



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

OFFICE OF COMMUNITY PLANNING  
AND DEVELOPMENT

JUN 30 2010

MEMORANDUM FOR: Regional Environmental Officers  
Field Environmental Officers

FROM: Robert Groberg, Acting Director, Office of Environment and  
Energy, DGE *Robert Groberg*

SUBJECT: Acquisition/Resale Activities Determined to have "No Potential to  
Cause Effects" to Historic Properties

In accordance with 36 CFR § 800.3(a)(1), the Department has determined that the following activities, funded by NSP Rounds 1 and 2, carried out either by Responsible Entity (RE) grantees under 24 CFR Part 58 or by non-profit grantees under 24 CFR Part 50, have "no potential to cause effects" to historic properties. Consequently, the REs and HUD have no further obligations under Section 106 of the National Historic Preservation Act (16 U.S.C. 470f) and may proceed with the activity.

- Acquisition of *move-in ready* residential property that has been abandoned or foreclosed upon, for the sole purpose of reselling it to a third-party home-buyer for continued use as a residence (there cannot be any intermediate use). The grantee **must not perform** any repair or rehabilitation work on the acquired property. However, the grantee may perform only routine maintenance, such as changing the locks, repainting, updating appliances, etc. (see previous memorandum on maintenance, dated March 28, 2006, at <http://www.hud.gov/offices/cpd/environment/review/maintmemo.pdf>).
- Individual acquisitions of *substantially completed, but never occupied* residential property that has been abandoned or foreclosed upon, for the sole purpose of reselling it to a third-party home-buyer for use as a residence. The grantee may perform only the minimal construction (including minimal ground disturbance) required to obtain a local occupancy permit.

Once the third-party home-buyer has closed on the property, the activity ceases to be a federal action for the purposes of Part 50 or 58.

In terms of completing the environmental review record, REs and HUD may document the acquisition activity as being in compliance with historic preservation requirements (i.e., "no potential to cause effects," § 800.3(a)(1)), cite this memorandum, and explain how the activity falls into one of the two categories described herein.

This memorandum applies to activities assisted with NSP1 and NSP2 funds, and to activities assisted with CDBG, CDBG-R, or HOME funds *only* when used in conjunction with NSP1 or NSP2 funds. If you have any questions on this, please contact Mr. David Blick, Deputy Federal Preservation Officer, at (202) 402-5718, or by email at [David.G.Blick@hud.gov](mailto:David.G.Blick@hud.gov).