



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

OFFICE OF COMMUNITY PLANNING  
AND DEVELOPMENT

**MEMORANDUM FOR:** Jemine Bryon, Deputy Assistant Secretary, DN

**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 (NEPA) – Notice of Funding Opportunity (NOFO) for Fiscal Years (FY) 2023 and 2024 Continuum of Care (CoC) Builds (FR-6800-N-25A)

It is the finding of this office that the Funding Opportunity (NOFO) for Fiscal Year (FY) 2024 Continuum of Care (CoC) Builds (FR-6800-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 announce the availability of FY 2023 and FY 2024 funds for the Continuum of Care (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 the CoC Program authorized by 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) and the Consolidated Appropriations Act, 2024 (Public Law 118-42, approved March 9, 2024).

The Continuum of Care (CoC) Builds (CoCBuilds) NOFO targets efforts within CoC geographic areas to address and reduce persons experiencing homelessness by adding new units of permanent supportive housing (PSH) through new construction, acquisition, or rehabilitation through one-time CoCBuilds awards under the CoC Program. Through the CoCBuilds NOFO, HUD is encouraging CoCs to leverage funds provided for construction, acquisition, or rehabilitation of new PSH units with other funding sources to maximize the amount of housing that can be directed to meeting the needs of individuals and families experiencing homelessness. PSH is permanent housing in which supportive services are provided to assist individuals with a disability and families where at least one household member has a disability and is experiencing homelessness to live independently. Additionally, no more than 20 percent of each award may be used for other eligible CoC Program activities associated with the PSH project (e.g., supportive

services, operating costs (Section IV.G.3 of the NOFO)), and no more than 10 percent of an award may be used for project administration.

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 HUD 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 HUD 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 HUD, 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 HUD has performed an environmental review under 24 CFR Part 50 and the recipient has received HUD approval of the property. HUD 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 HUD 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 NEPA 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:

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Omri Gross  
Environmental Clearance Officer  
Office of Community Planning and Development

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Date

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Kristin L. Fontenot  
Director  
Office of Environment and Energy

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Date

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Christopher Hartenau  
Environmental Clearance Officer  
Office of General Counsel

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Date

Approval:

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Jemine Bryon  
Deputy Assistant Secretary  
for Special Needs

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Date