



City of Bellevue

MEMORANDUM

DATE: October 25, 2021

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 2, 2021

2022 Community Development Block Grant (CDBG) Contingency Plan

The City is required to have a CDBG Contingency Plan that outlines how funding would be allocated if the actual entitlement amount plus program income is higher or lower than was estimated in the Annual Action Plan. The 2022 Contingency Plan would normally have been approved at the same time as the 2022 CDBG funding recommendations, but it was mistakenly left off the October 5 agenda.

The 2022 CDBG Contingency Plan is attached to this memo. Below is staff's reasoning behind the funding allocations for these two scenarios:

Increase in Entitlement & Program Income

- Planning and Administration budgets are increased up to the cap. Staff generally works more hours on CDBG than can be charged under the cap, so it is beneficial to increase this budget up to the cap.
- Remaining additional funds are allocated to the Major Home Repair Program. Major Home Repair is an ongoing program that will be able to spend the funds on future projects.

Sound Generations Minor Home Repair Program is currently catching up on its spending due to COVID-19 restrictions and would not be able to spend additional funds in 2022. Seattle Business Education HUB received its full funding request and should not receive additional funding.

Decrease in Entitlement & Program Income

- Planning and Administration budgets are reduced to comply with the cap. These budgets will be reduced if necessary to comply with the cap.
- Public Services projects are reduced to comply with the cap. Jewish Family Service Immigrant & Refugee Service Centers will be reduced if necessary to comply with the cap.
- Major Home Repair Program budget is reduced by no more than \$50,000. This program would be able to accommodate a reduction up to this amount without significant impacts on services.
- Seattle Business Education HUB Microenterprise Assistance is reduced by the remaining amount. If an additional reduction is necessary, SBEHUB would reduce their budget and service units accordingly.

Based on the HUD budgets currently proposed by the U.S. House and Senate, it is highly unlikely that the CDBG budget will be reduced. It is more likely that there will be a modest increase. The Contingency Plan is required in order to submit the 2022 Annual Action Plan without first having another 30-day public comment period after the City is notified of its exact entitlement amount. Funding for any project can be modified in the future through contract amendments or amendments to the Annual Action Plan. The Contingency Plan is not set in stone; it allows us to submit the Annual Action Plan without further delays to our receiving our 2022 grant.

CITY OF BELLEVUE

2022 CDBG ALLOCATION CONTINGENCY PLAN

This Contingency Plan guides 2022 Community Development Block Grant (CDBG) funding if the actual entitlement award plus 2022 program income is greater or lesser than the estimated \$1,047,795.

INCREASE IN ENTITLEMENT AND PROGRAM INCOME

If the actual amount of the entitlement award plus 2022 program income is greater than the estimated amount of \$1,047,795, the additional funds will be allocated as follows:

Step 1. Allocate additional funds to Planning and Administration up to the statutory cap if staff determines it can be spent by the end of the program year.

Step 2. Allocate the remaining additional funds to the King County Housing Authority Major Home Repair Program.

DECREASE IN ENTITLEMENT AND PROGRAM INCOME

If the actual amount of the entitlement award plus 2022 program income is less than the estimated amount of \$1,047,795 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 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 Major Home Repair award will be reduced by an amount not to exceed \$50,000.

Step 4. If additional reductions are required, the Seattle Business Education HUB award will be reduced by the remaining amount.

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.