

2026 CDBG Contingency Plan

This Contingency Plan guides 2026 Community Development Block Grant (CDBG) funding if the actual entitlement award plus 2026 program income is greater or lesser than the estimated \$1,000,000.

INCREASE IN ENTITLEMENT AND PROGRAM INCOME

If the actual amount of the entitlement award plus 2026 program income is greater than the estimated amount of \$1,000,000 the additional funds will be allocated as follows:

Step 1. If the increase in the entitlement and program income for Planning and Administration is less than the federal statutory spending cap, the additional funds will be added to Admin not to exceed the 20% cap or \$10,000 whichever is less.

Step 2. If additional funds are available, they will be added to the Public Services activity not to exceed the 15% federal statutory spending cap or \$10,000 whichever is less.

Step 3. Any additional funds available will be added to the Home Repair Program.

DECREASE IN ENTITLEMENT AND PROGRAM INCOME

If the actual amount of the entitlement award plus 2026 program income is less than the estimated amount of \$1,000,000 the reduction will be allocated as follows:

Step 1. If the reduction in the entitlement amount causes the award for Planning and Administration to exceed the federal statutory spending cap, the award will be reduced to a level that is within the compliance of the cap.

Step 2. If the reduction in the entitlement amount causes the award for Public Service activities to exceed the federal statutory spending cap, the award will be reduced to a level that is within compliance of the cap.

Step 3. If additional reductions are required, the Microenterprise Assistance Programs will be reduced by up to \$10,000 for each activity.

Step 4. If additional reductions are required, the Major Home Repair Programs will be reduced by an amount not to exceed \$25,000.

CANCELLATION OF PROJECTS AND REALLOCATION OF FUNDS

Should it be necessary to cancel a project, the funds can be reallocated to another currently funded project. If no other funded project can expend the funds, then the funds will be recaptured to be allocated in a future program year or can be allocated to new projects in the current program year contingent upon City Council approval and the requirements of the Citizen Participation Plan. Currently funded contracts can be amended to increase the funded amounts if additional funds are available, additional services can be provided, and the funds can be spent in a timely manner.