



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

OFFICE OF COMMUNITY  
PLANNING AND DEVELOPMENT

MEMORANDUM FOR: James Arthur Jemison II, Principal Deputy Assistant Secretary  
for Community Planning and Development, D

THROUGH: Robin J. Keegan, Deputy Assistant Secretary for  
Economic Development, DE

FROM: Jackie Williams, Ph.D., Director, Office of Rural Housing  
and Economic Development, DED

SUBJECT: Environmental Assessment and Finding of No Significant Impact  
under the National Environmental Policy Act - Notice of Funding  
Opportunity for the Fiscal Year 2021 Self-Help Homeownership  
Opportunity Program (FR-6500-N-19)

It is the finding of the Office of Rural Housing and Economic Development that the Fiscal Year (FY) 2021 Self-Help Homeownership Opportunity Program (SHOP) Notice of Funding Opportunity (NOFO) 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 SHOP NOFO sets forth the requirements governing grants authorized for FY 2021 under section 11 of the Housing Opportunity Program Extension Act of 1996 (Public Law 104-120, as amended, 42 U.S. C. 12805 note). SHOP is a competitive program for which national and regional nonprofit organizations and consortia experienced in administering self-help housing programs are eligible to apply for funding. Due to the statutory limitation on eligible applicants, only three to five organizations have qualified previously to receive SHOP funds in any single year. HUD's authority for making funding available under the NOFO is the Consolidated Appropriations Act, FY 2021 (Public Law 116-260), enacted December 27, 2020.

SHOP funds are used to facilitate and encourage innovative homeownership opportunities by national and regional organizations on a geographically diverse basis through self-help housing programs that require significant sweat equity by the homebuyer. The grant funds will be used for land acquisition, infrastructure improvements, and related planning, administration and management costs (not to exceed twenty percent). Public and private leveraged funds are used for construction of the units, along with the low-income homebuyers' sweat equity and other volunteer labor.

Individual projects funded by these grants are generally not known at the time the grants are awarded and may not be known at the time sub-awards are made to local affiliates, but all activities assisted with SHOP funds are subject to environmental review in accordance with 24 CFR part 58, or part 50 when the unit of general local government within which the project is located declines, or is unable to perform the environmental review procedure under 24 CFR part 58 (as determined by HUD).

SHOP applicants and development participants may not undertake or commit HUD or non-

HUD funds to an activity that would limit reasonable choices or produce an adverse environmental impact until all required environmental reviews have been completed and HUD has approved the State or unit of general local government's environmental certification and Request for Release of Funds (RROF) under part 58, or the Grantee has received HUD's approval of the property under 24 CFR part 50, as applicable, except that in accordance with Section 11(d)(2)(A) of the Extension Act, an organization, consortium, or affiliate may advance non-grant funds to acquire land prior to completion of an environmental review and HUD's approval of the RROF and certification. However, any such advance is at the risk of the organization, consortium, or affiliate, and reimbursement from SHOP funds will depend on the result of the environmental review. The environmental impact of any construction or development activities will be assessed at the appropriate time.

Before actions that could have a physical impact or limit the choice of alternatives (other than acquisition) may be taken, there will be an environmental review done under 24 CFR part 50 (by HUD) or 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. Non-grant funds spent on acquisition for a project site that does not later pass environmental review will not be reimbursed with SHOP grant funds. Accordingly, this office concludes that the publication of this NOFO is not a major Federal action having a significant impact on the human environment.

Concurrences:

\_\_\_\_\_  
Liz Zepeda  
Acting Departmental Environmental Clearance Officer  
Office of Environment and Energy

Date\_\_\_\_\_

\_\_\_\_\_  
Lauren Hayes Knutson  
Program Environmental Clearance Officer  
Office of Community Planning and Development

Date\_\_\_\_\_

\_\_\_\_\_  
Christopher Hartenau  
Program Environmental Clearance Officer  
Office of General Counsel

Date\_\_\_\_\_

Approval:

\_\_\_\_\_  
James Arthur Jemison II  
Principal Deputy Assistant Secretary for Community Planning and Development

Date\_\_\_\_\_