

# Environmental Review User's Guide

## Release of Funds Process



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## Table of Contents

	<u>Page</u>
I. Policy	3
Responsibilities of the Recipient	3
Release of Funds	3
Conditional Commitment of CDBG or HOME Funds	4
Timing	4
Emergency Situations	4
II. Definitions	5
III. Process	7
Identifying the Scope of the Undertaking (Aggregation)	7
Determining the Classification of Environmental Review	7
Environmental Review Record (ERR)	10
Special Instructions for Scattered Site Projects	12
Contacting Other Entities	13
Contact with IHCDA Regarding Historic Review	13
Findings	14
Environmental Impact Statement (EIS)	14
IV. Step-by-Step Process	15
Exempt and Categorically Excluded, Not Subject to 58.5	15
Categorically Excluded, Subject to 58.5 and Assessed	15
Single Site Projects	15
Scattered Site Projects	16
V. Forms & Timing of Notice	17
Categorically Excluded, Subject to 58.5	17
Assessed	17
Timelines	17
Sample Notices Included in This User Guide	18
Other Forms of Notice	19

### *List of Figures*

Figure 1. Overview of Process	6
Figure 2. Classification of Activities for Environmental Review	8
Figure 3. Examples of Various Undertakings and Their Classifications	9
Figure 4. Required Forms by Classification	11
Figure 5. ERR Process for Scattered Site Projects	12

## I. POLICY

The National Environmental Policy Act (NEPA) and “other Federal laws and authorities” require that an environmental review be conducted for all federally assisted actions (except those specifically exempted under 24 CFR Part 58.34, as described in this User Guide.)

IHCDA Programs subject to this part include Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME).

The environmental review is concerned with two complementary findings:

1. Whether the proposed undertaking will have an impact on the environment.
2. Whether the environment will have an impact on the proposed undertaking. For example, is there anything about the environment that would make it an unwise investment of Federal funds? In the case of housing, is the environment suitable for human habitation?

Further, applicants should note that the regulation implementing this requirement, 24 CFR Part 50: Protection and Enhancement of Environmental Quality, states as its purpose “protecting, restoring and enhancing environmental quality.” Thus, ideally a proposed undertaking will not just “not harm” the environment, but would actually protect it (by incorporating energy conservation measures, for example) or enhance it (perhaps by physical restoration/rehabilitation).

The applicant should look at the environmental review as a planning tool/process to:

1. Identify the existence of negative impacts on a project,
2. Consider means to mitigate negative impacts,
3. Consider alternatives to the project if needed, and
4. When all other options fail, to realize that rejection of the proposed undertaking may be the most prudent action to take.

## RESPONSIBILITIES OF THE RECIPIENT REGARDING ENVIRONMENTAL REVIEW

The chief executive officer of the recipient is responsible for ensuring that the environmental review process has been carried out according to the requirements of Section 102 of NEPA and the related provisions in 40 CFR Parts 1500 through 1508, and 24 CFR Part 58, including the related Federal authorities listed in 24 CFR 58.5. IHCDA will review the recipient’s environmental review record (ERR) to ensure that the review was carried out according to the environmental review regulations as provided in 24 CFR Part 58.

## RELEASE OF FUNDS

**The completion of the environmental review process is mandatory before taking a physical action on a site, or making a commitment or expenditure of HUD or non-HUD funds.**

Using any portion of Federal funds for acquisition, rehabilitation, conversion, leasing, repair or construction before completing the environmental review process requires the denial of any Federal funds for that project (24 CFR 58.22). Therefore, before committing or expending funds on a project (i.e. closing on a piece of property, signing a construction contract, etc.) it is imperative for the applicant to receive either a

Release of Funds or Pre-agreement Release of Funds letter from IHCDA. If this does not happen, IHCDA will be unable to provide funding for the project.

The recipient/sub-recipient may execute contracts and begin construction once IHCDA has notified the recipient in writing that IHCDA has authorized a "Release of Funds" for each budget line item.

## **CONDITIONAL COMMITMENT OF HOME OR CDBG FUNDS**

A recipient may enter into an agreement for the conditional commitment of HOME or CDBG funds for a specific project prior to the completion of the environmental review process. The responsible entity must ensure that any such agreement does not provide the state recipient, sub-recipient or contractor any legal claim to any amount of HOME or CDBG funds to be used for the specific project or site unless and until the site has received environmental clearance. The following language is acceptable in an otherwise appropriately drafted agreement:

Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by [not for profit, for profit or state recipient] of a release of funds from HUD or IHCDA under 24 CFR Part § 58. The parties further agree that the provision of any funds to the project is conditioned on the [not for profit, for profit or local unit of government] determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review.

## **TIMING**

The Environmental Review is intended to be a planning tool and should be started early alongside project planning. However, due to the differing requirements of award sources the ERR cannot be completed until the award program has been decided. Consequently, ERRs **will not** be accepted until the applicant has completed the Strategic Assessment phase for application of funds and has received an application number. Applicants will not be able to publish their public notice to request release of funds until after the award has been confirmed and the project timeline should be adjusted accordingly.

## **EMERGENCY SITUATIONS**

When the unit to be rehabilitated presents a serious threat to the occupant's health or safety, it may be necessary to repair or replace the specific items causing the threat prior to completing the Environmental Review process. The recipient must submit a request to IHCDA for a waiver of the Environmental Review requirements for the specific property. The request must be received from the chief executive officer of the recipient, and must be accompanied by a statement from a qualified building or fire inspector, public utility, or physician documenting the nature of the emergency.

Although IHCDA may allow for an emergency repair to occur prior to the completion of the Release of Funds, the recipient must then follow-through with a complete Environmental Review as described in this chapter. **When an emergency situation arises, the recipient should immediately contact the IHCDA Environmental Officer for assistance.**

## II. DEFINITIONS

**Certifying Officer** - The official who is authorized to execute the Request for Release of Funds and Certification and has the legal capacity to carry out the responsibilities of §58.13. For all programs this is the Executive Director of IHCDA.

**Environmental Impact** - Any alteration of existing environmental conditions, or creation of a new set of environmental conditions, caused or induced in whole or in part, directly or indirectly, by a proposed undertaking.

**Finding of No Significant Impact (FONSI)** - A document briefly presenting the reasons why an action, not otherwise categorically excluded or exempt, will not have a significant effect on the human environment and for which an Environmental Impact Statement, therefore, will not be prepared. The FONSI must include the environmental assessment (or summary of it) and note any other environmental documents related to it. If the assessment is included, the FONSI need not repeat any of the discussion in the assessment but may incorporate it by reference.

**Floodplain** - “Floodplain” means the Special Flood Hazard Area (SFHA) identified on the flood maps published by the National Flood Insurance Program (NFIP) by the Federal Emergency Management Agency (FEMA).

**Human Environment** - Interpreted comprehensively to include the natural and physical environment and the relationship of people with that environment. This means that economic or social effects are not intended by themselves to require preparation of an EIS. When an EIS is prepared and economic or social and natural or physical environment effects are interrelated, then the EIS will discuss all of these effects on the human environment.

**NOI/RROF** - Notice of Intent to Request Release of Funds.

**Project** - An activity or group of integrally related activities designed by the recipient to accomplish, in whole or in part, a specific objective [24 CFR 58.2(a)(4)].

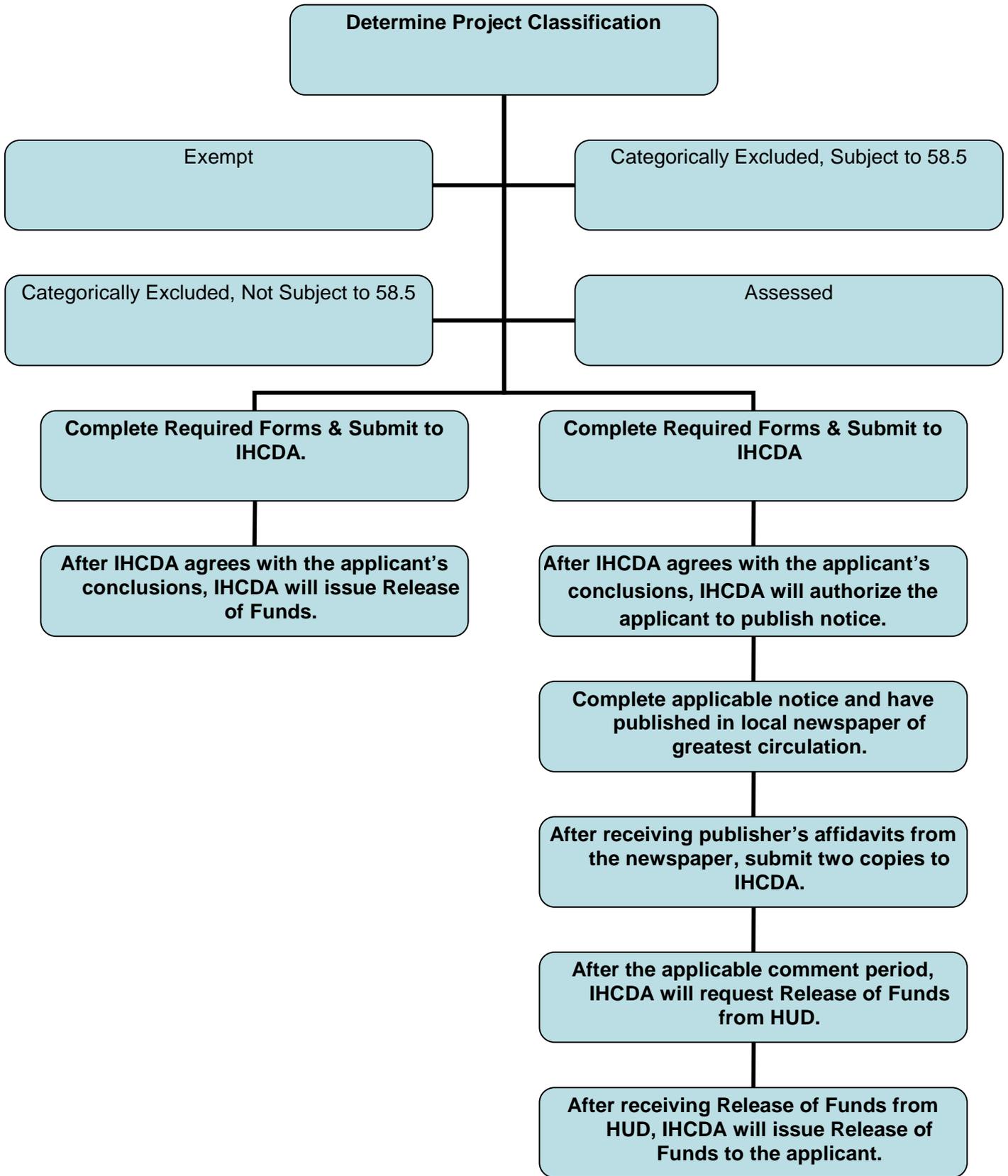
**Responsible Entity** – The local unit of government when it is the recipient under the program. For not-for profit or other entities the State (IHCDA) is the Responsible Entity. [58.2(a)(7)]

**ROF** - Release of Funds.

**RROF** - Request for Release of Funds.

**Undertaking** - A project, activity, or program funded in whole or in part under the direct or indirect jurisdiction of a Federal agency, including those carried out by or on behalf of a Federal agency; those carried out with Federal financial assistance; and those requiring a Federal permit, license or approval.

**Figure 1. Overview of Process**



## **II. PROCESS**

### **IDENTIFYING THE SCOPE OF THE PROJECT OR UNDERTAKING (AGGREGATION)**

Before the recipient can make a finding regarding the proposal in question, the recipient must first group together and evaluate as a single undertaking all individual activities that are related either geographically or functionally, or are logical parts of a composite of contemplated actions. This grouping of activities is known as aggregation and is more fully defined in 24 CFR §58.32.

When grouping activities, keep in mind that several sites, each requiring some degree of environmental review, may actually be one HOME or CDBG undertaking (for example, 40 owner-occupied units being rehabilitated could be one HOME or CDBG undertaking). For the environmental review, the recipient must group activities for the entire undertaking. In the case of scattered-site developments, some environmental factors will be considered on a project-wide basis while others will require site-by-site environmental analysis.

If at any time during the period of the HOME or CDBG undertaking it becomes necessary to substantially revise or amend the scope of work, it may be necessary to repeat the environmental review process to assess the impact of proposed changes. In these cases, your IHEDA Community Development Representative should be contacted for guidance.

### **DETERMINING THE CLASSIFICATION OF ENVIRONMENTAL REVIEW**

The recipient must determine whether the various activities of the undertaking fit the classification of: Exempt, Categorically Excluded - Not Subject to 58.5, Categorically Excluded - Subject to 58.5, or Assessed. The required process in order to obtain the Release of Funds will vary depending upon the classification of the undertaking.

To determine the classification of the undertaking, refer to Figure 2, Classification of Activities for Environmental Review. Also see Figure 3, Examples of Various Undertakings and Their Classifications.

**Figure 2. Classification of Activities for Environmental Review**

<p><b>EXEMPT (24 CFR 58.34)</b></p> <p>Activities that have no physical impact on the environment. This includes the following:</p> <ol style="list-style-type: none"> <li>1. Environmental and other studies</li> <li>2. Acquisition only developments {entire structure(s) must be up to code when using HOME funds} that require no rehabilitation.</li> <li>3. Information and financial services</li> <li>4. Administrative and management activities</li> <li>5. Inspections and testing of properties for hazards and defects</li> <li>6. Purchase of insurance</li> <li>7. Engineering and design costs</li> <li>8. Technical Assistance and training</li> <li>9. Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration.</li> <li>10. Payment of principal and interest on loans made or obligations guaranteed by HUD</li> <li>11. Public services that will not have a physical impact or result in any physical changes</li> </ol>	<p><b>CATEGORICALLY EXCLUDED, SUBJECT TO 58.5 [24 CFR 58.35 (a)]</b></p> <p>A category of actions that do not individually or cumulatively have a significant effect on the human environment. Categorically excluded activities include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• typically replace or improve existing facilities or structures, i.e., they retain the original usage of a structure or facility;</li> <li>• do not increase the size or unit density of the structure or facility being improved by more than 20 percent;</li> <li>• do not change land uses (commercial to residential); and</li> <li>• in the case of rehabilitation, the cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.</li> <li>• Acquisition or disposition of a property where the property will be retained for the same use.</li> </ul> <p>Examples of categorically excluded activities are as follows:</p> <ol style="list-style-type: none"> <li>1. Minor rehabilitation of an existing property (multifamily or single family);</li> <li>2. An individual action, such as new construction, major rehabilitation, moving or demolition, on a one to four family dwelling.</li> </ol> <p>[Development of five or more units located within 2,000 feet of each other undertaken as a single action (e.g., a subdivision), is not categorically excluded.]</p>
<p><b>CATEGORICALLY EXCLUDED, NOT SUBJECT TO 58.5 [24 CFR 58.35 (b)]</b></p> <p>HUD has determined that certain activities would not alter any conditions that would require an environmental review or compliance determination under Federal laws and authorities cited in §58.5. Examples include:</p> <ol style="list-style-type: none"> <li>1. Tenant-based rental assistance.</li> <li>2. Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buy downs, and similar activities that result in the transfer of title. <b>Warning:</b> homebuyer assistance for units not already under construction must be treated as a categorical exclusion requiring compliance with the authorities cited in §58.5.</li> <li>3. Housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities that do not have a physical impact.</li> </ol>	<p><b>ASSESSED [ 24 CFR 58.36]</b></p> <p>Activities which cannot be determined to be exempt under §58.34 or categorically excluded from NEPA under §58.35, or which involve a categorical exclusion with “extraordinary circumstances” under §58.2(a)(3), require that a full Environmental Assessment be conducted.</p> <p>An EA, using an Environmental Review Worksheet, is normally required for five or more units only if the sites are 2,000 feet apart or less and/or there are more than four units on a site. This includes:</p> <ol style="list-style-type: none"> <li>1. New construction of five or more residential units;</li> <li>2. Major rehabilitation and reconstruction of five or more residential units;</li> <li>3. Conversion of non-residential land use to residential land use; and</li> <li>4. Acquisition of vacant land for development when five or more units are involved.</li> </ol>

### **Figure 3: Examples of Various Undertakings and Their Classifications**

#### *Example 1:*

An architectural firm it hired to design HOME-assisted new construction town homes.

#### *Classification:*

The use of HOME funds is exempt under 58.34(a)(8).

#### *Example 2:*

A not for profit has been awarded HOME funds to provide down payment assistance and closing costs to homebuyers.

#### *Classification:*

Such use of funds is categorically excluded from the requirements of NEPA [§58.35(b)(5)] as long as the unit is existing or currently under construction, as this activity is not subject to any of the statutes cited under this section.

#### *Example 3:*

A multifamily building rehabilitated under the HOME program at a cost of \$450,000. The rehabilitation conducted did not involve a change of land use or a change in unit density by more than 20 percent. The replacement cost of the structure as determined by the insurance company providing coverage is \$1,500,000.

#### *Classification:*

The project is categorically excluded - subject to 58.5 . The project includes physical action and is therefore subject to additional related Federal laws and authorities. However, as the amount of the rehabilitation work is only 30% of the replacement cost [\$450,000/\$1,500,000]. The level of rehabilitation work allowed before the 75% maximum level is reached is \$1,125,000 [\$1,500,000\*75%] without reaching the level of Assessed activities.

#### *Example 4:*

A housing developer borrows \$2,000,000 in HOME funds to acquire a single parcel of 10 acres of land and construct 30 units of rental housing.

#### *Classification:*

Such a project is neither exempt nor categorically excluded from NEPA. The size of the project exceeds the thresholds of categorically excluded activities under §58.35(a)(4). Additionally, the proposed use of HOME funds for the project is not composed entirely of “soft costs” associated with exempt activities listed in §58.34. Consequently, the responsible entity must perform an Environmental Assessment in accordance with §58.36, as detailed at §58.40, before committing funds.



## **ENVIRONMENTAL REVIEW RECORD (ERR)**

The recipient must compile a written record of the environmental review completed under 24 CFR Part 58 for each undertaking. This written record is known as the Environmental Review Record (ERR), and must be submitted to IHCDA in accordance with the process in this User Guide. Submissions to IHCDA must be hardcopies. **No email submissions will be accepted unless previously authorized.**

In addition, the ERR must be made available for public review as a part of the Release of Funds Process. Therefore, it is important that a recipient be diligent about meeting all procedural requirements. Private citizens and organizations can object to the Release of Funds for HOME and CDBG undertakings on certain procedural grounds relating to the environmental review (24 CFR § 58.75).

The ERR must include a thorough description of the undertaking, including all activities that the recipient has determined to be part of the undertaking, as defined in 24 CFR § 58.2(a)(3) and 58.32.

### **The ERR must include:**

1. **Required Forms.** The forms required to be submitted to IHCDA will vary depending on the classification of the proposed undertaking. **To determine the required forms by classification, refer to Figure 4, Required Forms by Classification.**
2. **Source Documentation.** Required Source Documentation is described in each section of the Environmental Review Worksheet, and may include:
  - a. Maps
  - b. Written determinations from government entities as required by 24 CFR Part 58
  - c. Other (website print outs, etc.)

It is the recipient's responsibility to compile the ERR for submittal to IHCDA.

According to the authority granted by HUD[§58.4 & 58.18], IHCDA is responsible to review and approve each step of the environmental review process completed by the recipient.

**Figure 4. Required Forms by Classification**

<b>EXEMPT</b>	<b>CATEGORICALLY EXCLUDED, NOT SUBJECT TO 58.5</b>	<b>CATEGORICALLY EXCLUDED, SUBJECT TO 58.5</b>	<b>ASSESSED</b>
<p>Exhibit A, Environmental Review Record Summary Page</p> <p>Exhibit B, Environmental Review Record Checklist</p> <p>Exhibit C, Certificate of Exemption for HUD Funded Projects</p>	<p>Exhibit A, Environmental Review Record Summary Page</p> <p>Exhibit B, Environmental Review Record Checklist</p> <p>Exhibit D, Certificate of Categorical Exclusion, Not Subject to 58.5</p>	<p>Exhibit A, Environmental Review Record Summary Page</p> <p>Exhibit B, Environmental Review Record Checklist</p> <p>Exhibit E, Certificate of Categorical Exclusion, Subject to 58.5</p> <p>Exhibit F, Contact Sheet</p>	<p>Exhibit A, Environmental Review Record Summary Page</p> <p>Exhibit B, Environmental Review Record Checklist</p> <p>Exhibit F, Contact Sheet</p>
<p>Exhibit G, Environmental Review Worksheet</p>	<p>Exhibit G, Environmental Review Worksheet</p>	<p>Exhibit G, Environmental Review Worksheet</p>	<p>Exhibit G, Environmental Review Worksheet</p>
<p>Part 1, Requirement for ALL HUD-Assisted Activities</p> <p>Part 6, Signature Page</p>	<p>Part 1, Requirement for ALL HUD-Assisted Activities</p> <p>Part 6, Signature Page</p>	<p>Part 1, Requirement for ALL HUD-Assisted Activities</p> <p>Part 2, Compliance Factors, Non-Site Specific</p> <p>Part 3, Compliance Factors, Site-Specific</p> <p>Part 5, Findings</p> <p>Part 6, Signature Page</p>	<p>Part 1, Requirement for ALL HUD-Assisted Activities</p> <p>Part 2, Compliance Factors, Non-Site Specific</p> <p>Part 3, Compliance Factors, Site-Specific</p> <p>Part 4, Environmental Assessment</p> <p>Part 5, Findings</p> <p>Part 6, Signature Page</p>

**SPECIAL INSTRUCTIONS FOR SCATTERED SITE PROJECTS**  
**[for Categorically Excluded Subject to 58.5 and Assessed]**

When the project involves scattered sites, the recipient does not need to wait until all sites are identified to complete the ERR. In this case the ERR will be completed in two phases, as described in Figure 4, ERR Process for Scattered Site Projects. In Phase 1 the recipient will complete all of the forms that can be completed once the undertaking is identified. In Phase 2 the recipient will complete the forms that are specific to an individual site.

Publication should take place following Phase 1 of this process. It is not necessary to republish after completing the Environmental Review Worksheet for each individual site.

However, recipients are encouraged to submit complete ERRs as soon as individual sites have been identified. **No contracts or commitment of funds may be made to a specific site until after the individual site worksheets are approved.**

**Figure 5: ERR Process for Scattered Site Projects**

<b>Categorically Excluded Subject to 58.5</b>	<b>Assessed</b>
<b><i>For Phase 1 submit:</i></b>	<b><i>For Phase 1 submit:</i></b>
Exhibit A, Environmental Review Record Summary Page Exhibit B, Environmental Review Record Checklist Exhibit E, Certificate of Categorical Exclusion, Not Subject to 58.5 Exhibit F, Contact Sheet Exhibit G, Environmental Review Worksheet Part 1, Requirement for ALL HUD-Assisted Activities Part 2, Compliance Factors, Non-Site Specific Part 6, Signature Page	Exhibit A, Environmental Review Record Summary Page Exhibit B, Environmental Review Record Checklist  Exhibit F, Contact Sheet Exhibit G, Environmental Review Worksheet Part 1, Requirement for ALL HUD-Assisted Activities Part 2, Compliance Factors, Non-Site Specific Part 6, Signature Page
<b><i>For Phase 2 submit:</i></b>	<b><i>For Phase 2 submit:</i></b>
Exhibit A, Environmental Review Record Summary Page Exhibit B, Environmental Review Record Checklist Exhibit F, Contact Sheet Exhibit G, Environmental Review Worksheet Part 3, Compliance Factors, Site-Specific  Part 5, Findings Part 6, Signature Page	Exhibit A, Environmental Review Record Summary Page Exhibit B, Environmental Review Record Checklist Exhibit F, Contact Sheet Exhibit G, Environmental Review Worksheet Part 3, Compliance Factors, Site-Specific Part 4, Environmental Assessment Part 5, Findings Part 6, Signature Page

## **CONTACTING OTHER ENTITIES**

In some cases, the ERR forms direct the recipient to request comment on the proposal from other entities, such as local, state, or federal agencies.

To help these entities respond effectively to your request for comment, we suggest that your letter include a thorough description of the undertaking and a map to show the undertaking's location. Also include the source of all State and Federal funds (including CDGB or HOME), funding agencies (IHCDA, et.al.), and how best to contact you.

If there is more than one State or Federal funding program or agency involved in an undertaking, a single review may be prepared and adopted by multiple users to the extent that the review addresses the relevant environmental issues and there is a written agreement between the cooperating agencies.

A Contact Sheet is provided in **Exhibit F** to assist you in tracking your correspondence with the appropriate agencies. This Contact sheet should be submitted to IHCDA along with the Environmental Review Worksheet. If you have contacted the applicable agencies as directed by your environmental review worksheet, and you have not heard from them within 30 days, you may submit the ERR without their comments, if you include a copy of your correspondence to show your effort to solicit their comment.

### **CONTACT WITH IHCDA REGARDING HISTORIC REVIEW**

After the information regarding the presence of historic resources and the possible effects the undertaking will have on them has been gathered, the Responsible Entity must make a determination (or finding) of effect.

Once NFP or FP applicants receive a letter of determination of effect from IHCDA the Section 106 process will be complete.

LUG's will need to provide a letter of determination of effect from the Chief Executive Officer. Once the LUG applicant has received a letter of concurrence from the IHCDA Environmental Officer the Section 106 process will be complete.

Contact with IHCDA regarding Historic Review should be documented in Exhibit F, Contact Sheet.

## **FINDINGS [for Categorically Excluded Subject to 58.5 and Assessed]**

Both Assessed activities and activities which are Categorically Excluded, Subject to 58.5, are required to complete **Exhibit G, Part 5, Findings**.

The Findings are intended to be a thoughtful consideration of the information gathered in completing the ERR.

For projects which are Categorically Excluded, Subject to 58.5, the focus of the Findings is on Compliance.

For Assessed projects, the Findings also include an assessment of:

1. Feasible ways to eliminate or minimize adverse environmental impacts;
2. Alternatives to the project, if necessary;
3. An Assessment of one of the following:
  - a. Finding of No Significant Impact (FONSI)
  - b. Finding of Significant Impact, thereby requiring the execution of an Environmental Impact Statement (EIS).

## **ENVIRONMENTAL IMPACT STATEMENTS (EIS)**

An environmental impact statement is a complex analysis required for proposed activities that would have a significant impact on the human environment in accordance with section 102(2)(C) of the National Environmental Policy Act. EIS thresholds stated at §58.37(a) and (b)(2) include:

1. Projects determined by a previously written environmental assessment, to have a potentially significant impact on the human environment; and
2. Projects involving 2,500 or more units being: removed, demolished, converted, rehabilitated, or constructed.

If you determine that an EIS is required, please contact your IHCDA Community Development Representative for the procedures.

#### IV. STEP-BY-STEP PROCESS

##### **EXEMPT AND CATEGORICALLY EXCLUDED, NOT SUBJECT TO 58.5**

1. Complete the Environmental Review Record, including
  - a. All forms required by **Figure 4., Required Forms by Classification.**
  - b. Source Documentation as required by the forms.
  - c. Original signatures as required by the forms.
2. Submit a copy of the Environmental Review Record (ERR) to the IHCD A Environmental Officer.
3. Receive notice of ROF from IHCD A.
4. Once the recipient has received notification from IHCD A of Release of Funds for each budget line item of the award, the recipient may begin the HOME or CDBG undertaking.

##### **CATEGORICALLY EXCLUDED, SUBJECT TO 58.5 AND ASSESSED**

###### **SINGLE SITE PROJECTS**

1. Complete the Environmental Review Record, including
  - a. All forms required by **Figure 4, Required Forms by Classification.**
  - b. Source Documentation as required by the forms.
  - c. Original signatures as required by the forms.
2. Submit a copy of the Environmental Review Record (ERR) to the IHCD A Environmental Officer.
3. After IHCD A agrees with the applicant's conclusions, IHCD A will authorize the applicant to publish notice.
4. **After receiving authorization from IHCD A**, complete applicable notice (as described in this User Guide) and have published in their local newspaper of greatest circulation. Sample notices are provided in Chapter 3 of this User Guide. IHCD A can advise you of the applicable newspaper if necessary.
5. After receiving proof of publication from the newspaper, forward this to IHCD A.
6. Receive notice of ROF from IHCD A.
7. Once the recipient has received notification from IHCD A of Release of Funds for each budget line item of the award, the recipient may begin the HOME or CDBG undertaking.

## **SCATTERED SITE PROJECTS**

1. Complete the Environmental Review Record, including
  - a. Forms as described in **Figure 5: ERR Process for Scattered Site Projects**, under *Phase 1*.
  - b. Source Documentation as required by the forms.
  - c. Original signatures as required by the forms.
2. Complete Steps 2-7 as shown above as for Single Site Projects.
3. As individual sites are identified, complete the Environmental Review Record for the sites, including
  - a. Forms as described in **Figure 5: ERR Process for Scattered Site Projects**, under *Phase 2*.
  - b. Source Documentation as required by the forms.
  - c. Original signatures as required by the forms.
4. Submit a copy of the Environmental Review Record (ERR) (*Phase 2 items only*) to the IHCDA Environmental Officer.
5. After IHCDA agrees with the applicant's conclusions, IHCDA will issue the applicant a Release of Funds for the specific site.
6. Once the recipient has received notification from IHCDA of Release of Funds for each specific site, the recipient may begin the HOME or CDBG undertaking for that site.

## V. FORM & TIMING OF NOTICE

The form and timing of notice differs by:

- the classification of the project (Categorically Excluded Subject to 58.5 or Assessed); and
- the source of funds (CDBG or HOME).

### CATEGORICALLY EXCLUDED, SUBJECT TO 58.5

Projects which are Categorically Excluded Subject to 58.5 need only publish a **Notice of Intent to Request Release of Funds (NOI/RROF)**. The *NOI/RROF* indicates the recipient's intention to submit a Request for Release of Funds no sooner than 7 days following the publication of the notice. This gives the public or any interested entities at least 7 days to submit comments locally before any other action is taken.

The notice further establishes a minimum of 15 days during which the public may comment to IHCDA, after IHCDA has received the request. IHCDA must then wait a minimum of 15 calendar days after receipt of the Request for Release of Funds (RROF) for public comment prior to requesting release of funds from HUD.

### ASSESSED

Assessed projects must publish a **NOI/RROF** but also a **Finding of No Significant Impact (FONSI)**. For Assessed projects, IHCDA provides a **Combined Notice: Notice of Intent to Request a Release of Funds and Finding of No Significant Impact (NOI/RROF/FONSI)** as provided for under 24 CFR 58.44.

The *NOI/RROF/FONSI* states the "Finding of No Significant Impact" and indicates the recipient's intention to submit to IHCDA a Request for Release of Funds no sooner than 15 days following the publication date. This gives the public or any interested entities at least 15 days to submit comments locally before any other action is taken.

The notice further establishes a minimum of 15 days during which the public may comment to IHCDA, after the request has been received. IHCDA must then wait a minimum of 15 calendar days after receipt of the Request for Release of Funds (RROF) for public comment prior to requesting release of funds from HUD.

### PUBLIC NOTICE TIMELINES

All required minimum time periods are counted as calendar days. The first day of a time period begins on the day following the publication date of any notice (24 CFR § 58.21).

#### **Example Timeline – Categorically Excluded Subject to 58.5 (NOI/RROF only):**

March 15th	Publication date of <i>NOI/RROF</i>
March 16th - 22nd	Minimum 7-day local comment period
On or about March 23rd	Recipient forwards proof of publication to IHCDA
March 24th - April 7th	IHCDA 15-day comment period

On or about April 8th	IHCDA requests Release of Funds from HUD. (If LUG recipient, IHCDA may issue Release of Funds without an additional HUD review period.)
April 9 <sup>th</sup> -22 <sup>nd</sup>	HUD comment period
On or about April 23	IHCDA receives Release of Funds from HUD

**Example Timeline – Assessed Project (Combined NOI/RROF/FONSI):**

March 15th	Publication date of <i>NOI/RROF/FONSI</i>
March 16th - 30th	Minimum 15-day local comment period
On or about March 31st	Recipient forwards proof of publication to IHCDA
April 1st - April 15th	IHCDA 15-day comment period
On or about April 16th	IHCDA requests Release of Funds from HUD (If LUG recipient, IHCDA may issue Release of Funds without an additional HUD review period.)
April 17 <sup>th</sup> -30 <sup>th</sup>	HUD comment period
On or about May 1	IHCDA receives Release of Funds from HUD

**SAMPLE NOTICES PROVIDED IN THIS USER GUIDE**

**For Categorically Excluded Subject to 58.5:**

- 1) **Notice of Intent to Request Release of Funds (NOI/RROF) for CDBG Projects**
  - a. **Local Unit of Government (LUG)**
- 2) **Notice of Intent to Request Release of Funds (NOI/RROF) for HOME Projects**
  - a. **Local Unit of Government (LUG)**
  - b. **Not-For-Profit or For-Profit**

**For Assessed Projects:**

- 3) **Combined Notice: Notice of Intent to Request a Release of Funds and Finding of No Significant Impact (NOI/RROF/FONSI) for CDBG Projects**
  - a. **Local Unit of Government (LUG)**
- 4) **Combined Notice: Notice of Intent to Request a Release of Funds and Finding of No Significant Impact (NOI/RROF/FONSI) for HOME Projects**
  - a. **Local Unit of Government (LUG)**
  - b. **Not-For-Profit or For-Profit**

If you are a Not-For-Profit or For-Profit applying for CDBG funds under a limited-time program such as Disaster Recovery Grants, please contact your Community Development Representative, who can provide you with a CDBG notice for NFPs-FPs if necessary.

If you think there is a possibility that during the course of your project you may use both CDBG and HOME as a funding source, please contact your Community Development Representative, who can provide you with a combined CDBG & HOME notice if necessary.

### **OTHER FORMS OF NOTICE**

The recipient may wish to utilize additional efforts to inform the public, announcing the availability of the ERR for review. Such extra efforts could include holding public meetings or hearings locally, or maintaining mailing lists of persons interested in a particular action and notifying them of the availability of the environmental review record for local review and comment.