

## **Title 15. Natural Resources and Economic Development**

### **Chapter VIII. Arkansas Economic Development Commission, Department of Commerce**

#### **Subchapter C. Community Development Grants**

#### **Part 185. Rural Services Block Grant Program**

#### **Subpart 1. Generally**

##### **15 CAR § 185-101. Introduction.**

(a) The Rural Services Division (the "division") of the Arkansas Economic Development Commission is a state agency charged with assisting rural communities with a population of twenty thousand (20,000) or less.

(b) The Rural Services Block Grant Program is funded through the United States Department of Housing and Urban Development's Small Cities Community Development Block Grant Program and is administered for the state by the division.

**Authority.** Arkansas Code § 15-6-106.

##### **15 CAR § 185-102. Definitions.**

As used in this part:

(1) "Categorical grants" means grants included in the Arkansas Community and Economic Development Program and the Rural Services Block Grant Program;

(2) "LMI" means low-to-moderate income;

(3) "Match" means a combination of donated land, materials, or cash comprising at least ten percent (10%) of the project cost estimate provided by the applicant; and

(4) "Rural area" means all the territory of the State of Arkansas that is not within the outer boundary of any city or town having a population of twenty thousand (20,000) or more, according to the latest federal decennial census, or within such a city or town's neighboring, urbanized areas.

**Authority.** Arkansas Code § 15-6-106.

**15 CAR § 185-103. Funding eligibility.**

(a) The following entities are eligible for Rural Services Block Grant Program funding:

(1) Cities and towns in an Arkansas rural area with less than three thousand (3,000) residents;

(2) Whose population is at least fifty-one percent (51%) LMI; and

(3)(A) Cities not currently a party to one (1) categorical grant and counties that are not currently a party to two (2) categorical grants.

(B) Grants awarded through other Arkansas Economic Development Commission programs do not contribute to this threshold.

(b) The Rural Services Division of the Arkansas Economic Development Commission shall maintain a list of LMI percentages and forms and instructions for determining LMI eligibility for an area.

**Authority.** Arkansas Code § 15-6-106.

**15 CAR § 185-104. Project eligibility.**

(a) Rural Services Block Grant Program grant funds will be awarded for the following project types:

(1) New construction or renovation of community centers or multipurpose-use buildings for the betterment of the community;

(2) New construction or renovation of fire stations; and

(3) The purchase of fire trucks, specialized equipment, and protective clothing worn by firefighters.

(b) Projects for the renovation or rehabilitation of existing buildings require the following:

(1) An inspection of the building conducted by an accredited asbestos inspector or management planner according to the Asbestos Hazard Emergency Response Act, 15 U.S.C. § 2641 et seq., guidelines;

(2) A signed waiver releasing and holding harmless the Rural Services Division of the Arkansas Economic Development Commission, the Arkansas Economic Development Commission, and their employees and agents of any liability arising from the removal or remediation of asbestos from a building whose renovation was fully or partially funded by this program; and

(3) Adequate justification that the cost and time associated with renovating a building containing asbestos is more cost effective than renovating a building that does not contain asbestos or new construction.

(c) Projects exceeding one hundred thousand dollars (\$100,000) are required to list an architect or architectural firm on the grant application.

(d) Projects exceeding twenty-five thousand dollars (\$25,000) are required to list an engineer or engineering firm on the grant application.

(e) Projects must comply with all applicable code requirements.

**Authority.** Arkansas Code § 15-6-106.

**15 CAR § 185-105. Grant awards, matching, and administration.**

(a) Applicants with an eligible project may apply for a matching grant of up to one hundred thousand dollars (\$100,000).

(b)(1) The Rural Services Block Grant Program requires a ten percent (10%) match of the grant award.

(2) The required match may include:

(A) Cash;

(B) In-kind labor;

(C) In-kind materials; or

(D) Land owned by the applicant.

(3) The match value must be documented by:

(A) Bank statements for cash;  
(B) Cost estimates for in-kind labor and materials; and  
(C) Appraisals for land based on a certified appraisal or a copy of the latest property assessment on file with the county clerk.

(c)(1) The grant recipient is responsible for its administration.

(2) The recipient must work with either the local planning and development district office or a consultant trained and approved by the Arkansas Economic Development Commission.

(3) Consulting fees may be included in the cost estimate but cannot be used to exceed the maximum grant award.

(4) Any consulting fees included in the cost estimate shall be a minimum of two thousand dollars (\$2,000), up to a maximum of ten percent (10%) of the grant award.

**Authority.** Arkansas Code § 15-6-106.

**15 CAR § 185-106. Public hearing required.**

(a) Applicants shall hold at least one (1) public hearing to determine the project need prior to applying.

(b) All public hearings shall be:

(1) Publicized in the appropriate local media at least seven (7) calendar days before they are to be held; and

(2) Conducted no later than fourteen (14) calendar days before the application deadline.

(c) Applicants shall include the following documentation with their application for each public hearing that occurred:

(1) Notice of the public hearing;

(2) Proof of the notice's publication; and

(3) The attendance roster and minutes from the public hearing.

**Authority.** Arkansas Code § 15-6-106.

**15 CAR § 185-107. Funding application.**

(a) Applications shall be completed on forms provided by the Rural Services Division of the Arkansas Economic Development Commission.

(b)(1) Applicants shall submit two (2) copies of the application, including all supporting documentation, to the division by the application deadline.

(2) The Director of the Rural Services Division of the Arkansas Economic Development Commission shall develop funding recommendations based on a review of all eligible applications.

(3) Funding recommendations shall receive final review and approval from the Director of the Arkansas Economic Development Commission.

(c)(1) Applicants shall be notified of the final decision in writing.

(2) Applicants whose projects are not recommended for funding shall be notified of any deficiencies in their application.

(d)(1) Approved applicants must sign a grant agreement with the Arkansas Economic Development Commission before any purchases are made or work commenced.

(2) Failing to sign a grant agreement prior to commencing work may result in forfeiture of the grant award.

**Authority.** Arkansas Code § 15-6-106.

**15 CAR § 185-108. Grant completion and closeout.**

(a) The grant completion procedure shall follow the closeout process outlined in the Arkansas Community and Economic Development Grant Program's Administrative Procedures Manual.

(b) Before a Rural Services Block Grant Program project can be certified as complete, the grantee and the Arkansas Economic Development Commission must determine:

(1) That all grant activities have been completed; and  
(2) That any noncompliance findings have been redressed or mitigated to the commission's satisfaction.

(c)(1) Closeout documents requested by the commission must be provided within ninety (90) days of project completion.

(2)(A) Grantees may request an extension of this deadline in writing.

(B) The request shall include:

(i) The basis for an extension; and

(ii) Any extenuating circumstances necessitating the request.

(3) A failure to provide requested documentation may result in sanctions and project closure.

(d) The project completion date is the issuance date of the final project monitoring letter by the Grants Management Division of the Arkansas Economic Development Commission.

(e) Projects shall be closed upon the issuance of a closeout letter by the commission.

**Authority.** Arkansas Code § 15-6-106.