



OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT

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

SPECIAL ATTENTION:

- All CPD Division Directors
- HUD Field and Regional Offices
- All CDBG Grantees
- All HOME Participating Jurisdictions
- All HTF Grantees
- All ESG Grantees
- All HOPWA (Formula) Grantees

NOTICE: CPD-26-05

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Expires: Remains in effect until amended, superseded, or rescinded.

Regulatory Cross References:

- [24 CFR Part 91](#), [Part 92](#), [Part 93](#)
- [24 CFR Part 570](#)
- [2 CFR Part 200](#)

SUBJECT: *Guidance on Submitting Consolidated Plans and Annual Action Plans for HUD Community Planning and Development (CPD) Formula Grant Programs*

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SECTION 1: OVERVIEW OF THE CONSOLIDATED PLAN NOTICE

1.1 Who's this Notice for?

This Notice is for all grantees¹ of the five HUD community planning and development (CPD) formula grant programs listed below. These programs require grantees to submit a “consolidated planning” document to HUD:

1. Community Development Block Grant (CDBG) Program²
2. HOME Investment Partnerships (HOME) Program
3. Housing Trust Fund (HTF) Program
4. Emergency Solutions Grants (ESG) Program
5. Housing Opportunities for Persons With AIDS (HOPWA) Formula Program

1.2 What is “consolidated planning”?

HUD laws and regulations require grantees under these programs to submit a *Consolidated Plan*—and annual updates referred to as the *Annual Action Plan*—to HUD for review. HUD regulations for consolidated planning are at [24 CFR Part 91](#).

1.2.1 The Consolidated Plan

Every three or five years, your jurisdiction must submit a [Consolidated Plan](#) to HUD for review.³ This document serves as a “comprehensive housing affordability strategy,” community development plan, and your jurisdiction’s application for funding for these programs.⁴

In the plan, your jurisdiction describes how you will use HUD’s CPD formula grant funding to provide: 1) decent housing, 2) a suitable living environment, and 3) expanded economic opportunities (primarily for the benefit of low-income and moderate-income people). These are the three overall goals of HUD CPD formula grant programs ([24 CFR 91.1\(a\)](#)).

The “comprehensive housing affordability strategy” includes five components:

1. [Housing and Homeless Needs Assessment](#) (24 CFR §§ [91.205](#), [91.305](#), [91.405](#));
2. [Housing Market Analysis](#) (24 CFR §§ [91.210](#), [91.310](#), [91.410](#));

¹ This Notice also applies to HOME Investment Partnerships (HOME) Program participating jurisdictions (PJs). HUD uses “grantees” in this Notice for simplicity.

² The guidance in this Notice for CDBG grantees and the consolidated planning regulations at 24 CFR Part 91 apply to all CDBG grantees: 1) CDBG Entitlement grantees; 2) State CDBG grantees; 3) CDBG Insular Areas grantees; and 4) CDBG Non-Entitlement Hawaiian Counties.

³ The plan is called the *Consolidated Plan* because before it was created in 1995, grantees were required to submit different plans for each CPD formula grant program.

⁴ Your jurisdiction must submit Standard Form 424 (SF-424): *Application for Federal Assistance* as part of each Annual Action Plan. See 24 CFR §§ [91.220\(a\)](#), [91.320\(a\)](#), [91.420\(a\)](#).

3. Strategic Plan (24 CFR §§ [91.215](#), [91.315](#), [91.415](#));
4. Action Plan (24 CFR §§ [91.220](#), [91.320](#), [91.420](#)); and
5. Certifications (24 CFR §§ [91.225](#), [91.325](#), [91.425](#)).

1.2.2 The Annual Action Plan

Each year of your jurisdiction’s “consolidated planning cycle,”⁵ your jurisdiction must also submit an *Annual Action Plan* to HUD for review. The *Action Plan* is a component of the Consolidated Plan.

In the *Action Plan*, your jurisdiction provides more specific details on activities you will carry out in the next year to address the needs and goals identified in your Consolidated Plan. Ultimately, HUD evaluates your jurisdiction based on its performance towards goals in your Consolidated Plan and Action Plans.⁶

1.3 What’s the purpose of the Consolidated Plan?

The Consolidated Plan fulfills four purposes or functions (per [24 CFR 91.1\(b\)](#)):

1. *A planning document* for the jurisdiction, based on a participatory process that engages citizens, organizations, businesses, and other stakeholders
2. *An application for federal funds* under HUD’s CPD formula grant programs
3. *A strategy* to follow in carrying out HUD’s CPD formula grant programs
4. *A management tool* for assessing grantee performance and tracking results

1.4 What’s covered in this Notice?

This Notice provides guidance for grantees on:

- When to submit your Consolidated Plan and/or Annual Action Plan
- What constitutes an acceptable plan submission (what you must submit)
- How to submit your plans and documents (technical submission details)
- CPD program flexibility to meet citizen participation requirements
- Costs you may incur before executing your grant agreement (“Pre-Award Costs”)

NOTE: The guidance in this Notice applies equally to Consolidated Plans and Action Plans, regardless of whether the Action Plan is submitted as a stand-alone document or submitted with the full Consolidated Plan.⁷

⁵ Most grantees are on a five-year consolidated planning cycle.

⁶ Your jurisdiction must submit a *Consolidated Annual Performance and Evaluation Report* (CAPER) each year.

⁷ For simplicity, HUD uses “*plan*” to refer to both types of plans in this Notice. The first program year of your three- or five-year consolidated planning cycle, your jurisdiction must submit an Action Plan as part of your full Consolidated Plan. The remaining years of your cycle, you must only submit an Action Plan.

1.5 What's new in this Notice?

- ***Converted to a standing Notice:*** HUD will no longer publish this Notice annually. This Notice will remain in effect until amended, superseded, or rescinded. Each fiscal year (FY), HUD may choose to publish a memorandum providing additional guidance on consolidated planning.
- ***Clarified what to submit and how to submit:*** This Notice clarifies what you must submit (at minimum) to meet the statutory August 16 application deadline. This Notice also provides more details about the format and methods of submission HUD will accept. [GO TO SECTION 3: WHAT TO SUBMIT AND HOW TO SUBMIT](#).
- ***Eliminated Pre-Award Costs regulatory waiver for CDBG and HOME:*** In previous FYs and prior versions of this Notice, HUD attached a regulatory waiver concerning Pre-Award Costs for CDBG grantees and HOME PJs. Due to changes in the 2025 HOME rule⁸ (which affects CDBG), this waiver is no longer necessary.
- ***Added more headings, subheadings, and a table of contents:*** HUD added more headings, subheadings, and a table of contents to this Notice to make information easier to find. The Notice is more “scannable” now and you can use the table of contents to search for what you need.
- ***Rewritten in Plain Language:*** HUD rewrote the Notice in plain language based on the U.S. Government’s [Principles of Plain Language](#) and [Guidelines for Document Designers](#). The [Plain Writing Act of 2010](#) (Pub. L. No. 111-274) requires executive branch agencies to use plain writing in any communication intended for the public.
- ***Rewritten towards grantees:*** A key principle of plain language is to write directly towards a specific audience, focusing on their needs. HUD rewrote this Notice to speak to its main audience: grantees like you. The Notice still provides guidance for HUD’s CPD field staff indirectly, but it directly addresses grantees throughout.

1.6 Who can I contact if I have questions?

Contact your CPD Representative or your [CPD field office](#).

⁸ HOME Investment Partnerships Program: Program Updates and Streamlining, [90 Fed. Reg. 746](#) (Jan. 06, 2025)

SECTION 2: WHEN TO SUBMIT YOUR PLAN

2.1 When is my plan due according to the consolidated planning regulations?

Per [24 CFR 91.15\(a\)\(1\)](#), you should submit your plan to HUD at least 45 days before the start of your “program year” (PY).⁹ This is your “normal plan due date.” For example, if your PY start date is June 1, your plan must be submitted no later than April 16.

However, your normal plan due date may be substituted with a “revised plan due date” due to Congress not appropriating funding for HUD by October 1 (the start of the federal fiscal year). In this Notice, HUD refers to this as “late appropriations.” Revisions and delays to your plan due date because of late appropriations are especially common if you have an earlier PY start date (January 1–April 1). [GO TO SECTION 2.7](#) for guidance on how to figure out your plan due date.

2.2 Between what dates can I submit my plan each FY?

Per [24 CFR 91.15\(a\)\(2\)](#), you may only submit your plan between November 15 and August 16 each FY. Your plan due date is determined by two dates each FY: 1) your PY start date and 2) the date HUD announces your grant allocations. [GO TO SECTION 2.7](#) for guidance on how to figure out your plan due date.

You are advised not to submit your plan until HUD announces your grant allocations AND after you have incorporated your actual grant amounts into your plan and all required grant application documents (e.g., SF-424s).

2.3 Can I submit my plan after August 16?

Failure to submit your plan by the August 16 deadline will result in your jurisdiction’s automatic loss of CDBG funds for that FY. This requirement is established by statute¹⁰ and regulations,¹¹ so HUD cannot waive or extend the August 16 application deadline.

Grant funding under the other CPD formula programs (HOME, HTF, ESG, HOPWA) is not subject to the August 16 deadline. However, since virtually all CPD formula grantees receive CDBG funding, the CDBG deadline effectively establishes the final application deadline for all five programs.

⁹ This is called your “PY start date.” Your jurisdiction chooses the dates of your PY, and the only two criteria are that your PY must begin on the first calendar day of a month (the earliest PY start date is January 1) *and* your PY must run for a 12-month period. Your jurisdiction can change its PY start date by following the requirements at [24 CFR 91.10\(b\)](#).

¹⁰ Housing and Community Development Act (HCDA) of 1974 [42 USC 5316: Transition provisions](#)

¹¹ [24 CFR 91.15\(a\)\(2\)](#)

2.4 How do late appropriations affect my plan due date?

Late appropriations delay HUD's ability to calculate and announce CPD formula grant allocations (your actual grant amounts). This causes delays to some grantees' plan due dates because HUD requires plans to be based on, and contain, actual grant amounts or HUD will disapprove them. Actual grant amounts are often not available until several months into the FY due to late appropriations.

Your jurisdiction must figure out your plan due date each FY because the date that HUD announces CPD formula grant allocations will vary each FY due to late appropriations. [GO TO SECTION 2.7](#) for more guidance on how to figure out your plan due date.

In general, HUD does not require grantees to submit their plan until 60 days after HUD announced CPD formula grant allocations. The reason for delaying plan due dates is to allow time for affected grantees to add their actual grant amounts into their plan and to carry out citizen participation activities for their plan, if necessary.

2.4.1 Background: The CPD formula grant allocation process

After Congress enacts an appropriations bill for HUD, HUD must compute your grant amounts for the CPD formula grant programs your jurisdiction participates in. This CPD formula grant allocation process takes time as allocations are based on several formulas across the five programs and HUD must accurately determine the number of jurisdictions participating in each program each FY. Generally, the appropriations acts require HUD to announce CPD formula allocations within 60 days of the enactment of the appropriation.

2.5 Why can't I submit my plan using estimated grant amounts?

In the past, HUD allowed grantees to submit plans based on, and containing, estimated grant amounts. HUD did not disapprove plans just because they were based on estimated grant amounts and these plans were typically deemed approved. This practice resulted in extra work for both HUD and grantees. After HUD announced grant allocations, grantees had to re-submit revised SF-424s to reflect their actual grant amounts for each of their formula grant programs. In many cases, grantees also had to make changes to their plan to account for their actual grant amounts. Sometimes this may have even triggered a "substantial amendment" under [24 CFR 91.505](#). Depending on the provisions in the grantee's Citizen Participation Plan ([24 CFR 91.105](#)), some grantees were also required to seek public comments on the "substantial" changes to their plan.

To minimize burden and duplication of effort, HUD now requires you to submit plans based on, and containing, your actual grant amounts. HUD won't execute your grant agreement(s) until HUD has received a plan that incorporates your actual grant amount(s) and that plan is deemed approved. If you submit a plan without your actual grant amounts, HUD will disapprove your plan and return it to you for resubmission.

2.6 Do I need to request a regulatory waiver of 24 CFR 91.15(a)(1) if I can't submit my plan before my normal plan due date (45 days before my PY start date)?

No. You do not need to request a regulatory waiver of [24 CFR 91.15\(a\)\(1\)](#) if you can't submit your plan by your normal plan due date (due to late appropriations and HUD's announcement of formula grant allocations). As the regulatory provision states, "*HUD may grant a jurisdiction an extension of the submission deadline for good cause.*"

This Notice provides that a late appropriation serves as good cause for HUD to extend the submission deadline for your plan. You do not have to request an exception to your normal Action Plan due date under [24 CFR 91.15\(a\)\(1\)](#). Your local CPD field office also does not have to grant an exception to your Action Plan submission deadlines ([24 CFR 91.20](#)) to implement the procedures in this Notice.

If you will not be able to submit your plan by your normal or revised plan due date, please notify your CPD field office. These are extensions that are unrelated to late appropriations and HUD's announcement of grant allocations (e.g., your jurisdiction is simply running late in submitting your plan).

2.7 How do I figure out my plan due date, given late appropriations, which may delay my "normal plan due date"?

This section provides guidance on how to figure out your plan due date given that late appropriations may delay your "normal plan due date." Many, but not all, grantees are affected by late appropriations (depending on their PY start dates). Your plan due date is based on two dates: 1) your PY start date and 2) the date HUD announced grant allocations.

2.7.1 Revised plan due dates for CDBG, HOME, ESG, and HOPWA grantees

SECTION 2.7 applies to CDBG, HOME, ESG, and HOPWA grantees¹² whose normal plan due date *has already passed or is fewer than 60 days after* the date HUD announces grant allocations.

If your normal plan due date has already passed OR is fewer than 60 days after the date HUD announces grant allocations, you may delay submitting your plan up to 60 calendar days after the date HUD announced your grant allocations. This gives your jurisdiction two months to add your actual grant amounts into your plan and conduct any additional citizen participation (if necessary).

NOTE: If your normal plan due date is *more than 60 days after the date HUD announced grant allocations*, you will have enough time to incorporate your actual grant amounts. As a result, your normal plan due date will remain unchanged.

¹² For guidance on submitting your plan for HTF Program grantees, [GO TO SECTION 2.8.](#)

2.7.2 PLAN DUE DATE TABLE EXAMPLE: Plan due dates based on HUD announcing grant allocations on April 1

This table shows your plan due date based on a fictional example of HUD announcing grant allocations on April 1.

This date is only for illustrative purposes, as HUD does not know when it will announce grant allocations each FY.

PY Start Date	Normal Plan Due Date <i>(45 days before PY start date)</i>	If HUD announced grant allocations <u>APRIL 1</u>, your Normal Plan Due Date is...
January 1	November 15	<u>IN THE PAST.</u> Your normal plan due date passed before HUD announced grant allocations. Your revised plan due date is June 1 (60 days after HUD announced grant allocations).
February 1	December 17	<u>IN THE PAST.</u> Your normal plan due date passed before HUD announced grant allocations. Your revised plan due date is June 1 (60 days after HUD announced grant allocations).
March 1	January 14	<u>IN THE PAST.</u> Your normal plan due date passed before HUD announced grant allocations. Your revised plan due date is June 1 (60 days after HUD announced grant allocations).
April 1	February 14	<u>IN THE PAST.</u> Your normal plan due date passed before HUD announced grant allocations. Your revised plan due date is June 1 (60 days after HUD announced grant allocations).
May 1	March 16	<u>IN THE PAST.</u> Your normal plan due date passed before HUD announced grant allocations. Your revised plan due date is June 1 (60 days after HUD announced grant allocations).
June 1	April 16	<u>FEWER THAN 60 DAYS AFTER HUD ANNOUNCED GRANT ALLOCATIONS.</u> Your revised plan due date is June 1 (60 days after HUD announced grant allocations).
July 1	May 16	<u>FEWER THAN 60 DAYS AFTER HUD ANNOUNCED GRANT ALLOCATIONS.</u> Your revised plan due date is June 1 (60 days after HUD announced grant allocations).
August 1	June 16	<u>MORE THAN 60 DAYS AFTER HUD ANNOUNCED GRANT ALLOCATIONS.</u> You must submit your plan by your normal plan due date. (24 CFR 91.15(a)(1))
September 1	July 17	<u>MORE THAN 60 DAYS AFTER HUD ANNOUNCED GRANT ALLOCATIONS.</u> You must submit your plan by your normal plan due date. (24 CFR 91.15(a)(1))
October 1	August 16	<u>MORE THAN 60 DAYS AFTER HUD ANNOUNCED GRANT ALLOCATIONS.</u> You must submit your plan by your normal plan due date. (24 CFR 91.15(a)(1))

2.8 How should HTF grantees (and HTF subgrantees) submit a plan, given different timing of HTF allocations?

2.8.1 HTF Program background and timing of HTF allocations

HTF is a formula grant program awarded to State governments to increase and preserve decent, safe, and sanitary affordable housing for extremely low-income and very low-income families. HTF program regulations are at [24 CFR Part 93](#). The timing of HTF allocations is different from the other CPD formula grant allocations (CDBG, HOME, HOPWA, ESG) because HTF funding is from mandatory set-asides from two government-sponsored enterprises (GSEs)¹³ rather than from Federal appropriations. The earliest HUD expects to publish HTF allocations any FY is in April.

2.8.2 Plan submission process for HTF Program grantees (State governments)

HTF regulations require your State to submit an HTF allocation plan¹⁴ as part of your Consolidated Plan ([24 CFR 93.100\(b\)](#)). The requirements for your HTF allocation plan are at [24 CFR 91.320\(k\)\(5\)](#), including but not limited to the requirements that it describes 1) your method of distribution for HTF funds and 2) your application requirements and criteria for selecting applications from local governments.

If HUD has not published HTF allocations before your State is due to submit its plan, you may submit a plan covering your other CPD formula programs by their plan due date. After HUD publishes HTF allocations (likely in April), your State must then submit your HTF allocation plan as a substantial amendment to your Action Plan.

2.8.3 Plan submission process for HTF Program subgrantees

Per [24 CFR 91.220\(l\)\(5\)](#), a unit of general local government or State agency selected by a grantee to administer all, or a portion, of a State's HTF program (as a subgrantee) must include an HTF allocation plan as part of their Action Plan. The local government's HTF allocation plan must be consistent with the State's HTF allocation plan.

A subgrantee's HTF allocation plan must contain the elements listed in 24 CFR 91.220(l)(5), which include but is not limited to 1) their method of distribution of HTF funds and 2) their application requirements and criteria for selecting applications submitted by eligible recipients (which meet their local jurisdiction's priority housing needs).

¹³ The GSEs are the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac").

¹⁴ The HTF allocation plan is the annual submission to HUD required by Section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended (12 U.S.C. 4568).

Due to the timing of publication of HTF allocations and the selection process of HTF grantees, a subgrantee(s) must submit a plan covering their other CPD formula programs by their plan due date. After HUD publishes HTF allocations—and after the State has selected a local government as a subgrantee according to the State’s HTF allocation plan—any local government subgrantee selected must then submit their HTF allocation plan as a substantial amendment to their Action Plan.

SECTION 3: WHAT TO SUBMIT AND HOW TO SUBMIT

3.1 What's the minimum I should submit to meet the August 16 application deadline?

You should submit these four components or documents (at a minimum) by the August 16 application deadline to prevent the loss of your CPD formula allocation:

1. [Standard Form 424 \(SF-424\): Application for Federal Assistance](#)¹⁵
2. [HUD-424-B: Applicant and Recipient Assurances and Certifications](#)¹⁶
3. Certifications required by [24 CFR 91.225](#), [24 CFR 91.325](#), and [24 CFR 91.425](#)¹⁷
4. A brief executive summary of your jurisdiction's community and economic development objectives and projected use of funds. You may fulfill this requirement by completing *ES-05: Executive Summary* in the IDIS eCon Planning Suite. Consult the *eCon Planning Suite Desk Guide* for instructions.¹⁸ Refer to [24 CFR 91.220\(b\)](#) and [24 CFR 91.320\(b\)](#).

3.1.1 Key guidance on the August 16 application deadline

- Failure to make a submission by August 16 will result in your jurisdiction's automatic loss of CDBG funds for that FY. HUD cannot waive or extend the August 16 deadline. [GO TO SECTION 2.3](#) for more details.
- This is the bare minimum you should submit to meet the August 16 deadline. HUD strongly encourages you to submit a fully completed plan instead so that you may use the grant funds allocated to your jurisdiction as soon as possible.
- If you only submit the components above, your CPD field office will disapprove your submission as “substantially incomplete” and return it for resubmission. HUD will still consider your jurisdiction to have met the August 16 application deadline if your initial plan submission is disapproved, but you must complete and resubmit your full plan in compliance with 24 CFR Part 91.

NOTE: [GO TO SECTION 4.5](#) for examples of “substantially incomplete” plans. [GO TO SECTION 4.6](#) for more on resubmitting a plan after a disapproval.

¹⁵ An SF-424 must be completed for *each* formula grant program you are applying for (e.g., CDBG, HOME, HTF, ESG, HOPWA). SF-424 form instructions are at <https://www.grants.gov/forms/forms-repository/sf-424-family>.

¹⁶ An HUD-424-B must be completed for *each* formula grant program you are applying for (e.g., CDBG, HOME, HTF, ESG, HOPWA). Some certifications in the HUD-424-B are also included in certifications at [24 CFR 91.225](#) (Local Governments), [24 CFR 91.325](#) (State Governments), and [24 CFR 91.425](#) (HOME Consortia). Both the HUD-424-B and certifications required in the above-cited regulations (under #3) must be submitted in their entirety. Submitting both sets of certifications assures that your jurisdiction has met the Consolidated Plan and Annual Action Plan submission requirements.

¹⁷ Local Government template: <https://www.hud.gov/sites/dfiles/CPD/documents/Non-State-Certifications.pdf> and State Government template: <https://www.hud.gov/sites/dfiles/CPD/documents/State-Certifications.pdf>. Insular Areas and Non-Entitlement Hawaiian Counties should use the Local Government template.

¹⁸ See pp. 73–76 of the eCon Planning Suite Desk Guide: <https://files.hudexchange.info/resources/documents/eCon-Planning-Suite-Desk-Guide-IDIS-Conplan-Action-Plan-Caper-Per.pdf>

3.2 Where must I list my actual grant amounts in my plan?

You must ensure that you list your actual grant amounts in your plan's:

- description of resources and objectives;
- description of activities to be undertaken;
- “method of distribution” (*for State Governments only, regarding their CDBG funds; 24 CFR 91.320(k)(1)(i)*); and
- on all your SF-424 forms (the *Application for Federal Assistance* forms you must submit for each of the five grant programs your jurisdiction participates in).

3.3 How must I submit my plan to HUD?

You must submit your plan in the Integrated Disbursement and Information System (IDIS)—using the [IDIS eCon Planning Suite](#).¹⁹ However, if you experience IDIS system access issues, you may submit paper or digital copies to your CPD field office via mail, email, or in person. If you mail documents, they must be postmarked by August 16.

3.4 Am I required to submit hard original copies of any documents or email digital copies of any required documents to my CPD field office?

No. HUD strongly recommends you submit all documents in the [IDIS eCon Planning Suite](#). However, if you experience IDIS system access issues, and for the purposes of helping grantees meet the August 16 deadline, HUD will accept hard copies (via mail or in person) or digital copies (via email) submitted to your CPD field office.

NOTE: You are still required to submit your plan and documents in the IDIS eCon Planning Suite even if you originally submit hard copies or email copies to your CPD field office.

3.5 What types of signatures on documents will HUD accept and who must sign?

Regardless of how you submit your documents (IDIS, in person, mailed, emailed), HUD will accept both types of signatures below from your jurisdiction's chief executive officer.²⁰

- traditional “wet” signatures (original copies or scanned copies) OR
- “digital” or “electronic” signatures (must show verification the chief executive officer completed the digital signature and the time and date stamp).

¹⁹ [24 CFR 91.200\(a\)](#) and [24 CFR 91.300\(a\)](#) state that a complete Consolidated Plan consists of required information “submitted in accordance with instructions prescribed by HUD (including tables and narratives), or in such other format as jointly agreed upon” by HUD and the jurisdiction or state. This is the basis of HUD’s requirement that grantees submit plans using the IDIS eCon Planning Suite. For more information, you may refer to [Notice CPD-12-009: Use of IDIS to Submit the Consolidated Plan](#) or any successor Notice. This Notice provides a helpful overview of the requirement for HUD grantees to submit consolidated planning submissions in IDIS.

²⁰ Your “chief executive officer” is an elected official or legally designated official who has the primary responsibility for the conduct of your governmental affairs. Examples of chief executive officers include the mayor, county executive, board chairperson, or governor. For example, see [24 CFR 570.3](#).

3.6 If my jurisdiction was awarded a CDBG-DR or CDBG-MIT grant, are we required to incorporate these grants into our Consolidated Plan/Action Plan?

Yes. States and CDBG Entitlement grantees awarded a CDBG-Disaster Recovery (CDBG-DR) or CDBG-Mitigation (CDBG-MIT) grant must incorporate these grants into their Consolidated Plans within a specified timeframe. CDBG-DR or CDBG-MIT grantees should consult the applicable *Federal Register* (FR) Notices for their grant(s) for specific guidance, as well as HUD’s new [Universal Notice for CDBG Disaster Recovery Grantees](#).

Under HUD’s new “Universal Notice,” grantees must incorporate CDBG-DR funding into their Consolidated Plan by submitting an Action Plan, or a substantial amendment to their existing Annual Action Plan, within 24 months of the applicability date of the relevant Allocation Announcement Notice (AAN). If your jurisdiction is not scheduled to submit a new Consolidated Plan within the next two years, you must update your existing Consolidated Plan to reflect your jurisdiction’s disaster-related needs no later than 24 months after the applicability date of the relevant AAN.

When the organization administering the CDBG-DR award is a different entity or agency from that which administers the applicable State’s or Entitlement’s annual CDBG program, these entities should coordinate to ensure that the annual CDBG program grantee updates its Consolidated Plan accordingly.

3.7 What HUD resources are available to help me with preparing my plan?

Below are a few HUD resources to help you with preparing your plan:

- [HUD.gov Consolidated Planning Website](#)
- [HUD Exchange Consolidated Plan Website](#)
- [CPD Maps GIS Website](#)
- [HUD Database of Consolidated Plans, Annual Action Plans, and CAPERs](#)
- [Consolidated Plan Updates to Reflect Disaster Recovery and Mitigation Needs and Associated Priorities](#)

3.8 How do Opportunity Zones intersect with my plan(s)?

Created by the 2017 Tax Cut and Jobs Act, Opportunity Zones (OZs) are economically distressed communities, defined by individual census tract, nominated by America’s governors, and certified by the U.S. Secretary of the Treasury via their delegation of that authority to the Internal Revenue Service (IRS). OZs are designed to stimulate private investment in designated, low-income census tracts nationwide. Since the passage of the law, 8,764 OZs were designated in all 50 states, Washington DC, Puerto Rico, and several Insular Areas.²¹

²¹ <https://www.hud.gov/opportunity-zones>

3.8.1 Changes to OZ designation criteria under the One Big Beautiful Bill Act

OZ designations will change at the beginning of calendar year 2027 (and every ten years thereafter), according to the provisions in the One Big Beautiful Bill Act of 2025 (OBBBA).²² OBBBA made the OZs program permanent by eliminating the sunset date in the 2017 Tax Cut and Jobs Act and introduced new OZ requirements.

One major change under OBBBA is refining the definition of the term “low-income community,” which will now mean any census tract where: (a) the poverty rate is at least 20% and the median family income does not exceed 125% of the applicable area median income OR (b) the median family income does not exceed 70% of the applicable area median income (down from 80% in the 2017 Tax Cut and Jobs Act). Additional changes to the OZ designation criteria in OBBBA include: 1) repealing the ability to designate census tracts as OZs that were not low-income themselves but were contiguous to a low-income tract and 2) requiring that at least 33% of OZs must be rural areas. Under OBBBA, a rural area is considered any city or town with a population less than 50,000, excluding census tracts adjacent to a town or city with more than 50,000 people.

3.8.2 Background on Opportunity Funds and tax incentives for investors

The OZs provisions of the tax code incentivize individuals and companies to invest equity in real estate projects or in businesses located in OZs. It does so by enabling individuals to temporarily defer and reduce their tax liability on investments in privately- or publicly-managed Opportunity Funds. These Opportunity Funds must invest funds in real estate projects or businesses located in designated OZs. Moreover, if investors leave their investments in these funds long-term, the profits they make on Opportunity Fund investments will not be taxed.

3.8.3 Guidance for CPD formula grantees on using grant funding in OZs

HUD issued [Notice CPD-20-06, Guidance on Using HUD’s Community Planning and Development Program \(CPD\) Funds in Opportunity Zones](#) to encourage CPD program grantees to consider the use of CDBG, HOME, ESG, HOPWA, and HTF funds for eligible activities in OZs when developing their Consolidated Plans.

Also, when considering strategies to facilitate the use of CDBG and Section 108 Loan Guarantee funds in OZs, HUD encourages grantees to explore whether an OZ, or a portion of an OZ, would also qualify as Neighborhood Revitalization Strategy Areas (NRSAs) under [Notice CPD-16-16](#). Compliance with certain CDBG requirements can be streamlined through the designation of NRSAs that may make it more feasible for grantees and their partners to leverage CDBG and Section 108 Loan Guarantee funds more quickly in OZs.

²² Beginning July 1, 2026, governors of each state will propose (within 90 days) new census tracts every 10 years to be designated as OZs. Qualified OZs will take effect January 1 of the following year and remain in force for 10 years under renewed eligibility standards. The first new designations for OZs will take effect January 1, 2027.

SECTION 4: HUD’S REVIEW OF YOUR PLAN

4.1 What standards does HUD use to review my plan?

HUD reviews your plan using the “standard of review” explained in [24 CFR 91.500\(b\)](#). In general, HUD reviews your plan for completeness and compliance with the consolidated planning regulations (24 CFR Part 91). This includes, but is not limited to, reviewing whether your plan:

- was developed with required citizen participation and consultation;
- contains all necessary elements; and
- includes accurate certifications.

4.2 How long does HUD have to review my plan?

HUD has 45 calendar days after the day HUD received your submission to review your plan. HUD will consider the day you submit your documents as “collection day” or “Day 0.” Therefore, HUD’s 45-day review period begins the day after you submit your plan in the IDIS eCon Planning Suite OR the day after your CPD field office receives copies of your executed SF-424(s).²³

Per [24 CFR 91.500\(a\)](#), your plan will be deemed approved at the end of the 45th day after HUD receives it, unless HUD notifies you before then that your plan is disapproved.

Per [24 CFR 91.500\(c\)](#), within 15 days after HUD notifies your jurisdiction your plan is disapproved, HUD must inform you in writing of the reasons for disapproval and actions that you can take to meet the criteria for approval.

4.3 What happens if I submit a plan that contains estimated (not actual) grant amounts?

HUD will disapprove any plan that does not reflect your actual CDBG, HOME, HTF, ESG, and HOPWA grant amounts for the FY on the SF-424 (*Application for Federal Assistance*), in the description of resources and objectives, and in the description of activities to be undertaken (or, for States, the method of distribution).

The basis for HUD’s disapproval is that your plan is “substantially incomplete” if it is not based on, and does not contain, your actual grant amounts for the FY. If your plan is disapproved for this reason, you must resubmit a revised plan to HUD after you incorporate your actual grant amounts into your plan.

NOTE: The HTF allocation plan must be included if HUD publishes HTF allocations before you submit your Consolidated Plan or Action Plan. [GO TO SECTION 2.8](#) for more guidance on including HTF allocation plans in your plan.

²³ You are not required to mail hard original signed copies of your SF-424(s) to your CPD field office. Refer to SECTIONS 3.3–3.5 for more guidance on the acceptable submission formats of your plan.

4.4 What are the reasons HUD may disapprove my plan?

[24 CFR 91.500\(b\)](#) states HUD may disapprove your plan (or a portion) for three reasons:

1. If it is inconsistent with the purpose of the Cranston-Gonzalez National Affordable Housing Act ([42 U.S.C. 12703](#));
2. If it is substantially incomplete; or
3. In the case of a CDBG certification under [24 CFR 91.225\(a\)](#) and [24 CFR 91.225\(b\)](#) or [24 CFR 91.325\(a\)](#) and [24 CFR 91.325\(b\)](#), if it is not satisfactory to the Secretary of HUD in accordance with [24 CFR 570.304](#), [24 CFR 570.429\(b\)](#), [24 CFR 570.440\(e\)](#), or [24 CFR 570.485\(c\)](#).

4.5 What are examples of plans that are “substantially incomplete”?

These four examples of substantially incomplete plans are provided at [24 CFR 91.500\(b\)](#):

1. A plan developed without the required citizen participation or the required consultation;
2. A plan that fails to satisfy all the required elements in 24 CFR Part 91;
3. A plan for which a certification is rejected by HUD as inaccurate, after HUD has inspected the evidence and provided due notice and opportunity to the jurisdiction for comment; and
4. A plan that does not include a description of the manner in which the unit of general local government or state will provide financial or other assistance to a public housing agency if the public housing agency is designated as “troubled” by HUD.

4.6 When must I resubmit my plan if HUD disapproves my first submission?

[24 CFR 91.500\(d\)](#) states: “*(t)he jurisdiction may revise or resubmit a Plan within 45 days after the first notification of disapproval.*” If HUD disapproves your first submission, this regulatory provision does not prohibit you from re-submitting your plan beyond the 45 days after HUD’s notification of disapproval. If your jurisdiction needs additional time to resubmit beyond the 45 days, send a written request for additional time, including the justification for the request, to your CPD field office. However, HUD must respond to approve or disapprove your resubmitted plan within 30 days of receiving your revisions or resubmission.

4.7 Am I required to carry out additional citizen participation after making changes to my plan because HUD disapproved my first submission?

[24 CFR 91.105\(c\)](#), [24 CFR 91.115\(c\)](#) and [24 CFR 91.505](#) require grantees to comply with citizen participation requirements when they undertake a “substantial amendment” to a plan that is deemed approved. However, a plan that HUD has disapproved is, by definition, not deemed approved. If HUD disapproved your plan, the consolidated planning regulations do not require you to undertake further citizen participation on the changes you make before resubmitting the plan to HUD. A major exception to this, however, is if the reason for HUD’s disapproval involved your jurisdiction’s failure to meet citizen participation requirements.

4.8 How can I determine if I need to carry out additional citizen participation?

HUD encourages grantees to review their Citizen Participation Plan and local policies to determine if their jurisdiction needs to carry out additional citizen participation.

[24 CFR 91.500\(b\)](#) states that a plan developed without the required citizen participation or consultation is substantially incomplete. However, as HUD notes in this Notice, there are sometimes circumstances in which a grantee may need to make major revisions to a disapproved plan, which could trigger further citizen participation efforts.

If HUD disapproves your plan, you should review your jurisdiction's Citizen Participation Plan and other local policies to determine whether you will need to carry out additional citizen participation because of the changes you must make to cure the deficiencies identified by HUD.

SECTION 5: HOW TO MEET CITIZEN PARTICIPATION REQUIREMENTS IN THE INTERIM BEFORE HUD ANNOUNCES GRANT ALLOCATIONS

5.1 Is my jurisdiction required to meet citizen participation requirements before submitting my plan?

Yes. Before submitting your plan, you must satisfy the consultation and citizen participation requirements described in 24 CFR Part 91.²⁴ Your jurisdiction's citizens must be provided with 30 days to comment on Consolidated Plans, Action Plans, and "substantial amendments"²⁵ to those plans.

5.2 Is my jurisdiction allowed to expedite the citizen participation process?

No. Citizens in your jurisdiction must be provided 30 days to comment on your draft plan. As a reminder, expedited citizen participation procedures (such as those authorized by the CARES Act Notice)²⁶ are no longer permissible. These expedited procedures were only permitted due to the public health emergency of COVID-19.

5.3 What are my options for meeting my citizen participation requirements?

Your jurisdiction has two options for fulfilling your citizen participation obligations while waiting for HUD to announce your grant allocations:

1. Option 1: Prepare your draft plan according to your normal timetable and carry out your citizen participation for your plan using estimated funding amounts. This approach requires you to explain that the plan is based on estimated funding and add funding contingency provisions in your draft plan.

OR

2. Option 2: Prepare your draft plan according to your normal timetable but wait until HUD announces your grant allocations before carrying out citizen participation. This approach requires you to update your draft plan with your actual grant amounts and then carry out citizen participation activities.

NOTE: This option is not feasible if you intend to incur "Pre-Award Costs" under the programs covered by this Notice. This is because citizen participation requirements must be met before Pre-Award Costs are allowed to be incurred.

²⁴ For example, the consultation requirements outlined at [24 CFR 91.100](#) require local governments to consult with various entities, including organizations that represent protected class members, those that enforce fair housing laws, and public housing authorities (PHAs).

²⁵ A substantial amendment is a significant change to your jurisdiction's approved Consolidated Plan or Action Plan. Grantees are required by regulations (e.g., [24 CFR 91.105](#) and [24 CFR 91.115](#)) to define in their own Citizen Participation Plan the specific criteria that constitute a substantial amendment.

²⁶ *Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs*, [85 Fed. Reg. 51457](#) (Aug. 20, 2020)

5.4 Option 1: Carry out citizen participation using estimated funding amounts

If you choose this option, you must make it clear that the funding levels shown in your draft plan are estimated amounts. In addition, you should also include “contingency provision” language in your draft Action Plan. Your contingency provision(s) will explain how you will adjust your draft plan to match your actual grant amounts after HUD announces them.

NOTE: A draft plan that has not been submitted to HUD yet is not an approved plan. A draft plan must be revised in accordance with your citizen participation requirements, which may not be the same as your citizen participation requirements for a substantial amendment to a plan that is deemed approved. HUD recommends reviewing your Citizen Participation Plan and local policies prior to submitting your plan to determine whether you must carry out additional citizen participation because of changing your plan to incorporate your actual grant amounts.

5.4.1 Adding contingency provisions in your draft plan

By including contingency language in your draft plan, you can avoid having to make significant revisions to your plan after HUD announces CPD formula grant allocations. The only revisions you would need to make would be to incorporate your actual grant amounts into your plan and SF-424(s). With this approach, you may also avoid the potential need to carry out additional citizen participation if your plan must be significantly revised to reflect your jurisdiction’s actual grant amounts.

5.4.2 Examples of contingency provisions

You may include these or other comparable provisions singly or in any combination to meet your jurisdiction’s needs. Your jurisdiction may also choose to adopt a unique contingency approach for each program covered by this Notice.

1. Your plan could state that all proposed activities’ budgets will be increased or decreased proportionally from the estimated funding levels to match actual grant amounts.
2. Your plan could express its budget in terms of percentages of the grant amount to be budgeted for each planned activity, along with the current estimate of how many dollars that equates to, for each activity.

Examples: “*Regardless of final allocation amounts, the United Interfaith Street Outreach Program will receive 22 percent (currently estimated to be approximately \$38,000) of our ESG allocation.*” OR “*Regardless of final allocation amounts, the Tenant-Based Rental Assistance activity will receive 10 percent (currently estimated as \$68,750) of our HOME allocation.*”

3. Your plan could state that any increase or decrease in funding to match actual grant amounts will be applied to one or more specific activities.

Example: “*Any increase or decrease relative to our estimated allocation amount will be applied to the single-family housing rehabilitation grant program.*”

4. Your plan could list proposed activities in priority order and indicate that the activity may or may not be funded that FY based on availability of funds.

Example: “*The East Side Sidewalk Replacement activity is a ‘backup’ activity that will be funded only if sufficient CDBG funding exists,*” OR conversely “*If our actual allocation is less than estimated, the East Side Sidewalk Replacement activity will not be funded this FY.*”

5. Your plan could state that, should your actual grant amount exceed your estimate, you will increase the budget.

Example: “*Should our actual grant amount be higher than estimated, we will increase the Uptown Sewer Separation activity budget and extend the service area block-by-block along the 600-900 blocks of Cherry Street, based on the amount of additional funding available.*”

5.5 Option 2: Carry out citizen participation after HUD announces grant allocations

If you choose this option, you will need to update relevant sections of your draft plan (after HUD announces CPD formula grant allocations) to reflect your actual grant amounts before you carry out citizen participation on your draft plan. [GO TO SECTION 3.2](#) for guidance on where you must list your actual grant amounts in your plan.

As noted earlier, this option is not feasible or available if you intend to incur Pre-Award Costs. This is because citizen participation requirements must be met before HUD allows Pre-Award Costs to be incurred. [GO TO SECTION 6: GUIDANCE ON PRE-AWARD COSTS.](#)

5.6 Why should I follow one of these options (described in Sections 5.4 or 5.5)?

HUD developed these two options (SECTIONS 5.4 AND 5.5) to minimize disruption and duplication of effort for grantees. If you don’t follow either Option 1 or Option 2 above, your jurisdiction risks increasing your own work obligations and costs.

Your jurisdiction will still be required to update your plan to incorporate your actual grant amounts for HUD to approve your plan. And, depending on the requirements in your Citizen Participation Plan, you may be required to undertake additional publication and citizen participation processes based on the difference between your *actual grant amounts* and the *estimated grant amounts* in your draft Action Plan. Local policies and procedures may also require your jurisdiction to obtain re-approval of your revised plan from your legislative body or chief executive officer.

SECTION 6: GUIDANCE ON PRE-AWARD COSTS

6.1 What are “Pre-Award Costs”?

As a grantee, you may want or need to incur costs against your next FY grant before the effective date of your Grant Agreement with HUD. These are called “Pre-Award Costs.” These costs can be reimbursed with your future grant funds, provided the funded activity(ies) meet all grant program-specific regulatory requirements and applicable 2 CFR Part 200 regulatory requirements for Pre-Award Costs.²⁷

HUD generally allows Pre-Award Costs without a regulatory waiver or written approval. However, under some circumstances for CDBG grantees ([24 CFR 570.200\(h\)\(2\)](#)), you must obtain HUD’s written approval to incur Pre-Award Costs.

6.1.1 Example: Pre-Award Costs

For example, your jurisdiction may want to execute annual renewals of agreements with social service providers (subrecipients) to prevent interrupting their delivery of critical social services. The annual performance cycle of these agreements might normally begin after your PY start date but, under the terms of this Notice, you can’t submit your Action Plan until after the date that the agreements with service providers needed to be executed.

In general, the timing instructions in this Notice may cause some program costs to be classified as Pre-Award Costs where they would otherwise not have been.

6.2 What general provisions apply to all CPD formula program grantees?

If your jurisdiction wants to incur costs for your grants prior to the effective date of your Grant Agreement, you must pay special attention to regulations on Pre-Award Costs in:

- 2 CFR Part 200 (HTF, ESG, and HOPWA Programs)
- 24 CFR Part 570 (CDBG Program)
- 24 CFR Part 92 (HOME Program)

6.2.1 2 CFR Part 200 and Pre-Award Costs (HTF, ESG, and HOPWA Programs)

This section applies only to the HTF, ESG, and HOPWA programs. It does not apply to the CDBG and HOME programs because those programs have unique Pre-Award Cost requirements at [24 CFR 570.200\(h\)](#) (CDBG) and [24 CFR 92.212](#) (HOME).

The government-wide [Uniform Administrative Requirements, Cost Principles and Audit Requirements regulation \(2 CFR Part 200\)](#) includes the following provision concerning agency approval of Pre-Award Costs:

²⁷ See [2 CFR 200.210](#) and [2 CFR 200.458](#).

[2 CFR § 200.458](#). Pre-award costs. *Pre-award costs are those incurred before the start date of the Federal award or subaward directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. These costs are allowable only to the extent that they would have been allowed if incurred after the start date of the Federal award and only with the written approval of the Federal agency. If approved, these costs must be charged to the initial budget period of the Federal award unless otherwise specified by the Federal agency or pass-through entity.*

Conditional HUD approval of Pre-Award Costs

To minimize workload on grantees and HUD field offices, this Notice establishes procedures implementing the [2 CFR 200.458](#) requirements. This Notice provides conditional HUD approval of Pre-Award Costs once your jurisdiction has completed and documented the five actions below. This conditional approval is contingent on the availability, requirements, and authorized uses of the appropriations.

1. You have documented that the costs incurred prior to the effective date of your Grant Agreement are necessary for efficient and timely performance of the activity(ies).
2. You have documented that the costs are for eligible activities under the regulations for the applicable funding program(s).
3. You have documented your jurisdiction's compliance with all other requirements for Pre-Award Costs under the regulations for your applicable program(s).
4. The activity for which costs will be incurred is included in your Consolidated Plan and/or Action Plan.
5. You have documented that your citizen participation process has been completed by including in your files a written, dated summary of comments received on your plan, pursuant to [24 CFR 91.105\(b\)\(5\)](#) (local governments) or [24 CFR 91.115\(b\)\(5\)](#) (State governments).

6.2.2 Guidance on Pre-Award Costs applicable to all five grant programs

The following requirements apply to all five CPD formula grant programs. [GO TO SECTION 6.4](#) for specific provisions on Pre-Award Costs for each program.

Pre-Award Costs are incurred at your own risk

Pre-Award Costs are incurred at your own risk because reimbursement is contingent on the availability of FY appropriations, satisfying the conditions in this Notice, and executing your grant agreement with HUD. Any commitments or expenditures your jurisdiction incurs, which exceed the funds provided by your grant (and authorized under the applicable FY appropriations law), would be your jurisdiction's responsibility to pay for using non-Federal funds.

“Proposed plans” vs. “plans” and meeting citizen participation requirements

Before you can incur Pre-Award Costs, your jurisdiction must have already met citizen participation requirements. Consolidated planning regulations (24 CFR Part 91) make a distinction between “*a proposed plan*” and “*a plan*.” Notably, [24 CFR 91.105\(b\)](#) and [24 CFR 91.115\(b\)](#) describe citizen participation requirements for a grantee’s *proposed plan*.

For the purposes of Pre-Award Costs, HUD considers your plan to have moved from being “a proposed plan” to “a plan” once your jurisdiction has completed the publication, public hearing, and public comment requirements at:

- [24 CFR 91.105\(b\)\(2\)](#), [24 CFR 91.105\(b\)\(3\)](#), and [24 CFR 91.105\(b\)\(4\)](#); or
- [24 CFR 91.115\(b\)\(2\)](#), [24 CFR 91.115\(b\)\(3\)](#), and [24 CFR 91.115\(b\)\(4\)](#); and
- your jurisdiction has developed its written summary of comments received, per [24 CFR 91.105\(b\)\(5\)](#) or [24 CFR 91.115\(b\)\(5\)](#).

Environmental review requirements

For CDBG, HOME, ESG, and HOPWA grantees, before you commit any funds for a Pre-Award Cost—including non-Federal funds—you must either:

- make a written determination that the Pre-Award Cost is for an activity exempt from environmental review or categorically excluded and not subject to review under related environmental laws and authorities under [24 CFR Part 58](#); OR
- verify that the applicable environmental review has been completed and a Request for Release of Funds has been approved in accordance with [24 CFR Part 58](#), if applicable.

NOTE: Environmental regulations at [24 CFR 58.22](#) prohibit recipients and any other participants in the development process from committing HUD funds to a project until the environmental compliance review process has been successfully completed and until receipt of the Authority to Use Grant Funds, if applicable. In addition, until the environmental compliance review process has been successfully completed and until receipt of the Authority to Use Grant Funds, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

6.3 Do I need a regulatory waiver to incur Pre-Award Costs for CDBG or HOME grants?

No. In previous FYs and prior versions of this Notice, HUD attached a regulatory waiver concerning Pre-Award Costs for CDBG grantees and HOME PJs. However, under the new 2025 HOME rule,²⁸ regulatory provisions at 24 CFR Part 570 and 24 CFR Part 92 were updated to account for the late appropriation issue, which impacted Pre-Award

²⁸ HOME Investment Partnerships Program: Program Updates and Streamlining, [90 Fed. Reg. 746](#) (Jan. 06, 2025)

Costs for the CDBG and HOME programs. The regulatory waiver HUD attached in prior Consolidated Plan Notices is no longer necessary.

In the new HOME rule, HUD added a new [24 CFR 570.200\(h\)\(3\)](#) to make the effective date of the Grant Agreement, in a year when an annual appropriation occurs less than ninety days before a grantee's PY start date, the earlier of either the PY start date or the date that the Consolidated Plan is received by HUD. This change better aligns CDBG with the new HOME program regulation at [24 CFR 92.212\(b\)\(2\)](#) and continues practices implemented through the annual regulatory waivers attached to prior Consolidated Plan Notices.

6.4 What specific provisions apply for each of the five CPD formula grant programs?

6.4.1 CDBG Program: Specific Pre-Award Costs provisions

CDBG Program regulations at [24 CFR 570.200\(h\)](#) specify when CDBG grantees may be reimbursed for Pre-Award Costs. CDBG grantees intending to incur Pre-Award Costs are cautioned that waiting for your actual grant amounts before carrying out citizen participation for your plan(s) is not likely a feasible alternative (this is Option 2 described in [SECTION 5.5](#)). If you intend to incur Pre-Award Costs, you should carry out citizen participation for your plan(s) using estimated grant amounts (this is Option 1 in [SECTION 5.4](#)).

1. [24 CFR 570.200\(h\)](#) defines the effective date of your CDBG grant agreement as either 1) your jurisdiction's PY start date OR 2) the date that your Consolidated Plan/Action Plan is received by HUD (whichever is later). However, the effective date of your grant agreement may also be modified based on [24 CFR 570.200\(h\)\(3\)](#), which states: *"In a Federal fiscal year when an annual appropriation is signed into law less than 90 days before a grant recipient's program year start date, the effective date of the grant agreement will be the earlier of the recipient's program year start date or the date that the Consolidated Plan incorporating the recipient's allocation amount for the Federal fiscal year is received by HUD."*
2. [24 CFR 570.200\(h\)\(1\)](#) identifies a list of conditions under which Pre-Award Costs are eligible for CDBG grantees and subrecipients.
3. [24 CFR 570.200\(h\)\(2\)](#) identifies two circumstances in which a CDBG grantee must obtain written approval (waivers) from HUD authorizing payment for Pre-Award Costs. These circumstances are if CDBG grantees seek to:
 - 1) make payments for Pre-Award Costs after the first two program years following the effective date of their grant agreement (waiver for [24 CFR 570.200\(h\)\(1\)\(v\)](#))
 - 2) exceed the total dollar amount of Pre-Award Costs that may be paid during any program year (waiver for [24 CFR 570.200\(h\)\(1\)\(vi\)](#))

6.4.2 HOME Program: Specific Pre-Award Costs provisions

HOME Program regulations ([24 CFR 92.212](#)) specify when a PJ may be reimbursed for Pre-Award Costs. Under [24 CFR 92.212\(d\)](#), PJs can also authorize subrecipients or State recipients to incur these Pre-Award Costs with written authorization.

1. Pre-Award admin and planning costs: [24 CFR 92.212\(b\)\(1\)](#) states that HOME PJs may incur eligible administrative and planning costs as of the beginning of their consolidated program year (PY start date) OR 2) the date that their Consolidated Plan is received by HUD (whichever is later). However, this may be modified by [24 CFR 92.212\(b\)\(2\)](#), which states: *“In any year in which an appropriation has not been enacted 90 days before a participating jurisdiction’s program year start date, a participating jurisdiction may incur eligible administrative and planning costs as of the beginning of its program year or the date that HUD receives its consolidated plan describing the HOME allocation to which the costs will be charged, whichever is earlier.”* (Emphasis added.)
2. Pre-Award Project Costs: [24 CFR 92.212\(c\)](#) allows a PJ to incur eligible project costs before the effective date of their HOME Grant Agreement if the PJ fulfills certain planning requirements, which allows a PJ to initiate projects earlier. These project costs are charged to the PJ’s next FY grant and are capped at 25% of the PJ’s current FY grant. PJs must comply with citizen participation requirements, create a *“mini-action plan”* detailing proposed projects and costs, and ensure all costs meet HOME requirements, including environmental reviews. PJs may also seek a waiver from their local CPD field office to exceed these allowable project cost amounts, per [24 CFR 92.212\(e\)](#).

6.4.3 HTF Program: Specific Pre-Award Costs provisions

HTF grantees may be reimbursed for Pre-Award Costs permitted under [2 CFR 200.458](#) for planning activities and preparation of the HTF allocation plan. Eligible Pre-Award Costs may include the cost of public hearings, consultations, and publication of public notices, as well as developing program guidelines. Such costs must be necessary for efficient and timely performance of the HTF Program. The costs and corresponding activities must comply with all HTF requirements, including environmental review requirements at [24 CFR 93.301\(f\)](#).

6.4.4 ESG Program: Specific Pre-Award Costs provisions

An ESG grantee may be reimbursed for costs incurred before their grant’s period of performance, subject to the general conditions described in [SECTION 6.2](#), plus these conditions:

1. Other than the date they are incurred, the costs and corresponding activities must comply with the ESG Program regulations at [24 CFR Part 576](#).

2. The costs and corresponding activities must comply with environmental review requirements. In accordance with these requirements and section 100261(3) of the [MAP-21 Act](#), [24 CFR 576.407\(d\)](#) does not apply. Recipients assume environmental review responsibilities under [24 CFR Part 58](#).

6.4.5 HOPWA Program: Specific Pre-Award Costs provisions

A HOPWA formula grantee may be reimbursed for costs incurred before the period of performance of its grant, subject to the general conditions described in [SECTION 6.2](#), plus these conditions:

1. Other than the date they are incurred, the costs and corresponding activities must comply with HOPWA Program regulations at [24 CFR Part 574](#).
2. The costs and corresponding activities must comply with environmental review requirements at [24 CFR 574.510](#) and [24 CFR Part 58](#).