



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

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

MEMORANDUM FOR: Matthew E. Ammon, Performing the Delegable Duties
of the Deputy Secretary, SD

THROUGH: David C. Woll Jr., Principal Deputy Assistant Secretary
for Community Planning and Development, D

FROM: Tennille Smith Parker, Director, Office of Disaster Recovery, DGR

Elizabeth S. Hendrix, Acting Deputy Assistant Secretary for Grant
Programs, DG

SUBJECT: Environmental Assessment and Finding of No Significant Impact
Under the National Environmental Policy Act for the Issuance of
the Memorandum: Revisions made to the Common Application,
Waivers, and Alternative Requirements for Community
Development Block Grant Disaster Recovery Grantees: The
Universal Notice published in the *Federal Register* (90 FR 1754)
and Clarifications to the Allocations for Community
Development Block Grant Disaster Recovery and
Implementation of the CDBG-DR Consolidated Waivers and
Alternative Requirements Notice Published in the Federal
Register (90 FR 4759).

It is the finding of the Office of Disaster Recovery that the issuance of the attached memorandum 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 memorandum governs Community Development Block Grant Disaster Recovery (CDBG-DR) funds subject to the Universal Notice (90 FR 1754). In January 2025, HUD allocated \$12,070,701,000 in CDBG-DR funds from the Disaster Relief Supplemental Appropriations Act, 2025 (Pub. L. 118-158) (“the 2025 Appropriations Act”) for unmet needs including additional mitigation activities for qualifying disasters occurring in 2023 or 2024. On January 15, 2025 an Allocation Announcement Notice (AAN) was put on public display and then published in the *Federal Register* on January 16, 2025 (90 FR 4759) (“January 2025 Notice”). That AAN made the requirements in the Universal Notice applicable to the funds announced in that notice.

The 2025 Appropriations Act, approved December 21, 2024, made available \$12,039,000,000 in CDBG-DR funds. The 2025 Appropriations Act also provided that the Department allocate any unobligated no-year balances remaining from Public Laws 108-324, 109-148, 109-234, 110-252, 110-329, 111-212, 112-55, and 113-2 (the “Prior Appropriations Acts”). The sum of all unobligated balances from these Prior Appropriations Acts was \$31,701,000, bringing the total available funding for 2023 or 2024 disasters to \$12,070,701,000.

These CDBG-DR funds are for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) (HCDA) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the “most impacted and distressed” areas resulting from a qualifying major disaster in 2023 or 2024.

The memorandum revises several sections of the Universal Notice (90 FR 1754), pursuant to the following executive orders:

- Memorandum for the Heads of Executive Departments and Agencies (90 FR 8245) (“Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis”), signed on January 20, 2025;
- Executive Order 14151 (90 FR 8339) (“Ending Radical and Wasteful Government DEI Programs and Preferencing”), signed on January 21, 2025;
- Executive Order 14173 (90 FR 8633) (“Ending Illegal Discrimination and Restoring Merit-Based Opportunity”), signed on January 21, 2025; and
- Executive Order 14224 (90 FR 11363) “Designating English as the Official Language of the United States,” signed on March 1, 2025.

A summary of the revisions to the Universal Notice can be viewed in Appendix A of this memorandum. Additionally, HUD will publish an updated version of the Universal Notice for grantees to download at https://www.hud.gov/program_offices/comm_planning/cdbg-dr/universal_notice_grantees. This version will include all revisions cited in this memo.

Findings of No Significant Impact (FONSIs) were prepared for the *Federal Register* notice published on January 8, 2025, at 90 FR 1754 and the *Federal Register* notice published on January 16, 2025, at 90 FR 4759. They are available online on HUD’s CDBG-DR website at https://www.hud.gov/sites/default/files/CPD/documents/Universal_Notice_FONSI_Signed.pdf and https://www.hud.gov/sites/default/files/CPD/documents/2023-2024_AAN_FONSI_Signed.pdf, respectively. The FONSIs remain applicable to those notices.

While the attached memorandum also includes procedures that are unrelated to environmental considerations (e.g., submission deadlines, action plan review, public website requirements, recordkeeping, etc.), the list below only includes revisions that are related to environmental considerations.

1. Subparagraph (iii) in Section “III.A.3. Required policies and procedures for housing programs” was amended by removing “building standards and codes.”
2. Section “III.B.10.c. Adoption of another Federal agency’s environmental review.” is amended by deleting a parenthetical with examples in the second paragraph and changing the statutory citation to a different section of the National Environmental Policy Act at the end of the statement that “the Secretary or a state may, upon receipt of a RROF and Certification, immediately approve the release of funds for an activity or project assisted with CDBG-DR funds if the recipient has adopted an environmental

review, approval, or permit under this section, or if the activity or project is categorically excluded, see 42 U.S.C. 4336(a)(2).”

3. Section III.B.10.f. “FFRMS floodplain and elevation” is amended by deleting it in its entirety.
4. The first paragraph of Section “III.D.5. Housing activities and standards.” is amended by deleting the second paragraph in its entirety.
5. Section “III.D.5.b. Standards for new construction, reconstruction, and rehabilitation.” is deleted in its entirety.
6. Section “III.D.5.b.(i). Standards for new construction and reconstruction of residential buildings.” is deleted in its entirety.
7. Section “III.D.5.b.(ii). Standards for rehabilitation of non-substantially damaged residential buildings.” is deleted in its entirety.
8. Section III.D.6. Infrastructure activities and standards. is amended by deleting the second paragraph and clarifying that all newly constructed infrastructure that is assisted with CDBG-DR funds must be designed and constructed to withstand the impacts of extreme weather events.
9. Section “III.D.6.d.(i). Alternative requirement when using CDBG-DR funds as the non-Federal match in a FEMA-funded project (building codes and standards)” is amended by deleting it in its entirety and eliminating the alternative requirement to allow grantees to use FEMA-approved building codes in that scenario.

The removal of these requirements or use of different terms returns CDBG-DR to its focus on recovery and mitigation for future disasters while ensuring compliance with applicable regulations and statutes governing the use of funds, regardless of whether they are explicitly included in the Federal Register notice. None of these changes will have a significant impact on the human environment, as they do not alter fundamental environmental protections or environmental review requirements or reduce existing safeguards. Specifically, the memorandum’s revisions fall into two key categories:

1. **Building Codes and Standards** – HUD removed requirements for grantees to follow specific building codes and standards, restoring flexibility for local and state governments to establish and enforce their own requirements. This change aligns with the principle of local control and does not diminish environmental protections, as state and local jurisdictions continue to enforce their respective building codes and standards, which may often incorporate resilience measures suited to local geographic conditions.
2. **Part 55 Requirements and FFRMS** – The memorandum removes references to the Federal Flood Risk Management Standard (FFRMS) but does not eliminate or weaken floodplain management and elevation requirements. Grantees remain legally responsible for compliance

with 24 CFR Part 55, ensuring continued adherence to federal floodplain protections and elevation standards. Therefore, this revision does not introduce any new environmental risks or reduce flood resilience measures.

Overall, these updates maintain essential environmental safeguards while allowing state and local governments the flexibility to adopt and enforce requirements best suited to their communities. Accordingly, none of these changes will have a significant impact on the human environment.

Assistance under the CDBG program is subject to the environmental review requirements of 24 CFR Part 58. Grantees, and units of general local government that are subrecipients of state grantees, are Responsible Entities (RE) that are responsible for completing environmental reviews on specific projects in accordance with Part 58. When the RE determines that the environmental review is complete, the RE must submit a Request for Release of Funds and Certification and receive approval from the Department or the state, if applicable, before it can commit funds or take any choice limiting action with respect to a project. Issuance of the notice does not constitute approval of any proposed projects. Any impacts arising from program activities would be localized and addressed in the appropriate environmental reviews prior to any choice-limiting actions.

Recipients of CDBG-DR funds that supplement other Federal assistance may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, so long as the actions covered by the existing environmental review, approval, or permit and the actions proposed for the CDBG-DR supplemental funds are substantially the same. Such adoption shall satisfy the responsibilities of the recipient with respect to such environmental review, approval, or permit.

Projects originally funded by another agency that are later supplemented with CDBG-DR do not have to supplement the other agency's environmental review with any HUD environmental requirements that differ from the originating agency. However, if the activity is modified so the other agency's environmental review no longer covers the activity, the grantee is required to reevaluate and supplement the other agency's environmental review to comply with all applicable HUD environmental regulations in 24 CFR part 58. The grantee's environmental review obligations are considered complete when adopting another agency's environmental review as outlined in this section. To be adequate:

1. The grantee must obtain a completed electronic or paper copy of the Federal agency's review and retain a copy of the full file in its environmental review record.

2. The grantee must review the scope of work completed by the Federal agency's review and verify that the scope of work is substantially the same with a memo to file in its environmental review record.

3. The grantee must notify HUD on the RROF (HUD-Form 7015.15) (or the state, if the state is acting as HUD under 24 CFR 58.18) that another agency review is being used. The grantee must include the name of the other Federal agency, the name of the project, and the date

of the project's review as prepared by the other Federal agency.

When permitted by the applicable appropriations acts, and notwithstanding 42 U.S.C. 5304(g)(2), the Secretary or a state may, upon receipt of a RROF and Certification, immediately approve the release of funds for an activity or project assisted with CDBG-DR funds if the recipient has adopted an environmental review, approval, or permit under this section, or if the activity or project is categorically excluded, see 42 U.S.C. 4336(a)(2).

The responsible entity must comply with section 106 of the National Historic Preservation Act of 1966 (54 U.S.C. 306108). Early coordination under section 106 is important to the recovery process and required by 24 CFR 58.5(a).

For these grants, HUD will allow a state grantee to also carry out activities directly, in addition to distributing funds to subrecipients that are units of general local government. Thus, per 24 CFR 58.4(b), when a state grantee carries out activities directly, the grantee must submit the Certification and Request for Release of Funds to the Department for approval. Grantees receiving an allocation of funds under the notice are encouraged to participate in an expedited and unified interagency review process as one means of expediting the implementation of disaster recovery projects.

Tiered environmental reviews, as described at 24 CFR 58.15, are a means of making the environmental review process more efficient by allowing parties to "eliminate repetitive discussions of the same issues at subsequent levels of review." *Id.* Tiering is appropriate when a responsible entity is evaluating a single-family housing program with similar activities within a defined local geographic area and timeframe (e.g., rehabilitating single-family homes within a city district or county over the course of one to five years) but where the specific sites and activities are not yet known. Public notice and the Request for Release of Funds (HUD-Form 7015.15) are processed at a broad level, eliminating the need for publication at the site-specific level. However, funds cannot be spent or committed on a specific site or activity until the site-specific review has been completed and approved. The Department encourages grantees as REs to develop a tiered approach to streamline the environmental review process whenever the action plan contains a program with multiple similar activities that will result in similar impacts.

Issuance of the notice does not constitute approval of any proposed projects. Before actions that could have a physical impact or limit the choice of alternatives may be taken, there will be an environmental review done under 24 CFR Part 58 (by a responsible entity) that will assess the potential environmental impacts in a local setting before the impacts or any choice limiting activities may take place. Accordingly, the issuance of the notice is deemed not to be a major Federal action having a significant impact on the human environment.

Concurrences:

Brian J. Schlosnagle
Environmental Clearance Officer
Disaster Recovery
Community Planning and Development

Date

Christopher H. Hartenau
Environmental Clearance Officer
Office of General Counsel

Date

Peter H. Huber
Departmental Environmental Clearance Officer

Date

Approve:

Matthew E. Ammon
Performing the Delegable Duties
of the Deputy Secretary
Department of Housing and Urban Development

Date

Attachment