



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

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

MEMORANDUM FOR: Claudette Fernandez, General Deputy Assistant Secretary,
Office of Community Planning and Development, D

FROM: Norm Suchar, Director, Office of Special Needs
Assistance Programs, DNS

SUBJECT: Environmental Assessment and Finding of No Significant Impact
under the National Environmental Policy Act – Notice of Funding
Opportunity for Fiscal Year 2025 Continuum
of Care Builds (FR-6900-N-25A)

The Department of Housing and Urban Development's (HUD) Office of Special Needs Assistance Programs finds that the Notice of Funding Opportunity (NOFO) for Fiscal Year (FY) 2025 Continuum of Care (CoC) Builds (FR-6900-N-25A) 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 purpose of this NOFO is to recompet the availability of FY 2023 funds for the CoC Builds program to submit new capital costs projects that include additional CoC Program funds to construct, acquire, or rehabilitate units of housing for individuals and families experiencing homelessness where at least one individual in the household has a qualifying disability. The authority for this NOFO is Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act, (42 U.S.C. 11381–11389) (the Act), and the CoC Program rule found in 24 CFR Part 578 (the Rule). The CoC Builds funds were authorized by the Consolidated Appropriations Act, 2023 (Public Law 117-328, approved December 29, 2022).

The CoC Builds program provides \$75,000,000 for competitive grants to target funding for CoC geographic areas to address and reduce the number of individuals and families experiencing homelessness by adding new units of permanent supportive housing (PSH) through new construction, acquisition, and rehabilitation (capital costs) through one-time CoC Builds awards under the CoC Program. Through this NOFO, HUD encourages CoCs to leverage funds provided for capital costs of new PSH units with other funding sources to maximize the amount of housing that can be created. No more than 20 percent of each award may be used for other eligible CoC Program activities (Section IV.B.1.b) and no more than 10 percent of an award may be used for project administration.

The Department has the following goals for this competition:

- Increase housing opportunities for people with high risk or levels of need.
- Increase the supply of permanent supportive housing units within CoC geographic areas to address individuals and families experiencing homelessness where one member of the household has a disability.
- Encourage coordination between housing providers, health care organizations, and social service providers.
- Ensure access to resources for projects to expand opportunities for new PSH units in States with populations less than 2.5 million.
- Ensure new PSH units are conveniently located near local services, e.g., walking distance, near reliable transportation services, provide access to telehealth.

The following are policy objectives specific to this NOFO:

- **Increasing Affordable Housing Supply.** The lack of affordable housing is the main cause of homelessness. This NOFO provides funding for new construction, rehabilitation, or acquisition that can increase PSH stock in a CoC's geographic area by adding new units.
- **Ensuring Access to Supportive Services and Public Services.** Providing supportive services to individuals and families experiencing homelessness, particularly for these households that also include a family member who has a disability.
- **Partnering with Housing, Health, and Service Agencies.** Using cost performance and outcome data, applicants should improve how all available resources are utilized to end homelessness. HUD encourages CoCs to maximize the use of mainstream and other community-based resources when serving individuals and families experiencing homelessness.

Notwithstanding 24 CFR 578.31 and 24 CFR 578.99(a) of the Rule, and in accordance with Section 100261(3) of MAP-21 (Pub. L. 112-141, 126 Stat. 405), activities under this NOFO are subject to environmental review by a responsible entity under the Departments regulations at 24 CFR part 58 or by HUD under 24 CFR Part 50.

1. Two types of projects are categorically excluded from review under the National Environmental Policy Act and not subject to 24 CFR 58.5 (CENST): All scattered-site projects where program participants choose their own unit and are not restricted to units within a pre-determined specific project site or sites are categorized in 24 CFR 58.35(b)(1) as CENST. This includes both tenant-based rental assistance and tenant-based leasing projects where program participants choose their own unit. An [Exempt/CENST](#) environmental review determination addressing the laws and authorities at 24 CFR 58.6 is only required for each project, not every unit.
2. For activities under a grant to a recipient other than a state or unit of general local government that generally would be subject to review under 24 CFR Part 58, HUD may make a finding in accordance with 24 CFR 58.11(d) and may itself perform the environmental review under the provisions of 24 CFR Part 50.
3. Irrespective of whether the responsible entity, in accordance with 24 CFR Part 58 (or the Department in accordance with 24 CFR Part 50) performs the environmental review, the recipient must supply all available relevant information necessary for the responsible entity (or HUD, if applicable) to perform for each property any required environmental

review. The recipient also must carry out mitigating measures required by the responsible entity (or the Department, if applicable) or select alternative property.

4. The recipient, its project partners, and their contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under this NOFO, or commit or expend HUD or non-HUD funds for such eligible activities under this NOFO, until the responsible entity (as defined by 24 CFR 58.2(a)(7)) has completed the environmental review procedures required by 24 CFR Part 58 and the environmental certification and Request for Release of Funds (RROF) have been approved or the Department has performed an environmental review under 24 CFR Part 50 and the recipient has received HUD approval of the property. The Department will not release grant funds if the recipient or any other party commits grant funds (i.e., incurs any costs or expenditures to be paid or reimbursed with such funds) before the recipient submits and HUD approves its RROF (where such submission is required), or the Department has completed the environmental review under 24 CFR Part 50 and notified the recipient of its approval of the project.

This office finds that issuance of this NOFO will not have a significant effect on the human environment because, prior to any recipient's commitment of funds for any activities that would have an environmental impact or limit the choice of reasonable alternatives, an environmental review of these activities under National Environmental Policy Act and related laws and authorities will be done. Thus, the environmental effects of activities assisted under this NOFO will be considered at the appropriate time and environmental impacts will be assessed in the local setting in which they will occur.

Concurrences:

BRIAN SCHLOSNAGLE Digitally signed by BRIAN SCHLOSNAGLE
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for

Lauren Hayes Knutson
Acting Environmental Clearance Officer
Office of Community Planning and Development

Date

PETER HUBER Digitally signed by PETER HUBER
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Peter Huber
Acting Director
Office of Environment and Energy
Departmental Environmental Clearance Officer

Date

CHRISTOPHER HARTENAU

Christopher Hartenau
Environmental Clearance Officer
Office of General Counsel

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and Urban Development, Office of General Counsel
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Date

Approval:

TENNILLE
PARKER

Claudette Fernandez
General Deputy Assistant Secretary
Office of Community Planning and Development

Digitally signed by: TENNILLE PARKER
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Government OU = Department of Housing and Urban
Development, Office of Community Planning and
Development
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TSParker signing for
C. Fernandez

05/16/2025

Date