



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

PRINCIPAL DEPUTY ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

MEMORANDUM FOR: All CDBG Entitlement Grantees and All CPD Field Office Directors

FROM: James Arthur Jemison II, Principal Deputy Assistant Secretary, D

SUBJECT: Community Development Block Grant (CDBG) Coronavirus Response Additional Flexibilities Related to CDBG Timeliness

This memorandum provides certain CDBG Entitlement Grantees with additional flexibilities related to the timely expenditure of CDBG funds.

Background:

Section IV.B. *Flexibilities, Waivers, and Alternative Requirements* of Federal Register Notice FR-6218-N-01, ***Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs***, (hereinafter, the “Notice”), provided a number of flexibilities, waivers, and alternative requirements for the administration of fiscal year 2019 and 2020 CDBG grants. First among these was Section IV.B.1. *Timeliness*, that recognized the extenuating circumstances under which many local governments were operating due to coronavirus and suspended, effective January 21, 2020, all corrective actions, sanctions, and informal consultations for timeliness for fiscal year 2020. Based on government restrictions, closures, shelter-in-place orders, and social distancing guidance related to coronavirus, HUD determined that all entitlement grantees had factors beyond their reasonable control that, to HUD’s satisfaction, impacted the carrying out of CDBG-assisted activities in a timely manner. As a result, HUD determined that corrective actions related to timeliness for fiscal year 2020 were not appropriate. In a November 17, 2020, memorandum, “Community Development Block Grant Coronavirus Response - Flexibilities Related to CDBG Timeliness,” HUD extended this suspension through December 31, 2020, and said it would monitor changing conditions and determine before the end of the calendar year whether to extend this suspension into all or additional portions of fiscal year 2021.

Determination:

Many local governments continue to operate under extenuating circumstances because of the coronavirus. These local governments may need additional time for certain administrative requirements. Based on continued government restrictions, closures, and other operating challenges related to coronavirus, HUD has determined that all entitlement grantees have factors beyond their reasonable control that, to HUD’s satisfaction, impact the carrying out of CDBG-assisted activities in a timely manner. Accordingly, HUD is extending the CDBG Timeliness

suspension, as set forth in the Notice, further into fiscal year 2021. HUD is suspending all corrective actions, sanctions, and informal consultations for timeliness through June 30, 2021. HUD will continue to monitor changing conditions. Before June 30, 2021, HUD will determine whether to extend this suspension for all or additional portions of fiscal year 2021. HUD may consider regional and local conditions when determining when to begin scheduling informal consultations.

HUD advises grantees that this suspension does not eliminate the timely expenditure requirements set forth in 24 CFR 570.902. HUD will continue to run expenditure reports and will continue to notify grantees when their grant fund balances increase above the regulatory timeliness standard.

HUD further reminds grantees that any flexibilities granted regarding the timely expenditure of annual formula CDBG funds do not extend to CDBG-CV funds. The period of performance obligations set forth in Section III.B.7.(a.) *Period of Performance* of the Notice, still apply to CDBG-CV funds. Conversely, CDBG-CV funds have been excluded [see Section III.B.7.(b.) of the Notice] from the CDBG Timeliness adjusted ratio calculation.

Grantees may direct questions about these matters to their assigned field office. Email inquiries to CPDQuestionsAnswered@hud.gov will continue to receive individual replies and guidance. HUD will also batch questions and responses and periodically make them available as FAQs.

Thank you for the work that you and your staff do in striving to carry out the CDBG program.