



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

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

Dear ESG Recipient-

The purpose of this message is to provide ESG recipients with updates regarding the expenditure deadlines HUD set forth in [Notice CPD-21-08](#) (ESG-CV Notice). The Notice established spending parameters to ensure ESG funds provided under the CARES Act (ESG-CV) are used to provide urgent assistance to households experiencing homelessness during the COVID-19 pandemic.

As stated in the ESG-CV Notice, HUD may recapture:

- up to 20 percent of a recipient's total award, including first and second allocation amounts, if a recipient has not spent at least 20 percent of their total grant by September 30, 2021; and
- up to 80 percent of a recipient's total award, including first and second allocation amounts, if a recipient has not spent at least 80 percent of their total grant by March 31, 2022.

The Notice also requires recipients to fully expend their entire grant amount by September 30, 2022. In addition to the progressive spending deadlines, the ESG-CV allocation requires quarterly performance reports and drawdowns.

HUD recognizes the extremely difficult circumstances recipients are working under and have been working under since the start of the pandemic in 2020. We also appreciate how hard recipients have worked to serve our most vulnerable citizens during this critical time. ***Therefore, in accordance with HUD's discretion regarding the March 31, 2022, expenditure deadline, HUD has determined it will not recapture funds from recipients who do not meet that deadline.***

HUD is currently considering whether it is necessary to establish a later deadline to replace the March 31, 2022, deadline for expending 80% of each ESG-CV grant. HUD is also considering whether it is necessary to establish a new overall ESG-CV expenditure deadline that is later than the current September 30, 2022, deadline.

If HUD finds it necessary to establish an alternative deadline for either or both of these two ESG-CV expenditure deadlines, HUD will do so in accordance with the requirements provided by the CARES Act, which include announcing the waiver or alternative requirement by means of a notice that at a minimum must be published on HUD's website.

Please note that HUD is still working with recipients who did not meet the September 30, 2021, deadline and that work will continue. This message pertains only to the March and September 2022 deadlines.

Again, we appreciate the work every recipient is doing to respond to the pandemic and keep our clients safe. Please reach out to your ESG-CV Desk Officer in HUD Headquarters if you have questions about this message or your allocation. If you would like to request technical assistance, please submit a request in the TA Portal on the [HUDEXchange](#).

Thank you again for the hard work you are doing serving our most vulnerable and working to end homelessness in your community.

Sincerely,

Jemine A. Bryon
Deputy Assistant Secretary
Office of Special Needs