



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

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

MEMORANDUM FOR: All Community Planning and Development Field Office
Division Directors

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

SUBJECT: Availability of Waivers of Community Planning and Development
Grant Program Requirements to Facilitate the Ability to Incur
Pre-Award Costs in FY 2022

JAMES
JEMISON
Digitally signed
by JAMES
JEMISON
Date: 2022.03.23
15:54:27 -04'00'

PURPOSE:

This memorandum explains the availability of waivers of certain regulatory requirements associated with two Community Planning and Development (CPD) grant programs to facilitate the continuation of eligible activities and ongoing planning and administrative costs due to a delay by HUD in the receipt of annual appropriations for FY 2022. This memorandum covers the following CPD programs:

- Community Development Block Grant (CDBG), and
- HOME Investment Partnerships (HOME)

BACKGROUND:

HUD is issuing procedures to govern the submission and review of action plans for FY 2022 funding prior to the enactment of a FY 2022 appropriation bill. Grantees are advised to not submit a consolidated plan or action plan until the FY 2022 formula allocations have been announced. However, an action plan must be submitted to HUD no later than August 16, 2022.

The likelihood of delays in the receipt of annual appropriations by HUD and implementation of these procedures for FY 2022 may have negative consequences for CDBG and HOME grantees that intend to incur eligible costs prior to the award of FY 2022 funding. Some activities might otherwise be interrupted, and grantees might not otherwise be able to use CDBG or HOME funds for planning and administrative costs of administering their programs.

NOTIFICATION PROCESS:

This waiver will apply to any Entitlement, Insular or Hawaii non-entitlement CDBG grantee and to any HOME participating jurisdiction whose program year start date for FY 2022 funding occurs during the period starting October 1, 2021, and ending August 16, 2022 or 60 days after HUD announcement of FY 2022 allocation amounts for formula program funding (whichever comes first). This waiver is available for use by any applicable CDBG grantee or HOME participating jurisdiction whose action plan submission is delayed past the normal submission date because of delayed enactment of FY 2022 appropriations for the Department.

Any affected grantee taking advantage of this waiver shall document in writing the conditions giving rise to the need to use this waiver, and shall maintain such documentation for HUD's review. This waiver authority is only in effect until August 16, 2022.

WAIVER AUTHORITY:

Without this waiver, some activities might be interrupted while implementing these procedures. In addition, grantees might not otherwise be able to use CDBG and HOME funds for ongoing planning and administrative costs of administering their programs. To address communities' needs and to ensure that programs can continue without disturbance, I find that good cause exists pursuant to 24 CFR 5.110 to waive the CPD program regulatory requirements set forth below.

WAIVER AVAILABILITY:

1. Pre-award Costs

Requirement: The effective date of the grant agreement is the program year start date or the date that the consolidated plan is received by HUD, whichever is later. These dates determine when a grantee may incur pre-award costs. For HOME, eligible administrative and planning costs may be incurred as of the beginning of the program year or the date the consolidated plan describing the HOME allocation to which the costs will be charged is received by HUD, whichever is later.

Citations: 24 CFR 570.200(h) (Entitlement CDBG program, the Insular Areas CDBG program, and for grants to non-entitlement counties in Hawaii) and 24 CFR 92.212(b) (HOME participating jurisdictions)

Explanation: This waiver will allow a grantee or participating jurisdiction to treat the effective date of the grant agreement as the program year start date or the date that the consolidated plan/action plan (with actual allocation amounts) is received by HUD, whichever is *earlier*. HUD waives 24 CFR 92.212(b) to the extent necessary to permit eligible pre-award costs to be incurred as of the beginning of the program year or the date the consolidated plan describing the HOME allocation to which the costs will be charged is received by HUD, whichever is *earlier*.

Justification: HUD recognizes that some activities may be interrupted, and grantees might not otherwise be able to use CDBG and HOME funds for ongoing planning and administrative costs without this waiver.

Applicability: This waiver is in effect until August 16, 2022, and is transmitted with the "Guidance on Submitting Consolidated Plans and Annual Action Plans for Fiscal Year (FY) 2022."