



City of Bellevue

MEMORANDUM

DATE: November 10, 2020

TO: Human Services Commission Members

FROM: Dee Dee Catalano, Grant Coordinator, 425-452-6165
Human Services Division
Parks & Community Services Department

Agenda Item for November 17, 2020

Substantial Amendment to the 2020 CDBG Annual Action Plan

Tonight, the Human Services Commission will approve a substantial amendment to the 2020 CDBG Annual Action Plan (AAP).

Background

The CARES Act approved by Congress in March of this year included \$5 billion in special CDBG-CV funds to prevent, prepare for, or respond to the coronavirus. It also included a waiver of the 15 percent public services cap for the CV funds and for program year 2019 and 2020 activities.

Bellevue had \$248,492 in unspent 2019 entitlement funds that could be allocated to public services projects that responded to the coronavirus. Bellevue also had \$258,442 in unspent 2018 entitlement funds. I asked our HUD rep, Maggie Keller, if those 2018 funds would qualify under the public services cap waiver since we would be amending our 2019 AAP to add the projects that addressed the coronavirus (our 2020 AAP had not been approved at that time and could not be amended). Maggie conferred with her supervisor, and they both agreed we could apply those unspent 2018 funds to public services projects under the waiver.

A couple of months later, after the City Council had approved all of the CDBG projects using 2018 and 2019 funds for public services, Maggie told me that HUD headquarters had determined that 2018 entitlement funds did **not** qualify for the waiver suspending the 15 percent public services cap, and that she and her supervisor had both been wrong. Fortunately, she also had a solution for me.

Amendment to 2020 Annual Action Plan

Maggie suggested that we amend our 2020 AAP to apply the \$258,442 in 2018 funds to the 2020 Major Home Repair Program. The eligible activity for home repair is rehabilitation, not public services, so using the 2018 money for this activity would not trigger the public services cap. We would then apply the \$258,442 in 2020 entitlement dollars that were freed up to the four coronavirus-related activities that had originally been funded with 2018 dollars:

- #340, Hopelink Financial Assistance: \$106,934
- #342, Child Care Resources Subsidized Childcare: \$51,508.53
- #344, ELAP Legal Services: \$50,000
- #346, Consejo Legal Services: \$50,000

What Does This Mean?

This is really a behind-the-scenes accounting exercise that does not affect how any of these activities are carried out. It only affects what pot of money we draw down from when the City is reimbursed for CDBG expenses. The 2020 Major Home Repair Program's budget is still \$389,630 – the only difference is that we will draw \$258,442 from the 2018 entitlement amount and \$131,187 from the 2020 entitlement amount when reimbursing the City. However, this moving around of funds does require a substantial amendment to our 2020 AAP.

Commission Action

Tonight, the Commission must approve the substantial amendment to the 2020 AAP. The amendment language is in Attachment A. The following motion will be required:

"I move to approve the substantial amendment to the 2020 CDBG Annual Action Plan as outlined in Attachment A."

**CITY OF BELLEVUE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
SUBSTANTIAL AMENDMENT
2020 ANNUAL ACTION PLAN**

The City of Bellevue's Annual Action Plan details the projects and activities for the Community Development Block Grant (CDBG) program each year. The Annual Action Plan implements the goals and priorities of the Five-Year 2020-2024 Consolidated Plan. The City is amending its 2020 CDBG Annual Action Plan as follows:

- \$258,442.53 of unspent PY2018 funds are being allocated to Activity #330, KCHA Major Home Repair Program.
- \$258,442.53 of PY2020 funds originally allocated to Activity #330, KCHA Major Home Repair Program, are being reallocated to the following activities to prevent, prepare for, or respond to the coronavirus:
 - #340, Hopelink Financial Assistance: \$106,934
 - #342, Child Care Resources Subsidized Childcare: \$51,508.53
 - #344, ELAP Legal Services: \$50,000
 - #346, Consejo Legal Services: \$50,000

The CARES Act enacted by Congress on March 27, 2020, waived the 15 percent cap on public services projects for fiscal year 2020 grant funds for activities that prevent, prepare for, or respond to the coronavirus.

According to Bellevue's Amended Citizen Participation Plan, a substantial amendment requires a 5-day public comment period. Public comment will be received for this amendment from November 11, 2020 to November 17, 2020.