



National Environmental Policy Act (NEPA)

Requirements for HUD funded projects

All subrecipients awarded HUD funding must obtain environmental clearance under the National Environmental Policy Act (NEPA) prior to incurring costs, executing agreements or expending any funds on the project. Project allocation awards approved by the Board of Supervisors cannot be funded until these federal environmental and contract compliance conditions have been met. The Commission's Executive Director is designated by the Board of Supervisors as the Certifying Officer for all National Environmental Policy Act (NEPA) environmental review of CDBG, ESG and HOME-funded projects. Therefore, the Commission will determine and complete, or cause to be completed, the appropriate level of NEPA environmental review, the cost of which shall be the responsibility of the awardee and may be paid from the grant/loan funds allocated. The awardee must provide all requested information pertinent to completing the environmental review in a timely manner. Failure to do so will result in the reprogramming of the allocated funds to another project.

The applicant must provide the Commission with documentation verifying the satisfaction of any required environmental impact mitigation measures.

As applicable, the project also must receive local environmental clearance in accordance with the requirements of the California Environmental Quality Act (CEQA). The applicant must submit a copy of the CEQA clearance to the Commission.

Projects funded by the Community Development Commission typically fall into one of three categories: Exempt, Categorically Excluded or those requiring an Environmental Assessment. Projects that require an Environmental Impact Statement are generally not funded due the limitation of available funding.

Exempt Projects

Projects that are considered Exempt are, for the most part, administrative. Commission staff will prepare all documentation required by HUD for projects exempt from the NEPA requirements.

Categorically Excluded Projects

Projects that are Categorically Excluded fall into one of two sub-categories: those subject to additional laws and authorities, and those that are not. Projects that have little or no physical impact, such as tenant-based rental assistance, supportive services to low-income individuals and associated operating costs, homebuyer assistance and some affordable housing pre-development expenses are not subject to the additional laws and authorities, and much like exempt projects, Commission staff will prepare all documentation required by HUD.



Those projects that involve potentially greater physical impact, such as disturbance of the ground or renovation of a building can have a greater environmental effect and are subject to additional considerations. These projects require the completion of a more extensive statutory worksheet, including consultation with the State Historic Preservation Officer. Some projects may require that the results be offered for public comment, with a formal request for the release of funds submitted to HUD. Statutory worksheets are typically performed by the environmental consultant under contract with the CDC.

Environmental Assessments

More extensive projects, such as new construction, must undergo a more thorough environmental review in the form of an Environmental Assessment. This assessment consists of the consideration of other laws and authorities contained in the statutory worksheet, plus an additional evaluation of the impact the project will have on several facets of the human environment. The resultant study must be offered for public comment, and a formal request for release of funds submitted to HUD. Environmental Assessments are typically performed by the environmental consultant under contract with the CDC.

Commission staff will publish all required notices and obtain releases from HUD appropriate to the scope of the project. Some construction-related projects are undertaken in phases such as acquisition, design and predevelopment and finally, the actual construction. The expenditure of CDBG funds on the early stages is eligible only in relation to the eligibility of the completed project. Therefore, the environmental review process appropriate for the completed project must be undertaken for any phase of the project allocated funding.

The NEPA environmental review requirements are specific to each individual project. Please consult with Commission staff regarding the level and timeline of environmental evaluation relevant to your project.