

CITY OF BELLEVUE 2019 CDBG CONTINGENCY PLAN

The Contingency Plan guides funding levels for 2019 Community Development Block Grant (CDBG) projects if the actual amount of the entitlement award from the US Department of Housing and Urban Development (HUD), program income, and other funds available for CDBG expenditures is greater or less than the estimated \$1,179,998 budget. It also provides for the City to execute contracts for approved projects using the available CDBG fund balance as early as January 1, 2019 absent the 2019 grant agreement from HUD, provided procedures are consistent with CDBG regulations and the City's Citizen Participation Plan has been followed.

GREATER AMOUNT THROUGH ENTITLEMENT AND OTHER FUNDS AVAILABLE FOR CDBG EXPENDITURE

If the actual amount of the entitlement award from HUD in 2019 plus program income and other funds available for CDBG expenditure is greater than the estimated amount of \$1,179,998, the additional funds may be allocated as follows:

Planning & Administration

If the increase in funding results in additional funds available under the Planning and Administration spending cap, then more funding can be allocated to Planning and Administration up to the cap if staff determines it can be spent during the program year.

Public Services

If the increase in funding results in additional funds available under the Public Services spending cap, then more funding can be allocated to existing Public Services projects up to the cap if they can demonstrate the need and capacity to expend both awarded and any additional funds during 2019.

Capital Projects

Additional funds may be awarded to the Major Home Repair program if the project can expend both awarded and any additional funds in a timely manner. This determination may occur at any time upon conferring with Major Home Repair staff.

Should additional funds remain, funds may be awarded to the LifeWire Housing for Low-Income Domestic Violence Survivors project if they can demonstrate that the project can expend both awarded and any additional funds in a timely manner. This determination may occur at any time upon conferring with LifeWire staff.

Any remaining additional funds may be awarded to the Sound Generations Minor Home Repair program if they can demonstrate that the project can expend both awarded and any additional funds in a timely manner. This determination may occur at any time upon conferring with LifeWire staff.

LESSER AMOUNT THROUGH ENTITLEMENT AND OTHER FUNDS AVAILABLE FOR CDBG EXPENDITURE

If the actual amount of the entitlement, program income and other funds available for CDBG expenditures in 2019 is less than the estimated amount of \$1,179,998, the difference will be allocated in the manner listed below.

Planning & Administration - Comply with federal statutory spending caps.

If the actual entitlement amount and program income causes the award for Planning and Administration activities to exceed the federal statutory spending cap on such activities, awards for these programs will be reduced to a level that is within compliance of the cap.

Public Services – Comply with federal statutory spending caps.

If the actual entitlement amount and program income causes the award for Public Service activities to exceed the federal statutory spending cap on such activities, awards for these programs will be reduced to a level that is within

compliance of the cap. If more than one public service project is funded, then funding for each project will be reduced by an equal percentage.

Capital Projects

If the actual entitlement amount and program income requires a reduction in funding to capital projects, then any combination of the following options can be employed to reduce funding to required levels:

- Reduce the Sound Generations Minor Home Repair award to no less than \$25,000.
- Reduce the LifeWire Housing for Low-Income Domestic Violence Survivors Project award to no less than \$50,000.
- Reduce the KCHA Major Home Repair Program award to no less than \$400,000.

CANCELLATION OF PROJECTS AND REALLOCATION OF FUNDS

Should it be necessary to cancel a CDBG-funded project to comply with CDBG regulations or due to the inability of a subrecipient to spend the award in a timely manner, the funds from the canceled project can be reallocated to another funded project if it can demonstrate the need and capacity to expend both the awarded and additional funds in a timely manner. If no other funded project can expend the funds from the canceled project, then the funds will become part of the CDBG reserves to be allocated in a future program year or can be allocated to new projects contingent upon City Council approval.

PRE-AWARD COSTS AND THE EXPENDITURE OF CDBG RESERVES

Prior to receiving official HUD notification of 2019 CDBG funding, the City may establish contracts with unrestricted reserves available in the City's CDBG fund if procedures are consistent with CDBG pre-award regulations and the City's Citizen Participation Plan has been followed. Contracts can be executed for the following projects and reimbursements made until such time that the CDBG reserve levels are depleted, or the City determines that continued spending would endanger the stability of the CDBG program:

- Jewish Family Service Refugee & Immigrant Centers
- Sound Generations Minor Home Repair Program
- KCHA Major Home Repair Program (in order to comply with HUD timeliness requirements, the City may amend the Major Home Repair program contract to increase the funding as needed and as allowed by City contract and amendment approval policies).