Regulation</u>
578.1	Purpose and scope.	<u>Preamble</u>	<u>Regulation</u>
578.3	Definitions.	<u>Preamble</u>	<u>Regulation</u>
Subpart B – Establishing and Operating a Continuum of Care		<u>Preamble</u>	<u>Regulation</u>
578.5	Establishing the Continuum of Care.	<u>Preamble</u>	<u>Regulation</u>
578.7	Responsibilities of the Continuum of Care.	<u>Preamble</u>	<u>Regulation</u>
578.9	Preparing an application for funds.	<u>Preamble</u>	<u>Regulation</u>
578.11	Unified Funding Agency.	<u>Preamble</u>	<u>Regulation</u>
578.13	Remedial action.	<u>Preamble</u>	<u>Regulation</u>
Subpart C – Application and Grant Award Process			<u>Regulation</u>
578.15	Eligible applicants.	<u>Preamble</u>	<u>Regulation</u>
578.17	Overview of application and grant award process.	<u>Preamble</u>	<u>Regulation</u>
578.19	Application process.	<u>Preamble</u>	<u>Regulation</u>
578.21	Awarding funds.	<u>Preamble</u>	<u>Regulation</u>
578.23	Executing grant agreements.	<u>Preamble</u>	<u>Regulation</u>
578.25	Site control.		<u>Regulation</u>
578.27	Consolidated plan.		<u>Regulation</u>
578.29	Subsidy layering.		<u>Regulation</u>
578.31	Environmental review.		<u>Regulation</u>
578.33	Renewals.	<u>Preamble</u>	<u>Regulation</u>
578.35	Appeal.	<u>Preamble</u>	<u>Regulation</u>
Subpart D – Program Components and Eligible Costs			<u>Regulation</u>
578.37	Program components and uses of assistance.	<u>Preamble</u>	<u>Regulation</u>
578.39	Continuum of Care planning activities.	<u>Preamble</u>	<u>Regulation</u>
578.41	Unified Funding Agency costs.	<u>Preamble</u>	<u>Regulation</u>
578.43	Acquisition.		<u>Regulation</u>
578.45	Rehabilitation.		<u>Regulation</u>
578.47	New construction.		<u>Regulation</u>
578.49	Leasing.	<u>Preamble</u>	<u>Regulation</u>
578.51	Rental assistance.	<u>Preamble</u>	<u>Regulation</u>
578.53	Supportive services.	<u>Preamble</u>	<u>Regulation</u>

578.55	Operating costs.		<u>Regulation</u>
578.57	Homeless Management Information System.		<u>Regulation</u>
578.59	Project administrative costs.		<u>Regulation</u>
578.61	Relocation costs.		<u>Regulation</u>
578.63	Indirect costs.	<u>Preamble</u>	<u>Regulation</u>
Subpart E – High-Performing Communities		<u>Preamble</u>	<u>Regulation</u>
578.65	Standards.	<u>Preamble</u>	<u>Regulation</u>
578.67	Publication of application.		<u>Regulation</u>
578.69	Cooperation among entities.		<u>Regulation</u>
578.71	HPC-eligible activities.	<u>Preamble</u>	<u>Regulation</u>
Subpart F – Program Requirements		<u>Preamble</u>	<u>Regulation</u>
578.73	Matching requirements.	<u>Preamble</u>	<u>Regulation</u>
578.75	General operations.	<u>Preamble</u>	<u>Regulation</u>
578.77	Calculating occupancy charges and rent.		<u>Regulation</u>
578.79	Limitation on transitional housing.		<u>Regulation</u>
578.81	Term of commitment, repayment of grants, and prevention of undue benefits.		<u>Regulation</u>
578.83	Displacement, relocation, and acquisition.	<u>Preamble</u>	<u>Regulation</u>
578.85	Timeliness standards.	<u>Preamble</u>	<u>Regulation</u>
578.87	Limitation on use of funds.	<u>Preamble</u>	<u>Regulation</u>
578.89	Limitation on use of grant funds to serve persons defined as homeless under other federal laws.		<u>Regulation</u>
578.91	Termination of assistance to program participants.	<u>Preamble</u>	<u>Regulation</u>
578.93	Fair Housing and Equal Opportunity.	<u>Preamble</u>	<u>Regulation</u>
578.95	Conflicts of interest.		<u>Regulation</u>
578.97	Program income.		<u>Regulation</u>
578.99	Applicability of other federal requirements.		<u>Regulation</u>
Subpart G – Grant Administration			<u>Regulation</u>
578.101	Technical assistance.	<u>Preamble</u>	<u>Regulation</u>
578.103	Recordkeeping requirements.	<u>Preamble</u>	<u>Regulation</u>
578.105	Grant and project changes.	<u>Preamble</u>	<u>Regulation</u>
578.107	Sanctions.	<u>Preamble</u>	<u>Regulation</u>
578.109	Closeout.	<u>Preamble</u>	<u>Regulation</u>

SUMMARY: The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, consolidates three of the separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program, and revises the Emergency Shelter Grants program and renames it the Emergency Solutions Grants program. The HEARTH Act also codifies in law the Continuum of Care planning process, a longstanding part of HUD's application process to assist homeless persons by providing greater coordination in responding to their needs. The HEARTH Act also directs HUD to promulgate regulations for these new programs and processes.

This interim rule focuses on regulatory implementation of the Continuum of Care program, including the Continuum of Care planning process. The existing homeless assistance programs that comprise the Continuum of Care program are the following:

the Supportive Housing program, the Shelter Plus Care program, and the Moderate Rehabilitation/Single Room Occupancy (SRO) program. This rule establishes the regulations for the Continuum of Care program, and, through the establishment of such regulations, the funding made available for the Continuum of Care program in the statute appropriating Fiscal Year (FY) 2012 funding for HUD can more quickly be disbursed, consistent with the HEARTH Act requirements, and avoid any disruption in current Continuum of Care activities.

DATES:

Effective Date: August 30, 2012.

Comment Due Date: October 1, 2012.

ADDRESSES: Interested persons are invited to submit comments regarding this rule to the Regulations Division, Office of General Counsel, 451 7th Street, SW, Room 10276, Department of Housing and Urban Development, Washington, DC 20410-0500. Communications must refer to the above docket number and title. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. **Submission of Comments by Mail.** Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW, Room 10276, Washington, DC 20410-0500.
2. **Electronic Submission of Comments.** Interested persons may submit comments electronically through the Federal eRulemaking Portal at www.regulations.gov. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the www.regulations.gov website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

Note: To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the rule.

No Facsimile Comments. Facsimile (FAX) comments are not acceptable.

Public Inspection of Public Comments. All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number through TTY by calling the Federal Relay Service at 800-877-8339. Copies

of all comments submitted are available for inspection and downloading at www.regulations.gov.

FOR FURTHER INFORMATION CONTACT: Ann Marie Oliva, Director, Office of Special Needs Assistance Programs, Office of Community Planning and Development, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410-7000; telephone number 202-708-4300 (this is not a toll-free number). Hearing- and speech-impaired persons may access this number through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

SUPPLEMENTARY INFORMATION:

Executive Summary

Purpose of and Legal Authority for this Interim Rule

This interim rule implements the Continuum of Care program authorized by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act). Section 1504 of the HEARTH Act directs HUD to establish regulations for this program. (See 42 U.S.C. 11301.) The purpose of the Continuum of Care program is to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effective utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

The HEARTH Act streamlines HUD's homeless grant programs by consolidating the Supportive Housing, Shelter Plus Care, and Single Room Occupancy grant programs into one grant program: the Continuum of Care program. Local continuums of care, which are community-based homeless assistance program planning networks, will apply for Continuum of Care grants. By consolidating homeless assistance grant programs and creating the Continuum of Care planning process, the HEARTH Act intended to increase the efficiency and effectiveness of coordinated, community-based systems that provide housing and services to the homeless. Through this interim final rule, HUD will implement the Continuum of Care program by establishing the framework for establishing a local continuum of care and the process for applying for Continuum of Care grants.

Summary of Major Provisions

The major provisions of this rulemaking relate to how to establish and operate a Continuum of Care, how to apply for funds under the program, and how to use the funds for projects approved by HUD. These provisions are summarized below.

1. **General Provisions (Subpart A):** The Continuum of Care program includes transitional housing, permanent supportive housing for disabled persons, permanent

housing, supportive services, and Homeless Management Information Systems (HMIS). To implement the program, HUD had to define several key terms. In particular, HUD distinguishes between "Continuum of Care," "applicant," and "collaborative applicant." A "Continuum of Care" is a geographically based group of representatives that carries out the planning responsibilities of the Continuum of Care program, as set out in this regulation. These representatives come from organizations that provide services to the homeless, or represent the interests of the homeless or formerly homeless. A Continuum of Care then designates certain "applicants" as the entities responsible for carrying out the projects that the Continuum has identified through its planning responsibilities. A "Continuum of Care" also designates one particular applicant to be a "collaborative applicant." The collaborative applicant is the only entity that can apply for a grant from HUD on behalf of the Continuum that the collaborative applicant represents.

2. **Establishing and Operating a Continuum of Care (Subpart B):** In order to be eligible for funds under the Continuum of Care program, representatives from relevant organizations within a geographic area must establish a Continuum of Care. The three major duties of a Continuum of Care are to: (1) operate the Continuum of Care, (2) designate an HMIS for the Continuum of Care, and (3) plan for the Continuum of Care. HUD has delineated certain operational requirements of each Continuum to help measure a Continuum's overall performance at reducing homelessness, in addition to tracking of performance on a project-by-project basis. In addition, each Continuum is responsible for establishing and operating a centralized or coordinated assessment system that will provide a comprehensive assessment of the needs of individuals and families for housing and services. HUD has also defined the minimum planning requirements for a Continuum so that it coordinates and implements a system that meets the needs of the homeless population within its geographic area. Continuums are also responsible for preparing and overseeing an application for funds. Continuums will have to establish the funding priorities for its geographic area when submitting an application.
3. **Application and Grant Award Process (Subpart C):** The Continuum of Care grant award process begins with a determination of a Continuum's maximum award amount. As directed by statute, HUD has developed a formula for determining award amounts that includes the following factors: a Continuum's Preliminary Pro Rata Need (PPRN) amount; renewal demand; any additional increases in amounts for leasing, rental assistance, and operating costs based on Fair Market Rents, planning and Unified Funding Agency cost funds, and amounts available for bonus dollars. HUD has established selection criteria for determining which applications will receive funding under the Continuum of Care program. Recipients awarded Continuum of Care funds must satisfy several conditions prior to executing their grant agreements. All grants submitted for renewal must also submit an annual performance report. For those applicants not awarded funding, the process also provides an appeals process.

4. **Program Components and Eligible Costs (Subpart D):** Continuum of Care funds may be used for projects under five program components: permanent housing, transitional housing, supportive services only, HMIS, and, in some limited cases, homelessness prevention. The rule further clarifies how the following activities are considered eligible costs under the Continuum of Care program: Continuum of Care planning activities, Unified Funding Agency costs, acquisition, rehabilitation, new construction, leasing, rental assistance, supportive services, operating costs, HMIS, project administrative costs, relocation costs, and indirect costs.
5. **High-Performing Communities (Subpart E):** HUD will annually, subject to the availability of appropriate data, select those Continuums of Care that best meet application requirements to be designated a high-performing community (HPC). An HPC may use grant funds to provide housing relocation and stabilization services, and short- and/or medium-term rental assistance to individuals and families at risk of homelessness. This is the only time that Continuum of Care funds may be used to serve individuals and families at risk of homelessness.
6. **Program Requirements (Subpart F):** All recipients of Continuum of Care funding must comply with the program regulations and the requirements of the Notice of Funding Availability that HUD will issue each year. Notably, the HEARTH Act requires that all eligible funding costs, except leasing, must be matched with no less than 25 percent cash or in-kind match by the Continuum. Other program requirements of recipients include: abiding by housing quality standards and suitable dwelling size, assessing supportive services on an ongoing basis, initiating and completing approved activities and projects within certain timelines, and providing a formal process for termination of assistance to participants who violate program requirements or conditions of occupancy.
7. **Grant Administration (Subpart G):** To effectively administer the grants, HUD will provide technical assistance to those who apply for Continuum of Care funds, as well as those who are selected for Continuum of Care funds. After having been selected for funding, grant recipients must satisfy certain recordkeeping requirements so that HUD can assess compliance with the program requirements. For any amendments to grants after the funds have been awarded, HUD has established a separate amendment procedure. As appropriate, HUD has also established sanctions to strengthen its enforcement procedures.

Benefits and Costs

This interim rule is intended to help respond to and work toward the goal of eliminating homelessness. This interim rule provides greater clarity and guidance about planning and performance review to the more than 430 existing Continuums of Care that span all 50 states and 6 United States territories. As reported in HUD's Annual Homelessness Assessment Report to Congress, there were approximately 1.59 million homeless persons who entered emergency shelters or transitional housing in FY 2010. HUD serves roughly half that many persons, nearly 800,000 annually, through its three programs that will be consolidated into the Continuum of Care program under the

McKinney-Vento Act as amended by the HEARTH Act (i.e., Shelter Plus Care, Supportive Housing Program, Single Room Occupancy). The changes initiated by this interim rule will encourage Continuums of Care to establish formal policies and review procedures, including evaluation of the effectiveness of their projects, by emphasizing performance measurement and developing performance targets for homeless populations. HUD is confident that this systematic review by Continuums of Care will lead to better use of limited resources and more efficient service models, with the end result of preventing and ending homelessness.

The Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. 112-55) appropriated \$1,593,000,000 for the Continuum of Care and Rural Housing Stability Assistance programs. Upon publication of this rule, those FY 2012 funds will be available for distribution, as governed by these Continuum of Care regulations.

I. Background – HEARTH Act

On May 20, 2009, the President signed into law “An Act to Prevent Mortgage Foreclosures and Enhance Mortgage Credit Availability,” which became Public Law 111-22. This law implements a variety of measures directed toward keeping individuals and families from losing their homes. Division B of this law is the HEARTH Act, which consolidates and amends three separate homeless assistance programs carried out under title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.) (McKinney-Vento Act) into a single grant program that is designed to improve administrative efficiency and enhance response coordination and effectiveness in addressing the needs of homeless persons.

The HEARTH Act codifies in law and enhances the Continuum of Care planning process, the coordinated response to addressing the needs of the homeless, which was established administratively by HUD in 1995. The single Continuum of Care program established by the HEARTH Act consolidates the following programs: the Supportive Housing program, the Shelter Plus Care program, and the Moderate Rehabilitation/Single Room Occupancy program. The Emergency Shelter Grants program is renamed the Emergency Solutions Grants program and is revised to broaden existing emergency shelter and homelessness prevention activities and to add short- and medium-term rental assistance and services to rapidly rehouse homeless people. The HEARTH Act also creates the Rural Housing Stability program to replace the Rural Homelessness Grant program.

HUD commenced the process to implement the HEARTH Act with rulemaking that focused on the definition of “homeless.” HUD published a proposed rule, entitled “Defining Homeless” on April 20, 2010 (75 FR 20541), which was followed by a final rule that was published on December 5, 2011 (76 FR 75994). The Defining Homeless rule clarified and elaborated upon the new McKinney-Vento Act definitions for “homeless” and “homeless individual with a disability.” In addition, the Defining Homeless rule included recordkeeping requirements related to the “homeless” definition.

On December 5, 2011, HUD also published an interim rule for the Emergency Solutions Grants program (76 FR 75954). This interim rule established the program requirements for the Emergency Solutions Grants program and contained corresponding amendments to the Consolidated Plan regulations.

On December 9, 2011, HUD continued the process to implement the HEARTH Act, with the publication of the proposed rule titled "Homeless Management Information Systems Requirements" (76 FR 76917), which provides for uniform technical requirements for Homeless Management Information Systems (HMIS), for proper data collection and maintenance of the database, and ensures the confidentiality of the information in the database.

Today's publication of the interim rule for the Continuum of Care program continues HUD's implementation of the HEARTH Act. This rule establishes the regulatory framework for the Continuum of Care program and the Continuum of Care planning process, including requirements applicable to the establishment of a Continuum of Care.

Prior to the amendment of the McKinney-Vento Act by the HEARTH Act, HUD's competitively awarded homeless assistance grant funds were awarded to organizations that participate in local homeless assistance program planning networks referred to as a Continuum of Care, a system administratively established by HUD in 1995. A Continuum of Care is designed to address the critical problem of homelessness through a coordinated community-based process of identifying needs and building a system of housing and services to address those needs. The approach is predicated on the understanding that homelessness is not caused merely by a lack of shelter, but involves a variety of underlying, unmet needs – physical, economic, and social.

The HEARTH Act not only codified in law the planning system known as Continuum of Care, but consolidated the three existing competitive homeless assistance grant programs (Supportive Housing, Shelter Plus Care, and Single Room Occupancy) into the single grant program known as the Continuum of Care program. The consolidation of the three existing homeless assistance programs into the Continuum of Care grant program and the codification in law of the Continuum of Care planning process are intended to increase the efficiency and effectiveness of the coordination of the provision of housing and services to address the needs of the homeless. The regulations established by this rule are directed to carrying out this congressional intent.

II. Overview of Interim Rule

As amended by the HEARTH Act, Subpart C of the McKinney-Vento Homeless Assistance Act establishes the Continuum of Care program. The purpose of the program is to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and

dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effective utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

This interim rule establishes the Continuum of Care as the planning body responsible for meeting the goals of the Continuum of Care program. Additionally, in order to meet the purpose of the HEARTH Act, established in section 1002(b), and the goals of "Opening Doors: Federal Strategic Plan to Prevent and End Homelessness," the Continuum of Care must be involved in the coordination of other funding streams and resources—federal, local, or private—of targeted homeless programs and other mainstream resources. In many communities, the Continuum of Care is the coordinating body, while in other communities it is a local Interagency Council on Homelessness (both would be acceptable forms of coordination under this interim rule).

As noted earlier, HUD published on December 9, 2011, a proposed rule to establish HMIS regulations in accordance with the HEARTH Act. However, while the HEARTH Act directed that regulations be established for HMIS, HMIS is not new to many HUD grantees. Until regulations for HMIS are promulgated in final, grantees should continue to follow HUD's existing HMIS instructions and guidance.

The following provides an overview of the proposed rule.

General Provisions (Subpart A)

Purpose and scope. The Continuum of Care program is designed to promote community-wide goals to end homelessness; provide funding to quickly rehouse homeless individuals (including unaccompanied youth) and families while minimizing trauma and dislocation to those persons; promote access to, and effective utilization of, mainstream programs; and optimize self-sufficiency among individuals and families experiencing homelessness. The program is composed of transitional housing, permanent supportive housing for disabled persons, permanent housing, supportive services, and HMIS.

Definitions. The interim rule adopts the definitions of "**developmental disability**," "**homeless**," "**homeless individual**," and "**homeless person**" established by the December 5, 2011 Defining Homeless final rule. Public comments have already been solicited and additional public comment is not solicited through this rule. The December 5, 2011, final rule was preceded by an April 20, 2010, proposed rule, which sought public comment on these definitions. The final definitions of these terms took into consideration the public comments received on the proposed definitions as set out in the April 20, 2010, proposed rule. This interim rule adopts the definition of "**at risk of homelessness**" established by the December 5, 2011, the Emergency Solutions Grants program interim rule. The interim rule sought public comment on this definition, and additional public comment is not being sought through this rule.

HUD received valuable public comment on the definition of “**chronically homeless**” through the public comment process on the Emergency Solutions Grants program interim rule. Based on public comment, this rule for the Continuum of Care program is not adopting the full definition of “chronically homeless” that was included in the conforming amendments to the Consolidated Plan that were published as a part of the Emergency Solutions Grants program rule. Commenters raised concerns with the meaning of the phrase “where each homeless occasion was at least 15 days.” The concerns raised about this phrase, used for the first time in a definition of “chronically homeless,” has caused HUD to reconsider proceeding to apply a definition that includes this phrase, without further consideration and opportunity for comment. In this rule, HUD therefore amends the definition of “chronically homeless” in the Consolidated Plan regulations to strike this phrase. The removal of this phrase returns the definition to one with which service providers are familiar. The following highlights key definitions used in the Continuum of Care program regulations, and HUD solicits comment on these definitions.

Applicant is defined to mean an entity that has been designated by the Continuum of Care as eligible to apply for assistance on behalf of that Continuum. HUD highlights that the Act does not contain different definitions for “**applicant**” and “**collaborative applicant**.” HUD distinguishes between the applicant(s) designated to apply for and carry out projects (the “applicant”) and the collaborative applicant designated to apply for a grant on behalf of the Continuum of Care (the “collaborative applicant”). Please see below for more information on the definition of a collaborative applicant, which is the only entity that may apply for and receive Continuum of Care planning funds.

Centralized or coordinated assessment system is defined to mean a centralized or coordinated process designed to coordinate program participant intake, assessment, and provision of referrals. A centralized or coordinated assessment system covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool. This definition establishes basic minimum requirements for the Continuum’s centralized or coordinated assessment system.

Collaborative applicant is defined to mean an eligible applicant that has been designated by the Continuum of Care to apply for a grant for Continuum of Care planning funds on behalf of the Continuum. As discussed above, the “applicant” is the entity(ies) designated to apply for and carry out projects on behalf of the Continuum. In contrast to the definition of “applicant” above, the collaborative applicant applies for a grant to carry out the planning activities on behalf of the Continuum of Care. The interim rule simplifies the statutory language in order to make the Continuum of Care planning process clear.

HUD highlights that its definition of collaborative applicant does not track the statutory definition, which is found in section 401 of the McKinney-Vento Act. As will be discussed in further detail later in this preamble, the concept of collaborative applicant,

its duties and functions, as provided in the statute, is provided for in this rule. However, HUD uses the term Continuum of Care to refer to the organizations that carry out the duties and responsibilities assigned to the collaborative applicant, with the exception of applying to HUD for grant funds. The clarification is necessary in this rule because Continuums of Care are not required to be legal entities, but HUD can enter into contractual agreements with legal entities only.

Continuum of Care and **Continuum** are defined to mean the group that is organized to carry out the responsibilities required under this part and that is composed of representatives of organizations including nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons. These organizations consist of the relevant parties in the geographic area. Continuums are expected to include representation to the extent that the type of organization exists within the geographic area that the Continuum represents and is available to participate in the Continuum. For example, if a Continuum of Care did not have a university within its geographic boundaries, then HUD would not expect the Continuum to have representation from a university within the Continuum.

These organizations carry out the responsibilities and duties established under Subpart B of this interim rule. The Continuum of Care, as noted above, carries out the statutory duties and responsibilities of a collaborative applicant. HUD established the Continuum of Care in 1995. Local grantees and stakeholders are familiar with the Continuum of Care as the coordinating body for homeless services and homelessness prevention activities across the geographic area. Consequently, HUD is maintaining the Continuum of Care terminology, and the rule provides for the duties and responsibilities of a collaborative applicant to be carried out under the name Continuum of Care.

High-performing community is defined to mean the geographic area under the jurisdiction of a Continuum of Care that has been designated as a high-performing community by HUD. Section 424 of the McKinney-Vento Act provides that HUD shall designate, on an annual basis, which collaborative applicants represent high-performing communities. Consistent with HUD's substitution of the term "Continuum of Care" for "collaborative applicant," the definition of "high-performing community" in this interim rule provides for designation of Continuums of Care that represent geographic areas designated as high-performing communities. The standards for becoming a high-performing community can be found in § 578.65 of this interim rule and will be discussed later in this preamble.

Private nonprofit organization is based on the statutory definition for "private nonprofit organization." The term "private nonprofit organization" is defined in section 424 of the McKinney-Vento Act as follows: "The term 'private nonprofit organization' means an organization: '(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual; (B) that has a voluntary board; (C) that

has an accounting system, or has designated a fiscal agent in accordance with requirements established by the Secretary; and (D) that practices nondiscrimination in the provision of assistance.' In HUD's regulatory definition of "private nonprofit organization," HUD clarifies that the organization's accounting system must be functioning and operated in accordance with generally accepted accounting principles. HUD has included this language to make certain that accounting systems are workable and abide by definite, accurate standards. As reflected in the statutory definition of "private nonprofit organization," HUD may establish requirements for the designation of a fiscal agent. HUD has determined that the fiscal agent, such as a Unified Funding Agency, a term that is also defined in section 424 of the McKinney-Vento Act, must maintain a functioning accounting system for the organization in accordance with generally accepted accounting principles.

Permanent housing is consistent with the statutory definition of "permanent housing" in section 401 of the McKinney-Vento Act, but does not track the statutory language. HUD's regulatory definition of "permanent housing" states: "The term 'permanent housing' means community-based housing without a designated length of stay, and includes both permanent supportive housing and rapid re-housing." Additionally, in the regulatory definition of "permanent housing," HUD clarifies that to be permanent housing, "the program participant must be the tenant on a lease for a term of at least one year that is renewable and is terminable only for cause. The lease must be renewable for terms that are a minimum of one month long. HUD has determined that requiring a lease for a term of at least one year that is renewable and terminable only for cause, assists program participants in obtaining stability in housing, even when the rental assistance is temporary. These requirements are consistent with Section 8 requirements.

Specific request for comment. HUD specifically requests comment on requiring a lease for a term of at least one year to be considered permanent housing.

Project is consistent with the statutory definition of "project" in section 401 of the McKinney-Vento Act, but does not track the statutory language. Section 401 defines "project" as, with respect to activities carried out under subtitle C, eligible activities described in section 423(a), undertaken pursuant to a specific endeavor, such as serving a particular population or providing a particular resource. In HUD's definition of "project" in this interim rule, the eligible activities described in section 423(a) of the McKinney-Vento Act have been identified. In the regulatory text, HUD has clarified that it is a group of one or more of these eligible costs that are identified as a project in an application to HUD for Continuum of Care funds.

Recipient is defined to mean an applicant that signs a grant agreement with HUD. HUD's definition of "recipient" is consistent with the statutory definition of "recipient," but does not track the statutory language. Section 424 of the McKinney-Vento Act defines "recipient" as "an eligible entity who—(A) submits an application for a grant under section 422 that is approved by the Secretary; (B) receives the grant directly from the Secretary to support approved projects described in the application;

and (C)(i) serves as a project sponsor for the projects; or (ii) awards the funds to project sponsors to carry out the projects." All of the activities specified by the statutory definition are in the rule: (A) and (B) are contained in the definition and (C) is covered in the sections of the rule dealing with what a recipient can do with grant funds.

Safe haven is based on the definition of safe haven in the McKinney-Vento Act prior to amendment by the HEARTH Act. Although no longer used in statute, HUD's position is that the term remains relevant for implementation of the Continuum of Care program and, therefore, HUD proposes to include the term in the Continuum of Care program regulations. The term "safe haven" is used for purposes of determining whether a person is chronically homeless. The housing must serve hard-to-reach homeless persons with severe mental illness who came from the streets and have been unwilling or unable to participate in supportive services. In addition, the housing must provide 24-hour residence for eligible persons for an unspecified period, have an overnight capacity limited to 25 or fewer persons, and provide low-demand services and referrals for the residents.

Subrecipient is defined to mean a private nonprofit organization, State or local government, or instrumentality of a State or local government that receives a subgrant from the recipient to operate a project. The definition of "subrecipient" is consistent with the definition of "project sponsor" found in section 401 of the McKinney-Vento Act, but does not track the statutory language. To be consistent with the Emergency Solutions Grants program regulation, and also to ensure that the relationship between the recipient and subrecipient is clear, HUD is using the term subrecipient, instead of project sponsor, throughout this regulation.

Transitional housing is based on the definition of 'transitional housing' in section 401 of the McKinney-Vento Act, as follows: "The term 'transitional housing' means housing, the purpose of which is to facilitate the movement of individuals and families experiencing homelessness to permanent housing within 24 months or such longer period as the Secretary determines necessary." The definition has been expanded to distinguish this type of housing from emergency shelter. This distinction is necessitated by the McKinney-Vento Act's explicit distinction between what activities can or cannot be funded under the Continuum of Care program. The regulatory definition clarifies that, to be transitional housing, program participants must have signed a lease or occupancy agreement that is for a term of at least one month and that ends in 24 months and cannot be extended.

Unified Funding Agency (UFA) means an eligible applicant selected by the Continuum of Care to apply for a grant for the entire Continuum, which has the capacity to carry out the duties delegated to a UFA in this rule, which is approved by HUD and to which HUD awards a grant. HUD's regulatory definition of UFA departs slightly from the statutory definition. The statutory definition refers to the collaborative applicant. The differences between the statutory definition and HUD's regulatory definition reflect HUD's substitution of Continuum of Care for collaborative applicant.

Establishing and Operating the Continuum of Care (Subpart B)

In general. The statutory authority for the Continuum of Care program is section 422 of the McKinney-Vento Act. As stated under section 1002 of the HEARTH Act, one of the main purposes of the HEARTH Act is to codify the Continuum of Care planning process. Consequently, under this interim rule, HUD focuses on the rules and responsibilities of those involved in the Continuum of Care planning process and describes how applications and grant funds will be processed.

As discussed earlier in the preamble, HUD's interim rule provides for the duties and functions of the collaborative applicant found in section 401 of the McKinney-Vento Act to be designated to the Continuum of Care, with the exception of applying to HUD for grant funds. HUD chose this approach because the Continuum might not be a legal entity, and therefore cannot enter into enforceable contractual agreements, but is the appropriate body for establishing and implementing decisions that affect the entire geographic area covered by the Continuum, including decisions related to funding. This approach allows the Continuum to retain its duties related to planning and prioritizing need (otherwise designated by statute to the collaborative applicant), while the authority to sign a grant agreement with HUD is designated to an eligible applicant that can enter into a contractual agreement. All of the duties assigned to the Continuum are based on the comparable duties of section 402(f) of the McKinney-Vento Act.

Subpart B of the interim rule identifies how Continuums of Care are established, as well as the required duties and functions of the Continuum of Care.

Establishing the Continuum of Care. In order to be eligible for funds under the Continuum of Care program, representatives from relevant organizations within a geographic area must establish a Continuum of Care. As discussed earlier in this preamble, this body is responsible for carrying out the duties identified in this interim regulation. Representatives from relevant organizations include nonprofit homeless assistance providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, and organizations that serve veterans and homeless and formerly homeless individuals. Where these organizations are located within the geographic area served by the Continuum of Care, HUD expects a representative of the organization to be a part of the Continuum of Care.

Specific request for comment. HUD specifically requests comments on requiring Continuums of Care to have a board that makes the decisions for the Continuum. HUD requires two characteristics for all board compositions. These characteristics are that the Board must be representative of the subpopulations of homeless persons that exist within the geographic area, and include a homeless or formerly homeless person. Continuums will have 2 years from the effective date of the interim rule to establish a board that meets the criteria established in this section. No board member may participate or influence discussions or decisions concerning the

award of a grant or other financial benefits for an organization that the member represents.

HUD is considering four additional characteristics for all board compositions for incorporation in the final rule. HUD did not implement them at this stage in order to seek public comment prior to implementing them as requirements. HUD proposes that all boards must have a chair or co-chairs; be composed of an uneven number, serving staggered terms; include members from the public and private sectors; and include a member from at least one Emergency Solutions Grants program (ESG) recipient's agency located within the Continuum's geographic area. HUD is requesting comment on all of these proposed requirements; however, HUD specifically requests comments from Continuums of Care and ESG recipients on the requirement that the Board include an ESG recipient as part of its membership. HUD invites ESG recipients and Continuums to share challenges that will be encountered when implementing this requirement. Ensuring that ESG recipients are represented on the Board is important to HUD; therefore, in communities where ESG recipients and/or Continuums do not feel this requirement is feasible, HUD asks commenters to provide suggestions for how ESG recipients can be involved in the Continuum at one of the core decision-making levels.

Responsibilities of the Continuum of Care. The interim rule establishes three major duties for which the Continuum of Care is responsible: to operate the Continuum of Care, to designate an HMIS for the Continuum of Care, and to plan for the Continuum of Care.

This section of the interim rule establishes requirements within these three major duties.

Operating the Continuum of Care. The interim rule provides that the Continuum of Care must abide by certain operational requirements. These requirements will ensure the effective management of the Continuum of Care process and ensure that the process is inclusive and fair. HUD has established eight duties required of the Continuum necessary to effectively operate the Continuum of Care. HUD has established the specific minimum standards for operating and managing a Continuum of Care for two main reasons. First, the selection criteria established under section 427 of the McKinney-Vento Act require HUD to measure the Continuum of Care's performance in reducing homelessness by looking at the overall performance of the Continuum, as opposed to measuring performance project-by-project as was done prior to the enactment of the HEARTH Act. This Continuum of Care performance approach results in cooperation and coordination among providers. Second, because Continuums of Care will have grants of up to 3 percent of Final Pro Rata Need (FPRN) to be used for eligible Continuum of Care planning costs, HUD is requiring more formal decision-making and operating standards for the Continuum of Care. This requirement ensures that the Continuums have appropriate funding to support planning costs.

One of the duties established in this interim rule is the requirement that the Continuum establish and operate a centralized or coordinated assessment system that

provides an initial, comprehensive assessment of the needs of individuals and families for housing and services. As detailed in the Emergency Solutions Grants program interim rule published on December 5, 2011, through the administration of the Rapid Re-Housing for Families Demonstration program and the Homelessness Prevention and Rapid Re-Housing program, as well as best practices identified in communities, HUD has learned that centralized or coordinated assessment systems are important in ensuring the success of homeless assistance and homeless prevention programs in communities. In particular, such assessment systems help communities systematically assess the needs of program participants and effectively match each individual or family with the most appropriate resources available to address that individual or family's particular needs.

Therefore, HUD has required, through this interim rule, each Continuum of Care to develop and implement a centralized or coordinated assessment system for its geographic area. Such a system must be designed locally in response to local needs and conditions. For example, rural areas will have significantly different systems than urban ones. While the common thread between typical models is the use of a common assessment tool, the form, detail, and use of that tool will vary from one community to the next.

Some examples of centralized or coordinated assessment systems include: a central location or locations within a geographic area where individuals and families must be present to receive homeless services; a 211 or other hotline system that screens and directly connects callers to appropriate homeless housing/service providers in the area; a "no wrong door" approach in which a homeless family or individual can show up at any homeless service provider in the geographic area but is assessed using the same tool and methodology so that referrals are consistently completed across the Continuum of Care; a specialized team of case workers that provides assessment services to providers within the Continuum of Care; or in larger geographic areas, a regional approach in which "hubs" are created within smaller geographic areas. HUD intends to develop technical assistance materials on a range of centralized and coordinated assessment types, including those most appropriate for rural areas.

HUD recognizes that imposing a requirement for a centralized or coordinated assessment system may have certain costs and risks. Among the risks that HUD wishes specifically to address are the risks facing individuals and families fleeing domestic violence, dating violence, sexual assault, and stalking. In developing the baseline requirements for a centralized or coordinated intake system, HUD is considering whether victim service providers should be exempt from participating in a local centralized or coordinated assessment process, or whether victim service providers should have the option to participate or not.

Specific request for comment. HUD specifically seeks comment from Continuum of Care-funded victim service providers on this question. As set forth in this interim rule, each Continuum of Care is to develop a specific policy on how its particular system will address the needs of individuals and families who are fleeing, or attempting

to flee, domestic violence, dating violence, sexual assault, or stalking, but who are seeking shelter or services from non-victim service providers. These policies could include reserving private areas at an assessment location for evaluations of individuals or families who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, or stalking; a separate "track" within the assessment framework that is specifically designed for domestic violence victims; or the location of victim service providers with centralized assessment teams.

HUD invites suggestions for ensuring that the requirements it imposes regarding centralized or coordinated assessment systems will best help communities use their resources effectively and best meet the needs of all families and individuals who need assistance. Questions that HUD asks commenters to specifically address are: What barriers to accessing housing/services might a centralized or coordinated intake system pose to victims of domestic violence? How can those barriers be eliminated? What specific measures should be implemented to ensure safety and confidentiality for individuals and families who are fleeing or attempting to flee domestic violence situations? How should those additional standards be implemented to ensure that victims of domestic violence have immediate access to housing and services without increasing the burden on those victims? For communities that already have centralized or coordinated assessment systems in place, are victims of domestic violence and/or domestic violence service providers integrated into that system? Under either scenario (they are integrated into an assessment process or they are not integrated into it), how does your community ensure the safety and confidentiality of this population, as well as access to homeless housing and services? What HUD-sponsored training would be helpful to assist communities in completing the initial assessment of victims of domestic violence in a safe and confidential manner?

In addition to comments addressing the needs of victims of domestic violence, dating violence, sexual assault, and stalking, HUD invites general comments on the use of a centralized or coordinated assessment system, particularly from those in communities that have already implemented one of these systems who can share both what has worked well and how these systems could be improved. HUD specifically seeks comment on any additional risks that a centralized or coordinated assessment system may create for victims of domestic violence, dating violence, sexual assault, or stalking who are seeking emergency shelter services due to immediate danger, regardless of whether they are seeking services through a victim service provider or non-victim service provider.

Another duty set forth in this part, is the requirement to establish and consistently follow written standards when administering assistance under this part. These requirements, established in consultation with recipients of Emergency Solutions Grants program funds within the geographic area, are intended to coordinate service delivery across the geographic area and assist Continuums of Care and their recipients in evaluating the eligibility of individuals and families consistently and administering assistance fairly and methodically. The written standards can be found in § 578.7(a)(9) of this interim rule.

Designating and operating an HMIS. The Continuum of Care is responsible for designating an HMIS and an eligible applicant to manage the HMIS, consistent with the requirements, which will be codified in 24 CFR part 580. This duty is listed under section 402(f)(2) of the McKinney-Vento Act. In addition, the Continuum is responsible for reviewing, revising, and approving a privacy plan, security plan, and data quality plan for the HMIS and ensuring consistent participation of recipients and subrecipients in the HMIS.

Continuum of Care planning. The Continuum is responsible for coordinating and implementing a system for its geographic area to meet the needs of the homeless population and subpopulations within the geographic area. The interim rule defines the minimum requirements for this systematic approach under § 578.7(c)(1), such as emergency shelters, rapid rehousing, transitional housing, permanent supportive housing, and prevention strategies. Because there are not sufficient resources available through the Continuum of Care program to prevent and end homelessness, coordination and integration of other funding streams, including the Emergency Solutions Grants program and mainstream resources, is integral to carrying out the Continuum of Care System.

HUD has determined that since the Continuum of Care will be the larger planning organization, the Continuum of Care must develop and follow a Continuum of Care plan that adheres, not only to the requirements being established by this interim rule, but to the requirements and directions of the most recently issued notice of funding availability (NOFA).

While these planning duties are not explicitly provided in section 402(f) of the Act, HUD has included them to facilitate and clarify the Continuum of Care planning process. Consistent with the goals of the HEARTH Act, HUD strives, through this interim rule, to provide a comprehensive, well-coordinated and clear planning process, which involves the creation of the Continuum of Care and the duties the Continuum of Care will have to fulfill.

Other planning duties for Continuums established in this section of the interim rule are planning for and conducting at least a biennial-point-in-time count of homeless persons within the geographic area, conducting an annual gaps analysis of the homeless needs and services available within the geographic area, providing information necessary to complete the Consolidated Plan(s) within the geographic area, and consulting with State and local government Emergency Solutions Grants program recipients within the Continuum of Care on the plan for allocating Emergency Solutions Grants program funds and reporting on and evaluating the performance of Emergency Solutions Grants program recipients and subrecipients.

Preparing an application for funds. A major function of the Continuum of Care is preparing and overseeing an application for funds under this part. This section of the interim rule establishes the duties of the Continuum of Care related to the preparation of

the application. This section of the interim rule establishes that the Continuum is responsible for designing, operating, and following a collaborative process for the development of applications, as well as approving the submission of applications, in response to a NOFA published by HUD.

The Continuum must also establish priorities for funding projects within the geographic area and determine the number of applications being submitted for funding. As previously noted in this preamble, since the Continuum of Care might not be a legal entity, and therefore may not be able to enter into a contractual agreement with HUD, the Continuum must select one or more eligible applicants to submit an application for funding to HUD on its behalf.

If the Continuum of Care is an eligible applicant, the Continuum of Care may submit an application. If the Continuum selects more than one application, the Continuum must select one eligible applicant to be the collaborative applicant. That applicant will collect and combine the required application information from all of the other eligible applicants and for all projects within the geographic area that the Continuum has designated. If only one application is submitted by the collaborative applicant, the collaborative applicant will collect and combine the required application information from all projects within the geographic area that the Continuum has designated for funding. The collaborative applicant will always be the only applicant that can apply for Continuum of Care planning costs. In the case that there is one application for projects, the recipient of the funds is required to have signed agreements with its subrecipients as set forth in § 578.23(c), and is required to monitor and sanction subrecipients in compliance with § 578.107.

Whether the Continuum of Care submits the application or designates an eligible applicant to submit the application for funding, the Continuum of Care retains all of its duties.

Unified Funding Agencies. To be designated as the Unified Funding Agency (UFA) for the Continuum of Care, the Continuum must select the collaborative applicant to apply to HUD to be designated as the UFA for the Continuum. The interim rule establishes the criteria HUD will use when determining whether to designate the collaborative applicant as a UFA. These standards were developed to ensure that collaborative applicants have the capacity to manage the grant and carry out the duties in 578.11(b), and are described below.

The duties of the UFA established in § 578.11 are consistent with the duties set forth in section 402(g) of the Act. Even if the Continuum designates a UFA to submit the application for funding, the Continuum of Care retains all of its duties.

Remedial actions. Section 402(c) of the McKinney-Vento Act gives HUD the authority to ensure the fair distribution of grant amounts for this program, such as designating another body as a collaborative applicant, replacing the Continuum of Care for the geographic area, or permitting other eligible entities to apply directly for grants.

Section 578.13 of this interim rule addresses the remedial actions that may be taken.

Overview of the Application and Grant Award Process (Subpart C)

Eligible applicants. Under this interim rule, eligible applicants consist of nonprofit organizations, State and local governments, and instrumentalities of local governments. An eligible applicant must have been designated by the Continuum of Care to submit an application for grant funds under this part. The Continuum's designation must state whether the Continuum is designating more than one applicant to apply for funds, and if it is, which applicant is being designated the collaborative applicant. A Continuum of Care that is designating only one applicant for funds must designate that applicant to be the collaborative applicant. For-profit entities are not eligible to apply for grants or to be subrecipients of grant funds.

Section 401(10) of the McKinney-Vento Act identifies that collaborative applicants may be legal entities, and a legal entity may include a consortium of instrumentalities of a State or local government that has constituted itself as an entity. HUD has not included a consortium in the list of eligible applicants. As noted earlier in this preamble, a Continuum of Care is defined to mean a group that is composed of representatives of organizations across the entire geographic area claimed by the Continuum of Care. A Continuum is able to combine more than one metropolitan city or county into the geographic area that the Continuum represents. In essence, the Continuum of Care acts as a consortium, and it is therefore HUD's position that the inclusion of consortiums in the interim rule would be redundant.

Determining the Continuum's maximum award amount. The total amount for which a Continuum of Care is eligible to apply and be awarded is determined through a four-step process, including the following factors: a Continuum's PPRN amount; renewal demand; any additional increases in amounts for leasing, rental assistance, and operating costs based on Fair Market Rents (FMRs); planning and UFA cost funds; and the amounts available for bonus dollars.

Using the formula that will be discussed below, HUD will first determine a Continuum of Care's PPRN amount, as authorized under section 427(b)(2)(B) of the McKinney-Vento Act. This amount is the sum of the PPRN amounts for each metropolitan city, urban county, non-urban county, and insular area claimed by the Continuum of Care as part of its geographic area, excluding any counties applying for, or receiving funds under the Rural Housing Stability Assistance program, the regulations for which will be established in 24 CFR part 579. The PPRN for each of these areas is based upon the "need formula" under § 579.17(a)(2) and (3). Under the McKinney-Vento Act, HUD is required to publish, by regulation, the formula used to establish grant amounts. The need formula under § 579.17(a)(2) and (3) satisfies this requirement, and HUD specifically seeks comment on this formula. HUD will announce the PPRN amounts prior to the publication of the NOFA on its website.

To establish the amount on which the need formula is run, HUD will deduct an

amount, which will be published in the NOFA, to be set aside to provide a bonus, and the amount necessary to fund Continuum of Care planning activities and UFA costs from the total funds made available for the program each fiscal year. On this amount, HUD will use the following process to establish an area's PPRN. First, 2 percent of the total funds available shall be allocated among the four insular areas (American Samoa, Guam, the Commonwealth of the Northern Marianas, and the Virgin Islands) based upon the percentage each area received in the previous fiscal year under section 106 of the Housing and Community Development Act of 1974. Second, 75 percent of the remaining funds made available shall be allocated to metropolitan cities and urban counties that have been funded under the Emergency Solutions Grants program (formerly known as the Emergency Shelter Grants program) every year since 2004. Third, the remaining funds made available shall be allocated to Community Development Block Grant (CDBG) metropolitan cities and urban counties that have not been funded under the Emergency Solutions Grants program every year since 2004 and all other counties in the United States and Puerto Rico.

Recognizing that in some federal fiscal years, the amount available for the formula may be less than the amount required to renew all existing projects eligible for renewal in that year for at least one year, HUD has included a method for distributing the reduction of funds proportionally across all Continuums of Care in § 578.17(a)(4) of this interim rule. HUD will publish the total dollar amount that each Continuum will be required to deduct from renewal projects Continuum-wide, and Continuums will have the authority to determine how to administer the cuts to projects across the Continuum.

Specific request for comment. HUD specifically requests comment on the method established in § 578.17(a)(4) to reduce the total amount required to renew all projects eligible for renewal in that one year, for at least one year, for each Continuum of Care when funding is not sufficient to renew all projects nationwide for at least one year.

The second step in determining a Continuum's maximum award amount is establishing a Continuum of Care's "renewal demand." The Continuum's renewal demand is the sum of the annual renewal amounts of all projects eligible within the Continuum of Care's geographic area to apply for renewal in that federal fiscal year's competition before any adjustments to rental assistance, leasing, and operating line items based on changes to the FMRs in the geographic area.

Third, HUD will determine the Continuum of Care's Final Pro Rata Need (FPRN), which is the higher of: (1) PPRN, or (2) renewal demand for the Continuum of Care. The FPRN establishes the base for the maximum award amount for the Continuum of Care.

Fourth, HUD will determine the maximum award amount. The maximum award amount for the Continuum of Care is the FPRN amount plus any additional eligible amounts for Continuum planning; establishing fiscal controls for the Continuum; updates to leasing, operating, and rental assistance line items based on changes to FMR; and

the availability of any bonus funding during the competition.

Application process. Each fiscal year, HUD will issue a NOFA. All applications, including applications for grant funds, and requests for designation as a UFA or HPC, must be submitted to HUD in accordance with the requirements of the NOFA and contain such information as the NOFA specifies. Applications may request up to the maximum award amount for Continuums of Care.

An applicant that is a State or a unit of general local government must have a HUD-approved, consolidated plan in accordance with HUD's Consolidated Plan regulations in 24 CFR part 91. The applicant must submit a certification that the application for funding is consistent with the HUD-approved consolidated plan(s) in the project's jurisdiction(s). Applicants that are not States or units of general local government must submit a certification that the application for funding is consistent with the jurisdiction's HUD-approved consolidated plan. The certification must be made by the unit of general local government or the State, in accordance with HUD's regulations in 24 CFR part 91, subpart F. The required certification must be submitted by the funding application submission deadline announced in the NOFA.

An applicant may provide assistance under this program only in accordance with HUD subsidy layering requirements in section 102 of the Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545). In this interim rule, HUD clarifies that the applicant must submit information in its application on other sources of funding the applicant has received, or reasonably expects to receive, for a proposed project or activities.

Awarding funds. HUD will review applications in accordance with the guidelines and procedures specified in the NOFA and award funds to recipients through a national competition based on selection criteria as defined in section 427 of the McKinney-Vento Act. HUD will announce the awards and notify selected applicants of any conditions imposed on the awards.

Grant agreements. A recipient of a conditionally awarded grant must satisfy all requirements for obligation of funds; otherwise, HUD will withdraw its offer of the award. These conditions include establishing site control, providing proof of match, complying with environmental review under § 578.31, and documenting financial feasibility within the deadlines under § 578.21(a)(3). HUD has included in the interim rule the deadlines for conditions that may be extended and the reasons for which HUD will consider an extension.

The interim rule requires that site control be established by each recipient receiving funds for acquisition, rehabilitation funding, new construction, or operating costs, or for providing supportive services. HUD has determined that the time to establish site control is 12 months for projects not receiving new construction, acquisition, or rehabilitation funding, as stated under section 426(a) of the McKinney-Vento Act, not 9 months as stated under section 422(d) of the McKinney-Vento Act, for

projects receiving operating and supportive service funds. HUD's determination on the time needed to establish site control is based on previous program policy, and the longer time frame takes into consideration the reality of the housing market. Projects receiving acquisition, rehabilitation, or new construction funding must provide evidence of site control no later than 24 months after the announcement of grant awards, as provided under section 422(d) of the McKinney-Vento Act.

The interim rule requires that HUD perform an environmental review for each property as required under HUD's environmental regulations in 24 CFR part 50. All recipients of Continuum of Care program funding under this part must supply all available, relevant information necessary to HUD, and carry out mitigating measures required by HUD. The recipient, its project partners, and its project partner's contractors may not perform any eligible activity for a project under this part, or commit or expend HUD or local funds for such activities until HUD has performed an environmental review and the recipient has received HUD approval of the property agreements.

Executing grant agreements. If a Continuum designates more than one applicant for the geographic area, HUD will enter into a grant agreement with each designated recipient for which an award is announced. If a Continuum designates only one recipient for the geographic area, HUD may enter into one grant agreement with that recipient for new awards, if any; and one grant agreement for renewals and Continuum of Care planning costs and UFA costs, if any. These two grant agreements will cover the entire geographic area, and a default by the recipient under one of these agreements will also constitute a default under the other. If the Continuum is a UFA, HUD will enter into one grant agreement with the UFA for new awards, if any; and one for renewal and Continuum of Care planning costs and UFA costs, if any. Similarly, these two grant agreements will cover the entire geographic area and a default by the recipient under one of those agreements will also constitute a default under the other.

HUD requires the recipient to enter into the agreement described in § 578.23(c). Under this agreement, the grant recipient must agree to ensure that the operation of the project will be in accordance with the McKinney-Veto Act and the requirements under this part. In addition, the recipient must monitor and report the progress of the projects to the Continuum of Care and to HUD. The recipient must ensure that individuals and families experiencing homelessness are involved in the operation of the project, maintain confidentiality of program participants, and monitor and report matching funds to HUD, among other requirements. The recipient must also agree to use the centralized or coordinated assessment system established by the Continuum of Care, unless the recipient or subrecipient is a victim service provider. Victim service providers may choose not to use the centralized or coordinated assessment system provided that all victim service providers in the area use a centralized or coordinated assessment system that meets HUD's minimum requirements. HUD has provided this optional exception because it understands the unique role that victim service providers have within the Continuum of Care.

Renewals. The interim rule provides that HUD may fund, through the Continuum of Care program, all projects that were previously eligible under the McKinney-Vento Act prior to the enactment of the HEARTH Act. These projects may be renewed to continue ongoing leasing, operations, supportive services, rental assistance, HMIS, and administration beyond the initial funding period even if those projects would not be eligible under the Continuum of Care program. For projects that would no longer be eligible under the Continuum of Care program (e.g., safe havens), but which are serving homeless persons; HUD wants to ensure that housing is maintained and that persons do not become homeless because funding is withdrawn.

HUD may renew projects that were submitted on time and in such manner as required by HUD, but did not have a total score that would allow the project to be competitively funded. HUD may choose to exercise this option to ensure that homeless or formerly homeless persons do not lose their housing. The interim rule provides, based on the language in section 421(e) of the McKinney-Vento Act, that HUD may renew the project, upon a finding that the project meets the purposes of the Continuum of Care program, for up to one year and under such conditions as HUD deems appropriate.

Annual Performance Report. The interim rule also provides that HUD may terminate the renewal of any grant and require the recipient to repay the renewal grant if the recipient fails to submit a HUD Annual Performance Report (APR) within 90 days of the end of the program year or if the recipient submits an APR that HUD deems unacceptable or shows noncompliance with the requirements of the grant and this part. Section 578.103(e) of the Continuum of Care program regulations further clarifies that recipients receiving grant funds for acquisition, rehabilitation, or new construction are expected to submit APRs for 15 years from the date of initial occupancy or the date of initial service provision, unless HUD provides an exception. The recipient's submission of the APR helps HUD review whether the recipient is carrying out the project in the manner proposed in the application. Recipients agree to submit an APR as a condition of their grant agreement. This requirement allows HUD to ensure that recipients submit APRs on grant agreements that have expired as a condition of receiving approval for a new grant agreement for the renewal project.

Appeals. The interim rule provides certain appeal options for applicants that were not awarded funding.

Under section 422(g) of the McKinney-Vento Act, if more than one collaborative applicant submits an application covering the same geographic area, HUD must award funds to the application that scores the highest score based on the selection criteria set forth in section 427 of the Act. Consistent with HUD's use of the term Continuum of Care in the interim rule where the statute uses collaborative applicant, as explained earlier in the preamble, the interim rule stipulates that if more than one Continuum of Care claims the same geographic area, then HUD will award funds to the Continuum applicant(s) whose application(s) has the highest total score and that no projects from the lower scoring Continuum of Care will be funded (and that any projects submitted

with both applications will not be funded). To appeal HUD's decision to fund the competing Continuum of Care, the applicant(s) from the lower-scoring Continuum of Care must file the written appeal in such form and manner as HUD may require within 45 days of the date of HUD's announcement of award.

If an applicant has had a certification of consistency with a consolidated plan withheld, that applicant may appeal such a decision to HUD. HUD has established a procedure to process the appeals and no later than 45 days after the date of receipt of an appeal, HUD will make a decision.

Section 422(h) of the McKinney-Vento Act provides the authority for a solo applicant to submit an application to HUD and be awarded a grant by HUD if it meets the criteria under section 427 of the McKinney-Vento Act. The interim rule clarifies that a solo applicant must submit its application to HUD by the deadline established in the NOFA to be considered for funding. The statute also requires that HUD establish an appeal process for organizations that attempted to participate in the Continuum of Care's process and believe they were denied the right to reasonable participation, as reviewed in the context of the local Continuum's process. An organization may submit a solo application to HUD and appeal the Continuum's decision not to include it in the Continuum's application. If HUD finds that the solo applicant was not permitted to participate in the Continuum of Care process in a reasonable manner, then HUD may award the grant to that solo applicant and may direct the Continuum to take remedial steps to ensure reasonable participation in the future. HUD may also reduce the award to the Continuum's applicant(s).

Section 422(h)(1) of the McKinney-Vento Act requires that "HUD establish a timely appeal procedure for grant amounts awarded or denied under this subtitle to a collaborative application." The interim rule sets an appeal process for denied or decreased funding under § 578.35(c). Applicants that are denied funds by HUD, or that requested more funds than HUD awarded, may appeal by filing a written appeal within 45 days of the date of HUD's announcement of the award. HUD will notify applicant of its decision on the appeal within 60 days of the date of HUD's receipt of the written appeal.

Program Components and Eligible Costs (Subpart D)

Program components. The interim rule provides that Continuum of Care funds may be used for projects under five program components: permanent housing, transitional housing, supportive services only, HMIS, and, in some cases, homelessness prevention. Administrative costs are eligible under all components. Where possible, the components set forth in the Continuum of Care program are consistent with the components set forth under the Emergency Solutions Grants program. This will ease the administrative burden on recipients of both programs and will ensure that reporting requirements and data quality benchmarks are consistently established and applied to like projects. One significant distinction between the Emergency Solutions Grants program and this part can be found in the eligible activities

and administration requirements for assistance provided under the rapid rehousing component in this interim rule. The significant differences between this component in the Emergency Solutions Grants program and this part are discussed below.

The interim rule sets forth the costs eligible for each program component in § 578.37(a). The eligible costs for contributing data to the HMIS designated by the Continuum of Care are also eligible under all components.

Consistent with the definition of permanent housing in section 401 of the McKinney-Vento Act and § 578.3 of this interim rule, the permanent housing component is community-based housing without a designated length of stay that permits formerly homeless individuals and families to live as independently as possible. The interim rule clarifies that Continuum of Care funds may be spent on two types of permanent housing: permanent supportive housing for persons with disabilities (PSH) and rapid rehousing that provides temporary assistance (i.e., rental assistance and/or supportive services) to program participants in a unit that the program participant retains after the assistance ends.

Although the McKinney-Vento Act authorizes permanent housing without supportive services, the interim rule does not. Based on its experience with the Supportive Housing and Shelter Plus Care programs, HUD has determined that programs should require at least case management for some initial period after exiting homelessness. HUD has imposed the requirement that rapid rehousing include, at a minimum, monthly case management meetings with program participants (except where prohibited by the Violence Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA)) and allows for a full range of supportive services to be provided for up to 6 months after the rental assistance stops. Many other HUD programs, such as Section 8 and HOME, provide housing without supportive services to low-income individuals and families.

With respect to rapid rehousing, the interim rule provides that funds under this part may be used to provide supportive services and short-term and/or medium-term rental assistance. While the time frames under which a program participant may receive short-term or medium-term rental assistance set forth in this part match the time frames set forth in the Emergency Solutions Grants program, the supportive services available to program participants receiving rapid rehousing assistance under the Continuum of Care program are not limited to housing relocation and stabilization services as they are in the Emergency Solutions Grants program. Program participants receiving rapid rehousing under this part may receive any of the supportive services set forth in § 578.53 during their participation in the program. The Continuum of Care, however, does have the discretion to develop written policies and procedures that limit the services available to program participants that better align the services available to program participants with those set forth in the Emergency Solutions Grants program.

Specific request for comment. While HUD's experience with the Supportive Housing and Shelter Plus Care programs is the basis for HUD's determination to require

case management for some initial period after exiting homelessness, HUD specifically welcomes comment on other experiences with monthly case management.

The interim rule provides that the HMIS component is for funds that are used by HMIS Leads only. Eligible costs include leasing a structure in which the HMIS is operated, operating funds to operate a structure in which the HMIS is operated, and HMIS costs related to establishing, operating, and customizing a Continuum of Care's HMIS.

As set forth in Section 424(c) of the McKinney-Veto Act, Continuum of Care funds may be used only for the homelessness prevention component by recipients in Continuums of Care that have been designated HPCs by HUD. Eligible activities are housing relocation and stabilization services, and short- and/or medium-term rental assistance, as set forth in 24 CFR 576.103, necessary to prevent an individual or family from becoming homeless.

Planning activities. Under this interim rule, HUD lists eligible planning costs for the Continuum of Care under § 578.39(b) and (c). HUD will allow no more than 3 percent of the FPRN, or a maximum amount to be established by the NOFA, to be used for certain costs. These costs must be related to designing a collaborative process for an application to HUD, evaluating the outcomes of funded projects under the Continuum of Care and Emergency Solutions Grants programs, and participating in the consolidated plan(s) for the geographic area(s). Under section 423 of the McKinney-Veto Act, a collaborative applicant may use no more than 3 percent of total funds made available to pay for administrative costs related to Continuum of Care planning.

HUD is defining "of the total funds made available" to mean FPRN, the higher of PPRN or renewal demand, in the interim rule. HUD has determined that FPRN strikes the correct balance, as it is the higher of PPRN or renewal demand. This will help Continuums of Care (CoC) balance: (1) having sufficient planning dollars to be successful in its duties and compete for new money (which would be the PPRN), and (2) being able to monitor and evaluate actual projects in operation (and plan for renewal demand). The administrative funds related to CoC planning made available will be added to a CoC's FPRN to establish the CoCs maximum award amount.

Unified Funding Agency Costs. Under this interim rule, HUD lists eligible UFA costs in § 578.41(b) and (c). Similar to the cap on planning costs for CoC, HUD will allow no more than 3 percent of the FPRN, or a maximum amount to be established by the NOFA, whichever is less, to be used for UFA costs. This amount is in addition to the amount made available for CoC planning costs. UFA costs include costs associated with ensuring that all financial transactions carried out under the Continuum of Care program are conducted and records maintained in accordance with generally accepted accounting principles, including arranging for an annual survey, audit, or evaluation of the financial records of each project carried out by a subrecipient funded by a grant received through the Continuum of Care program. The funds made available to UFAs related to establishing fiscal controls will be added to a CoC's FPRN to establish the

CoC maximum award amount.

Leasing. Under this interim rule, grant funds may be used to pay the costs of leasing a structure or structures, or portions of structures, to provide housing or supportive services. The interim rule further clarifies that leasing means that the lease is between the recipient of funds and the landlord. HUD recognizes that some grantees receiving funds through the Supportive Housing Program may have been using their leasing funds in a manner consistent with the rental assistance requirements established in § 578.51; therefore, since the Continuum of Care program authorizes both leasing and rental assistance, the rule provides for an allowance for projects originally approved to carry out leasing to renew and request funds for rental assistance, so long as the rental assistance meets the requirements in § 578.51. The rule provides that a recipient of a grant awarded under the McKinney-Vento Act, prior to enactment of the HEARTH Act, must apply for leasing if the lease is between the recipient and the landlord, notwithstanding that the grant was awarded prior to the HEARTH Act amendments to the McKinney-Vento Act.

The interim rule provides that leasing funds may not be used to lease units or structures owned by the recipient, subrecipient, their parent organization(s), any other related organization(s), or organizations that are members of a partnership where the partnership owns the structure, unless HUD authorizes an exception for good cause. The interim rule establishes minimum requirements that a request for an exception must include. These exceptions are based on HUD's experience in administering the Homelessness Prevention and Rapid Re-Housing Program (HPRP).

The interim rule establishes that projects for leasing may require that program participants pay an occupancy charge (or in the case of a sublease, rent) of no more than 30 percent of their income. Income must be calculated in accordance with HUD's regulations in 24 CFR 5.609 and 24 CFR 5.611(a). However, the interim rule clarifies that projects may not charge program fees.

Rental assistance. Under this interim rule, rental assistance is an eligible cost for permanent and transitional housing, and this rule clarifies that the rental assistance may be short-term, up to 3 months of rent; medium-term, for 3 to 24 months of rent; and long-term, for longer than 24 months of rent. This section provides that rental assistance may include tenant-based, project-based, or sponsor-based rental assistance. This section also provides that project-based rental assistance may include rental assistance to preserve existing permanent supportive housing for homeless individuals and families. Given that the availability of affordable rental housing has been shown to be a key factor in reducing homelessness, the availability of funding for short-term, medium-term, and long-term rental assistance under both the Emergency Solutions Grants program and the Continuum of Care program is not inefficient use of program funds, but rather effective use of funding for an activity that lowers the number of homeless persons.

As noted in the above discussion of rental housing available for funding under

the Continuum of Care program, one eligible form of rental assistance is tenant-based, which allows the program participant to retain rental assistance for another unit. The interim rule limits this retention to within the Continuum of Care boundaries. HUD has determined that Continuum of Care program funds must be used within the Continuum's geographic boundaries. If program participants move outside of the Continuum, the Continuum may pay moving costs, security deposits, and the first month of rent for another unit; however, the Continuum would have to organize assistance with the relevant Continuum of Care for the program participant if rental assistance is to continue. The program participant may be transferred to a rental assistance program in a different Continuum without having to become homeless again. The recipient may also limit the movement of the assistance to a smaller area if this is necessary to coordinate service delivery.

Under this interim rule, the only exception to the limitation for retention of tenant-based rental assistance is for program participants who are victims of domestic violence, dating violence, sexual assault, or stalking. Under the definition of "tenant-based" in the McKinney-Vento Act (section 401(28) of the McKinney-Vento Act), these participants must have complied with all other obligations of the program and reasonably believe that he or she is imminently threatened by harm from further violence if he or she remains in the assisted dwelling unit.

In the interim rule, HUD has clarified that the imminent threat of harm must be from *further* domestic violence, dating violence, sexual assault, or stalking, which would include threats from a third party, such as a friend or family member of the perpetrator of the violence. HUD requires that the program participant provide appropriate documentation of the original incident of domestic violence, dating violence, sexual assault, or stalking, and any evidence of the current imminent threat of harm.

Examples of appropriate documentation of the original incident of domestic violence, dating violence, sexual assault, or stalking include written observation by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; or medical or dental, court, or law enforcement records.

Documentation of reasonable belief of further domestic violence, dating violence, sexual assault, or stalking includes written observation by the housing or service provider; a letter or other written documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has requested assistance; a current restraining order, recent court order, or other court records; or law enforcement reports or records.

The housing or service provider may also consider other documentation such as emails, voicemails, text messages, social media posts, and other communication. Because of the particular safety concerns surrounding victims of domestic violence, the interim rule provides that acceptable evidence for both the original violence and the

reasonable belief include an oral statement. This oral statement does not need to be verified, but it must be documented by a written certification by the individual or head of household.

This provision is specific to victims of domestic violence, dating violence, sexual assault, and stalking who are receiving tenant-based rental assistance in permanent housing. This interim rule contains other policies for moving program participants receiving any type of assistance under this interim rule, including tenant-based rental assistance, within the Continuum of Care geographic area, or smaller geographic area required by the provider to coordinate service delivery.

Moving program participants outside of the geographic area where providers can coordinate service-delivery is administratively difficult for providers and makes it difficult to monitor that program participants have access to, and are receiving, appropriate supportive services; therefore, moves outside of the geographic area where the provider can effectively deliver and monitor service coordination are allowed only under exceptional circumstances. HUD has established these provisions to provide an exception and to address the challenges that are associated with such a move.

Based on HUD's experience in administering the Shelter Plus Care program, the interim rule includes provisions to clarify when rental payments may continue to be made to a landlord when the program participant no longer resides in the unit. For vacated units, the interim rule provides that assistance may continue for a maximum of 30 days from the end of the month in which the unit was vacated, unless the unit is occupied by another eligible person. A person staying in an institution for less than 90 days is not considered as having vacated the unit.

Finally, the recipient may use grant funds, in an amount not to exceed one month's rent, to pay for any damage to housing due to the action of the program participant, one-time, per program participant, per unit. This assistance can be provided only at the time the program participant exits the housing unit.

Supportive services. Grant funds may be used to pay eligible costs of supportive services for the special needs of program participants. All eligible costs are eligible to the same extent for program participants who are unaccompanied homeless youth; persons living with Human Immunodeficiency Virus (HIV)/Acquired Immune Deficiency Syndrome (AIDS) (HIV/AIDS); and victims of domestic violence, dating violence, sexual assault, or stalking. Any cost that is not described as an eligible cost under this interim rule is not an eligible cost of providing supportive services. Eligible costs consist of assistance with moving costs, case management, child care, education services, employment assistance and job training, housing search and counseling services, legal services, life skills training, mental health services, outpatient health services, outreach services, substance abuse treatment services, transportation, and utility deposits.

The definition of "supportive services" in section 401(27) of the McKinney-Vento

Act includes the provision of mental health services, trauma counseling, and victim services. HUD has determined that victim services are eligible as supportive services, and are included as eligible program costs in this interim rule. Providers are allowed to provide services specifically to victims of domestic violence, dating violence, sexual assault, and stalking. The eligible costs for providing victim services are listed as eligible costs in the supportive services funding category. Rather than create a new eligible line item in the project budget, HUD has determined that these costs can be included in the funding categories already established.

Indirect costs. Indirect costs are allowed as part of eligible program costs. Programs using indirect cost allocations must be consistent with Office of Management and Budget (OMB) Circulars A-87 and A-122, as applicable. OMB Circular A-87 and the regulations at 2 CFR part 225 pertain to "Cost Principles for State, Local, and Indian Tribal Governments." OMB Circular A-122 and the regulations codified at 24 CFR part 230 pertain to "Cost Principles for Non-Profit Organizations."

Other costs. In addition to the eligible costs described in this preamble, the regulation addresses the following other eligible costs: acquisition, rehabilitation, new construction, operating costs, HMIS, project administrative costs, and relocation costs.

High-Performing Communities (Subpart E)

Section 424 of the McKinney-Vento Act establishes the authority for the establishment of and requirements for HPCs. Applications must be submitted by the collaborative applicant at such time and in such manner as HUD may require and contain such information as HUD determines necessary under § 578.17(b). Applications will be posted on the HUD website (www.hud.gov) for public comments. In addition to HUD's review of the applications, interested members of the public will be able to provide comment to HUD regarding the applications.

Requirements. The Continuum of Care must use HMIS data (HUD will publish data standards and measurement protocols) to determine that the standards for qualifying as a HPC are met. An applicant must submit a report showing how the Continuum of Care program funds were expended in the prior year, and provide information that the Continuum meets the standards for HPCs.

Standards. In order to qualify as an HPC, a Continuum of Care must demonstrate through reliable data that it meets all of the required standards. The interim rule clarifies which standards will be measured with reliable data from a Continuum's HMIS and which standards will be measured through reliable data from other sources and presented in a narrative form or other format prescribed by HUD.

Continuums must use the HMIS to demonstrate the following measures: (1) that the mean length of homelessness must be less than 20 days for the Continuum's geographic area, or the Continuum's mean length of episodes for individuals and families in similar circumstances was reduced by at least 10 percent from the preceding

year; (2) that less than 5 percent of individuals and families that leave homelessness become homeless again any time within the next 2 years, or the percentage of individuals and families in similar circumstances who became homeless again within 2 years after leaving homelessness was decreased by at least 20 percent from the preceding year; and (3) for Continuums of Care that served homeless families with youth defined as homeless under other federal statutes, that 95 percent of those families did not become homeless again within a 2-year period following termination of assistance and that 85 percent of those families achieved independent living in permanent housing for at least 2 years following the termination of assistance.

The McKinney-Vento Act requires that HUD set forth standards for preventing homelessness among the subset of those at the highest risk of becoming homeless among those homeless families and youth defined as homeless under other federal statutes, the third measure above, one of which includes achieving independent living in permanent housing among this population. HUD has set forth the standards of 95 percent and 85 percent. HUD recognizes that these standards are high, but standards are comparable to the other standards in the Act, which are high. It is HUD's position that HPCs should be addressing the needs of those homeless individuals within their communities prior to receiving designation of a HPC and being allowed to spend funds in accordance with § 578.71.

The final standard that the Continuum must use its HMIS data to demonstrate is provided under section 424(d)(4) of the Act. The statute requires each homeless individual or family who sought homeless assistance to be included in the data system used by that community. HUD has defined this as bed-coverage and service-volume coverage rates of at least 80 percent. The documentation that each homeless individual or family who sought homeless assistance be included in the HMIS is not measurable by HUD. This type of standard would be entirely reliant upon self-reporting. Additionally, individuals and families have the right to decline having their data entered into the HMIS. HUD uses bed-coverage rates and service-volume coverage rates as a proxy for measuring the rate of inclusion of persons who are present for services or housing in the HMIS. This is a measurable standard, and HUD defines the calculation in the HMIS rule; therefore, the measurement will be consistent between Continuums.

Continuums must use reliable data from other sources and presented in a narrative form or other format prescribed by HUD to measure two standards: community action and renewing HPC status. Section 424(d)(4) of the McKinney-Vento Act establishes another standard for HPCs, which is "community action." This statutory section provides that communities that compose the geographic area must have actively encouraged homeless individuals and families to participate in housing and services available in the geographic area and included each homeless individual or family who sought homeless assistance services in the data system used by that community for determining compliance. HUD has defined "communities that compose the geographic area" to mean the entire geographic area of the Continuum. This definition will also provide consistency of measurement since most of HUD's measurements are across the entire Continuum of Care geographic area. HUD has

further defined "actively encourage" within this standard as a comprehensive outreach plan, including specific steps for identifying homeless persons and referring them to appropriate housing and services in that geographic area. The measurement of the last part of this standard, "each homeless individual or family who sought homeless assistance services in the data system used by that community," will be measured using reliable data from an HMIS and has been discussed earlier in this preamble. HUD has determined this will provide clarity and ensure consistent measurement across Continuums.

The interim rule provides that a Continuum of Care that was an HPC in the prior year and used Continuum funds for activities described under § 578.71 must demonstrate that these activities were effective at reducing the number of persons who became homeless in that community, to be renewed as a HPC.

Selection. HUD will select up to 10 Continuums of Care each year that best meet the application requirements and the standards set forth in § 578.65. Consistent with section 424 of the McKinney-Vento Act, the interim rule provides a HPC designation for the grants awarded in the same competition in which the designation is applied for and made. The designation will be for a period of one year.

Eligible activities. Recipients and subrecipients in Continuums that have been designated an HPC may use grant funds to provide housing relocation and stabilization services and short- and/or medium-term rental assistance to individuals and families at risk of homelessness as set for in the Emergency Solutions Grants program. All eligible activities discussed in this section must be effective at stabilizing individuals and families in their current housing, or quickly moving such individuals and families to other permanent housing. This is the only time that Continuum of Care funds may be used to serve nonhomeless individuals and families. Recipients and subrecipients using grant funds on these eligible activities must follow the written standards established by the Continuum of Care in § 578.7(a)(9)(v), and the recordkeeping requirements set for the Emergency Solutions Grants program rule.

Program Requirements (Subpart F)

All recipients of Continuum of Care funding must comply with the program regulations and the requirements of the NOFA issued annually by HUD.

Matching. The HEARTH Act allows for a new, simplified match requirement. All eligible funding costs except leasing must be matched with no less than a 25 percent cash or in-kind match. The interim rule clarifies that the match must be provided for the entire grant, except that recipients that are UFAs or are the sole recipient for the Continuum may provide the match on a Continuum-wide basis.

For in-kind match, the governmentwide grant requirements of HUD's regulations in 24 CFR 84.23 (for private nonprofit organizations) and 85.24 (for governments) apply. The regulations in 24 CFR parts 84 and 85 establish uniform administrative

requirements for HUD grants. The requirements of 24 CFR part 84 apply to subrecipients that are private nonprofit organizations. The requirements of 24 CFR part 85 apply to the recipient and subrecipients that are units of general purpose local government. The match requirement in 24 CFR 84.23 and in 24 CFR 85.24 applies to administration funds, as well as Continuum of Care planning costs and UFA's financial management costs. All match must be spent on eligible activities as required under subpart D of this interim rule, except that recipients and subrecipients in HPCs may use match on eligible activities described under § 578.71.

General operations. Recipients of grant funds must provide housing or services that comply with all applicable State and local housing codes, licensing requirements, and any other requirements in the project's jurisdiction. In addition, this interim rule clarifies that recipients must abide by housing quality standards and suitable dwelling size. Recipients must also assess supportive services on an ongoing basis, have residential supervision, and provide for participation of homeless individuals as required under section 426(g) of the McKinney-Vento Act.

Specific request for comment. With respect to housing quality standards, HUD includes in this rule the longstanding requirement from the Shelter Plus Care program that recipients or subrecipients, prior to providing assistance on behalf of a program participant, must physically inspect each unit to assure that the unit meets housing quality standards. This requirement is designed to ensure that program participants are placed in housing that is suitable for living. Additionally, these requirements are consistent with HUD's physical inspection requirements in its other mainstream rental assistance programs. Notwithstanding that this is a longstanding requirement, HUD welcomes comment on alternatives to inspection of each unit that may be less burdensome but ensure that the housing provided to a program participant is decent, safe, and sanitary.

Under Section 578.75, General Operations, subsection (h), entitled "Supportive Service Agreements," states that recipients and subrecipients may require program participants to take part in supportive services so long as they are not disability-related services, provided through the project as a condition of continued participation in the program. Examples of disability-related services include, but are not limited to, mental health services, outpatient health services, and provision of medication, which are provided to a person with a disability to address a condition caused by the disability.

This provision further states that if the purpose of the project is to provide substance abuse treatment services, recipients and subrecipients may require program participants to take part in such services as a condition of continued participation in the program. For example, if a Continuum of Care recipient operates a transitional housing program with substance abuse treatment services, the recipient may require program participants to participate in those services.

By contrast, in a program that offers services but whose purpose is not substance abuse treatment, a recipient may not require a person who is an alcoholic,

for example, to sign a supportive service agreement at initial occupancy stating that he or she will participate in substance abuse treatment services as a condition of occupancy. All program participants must, however, meet all terms and conditions of tenancy, including lease requirements. If, as a result of a person's behavior stemming from substance use, a person violates the terms of the lease, a recipient may consider requiring participation in services or any other action necessary in order for such a person to successfully meet the requirements of tenancy.

Finally, the interim rule clarifies that in units where the qualifying member of the household has died, or has been incarcerated or institutionalized for more than 90 days, assistance may continue until the expiration of the lease in effect at the time of the qualifying member's death, incarceration, or institutionalization.

Displacement, relocation, and acquisition. All recipients must ensure that they have taken all reasonable steps to minimize the displacement of persons as a result of projects assisted under this part. This section of the interim rule is substantially revised from the previous programs to increase clarity and comprehension of the directions to recipients and subrecipients in the use of grant funds.

Timeliness standards. Recipients must initiate approved activities and projects promptly. Recipients of funds for rehabilitation and new construction must begin construction activities within 9 months of the signing of the grant, and such activities must be completed within 24 months. HUD is providing these requirements to assist communities in meeting the obligation and expenditure deadline historically imposed by the annual HUD appropriations act. HUD may reduce a grant term to a term of one year if implementation delays reduce the amount of funds that can be used during the original grant term.

Limitation on use of funds. Recipients of funds provided under this part must abide by any limitations that apply to the use of such funds, such as use of funds for explicitly religious activities.

The limitation on use of funds also addresses limitation on uses where religious activities may be concerned. It is HUD's position that faith-based organizations are able to compete for HUD funds and participate in HUD programs on an equal footing with other organizations; that no group of applicants competing for HUD funds should be subject, as a matter of discretion, to greater or fewer requirements than other organizations solely because of their religious character or affiliation, or, alternatively, the absence of religious character or affiliation. HUD's general principles regarding the equal participation of such organizations in its programs are codified at 24 CFR 5.109. Program-specific requirements governing faith-based activities are codified in the regulations for the individual HUD programs. (See, for example, 24 CFR 574.300(c), 24 CFR 582.115(c), and 24 CFR 583.150(b).)

HUD's equal participation regulations were prompted by Executive Order 13279, Equal Protection of the Laws for Faith-Based and Community Organizations, issued by

President Bush on December 12, 2002, and published in the Federal Register on December 16, 2002 (67 FR 77141). Executive Order 13279 set forth principles and policymaking criteria to guide federal agencies in ensuring the equal protection of the laws for faith-based and community organizations. Executive Order 13279 was amended by Executive Order 13559 (Fundamental Principles and Policymaking Criteria for Partnerships With Faith-Based and Other Neighborhood Organizations), issued by President Obama on November 17, 2010, and published in the Federal Register on November 22, 2010 (75 FR 71319).

Executive Order 13559 expands on the equal participation principles provided in Executive Order 13279 to strengthen the capacity of faith-based and other neighborhood organizations to deliver services effectively and ensure the equal treatment of program beneficiaries. Executive Order 13559 reiterates a key principle underlying participation of faith-based organizations in federally funded activities and that is that faith-based organizations be eligible to compete for federal financial assistance used to support social service programs and to participate fully in social service programs supported with federal financial assistance without impairing their independence, autonomy, expression outside the programs in question, or religious character.

With respect to program beneficiaries, the Executive Order states that organizations, in providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, should not be allowed to discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

The Executive Order directs that organizations that engage in explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization) must perform such activities and offer such services outside of programs that are supported with direct federal financial assistance (including through prime awards or subawards), separately in time or location from any such programs or services supported with direct federal financial assistance, and participation in any such explicitly religious activities must be voluntary for the beneficiaries of the social service program supported with such federal financial assistance. For purposes of greater clarity and comprehensibility, the Executive Order uses the term "explicitly religious" in lieu of "inherently religious."

The Executive Order further directs that if a beneficiary or prospective beneficiary of a social service program supported by federal financial assistance objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonable time after the date of the objection, refer the beneficiary to an alternative provider.

Executive Order 13559 provides for the establishment of an Interagency Working Group on Faith-Based and Other Neighborhood Partnerships (Working Group) to review

and evaluate existing regulations, guidance documents, and policies, and directs the OMB to issue guidance to agencies on uniform implementation following receipt of the Working Group's report. On April 27, 2012, the Working Group issued its report, recommending a model set of regulations and guidance for agencies to adopt.¹

HUD intends to wait for OMB guidance before initiating any rulemaking directed to broader changes to HUD's existing faith-based regulations, to ensure consistency with faith-based regulations of other federal agencies. However, HUD has revised its regulatory provisions governing faith-based activities to incorporate the principles of Executive Order 13559 pertaining to equal treatment of program beneficiaries and to adopt terminology, such as "explicitly religious" and "overt religious content," that offers greater clarity to the limitations placed on faith-based organizations when using federal funds for their supportive services. Additionally, HUD is putting in place through this rulemaking the provision of Executive Order 13559 that directs the referral to alternative providers.

Executive Order 13559 provides that if a beneficiary or prospective beneficiary of a social service program supported by federal financial assistance objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonable time frame after the date of the objection, refer the beneficiary to an alternative provider. While HUD will benefit from OMB guidance on other provisions of the Executive Order, specifically those which the Working Group is charged to provide recommendations, the "referral" provision of the Executive Order is one that HUD believes it can immediately put in place.

HUD may, following receipt of public comment and further consideration of this issue, revise how recipients and subrecipients document the referral to other providers when beneficiaries may assert objections to the original provider. For now, HUD is requiring that any objections and any referrals be documented in accordance with the recordkeeping provisions of § 578.013.

This section of the interim rule also contains limitations on the types of eligible assistance that may not be combined in a single structure or housing unit. As the Continuum of Care substantially increases the types of assistance that may be combined in a project from previous programs, HUD has established standards in this section to provide recipients with clarity about the types of activities that may not be carried out in a single structure or housing unit.

Termination of assistance. The interim rule provides that a recipient may terminate assistance to a participant who violates program requirements or conditions of occupancy. The recipient must provide a formal process that recognizes the due process of law. Recipients may resume assistance to a participant whose assistance has been terminated.

¹ The report is available at:
<http://www.whitehouse.gov/sites/default/files/uploads/finalfaithbasedworkinggroupreport.pdf>.

Recipients that are providing permanent supportive housing for hard-to-house populations of homeless persons must exercise judgment and examine all circumstances in determining whether termination is appropriate. Under this interim rule, HUD has determined that a participant's assistance should be terminated only in the most severe cases. HUD is carrying over this requirement from the Shelter Plus Care program.

Fair Housing and Equal Opportunity requirements. The Continuum of Care, as well as its members and subrecipients, are required to comply with applicable civil rights laws. Section 578.93, addressing nondiscrimination and equal opportunity requirements, is provided to offer greater direction to recipients and subrecipients on the use of grant funds. Section 578.93(a) states that the nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105(a) apply. This includes, but is not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (Section 504), and title II of the Americans with Disabilities Act.

Section 578.93(b) explains when recipients and subrecipients may exclusively serve a particular subpopulation in transitional or permanent housing. As part of these requirements, recipients must also administer programs and activities receiving federal financial assistance in the most integrated setting appropriate to the needs of qualified individuals with disabilities. This "integration mandate" requires that HUD-funded programs or activities enable individuals with disabilities to interact with nondisabled persons to the fullest extent possible. In reviewing requests for funding through the Continuum of Care NOFA, HUD will be considering each recipient's proposals to provide integrated housing to individuals with disabilities.

There are certain situations in which a recipient or subrecipient may limit housing to a specific subpopulation, so long as admission does not discriminate against any protected class, as well as instances where recipients or subrecipients may limit admission or provide a preference to certain subpopulations of homeless persons and families who need the specialized services provided in the housing.

For example, § 578.93(b)(2) states that the housing may be limited to homeless veterans, so long as admission is not denied based on any membership in a protected class; e.g., homeless veterans with families must be admitted. Similarly, housing may be limited to domestic violence victims and their families or persons who are at risk of institutionalization, so long as admission is not denied based on any membership in a protected class.

Section 578.93(b)(3) states that housing may be limited to families with children.

Section 578.93(b)(1) states that, in consideration of personal privacy, housing may only be limited to a single sex when such housing consists of a single structure with shared bedrooms or bathing facilities such that the considerations of personal

privacy and the physical limitations of the configuration of the housing make it appropriate for the housing to be limited to one sex.

Further, §§ 578.93(b)(4) and (5) clearly outline instances when sex offenders or violent offenders may be excluded from housing, and when projects providing sober housing may exclude persons.

HUD's Section 504 regulations permit housing funded under a particular program to be reserved for persons with a specific disability when a federal statute or executive order specifically authorizes such a limitation. Section 578.93(b)(6) states that if the housing is assisted with funds under a federal program that is limited by federal statute or executive order to a specific subpopulation, the housing may be limited to that subpopulation.

Section 578.93(b)(7) provides clarification to recipients of funds under this part as to when a project can limit admission to a specific subpopulation of homeless individuals and families based on the service package offered in the project. To help recipients better understand these requirements, the following paragraphs provide a detailed explanation of the regulatory provision, along with a few examples.

Section 578.93(b)(7) states that recipients may limit admission to or provide a preference for the housing to subpopulations of homeless persons and families who *need* the specialized supportive services that are provided in the housing. The regulation contains the following examples: substance abuse addiction treatment, domestic violence services, or a high-intensity package designed to meet the needs of hard-to-reach homeless persons.

However, § 578.93(b)(7) further states that while the housing may offer services for a particular type of disability, no otherwise eligible individual with a disability, or family that includes an individual with a disability, who may benefit from the services provided may be excluded on the grounds that they do not have a particular disability. Below are general examples to offer guidance on this subsection.

Please note that these examples are nonexhaustive, but emphasize that the proper focus is on the services available as part of the Continuum of Care project as opposed to a person's category or subcategory of disability. While these general principles are offered to help clarify this section, a change in the factual scenario may change the analysis.

One clarifying example is as follows. A private, nonprofit organization or a local government applies for and receives a new grant under this part to provide project-based rental assistance and services, including case management, intensive therapy provided by a psychiatrist, and medication management. The recipient or subrecipient may establish a preference for individuals who are chronically homeless. When filling an opening in the housing, the recipient or subrecipient may target chronically homeless individuals or families, but if there are no such individuals or families either on a waiting

list or applying for entrance to the program, the recipient or subrecipient cannot deny occupancy to individuals or families who apply for entrance into the program and who may benefit from the services provided. When filling a vacancy in the housing, the recipient or subrecipient, if presented with two otherwise eligible persons, one who is chronically homeless and one who is not, may give a preference to the chronically homeless individual.

By comparison, § 578.93(b)(6) addresses situations where Continuum of Care funds are combined with HUD funding for housing that may be restricted to a specific disability. For example, if Continuum of Care funds for a specific project are combined with construction or rehabilitation funding for housing from the Housing Opportunities for People With AIDS program, the program may limit eligibility for the project to persons with HIV/AIDS and their families. An individual or a family that includes an individual with a disability may be denied occupancy if the individual or at least one member of the family does not have HIV/AIDS.

In another example, a private, nonprofit organization applies for and receives Continuum of Care funds from a local governmental entity to rehabilitate a five-unit building, and provides services including assistance with daily living and mental health services. While the nonprofit organization intends to target and advertise the project as offering services for persons with developmental disabilities, an individual with a severe psychiatric disability who does not have a developmental disability but who can benefit from these services cannot be denied.

Section 578.93(e) incorporates the "preventing involuntary family separation" requirement set forth in Section 404 of the McKinney-Veto Act into this interim rule. This provision clarifies, especially for projects where the current policy is to deny the admittance of a boy under the age of 18, that denying admittance to a project based on age and gender is no longer permissible. HUD encourages Continuums of Care to use their centralized or coordinated assessment systems to find appropriate shelter or housing for families with male children under the age of 18.

Specific request for comment. HUD specifically seeks comments from Continuum of Care-funded recipients on this requirement. HUD invites comments about the difficulty that recipients are going to experience, if any, in implementing this requirement. In addition to comments about the difficulties, HUD invites communities that have already implemented this requirement locally to describe their methods for use in HUD's technical assistance materials and for posting on the HUD Homeless Resource Exchange.

Other standards. In addition to the program requirements described in this preamble, the interim rule sets forth other program requirements by which all recipients of grant funds must abide. These include a limitation on the use of grant funds to serve persons defined as homeless under other federal laws, conflicts of interest standards, and standards for identifying uses of program income.

Additionally, recipients are required to follow other federal requirements contained in this interim rule under § 578.99. These include compliance with such federal requirements as the Coastal Barriers Resources Act, OMB Circulars, HUD's Lead-Based Paint regulations, and audit requirements. The wording of these requirements has been substantially revised from previous programs, with the objective being to increase clarity and comprehension of the directions to recipients and subrecipients in the use of grant funds.

Administration (Subpart G)

Technical assistance. The purpose of technical assistance under the Continuum of Care program is to increase the effectiveness with which Continuums of Care, eligible applicants, recipients, subrecipients, and UFAs implement and administer their Continuum of Care planning process. Technical assistance will also improve the capacity to prepare applications, and prevent the separation of families in projects funded under the Emergency Solutions Grants, Continuum of Care, and Rural Housing Stability Assistance programs. Under this interim rule, technical assistance means the transfer of skills and knowledge to entities that may need, but do not possess, such skills and knowledge. The assistance may include written information, such as papers, manuals, guides, and brochures; person-to-person exchanges; and training and related costs.

Therefore, as needed, HUD may advertise and competitively select providers to deliver technical assistance. HUD may enter into contracts, grants, or cooperative agreements to implement the technical assistance. HUD may also enter into agreements with other federal agencies when awarding technical assistance funds.

Recordkeeping requirements. Grant recipients under the Supportive Housing Program and the Shelter Plus Care program have always been required to show compliance with regulations through appropriate records. However, the existing regulations are not specific about the records to be maintained.

The interim rule for the Continuum of Care program elaborates upon the recordkeeping requirements to provide sufficient notice and clarify the documentation that HUD requires for assessing compliance with the program requirements.

The recordkeeping requirements for documenting homeless status were published in the December 5, 2011, Defining Homeless final rule. Because these recordkeeping requirements already went through a 60-day comment period, HUD is not seeking further comment on these requirements. Additionally, recordkeeping requirements with similar levels of specificity apply to documentation of "at risk of homelessness" and these requirements can be found in § 576.500(c) of the Emergency Solutions Grants program interim rule published on December 5, 2011. Because the documentation requirements pertaining to "at risk of homelessness" were already subject to a 60-day public comment period, HUD is not seeking additional comment on these requirements.

Further requirements are modeled after the recordkeeping requirements for the HOME Investment Partnerships Program (24 CFR 92.508) and other HUD regulations.

Included along with these changes are new or expanded requirements regarding confidentiality, rights of access to records, record retention periods, and reporting requirements. Most significantly, to protect the safety and privacy of all program participants, the Continuum of Care rule broadens the program's confidentiality requirements. The McKinney-Vento Act requires only procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under this program. The interim rule requires written procedures to ensure the security and confidentiality of all records containing personally identifying information of any individual or family who applies for and/or receives Continuum of Care assistance.

Grant and project changes. The interim rule provides that recipients of grants may not make any significant changes to use of grant funds without prior HUD approval, evidenced by a grant amendment signed by HUD and the recipient. The interim rule provides separate standards for determining when a grant amendment is required for Continuums having only one recipient, including UFAs, and Continuums having more than one recipient. Additionally, the interim rule provides contingencies that must be met before HUD will approve the grant amendment. These contingencies are necessary to ensure that recipients meet the capacity requirements established in the NOFA and to ensure that eligible persons within the geographic area are better served and, since the Continuum of Care program is a competitive program, that the priorities established under the NOFA continue to be met. Any changes to an approved grant or project that do not require a grant amendment, as set forth in this section, must be fully documented in the recipient's or subrecipient's records.

Sanctions. The interim rule establishes sanctions based on existing regulations and strengthens the enforcement procedures and array of remedial actions and sanctions for recipients and subrecipients of Continuum of Care funds. These revisions draw from the requirements at 24 CFR 85.43 and other HUD program regulations.

Close-out. The interim rule provides that grants must be closed out at the end of their grant term if recipients are not seeking renewal. Section 578.109 of this interim rule specifies the actions that must be taken after the closeout, including grantee submission of financial, final performance, or other reports required by HUD within 90 days of the end of the grant term. Any unused funds must be deobligated and returned to HUD.

The interim rule stipulates, for grants seeking renewal, that failure to submit final performance reports, or other reports required by HUD within 90 days, may cause renewal funds to be withdrawn and grant funds expended on the renewal grant to be repaid.

III. Regulations for HUD Homeless Assistance Programs Existing Prior to Enactment of HEARTH Act

Because grants are still being administered under the Shelter Plus Care program and the Supportive Housing program, the regulations for these programs in 24 CFR parts 582, and 583, respectively, will remain in the Code of Federal Regulations for the time being. When no more, or very few, grants remain under these programs, HUD will remove the regulations in these parts by a separate rule (if no grants exist) or will replace them with a savings clause, which will continue to govern grant agreements executed prior to the effective date of the HEARTH Act regulations.

IV. Conforming Regulations

In addition to establishing the new regulations for the Continuum of Care program, HUD is amending the following regulations, which reference the Shelter Plus Care Program and the Supportive Housing Program, to include reference to the Continuum of Care program. These regulations are the regulations pertaining to: (1) Family Income and Family Payment; Occupancy Requirements for Section 8 and Public Housing, Other HUD-Assisted Housing Serving Persons with Disabilities, and Section 8 Project-Based Assistance, the regulations for which are in 24 CFR part 5, subpart F, specifically, § 5.601 (Purpose and Applicability), paragraphs (d) and (e) of this section; §5.603 (Definitions), specifically the definition of "Responsible Entity;" § 5.617 (Self-Sufficiency Incentives for Persons with Disabilities—Disallowance of Increase in Annual Income), paragraph (a) of this section; (2) Environmental Review Responsibilities for Entities Assuming HUD Environmental Responsibilities, the regulations for which are in 24 CFR part 58, specifically § 58.1 (Purpose and Applicability), paragraph (b)(3) of this section; and (3) the Consolidated Submissions for Community Planning and Development Programs, the regulations for which are in 24 CFR part 91, specifically, § 91.2 (Applicability), paragraph (b) of this section.

V. Justification for Interim Rulemaking

In accordance with its regulations on rulemaking at 24 CFR part 10, HUD generally publishes its rules for advance public comment.² Notice and public procedures may be omitted, however, if HUD determines that, in a particular case or class of cases, notice and public comment procedure are "impracticable, unnecessary, or contrary to the public interest." (See 24 CFR 10.1.)

² The Administrative Procedure Act (5 U.S.C. Subchapter II) (APA), which governs federal rulemaking, provides in section 553(a) that matters involving a military or foreign affairs function of the United States or a matter relating to federal agency management or personnel or to public property, loans, grants, benefits, or contracts are exempt from the advance notice and public comment requirement of sections 553(b) and (c) of the APA. In its regulations in 24 CFR 10.1, HUD has waived the exemption for advance notice and public comment for matters that relate to public property, loans, grants, benefits, or contracts, and has committed to undertake notice and comment rulemaking for these matters.

In this case, HUD has determined that it would be contrary to the public interest to delay promulgation of the regulations for the Continuum of Care program.³ Congress has provided funding for this new program in the Consolidated and Further Continuing Appropriations Act, 2012 (Public Law 112-55, approved November 18, 2011) (FY 2012 Appropriations Act). The FY 2012 Appropriations Act, under the account for Homeless Assistance Grants, appropriates not less than \$1.593 billion for the Continuum of Care and Rural Housing Stability programs.

While many federal programs, including HUD programs, received a reduction in funding in the FY 2012 Appropriations Act, Congress increased funding for HUD's homeless assistance grants, including the Continuum of Care program. Additionally, the Conference Report accompanying the FY 2012 Appropriations Act (House Report 112-284) states in relevant part, as follows: "The conferees express concern that HUD continued to implement pre-HEARTH grant programs in FY 2011, due to a lack of regulations. The conferees direct HUD to publish *at least* interim guidelines for the Emergency Solutions Grants and Continuum of Care programs this fiscal year and to implement the new grant programs as soon as possible so that the updated policies and practices in HEARTH can begin to govern the delivery of homeless assistance funding." (See Conf. Rpt. at page 319. Emphasis added.)

Given this congressional direction, HUD is issuing this rule providing for regulations for the Continuum of Care program as an interim rule. Having interim regulations in place will allow HUD to move forward in making FY 2012 funds available to grantees, and avoid a significant delay that would result from issuance, first, of a proposed rule.

As has been discussed in this preamble, the foundation for the Continuum of Care regulations is the criteria and requirements provided in NOFAs for the Continuum of Care Homeless Assistance Grants Competition program, which HUD has funded for more than 10 years. Through the Continuum of Care Homeless Assistance Grants Competition program, HUD provided funding for the Supportive Housing program, the Shelter Plus Care program, and the Section 8 Moderate Rehabilitation Single Room Occupancy program.

The HEARTH Act consolidated these three competitive programs into the statutorily established Continuum of Care program, which was established as a single grant program. Interim regulations will provide certainty with respect to funding requirements and eligible expenditures for FY 2012, and the public comment solicited through this interim rule will help inform the public procedures that HUD is contemplating in its regulations in 24 CFR part 10, and this public comment, in turn, will inform the final rule that will follow this interim rule and govern the funding years following FY 2012.

³ Although HUD's regulation in 24 CFR 10.1 provide that HUD will involve public participation in its rulemaking, this regulation also provides that notice and public procedure will be omitted if HUD determines in a particular case or class of cases that notice and public procedure are impracticable, unnecessary, or contrary to the public interest.

For the reasons stated above, HUD is issuing this rule to take immediate effect, but welcomes all comments on this interim rule and all comments will be taken into consideration in the development of the final rule.

VI. Findings and Certifications

Regulatory Review – Executive Orders 12866 and 13563

Under Executive Order 12866 (Regulatory Planning and Review), a determination must be made whether a regulatory action is significant and, therefore, subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the order. Executive Order 13563 (Improving Regulations and Regulatory Review) directs executive agencies to analyze regulations that are “outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned.” Executive Order 13563 also directs that, where relevant, feasible, and consistent with regulatory objectives, and to the extent permitted by law, agencies are to identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public. This rule was determined to be a “significant regulatory action,” as defined in section 3(f) of Executive Order 12866 (although not an economically significant regulatory action, as provided under section 3(f)(1) of the Executive Order).

As has been discussed in this preamble, this interim rule establishes the regulations for the Continuum of Care program, which is the HEARTH Act’s codification of HUD’s long-standing Continuum of Care planning process. The HEARTH Act not only codified in law the planning system known as Continuum of Care, but consolidated the three existing competitive homeless assistance grant programs (Supportive Housing, Shelter Plus Care, and Single Room Occupancy) into the single grant program known as the Continuum of Care program. As discussed in the preceding section of the preamble, HUD funded these three programs for more than 10 years through a NOFA, which was titled the Continuum of Care Homeless Assistance Grants Competition Program. However, the funding of the three competitive grant programs, although done through a single NOFA, delineated the different statutes and regulations that governed each of the three programs (see, for example, HUD’s 2008 Continuum of Care NOFA at 73 FR 398450, specifically page 39845).

In consolidating these three competitive programs into a single grant program, the HEARTH Act achieves the administrative efficiency that HUD strived to achieve to the extent possible, through its administrative establishment of the Continuum of Care planning process. To the extent permitted by the HEARTH Act and where feasible, the regulations build-in flexibility for grantees, based on experience in administering the Continuum of Care program to date. Given the transition from administrative operation of the Continuum of Care program to statutory operation of the Continuum of Care program, this interim rule would also have no discernible impact upon the economy.

The docket file is available for public inspection in the Regulations Division, Office of the General Counsel, Room 10276, 451 7th Street, SW, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the docket file by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339.

Environmental Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The Finding of No Significant Impact is available for public inspection between the hours of 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW, Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the FONSI by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339.

Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531-1538) (UMRA) establishes requirements for federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and on the private sector. This interim rule does not impose a federal mandate on any State, local, or tribal government, or on the private sector, within the meaning of UMRA.

Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 et seq.) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. This rule solely addresses the allocation and use of grant funds under the new McKinney-Vento Act homeless assistance programs, as consolidated and amended by the HEARTH Act.

As discussed in the preamble, the majority of the regulatory provisions proposed by this rule track the regulatory provisions of the Continuum of Care program, with which prospective recipients of the Supportive Housing program and the Shelter Plus Care program are familiar. Accordingly, the program requirements should raise minimal issues because applicants and grantees are familiar with these requirements, and in response to HUD's solicitations to them on the burden of the requirements for the

Supportive Housing program and the Shelter Plus Care program, grantees have not advised that such requirements are burdensome. Therefore, HUD has determined that this rule would not have a significant economic impact on a substantial number of small entities.

Notwithstanding HUD's determination that this rule will not have a significant effect on a substantial number of small entities, HUD specifically invites comments regarding any less burdensome alternatives to this rule that will meet HUD's objectives as described in this preamble.

Executive Order 13132, Federalism

Executive Order 13132 (entitled "Federalism") prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial direct compliance costs on State and local governments and is not required by statute, or the rule preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This final rule does not have federalism implications and does not impose substantial direct compliance costs on State and local governments nor preempts State law within the meaning of the Executive Order.

Paperwork Reduction Act

The information collection requirements contained in this interim rule have been submitted to the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). In accordance with the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless the collection displays a currently valid OMB control number.

The burden of the information collections in this interim rule is estimated as follows:

REPORTING AND RECORDKEEPING BURDEN:

Information Collection	Number of Respondents	Response Frequency (average)	Total Annual Responses	Burden Hours Per Response	Total Annual Hours
§ 578.5(a) Establishing the CoC	450	1	450	8.0	3,600
§ 578.5(b) Establishing the Board	450	1	450	5.0	2,250
§ 578.7(a)(1) Hold CoC Meetings	450	2	900	4.0	3,600
§ 578.7(a)(2) Invitation for New Members	450	1	450	1.0	450
§ 578.7(a)(4) Appoint committees	450	2	900	0.5	450
§ 578.7(a)(5) Governance charter	450	1	450	7.0	3,150
§ 578.7(a)(6) and (7) Monitor performance and evaluation	450	4	450	9.0	4,050

Information Collection	Number of Respondents	Response Frequency (average)	Total Annual Responses	Burden Hours Per Response	Total Annual Hours
§ 578.7(a)(8) Centralized or coordinated assessment system	450	1	450	8.0	3,600
§ 578.7(a)(9) Written standards	450	1	450	5.0	2,250
§ 578.7(b) Designate HMIS	450	1	450	10.0	4,500
§ 578.9 Application for funds	450	1	450	180.0	81,000
§ 578.11(c) Develop CoC plan	450	1	450	9.0	4,050
§ 578.21(c) Satisfying conditions	8,000	1	8,000	4.0	32,000
§ 578.23 Executing grant agreements	8,000	1	8,000	1.0	8,000
§ 578.35(b) Appeal – solo	10	1	10	4.0	40
§ 578.35(c) Appeal – denied or decreased funding	15	1	15	1.0	15
§ 578.35(d) Appeal – competing CoC	10	1	10	5.0	50
§ 578.35(e) Appeal – Consolidated Plan certification	5	1	5	2.0	10
§ 578.49(a) – Leasing exceptions	5	1	5	1.5	7.5
§ 578.65 HPC Standards	20	1	20	10.0	200
§ 578.75(a)(1) State and local requirements – appropriate service provision	7,000	1	7,000	0.5	3,500
§ 578.75(a)(1) State and local requirements – housing codes	20	1	20	3.0	60
§ 578.75(b) Housing quality standards	72,800	2	145,600	1.0	145,600
§ 578.75(b) Suitable dwelling size	72,800	2	145,600	0.08	11,648
§ 578.75(c) Meals	70,720	1	70,720	0.5	35,360
§ 578.75(e) Ongoing assessment of supportive services	8,000	1	8,000	1.5	12,000
§ 578.75(f) Residential supervision	6,600	3	19,800	0.75	14,850
§ 578.75(g) Participation of homeless individuals	11,500	1	11,500	1.0	11,500
§ 578.75(h) Supportive service agreements	3,000	100	30,000	0.5	15,000
§ 578.77(a) Signed leases/occupancy agreements	104,000	2	208,000	1.0	208,000
§ 578.77(b) Calculating occupancy charges	1,840	200	368,000	0.75	276,000
§ 578.77(c) Calculating rent	2,000	200	400,000	0.75	300,000
§ 578.81(a) Use restriction	20	1	20	0.5	10
§ 578.91(a) Termination of assistance	400	1	400	4.00	1,600
§ 578.91(b) Due process for termination of assistance	4,500	1	4,500	3.0	13,500
§ 578.95(d) – Conflict-of-Interest exceptions	10	1	10	3.0	30
§ 578.103(a)(3) Documenting homelessness	300,000	1	300,000	0.25	75,000
§ 578.103(a)(4) Documenting at risk of homelessness	10,000	1	10,000	0.25	2,500
§ 578.103(a)(5) Documenting imminent threat of harm	200	1	200	0.5	100
§ 578.103(a)(7) Documenting program participant records	350,000	6	2,100,000	0.25	525,000

Information Collection	Number of Respondents	Response Frequency (average)	Total Annual Responses	Burden Hours Per Response	Total Annual Hours
§ 578.103(a)(7) Documenting case management	8,000	12	96,000	1.0	96,000
§ 578.103(a)(13) Documenting faith-based activities	8,000	1	8,000	1.0	8,000
§ 578.103(b) Confidentiality procedures	11,500	1	11,500	1.0	11,500
§ 578.105(a) Grant/project changes – UFAs	20	2	40	2.0	80
§ 578.105(b) Grant/project changes – multiple project applicants	800	1	800	2.0	1,600
Total					1,921,710.5

In accordance with 5 CFR 1320.8(d)(1), HUD is soliciting comments from members of the public and affected agencies concerning this collection of information to:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions HUD, including whether the information will have practical utility;

(2) Evaluate the accuracy of HUD's estimate of the burden of the proposed collection of information;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated collection techniques or other forms of information technology; e.g., permitting electronic submission of responses.

Interested persons are invited to submit comments regarding the information collection requirements in this rule. Comments must refer to the proposal by name and docket number (FR-5476-I-01) and be sent to:

HUD Desk Officer
Office of Management and Budget
New Executive Office Building
Washington, DC 20503
Fax: (202) 395-6947

and

Reports Liaison Officer
Office of the Assistant Secretary for Community Planning and

Development

Department of Housing and Urban Development
451 Seventh Street, SW, Room 7233
Washington, DC 20410-7000

Interested persons may submit comments regarding the information collection requirements electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>. HUD strongly encourages commenters to submit

comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the <http://www.regulations.gov> website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

List of Subjects in 24 CFR Part 578

Community facilities, Continuum of Care, Emergency solutions grants, Grant programs—housing and community development, Grant program—social programs, Homeless, Rural housing, Reporting and recordkeeping requirements, Supportive housing programs— housing and community development, Supportive services.

Accordingly, for the reasons described in the preamble, HUD adds part 578 to subchapter C of chapter V of subtitle B of 24 CFR to read as follows:

PART 578 — CONTINUUM OF CARE PROGRAM

Subpart A – General Provisions

Sec.

578.1 Purpose and scope.

578.3 Definitions.

Subpart B – Establishing and Operating a Continuum of Care

578.5 Establishing the Continuum of Care.

578.7 Responsibilities of the Continuum of Care.

578.9 Preparing an application for funds.

578.11 Unified Funding Agency.

578.13 Remedial action.

Subpart C – Application and Grant Award Process

578.15 Eligible applicants.

578.17 Overview of application and grant award process.

578.19 Application process.

578.21 Awarding funds.

578.23 Executing grant agreements.

578.25 Site control.

578.27 Consolidated plan.

578.29 Subsidy layering.

578.31 Environmental review.

578.33 Renewals.

578.35 Appeal.

Subpart D – Program Components and Eligible Costs

- 578.37 Program components and uses of assistance.
- 578.39 Continuum of Care planning activities.
- 578.41 Unified Funding Agency costs.
- 578.43 Acquisition.
- 578.45 Rehabilitation.
- 578.47 New construction.
- 578.49 Leasing.
- 578.51 Rental assistance.
- 578.53 Supportive services.
- 578.55 Operating costs.
- 578.57 Homeless Management Information System.
- 578.59 Project administrative costs.
- 578.61 Relocation costs.
- 578.63 Indirect costs.

Subpart E – High-Performing Communities

- 578.65 Standards.
- 578.67 Publication of application.
- 578.69 Cooperation among entities.
- 578.71 HPC-eligible activities.

Subpart F – Program Requirements

- 578.73 Matching requirements.
- 578.75 General operations.
- 578.77 Calculating occupancy charges and rent.
- 578.79 Limitation on transitional housing.
- 578.81 Term of commitment, repayment of grants, and prevention of undue benefits.
- 578.83 Displacement, relocation, and acquisition.
- 578.85 Timeliness standards.
- 578.87 Limitation on use of funds.
- 578.89 Limitation on use of grant funds to serve persons defined as homeless under other federal laws.
- 578.91 Termination of assistance to program participants.
- 578.93 Fair Housing and Equal Opportunity.
- 578.95 Conflicts of interest.
- 578.97 Program income.
- 578.99 Applicability of other federal requirements.

Subpart G – Grant Administration

- 578.101 Technical assistance.
- 578.103 Recordkeeping requirements.
- 578.105 Grant and project changes.
- 578.107 Sanctions.
- 578.109 Closeout.

Authority: 42 U.S.C. 11371 et seq., 42 U.S.C. 3535(d).

Subpart A – General Provisions

§ 578.1 Purpose and scope.

- (a) The Continuum of Care program is authorized by subtitle C of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11381-11389).
- (b) The program is designed to:
- (1) Promote communitywide commitment to the goal of ending homelessness;
 - (2) Provide funding for efforts by nonprofit providers, States, and local governments to quickly rehouse homeless individuals (including unaccompanied youth) and families, while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness;
 - (3) Promote access to and effective utilization of mainstream programs by homeless individuals and families; and
 - (4) Optimize self-sufficiency among individuals and families experiencing homelessness.

§ 578.3 Definitions.

As used in this part:

Act means the McKinney-Vento Homeless Assistance Act as amended (42 U.S.C. 11371 et. seq.).

Annual renewal amount means the amount that a grant can be awarded on an annual basis when renewed. It includes funds only for those eligible activities (operating, supportive services, leasing, rental assistance, HMIS, and administration) that were funded in the original grant (or the original grant as amended), less the unrenowable activities (acquisition, new construction, rehabilitation, and any administrative costs related to these activities).

Applicant means an eligible applicant that has been designated by the Continuum of Care to apply for assistance under this part on behalf of that Continuum.

At risk of homelessness.

- (1) An individual or family who:
- (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;
 - (ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "Homeless" definition in this section; and
 - (iii) Meets one of the following conditions:

- (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - (B) Is living in the home of another because of economic hardship;
 - (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days of the date of application for assistance;
 - (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;
 - (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons, or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
 - (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;
- (2) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or
- (3) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

Centralized or coordinated assessment system means a centralized or coordinated process designed to coordinate program participant intake assessment and provision of referrals. A centralized or coordinated assessment system covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool.

Chronically homeless.

- (1) An individual who:

- (i) Is homeless and lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and
 - (ii) Has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last 3 years; and
 - (iii) Can be diagnosed with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act of 2000 (42 U.S.C. 15002)), post-traumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability;
- (2) An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or
- (3) A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

Collaborative applicant means the eligible applicant that has been designated by the Continuum of Care to apply for a grant for Continuum of Care planning funds under this part on behalf of the Continuum.

Consolidated plan means the HUD-approved plan developed in accordance with 24 CFR 91.

Continuum of Care and Continuum means the group organized to carry out the responsibilities required under this part and that is composed of representatives of organizations, including nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons to the extent these groups are represented within the geographic area and are available to participate.

Developmental disability means, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002):

- (1) A severe, chronic disability of an individual that—
- (i) Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - (ii) Is manifested before the individual attains age 22;
 - (iii) Is likely to continue indefinitely;

- (iv) Results in substantial functional limitations in three or more of the following areas of major life activity:
 - (A) Self-care;
 - (B) Receptive and expressive language;
 - (C) Learning;
 - (D) Mobility;
 - (E) Self-direction;
 - (F) Capacity for independent living;
 - (G) Economic self-sufficiency.
- (v) Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated. (2) An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting three or more of the criteria described in paragraphs (1)(i) through (v) of the definition of "developmental disability" in this section if the individual, without services and supports, has a high probability of meeting these criteria later in life.

Eligible applicant means a private nonprofit organization, State, local government, or instrumentality of State and local government.

Emergency shelter is defined in 24 CFR part 576.

Emergency Solutions Grants (ESG) means the grants provided under 24 CFR part 576.

Fair Market Rent (FMR) means the Fair Market Rents published in the Federal Register annually by HUD.

High-performing community (HPC) means a Continuum of Care that meets the standards in subpart E of this part and has been designated as a high-performing community by HUD.

Homeless means:

- (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;

- (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals); or
 - (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- (2) An individual or family who will imminently lose their primary nighttime residence, provided that:
- (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
 - (ii) No subsequent residence has been identified; and
 - (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;
- (3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
- (i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
 - (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
 - (iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
 - (iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
- (4) Any individual or family who:
- (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual

assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

- (ii) Has no other residence; and
- (iii) Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

Homeless Management Information System (HMIS) means the information system designated by the Continuum of Care to comply with the HMIS requirements prescribed by HUD.

HMIS Lead means the entity designated by the Continuum of Care in accordance with this part to operate the Continuum's HMIS on its behalf.

Permanent housing means community-based housing without a designated length of stay, and includes both permanent supportive housing and rapid rehousing. To be permanent housing, the program participant must be the tenant on a lease for a term of at least one year, which is renewable for terms that are a minimum of one month long; and is terminable only for cause.

Permanent supportive housing means permanent housing in which supportive services are provided to assist homeless persons with a disability to live independently.

Point-in-time count means a count of sheltered and unsheltered homeless persons carried out on one night in the last 10 calendar days of January or at such other time as required by HUD.

Private nonprofit organization means an organization:

- (1) No part of the net earnings of which inure to the benefit of any member, founder, contributor, or individual;
- (2) That has a voluntary board;
- (3) That has a functioning accounting system that is operated in accordance with generally accepted accounting principles, or has designated a fiscal agent that will maintain a functioning accounting system for the organization in accordance with generally accepted accounting principles; and
- (4) That practices nondiscrimination in the provision of assistance.

A private nonprofit organization does not include governmental organizations, such as public housing agencies.

Program participant means an individual (including an unaccompanied youth) or family who is assisted with Continuum of Care program funds.

Project means a group of eligible activities, such as HMIS costs, identified as a project in an application to HUD for Continuum of Care funds and includes a structure (or structures) that is (are) acquired, rehabilitated, constructed, or leased with assistance provided under this part or with respect to which HUD provides rental assistance or annual payments for operating costs, or supportive services under this subtitle.

Recipient means an applicant that signs a grant agreement with HUD.

Safe haven means, for the purpose of defining chronically homeless, supportive housing that meets the following:

- (1) Serves hard to reach homeless persons with severe mental illness who came from the streets and have been unwilling or unable to participate in supportive services;
- (2) Provides 24-hour residence for eligible persons for an unspecified period;
- (3) Has an overnight capacity limited to 25 or fewer persons; and
- (4) Provides low-demand services and referrals for the residents.

State means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Marianas, and the Virgin Islands.

Subrecipient means a private nonprofit organization, State, local government, or instrumentality of State or local government that receives a subgrant from the recipient to carry out a project.

Transitional housing means housing, where all program participants have signed a lease or occupancy agreement, the purpose of which is to facilitate the movement of homeless individuals and families into permanent housing within 24 months or such longer period as HUD determines necessary. The program participant must have a lease or occupancy agreement for a term of at least one month that ends in 24 months and cannot be extended.

Unified Funding Agency (UFA) means an eligible applicant selected by the Continuum of Care to apply for a grant for the entire Continuum, which has the capacity to carry out the duties in § 578.11(b), which is approved by HUD and to which HUD awards a grant.

Victim service provider means a private nonprofit organization whose primary mission is to provide services to victims of domestic violence, dating violence, sexual assault, or stalking. This term includes rape crisis centers, battered women's shelters, domestic violence transitional housing programs, and other programs.

Subpart B – Establishing and Operating a Continuum of Care

§ 578.5 Establishing the Continuum of Care.

(a) The Continuum of Care. Representatives from relevant organizations within a geographic area shall establish a Continuum of Care for the geographic area to carry out the duties of this part. Relevant organizations include nonprofit homeless assistance providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, and organizations that serve veterans and homeless and formerly homeless individuals.

(b) The board. The Continuum of Care must establish a board to act on behalf of the Continuum using the process established as a requirement by § 578.7(a)(3) and must comply with the conflict-of-interest requirements at § 578.95(b). The board must:

- (1) Be representative of the relevant organizations and of projects serving homeless subpopulations; and
- (2) Include at least one homeless or formerly homeless individual.

(c) Transition. Continuums of Care shall have 2 years after August 30, 2012 to comply with the requirements of paragraph (b) of this section.

§ 578.7 Responsibilities of the Continuum of Care.

(a) Operate the Continuum of Care. The Continuum of Care must:

- (1) Hold meetings of the full membership, with published agendas, at least semi-annually;
- (2) Make an invitation for new members to join publicly available within the geographic at least annually;
- (3) Adopt and follow a written process to select a board to act on behalf of the Continuum of Care. The process must be reviewed, updated, and approved by the Continuum at least once every 5 years;
- (4) Appoint additional committees, subcommittees, or workgroups;
- (5) In consultation with the collaborative applicant and the HMIS Lead, develop, follow, and update annually a governance charter, which will include all procedures and policies needed to comply with subpart B of this part and with HMIS requirements as prescribed by HUD; and a code of conduct and recusal process for the board, its chair(s), and any person acting on behalf of the board;
- (6) Consult with recipients and subrecipients to establish performance targets appropriate for population and program type, monitor recipient and subrecipient performance, evaluate outcomes, and take action against poor performers;
- (7) Evaluate outcomes of projects funded under the Emergency Solutions Grants program and the Continuum of Care program, and report to HUD;
- (8) In consultation with recipients of Emergency Solutions Grants program funds within the geographic area, establish and operate either a centralized or coordinated assessment system that provides an initial, comprehensive

assessment of the needs of individuals and families for housing and services. The Continuum must develop a specific policy to guide the operation of the centralized or coordinated assessment system on how its system will address the needs of individuals and families who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, or stalking, but who are seeking shelter or services from nonvictim service providers. This system must comply with any requirements established by HUD by Notice.

(9) In consultation with recipients of Emergency Solutions Grants program funds within the geographic area, establish and consistently follow written standards for providing Continuum of Care assistance. At a minimum, these written standards must include:

- (i) Policies and procedures for evaluating individuals' and families' eligibility for assistance under this part;
- (ii) Policies and procedures for determining and prioritizing which eligible individuals and families will receive transitional housing assistance;
- (iii) Policies and procedures for determining and prioritizing which eligible individuals and families will receive rapid rehousing assistance;
- (iv) Standards for determining what percentage or amount of rent each program participant must pay while receiving rapid rehousing assistance;
- (v) Policies and procedures for determining and prioritizing which eligible individuals and families will receive permanent supportive housing assistance; and
- (vi) Where the Continuum is designated a high-performing community, as described in subpart G of this part, policies and procedures set forth in 24 CFR 576.400(e)(3)(vi), (e)(3)(vii), (e)(3)(viii), and (e)(3)(ix).

(b) Designating and operating an HMIS. The Continuum of Care must:

- (1) Designate a single Homeless Management Information System (HMIS) for the geographic area;
- (2) Designate an eligible applicant to manage the Continuum's HMIS, which will be known as the HMIS Lead;
- (3) Review, revise, and approve a privacy plan, security plan, and data quality plan for the HMIS.
- (4) Ensure consistent participation of recipients and subrecipients in the HMIS; and
- (5) Ensure the HMIS is administered in compliance with requirements prescribed by HUD.

(c) Continuum of Care planning. The Continuum must develop a plan that includes:

- (1) Coordinating the implementation of a housing and service system within its geographic area that meets the needs of the homeless individuals (including unaccompanied youth) and families. At a minimum, such system encompasses the following:

- (i) Outreach, engagement, and assessment;
 - (ii) Shelter, housing, and supportive services;
 - (iii) Prevention strategies.
- (2) Planning for and conducting, at least biennially, a point-in-time count of homeless persons within the geographic area that meets the following requirements:
- (i) Homeless persons who are living in a place not designed or ordinarily used as a regular sleeping accommodation for humans must be counted as unsheltered homeless persons.
 - (ii) Persons living in emergency shelters and transitional housing projects must be counted as sheltered homeless persons.
 - (iii) Other requirements established by HUD by Notice.
- (3) Conducting an annual gaps analysis of the homeless needs and services available within the geographic area;
- (4) Providing information required to complete the Consolidated Plan(s) within the Continuum's geographic area;
- (5) Consulting with State and local government Emergency Solutions Grants program recipients within the Continuum's geographic area on the plan for allocating Emergency Solutions Grants program funds and reporting on and evaluating the performance of Emergency Solutions Grants program recipients and subrecipients.

§ 578.9 Preparing an application for funds.

(a) The Continuum must:

- (1) Design, operate, and follow a collaborative process for the development of applications and approve the submission of applications in response to a NOFA published by HUD under § 578.19 of this subpart;
- (2) Establish priorities for funding projects in the geographic area;
- (3) Determine if one application for funding will be submitted for all projects within the geographic area or if more than one application will be submitted for the projects within the geographic area;
 - (i) If more than one application will be submitted, designate an eligible applicant to be the collaborative applicant that will collect and combine the required application information from all applicants and for all projects within the geographic area that the Continuum has selected funding. The collaborative applicant will also apply for Continuum of Care planning activities. If the Continuum is an eligible applicant, it may designate itself;
 - (ii) If only one application will be submitted, that applicant will be the collaborative applicant and will collect and combine the required application information from all projects within the geographic area that the Continuum has selected for funding and apply for Continuum of Care planning activities;

(b) The Continuum retains all of its responsibilities, even if it designates one or more eligible applicants other than itself to apply for funds on behalf of the Continuum. This includes approving the Continuum of Care application.

§ 578.11 Unified Funding Agency.

(a) Becoming a Unified Funding Agency. To become designated as the Unified Funding Agency (UFA) for a Continuum, a collaborative applicant must be selected by the Continuum to apply to HUD to be designated as the UFA for the Continuum.

(b) Criteria for designating a UFA. HUD will consider these criteria when deciding whether to designate a collaborative applicant a UFA:

- (1) The Continuum of Care it represents meets the requirements in § 578.7;
- (2) The collaborative applicant has financial management systems that meet the standards set forth in 24 CFR 84.21 (for nonprofit organizations) and 24 CFR 85.20 (for States);
- (3) The collaborative applicant demonstrates the ability to monitor subrecipients; and
- (4) Such other criteria as HUD may establish by NOFA.

(c) Requirements. HUD-designated UFAs shall:

- (1) Apply to HUD for funding for all of the projects within the geographic area and enter into a grant agreement with HUD for the entire geographic area.
- (2) Enter into legally binding agreements with subrecipients, and receive and distribute funds to subrecipients for all projects within the geographic area.
- (3) Require subrecipients to establish fiscal control and accounting procedures as necessary to assure the proper disbursement of and accounting for federal funds in accordance with the requirements of 24 CFR parts 84 and 85 and corresponding OMB circulars.
- (4) Obtain approval of any proposed grant agreement amendments by the Continuum of Care before submitting a request for an amendment to HUD.

§ 578.13 Remedial action.

(a) If HUD finds that the Continuum of Care for a geographic area does not meet the requirements the Act or its implementing regulations, or that there is no Continuum for a geographic area, HUD may take remedial action to ensure fair distribution of grant funds within the geographic area. Such measures may include:

- (1) Designating a replacement Continuum of Care for the geographic area;
- (2) Designating a replacement collaborative applicant for the Continuum's geographic area; and
- (3) Accepting applications from other eligible applicants within the Continuum's geographic area.

(b) HUD must provide a 30-day prior written notice to the Continuum and its collaborative applicant and give them an opportunity to respond.

Subpart C – Application and Grant Award Process

§ 578.15 Eligible applicants.

(a) Who may apply. Nonprofit organizations, States, local governments, and instrumentalities of State or local governments are eligible to apply for grants.

(b) Designation by the Continuum of Care. Eligible applicant(s) must have been designated by the Continuum of Care to submit an application for grant funds under this part. The designation must state whether the Continuum is designating more than one applicant to apply for funds and, if it is, which applicant is being designated as the collaborative applicant. If the Continuum is designating only one applicant to apply for funds, the Continuum must designate that applicant to be the collaborative applicant.

(c) Exclusion. For-profit entities are not eligible to apply for grants or to be subrecipients of grant funds.

§ 578.17 Overview of application and grant award process.

(a) Formula.

(1) After enactment of the annual appropriations act for each fiscal year, and issuance of the NOFA, HUD will publish, on its Web site, the Preliminary Pro Rata Need (PPRN) assigned to metropolitan cities, urban counties, and all other counties.

(2) HUD will apply the formula used to determine PPRN established in paragraph (a)(3) of this section, to the amount of funds being made available under the NOFA. That amount is calculated by:

- (i) Determining the total amount for the Continuum of Care competition in accordance with section 413 of the Act or as otherwise directed by the annual appropriations act;
- (ii) From the amount in paragraph (a)(2)(i) of this section, deducting the amount published in the NOFA as being set aside to provide a bonus to geographic areas for activities that have proven to be effective in reducing homelessness generally or for specific subpopulations listed in the NOFA or achieving homeless prevention and independent living goals established in the NOFA and to meet policy priorities set in the NOFA; and
- (iii) Deducting the amount of funding necessary for Continuum of Care planning activities and UFA costs.

(3) PPRN is calculated on the amount determined under paragraph (a)(2) of this section by using the following formula:

- (i) Two percent will be allocated among the four insular areas (American Samoa, Guam, the Commonwealth of the Northern Marianas, and the Virgin

Islands) on the basis of the ratio of the population of each insular area to the population of all insular areas.

- (ii) Seventy-five percent of the remaining amount will be allocated, using the Community Development Block Grant (CDBG) formula, to metropolitan cities and urban counties that have been funded under either the Emergency Shelter Grants or Emergency Solutions Grants programs in any one year since 2004.
 - (iii) The amount remaining after the allocation under paragraphs (a)(1) and (2) of this section will be allocated, using the CDBG formula, to metropolitan cities and urban counties that have not been funded under the Emergency Solutions Grants program in any year since 2004 and all other counties in the United States and Puerto Rico.
- (4) If the calculation in paragraph (a)(2) of this section results in an amount less than the amount required to renew all projects eligible for renewal in that year for at least one year, after making adjustments proportional to increases in fair market rents for the geographic area for leasing, operating, and rental assistance for permanent housing, HUD will reduce, proportionately, the total amount required to renew all projects eligible for renewal in that year for at least one year, for each Continuum of Care. HUD will publish, via the NOFA, the total dollar amount that every Continuum will be required to deduct from renewal projects Continuum-wide.

(b) Calculating a Continuum of Care's maximum award amount.

- (1) Establish the PPRN amount. First, HUD will total the PPRN amounts for each metropolitan city, urban county, other county, and insular area claimed by the Continuum as part of its geographic area, excluding any counties applying for or receiving funding from the Rural Housing Stability Assistance program under 24 CFR part 579.
- (2) Establishing renewal demand. Next, HUD will determine the renewal demand within the Continuum's geographic area. Renewal demand is the sum of the annual renewal amounts of all projects within the Continuum eligible to apply for renewal in that fiscal year's competition, before any adjustments to rental assistance, leasing, and operating line items based on FMR changes.
- (3) Establishing FPRN. The higher of PPRN or renewal demand for the Continuum of Care is the FPRN, which is the base for the maximum award amount for the Continuum.
- (4) Establishing the maximum award amount. The maximum award amount for the Continuum is the FPRN amount plus any additional eligible amounts for Continuum planning; UFA costs; adjustments to leasing, operating and rental assistance line items based on changes to FMR; and available bonuses.

§ 578.19 Application process.

- (a) Notice of Funding Availability. After enactment of the annual appropriations act for

the fiscal year, HUD will issue a NOFA in accordance with the requirements of 24 CFR part 4.

(b) Applications. All applications to HUD, including applications for grant funds and requests for designation as a UFA or HPC, must be submitted at such time and in such manner as HUD may require, and contain such information as HUD determines necessary. At a minimum, an application for grant funds must contain a list of the projects for which it is applying for funds; a description of the projects; a list of the projects that will be carried out by subrecipients and the names of the subrecipients; a description of the subpopulations of homeless or at risk of homelessness to be served by projects; the number of units to be provided and/or the number of persons to be served by each project; a budget request by project; and reasonable assurances that the applicant, or the subrecipient, will own or have control of a site for the proposed project not later than the expiration of the 12-month period beginning upon notification of an award for grant assistance.

§ 578.21 Awarding funds.

(a) Selection. HUD will review applications in accordance with the guidelines and procedures provided in the NOFA and will award funds to recipients through a national competition based on selection criteria as defined in section 427 of the Act.

(b) Announcement of awards. HUD will announce awards and notify selected applicants of any conditions imposed on awards. Conditions must be satisfied before HUD will execute a grant agreement with the applicant.

(c) Satisfying conditions. HUD will withdraw an award if the applicant does not satisfy all conditions imposed on it. Correcting all issues and conditions attached to an award must be completed within the time frame established in the NOFA. Proof of site control, match, environmental review, and the documentation of financial feasibility must be completed within 12 months of the announcement of the award, or 24 months in the case of funds for acquisition, rehabilitation, or new construction. The 12-month deadline may be extended by HUD for up to 12 additional months upon a showing of compelling reasons for delay due to factors beyond the control of the recipient or subrecipient.

§ 578.23 Executing grant agreements.

(a) Deadline. No later than 45 days from the date when all conditions are satisfied, the recipient and HUD must execute the grant agreement.

(b) Grant agreements.

(1) Multiple applicants for one Continuum. If a Continuum designates more than one applicant for the geographic area, HUD will enter into a grant agreement with each designated applicant for which an award is announced.

(2) One applicant for a Continuum. If a Continuum designates only one applicant for the geographic area, after awarding funds, HUD may enter into a grant agreement with that applicant for new awards, if any, and one grant agreement for renewals, Continuum of Care planning, and UFA costs, if any. These two

grants will cover the entire geographic area. A default by the recipient under one of those grant agreements will also be a default under the other.

- (3) Unified Funding Agencies. If a Continuum is a UFA that HUD has approved, then HUD will enter into one grant agreement with the UFA for new awards, if any, and one grant agreement for renewals, Continuum of Care planning and UFA costs, if any. These two grants will cover the entire geographic area. A default by the UFA under one of those grant agreements will also be a default under the other.

(c) Required agreements. Recipients will be required to sign a grant agreement in which the recipient agrees:

- (1) To ensure the operation of the project(s) in accordance with the provisions of the McKinney-Veto Act and all requirements under 24 CFR part 578;
- (2) To monitor and report the progress of the project(s) to the Continuum of Care and HUD;
- (3) To ensure, to the maximum extent practicable, that individuals and families experiencing homelessness are involved, through employment, provision of volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating facilities for the project and in providing supportive services for the project;
- (4) To require certification from all subrecipients that:
 - (i) Subrecipients will maintain the confidentiality of records pertaining to any individual or family that was provided family violence prevention or treatment services through the project;
 - (ii) The address or location of any family violence project assisted under this part will not be made public, except with written authorization of the person responsible for the operation of such project;
 - (iii) Subrecipients will establish policies and practices that are consistent with, and do not restrict, the exercise of rights provided by subtitle B of title VII of the Act and other laws relating to the provision of educational and related services to individuals and families experiencing homelessness;
 - (iv) In the case of projects that provide housing or services to families, that subrecipients will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including early childhood programs such as Head Start, part C of the Individuals with Disabilities Education Act, and programs authorized under subtitle B of title VII of the Act;
 - (v) The subrecipient, its officers, and employees are not debarred or suspended from doing business with the Federal Government; and
 - (vi) Subrecipients will provide information, such as data and reports, as required by HUD; and

- (5) To establish such fiscal control and accounting procedures as may be necessary to assure the proper disbursement of, and accounting for grant funds in order to ensure that all financial transactions are conducted, and records maintained in accordance with generally accepted accounting principles, if the recipient is a UFA;
- (6) To monitor subrecipient match and report on match to HUD;
- (7) To take the educational needs of children into account when families are placed in housing and will, to the maximum extent practicable, place families with children as close as possible to their school of origin so as not to disrupt such children's education;
- (8) To monitor subrecipients at least annually;
- (9) To use the centralized or coordinated assessment system established by the Continuum of Care as set forth in § 578.7(a)(8). A victim service provider may choose not to use the Continuum of Care's centralized or coordinated assessment system, provided that victim service providers in the area use a centralized or coordinated assessment system that meets HUD's minimum requirements and the victim service provider uses that system instead;
- (10) To follow the written standards for providing Continuum of Care assistance developed by the Continuum of Care, including the minimum requirements set forth in § 578.7(a)(9);
- (11) Enter into subrecipient agreements requiring subrecipients to operate the project(s) in accordance with the provisions of this Act and all requirements under 24 CFR part 578; and
- (12) To comply with such other terms and conditions as HUD may establish by NOFA.

§ 578.25 Site control.

(a) In general. When grant funds will be used for acquisition, rehabilitation, new construction, operating costs, or to provide supportive services, the recipient or subrecipient must demonstrate that it has site control within the time frame established in section § 578.21 before HUD will execute a grant agreement. This requirement does not apply to funds used for housing that will eventually be owned or controlled by the individuals or families served or for supportive services provided at sites not operated by the recipient or subrecipient.

(b) Evidence. Acceptable evidence of site control is a deed or lease. If grant funds will be used for acquisition, acceptable evidence of site control will be a purchase agreement. The owner, lessee, and purchaser shown on these documents must be the selected applicant or intended subrecipient identified in the application for assistance.

(c) Tax credit projects.

- (1) Applicants that plan to use the low-income housing tax credit authorized under 26 U.S.C. 42 to finance a project must prove to HUD's satisfaction that the

applicant or subrecipient identified in the application is in control of the limited partnership or limited liability corporation that has a deed or lease for the project site.

- (i) To have control of the limited partnership, the applicant or subrecipient must be the general partner of the limited partnership or have a 51 percent controlling interest in that general partner.
 - (ii) To have control of the limited liability company, the applicant or subrecipient must be the sole managing member.
- (2) If grant funds are to be used for acquisition, rehabilitation, or new construction, the recipient or subrecipient must maintain control of the partnership or corporation and must ensure that the project is operated in compliance with law and regulation for 15 years from the date of initial occupancy or initial service provision. The partnership or corporation must own the project site throughout the 15-year period. If grant funds were not used for acquisition, rehabilitation, or new construction, then the recipient or subrecipient must maintain control for the term of the grant agreement and any renewals thereof.

§ 578.27 Consolidated plan.

(a) States or units of general local government. An applicant that is a State or a unit of general local government must have a HUD-approved, complete or abbreviated, consolidated plan in accordance with 24 CFR part 91. The applicant must submit a certification that the application for funding is consistent with the HUD-approved consolidated plan(s) for the jurisdiction(s) in which the proposed project will be located. Funded applicants must certify in a grant agreement that they are following the HUD-approved consolidated plan.

(b) Other applicants. Applicants that are not States or units of general local government must submit a certification by the jurisdiction(s) in which the proposed project will be located that the applicant's application for funding is consistent with the jurisdiction's HUD-approved consolidated plan. The certification must be made by the unit of general local government or the State, in accordance with the consistency certification provisions under 24 CFR part 91, subpart F. If the jurisdiction refuses to provide a certification of consistency, the applicant may appeal to HUD under § 578.35.

(c) Timing of consolidated plan certification submissions. The required certification that the application for funding is consistent with the HUD-approved consolidated plan must be submitted by the funding application submission deadline announced in the NOFA.

§ 578.29 Subsidy layering.

HUD may provide assistance under this program only in accordance with HUD subsidy layering requirements in section 102 of the Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545) and 24 CFR part 4, subpart A. An applicant must submit information in its application on other sources of governmental assistance that the applicant has received, or reasonably expects to receive, for a proposed project or activities. HUD's review of this information is intended to prevent excessive public

assistance for proposed project or activities by combining (layering) assistance under this program with other governmental housing assistance from federal, State, or local agencies, including assistance such as tax concessions or tax credits.

§ 578.31 Environmental review.

(a) Activities under this part are subject to environmental review by HUD under 24 CFR part 50. The recipient or subrecipient shall supply all available, relevant information necessary for HUD to perform, for each property, any environmental review required by 24 CFR part 50. The recipient or subrecipient must carry out mitigating measures required by HUD or select an alternate eligible property. HUD may eliminate from consideration any application that would require an Environmental Impact Statement.

(b) The recipient or subrecipient, its project partners, and their contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under this part, or commit or expend HUD or local funds for such eligible activities under this part, until HUD has performed an environmental review under 24 CFR part 50 and the recipient or subrecipient has received HUD approval of the property.

§ 578.33 Renewals.

(a) In general. Awards made under this part and title IV of the Act, as in effect before August 30, 2012 (the Supportive Housing Program and the Shelter Plus Care program), may be renewed to continue ongoing leasing, operations, supportive services, rental assistance, HMIS, and administration beyond the initial funding period. To be considered for funding, recipients must submit a request in a form specified by HUD, must meet the requirements of this part, and must submit the request within the time frame established by HUD.

(b) Length of renewal. HUD may award up to 3 years of funds for supportive services, leasing, HMIS, and operating costs. Renewals of tenant-based and sponsor-based rental assistance may be for up to one year of rental assistance. Renewals of project-based rental assistance may be for up to 15 years of rental assistance, subject to availability of annual appropriations.

(c) Assistance available.

(1) Assistance during each year of a renewal period may be for:

- (i) Up to 100 percent of the amount for supportive services and HMIS costs in the final year of the prior funding period;
- (ii) Up to 100 percent of the amount for leasing and operating in the final year of the prior funding period adjusted in proportion to changes in the FMR for the geographic area; and
- (iii) For rental assistance, up to 100 percent of the result of multiplying the number and unit size(s) in the grant agreement by the number of months in the renewal grant term and the applicable FMR.

(d) Review criteria.

- (1) Awards made under title IV of the Act, as in effect before August 30, 2012 are eligible for renewal in the Continuum of Care program even if the awardees would not be eligible for a new grant under the program, so long as they continue to serve the same population and the same number of persons or units in the same type of housing as identified in their most recently amended grant agreement signed before August 30, 2012. Grants will be renewed if HUD receives a certification from the Continuum that there is a demonstrated need for the project, and HUD finds that the project complied with program requirements applicable before August 30, 2012. For purposes of meeting the requirements of this part, a project will continue to be administered in accordance with 24 CFR part 582.330, if the project received funding under the Shelter Plus Care program, or 24 CFR part 583.325, if the project received funding under the Supportive Housing Program.
- (2) Renewal of awards made after August 30, 2012. Review criteria for competitively awarded renewals made after August 30, 2012 will be described in the NOFA.

(e) Unsuccessful projects. HUD may renew a project that was eligible for renewal in the competition and was part of an application that was not funded despite having been submitted on time, in the manner required by HUD, and containing the information required by HUD, upon a finding that the project meets the purposes of the Continuum of Care program. The renewal will not exceed more than one year and will be under such conditions as HUD deems appropriate.

(f) Annual Performance Report condition. HUD may terminate the renewal of any grant and require the recipient to repay the renewal grant if:

- (1) The recipient fails to timely submit a HUD Annual Performance Report (APR) for the grant year immediately prior to renewal; or
- (2) The recipient submits an APR that HUD deems unacceptable or shows noncompliance with the requirements of the grant and this part.

§ 578.35 Appeal.

(a) In general. Failure to follow the procedures or meet the deadlines established in this section will result in denial of the appeal.

(b) Solo applicants.

- (1) Who may appeal. Nonprofits, States, and local governments, and instrumentalities of State or local governments that attempted to participate in the Continuum of Care planning process in the geographic area in which they operate, that believe they were denied the right to participate in a reasonable manner, and that submitted a solo application for funding by the application deadline established in the NOFA, may appeal the decision of the Continuum to HUD.
- (2) Notice of intent to appeal. The solo applicant must submit a written notice of

intent to appeal, with a copy to the Continuum, with their funding application.

- (3) Deadline for submitting proof. No later than 30 days after the date that HUD announces the awards, the solo applicant shall submit in writing, with a copy to the Continuum, all relevant evidence supporting its claim, in such manner as HUD may require by Notice.
 - (4) Response from the Continuum of Care. The Continuum shall have 30 days from the date of its receipt of the solo applicant's evidence to respond to HUD in writing and in such manner as HUD may require, with a copy to the solo applicant.
 - (5) Decision. HUD will notify the solo applicant and the Continuum of its decision within 60 days of receipt of the Continuum's response.
 - (6) Funding. If HUD finds that the solo applicant was not permitted to participate in the Continuum of Care planning process in a reasonable manner, then HUD may award a grant to the solo applicant when funds next become available and may direct the Continuum of Care to take remedial steps to ensure reasonable participation in the future. HUD may also reduce the award to the Continuum's applicant(s).
- (c) Denied or decreased funding.
- (1) Who may appeal. Eligible applicants that are denied funds by HUD, or that requested more funds than HUD awarded to them, may appeal the award by filing a written appeal, in such form and manner as HUD may require by Notice, within 45 days of the date of HUD's announcement of the award.
 - (2) Decision. HUD will notify the applicant of its decision on the appeal within 60 days of HUD's receipt of the written appeal. HUD will reverse a decision only when the applicant can show that HUD error caused the denial or decrease.
 - (3) Funding. Awards and increases to awards made upon appeal will be made from next available funds.
- (d) Competing Continuums of Care.
- (1) In general. If more than one Continuum of Care claims the same geographic area, HUD will award funds to the Continuum applicant(s) whose application(s) has the highest total score. No projects will be funded from the lower scoring Continuum. No projects that are submitted in two or more competing Continuum of Care applications will be funded.
 - (2) Who may appeal. The designated applicant(s) for the lower scoring Continuum may appeal HUD's decision to fund the application(s) from the competing Continuum by filing a written appeal, in such form and manner as HUD may require by Notice, within 45 days of the date of HUD's announcement of the award.
 - (3) Decision. HUD will notify the applicant(s) of its decision on the appeal within 60 days of the date of HUD's receipt of the written appeal. HUD will reverse a decision only upon a showing by the applicant that HUD error caused the denial.

(e) Consolidated plan certification.

- (1) In general. An applicant may appeal to HUD a jurisdiction's refusal to provide a certification of consistency with the Consolidated Plan.
- (2) Procedure. The applicant must submit a written appeal with its application to HUD and send a copy of the appeal to the jurisdiction that denied the certification of consistency. The appeal must include, at a minimum:
 - (i) A copy of the applicant's request to the jurisdiction for the certification of consistency with the Consolidated Plan;
 - (ii) A copy of the jurisdiction's response stating the reasons for denial, including the reasons the proposed project is not consistent with the jurisdiction's Consolidated Plan in accordance with 24 CFR 91.500(c); and
 - (iii) A statement of the reasons why the applicant believes its project is consistent with the jurisdiction's Consolidated Plan.
- (3) Jurisdiction response. The jurisdiction that refused to provide the certification of consistency with the jurisdiction's Consolidated Plan shall have 10 days after receipt of a copy of the appeal to submit a written explanation of the reasons originally given for refusing to provide the certification and a written rebuttal to any claims made by the applicant in the appeal.
- (4) HUD review.
 - (i) HUD will issue its decision within 45 days of the date of HUD's receipt of the jurisdiction's response. As part of its review, HUD will consider:
 - (A) Whether the applicant submitted the request to the appropriate political jurisdiction; and
 - (B) The reasonableness of the jurisdiction's refusal to provide the certificate.
 - (ii) If the jurisdiction did not provide written reasons for refusal, including the reasons why the project is not consistent with the jurisdiction's Consolidated Plan in its initial response to the applicant's request for a certification, HUD will find for the applicant without further inquiry or response from the political jurisdiction.

Subpart D – Program Components and Eligible Costs**§ 578.37 Program components and uses of assistance.**

(a) Continuum of Care funds may be used to pay for the eligible costs listed in § 578.39 through § 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homelessness prevention. Although grant funds may be used by recipients and subrecipients in all components for the eligible costs of contributing data to the HMIS designated by the Continuum of Care, only HMIS Leads may use grant funds for an HMIS component. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible

activities in a single project found in § 578.87(c). The eligible program components are:

- (1) Permanent housing (PH). Permanent housing is community-based housing, the purpose of which is to provide housing without a designated length of stay. Grant funds may be used for acquisition, rehabilitation, new construction, leasing, rental assistance, operating costs, and supportive services. PH includes:
 - (i) Permanent supportive housing for persons with disabilities (PSH). PSH can only provide assistance to individuals with disabilities and families in which one adult or child has a disability. Supportive services designed to meet the needs of the program participants must be made available to the program participants.
 - (ii) Rapid rehousing. Continuum of Care funds may provide supportive services, as set forth in § 578.53, and/or short-term (up to 3 months) and/or medium-term (for 3 to 24 months) tenant-based rental assistance, as set forth in § 578.51(c), as necessary to help a homeless individual or family, with or without disabilities, move as quickly as possible into permanent housing and achieve stability in that housing. When providing short-term and/or medium-term rental assistance to program participants, the rental assistance is subject to § 578.51(a)(1), but not § 578.51(a)(1)(i) and (ii); (a)(2); (c) and (f) through (i); and (l)(1). These projects:
 - (A) Must follow the written policies and procedures established by the Continuum of Care for determining and prioritizing which eligible families and individuals will receive rapid rehousing assistance, as well as the amount or percentage of rent that each program participant must pay.
 - (B) May set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, and/or a maximum number of times that a program participant may receive rental assistance. The recipient or subrecipient may also require program participants to share in the costs of rent. For the purposes of calculating rent for rapid rehousing, the rent shall equal the sum of the total monthly rent for the unit and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.
 - (C) Limit rental assistance to no more than 24 months to a household.
 - (D) May provide supportive services for no longer than 6 months after rental assistance stops.
 - (E) Must re-evaluate, not less than once annually, that the program participant lacks sufficient resources and support networks necessary to retain housing without Continuum of Care assistance and the types and amounts of assistance that the program participant needs to retain housing. The recipient or subrecipient may require each program participant receiving assistance to notify the recipient or subrecipient of changes in the program participant's income or other circumstances

(e.g., changes in household composition) that affect the program participant's need for assistance. When notified of a relevant change, the recipient or subrecipient must reevaluate the program participant's eligibility and the amount and types of assistance that the program participant needs.

(F) Require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability. The project is exempt from this requirement if the Violence Against Women Act of 1994 (42 U.S.C. 13925 *et seq.*) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 *et seq.*) prohibits the recipient carrying out the project from making its housing conditional on the participant's acceptance of services.

- (2) Transitional Housing (TH). Transitional housing facilitates the movement of homeless individuals and families to PH within 24 months of entering TH. Grant funds may be used for acquisition, rehabilitation, new construction, leasing, rental assistance, operating costs, and supportive services.
- (3) Supportive Service Only (SSO). Funds may be used for acquisition, rehabilitation, relocation costs, or leasing of a facility from which supportive services will be provided, and supportive services in order to provide supportive services to unsheltered and sheltered homeless persons for whom the recipient or subrecipient is not providing housing or housing assistance. SSO includes street outreach.
- (4) HMIS. Funds may be used by HMIS Leads to lease a structure in which the HMIS is operated or as operating funds to operate a structure in which the HMIS is operated, and for other costs eligible in § 578.57.
- (5) Homelessness prevention. Funds may be used by recipients in Continuums of Care- designated high-performing communities for housing relocation and stabilization services, and short- and/or medium-term rental assistance, as described in 24 CFR 576.105 and 24 CFR 576.106, that are necessary to prevent an individual or family from becoming homeless.

(b) Uses of assistance. Funds are available to pay for the eligible costs listed in § 578.39 through § 578.63 when used to:

- (1) Establish new housing or new facilities to provide supportive services;
- (2) Expand existing housing and facilities in order to increase the number of homeless persons served;
- (3) Bring existing housing and facilities into compliance with State and local government health and safety standards, as described in § 578.87;
- (4) Preserve existing permanent housing and facilities that provide supportive services;
- (6) Provide supportive services for residents of supportive housing or for homeless persons not residing in supportive housing;

- (7) Continue funding permanent housing when the recipient has received funding under this part for leasing, supportive services, operating costs, or rental assistance;
- (8) Establish and operate an HMIS or comparable database; and
- (9) Establish and carry out a Continuum of Care planning process and operate a Continuum of Care.

(c) Multiple purposes. Structures used to provide housing, supportive housing, supportive services, or as a facility for HMIS activities may also be used for other purposes. However, assistance under this part will be available only in proportion to the use of the structure for supportive housing or supportive services. If eligible and ineligible activities are carried out in separate portions of the same structure or in separate structures, grant funds may not be used to pay for more than the actual cost of acquisition, construction, or rehabilitation of the portion of the structure or structures used for eligible activities. If eligible and ineligible activities are carried out in the same structure, the costs will be prorated based on the amount of time that the space is used for eligible versus ineligible activities.

§ 578.39 Continuum of Care planning activities.

(a) In general. Collaborative applicants may use up to 3 percent of their FPRN, or a maximum amount to be established by the NOFA, for costs of:

- (1) Designing and carrying out a collaborative process for the development of an application to HUD;
- (2) Evaluating the outcomes of projects for which funds are awarded in the geographic area under the Continuum of Care and the Emergency Solutions Grants programs; and
- (3) Participating in the consolidated plan(s) for the geographic area(s).

(b) Continuum of Care planning activities. Eligible planning costs include the costs of:

- (1) Developing a communitywide or regionwide process involving the coordination of nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve veterans, and homeless and formerly homeless individuals;
- (2) Determining the geographic area that the Continuum of Care will serve;
- (3) Developing a Continuum of Care system;
- (4) Evaluating the outcomes of projects for which funds are awarded in the geographic area, including the Emergency Solutions Grants program;
- (5) Participating in the consolidated plan(s) of the jurisdiction(s) in the geographic area; and
- (6) Preparing and submitting an application to HUD on behalf of the entire

Continuum of Care membership, including conducting a sheltered and unsheltered point-in-time count and other data collection as required by HUD.

(c) Monitoring costs. The costs of monitoring recipients and subrecipients and enforcing compliance with program requirements are eligible.

§ 578.41 Unified Funding Agency costs.

(a) In general. UFAs may use up to 3 percent of their FPRN, or a maximum amount to be established by the NOFA, whichever is less, for fiscal control and accounting costs necessary to assure the proper disbursement of, and accounting for, federal funds awarded to subrecipients under the Continuum of Care program.

(b) UFA costs. UFA costs include costs of ensuring that all financial transactions carried out under the Continuum of Care program are conducted and records are maintained in accordance with generally accepted accounting principles, including arranging for an annual survey, audit, or evaluation of the financial records of each project carried out by a subrecipient funded by a grant received through the Continuum of Care program.

(c) Monitoring costs. The costs of monitoring subrecipients and enforcing compliance with program requirements are eligible for costs.

§ 578.43 Acquisition.

Grant funds may be used to pay up to 100 percent of the cost of acquisition of real property selected by the recipient or subrecipient for use in the provision of housing or supportive services for homeless persons.

§ 578.45 Rehabilitation.

(a) Use. Grant funds may be used to pay up to 100 percent of the cost of rehabilitation of structures to provide housing or supportive services to homeless persons.

(b) Eligible costs. Eligible rehabilitation costs include installing cost-effective energy measures, and bringing an existing structure to State and local government health and safety standards.

(c) Ineligible costs. Grant funds may not be used for rehabilitation of leased property.

§ 578.47 New construction.

(a) Use. Grant funds may be used to:

- (1) Pay up to 100 percent of the cost of new construction, including the building of a new structure or building an addition to an existing structure that increases the floor area by 100 percent or more, and the cost of land associated with that construction, for use as housing.
- (2) If grant funds are used for new construction, the applicant must demonstrate that the costs of new construction are substantially less than the costs of rehabilitation or that there is a lack of available appropriate units that could be

rehabilitated at a cost less than new construction. For purposes of this cost comparison, costs of rehabilitation or new construction may include the cost of real property acquisition.

(b) Ineligible costs. Grant funds may not be used for new construction on leased property.

§ 578.49 Leasing.

(a) Use.

- (1) Where the recipient or subrecipient is leasing the structure, or portions thereof, grant funds may be used to pay for 100 percent of the costs of leasing a structure or structures, or portions thereof, to provide housing or supportive services to homeless persons for up to 3 years. Leasing funds may not be used to lease units or structures owned by the recipient, subrecipient, their parent organization(s), any other related organization(s), or organizations that are members of a partnership, where the partnership owns the structure, unless HUD authorized an exception for good cause.
- (2) Any request for an exception must include the following:
 - (i) A description of how leasing these structures is in the best interest of the program;
 - (ii) Supporting documentation showing that the leasing charges paid with grant funds are reasonable for the market; and
 - (iii) A copy of the written policy for resolving disputes between the landlord and tenant, including a recusal for officers, agents, and staff who work for both the landlord and tenant.

(b) Requirements.

- (1) Leasing structures. When grants are used to pay rent for all or part of a structure or structures, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent paid may not exceed rents currently being charged by the same owner for comparable unassisted space.
- (2) Leasing individual units. When grants are used to pay rent for individual housing units, the rent paid must be reasonable in relation to rents being charged for comparable units, taking into account the location, size, type, quality, amenities, facilities, and management services. In addition, the rents may not exceed rents currently being charged for comparable units, and the rent paid may not exceed HUD-determined fair market rents.
- (3) Utilities. If electricity, gas, and water are included in the rent, these utilities may be paid from leasing funds. If utilities are not provided by the landlord, these utility costs are an operating cost, except for supportive service facilities. If the structure is being used as a supportive service facility, then these utility costs are a supportive service cost.

- (4) Security deposits and first and last month's rent. Recipients and subrecipients may use grant funds to pay security deposits, in an amount not to exceed 2 months of actual rent. An advance payment of the last month's rent may be provided to the landlord in addition to the security deposit and payment of the first month's rent.
- (5) Occupancy agreements and subleases. Occupancy agreements and subleases are required as specified in § 578.77(a).
- (6) Calculation of occupancy charges and rent. Occupancy charges and rent from program participants must be calculated as provided in § 578.77.
- (7) Program income. Occupancy charges and rent collected from program participants are program income and may be used as provided under § 578.97.
- (8) Transition. Beginning in the first year awards are made under the Continuum of Care program, renewals of grants for leasing funds entered into under the authority of title IV, subtitle D of the Act as it existed before May 20, 2009, will be renewed either as grants for leasing or as rental assistance, depending on the characteristics of the project. Leasing funds will be renewed as rental assistance if the funds are used to pay rent on units where the lease is between the program participant and the landowner or sublessor. Projects requesting leasing funds will be renewed as leasing if the funds were used to lease a unit or structure and the lease is between the recipient or subrecipient and the landowner.

§ 578.51 Rental assistance.

(a) Use.

- (1) Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
 - (i) The rental assistance may be short-term, up to 3 months of rent; medium-term, for 3 to 24 months of rent; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in § 578.7(a)(9) and this section.
 - (ii) The rental assistance may be tenant-based, project-based, or sponsor-based, and may be for transitional or permanent housing.
- (2) Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.

(b) Rental assistance administrator. Rental assistance must be administered by a State, unit of general local government, or a public housing agency.

(c) Tenant-based rental assistance. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside.

When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Program participants who are receiving rental assistance in transitional housing may be required to live in a specific structure for their entire period of participation in transitional housing.

- (1) Up to 5 years worth of rental assistance may be awarded to a project in one competition.
- (2) Program participants who have complied with all program requirements during their residence retain the rental assistance if they move within the Continuum of Care geographic area.
- (3) Program participants who have complied with all program requirements during their residence and who have been a victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believe they are imminently threatened by harm from further domestic violence, dating violence, sexual assault, or stalking (which would include threats from a third party, such as a friend or family member of the perpetrator of the violence), if they remain in the assisted unit, and are able to document the violence and basis for their belief, may retain the rental assistance and move to a different Continuum of Care geographic area if they move out of the assisted unit to protect their health and safety.

(d) Sponsor-based rental assistance. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor. Up to 5 years worth of rental assistance may be awarded to a project in one competition.

(e) Project-based rental assistance. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move. Up to 15 years of rental assistance may be awarded in one competition.

(f) Grant amount. The amount of rental assistance in each project will be based on the number and size of units proposed by the applicant to be assisted over the grant period. The amount of rental assistance in each project will be calculated by multiplying the number and size of units proposed by the FMR of each unit on the date the application is submitted to HUD, by the term of the grant.

(g) Rent reasonableness. HUD will only provide rental assistance for a unit if the rent is reasonable. The recipient or subrecipient must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit. Reasonable rent must not exceed rents currently being charged by the same owner for comparable

unassisted units.

(h) Payment of grant.

- (1) The amount of rental assistance in each project will be reserved for rental assistance over the grant period. An applicant's request for rental assistance in each grant is an estimate of the amount needed for rental assistance. Recipients will make draws from the grant funds to pay the actual costs of rental assistance for program participants.
- (2) For tenant-based rental assistance, on demonstration of need:
 - (i) Up to 25 percent of the total rental assistance awarded may be spent in any year of a 5-year grant term; or
 - (ii) A higher percentage if approved in advance by HUD, if the recipient provides evidence satisfactory to HUD that it is financially committed to providing the housing assistance described in the application for the full 5-year period.
- (3) A recipient must serve at least as many program participants as shown in its application for assistance.
- (4) If the amount in each grant reserved for rental assistance over the grant period exceeds the amount that will be needed to pay the actual costs of rental assistance, due to such factors as contract rents being lower than FMRs and program participants being able to pay a portion of the rent, recipients or subrecipients may use the excess funds for covering the costs of rent increases, or for serving a greater number of program participants.

(i) Vacancies. If a unit assisted under this section is vacated before the expiration of the lease, the assistance for the unit may continue for a maximum of 30 days from the end of the month in which the unit was vacated, unless occupied by another eligible person. No additional assistance will be paid until the unit is occupied by another eligible person. Brief periods of stays in institutions, not to exceed 90 days for each occurrence, are not considered vacancies.

(j) Property damage. Recipients and subrecipients may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. This shall be a one-time cost per participant, incurred at the time a participant exits a housing unit.

(k) Resident rent. Rent must be calculated as provided in § 578.77. Rents collected from program participants are program income and may be used as provided under § 578.97.

(l) Leases.

- (1) Initial lease. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

- (2) Initial lease for transitional housing. Program participants in transitional housing must enter into a lease agreement for a term of at least one month. The lease must be automatically renewable upon expiration, except on prior notice by either party, up to a maximum term of 24 months.

§ 578.53 Supportive services.

(a) In general. Grant funds may be used to pay the eligible costs of supportive services that address the special needs of the program participants. If the supportive services are provided in a supportive service facility not contained in a housing structure, the costs of day-to-day operation of the supportive service facility, including maintenance, repair, building security, furniture, utilities, and equipment are eligible as a supportive service.

- (1) Supportive services must be necessary to assist program participants obtain and maintain housing.
- (2) Recipients and subrecipients shall conduct an annual assessment of the service needs of the program participants and should adjust services accordingly.

(b) Duration.

- (1) For a transitional housing project, supportive services must be made available to residents throughout the duration of their residence in the project.
- (2) Permanent supportive housing projects must provide supportive services for the residents to enable them to live as independently as is practicable throughout the duration of their residence in the project.
- (3) Services may also be provided to former residents of transitional housing and current residents of permanent housing who were homeless in the prior 6 months, for no more than 6 months after leaving transitional housing or homelessness, respectively, to assist their adjustment to independent living.
- (4) Rapid rehousing projects must require the program participant to meet with a case manager not less than once per month as set forth in § 578.37(a)(1)(ii)(F), to assist the program participant in maintaining long-term housing stability.

(c) Special populations. All eligible costs are eligible to the same extent for program participants who are unaccompanied homeless youth; persons living with HIV/AIDS; and victims of domestic violence, dating violence, sexual assault, or stalking.

(d) Ineligible costs. Any cost that is not described as an eligible cost under this section is not an eligible cost of providing supportive services using Continuum of Care program funds. Staff training and the costs of obtaining professional licenses or certifications needed to provide supportive services are not eligible costs.

(e) Eligible costs.

- (1) Annual Assessment of Service Needs. The costs of the assessment required by § 578.53(a)(2) are eligible costs.
- (2) Assistance with moving costs. Reasonable one-time moving costs are eligible

and include truck rental and hiring a moving company.

- (3) Case management. The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant(s) are eligible costs. Component services and activities consist of:
- (i) Counseling;
 - (ii) Developing, securing, and coordinating services;
 - (iii) Using the centralized or coordinated assessment system as required under § 578.23(c)(9).
 - (iv) Obtaining federal, State, and local benefits;
 - (v) Monitoring and evaluating program participant progress;
 - (vi) Providing information and referrals to other providers;
 - (vii) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
 - (viii) Developing an individualized housing and service plan, including planning a path to permanent housing stability.
- (4) Child care. The costs of establishing and operating child care, and providing child-care vouchers, for children from families experiencing homelessness, including providing meals and snacks, and comprehensive and coordinated developmental activities, are eligible.
- (i) The children must be under the age of 13, unless they are disabled children.
 - (ii) Disabled children must be under the age of 18.
 - (iii) The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.
- (5) Education services. The costs of improving knowledge and basic educational skills are eligible.
- (i) Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).
 - (ii) Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies, and instructional material; counseling; and referral to community resources.
- (6) Employment assistance and job training. The costs of establishing and operating employment assistance and job training programs are eligible, including classroom, online and/or computer instruction, on-the-job instruction, services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is also an eligible cost.

- (i) Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.
 - (ii) Services that assist individuals in securing employment consist of:
 - (A) Employment screening, assessment, or testing;
 - (B) Structured job skills and job-seeking skills;
 - (C) Special training and tutoring, including literacy training and pre-vocational training;
 - (D) Books and instructional material;
 - (E) Counseling or job coaching; and
 - (F) Referral to community resources.
- (7) Food. The cost of providing meals or groceries to program participants is eligible.
- (8) Housing search and counseling services. Costs of assisting eligible program participants to locate, obtain, and retain suitable housing are eligible.
- (i) Component services or activities are tenant counseling; assisting individuals and families to understand leases; securing utilities; and making moving arrangements.
 - (ii) Other eligible costs are:
 - (A) Mediation with property owners and landlords on behalf of eligible program participants;
 - (B) Credit counseling, accessing a free personal credit report, and resolving personal credit issues; and
 - (C) The payment of rental application fees.
- (9) Legal services. Eligible costs are the fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing.
- (i) Eligible subject matters are child support; guardianship; paternity; emancipation; legal separation; orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking; appeal of veterans and public benefit claim denials; landlord tenant disputes; and the resolution of outstanding criminal warrants.
 - (ii) Component services or activities may include receiving and preparing cases for trial, provision of legal advice, representation at hearings, and counseling.
 - (iii) Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs

are the subrecipient's employees' salaries and other costs necessary to perform the services.

- (iv) Legal services for immigration and citizenship matters and issues related to mortgages and homeownership are ineligible. Retainer fee arrangements and contingency fee arrangements are ineligible.
- (10) Life skills training. The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance abuse, and homelessness are eligible. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public transportation, and parent training.
- (11) Mental health services. Eligible costs are the direct outpatient treatment of mental health conditions that are provided by licensed professionals. Component services are crisis interventions; counseling; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
- (12) Outpatient health services. Eligible costs are the direct outpatient treatment of medical conditions when provided by licensed medical professionals including:
 - (i) Providing an analysis or assessment of an individual's health problems and the development of a treatment plan;
 - (ii) Assisting individuals to understand their health needs;
 - (iii) Providing directly or assisting individuals to obtain and utilize appropriate medical treatment;
 - (iv) Preventive medical care and health maintenance services, including in-home health services and emergency medical services;
 - (v) Provision of appropriate medication;
 - (vi) Providing follow-up services; and
 - (vii) Preventive and non-cosmetic dental care.
- (13) Outreach services. The costs of activities to engage persons for the purpose of providing immediate support and intervention, as well as identifying potential program participants, are eligible.
 - (i) Eligible costs include the outreach worker's transportation costs and a cell phone to be used by the individual performing the outreach.
 - (ii) Component activities and services consist of: initial assessment; crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; actively connecting and providing people with information and referrals to homeless and mainstream programs; and

publicizing the availability of the housing and/or services provided within the geographic area covered by the Continuum of Care.

- (14) Substance abuse treatment services. The costs of program participant intake and assessment, outpatient treatment, group and individual counseling, and drug testing are eligible. Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible.
- (15) Transportation. Eligible costs are:
- (i) The costs of program participant's travel on public transportation or in a vehicle provided by the recipient or subrecipient to and from medical care, employment, child care, or other services eligible under this section.
 - (ii) Mileage allowance for service workers to visit program participants and to carry out housing quality inspections;
 - (iii) The cost of purchasing or leasing a vehicle in which staff transports program participants and/or staff serving program participants;
 - (iv) The cost of gas, insurance, taxes, and maintenance for the vehicle;
 - (v) The costs of recipient or subrecipient staff to accompany or assist program participants to utilize public transportation; and
 - (vi) If public transportation options are not sufficient within the area, the recipient may make a one-time payment on behalf of a program participant needing car repairs or maintenance required to operate a personal vehicle, subject to the following:
 - (A) Payments for car repairs or maintenance on behalf of the program participant may not exceed 10 percent of the Blue Book value of the vehicle (Blue Book refers to the guidebook that compiles and quotes prices for new and used automobiles and other vehicles of all makes, models, and types);
 - (B) Payments for car repairs or maintenance must be paid by the recipient or subrecipient directly to the third party that repairs or maintains the car; and
 - (C) The recipients or subrecipients may require program participants to share in the cost of car repairs or maintenance as a condition of receiving assistance with car repairs or maintenance.
- (16) Utility deposits. This form of assistance consists of paying for utility deposits. Utility deposits must be a one-time fee, paid to utility companies.
- (17) Direct provision of services. If the a service described in paragraphs (e)(1) through (e)(16) of this section is being directly delivered by the recipient or subrecipient, eligible costs for those services also include:
- (i) The costs of labor or supplies, and materials incurred by the recipient or subrecipient in directly providing supportive services to program participants; and

- (ii) The salary and benefit packages of the recipient and subrecipient staff who directly deliver the services.

§ 578.55 Operating costs.

(a) Use. Grant funds may be used to pay the costs of the day-to-day operation of transitional and permanent housing in a single structure or individual housing units.

(b) Eligible costs.

- (1) The maintenance and repair of housing;
- (2) Property taxes and insurance;
- (3) Scheduled payments to a reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost);
- (4) Building security for a structure where more than 50 percent of the units or area is paid for with grant funds;
- (5) Electricity, gas, and water;
- (6) Furniture; and
- (7) Equipment.

(c) Ineligible costs. Program funds may not be used for rental assistance and operating costs in the same project. Program funds may not be used for the operating costs of emergency shelter- and supportive service-only facilities. Program funds may not be used for the maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

§ 578.57 Homeless Management Information System.

(a) Eligible costs.

- (1) The recipient or subrecipient may use Continuum of Care program funds to pay the costs of contributing data to the HMIS designated by the Continuum of Care, including the costs of:
 - (i) Purchasing or leasing computer hardware;
 - (ii) Purchasing software or software licenses;
 - (iii) Purchasing or leasing equipment, including telephones, fax machines, and furniture;
 - (iv) Obtaining technical support;
 - (v) Leasing office space;
 - (vi) Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;
 - (vii) Paying salaries for operating HMIS, including:

- (A) Completing data entry;
 - (B) Monitoring and reviewing data quality;
 - (C) Completing data analysis;
 - (D) Reporting to the HMIS Lead;
 - (E) Training staff on using the HMIS; and
 - (F) Implementing and complying with HMIS requirements;
- (viii) Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act;
- (ix) Paying staff travel costs to conduct intake; and
- (x) Paying participation fees charged by the HMIS Lead, as authorized by HUD, if the recipient or subrecipient is not the HMIS Lead.
- (2) If the recipient or subrecipient is the HMIS Lead, it may also use Continuum of Care funds to pay the costs of:
- (i) Hosting and maintaining HMIS software or data;
 - (ii) Backing up, recovering, or repairing HMIS software or data;
 - (iii) Upgrading, customizing, and enhancing the HMIS;
 - (iv) Integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients using multiple software systems;
 - (v) Administering the system;
 - (vi) Reporting to providers, the Continuum of Care, and HUD; and
 - (vii) Conducting training on using the system, including traveling to the training.
- (3) If the recipient or subrecipient is a victim services provider, or a legal services provider, it may use Continuum of Care funds to establish and operate a comparable database that complies with HUD'S HMIS requirements.

(b) General restrictions. Activities funded under this section must comply with the HMIS requirements.

§ 578.59 Project administrative costs.

(a) Eligible costs. The recipient or subrecipient may use up to 10 percent of any grant awarded under this part, excluding the amount for Continuum of Care Planning Activities and UFA costs, for the payment of project administrative costs related to the planning and execution of Continuum of Care activities. This does not include staff and overhead costs directly related to carrying out activities eligible under § 578.43 through § 578.57, because those costs are eligible as part of those activities. Eligible administrative costs include:

- (1) General management, oversight, and coordination. Costs of overall program management, coordination, monitoring, and evaluation. These costs include, but are not limited to, necessary expenditures for the following:
- (i) Salaries, wages, and related costs of the recipient's staff, the staff of subrecipients, or other staff engaged in program administration. In charging costs to this category, the recipient may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The recipient may use only one of these methods for each fiscal year grant. Program administration assignments include the following:
 - (A) Preparing program budgets and schedules, and amendments to those budgets and schedules;
 - (B) Developing systems for assuring compliance with program requirements;
 - (C) Developing agreements with subrecipients and contractors to carry out program activities;
 - (D) Monitoring program activities for progress and compliance with program requirements;
 - (E) Preparing reports and other documents directly related to the program for submission to HUD;
 - (F) Coordinating the resolution of audit and monitoring findings;
 - (G) Evaluating program results against stated objectives; and
 - (H) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i)(A) through (G) of this section.
 - (ii) Travel costs incurred for monitoring of subrecipients;
 - (iii) Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and
 - (iv) Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.
- (2) Training on Continuum of Care requirements. Costs of providing training on Continuum of Care requirements and attending HUD-sponsored Continuum of Care trainings.
- (3) Environmental review. Costs of carrying out the environmental review responsibilities under § 578.31.

(b) Sharing requirement.

- (1) UFAs. If the recipient is a UFA that carries out a project, it may use up to 10 percent of the grant amount awarded for the project on project administrative costs. The UFA must share the remaining project administrative funds with its subrecipients.
- (2) Recipients that are not UFAs. If the recipient is not a UFA, it must share at least 50 percent of project administrative funds with its subrecipients.

§ 578.61 Relocation costs.

- (a) In general. Relocation costs under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 are eligible.
- (b) Eligible relocation costs. Eligible costs are costs to provide relocation payments and other assistance to persons displaced by a project assisted with grant funds in accordance with § 578.83.

§ 578.63 Indirect costs.

- (a) In general. Continuum of Care funds may be used to pay indirect costs in accordance with OMB Circulars A-87 or A-122, as applicable.
- (b) Allocation. Indirect costs may be allocated to each eligible activity as provided in subpart D, so long as that allocation is consistent with an indirect cost rate proposal developed in accordance with OMB Circulars A-87 or A-122, as applicable.
- (c) Expenditure limits. The indirect costs charged to an activity subject to an expenditure limit under §§ 578.39, 578.41, and 578.59 must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limits.

Subpart E – High-Performing Communities

§ 578.65 Standards.

- (a) In general. The collaborative applicant for a Continuum may apply to HUD to have the Continuum be designated a high-performing community (HPC). The designation shall be for grants awarded in the same competition in which the designation is applied for and made.
- (b) Applying for HPC designation. The application must be submitted at such time and in such manner as HUD may require, must use HMIS data where required to show the standards for qualifying are met, and must contain such information as HUD requires, including at a minimum:
 - (1) A report showing how the Continuum of Care program funds received in the preceding year were expended;
 - (2) A specific plan for how grant funds will be expended; and

(3) Information establishing that the Continuum of Care meets the standards for HPCs.

(c) Standards for qualifying as an HPC. To qualify as an HPC, a Continuum must demonstrate through:

(1) Reliable data generated by the Continuum of Care's HMIS that it meets all of the following standards:

- (i) Mean length of homelessness. Either the mean length of episode of homelessness within the Continuum's geographic area is fewer than 20 days, or the mean length of episodes of homelessness for individuals or families in similar circumstances was reduced by at least 10 percent from the preceding federal fiscal year.
- (ii) Reduced recidivism. Of individuals and families who leave homelessness, less than 5 percent become homeless again at any time within the next 2 years; or the percentage of individuals and families in similar circumstances who become homeless again within 2 years after leaving homelessness was decreased by at least 20 percent from the preceding federal fiscal year.
- (iii) HMIS coverage. The Continuum's HMIS must have a bed coverage rate of 80 percent and a service volume coverage rate of 80 percent as calculated in accordance with HUD's HMIS requirements.
- (iv) Serving families and youth. With respect to Continuums that served homeless families and youth defined as homeless under other federal statutes in paragraph (3) of the definition of homeless in § 576.2:
 - (A) 95 percent of those families and youth did not become homeless again within a 2-year period following termination of assistance; or
 - (B) 85 percent of those families achieved independent living in permanent housing for at least 2 years following termination of assistance.

(2) Reliable data generated from sources other than the Continuum's HMIS that is provided in a narrative or other form prescribed by HUD that it meets both of the following standards:

- (i) Community action. All the metropolitan cities and counties within the Continuum's geographic area have a comprehensive outreach plan, including specific steps for identifying homeless persons and referring them to appropriate housing and services in that geographic area.
- (ii) Renewing HPC status. If the Continuum was designated an HPC in the previous federal fiscal year and used Continuum of Care grant funds for activities described under § 578.71, that such activities were effective at reducing the number of individuals and families who became homeless in that community.

§ 578.67 Publication of application.

HUD will publish the application to be designated an HPC through the HUD website, for

public comment as to whether the Continuum seeking designation as an HPC meets the standards for being one.

§ 578.69 Cooperation among entities.

An HPC must cooperate with HUD in distributing information about its successful efforts to reduce homelessness.

§ 578.71 HPC-eligible activities.

In addition to using grant funds for the eligible costs described in subpart D of this part, recipients and subrecipients in Continuums of Care designated as HPCs may also use grant funds to provide housing relocation and stabilization services and short- and/or medium-term rental assistance to individuals and families at risk of homelessness as set forth in 24 CFR 576.103 and 24 CFR 576.104, if necessary to prevent the individual or family from becoming homeless. Activities must be carried out in accordance with the plan submitted in the application. When carrying out housing relocation and stabilization services and short- and/or medium-term rental assistance, the written standards set forth in § 578.7(a)(9)(v) and recordkeeping requirements of 24 CFR 576.500 apply.

Subpart F – Program Requirements

§ 578.73 Matching requirements.

(a) In general. The recipient or subrecipient must match all grant funds, except for leasing funds, with no less than 25 percent of funds or in-kind contributions from other sources. For Continuum of Care geographic areas in which there is more than one grant agreement, the 25 percent match must be provided on a grant-by-grant basis. Recipients that are UFAs or are the sole recipient for their Continuum, may provide match on a Continuum-wide basis. Cash match must be used for the costs of activities that are eligible under subpart D of this part, except that HPCs may use such match for the costs of activities that are eligible under § 578.71.

(b) Cash sources. A recipient or subrecipient may use funds from any source, including any other federal sources (excluding Continuum of Care program funds), as well as State, local, and private sources, provided that funds from the source are not statutorily prohibited to be used as a match. The recipient must ensure that any funds used to satisfy the matching requirements of this section are eligible under the laws governing the funds in order to be used as matching funds for a grant awarded under this program.

(c) In-kind contributions.

- (1) The recipient or subrecipient may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the recipient or subrecipient had to pay for them with grant funds, the costs would have been eligible under Subpart D, or, in the case of HPCs, eligible under § 578.71.

- (2) The requirements of 24 CFR 84.23 and 85.24 apply.
- (3) Before grant execution, services to be provided by a third party must be documented by a memorandum of understanding (MOU) between the recipient or subrecipient and the third party that will provide the services. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or subrecipient's organization. If the recipient or subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.
 - (i) The MOU must establish the unconditional commitment, except for selection to receive a grant, by the third party to provide the services, the specific service to be provided, the profession of the persons providing the service, and the hourly cost of the service to be provided.
 - (ii) During the term of the grant, the recipient or subrecipient must keep and make available, for inspection, records documenting the service hours provided.

§ 578.75 General operations.

(a) State and local requirements.

- (1) Housing and facilities constructed or rehabilitated with assistance under this part must meet State or local building codes, and in the absence of State or local building codes, the International Residential Code or International Building Code (as applicable to the type of structure) of the International Code Council.
- (2) Services provided with assistance under this part must be provided in compliance with all applicable State and local requirements, including licensing requirements.

(b) Housing quality standards. Housing leased with Continuum of Care program funds, or for which rental assistance payments are made with Continuum of Care program funds, must meet the applicable housing quality standards (HQS) under 24 CFR 982.401 of this title, except that 24 CFR 982.401(j) applies only to housing occupied by program participants receiving tenant-based rental assistance. For housing rehabilitated with funds under this part, the lead-based paint requirements in 24 CFR part 35, subparts A, B, J, and R apply. For housing that receives project-based or sponsor-based rental assistance, 24 CFR part 35, subparts A, B, H, and R apply. For residential property for which funds under this part are used for acquisition, leasing, services, or operating costs, 24 CFR part 35, subparts A, B, K, and R apply.

- (1) Before any assistance will be provided on behalf of a program participant, the recipient, or subrecipient, must physically inspect each unit to assure that the unit meets HQS. Assistance will not be provided for units that fail to meet HQS, unless the owner corrects any deficiencies within 30 days from the date of the initial inspection and the recipient or subrecipient verifies that all deficiencies have been corrected.

- (2) Recipients or subrecipients must inspect all units at least annually during the grant period to ensure that the units continue to meet HQS.
- (c) Suitable dwelling size. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons.
- (1) Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
- (2) If household composition changes during the term of assistance, recipients and subrecipients may relocate the household to a more appropriately sized unit. The household must still have access to appropriate supportive services.
- (d) Meals. Each recipient and subrecipient of assistance under this part who provides supportive housing for homeless persons with disabilities must provide meals or meal preparation facilities for residents.
- (e) Ongoing assessment of supportive services. To the extent practicable, each project must provide supportive services for residents of the project and homeless persons using the project, which may be designed by the recipient or participants. Each recipient and subrecipient of assistance under this part must conduct an ongoing assessment of the supportive services needed by the residents of the project, the availability of such services, and the coordination of services needed to ensure long-term housing stability and must make adjustments, as appropriate.
- (f) Residential supervision. Each recipient and subrecipient of assistance under this part must provide residential supervision as necessary to facilitate the adequate provision of supportive services to the residents of the housing throughout the term of the commitment to operate supportive housing. Residential supervision may include the employment of a full- or part-time residential supervisor with sufficient knowledge to provide or to supervise the provision of supportive services to the residents.
- (g) Participation of homeless individuals.
- (1) Each recipient and subrecipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policymaking entity of the recipient or subrecipient, to the extent that such entity considers and makes policies and decisions regarding any project, supportive services, or assistance provided under this part. This requirement is waived if a recipient or subrecipient is unable to meet such requirement and obtains HUD approval for a plan to otherwise consult with homeless or formerly homeless persons when considering and making policies and decisions.
- (2) Each recipient and subrecipient of assistance under this part must, to the maximum extent practicable, involve homeless individuals and families through employment; volunteer services; or otherwise in constructing, rehabilitating, maintaining, and operating the project, and in providing supportive services for the project.
- (h) Supportive service agreement. Recipients and subrecipients may require the program participants to take part in supportive services that are not disability-related

services provided through the project as a condition of continued participation in the program. Examples of disability-related services include, but are not limited to, mental health services, outpatient health services, and provision of medication, which are provided to a person with a disability to address a condition caused by the disability.

Notwithstanding this provision, if the purpose of the project is to provide substance abuse treatment services, recipients and subrecipients may require program participants to take part in such services as a condition of continued participation in the program.

(i) Retention of assistance after death, incarceration, or institutionalization for more than 90 days of qualifying member. For permanent supportive housing projects surviving, members of any household who were living in a unit assisted under this part at the time of the qualifying member's death, long-term incarceration, or long-term institutionalization, have the right to rental assistance under this section until the expiration of the lease in effect at the time of the qualifying member's death, long-term incarceration, or long-term institutionalization.

§ 578.77 Calculating occupancy charges and rent.

(a) Occupancy agreements and leases. Recipients and subrecipients must have signed occupancy agreements or leases (or subleases) with program participants residing in housing.

(b) Calculation of occupancy charges. Recipients and subrecipients are not required to impose occupancy charges on program participants as a condition of residing in the housing. However, if occupancy charges are imposed, they may not exceed the highest of:

- (1) 30 percent of the family's monthly adjusted income (adjustment factors include the number of people in the family, age of family members, medical expenses, and child-care expenses);
- (2) 10 percent of the family's monthly income; or
- (3) If the family is receiving payments for welfare assistance from a public agency and a part of the payments (adjusted in accordance with the family's actual housing costs) is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated for housing costs.
- (4) Income. Income must be calculated in accordance with 24 CFR 5.609 and 24 CFR 5.611(a). Recipients and subrecipients must examine a program participant's income initially, and if there is a change in family composition (e.g., birth of a child) or a decrease in the resident's income during the year, the resident may request an interim reexamination, and the occupancy charge will be adjusted accordingly.

(c) Resident rent.

(1) Amount of rent.

- (i) Each program participant on whose behalf rental assistance payments are made must pay a contribution toward rent in accordance with section 3(a)(1)

of the U.S. Housing Act of 1937 (42 U.S.C. 1437a(a)(1)).

- (ii) Income of program participants must be calculated in accordance with 24 CFR 5.609 and 24 CFR 5.611(a).
- (2) Review. Recipients or subrecipients must examine a program participant's income initially, and at least annually thereafter, to determine the amount of the contribution toward rent payable by the program participant. Adjustments to a program participant's contribution toward the rental payment must be made as changes in income are identified.
- (3) Verification. As a condition of participation in the program, each program participant must agree to supply the information or documentation necessary to verify the program participant's income. Program participants must provide the recipient or subrecipient with information at any time regarding changes in income or other circumstances that may result in changes to a program participant's contribution toward the rental payment.

§ 578.79 Limitation on transitional housing.

A homeless individual or family may remain in transitional housing for a period longer than 24 months, if permanent housing for the individual or family has not been located or if the individual or family requires additional time to prepare for independent living. However, HUD may discontinue assistance for a transitional housing project if more than half of the homeless individuals or families remain in that project longer than 24 months.

§ 578.81 Term of commitment, repayment of grants, and prevention of undue benefits.

(a) In general. All recipients and subrecipients receiving grant funds for acquisition, rehabilitation, or new construction must operate the housing or provide supportive services in accordance with this part, for at least 15 years from the date of initial occupancy or date of initial service provision. Recipient and subrecipients must execute and record a HUD-approved Declaration of Restrictive Covenants before receiving payment of grant funds.

(b) Conversion. Recipients and subrecipients carrying out a project that provides transitional or permanent housing or supportive services in a structure may submit a request to HUD to convert a project for the direct benefit of very low-income persons. The request must be made while the project is operating as homeless housing or supportive services for homeless individuals and families, must be in writing, and must include an explanation of why the project is no longer needed to provide transitional or permanent housing or supportive services. The primary factor in HUD's decision on the proposed conversion is the unmet need for transitional or permanent housing or supportive services in the Continuum of Care's geographic area.

(c) Repayment of grant funds. If a project is not operated as transitional or permanent housing for 10 years following the date of initial occupancy, HUD will require repayment of the entire amount of the grant used for acquisition, rehabilitation, or new construction,

unless conversion of the project has been authorized under paragraph (b) of this section. If the housing is used for such purposes for more than 10 years, the payment amount will be reduced by 20 percentage points for each year, beyond the 10-year period in which the project is used for transitional or permanent housing.

(d) Prevention of undue benefits. Except as provided under paragraph (e) of this section, upon any sale or other disposition of a project site that received grant funds for acquisition, rehabilitation, or new construction, occurring before the 15-year period, the recipient must comply with such terms and conditions as HUD may prescribe to prevent the recipient or subrecipient from unduly benefiting from such sale or disposition.

(e) Exception. A recipient or subrecipient will not be required to comply with the terms and conditions prescribed under paragraphs (c) and (d) of this section if:

- (1) The sale or disposition of the property used for the project results in the use of the property for the direct benefit of very low-income persons;
- (2) All the proceeds are used to provide transitional or permanent housing that meet the requirements of this part;
- (3) Project-based rental assistance or operating cost assistance from any federal program or an equivalent State or local program is no longer made available and the project is meeting applicable performance standards, provided that the portion of the project that had benefitted from such assistance continues to meet the tenant income and rent restrictions for low-income units under section 42(g) of the Internal Revenue Code of 1986; or
- (4) There are no individuals and families in the Continuum of Care geographic area who are homeless, in which case the project may serve individuals and families at risk of homelessness.

§ 578.83 Displacement, relocation, and acquisition.

(a) Minimizing displacement. Consistent with the other goals and objectives of this part, recipients and subrecipients must ensure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of projects assisted under this part. "Project," as used in this section, means any activity or series of activities assisted with Continuum of Care funds received or anticipated in any phase of an undertaking.

(b) Temporary relocation.

- (1) Existing Building Not Assisted under Title IV of the McKinney-Vento Act. No tenant may be required to relocate temporarily for a project if the building in which the project is being undertaken or will be undertaken is not currently assisted under Title IV of the McKinney-Vento Act. The absence of such assistance to the building means the tenants are not homeless and the tenants are therefore not eligible to receive assistance under the Continuum of Care program. When a tenant moves for such a project under conditions that cause the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), 42 U.S.C. 4601-4655, to apply, the tenant must be treated as

permanently displaced and offered relocation assistance and payments consistent with paragraph (c) of this section.

- (2) Existing Transitional Housing or Permanent Housing Projects Assisted Under Title IV of the McKinney-Vento Act. Consistent with paragraph (c)(2)(ii) of this section, no program participant may be required to relocate temporarily for a project if the person cannot be offered a decent, safe, and sanitary unit in the same building or complex upon project completion under reasonable terms and conditions. The length of occupancy requirements in § 578.79 may prevent a program participant from returning to the property upon completion (See paragraph (c)(2)(iii)(D) of this section). Any program participant who has been temporarily relocated for a period beyond one year must be treated as permanently displaced and offered relocation assistance and payments consistent with paragraph (c) of this section. Program participants temporarily relocated in accordance with the policies described in this paragraph must be provided:

- (i) Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/occupancy charges and utility costs; and
- (ii) Appropriate advisory services, including reasonable advance written notice of:
 - (A) The date and approximate duration of the temporary relocation;
 - (B) The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;
 - (C) The reasonable terms and conditions under which the program participant will be able to occupy a suitable, decent, safe, and sanitary dwelling in the building or complex upon completion of the project; and
 - (D) The provisions of paragraph (b)(2)(i) of this section.

(c) Relocation assistance for displaced persons.

- (1) In general. A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance in accordance with the requirements of the URA and implementing regulations at 49 CFR part 24. A displaced person must be advised of his or her rights under the Fair Housing Act. Whenever possible, minority persons must be given reasonable opportunities to relocate to decent, safe, and sanitary replacement dwellings, not located in an area of minority concentration, that are within their financial means. This policy, however, does not require providing a person a larger payment than is necessary to enable a person to relocate to a comparable replacement dwelling. See 49 CFR 24.205(c)(2)(ii)(D).

(2) Displaced person.

- (i) For the purposes of paragraph (c) of this section, the term "displaced person" means any person (family, individual, business, nonprofit

organization, or farm) that moves from real property, or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project. This includes any permanent, involuntary move for a project, including any permanent move from the real property that is made:

- (A) After the owner (or person in control of the site) issues a notice to move permanently from the property, or refuses to renew an expiring lease, if the move occurs after the date of the submission by the recipient or subrecipient of an application for assistance to HUD (or the recipient, as applicable) that is later approved and funded and the recipient or subrecipient has site control as evidenced in accordance with § 578.25(b); or
 - (B) After the owner (or person in control of the site) issues a notice to move permanently from the property, or refuses to renew an expiring lease, if the move occurs after the date the recipient or subrecipient obtains site control, as evidenced in accordance with § 578.25(b), if that occurs after the application for assistance; or
 - (C) Before the date described under paragraph (c)(2)(i)(A) or (B) of this section, if the recipient or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project; or
 - (D) By a tenant of a building that is not assisted under Title IV of the McKinney-Vento Act, if the tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition of the property for the project; or
- (ii) For the purposes of paragraph (c) of this section, the term "displaced person" means any person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project. This includes any permanent, involuntary move for a project that is made by a program participant occupying transitional housing or permanent housing assisted under Title IV of the McKinney-Vento Act, if any one of the following three situations occurs:
- (A) The program participant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition of the property for the project and is either not eligible to return upon project completion or the move occurs before the program participant is provided written notice offering the program participant an opportunity to occupy a suitable, decent, safe, and sanitary dwelling in the same building or complex upon project completion under reasonable terms and conditions. Such reasonable terms and conditions must include a lease (or occupancy agreement, as applicable) consistent with Continuum of Care program requirements, including a monthly rent or occupancy

charge and monthly utility costs that does not exceed the maximum amounts established in § 578.77; or

(B) The program participant is required to relocate temporarily, does not return to the building or complex, and any one of the following situations occurs:

1. The program participant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation;
2. The program participant is not eligible to return to the building or complex upon project completion; or
3. Other conditions of the temporary relocation are not reasonable; or

(C) The program participant is required to move to another unit in the same building or complex, and any one of the following situations occurs:

1. The program participant is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move;
2. The program participant is not eligible to remain in the building or complex upon project completion; or
3. Other conditions of the move are not reasonable.

(iii) Notwithstanding the provisions of paragraph (c)(2)(i) or (ii) of this section, a person does not qualify as a "displaced person" if:

(A) The person has been evicted for serious or repeated violation of the terms and conditions of the lease or occupancy agreement; the eviction complied with applicable federal, State, or local requirements (see § 578.91); and the recipient or subrecipient determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance;

(B) The person moved into the property after the submission of the application but, before signing a lease or occupancy agreement and commencing occupancy, was provided written notice of the project's possible impact on the person (e.g., the person may be displaced, temporarily relocated, or incur a rent increase) and the fact that the person would not qualify as a "displaced person" (or for any relocation assistance provided under this section), as a result of the project;

(C) The person is ineligible under 49 CFR 24.2(a)(9)(ii));

(D) The person is a program participant occupying transitional housing or permanent housing assisted under Title IV of the Act who must move as a direct result of the length-of- occupancy restriction under § 578.79; or

(E) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(iv) The recipient may request, at any time, HUD's determination of whether a displacement is or would be covered under this section.

(3) Initiation of negotiations. For purposes of determining the formula for computing replacement housing payment assistance to be provided to a displaced person pursuant to this section, if the displacement is a direct result of privately undertaken rehabilitation, demolition, or acquisition of the real property, "initiation of negotiations" means the execution of the agreement between the recipient and the subrecipient, or between the recipient (or subrecipient, as applicable) and the person owning or controlling the property. In the case of an option contract to acquire property, the initiation of negotiations does not become effective until execution of a written agreement that creates a legally enforceable commitment to proceed with the purchase, such as a purchase agreement.

(d) Real property acquisition requirements. Except for acquisitions described in 49 CFR 24.101(b)(1) through (5), the URA and the requirements of 49 CFR part 24, subpart B apply to any acquisition of real property for a project where there are Continuum of Care funds in any part of the project costs.

(e) Appeals. A person who disagrees with the recipient's (or subrecipient's, if applicable) determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person is eligible, may file a written appeal of that determination with the recipient (see 49 CFR 24.10). A low-income person who is dissatisfied with the recipient's determination on his or her appeal may submit a written request for review of that determination to the local HUD field office.

§ 578.85 Timeliness standards.

(a) In general. Recipients must initiate approved activities and projects promptly.

(b) Construction activities. Recipients of funds for rehabilitation or new construction must meet the following standards:

- (1) Construction activities must begin within 9 months of the later of signing of the grant agreement or of signing an addendum to the grant agreement authorizing use of grant funds for the project.
- (2) Construction activities must be completed within 24 months of signing the grant agreement.
- (3) Activities that cannot begin until after construction activities are completed must begin within 3 months of the date that construction activities are completed.

(c) Distribution. A recipient that receives funds through this part must:

- (1) Distribute the funds to subrecipients (in advance of expenditures by the subrecipients);
- (2) Distribute the appropriate portion of the funds to a subrecipient no later than 45 days after receiving an approvable request for such distribution from the subrecipient; and

- (3) Draw down funds at least once per quarter of the program year, after eligible activities commence.

§ 578.87 Limitation on use of funds.

(a) Maintenance of effort. No assistance provided under this part (or any State or local government funds used to supplement this assistance) may be used to replace State or local funds previously used, or designated for use, to assist homeless persons.

(b) Faith-based activities.

(1) Equal treatment of program participants and program beneficiaries.

(i) Program participants. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the Continuum of Care program. Neither the Federal Government nor a State or local government receiving funds under the Continuum of Care program shall discriminate against an organization on the basis of the organization's religious character or affiliation. Recipients and subrecipients of program funds shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.

(ii) Beneficiaries. In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

(2) Separation of explicitly religious activities. Recipients and subrecipients of Continuum of Care funds that engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, must perform such activities and offer such services outside of programs that are supported with federal financial assistance separately, in time or location, from the programs or services funded under this part, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services.

(3) Religious identity. A faith-based organization that is a recipient or subrecipient of Continuum of Care program funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide

program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, a Continuum of Care program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

- (4) Alternative provider. If a program participant or prospective program participant of the Continuum of Care program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection. Except for services provided by telephone, the Internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of § 578.103(a)(13). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.
- (5) Structures. Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. When a structure is used for both eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, new construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the Continuum of Care program. Sanctuaries, chapels, or other rooms that a Continuum of Care program-funded religious congregation uses as its principal place of worship, however, are ineligible for Continuum of Care program-funded improvements. Disposition of real property after the term of the grant, or any change in the use of the property during the term of the grant, is subject to governmentwide regulations governing real property disposition (see 24 CFR parts 84 and 85).
- (6) Supplemental funds. If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.
- (c) Restriction on combining funds. In a single structure or housing unit, the following types of assistance may not be combined:
- (1) Leasing and acquisition, rehabilitation, or new construction;

- (2) Tenant-based rental assistance and acquisition, rehabilitation, or new construction;
 - (3) Short- or medium-term rental assistance and acquisition, rehabilitation, or new construction;
 - (4) Rental assistance and leasing; or
 - (5) Rental assistance and operating.
- (d) Program fees. Recipients and subrecipients may not charge program participants program fees.

§ 578.89 Limitation on use of grant funds to serve persons defined as homeless under other federal laws.

(a) Application requirement. Applicants that intend to serve unaccompanied youth and families with children and youth defined as homeless under other federal laws in paragraph (3) of the homeless definition in § 576.2 must demonstrate in their application, to HUD's satisfaction, that the use of grant funds to serve such persons is an equal or greater priority than serving persons defined as homeless under paragraphs (1), (2), and (4) of the definition of homeless in § 576.2. To demonstrate that it is of equal or greater priority, applicants must show that it is equally or more cost effective in meeting the overall goals and objectives of the plan submitted under section 427(b)(1)(B) of the Act, especially with respect to children and unaccompanied youth.

(b) Limit. No more than 10 percent of the funds awarded to recipients within a single Continuum of Care's geographic area may be used to serve such persons.

(c) Exception. The 10 percent limitation does not apply to Continuums in which the rate of homelessness, as calculated in the most recent point-in-time count, is less than one-tenth of one percent of the total population.

§ 578.91 Termination of assistance to program participants.

(a) Termination of assistance. The recipient or subrecipient may terminate assistance to a program participant who violates program requirements or conditions of occupancy. Termination under this section does not bar the recipient or subrecipient from providing further assistance at a later date to the same individual or family.

(b) Due process. In terminating assistance to a program participant, the recipient or subrecipient must provide a formal process that recognizes the rights of individuals receiving assistance under the due process of law. This process, at a minimum, must consist of:

- (1) Providing the program participant with a written copy of the program rules and the termination process before the participant begins to receive assistance;
- (2) Written notice to the program participant containing a clear statement of the reasons for termination;
- (3) A review of the decision, in which the program participant is given the opportunity

to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and

(4) Prompt written notice of the final decision to the program participant.

(c) Hard-to-house populations. Recipients and subrecipients that are providing permanent supportive housing for hard-to-house populations of homeless persons must exercise judgment and examine all extenuating circumstances in determining when violations are serious enough to warrant termination so that a program participant's assistance is terminated only in the most severe cases.

§ 578.93 Fair Housing and Equal Opportunity.

(a) Nondiscrimination and equal opportunity requirements. The nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105(a) are applicable.

(b) Housing for specific subpopulations. Recipients and subrecipients may exclusively serve a particular homeless subpopulation in transitional or permanent housing if the housing addresses a need identified by the Continuum of Care for the geographic area and meets one of the following:

- (1) The housing may be limited to one sex where such housing consists of a single structure with shared bedrooms or bathing facilities such that the considerations of personal privacy and the physical limitations of the configuration of the housing make it appropriate for the housing to be limited to one sex;
- (2) The housing may be limited to a specific subpopulation, so long as admission does not discriminate against any protected class under federal nondiscrimination laws in 24 CFR 5.105 (e.g., the housing may be limited to homeless veterans, victims of domestic violence and their children, or chronically homeless persons and families).
- (3) The housing may be limited to families with children.
- (4) If the housing has in residence at least one family with a child under the age of 18, the housing may exclude registered sex offenders and persons with a criminal record that includes a violent crime from the project so long as the child resides in the housing.
- (5) Sober housing may exclude persons who refuse to sign an occupancy agreement or lease that prohibits program participants from possessing, using, or being under the influence of illegal substances and/or alcohol on the premises.
- (6) If the housing is assisted with funds under a federal program that is limited by federal statute or Executive Order to a specific subpopulation, the housing may be limited to that subpopulation (e.g., housing also assisted with funding from the Housing Opportunities for Persons with AIDS program under 24 CFR part 574 may be limited to persons with acquired immunodeficiency syndrome or related diseases).
- (7) Recipients may limit admission to or provide a preference for the housing to subpopulations of homeless persons and families who need the specialized

supportive services that are provided in the housing (e.g., substance abuse addiction treatment, domestic violence services, or a high intensity package designed to meet the needs of hard-to-reach homeless persons). While the housing may offer services for a particular type of disability, no otherwise eligible individuals with disabilities or families including an individual with a disability, who may benefit from the services provided may be excluded on the grounds that they do not have a particular disability.

(c) Affirmatively furthering fair housing. A recipient must implement its programs in a manner that affirmatively furthers fair housing, which means that the recipient must:

- (1) Affirmatively market their housing and supportive services to eligible persons regardless of race, color, national origin, religion, sex, age, familial status, or handicap who are least likely to apply in the absence of special outreach, and maintain records of those marketing activities;
- (2) Where a recipient encounters a condition or action that impedes fair housing choice for current or prospective program participants, provide such information to the jurisdiction that provided the certification of consistency with the Consolidated Plan; and
- (3) Provide program participants with information on rights and remedies available under applicable federal, State and local fair housing and civil rights laws.

(d) Accessibility and integrative housing and services for persons with disabilities.

Recipients and subrecipients must comply with the accessibility requirements of the Fair Housing Act (24 CFR part 100), Section 504 of the Rehabilitation Act of 1973 (24 CFR part 8), and Titles II and III of the Americans with Disabilities Act, as applicable (28 CFR parts 35 and 36). In accordance with the requirements of 24 CFR 8.4(d), recipients must ensure that their program's housing and supportive services are provided in the most integrated setting appropriate to the needs of persons with disabilities.

(e) Prohibition against involuntary family separation. The age and gender of a child under age 18 must not be used as a basis for denying any family's admission to a project that receives funds under this part.

§ 578.95 Conflicts of interest.

(a) Procurement. For the procurement of property (goods, supplies, or equipment) and services, the recipient and its subrecipients must comply with the codes of conduct and conflict-of-interest requirements under 24 CFR 85.36 (for governments) and 24 CFR 84.42 (for private nonprofit organizations).

(b) Continuum of Care board members. No Continuum of Care board member may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents.

(c) Organizational conflict. An organizational conflict of interest arises when, because of activities or relationships with other persons or organizations, the recipient or subrecipient is unable or potentially unable to render impartial assistance in the provision of any type or amount of assistance under this part, or when a covered

person's, as in paragraph (d)(1) of this section, objectivity in performing work with respect to any activity assisted under this part is or might be otherwise impaired. Such an organizational conflict would arise when a board member of an applicant participates in decision of the applicant concerning the award of a grant, or provision of other financial benefits, to the organization that such member represents. It would also arise when an employee of a recipient or subrecipient participates in making rent reasonableness determinations under § 578.49(b)(2) and § 578.51(g) and housing quality inspections of property under § 578.75(b) that the recipient, subrecipient, or related entity owns.

(d) Other conflicts. For all other transactions and activities, the following restrictions apply:

- (1) No covered person, meaning a person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient or its subrecipients and who exercises or has exercised any functions or responsibilities with respect to activities assisted under this part, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under this part, may obtain a financial interest or benefit from an assisted activity, have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity, or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or during the one-year period following his or her tenure.
- (2) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the provisions of this section on a case-by-case basis, taking into account the cumulative effects of the criteria in paragraph (d)(2)(ii) of this section, provided that the recipient has satisfactorily met the threshold requirements of paragraph (d)(2)(ii) of this section.
 - (i) Threshold requirements. HUD will consider an exception only after the recipient has provided the following documentation:
 - (A) Disclosure of the nature of the conflict, accompanied by a written assurance, if the recipient is a government, that there has been public disclosure of the conflict and a description of how the public disclosure was made; and if the recipient is a private nonprofit organization, that the conflict has been disclosed in accordance with their written code of conduct or other conflict-of-interest policy; and
 - (B) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law, or if the subrecipient is a private nonprofit organization, the exception would not violate the organization's internal policies.
 - (ii) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the threshold requirements under paragraph (c)(3)(i) of this section, HUD must conclude that the exception will serve to further the purposes of the Continuum of

Care program and the effective and efficient administration of the recipient's or subrecipient's project, taking into account the cumulative effect of the following factors, as applicable:

- (A) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
- (B) Whether an opportunity was provided for open competitive bidding or negotiation;
- (C) Whether the affected person has withdrawn from his or her functions, responsibilities, or the decision-making process with respect to the specific activity in question;
- (D) Whether the interest or benefit was present before the affected person was in the position described in paragraph (c)(1) of this section;
- (E) Whether undue hardship will result to the recipient, the subrecipient, or the person affected, when weighed against the public interest served by avoiding the prohibited conflict;
- (F) Whether the person affected is a member of a group or class of persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class; and
- (G) Any other relevant considerations.

§ 578.97 Program income.

(a) Defined. Program income is the income received by the recipient or subrecipient directly generated by a grant-supported activity.

(b) Use. Program income earned during the grant term shall be retained by the recipient, and added to funds committed to the project by HUD and the recipient, used for eligible activities in accordance with the requirements of this part. Costs incident to the generation of program income may be deducted from gross income to calculate program income, provided that the costs have not been charged to grant funds.

(c) Rent and occupancy charges. Rents and occupancy charges collected from program participants are program income. In addition, rents and occupancy charges collected from residents of transitional housing may be reserved, in whole or in part, to assist the residents from whom they are collected to move to permanent housing.

§ 578.99 Applicability of other federal requirements.

In addition to the requirements set forth in 24 CFR part 5, use of assistance provided under this part must comply with the following federal requirements:

(a) Environmental review. Activities under this part are subject to environmental review

by HUD under 24 CFR part 50 as noted in § 578.31.

- (b) Section 6002 of the Solid Waste Disposal Act. State agencies and agencies of a political subdivision of a state that are using assistance under this part for procurement, and any person contracting with such an agency with respect to work performed under an assisted contract, must comply with the requirements of Section 6003 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. In accordance with Section 6002, these agencies and persons must:
- (1) Procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the preceding fiscal year exceeded \$10,000;
 - (2) Procure solid waste management services in a manner that maximizes energy and resource recovery; and
 - (3) Must have established an affirmative procurement program for the procurement of recovered materials identified in the EPA guidelines.
- (c) Transparency Act Reporting. Section 872 of the Duncan Hunter Defense Appropriations Act of 2009, and additional requirements published by the Office of Management and Budget (OMB), requires recipients to report subawards made either as pass-through awards, subrecipient awards, or vendor awards in the Federal Government website www.fsr.gov or its successor system. The reporting of award and subaward information is in accordance with the requirements of the Federal Financial Assistance Accountability and Transparency Act of 2006, as amended by section 6202 of Public Law 110-252 and in OMB Policy Guidance issued to the federal agencies on September 14, 2010 (75 FR 55669).
- (d) The Coastal Barrier Resources Act of 1982 (16 U.S.C. 3501 *et seq.*) may apply to proposals under this part, depending on the assistance requested.
- (e) Applicability of OMB Circulars. The requirements of 24 CFR part 85 – Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments and 2 CFR part 225 – Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87) – apply to governmental recipients and subrecipients except where inconsistent with the provisions of this part. The requirements of 24 CFR part 84 – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 2 CFR part 230 - Cost Principles for Non-Profit Organizations (OMB Circular A-122); and 2 CFR part 220 - Cost Principles for Education Institutions apply to the nonprofit recipients and subrecipients, except where inconsistent with the provisions of the McKinney- Vento Act or this part.
- (f) Lead-based paint. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42

U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, J, K, M, and R apply to activities under this program.

- (g) Audit. Recipients and subrecipients must comply with the audit requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-profit Organizations."
- (h) Davis-Bacon Act. The provisions of the Davis-Bacon Act do not apply to this program.
- (i) Section 3 of the Housing and Urban Development Act. Recipients and subrecipients must, as applicable, comply with Section 3 of the Housing and Urban Development Act of 1968 and its implementing regulations at 24 CFR part 135, as applicable.

Subpart G – Grant Administration

§ 578.101 Technical assistance.

(a) Purpose. The purpose of Continuum of Care technical assistance is to increase the effectiveness with which Continuums of Care, eligible applicants, recipients, subrecipients, and UFAs implement and administer their Continuum of Care planning process; improve their capacity to prepare applications; prevent the separation of families in projects funded under the Emergency Solutions Grants, Continuum of Care, and Rural Housing Stability Assistance programs; and adopt and provide best practices in housing and services for persons experiencing homelessness.

(b) Defined. Technical assistance means the transfer of skills and knowledge to entities that may need, but do not possess, such skills and knowledge. The assistance may include, but is not limited to, written information such as papers, manuals, guides, and brochures; person-to-person exchanges; web-based curriculums, training and webinars, and their costs.

(c) Set-aside. HUD may set aside funds annually to provide technical assistance, either directly by HUD staff or indirectly through third-party providers.

(d) Awards. From time to time, as HUD determines the need, HUD may advertise and competitively select providers to deliver technical assistance. HUD may enter into contracts, grants, or cooperative agreements, when necessary, to implement the technical assistance. HUD may also enter into agreements with other federal agencies for awarding the technical assistance funds.

§ 578.103 Recordkeeping requirements.

(a) In general. The recipient and its subrecipients must establish and maintain standard operating procedures for ensuring that Continuum of Care program funds are used in accordance with the requirements of this part and must establish and maintain sufficient records to enable HUD to determine whether the recipient and its subrecipients are meeting the requirements of this part, including:

- (1) Continuum of Care records. Each collaborative applicant must keep the following documentation related to establishing and operating a Continuum of Care:

- (i) Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);
 - (ii) Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every 5 years, evidence required for designating a single HMIS for the Continuum, and monitoring reports of recipients and subrecipients;
 - (iii) Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.
- (2) Unified funding agency records. UFAs that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.
- (3) Homeless status. Acceptable evidence of the homeless as status is set forth in 24 CFR 576.500(b).
- (4) At risk of homelessness status. For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish "at risk of homelessness" status of each individual or family who receives Continuum of Care homelessness prevention assistance. Acceptable evidence is found in 24 CFR 576.500(c).
- (5) Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different Continuum of Care due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under § 578.51(c)(3), each recipient or subrecipient of assistance under this part must retain:
- (i) Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.
 - (ii) Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation by the housing or service provider; a letter or other documentation from a victim

service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.

- (6) Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the recipient or subrecipient must keep the following documentation of annual income:
- (i) Income evaluation form specified by HUD and completed by the recipient or subrecipient; and
 - (ii) Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
 - (iii) To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
 - (iv) To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the 3-month period following the evaluation.
- (7) Program participant records. In addition to evidence of "homeless" status or "at-risk-of-homelessness" status, as applicable, the recipient or subrecipient must keep records for each program participant that document:
- (i) The services and assistance provided to that program participant, including evidence that the recipient or subrecipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in § 578.37(a)(1)(ii)(F); and
 - (ii) Where applicable, compliance with the termination of assistance requirement in § 578.91.
- (8) Housing standards. The recipient or subrecipient must retain documentation of compliance with the housing standards in § 578.75(b), including inspection reports.
- (9) Services provided. The recipient or subrecipient must document the types of

supportive services provided under the recipient's program and the amounts spent on those services. The recipient or subrecipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.

- (10) Match. The recipient must keep records of the source and use of contributions made to satisfy the match requirement in § 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
 - (11) Conflicts of interest. The recipient and its subrecipients must keep records to show compliance with the organizational conflict-of-interest requirements in § 578.95(c), the Continuum of Care board conflict-of-interest requirements in § 578.95(b), the other conflict requirements in § 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
 - (12) Homeless participation. The recipient or subrecipient must document its compliance with the homeless participation requirements under § 578.75(g).
 - (13) Faith-based activities. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 578.87(b).
 - (14) Affirmatively Furthering Fair Housing. Recipients and subrecipients must maintain copies of their marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in § 578.93(c).
 - (15) Other federal requirements. The recipient and its subrecipients must document their compliance with the federal requirements in § 578.99, as applicable.
 - (16) Subrecipients and contractors.
 - (i) The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable.
 - (ii) The recipient must retain documentation of monitoring subrecipients, including any monitoring findings and corrective actions required.
 - (iii) The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
 - (17) Other records specified by HUD. The recipient and subrecipients must keep other records specified by HUD.
- (b) Confidentiality. In addition to meeting the specific confidentiality and security

requirements for HMIS data, the recipient and its subrecipients must develop and implement written procedures to ensure:

- (1) All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
- (2) The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
- (3) The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;

(c) Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of 5 years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

- (1) Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for 5 years after the expenditure of all funds from the grant under which the program participant was served; and
- (2) Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until 15 years after the date that the project site is first occupied, or used, by program participants.

(d) Access to records.

- (1) Federal Government rights. Notwithstanding the confidentiality procedures established under paragraph (b) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.
- (2) Public rights. The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding 5 years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.

(e) Reports. In addition to the reporting requirements in 24 CFR parts 84 and 85, the recipient must collect and report data on its use of Continuum of Care funds in an Annual Performance Report (APR), as well as in any additional reports as and when required by HUD. Projects receiving grant funds only for acquisition, rehabilitation, or new construction must submit APRs for 15 years from the date of initial occupancy or

the date of initial service provision, unless HUD provides an exception under § 578.81(e).

§ 578.105 Grant and project changes.

(a) For Unified Funding Agencies and Continuums having only one recipient.

- (1) The recipient may not make any significant changes without prior HUD approval, evidenced by a grant amendment signed by HUD and the recipient. Significant grant changes include a change of recipient, a shift in a single year of more than 10 percent of the total amount awarded under the grant for one approved eligible activity category to another activity and a permanent change in the subpopulation served by any one project funded under the grant, as well as a permanent proposed reduction in the total number of units funded under the grant.
- (2) Approval of substitution of the recipient is contingent on the new recipient meeting the capacity criteria in the NOFA under which the grant was awarded, or the most recent NOFA. Approval of shifting funds between activities and changing subpopulations is contingent on the change being necessary to better serve eligible persons within the geographic area and ensuring that the priorities established under the NOFA in which the grant was originally awarded, or the most recent NOFA, are met.

(b) For Continuums having more than one recipient.

- (1) The recipients or subrecipients may not make any significant changes to a project without prior HUD approval, evidenced by a grant amendment signed by HUD and the recipient. Significant changes include a change of recipient, a change of project site, additions or deletions in the types of eligible activities approved for a project, a shift of more than 10 percent from one approved eligible activity to another, a reduction in the number of units, and a change in the subpopulation served.
- (2) Approval of substitution of the recipient is contingent on the new recipient meeting the capacity criteria in the NOFA under which the grant was awarded, or the most recent NOFA. Approval of shifting funds between activities and changing subpopulations is contingent on the change being necessary to better serve eligible persons within the geographic area and ensuring that the priorities established under the NOFA in which the grant was originally awarded, or the most recent NOFA, are met.

(c) Documentation of changes not requiring a grant amendment. Any other changes to an approved grant or project must be fully documented in the recipient's or subrecipient's records.

§ 578.107 Sanctions.

(a) Performance reviews.

- (1) HUD will review the performance of each recipient in carrying out its responsibilities under this part, with or without prior notice to the recipient. In

conducting performance reviews, HUD will rely primarily on information obtained from the records and reports from the recipient and subrecipients, as well as information from on-site monitoring, audit reports, and information generated from HUD's financial and reporting systems (e.g., LOCCS and e-snaps) and HMIS. Where applicable, HUD may also consider relevant information pertaining to the recipient's performance gained from other sources, including citizen comments, complaint determinations, and litigation.

- (2) If HUD determines preliminarily that the recipient or one of its subrecipients has not complied with a program requirement, HUD will give the recipient notice of this determination and an opportunity to demonstrate, within the time prescribed by HUD and on the basis of substantial facts and data that the recipient has complied with the requirements. HUD may change the method of payment to require the recipient to submit documentation before payment and obtain HUD's prior approval each time the recipient draws down funds. To obtain prior approval, the recipient may be required to manually submit its payment requests and supporting documentation to HUD in order to show that the funds to be drawn down will be expended on eligible activities in accordance with all program requirements.
- (3) If the recipient fails to demonstrate to HUD's satisfaction that the activities were carried out in compliance with program requirements, HUD may take one or more of the remedial actions or sanctions specified in paragraph (b) of this section.

(b) Remedial actions and sanctions. Remedial actions and sanctions for a failure to meet a program requirement will be designed to prevent a continuation of the deficiency; to mitigate, to the extent possible, its adverse effects or consequences; and to prevent its recurrence.

- (1) HUD may instruct the recipient to submit and comply with proposals for action to correct, mitigate, and prevent noncompliance with program requirements, including:
 - (i) Preparing and following a schedule of actions for carrying out activities and projects affected by the noncompliance, including schedules, timetables, and milestones necessary to implement the affected activities and projects;
 - (ii) Establishing and following a management plan that assigns responsibilities for carrying out the remedial actions;
 - (iii) Canceling or revising activities or projects likely to be affected by the noncompliance, before expending grant funds for them;
 - (iv) Reprogramming grant funds that have not yet been expended from affected activities or projects to other eligible activities or projects;
 - (v) Suspending disbursement of grant funds for some or all activities or projects;
 - (vi) Reducing or terminating the remaining grant of a subrecipient and either reallocating those funds to other subrecipients or returning funds to HUD;

and

- (vii) Making matching contributions before or as draws are made from the recipient's grant.
 - (2) HUD may change the method of payment to a reimbursement basis.
 - (3) HUD may suspend payments to the extent HUD determines necessary to preclude the further expenditure of funds for affected activities or projects.
 - (4) HUD may continue the grant with a substitute recipient of HUD's choosing.
 - (5) HUD may deny matching credit for all or part of the cost of the affected activities and require the recipient to make further matching contributions to make up for the contribution determined to be ineligible.
 - (6) HUD may require the recipient to reimburse the recipient's line of credit in an amount equal to the funds used for the affected activities.
 - (7) HUD may reduce or terminate the remaining grant of a recipient.
 - (8) HUD may condition a future grant.
 - (9) HUD may take other remedies that are legally available.
- (c) Recipient sanctions. If the recipient determines that a subrecipient is not complying with a program requirement or its subrecipient agreement, the recipient must take one of the actions listed in paragraphs (a) and (b) of this section.
- (d) Deobligation. HUD may deobligate funds for the following reasons:
- (1) If the timeliness standards in § 578.85 are not met;
 - (2) If HUD determines that delays completing construction activities for a project will mean that the funds for other funded activities cannot reasonably be expected to be expended for eligible costs during the remaining term of the grant;
 - (3) If the actual total cost of acquisition, rehabilitation, or new construction for a project is less than the total cost agreed to in the grant agreement;
 - (4) If the actual annual leasing costs, operating costs, supportive services costs, rental assistance costs, or HMIS costs are less than the total cost agreed to in the grant agreement for a one-year period;
 - (5) Program participants have not moved into units within 3 months of the time that the units are available for occupancy; and
 - (6) The grant agreement may set forth in detail other circumstances under which funds may be deobligated and other sanctions may be imposed.

§ 578.109 Closeout.

(a) In general. Grants will be closed out in accordance with the requirements of 24 CFR parts 84 and 85, and closeout procedures established by HUD.

(b) Reports. Applicants must submit all reports required by HUD no later than 90 days from the date of the end of the project's grant term.

(c) Closeout agreement. Any obligations remaining as of the date of the closeout must be covered by the terms of a closeout agreement. The agreement will be prepared by HUD in consultation with the recipient. The agreement must identify the grant being closed out, and include provisions with respect to the following:

- (1) Identification of any closeout costs or contingent liabilities subject to payment with Continuum of Care program funds after the closeout agreement is signed;
- (2) Identification of any unused grant funds to be deobligated by HUD;
- (3) Identification of any program income on deposit in financial institutions at the time the closeout agreement is signed;
- (4) Description of the recipient's responsibility after closeout for:
 - (i) Compliance with all program requirements in using program income on deposit at the time the closeout agreement is signed and in using any other remaining Continuum of Care program funds available for closeout costs and contingent liabilities;
 - (ii) Use of real property assisted with Continuum of Care program funds in accordance with the terms of commitment and principles;
 - (iii) Use of personal property purchased with Continuum of Care program funds; and
 - (iv) Compliance with requirements governing program income received subsequent to grant closeout.
- (5) Other provisions appropriate to any special circumstances of the grant closeout, in modification of or in addition to the obligations in paragraphs (c)(1) through (4) of this section.

Dated: June 28, 2012

Mark Johnston,
Assistant Secretary for Community Planning
and Development (Acting).

[FR-5476-I-01]



Legislation Details (With Text)

File #:	RES-17:085	Version:	1	Name:	Change order for Craighead Forest Park road improvements project
Type:	Resolution	Status:		Status:	Recommended to Council
File created:	6/8/2017	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	
Title:	A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO APPROVE CHANGE ORDER NO. 1 FOR THE CRAIGHEAD FOREST PARK ROAD IMPROVEMENTS PROJECT				
Sponsors:	Parks & Recreation				
Indexes:	Change Order				
Code sections:					
Attachments:	Change Order #1				

Date	Ver.	Action By	Action	Result
6/13/2017	1	Finance & Administration Council Committee		

A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO APPROVE CHANGE ORDER NO. 1 FOR THE CRAIGHEAD FOREST PARK ROAD IMPROVEMENTS PROJECT

WHEREAS, the City of Jonesboro entered into a contract for road improvements at Craighead Forest Park with Sugg Construction, Inc.;

WHEREAS, the City of Jonesboro desires to change the project with Change Order No. 1 as attached increasing the contract amount \$48,234.53, the new contract amount is \$845,382.79;

WHEREAS, funding for the execution of the change order shall come from the Capital Improvement budget and compensation shall be paid in accordance with the contract documents.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

Section 1: That the City of Jonesboro hereby accepts Change Order No. 1 in the amount of \$48,234.53 from Sugg Construction, Inc. for the Craighead Forest Road Improvements project.

Section 2. funding for the execution of the change order shall come from the Capital Improvement budget and compensation shall be paid in accordance with the contract documents.

Section 3. The Mayor and City Clerk are hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate this Change Order.

CITY OF JONESBORO	P.O. BOX 1845 JONESBORO, AR 72403	CHANGE ORDER NO. 1						
PO NUMBER 45903	DATE PREPARED 6/1/2017	PROJECT NAME Crowley's Ridge Parkway Craighead Forest Park Road Improvements						
NAME AND ADDRESS OF CONTRACTOR Sugg Construction Inc PO Box 17164 Jonesboro, AR 72403								
DESCRIPTION OF WORK INCLUDED IN CONTRACT A. Compacted Embankment B. Stone Back Fill C. Type I Geotextile Fabric D. Underdrains E. Underdrains Covers F. Chain Link Fence								
CHANGES ORDERED AND REASON ORDERED (List Individual Changes as A, B, C, D, etc.) A. Reducing Compacted Embankment volume to account for the Stone Back Fill volume B. Install 3"-6" B stone to bridge adverse soil conditions C. To bridge adverse soil conditions at Sta 7+00 D. Installed to mitigate water movement from springs under road bed E. Installed to mitigate water movement from springs under road bed F. Relocate Chain link fence to accommodate road construction								
	Bid Item No.	Unit	Current Estimated Quantity	Contract Unit Price	Revised Estimated Quantity	Negotiated C.O. Unit Price	Current Estimated Cost	Revised Estimated Cost
A.	5	Cu.Yd	12928	\$ 7.00	12401	\$ 7.00	\$ 90,496.00	\$ 86,807.00
B.		Tons	0	\$ -	1293	\$ 23.75	\$ -	\$ 30,708.75
C.		Sq.Yd	0	\$ -	430	\$ 2.50	\$ -	\$ 1,075.00
D.		L.F	0	\$ -	875	\$ 10.00	\$ -	\$ 8,750.00
E.		Each	0	\$ -	3	\$ 500.00	\$ -	\$ 1,500.00
F.		L.S.	0	\$ -	1	\$ 9,889.78	\$ -	\$ 9,889.78
TOTAL							\$ 90,496.00	\$ 138,730.53
Original Contract Amount				\$ 797,148.26				
Previously Approved Change Orders				\$ -				
This Change Order				\$ 48,234.53	Overrun			
New Contract Amount				\$ 845,382.79				
Contract time increased by			days. New contract			days.		
THIS AGREEMENT SUBJECT TO ALL ORIGINAL CONTRACT PROVISIONS								
ISSUED FOR REASONS INDICATED ABOVE								
			_____ Signature				_____ Title	_____ Date
ACCEPTED BY CONTRACTOR								
			_____ Signature				_____ Title	_____ Date
ACCEPTED BY OWNER								
			_____ Signature				_____ Title	_____ Date



Legislation Details (With Text)

File #: ORD-17:032 **Version:** 1 **Name:** Amend 2017 budget to add positions to Sanitation Dept.

Type: Ordinance **Status:** First Reading

File created: 5/16/2017 **In control:** Public Works Council Committee

On agenda: **Final action:**

Title: AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2017 GENERAL FUND BUDGET IN ORDER TO ADD TWO FULL-TIME SANITATION WORKER POSITIONS TO THE SANITATION - RESIDENTIAL DEPARTMENT

Sponsors: Mayor's Office

Indexes: Budget amendment, Position - creation/amendment

Code sections:

Attachments: [Maps](#)

Date	Ver.	Action By	Action	Result
6/6/2017	1	Public Works Council Committee		

AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2017 GENERAL FUND BUDGET IN ORDER TO ADD TWO FULL-TIME SANITATION WORKER POSITIONS TO THE SANITATION - RESIDENTIAL DEPARTMENT

WHEREAS, it is recommended by the Public Works Committee, to ensure sufficient staffing in the Sanitation-Residential Department for tree limb and waste pick up, primarily due to the loss of public service workers; and

WHEREAS, the two positions will be pay grade 106; and

WHEREAS, the City of Jonesboro passed the 2017 Budget in Ordinance 16:085, which will need to be amended in order to effectuate said change in the General Fund Budget for the addition of two full-time sanitation worker positions; and

WHEREAS, the budgeted expenditure increases will consist of the following:

01-120-0201-00	Salaries - Sanitation Residential	\$24,364.00
01-120-0202-00	Holiday Pay	\$374.72
01-120-0203-00	Group Insurance	\$8,213.88
01-120-0204-00	Pension - City's Contribution	\$1,218.20
01-120-0206-00	Payroll Taxes	\$1,510.57
01-120-0284-00	Medicare Contributions	\$353.28

WHEREAS, the total budgeted expenditure increase will be \$36,034.65 for the year 2017.

NOW, THEREFORE, BE IT ORDAINED by the City Council for the City of Jonesboro that:

SECTION 1. The 2017 General Fund Budget is hereby amended to provide for the an increase in the 2017 General Fund budget of \$36,034.65 for the addition of two full-time Sanitation Worker positions in the Sanitation-Residential department.



2017 Major Drainage System Maintenance (to assist in the flow of water out of town)

Legend

Status

- MOWING COMPLETED
- WORK IN PROGRESS
- To Be Determined

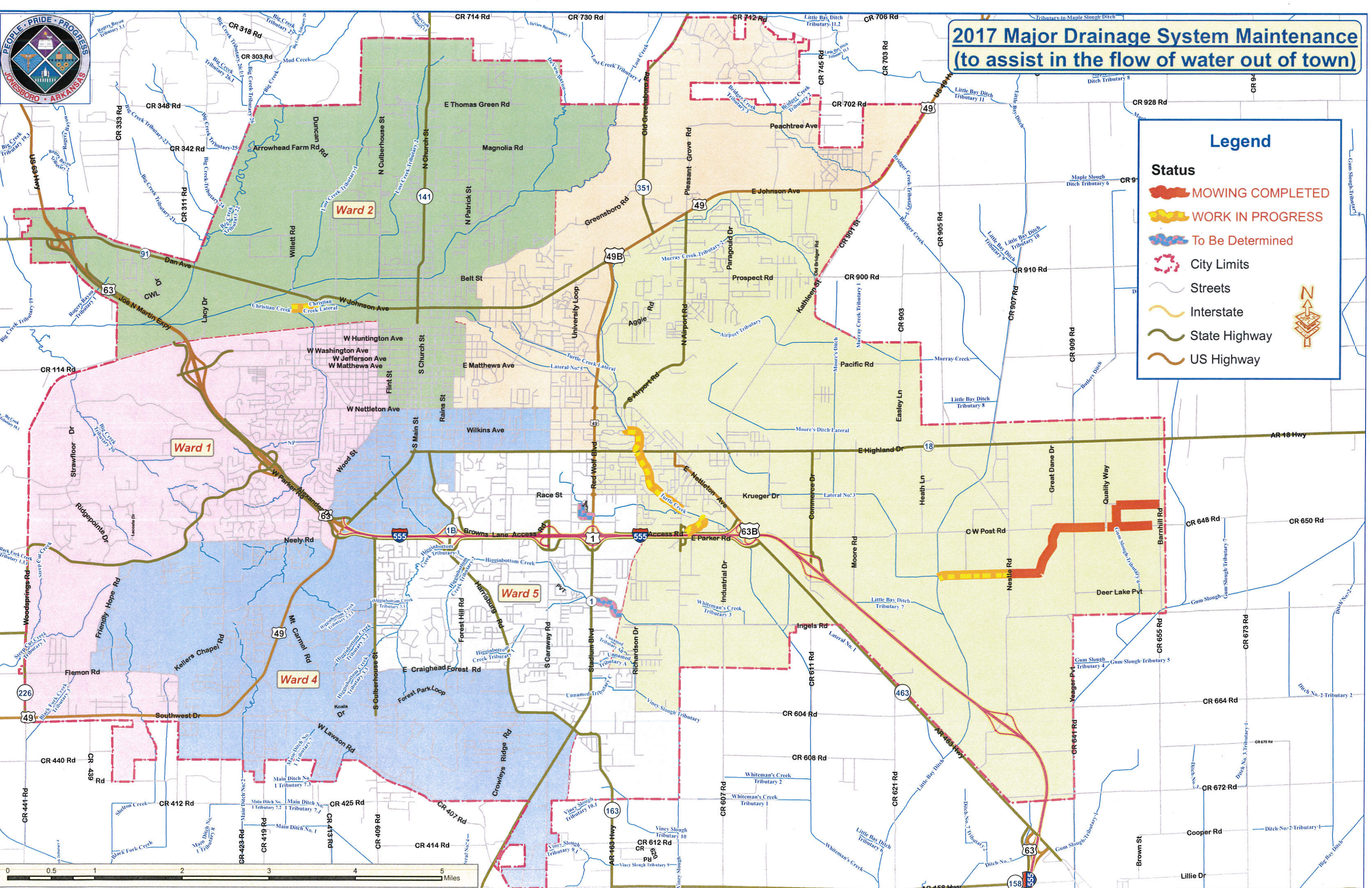

City Limits

Streets

Interstate

State Highway

US Highway

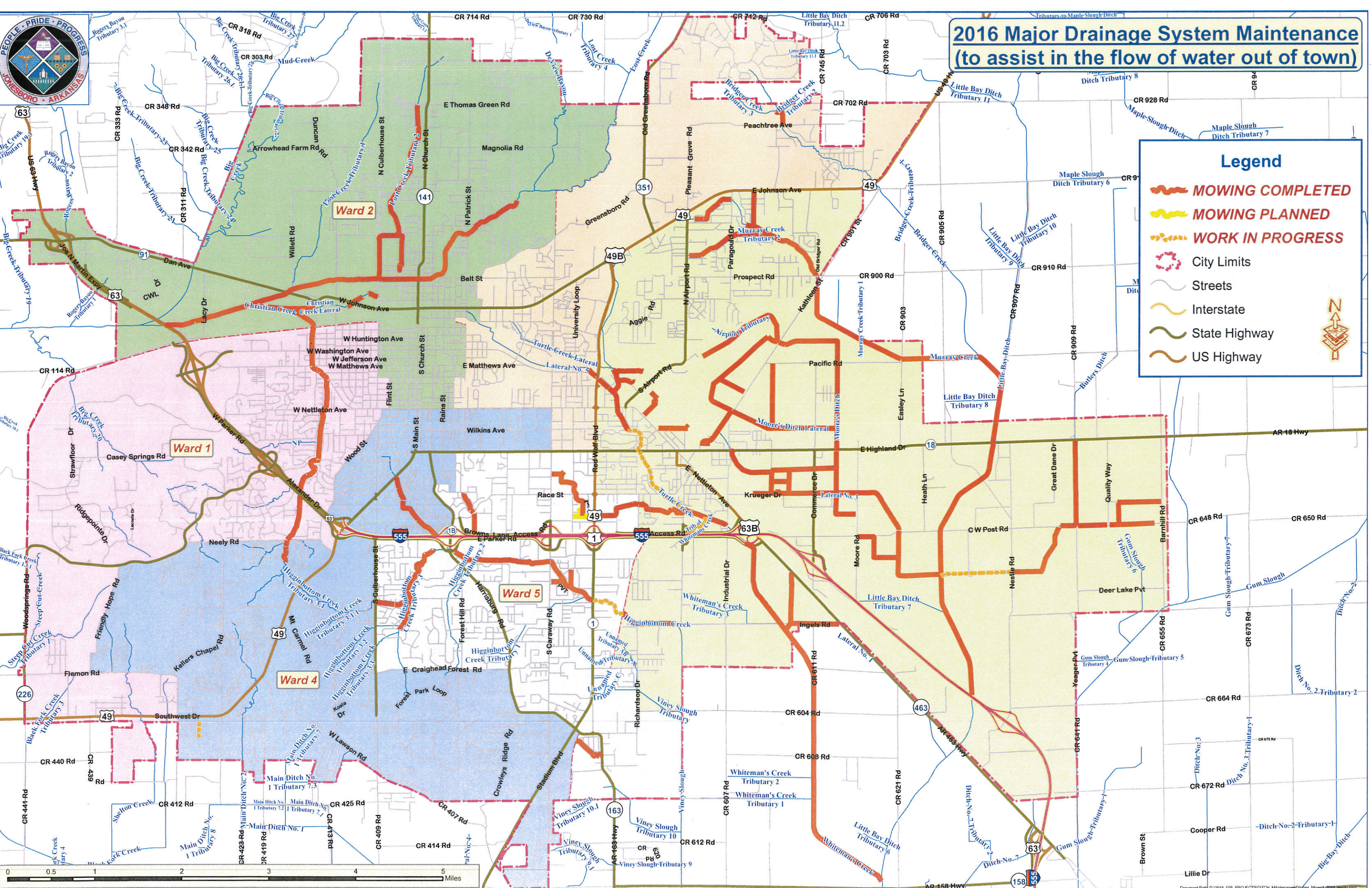





2016 Major Drainage System Maintenance (to assist in the flow of water out of town)

Legend

- MOWING COMPLETED
- MOWING PLANNED
- WORK IN PROGRESS
- City Limits
- Streets
- Interstate
- State Highway
- US Highway





Legislation Details (With Text)

File #:	ORD-17:035	Version:	1	Name:	Amend Code of Ordinances regarding temporary street and lane closures
Type:	Ordinance	Status:		Status:	First Reading
File created:	5/31/2017	In control:		In control:	Public Works Council Committee
On agenda:		Final action:			
Title:	AN ORDINANCE TO AMEND THE JONESBORO CODE OF ORDINANCES TO ESTABLISH A PERMIT PROCESS AND REGULATIONS FOR TEMPORARY STREET AND LANE CLOSURES IN THE CITY OF JONESBORO, ARKANSAS				
Sponsors:	Engineering				
Indexes:	Code of Ordinances amendment				
Code sections:	Chapter 58 - Streets, Sidewalks & Other Public Places				
Attachments:	Temporary Street and Lane Closure Regulations				

Date	Ver.	Action By	Action	Result
6/6/2017	1	Public Works Council Committee		

AN ORDINANCE TO AMEND THE JONESBORO CODE OF ORDINANCES TO ESTABLISH A PERMIT PROCESS AND REGULATIONS FOR TEMPORARY STREET AND LANE CLOSURES IN THE CITY OF JONESBORO, ARKANSAS

WHEREAS, the City of Jonesboro does not have a written policy or standards for approving, restricting, or denying temporary street or lane closures within the City limits.

WHEREAS, the lack of standards and a formal review process for these types closures creates inconsistent results that can obstruct normal traffic flows, increase delays, restrict public access to the street or lane and endangers the health, public safety, and general welfare of the citizens of Jonesboro; and, the passage of regulations for temporary street and lane closures is necessary to alleviate such conditions.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS THAT:

SECTION 1: A permit process for temporary street and lane closures is hereby established.

SECTION 2. The attached Temporary Street and Lane Closure Regulations are hereby adopted by reference and shall become part of the Jonesboro Municipal Code in Chapter 58, Article V.

Chapter 58 – STREETS, SIDEWALKS AND OTHER PUBLIC PLACES

ARTICLE V. - TEMPORARY STREET AND LANE CLOSURE REGULATIONS

DIVISION 1. – IN GENERAL

DIVISION 2. – ADMINISTRATION AND ENFORCEMENT

DIVISION 3. – PERMIT APPLICATIONS AND CONDITIONS

DIVISION 4. – DESIGN CRITERIA

Chapter 58 – STREETS, SIDEWALKS AND OTHER PUBLIC PLACES

DIVISION 1 – IN GENERAL

Sec. 58-90 – Definitions

Sec. 58-91 – Violations and penalties

Sec. 58-92 – Purpose

Sec. 58-93 – Applicability

Sec. 59-94 – Disclaimer of Liability

Sec. 58-95 – Permit Required

Sec. 58-90 – Definitions

Collector - provide for traffic movement between arterials and local streets. They carry moderate traffic volumes over moderate distances and have a higher degree of property access than arterials.

Emergency – a serious, unexpected and often dangerous situation requiring immediate action.

Flagman – a person who directs traffic through a construction site or other temporary traffic control zone past area using gestures, signs, or flags.

Local Street – serve the lowest traffic volumes. Low traffic volumes combined with slow travel speeds help to create a good residential or commercial setting. Collector and arterial streets, identified on the Master Street Plan, are not local streets.

MUTCD – Manual on Uniform Control Devices

Minor Arterial - function similarly to principal arterials, but operate under lower traffic volumes, serve trips of shorter distances, and provide a higher degree of property access than principal arterials.

Principal Arterial - provide both long distance connections through the urban area and to major traffic generators within the community. Roadways are designated principal arterials to imply the need to focus more on moving traffic rather than providing direct access to adjacent land. Traffic management techniques used to maintain a high level of traffic capacity on these roadways include the use of medians, restricting curb cuts per some spacing policy, and limiting the use of traffic signals to the intersection with other significant roadways.

Traffic Control Plan – site plan showing location of traffic control measures to be used for temporary street or lane closure.

Work Zone Signage – road construction signs used to alert traffic of upcoming work zone projects and safety hazards.

Sec. 58-91 – Violations and penalties

Any person, firm, corporation, or other legal entity who fails to comply with or violates these regulations shall be guilty of a misdemeanor and upon conviction thereof shall be fined not less than \$100.00 per day and not more than \$500.00 per day for so long as the violation exists. Each day shall constitute a separate offense.

Sec. 58-92 – Purpose

In order to promote the public health, safety, and general welfare of the citizens of Jonesboro, the provisions of these regulations are intended to:

- (1) Create consistent results for temporary street and lane closures;
- (2) Minimize the obstruction of normal traffic flow; and
- (3) Reduce traffic delays.

Sec. 58-93. – Applicability

The provisions of this regulation are applicable to all persons, firms, corporations, business, or other legal entity proposing to temporarily close a street or lane within the City of Jonesboro.

Sec. 58-94. – Disclaimer of Liability

The performance standards and design criteria set forth herein and establish minimum requirements which must be implemented with good practice and workmanship. Use of the requirements contained herein shall not constitute a representation, guarantee, or warranty of any kind by the City, or its officers and employees of the adequacy or safety of any temporary street or lane closure plan. The degree of protection required by these regulations is considered reasonable for regulatory purposes. These regulations, therefore, shall not create liability on the part of the City or any officer or employee with respect to any legislative or administrative decision lawfully made hereunder.

Sec. 58-95 – Permit Required

Any person, firm, corporation, business, or legal entity proposing to temporarily close a road or lane within the City limits shall submit an application and traffic control plan to the City Engineer for review and be issued a permit prior to the commencement of the temporary closure, except:

- (1) On Local streets where flagmen and work zone signage is provided, or a minimum of 20 feet of road width is maintained during lane closure.
- (2) Emergency street and lane closures creating a genuine concern to the health, safety, and welfare of the public. A full application must be submitted to the City Engineer within 24 hours of the closure.

Chapter 58 – STREETS, SIDEWALKS AND OTHER PUBLIC PLACES

DIVISION 2 – ADMINISTRATION AND ENFORCEMENT

Sec. 58-96 – Amendments

Sec. 58-97 - Duty of City Engineer

Sec. 58-98 – Inspections

Sec. 58-99 – Revocations; stop work orders

Sec. 58-96 - Amendments.

For the purpose of providing for the public health, safety and general welfare, the governing body may, from time to time, amend the provisions of these regulations.

Sec. 58-97 - Duty of City Engineer.

It shall be the duty of the City Engineer to review the application and supporting documentation to determine compliance or lack of compliance of these regulations.

Sec. 58-98 – Inspections.

(a) The City Engineer may make or cause to be made the inspection of any temporary street or lane closure for compliance with approved traffic control plan.

Sec. 58-99. - Revocation; stop work orders.

(a) The City Engineer may revoke any permit issued under the provisions of these regulations when informed of any false statement misrepresentation of facts in the application or plans.

(b) When it is found that any provisions of these regulations are being violated or the plan is ineffective, the City Engineer may issue a stop work order. The stop work order shall be served upon the applicant for the project or jobsite superintendent, and no work shall continue at the site until the appropriate corrections are made to the traffic control plan.

Chapter 58 – STREETS, SIDEWALKS AND OTHER PUBLIC PLACES

DIVISION 3. Permit Application and Conditions

This article establishes plan preparation and submittal requirements for Temporary Street and Lane Closures within the City of Jonesboro.

(a) Preparation

- (1) The Application shall be prepared in accordance with the provisions set forth in these regulations.

(b) Submission

The Applicant shall submit one copy of the Application, traffic control plan, and all supporting documentation to the City planning office along with the review fee as established by the City Council. Upon receipt, the planning office will forward the submittals to the City Engineer for review.

Closures within Arkansas Highway and Transportation Department (AHTD) jurisdiction require separate approval prior to submittal of the application to the City of Jonesboro.

(c) Plan Review

- (1) The City Engineer or his designated representative shall review the submittals for conformance to the City minimum design standards as established in these regulations.
- (2) The City Engineer or his designated representative, will review and comment or approve the project submittals within 5 business days upon receipt. Failure of the City Engineer to meet this timeline shall not be considered approval of the proposed work.
- (3) Coordination with other agencies may be required prior to the final approval of the application. Additional time for review of applications may be required.

(d) Rejection.

- (1) If it is determined that the proposed development will not control traffic flow in accordance with these regulations, a comment letter listing the deficiencies shall be issued to the applicant for response. Re-submittals shall be made to the City Engineering office.
- (2) If needed, an informal meeting between the applicant and the City Engineer or his designee may be scheduled by either party to review the overall concepts included in the plan. The purpose of this meeting may vary, but generally shall be to jointly agree upon an overall traffic management concept for the proposed temporary street and lane closure and to review criteria and design parameters which shall apply to the project.

- (e) Acceptance.
 - (1) If it is determined that the proposed traffic plan will control traffic conditions in accordance with these regulations, a permit shall be issued to the applicant based on the following conditions of approval:
 - a. The Engineering department relied upon statements and representations made in the Engineer's report, plans, and specification. In case any statement or representation in the aforementioned documents is found to be incorrect, then the approval may be revoked;
 - b. There shall be no deviations from the approved plans and specifications unless revised plans and specifications have been first submitted for review and written consent given amending the permit;
 - c. The review of the plans and specifications are for conformance to City minimum design standards;
 - d. Coordination with other agencies is the responsibility of the applicant;
 - e. If the proposed street or lane closure is delayed for any reason, permittee is to notify the City Engineering department as soon as practicable for rescheduling.
 - f. Applicant shall notify the City Engineering department when the work is complete and the street or lane is open to traffic; and
 - g. Inspection for the work related to the traffic management plan shall be the responsibility of the applicant.
 - (2) Other conditions of approval may be added by the City Engineer as needed, as long as the added conditions are consistent with these regulations.

Chapter 58 – STREETS, SIDEWALKS AND OTHER PUBLIC PLACES

DESIGN 4. Design Criteria

It is the responsibility of applicant to ensure these regulations are adhered to. Unless otherwise provided, the following rules shall govern temporary street and lane closures within the City of Jonesboro:

Traffic control plan must comply with Part 6 of the most recent edition of the Manual on Uniform Traffic Control Devices (MUTCD).



Legislation Details (With Text)

File #:	ORD-17:042	Version:	1	Name:	Establish a fee schedule for the Street Department
Type:	Ordinance	Status:		Status:	First Reading
File created:	6/7/2017	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	
Title:	AN ORDINANCE TO ESTABLISH A FEE SCHEDULE FOR THE STREET DEPARTMENT				
Sponsors:	Streets				
Indexes:	Policy - creation/amendment				
Code sections:					
Attachments:	Street Fee Sched 2017				

Date	Ver.	Action By	Action	Result
6/13/2017	1	Finance & Administration Council Committee		

AN ORDINANCE TO ESTABLISH A FEE SCHEDULE FOR THE STREET DEPARTMENT

WHEREAS, The City of Jonesboro Revenue Enhancement Committee conducted a review of all city fees and licenses and;

WHEREAS, some fees have not been changed since 2009 and;

WHEREAS, the City Council for the City of Jonesboro accepts the recommendation of said committee.

NOW, THEREFORE, BE IT ORDAINED by the City Council for the City of Jonesboro that the fees are as follows:

1. The attached fee schedule is hereby adopted by reference.
2. Existing ordinances or parts of ordinances in conflict are hereby repealed.
3. All fees are non-refundable.

Streets Revenue	
2017	
Street Plate - 1st plate delivered (up to 60 days)	\$45
Street Plate - each additional plate delivered (up to 60 days)	\$15
Street repair fee	\$200
Base asphalt fee	\$30
Barricades (contractors - street cuts and repairs)	\$75/ea
Barricades (block parties, etc.)	\$10/ea
Cones	\$5/ea
Sign - replacement of regulatory sign and post - accidents, etc	\$150
Sign - replacement of street identifier sign - and post - accidents, etc	\$150
Sign - each new regulatory sign - and post - for subdivisions	\$150
Sign - new street identifier signs - and post - for subdivisions	\$250
Post - replacement for damaged sign post - accident, etc	\$50



Legislation Details (With Text)

File #:	ORD-17:043	Version:	1	Name:	Establish a fee schedule for the Engineering Department
Type:	Ordinance	Status:		Status:	First Reading
File created:	6/7/2017	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	
Title:	AN ORDINANCE TO ESTABLISH A FEE SCHEDULE FOR THE ENGINEERING DEPARTMENT				
Sponsors:	Engineering				
Indexes:	Policy - creation/amendment				
Code sections:					
Attachments:	Engineering Fee Sched 2017				

Date	Ver.	Action By	Action	Result
6/13/2017	1	Finance & Administration Council Committee		

AN ORDINANCE TO ESTABLISH A FEE SCHEDULE FOR THE ENGINEERING DEPARTMENT
WHEREAS, The City of Jonesboro Revenue Enhancement Committee conducted a review of all city fees and licenses and;

WHEREAS, some fees have not been changed since 2009 and;

WHEREAS, the City Council for the City of Jonesboro accepts the recommendation of said committee.

NOW, THEREFORE, BE IT ORDAINED by the City Council for the City of Jonesboro that the fees are as follows:

1. The attached fee schedule is hereby adopted by reference.
2. Existing ordinances or parts of ordinances in conflict are hereby repealed.
3. All fees are non-refundable.

ENGINEERING FEE SCHEDULE

Permit/Fee	Fee
Driveway Permit	\$50.00 per driveway (includes one form inspection and one final inspection)
Driveway Re-Inspection Fee	\$30.00 per each re-inspection
Lane/Traffic Closure Permit	
One Traffic Lane Closure Permit	\$25.00
Street Closure (Collector)	\$100.00
Street Closure (Arterial)	\$200.00
Floodplain Development Permit	\$100.00 per acre \$25.00 minimum
Drainage Alteration/Modification Permit -	\$25.00 plus \$0.10 per linear foot of drainage system modifications or alterations
Grading Permit	\$100.00 per acre \$50.00 minimum
Stormwater Management Plan Permit (Subdivision)	
Subdivision Permit	\$1,000.00 minimum
Additional Lots over 10	\$100.00 per lot
Stormwater Management Plan Permit (Site Plan)	
Commerical Site Permit	\$350.00 minimum
Additional Acres over 3.5 acres	\$100.00 per acre
Stormwater Appeal Fee	\$200.00
Encroachment Permit	\$50.00
Residential Site Permit	\$25.00



Legislation Details (With Text)

File #:	ORD-17:044	Version:	1	Name:	Establish a fee schedule for Parks and Rec Department
Type:	Ordinance	Status:		Status:	First Reading
File created:	6/7/2017	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	
Title:	AN ORDINANCE TO ESTABLISH A FEE SCHEDULE FOR THE PARKS & RECREATION, CEMETERY DEPARTMENT				
Sponsors:	Parks & Recreation				
Indexes:	Policy - creation/amendment				
Code sections:					
Attachments:	Parks Fee Sched 2017				

Date	Ver.	Action By	Action	Result
6/13/2017	1	Finance & Administration Council Committee		

AN ORDINANCE TO ESTABLISH A FEE SCHEDULE FOR THE PARKS & RECREATION, CEMETERY DEPARTMENT

WHEREAS, The City of Jonesboro Revenue Enhancement Committee conducted a review of all city fees and licenses and;

WHEREAS, some fees have not been changed since 2009 and;

WHEREAS, the City Council for the City of Jonesboro accepts the recommendation of said committee.

NOW, THEREFORE, BE IT ORDAINED by the City Council for the City of Jonesboro that the fees are as follows:

1. The attached fee schedule is hereby adopted by reference.
2. Existing ordinances or parts of ordinances in conflict are hereby repealed.
3. All fees are non-refundable except under parks and rec policies.

Parks and Rec Fee Description			
			2017
Community Center Rooms			
	Rooms		
	Weekday Per Hour		\$40
	Weekend Per Hour		\$40
	Special After Hours (additional) Fee Per Hr		\$20
	Kitchen Rental (per event)		\$20
Basketball Courts			
	Per Court Per hour		
	Weekend		\$40
	Weekday		\$40
	Basketball Team Practice Rate		\$20
	Special After Hours (additional) Fee Per Hr		\$20
	Earl Bell Whole Facility		\$600
	Whole Facility Per Day (Allen Park/Parker Park)		\$800
Climbing Wall			
	Small Party (Under 10)		\$70
	Large Party (Under 20)		\$100
	Group (More than 20) each additional		\$5
Joe Mac Campbell Field Rentals			
	Hourly without lights		\$20
	Hourly with lights		\$25
Striping and Dragging Per Field			
	Baseball		\$30
	Large Soccer Striping Per Field		\$150
	Small Soccer Striping Per Field		\$100
	Micro Soccer Field Striping Per Field		\$50
	Soccer Layout Fee Per Field		\$40
	Whole Facility Per Day		\$3,000
	Soccer Complex Per Day		\$1,500
	Baseball Complex Per Day		\$1,500
Allen Park Tennis Courts (per 1 - 1/2 hour)			
	School Group (per hour)		\$20
Pavilions			
	CFP #1		\$100
	CFP #2		\$80
	CFP #3		\$80
	CFP #4		\$80
	CFP #5		\$100
	CFP #6		\$80
	Joe Martin		\$80
	JMCP Pavilions		\$80
	Allen Park Pavilion		\$80

Craighead Forest Park Campground			
	Site With Hook Ups		
	Daily		\$25
	Weekly		\$150
	Daily Senior (55+)		\$15
	Weekly Senior (55+)		\$90
	Tent Campsite		
	Daily		\$10
	Weekly		\$60
	Dump Station Only		\$20
	Extended Stay Camping Rates (Nov 1st-Mar 31st)		
	Daily		\$15
	Weekly		\$90
	Event Field		\$250
	Band Shell		\$80
	Frisbee Golf Course		\$100
	Races		\$500
	Northside Baseball Field Rental		No fee
	Other Field Rental - Miles & Allen Park		
	Hourly without lights		\$10
	Hourly with lights		\$15
	Pool		
	Daily Fees		
	16 and over years of age		\$3.00
	Under 16 Years of Age		\$2.00
	Group Fees - (2 Hr Party)		
	Up to 30		\$80.00
	Up to 60		\$140.00
	Up to 90		\$220.00
	Over 90 People		\$250.00
	Cemetery- Schedule of Fees		
	Space Purchase:		
	Space Purchase		\$650
	Infant Space		\$225
	Deed Fee		\$60
	Opening/Closing Fees		
	Weekday		
	Adult		\$425
	Infant		\$150
	Cremation		\$200
	Weekend		
	Adult		\$650
	Infant		\$350
	Cremation		\$350
	Holidays		\$800
	Monument Setting Fee		\$60

Ice Skating Rink		
	Ice Skating Rink Admission	\$5
	Ice Skating Rink Rental up to 25 skaters	\$130
	Ice Skating Rink Rental up to 60 skaters	\$150



Legislation Details (With Text)

File #:	ORD-17:045	Version:	1	Name:	Amend 2017 to add grant budget for COC Program Award
Type:	Ordinance	Status:		Status:	First Reading
File created:	6/8/2017	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	
Title:	AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2017 BUDGET TO ADD GRANT BUDGET FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT CONTINUUM OF CARE (CoC) PROGRAM AWARD, AND DECLARING AN EMERGENCY				
Sponsors:	Grants, Finance				
Indexes:	Budget amendment, Grant				
Code sections:					
Attachments:	CoC Agreement				

Date	Ver.	Action By	Action	Result
6/13/2017	1	Finance & Administration Council Committee		

AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2017 BUDGET TO ADD GRANT BUDGET FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT CONTINUUM OF CARE (CoC) PROGRAM AWARD, AND DECLARING AN EMERGENCY WHEREAS, the City of Jonesboro passed Resolution Number 16:100 on August 16, 2016 for the submission of the application and currently submitted Resolution Number 17:084 for the execution of the CoC agreement; and

WHEREAS, the City of Jonesboro passed the 2017 Budget in Ordinance Number 16:085, which will need to be amended in order to effectuate said increase in the Federal Funds budget for the Continuum of Care Award, the budgeted amount will need to increase \$125,863.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Jonesboro, Arkansas that:

SECTION 1: The 2017 Budget is hereby amended to provide for an increase in the Federal Funds budget for the Continuum of Care award for \$125,863.

SECTION 2: The City Council further finds and declares that an emergency exists and this Ordinance being necessary for the execution of the said funds to begin operations; due to Congress delay in passing the FY2017 budget until May 5, 2017 and the Department of Housing and Urban Development requesting a quick execution of said program. This Ordinance shall take effect and be in full force from and after its passage and approval.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Little Rock Field Office, Region VI
Office of Community Planning and Development
425 West Capitol Avenue, Suite 1000
Little Rock, AR 72201
Phone (501) 324-6375 - Fax (501) 324-5954
www.hud.gov or espanol.hud.gov

June 5, 2017

Ms. Kimberly Marshall
Grants Administrator
City of Jonesboro
P.O. Box 1845
Jonesboro, AR 72403

Dear Ms. Marshall:

SUBJECT: Transmittal of FY2016 Homeless Assistance Grants
Program: Continuum of Care Program
Project Name: AR-503 – NEW- Ending Homelessness
Sponsor Name: City of Jonesboro
CoC: AR-503 – Arkansas Balance of State CoC
Project Number: AR0056L6F031600

Congratulations on City of Jonesboro's conditional selection for funding under the United States Department of Housing and Urban Development's (HUD) fiscal year 2016 Continuum of Care (CoC) competition. Addressing homelessness is one of the Department's top priorities and the following conditionally-selected project will make a significant contribution toward developing a stronger continuum of care system in your community.

The conditions or issues that HUD identified when it reviewed your application have been resolved. You are encouraged to return the enclosed three (3) copies of the Renewal Grant Agreement between City of Jonesboro and HUD within seven (7) days.

Thank you for your commitment to assisting homeless persons. HUD looks forward to continuing its work with you to eliminate homelessness. If you have questions regarding the award or the enclosures, please contact Chandra Taylor, Senior Community Planning and Development Representative on (501) 918-5737.

Sincerely,

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

Clinton E. Johnson
Director, Community
Planning and Development

Enclosure(s)

Tax ID No.: 71-6013749

CoC Program Grant Number: AR0056L6F031600

Effective Date:

DUNS No.: 073540288

Component: RRH

Recipient: City of Jonesboro

Official Contact Person and Title: Harold Perrin, Mayor

Telephone Number: (870) 935-7210

Fax Number: (870) 933-4626

E-mail Address: hperrin@jonesboro.org

Operating Start Date: _____

Project Location(s): Jonesboro, Arkansas

CONTINUUM OF CARE PROGRAM Grant Agreement

This Grant Agreement (“this Agreement”) is made by and between the United States Department of Housing and Urban Development (“HUD”) and **City of Jonesboro** (the “Recipient”).

This Agreement is governed by title IV of the McKinney-Vento Homeless Assistance Act 42 U.S.C. 11301 *et seq.* (the “Act”) and the Continuum of Care Program rule (the “Rule”).

The terms “Grant “ or “Grant Funds” mean the funds that are provided under this Agreement. The term “Application” means the application submissions on the basis of which the Grant was approved by HUD, including the certifications, assurances, and any information or documentation required to meet any grant award condition. All other terms shall have the meanings given in the Rule.

The Application is incorporated herein as part of this Agreement, except that only those projects listed, and only in the amounts listed on a Scope of Work exhibit, are funded by this Agreement. In the event of any conflict between any application provision and any provision contained in this Agreement, this Agreement shall control.

Exhibit 1, the FY2016 Scope of Work, is attached hereto and made a part hereof. If in the future appropriations are made available for Continuum of Care grants; if the Recipient applies under a Notice of Funds Availability published by HUD; and, if pursuant to the selection criteria in the Notice of Funds Availability, HUD selects the Recipient and one or more projects listed on Exhibit 1 for renewal, then additional Scope of Work exhibits may be attached to this Agreement. Those additional exhibits, when attached, will also become a part hereof.

The effective date of the Agreement shall be the date of execution by HUD and it is the date the usage of funds under this Agreement may begin. Each project will have a performance period that will be listed on the Scope of Work exhibit(s) to this Agreement. For renewal projects, the period of performance shall begin at the end of the Recipient’s final operating year for the project being renewed and eligible costs incurred for a project between the end of the Recipient’s final operating year under the grant being renewed and the execution of this Agreement may be paid with funds from the first operating year of this Agreement.

For each new project funded under this Agreement, the Recipient and HUD will set an operating start date in eLOCCS, which will be used to track expenditures, to establish the project performance period and to determine when a project is eligible for renewal. The Recipient hereby authorizes HUD to insert the project performance period for new projects into the exhibit without the Recipient's signature, after the operating start date is established in eLOCCS.

This Agreement shall remain in effect until termination either: 1) by agreement of the parties; 2) by HUD alone, acting under the authority of 24 CFR 578.107; 3) upon expiration of the final performance period for all projects funded under this Agreement; or 4) upon the expiration of the period of availability of funds for all projects funded under this Agreement.

The Recipient agrees:

1. To ensure the operation of the project(s) listed on the Scope of Work in accordance with the provisions of the Act and all requirements of the Rule;
2. To monitor and report the progress of the project(s) to the Continuum of Care and HUD;
3. To ensure, to the maximum extent practicable, that individuals and families experiencing homelessness are involved, through employment, provision of volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating facilities for the project and in providing supportive services for the project;
4. To require certification from all subrecipients that:
 - a. Subrecipients will maintain the confidentiality of records pertaining to any individual or family that was provided family violence prevention or treatment services through the project;
 - b. The address or location of any family violence project assisted with grant funds will not be made public, except with written authorization of the person responsible for the operation of such project;
 - c. Subrecipients will establish policies and practices that are consistent with, and do not restrict, the exercise of rights provided by subtitle B of title VII of the Act and other laws relating to the provision of educational and related services to individuals and families experiencing homelessness;
 - d. In the case of projects that provide housing or services to families, subrecipients will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including early childhood programs such as Head Start, part C of the Individuals with Disabilities Education Act, and programs authorized under subtitle B of title VII of the Act;
 - e. The subrecipient, its officers and employees are not debarred or suspended from doing business with the Federal Government; and

- f. Subrecipients will provide information, such as data and reports, as required by HUD;
5. To establish such fiscal control and accounting procedures as may be necessary to assure the proper disbursement of, and accounting for grant funds in order to ensure that all financial transactions are conducted, and records maintained in accordance with generally accepted accounting principles if the Recipient is a Unified Funding Agency;
6. To monitor subrecipient match and report on match to HUD;
7. To take the educational needs of children into account when families are placed in housing and will, to the maximum extent practicable, place families with children as close as possible to their school of origin so as not to disrupt such children's education;
8. To monitor subrecipients at least annually;
9. To use the centralized or coordinated assessment system established by the Continuum of Care as required by the Rule. A victim service provider may choose not to use the Continuum of Care's centralized or coordinated assessment system, provided that victim service providers in the area use a centralized or coordinated assessment system that meets HUD's minimum requirements;
10. To follow the written standards, developed by the Continuum of Care, for providing Continuum of Care assistance, including those required by the Rule;
11. Enter into subrecipient agreements requiring subrecipients to operate the project(s) in accordance with the provisions of this Act and all requirements of the Rule; and
12. To comply with such other terms and conditions as HUD may have established in the applicable Notice of Funds Availability.

HUD notifications to the Recipient shall be to the address of the Recipient as stated in the Application, unless HUD is otherwise advised in writing. Recipient notifications to HUD shall be to the HUD Field Office responsible for executing the Agreement. No right, benefit, or advantage of the Recipient hereunder may be assigned without prior written approval of HUD.

The Agreement constitutes the entire agreement between the parties hereto, and may be amended only in writing executed by HUD and the Recipient.

By signing below, Recipients that are states and units of local government certify that they are following a current HUD approved CHAS (Consolidated Plan).

This agreement is hereby executed on behalf of the parties as follows:

**UNITED STATES OF AMERICA,
Secretary of Housing and Urban Development**

BY: _____

(Signature)

Clinton E. Johnson, Community Planning and Development Director

(Typed Name and Title)

(Date)

RECIPIENT

City of Jonesboro

(Name of Organization)

BY: _____

(Signature of Authorized Official)

Honorable Harold Perrin, Mayor

(Typed Name and Title of Authorized Official)

(Date)

Tax ID No.: 71-6013749
CoC Program Grant Number: AR0056L6F031600
Effective Date:
DUNS No.: 073540288

EXHIBIT 1
SCOPE OF WORK for FY2016 COMPETITION

1. The project listed on this Scope of Work is governed by the Continuum of Care program Interim Rule attached hereto and made a part hereof as Exhibit 1a. Upon publication for effect of a Final Rule for the Continuum of Care program, the Final Rule will govern this Agreement instead of the Interim Rule. The project listed on this Exhibit at 4 below, is also subject to the terms of the Notice of Funds Availability for the fiscal year listed above.
2. The Continuum that designated Recipient to apply for grant funds has not been designated a high performing community by HUD for the applicable fiscal year.
3. Recipient is not the only Recipient for the Continuum of Care. HUD's total funding obligation for this grant and project is **\$94,397**, allocated between budget line items, as indicated in 4. below. In accordance with the Rule, the Recipient is prohibited from moving more than 10% from one budget line item in a project's approved budget to another without a written amendment to this Agreement.
4. Subject to the terms of this Agreement, HUD agrees to provide the Grant funds, in the amount specified for the project application listed, to be used during the performance period established below. However, no funds for new projects may be drawn down by Recipient until HUD has approved site control pursuant to the Rule and no funds for renewal projects may be drawn down by Recipient before the end date of the project's final operating year under the grant that has been renewed

Project No.	Performance Period
(AR0056L6F031600)	()

allocated between budget line items as follows:

a. Continuum of Care planning activities	\$0 _____
b. UFA costs	\$0 _____
c. Acquisition	\$0 _____
d. Rehabilitation	\$0 _____
e. New construction	\$0 _____
f. Leasing	\$60,600 _____
g. Rental assistance	\$ _____
(of which \$ _____ is for short-term and medium-term rental assistance for persons at risk of homelessness)	
h. Supportive services	\$25,215 _____
i. Operating costs	\$0 _____
j. Homeless Management Information System	\$0 _____

k. Administrative costs	\$8,582
l. Relocation costs	\$0
m. Housing relocation and stabilization services	\$0

5. If grant funds will be used for payment of indirect costs, pursuant to 2 CFR 200, Subpart E - Cost Principles, the Recipient is authorized to insert the Recipient's federally recognized indirect cost rates (including if the de minimis rate is charged per 2 CFR §200.414) on the attached Federally Recognized Indirect Cost Rates Schedule, which Schedule shall be incorporated herein and made a part of the Agreement. No indirect costs may be charged to the grant by the Recipient if their federally recognized cost rate is not listed on the Schedule. Do not include indirect cost rates for Subrecipients; however, Subrecipients may not charge indirect costs to the grant if they do not also have a federally recognized indirect cost rate.

6. The following project has not been awarded project-based rental assistance for a term of fifteen (15) years. Funding is provided under this Scope of Work for the performance period stated in paragraph 4. Additional funding is subject to the availability of annual appropriations.

7. Program income earned during the grant term shall be retained by the recipient and used for eligible activities. Program income may also be counted as match.

Tax ID No.: 71-6013749

CoC Program Grant Number: AR0056L6F031600

Effective Date:

DUNS No.: 073540288

FEDERALLY RECOGNIZED INDIRECT COST RATE SCHEDULE

<u>Grant No.</u>	<u>Recipient Name</u>	<u>Indirect cost rate</u>	<u>Cost Base</u>
_____	_____	_____ %	_____

UNITED STATES OF AMERICA,
Secretary of Housing and Urban Development

BY: _____

(Signature)

Clinton E. Johnson, Community Planning and Development Director

(Typed Name and Title)

(Date)

RECIPIENT

City of Jonesboro

(Name of Organization)

BY: _____

(Signature of Authorized Official)

Honorable Harold Perrin, Mayor

(Typed Name and Title of Authorized Official)

(Date)



Legislation Details (With Text)

File #: RES-17:049 **Version:** 1 **Name:** Condemnation at 904 Belt, Owner: Charles Mabry, DBA Mabry Properties and Holdings LLC

Type: Resolution **Status:** Recommended Under New Business

File created: 4/20/2017 **In control:** Public Safety Council Committee

On agenda: 6/20/2017 **Final action:**

Title: RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS to condemn property located at 904 Belt, Owner: Charles Mabry, DBA Mabry Properties and Holdings LLC.

Sponsors:

Indexes:

Code sections:

Attachments: [pic 1](#)
[pic 2](#)
[pic 3](#)
[pic 4](#)
[county data](#)
[Inspection report](#)
[Title search](#)

Date	Ver.	Action By	Action	Result
5/16/2017	1	Public Safety Council Committee		

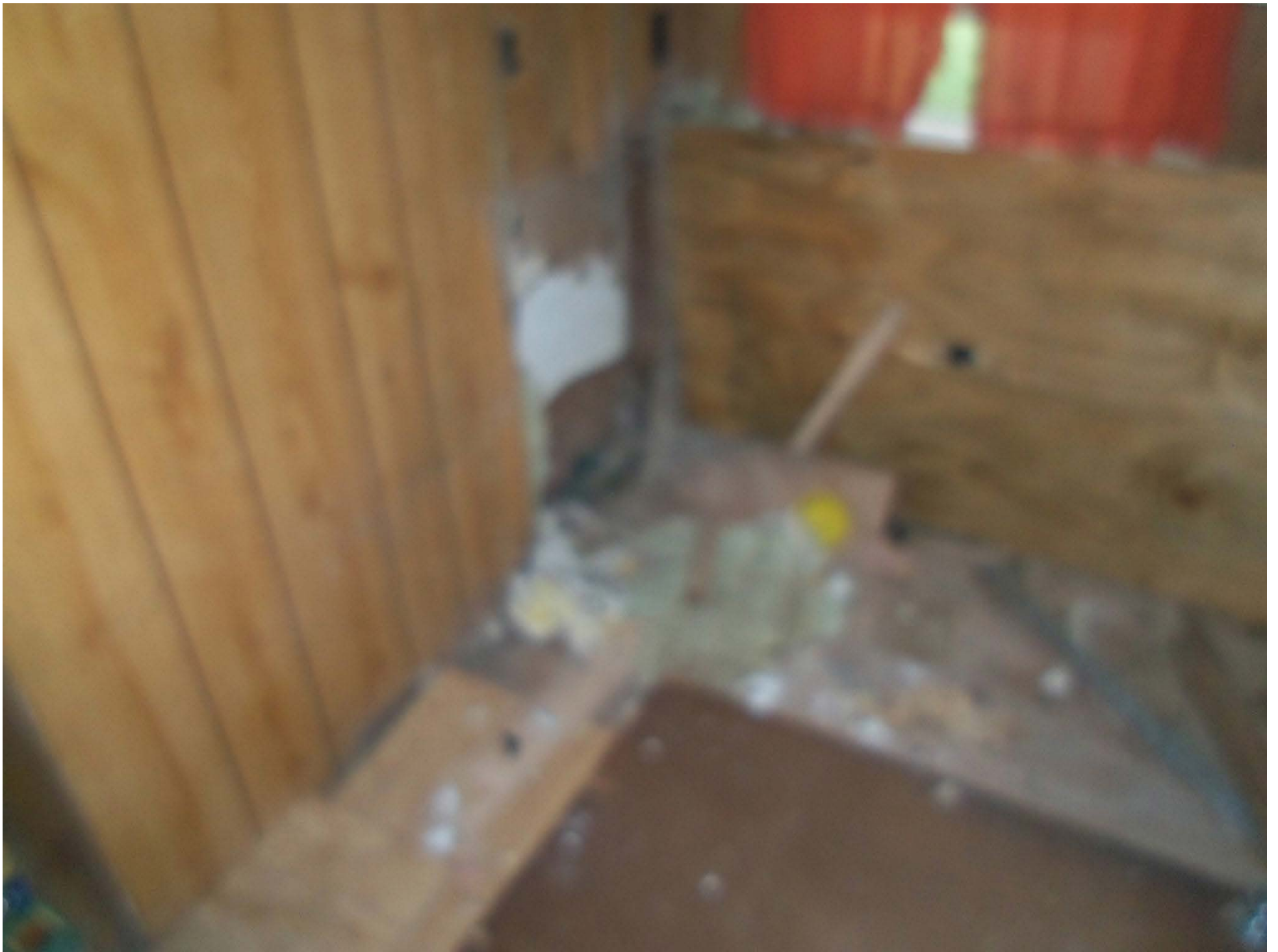
RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS to condemn property located at 904 Belt, Owner: Charles Mabry, DBA Mabry Properties and Holdings LLC. WHEREAS, the above property has been inspected and has been determined unsuited for human habitation.

WHEREAS, all of the stipulations have been met in the condemnation process to proceed with the condemnation of this property.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS THAT: the city should proceed with the condemnation of the property located at: 904 Belt.









MABRY PROPERTIES & HOLDINGS LLC

904 BELT
JONESBORO, AR 72401-

Basic

Land

Sales

Valuation

Improvements

Map View

Basic Info

Parcel Number:	01-144074-01500
County Name:	Craighead County
Ownership Information:	MABRY PROPERTIES & HOLDINGS LLC 904 BELT JONESBORO, AR 72401- Map This Address
Billing Information :	MABRY PROPERTIES & HOLDINGS LLC PO BOX 19503 JONESBORO AR 72403
Total Acres:	0.47
Timber Acres:	0.00
Sec-Twp-Rng:	07-14-04
Lot/Block:	/
Subdivision:	
Legal Description:	PT SE SE 70X290 JBORO CITY
School District:	J JB JONESBORO CITY
Improvement Districts:	Big Creek Watershed
Homestead Parcel?:	No
Tax Status:	Taxable
Over 65?:	No



DEPARTMENT OF INSPECTION AND CODE ENFORCEMENT

RESIDENTIAL BUILDING INSPECTION REPORT


DATE OF INSPECTION:	5-13-16					
PROPERTY ADDRESS:	904 BELT					
PROPERTY OWNER:	MABRY PROPERTIES & HOLDINGS					
OCCUPIED:	YES NO X					
BUILDING ELEMENT	1 thru 5 CONDITION					NOTES & COMMENTS
	VERY POOR				VERY GOOD	
Foundation Type: Piers Solid Slab	1					PIERS ,JOIST FALLING OFF PIERS,NEEDS REPAIRED
Front Porch Type: Wood Concrete	1					SLAB ON FRONT, WOODEN IN BACK I,ROTTED AND FALLING
Exterior Doors and Windows Type: Wood Vinyl Aluminum		2				WINDOWS ARE SECURE ,FRONT DOORIS SECURED ,BACK DOOR OFF HINGES
Roof Underlay Type: OSB/ Plywood 1x6 metal			3			ROOF SAGGING BETWEEN FAFTERS
Roof Surface Type: Metal 3-Tab Shingles Dimensional Shingles		2				SHINGLES NEEDS REPLACED WITH DECKING
Chimney						N/A
Siding Type: Wood Lap Vinyl Masonite Aluminum			3			NEDDS PAINTING IN SOME AREAS AND REPAIRED
Fascia and Trim Type Wood Vinyl Coil		2				ALL FASCIA IS ROTTED OR MISSING ,NEEDS REPLACED
Interior Doors Type: Hollow Wood Solid Wood		2				MISSING OR NEEDS REPLACED

Interior Walls Type Wood Frame Metal Frame Sheetrock Stucco		2				SHEETROCK,PANELING, IN BAD SHAPE ,HOLES, IN SOME ROOMS MISSING
Ceilings Type: Sheetrock Stucco Ceiling Tile	1					WATER DAMAGED FROM LEAKS
Flooring Underlay Type: 1x6 center match OSB Plywood	1					HOLES IN FLOORS , AND ROTTED FLOORS THROUGHOUT
Flooring Surfaces Type: Carpet Linoleum Hard Wood Vinyl	1					N/A
Electrical	1					NOT TO CODE
Heating	1					NOT TO CODE
Plumbing	1					NOT TO CODE

In my opinion, this structure		is	<input checked="" type="checkbox"/>	is not	Suitable for human habitation.
In my opinion this structure		is	<input checked="" type="checkbox"/>	is not	Physically feasible for rehabilitation.
In my opinion, this structure		is	<input checked="" type="checkbox"/>	is not	Economically feasible for rehabilitation.
In my opinion, this structure	<input checked="" type="checkbox"/>	is		is not	A public safety hazard and should be condemned immediately.

EMERGENCY ACTION IS WARRANTED: YES XX NO

HOME WAS NOT SECURED AT TIME OF INSPECTION

Tim Renshaw, Chief Building Inspector				Other Signature
				

Municipal Building, 300 South Church Jonesboro, Ar./ Phone 870-336-7194/ Fax 870-336-1358



LENDERS TITLE
C O M P A N Y

2207 Fowler Avenue
Jonesboro, Arkansas 72401
Phone: 870-935-7410
FAX: 870-935-6548

LIMITED TITLE SEARCH

Date: July 14, 2016
Prepared For: City of Jonesboro, Code Enforcement - Michael Tyner
File Number: 16-071073-300

Lenders Title Company hereby certifies that the records of the Circuit Clerk of Craighead County, Arkansas have been examined as to the following described property from March 4, 2015 at 7:30 PM to June 21, 2016 at 7:30 AM:

A part of the Southeast Quarter of the Southeast Quarter of Section 7, Township 14 North, Range 4 East, more particularly described as follows: Commence at a point 150 West of the Southeast corner of the Southeast Quarter of Section 7 aforesaid; thence run North a distance of 290 feet; thence run West a distance of 70 feet; thence run South a distance of 290 feet; thence run East a distance of 70 feet to the point of beginning proper containing 0.466 acres, more or less, all located in Jonesboro, Craighead County, Arkansas.

The following instruments were found of record during the aforementioned period which affect the above described property:

WARRANTY DEED from Randy and Denise A. Simpkins, husband and wife, to Mabry Properties and Holdings, LLC, dated March 2, 2015, filed March 4, 2015 at 8:36 AM, recorded in Document Number JB2015R-002929 in the records of Jonesboro, Craighead County, Arkansas.

REAL ESTATE TAXES for the year 2015 have not been paid and are now due. Special Assessments for Big Creek Watershed Drainage District for the year 2016 have not been paid and are now due. (Parcel Number 01-144074-01500)

Judgments have been checked on Mabry Properties and Holdings, LLC during the aforementioned period, and the following were found:

NONE

This Limited Title Search is intended for the exclusive use of the addressee for informational purposes only. Lenders Title Company is not expressing or attempting to express an opinion as to the validity of the title to the above described property nor as to the validity of any encumbrances, both recorded and unrecorded, that pertain to the above described property.

While Lenders Title Company believes that the information stated above is accurate, no assurances are made nor is any liability assumed by Lenders Title Company for any incorrect information stated herein or omitted herefrom. For assurances as to the title to the above described property, addressee should obtain a title insurance policy.

Sincerely,

Lenders Title Company

Rachel Hendrix --

By: Rachel Hendrix



Legislation Details (With Text)

File #: ORD-17:026 **Version:** 1 **Name:** Amend Code of Ordinances Sec. 66 to repeal and adopt ordinance relating to towing services

Type: Ordinance **Status:** Third Reading

File created: 5/8/2017 **In control:** Public Safety Council Committee

On agenda: 5/16/2017 **Final action:**

Title: AN ORDINANCE TO REPEAL AND ADOPT AN ORDINANCE RELATING TO TOWING SERVICES IN THE CITY OF JONESBORO

Sponsors: Mayor's Office

Indexes: Code of Ordinances amendment

Code sections: Chapter 66 - Traffic & Vehicles

Attachments:

Date	Ver.	Action By	Action	Result
6/6/2017	1	City Council		
5/16/2017	1	Public Safety Council Committee		

AN ORDINANCE TO REPEAL AND ADOPT AN ORDINANCE RELATING TO TOWING SERVICES IN THE CITY OF JONESBORO

WHEREAS, the City Council of the City of Jonesboro, Arkansas desires to regulate towing services for the citizens of Jonesboro.

WHEREAS, Chapter 66-83 is to be repealed and the following language of Chapter 66-83 is to be adopted to better conform to the current towing service needs and standards.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS:

SECTION ONE: That Chapter 66-83 shall be repealed in its entirety and replaced with the following language:

- (a) The city does hereby promulgate the following regulations and specifications to apply to towing and wrecker companies who receive requests for service from the Jonesboro Police Department:
 - (1) Each wrecker company who wishes to receive requests for services from the Jonesboro Police Department, except calls that arise from the requests of vehicle owners, must immediately conform to the following regulations and specifications. Failure to conform to these regulations and specifications will constitute grounds for penalties as listed in subsection (b) of this section.
 - (2) Each company must provide 24-hour continuous service, both for the acceptance or release of vehicles or property and for request for service. Once a request for release has been made, the wrecker company must respond in a timely manner. Any complaints arising under this subsection will be handled on a case-by-case basis. Any release of a vehicle or property in the vehicle requested after hours can be subject to an after-hours fee. After hours is defined as any time not within the regular working hours from 8:00am to 5:00pm Monday-Friday. The wrecker company shall notify any person calling for an after-hours release that there is a \$30.00 fee. This should be done prior to the release. No storage fee is to be assessed until the vehicle has been stored for at least 24 hours.
 - (3) Each company must have in continuous effect and provide proof of liability insurance in sufficient

amount to cover any claim against them resulting from property damage or injury to persons occurring while they are rendering service upon request of the Jonesboro Police Department. Furthermore, each company must maintain a lighted storage area surrounded by fencing adequate to prevent entrance by unauthorized persons and must hold itself responsible for any theft or vandalism to vehicles or other property within its care or control. Furthermore, each company must have available for continuous storage use, an area which is secure from entry by all unauthorized persons in which vehicles stored for the purpose of preserving evidence may be held. The company must maintain the storage area and a working wrecker within the city limits of Jonesboro.

(4) All wreckers must be in good mechanical condition, must bear a current vehicle inspection certificate, and must bear a proper commercial license.

(5) All wreckers must be equipped with a fire extinguisher, ABC Type, of not less than ten pounds in size, and sufficient amber lights, visible from both front and rear, to warn approaching traffic.

(6) Each wrecker shall be equipped with sufficient tools and accessories to efficiently perform its service.

(7) No wrecker shall proceed to an accident scene unless requested to do so by the Jonesboro Police Department or the owner or driver of the wrecked vehicle. Should a wrecker company or any of its employees receive notification of an accident from a source other than a police agency, it should immediately notify the Jonesboro E911 Dispatch Center.

(8) Each company must, upon request for service, make available immediately a suitable wrecker and operator, or immediately inform the requesting party that no suitable wrecker is available so that service may be obtained from another company. No more than 25 minutes will be allowed from the time of request for a wrecker to appear at the scene. Only a wrecker from the company that is called and requested will be allowed to work on or remove any vehicle. The wrecker must have the business name listed on the wrecker in a permanent fashion.

(9) All wrecker operators shall obey all traffic regulations. Wreckers are not considered an emergency vehicle under state statutes.

(10) Upon arrival at an accident scene, the wrecker operator will stand by and will not proceed to work on or remove any vehicle until directed to do so by a police officer.

(11) It will be the responsibility of every wrecker operator to remove or provide for the removal of all debris from the highway before leaving an accident scene, with no additional fee. See A.C.A. § 27-51-1405.

(12) Each company must maintain an adequate record of all vehicles towed at the request of the Jonesboro Police Department. Such record to include the date, time, location, make, model, license and serial numbers. Such records shall be made available to the Jonesboro Police Department at such times as any member thereof may request.

(13) All companies will be required to furnish the Jonesboro Police Department with a list of all vehicles stored on their lot over 30 days that were towed at the request of the Jonesboro Police Department.

(14) All wrecker company vehicles must comply with all state statutes and the Arkansas Towing and Recovery Board regulations.

(15) All companies will be required to provide a list of all authorized drivers. This list shall provide the driver's license number of each driver so that the driving record of each driver may be examined. Drivers with excessive violations, convictions for violent crimes, and/or a felony conviction within the previous five years may be denied the opportunity to respond to calls for service by the Jonesboro Police Department. Each driver must have a valid Arkansas Driver's License. Companies are required to notify the Jonesboro Police Department within fifteen days if that company no longer employs a driver.

(16) The following amounts will be the maximum that companies may charge when requested to respond by the Jonesboro Police Department. (This does not apply to accidents requiring the use of

large wreckers.)

City-wide base response rate..... \$125.00

Secondary tow..... \$75.00

(Defined as: towing a vehicle at the request of Jonesboro Police Department from one location to a specified second location and then towing the same vehicle from that location to the wrecker company's storage lot or a secondary location.)

Per loaded mile outside city limits.....\$2.00

Winch.....\$50.00

Standby charges per hour..... \$30.00

Daily storage per day..... \$40.00

After hours release.....\$30.00

Excessive hazardous material clean-up fees and additional fees for unusual services may be approved on a case-by-case basis by the chief of police of the Jonesboro Police Department, or his designee.

It is not a violation of this ordinance to charge an administrative fee for sending notice letters in accordance with state law.

These rates will be reviewed as needed to ensure their conformity with current economic standards.

(b) Penalty.

(1) Any violation of this subsection can subject you to being removed on a temporary or permanent basis from the call list of the Jonesboro Police Department.

(2) All complaints will be investigated by the chief of the Jonesboro Police Department, or his designee. A representative of the company alleged to have violated these regulations will be permitted to present their defense prior to any action being taken. The chief of police shall have the final decision as to the action taken.



Legislation Details (With Text)

File #: COM-17:034 **Version:** 1 **Name:** Airport Commission financial statements for the five months ended May 31, 2017 and 2016

Type: Other Communications **Status:** To Be Introduced

File created: 6/7/2017 **In control:** City Council

On agenda: **Final action:**

Title: Airport Commission financial statements for the five months ended May 31, 2017 and 2016

Sponsors:

Indexes:

Code sections:

Attachments: [JAC Jonesboro Airport Financials 5 17.pdf](#)

Date	Ver.	Action By	Action	Result
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Airport Commission financial statements for the five months ended May 31, 2017 and 2016

**Jonesboro Airport Commission
Financial Statements
For the Five Months Ended May 31, 2017 and 2016**

Orr, Lamb & Fegtly, PLC
PO Box 1796
Jonesboro, AR 72403

Accountant's Compilation Report

Jonesboro Airport Commission
Jonesboro, Arkansas

Management is responsible for the accompanying financial statements of Jonesboro Airport Commission (a nonprofit organization), which comprise the statement of financial position as of May 31, 2017, and the related statements of activities for one month and 5 Months in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position and changes in net assets. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Jonesboro Airport Commission .

Orr, Lamb & Fegtly, PLC
Certified Public Accountants

June 6, 2017

**Jonesboro Airport Commission
Statement of Assets, Liabilities, and Equity
Modified Cash Basis
May 31, 2017**

ASSETS

CURRENT ASSETS

Cash - Centennial Bank	\$ 696,159.76	
Cash-Centennial Bank-Project Acct	<u>310,246.22</u>	
Total Current Assets		\$1,006,405.98

PROPERTY AND EQUIPMENT

OTHER ASSETS

Rice Growers Stock	\$ <u>928.25</u>	
Total Other Assets		<u>928.25</u>
TOTAL ASSETS		<u><u>\$1,007,334.23</u></u>

See accountants' compilation report.

Jonesboro Airport Commission
Statement of Assets, Liabilities, and Equity
Modified Cash Basis
May 31, 2017

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Fica Taxes Payable	\$ 1,235.70
FWH Taxes Payable	639.00
SWH Taxes Payable	334.41
State Unemployment Payable	<u>49.75</u>

Total Current Liabilities \$ 2,258.86

EQUITY

Beg Retained Earnings	\$ 1,121,317.96
YTD Net Income(Loss)	<u>(116,242.59)</u>

Total Equity 1,005,075.37

TOTAL LIABILITIES & EQUITY \$1,007,334.23

See accountants' compilation report.

Jonesboro Airport Commission
Statement of Revenues & Expenses-Modified Cash Basis
For the 1 Month and 5 Months Ended May 31, 2017 and 2016

	1 Month Ended		1 Month Ended		5 Months Ended		5 Months Ended	
	<u>May 31, 2017</u>	<u>%</u>	<u>May 31, 2016</u>	<u>%</u>	<u>May 31, 2017</u>	<u>%</u>	<u>May 31, 2016</u>	<u>%</u>
Revenues								
Grant Revenue-City of Jonesboro	\$ 0.00	0.00	\$ 70,000.00	61.98	\$ 0.00	0.00	\$ 70,000.00	14.52
Grant Revenue-Federal & State	16,108.00	34.67	10,912.00	9.66	122,691.34	43.52	263,253.92	54.62
Construction Reimbursements- no	2,710.64	5.83	2,677.62	2.37	5,401.86	1.92	2,677.62	0.56
Hanger Revenue - FBO	17,645.00	37.98	17,645.00	15.62	88,225.00	31.29	88,225.00	18.31
Revenue-Sharp Aviation	2,105.80	4.53	2,105.80	1.86	10,529.00	3.73	10,529.00	2.18
Revenue-Gate Card Fees	150.00	0.32	200.00	0.18	2,650.00	0.94	2,400.00	0.50
Fuel Flowage	4,384.05	9.44	5,838.30	5.17	27,863.55	9.88	28,992.45	6.02
HANGER-FOWLER FOODS	858.78	1.85	858.78	0.76	4,293.90	1.52	4,293.90	0.89
HANGER-LANDRY	0.00	0.00	0.00	0.00	3,790.32	1.34	1,263.44	0.26
HANGER-BAKER	1,600.00	3.44	0.00	0.00	8,000.00	2.84	0.00	0.00
Auto Rental Agency & Land Lease	0.00	0.00	0.00	0.00	300.00	0.11	300.00	0.06
HANGER-HYTROL	0.00	0.00	0.00	0.00	350.00	0.12	350.00	0.07
HANGER-GOLDEN EYE	500.00	1.08	500.00	0.44	2,500.00	0.89	2,500.00	0.52
Terminal Building Leases-AIR CH	0.00	0.00	2,200.00	1.95	4,450.00	1.58	6,650.00	1.38
Other Income	400.00	0.86	0.00	0.00	900.00	0.32	515.86	0.11
Total Revenues	<u>46,462.27</u>	<u>100.00</u>	<u>112,937.50</u>	<u>100.00</u>	<u>281,944.97</u>	<u>100.0</u>	<u>481,951.19</u>	<u>100.0</u>
Cost of Revenues								
Grant Project Expenditures	196,911.17	423.81	0.00	0.00	285,287.46	101.1	457,007.92	94.82
Grounds	2,478.31	5.33	332.12	0.29	3,566.38	1.26	1,752.87	0.36
Hanger Expense-FBO	7,687.31	16.55	360.91	0.32	8,187.20	2.90	12,681.82	2.63
T-Hanger Expense	0.00	0.00	0.00	0.00	192.92	0.07	0.00	0.00
Terminal Building Expense-	761.31	1.64	778.32	0.69	19,103.27	6.78	17,911.86	3.72
Terminal Building Expense	0.00	0.00	46.95	0.04	624.56	0.22	1,699.04	0.35
Flight Service Station	0.00	0.00	0.00	0.00	415.33	0.15	0.00	0.00
Fire Rescue Building Expense	79.95	0.17	79.95	0.07	757.69	0.27	964.32	0.20
Sharp Aviation Expense	0.00	0.00	0.00	0.00	395.81	0.14	498.35	0.10
Beacon & Field Lights	0.00	0.00	0.00	0.00	0.00	0.00	195.30	0.04
Total Cost of Revenues	<u>207,918.05</u>	<u>447.50</u>	<u>1,598.25</u>	<u>1.42</u>	<u>318,530.62</u>	<u>112.9</u>	<u>492,711.48</u>	<u>102.2</u>
Gross Profit	<u>(161,455.78)</u>	<u>(347.50)</u>	<u>111,339.25</u>	<u>98.58</u>	<u>(36,585.65)</u>	<u>(12.9)</u>	<u>(10,760.29)</u>	<u>(2.23)</u>
General & Administrative Exp.								
Dues/Subscriptions	0.00	0.00	0.00	0.00	55.00	0.02	145.85	0.03
Insurance	0.00	0.00	595.00	0.53	35,700.20	12.66	36,820.60	7.64
Insurance - Medical	629.35	1.35	560.99	0.50	3,146.75	1.12	3,833.59	0.80
Office Expense	0.00	0.00	0.00	0.00	440.27	0.16	0.00	0.00
Payroll Taxes	633.76	1.36	793.44	0.70	2,636.57	0.94	2,266.57	0.47
Postage	0.00	0.00	0.00	0.00	94.00	0.03	219.90	0.05
Rent Expense	0.00	0.00	0.00	0.00	102.00	0.04	0.00	0.00
Repairs/Maintenance	862.00	1.86	153.38	0.14	1,778.01	0.63	492.54	0.10
Salaries - Manager	4,333.33	9.33	4,791.64	4.24	21,666.65	7.68	20,125.00	4.18
Salaries - Other	3,978.00	8.56	5,458.00	4.83	12,482.00	4.43	9,285.75	1.93
Supplies	70.63	0.15	38.71	0.03	264.82	0.09	588.69	0.12
Telephone	310.26	0.67	302.57	0.27	1,542.22	0.55	1,492.43	0.31
Meals/Entertainment	0.00	0.00	146.71	0.13	275.06	0.10	427.07	0.09
Utilities	0.00	0.00	0.00	0.00	190.79	0.07	0.00	0.00
Legal & Accounting	575.00	1.24	975.00	0.86	2,500.00	0.89	3,120.00	0.65

See accountants' compilation report.

Jonesboro Airport Commission
Statement of Revenues & Expenses-Modified Cash Basis
For the 1 Month and 5 Months Ended May 31, 2017 and 2016

	1 Month Ended		1 Month Ended		5 Months Ended		5 Months Ended	
	<u>May 31, 2017</u>	<u>%</u>	<u>May 31, 2016</u>	<u>%</u>	<u>May 31, 2017</u>	<u>%</u>	<u>May 31, 2016</u>	<u>%</u>
Total G & A Expenses	<u>11,392.33</u>	<u>24.52</u>	<u>13,815.44</u>	<u>12.23</u>	<u>82,874.34</u>	<u>29.39</u>	<u>78,817.99</u>	<u>16.35</u>
Revenues from Operations	<u>(172,848.11)</u>	<u>(372.02)</u>	<u>97,523.81</u>	<u>86.35</u>	<u>(119,459.99)</u>	<u>(42.3)</u>	<u>(89,578.28)</u>	<u>(18.5)</u>
Other Revenue (Expenses)								
Interest Income	<u>611.03</u>	<u>1.32</u>	<u>203.61</u>	<u>0.18</u>	<u>3,217.40</u>	<u>1.14</u>	<u>968.71</u>	<u>0.20</u>
Total Other Revenue (Exp.)	<u>611.03</u>	<u>1.32</u>	<u>203.61</u>	<u>0.18</u>	<u>3,217.40</u>	<u>1.14</u>	<u>968.71</u>	<u>0.20</u>
Net Earnings	<u>\$ (172,237.08)</u>	<u>(370.70)</u>	<u>\$ 97,727.42</u>	<u>86.53</u>	<u>\$ (116,242.59)</u>	<u>(41.2)</u>	<u>\$ (88,609.57)</u>	<u>(18.3)</u>

See accountants' compilation report.

**Jonesboro Airport Commission
General Ledger**

Date	Reference - T	Description	Beginning Balance	Current Amount	YTD Balance
	1020	Cash - Centennial Bank	688,995.20		
05/31/17	1	Cash Disbursements		(31,118.80)	
05/30/17	2	see general journal		17,645.00	
05/30/17	2	see general journal		858.78	
05/30/17	2	see general journal		1,600.00	
05/30/17	2	see general journal		500.00	
05/30/17	2	see general journal		550.00	
05/30/17	2	see general journal		2,105.80	
05/30/17	2	see general journal		4,384.05	
05/30/17	2	see general journal		401.57	
05/30/17	2	see general journal		(2,153.94)	
05/30/17	2	see general journal		18,818.64	
05/30/17	P89	Payroll Journal Entry		(6,426.54)	
				<u>7,164.56</u>	<u>696,159.76</u>
	1034	Cash-Centennial Bank-Project Acct	489,991.93		
05/30/17	2	see general journal		209.46	
05/30/17	3	see bank statement		(179,955.17)	
				<u>(179,745.71)</u>	<u>310,246.22</u>
	2530	Rice Growers Stock	928.25		
				<u>0.00</u>	<u>928.25</u>
	3040	Fica Taxes Payable	(1,307.94)		
05/30/17	2	see general journal		1,307.94	
05/30/17	P89	Payroll Journal Entry		(1,235.70)	
				<u>72.24</u>	<u>(1,235.70)</u>
	3050	FWH Taxes Payable	(846.00)		
05/30/17	2	see general journal		846.00	
05/30/17	P89	Payroll Journal Entry		(639.00)	
				<u>207.00</u>	<u>(639.00)</u>
	3060	SWH Taxes Payable	(415.15)		
05/10/17	10620 V	Dept. of Finance & Administration		415.16	
05/30/17	P89	Payroll Journal Entry		(334.42)	
				<u>80.74</u>	<u>(334.41)</u>
	3080	State Unemployment Payable	(33.84)		
05/30/17	P89	Payroll Journal Entry		(15.91)	
				<u>(15.91)</u>	<u>(49.75)</u>
	5030	Beg Retained Earnings	(1,121,317.96)		
				<u>0.00</u>	<u>(1,121,317.96)</u>
	6002	Grant Revenue-Federal & State	(106,583.34)		
05/30/17	2	see general journal		(16,108.00)	
				<u>(16,108.00)</u>	<u>(122,691.34)</u>
	6003	Construction Reimbursements- non gov't	(2,691.22)		
05/30/17	2	see general journal		(2,710.64)	

**Jonesboro Airport Commission
General Ledger**

Date	Reference T	Description	Beginning Balance	Current Amount	YTD Balance
		6003 Construction Reimbursements- non gov't (cont.)		<u>(2,710.64)</u>	<u>(5,401.86)</u>
05/30/17	2	6010 Hanger Revenue - FBO see general journal	(70,580.00)	<u>(17,645.00)</u>	<u>(88,225.00)</u>
05/30/17	2	6011 Revenue-Sharp Aviation see general journal	(8,423.20)	<u>(2,105.80)</u>	<u>(10,529.00)</u>
05/30/17	2	6012 Revenue-Gate Card Fees see general journal	(2,500.00)	<u>(150.00)</u>	<u>(2,650.00)</u>
05/30/17	2	6015 Fuel Flowage see general journal	(23,479.50)	<u>(4,384.05)</u>	<u>(27,863.55)</u>
05/30/17	2	6016 HANGER-FOWLER FOODS see general journal	(3,435.12)	<u>(858.78)</u>	<u>(4,293.90)</u>
		6017 HANGER-LANDRY	(3,790.32)	<u>0.00</u>	<u>(3,790.32)</u>
05/30/17	2	6018 HANGER-BAKER see general journal	(6,400.00)	<u>(1,600.00)</u>	<u>(8,000.00)</u>
		6020 Auto Rental Agency & Land Lease	(300.00)	<u>0.00</u>	<u>(300.00)</u>
		6021 HANGER-HYTROL	(350.00)	<u>0.00</u>	<u>(350.00)</u>
05/30/17	2	6022 HANGER-GOLDEN EYE see general journal	(2,000.00)	<u>(500.00)</u>	<u>(2,500.00)</u>
		6030 Terminal Building Leases-AIR CHOICE	(4,450.00)	<u>0.00</u>	<u>(4,450.00)</u>
05/30/17	2	6060 Other Income see general journal	(500.00)	<u>(400.00)</u>	<u>(900.00)</u>

**Jonesboro Airport Commission
General Ledger**

<u>Date</u>	<u>Reference</u>	<u>T</u>	<u>Description</u>	<u>Beginning Balance</u>	<u>Current Amount</u>	<u>YTD Balance</u>
			7005 Grant Project Expenditures	88,376.29		
05/30/17		3	see bank statement		179,955.17	
05/30/17	10641	V	Jonesboro Airport Commission Project		16,956.00	
					<u>196,911.17</u>	<u>285,287.46</u>
			7010 Grounds	1,088.07		
05/16/17	10621	V	Arkansas Air Center 04/17		490.50	
05/16/17	10629	V	Gateway Tire of Arkansas		24.44	
05/16/17	10632	V	Greenway Equipment , Inc.		1,963.37	
					<u>2,478.31</u>	<u>3,566.38</u>
			7030 Hanger Expense-FBO	499.89		
05/16/17	10624	V	Barton's of Jonesboro 2132162-I		21.38	
05/16/17	10626	V	Cardinal Supplies of Arkansas, Inc. 214768		76.39	
05/16/17	10627	V	Dixie Contractors Inc. 12834		380.69	
05/16/17	10631	V	GOULD DOOR & HARDWARE CO., INC. 5655		325.50	
05/16/17	10634	V	JBC SIDING & CONSTRUCTION COMPANY 1516		4,600.00	
05/16/17	10636	V	Lowes Business Accounts		2,283.35	
					<u>7,687.31</u>	<u>8,187.20</u>
			7035 T-Hanger Expense	192.92		
					<u>0.00</u>	<u>192.92</u>
			7040 Terminal Building Expense-	18,341.96		
05/16/17	10633	V	Greg Moore		650.00	
05/16/17	10640	V	Suddenlink		111.31	
					<u>761.31</u>	<u>19,103.27</u>
			7041 Terminal Building Expense	624.56		
					<u>0.00</u>	<u>624.56</u>
			7050 Flight Service Station	415.33		
					<u>0.00</u>	<u>415.33</u>
			7051 Fire Rescue Building Expense	677.74		
05/16/17	10639	V	Suddenlink		79.95	
					<u>79.95</u>	<u>757.69</u>
			7052 Sharp Aviation Expense	395.81		
					<u>0.00</u>	<u>395.81</u>
			8090 Dues/Subscriptions	55.00		
					<u>0.00</u>	<u>55.00</u>
			8100 Insurance	35,700.20		
					<u>0.00</u>	<u>35,700.20</u>
			8110 Insurance - Medical	2,517.40		
05/01/17	10616	V	Arkansas Blue Cross Blue Shield 10955038		922.87	

**Jonesboro Airport Commission
General Ledger**

Date	Reference T	Description	Beginning Balance	Current Amount	YTD Balance
		8110 Insurance - Medical (cont.)			
05/30/17	P89	Payroll Journal Entry		(293.52)	
				<u>629.35</u>	<u>3,146.75</u>
		8140 Office Expense	440.27		
				<u>0.00</u>	<u>440.27</u>
		8160 Payroll Taxes	2,002.81		
05/30/17	P89	Payroll Journal Entry		633.76	
				<u>633.76</u>	<u>2,636.57</u>
		8170 Postage	94.00		
				<u>0.00</u>	<u>94.00</u>
		8180 Rent Expense	102.00		
				<u>0.00</u>	<u>102.00</u>
		8190 Repairs/Maintenance	916.01		
05/16/17	10635 V	Jonesboro Overhead Door, LLC C20064		862.00	
				<u>862.00</u>	<u>1,778.01</u>
		8200 Salaries - Manager	17,333.32		
05/30/17	P89	Payroll Journal Entry		4,333.33	
				<u>4,333.33</u>	<u>21,666.65</u>
		8210 Salaries - Other	8,504.00		
05/30/17	P89	Payroll Journal Entry		3,978.00	
				<u>3,978.00</u>	<u>12,482.00</u>
		8220 Supplies	194.19		
05/16/17	10628 V	FEDEX OFFICE 480100006534		38.40	
05/16/17	10638 V	Quality Farm Supply		32.23	
				<u>70.63</u>	<u>264.82</u>
		8240 Telephone	1,231.96		
05/16/17	10622 V	AT & T		161.69	
05/16/17	10623 V	AT&T MOBILITY 05082017		148.57	
				<u>310.26</u>	<u>1,542.22</u>
		8250 Meals/Entertainment	275.06		
				<u>0.00</u>	<u>275.06</u>
		8260 Utilities	190.79		
				<u>0.00</u>	<u>190.79</u>
		8280 Legal & Accounting	1,925.00		
05/16/17	10625 V	Cahoon & Smith Law Office		250.00	
05/16/17	10637 V	Orr, Lamb & Fegtly 8402		325.00	

**Jonesboro Airport Commission
General Ledger**

Date	Reference T	Description	Beginning Balance	Current Amount	YTD Balance
		8280 Legal & Accounting (cont.)		<u>575.00</u>	<u>2,500.00</u>
05/30/17	9010 2	Interest Income see general journal	(2,606.37)	<u>(611.03)</u>	<u>(3,217.40)</u>
Current Profit/(Loss)		<u>(172,237.08)</u>	YTD Profit/(Loss)		<u>(116,242.59)</u>
Number of Transactions		58	The General Ledger is in balance		<u>0.00</u>

**Jonesboro Airport Commission
Payroll Journal**

Pay Description	Hours	Amount	Withholdings	Amount	Deduction Desc.	Amount
15 - Lanny Gibson Check #10618 05/30/17						
Gross Pay #5	0.0000	1,896.00	FICA-SS W/H	117.55		
			FICA-Med W/H	27.49		
			Federal W/H	118.00		
			State W/H	65.25		
TOTALS	<u>0.0000</u>	<u>1,896.00</u>		<u>328.29</u>		<u>0.00</u>
Number of Periods: 1						
Company Expenses:			FICA-SS: 117.55	FICA-Med: 27.49	FUTA: 0.00	NET PAY: 1,567.71
			AR SUTA: 7.58			
16 - GEORGE K. JACKSON Check #10630 05/30/17						
Gross Pay #5	0.0000	4,333.33	FICA-SS W/H	254.11	Ins 125	234.72
			FICA-Med W/H	59.43	Insurance	58.80
			Federal W/H	415.00		
			State W/H	228.33		
TOTALS	<u>0.0000</u>	<u>4,333.33</u>		<u>956.87</u>		<u>293.52</u>
Number of Periods: 1						
Company Expenses:			FICA-SS: 254.11	FICA-Med: 59.43	FUTA: 0.00	NET PAY: 3,082.94
			AR SUTA: 0.00			
18 - Don Reed Check #10620 05/30/17						
Gross Pay #5	0.0000	1,200.00	FICA-SS W/H	74.40		
			FICA-Med W/H	17.40		
			Federal W/H	69.00		
			State W/H	27.17		
TOTALS	<u>0.0000</u>	<u>1,200.00</u>		<u>187.97</u>		<u>0.00</u>
Number of Periods: 1						
Company Expenses:			FICA-SS: 74.40	FICA-Med: 17.40	FUTA: 0.00	NET PAY: 1,012.03
			AR SUTA: 4.80			
19 - Zachary C. Reynolds Check #10619 05/30/17						
Gross Pay #5	0.0000	882.00	FICA-SS W/H	54.68		
			FICA-Med W/H	12.79		
			Federal W/H	37.00		
			State W/H	13.67		
TOTALS	<u>0.0000</u>	<u>882.00</u>		<u>118.14</u>		<u>0.00</u>
Number of Periods: 1						
Company Expenses:			FICA-SS: 54.68	FICA-Med: 12.79	FUTA: 0.00	NET PAY: 763.86
			AR SUTA: 3.53			

**Jonesboro Airport Commission
Payroll Journal**

Pay Description	Hours	Amount	Withholdings	Amount	Deduction Desc.	Amount
Company Totals Number of Checks: 4						
Gross Pay #5	0.0000	8,311.33	FICA-SS W/H	500.74	Ins 125	234.72
			FICA-Med W/H	117.11	Insurance	58.80
			Federal W/H	639.00		
			State W/H	334.42		
TOTALS	<u>0.0000</u>	<u>8,311.33</u>		<u>1,591.27</u>		<u>293.52</u>
					NET PAY:	6,426.54
Company Expenses:		FICA-SS: 500.74	FICA-Med: 117.11	FUTA: 0.00		
		AR SUTA: 15.91				



Legislation Details (With Text)

File #: COM-17:037 **Version:** 1 **Name:**
Type: Other Communications **Status:** To Be Introduced
File created: 6/15/2017 **In control:** City Council
On agenda: **Final action:**
Title: CITY OF JONESBORO FINANCIAL UPDATE
Sponsors: Finance
Indexes:
Code sections:
Attachments: [2017 April Franchise tax report.pdf](#)
[April 2017 Rev Exp and Changes in FB.pdf](#)
[Required Reserves April 2017.pdf](#)
[Jan. to Dec. 2017 401 A Non-Uniform Pension Funds - Changes in Positions.pdf](#)
[April 2017 Revenue Report.pdf](#)
[Jan. to Dec. 2017 Non-Uniform Pension Funds - Changes in Positions.pdf](#)
[April 2017 Deposit Collateralization.pdf](#)
[April 2014 Expenditure Report.pdf](#)
[April 2017 Hotel Tax Comparison.pdf](#)
[04-2017 State Turnback Report.pdf](#)
[04 2017 Sales tax.pdf](#)
[2017 Adopted Budget \(Jan-Apr\) Suz .pdf](#)
[Observations Regarding 2017 Financial Statements.pdf](#)

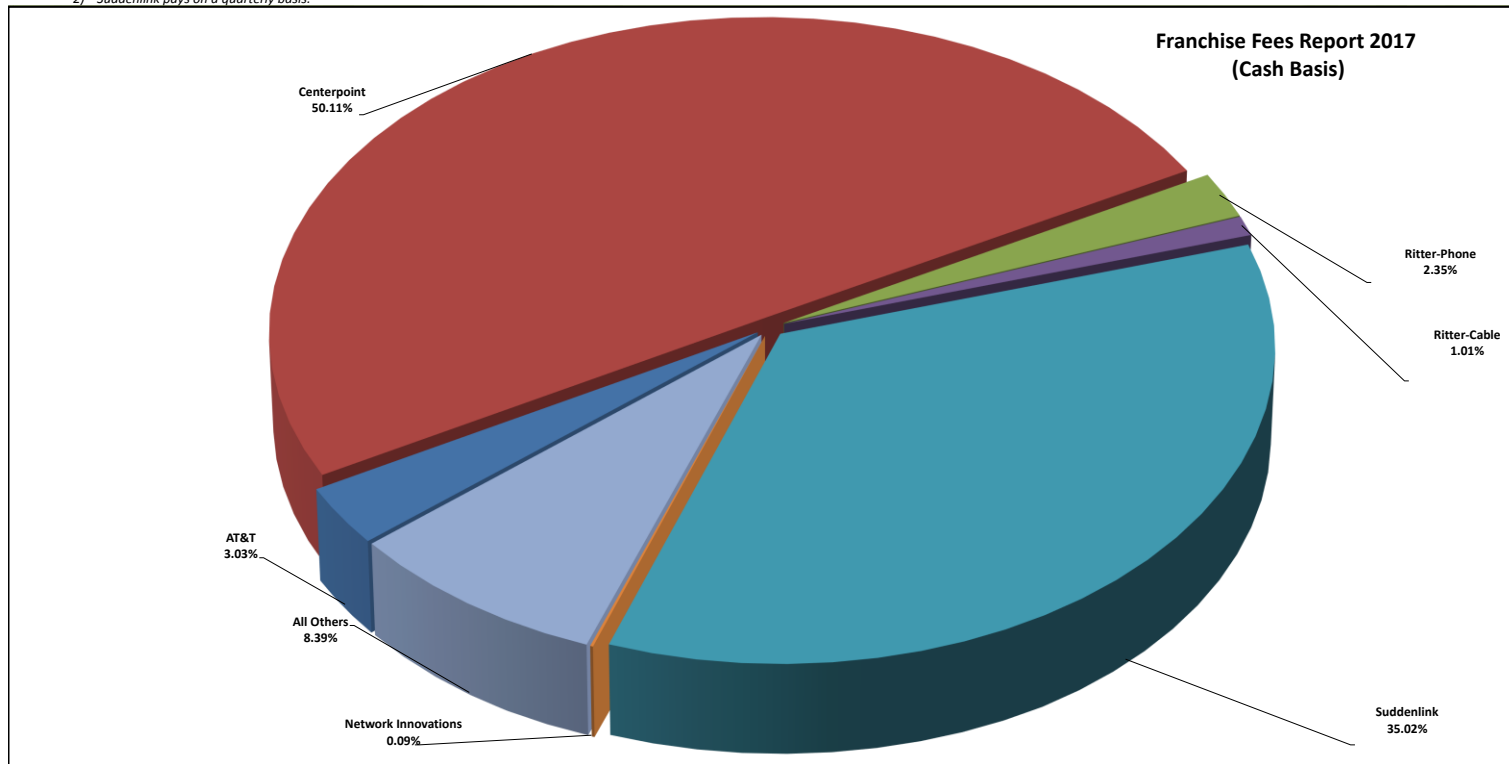
Date	Ver.	Action By	Action	Result
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CITY OF JONESBORO FINANCIAL UPDATE

City of Jonesboro, Arkansas
Franchise Fees Report 2017 (Cash Basis)

Months	AT&T	Centerpoint	Ritter-Phone	Ritter-Cable	Suddenlink	Network Innovations	All Others	2017 TOTAL	2016 TOTAL
January	\$ 5,196.81	\$ 74,052.38	\$ 4,140.18	\$ 1,616.43	\$ -	\$ 230.16	\$ 1,670.18	\$ 86,906.14	\$ 75,064.02
February	5,119.54	115,804.04	3,880.66	1,786.03	236,983.79	79.56	51,166.71	414,820.33	335,366.32
March	5,192.69	83,896.05	3,991.09	1,673.12	-	155.15	1,209.01	96,117.11	105,876.02
April	4,961.47	65,303.27	3,905.51	1,731.65	-	155.15	2,721.51	78,778.56	83,247.55
May	-	-	-	-	-	-	-	-	294,419.58
June	-	-	-	-	-	-	-	-	37,680.75
July	-	-	-	-	-	-	-	-	272,111.20
August	-	-	-	-	-	-	-	-	31,971.44
September	-	-	-	-	-	-	-	-	31,031.87
October	-	-	-	-	-	-	-	-	268,215.21
November	-	-	-	-	-	-	-	-	34,150.52
December	-	-	-	-	-	-	-	-	44,616.96
Totals	\$ 20,470.51	\$ 339,055.74	\$ 15,917.44	\$ 6,807.23	\$ 236,983.79	\$ 620.02	\$ 56,767.41	\$ 676,622.14	\$ 1,613,751.44

Notes: 1) This report is on a cash basis. Taxes are recorded in the month received.
2) Suddenlink pays on a quarterly basis.



City of Jonesboro, Arkansas
Statement of Revenues, Expenditures and Changes in Fund Balances - Cash Basis
April 2017

Funds	Year to Date Revenues	Year to Date Expenditures	Revenues Over (Under) Expenditures	Beginning Fund Balances	Ending Fund Balances
General	\$ 14,593,098	\$ 15,136,581	\$ (543,483)	\$ 26,645,021	\$ 26,101,538
Street	1,801,611	2,309,252	(507,641)	6,465,321	5,957,680
Emergency 911	413,102	460,158	(47,056)	215,161	168,105
Cemetery (Formerly Perpetual Care)	21,119	7,726	13,393	1,318,205	1,331,598
Operations & Maintenance Funds Totals	\$ 16,828,930	\$ 17,913,717	\$ (1,084,787)	\$ 34,643,708	\$ 33,558,921
Capital Improvement	\$ 821,374	\$ 1,187,769	\$ (366,395)	\$ 8,420,437	\$ 8,054,042
Advertising & Promotion	205,386	356,191	(150,805)	297,814	147,009
Federal Grants	319,777	215,851	103,926	102,061	205,987
Community Development Block Grant	165,202	175,768	(10,566)	36,273	25,707
Metropolitan Planning Organization	44,097	41,580	2,517	61,665	64,182
Jonesboro Economical Transportation System	260,399	372,114	(111,715)	64,488	(47,227)
State Asset Forfeiture	15,164	15,105	59	24,995	25,054
Federal Forfeiture	9,868	6,433	3,435	65,211	68,646
Miracle League Fund	18,859	20,029	(1,170)	35,808	34,638
Grants Administration Fund	161,279	58,910	102,369	6,846	109,215
Other Funds Totals	\$ 2,021,405	\$ 2,449,750	\$ (428,345)	\$ 9,115,598	8,687,253
All Funds Grand Totals	\$ 18,850,335	\$ 20,363,467	\$ (1,513,132)	\$ 43,759,306	\$ 42,246,174

Note (1) The Beginning Fund Balance figures were calculated before our 2016 accruals could be posted. (60 days after year-end)

Note (2) Council passed Ordinance 10:020 changing the name from Perpetual Care Fund to the Cemetery Fund.

City of Jonesboro, Arkansas
Required Reserves
April 2017

Funds	Fund Balances	Required Reserves	Difference
General	\$ 26,101,538	\$ 6,462,214	\$ 19,639,324
Street	5,957,680	1,007,886	4,949,794
Emergency 911	168,105	196,116	(28,011)
Cemetery	1,331,598	45,144	1,286,454
O & M Funds Totals	\$ 33,558,921	\$ 7,711,360	\$ 25,847,561

Non-Uniform Pension 401A Account
Changes in Position
2017 Year to Date

Activity	January	February	March	April	May	June	Mid-Year
Beginning Balance	\$1,057,130.37	\$ 1,091,630.81	\$ 1,113,255.30	\$ 1,100,255.45	\$ 1,124,928.24	\$ 1,124,928.24	\$1,057,130.37
Additions:							
Employer Contributions	\$ 22,639.95	23,084.68	11,635.05	23,251.30			80,610.98
Other Additions	1,730.16	1,659.48	1,576.04	1,229.82			6,195.50
Total Additions	24,370.11	24,744.16	13,211.09	24,481.12			86,806.48
Deductions:							
Pension Benefits	6,603.17	20,100.69	30,820.73	12,152.25			69,676.84
Administrative Expenses							-
Other Deductions							
Total Deductions	6,603.17	20,100.69	30,820.73	12,152.25			69,676.84
Adjustments:							
Unrealized Investment Gain(Loss)	16,733.50	16,981.02	4,609.79	12,343.92			50,668.23
Other Adjustments							
Total Adjustments	16,733.50	16,981.02	4,609.79	12,343.92			50,668.23
Ending Balance	\$ 1,091,630.81	\$ 1,113,255.30	\$ 1,100,255.45	\$ 1,124,928.24	\$ 1,124,928.24	\$ 1,124,928.24	\$1,124,928.24

City of Jonesboro, Arkansas
Revenue Report Actual vs. Budget (Cash Basis)
For Period Ending April 30, 2017

Revenues	April Budget	April Actual	Variance Favorable (Unfavorable)	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)
Privilege License	\$ 49,800	\$ 20,611	\$ (29,189)	\$ 743,276	\$ 778,929	\$ 35,653
Electric Permits	13,971	13,284	(687)	36,028	44,623	8,595
Plumbing Permits	12,746	10,000	(2,746)	34,068	36,781	2,713
Building Permits	45,057	41,328	(3,729)	134,631	126,568	(8,063)
Burial Permits	1,743	4,910	3,167	8,979	16,530	7,551
HVAC Permits	11,781	9,283	(2,498)	32,597	60,485	27,888
Civil Court Costs	25,013	11,580	(13,433)	95,577	52,630	(42,947)
Fines	104,958	102,466	(2,492)	408,568	386,082	(22,486)
State Turnback	68,021	73,254	5,233	336,331	364,220	27,889
Accident/Fingerprint Reports	500	532	32	2,000	1,403	(597)
Dog Recovery	3,333	3,688	355	13,333	17,062	3,729
Interest Earned	20,417	32,038	11,621	81,667	105,232	23,565
Misc. Mapc/Bza	2,333	5,974	3,641	9,333	10,338	1,005
Miscellaneous	4,167	15,648	11,481	16,667	77,712	61,045
Misc. Police False Alarms	333	125	(208)	1,333	1,525	192
Misc. Mun. Court Receipts	3,333	12,210	8,877	13,333	37,335	24,002
Demolition Permit	333	600	267	1,333	2,300	967
Domestic Refuse	300	339	39	1,200	1,354	154
Incinerator Tipping Fees	2,500	3,452	952	10,000	15,413	5,413
City Hall Leases (Mercantile)	10,780	10,609	(171)	43,120	46,054	2,934
Certificates of Occupancy	-	80	80	-	1,080	1,080
BBQ Fest Revenues	-	-	-	500	500	-
Library Millage	58,364	57,663	(701)	244,886	361,020	116,134
County Sales Tax	1,030,541	1,101,185	70,644	4,253,706	4,701,020	447,314
City Sales Tax	1,258,814	1,239,276	(19,538)	5,291,388	5,293,078	1,690
Drug Task Force/SRO Officers	110,000	-	(110,000)	210,000	20,634	(189,366)
Craighead County	2,031	-	(2,031)	8,125	24,375	16,250
Franchise Tax Revenue	165,164	78,779	(86,385)	602,298	676,622	74,324
CWL Fire Truck Contribution	-	-	-	418,492	418,492	-
Liab Ins Equip Act 27-22-101	18,693	19,790	1,097	74,434	67,786	(6,648)
Police Training	1,100	1,595	495	4,400	4,705	305
Fire Act 833	27,000	-	(27,000)	27,000	29,655	2,655
Property Tax-LOPFI Fire	17,738	14,342	(3,396)	71,160	89,010	17,850
Property Tax-LOPFI Police	17,738	14,342	(3,396)	71,160	89,010	17,850
10% of Fines- LOPFI Police	10,629	11,385	756	40,862	42,898	2,036
CWL-Firetruck	1,700	1,753	53	6,800	7,012	212
Mowing	708	170	(538)	2,833	3,050	217
OEM Reimbursement-State	-	-	-	-	-	-
Misc State Aids & Grants	-	-	-	-	-	-
Sale of City Property	-	815	815	30,000	128,640	98,640
CWL Fire Hyd Maint Contract	-	-	-	60,000	60,000	-
District Court Jail Defrayment	1,200	1,595	395	4,800	4,705	(95)
Nettleton Pool Concession	-	-	-	-	-	-
Nettleton Street Pool	500	500	-	880	880	-
E.B. Watson Center	300	427	127	1,200	2,817	1,617
Earl Bell Center	500	532	32	2,000	2,649	649
Craighead Forrest Pavilion	1,667	3,275	1,608	6,667	8,490	1,823
Craighead Forest Camping	4,000	5,907	1,907	16,000	23,482	7,482
Allen Park Community Ctr.	1,083	410	(673)	4,333	4,305	(28)
Parker Park Community Ctr.	500	769	269	2,000	2,287	287
Tennis Court Fees	17	-	(17)	67	1,155	1,088
Park Sponsorships	2,833	2,500	(333)	11,333	18,000	6,667
Contract Instructor Fees	117	103	(14)	467	411	(56)
JMC Field & Pavilion Rentals	1,333	454	(879)	5,333	1,265	(4,068)
Softball Sponsorships	883	300	(583)	3,533	3,000	(533)

City of Jonesboro, Arkansas
Revenue Report Actual vs. Budget (Cash Basis)
For Period Ending April 30, 2017

Revenues	April Budget	April Actual	Variance Favorable (Unfavorable)	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)
League Entry Fees	8,750	8,230	(520)	23,333	52,515	29,182
Adult League Concession	1,333	2,713	1,380	4,000	3,260	(740)
Youth League Concession	4,444	14,666	10,222	13,333	17,479	4,146
Adult Tournament Concession	-	-	-	-	-	-
Youth Tournament Concession	10,000	9,726	(274)	30,000	17,045	(12,955)
Gate Fees	2,000	1,050	(950)	6,000	1,050	(4,950)
Tournament Entry Fees	-	-	-	-	-	-
Field Rental - Softball	556	572	16	1,667	1,049	(618)
SFR Planning Review Fee	2,000	1,850	(150)	8,000	6,950	(1,050)
CBF Planning Review Fee	2,333	4,675	2,342	9,333	10,550	1,217
Subdivision Planning Fee	1,833	1,734	(99)	7,333	9,587	2,254
Signage Permit Fee	1,500	2,040	540	6,000	8,585	2,585
Mapping & Duplicating Fee	30	108	78	120	324	204
Parking Fines	-	-	-	-	-	-
Winter Wonderland/skating rink	-	-	-	-	1,436	1,436
Interfund Transfer In	-	-	-	-	-	-
Act 1274 Child Seat	125	148	23	500	429	(71)
Insurance Recovery	-	646	646	-	17,306	17,306
Dare Donations	1,750	2,346	596	7,000	5,437	(1,563)
k-9 Donations	-	-	-	-	5,721	5,721
Accident Reports	2,000	890	(1,110)	8,000	9,930	1,930
Contribution to Animal Control	-	500	500	-	2,795	2,795
Alcohol Beverage Tax	35,740	36,298	558	138,145	147,041	8,896
Dog Park Donations	-	-	-	-	-	-
General Fund	\$ 3,190,966	\$ 3,018,070	\$ (172,896)	\$ 13,762,795	\$ 14,593,098	\$ 830,303

State Turnback	\$ 201,540	\$ 234,916	\$ 33,376	\$ 825,885	\$ 895,675	\$ 69,790
Interest Earned	1,917	5,435	3,518	7,667	19,466	11,799
Miscellaneous	2,334	1,201	(1,133)	9,334	27,085	17,751
County Road Tax	123,211	36,190	(87,021)	238,715	226,477	(12,238)
State Turnback Hwy Construct	105,675	120,171	14,496	416,720	475,308	58,588
Natural Gas Severance Tax Rev	30,040	24,289	(5,751)	106,930	80,687	(26,243)
Floodplain Permits	458	-	(458)	1,833	1,023	(810)
Drainage Permits	50	-	(50)	200	25	(175)
Stormwater Grading Permits	2,333	4,856	2,523	9,333	12,413	3,080
Site Dev Review Permits	1,500	3,050	1,550	6,000	5,500	(500)
OEM Reimbursements-State	-	-	-	-	-	-
Stormwater mgmt Permits	1,667	2,800	1,133	6,667	6,700	33
Encroachment Permits	-	-	-	-	-	-
Sale of City Property	-	-	-	-	-	-
Street Plate Fee	83	300	217	333	1,245	912
Street Cut Fee	500	1,610	1,110	2,000	7,430	5,430
Insurance Recovery	-	42,186	42,186	-	42,577	42,577
Street Fund	\$ 471,308	\$ 477,004	\$ 5,696	\$ 1,631,617	\$ 1,801,611	\$ 169,994

Interest Earned	\$ 63	\$ 147	\$ 84	\$ 250	\$ 487	\$ 237
Miscellaneous	30	-	(30)	120	141	21
Sales tax	16,667	16,667	-	66,667	66,667	-
E911 Surcharge	16,667	19,155	2,488	66,667	77,502	10,835
911 County Reimbursement	27,583	37,870	10,287	110,333	115,607	5,274
911 Cellular Location	-	-	-	120,000	152,698	32,698
Insurance Recovery	-	-	-	-	-	-
Emergency 911 Fund	\$ 61,010	\$ 73,839	\$ 12,829	\$ 364,037	\$ 413,102	\$ 49,065

Cemetery Fund	\$ 3,117	\$ 6,141	\$ 3,024	\$ 12,467	\$ 21,119	\$ 8,652
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O&M FUNDS TOTALS	\$ 3,726,401	\$ 3,575,054	\$ (151,347)	\$ 15,770,916	\$ 16,828,930	\$ 1,058,014
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City of Jonesboro, Arkansas
Revenue Report Actual vs. Budget (Cash Basis)
For Period Ending April 30, 2017

Revenues	April Budget	April Actual	Variance Favorable (Unfavorable)	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)
Interest Earned	\$ 3,000	\$ 6,527	\$ 3,527	\$ 12,000	\$ 22,898	\$ 10,898
Miscellaneous	300	-	(300)	1,200	7,155	5,955
City Water & Light	14,966	14,913	(53)	59,867	59,654	(213)
Sales Tax	166,667	166,667	-	666,667	666,667	-
State Grant Funding			-			-
Transfers In		65,000	65,000		65,000	65,000
Capital Improvement Fund	\$ 184,933	\$ 253,107	\$ 68,174	\$ 739,734	\$ 821,374	\$ 81,640

Interest Earned	\$ 75	\$ 131	\$ 56	\$ 300	\$ 512	\$ 212
Miscellaneous						
Advertising & Promotion	55,000	58,021	3,021	220,000	204,874	(15,126)
Advertising & Promotion	\$ 55,075	\$ 58,152	\$ 3,077	\$ 220,300	\$ 205,386	\$ (14,914)

Interest Earned	\$ 17	\$ 210	\$ 193	\$ 67	\$ 479	\$ 412
SRO School Reimbursement	5,380		(5,380)	21,520		(21,520)
Department of Transportation	24,346	24,346	-	242,547	242,547	-
Department of Interior			-		17,500	17,500
Department of Justice	(11,406)	(11,406)	-	59,251	59,251	-
In Kind Match	946		(946)	3787		(3,787)
Interfund Transfer In			-			-
Federal Grants Fund	\$ 19,283	\$ 13,150	\$ (6,133)	\$ 327,172	\$ 319,777	\$ (7,395)

CDBG Fund	\$ 67,280	\$ 67,280	\$ -	\$ 165,202	\$ 165,202	\$ -
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MPO Fund	\$ 7,501	\$ 6,883	\$ (618)	\$ 39,295	\$ 44,097	\$ 4,802
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Interest Earned	\$ 100	\$ 82	\$ (18)	\$ 400	\$ 1,710	\$ 1,310
Transfers In			-			-
Miscellaneous	10		(10)	40	400	360
Transit FTA 5307			-	140,787	140,787	-
Transit FTA 5307- match			-			-
Local Contributions			-			-
Transit City Subsidy			-			-
Promotional Revenue	7,253	7,253	-	7,253	7,253	-
JETS Bus Fares	6,617	5,130	(1,487)	26,467	30,777	4,310
State Highway Turnback	15,963	15,963	-	63,717	63,717	-
CPT-HSTP Revenue	250		(250)	1,000	825	(175)
Local Contract Service Charges			-			-
JARC Mobility Management-State			-			-
Other State Aid-AHTD			-	14,078	14,078	-
Other State Aid-Local Match			-			-
FTA 5316 (JARC)			-			-
Insurance Recovery		348	348		852	852
JETS Fund	\$ 30,193	\$ 28,776	\$ (1,417)	\$ 253,742	\$ 260,399	\$ 6,657

State Asset Forfeiture	\$ 1,001	\$ 4,254	\$ 3,253	\$ 7,171	\$ 15,164	\$ 7,993
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Federal Forfeiture Fund	\$ 4,000	\$ 4,057	\$ 57	\$ 9,671	\$ 9,868	\$ 197
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Miracle League Fund	\$ 7,055	\$ 7,072	\$ 17	\$ 39,350	\$ 18,859	\$ (20,491)
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Grants Administration Fund	\$ 1,500	\$ 100	\$ (1,400)	\$ 106,000	\$ 161,279	\$ 55,279
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OTHER FUNDS TOTALS	\$ 377,821	\$ 442,831	\$ 65,010	\$ 1,907,637	\$ 2,021,405	\$ 113,768
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ALL FUNDS GRAND TOTALS	\$ 4,104,222	\$ 4,017,885	\$ (86,337)	\$ 17,678,553	\$ 18,850,335	\$ 1,171,782
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Non-Uniform Pension Account
Changes in Position
2017 Year to Date

Activity	January	February	March	April	May	June	Mid-Year
Beginning Balance	\$9,408,389.23	\$ 9,517,067.17	\$ 9,647,774.13	\$ 9,652,712.58	\$ 9,736,465.84	\$ 9,736,465.84	\$9,408,389.23
Additions:							
Employer Contributions							-
Other Additions	2,534.18	2,788.92	3,515.07	6,387.53			15,225.70
Total Additions	2,534.18	2,788.92	3,515.07	6,387.53			15,225.70
Deductions:							
Pension Benefits	33,600.42	34,415.78	34,722.52	34,521.90			137,260.62
Administrative Expenses	4,334.93	2,709.26	1,004.16	4,162.03			12,210.38
Other Deductions							
Total Deductions	37,935.35	37,125.04	35,726.68	38,683.93			149,471.00
Adjustments:							
Unrealized Investment Gain(Loss)	144,079.11	165,043.08	37,150.06	116,049.66			462,321.91
Other Adjustments							
Total Adjustments	144,079.11	165,043.08	37,150.06	116,049.66			462,321.91
Ending Balance	\$ 9,517,067.17	\$ 9,647,774.13	\$ 9,652,712.58	\$ 9,736,465.84	\$ 9,736,465.84	\$ 9,736,465.84	\$9,736,465.84

City of Jonesboro, Arkansas
Deposit Collateralization Report
April 2017

Bank	Account Description	Account No.	Balance
Centennial Bank	General	****589	\$ 3,068,903.14
	General Certificates of Deposit		15,194,088.20
	Street	****643	6,106,876.11
	E-911	****619	167,869.48
	Capital Improvements	****627	3,047,860.63
	Advertising & Promotion	****600	147,010.07
	Cemetery Fund	****678	322,314.34
	Federal Funds	****190	205,986.66
	C.D.B.G.	****791	126,071.26
	J.E.T.S.	****349	52,556.04
	MPO	****597	64,181.09
	Operating Account	****189	274,448.12
	Jonesboro Softball	****648	8,875.89
	Cafeteria Plan 2009	****825	11,976.41
	Payroll	****432	555,098.50
	Payroll SB	****165	571,066.89
	Insurance	****790	241.15
	Credit Card	****161	6,185.43
	Non Uniform Pension Payee	****631	76,152.25
	Federal Forfeiture	****534	68,646.26
	Miracle League	****551	34,628.48
	Grants Admin	****196	109,171.70
	Internet Sales	****897	10.04
Dog Park	****836	2,928.91	
TOTAL BANK BALANCES			\$ 30,220,218.14
	FDIC Insurance	\$ 250,000.00	
	Irrevocable Letters of Credit	50,000,000.00	
	Total Collateralized Balances		\$ 50,250,000.00
First Security Bank	State Asset Forfeiture	***559	\$ 25,053.72
	General Fund Certificate of Deposit		402,563.80
	TOTAL BANK BALANCES		\$ 427,617.52
	FDIC Insurance		\$ 250,000.00
	Market Value of Pledged Securities		400,000.00
	Total Collateralized Balances (\$ 650,000.00
First National Bank	General Fund Money Market	**6231	\$ 7,021,344.98
	FDIC Insurance	\$ 250,000.00	
	Irrevocable Letters of Credit	7,000,000.00	
	Market Value of Pledged Securities	49,445.00	
	Total Collateralized Balances		\$ 7,299,445.00

First Community Bank

Cemetery Fund Certificate of Deposit		<u><u>\$ 1,009,283.48</u></u>
FDIC Insurance	\$ 250,000.00	
Market Value of Pledged Securities	775,000.00	
Total Collateralized Balances		<u><u>\$ 1,025,000.00</u></u>

Southern Bank

Capital Improvement Money Market		<u><u>\$ 5,006,182.59</u></u>
FDIC Insurance	\$ 250,000.00	
Market Value of Pledged Securities	4,996,239.43	
Total Collateralized Balances		<u><u>\$ 5,246,239.43</u></u>

City of Jonesboro, Arkansas
Expenditure Report Actual vs. Budget (Cash Basis)
April 30, 2017

Department / Fund	April Budget	April Actual	Variance Favorable (Unfavorable)	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)
Finance	\$ 45,701	\$ 40,886	\$ 4,815	\$ 190,797	\$ 184,029	\$ 6,768
Police	1,206,672	1,165,829	40,843	4,489,260	4,372,816	116,444
Fire	1,029,832	907,566	122,266	4,863,741	4,776,510	87,231
SRO	41,631	31,156	10,475	156,860	125,771	31,089
Inspections	28,225	26,659	1,566	114,268	108,092	6,176
Animal Control	40,409	41,939	(1,530)	171,173	169,964	1,209
City Clerk	16,686	16,856	(170)	78,864	77,290	1,574
City Attorney	29,947	28,640	1,307	123,763	121,364	2,399
Planning	25,801	24,653	1,148	106,964	102,531	4,433
Library	57,663	57,663	-	361,020	361,020	-
Information Systems	93,897	67,679	26,218	307,599	262,898	44,701
Parking	200	-	200	800	-	800
Mosquito Control	36,000	35,833	167	144,000	143,333	667
Human Resources	12,650	12,233	417	53,418	49,105	4,313
Building Maintenance	62,929	64,790	(1,861)	267,389	263,207	4,182
Code Enforcement	28,962	18,737	10,225	115,847	108,127	7,720
City Community Initiative	-	-	-	-	-	-
Sanitation Administration	17,038	17,055	(17)	95,046	94,642	404
Incinerator/Landfill	100,825	15,763	85,062	155,300	58,686	96,614
Sanitation Residential	817,528	277,599	539,929	1,736,752	1,391,295	345,457
Fire Act 833	11,250	4,739	6,511	45,000	56,735	(11,735)
Parks	141,498	164,335	(22,837)	705,895	561,346	144,549
Softball	56,141	68,004	(11,863)	177,643	140,694	36,949
Cemetery Care	47,905	17,310	30,595	96,280	91,979	4,301
Winter Wonderland	-	-	-	-	4,090	(4,090)
Outside Agencies	343,964	452	343,512	589,107	291,546	297,561
Mayor	46,924	44,724	2,200	187,977	180,491	7,486
Council	16,669	18,765	(2,096)	63,957	66,387	(2,430)
Jail Fees	160,644	162,196	(1,552)	642,576	648,815	(6,239)
General Administration	16,175	28,292	(12,117)	174,582	165,046	9,536
888 Accounts	172,285	9,234	163,051	244,783	158,772	86,011
GENERAL	\$ 4,706,051	\$ 3,369,588	\$ 1,336,463	\$ 16,460,661	\$ 15,136,581	\$ 1,324,080

Street	\$ 340,850	\$ 331,584	\$ 9,266	\$ 1,827,419	\$ 1,578,061	\$ 249,358
Engineering	439,078	451,843	(12,765)	836,604	725,479	111,125
888 Accounts	-	5,321	(5,321)	-	5,712	(5,712)
STREET	\$ 779,928	\$ 788,748	\$ (8,820)	\$ 2,664,023	\$ 2,309,252	\$ 354,771

EMERGENCY 911	\$ 99,692	\$ 95,613	\$ 4,079	\$ 493,015	\$ 460,158	\$ 32,857
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CEMETERY	\$ 76,080	\$ 6,746	\$ 69,334	\$ 157,120	\$ 7,726	\$ 149,394
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O & M FUNDS TOTALS	\$ 5,661,751	\$ 4,260,695	\$ 1,401,056	\$ 19,774,819	\$ 17,913,717	\$ 1,861,102
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CAPITAL IMPROVEMENTS	\$ 504,183	\$ 233,325	\$ 270,858	\$ 1,187,769	\$ 1,187,769	\$ 0
ADVERTISING & PROMOTION	53,575	128,570	(74,995)	349,700	356,191	(6,491)
FEDERAL GRANTS	33,595	77,353	(43,758)	215,851	215,851	-
CDBG	78,991	101,641	(22,650)	378,250	175,768	202,482
MPO	12,411	11,298	1,113	100,515	41,580	58,935
JET	121,624	95,449	26,175	570,674	372,114	198,560
STATE ASSET FORFEITURE	1,200	2,818	(1,618)	2,400	15,105	(12,705)
FEDERAL FORFEITURE	3,000	2,836	164	71,000	6,433	64,567
MIRACLE LEAGUE	3,224	4,001	(777)	22,670	20,029	2,641
GRANTS ADMINISTRATION	15,227	5,979	9,248	83,314	58,910	24,404

OTHER FUNDS TOTALS	\$ 827,030	\$ 663,270	\$ 163,760	\$ 2,982,143	\$ 2,449,750	\$ 532,393
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ALL FUNDS GRAND TOTALS	\$ 6,488,781	\$ 4,923,965	\$ 1,564,816	\$ 22,756,962	\$ 20,363,467	\$ 2,393,495
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City of Jonesboro, Arkansas
 Hotel Occupancy Tax Comparison Report
 April 2017

Company Name	April 2017	April 2016	Increase (Decrease) from 2017 to 2016	Percent Change from 2017 to 2016	Comments
TOTAL	\$ 58,020.80	\$ 51,369.83	\$ 6,650.97	12.95%	

Company Name	YTD Total 2017	YTD Total 2016	Increase (Decrease) from 2017 to 2016	Percent Change from 2017 to 2016	Comments
TOTAL	\$ 204,874.16	\$ 199,847.59	\$ 5,026.57	2.52%	

City of Jonesboro, Arkansas
 Combined State Turnback Report (Cash Basis)
 April 30, 2017

Historical Data

	2017	2016	2015	2014
January	\$ 405,309.49	\$ 393,692.49	\$ 400,157.23	392,270.47
February	342,763.87	323,589.31	19,174.56	392,270.47
March	307,802.64	299,955.07	341,385.66	320,930.53
April	348,422.61	353,373.41	331,364.69	324,097.88
May		339,207.71	336,329.12	351,421.20
June		332,272.58	339,575.32	341,800.43
July		473,425.78	498,946.21	569,496.29
August		318,883.81	311,527.46	343,006.96
September		327,910.95	340,452.22	344,148.47
October		346,300.05	332,809.89	353,758.79
November		333,647.46	329,264.97	332,043.64
December		310,515.28	311,644.76	321,069.98
Annual Totals	\$ 1,404,298.61	\$ 4,152,773.90	\$ 3,892,632.09	\$ 4,386,315.11

Comparison to Previous Periods

	2017	2016	Increase (Decrease) in 2017 vs. 2016	% Difference 2017 vs. 2016
January	\$ 405,309.49	\$ 364,584.62	\$ 40,724.87	11.17%
February	342,763.87	323,589.31	19,174.56	5.93%
March	307,802.64	299,955.07	7,847.57	2.62%
April	348,422.61	353,373.41	(4,950.80)	-1.40%
May		339,207.71		
June		332,272.58		
July		473,425.78		
August		318,883.81		
September		327,910.95		
October		346,300.05		
November		333,647.46		
December		310,515.28		
Annual Totals	\$ 1,404,298.61	\$ 4,123,666.03	\$ 62,796.20	4.68%

Comparison to Budget

	2017 Actual Receipts	2017 Budgeted Receipts	Amount Over (Under) Budget	% Difference Budget vs. Actual
January	\$ 405,309.49	\$ 364,584.62	\$ 40,724.87	11.17%
February	342,763.87	307,794.44	34,969.43	11.36%
March	307,802.64	297,465.85	10,336.79	3.47%
April	348,422.61	299,600.85	48,821.76	16.30%
May		311,573.09		
June		315,004.16		
July		467,743.71		
August		317,897.16		
September		311,215.00		
October		310,368.10		
November		286,605.66		
December		284,907.36		
Annual Totals	\$ 1,404,298.61	\$ 3,874,760.00	\$ 134,852.85	10.62%

City of Jonesboro, Arkansas
 General Turnback Report (Cash Basis)
 April 30, 2017

Historical Data

Month	2017	2016	2015	2014
January	\$ 144,459.01	\$ 143,842.09	\$ 141,233.62	\$ 131,397.75
February	73,253.61	72,519.43	734.18	\$ 131,397.75
March	73,253.61	72,518.77	73,513.73	67,650.31
April	73,253.61	72,518.77	73,513.73	67,650.31
May		72,518.77	73,476.84	67,650.31
June		72,518.77	73,476.84	67,616.13
July		193,769.80	200,139.55	266,042.35
August		80,831.21	64,894.76	73,583.36
September		73,391.99	72,602.65	73,545.36
October		73,327.90	72,505.48	73,537.46
November		73,254.93	72,505.48	73,520.35
December		73,254.93	72,505.48	73,520.35
Annual Totals	\$ 364,219.84	\$ 1,076,283.36	\$ 991,102.34	\$ 1,167,111.79

Comparison to Previous Periods

Month	2017	2016	Increase (Decrease) in 2017 vs. 2016	Monthly % Diff 2017 vs. 2016
January	\$ 144,459.01	\$ 143,842.09	\$ 616.92	0.43%
February	73,253.61	72,519.43	734.18	1.01%
March	73,253.61	72,518.77	734.84	1.01%
April	73,253.61	72,518.77	734.84	1.01%
May		72,518.77		
June		72,518.77		
July		193,769.80		
August		80,831.21		
September		73,391.99		
October		73,327.90		
November		73,254.93		
December		73,254.93		
Annual Totals	\$ 364,219.84	\$ 1,074,267.36	\$ 2,820.78	0.78%

Comparison to Budget

Month	2017 Actual Receipts	2017 Budgeted Receipts	Amount Over (Under) Budget	Monthly % Diff Budget vs. Actual
January	\$ 144,459.01	\$ 132,464.62	\$ 11,994.39	9.05%
February	73,253.61	68,124.44	5,129.17	7.53%
March	73,253.61	68,020.85	5,232.76	7.69%
April	73,253.61	68,020.85	5,232.76	7.69%
May		67,963.09		
June		68,004.16		
July		206,514.71		
August		75,419.16		
September		69,437.00		
October		69,396.10		
November		65,816.66		
December		65,818.36		
Annual Totals	\$ 364,219.84	\$ 1,025,000.00	\$ 27,589.08	8.20%

Note (1): Property Tax Relief monies are included in January distributions increasing the amount normally received.
 annual payment pursuant
 turnback payment.

City of Jonesboro, Arkansas
Street Turnback Report (Cash Basis)
April 30, 2017

Historical Data

Month	2017	2016	2015	2014
January	\$ 260,850.48	\$ 249,850.40	\$ 258,923.61	\$ 260,872.72
February	269,510.26	251,069.88	18,440.38	\$ 260,872.72
March	234,549.03	227,436.30	267,871.93	253,280.22
April	275,169.00	280,854.64	257,850.96	256,447.57
May		266,688.94	262,852.28	283,770.89
June		259,753.81	266,098.48	274,184.30
July		279,655.98	298,806.66	303,453.94
August		238,052.60	246,632.70	269,423.60
September		254,518.96	267,849.57	270,603.11
October		272,972.15	260,304.41	280,221.33
November		260,392.53	256,759.49	258,523.29
December		237,260.35	239,139.28	247,549.63
Annual Totals	\$ 1,040,078.77	\$ 3,078,506.54	\$ 2,901,529.75	\$ 3,219,203.32

Comparison to Previous Periods

Month	2017	2016	Increase (Decrease) in 2017 vs. 2016	% Difference 2017 vs. 2016
January	\$ 260,850.48	\$ 249,850.40	\$ 11,000.08	4.40%
February	269,510.26	251,069.88	18,440.38	7.34%
March	234,549.03	227,436.30	7,112.73	3.13%
April	275,169.00	280,854.64	(5,685.64)	-2.02%
May		266,688.94		
June		259,753.81		
July		279,655.98		
August		238,052.60		
September		254,518.96		
October		272,972.15		
November		260,392.53		
December		237,260.35		
Annual Totals	\$ 1,040,078.77	\$ 3,078,506.54	\$ 30,867.55	3.06%

Comparison to Budget

Month	2017 Actual Receipts	2017 Budgeted Receipts	Amount Over (Under) Budget	% Difference Budget vs. Actual
January	\$ 260,850.48	\$ 232,120.00	\$ 28,730.48	12.38%
February	269,510.26	239,670.00	29,840.26	12.45%
March	234,549.03	229,445.00	5,104.03	2.22%
April	275,169.00	231,580.00	43,589.00	18.82%
May		243,610.00		
June		247,000.00		
July		261,229.00		
August		242,478.00		
September		241,778.00		
October		240,972.00		
November		220,789.00		
December		219,089.00		
Annual Totals	\$ 1,040,078.77	\$ 2,849,760.00	\$ 107,263.77	11.50%

Note (1): The total monies provided for the Street Fund includes the Natural Gas Severance Tax, which began in April 2009.

Note (2): August 2013 the city began to receive the 1/2 cent sales tax restricted for highway construction, which will be shown separately.

City of Jonesboro, Arkansas
Highway 1/2 cent sales tax Report (Cash Basis)
April 30, 2017

Comparison to Previous Periods

Month	2017	2016	Increase (Decrease) in 2017 vs. 2016	% Difference 2017 vs. 2016	Increase (Decrease) from previous mo.
January	\$ 122,034.92	\$ 107,961.00	\$ 14,073.92	13.04%	\$ 9,550.18
February	122,948.93	115,202.11	7,746.82	6.72%	914.01
March	110,152.76	104,511.46	5,641.30	5.40%	(12,796.17)
April	120,171.39	114,719.45	5,451.94	4.75%	10,018.63
May		110,920.54			
June		107,406.43			
July		68,300.95			
August		117,529.06			
September		121,301.80			
October		119,516.34			
November		118,294.37			
December		112,484.74			
Annual Totals	\$ 475,308.00	\$ 1,318,148.25	\$ 32,913.98	7.44%	

Comparison to Budget

Month	2017 Actual Receipts	2017 Budgeted Receipts	Amount Over (Under) Budget	% Difference Budget vs. Actual	YTD % Increase (Decrease) vs. Budget
January	\$ 122,034.92	\$ 106,625.00	\$ 15,409.92	14.45%	14.45%
February	122,948.93	107,500.00	15,448.93	14.37%	14.41%
March	110,152.76	96,920.00	13,232.76	13.65%	14.18%
April	120,171.39	105,675.00	14,496.39	13.72%	14.06%
May		105,740.00			
June		105,250.00			
July		105,635.00			
August		108,410.00			
September		111,250.00			
October		111,275.00			
November		105,627.00			
December		104,000.00			
Annual Totals	\$ 475,308.00	\$ 1,273,907.00	\$ 58,588.00		14.06%

City of Jonesboro, Arkansas
 Combined Sales and Use Tax Report (Cash Basis)
 April 30, 2017

Historical Data

	2017	2016	2015	2014	2013
January	\$ 2,651,799.92	\$ 2,479,862.32	\$ 2,365,897.86	\$ 2,256,323.52	\$ 2,304,464.66
February	3,177,384.62	3,171,918.12	3,086,443.35	2,716,851.65	2,743,697.50
March	2,374,452.60	2,192,097.92	2,197,615.25	1,947,407.27	1,993,025.27
April	2,523,794.70	2,589,430.31	2,277,888.33	2,255,955.51	2,216,691.13
May		2,581,244.22	2,320,674.81	2,437,276.59	2,294,046.46
June		2,353,404.41	2,388,501.24	2,214,741.09	2,177,628.95
July		2,555,660.13	2,408,469.13	2,430,581.06	2,219,543.20
August		2,624,900.46	2,498,267.62	2,320,973.05	2,346,347.89
September		2,646,686.66	2,468,191.37	2,310,533.90	2,230,246.65
October		2,517,630.90	2,460,400.91	2,463,305.38	2,313,688.44
November		2,553,992.75	2,431,116.94	2,413,561.40	2,305,396.29
December		2,570,912.25	2,528,754.15	2,367,198.33	2,160,653.88
Annual Totals		\$ 30,837,740.45	\$ 29,432,220.96	\$ 28,134,708.75	\$ 27,305,430.32

Comparison to Previous Periods

Month	2017	2016	Increase (Decrease) in 2017 vs. 2016	% Difference 2017 vs. 2016
January	\$ 2,651,799.92	\$ 2,479,862.32	\$ 171,937.60	6.93%
February	3,177,384.62	3,171,918.12	5,466.50	0.17%
March	2,374,452.60	2,192,097.92	182,354.68	8.32%
April	2,523,794.70	2,589,430.31	(65,635.61)	-2.53%
May		2,581,244.22		
June		2,353,404.41		
July		2,555,660.13		
August		2,624,900.46		
September		2,646,686.66		
October		2,517,630.90		
November		2,553,992.75		
December		2,570,912.25		
Annual Totals	\$ 10,727,431.84	\$ 30,837,740.45	\$ 294,123.17	2.82%

Comparison to Budget

Month	2017 Actual Receipts	2017 Budgeted Receipts	Amount Over (Under) Budget	% Difference Budget vs. Actual
January	\$ 2,651,799.92	\$ 2,494,999.51	\$ 156,800.41	6.28%
February	3,177,384.62	3,105,672.26	71,712.36	2.31%
March	2,374,452.60	2,205,067.95	169,384.65	7.68%
April	2,523,794.70	2,472,687.75	51,106.95	2.07%
May		2,550,373.79		
June		2,418,093.37		
July		2,549,865.93		
August		2,582,494.53		
September		2,555,244.49		
October		2,556,361.25		
November		2,599,098.18		
December		2,535,868.99		
Annual Totals	\$ 10,727,431.84	\$ 30,625,828.00	\$ 449,004.37	4.37%

Note this worksheet combines the City 1 cent and County 1 cent sales tax. Public safety sales tax is not included as there is no historical data to analyze.

City of Jonesboro, Arkansas
City Sales and Use Tax Report (Cash Basis)
April 30, 2017

Historical Data

Month	2017	2016	2015	2014	2013
January	\$ 1,488,524.53	\$ 1,401,725.96	\$ 1,338,294.70	\$ 1,268,643.07	\$ 1,299,168.44
February	1,782,768.46	1,807,225.38	1,759,904.40	1,569,354.82	1,564,657.27
March	1,332,508.79	1,237,154.77	1,245,746.60	1,097,359.99	1,127,214.77
April	1,422,609.76	1,458,857.96	1,289,226.99	1,265,130.80	1,253,667.64
May		1,458,000.76	1,295,700.07	1,380,300.40	1,293,621.19
June		1,325,028.21	1,348,040.29	1,251,296.71	1,224,740.42
July		1,439,668.69	1,356,630.86	1,369,120.73	1,249,208.63
August		1,476,897.16	1,411,079.84	1,308,268.53	1,304,475.75
September		1,477,038.70	1,388,430.71	1,299,834.48	1,250,707.35
October		1,400,593.16	1,375,230.67	1,387,042.91	1,295,330.86
November		1,416,437.19	1,362,266.74	1,351,987.91	1,287,650.23
December		1,427,840.60	1,420,877.78	1,331,759.21	1,220,934.97
Annual Totals	\$ 6,026,411.54	\$ 17,326,468.54	\$ 16,591,429.65	\$ 15,880,099.56	\$ 15,371,377.52

Comparison to Previous Periods

Month	2017	2016	Increase (Decrease) in 2017 vs. 2016	% Difference 2017 vs. 2016
January	\$ 1,488,524.53	\$ 1,401,725.96	\$ 86,798.57	6.19%
February	1,782,768.46	1,807,225.38	(24,456.92)	-1.35%
March	1,332,508.79	1,237,154.77	95,354.02	7.71%
April	1,422,609.76	1,458,857.96	(36,248.20)	-2.48%
May		1,458,000.76		
June		1,325,028.21		
July		1,439,668.69		
August		1,476,897.16		
September		1,477,038.70		
October		1,400,593.16		
November		1,416,437.19		
December		1,427,840.60		
Annual Totals	\$ 6,026,411.54	\$ 17,326,468.54	\$ 121,447.47	2.06%

Comparison to Budget

Month	2017 Actual Receipts	2017 Budgeted Receipts	Amount Over (Under) Budget	% Difference Budget vs. Actual
January	\$ 1,488,524.53	1,457,973.08	\$ 30,551.45	2.10%
February	1,782,768.46	1,836,114.04	(53,345.58)	-2.91%
March	1,332,508.79	1,288,487.26	44,021.53	3.42%
April	1,422,609.76	1,442,147.12	(19,537.36)	-1.35%
May		1,486,299.45		
June		1,409,795.53		
July		1,487,308.41		
August		1,497,129.65		
September		1,482,560.71		
October		1,494,697.96		
November		1,532,139.47		
December		1,506,175.32		
Annual Totals	\$ 6,026,411.54	\$ 17,920,828.00	\$ 1,690.04	0.03%

City of Jonesboro, Arkansas
County Sales and Use Tax Report (Cash Basis)
April 30, 2017

Historical Data

Month	2017	2016	2015	2014	2013
January	\$ 1,163,275.39	\$ 1,078,136.36	\$ 1,027,603.16	\$ 987,680.45	\$ 1,005,296.22
February	1,394,616.16	1,364,692.74	1,326,538.95	1,147,496.83	1,179,040.23
March	1,041,943.81	954,943.15	951,868.65	850,047.28	865,810.50
April	1,101,184.94	1,130,572.35	988,661.34	990,824.71	963,023.49
May		1,123,243.46	1,024,974.74	1,056,976.19	1,000,425.27
June		1,028,376.20	1,040,460.95	963,444.38	952,888.53
July		1,115,991.44	1,051,838.27	1,061,460.33	970,334.57
August		1,148,003.30	1,087,187.78	1,012,704.52	1,041,872.14
September		1,169,647.96	1,079,760.66	1,010,699.42	979,539.30
October		1,117,037.74	1,085,170.24	1,076,262.47	1,018,357.58
November		1,137,555.56	1,068,850.20	1,061,573.49	1,017,746.06
December		1,143,071.65	1,107,876.37	1,035,439.12	939,718.91
Annual Totals	\$ 4,701,020.30	\$ 13,511,271.91	\$ 12,840,791.31	\$ 12,254,609.19	\$ 11,934,052.80

Comparison to Previous Periods

Month	2017	2016	Increase (Decrease) in 2017 vs. 2016	% Difference 2017 vs. 2016
January	\$ 1,163,275.39	\$ 1,078,136.36	\$ 85,139.03	7.90%
February	1,394,616.16	1,364,692.74	29,923.42	2.19%
March	1,041,943.81	954,943.15	87,000.66	9.11%
April	1,101,184.94	1,130,572.35	(29,387.41)	-2.60%
May		1,123,243.46		
June		1,028,376.20		
July		1,115,991.44		
August		1,148,003.30		
September		1,169,647.96		
October		1,117,037.74		
November		1,137,555.56		
December		1,143,071.65		
Annual Totals	\$ 4,701,020.30	\$ 13,511,271.91	\$ 172,675.70	3.81%

Comparison to Budget

Month	2017 Actual Receipts	2017 Budgeted Receipts	Amount Over (Under) Budget	% Difference Budget vs. Actual
January	\$ 1,163,275.39	\$ 1,037,026.43	\$ 126,248.96	12.17%
February	1,394,616.16	1,269,558.22	125,057.94	9.85%
March	1,041,943.81	916,580.69	125,363.12	13.68%
April	1,101,184.94	1,030,540.63	70,644.31	6.86%
May		1,064,074.34		
June		1,008,297.84		
July		1,062,557.52		
August		1,085,364.88		
September		1,072,683.78		
October		1,061,663.29		
November		1,066,958.71		
December		1,029,693.67		
Annual Totals	\$ 4,701,020.30	\$ 12,705,000.00	\$ 447,314.33	10.52%

City of Jonesboro, Arkansas

Fiscal Year 2017 Budget

Presented by Mayor Harold Perrin

City of Jonesboro Expense Budget Jan-Apr 2017			
Operation & Maintenance Funds - Personnel Accounts			
Account Name	2017 Budget	2017 Actual Jan - April	% Remaining
Salaries	22,916,314	7,573,862	67%
Holiday Pay	156,562	2,200	99%
Group Insurance	3,082,984	1,047,782	66%
Pension Contributions - City	279,418	86,620	69%
Police/Fire LOPFI	3,387,752	1,485,356	56%
Payroll Taxes	622,320	184,268	70%
Uniforms	163,000	51,010	69%
Laundry & Cleaning	46,000	16,020	65%
Travel & Training	196,850	93,967	52%
Part-Time Salaries	615,140	153,334	75%
Overtime Salaries	349,950	100,717	71%
Mayor's Expenses	19,600	5,889	70%
Unemployment/Workers Comp	565,082	384,889	32%
Medicare Contributions	351,114	99,105	72%
Mayor's Retirement	44,317	14,772	67%
City Attorney's Retirement	50,522	16,841	67%
Longevity Pay	106,500	106,000	0.47%
Total Personnel	\$ 32,953,425	\$ 11,422,631	65%

City of Jonesboro, Arkansas
Fiscal Year 2017 Budget
Presented by Mayor Harold Perrin

City of Jonesboro Expense Budget Jan-Apr 2017			
Operation & Maintenance Funds - Operations Accounts			
Account Name	2017 Budget	2017 Actual Jan - April	Difference
Advertising and Printing	53,302	19,277	64%
Auto Expense	778,334	212,855	73%
Bank Service Charge	15,600	5,263	66%
Buy Money	15,000	-	100%
Computer Software	35,215	27,718	21%
Concessions- Cost of Goods	89,000	19,930	78%
Condemnations/Demolitions	50,000	3,005	94%
Contract Labor	65,000	8,270	87%
CWL Hydrant Maint Contract	62,500	60,513	3%
Dedicated Circuits & Cable	236,989	78,040	67%
Dues & Subscriptions	68,909	45,109	35%
Equipment Maintenance	144,350	35,122	76%
Fuel	970,460	250,490	74%
HR Training Supplies	1,200	-	100%
Insurance and Licenses	343,921	337,486	2%
Jail Fees	1,926,727	646,665	66%
Lawsuit Settlement	12,000	-	100%
Maint Bldg & Grns	301,386	28,210	91%
Maintenance Contracts	409,690	155,000	62%
MB&G - Airport	15,000	2,945	80%
MB&G - Fire	24,000	18,703	22%
MB&G - Forum	20,000	16,330	18%
MB&G - Municipal Center	100,000	35,360	65%
MB&G - Parks	50,000	18,498	63%
MB&G - Police	43,178	16,266	62%
MB&G - Sanitation	4,525	1,402	69%
MB&G - Street	5,000	1,050	79%
Mobile Data Services	127,492	38,104	70%
Mowing	16,125	804	95%
Office Supplies	52,700	17,431	67%
Postage	14,590	3,324	77%
Professional Services	348,862	90,951	74%
Recycling	192,000	59,384	69%
Rentals/ Contracts	81,187	27,439	66%
Street Materials	425,000	152,321	64%
Street Overlays	1,066,000	376,818	65%
Street Signalization	161,128	60,880	62%
Supplies	612,731	211,898	65%
Telephone Expense	136,612	41,135	70%
Tipping Fees	1,280,000	411,372	68%
Tornado Sirens Annual Maint.	16,750	1,725	90%
TShirt Cost-Sold in Concession	3,000	-	100%
Utilities	4,700	5,962	-27%
Utilities- City Hall 2nd Floor	20,500	6,486	68%
Total Operations	\$ 10,400,663	\$ 3,549,539	66%

City of Jonesboro, Arkansas

Fiscal Year 2017 Budget

Presented by Mayor Harold Perrin

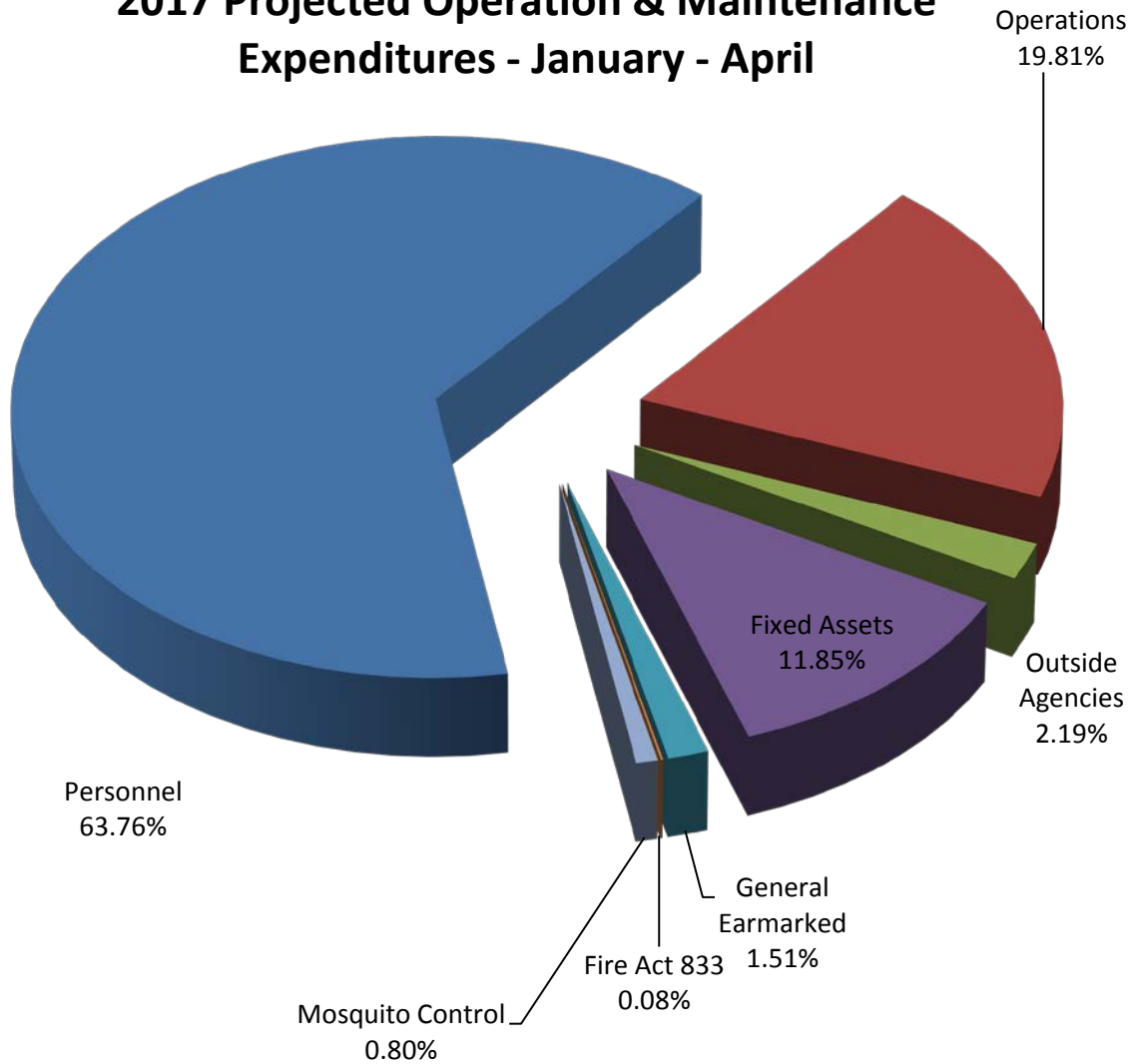
City of Jonesboro Expense Budget Jan-Apr 2017				
Operation & Maintenance Funds				
Account Name	2017 Budget	2017 Actual Jan - April	Difference	
Outside Agencies	\$ 1,302,820	\$ 391,546	70%	
Fixed Assets	3,528,076	2,029,694	42%	
Minor Equipment & Furniture	279,979	92,913	67%	
Fixed Assets	\$ 3,808,055	\$ 2,122,606	44%	
Fire Act 833	\$ 88,000	\$ 14,060	84%	
General Earmarked	\$ 734,348	\$ 270,001	63%	
Mosquito Control	\$ 432,000	\$ 143,333	67%	
Total Budgeted Expenditures	\$ 49,719,311	\$ 17,913,717	64%	

City of Jonesboro, Arkansas

Fiscal Year 2017 Budget

Presented by Mayor Harold Perrin

2017 Projected Operation & Maintenance Expenditures - January - April



Observations Regarding 2017 Financial Statements (January to April)

- 1) Operation and Maintenance Fund Expenditures exceeded Revenues by \$1,084,787. This was primarily due to fixed asset purchases during the period. Other funds Expenditures exceeded Revenue by \$428,345. This was primarily due to Capital Improvement Fund expenditures for Transportation, Drainage, and Parks projects and Advertising and Promotion Fund payments for local event advertising.
- 2) Operation and Maintenance Funds actual revenues exceeded budgeted revenues by \$1,058,014. Total for all funds actual revenues were \$1,171,782 more than budgeted revenues.
- 3) Operation and Maintenance Funds actual Expenditures were \$1,861,102 less than budgeted Expenditures. Total Funds actual Expenditures were \$2,393,495 less than budgeted expenditures.
- 4) Operation and Maintenance Fund Balances totaled approximately \$33.59 million at the end of April.
- 5) Total actual Sales Tax revenue for April 2017 was less than the April 2016 amount by \$65,635(-2.53%). However the April actual amount exceeded the budgeted amount by \$51,107 (2.07%).Year to date combined sales taxes are up 4.37% compared to the same period in 2016.
- 6) Combined State Turnback revenue for April was \$4,951 (-1.40%) % less than the 2016 amount but \$48,822 (16.30%) more than the budgeted amount. Year to date combined State Turnback is up 4.68% compared to the same period in 2016. State Highway 1/2 percent sales tax actual amount was \$5,452 (4.75%) more than the April 2016 actual amount. Year to date amount is 7.44% higher than the same period in 2016.
- 7) Franchise tax actual revenue increased by \$6,469 during April compared to April 2016. However, year to date amount is up \$77,068 (12.955%) when compared to the same period in 2016. This is due primarily to a one time catch up payment of almost \$50,000 from a communications utility for past years' taxes.
- 8) Advertising and Promotion Taxes (Hotel/Motel) were up \$6,651 (12.95%) when compared with April 2016. Year to date amounts are up 2.52% when compared to the same period in 2016.
- 9) Alcohol Beverage taxes increased by \$1,736 (5.02%) compared with April 2016. Year to date amounts decreased by \$705 (-.48%) when compared with the same period in 2016.

***Observations Regarding 2017 Financial Statements
(January to April)***

- 10) Fuel purchases were \$14,910 (25.83%) more than April 2016 due to higher fuel prices. However, gallons purchased actually decreased by 358 (-.90%). Total purchases for the year increased by \$54,831 (25.36%) but the total gallons decreased by 5,892 (-3.84%). Fuel purchases for the year are \$74,928 (27.4%) less than budgeted amount.
- 11) Balances in the old (frozen) Non-uniform and new 401A Non-uniform Pension Fund at April 30 were \$9,736,466 and \$1,124,928 respectively. The balances increased \$83,753 in the old plan and by \$24,673 in the new 401 A plan during the month. The City contributed \$23,251 to the 401A fund during the month.