



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

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

Dear CDBG Grantee:

**SUBJECT: Noncompliance with Timely Expenditure Requirements
Community Development Block Grant (CDBG) Program**

The Department of Housing and Urban Development (HUD) has determined that your jurisdiction is not carrying out its CDBG program in a timely manner pursuant to HUD regulations. A grantee is allowed to have a balance no greater than one and one-half (1.5) times its annual grant remaining in the line of credit 60 days prior to the end of the program year, in accordance with the CDBG regulations at 24 CFR 570.902, Review to determine if CDBG funded activities are being carried out in a timely manner. If a grantee fails to meet this standard, HUD may pursue remedial actions, which may include reducing a grantee's future year grant. Pursuant to 24 CFR 570.911, HUD must offer the grantee an informal consultation before its next grant is reduced. A grantee may avoid a reduction if it demonstrates to HUD's satisfaction that its untimeliness resulted from factors beyond its reasonable control.

However, HUD recognizes that the grantee has taken meaningful steps to address the circumstances. HUD reviewed the grantee's funds drawdown reports, current timeliness ratio, supporting documents submitted by the grantee, and including the factors beyond the grantee's reasonable control, as well as the recommendations of the respective HUD Field Office. The Field Office's recommendations and assessment of the grantee's progress were also considered in determining that the grantee has established a reasonable path toward improved expenditure performance. Therefore, HUD is forgoing an informal consultation and any potential reduction of the grantee's FY 2026 grant under 24 CFR 570.911(b). This exception is intended to provide the grantee with an opportunity to demonstrate substantial improvement and become timely on its next test date.

Instead, prior to receiving its grant funds, the grantee must certify and submit to its respective field office that it watched the CDBG Timeliness Webinar and submit a workout plan showing how it will be timely on its next test date. The field office will work with the grantee and provide ongoing monitoring of progress under the workout plan. If the grantee does not submit a certification for the CDBG Timeliness Webinar or submit a workout plan, HUD may pursue other remedial actions, including imposing grant conditions consistent with 2 CFR 200.208 and 2 CFR 200.339. HUD notes that this suspension does not eliminate the timely expenditure requirements set forth in 24 CFR 570.902.

Please contact James Höemann, Director, Entitlement Communities Division, James.E.Hoemann@hud.gov if you have questions regarding the contents of this letter. Please direct all other questions you may have to your local HUD office.

Sincerely,

**BRYAN
HORN**

Digitally signed by: BRYAN HORN
DN: CN = BRYAN HORN C = US O =
U.S. Government OU = Department of
Housing and Urban Development, Office
of Community Planning and Development
Date: 2026.09.16 15:09:40 -0400

Bryan W. Horn
Deputy Assistant Secretary
for Grants Programs