



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**OFFICE OF THE DEPUTY SECRETARY**  
WASHINGTON, DC 20410-0050

September 23, 2011

MEMORANDUM FOR: The Deputy Secretary

THROUGH:   
Estelle B. Richman, Chief Operations Officer, SD

FROM: Peter J. Grace, Director, Office of Strategic Planning and  
Management, X 

SUBJECT: Environmental Assessment and Finding of No Significant Impact (FONSI) under the National Environmental Policy Act for Issuance of Notice of HUD's Fiscal Year (FY) 2012 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2012 NOFAs for Discretionary Programs (FR-5600-N-01)

It is the finding of the Office Strategic Planning and Management that the attached Notice of HUD's Fiscal Year (FY) 2012 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2012 NOFAs for Discretionary Programs does not constitute a major federal action having an individually or cumulatively significant effect on the human environment and, therefore, does not require the preparation of an environmental impact statement.

For FY2012, HUD plans to publish NOFAs for its various competitive programs as they are approved for publication and not in a combined "SuperNOFA." However, HUD is publishing the General Section for the Department's FY2012 NOFAs in advance of the individual NOFAs so that potential applicants can become familiar with the Department's threshold requirements, strategic goals, policy priorities, and other requirements prior to the release of the program-specific NOFAs. The General Section does not itself provide for any funding, but contains the general policy requirements that will apply to all HUD programs for which individual FY2012 NOFAs will be published. The environmental impact of each

individual NOFA will be considered in a separate environmental assessment prepared for each NOFA that is not categorically excluded from such review.

The General Section includes application procedures and instructions, threshold requirements, additional nondiscrimination and other requirements, and the review and selection process, including HUD's strategic goals and policy priorities and standard rating factors (which may be tailored in individual NOFAs). The General Section includes an Environmental Requirements section that advises recipients that they are generally prohibited from acquiring, rehabilitating, converting, demolishing, leasing, repairing or constructing property, or committing or expending HUD or non-HUD funds for these activities, until HUD has completed an environmental review in accordance with 24 CFR part 50 or, for programs subject to 24 CFR part 58, until HUD has approved a Request for Release of Funds following a Responsible Entity's completion of an environmental review. This section also advises applicants to consult the individual program NOFA for more specific procedures applicable to that program. Thus, the environmental effects of activities funded at specific sites will be evaluated in accordance with the environmental procedures specified in the separate FY 2012 NOFA to be published for each program.

The General Section notes the applicability, to state and local government agency recipients and their contractors, of statutory requirements to purchase recovered materials in accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. This is a statutory requirement and does not represent a change in applicability of the statute from previous years.

The General Section also notes HUD's policy priority of sustainability, under which a recipient's activities actively promote sustainability through energy-efficient, environmentally friendly, healthy design, including elements of visitability and universal design. For applicable projects, regional- or metropolitan-level strategies would be employed to increase location efficiency and disaster resiliency. To receive points for this policy priority, applicants must, among other things, produce activities that exceed requirements of the NOFA to which they are applying, detailing how they will achieve outcomes in areas such as:

(a) Neighborhood Sustainability Standards. Identify projects or activities consistent with adoption of LEED 2009 for Neighborhood Development (LEED-ND) Rating System or a similar neighborhood sustainability standard.

(b) Combined Housing and Transportation Cost Burden. Prioritize the reduction of the proportion of residents in the affected project area or development who will face a combined housing and transportation cost burden of 45 percent of their average household income. Estimate the proportion of residents of the affected project area or development currently facing this cost burden (based on a calculator such as the Center for Neighborhood Technology's calculator located at <http://htaindex.cnt.org/>) and estimate the proportion of residents who will have their cost burden reduced below 45 percent as a result of actions undertaken by the grantee.

(c) Energy Efficiency and Green Development. Identify the number of buildings that will be built or rehabilitated to a recognized green building rating standard by utilizing one of several recognized green rating programs for new construction or substantial rehabilitation, including such programs as the Energy Star Plus Indoor Air Package or Energy Star Advanced New Home Construction; Enterprise Green Communities Initiative; the NAHB Green Building Standards; LEED for Homes (for single family); LEED New Construction (for multifamily or commercial development); as well as regionally or locally recognized green standards such as Earthcraft or Built Green.

(d) Healthy Design. Identify the number of buildings that will be built or rehabilitated incorporating healthy design features that meet or exceed the mandatory requirements identified in a green building standard such as the Enterprise Green Communities “Healthy Living Environment” criteria (Category 7) or similar requirements in other national or locally recognized green rating programs.

(e) Universal Design/Visitability. Identify the number of disability-accessible proposed housing projects, retail establishments, and/or community facilities to be created or rehabilitated incorporating universal design or visitability standards and which exceed accessibility requirements. Universal design is the design of the living environment to be usable by all people regardless of ability. More information about universal design can be found at (<http://www.universaldesign.org/>). Visitability means that there is at least one entrance at grade (no steps), approached by an accessible route such as a sidewalk, and that the entrance door and all interior passage doors are at least 2 feet, 10 inches wide, allowing 32 inches of clear passage space. A visitable home also serves persons without disabilities, such as a mother pushing a stroller or a person delivering a large appliance. More information about visitability is available at (<http://www.visitability.org/>).

(f) Measuring energy efficiency. Identify how the applicant will collect and utilize data about energy load, usage, and costs in a systematic fashion to set energy reduction goals and manage energy use in properties.

The General Section also notes that for FY2012, HUD anticipates that in ranking applications, a number of programs will award 2 bonus points to applicants that are working in the following ways with communities that have received Preferred Sustainability Status under the HUD Sustainable Communities Regional Planning Grant Program and/or the HUD funded Challenge Grant Program:

(1) The applicant is engaged in activities that, in consultation with the designated Point of Contact of the HUD designated Preferred Sustainability Status Community, further the purposes of the Regional Planning Grant Program or the Challenge Grant Program; and

(2) The applicant's proposed activities either directly reflect the Livability Principles cited and contained in the General Section<sup>1</sup> or will result in the delivery of services that are consistent with the goals of the Livability Principles; and

(3) The applicant has committed to maintain an on-going relationship with a HUD Preferred Sustainability Status Community for the purposes of being part of the planning and implementation processes in the designated area.

The sustainability policy priority will be incorporated as a factor for award in appropriate programs for which individual FY2012 NOFAs will be published. This policy priority should result in a positive impact on the environment, through project design intended to reduce or minimize building and/or transportation energy use and consequent generation of greenhouse gases, reduce or minimize storm water runoff, etc., when applied to programs to be announced in HUD NOFAs for FY2012. However, the impact of the policy will depend on which programs adopt this policy priority as a rating factor, and ultimately on which assisted projects incorporate such design features, standards and measures. Similarly, the application in certain programs of bonus points to applicants working with Preferred Sustainability Status Communities should result in a positive impact on the environment through greater likelihood of award to applicants working with such communities on activities reflecting the Livability Principles. However, the impact of the bonus points will depend on which programs adopt the bonus points and the extent to which selected projects incorporate the Livability Principles. After particular projects are identified as projects proposed to receive HUD assistance under these programs, the impact of such projects will be assessed in accordance with HUD's environmental procedures referenced above.

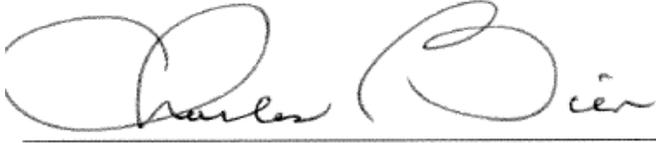
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<sup>1</sup> The Livability Principles are: (1) Provide more transportation choices; (2) Promote equitable, affordable housing; (3) Enhance economic competitiveness; (4) Support existing communities; (5) Coordinate policies and leverage investment; and (6) Value communities and neighborhoods. Implementation of these principles should tend to increase positive environmental impacts. The full description of the first principle as set out in the General Section is as follows: "Provide More Transportation Choices. Develop safe, reliable, and economical transportation choices to decrease household transportation costs, reduce our Nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health." The second principle includes the expansion of location- and energy-efficient housing choices.

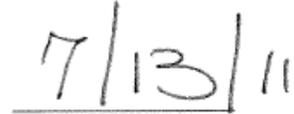
For the reasons stated above, the Office of Strategic Planning and Management finds that publication of the attached General Section to the Department's FY2012 program NOFAs does not have the potential for significant impact on the human environment.

Attachment

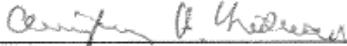
Concurrences:



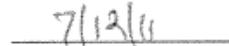
Charles Bien, Environmental Clearance  
Officer, Office of Environment and Energy, DGE



Date

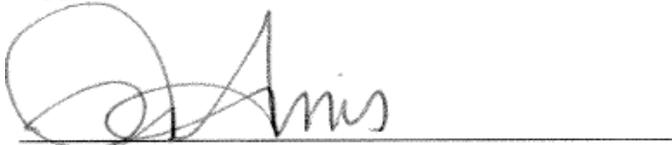


Christopher H. Hartenau, Environmental Clearance  
Officer, Office of General Counsel, CAGDB

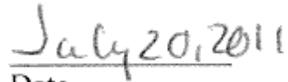


Date

Approval:



Ron Sims, Deputy Secretary, SD



Date