

BELLEVUE HUMAN SERVICE COMMISSION: 2018 CDBG ALLOCATION CONTINGENCY PLAN

This plan guides funding levels for 2018 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 expenditure is greater or less than the estimated \$895,152 budget. It also provides for the City to establish contracts for projects approved for funding through the City's available CDBG fund balance as early as January 1, 2018, even absent the 2018 grant agreement from HUD, provided procedures are consistent with CDBG regulations.

GREATER AMOUNT THROUGH ENTITLEMENT AND OTHER FUNDS AVAILABLE FOR CDBG EXPENDITURE

If the actual amount of the entitlement award from HUD in 2018 plus program income and other funds available for CDBG expenditure is greater than the estimated amount of \$895,152, additional funds will be allocated as follows:

Step 1. 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.

Step 2. If the increase in funding results in additional funds available under the Public Services spending cap, then more funding can be allocated to Public Services projects up to the cap if they can demonstrate the need and capacity to expend both awarded and any additional funds during 2018.

Step 3. Award additional funds to the Major Home Repair program if the program can demonstrate need and capacity to expend both awarded and any additional funds during 2018.

- This determination may occur at any time upon conferring with Major Home Repair staff, even after the execution of a contract for 2018 funds.

Step 4. Should additional funds remain after Steps 1 - 3, award an amount to Sound Generations Minor Home Repair program if they can demonstrate that the project can expend both awarded and any additional funds during 2018.

- This determination may occur at any time upon conferring with Sound Generations staff.

Should it be necessary to cancel a CDBG-funded project to comply with CDBG regulations or due to the inability 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 during a future program year, or can be allocated to new projects contingent upon City Council approval.

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 expenditure in 2018 is less than the estimated amount of \$895,152, the difference will be deducted in the manner listed below.

Step 1. Comply with federal statutory spending caps.

- A. If the actual amount causes the recommended awards for the Public Service activities to exceed the federal statutory spending cap on such activities, awards for these programs will be reduced by an equal percentage to a level that is within compliance with the cap; and
- B. If the actual amount causes the recommended awards for the Administration and Planning activities to exceed the federal statutory spending cap on such activities, awards for these programs will be reduced by an equal percentage to a level that is within compliance with the cap.

Step 2. Reduce the Sound Generations Minor Home Repair award to no less than \$80,000.

Step 3. Reduce the Major Home Repair award by the remainder of the difference.

EXPENDITURE OF CDBG RESERVES

While the City awaits official HUD CDBG notification for 2018 funding, the City may proceed to establish contracts with unrestricted reserves available in the City's CDBG fund. Contracts should be executed for these 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:

1. Jewish Family Service
2. Sound Generations
3. Major Home Repair Program
 - a. 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.