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

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

SEP - 9 2014

MEMORANDUM FOR: Clifford Taffet, General Deputy Assistant Secretary for Community Planning and Development, D

FROM: Stanley Gimont, Director, Office of Block Grant Assistance, DGB

SUBJECT: Environmental Assessment and Finding of No Significant Impact Under the National Environmental Policy Act for the Issuance of a Notice of Funding Availability for National Disaster Resilience Competition, 2014 (FR-5800-N-29)

It is the finding of this Office that issuance of the attached Notice 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.

The Notice advises the public of application procedures, program requirements, alternative requirements, and the waivers of regulations granted to grantees under the Community Development Block Grant National Disaster Resilience (CDBG-NDR) competition. The CDBG-NDR competition will competitively allocate funds appropriated by the Disaster Relief Appropriations Act of 2013 (Public Law 113-2) for the purpose of assisting in disaster relief and long-term recovery from major disasters declared under the Stafford Act (42 U.S.C. 4121 et seq.) in 2011, 2012, and 2013. The appropriations act appropriated $15.2 billion for CDBG (post-sequester) and HUD has allocated more than $14 billion to date, and this CDBG-NDR competition makes approximately $1 billion available for two phases of the competition.

The first phase requires applicants to comprehensively consider their disaster relief response in terms of their ability to rebound from future events in light of reasonably foreseeable future conditions. These concepts must demonstrate a logical link, or tie-back, to the unmet recovery need from the presidentially-declared disaster. The expected activities in this phase are planning and outreach. The highest-scoring applicants will compete in the second phase for implementation funding. The proposed Phase 2 project may be a pilot for the overall Phase 1 solution, may be limited to the CDBG-NDR-eligible portion of a Phase 1 concept that would benefit a larger geography than the most impacted and distressed target area, or may be a stand-alone portion of a project envisaged in Phase 1 that may take years or decades to completely realize.

The Notice provides that, except as described in the Notice, statutory and regulatory provisions governing the CDBG program, including CDBG regulations at 24 CFR part 570, shall apply to the use of these funds. The CDBG-NDR funds are intended to fill gaps to address unmet needs. Applicants must explain how their proposals meet CDBG program eligibility and a national objective.

The following paragraphs describe the principal waivers and alternative requirements in the Notice.

This Notice provides an alternative requirement to 42 U.S.C. 5304(a)(2) and (3), to expedite distribution of grant funds and to provide for expedited citizen participation. Provisions of 42 U.S.C. 5304(a)(2) and (3), 42 U.S.C. 12707, 24 CFR 570.486, 91.105(b) and (c), and 91.115(b) and (c), with respect to following the citizen participation plan, are waived to the extent necessary to allow the grantee to provide no fewer than 15 calendar days for citizen comment on Phase 1 and 30 days for Phase 2.

The Notice specifies that HUD will not fund any project for which the benefits are not demonstrated to at least equal the costs. Further, the Notice requires for Covered Projects a Benefit Cost Analysis in Phase 2 similar to that required of "Rebuild By Design" applicants as well as applications for major projects to Federal Emergency Management Agency and Department of Transportation to provide a sense of the cost efficiency of proposals.

The Secretary has waived the requirement that 70 percent of the aggregate of a regular CDBG program's funds be used to support activities benefitting low- and moderate-income persons (42 U.S.C. 5301(c)) and imposed an alternative overall benefit requirement. For each CDBG-NDR grant, at least 50 percent of the funds from each grant must be used to assist activities that benefit low- and moderate-income persons. Grantees may seek to reduce the overall benefit requirement below 50 percent of the total grant, but this requirement will not be reduced unless the Secretary specifically finds that there is a compelling need to further reduce the threshold.

Conclusion

Eligible activities under the Notice include property acquisition and sales and physical development activities that may have an environmental impact. However, the recipients' specific uses of funds under the Notice are not known at this time. Assistance under the CDBG program, including the CDBG-NDR, is subject to the environmental review requirements of 24 CFR part 58. The regulation requires state and local government recipients to prepare environmental reviews regarding specific proposed uses of the funds at specific properties prior to the commitment of funds to any choice-limiting actions[1]. Accordingly, any impacts arising from program activities would be localized and addressed at the appropriate time in the appropriate environmental reviews by recipients. In addition, the waivers and alternative requirements provided in this Notice do not involve a development decision with respect to any particular project or site.

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[1] In the regular State CDBG program, states distribute CDBG funds to units of general local government, and take on HUD's role in receiving environmental certifications from grant recipients and approving requests for releases of funds. However, under the CDBG-NDR program, the states may also implement CDBG activities directly. When states carry out activities directly the States must submit an environmental certification and request for release of funds to HUD for approval in accordance with 24 CFR 58.4.

Accordingly, this Office finds that issuance of this Notice is not a major Federal action having a significant impact on the human environment.

Attachment

Concurrences:

Danielle L. Schopp
Director
Office of Energy and Environment

9/8/14
Date

Christopher H. Hartenau
Environmental Clearance Officer
Office of General Counsel

9/9/14
Date

Clifford Taffet
General Deputy Assistant Secretary for
Community Planning and Development

9/9/14
Date