



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

PRINCIPAL DEPUTY ASSISTANT SECRETARY  
FOR COMMUNITY PLANNING AND DEVELOPMENT

**LEADERSHIP LETTER RE: Lifting the 80% Expenditure Deadline and Use for Emergency Housing Payments**

Dear CARES Act Community Development Block Grant (CDBG) participant:

Thank you for your work as a CARES Act Community Development Block Grant (CDBG-CV) grantee. HUD continues to be very proud to support and serve our community development partners. Collectively, as CDBG-CV grantees you have advanced the nation's efforts to prepare, prevent, and respond to coronavirus with a particular focus on the needs of low- and moderate-income (LMI) persons and other vulnerable populations.

Your efforts have reached well over 15 million people – you created or retained more than 45,000 jobs for low- and moderate-income people and your expenditures of more than \$500 million of CDBG-CV funds for emergency subsistence payments represent a remarkable surge by many grantees into a rarely used CDBG flexibility. That surge enabled communities throughout the nation to house LMI families starting as soon as mid-2020 as their employers closed or suspended operations during pandemic shutdowns.

Despite great progress, we heard from many grantees that additional time is needed to hit the 80% expenditure mark. After careful consideration, today **we removed the requirement to expend 80% of funds within three years of grant execution**, to give you the time you need to get through another building season or retool your program to address current needs. However, we are leaving in place the original deadline for expenditure of 100% of program funds. We will support you as you swiftly complete CDBG-CV activities to address remaining needs in the most vulnerable communities throughout the nation.

Further, HUD knows local needs change and CDBG-CV has the flexibility to adjust. **Now, as FEMA and Treasury rental assistance programs exhaust their funding or time out, CDBG-CV grantees may wish to consider amending CDBG-CV Action Plans to reprogram funds for emergency payments for rent, mortgage payments, utilities, and other subsistence needs.** We would be happy to show you how to do that in compliance with program requirements. In addition to CDBG-CV technical assistance resources at the HUD Exchange website, HUD created a recorded webinar covering CDBG-CV support for rental assistance and delivered it live last year at our national CARES Act Conference. The recording is available at: <https://www.youtube.com/watch?v=ShlfmjoFtz8>.

Finally, what is coming up next for CDBG-CV?

- The April 27<sup>th</sup> problem-solving clinic for slow spenders is taking registrations: <https://www.hudexchange.info/trainings/courses/cdbg-cv-problem-solving-clinics-april-2023/>.
- Keep watch for your invitation to register for the 2023 CARES Act Conference in May where you can get timely information to help you succeed with your CDBG-CV programs. More than 5,000 people attended each of the 2021 and 2022 virtual conferences and attendee feedback was highly positive.

Again, thank you for your continued effort and participation. HUD will be with you every step of the way as you work to complete your final CDBG-CV projects.



Marion M. McFadden  
Principal Deputy Assistant Secretary