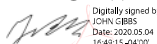




U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

MEMORANDUM FOR: All Grantees of ESG-CV, ESG Grants (FY 2020 and older), and HOPWA-CV and All CPD Field Office Directors

FROM:  John Gibbs, Acting Assistant Secretary for Community Planning and Development

SUBJECT: CARES Act Flexibilities for ESG and HOPWA Funds Used to Support Coronavirus Response and Plan Amendment Waiver

The *Coronavirus Aid, Relief and Economic Security Act* (CARES Act) (Public Law 116-136) makes available \$4 billion in supplemental Emergency Solutions Grants (ESG) Program and \$65 million in supplemental Housing Opportunities for Persons With AIDS (HOPWA) funding for grants to prevent, prepare for, and respond to coronavirus (ESG-CV grants). Additionally, the CARES Act provides various flexibilities and authority for HUD to issue waivers and alternative requirements to make it easier for ESG and HOPWA grantees to use ESG-CV and HOPWA-CV grant funds and annual ESG and HOPWA grant funds for coronavirus response.

The Department has announced the allocations for the first \$3 billion in HUD CARES Act funding, including \$1 billion for ESG grantees, \$2 billion for Community Development Block Grant (CDBG) grantees, and \$53.7 million for Housing Opportunities for Persons With AIDS (HOPWA) grantees. You can find the allocations at www.hud.gov/program_offices/comm_planning/budget/fy20/.

ESG and HOPWA grantees are advised to amend or prepare their plans as soon as possible. Grantees have the option of incorporating CARES Act funding into their FY20 Consolidated Plans currently being drafted. However, **HUD recommends that grantees submit a substantial amendment to their most recent annual Action plan to expedite their access to CARES Act funding.** Similarly, grantees should not wait for HUD to allocate the remaining \$2.96 billion of the \$4 billion provided by the CARES Act for the ESG Program. Following announcement of the second ESG-CV allocation, grantees will then amend plans accordingly.

ESG and HOPWA grantees should proceed with all amendments and plans now by adding the ESG-CV and HOPWA-CV allocations into their plans as available resources for the year. This memorandum transmits the attached instructions for submitting substantial amendments in the eCon Planning Suite for CDBG, ESG, and HOPWA programs.

ESG recipients have the immediate ability to omit the citizen participation and consultation requirements for substantial amendments and new consolidated plan submissions for ESG-CV funding. However, each grantee must publish how it has used and will use its allocation, at a minimum, on the Internet at the appropriate Government website or through other electronic media. Please note that these new provisions are only applicable to ESG funding from the CARES Act.

For HOPWA, the *Availability of Waivers of Community Planning and Development (CPD) Grant Program and Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19* memo allowed flexibility to waive 24 CFR 91.105(c)(2) and (k), 24 CFR 91.115(c)(2) and (i) to the extent necessary to allow the grantee to provide no fewer than 5 calendar days for citizen comment (rather than 30 days) for its substantial amendment. Grantees should post the substantial amendment on its official website along with a summary of citizen comments received within the comment period.

To expedite grantees' use of ESG-CV funds to prevent, prepare for, and respond to coronavirus as authorized by the CARES Act, HUD is waiving the requirements at 42 U.S.C. 12705(a)(2) to the extent it requires updates to the housing and homeless needs assessment, housing market analysis and strategic plan. For both ESG-CV and HOPWA-CV funds, HUD is also waiving 24 CFR 91.220 and 91.320, pursuant to its authority under 24 CFR 91.600, to the extent the action plan is limited to a specific program year to permit grantees to prepare substantial amendments to their most recent annual action plan, including their 2019 annual action plan. Grantees must identify the proposed use of all funds and how the funds will be used to prevent, prepare for, and respond to coronavirus.

To the extent necessary for the required submission of a substantial amendment to HUD in accordance with 24 CFR 91.500, the Department is also waiving 24 CFR 91.505(c), pursuant to 24 CFR 91.600, to facilitate the expedited use of ESG-CV and HOPWA-CV funds. To receive an ESG-CV or HOPWA-CV grant, a grantee must also submit a signed SF-424, SF-424D and the certifications at 24 CFR 91.225(a), (c) and (e), or 24 CFR 91.325(a), (c), and (e). HUD will provide new certifications consistent with the alternative requirements provided by the CARES Act.

Please send additional inquiries to the HUD Exchange Ask A Question (AAQ) portal.

Thank you for the work you and your staff do with our communities in the fight against the coronavirus.